The Weir Group PLC
Interim Report 2022

Contents

"Momentum continued to build through the first half as we won record orders, executed strongly and made meaningful progress in delivering our technology and sustainability roadmaps which underpin our growth and long term strategy. Ore production activities, the driver of our highly resilient aftermarket-focused business, were extremely favourable as commodity prices were well above incentive levels and customers ordered Weir solutions to unlock higher production and productivity. We enter the second half of the year with a strong order book and are managing through a complex operating environment successfully. As a result, we continue to expect to deliver strong growth in constant currency revenue and profit this year.

Today we are excited to be announcing a programme to transform our business processes capitalising on our now mining focused platform. We expect to realise £30m annualised run-rate savings by 2025, which will expand operating margins beyond 17% and maximise value for all stakeholders as we execute on the multi decade growth opportunity which lies ahead."

Jon Stanton, Chief Executive Officer

Record aftermarket orders and strong execution

New transformation programme to expand margins above 17%

Very strong demand for Weir mining equipment and spares

- Production trends and commodity prices supporting record AM orders[1] +23%
- Sustainable solutions driving OE demand; +18%[1] excl. prior year large one-off orders
- Increased order book and robust opportunity pipeline looking forward

Strong execution and pricing power; H1 adjusted operating profit of £168m, +15%

- Revenues[1] +18%; Q2 revenue[1] +20% sequentially; positive price and volume growth
- Input cost inflation mitigated; gross margins maintained
- H1 operating margins[3] 15.3%; sequential margin expansion in Q2

Working capital build to support order book

- Net debt to EBITDA of 2.0x
- Free operating cash flow to increase through H2; inventory unwind expected

Launched business process transformation programme

- £30m annualised run-rate savings by 2025
- FY23 operating margin[3] target of 17% underpinned; margins[3] beyond 17% thereafter

Outlook: continue to expect strong growth in FY22 constant currency revenue and profit

- Operating profit towards the upper end of the range of current analysts' expectations*
- Operating margin[3] expansion in line with prior guidance
- 80-90% free operating cash conversion

	H1 2022	H1 2021	As reported +/-	Constant currency[1] +/-
Continuing Operations[2]				
Orders[1]	£1,282m	£1,120m	n/a	+14%
Revenue	£1,096m	£900m	+22%	+18%
Adjusted operating profit[3,4]	£168m	£141m	+19%	+15%
Adjusted operating margin[3,4]	15.3%	15.6%	-30bps	-40bps
Adjusted profit before tax[3,4]	£143m	£118m	+20%	n/a
Statutory profit before tax[4]	£126m	£100m	+26%	n/a
Adjusted earnings per share[3,4]	40.5p	34.2p	+18%	n/a
Total Group				
Statutory profit after tax[4]	£92m	£181m	-49%	n/a
Statutory earnings per share[4]	35.6p	69.9p	-49%	n/a
Free operating cash conversion[3,4]	29%	71%	n/a	n/a
Dividend per share	13.5p	11.5p	+17%	n/a
Net debt[9]	£961m	£773m[8]	-£188m	n/a

*Company compiled consensus from 8 June 2022, Group Operating Profit range of £320m to £386m. For all other footnotes see page 8.

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

I am extremely proud of our performance through the first half of 2022, with Weir teams across the globe capitalising on highly favourable conditions in mining markets, executing strongly and delivering for our customers. Together, we have navigated a complex operating environment, delivered strong growth in revenue and operating profit, and created momentum that we are carrying into the second half of the year. We have delivered all this while continuing to put safety first, with TIR improving 27% year-on-year to 0.33. I would like to take this opportunity to thank my colleagues for their commitment and passion, and to contributing to the unique culture which makes Weir so special.

Following the sale of our Oil & Gas Division, 2022 marks our first full year as a business focused solely on mining technology. This is an inflection point for Weir. As we continue on the journey to make mining smarter, more efficient and sustainable, the benefits of focus are providing further opportunities for us to optimise and grow our business.

This is evident in our current performance and in our ambition to deliver further growth and margin expansion beyond 2023. It is also evident in our technology roadmap, and in our challenging sustainability targets that will enable the mining industry to deliver the natural resources needed to reach net zero.

Record AM orders and strong operational execution

Through the first half, conditions in mining markets were extremely favourable. Commodity prices across our main exposures of copper, gold and iron ore were well above incentive levels, and miners focused on maximising ore production, driving demand for our mining expendables. While large mining projects were slow to convert, we grew our installed base as customers ordered OE to expand and de-bottleneck existing mines. We saw particularly strong demand for our large mill circuit pumps, which have significant productivity and efficiency benefits relative to alternative solutions, and which will support future AM growth. Within infrastructure markets, activity and demand were stable at high levels.

Across mining markets demand was strong in all regions. Of note, we saw strength in North America, driven by an increase in activity in the Canadian oil sands, while in the US, miners sought to upgrade equipment as part of a wider theme to modernise and improve the efficiency of onshore assets. We also saw strong demand for aftermarket spares for our core Warman® centrifugal pump range, with year-on-year growth of over 20%, as miners maximised equipment utilisation.

The operating environment through the period was complex, driven by rising inflation, bottlenecks in global logistics channels and Covid-19 related disruptions. We continue to manage these complexities effectively and have passed through all input cost inflation, maintaining our gross margins. From a Covid-19 perspective, we have mitigated the impact of absenteeism and lockdowns, particularly during Q1, and the mandatory temporary closure of our ESCO foundry in Xuzhou, China, during April. The facility has since reopened and lost production volumes have been recovered through an increase in production during May and June. Our vertically integrated regional supply chain has protected us from some of the challenges in global logistics channels, and we have worked hard to ensure our customers have had continued access to mission critical equipment and spare parts to keep mines running.

The Group delivered strong order[1] growth with a 14% improvement year-on-year. Excluding Russia, this would have been 17%.

Demand for AM was particularly strong, with constant currency orders growing 23% relative to the prior year. This reflected strong mining activity, the impact of year-on-year price increases and, within ESCO, a contribution from our recent acquisitions.

With respect to OE, excluding the £36m Ferrexpo HPGR and £32m Indonesia electric pump orders from the prior year comparator, constant currency orders were up 18%. OE orders[1] were also up 6% relative to the second half of 2021. Given the low volume of large project activity, our OE performance was particularly pleasing and demonstrates the Group's ability to grow its installed base in a lower capex environment.

Strong execution is reflected in constant currency revenue growth of 18%, with momentum building from Q1 to Q2 to deliver sequential revenue growth of 20%. Operating profit[3,4] was 15% ahead of the prior year on a constant currency basis and operating margins[3,4] of 15.3% reflected strong operational delivery and mitigation of inflationary pressures.

'We are Weir' framework

At the start of 2021, following the sale of the Oil & Gas Division, we set out medium-term targets for the Group as a focused mining technology leader. These were set around the four key priorities of the "We are Weir" strategic framework, being People, Customers, Technology and Performance.

These targets have evolved to become more ambitious, including an update earlier this year to our FY23 margin target and the introduction of free operating cash conversion targets. Earlier this month we also updated our sustainability targets, including new commitments for absolute reductions in scope 1, 2 and 3 emissions which we have submitted to the Science Based Targets initiative ("SBTi") for validation.

Our strategic progress in H1 2022

	Medium-term targets	2020 Benchmark[2]	2021 Progress[2]	2022 H1 Progress
People	Improving TIR[5] Increasing Employee Net Promotor Score (eNPS)	• TIR of 0.41 • eNPS of +42	• TIR of 0.45 • eNPS of +48	• TIR of 0.33 • eNPS of +48
Customers	Growing ahead of our markets through the cycle	• Ore production[6] c.-3%; Group AM revenues[1] -6%	• Ore production[6] c. +3%; Group AM revenues[1] +5%	• Ore production[6] c. +3%; Group AM revenues[1] +19%
Technology	Increase R&D as a percentage of revenues Growth in sustainable solutions	• R&D[4]: 1.3% of revenues • Integrated Solutions orders +3%	• R&D: 1.7% of revenues • Integrated Solutions orders +32%	• R&D: 2.0% of revenues • Integrated Solutions orders -39%
Performance	Operating margin progression Expansion in ROCE Free operating cash conversion 30% reduction in tCO_2e per £m revenue by 2024 vs 2019 baseline[7]	• Operating margin[3,4] of 14.9% • ROCE[4] of 12.2% • n/a • -12% reduction in tCO_2e/£m to 84.4	• Operating margin[3] of 15.3% • ROCE of 12.0% • 63% • -15% reduction in tCO_2e/£m to 81.0	• Operating margin[3] of 15.3% • ROCE of 12.4% • 29% • Data not reported at the half year

Delivering our full potential - new business process transformation programme

As a focused mining technology company our potential for growth and margin expansion are becoming ever clearer, and we have reached an inflection point where we can drive more value by becoming leaner and more efficient.

Our new transformation programme will achieve that by driving lean philosophy across our end-to-end value chains, maximising use of global business services for support functions and leveraging the benefits of our recent investments in foundational systems.

The programme will deliver a £30m annualised run-rate cost benefit by 2025, and ensure we have a scalable and efficient platform that will support future growth. It will underpin our FY23 17% operating margin[3] target, and as the balance of the benefits are realised, support margin expansion beyond 17% thereafter. The cash cost to deliver the programme is expected to be up to £45m. Further details of the programme will be shared at a spotlight capital market event in September.

Compelling growth opportunity: Demand for metals and mining technology transition

The long term opportunities for the Group, in partnership with the mining industry, are compelling. The macro trends of urbanisation and population growth, coupled with the increasing acceleration of the transition to cleaner energy, will drive significant demand for more metals.

At the same time, the mining industry is on the cusp of a period of unprecedented change. As the world drives towards net zero, supply deficits are emerging in forward facing commodities with planned production being insufficient to meet demand. Miners are also navigating the challenges of declining ore grades and face pressure to reduce their environmental footprint, and are responding by accelerating production from existing assets, reassessing capital investment plans, and adopting new technologies.

This combination of factors plays to Weir's strengths. Ore production and capital projects are growth drivers of the Group, while making mining smarter, more efficient and sustainable creates opportunities for innovation. Our technology strategy is therefore critical, and we continue to increase investment in R&D, looking at ways to use less energy and manage water consumption through the mining process.

Underpinning our technology strategy is an increasing focus on how digital capability and data can make mining more efficient. Motion Metrics is an important element of that strategy. When we acquired the business its core technology of G.E.T. tooth loss detection was active on around 80 mines, leveraging the ESCO sales network which has access to thousands of mines around the globe, the potential to grow the business is significant. The initial customer response to the proposition has been very positive, and increasingly we see opportunities to deploy Motion Metrics technology across other applications in the mine. Earlier in the year we sold our first Motion Metrics eco-system, where a combination of Motion Metrics products were packaged to provide a whole mine solution for G.E.T. loss detection, boulder detection and fragmentation measurement. The solution will improve mine productivity and reduce energy consumption, improving the sustainability and efficiency of the operation.

Interim dividend

With high levels of confidence in our strategy and future prospects, the Board has announced an interim dividend of 13.5 pence per share, up 17%, and in line with our capital allocation policy of distributing a third of EPS through the cycle.

Outlook

Conditions in mining markets are positive, with miners focused on maximising production and the sector benefiting from long term structural growth drivers. In infrastructure markets, while we now expect some softening of demand in Europe, in North America which is our largest geographical market by some margin, we expect demand to be stable at high levels. While the operating environment continues to be complex, we are executing strongly and are effectively managing inflationary and logistics challenges.

We enter the second half of the year with a strong order book and operating momentum, and we continue to expect to deliver strong constant currency revenue and profit growth, with operating profit towards the upper end of the range of current analysts' expectations*. As previously outlined, we expect second half operating margins to sequentially improve, reflecting higher volumes and our continued focus on operational efficiencies, and full year margins to show good progress towards our FY23 target. We expect working capital levels will decrease in the second half, and our full year cash conversion targets are unchanged.

Looking beyond the current year, notwithstanding some recent softening, commodity prices are well above incentive levels, and providing this continues, we expect mining production activity to be stable at high levels. We expect our highly resilient aftermarket focused business to continue to grow through the cycle, benefiting from production trends, ore grade declines and aftermarket demand from a growing installed base. We are confident in delivering against our medium term targets, and we expect the transformation programme we have announced will deliver further margin expansion beyond 2023.

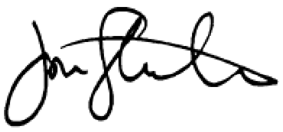
*Company compiled consensus from 8 June 2022, Group Operating Profit range of £320m to £386m.

Management changes

Ricardo Garib will retire as President of Weir Minerals with effect from 31 December 2022 after 43 years' service. He will be succeeded by Andrew Neilson, who is currently President of Weir ESCO. Details of Andrew's successor will be announced in due course.

Spotlight capital market events

- Event 1 - Growth and transformation - UK afternoon of 27 September 2022
- Event 2 - Making mining smarter, more efficient and sustainable - Quarter four of 2022: Date TBC



Jon Stanton

Chief Executive Officer

28 July 2022

Segmental analysis

Continuing operations[2] £m	Minerals	ESCO	Unallocated expenses	Total	Total OE	Total AM
Orders (constant currency)						
H1 2022	933	349	n/a	**1,282**	285	997
H1 2021	846	274	n/a	**1,120**	307	813
Variance:						
- Constant currency	10%	27%		**14%**	-7%	23%
Revenue						
H1 2022	782	314	n/a	**1,096**	214	882
H1 2021 (as reported)	663	237	n/a	**900**	187	713
Variance:						
- As reported	18%	32%		**22%**	14%	24%
- Constant currency	16%	24%		**18%**	13%	19%
Adjusted operating profit[3]						
H1 2022	135	51	(18)	**168**		
H1 2021 (as reported)[4]	120	39	(18)	**141**		
Variance:						
- As reported	13%	30%		**19%**		
- Constant currency	11%	21%		**15%**		
Adjusted operating margin[3]						
H1 2022	17.3%	16.1%		**15.3%**		
H1 2021 (as reported)[4]	18.0%	16.4%		**15.6%**		
Variance:						
- As reported (bps)	-70	-30		**-30**		
- Constant currency (bps)	-70	-40		**-40**		

Notes:

The Group financial highlights and Divisional financial reviews include a mixture of GAAP measures and those which have been derived from our reported results in order to provide a useful basis for measuring our operational performance. Adjusted results are for continuing operations before adjusting items as presented in the Consolidated Income Statement. Details of other alternative performance measures are provided in note 1 of the Interim Financial Statements.

1. Restated at 2022 average exchange rates.
2. Continuing operations excludes the Oil & Gas Division which was sold to Caterpillar Inc. in February 2021 and the Saudi Arabian joint venture which was sold to Olayan Financing Company in June 2021.
3. Profit figures before adjusting items. Continuing operations statutory operating profit was £151m (2021 restated: £123m). Total operations operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Total operations net cash generated from operating activities was £36m (2021 restated: £94m).
4. 2020 and H1 2021 have been restated to reflect a change in accounting treatment for Software as a Service (SaaS) arrangements following the publication of an Agenda Decision during 2021 by the International Financial Reporting Interpretations Committee. Details of the restatements are provided in note 1 of the Interim Financial Statements.
5. As measured by Total Incident Rate (TIR) which represents the rate of any incident that causes an employee, visitor, contractor, or anyone working on behalf of Weir to require off-site medical treatment per 200,000 hours worked.
6. Weir-weighted commodity exposure - source McKinsey 2021.
7. Revenue for 2019, 2020 and 2021 is based on 2021 average exchange rates. Market based greenhouse gas emissions.
8. Net Debt at 31 December 2021.
9. Refer to note 1 of the Interim Financial Statements for further details of alternative performance measures.

DIVISIONAL REVIEW

Minerals

Minerals is a global leader in engineering, manufacturing and servicing of processing technology used in abrasive high-wear mining applications. Its differentiated technology is also used in infrastructure and general industrial markets.

2022 First half summary

- Record AM orders[1] +21%
- OE orders[1] +17%, excluding Ferrexpo and Indonesian orders in the prior year
- Strong execution with revenue[1] +16%; Q2 revenue[1] +22% sequentially

2022 First half operating review

The Division benefited from strong levels of mining activity, with strong order momentum through the period culminating in record AM orders in Q2. A focus on execution delivered year-on-year revenue growth, while strong operating momentum delivered quarter-on-quarter sequential improvement in both revenue and operating margins. The Division maintained its gross margin, mitigating the impact of inflationary pressures.

People

Colleagues across the Division continued to prioritise safety, and this is reflected in a significant year-on-year reduction in total incident rate (TIR) from 0.33 to 0.15. This performance was particularly pleasing in the context of strong year-on-year revenue growth, as we focused on delivering for our customers.

People development is a key priority, and during the period a number of our future leaders completed the “Leadership in Mining” programme, which we offer in partnership with the University of Utah, and the "Mill Circuit University" training programme.

Customers

We continued to extend our service centre network, opening a new facility in Almaty in Kazakhstan, while also making commitments to build new facilities to support mining operations at Port Hedland, Australia, and in the Tashkent region of Uzbekistan.

The new facility in Tashkent follows a £14m OE order, booked in Q2, for a package of Warman® Pumps, Cavex® Cyclones and Isogate® Valves for a new copper concentrator in the region.

Technology

Technology development in the period included innovative upgrades and range extensions to our small and medium size Enduron® screens portfolio. The new range went into the prototype phase of development in late Q2, and is expected to have significant efficiency benefits relative to alternatives in the market. Furthermore, development continued on new alloys and elastomers for hard rock slurry pumping applications.

We also signed partnership agreements with AVEVA and XMPro which will support the Division’s digital strategy, simplifying data access for customers and giving them access to real-time decision support.

Performance

We continue to drive a number of initiatives across the Division to improve operational efficiency. Our roll-out of SAP continues to progress well, our business in China transitioned from its previous ERP system in Q2, and our business in India is scheduled to make the transition in Q3. From a footprint perspective, we opened a new facility in Bangalore, India, which will drive cost and operational efficiencies across our operations in the region, and in Q3, we are scheduled to open our new rubber mixing facility in Malaysia.

2022 First half financial review

Constant currency £m	H1 2022	H1 2021[1]	Growth[1]	H2 2021[1]
Orders OE	261	288	-10%	251
Orders AM	672	558	21%	588
Orders Total	**933**	**846**	**10%**	**839**
Revenue OE	197	175	13%	244
Revenue AM	585	499	17%	536
Revenue Total	**782**	**674**	**16%**	**780**
Adjusted operating profit[2]	**135**	**121**	**11%**	**135**
Adjusted operating margin[2]	17.3%	18.0%	-70 bps	17.3%
Operating cash flow[2]	106	135	-21%	92
Book-to-bill	1.19	1.26		1.08

1. 2021 restated at 2022 average exchange rates except for operating cash flow.

2. Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Refer to note 1 of the Interim Financial Statements for further details of alternative performance measures.

Orders increased by 10% on a constant currency basis to £933m (2021: £846m) with a book-to-bill of 1.19 reflecting strong order growth which will underpin future revenue. Orders in the prior year included the £36m Ferrexpo HPGR and the £32m Indonesian de-watering pumps orders. Excluding these from the prior year comparator, orders were up 20%. As large project activity was slow to convert, OE demand was driven by equipment for small brownfield expansions and de-bottlenecking projects as miners sought to maximise production from existing assets. AM orders were up 21% year-on-year as commodity prices were well above incentive levels and we saw the benefits of increased production, lower and harder ore grades and increased equipment utilisation. Growth also reflects year-on-year price increases and some forward purchasing in Q1. AM orders represented 72% of total orders (2021: 66%). In total, mining end markets accounted for 74% of total orders (2021: 76%).

Revenue was 16% higher on a constant current basis at £782m (2021: £674m) reflecting positive mining trends and strong execution as orders converted to revenue. Revenue grew through the period, with Q2 revenue 22% higher on a sequential basis. Product mix was broadly in line with the prior year, with OE representing 25% of revenue, compared to 26% last year.

Adjusted operating profit[2] increased 11% on a constant currency basis to £135m (2021: £121m) as the Division benefited from increased volumes and strong execution. In line with our medium-term targets, R&D costs increased year-on-year, while costs also include an adverse transactional FX impact. In the prior year the Division benefited from temporary cost savings as discretionary spend, such as travel, was at lower levels during the Covid-19 pandemic, and also a one-off gain from the sale of a property in China.

Adjusted operating margin[2] on a constant currency basis was, as expected, at 17.3% (2021: 18.0%). Quarter-on-quarter, operating margins grew sequentially through the period.

Operating cash flow[2] decreased by 21% to £106m (2021: £135m), primarily reflecting a working capital outflow of £67m. Inventory build was the primary driver of the movement, reflecting order book growth and some supply chain and freight disruption.

ESCO

ESCO is a global leader in the provision of Ground Engaging Tools (G.E.T.) for large mining machines. Its highly engineered technology improves productivity through extended wear life, increased safety and reduced energy consumption. The Division also applies its differentiated technology to infrastructure markets including construction, dredging and sand and aggregates.

2022 First half summary

- High levels of mining activity
- Orders[1] +27% at record levels
- Strong execution; Operating profit[1,2] +21% YoY

2022 First half operating review

The Division capitalised on high levels of activity in both mining and infrastructure markets, gaining market share and delivering strong year-on-year order growth. A focus on operational execution delivered strong year-on-year growth in revenue and operating profit, while operating momentum built through the period with quarter-on-quarter sequential improvement in both revenue and operating margins. The Division maintained its gross margin and managed the impacts from a complex operating environment.

People

The Division continued to focus on safety, and excluding the impact from acquisitions, made year-on-year progress with TIR reducing from 0.95 to 0.91. During Q2, as part of their induction to the Group, 110 employees from Carriere Industrial Supply (CIS) went through Weir's proprietary Zero Harm training.

Customers

In April the Division acquired its longstanding distributor in Eastern Canada, CIS, delivering on its strategy to have direct channels to market in all major mining regions in the world. The acquisition also brings expertise in mining attachments, supplementing the strong organic focus we have in this area, and leading underground capabilities. Across our core range of G.E.T. products, we delivered positive net conversions as we continue to grow our market share.

Technology

The successful functional integration of Motion Metrics completed in Q1, with focus now fully transitioned to leveraging the ESCO global sales network to drive growth. The sale of Motion Metrics first eco-system solution represented a significant milestone for the business.

The Division also made progress on the development and implementation of a new digital supply chain tool, which is expected to drive end-to-end efficiencies through its inbound and outbound supply chains.

Performance

Earlier this month construction of the Division's new foundry in Xuzhou, China, commenced. Production from the facility is scheduled to start in late 2024.

The Division continued to drive operational efficiencies across its foundry network, including realising the full year benefits from the digital visualisation tools integrated into the facilities last year.

2022 First half financial review

Constant currency £m	H1 2022	H1 2021[1]	Growth[1]	H2 2021[1]
Orders OE	24	19	26%	18
Orders AM	325	255	27%	285
Orders Total	**349**	**274**	**27%**	**303**
Revenue OE	17	14	16%	20
Revenue AM	297	239	24%	268
Revenue Total	**314**	**253**	**24%**	**288**
Adjusted operating profit[2]	**51**	**42**	**21%**	**46**
Adjusted operating margin[2]	16.1%	16.5%	-40 bps	16.2%
Operating cash flow[2]	25	38	-34%	48
Book-to-bill	1.11	1.08		1.05

1. 2021 restated at 2022 average exchange rates except for operating cash flow.
2. Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Refer to note 1 of the Interim Financial Statements for further details of alternative performance measures.

Orders increased 27% on a constant currency basis to £349m (2021: £274m). This includes £20m of orders from the recent acquisitions of Motion Metrics and Carriere Industrial Supply. Order growth was driven by strong demand for mining expendables, and also reflected year-on-year price increases and a small volume of forward purchasing in Q1. The Division delivered a book-to-bill of 1.11 as demand, particularly within mining markets, continued to grow. AM represented 93% of orders (2021: 93%) in line with ESCO's position as a provider of highly engineered expendables used in abrasive applications in mining and infrastructure markets.

Revenue increased 24% on a constant currency basis to £314m (2021: £253m). Mining represented 56% of revenues (2021: 57%) and infrastructure was 32% (2021: 30%).

Adjusted operating profit[2] increased by 21% on a constant currency basis to £51m (2021: £42m), as the Division benefited from increased volumes. In line with expectations, R&D costs increased year-on-year, while, the temporary closure of the China foundry resulted in modest under-recoveries. In the prior year, the Division benefited from temporary cost savings as discretionary spend, such as travel, was at lower levels during the Covid-19 pandemic, and also the favourable phasing of price increases relative to raw material purchase contract renewals.

Adjusted operating margin[2] of 16.1% was, as expected, adverse 40 bps on a constant currency basis (2021: 16.5%). Quarter-on-quarter, operating margins grew sequentially through the period.

Operating cash flow[2] decreased by 34% to £25m (2021: £38m), primarily driven by a working capital outflow of £33m. Inventory build was the primary driver, reflecting order book growth.

GROUP FINANCIAL REVIEW

Continuing operations order input at £1,282m increased 14% on a constant currency basis with strong growth in both operating Divisions reflecting the highly favourable conditions in mining markets. Minerals orders were up 10% as we saw record aftermarket demand, while OE solutions performed well against a strong prior year. ESCO orders were up 27% due to strong demand in mining expendables and benefiting from the acquisitions of Motion Metrics in late 2021 and Carriere Industrial Supply (CIS) in April 2022. 78% of orders related to aftermarket compared to 73% in the prior year.

Continuing operations revenue of £1,096m increased 18% on a constant currency basis. In Minerals revenue was 16% higher on a constant currency basis at £782m (2021: £674m). ESCO increased 24% on a constant currency basis to £314m (2021: £253m). Aftermarket accounted for 80% of revenues from continuing operations, in line with the prior year. Reported revenues increased 22%, benefiting from a foreign exchange translation tailwind of £27m. Overall book-to-bill at 1.17 reflects the phasing of orders and a strong order book which will underpin future growth.

Continuing operations adjusted operating profit increased by £27m (19%) to £168m on a reported basis (2021: £141m). Excluding a £4m foreign currency translation tailwind, the constant currency increase was £23m (15%). Prior year operating profit has been restated to reflect a change in accounting treatment for Software as a Service (SaaS) arrangements following the publication of an Agenda Decision during 2021 by the International Financial Reporting Standards Interpretations Committee, which led to a £3m reduction in the first half of 2021, with the full year impact being reflected in our 2021 Annual Report and Financial Statements. Further details are provided in note 1 of the Interim Financial Statements.

As explained further in the Divisional reviews, Minerals adjusted operating profit increased by £14m on a constant currency basis to £135m (2021: £121m) and ESCO's adjusted operating profit increased by 21% on a constant currency basis to £51m (2021: £42m). Unallocated costs of £18m are in line with the prior year.

Continuing operations adjusted operating margin of 15.3% is, as expected, down 40 bps versus last year on a constant currency basis and down 30 bps as reported. This anticipated reduction is driven by higher levels of transactional foreign exchange given high currency volatility, increased travel costs close to pre-Covid levels, an increase in R&D investment and the impact of some one-off gains last year. These were offset by a slightly favourable mix impact and strong operating leverage. R&D as a percentage of sales was 2.0%, up from 1.7% at December 2021.

Continuing operations statutory operating profit for the period of £151m was £29m favourable to the prior year, driven by the increase in adjusted operating profit of £27m and a reduction in adjusting items.

Continuing operations net finance costs were £25m (2021: £22m) with the increase mainly due to increased net debt levels and costs associated with the refinancing of our revolving credit facility.

Continuing operations adjusted profit before tax was £143m (2021: £118m), after a translational foreign exchange tailwind of £3m. The statutory profit before tax from continuing operations of £126m compares to £100m in 2021, the increase primarily due to the increase in adjusted results.

Continuing operations adjusted tax charge for the year of £38m (2021: £30m) on profit before tax from continuing operations (before adjusting items) of £143m (2021: £118m) represents an adjusted effective tax rate (ETR) of 26.4% (2021: 24.9%). The increase mainly reflects the geographic mix of profits.

A tax credit of £4m has been recognised in relation to continuing operations adjusting items (2021: £4m).

Continuing operations adjusting items reduced to £17m (2021: £18m), primarily reflecting intangibles amortisation which decreased by £1m to £17m (2021: £18m). Exceptional items totalled £3m (2021: nil), with acquisition and integration costs relating to Motion Metrics and CIS of £1m and initial costs of £2m in respect of the wind down of operations in Russia. Other adjusting items which relate solely to the Group's legacy US asbestos-related provision in the period were a credit of £3m, primarily due to an increase in discount rate assumption (2021: nil).

Statutory profit for the period after tax from total operations of £92m (2021: £181m) reflects the £17m increase in profit from continuing operations but a decrease of £107m from discontinued operations following the gain on sale of the Oil & Gas Division in 2021. The gain on sale last year was mainly driven by the recycling of cumulative net foreign exchange gains from the foreign currency translation reserve to the income statement (£103m).

Adjusted earnings per share from continuing operations increased by 18% to 40.5p (2021: 34.2p). Statutory reported earnings per share from total operations is 35.6p (2021: 69.9p), with the increase in profit from continuing operations being offset by the reduction in discontinued operations.

Acquisition of Carriere Industrial Supply Limited

The Group completed the acquisition of Carriere Industrial Supply Limited (CIS) on 8 April 2022 for an enterprise value of CAD$33m (£20m) less customary debt and working capital adjustments, which resulted in initial cash consideration of £16m and deferred consideration of £3m. CIS contributed £9m to revenue and an operating profit of £1m (before adjusting items) in the period from acquisition to 30 June 2022.

Cash flow and net debt

Cash generated from operations decreased by £40m to £100m (2021: £140m) in the period, including a £14m benefit from discontinued operations (2021: outflow of £14m). Cash generated from continuing operations decreased by £54m as the impact from higher operating profits was offset by an outflow of working capital in the period of £112m (2021: £29m). This mainly reflects an increase in inventory to support the higher order book as well as some supply chain and freight disruption. As a result, working capital as a percentage of sales increased to 32.4% from 24.4% in the prior year. Continuing operations utilised non-recourse invoice discounting facilities of £21m (2021: £12m) and suppliers chose to utilise supply chain financing facilities of £50m (2021: £30m).

Net capital expenditure increased by £7m to £18m (2021: £11m), with the prior year including £12m proceeds from the sale of a property in China. Lease payments of £14m were in line with prior year (2021: £14m), while the purchase of shares for employee share plans increased by £5m to £20m (2021: £15m).

Free operating cash conversion (refer to note 1 of the Interim Financial Statements) was 29% (2021: 71%) as a result of the above noted working capital outflow.

Free cash flow (refer to note 1 of the Interim Financial Statements) from total operations was an outflow of £24m (2021: inflow £45m). In addition to the movements noted above this was impacted by an increase in tax payments of £5m reflecting a higher tax charge, an increase in interest payments of £6m on higher net debt and refinancing costs and a £5m decrease in proceeds on settlement of derivative financial instruments.

Net debt increased by £188m to £961m (December 2021: £773m) and includes £119m (December 2021: £105m) in respect of IFRS 16: Leases. The increase includes adverse foreign exchange translation of £92m in relation to our net investment hedging strategy. The net investment hedging strategy is designed to partially offset the impact of exchange on the translation of foreign operations, which was a gain of £220m in the period. As a result, the net impact of translation on net assets was positive in the period. Other drivers of the increase in net debt include the free cash outflow of £24m, the acquisition of CIS £15m, payment of the final 2021 dividend £32m, lease movement of £6m and exceptional items of £16m including settlement of opening balance sheet liabilities for Motion Metrics, acquisition costs and previously provided cyber incident related costs. Net debt to EBITDA on a lender covenant basis was 2.0x (2021: 1.6x) compared to a covenant level of 3.5x.

In April 2022, the Group successfully completed the refinancing of its US$950m Revolving Credit Facility (RCF) which was due to expire in June 2023. This was replaced with a US$800m RCF with a syndicate of 11 global banks and will mature in April 2027 with the option to extend for up to a further two years. The RCF includes a link to the Group's sustainability goals, in line with the Group's Sustainability Linked Notes, and the covenant terms are unchanged. This refinancing action resulted in the Group having c.£630m of immediately available committed facilities and cash balances at the period end.

Pensions

The IAS 19 funding position across the Group's legacy UK and North American schemes improved from a deficit of £57m at 31 December 2021 to a net surplus of £24m at 30 June 2022. This is primarily due to a reduction in liabilities as a result of changes in market conditions, driven by a significant rise in discount rates. This is partially offset by net losses on the asset side combined with experience losses and exchange rate movements. A credit of £76m (2021: £51m) has been recognised in the Consolidated Statement of Comprehensive Income.

Principal Risks and Uncertainties

The Board considers the Principal Risks and Uncertainties affecting the business activities of the Group are:

Principal Risk	Risk Trend from 2021 Annual Report
1. Political and Social	Increased
2. Technology	No change
3. Value Chain Excellence	Increased
4. Safety, Health and Wellbeing	No change
5. People	No change
6. Market	Increased
7. Climate	Decreased
8. Competition	No change
9. Digital Strategy and Roadmap	No change
10. Information Security and Cyber	No change
11. Covid-19	Decreased
12. Ethics and Governance	No change

Further details of the Group's policies on Principal Risks and Uncertainties are contained within the Group's 2021 Annual Report, a copy of which is available at www.annualreport.weir.

Appendix 1 – 2021 / 2022 continuing operations[1] quarterly order trends

	Reported growth						Like-for-like growth[3]		
Division	**2021 Q1**	**2021 Q2**	**2021 Q3**	**2021 Q4**	**2022 Q1**	**2022 Q2**	**2021 Q4**	**2022 Q1**	**2022 Q2**
Original Equipment	66%	50%	71%	9%	-18%	-3%	9%	-18%	-3%
Aftermarket	-1%	9%	16%	29%	23%	18%	29%	23%	18%
Minerals	**15%**	**20%**	**30%**	**23%**	**9%**	**11%**	**23%**	**9%**	**11%**
Original Equipment	76%	17%	65%	-9%	-17%	98%	-9%	-17%	98%
Aftermarket	-2%	31%	34%	40%	37%	19%	39%	31%	9%
ESCO	**2%**	**30%**	**36%**	**37%**	**32%**	**23%**	**36%**	**27%**	**13%**
Original Equipment	67%	48%	71%	8%	-17%	2%	8%	-17%	2%
Aftermarket	-2%	14%	21%	32%	28%	18%	32%	26%	15%
Continuing Ops	**11%**	**22%**	**31%**	**26%**	**15%**	**14%**	**26%**	**14%**	**12%**
Book-to-bill	**1.22**	**1.20**	**1.14**	**1.01**	**1.22**	**1.13**	**1.01**	**1.21**	**1.14**

	Quarterly orders[2] £m						Like-for-like orders[2,3]		
Division	**2021 Q1**	**2021 Q2**	**2021 Q3**	**2021 Q4**	**2022 Q1**	**2022 Q2**	**2021 Q4**	**2022 Q1**	**2022 Q2**
Original Equipment	134	154	130	121	111	150	121	111	150
Aftermarket	256	302	268	320	315	357	320	315	357
Minerals	**390**	**456**	**398**	**441**	**426**	**507**	**441**	**426**	**507**
Original Equipment	12	7	11	7	10	14	7	10	14
Aftermarket	124	131	135	150	170	155	149	163	142
ESCO	**136**	**138**	**146**	**157**	**180**	**169**	**156**	**173**	**156**
Original Equipment	146	161	141	128	121	164	128	121	164
Aftermarket	380	433	403	470	485	512	469	478	499
Continuing Ops	**526**	**594**	**544**	**598**	**606**	**676**	**597**	**599**	**663**

1. Continuing operations excludes the Oil & Gas Division, which was sold to Caterpillar Inc. in February 2021 and the Saudi-Arabian joint venture which was sold in June 2021.
2. Restated at June 2022 average exchange rates.
3. Like-for-like excludes the impact of Motion Metrics acquired on 30 November 2021 and Carriere Industrial Supply Limited acquired on 8 April 2022.

CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2022

Year ended 31 December 2021			6 months ended 30 June 2022			Restated (note 1) 6 months ended 30 June 2021		
Statutory results			**Adjusted results**	**Adjusting items (note 4)**	**Statutory results**	Adjusted results	Adjusting items (note 4)	Statutory results
£m		Notes	**£m**	**£m**	**£m**	£m	£m	£m
	Continuing operations							
1,933.6	**Revenue**	2	**1,095.5**	**—**	**1,095.5**	900.4	—	900.4
	Continuing operations							
254.9	Operating profit before share of results of joint ventures		**166.5**	**(16.5)**	**150.0**	140.3	(18.2)	122.1
1.7	Share of results of joint ventures		**1.0**	**—**	**1.0**	0.4	—	0.4
256.6	**Operating profit**		**167.5**	**(16.5)**	**151.0**	140.7	(18.2)	122.5
(52.7)	Finance costs		**(25.5)**	**—**	**(25.5)**	(25.8)	—	(25.8)
5.6	Finance income		**0.5**	**—**	**0.5**	3.5	—	3.5
209.5	**Profit before tax from continuing operations**		**142.5**	**(16.5)**	**126.0**	118.4	(18.2)	100.2
(54.4)	Tax (expense) credit	5	**(37.6)**	**3.8**	**(33.8)**	(29.5)	4.1	(25.4)
155.1	**Profit for the period from continuing operations**		**104.9**	**(12.7)**	**92.2**	88.9	(14.1)	74.8
103.9	(Loss) profit for the period from discontinued operations		**—**	**—**	**—**	(0.5)	107.1	106.6
259.0	**Profit for the period**		**104.9**	**(12.7)**	**92.2**	88.4	93.0	181.4
	Attributable to:							
258.5	Equity holders of the Company		**104.8**	**(12.7)**	**92.1**	88.2	93.0	181.2
0.5	Non-controlling interests		**0.1**	**—**	**0.1**	0.2	—	0.2
259.0			**104.9**	**(12.7)**	**92.2**	88.4	93.0	181.4
	Earnings per share	7						
99.7p	Basic – total operations				**35.6p**			69.9p
59.6p	Basic – continuing operations		**40.5p**		**35.6p**	34.2p		28.8p
99.0p	Diluted – total operations				**35.4p**			69.4p
59.2p	Diluted – continuing operations		**40.2p**		**35.4p**	34.0p		28.6p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 JUNE 2022

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
259.0	**Profit for the period**	**92.2**	181.4
	Other comprehensive income		
(0.2)	Gains (losses) taken to equity on cash flow hedges	**0.2**	(0.1)
(29.9)	Exchange gains (losses) on translation of foreign operations	**220.3**	(33.6)
(103.4)	Reclassification of foreign currency translation reserve on sale of discontinued operations	**—**	(103.4)
(18.2)	Exchange (losses) gains on net investment hedges	**(117.2)**	1.7
0.1	Reclassification adjustments on cash flow hedges	**(0.1)**	0.1
—	Tax relating to other comprehensive expense to be reclassified in subsequent periods	**(0.1)**	—
(151.6)	**Items that are or may be reclassified to profit or loss in subsequent periods**	**103.1**	(135.3)
	Other comprehensive income (expense) not to be reclassified to profit or loss in subsequent periods:		
96.3	Remeasurements on defined benefit plans	**76.0**	50.7
(21.1)	Tax relating to other comprehensive (income) expense not to be reclassified in subsequent periods	**(18.9)**	(10.2)
75.2	**Items that will not be reclassified to profit or loss in subsequent periods**	**57.1**	40.5
(76.4)	**Net other comprehensive income (expense)**	**160.2**	(94.8)
182.6	**Total net comprehensive income for the period**	**252.4**	86.6
	Attributable to:		
182.5	Equity holders of the Company	**251.7**	86.3
0.1	Non-controlling interests	**0.7**	0.3
182.6		**252.4**	86.6
	Total net comprehensive income for the year attributable to equity holders of the Company		
183.3	Continuing operations	**251.7**	84.4
(0.8)	Discontinued operations	**—**	1.9
182.5		**251.7**	86.3

CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2022

Restated (note 1) 31 December 2021 £m		Notes	30 June 2022 £m	Restated (note 1) 30 June 2021 £m
	ASSETS			
	Non-current assets			
415.9	Property, plant & equipment		**450.8**	433.0
1,308.9	Intangible assets		**1,426.0**	1,216.0
12.3	Investments in joint ventures		**13.5**	14.2
57.0	Deferred tax assets		**29.6**	55.8
76.5	Other receivables		**85.0**	80.0
—	Retirement benefit plan assets	13	**59.2**	—
1,870.6	**Total non-current assets**		**2,064.1**	1,799.0
	Current assets			
516.5	Inventories		**674.1**	485.4
505.7	Trade & other receivables		**545.3**	418.7
7.1	Derivative financial instruments	14	**7.4**	8.3
33.1	Income tax receivable		**35.5**	21.7
564.4	Cash & short-term deposits		**467.0**	647.0
1,626.8	**Total current assets**		**1,729.3**	1,581.1
3,497.4	**Total assets**		**3,793.4**	3,380.1
	LIABILITIES			
	Current liabilities			
524.1	Interest-bearing loans & borrowings		**323.6**	524.2
491.4	Trade & other payables		**532.0**	436.4
3.8	Derivative financial instruments	14	**10.4**	3.6
7.7	Income tax payable		**4.3**	—
36.5	Provisions		**28.6**	25.0
1,063.5	**Total current liabilities**		**898.9**	989.2
	Non-current liabilities			
812.8	Interest-bearing loans & borrowings		**1,104.3**	801.3
—	Other payables		**1.0**	—
0.1	Derivative financial instruments	14	**0.4**	0.1
69.0	Provisions		**65.6**	71.1
40.8	Deferred tax liabilities		**30.0**	30.3
56.7	Retirement benefit plan deficits	13	**34.8**	103.6
979.4	**Total non-current liabilities**		**1,236.1**	1,006.4
2,042.9	**Total liabilities**		**2,135.0**	1,995.6
1,454.5	**NET ASSETS**		**1,658.4**	1,384.5
	CAPITAL & RESERVES			
32.5	Share capital		**32.5**	32.5
582.3	Share premium		**582.3**	582.3
332.6	Merger reserve		**332.6**	332.6
(5.3)	Treasury shares		**(16.6)**	(6.4)
0.5	Capital redemption reserve		**0.5**	0.5
(206.5)	Foreign currency translation reserve		**(104.0)**	(190.8)
1.5	Hedge accounting reserve		**1.5**	1.6
705.9	Retained earnings		**818.0**	620.8
1,443.5	**Shareholders' equity**		**1,646.8**	1,373.1
11.0	Non-controlling interests		**11.6**	11.4
1,454.5	**TOTAL EQUITY**		**1,658.4**	1,384.5

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2022.

JON STANTON
Director

JOHN HEASLEY
Director

CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2022

Year ended 31 December 2021 £m		Notes	**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
	Total operations			
	Cash flows from operating activities	15		
266.0	Cash generated from operations		**100.2**	139.8
(7.8)	Additional pension contributions paid		**(7.7)**	(5.9)
(8.6)	Exceptional and other adjusting cash items		**(7.2)**	(4.7)
(11.1)	Exceptional cash items - acquired vendor liabilities		**(8.9)**	—
(82.4)	Income tax paid		**(40.2)**	(35.0)
156.1	Net cash generated from operating activities		**36.2**	94.2
	Cash flows from investing activities			
(67.9)	Acquisitions of subsidiaries, net of cash acquired	15	**(14.6)**	—
(44.4)	Purchases of property, plant & equipment		**(18.4)**	(21.1)
(8.4)	Purchases of intangible assets		**(2.6)**	(3.2)
15.8	Exceptional item – proceeds from sale of property		**—**	—
14.3	Other proceeds from sale of property, plant & equipment and intangible assets		**2.7**	13.0
258.5	Disposals of discontinued operations, net of cash disposed and disposal costs	15	**—**	251.4
24.0	Disposals of joint ventures	15	**—**	27.4
2.6	Interest received		**1.6**	1.3
0.7	Dividends received from joint ventures		**1.4**	0.6
195.2	Net cash (used in) generated from investing activities		**(29.9)**	269.4
	Cash flows from financing activities			
794.1	Proceeds from borrowings		**752.8**	794.1
(903.4)	Repayments of borrowings		**(863.5)**	(903.0)
(27.8)	Lease payments		**(14.0)**	(13.8)
10.6	Proceeds from settlement of derivative financial instruments		**0.2**	5.3
(45.6)	Interest paid		**(27.1)**	(20.6)
(29.8)	Dividends paid to equity holders of the Company	8	**(31.8)**	—
(0.4)	Dividends paid to non-controlling interests		**(0.1)**	(0.2)
(15.0)	Purchase of shares for employee share plans		**(20.0)**	(15.0)
(217.3)	Net cash used in financing activities		**(203.5)**	(153.2)
134.0	**Net (reduction) increase in cash & cash equivalents**		**(197.2)**	210.4
374.1	Cash & cash equivalents at the beginning of the year		**500.0**	374.1
(8.1)	Foreign currency translation differences		**31.1**	(9.5)
500.0	**Cash & cash equivalents at the end of the year**	15	**333.9**	575.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2022

	Share capital	Share premium	Merger reserve	Treasury shares	Capital redemption reserve	Foreign currency translation reserve	Hedge accounting reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2020 as originally presented	32.5	582.3	332.6	(6.8)	0.5	(55.4)	1.6	419.1	1,306.4	11.3	1,317.7
Restatement (see note 1)	—	—	—	—	—	—	—	(10.8)	(10.8)	—	(10.8)
Restated at 31 December 2020	32.5	582.3	332.6	(6.8)	0.5	(55.4)	1.6	408.3	1,295.6	11.3	1,306.9
Profit for the period (restated note 1)	—	—	—	—	—	—	—	181.2	181.2	0.2	181.4
Losses taken to equity on cash flow hedges	—	—	—	—	—	—	(0.1)	—	(0.1)	—	(0.1)
Exchange (losses) gains on translation of foreign operations	—	—	—	—	—	(33.7)	—	—	(33.7)	0.1	(33.6)
Reclassification of exchange gains on discontinued operations	—	—	—	—	—	(103.4)	—	—	(103.4)	—	(103.4)
Exchange gains on net investment hedges	—	—	—	—	—	1.7	—	—	1.7	—	1.7
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	0.1	—	0.1	—	0.1
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	50.7	50.7	—	50.7
Tax relating to other comprehensive income	—	—	—	—	—	—	—	(10.2)	(10.2)	—	(10.2)
Total net comprehensive (expense) income for the year	—	—	—	—	—	(135.4)	—	221.7	86.3	0.3	86.6
Cost of share-based payments inclusive of tax charge	—	—	—	—	—	—	—	6.2	6.2	—	6.2
Purchase of shares for employee share plans	—	—	—	(15.0)	—	—	—	—	(15.0)	—	(15.0)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.2)	(0.2)
Exercise of share-based payments	—	—	—	15.4	—	—	—	(15.4)	—	—	—
Restated at 30 June 2021	32.5	582.3	332.6	(6.4)	0.5	(190.8)	1.6	620.8	1,373.1	11.4	1,384.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE 6 MONTHS ENDED 30 JUNE 2022

	Share capital	Share premium	Merger reserve	Treasury shares	Capital redemption reserve	Foreign currency translation reserve	Hedge accounting reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2021	**32.5**	**582.3**	**332.6**	**(5.3)**	**0.5**	**(206.5)**	**1.5**	**705.9**	**1,443.5**	**11.0**	**1,454.5**
Profit for the year	—	—	—	—	—	—	—	92.1	92.1	0.1	92.2
Gains taken to equity on cash flow hedges	—	—	—	—	—	—	0.2	—	0.2	—	0.2
Exchange gains on translation of foreign operations	—	—	—	—	—	219.7	—	—	219.7	0.6	220.3
Exchange losses on net investment hedges	—	—	—	—	—	(117.2)	—	—	(117.2)	—	(117.2)
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	(0.1)	—	(0.1)	—	(0.1)
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	76.0	76.0	—	76.0
Tax relating to other comprehensive expense	—	—	—	—	—	—	(0.1)	(18.9)	(19.0)	—	(19.0)
Total net comprehensive (expense) income for the year	—	—	—	—	—	102.5	—	149.2	251.7	0.7	252.4
Cost of share-based payments inclusive of tax charge	—	—	—	—	—	—	—	3.4	3.4	—	3.4
Dividends	—	—	—	—	—	—	—	(31.8)	(31.8)	—	(31.8)
Purchase of shares for employee share plans	—	—	—	(20.0)	—	—	—	—	(20.0)	—	(20.0)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.1)	(0.1)
Exercise of share-based payments	—	—	—	8.7	—	—	—	(8.7)	—	—	—
At 30 June 2022	**32.5**	**582.3**	**332.6**	**(16.6)**	**0.5**	**(104.0)**	**1.5**	**818.0**	**1,646.8**	**11.6**	**1,658.4**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE 6 MONTHS ENDED 30 JUNE 2022

	Share capital	Share premium	Merger reserve	Treasury shares	Capital redemption reserve	Foreign currency translation reserve	Hedge accounting reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 31 December 2020 as originally presented	32.5	582.3	332.6	(6.8)	0.5	(55.4)	1.6	419.1	1,306.4	11.3	1,317.7
Restatement (see note 1)	—	—	—	—	—	—	—	(10.8)	(10.8)	—	(10.8)
Restated at 31 December 2020	32.5	582.3	332.6	(6.8)	0.5	(55.4)	1.6	408.3	1,295.6	11.3	1,306.9
Profit for the year	—	—	—	—	—	—	—	258.5	258.5	0.5	259.0
Losses taken to equity on cash flow hedges	—	—	—	—	—	—	(0.2)	—	(0.2)	—	(0.2)
Exchange losses on translation of foreign operations	—	—	—	—	—	(29.5)	—	—	(29.5)	(0.4)	(29.9)
Reclassification of exchange gains on discontinued operations	—	—	—	—	—	(103.4)	—	—	(103.4)	—	(103.4)
Exchange losses on net investment hedges	—	—	—	—	—	(18.2)	—	—	(18.2)	—	(18.2)
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	0.1	—	0.1	—	0.1
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	96.3	96.3	—	96.3
Tax relating to other comprehensive (expense) income	—	—	—	—	—	—	—	(21.1)	(21.1)	—	(21.1)
Total net comprehensive (expense) income for the year	—	—	—	—	—	(151.1)	(0.1)	333.7	182.5	0.1	182.6
Cost of share-based payments inclusive of tax charge	—	—	—	—	—	—	—	10.2	10.2	—	10.2
Dividends	—	—	—	—	—	—	—	(29.8)	(29.8)	—	(29.8)
Purchase of shares for employee share plans	—	—	—	(15.0)	—	—	—	—	(15.0)	—	(15.0)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.4)	(0.4)
Exercise of share-based payments	—	—	—	16.5	—	—	—	(16.5)	—	—	—
At 31 December 2021	32.5	582.3	332.6	(5.3)	0.5	(206.5)	1.5	705.9	1,443.5	11.0	1,454.5

Notes to the Interim Financial Statements

1. Accounting policies

Basis of preparation

These interim financial statements are for the 6 month period ended 30 June 2022 and have been prepared on the basis of the accounting policies set out in the Group's 2021 Annual Report and in accordance with UK adopted IAS 34 "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

These interim financial statements are unaudited but have been reviewed by the auditors and their report to the Company is set out on page 51. The information shown for the year ended 31 December 2021 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group’s 2021 Annual Report which has been filed with the Registrar of Companies. The report of the auditors on the financial statements contained within the Group’s 2021 Annual Report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006. These interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Significant changes in the financial position and performance of the Group during the reporting period have been discussed in the Chief Executive Officer’s Review and the Group Financial Review. The principal activities of the Group are described in note 2.

The Weir Group PLC is a limited company, limited by shares, incorporated in Scotland, United Kingdom and is listed on the London Stock Exchange.

These interim financial statements are presented in Sterling. All values are rounded to the nearest 0.1 million pounds (£m) except where otherwise indicated.

These interim financial statements were approved by the Board of Directors on 28 July 2022.

Going concern

These interim financial statements have been prepared on the going concern basis.

As discussed more fully in the Chief Executive Officer’s review, the Group has continued to strengthen during the period.

In spite of ongoing challenges around global logistics and inflation, the continued impact of Covid-19 and sanctions impacting Russia, our mining businesses have continued to be highly resilient and profitable during the period. At June 2022, the Group has c.£630m of immediately available committed facilities and cash balances, combined with significant headroom in each of its financial lender covenants of net debt to EBITDA and interest cover.

Given current levels of macroeconomic uncertainty stemming from Covid-19, inflation, the global supply chain crisis and geopolitical risks, the Group performed financial modelling of future cash flows, which cover a period of 12 months from the approval of the 2022 interim financial statements. The financial modelling included reverse stress testing which focused on the level of downside risk which would be required for the Group to breach its current lending facilities and related financial covenants. The review indicated that the Group continues to have sufficient headroom on both lending facilities and related financial covenants. The circumstances which would lead to a breach are not considered plausible.

The Directors, having considered all available relevant information, have a reasonable expectation that the Group has adequate resources to continue to operate as a going concern.

Climate change

As well as considering the impact of climate change across our business model, the Directors have considered the impact on the interim financial statements in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. There has not been a material impact on the financial reporting judgements and estimates arising from our considerations, consistent with our assessment that climate change is not expected to have a detrimental impact on the viability of the Group in the medium-term.

New accounting standards, amendments and interpretations

A number of new or amended accounting standards became applicable for the current reporting period as listed below:

i) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
ii) Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37
iii) Annual Improvements to IFRS Standards 2018-2020
iv) Reference to the Conceptual Framework - Amendment to IFRS 3
The above amendments are not considered to have a material impact on the consolidated financial statements of the Group.

1. Accounting policies (continued)

Restatement

30 June 2021 Software as a Service

In the statutory financial statements for the year ended 31 December 2021 the Group revised its accounting policy in relation to Software as a Service (SaaS) and related configuration and customisation costs in response to the International Financial Reporting Interpretations Committee (IFRIC) configuration or customisation costs in a cloud computing arrangement (April 2021) agenda decision which clarified the interpretation of the current accounting standard.

In response to the IFRIC agenda decision the Group completed a review of the costs which were no longer eligible to be capitalised as intangible assets and this resulted in a reclassification to operating expenditure and the reversal of previously accumulated amortisation in the statutory financial statements for the year ended 31 December 2021. This policy was applied retrospectively in accordance with IAS 8 resulting in a restatement of prior year financial statements. The tables below show the impact of the restatement at 30 June 2021 on the applicable lines of the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Cash Flow Statement and earnings per share.

Restated Consolidated Balance Sheet (extract)
at 30 June 2021

	As previously reported	SaaS adjustment	Restated
	£m	£m	£m
Non-current assets			
Intangible assets	1,231.2	(15.2)	1,216.0
Current assets			
Income tax receivable	20.8	0.9	21.7
Current liabilities			
Income tax payable	2.0	(2.0)	—
NET ASSETS	1,396.8	(12.3)	1,384.5
CAPITAL & RESERVES			
Retained earnings	633.1	(12.3)	620.8
TOTAL EQUITY	**1,396.8**	**(12.3)**	**1,384.5**

Restated Consolidated Income Statement (extract)
for the 6 months ended 30 June 2021

	Adjusted results: as previously reported	SaaS adjustment	Adjusted results: restated	Statutory results: as previously reported	SaaS adjustment	Statutory results: restated
	£m	£m	£m	£m	£m	£m
Operating profit before share of results of joint ventures	142.9	(2.6)	140.3	124.0	(1.9)	122.1
Operating profit	143.3	(2.6)	140.7	124.4	(1.9)	122.5
Profit before tax from continuing operations	121.0	(2.6)	118.4	102.1	(1.9)	100.2
Tax expense	(30.0)	0.5	(29.5)	(25.8)	0.4	(25.4)
Profit for the year from continuing operations	91.0	(2.1)	88.9	76.3	(1.5)	74.8
Profit (loss) for the year	90.5	(2.1)	88.4	182.9	(1.5)	181.4

1. Accounting policies (continued)

Restated Consolidated Cash Flow Statement (extract)
for the 6 months ended 30 June 2021

	As previously reported £m	SaaS adjustment £m	Restated £m
Cash flows from operating activities			
Cash generated from operations	143.0	(3.2)	139.8
Net cash generated from operating activities	97.4	(3.2)	94.2
Cash flows from investing activities			
Purchases of intangible assets	(6.4)	3.2	(3.2)
Net cash (used in) generated from investing activities	266.2	3.2	269.4

	As previously reported 2021 pence	Restated 2021 pence
Basic earnings per share:		
Total operations*	70.5	69.9
Continuing operations*	29.4	28.8
Continuing operations before adjusting items*	35.0	34.2
Diluted earnings per share:		
Total operations*	70.0	69.4
Continuing operations*	29.2	28.6
Continuing operations before adjusting items*	34.8	34.0

*Adjusted for £0.2m in respect of non-controlling interests.

31 December 2021 business combinations

Following the acquisition of Motion Metrics during the year ended 31 December 2021, the Group has continued to review the opening balance sheet (OBS) position acquired. This exercise will be finalised within 12 months of the acquisition date (30 November 2021) as part of the 2022 Annual Report. As part of this process to date, the Group has identified the adjustments below which are required to the opening balance sheet which was reported in the 2021 Annual Report. Further details are provided in note 10.

Restated Consolidated Balance Sheet (extract)
at 31 December 2021

	As previously reported £m	Adjustment to OBS £m	Restated £m
Non-current assets			
Property, plant & equipment	415.3	0.6	415.9
Intangible assets	1,308.3	0.6	1,308.9
Current assets			
Inventories	517.1	(0.6)	516.5
Income tax receivable	32.0	1.1	33.1
Current liabilities			
Interest-bearing loans & borrowings	523.9	0.2	524.1
Trade & other payables	490.6	0.8	491.4
Income tax payable	7.6	0.1	7.7
Non-current liabilities			
Interest-bearing loans & borrowings	812.3	0.5	812.8
Deferred tax liabilities	40.7	0.1	40.8
NET ASSETS	**1,454.5**	—	**1,454.5**

1. Accounting policies (continued)

Use of estimates and judgements

The preparation of interim financial statements, in conformity with IFRS, requires management to make judgements that affect the application of accounting policies and estimates that impact the reported amounts of assets, liabilities, income and expense.

Management bases these judgements on a combination of past experience, professional expert advice and other evidence that is relevant to each individual circumstance. Actual results may differ from these judgements and the resulting estimates which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

The areas of judgement and estimate identified in the preparation of the consolidated financial statements for the year ended 31 December 2021 continue to be relevant to the preparation of these interim financial statements, with additional consideration given to the following area.

Taxation (estimate)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Alternative performance measures

The reported interim financial statements of The Weir Group PLC have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to those companies reporting under those standards. In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which we believe distort period-on-period comparisons. These are considered alternative performance measures. This information, along with comparable GAAP measurements, is useful to investors in providing a basis for measuring our operational performance. Our management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our performance and value creation. Alternative performance measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP. Alternative performance measures as reported by the Group may not be comparable with similarly titled amounts reported by other companies.

Below we set out our definitions of alternative performance measures and provide reconciliations to relevant GAAP measures.

Adjusted results and adjusting items

The Consolidated Income Statement presents Statutory results, which are provided on a GAAP basis, and Adjusted results (non-GAAP), which are management's primary area of focus when reviewing the performance of the business. Adjusting items represent the difference between Statutory results and Adjusted results and are defined within the accounting policies section of our 2021 Annual Report. The accounting policy for Adjusting items should be read in conjunction with this note. Details of each adjusting item are provided in note 4. We consider this presentation to be helpful as it allows greater comparability of the operating performance of the business from period to period.

Operating cash flow (cash generated from operations)

Operating cash flow excludes additional pension contributions, exceptional and other adjusting cash items and income tax paid. This reflects our view of business as usual cash generation. A reconciliation to the GAAP measure 'Net cash generated from operating activities' is provided in the Consolidated Cash Flow Statement.

Free operating cash and free cash flow

Free operating cash flow is defined as operating cash flow (cash generated from operations), adjusted for net capital expenditure, lease payments, dividends received from joint ventures and purchase of shares for employee share plans. This is considered a helpful measure of cash generation as it focuses on cash generated after reflecting the cash flows required to support broader business operating activities.

Free cash flow (FCF) is defined as free operating cash flow further adjusted for net interest, income taxes, settlement of derivative financial instruments, additional pension contributions paid and non-controlling interest dividends. FCF reflects an additional way of viewing our available funds that we believe is useful to investors as it represents cash flows that could be used for repayment of debt, dividends, exceptional and other adjusting items, or to fund our strategic initiatives, including acquisitions, if any.

1. Accounting policies (continued)

The reconciliation of operating cash flows (cash generated from operations) to free operating cash flow and subsequently FCF is as follows.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
266.0	Operating cash flow (cash generated from operations)	**100.2**	139.8
(38.5)	Net capital expenditure from purchase & disposal of property, plant & equipment and intangibles	**(18.3)**	(11.3)
(27.8)	Lease payments	**(14.0)**	(13.8)
0.7	Dividends received from joint ventures	**1.4**	0.6
(15.0)	Purchase of shares for employee share plans	**(20.0)**	(15.0)
185.4	**Free operating cash flow**	**49.3**	100.3
(43.0)	Net interest paid	**(25.5)**	(19.3)
(82.4)	Income tax paid	**(40.2)**	(35.0)
10.6	Proceeds from settlement of derivative financial instruments	**0.2**	5.3
(7.8)	Additional pension contributions paid	**(7.7)**	(5.9)
(0.4)	Non-controlling interest dividends	**(0.1)**	(0.2)
62.4	**Free cash flow**	**(24.0)**	45.2

Free operating cash conversion

Free operating cash conversion is a non-GAAP key performance measure used by management, which is defined as free operating cash flow divided by adjusted operating profit on a total Group basis. This is considered to be a useful measure of the Group's efficiency at generating cash from the operating results of its core operations.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
296.2	Continuing operations	**167.5**	140.7
(0.3)	Discontinued operations	**—**	(0.3)
295.9	**Adjusted operating profit - Total Group**	**167.5**	140.4
185.4	**Free operating cash flow**	**49.3**	100.3
63%	**Free operating cash conversion %**	**29%**	71%

Working capital as a percentage of sales

Working capital includes inventories, trade & other receivables, trade & other payables and derivative financial instruments as included in the Consolidated Balance Sheet, adjusted to exclude insurance contract assets totalling £86.3m, deferred consideration payable of £2.5m, and £4.7m of interest accruals. This working capital measure reflects the figure used by management to monitor the performance of the business and is divided by revenue for the last twelve months, as included in the Consolidated Income Statement, to arrive at working capital as a percentage of sales.

1. Accounting policies (continued)

EBITDA

EBITDA is operating profit from continuing operations, before exceptional items, other adjusting items, intangibles amortisation, and excluding depreciation of owned assets and right-of-use assets. EBITDA is used in conjunction with other GAAP and non-GAAP financial measures to assess our operating performance. A reconciliation of EBITDA to the closest equivalent GAAP measure, operating profit, is provided.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
	Continuing operations		
256.6	Operating profit	**151.0**	122.5
	Adjusted for:		
4.7	Exceptional and other adjusting items (note 4)	**(0.5)**	0.2
34.9	Adjusting amortisation (note 4)	**17.0**	18.0
296.2	**Adjusted operating profit**	**167.5**	140.7
5.3	Non-adjusting amortisation	**3.0**	1.9
301.5	**Adjusted Earnings before interest, tax and amortisation (EBITA)**	**170.5**	142.6
43.0	Depreciation of owned property, plant & equipment	**22.7**	21.1
27.6	Depreciation of right-of-use property, plant & equipment	**14.8**	14.0
372.1	**Adjusted Earnings before interest, tax, depreciation and amortisation (EBITDA)**	**208.0**	177.7

Net debt

Net debt is a common measure used by management and investors when monitoring the capital management of the Group and is the basis for covenant reporting. A reconciliation of net debt to cash & short-term deposits, interest-bearing loans & borrowings is provided in note 15.

2. Segment information

Continuing operations includes two operating Divisions: Minerals and ESCO. These two Divisions are organised and managed separately based on the key markets served and each is treated as an operating segment and a reportable segment under IFRS 8. The operating and reportable segments were determined based on the reports reviewed by the Chief Executive Officer which are used to make operational decisions.

The Minerals segment is the global leader in the provision of slurry handling equipment and associated aftermarket support for abrasive high-wear applications used in the mining and oil sands markets. The ESCO segment is the world's leading provider of ground engaging tools for large mining machines.

Following the acquisition of Motion Metrics on 30 November 2021 and Carriere Industrial Supply Limited (CIS) on 8 April 2022 these entities have been included in the ESCO segment. Motion Metrics is a mining technology business which is the market leading developer of innovative Artificial Intelligence (AI) and 3D rugged Machine Vision Technology used in mines worldwide, while CIS is a premier manufacturer and distributor of highly engineered wear parts and aftermarket service provider to the Canadian mining industry.

The Chief Executive Officer assesses the performance of the operating segments based on operating profit from continuing operations before exceptional and other adjusting items ('segment result'). Finance income and expenditure and associated interest-bearing liabilities and financing derivative financial instruments are not allocated to segments as all treasury activity is managed centrally by the Group Treasury function. The amounts provided to the Chief Executive Officer with respect to assets and liabilities are measured in a manner consistent with that of the financial statements. The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment.

Transfer prices between business segments are set on an arm's length basis, in a manner similar to transactions with third parties.

The segment information for the reportable segments for 2022 and 2021 is disclosed below.

	Minerals		**ESCO**		**Total continuing operations**	
		Restated (note 1)		Restated (note 1)		Restated (note 1)
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021
	£m	£m	**£m**	£m	**£m**	£m
Revenue						
Sales to external customers	**782.0**	663.1	**313.5**	237.3	**1,095.5**	900.4
Inter-segment sales	**—**	0.1	**1.2**	0.9	**1.2**	1.0
Segment revenue	**782.0**	663.2	**314.7**	238.2	**1,096.7**	901.4
Eliminations					**(1.2)**	(1.0)
					1,095.5	900.4
Sales to external customers – 2021 at 2022 average exchange rates						
Sales to external customers	**782.0**	673.8	**313.5**	253.3	**1,095.5**	927.1
Segment result						
Segment result before share of results of joint ventures	**135.1**	119.6	**49.5**	38.4	**184.6**	158.0
Share of results of joint ventures	**—**	—	**1.0**	0.4	**1.0**	0.4
Segment result	**135.1**	119.6	**50.5**	38.8	**185.6**	158.4
Unallocated expenses					**(18.1)**	(17.7)
Adjusted operating profit					**167.5**	140.7
Adjusting items					**(16.5)**	(18.2)
Net finance costs					**(25.0)**	(22.3)
Profit before tax from continuing operations					**126.0**	100.2
Segment result – 2021 at 2022 average exchange rates						
Segment result before share of results of joint ventures	**135.1**	121.2	**49.5**	41.2	**184.6**	162.4
Share of results of joint ventures	**—**	—	**1.0**	0.5	**1.0**	0.5
Segment result	**135.1**	121.2	**50.5**	41.7	**185.6**	162.9
Unallocated expenses					**(18.1)**	(17.8)
Adjusted operating profit					**167.5**	145.1

2. Segment information (continued)

	Minerals		ESCO		Total Group	
		Restated (note 1)		Restated (note 1)		Restated (note 1)
	30 June 2022	30 June 2021	**30 June 2022**	30 June 2021	**30 June 2022**	30 June 2021
	£m	£m	**£m**	£m	**£m**	£m
Assets & liabilities						
Intangible assets	**606.6**	562.6	**818.6**	647.6	**1,425.2**	1,210.2
Property, plant & equipment	**297.5**	298.2	**142.5**	122.1	**440.0**	420.3
Working capital assets	**905.7**	695.6	**310.5**	212.4	**1,216.2**	908.0
	1,809.8	1,556.4	**1,271.6**	982.1	**3,081.4**	2,538.5
Investments in joint ventures	**—**	—	**13.5**	14.2	**13.5**	14.2
Segment assets	**1,809.8**	1,556.4	**1,285.1**	996.3	**3,094.9**	2,552.7
Unallocated assets					**698.5**	827.4
Total assets					**3,793.4**	3,380.1
Working capital liabilities	**449.9**	373.7	**140.9**	90.6	**590.8**	464.3
Segment liabilities	**449.9**	373.7	**140.9**	90.6	**590.8**	464.3
Unallocated liabilities					**1,544.2**	1,531.3
Total liabilities					**2,135.0**	1,995.6

Unallocated assets primarily comprise cash and short-term deposits, asbestos-related insurance asset, Trust Owned Life Insurance policy investments, derivative financial instruments, income tax receivable, deferred tax assets and elimination of intercompany as well as those assets which are used for general head office purposes. Unallocated liabilities primarily comprise interest-bearing loans & borrowings and related interest accruals, derivative financial instruments, income tax payable, provisions, deferred tax liabilities, elimination of intercompany and retirement benefit deficits as well as liabilities relating to general head office activities.

Geographical information

Geographical information in respect of revenue and non-current assets for 2022 and 2021 is disclosed below. Revenues are allocated based on the location to which the product is shipped.

6 months ended 30 June 2022	**UK £m**	**US £m**	**Canada £m**	**Asia Pacific £m**	**Australia £m**	**South America £m**	**Middle East & Africa £m**	**Europe & FSU £m**	**Total £m**
Revenue from continuing operations									
Sales to external customers	**14.5**	**190.6**	**160.6**	**135.2**	**133.8**	**235.8**	**131.6**	**93.4**	**1,095.5**

6 months ended 30 June 2021	UK £m	US £m	Canada £m	Asia Pacific £m	Australia £m	South America £m	Middle East & Africa £m	Europe & FSU £m	Total £m
Revenue from continuing operations									
Sales to external customers	8.3	141.3	127.5	100.7	149.3	188.5	108.0	76.8	900.4

Year ended 31 December 2021	UK £m	US £m	Canada £m	Asia Pacific £m	Australia £m	South America £m	Middle East & Africa £m	Europe & FSU £m	Total £m
Revenue from continuing operations									
Sales to external customers	23.8	315.9	266.0	237.9	304.0	387.5	224.1	174.4	1,933.6

2. Segment information (continued)

Year ended 31 December 2021	Minerals £m	ESCO £m	Total continuing operations £m
Revenue			
Sales to external customers	**1,422.1**	**511.5**	**1,933.6**
Inter-segment sales	**—**	**2.1**	**2.1**
Segment revenue	**1,422.1**	**513.6**	**1,935.7**
Eliminations			**(2.1)**
			1,933.6
Sales to external customers – 2021 at 2022 average exchange rates			
Sales to external customers	**1,453.7**	**541.5**	**1,995.2**
Segment result			
Segment result before share of results of joint ventures	**251.0**	**81.6**	**332.6**
Share of results of joint ventures	**—**	**1.7**	**1.7**
Segment result	**251.0**	**83.3**	**334.3**
Unallocated expenses			**(38.1)**
Adjusted operating profit			**296.2**
Adjusting items			**(39.6)**
Net finance costs			**(47.1)**
Profit before tax from continuing operations			**209.5**
Segment result – 2021 at 2022 average exchange rates			
Segment result before share of results of joint ventures	**255.8**	**86.5**	**342.3**
Share of results of joint ventures	**—**	**1.8**	**1.8**
Segment result	**255.8**	**88.3**	**344.1**
Unallocated expenses			**(38.1)**
Adjusted operating profit			**306.0**

2. Segment information (continued)

Year ended 31 December 2021 (restated note 1)	Minerals £m	ESCO £m	Total Group £m
Assets & liabilities			
Intangible assets	**563.8**	**742.3**	**1,306.1**
Property, plant & equipment	**280.1**	**124.3**	**404.4**
Working capital assets	**773.2**	**238.4**	**1,011.6**
	1,617.1	**1,105.0**	**2,722.1**
Investments in joint ventures	**—**	**12.3**	**12.3**
Segment assets	**1,617.1**	**1,117.3**	**2,734.4**
Unallocated assets			**763.0**
Total assets			**3,497.4**
Working capital liabilities	**406.9**	**120.2**	**527.1**
Segment liabilities	**406.9**	**120.2**	**527.1**
Unallocated liabilities			**1,515.8**
Total liabilities			**2,042.9**

The following disclosures are given in relation to continuing operations.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
	An analysis of the Group's revenue is as follows:		
386.9	Original equipment	**202.4**	187.0
1,366.6	Aftermarket parts	**813.6**	654.5
1,753.5	Sales of goods	**1,016.0**	841.5
121.0	Provision of services – Aftermarket	**68.3**	58.9
59.1	Construction contracts – Original equipment	**11.2**	—
1,933.6	Revenue	**1,095.5**	900.4

	Minerals		**ESCO**		**Total continuing operations**	
	30 June 2022 £m	30 June 2021 £m	**30 June 2022 £m**	30 June 2021 £m	**30 June 2022 £m**	30 June 2021 £m
Timing of revenue recognition						
At a point in time	**716.6**	622.0	**310.4**	235.6	**1,027.0**	857.6
Over time	**65.4**	41.2	**4.3**	2.6	**69.7**	43.8
Segment revenue	**782.0**	663.2	**314.7**	238.2	**1,096.7**	901.4
Eliminations					**(1.2)**	(1.0)
					1,095.5	900.4

3. Revenue & expenses

The following disclosures are given in relation to continuing operations.

Year ended 31 December 2021 Statutory results £m		6 months ended 30 June 2022 Adjusted results £m	6 months ended 30 June 2022 Adjusting items £m	6 months ended 30 June 2022 Statutory results £m	Restated (note 1) 6 months ended 30 June 2021 Adjusted results £m	Restated (note 1) 6 months ended 30 June 2021 Adjusting items £m	Restated (note 1) 6 months ended 30 June 2021 Statutory results £m
	A reconciliation of revenue to operating profit is as follows:						
1,933.6	Revenue	**1,095.5**	**—**	**1,095.5**	900.4	—	900.4
(1,241.6)	Cost of sales	**(692.4)**	**(3.8)**	**(696.2)**	(571.2)	(1.5)	(572.7)
692.0	Gross profit	**403.1**	**(3.8)**	**399.3**	329.2	(1.5)	327.7
19.4	Other operating income	**4.6**	**—**	**4.6**	7.8	—	7.8
(218.9)	Selling & distribution costs	**(133.4)**	**(0.1)**	**(133.5)**	(101.6)	—	(101.6)
(237.6)	Administrative expenses	**(107.8)**	**(12.6)**	**(120.4)**	(95.1)	(16.7)	(111.8)
1.7	Share of results of joint ventures	**1.0**	**—**	**1.0**	0.4	—	0.4
256.6	Operating profit	**167.5**	**(16.5)**	**151.0**	140.7	(18.2)	122.5

Details of adjusting items are included in note 4.

4. Adjusting items

Year ended 31 December 2021 £m		6 months ended 30 June 2022 £m	Restated (note 1) 6 months ended 30 June 2021 £m
	Recognised in arriving at operating profit from continuing operations		
(34.9)	Intangibles amortisation	**(17.0)**	(18.0)
	Exceptional items		
(1.9)	Acquisition and integration related costs	**(1.3)**	—
—	Russia operations wind down	**(1.7)**	—
(4.7)	Cybersecurity incident response	**—**	—
6.3	Other restructuring and rationalisation activities	**0.3**	—
(0.3)	Total Exceptional items	**(2.7)**	—
	Other adjusting items		
(4.4)	Asbestos-related provision	**3.2**	(0.2)
(4.4)	Total Other adjusting items	**3.2**	(0.2)
(39.6)	**Total adjusting items**	**(16.5)**	(18.2)
	Recognised in arriving at operating profit from discontinued operations		
	Exceptional items		
0.9	Onerous purchase contracts	**—**	0.9
0.9	Total Exceptional items	**—**	0.9
0.9	**Total adjusting items**	**—**	0.9

Continuing operations

Intangibles amortisation

Intangibles amortisation of £17.0m relates to acquisition related assets and ongoing multi-year investment activities.

4. Adjusting items (continued)

Exceptional items

Exceptional items in the period include £1.3m for acquisition and integration related costs, of which £0.9m relates to the acquisition of Carriere Industrial Supply Limited which completed on 8 April 2022 (note 10). The majority of these costs relate to adviser fees, due diligence and initial integration. The remaining £0.4m expense relates to further Motion Metrics integration costs following its acquisition on 30 November 2021. The prior year exceptional included a charge of £2.8m for Motion Metrics acquisition and integration costs and a credit £0.9m for an accrual release in relation to ESCO integration costs. In total acquisition and integration costs have resulted in a £2.8m exceptional cash outflow in the 6 months to 30 June 2022, including items expensed in the prior year.

In March 2022, the Group announced the suspension of its business and operations in Russia and has since commenced the wind down of those operations. As a result, an initial £1.7m exceptional cost has been recognised in the period. This primarily reflects severance costs of which £1.1m has been cash settled in the period. In the ESCO Division, a potential business transfer to local management is being considered, with no costs being recognised in the period as this review continues.

The remaining credit of £0.3m relates to the reversal of restructuring and rationalisation charges recognised in Peru and China in prior years.

The Group incurred £4.7m of costs in the final quarter of 2021 as a direct result of the cybersecurity incident in September 2021. These costs primarily related to specialist advisory fees incurred centrally to investigate and respond to the incident, incremental hardware costs expensed to facilitate business continuity during the period of recovery plus an impairment charge of £0.1m on existing hardware. This resulted in a £2.2m exceptional cash outflow in the year to 31 December 2021 and a further £2.2m cash outflow in the period to 30 June 2022 in respect of the 2021 expense.

There were no exceptional items recognised in the prior period to 30 June 2021.

Other adjusting items

A credit of £3.2m (June 2021: charge £0.2m) has been recorded in respect of movements in the US asbestos-related liability and associated insurance provision, plus settlements for post 1981 US asbestos-related claims which relate to legacy Group products. Further details of this are included in note 11.

Discontinued operations

There are no financial results for the period to 30 June 2022 for discontinued operations following the disposal of these in 2021. An exceptional credit of £0.9m was recognised in the prior period to 30 June 2021 as a result of a final adjustment to the onerous purchase contracts provision.

5. Income tax expense

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
(9.8)	Continuing Group - UK	**(5.7)**	(2.0)
(44.6)	Continuing Group - Overseas	**(28.1)**	(23.4)
(54.4)	Income tax expense in the Consolidated Income Statement for continuing operations	**(33.8)**	(25.4)
(6.1)	Discontinued operations	**—**	(4.2)
(60.5)	Income tax expense in the Consolidated Income Statement for total operations	**(33.8)**	(29.6)

The total income tax expense is disclosed in the Consolidated Income Statement as follows.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
	Tax (expense) credit		
(63.8)	- adjusted continuing operations	**(37.6)**	(29.5)
(1.7)	- adjusted discontinued operations	**—**	—
(2.9)	- exceptional and other adjusting items	**(0.3)**	(4.2)
7.9	- adjusting intangibles amortisation and impairment	**4.1**	4.1
(60.5)	Total income tax (expense) in the Consolidated Income Statement for total operations	**(33.8)**	(29.6)

The income tax expense included in the Continuing Group's share of results of joint ventures is as follows.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
(0.2)	Joint ventures	**—**	(0.4)

Tax charged within the 6 months ended 30 June 2022 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the period ending 31 December 2022 using rates substantively enacted by 30 June 2022 as required by IAS 34 ‘Interim Financial Reporting’.

The normalised rate of tax of 26.4% (restated for continuing operations at 30 June 2021: 24.9%) has been calculated using the full year projections and has been applied to profit before exceptionals for the 6 months ended 30 June 2022.

Legislation to increase in the UK rate from 19% to 25% from April 2023 was substantively enacted as part of Finance Bill 2021 (on 25 May 2021). As a result, at 30 June 2022, deferred tax balances have been calculated at 19% or 25% depending upon when the balance is expected to unwind.

Factors affecting current and future tax charges
The normalised tax rate was 0.1% below the Group's weighted average rate of 26.5%. The Group considers its normalised tax rate to be sustainable.

Unrecognised Deferred Tax
Included in the net Deferred Tax Liability of £0.4m is £28.0m related to the US Group Deferred Tax Assets, determined on a basis consistent with the approach adopted at year ended 31 December 2021 following the application of a model which estimates the future forecast levels of US taxable income with reference to the Group’s five year strategic plan. Consistent with this approach, US deferred tax assets totalling £53.0m are not recognised but retained by the continuing US group, in connection with the disposal of the US entities within the Oil & Gas Division. The ongoing application of this model may result in future changes to the amount of US deferred tax assets that are unrecognised.

6. Discontinued operations

There are no financial results for the period to 30 June 2022 in respect of discontinued operations following the disposal of the Oil & Gas Division to Caterpillar Inc on 1 February 2021 and Saudi Arabia-based joint venture, Arabian Metals Company to Olayan Financing Company on 30 June 2021. The Group's 2021 Annual Report (note 8) provides full disclosure on the two transactions.

7. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of dilutive share awards.

The following reflects the earnings used in the calculation of earnings per share.

Year ended 31 December 2021		**6 months ended 30 June 2022**	Restated (note 1) 6 months ended 30 June 2021
	Profit attributable to equity holders of the Company		
258.5	Total operations* (£m)	**92.1**	181.2
154.6	Continuing operations** (£m)	**92.1**	74.6
184.8	Continuing operations before adjusting items** (£m)	**104.8**	88.7

* Adjusted for a profit of £0.1m (2021: profit of £0.2m) in respect of non-controlling interests for total operations.

** Adjusted for a profit of £0.1m (2021: profit of £0.2m) in respect of non-controlling interests for continuing operations.

The following reflects the number of shares used in the calculation of earnings per share, and the difference between the weighted average share capital for the purposes of the basic and the diluted earnings per share calculations.

Year ended 31 December 2021 Shares million		**6 months ended 30 June 2022 Shares million**	6 months ended 30 June 2021 Shares million
259.3	Weighted average number of ordinary shares for basic earnings per share	**258.7**	259.3
1.7	Effect of dilution: employee share awards	**1.8**	1.8
261.0	Adjusted weighted average number of ordinary shares for diluted earnings per share	**260.5**	261.1

The profit attributable to equity holders of the Company used in the calculation of both basic and diluted earnings per share from continuing operations before adjusting items is calculated as follows.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
154.6	Net profit attributable to equity holders from continuing	**92.1**	74.6
30.2	Adjusting items net of tax	**12.7**	14.1
184.8	Net profit attributable to equity holders from continuing operations before adjusting items	**104.8**	88.7

Year ended 31 December 2021 pence		6 months ended 30 June 2022 pence	Restated (note 1) 6 months ended 30 June 2021 pence
	Basic earnings per share:		
99.7	Total operations*	**35.6**	69.9
59.6	Continuing operations**	**35.6**	28.8
71.3	Continuing operations before adjusting items**	**40.5**	34.2
	Diluted earnings per share:		
99.0	Total operations*	**35.4**	69.4
59.2	Continuing operations**	**35.4**	28.6
70.8	Continuing operations before adjusting items**	**40.2**	34.0

* Adjusted for a profit of £0.1m (2021: profit of £0.2m) in respect of non-controlling interests for total operations.

** Adjusted for a profit of £0.1m (2021: profit of £0.2m) in respect of non-controlling interests for continuing operations.

There have been 725 share awards (2021: nil) exercised between the reporting date and the date of signing of these financial statements. These were settled out of existing shares held in trust.

8. Dividends paid & proposed

Year ended 31 December 2021 £m		6 months ended 30 June 2022 £m	6 months ended 30 June 2021 £m
	Declared & paid during the year		
	Equity dividends on ordinary shares		
—	Final dividend paid for 2021: 12.3p (2020: nil)	**31.8**	—
29.8	Interim dividend paid for 2021: 11.5p (2020: nil)	**—**	—
31.9	Final dividend for 2021 proposed for approval by shareholders at the AGM (12.3p)	**—**	—
—	Interim dividend proposed for 2022: 13.5p (2021: 11.5p)	**34.9**	29.8

An interim dividend of 13.5p has been declared for 2022 (2021: 11.5p) in line with the capital allocation policy under which the Group intends to distribute 33% of net adjusted earnings by way of dividend.

The proposed interim dividend is based on the number of shares in issue, excluding treasury shares held, at the date that the financial statements were approved and authorised for issue. The final interim dividend may differ due to increases or decreases in the number of shares in issue between the date of approval of this Interim Report and Financial Statements and the record date for the interim dividend.

9. Property, plant & equipment and intangible assets

Year ended 31 December 2021 £m		6 months ended 30 June 2022 £m	Restated (note 1) 6 months ended 30 June 2021 £m
	Additions of property, plant & equipment and intangible assets		
4.0	- owned land & buildings	**2.3**	0.9
44.3	- owned plant & equipment	**18.0**	21.1
12.4	- right-of-use land & buildings	**17.8**	6.9
8.9	- right-of-use plant & equipment	**2.1**	4.4
8.0	- intangible assets	**2.5**	3.0
77.6		**42.7**	36.3

The above additions relate to the normal course of business and do not include any additions made by way of business combinations.

10. Business combinations

On 8 April 2022, the Group completed the acquisition of 100% of the voting rights of Carriere Industrial Supply Limited (CIS) for an enterprise value of CAD$32.5m (£20.2m). CIS is a Canadian-based manufacturer and distributor of wear parts, and an aftermarket service provider to the mining industry with exposure across both surface and underground mining in Ontario and Quebec. The acquisition has joined the ESCO Division and reporting segment as CIS is already an established distributor of ESCO's core GET products. This acquisition will maintain ESCO's leading core GET presence in Ontario and provide opportunities to expand into fabricated hardware and underground capabilities. Initial consideration of £16.2m was paid on completion, with a further deferred consideration of £2.5m payable reflecting indemnification and working capital hold backs. The settlement of the working capital hold back is expected to be in the second half of the year subject to finalisation of the closing accounts process, with the indemnification hold back payable in two installments on the first and second anniversary of the acquisition date.

The provisional fair values, which are subject to finalisation within 12 months of acquisition, are disclosed in the table below. There are certain intangible assets included in the £5.3m of goodwill recognised that cannot be individually separated and reliably measured due to their nature. These items include the future growth of the business, synergies and an assembled workforce. An update to the provisional fair values including, where appropriate, the recognition of separable intangible assets will be provided in the 2022 Annual Report.

Carriere Industrial Supply Limited provisional fair values	2022 £m
Property, plant & equipment – owned assets	3.6
Property, plant & equipment – right-of-use assets	—
Intangible assets	—
Inventories	10.6
Trade & other receivables	5.8
Cash & cash equivalents	1.6
Trade & other payables	(7.6)
Deferred tax liabilities	(0.6)
Provisional fair value of net assets	13.4
Goodwill arising on acquisition	5.3
Total consideration	18.7
Cash consideration	16.2
Deferred consideration	2.5
Total consideration	18.7
The total net cash outflow on current year acquisitions was as follows:	
Carriere Industrial Supply Limited	
cash paid	(16.2)
cash & cash equivalents acquired	1.6
Total cash outflow (note 15)	(14.6)

The gross amount and fair value of CIS trade receivables amounts to £5.8m. It is expected that virtually all the contractual amounts will be collected.

CIS contributed £9.3m to revenue and an operating profit of £1.3m (before adjusting items) in the period from acquisition to 30 June 2022. If the acquisition had occurred at the start of 2022 the revenue and statutory profit for the period from acquired operations would not have had a material impact on the results disclosed in the Consolidated Income Statement and therefore are not separately disclosed. Group exceptional acquisition and integration costs in relation to CIS were £0.9m in the period (note 4) and are reported within Administrative expenses (note 3).

In November 2021, the Group completed the acquisition of 100% of the voting rights of Motion Metrics, a leading Canada-based global mining technology business with market leading development in innovative Artificial Intelligence (AI) and 3D rugged Machine Vision Technology. The Group purchased Motion Metrics for an enterprise value of CAD$150m (£88m), which represented the initial equity value consideration of £68m paid in cash and £20m of vendor liabilities. The remaining £9m vendor liabilities outstanding at 31 December 2021 have been cash settled in the period to 30 June 2022. The acquisition is reported within the ESCO segment.

The provisional opening balance sheet reported in the 2021 Annual Report has been updated based on the review performed to date, as reflected in the table below. This has resulted in the restatement of the balance sheet at 31 December 2021 as reflected in note 1. The provisional fair values will be finalised within 12 months of the acquisition date (30 November 2021) and the final opening balance sheet will be reported in the 2022 Annual Report.

10. Business combinations (continued)

Motion Metrics provisional fair values	As reported 2021 £m	Adjustment (note 1) 2021 £m	Restated (note 1) 2021 £m
Property, plant & equipment – owned assets	**0.6**	(0.1)	**0.5**
Property, plant & equipment – right-of-use assets	**0.2**	0.7	**0.9**
Intangible assets			
Brand names	**3.3**	—	**3.3**
Intellectual property and trademarks	**34.0**	0.1	**34.1**
Purchased software	**0.1**		**0.1**
Inventories	**2.2**	(0.6)	**1.6**
Trade & other receivables	**2.3**	—	**2.3**
Income tax receivable	**0.7**	1.1	**1.8**
Interest-bearing loans & borrowings	**(0.2)**	(0.7)	**(0.9)**
Trade & other payables	**(1.6)**	(0.8)	**(2.4)**
Income tax payable	**(0.5)**	(0.1)	**(0.6)**
Provisions	**(20.0)**	—	**(20.0)**
Deferred tax liabilities	**(5.3)**	(0.1)	**(5.4)**
Provisional fair value of net assets	**15.8**	**(0.5)**	**15.3**
Goodwill arising on acquisition	**52.1**	0.5	**52.6**
Total consideration	**67.9**	—	**67.9**
Cash consideration	**67.9**	—	**67.9**
Contingent consideration	**—**	—	**—**
Total consideration	**67.9**	—	**67.9**
The total net cash outflow on current year acquisitions was as follows:			
cash paid	**(67.9)**	—	**(67.9)**
cash & cash equivalents acquired	**—**	—	**—**
Total cash outflow (note 15)	**(67.9)**	—	**(67.9)**

Contingent consideration

As noted in the 2021 Annual Report, as part of the purchase agreement a maximum of an additional CAD$100m is payable by the Group contingent on Motion Metrics exceeding specific revenue and EBITDA targets over the next three years. In the period following acquisition, the probability of Motion Metrics exceeding these targets in order to trigger a contingent payment is still considered uncertain, in part due to the relative infancy of the business. As a result, no contingent consideration has been recorded at the reporting date and this will continue to be reassessed in future periods as the business develops.

Group exceptional acquisition and integration costs in relation to Motion Metrics were £0.4m in the period (note 4) and are reported within Administrative expenses (note 3).

11. Provisions

	Warranties & contract claims £m	Asbestos-related £m	Employee-related £m	Exceptional items £m	Other £m	Total £m
At 31 December 2021	**9.4**	**61.6**	**12.4**	**11.1**	**11.0**	**105.5**
Additions	**2.2**	**0.6**	**7.0**	**3.0**	**0.9**	**13.7**
Utilised	**(3.4)**	**(3.7)**	**(7.0)**	**(12.8)**	**(0.6)**	**(27.5)**
Unutilised	**(0.2)**	**(5.8)**	**—**	**(0.3)**	**(0.2)**	**(6.5)**
Exchange adjustment	**0.8**	**5.9**	**0.6**	**0.5**	**1.2**	**9.0**
At 30 June 2022	**8.8**	**58.6**	**13.0**	**1.5**	**12.3**	**94.2**
Current	**8.8**	**8.2**	**8.0**	**1.4**	**2.2**	**28.6**
Non-current	**—**	**50.4**	**5.0**	**0.1**	**10.1**	**65.6**
At 30 June 2022	**8.8**	**58.6**	**13.0**	**1.5**	**12.3**	**94.2**
Current	5.8	7.5	6.8	2.4	2.5	25.0
Non-current	0.1	55.0	5.6	1.0	9.4	71.1
At 30 June 2021	5.9	62.5	12.4	3.4	11.9	96.1
Current	9.2	7.6	6.9	10.8	2.0	36.5
Non-current	0.2	54.0	5.5	0.3	9.0	69.0
At 31 December 2021	9.4	61.6	12.4	11.1	11.0	105.5

The impact of discounting is only relevant for the Asbestos-related category of provision, with higher discount rates at 30 June 2022 resulting in a £5.8m reduction in the provision which is reflected as unutilised above.

Warranties & contract claims

Provision has been made in respect of actual warranty claims on goods sold and services provided, and allowance has been made for potential warranty claims based on past experience for goods and services sold with a warranty guarantee. At 30 June 2022, the warranties portion of the provision totalled £6.8m (2021: £4.6m) for continuing operations. At 30 June 2022, all of these costs relate to claims which fall due within one year of the balance sheet date. Prior to this, some costs were non-current but expected to be incurred within five years of the balance sheet date.

Provision has been made in respect of sales contracts entered into for the sale of goods in the normal course of business where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received from the contracts and before allowing for future expected aftermarket revenue streams. Provision is made immediately when it becomes apparent that expected costs will exceed the expected benefits of the contract. At 30 June 2022, the contract claims element, which includes onerous provision, was £2.0m (2021: £1.3m), all of which is expected to be incurred within one year of the balance sheet date.

Asbestos-related claims

31 December 2021 £m		**30 June 2022 £m**	30 June 2021 £m
55.5	US asbestos-related provision – pre-1981 date of first exposure	52.6	56.5
3.0	US asbestos-related provision – post-1981 date of first exposure	2.9	2.9
58.5	US asbestos-related provision – total	55.5	59.4
3.1	UK asbestos-related provision	3.1	3.1
61.6	Total asbestos-related provision	58.6	62.5

US asbestos-related provision

Certain of the Group's US-based subsidiaries are co-defendants in lawsuits pending in the US in which plaintiffs are claiming damages arising from alleged exposure to products previously manufactured which contained asbestos. The dates of alleged exposure currently range from the 1950s to the 1980s.

The Group has historically held comprehensive insurance cover for cases of this nature and continues to do so for claims with a date of first exposure (dofe) pre-1981. The expiration of one of the Group's insurance policies in 2019 resulted in no further insurance cover for claims with a post-1981 dofe. All claims are directly administered by National Coordinating Counsel on behalf of the Group's insurers who also meet associated defence costs. The insurers, their legal advisers and in-house counsel agree and execute the defence strategy between them.

11. Provisions (continued)

A review of both the Group's expected liability for US asbestos-related diseases and the adequacy of the Group's insurance policies to meet future settlement and defence costs was completed in conjunction with external advisers in 2020 as part of our planned triennial actuarial update.

This review was based on an industry standard epidemiological decay model, and Weir's claims settlement history. The 2020 review reflected higher levels of claims, particularly relating to the 1970s and 1980s, and a longer dofe period, but lower settlement values than the previous review conducted in 2017. Further details of this review, the resulting US asbestos-related provision and insurance asset, judgements applied and relevant sensitivity analysis is included in note 21 of our 2021 Annual Report and Financial Statements.

In the 6 months to 30 June 2022 the US asbestos-related provision was updated for changes in discount rate, period end FX rates and adjusted in line with the actuarial model to reflect expected settlements and the estimate of ten years of future claims. The insurance asset was updated to reflect settlements in the period. The table below represents the Directors' best estimate of the future liability and corresponding insurance asset.

31 December 2021 £m	US asbestos-related provision	30 June 2022 £m	30 June 2021 £m
67.4	Gross provision	**71.6**	69.0
(8.9)	Effect of discounting	**(16.1)**	(9.6)
58.5	Discounted US asbestos-related provision	**55.5**	59.4
42.2	Insurance asset	**40.9**	47.2
16.3	Net US asbestos-related liability	**14.6**	12.2

The insurance asset consists of £7.4m (2021: £6.8m) presented within Trade & other receivables as a current asset, and £33.5m (2021: £40.4m) as Other receivables within non-current assets.

Since the latest triennial actuarial update conducted in 2020 the number of claims received has exceeded those included in the actuarial model. While settlement costs related to claims received through 2021 were below those provided, there has been an increase in average settlement values in the first half of 2022. These variations are to be expected from period to period and the sensitivity analysis reflecting reasonably probable scenarios conducted at 31 December 2021 is considered to still be appropriate.

Ultimately, there is inherent uncertainty associated with estimating future costs in respect of asbestos-related diseases. Actuarial estimates of future indemnity and defence costs associated with asbestos-related diseases are subject to significantly greater uncertainty than actuarial estimates for other types of exposures. This uncertainty results from factors that are unique to the asbestos claims litigation and settlement process including but not limited to:

i) the possibility of future state or federal legislation applying to claims for asbestos-related diseases;
ii) the ability of the plaintiff's bar to develop and sustain new legal theory and/or develop new populations of claimants;
iii) changes in focus of the plaintiff's bar;
iv) changes in the Group's defence strategy; and
v) changes in the financial condition of other co-defendants in suits naming the Group and affiliated businesses.

As a result, there can be no guarantee that the assumptions used to estimate the provision will result in an accurate prediction of the actual costs that may be incurred.

The Group's US subsidiaries have been effective in managing the asbestos litigation, in part, because the Group has access to historical project documents and other business records going back more than 50 years, allowing it to defend itself by determining if legacy products were present at the location of the alleged asbestos exposure and, if so, the timing and extent of their presence. In addition, the Group has consistently and vigorously defended claims that are without merit.

UK asbestos-related provision

In the UK, there are outstanding asbestos-related claims which are not the subject of insurance cover. The extent of the UK asbestos exposure involves a series of legacy employer's liability claims which all relate to former UK operations and employment periods in the 1950s to 1970s. In 1989 the Group's employer's liability insurer (Chester Street Employers Association Ltd) was placed into run-off which effectively generated an uninsured liability exposure for all future long-tail disease claims with an exposure period pre-dating 1 January 1972. All claims with a disease exposure post 1 January 1972 are fully compensated via the Government-established Financial Services Compensation Scheme. Any settlement to a former employee whose service period straddles 1972 is calculated on a pro rata basis. The Group provides for these claims based on management's best estimate of the likely costs given past experience of the volume and cost of similar claims brought against the Group.

The UK provision was reviewed and adjusted accordingly for claims experience in the year, resulting in a provision of £3.1m (2021: £3.1m).

11. Provisions (continued)

Employee-related

Employee-related provisions arise from legal obligations in a number of territories in which the Group operates, the majority of which relate to compensation associated with periods of service. A large proportion of the provision is for long service leave. The outflow is generally dependent upon the timing of employees' period of leave with the calculation of the majority of the provision being based on criteria determined by the various jurisdictions.

Exceptional items

The exceptional items provision relates to exceptional charges included within note 4 where the cost is based on a reliable estimate of the obligation.

The opening balance of £11.1m included £8.9m for opening balance sheet liabilities in Motion Metrics, cybersecurity costs of £0.4m and final Oil & Gas disposal costs of £0.4m. The remaining opening balance of £1.4m relates to prior year balances in Minerals for severance costs and onerous contract provisions.

Additions of £3.0m in the period include £1.3m for acquisition and integration costs in relation to Carriere Industrial Supply Limited and Motion Metrics, and £1.7m for redundancy and customer penalties related to initial wind down actions associated with our Russian operations in the Minerals Division. The utilisation in the period of £12.8m primarily relates to the cash settlement of the majority of the opening provision, including Motion Metrics acquisition vendor liabilities, plus partial settlement of acquisition and integration costs and Russia wind down costs.

The closing balance of £1.5m primarily relates to customer and onerous lease contracts, the wind down of our Russian operations and outstanding integration costs.

Other

Other provisions include environmental obligations, penalties, duties due, legal claims and other exposures across the Group. These balances typically include estimates based on multiple sources of information and reports from third-party advisers. The timing of outflows is difficult to predict as many of these will ultimately rely on legal resolutions and the expected conclusion is based on information currently available. Where certain outcomes are unknown, a range of possible scenarios is calculated, with the most likely being reflected in the provision.

12. Interest-bearing loans & borrowings

The Group utlises a number of sources of funding including private placement debt, Sustainability-Linked Notes, revolving credit facility and uncommitted facilities

In April 2022, the Group completed the refinancing of its US$950m Revolving Credit Facility (RCF) which was due to expire in June 2023. This was replaced with a US$800m RCF with a syndicate of 11 global banks and will mature in April 2027 with the option to extend for up to a further two years. The RCF includes a link to the Group's sustainability goals and the covenant terms are unchanged.

At 30 June 2022, £359.1m (2021: £nil) was drawn under the US$800m multi-currency revolving credit facility which is disclosed net of unamortised issue costs of £2.6m (2021: £4.0m).

At 30 June 2022, a total of £164.2m (2021: £572.5m) was outstanding under private placement which is disclosed net of unamortised issue costs of £nil (2021: £0.2m).

At 30 June 2022, a total of £653.0m (2021: £579.7m) was outstanding under Sustainability-Linked Notes which is disclosed net of unamortised issue costs of £4.0m (2021: £4.7m).

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes. Cash & short-term deposits at 30 June 2022 includes £123.2m (2021: £72.0m) that is part of this arrangement and both cash and interest-bearing loans & borrowings are grossed up by this amount.

13. Pensions & other post-employment benefit plans

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
—	Plans in surplus	**59.2**	—
(56.7)	Plans in deficit	**(34.8)**	(103.6)
(56.7)	Net asset (liability)	**24.4**	(103.6)

The IAS 19 funding position across the Group's legacy UK and North American schemes improved from a deficit of £56.7m at 31 December 2021 to a net surplus of £24.4m at 30 June 2022. This is primarily due to a reduction in liabilities due to changes in market conditions, driven by a significant rise in discount rates as well as updates to mortality assumptions and contributions paid to the plans over the period. This is partially offset by net losses on the asset side combined with experience losses and exchange rate movements.

14. Financial instruments

The Group enters into derivative financial instruments in the normal course of business in order to hedge its exposure to foreign exchange risk. Derivatives are only used for economic hedging purposes and no speculative positions are taken. Derivatives are recognised as held for trading and at fair value through profit and loss unless they are designated in IFRS 9 compliant hedge relationships.

The table below summarises the types of derivative financial instrument included within each balance sheet category.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
	Included in current assets		
—	Forward foreign currency contracts designated as cash flow hedges	**—**	0.2
—	Cross currency swaps designated as net investment hedges	**—**	2.9
7.1	Other forward foreign currency contracts	**7.4**	5.2
7.1		**7.4**	8.3
	Included in current liabilities		
(0.4)	Forward foreign currency contracts designated as cash flow hedges	**(0.2)**	(0.4)
—	Forward foreign currency contracts designated as net investment hedges	**(0.4)**	(0.3)
(3.4)	Other forward foreign currency contracts	**(9.8)**	(2.9)
(3.8)		**(10.4)**	(3.6)
	Included in non-current liabilities		
(0.1)	Other forward foreign currency contracts	**(0.4)**	(0.1)
(0.1)		**(0.4)**	(0.1)
3.2	**Net derivative financial (liabilities) assets - total Group**	**(3.4)**	4.6

Carrying amounts & fair values
Set out below is a comparison of carrying amounts and fair values of all of the Group's financial instruments that are reported in the financial statements.

14. Financial instruments (continued)

Restated (note 1) Carrying amount 31 December 2021 £m	Fair value 31 December 2021 £m		**Carrying amount 30 June 2022 £m**	**Fair value 30 June 2022 £m**	Carrying amount 30 June 2021 £m	Fair value 30 June 2021 £m
		Financial assets - total Group				
7.1	7.1	Derivative financial instruments recognised at fair value through profit or loss	**7.4**	**7.4**	5.2	5.2
—	—	Derivative financial instruments in designated hedge accounting relationships	**—**	**—**	3.1	3.1
507.5	507.5	Trade & other receivables excluding statutory assets, prepayments & construction contract assets	**571.7**	**571.7**	449.1	449.1
564.4	564.4	Cash & short-term deposits	**467.0**	**467.0**	647.0	647.0
1,079.0	1,079.0		**1,046.1**	**1,046.1**	1,104.4	1,104.4
		Financial liabilities - total Group				
3.5	3.5	Derivative financial instruments recognised at fair value through profit or loss	**10.2**	**10.2**	3.0	3.0
0.4	0.4	Derivative financial instruments in designated hedge accounting relationships	**0.6**	**0.6**	0.7	0.7
—	—	Deferred consideration payable	**2.5**	**2.5**	—	—
		Amortised cost:				
1,170.1	1,211.1	Fixed-rate borrowings	**817.2**	**796.7**	1,147.3	1,213.2
(3.0)	(3.0)	Floating-rate borrowings	**359.1**	**359.1**	(4.0)	(4.0)
105.4	105.4	Leases	**118.5**	**118.5**	110.2	110.2
64.4	64.4	Bank overdrafts & short-term borrowings	**133.1**	**133.1**	72.0	72.0
410.5	410.5	Trade & other payables excluding statutory liabilities & contract liabilities	**441.2**	**441.2**	355.4	355.4
1,751.3	1,792.3		**1,882.4**	**1,861.9**	1,684.6	1,750.5

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes. Cash & short-term deposits at 30 June 2022 includes £123.2m (2021: £72.0m) that is part of this arrangement and both cash and interest-bearing loans & borrowings are grossed up by this amount.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The derivative financial instruments are valued using valuation techniques with market observable inputs including spot and forward foreign exchange rates, interest rate curves, counterparty and own credit risk. The fair value of cross currency swaps is calculated as the present value of the estimated future cash flows based on spot foreign exchange rates. The fair value of forward foreign currency contracts is calculated as the present value of the estimated future cash flows based on spot and forward foreign exchange rates.

The fair value of borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The fair value of lease liabilities is disclosed in line with the carrying value which is estimated by discounting future cash flows using the rate implicit in the lease or the Group's incremental borrowing rate. The fair value of cash and short-term deposits, trade and other receivables and trade and other payables approximates their carrying amount due to the short-term maturities of these instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1:	Quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2:	Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;
Level 3:	Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group holds all financial instruments at level 2 fair value measurement.

During the 6 months ended 30 June 2022 and the year ended 31 December 2021, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements.

15. Additional cash flow information

Year ended 31 December 2021 £m		Notes	**6 months ended 30 June 2022 £m**	Restated (note 1) 6 months ended 30 June 2021 £m
	Total operations			
	Net cash generated from operations			
256.6	Operating profit – continuing operations		**151.0**	122.5
0.6	Operating profit – discontinued operations	6	**—**	0.6
257.2	Operating profit – total operations		**151.0**	123.1
3.8	Exceptional and other adjusting items	4	**(0.5)**	(0.7)
40.2	Amortisation of intangible assets		**20.0**	19.9
(3.3)	Share of results of joint ventures		**(1.0)**	(2.0)
43.0	Depreciation of property, plant & equipment		**22.7**	21.1
27.6	Depreciation of right-of-use assets		**14.8**	14.0
(0.3)	Grants received		**—**	—
(4.3)	Gains on disposal of property, plant & equipment		**(0.5)**	(4.1)
(2.7)	Funding of pension & post-retirement costs		**(1.7)**	(1.3)
10.9	Employee share schemes		**4.1**	7.5
4.8	Transactional foreign exchange		**4.9**	2.6
3.9	(Decrease) increase in provisions		**(1.3)**	1.1
380.8	Cash generated from operations before working capital cash flows		**212.5**	181.2
(84.9)	Increase in inventories		**(104.4)**	(45.4)
(61.7)	Decrease (increase) in trade & other receivables & construction contracts		**17.0**	6.3
31.8	(Decrease) increase in trade & other payables & construction contracts		**(24.9)**	(2.3)
266.0	Cash generated from operations		**100.2**	139.8
(7.8)	Additional pension contributions paid		**(7.7)**	(5.9)
(8.6)	Exceptional and other adjusting cash items		**(7.2)**	(4.7)
(11.1)	Exceptional cash items - acquired vendor liabilities		**(8.9)**	—
(82.4)	Income tax paid		**(40.2)**	(35.0)
156.1	Net cash generated from operating activities		**36.2**	94.2

Exceptional and other adjusting items are detailed in note 4.

15. Additional cash flow information (continued)

The following tables summarise the cash flows arising on acquisitions (note 10) and disposals.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
	Acquisitions of subsidiaries		
(67.9)	Current period acquisitions (see below)	**(14.6)**	—
67.9	Acquisition of subsidiaries – cash paid	**16.2**	—
—	Cash & cash equivalents acquired	**(1.6)**	—
67.9	Acquisition of subsidiaries – current period acquisitions	**14.6**	—
67.9	Total cash outflow on current period acquisitions	**14.6**	—
67.9	Total cash outflow relating to acquisitions	**14.6**	—
	Net cash inflow arising on disposals		
258.5	Consideration received net of costs paid & cash disposed of – Oil & Gas Division (excluding AMCO)	**—**	251.4
24.0	Consideration received net of costs paid & cash disposed of – AMCO Joint Venture	**—**	27.4
282.5	Total cash inflow relating to disposals	**—**	278.8

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
	Cash & cash equivalents comprise the following		
564.4	Cash & short-term deposits	**467.0**	647.0
(64.4)	Bank overdrafts & short-term borrowings	**(133.1)**	(72.0)
500.0		**333.9**	575.0

Restated (note 1) Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
	Net debt comprises the following		
564.4	Cash & short-term deposits	**467.0**	647.0
(524.1)	Current interest-bearing loans & borrowings	**(323.6)**	(524.2)
(812.8)	Non-current interest-bearing loans & borrowings	**(1,104.3)**	(801.3)
(772.5)		**(960.9)**	(678.5)

15. Additional cash flow information (continued)

Reconciliation of financing cash flows to movement in net debt

	Restated (note 1) Opening balance at 31 December 2021	Cash movements	Additions/ acquisitions	Disposals	FX	Non-cash movements	Closing balance at 30 June 2022
	£m	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	**500.0**	**(198.8)**	**1.6**	**—**	**31.1**	**—**	**333.9**
Third-party loans	**(1,174.7)**	**108.0**	**—**	**—**	**(116.2)**	**—**	**(1,182.9)**
Leases	**(105.4)**	**14.0**	**(20.1)**	**—**	**(7.0)**	**—**	**(118.5)**
Unamortised issue costs	**7.6**	**2.7**	**—**	**—**	**—**	**(3.7)**	**6.6**
Amounts included in gross debt	**(1,272.5)**	**124.7**	**(20.1)**	**—**	**(123.2)**	**(3.7)**	**(1,294.8)**
Amounts included in net	**(772.5)**	**(74.1)**	**(18.5)**	**—**	**(92.1)**	**(3.7)**	**(960.9)**
Financing derivatives	**1.4**	**(0.2)**	**—**	**—**	**—**	**(1.4)**	**(0.2)**
Other liabilities relating to financing activities	**1.4**	**(0.2)**	**—**	**—**	**—**	**(1.4)**	**(0.2)**
Total financing liabilities*	**(1,271.1)**	**124.5**	**(20.1)**	**—**	**(123.2)**	**(5.1)**	**(1,295.0)**

* Total financing liabilities comprise gross debt plus other liabilities relating to financing activities.

	Opening balance at 30 June	Cash movements	Additions	Disposals	FX	Non-cash movements	Restated (note 1) Closing balance at 31 December 2021
	£m	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	575.0	(76.4)	—	—	1.4	—	500.0
Third-party loans	(1,152.2)	0.2	(0.2)	—	(22.5)	—	(1,174.7)
Leases	(110.2)	14.0	(9.2)	—	(0.2)	0.2	(105.4)
Unamortised issue costs	8.9	0.4	—	—	—	(1.7)	7.6
Amounts included in gross debt	(1,253.5)	14.6	(9.4)	—	(22.7)	(1.5)	(1,272.5)
Amounts included in net	(678.5)	(61.8)	(9.4)	—	(21.3)	(1.5)	(772.5)
Financing derivatives	5.4	(5.3)	—	—	—	1.3	1.4
Other liabilities relating to financing activities	5.4	(5.3)	—	—	—	1.3	1.4
Total financing liabilities*	(1,248.1)	9.3	(9.4)	—	(22.7)	(0.2)	(1,271.1)

* Total financing liabilities comprise gross debt plus other liabilities relating to financing activities.

16. Related party disclosure

The following table provides the total amount of significant transactions which have been entered into by the Group with related parties for the relevant financial period and outstanding balances at the period end.

Year ended 31 December 2021 £m		**6 months ended 30 June 2022 £m**	6 months ended 30 June 2021 £m
0.7	Sales of goods to related parties - joint ventures	**0.7**	0.3
0.1	Sales of services to related parties - joint ventures	**0.1**	0.1
16.7	Purchases of goods from related parties - joint ventures	**11.8**	7.4
5.9	Amounts owed to related parties - group pension plans	**1.7**	1.4
1.3	Amounts owed by related parties - joint ventures	**—**	—

17. Exchange rates

The principal exchange rates applied in the preparation of these financial statements were as follows.

Year ended 31 December 2021	**Average rate (per £)**	**6 months ended 30 June 2022**	6 months ended 30 June 2021
1.38	US Dollar	**1.30**	1.39
1.83	Australian Dollar	**1.81**	1.80
1.16	Euro	**1.19**	1.15
1.73	Canadian Dollar	**1.65**	1.73
1,043.54	Chilean Peso	**1,073.60**	998.75
20.34	South African Rand	**20.03**	20.19
7.42	Brazilian Real	**6.61**	7.47
8.88	Chinese Yuan	**8.42**	8.99
101.70	Indian Rupee	**98.98**	101.75
	Closing rate (per £)		
1.35	US Dollar	**1.22**	1.38
1.86	Australian Dollar	**1.76**	1.84
1.19	Euro	**1.16**	1.16
1.71	Canadian Dollar	**1.57**	1.71
1,153.18	Chilean Peso	**1,126.97**	1,010.33
21.57	South African Rand	**19.81**	19.76
7.54	Brazilian Real	**6.32**	6.89
8.60	Chinese Yuan	**8.16**	8.91
100.66	Indian Rupee	**96.17**	102.58

Directors' Statement of Responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting", and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

a. an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

a. material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

A list of current directors is maintained on The Weir Group PLC website which can be found at www.global.weir.

On behalf of the Board
John Heasley
Chief Financial Officer
28 July 2022

Independent review report to The Weir Group PLC

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed The Weir Group PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Report of The Weir Group PLC for the 6 month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.
The interim financial statements comprise:

- the Consolidated Balance Sheet as at 30 June 2022;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report of The Weir Group PLC have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Glasgow
28 July 2022

Shareholder Information

The Board have declared an interim dividend of 13.5p for 2022 (2021: 11.5p).

Financial Calendar

Ex-dividend date for interim dividend
6 October 2022

Record date for interim dividend
7 October 2022
Shareholders on the register at this date will receive the dividend

Interim dividend paid
4 November 2022

Disclaimer

This information includes ‘forward-looking statements’. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding The Weir Group PLC’s (the “Group”) financial position, business strategy, plans (including development plans and objectives relating to the Group’s products and services) and objectives of management for future operations, are forward-looking statements. These statements contain the words “anticipate”, “believe”, “intend”, “estimate”, “expect” and words of similar meaning. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past business and financial performance cannot be relied on as an indication of future performance.

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Registered in Scotland
Company number: SC002934

The Weir Group PLC

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