

A photograph of two workers in a factory. In the foreground, a woman wearing a blue cap, safety glasses, and a yellow high-visibility vest is smiling and looking towards the right. Her hands are on a computer keyboard. In the background, a man wearing a blue cap, safety glasses, and an orange high-visibility vest is looking at the same computer terminal. The background is a blurred industrial setting with machinery and equipment.

WEIR

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"Weir has a compelling value creation opportunity underpinned by the global energy transition and the benefits of our Performance Excellence transformation programme.

Global decarbonisation is driving growth in demand for critical energy-transition metals and our customers' focus on more sustainable extraction and processing techniques necessitates the adoption of new technologies. Weir's engineering capability, leading brands and growing portfolio of sustainable solutions is delivering on this need and enhancing our position as a supplier of mission critical solutions and services to the mining industry. In addition, Performance Excellence will deliver compounding benefits as we optimise our business to deliver margin expansion and strong cash conversion.

In the first half of the year we performed well, winning market share, growing orders and executing strongly to deliver significant growth in revenue and operating profit. With a positive book-to-bill we enter the second half with a record order book, excellent operating momentum and high activity levels in our mining markets. After a strong performance in the first half we raise our full year revenue and profit guidance, and have confidence in meeting our 2023 margin and cash conversion targets."

Jon Stanton, Chief Executive Officer

Very strong execution and positive book-to-bill Upgrade to full year revenue and profit guidance

Strong demand for Weir mining equipment

- H1 Group OE orders¹, +5%; brownfield and sustainability projects driving demand
- Strengthened pipeline for sustainable solutions, including Redefined Mill Circuit

H1 Group AM orders¹ +1%; Minerals AM orders¹ +5%

- Positive mining production trends and installed base growth
- H1 ESCO orders¹ -3%; robust demand in mining offset by infrastructure, as expected

Very strong execution; book-to-bill, 1.03

- Revenue¹, +16%, delivering on record opening order book
- Adjusted operating profit^{1,3} of £212m, +22%
- Operating margin^{1,3} of 16.3%, +80bps
- Free operating cash conversion of 51%, +22pp

Increasing balance sheet strength and returns

- Net debt to EBITDA of 1.5x with fixed-rate long dated debt maturity profile
- Return on capital employed of 16.3%, +390bps
- Interim dividend of 17.8 pence per share, +32%

FY outlook: now expect strong growth in constant currency revenue and operating profit

- Operating profit towards the upper end of the current range of analysts' expectations*
- On track to deliver operating margin target of 17%
- Free operating cash conversion of 80% to 90%

Continuing Operations ²	H1 2023	H1 2022	As reported +/-	Constant Currency ¹ +/-
Orders ¹	£1,336m	£1,311m	n/a	+2%
Revenue	£1,300m	£1,096m	+19%	+16%
Adjusted operating profit ³	£212m	£168m	+26%	+22%
Adjusted operating margin ³	16.3%	15.3%	+100bps	+80bps
Adjusted profit before tax ³	£188m	£143m	+32%	n/a
Statutory profit before tax	£170m	£126m	+35%	n/a
Adjusted earnings per share ³	53.4p	40.5p	+32%	n/a
Return on capital employed	16.3%	12.4%	+390bps	n/a
Total Group				
Statutory profit after tax	£126m	£92m	+37%	n/a
Statutory earnings per share	48.8p	35.6p	+37%	n/a
Free operating cash conversion	51%	29%	+22pp	n/a
Dividend per share	17.8p	13.5p	+32%	n/a
Net debt ⁶	£842m	£797m ⁵	-£45m	n/a

*Company compiled consensus from 30 June 2023, Group Operating Profit range of £428m to £464m. For all other footnotes see page 4.



CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

I'm delighted with our performance in the first half of the year. We continued to make excellent progress and meet our commitments to stakeholders as a high-quality mining focused group.

We executed strongly, capitalising on our record opening order book and maintaining the operating momentum we carried into the year. We delivered significant year-on-year growth in revenue, operating profit and cash generation, while also expanding our operating margins and taking significant steps towards achieving our full year target of 17%. We delivered differentiated technology and solutions to help our customers with their biggest challenges, culminating in market share gains and year-on-year order growth, while also providing them with the essential spares and expendables to keep their mines running.

We also made excellent strategic progress. We increased our investment in projects on our technology roadmap, including the field trials of our proprietary ore characterisation technology, and built our sales pipeline for sustainable solutions, including for our Redefined Mill Circuit and Motion Metrics™ offerings. In addition, we initiated key projects in our Performance Excellence transformation programme, which will support future margin expansion. We also had our scope 1, 2 & 3 emissions reduction targets approved by SBTi. On safety, our total incident rate⁴ (TIR) improved by 12% year-on-year to 0.29, with particularly pleasing progress at ESCO where TIR reduced by 39%.

Overall, our performance across all metrics reflects the hard work and dedication of Weir colleagues across the globe, and I'd like to thank them for their commitment and contribution to our success.

Looking ahead, the future for Weir is exciting and the long-term structural growth opportunity for our business from decarbonisation is clear. In addition, our Performance Excellence transformation programme will optimise our business and create further value. Together, these factors will deliver excellent outcomes for stakeholders and underpin our ambition to outgrow our markets, expand our margins, convert our earnings to cash, while remaining resilient and doing the right thing for our people and the planet.

Growth: Outgrowing our markets and maintaining positive book-to-bill

Through the first half, our mining markets saw high levels of activity. Market prices for our main commodity exposures of copper, gold and iron were well above our customer's cost of production and end market demand was high. While there is growing intent amongst miners to develop large expansion projects, conversion of the pipeline remains slow, so our customers met demand by maximising production from existing assets; running equipment harder, developing more complex and lower grade ore bodies and by debottlenecking and driving efficiency in existing processes.

Ore production trends, coupled with the incremental AM demand from recent OE installations, drove demand for our AM spares and expendables. Customers ordered OE for debottlenecking and brownfield expansion projects, choosing premium Weir solutions due to their differentiated technology, lowest total cost of ownership and sustainability benefits relative to competitor solutions. Across OE and AM, demand

was at high levels across most regions, and was particularly high in Australasia and South America, reflecting production trends and recent market share gains.

In infrastructure, demand in our largest market of North America was stable through the period, though well below the peak in the first half of last year. In European infrastructure markets, demand continued to be subdued.

On a constant currency basis, the Group delivered year-on-year order growth of 2%.

AM constant currency orders grew by 1%, with growth in demand in both divisions from hard rock mining customers and a contribution from pricing. This growth was partially offset, as expected, by lower demand from ESCO's infrastructure customers and Canadian oil sands customers in Minerals, together with the non-repeat of Russia orders.

In OE, constant currency orders grew 5%. In Minerals we saw growing demand for our mill circuit solutions, as we won market share, and also in comminution where our offering continues to gain traction. In ESCO, we saw very strong incremental demand for mining attachments as we won market share.

Revenue was 16% higher on a constant currency basis. This reflects strong execution, a record opening order book, which included a particularly high level of orders from Canadian oil sands customers, and realisation of prior year price increases. The Group's book-to-bill was 1.03.

Margins and resilience: On track to deliver 17% operating margin in 2023

The operating environment through the first half was stable, as raw material prices steadied and freight availability improved. While wage inflation persisted, our market leading positions and brands enabled us to increase prices to maintain gross margins.

On a constant currency basis adjusted operating profit grew by 22% and adjusted operating margins were 16.3%, up 100bps on an as reported basis. This improvement reflects strong operational efficiency, a contribution from pricing and the non-repeat of adverse transactional FX movements seen in the prior year, partially offset by a movement in Minerals revenue mix towards OE.

Performance Excellence will support margin expansion in the second half and beyond, and we have strong conviction in achieving our target of £30m of run-rate savings by 2025. In the first half, we made good progress with a number of capacity optimisation projects, including consolidation of our Minerals facilities in North America and optimisation of our service centre footprint in Australia. We also mobilised our transformation project management office and made key appointments to the team that will deliver the transition of our Finance, HR and IS&T activities to a Global Business Services model. An exceptional charge of £8m has been recognised in the period relating to Performance Excellence.

Returns: Strong growth in return on capital employed and interim dividend

Free operating cash conversion was in line with expectations at 51%, and reflects typical seasonal working capital patterns, with the outflow from the first half expected to largely unwind through the second half. Our performance represents a significant 22 percentage point improvement on the prior year, with the comparator being impacted by complexities in global supply chains and logistics channels. We remain on track to deliver our full year guidance of 80% to 90% free operating cash conversion.

Return on capital employed (ROCE) for the 12 months to the end of June was 16.3%, an increase of 390bps relative to the same measurement point in the prior year.

In June we made our debut in the Sterling denominated bond market, placing £300m of five-year 6.875% Sustainability-Linked Notes. The proceeds from the placement are for general corporate purposes and to repay existing debt. The competitive pricing reflects our recent upgrade to a full investment grade credit rating, and the sustainability link demonstrates our commitment to reducing our CO₂ emissions.

Reflecting high levels of confidence in our strategy and future prospects, the Board has approved an interim dividend of 17.8 pence per share (2022: 13.5p). This is in line with our policy and represents a 32% increase on the prior year. The interim dividend will be paid on 3 November 2023 to Shareholders on the register on 6 October 2023.

Safety and sustainability: Good progress

On safety, we delivered a 12% year-on-year improvement with the Group's TIR reducing to 0.29. This represents a further significant step in our ambition to eliminate harm in our operations, and follows the recent launch of our Zero Harm Behaviours Framework.

In March we received SBTi approval of our absolute scope 1, 2 & 3 emissions reduction targets, and launched our first ever Climate Transition Plan. Our work to quantify our scope 4 avoided emissions, which is a key part of the journey to enabling us to recognise green revenue, is also progressing well. The focus has expanded to determine the avoided emissions from our full Redefined Mill Circuit solution, with quantification of the benefits expected to enhance our overall customer value proposition.

Outlook

Activity levels in our mining markets are strong. Customers are focused on maximising ore production and on improving the efficiency and sustainability of existing operations, which is driving demand for our AM spares and expendables and brownfield OE solutions.

With a positive book-to-bill we enter the second half of the year with a record order book, and strong operating momentum. We now expect to deliver strong growth in full year constant currency revenue and operating profit, with operating profit towards the upper end of the range of analysts' current expectations*. We remain on track to deliver our 2023 target of 17% operating margin, supported by operational efficiencies, further price realisation and the early financial benefits of Performance Excellence. We expect free operating cash conversion of between 80% and 90%.

Further out, the fundamentals for our business are highly attractive. The long-term structural growth in mining, and our technology led strategy, underpins our ambition to deliver through-cycle mid-to-high single digit percentage revenue growth, while our Performance Excellence programme will deliver compounding benefits and support margin expansion above 17%. In addition, as our capex returns to normal levels in FY24, we expect cash conversion to increase to between 90% and 100%.



Jon Stanton

Chief Executive Officer

01 August 2023

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 2 of the Interim Financial Statements contained in this Report.

1. 2022 restated at 2023 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 £194m (2022: £151m). 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 £109m (2022: £36m).
4. 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.
5. Net Debt at 31 December 2022.
6. Refer to note 2 of the Interim Financial Statements contained in this Report for further details of alternative performance measures

DIVISIONAL REVIEW - MINERALS

Minerals is a global leader in products and integrated solutions for smart, efficient and sustainable processing in mining markets.

2023 First half summary

- AM orders¹ +5%; reflects mining production trends and installed base expansion
- OE orders¹ +1%; demand for brownfield and sustainability solutions
- Revenue¹ +20%; reflects strong execution and record opening order book
- Book-to-bill of 1.03

2023 First half strategic review

Minerals made strong strategic progress in the first half, further building its leadership position in the mill circuit, booking orders for new sustainable technologies and launching its latest digital solutions. Progress across all 4 pillars of the 'We are Weir' strategic framework are outlined below.

People

On safety, Minerals total incident rate (TIR) for the period was 0.21 (2022: 0.15). The Division remains amongst the safest in its sector, and is on a positive long-term trajectory towards its ambition of zero harm. The Division continued to invest in people development and rolled-out a new training programme to its global sales team on the Redefined Mill Circuit. The programme is supporting teams as they promote the technology and respond to growing customer interest in our new sustainable solutions.

Customer

Minerals continued to execute on key strategic growth initiatives, and during the first half gained market share in our core mill circuit product categories. We converted 100% of our competitive field trials for large mill circuit pumps, and also rolled-out our latest cyclone technology. A particular highlight was at a large Brazilian iron ore mine, where we upgraded the cyclones to our latest Cavex[®] 2.0 solution. The new cyclones, which are Synertrex[®] enabled, have improved separation and increased mineral recovery by more than 400,000 tonnes per annum.

We also made good strategic progress in sustainable solutions, and delivered year-on-year growth in comminution. New orders included a pebble crushing plant for a large copper mine in South America and a crushing solution for a potash mine in Canada.

First commercial production was achieved at the Iron Bridge magnetite mine in Western Australia in the second quarter. The £15m per annum High Pressure Grinding Rolls (HPGRs) service contract and regular spares orders for other equipment will commence in the fourth quarter.

Technology

We saw very encouraging interest from customers for our Redefined Mill Circuit, securing orders from large copper mines in South America for coarse particle flotation (CPF) pilot circuits, in partnership with Eriez. Through this strategic alliance we have integrated CPF technology with our latest generation Warman[®] mill circuit pumps and Cavex[®] cyclones to provide significantly improved recoveries and process efficiencies for our customers. Once operational in the third quarter, these plants will be important reference sites for the industry.

We also launched our new, proprietary digital intelli-solutions for pumps, cyclones and HPGRs which, coupled with our Synertrex[®] 2.0 platform, captures critical machine health data and enables remote condition monitoring.

We continued to invest in research and development of our core technologies including new materials and polymers, and upgrades and range expansions for our industry leading Warman[®] slurry pumps.

Performance

The Division continued to focus on optimising its product management and global fulfilment processes and appointed its first Chief Operating Officer to accelerate that work. Progress in the first half included the launch of a programme to review product life cycle management and retire legacy product variants, with initial product retirements achieved during the period. The programme, in combination with benefits from our SAP ERP system, will drive continued improvement in our inventory levels over time.

There was also good progress on our sustainability strategy. Solar generation capability was installed at our South African facility, which will deliver reductions in our scope 1 & 2 emissions.

2023 First half financial review

Constant currency £m	H1 2023	H1 2022 ¹	Growth ¹	H2 2022 ¹
Orders OE	266	262	1%	293
Orders AM	714	681	5%	683
Orders Total	980	943	4%	976
Revenue OE	262	198	32%	256
Revenue AM	688	592	16%	719
Revenue Total	950	790	20%	975
Adjusted operating profit²	173	138	25%	186
Adjusted operating margin ²	18.2%	17.5%	+70 bps	19.0%
Operating cash flow ²	131	106	24%	280
Book-to-bill	1.03	1.19		1.00

1. 2022 restated at 2023 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 2 of the Interim Financial Statements contained in this Report for further details of alternative performance measures.

Orders increased by 4% on a constant currency basis to £980m (2022: £943m), and book-to-bill was 1.03 reflecting high levels of activity in our mining markets. OE orders grew 1%, with particularly strong growth in Q1 (+20%). The decrease in OE orders in Q2 reflects order phasing. AM orders grew 5% reflecting volume growth in hard rock mining and a contribution from pricing, partially offset, as expected, by lower volumes from customers in the Canadian oil sands and the non-repeat of orders from Russia. Excluding orders from Russia from the prior year comparator, AM orders were up 6%. In line with prior years, AM orders in Q2 included a number of multi-period orders. In the first half, AM orders represented 73% of total orders (2022: 72%). In total, mining end markets accounted for 76% of total orders (2022: 74%).

Revenue was 20% higher on a constant current basis at £950m (2022: £790m) reflecting strong execution, delivery of our record opening order book and a contribution from prior year price increases. Revenue growth in North America was particularly high, following a period of strong order growth in the Canadian oil sands last year. Product mix moved towards OE, which represented 28% of revenue, up from 25% in the prior period.

Adjusted operating profit² increased 25% on a constant currency basis to £173m (2022: £138m) as the Division maintained its gross margins, and benefited from increased volumes and strong execution. Prior year operating profit included a £2m adverse impact from transactional FX movements.

Adjusted operating margin² on a constant currency basis was 18.2% (2022: 17.5%). The year-on-year improvement of 70bps reflects strong operational efficiency and non-repeat of the prior year adverse transactional FX movement, partially offset by a movement in revenue mix towards OE.

Operating cash flow² increased by 24% to £131m (2022: £106m) reflecting growth in operating profit, partially offset by a modest increase in working capital outflow to £75m (2022: £67m). Working capital movements reflect an increase in inventory to support growth in the order book, and a decrease in payables which were elevated in the prior year due to the phasing of purchases and temporary disruption in global supply chains.

DIVISIONAL REVIEW - ESCO

ESCO is a global leader in Ground Engaging Tools (G.E.T.), attachments, and artificial intelligence and machine vision technologies that optimise productivity for customers in global mining and infrastructure markets.

2023 First half summary

- Orders¹ -3%; robust demand from mining customers offset by trends in infrastructure
- Very strong demand for mining attachments
- Revenue¹ +6%; reflects strong execution
- Book-to-bill of 1.02

2023 First half strategic review

ESCO made good strategic progress in the first half, significantly improving safety performance, achieving key technology milestones and winning significant market share in mining attachments. Progress across all 4 pillars of the 'We are Weir' strategic framework are outlined below.

People

On safety, ESCO's TIR for the period was 0.65 (2022: 1.06). The significant improvement on the prior year reflects the strong and continued focus on safety across the Division, and the embedding of Weir safety culture and standards at Carriere Industrial Supply (CIS now ESCO Sudbury), which was acquired in H1 2022.

As part of the ongoing emphasis on people development, the Division ran a successful pilot of a new leadership foundations programme which focuses on developing key skills for first-line managers. The roll-out of the programme will continue during the second half of the year.

Customer

During the period ESCO made further progress across its strategic growth initiatives. The number of mines using Motion Metrics™ AI-enabled vision technology increased, and new orders in the first half included a package of 5 ShovelMetrics™ and 5 LoaderMetrics™ systems which will be deployed across all large mining machines at an iron ore mine in Western Australia.

The Division made excellent progress in growing market share in mining attachments, with a 37% year-on-year increase in orders. A particular highlight included converting 4 cable shovel buckets from competitor products to ESCO technology for a large North American copper miner.

In addition, ESCO continued to expand its geographical reach with the transition from third party distribution to our direct to customer model in Scandinavia. The ESCO sales team is now leveraging Minerals' existing footprint in the region to provide enhanced sales and service to customers.

Technology

Field trials of our proprietary ore characterisation technology were successfully completed during the first half. Tests enabled critical data to be collected and validated the performance of the technology in a real world environment. Development has progressed to the next phase which is focused on exploring novel illumination technologies to enhance minerals characterisation.

New Motion Metrics™ capabilities and functions were launched during the period, including an upgraded lens cleaning solution that enhances machine vision capability and improves response times.

Other technology investments included development of a new series of mining attachments that, once launched, will expand our addressable market.

Performance

Construction of the Division's new foundry in Xuzhou, China, remains on track with transition to the equipment installation phase of the project expected later this year. First production from the foundry is expected in 2024, followed by full production in early 2025.

The Division continued to progress initiatives to reduce its environmental impact and commenced new feasibility studies into transitioning to renewable power at a number of its North American facilities.

2023 First half financial review

Constant currency £m	H1 2023	H1 2022 ¹	Growth ¹	H2 2022 ¹
Orders OE	35	25	40%	19
Orders AM	321	343	-6%	323
Orders Total	356	368	-3%	342
Revenue OE	28	17	60%	26
Revenue AM	322	314	3%	338
Revenue Total	350	331	6%	364
Adjusted operating profit²	59	53	10%	57
Adjusted operating margin ²	16.7%	16.1%	+60 bps	15.7%
Operating cash flow ²	53	25	114%	68
Book-to-bill	1.02	1.11		0.94

1. 2022 restated at 2023 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 2 of the Interim Financial Statements contained in this Report for further details of alternative performance measures.

Orders decreased 3% on a constant currency basis to £356m (2022: £368m). Year-on-year movements include growth in the contribution from CIS, which was acquired in Q2 of the prior year, robust underlying demand from customers in mining and a decrease in demand from infrastructure customers relative to a very strong prior year comparator. In mining, demand was particularly strong for our mining attachments, which is reflected in OE order growth of 40%. Notwithstanding this, at 90%, AM continues to account for the vast majority of the Division's orders (2022: 93%). The Division's book-to-bill was 1.02, reflecting high levels of activity in our mining markets. In total, mining end markets accounted for 62% of total orders (2022: 58%).

Revenue increased 6% on a constant currency basis to £350m (2022: £331m). This reflects strong execution and further price realisation.

Adjusted operating profit² increased by 10% on a constant currency basis to £59m (2022: £53m) as the Division maintained its gross margins, and benefited from increased volumes.

Adjusted operating margin² on a constant currency basis was 16.7%, +60 bps (2022: 16.1%), with the year-on-year improvement reflecting strong operational efficiencies.

Operating cash flow² increased by 114% to £53m (2022: £25m), reflecting growth in operating profit and a reduction in working capital outflow to £15m (2022: £33m). Working capital movements reflect a modest increase in inventory, a modest reduction in receivables and a decrease in payables which were elevated in the prior year due to the phasing of purchases and temporary disruption in global supply chains.

GROUP FINANCIAL REVIEW

Continuing Operations £m	Constant currency ¹			As reported	
	H1 2023	H1 2022 ¹	Growth	H1 2022	Growth
Orders OE	301	287	5%	n/a	n/a
Orders AM	1,035	1,024	1%	n/a	n/a
Orders Total	1,336	1,311	2%	n/a	n/a
Revenue OE	290	215	34%	214	35%
Revenue AM	1,010	906	12%	882	15%
Revenue Total	1,300	1,121	16%	1,096	19%
Adjusted operating profit²	212	173	22%	168	26%
Adjusted operating margin ²	16.3%	15.5%	+80bps	15.3%	+100bps
Book-to-bill	1.03	1.17	n/a	n/a	n/a
Total Group £m					
Operating cash flow ²	173	n/a	n/a	100	73%
Free operating cash conversion	51%	n/a	n/a	29%	+22pp
Net debt	842	n/a	n/a	797 ³	-45

1. 2022 restated at 2023 average exchange rates.

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 2 of the Interim Financial Statements contained in this Report for further details of alternative performance measures.

3. Net Debt at 31 December 2022.

Continuing operations order input at £1,336m increased 2% on a constant currency basis. Minerals orders were up 4%, with AM growth up 5% reflecting growth in demand from customers in hard rock mining and a contribution from pricing partially offset by loss of Russia orders and normalisation of demand from customers in the Canadian oil sands. OE solutions performed well against a strong prior year. ESCO orders were down 3%, with a decrease in demand from customers in infrastructure markets offsetting robust underlying demand from mining customers. 77% of orders from continuing operations related to aftermarket compared to 78% in the prior year.

Continuing operations revenue of £1,300m increased 16% on a constant currency basis, reflecting strong execution of the opening order book, continued strength in mining markets and price realisation. In Minerals revenue was 20% higher on a constant currency basis at £950m (2022: £790m). ESCO increased 6% on a constant currency basis to £350m (2022: £331m). Aftermarket accounted for 78% of revenues from continuing operations, down from 81% in the prior year. Reported revenues increased 19%, benefiting from a foreign exchange translation tailwind of £25m. Overall book-to-bill at 1.03 reflects the continued strength in orders as we executed on our record opening order book.

Continuing operations adjusted operating profit increased by £44m (26%) to £212m on a reported basis (2022: £168m). Excluding a £5m foreign currency translation tailwind, the constant currency increase was £39m (22%).

As explained further in the Divisional reviews, Minerals adjusted operating profit increased by 25% on a constant currency basis to £173m (2022: £138m) and ESCO's adjusted operating profit increased by 10% on a constant currency basis to £59m (2022: £53m). Corporate costs of £20m (2022: £18m) are 10% up on prior year mainly reflecting wage inflation.

Continuing operations adjusted operating margin of 16.3% is up 80bps versus last year on a constant currency basis and up 100bps as reported. This increase is driven by higher volumes and associated operating leverage, as well as positive pricing action. This improvement is despite product mix moving slightly towards OE (19% to 22%) for continuing operations. R&D as a percentage of sales was 1.8%, down from 1.9% at December 2022, albeit spend increased in absolute terms.

Continuing operations statutory operating profit for the period of £194m was £43m favourable to the prior year, driven by the increase in adjusted operating profit of £44m.

Continuing operations net finance costs were £24m (2022: £25m) with the decrease mainly due to favourable other finance costs resulting from the Group's net retirement benefit surplus.

Continuing operations adjusted profit before tax was £188m (2022: £143m), after a translational foreign exchange tailwind of £5m. The statutory profit before tax from continuing operations of £170m compares to £126m in 2022, the increase primarily due to the increase in adjusted operating profit.

Continuing operations adjusted tax charge for the year of £50m (2022: £38m) on profit before tax from continuing operations (before adjusting items) of £188m (2022: £143m) represents an adjusted effective tax rate (ETR) of 26.3% (2022: 26.4%). The decrease mainly reflects the geographic mix of profits.

A tax credit of £6m has been recognised in relation to continuing operations adjusting items (2022: £4m).

Continuing operations adjusting items increased to £18m (2022: £17m). Intangibles amortisation decreased by £4m to £13m (2022: £17m). Exceptional items totalled £1m (2022: £3m), with initial costs relating to our Performance Excellence programme of £8m, being largely offset by the reversal of provisions in respect of the wind down of operations in Russia of £7m as working capital recoveries have exceeded initial expectations. Other adjusting items which relate solely to the Group's legacy asbestos-related provisions in the period were a charge of £4m (2022: credit £3m), primarily due to settlements in the period, with the credit recognised in the prior year attributable to the significant change in discount rates.

Statutory profit for the period after tax from total operations of £126m (2022: £92m) reflects a £35m increase in profit from continuing operations.

Adjusted earnings per share from continuing operations increased by 32% to 53.4p (2022: 40.5p). Statutory reported earnings per share from total operations is 48.8p (2022: 35.6p).

Cash flow and net debt

Cash generated from operations increased by £73m to £173m (2022: £100m) in the period due to a combination of higher operating profits and a reduced outflow from working capital in the period of £88m (2022: £112m). As a result, working capital as a percentage of sales decreased to 24% from 32% in the prior year, remaining in line with December 2022, as working capital levels normalised. Continuing operations utilised non-recourse invoice discounting facilities of £40m (2022: £21m) compared to £45m at December 2022. This is largely utilising facilities provided by our customers to receive payment on reasonable terms in certain geographies where custom dictates very extended payment terms. Suppliers chose to utilise supply chain financing facilities of £41m (2022: £50m) versus £54m at December 2022.

Net capital expenditure increased by £18m to £36m (2022: £18m), mainly due to the construction of our new ESCO foundry in China. Lease payments increased to £16m (2022: £14m), while the purchase of shares for employee share plans decreased by £5m to £15m (2022: £20m).

Free operating cash conversion (refer to note 2 of the Interim Financial Statements) was 51% (2022: 29%) as a result of the increased cash generated from operations and a reduced working capital outflow.

Free cash flow (refer to note 2 of the Interim Financial Statements) from total operations was an inflow of £24m (2022: outflow of £24m). In addition to the movements noted above this was primarily impacted by an increase in tax payments of £11m reflecting increased profit levels.

Net debt increased by £45m to £842m (December 2022: £797m) and includes £118m (December 2022: £115m) in respect of IFRS 16 'Leases'. Drivers of the increase in net debt include payment of the final 2022 dividend of £50m, lease movement of £9m, settlement of CIS deferred consideration of £1m, adverse translational foreign exchange and non-cash movements of £4m, plus exceptional items of £5m which include Performance Excellence costs. These are partially offset by the free cash inflow of £24m. Net debt to EBITDA on a lender covenant basis was in line with December 2022 at 1.5x, compared to a covenant level of 3.5x.

In June 2023, the Group successfully completed the issue of £300m five-year Sustainability-Linked Notes due to mature in June 2028, which includes a target to reduce scope 1&2 CO2 emissions by 19.1% in

absolute terms by 2026 from a 2019 baseline, consistent with the Group's SBTi approved target of 30% reduction by the end of 2030. In March 2023, the Group exercised the option to extend its US\$800m multi-currency revolving credit facility by one year which will now mature in April 2028, with the option remaining to extend for a further year. These new arrangements followed the final US Private Placement settlement of £167m in February and allowed the Group to cancel in June its £300m one year term loan facility, obtained in January 2023. Overall these actions extended the average tenor of the Group's debt financing while ensuring there remains in place more than £800m of immediately available liquidity.

Pensions

The IAS 19 funding position across the Group's legacy UK and North American schemes reduced from a net surplus of £15m at 31 December 2022 to a net surplus of £9m at 30 June 2023. This is primarily due to a £12m loss in the UK Main plan following a pensioner buy-in, which results in 63% (December 2022: 39%) of the Main scheme liabilities now being insured. Other movements relating to net losses in UK assets and experience losses resulting from UK inflation were offset by gains driven by higher UK discount rates and a reduction in deficit across our North American plans. In total, a charge of £17m (2022: credit of £76m) has been recognised in the Consolidated Statement of Comprehensive Income.

The strength of the funding position of the UK main scheme means that additional pension cash contributions will reduce by £6m from 2024.

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 2022 Annual Report
1. Political and Social	No change
2. Technology	No change
3. Value Chain Excellence	No change
4. Safety, Health and Wellbeing	No change
5. People	No change
6. Market	No change
7. Climate	No change
8. Competition	No change
9. Digital	No change
10. Information Security and Cyber	No change
11. Ethics and Governance	No change
12. Infectious Disease/Pandemics	No change

Details of the Group's Principal Risks and Uncertainties are unchanged since the publication of the 2022 Annual Report except:

- Covid-19 has been broadened to Infectious Disease/Pandemics to reflect that, while the immediate risks posed by Covid-19 have subsided, we recognise that we need to continue to monitor and examine the changing health risk environment and the shifting patterns of infectious disease and their threat to health more widely.

Further details of the Group's policies on Principal Risks and Uncertainties are contained within the Group's 2022 Annual Report, a copy of which is available at www.annualreport.weir.

Appendix 1 – 2022 / 2023 continuing operations¹ quarterly order trends

Division	Reported growth						Life-for-like growth ³	
	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Original Equipment	-18%	-3%	13%	19%	20%	-12%	20%	-12%
Aftermarket	23%	18%	25%	6%	5%	5%	5%	5%
Minerals	9%	11%	21%	10%	9%	0%	9%	0%
Original Equipment	-17%	98%	-6%	14%	39%	40%	38%	9%
Aftermarket	37%	19%	14%	1%	-9%	-4%	-15%	-2%
ESCO	32%	23%	13%	2%	-6%	0%	-12%	-1%
Original Equipment	-17%	2%	12%	19%	22%	-8%	22%	-10%
Aftermarket	28%	18%	21%	5%	0%	2%	-2%	3%
Continuing Ops	15%	14%	19%	8%	4%	0%	3%	0%
Book-to-bill	1.22	1.13	1.02	0.95	1.04	1.01	1.04	1.01

Division	Quarterly orders ² £m						Like-for-like orders ^{2,3}	
	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q1	2023 Q2
Original Equipment	112	150	147	146	134	132	134	132
Aftermarket	319	362	339	344	335	379	335	379
Minerals	431	512	486	490	469	511	469	511
Original Equipment	10	15	11	8	14	21	14	16
Aftermarket	180	163	163	160	164	157	153	151
ESCO	190	178	174	168	178	178	167	167
Original Equipment	122	165	158	154	148	153	148	148
Aftermarket	499	525	502	504	499	536	488	530
Continuing Ops	621	690	660	658	647	689	636	678

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 2023 average exchange rates.

3. Like-for-like excludes the impact of Carriere Industrial Supply Limited acquired on 8 April 2022.

**CONSOLIDATED INCOME STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2023**

Year ended 31 December 2022		6 months ended 30 June 2023			6 months ended 30 June 2022		
Statutory results		Adjusted results	Adjusting items (note 5)	Statutory results	Adjusted results	Adjusting items (note 5)	Statutory results
£m	Notes	£m	£m	£m	£m	£m	£m
Continuing operations							
2,472.1		1,299.8	—	1,299.8	1,095.5	—	1,095.5
305.0	Operating profit before share of results of joint ventures	210.3	(17.6)	192.7	166.5	(16.5)	150.0
2.5	Share of results of joint ventures	1.3	—	1.3	1.0	—	1.0
307.5	Operating profit	211.6	(17.6)	194.0	167.5	(16.5)	151.0
(51.0)	Finance costs	(31.1)	—	(31.1)	(25.5)	—	(25.5)
3.7	Finance income	7.4	—	7.4	0.5	—	0.5
260.2	Profit before tax from continuing operations	187.9	(17.6)	170.3	142.5	(16.5)	126.0
(47.6)	Tax (expense) credit	(49.5)	5.9	(43.6)	(37.6)	3.8	(33.8)
212.6	Profit for the period from continuing operations	138.4	(11.7)	126.7	104.9	(12.7)	92.2
1.2	(Loss) profit for the period from discontinued operations	—	(0.4)	(0.4)	—	—	—
213.8	Profit for the period	138.4	(12.1)	126.3	104.9	(12.7)	92.2
Attributable to:							
213.4	Equity holders of the Company	138.1	(12.1)	126.0	104.8	(12.7)	92.1
0.4	Non-controlling interests	0.3	—	0.3	0.1	—	0.1
213.8		138.4	(12.1)	126.3	104.9	(12.7)	92.2
Earnings per share							
82.5p	Basic – total operations			48.8p			35.6p
82.0p	Basic – continuing operations	53.4p		48.9p	40.5p		35.6p
82.0p	Diluted – total operations			48.4p			35.4p
81.5p	Diluted – continuing operations	53.1p		48.5p	40.2p		35.4p

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 JUNE 2023**

Year ended		6 months ended	6 months
31 December		30 June	ended
2022		2023	30 June
£m		£m	2022
			£m
213.8	Profit for the period	126.3	92.2
Other comprehensive (expense) income			
—	(Losses) gains taken to equity on cash flow hedges	(0.1)	0.2
223.1	Exchange (losses) gains on translation of foreign operations	(151.5)	220.3
0.1	Reclassification of foreign currency translation reserve on sale of discontinued operations	—	—
(124.9)	Exchange gains (losses) on net investment hedges	25.3	(117.2)
0.5	Reclassification adjustments on cash flow hedges	0.4	(0.1)
(0.1)	Tax relating to other comprehensive expense (income) to be reclassified in subsequent periods	—	(0.1)
98.7	Items that are or may be reclassified to profit or loss in subsequent periods	(125.9)	103.1
Other comprehensive (expense) income not to be reclassified to profit or loss in subsequent periods:			
65.3	Remeasurements on defined benefit plans	(17.0)	76.0
(16.3)	Tax relating to other comprehensive expense (income) not to be reclassified in subsequent periods	4.3	(18.9)
49.0	Items that will not be reclassified to profit or loss in subsequent periods	(12.7)	57.1
147.7	Net other comprehensive (expense) income	(138.6)	160.2
361.5	Total net comprehensive (expense) income for the period	(12.3)	252.4
Attributable to:			
360.8	Equity holders of the Company	(11.6)	251.7
0.7	Non-controlling interests	(0.7)	0.7
361.5		(12.3)	252.4
Total net comprehensive (expense) income for the year attributable to equity holders of the Company			
359.6	Continuing operations	(11.2)	251.7
1.2	Discontinued operations	(0.4)	—
360.8		(11.6)	251.7

CONSOLIDATED BALANCE SHEET
AT 30 JUNE 2023

31 December 2022		30 June 2023	30 June 2022
£m	Notes	£m	£m
ASSETS			
Non-current assets			
462.2	Property, plant & equipment	461.0	450.8
1,409.9	Intangible assets	1,324.0	1,426.0
15.1	Investments in joint ventures	14.8	13.5
92.5	Deferred tax assets	74.7	29.6
76.8	Other receivables	69.2	85.0
50.0	Retirement benefit plan assets	38.7	59.2
—	Derivative financial instruments	0.1	—
2,106.5	Total non-current assets	1,982.5	2,064.1
Current assets			
679.1	Inventories	684.7	674.1
528.9	Trade & other receivables	518.8	545.3
8.9	Derivative financial instruments	5.9	7.4
41.3	Income tax receivable	43.7	35.5
691.2	Cash & short-term deposits	626.9	467.0
1,949.4	Total current assets	1,880.0	1,729.3
4,055.9	Total assets	3,862.5	3,793.4
LIABILITIES			
Current liabilities			
406.3	Interest-bearing loans & borrowings	259.3	323.6
623.5	Trade & other payables	557.4	532.0
13.2	Derivative financial instruments	7.1	10.4
7.4	Income tax payable	2.1	4.3
35.3	Provisions	42.0	28.6
1,085.7	Total current liabilities	867.9	898.9
Non-current liabilities			
1,082.1	Interest-bearing loans & borrowings	1,209.7	1,104.3
1.0	Other payables	—	1.0
—	Derivative financial instruments	—	0.4
62.9	Provisions	56.4	65.6
51.4	Deferred tax liabilities	35.7	30.0
34.9	Retirement benefit plan deficits	29.6	34.8
1,232.3	Total non-current liabilities	1,331.4	1,236.1
2,318.0	Total liabilities	2,199.3	2,135.0
1,737.9	NET ASSETS	1,663.2	1,658.4
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
(14.3)	Treasury shares	(20.1)	(16.6)
0.5	Capital redemption reserve	0.5	0.5
(108.5)	Foreign currency translation reserve	(233.7)	(104.0)
1.9	Hedge accounting reserve	2.2	1.5
899.5	Retained earnings	956.9	818.0
1,726.5	Shareholders' equity	1,653.2	1,646.8
11.4	Non-controlling interests	10.0	11.6
1,737.9	TOTAL EQUITY	1,663.2	1,658.4

The financial statements were approved by the Board of Directors and authorised for issue on 1 August 2023.

JON STANTON
Director

JOHN HEASLEY
Director

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE 6 MONTHS ENDED 30 JUNE 2023**

Year ended		6 months ended	6 months ended
31 December 2022		30 June 2023	30 June 2022
£m	Notes	£m	£m
Total operations			
Cash flows from operating activities			
	16		
447.8	Cash generated from operations	172.9	100.2
(9.7)	Additional pension contributions paid	(7.7)	(7.7)
(14.2)	Exceptional and other adjusting cash items	(5.2)	(7.2)
(9.7)	Exceptional cash items - acquired vendor liabilities	—	(8.9)
(93.4)	Income tax paid	(51.1)	(40.2)
320.8	Net cash generated from operating activities	108.9	36.2
Cash flows from investing activities			
(15.2)	Acquisitions of subsidiaries, net of cash acquired	(1.0)	(14.6)
(56.1)	Purchases of property, plant & equipment, net of grants received	(33.8)	(18.4)
(6.6)	Purchases of intangible assets	(3.5)	(2.6)
4.4	Other proceeds from sale of property, plant & equipment and intangible assets	1.0	2.7
(0.1)	Disposals of discontinued operations, net of cash disposed and disposal costs	(0.4)	—
(2.0)	Exceptional cash item - disposal of ESCO Russia	—	—
4.6	Interest received	6.3	1.6
2.7	Dividends received from joint ventures	1.7	1.4
(68.3)	Net cash used in investing activities	(29.7)	(29.9)
Cash flows from financing activities			
822.8	Proceeds from borrowings	510.6	752.8
(958.9)	Repayments of borrowings	(529.6)	(863.5)
(30.5)	Lease payments	(15.7)	(14.0)
(0.3)	Settlement of derivative financial instruments	(0.2)	0.2
(49.9)	Interest paid	(30.6)	(27.1)
(66.7)	Dividends paid to equity holders of the Company	(49.9)	(31.8)
(0.3)	Dividends paid to non-controlling interests	(0.7)	(0.1)
(20.0)	Purchase of shares for employee share plans	(15.0)	(20.0)
(303.8)	Net cash used in financing activities	(131.1)	(203.5)
(51.3)	Net decrease in cash & cash equivalents	(51.9)	(197.2)
500.0	Cash & cash equivalents at the beginning of the year	477.5	500.0
28.8	Foreign currency translation differences	(32.1)	31.1
477.5	Cash & cash equivalents at the end of the period	393.5	333.9

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2023**

	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 period	—	—	—	—	—	—	—	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 income	—	—	—	—	—	—	(0.1)	(18.9)	(19.0)	—	(19.0)
Total net comprehensive income for the period	—	—	—	—	—	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 2023**

	Share capital £m	Share premium £m	Merger reserve £m	Treasury shares £m	Capital redemption reserve £m	Foreign currency translation reserve £m	Hedge accounting reserve £m	Retained earnings £m	Attributable to equity holders of the Company £m	Non-controlling interests £m	Total equity £m
At 31 December 2022	32.5	582.3	332.6	(14.3)	0.5	(108.5)	1.9	899.5	1,726.5	11.4	1,737.9
Profit for the period	—	—	—	—	—	—	—	126.0	126.0	0.3	126.3
Losses taken to equity on cash flow hedges	—	—	—	—	—	—	(0.1)	—	(0.1)	—	(0.1)
Exchange losses on translation of foreign operations	—	—	—	—	—	(150.5)	—	—	(150.5)	(1.0)	(151.5)
Exchange gains on net investment hedges	—	—	—	—	—	25.3	—	—	25.3	—	25.3
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	0.4	—	0.4	—	0.4
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	(17.0)	(17.0)	—	(17.0)
Tax relating to other comprehensive expense	—	—	—	—	—	—	—	4.3	4.3	—	4.3
Total net comprehensive (expense) income for the period	—	—	—	—	—	(125.2)	0.3	113.3	(11.6)	(0.7)	(12.3)
Cost of share-based payments inclusive of tax charge	—	—	—	—	—	—	—	3.2	3.2	—	3.2
Dividends	—	—	—	—	—	—	—	(49.9)	(49.9)	—	(49.9)
Purchase of shares for employee share plans	—	—	—	(15.0)	—	—	—	—	(15.0)	—	(15.0)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.7)	(0.7)
Exercise of share-based payments	—	—	—	9.2	—	—	—	(9.2)	—	—	—
At 30 June 2023	32.5	582.3	332.6	(20.1)	0.5	(233.7)	2.2	956.9	1,653.2	10.0	1,663.2

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 6 MONTHS ENDED 30 JUNE 2023**

	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	—	—	—	—	—	—	—	213.4	213.4	0.4	213.8
Exchange gains on translation of foreign operations	—	—	—	—	—	222.8	—	—	222.8	0.3	223.1
Reclassification of exchange gains on discontinued operations	—	—	—	—	—	0.1	—	—	0.1	—	0.1
Exchange losses on net investment hedges	—	—	—	—	—	(124.9)	—	—	(124.9)	—	(124.9)
Reclassification adjustments on cash flow hedges	—	—	—	—	—	—	0.5	—	0.5	—	0.5
Remeasurements on defined benefit plans	—	—	—	—	—	—	—	65.3	65.3	—	65.3
Tax relating to other comprehensive income	—	—	—	—	—	—	(0.1)	(16.3)	(16.4)	—	(16.4)
Total net comprehensive income for the year	—	—	—	—	—	98.0	0.4	262.4	360.8	0.7	361.5
Cost of share-based payments inclusive of tax credit	—	—	—	—	—	—	—	8.9	8.9	—	8.9
Dividends	—	—	—	—	—	—	—	(66.7)	(66.7)	—	(66.7)
Purchase of shares for employee share plans	—	—	—	(20.0)	—	—	—	—	(20.0)	—	(20.0)
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—	(0.3)	(0.3)
Exercise of share-based payments	—	—	—	11.0	—	—	—	(11.0)	—	—	—
At 31 December 2022	32.5	582.3	332.6	(14.3)	0.5	(108.5)	1.9	899.5	1,726.5	11.4	1,737.9

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 2023 and have been prepared on the basis of the accounting policies set out in the Group's 2022 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 45. The information shown for the year ended 31 December 2022 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2022 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 2022 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 2022, 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 3.

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 1 August 2023.

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 make excellent progress as a high-quality mining focused group. The Group has executed strongly, capitalising on a record opening order book, and maintained operating momentum. This has led to the Group delivering significant year-on-year growth in revenue, operating profit and cash generation, while also expanding operating margins.

As discussed in the Group Financial Review, the Group has extended the maturity profile of its debt financing with the issue of £300m five-year Sustainability-Linked Notes due to mature in June 2028, and exercise of the one year extension of the revolving credit facility to April 2028. This ensures the Group retains substantial levels of liquidity over the medium-term.

While mining markets continue to show strength, there remains macroeconomic and geopolitical uncertainty. Recognising these uncertainties, the Group performed financial modelling of future cash flows, which cover a period of 12 months from the approval of the 2023 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. These considerations focused on similar areas to those disclosed in the 2022 Annual Report. 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) Amendments to IAS 1 - Classification of liabilities as current or non-current;
- ii) Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;
- iii) Amendment to IFRS 16 - Leases on sale and leaseback;
- iv) Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction; and
- v) IFRS 17 'Insurance contracts' as amended in December 2021.

The above are not considered to have a material impact on the consolidated financial statements of the Group.

On 23 May 2023, the IASB issued narrow-scope amendments to IAS 12. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from the substantively enacted tax law that implements the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments to IAS 12 are required to be applied immediately and retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors', including the requirement to disclose the fact that the exception has been applied if the entity's income taxes will be affected by substantively enacted tax law that implements the OECD's Pillar Two model

1. Accounting policies (continued)

rules. The Group has prepared an accounting policy on the recognition of deferred taxes arising from the Pillar Two model rules as discussed in note 6.

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 2022 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.

2. 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 2022 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 5. We consider this presentation to be helpful as it allows greater comparability of the operating performance of the business from period to period.

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 a widely used measure of a company's profitability of its operations before any effects of indebtedness, taxes or costs required to maintain its asset base. EBITDA is used in conjunction with other GAAP and non-GAAP financial measures to assess our operational performance. A reconciliation of EBITDA to the closest equivalent GAAP measure, operating profit, is provided.

Year ended 31 December 2022 £m	6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
Continuing operations		
307.5	194.0	151.0
Adjusted for:		
51.4	4.6	(0.5)
35.9	13.0	17.0
394.8	211.6	167.5
5.7	6.2	3.0
400.5	217.8	170.5
47.0	20.4	22.7
31.4	15.8	14.8
478.9	254.0	208.0

2. Alternative performance measures (continued)

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 is a useful measure to view or assess the underlying cash generation of the business from its operating activities. A reconciliation to the GAAP measure 'Net cash generated from operating activities' is provided in the Consolidated Cash Flow Statement.

Free operating cash flow and free cash flow

Free operating cash flow (FOCF) 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. FOCF provides a useful measure of the cash flows generated directly from the operational activities after taking into account other cash flows closely associated with maintaining daily operations.

Free cash flow (FCF) is defined as FOCF further adjusted for net interest, income taxes, settlement of derivative financial instruments, additional pension contributions 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.

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

Year ended 31 December 2022	6 months ended 30 June 2023	6 months ended 30 June 2022
£m	£m	£m
447.8	172.9	100.2
(58.3)	(36.3)	(18.3)
(30.5)	(15.7)	(14.0)
2.7	1.7	1.4
(20.0)	(15.0)	(20.0)
341.7	107.6	49.3
(45.3)	(24.3)	(25.5)
(93.4)	(51.1)	(40.2)
(0.3)	(0.2)	0.2
(9.7)	(7.7)	(7.7)
(0.3)	(0.7)	(0.1)
192.7	23.6	(24.0)

Free operating cash conversion

Free operating cash conversion is a non-GAAP key performance measure defined as free operating cash flow divided by adjusted operating profit on a total Group basis. The measure is used by management to monitor the Group's ability to generate cash relative to operating profits.

Year ended 31 December 2022	6 months ended 30 June 2023	6 months ended 30 June 2022
£m	£m	£m
394.8	211.6	167.5
394.8	211.6	167.5
341.7	107.6	49.3
87%	51%	29%

2. Alternative performance measures (continued)

Working capital as a percentage of sales

Working capital as a percentage of sales is calculated based on working capital as reflected below, divided by revenue for the last 12 months, as included in the Consolidated Income Statement. It is a measure used by management to monitor how efficiently the Group is managing its investment in working capital relative to revenue growth.

31 December 2022	30 June 2023	30 June 2022
£m	£m	£m
Working capital as included in the Consolidated Balance Sheet		
76.8	69.2	85.0
Other receivables		
679.1	684.7	674.1
Inventories		
528.9	518.8	545.3
Trade & other receivables		
(4.3)	(1.1)	(3.4)
Derivative financial instruments (note 15)		
(623.5)	(557.4)	(532.0)
Trade & other payables		
(1.0)	—	(1.0)
Other payables		
656.0	714.2	768.0
Adjusted for:		
(77.9)	(68.5)	(86.3)
Insurance contract assets		
5.3	4.2	4.7
Interest accruals		
2.0	1.0	2.5
Deferred consideration		
(70.6)	(63.3)	(79.1)
Working capital		
585.4	650.9	688.9
H2 revenue as reported in the prior year		
	1,376.6	1,033.2
H1 revenue as reported		
	1,299.8	1,095.5
2,472.1	2,676.4	2,128.7
Revenue		
24%	24%	32%
Working capital as a percentage of sales		

Net debt

Net debt is a widely used liquidity metric calculated by taking cash and cash equivalents less total current and non-current debt. A reconciliation of net debt to cash and short-term deposits and interest-bearing loans and borrowings is provided in note 16. It is a useful measure used by management and investors when monitoring the capital management of the Group. Net debt, excluding lease liabilities and converted at the exchange rates used in the preparation of the Consolidated Income Statement, is also the basis for covenant reporting.

3. 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 'Operating segments'. 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 a global leader in engineering, manufacturing and service processing technology used in abrasive, high-wear mining applications. Its differentiated technology is also used in infrastructure and general industrial markets. The ESCO segment is a global leader in the provision of Ground Engaging Tools (G.E.T.) for large mining machines. It operates predominantly in mining and infrastructure markets where its highly engineered technology improves productivity through extended wear life, increased safety and reduced energy consumption.

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. 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 2023 and 2022 is disclosed below.

	Minerals		ESCO		Total continuing operations	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	£m	£m	£m	£m	£m	£m
Revenue						
Sales to external customers	950.0	782.0	349.8	313.5	1,299.8	1,095.5
Inter-segment sales	0.1	—	1.6	1.2	1.7	1.2
Segment revenue	950.1	782.0	351.4	314.7	1,301.5	1,096.7
Eliminations					(1.7)	(1.2)
					1,299.8	1,095.5
Sales to external customers – 2022 at 2023 average exchange rates						
Sales to external customers	950.0	790.3	349.8	330.5	1,299.8	1,120.8
Segment result						
Segment result before share of results of joint ventures	173.3	135.1	57.2	49.5	230.5	184.6
Share of results of joint ventures	—	—	1.3	1.0	1.3	1.0
Segment result	173.3	135.1	58.5	50.5	231.8	185.6
Corporate expenses					(20.2)	(18.1)
Adjusted operating profit					211.6	167.5
Adjusting items					(17.6)	(16.5)
Net finance costs					(23.7)	(25.0)
Profit before tax from continuing operations					170.3	126.0
Segment result – 2022 at 2023 average exchange rates						
Segment result before share of results of joint ventures	173.3	138.2	57.2	52.2	230.5	190.4
Share of results of joint ventures	—	—	1.3	1.1	1.3	1.1
Segment result	173.3	138.2	58.5	53.3	231.8	191.5
Corporate expenses					(20.2)	(18.3)
Adjusted operating profit					211.6	173.2

3. Segment information (continued)

	Minerals		ESCO		Total Group	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	£m	£m	£m	£m	£m	£m
Assets & liabilities						
Intangible assets	562.9	606.6	761.1	818.6	1,324.0	1,425.2
Property, plant & equipment	301.9	297.5	149.0	142.5	450.9	440.0
Working capital assets	906.5	905.7	294.8	310.5	1,201.3	1,216.2
	1,771.3	1,809.8	1,204.9	1,271.6	2,976.2	3,081.4
Investments in joint ventures	—	—	14.8	13.5	14.8	13.5
Segment assets	1,771.3	1,809.8	1,219.7	1,285.1	2,991.0	3,094.9
Corporate assets					871.5	698.5
Total assets					3,862.5	3,793.4
Working capital liabilities	467.6	449.9	122.5	140.9	590.1	590.8
Segment liabilities	467.6	449.9	122.5	140.9	590.1	590.8
Corporate liabilities					1,609.2	1,544.2
Total liabilities					2,199.3	2,135.0

Corporate 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 assets as well as those assets which are used for general head office purposes. Corporate liabilities primarily comprise interest-bearing loans and borrowings and related interest accruals, derivative financial instruments, income tax payable, provisions, deferred tax liabilities, elimination of intercompany liabilities 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 2023 and 2022 is disclosed below. Revenues are allocated based on the location to which the product is shipped.

	UK	US	Canada	Asia Pacific	Australasia	South America	Middle East & Africa	Europe & FSU	Total
6 months ended 30 June 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue from continuing operations									
Sales to external customers	12.1	209.8	210.1	167.5	196.9	284.7	151.9	66.8	1,299.8
6 months ended 30 June 2022	£m	£m	£m	£m	£m	£m	£m	£m	£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
Year ended 31 December 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m
Revenue from continuing operations									
Sales to external customers	34.8	418.1	378.3	288.2	336.3	540.8	295.3	180.3	2,472.1

3. Segment information (continued)

Year ended 31 December 2022	Minerals £m	ESCO £m	Total continuing operations £m
Revenue			
Sales to external customers	1,780.5	691.6	2,472.1
Inter-segment sales	0.1	3.2	3.3
Segment revenue	1,780.6	694.8	2,475.4
Eliminations			(3.3)
			<u>2,472.1</u>
Sales to external customers – 2022 at 2023 average exchange rates			
Sales to external customers	1,765.4	694.0	2,459.4
Segment result			
Segment result before share of results of joint ventures	323.5	107.5	431.0
Share of results of joint ventures	—	2.5	2.5
Segment result	323.5	110.0	433.5
Corporate expenses			(38.7)
Adjusted operating profit			<u>394.8</u>
Adjusting items			(87.3)
Net finance costs			(47.3)
Profit before tax from continuing operations			<u>260.2</u>
Segment result – 2022 at 2023 average exchange rates			
Segment result before share of results of joint ventures	323.8	107.9	431.7
Share of results of joint ventures	—	2.5	2.5
Segment result	323.8	110.4	434.2
Corporate expenses			(38.8)
Adjusted operating profit			<u>395.4</u>

3. Segment information (continued)

Year ended 31 December 2022	Minerals £m	ESCO £m	Total Group £m
Assets & liabilities			
Intangible assets	600.8	809.0	1,409.8
Property, plant & equipment	303.4	147.6	451.0
Working capital assets	902.0	307.3	1,209.3
	1,806.2	1,263.9	3,070.1
Investments in joint ventures	—	15.1	15.1
Segment assets	1,806.2	1,279.0	3,085.2
Corporate assets			970.7
Total assets			4,055.9
Working capital liabilities			
Working capital liabilities	543.7	139.9	683.6
Segment liabilities	543.7	139.9	683.6
Corporate liabilities			1,634.4
Total liabilities			2,318.0

The following disclosures are given in relation to continuing operations.

Year ended 31 December 2022 £m	6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
An analysis of the Group's revenue is as follows:		
456.0 Original equipment	247.6	202.4
1,825.7 Aftermarket parts	933.0	813.6
2,281.7 Sales of goods	1,180.6	1,016.0
141.9 Provision of services – aftermarket	75.5	68.3
45.5 Construction contracts – original equipment	41.7	11.2
3.0 Subscription services	2.0	—
2,472.1 Revenue	1,299.8	1,095.5

Total continuing operations 31 December 2022 £m	Minerals		ESCO		Total continuing operations	
	30 June 2023 £m	30 June 2022 £m	30 June 2023 £m	30 June 2022 £m	30 June 2023 £m	30 June 2022 £m
Timing of revenue recognition						
2,364.6 At a point in time	883.0	716.6	345.0	310.4	1,228.0	1,027.0
110.8 Over time	67.1	65.4	6.4	4.3	73.5	69.7
2,475.4 Segment revenue	950.1	782.0	351.4	314.7	1,301.5	1,096.7
(3.3) Eliminations					(1.7)	(1.2)
2,472.1					1,299.8	1,095.5

4. Revenue & expenses

The following disclosures are given in relation to continuing operations.

Year ended 31 December 2022	6 months ended 30 June 2023			6 months ended 30 June 2022			
	Statutory results £m	Adjusted results £m	Adjusting items £m	Statutory results £m	Adjusted results £m	Adjusting items £m	Statutory results £m
A reconciliation of revenue to operating profit is as follows:							
2,472.1	Revenue	1,299.8	—	1,299.8	1,095.5	—	1,095.5
(1,598.2)	Cost of sales	(818.5)	5.4	(813.1)	(692.4)	(3.8)	(696.2)
873.9	Gross profit	481.3	5.4	486.7	403.1	(3.8)	399.3
10.4	Other operating income	3.2	0.4	3.6	4.6	—	4.6
(284.0)	Selling & distribution costs	(144.2)	(1.0)	(145.2)	(133.4)	(0.1)	(133.5)
(295.3)	Administrative expenses	(130.0)	(2.4)	(152.4)	(107.8)	(12.6)	(120.4)
2.5	Share of results of joint ventures	1.3	—	1.3	1.0	—	1.0
307.5	Operating profit	211.6	(17.6)	194.0	167.5	(16.5)	151.0

Details of adjusting items are included in note 5.

5. Adjusting items

Year ended 31 December 2022 £m	6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
Recognised in arriving at operating profit from continuing operations		
(35.9)	Intangibles amortisation	(17.0)
Exceptional items		
(44.0)	Russia operations wind down	(1.7)
(2.9)	Performance Excellence programme	—
(2.4)	Acquisition and integration related costs	(1.3)
0.4	Other restructuring and rationalisation activities	0.3
(48.9)	Total exceptional items	(2.7)
Other adjusting items		
(2.5)	Asbestos-related provision	3.2
(2.5)	Total other adjusting items	3.2
(87.3)	Total adjusting items	(16.5)

Continuing operations

Intangibles amortisation

Intangibles amortisation of £13.0m in the current period is in respect of acquisition related assets. The prior period charge of £17.0m includes both amortisation in respect of acquisition related assets and intangible assets categorised as multi-year investment activities which have now concluded.

Exceptional items

In the year ended 31 December 2022, a charge of £44.0m was recognised in relation to the wind down of Russia operations. The loss on disposal of the ESCO Russia operations totalled £4.9m. Due to the tightening of sanctions giving rise to increased uncertainty over recoverability of assets, costs of £39.1m were recognised in the Minerals Division. This represented provision for the majority of Weir Minerals Russia's closing third-party net assets of £25.4m, as well as other provisions across the Minerals Division, including provision for made to order inventory prohibited from being shipped of £7.0m, receivables from sanctioned customers of £2.8m, and severance and incremental warehousing costs totalling £3.9m. This led to a cash outflow of £1.2m in the period, primarily related to severance. A net credit of £7.1m has been recognised in the Consolidated Income Statement in the period in respect of the reversal of previously impaired inventory and receivables, partially offset by additional provision for newly emerging contract exposures.

5. Adjusting items (continued)

A charge of £7.8m has been recognised in the period in relation to the Group's Performance Excellence programme. The three-year programme aims to transform the way we work with more agile and efficient business processes, with a focus on customer and service-delivery. The programme includes capacity optimisation, lean processes and global business services. Costs of £5.1m, primarily relating to severance, have been recognised under the capacity optimisation pillar of the programme in relation to the relocation of facilities in the US and service centre restructuring in Australia. Of these costs £2.3m have been cash settled in the period. The remaining costs of £2.7m have been recognised in relation to the global business services pillar of the programme, with £1.2m of this being cash settled in the period.

Exceptional items in the period include £0.3m (2022: £1.3m) for integration related costs, following the acquisition of Carriere Industrial Supply Limited and Motion Metrics, acquired on 8 April 2022 and 30 November 2021 respectively (note 11). Prior period exceptional items also included £1.7m in relation to the wind down of the Group's operations in Russia, primarily relating to severance costs of £1.1m and a credit of £0.3m related to the reversal of restructuring and rationalisation charges recognised in Peru and China in prior years.

Other adjusting items

A charge of £3.6m (2022: credit of £3.2m) has been recorded in respect of movements in the US and UK asbestos-related liabilities and associated US 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 12.

Discontinued operations

A charge of £0.4m has been recognised in the period in relation to the gain on sale of discontinued operations (note 7). This relates to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division, which was disposed in 2021.

6. Income tax expense

Year ended 31 December 2022	6 months ended 30 June 2023	6 months ended 30 June 2022
£m	£m	£m
(11.8) Continuing Group - UK	(6.3)	(5.7)
(35.8) Continuing Group - Overseas	(37.3)	(28.1)
(47.6) Income tax expense in the Consolidated Income Statement for continuing operations	(43.6)	(33.8)
1.2 Discontinued operations	—	—
(46.4) Income tax expense in the Consolidated Income Statement for total operations	(43.6)	(33.8)

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

Year ended 31 December 2022	6 months ended 30 June 2023	6 months ended 30 June 2022
£m	£m	£m
Tax (expense) credit		
(92.5) - adjusted continuing operations	(49.5)	(37.6)
1.2 - adjusted discontinued operations	—	—
36.3 - exceptional and other adjusting items	3.1	(0.3)
8.6 - adjusting intangibles amortisation and impairment	2.8	4.1
(46.4) Total income tax expense in the Consolidated Income Statement for total operations	(43.6)	(33.8)

The income tax expense included in continuing operations' share of results of joint ventures is as follows.

Year ended 31 December 2022	6 months ended 30 June 2023	6 months ended 30 June 2022
£m	£m	£m
(0.2) Joint ventures	—	—

Tax charged within the 6 months ended 30 June 2023 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the year ending 31 December 2023 using rates substantively enacted by 30 June 2023 as required by IAS 34 'Interim financial reporting'.

The normalised rate of tax of 26.3% (June 2022: 26.4%) has been calculated using the full year projections and has been applied to profit before adjusting items for the 6 months ended 30 June 2023.

Legislation to increase the UK corporation tax 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 25%.

Factors affecting current and future tax charges

The normalised tax rate was 0.2% above the Group's weighted average rate of 26.1%. The Group considers its normalised tax rate to be sustainable.

Unrecognised deferred tax

Included in the net deferred tax asset of £39.0m (June 2022: net liability £0.4m) is £52.0m (June 2022: £28.0m) related to the US Group net deferred tax assets, determined on a basis consistent with the approach adopted at year ended 31 December 2022 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 £7.7m (June 2022: £53.0m) are not recognised but retained by the continuing US group. The ongoing application of this model may result in future changes to the amount of US deferred tax assets that are unrecognised.

Pillar Two

During 2021, the Organisation for Economic Co-operation and Development (OECD) published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups. On 20 July 2022, HM Treasury released draft legislation to implement these 'Pillar Two' rules with effect for years beginning on or after 31 December 2023, and this was substantively enacted as part of Finance (No.2) Bill 2023 on 20 June 2023. The Group does not account for deferred tax on top-up taxes therefore there is no impact to deferred tax as a result of these rules. The Group is reviewing the legislation to understand any other potential impacts.

7. Discontinued operations

The Group disposed of the Oil & Gas Division (excluding the Group's joint venture, Arabian Metals Company (AMCO)) on 1 February 2021 to Caterpillar Inc. (CAT). On 30 June 2021, the Group completed the sale of the remaining Oil & Gas joint venture AMCO to Olayan Financing Company (Olayan).

In the current period, a charge of £0.4m has been recognised in relation to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division. In the year ended 31 December 2022, a current tax credit of £1.2m was recognised in respect of Oil & Gas Division related activity following the filing of the 2021 US tax return. Total current year investing cash flows from discontinued operations related to the charge in the period are £0.4m (2022: £0.1m investing cash flows).

8. 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 2022 £m		6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
	Profit attributable to equity holders of the Company		
213.4	Total operations ¹	126.0	92.1
212.2	Continuing operations ¹	126.4	92.1
254.6	Continuing operations before adjusting items ²	138.1	104.8

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 2022 Shares million		6 months ended 30 June 2023 Shares million	6 months ended 30 June 2022 Shares million
258.7	Weighted average number of ordinary shares for basic earnings per share	258.4	258.7
1.6	Effect of dilution: employee share awards	1.8	1.8
260.3	Adjusted weighted average number of ordinary shares for diluted earnings per share	260.2	260.5

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 2022 £m		6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
212.2	Net profit attributable to equity holders from continuing operations ²	126.4	92.1
42.4	Adjusting items net of tax	11.7	12.7
254.6	Net profit attributable to equity holders from continuing operations before adjusting items	138.1	104.8

8. Earnings per share (continued)

Year ended 31 December 2022 pence		6 months ended 30 June 2023 pence	6 months ended 30 June 2022 pence
Basic earnings per share:			
82.5	Total operations ¹	48.8	35.6
82.0	Continuing operations ²	48.9	35.6
98.4	Continuing operations before adjusting items ²	53.4	40.5
Diluted earnings per share:			
82.0	Total operations ¹	48.4	35.4
81.5	Continuing operations ²	48.5	35.4
97.8	Continuing operations before adjusting items ²	53.1	40.2

1 Adjusted for a profit of £0.3m (2022: profit of £0.1m) in respect of non-controlling interests for both total and continuing operations.

2 Adjusted for a profit of £0.3m (2022: profit of £0.1m) in respect of non-controlling interests for continuing operations.

There have been no share awards (2022: 725) exercised between the reporting date and the date of signing of these interim financial statements. Those exercised in the prior year were settled out of existing shares held in trust.

9. Dividends paid & proposed

Year ended 31 December 2022 £m		6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
Declared & paid during the year			
Equity dividends on ordinary shares			
31.8	Final dividend paid for 2022: 19.30p (2021: 12.30p)	49.9	31.8
34.9	Interim dividend paid for 2022: 13.50p (2021: 11.50p)	—	—
49.9	Final dividend for 2022 proposed for approval by shareholders at the AGM (19.30p)	—	—
—	Interim dividend proposed for 2023: 17.80p (2022: 13.50p)	46.0	34.9

An interim dividend of 17.80p has been declared for 2023 (2022: 13.50p) in line with the capital allocation policy under which the Group intends to distribute 33% of earnings from continuing operations before adjusting items 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.

10. Property, plant & equipment and intangible assets

Year ended 31 December 2022 £m		6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
Additions of property, plant & equipment and intangible assets			
4.8	- owned land & buildings	0.4	2.3
55.9	- owned plant & equipment	34.2	18.0
24.9	- right-of-use land & buildings	20.2	17.8
6.8	- right-of-use plant & equipment	3.5	2.1
6.8	- intangible assets	3.5	2.5
99.2		61.8	42.7

The above additions relate to the normal course of business and do not include any additions made by way of business combinations. There have been no material disposals or transfers within the period.

11. Business combinations

Carriere Industrial Supply Limited

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). The provisional fair values reported at 30 June 2022 were revised in the second half of 2022 and included in the 2022 Annual Report as provisional. The provisional adjustment resulted in a reduction to goodwill of £1.7m. There have been no updates to these provisional fair values, which were subject to finalisation in April 2023, 12 months after the acquisition as permitted by IFRS 3 'Business combinations'. Due to the immaterial value of the adjustment the June 2022 comparatives have not been restated in these interim financial statements. Detail of all adjustments can be found in the 2022 Annual Report and 2022 Interim Report.

Initial consideration of £16.2m was paid on completion, with a further deferred consideration of £2.5m recognised reflecting indemnification and working capital hold backs. In October 2022, the Group paid a further £0.1m in relation to the finalisation of the completion accounts process and settled £0.5m of the deferred consideration in relation to the working capital completion. The Group settled a further £1.0m of the deferred consideration in April 2023, on the first anniversary of the acquisition date as per the sale and purchase agreement. The remaining £1.0m balance will be settled on the second anniversary of the acquisition date.

Motion Metrics

The Group completed the acquisition of 100% of the voting rights of Motion Metrics on 30 November 2021 for an enterprise value of CAD\$150.0m (£88.7m). The final values in relation to the acquisition balance sheet were reported in the 2022 Annual Report. The adjustment to goodwill reported in the 2022 Annual Report was a reduction of £0.5m from the June 2022 Interim Report. Due to the immaterial value of this adjustment, the June 2022 comparatives have not been restated in these interim financial statements.

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 first three years following acquisition. Any balance that becomes payable would be split, with 80% reflecting further consideration and 20% for a new employee bonus plan. The entry point for any contingent payment would require significant growth both in terms of revenue and EBITDA margin by 2024. Progress has been made towards these targets and, while the Group expects Motion Metrics to continue to grow as it leverages the benefits of being partnered with ESCO and the opportunities within Minerals, the entry targets are considered challenging. Due to commercial sensitivity these targets are not disclosed. At present, the probability of Motion Metrics exceeding these targets in order to trigger a contingent payment is considered to remain uncertain, in part due to the relative infancy of the business. As a result, no contingent consideration has been recorded at the balance sheet date in both the current and prior periods. This will be reassessed in future periods as the business develops.

12. Provisions

	Warranties & contract claims	Asbestos- related	Employee- related	Exceptional items	Other	Total
	£m	£m	£m	£m	£m	£m
At 31 December 2022	10.4	55.2	13.5	5.4	13.7	98.2
Additions	7.0	0.9	8.2	11.3	1.1	28.5
Utilised	(4.1)	(4.0)	(9.4)	(6.0)	(0.3)	(23.8)
Unutilised	(0.1)	0.5	—	(0.4)	(0.1)	(0.1)
Exchange adjustment	(0.4)	(2.5)	(0.7)	(0.2)	(0.6)	(4.4)
At 30 June 2023	12.8	50.1	11.6	10.1	13.8	98.4
Current	12.8	8.3	7.7	9.9	3.3	42.0
Non-current	—	41.8	3.9	0.2	10.5	56.4
At 30 June 2023	12.8	50.1	11.6	10.1	13.8	98.4
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	10.4	8.5	7.9	5.2	3.3	35.3
Non-current	—	46.7	5.6	0.2	10.4	62.9
At 31 December 2022	10.4	55.2	13.5	5.4	13.7	98.2

The impact of discounting is only relevant for the Asbestos-related category of provision, with lower discount rates at 30 June 2023 resulting in a £0.6m increase in the provision which is included within 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 2023, the warranties portion of the provision totalled £9.2m (2022: £6.8m). At 30 June 2023, all of these costs relate to claims that fall due within one year 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 2023, the contract claims element, which includes onerous provision, was £3.6m (2022: £2.0m), all of which is expected to be incurred within one year of the balance sheet date.

Asbestos-related claims

31 December 2022		30 June 2023	30 June 2022
£m		£m	£m
49.9	US asbestos-related provision – pre-1981 date of first exposure	45.0	52.6
2.8	US asbestos-related provision – post-1981 date of first exposure	2.6	2.9
52.7	US asbestos-related provision – total	47.6	55.5
2.5	UK asbestos-related provision	2.5	3.1
55.2	Total asbestos-related provision	50.1	58.6

12. Provisions (continued)

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.

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 and judgements applied is included in note 22 of our 2022 Annual Report and Financial Statements.

In the 6 months to 30 June 2023 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 2022		30 June 2023	30 June 2022
£m		£m	£m
US asbestos-related provision			
68.8	Gross provision	62.2	71.6
(16.1)	Effect of discounting	(14.6)	(16.1)
52.7	Discounted US asbestos-related provision	47.6	55.5
32.0	Insurance asset	24.6	40.9
20.7	Net US asbestos-related liability	23.0	14.6

The Gross provision and Effect of discounting at 31 December 2022 have been amended from what was initially published in the 2022 Annual Report and Financial Statements, with both figures grossed up by £10.0m to correctly reflect the impact of discounting. There is no further impact from this change across the financial statements.

The insurance asset consists of £7.2m (2022: £7.4m) presented within Trade and other receivables as a current asset, and £17.4m (2022: £33.5m) as Other receivables within non-current assets.

There remains 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.

Since the last triennial update completed in 2020, we have experienced a higher number of claims received than modelled across both, Mesothelioma and Lung Cancer, disease types. Average settlement values have been marginally higher for Mesothelioma cases, but lower for Lung Cancer cases. Settlements largely occur within four years of a claim being received and the settlement rates for Mesothelioma cases are broadly in line with the model while Lung Cancer case settlement rates are trending below.

These variations from the model may be influenced by fluctuations in the profile of case rates across jurisdictions coupled with the potential impact of the Covid-19 pandemic. However, if current case numbers and average settlement values were to continue, this may lead to the insurance asset being eroded as early as 2025, two years earlier than initially suggested in the 2020 actuarial model.

As noted above, there are a number of uncertain factors involved in the estimation of the provision and variations in case numbers and settlements are to be expected from period-to-period. Sensitivity analysis reflecting reasonably probable scenarios has been performed and is included in note 22 of our 2022 Annual Report and Financial Statements. Our actual claims experience will be reflected in the next triennial valuation due in the second half of 2023, and will be incorporated in our 2023 Annual Report and Financial Statements.

12. Provisions (continued)

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 that are not the subject of insurance cover. The extent of the UK asbestos exposure involves a series of legacy employer's liability claims that 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 £2.5m (2022: £3.1m).

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 5 where the cost is based on a reliable estimate of the obligation.

The opening balance of £5.4m includes £4.3m related to Russia, £0.4m in relation to capacity optimisation costs as part of the Performance Excellence programme and £0.7m for final Oil & Gas Division disposal costs related to tax and prior year Minerals Division balances for severance and onerous contract provisions.

Additions of £11.3m in the period mainly include £8.2m of costs related to the Group's Performance Excellence programme, held across the Minerals Division and Corporate. A further £2.8m in the Minerals Division relates to a provision created for newly emerging Russia contract exposures. The utilisation in the period of £6.0m primarily relates to the cash settlement of costs associated with the Performance Excellence programme of £3.5m and the Russia operations wind down of £1.2m, primarily severance costs.

The closing balance of £10.1m includes £4.8m in relation to the Group's Performance Excellence programme, £5.0m related to the wind down of our Russian operations and £0.3m for outstanding onerous lease contracts, legacy restructuring projects and withholding tax assessments that are still ongoing.

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 them 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.

13. Interest-bearing loans & borrowings

31 December 2022		30 June 2023	30 June 2022
£m		£m	£m
Current			
213.7	Bank overdrafts	233.4	133.1
165.3	Fixed-rate notes	—	164.2
27.3	Lease liabilities	25.9	26.3
406.3		259.3	323.6
Non-current			
336.5	Bank loans	193.4	359.1
657.8	Fixed-rate notes	923.9	653.0
87.8	Lease liabilities	92.4	92.2
1,082.1		1,209.7	1,104.3

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes. Cash and short-term deposits at 30 June 2023 includes £230.1m (2022: £123.2m) that is part of this arrangement and both cash and interest-bearing loans and borrowings are grossed up by this amount.

The Group utilises a number of sources of funding including Sustainability-Linked Notes, revolving credit facility, term loan, private placement debt, commercial paper and uncommitted facilities.

In January 2023, the Group added a further £300m term loan facility to its available financing. The facility was due to mature in January 2024, subject to a one-year extension option, but the Group took the decision to cancel the facility in June 2023.

In March 2023, the Group exercised the option to extend its US\$800m multi-currency revolving credit facility by one year which will now mature in April 2028, with the option to extend for a further year. Remaining unamortised issue costs of £2.1m plus an additional £0.5m will amortise over the remaining term of the facility.

In June 2023, the Group completed the issue of £300m five-year Sustainability-Linked Notes due to mature in June 2028. The notes include a Sustainability Performance Target (SPT) to reduce scope 1&2 CO₂ emissions by 19.1% in absolute terms by 2026 from a 2019 baseline, consistent with the Group's SBTi approved target of 30% reduction by the end of 2030. The notes will initially bear interest at a rate of 6.875% per annum to be paid annually in June. The interest on the notes will be linked to achievement of the SPT with an interest rate increase of 0.75% to 7.625% per annum for the last interest payment due on 14 June 2028 if the Group does not attain its SPT. These notes are in addition to the US\$800m Sustainability-Linked Notes drawn in May 2021, due to mature in May 2026, which bear interest at a rate of 2.20% per annum.

In June 2023, the Group amended its US\$1bn commercial paper programme to a US\$800m commercial paper programme. At 30 June 2023, a total of £nil (2022: £nil) was outstanding under the programme.

At 30 June 2023, a total of £nil (2022: £164.2m) was outstanding under private placement.

At 30 June 2023, £193.4m (2022: £359.1m) was drawn under the US\$800m multi-currency revolving credit facility which is disclosed net of unamortised issue costs of £2.6m (2022: £2.6m).

At 30 June 2023, a total of £923.9m (2022: £653.0m) was outstanding under Sustainability-Linked Notes which is disclosed net of unamortised issue costs of £5.2m (2022: £4.0m).

14. Pensions & other post-employment benefit plans

Year ended		6 months ended	6 months ended
31 December 2022		30 June 2023	30 June 2022
£m		£m	£m
50.0	Plans in surplus	38.7	59.2
(34.9)	Plans in deficit	(29.6)	(34.8)
15.1	Net asset	9.1	24.4

The IAS 19 funding position across the Group's legacy UK and North American schemes reduced from a net surplus of £15.1m at 31 December 2022 to a net surplus of £9.1m at 30 June 2023. This is primarily due to a £12.0m loss in the UK Main plan following a pensioner buy-in, which results in 63% (December 2022: 39%) of the UK Main scheme liabilities now being insured. Other movements relating to net losses in UK assets and experience losses resulting from UK inflation were offset by gains driven by higher UK discount rates and a reduction in deficit across our North American plans.

15. Derivative 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 2022		6 months ended 30 June 2023	6 months ended 30 June 2022
£m		£m	£m
Included in non-current assets			
—	Forward foreign currency contracts designated as cash flow hedges	0.1	—
—		0.1	—
Included in current assets			
1.0	Forward foreign currency contracts designated as cash flow hedges	0.8	—
7.9	Other forward foreign currency contracts	5.1	7.4
8.9		5.9	7.4
Included in current liabilities			
(1.9)	Forward foreign currency contracts designated as cash flow hedges	(0.6)	(0.2)
(0.1)	Forward foreign currency contracts designated as net investment hedges	—	(0.4)
(11.2)	Other forward foreign currency contracts	(6.5)	(9.8)
(13.2)		(7.1)	(10.4)
Included in non-current liabilities			
—	Other forward foreign currency contracts	—	(0.4)
—		—	(0.4)
(4.3)	Net derivative financial liabilities - total Group	(1.1)	(3.4)

Carrying amounts & fair values

Financial assets and liabilities (with the exception of derivative financial instruments) are initially recognised at fair value net of transaction costs. Subsequently they are recognised at either fair value or amortised cost. Derivative financial instruments are initially recognised at fair value and subsequently remeasured at fair value.

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.

15. Derivative financial instruments (continued)

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.

Carrying amount	Fair value		Carrying amount	Fair value	Carrying amount	Fair value
31 December 2022	31 December 2022		30 June 2023	30 June 2023	30 June 2022	30 June 2022
£m	£m		£m	£m	£m	£m
Financial assets - total Group						
7.9	7.9	Derivative financial instruments recognised at fair value through profit or loss	5.1	5.1	7.4	7.4
1.0	1.0	Derivative financial instruments in designated hedge accounting relationships	0.9	0.9	—	—
540.9	540.9	Trade & other receivables excluding statutory assets, prepayments & construction contract assets	519.0	519.0	571.7	571.7
691.2	691.2	Cash & short-term deposits	626.9	626.9	467.0	467.0
1,241.0	1,241.0		1,151.9	1,151.9	1,046.1	1,046.1
Financial liabilities - total Group						
11.2	11.2	Derivative financial instruments recognised at fair value through profit or loss	6.5	6.5	10.2	10.2
2.0	2.0	Derivative financial instruments in designated hedge accounting relationships	0.6	0.6	0.6	0.6
2.0	2.0	Deferred consideration payable	1.0	1.0	2.5	2.5
Amortised cost:						
823.1	784.3	Fixed-rate borrowings	923.9	859.6	817.2	796.7
336.5	336.5	Floating-rate borrowings	193.4	193.4	359.1	359.1
115.1	115.1	Leases	118.3	118.3	118.5	118.5
213.7	213.7	Bank overdrafts	233.4	233.4	133.1	133.1
495.7	495.7	Trade & other payables excluding statutory liabilities & contract liabilities	438.7	438.7	441.2	441.2
1,999.3	1,960.5		1,915.8	1,851.5	1,882.4	1,861.9

The Group operates a notional cash pooling arrangement in which individual balances are not offset for reporting purposes. Cash and short-term deposits at 30 June 2023 includes £230.1m (2022: £123.2m) that is part of this arrangement and both cash and interest-bearing loans and borrowings are grossed up by this amount.

Assets and liabilities recognised at amortised cost:

Following the settlement of private placement debt and the issue of further Sustainability-Linked Notes, the fair value of fixed-rate borrowings has been reassessed as a level 1 fair value measurement rather than level 2 as the full balance is now calculated using quoted market prices. All other financial assets and liabilities carried at cost require level 2 fair value measurement for disclosure purposes. The fair value of floating rate borrowings approximates the carrying value due to the variable nature of the interest terms. 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.

Assets and liabilities recognised at fair value:

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.

15. Derivative financial instruments (continued)

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 recognised at fair value at level 2 with the exception of contingent consideration which is a level 3 fair value measurement. The current fair value of contingent consideration is nil and further detail regarding the basis of valuation is included in note 11. During the 6 months ended 30 June 2023 and the year ended 31 December 2022, 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.

16. Additional cash flow information

Year ended 31 December 2022 £m	Notes	6 months ended 30 June 2023 £m	6 months ended 30 June 2022 £m
Total operations			
Net cash generated from operations			
307.5	Operating profit	194.0	151.0
51.4	Exceptional and other adjusting items	4.6	(0.5)
41.6	Amortisation of intangible assets	19.2	20.0
(2.5)	Share of results of joint ventures	(1.3)	(1.0)
47.0	Depreciation of property, plant & equipment	20.4	22.7
31.4	Depreciation of right-of-use assets	15.8	14.8
0.2	Impairment of property, plant & equipment	0.9	—
(0.2)	Grants received	—	—
(0.6)	Gains on disposal of property, plant & equipment	(0.5)	(0.5)
(2.9)	Funding of pension & post-retirement costs	(0.5)	(1.7)
8.0	Employee share schemes	4.2	4.1
14.3	Transactional foreign exchange	1.3	4.9
1.2	Increase (decrease) in provisions	2.4	(1.3)
496.4	Cash generated from operations before working capital cash flows	260.5	212.5
(128.6)	Increase in inventories	(33.9)	(104.4)
49.8	Decrease in trade & other receivables & construction contracts	8.0	17.0
30.2	(Decrease) increase in trade & other payables & construction contracts	(61.7)	(24.9)
447.8	Cash generated from operations	172.9	100.2
(9.7)	Additional pension contributions paid	(7.7)	(7.7)
(14.2)	Exceptional and other adjusting cash items	(5.2)	(7.2)
(9.7)	Exceptional cash items - acquired vendor liabilities	—	(8.9)
(93.4)	Income tax paid	(51.1)	(40.2)
320.8	Net cash generated from operating activities	108.9	36.2

16. Additional cash flow information (continued)

The following tables summarise the cash flows arising on acquisitions (note 11) and disposals (note 7).

Year ended 31 December 2022		6 months ended 30 June 2023	6 months ended 30 June 2022
£m		£m	£m
Acquisitions of subsidiaries			
16.3	Acquisition of subsidiaries - cash paid	—	16.2
0.5	Acquisition of subsidiaries - deferred consideration paid	1.0	—
(1.6)	Cash & cash equivalents acquired	—	(1.6)
15.2	Total cash outflow relating to acquisitions	1.0	14.6
Net cash outflow arising on disposals			
(2.0)	Consideration received net of costs paid & cash disposed of - ESCO Russia	—	—
(0.1)	Prior period disposals - settlement of final costs and final completion adjustment	(0.4)	—
(2.1)	Total cash outflow relating to disposals	(0.4)	—

Year ended 31 December 2022		6 months ended 30 June 2023	6 months ended 30 June 2022
£m		£m	£m
Cash & cash equivalents comprise the following			
691.2	Cash & short-term deposits	626.9	467.0
(213.7)	Bank overdrafts & short-term borrowings	(233.4)	(133.1)
477.5		393.5	333.9

Year ended 31 December 2022		6 months ended 30 June 2023	6 months ended 30 June 2022
£m		£m	£m
Net debt comprises the following			
691.2	Cash & short-term deposits	626.9	467.0
(406.3)	Current interest-bearing loans & borrowings (note 13)	(259.3)	(323.6)
(1,082.1)	Non-current interest-bearing loans & borrowings (note 13)	(1,209.7)	(1,104.3)
(797.2)		(842.1)	(960.9)

16. Additional cash flow information (continued)

Reconciliation of financing cash flows to movement in net debt

	Opening balance at 31 December 2022	Cash movements	Additions/ acquisitions	Disposals	FX	Non-cash movements	Closing balance at 30 June 2023
	£m	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	477.5	(51.9)	—	—	(32.1)	—	393.5
Third-party loans	(1,165.5)	15.0	—	—	25.4	—	(1,125.1)
Leases	(115.1)	15.7	(24.1)	—	5.3	(0.1)	(118.3)
Unamortised issue costs	5.9	4.0	—	—	—	(2.1)	7.8
Amounts included in gross debt	(1,274.7)	34.7	(24.1)	—	30.7	(2.2)	(1,235.6)
Amounts included in net debt	(797.2)	(17.2)	(24.1)	—	(1.4)	(2.2)	(842.1)
Financing derivatives	(0.1)	0.2	—	—	—	(0.1)	—
Total financing liabilities ¹	(1,274.8)	34.9	(24.1)	—	30.7	(2.3)	(1,235.6)

	Opening balance at 30 June 2022	Cash movements	Additions/ acquisitions	Disposals	FX	Non-cash movements	Closing balance at 31 December 2022
	£m	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	333.9	147.8	—	(1.9)	(2.3)	—	477.5
Third-party loans	(1,182.9)	25.4	(0.4)	—	(7.6)	—	(1,165.5)
Leases	(118.5)	16.5	(14.9)	—	1.0	0.8	(115.1)
Unamortised issue costs	6.6	—	—	—	—	(0.7)	5.9
Amounts included in gross debt	(1,294.8)	41.9	(15.3)	—	(6.6)	0.1	(1,274.7)
Amounts included in net debt	(960.9)	189.7	(15.3)	(1.9)	(8.9)	0.1	(797.2)
Financing derivatives	(0.2)	0.5	—	—	—	(0.4)	(0.1)
Total financing liabilities ¹	(1,295.0)	42.4	(15.3)	—	(6.6)	(0.3)	(1,274.8)

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

17. 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		6 months ended	6 months ended
31 December 2022		30 June 2023	30 June 2022
	£m	£m	£m
1.1	Sales of goods to related parties - joint ventures	0.4	0.7
0.1	Sales of services to related parties - joint ventures	0.1	0.1
25.9	Purchases of goods from related parties - joint ventures	10.5	11.8
6.2	Amounts owed to related parties - joint ventures	5.0	—
8.2	Amounts owed to related parties - group pension plans	1.4	1.7
0.3	Amounts owed by related parties - joint ventures	0.1	—

18. Legal claims

The Company and certain subsidiaries are, from time-to-time, party to legal proceedings and claims that arise in the normal course of business. Provisions have been made where the Directors have assessed that a cash outflow is probable. All other claims are believed to be remote or are not yet ripe.

19. Exchange rates

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

Year ended		6 months ended	6 months ended
31 December 2022	Average rate (per £)	30 June 2023	30 June 2022
1.24	US Dollar	1.23	1.30
1.78	Australian Dollar	1.82	1.81
1.17	Euro	1.14	1.19
1.61	Canadian Dollar	1.66	1.65
1,078.02	Chilean Peso	993.99	1,073.60
20.19	South African Rand	22.44	20.03
6.39	Brazilian Real	6.26	6.61
8.30	Chinese Yuan	8.54	8.42
97.06	Indian Rupee	101.35	98.98
	Closing rate (per £)		
1.21	US Dollar	1.27	1.22
1.77	Australian Dollar	1.91	1.76
1.13	Euro	1.16	1.16
1.64	Canadian Dollar	1.68	1.57
1,026.77	Chilean Peso	1,020.41	1,126.97
20.61	South African Rand	23.91	19.81
6.39	Brazilian Real	6.09	6.32
8.34	Chinese Yuan	9.22	8.16
100.05	Indian Rupee	104.25	96.17

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:

- 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
- 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

1 August 2023

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 2023 (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 2023;
- 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 ("ISRE (UK) 2410"). 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 ISRE (UK) 2410. 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

1 August 2023

Shareholder Information

The Board has approved an interim dividend of 17.8p for 2023 (2022: 13.5p).

Financial Calendar

Ex-dividend date for interim dividend

5 October 2023

Record date for interim dividend

6 October 2023

Shareholders on the register at this date will receive the dividend

Interim dividend paid

3 November 2023

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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Scotland

Registered in Scotland

Company number: SC002934



The Weir Group PLC

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