

The Weir Group PLC reports its Full Year results for the year ended 31 December 2023.

Positive mining markets and strong execution; significant margin expansion

Further growth and margin progress expected in 2024

Demand for Weir mining solutions at high levels

- FY: Group AM orders¹ stable; Minerals AM orders¹ +3%, in ESCO mining growth offset by infrastructure
- FY: Group OE orders¹ -3% relative to strong PY comparator; small brownfield and sustainability projects
- Q4: Group AM orders¹ +1% YoY, and +2% sequentially

Very strong execution and progress towards 2026 operating margin target of 20%

- FY adjusted operating margin^{1,2} of 17.4%, +140bps
- FY revenue¹ +9%; volume and price
- FY adjusted operating profit^{1,2} of £459m, +18%
- Free operating cash conversion of 85%

Significant increase in returns and stronger balance sheet

- Return on capital employed of 18.0%, +280bps
- Full year dividend of 38.6p, +18%
- Net debt to EBITDA of 1.1x

2024 Outlook: Growth in constant currency revenue, operating profit and margin

- Strong order book, installed base expansion and positive production trends in mining markets
- Operating margin expansion supported by Performance Excellence; further progress towards 2026 target
- Free operating cash conversion of 90% to 100%

	2023	2022	As -/- reported	Constant currency ¹ +/-
Continuing Operations ³				
Orders ¹	£2,585m	£2,590m	n/a	0%
Revenue	£2,636m	£2,472m	+7%	+9%
Adjusted operating profit ²	£459m	£395m	+16%	+18%
Adjusted operating margin ²	17.4%	16.0%	+140bps	+140bps
Adjusted profit before tax ²	£411m	£348m	+18%	n/a
Statutory profit before tax	£321m	£260m	+23%	n/a
Adjusted earnings per share ²	115.9p	98.4p	+18%	n/a
Return on capital employed	18.0%	15.2%	+280bps	n/a
Total Group				
Statutory profit after tax	£229m	£214m	+7%	n/a
Statutory earnings per share	88.2p	82.5p	+7%	n/a
Free operating cash conversion	85%	87%	-2pp	n/a
Dividend per share	38.6p	32.8p	+18%	n/a
Net debt ⁴	£690m	£797m	+£107m	n/a

See footnotes on page 5

Jon Stanton, Chief Executive Officer said:

"Weir is delivering on the compelling value creation opportunity we set out as a focused mining technology company. Our unique capabilities are enabling us to capitalise on the structural growth in demand for critical metals and the transition to more sustainable mining. In parallel, through Performance Excellence we are optimising our operations and driving efficiencies.

In 2023 we made significant progress against these goals, taking advantage of positive mining production trends to win market share and grow orders in our mining aftermarket business, while making good progress with our technology focused growth initiatives. We executed well, delivering strong growth in revenue and profit, expanding operating margins in excess of our 2023 target, achieving consistent cash conversion and significant improvement in return on capital employed.

As we go into 2024, we have a growing installed base, a strong order book and ore production trends in our mining markets are positive. We expect to deliver another year of growth in revenue, profit and cash generation, and to further expand our operating margins with progress towards our 2026 target of 20%."

A webcast of the management presentation will begin at 08:00 (GMT) on 29 February 2024 at <u>www.investors.weir</u>. A recording of the webcast will also be available at <u>www.investors.weir</u>.

CHIEF EXECUTIVE OFFICER'S REVIEW

Another strong year as a mining technology leader

2023 was a year of significant progress for Weir. We met our commitments to stakeholders, advanced the transition to sustainable mining for our customers and took major steps forward in delivering our strategic agenda.

We capitalised on positive conditions in our mining markets and executed strongly, delivering year-onyear growth in revenue and operating profit, significantly expanding our operating margins and meeting our cash conversion target. Throughout the year we supported customers with essential spares and expendables to keep their mines running, and also provided innovative new technologies to make their operations more efficient and sustainable.

Our progress on strategy was a particular highlight. We built strong momentum in our Performance Excellence transformation programme, realising absolute cost savings of £6m and identifying new opportunities which enabled us to double our previous cost saving target to £60m in absolute savings by 2026. In parallel, we made good progress with our technology focused growth initiatives, launching and commencing field trials of a number of innovative new solutions, including our Cavex 2.0 technology in Minerals and our latest generation GET system in ESCO. In addition, the acquisition of SentianAI has expanded our digital capability and stepped up the roll-out of our process optimisation solutions. Sustainability remains core to our strategy and achieving validation of our emissions reduction targets by SBTi in March was an important milestone.

Our performance in 2023 is a testament to the hard work of Weir colleagues across the globe, and I'd like to thank them for their dedication and contribution through the year.

Going into 2024, notwithstanding complexity in the macroeconomic and geopolitical environment, I'm confident of further progress. Conditions in our mining markets are supportive and we are positioned for another year of growth and margin expansion. Further out, we have a clear strategy to capitalise on the attractive long-term structural trends in our markets, helping our customers to deliver the metals needed for the energy transition, and launching new transformative technologies to accelerate the shift to sustainable mining. In parallel, through Performance Excellence we are optimising our operations and realising our full potential as a mining technology leader. Combined, our market opportunity, technology focused strategy and Performance Excellence represent a compelling value creation opportunity, and we are delivering on it.

Growth: Ore production trends driving demand for Weir solutions

Throughout the year, activity levels in mining markets were high. Market prices for our main commodity exposures of copper, gold and iron ore were well above the cost curve, and our customers capitalised by maximising ore production. Continued complexities in the permitting and regulatory environment meant large expansion projects remained slow to convert, so customers' capital expenditure was largely focused on developing and improving the efficiency of existing assets.

Ore production trends, coupled with the effect of declining grades and installed based expansion, drove demand for our AM spares and expendables. OE demand was primarily driven by orders for small brownfield and debottlenecking projects at existing mines, with strong momentum through the year as customers chose Weir solutions due to their sustainability and performance benefits, coupled with our global service capability. Across the Group, demand was particularly strong in Australasia, with growth reflecting recent market share gains, while from a commodity perspective, order growth was strongest in copper and year-on-year demand decreased in both coal and the oil sands.

In infrastructure markets underlying demand was largely stable through the year, though well below the peak levels seen in the prior year, particularly the elevated levels seen in H1 2022.

On a constant currency basis, year-on-year Group orders were broadly stable.

AM constant currency orders were marginally ahead of the prior year. Growth in demand in hard rock mining and a contribution from pricing, as expected, was partially offset by lower demand from customers in the Canadian oil sands and ESCO's infrastructure customers, together with the non-repeat of Russia orders. As we go into 2024, the impact of these offsetting factors will normalise and we expect underlying growth in hard rock mining to be sustained.

In OE, constant currency orders were down 3% against a strong prior year comparator, which included £33m of orders for nickel expansion projects in H2 2022. In Minerals we converted over 85% of our mill

circuit pump trials and won market share with our latest Cavex 2.0 cyclone technology, while in ESCO we delivered strong growth in mining attachments as we continued to gain traction and expand market share.

Revenue for the Group was 9% higher on a constant currency basis. This reflects strong execution, delivery of our record opening order book and price realisation. The Group's book-to-bill was 0.98.

Margins and resilience: 2023 operating margin target exceeded

The operating environment in 2023 was stable. Relative to the prior year, availability of raw materials and freight improved, and input pricing steadied. While some pockets of inflation persisted, particularly across wages and salaries during the first half, our leading market positions and strong brands enabled us to achieve sufficient price increases to protect our gross margins.

On a constant currency basis adjusted operating profit grew 18% year-on-year, and adjusted operating margins were 17.4%, exceeding our 2023 target of 17%, and up 140bps on the prior year. Expansion in operating margin reflects strong operational efficiency, the initial benefits from Performance Excellence and a year-on-year reduction in adverse transactional FX movements, partially offset by a movement in Minerals revenue mix towards OE.

In December, we announced a new medium-term operating margin target of 20% in 2026. We expect to achieve this through operating leverage from growth and realisation of £60m of absolute cost savings from our Performance Excellence transformation programme. This comprises £20m of savings from each of the three main elements of capacity optimisation, lean processes and the transition of our enabling functions to Weir Business Services (WBS). The one-off cost to achieve the £60m of savings is £90m, with the phasing of the costs biased towards the early years of the programme.

Through the year we made good progress in delivering the initial benefits from Performance Excellence, realising £6m of absolute savings. This includes benefits from capacity optimisation, as we completed projects to consolidate several Minerals manufacturing facilities in the US and optimise our Australian service centre and Latin American distribution footprints. In addition, a number of other capacity optimisation and lean process projects were initiated during the year, underpinned by our recent investments in foundational systems and enhanced operational capability. Our transition to WBS is also progressing well, with the detailed design phase of the project complete and the transition of certain regional services underway.

In the period, an exceptional charge of £29m was recognised relating to Performance Excellence, and the cash outflow for the programme was £14m.

Returns: Significant growth in return on capital employed, with balance sheet flexibility

Reflecting our focus on execution, return on capital employed (ROCE) increased 280bps on the prior year to 18%, as we grew revenue, expanded our margins and delivered strong cash generation.

Free operating cash conversion for the year was 85%, firmly within our 2023 target range of 80% to 90%, while the efficiency of our mining focused platform enabled us to reduce working capital as a percentage of sales to 21.3% (2022: 23.7%).

Net debt to EBITDA at the end of December was 1.1x, giving the Group considerable resilience and flexibility to deploy capital to drive shareholder value.

Reflecting high levels of confidence in our strategy and future prospects, the Board is recommending a final dividend of 20.8 pence per share. In line with our policy to pay out 33% of adjusted earnings per share (EPS), this equates to a total full year dividend of 38.6 pence per share and represents an increase of 18% on the prior year. The final dividend will be paid on 31 May 2024 to Shareholders on the register on 19 April 2024.

Safety and sustainability: First ever avoided emissions study for a mining use case

On safety, the Group's total incident rate⁵ (TIR) for the year was 0.42 (2022: 0.41) which was disappointing relative to our ambition. During the year we continued the roll out of our Zero Harm Behaviours programme, and to date over 8,000 colleagues have completed the first phase of the training. Learnings from the programme are now being put into action as we drive to achieve our ambition of zero harm operations.

Our focus on safety extends beyond physical safety, and our commitment to workplace mental health was recognised in the CCLA Corporate Mental Health Benchmark released in June, with Weir being recognised as the biggest improver on performance and disclosure.

On inclusion, diversity and equity, we took positive steps forward on gender diversity, growing the percentage of our employees who are female.

We also made good progress on sustainability. In the first quarter our scope 1, 2 & 3 emissions reduction targets were validated by SBTi, and in the year we delivered a further 6% reduction in our scope 1&2 emissions, meaning our cumulative reduction relative to our 2019 benchmark is now 23%. Our progress in this area continues to be externally recognised, as we maintained our place on the prestigious CDP A List for leadership in corporate transparency and performance on climate change.

Furthermore, we published the findings from our first ever avoided emissions study. The results, which have been independently verified, show that by choosing our Redefined Mill Circuit incorporating Enduron® High Pressure Grinding Rolls technology, instead of a traditional mill circuit which uses tumbling mill technology, energy consumption is reduced by over 40% and CO_2 emissions are more than halved per tonne of ore. The study, which we announced at the COP28 summit in December, is the first of its kind for a mining use case and is receiving global interest from a range of stakeholders, including customers, governmental bodies and the finance sector.

In line with best practice, we also updated our double materiality assessment, and key findings have been incorporated into a refreshed sustainability strategy which we launched in Q1 2024.

Outlook

We begin 2024 with a strong order book and positive ore production trends in our mining markets. These trends, coupled with the impact of declining grades and installed base expansion, are driving increased demand for our AM spares and expendables. We are also seeing good momentum in demand for our OE solutions, as customers focus on improving the efficiency and sustainability of existing assets.

In 2024, this continued favourable backdrop in mining, together with softer year-on-year order comparatives in oil sands and infrastructure, underpins our confidence in delivering growth in constant currency revenue, profit and operating margins. Benefits from Performance Excellence will support further margin expansion, and we expect free operating cash conversion of between 90% and 100%.

Further out, the long-term value creation opportunity for Weir is compelling. The fundamentals for our business are highly attractive, underpinned by long-term structural growth trends in our mining markets, and our technology strategy which is focused on enabling sustainable mining. In addition, the benefits of Performance Excellence will drive further margin expansion and underpin our 2026 operating margin target of 20%, while our strong cash generation and balance sheet give us optionality to allocate capital to prioritise growth in total shareholder returns.

Board changes

As previously announced, Brian Puffer will join the Group as Chief Financial Officer and be appointed to the Board with effect from 1 March 2024.

After completing his full nine-year term, Sir Jim McDonald will be stepping down from the Board at the end of the AGM on 25 April 2024 and Dame Nicola Brewer will succeed Sir Jim as Senior Independent Director.

Andy Agg was appointed to the Board as a Non-Executive Director on 27 February 2024, and Srinivasan Venkatakrishnan has informed the Board of his intention to step down as a Non-Executive Director of the Board with effect from 31 March 2024.

We are Weir strategic framework: 2023 performance

Each year the Group sets strategic and ESG measures aligned to the 'We are Weir' framework of People, Customer, Technology and Performance. The table below summarises our 2023 performance and rating against each of these measures, with full details outlined in our 2023 Annual Report.

	Strategic initiatives	2023 Measures	2023 Performance and rating
People	Deliver on Zero Harm for	Retain our talent	Voluntary attrition < 11%
	our people and the environment	Build our digital literacy	 >76% of employees with more than one log-in to key software platform
	Accelerate our purpose- driven culture and lead in	 Maintain top quartile engagement scores 	 Engagement score of 8.4; top quartile of benchmark
	inclusion, diversity and equity	 Improve our safety Total incident rate (TIR)* 	• TIR of 0.42 (2022: 0.41)
	Create talent and capabilities for the future	 Improve our gender diversity* 	 % of female in bands 3-5 improved by 3.1% % of female in bands 1-2 improved by 1.6%
Customer	Outgrow our markets through voice-of-customer led initiatives Solve our customers' biggest smart, efficient	 Execute our strategic growth initiatives in each division 	 Minerals executed its key strategic initiatives, however orders of £314m below target of £371m ESCO executed its key strategic initiatives; orders achieved of \$274m vs target of \$272m
	and sustainable challenges	 Capture value from new strategic alliances 	 Seven orders originating from new strategic alliances
Show leadership in our industries' pathway to Net Zero		Digitise our customer experience	 >90% of Minerals customer quotes in certain regions completed via online configurator (phased roll-out) Near 100% of ESCO customer quotes completed via online configurator
		 Continue to develop our scope 4 value proposition* 	Target developed for phase 1 products and externally benchmarked
		 Build customer-specific scope 3 and scope 4 data insight* 	Data pipeline developed from customer projects and Weir digital tools
Technology	Invest in innovating transformational solutions Digitally enable everything	 Increase revenue from new products 	 £108m of Minerals revenue from new products \$3.1m of ESCO revenue from new products
	we do Create new business and business models from data and insights	Digitise our current business model	 Minerals: >60 Synertrex® connected sites ESCO: \$22m sales from Motion Metrics
	uata anu insignits	 Progress our priority R&D projects* 	Targets for key R&D projects achieved
Performance	Drive clear, lean and agile operations and supply chain	Improve our lean scores	 Minerals: achieved ambitions for sites on Level 2 & 4 ESCO: achieved target process management score
	Deliver high quality, efficient back-office functions Expand margins and	Deliver our Performance Excellence transformation programme to plan	 Delivered target IT architecture outcomes Delivered £7.2m programme savings; ahead of target of £4.5m run-rate
	deliver strong cash conversion	 Reduce scope 1&2 CO₂e vs 2019 base aligned with SBTi* 	 23% absolute CO₂e reduction⁶ achieved and verified
		 Enable emergent ESG reporting governance * 	Automated dashboard developed

*ESG measures

Notes:

- 1. 2022 restated at 2023 average exchange rates.
- Profit figures before adjusting items. Continuing operations statutory operating profit was £368m (2022: £308m). 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 £394m (2022: £321m).
- 3. 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.
- 4. Refer to note 2 of the Audited Results contained in this press release for further details of alternative performance measures.
- 5. Total incident rate is an industry standard indicator that measures lost time and medical treatment injuries per 200,000 hours worked.

 Market-based absolute CO₂ emissions. 2019 is the baseline year for our SBTI-aligned scope 1&2 target of 30% reduction in absolute emissions by 2030.

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 Audited Results contained in this press release.

DIVISIONAL REVIEW

Minerals

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

2023 Summary

- Year-on-year orders¹ stable
- AM orders¹ +3%; demand driven by mining production trends and installed base expansion
- Small brownfield and sustainability projects driving continued momentum in demand for OE
- Strong execution: operating profit^{1,2} +18%; operating margin^{1,2} expansion +110bps

2023 Strategic review

Minerals delivered a year of strong strategic progress, growing its installed base, significantly enhancing its digital offering, and completing and initiating a number of Performance Excellence projects that will drive efficiency and margin expansion. Progress across all four pillars of the 'We are Weir' strategic framework is outlined below.

People

On safety, TIR for Minerals was 0.34 (2022: 0.27). The Division remains amongst the safest in its sector, and through the Zero Harm Behaviours Programme is reinforcing safety as a priority.

Inclusion, diversity and equity was a key focus in the year, and this is reflected in improved gender diversity across the Division. Other milestones included increased diversity in recruitment and talent pipelines, and the global launch of our Woman in Leadership Programme, in conjunction with the University of Pretoria.

Customers

Comminution is a high growth area of our portfolio, and in the year we saw a significant increase in orders for our AM solutions. This reflects growth in our installed base, and our increased strategic focus on this area. A particular highlight was an order from a large copper mine in South America, where our customer ordered Enduron[®] rollers for their High Pressure Grinding Rolls (HPGR). The installation will be the first instance of our rollers being fitted to a competitor's HPGR, and enables us to showcase the performance and reliability benefits of our technology. More generally, the pipeline for our HPGR remains strong with a number of projects advancing materially through the year.

We also gained further market share in mill circuit pumps, converting over 85% of our competitive field trials.

Technology

In November we acquired SentianAI, an innovative developer of process optimisation solutions powered by Artificial Intelligence. Coupled with the launch of our Synertrex[®] intelli-solutions condition monitoring technology, which now spans six product platforms and is active at over 60 mines, the acquisition enhances our overall process optimisation capabilities and positions us to develop new revenue and business models.

Our portfolio of sustainable solutions, which improve water efficiency and reduce energy consumption relative to traditional mining technologies, also gained traction. We grew our sales pipeline for our Redefined Mill Circuit and received initial commercial orders for Coarse Particle Flotation technology, which we access through our partnership with Eriez.

In addition, we launched our Cavex[®] 2.0 cyclone technology, and invested in upgrades and range expansions for our industry leading Warman[®] slurry pumps.

Performance

On Performance Excellence, the Division consolidated several of its manufacturing facilities in the US, optimised its Australian service centre and Latin America distribution footprints and initiated the reconfiguration of its elastomer manufacturing in Asia Pacific. Several new 'configure to order' tools were also launched, which will reduce product variation and improve manufacturing efficiencies. These included full launch of our HPGR configurator tool, and phase 1 roll-out of our 'Warman selector' tool.

Among other Performance Excellence projects initiated was the launch of Weir Integrating Network System (WINS), our new lean manufacturing programme. WINS is our proprietary operating system and is enabling us to extend our focus on lean to cover all value streams in our global operations.

On sustainability, in our continued drive to reduce our environmental footprint, we installed solar panels at our facilities in South Africa and transitioned our Australian operations to a green energy tariff.

2023 Financial review

Constant currency £m	H1 ¹	H2	2023	2022 ¹	Growth ¹
Orders OE	262	252	514	547	-6%
Orders AM	700	681	1,381	1,339	3%
Orders Total	962	933	1,895	1,886	0%
Revenue OE	257	292	549	447	23%
Revenue AM	676	712	1,388	1,288	8%
Revenue Total	933	1,004	1,937	1,735	12%
Adjusted operating profit ²	169	207	376	318	18%
Adjusted operating margin ²	18.2%	20.5%	19.4%	18.3%	+110bps
Operating cash flow ²	131	287	418	386	8%
Book-to-bill	1.03	0.93	0.98	1.09	

1. 2022 and 2023 H1 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 Audited Results contained in this press release for further details of alternative performance measures.

Orders were broadly stable on a constant currency basis at £1,895m (2022: £1,886m), with book-to-bill at 0.98 reflecting strong execution and ongoing strength in mining markets. OE orders decreased 6% year-on-year, relative to a strong prior year comparator which included £33m of large orders for nickel projects in Indonesia. Through the year, we continued to see good momentum in demand for OE for small brownfield and debottlenecking projects, as customers sought to maximise production from existing assets and large projects remained slow to convert. AM orders increased 3% year-on-year, with a contribution from pricing and an increase in volume from customers in hard rock mining, partially offset by reduced orders from customers in the Canadian oil sands and a loss of orders from Russia. Excluding orders from Russia from the prior year comparator, AM orders were up 4%. Contribution from pricing in H2 was lower than in H1, as the pricing environment normalised through the year. In line with prior years, AM orders in Q2 included multi-period orders, and excluding these, AM orders grew sequentially from H1 to H2. For the full year, AM orders represented 73% of total orders (2022: 71%), and mining end-markets accounted for 79% of total orders (2022: 76%).

Revenue increased 12% on a constant currency basis to £1,937m (2022: £1,735m), reflecting strong execution and price realisation. Half-on-half, revenue grew sequentially through the year, as we delivered our record opening order book in H1 and continued to benefit from strength in our mining markets in H2, with orders converting to revenue. Revenue growth in Canada was particularly high, following strong order growth in the Canadian oil sands last year. Partly offsetting this was reduced revenue from Russia, which year-on-year decreased by £38m as we wound down operations. Full year revenue mix moved towards OE, which accounted for 28% of revenue, up from 26% in the prior year.

Adjusted operating profit increased 18% on a constant currency basis to £376m (2022: £318m) as the Division benefited from increased volumes, strong execution and the initial benefits of Performance Excellence. In addition, year-on-year, the Division benefited from a reduction in adverse transactional FX movements of £8m.

Adjusted operating margin on a constant currency basis was 19.4% (2022: 18.3%). The year-on-year improvement of 110bps reflects strong operational efficiency, early benefits from Performance Excellence, and a reduction in adverse transactional FX movements, partially offset by the movement in revenue mix towards OE.

Operating cash flow increased by 8% to £418m (2022: £386m) reflecting growth in operating profit, partially offset by a modest increase in working capital outflow to £26m (2022: £18m). Working capital movements include a reduction in inventory resulting from actions through Performance Excellence, and also a decrease in both receivables and payables in line with phasing of revenue and purchases respectively.

ESCO

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

2023 Summary

- Orders¹ -2%; growth in mining offset by infrastructure
- Very strong demand for mining attachments
- Strong execution: operating profit^{1,2} +11%; operating margin^{1,2} expansion +150bps

2023 Strategic review

ESCO made good strategic progress in the year, significantly improving safety performance, delivering substantial growth in mining attachments and advancing its foundry optimisation programme. Progress across all four pillars of the 'We are Weir' strategic framework is outlined below.

People

Safety performance in ESCO was a highlight, with a reduction in TIR to 0.81 (2022: 1.01). This reflects strong focus across the Division and is an important step forward on our journey to delivering our ambition of zero harm.

In addition, we continued to make significant strides with respect to diversity, with improvement in gender diversity at all levels in the Division.

Customers

Throughout the year, the Division made significant progress in growing market share in mining attachments. Year-on-year orders increased by 40%, as customers chose ESCO solutions for their lowest total cost of ownership and productivity benefits. We grew orders in our largest market of North America, and also won key orders in Africa and Australia, reflecting our increased focus and momentum in these regions.

We also won share in our core GET market, delivering positive net conversions, and gained traction with our Motion Metrics digital solutions, growing our sales pipeline and delivering year-on-year revenue growth.

Technology

The development of our next generation GET technology was a major focus in 2023. Results from field trials of the new solution were positive, demonstrating that the technology further enhances our customer proposition of best in class wear life and lowest total cost of ownership.

We also delivered successful phase 1 field trials of our proprietary ore characterisation technology, with the second phase of trials due to commence in the first half of 2024.

In addition, we continued to invest in our materials science capability, developing new alloys and composites to underpin our technology leadership.

Performance

Optimising the performance of its foundry network is ESCO's largest Performance Excellence opportunity, and the Division made good progress in the year. Construction of the new foundry in Xuzhou, China, is now complete and equipment is being commissioned. The first casting from the foundry was poured in February 2024 and, once fully operational, the facility will significantly increase the Division's low cost manufacturing capacity. Progress in our North American foundries was also positive, with year-on-year improvements in both operational and quality metrics.

From a sustainability perspective, the Division took steps forward in reducing its environmental footprint, completing environmental audits across a number of its facilities and establishing work groups that are addressing key findings.

2023 Financial review

Constant currency £m	H1 ¹	H2	2023	2022 ¹	Growth ¹
Orders OE	35	27	62	44	41%
Orders AM	318	310	628	660	-5%
Orders Total	353	337	690	704	-2%
Revenue OE	28	30	58	43	34%
Revenue AM	319	322	641	645	-1%
Revenue Total	347	352	699	688	2%
Adjusted operating profit ²	58	64	122	109	11%
Adjusted operating margin ²	16.7%	18.2%	17.4%	15.9%	+150bps
Operating cash flow ²	53	84	137	93	47%
Book-to-bill	1.02	0.96	0.99	1.02	

1. 2022 and 2023 H1 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 Audited Results contained in this press release for further details of alternative performance measures.

Orders decreased 2% on a constant currency basis to £690m (2022: £704m), with book-to-bill at 0.99 reflecting strong execution coupled with high levels of activity in our mining markets. Year-on-year movement in orders reflects growth in mining orders, including a contribution from price, offset by a decrease in orders from infrastructure customers relative to a strong prior year comparator. Contribution from pricing in H2 was lower than in H1, as the pricing environment normalised through the year. In mining, demand was particularly strong for our mining attachments, which is reflected in OE order growth of 41%. Notwithstanding this, AM continues to be the largest part of ESCO accounting for 91% of total orders in the year (2022: 94%). In total, mining end markets accounted for 62% of orders (2022: 62%) and infrastructure accounted for 25% (2022: 26%).

Revenue on a constant currency basis increased by 2% to £699m (2022: £688m) with price realisation and volume increases in mining, partially offset by a decrease in infrastructure volumes. Year-on-year revenues from infrastructure markets decreased by 14%.

Adjusted operating profit increased by 11% to £122m (2022: £109m) on a constant currency basis, as the Division benefited from strong execution and operational efficiencies.

Adjusted operating margin on a constant currency basis was 17.4% (2022: 15.9%), with the year-onyear improvement of 150bps reflecting strong operational efficiency.

Operating cash flow increased by 47% to £137m (2022: £93m) reflecting growth in operating profit and a decrease in working capital outflow to £4m (2022: £33m). Working capital movements include a small reduction in inventory, and a modest increase and decrease in receivables and payables respectively.

GROUP FINANCIAL REVIEW

		Constant	currency ¹	As re	oorted
Continuing Operations ³ £m	2023	2022	Growth	2022	Growth
Orders OE	576	591	-3%	n/a	n/a
Orders AM	2,009	1,999	0%	n/a	n/a
Orders Total	2,585	2,590	0%	n/a	n/a
Revenue OE	607	490	24%	501	21%
Revenue AM	2,029	1,933	5%	1,971	3%
Revenue Total	2,636	2,423	9%	2,472	7%
Adjusted operating profit ²	459	388	18%	395	16%
Adjusted operating margin ²	17.4%	16.0%	+140bps	16.0%	+140bps
Book-to-bill	0.98	1.07	n/a	1.07	n/a
Total Group £m					
Operating cash flow ²	526	n/a	n/a	448	17%
Free operating cash conversion	85%	n/a	n/a	87%	-2pp
Net debt ⁴	690	n/a	n/a	797	+107

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.

3. 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. 4. Refer to note 2 of the Audited Results contained in this press release for further details of alternative performance measures.

Continuing operations orders at £2,585m were stable on a constant currency basis reflecting continued demand for our solutions. Minerals orders overall were marginally ahead of 2022 with AM up 3% (4% excluding the loss of orders from Russia) reflecting increased demand in hard rock mining and a contribution from pricing offset by lower demand in the Canadian oil sands. ESCO total orders decreased 2% on a constant currency basis; however OE order growth of 41% came from increased demand for mining attachments. 78% of orders related to aftermarket compared to 77% in the prior year.

Continuing operations revenue of £2,636m increased 9% on a constant currency basis. Minerals revenue grew 12% on a constant currency basis at £1,937m (2022: £1,735m). ESCO revenue increased 2% on a constant currency basis to £699m (2022: £688m). Aftermarket accounted for 77% of revenues, down from 80% in the prior year. Reported revenues increased 7% (2022: £2,472m), impacted by a foreign exchange translation headwind of £49m. Overall book-to-bill was 0.98.

Continuing operations adjusted operating profit increased by £64m (16%) to £459m on a reported basis (2022: £395m). Excluding a £7m foreign currency translation headwind, the constant currency increase was £71m (18%). As explained further in the Divisional reviews, Minerals adjusted operating profit increased on a constant currency basis to £376m (2022: £318m) and ESCO increased by 11% on a constant currency basis to £122m (2022: £109m). Unallocated costs are in line with the prior year at £39m.

Continuing operations adjusted operating margin of 17.4% is up 140bps versus last year on a constant currency basis and up 140bps as reported. Expansion in operating margin reflects strong operational efficiency, the initial benefits from Performance Excellence and a year-on-year reduction in adverse transactional FX movements, partially offset by a movement in Minerals revenue mix towards OE.

Continuing operations statutory operating profit of £368m was £61m favourable to the prior year, with the increase in adjusted operating profit of £64m being offset by an increase in adjusting items.

Continuing operations adjusting items increased by £3m to £90m (2022: £87m). Intangibles amortisation decreased to £25m (2022: £36m) primarily as a result of completed multi-year investment activities now being recognised within adjusted operating profit. Exceptional items decreased by £27m to £22m (2022: £49m). Costs of £29m (2022: £3m) were recognised relating to initiatives across all three pillars of our Performance Excellence programme - lean processes, capacity optimisation and global business services. These were partially offset by a net credit of £8m following the reversal of prior year provisions in respect of the wind down of operations in Russia as working capital recoveries have

exceeded initial expectations. Exceptional costs in 2022 relating to our Russian operations totalled £44m. Exceptional items also included £1m for acquisition and integration related costs. Other adjusting items of £43m (2022: £3m) are primarily related to adjustments to the legacy US asbestos-related provision following a period of increased claims and the revised claims projections from the latest triennial actuarial review undertaken in the year.

Continuing operations net finance costs were £48m (2022: £47m) with an increase in finance costs of £15m after a foreign currency translation tailwind of £1m on USD denominated debt. The increase in costs was largely offset by higher finance income in the year, with both being driven by higher interest rates in the year.

Continuing operations adjusted profit before tax was £411m (2022: £348m), after a foreign currency translation headwind of £6m. The statutory profit before tax from continuing operations of £321m compares to £260m in 2022, the increase is primarily due to the increase in adjusted operating profit.

Continuing operations adjusted tax charge for the year of £111m (2022: £93m) on adjusted profit before tax from continuing operations of £411m (2022: £348m) represents an adjusted effective tax rate (ETR) of 27.0% (2022: 26.6%). Our ETR is principally driven by the geographical mix of profits arising in our business and, to a lesser extent, the impact of Group financing and transfer pricing arrangements. A tax credit of £20m has been recognised in relation to continuing operations adjusting items (2022: £45m).

Continuing operations profit after tax before adjusting items is £300m (2022: £255m). The statutory profit after tax for the year from continuing operations is £230m (2022: £213m).

Discontinued operations statutory loss after tax for the year was £1m (2022: profit of £1m) related to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division which was disposed of in 2021.

Statutory profit for the year after tax from total operations of £229m (2022: £214m) reflects the increase in profit from continuing operations of £17m offset by the reduction in discontinued operations.

Adjusted earnings per share from continuing operations increased by 18% to 115.9p (2022: 98.4p) reflecting the increased profit offset by higher effective tax rate in the year. Statutory reported earnings per share from total operations is 88.2p (2022: 82.5p). The weighted average number of shares in issue was 258.4m (2022: 258.7m).

Acquisition of SentianAl

The Group completed the acquisition of Sentiantechnologies AB (SentianAI) on 21 November 2023 for an enterprise value of SEK87m (£7m) less customary debt and working capital adjustments, which resulted in an initial cash consideration of £6m and deferred consideration of £1m, payable in 2025.

Cash flow and net debt

Cash generated from total operations³ increased by £78m to £526m (2022: £448m) primarily driven by the increase in adjusted operating profit, coupled with an improvement in working capital of £21m (2023: outflow of £28m vs 2022: £49m). The reduced working capital cash outflow reflects an improvement in inventory, only partially offset by receivables and payables. This reflects a combination of phasing of purchases and the initial benefit of actions under our Performance Excellence programme, as well as lower utilisation of invoice discounting facilities. As a result, working capital as a percentage of sales decreased to 21% from 24% in the prior year. Non-recourse invoice discounting facilities, primarily customers supply chain financing facilities, of £33m (2022: £45m) were utilised and suppliers chose to utilise supply chain financing facilities of £32m (2022: £54m). Net cash generated from operating activities is £394m (2022: £321m).

Net capital expenditure increased by £25m to £83m (2022: £58m), mainly due to the construction of our new ESCO foundry in China. Lease payments of £31m were in line with the prior year (2022: £31m).

Free operating cash flow increased by £50m to £392m (2022: £342m) resulting in free operating cash conversion of 85% (2022: 87%) (refer to note 2 of the Audited Results contained in this press release). This was in line with our 2023 target of between 80% and 90% and reflected the above noted improvement in cash generation, partially offset by the increase in capital expenditure in the year as we continued to invest in our new foundry in China. We continue to target free operating cash conversion for 2024 of between 90% and 100% driven by working capital efficiency and maintaining capex and lease costs closer to one times depreciation.

Free cash flow from total operations was an inflow of £238m (2022: £193m). In addition to the movements noted above, this was primarily impacted by an increase in tax payments of £11m, partially offset by lower net finance costs of £5m due to phasing.

Net debt decreased by £107m to £690m (2022: £797m) and includes £117m (2022: £115m) in respect of IFRS 16 'Leases'. The movement reflects free cash inflow of £238m, offset by dividends of £96m, exceptional cash flows of £18m, outflows of £8m in relation to acquisition of subsidiaries and disposals of discontinued operations, an increase in lease liabilities of £8m, other movements of £3m and favourable FX on translation of £2m. Net debt to EBITDA on a lender covenant basis was 1.1 times⁴ (2022: 1.5 times) compared to a covenant level of 3.5 times.

In June 2023, the Group completed the issue of £300m five-year Sustainability-Linked Notes due to mature in June 2028. These Notes are in addition to the US\$800m Sustainability-Linked Notes drawn in May 2021 and due to mature in May 2026. The Group also continued to have access to its US\$800m Revolving Credit Facility (RCF) and, in March 2023, exercised the option to extend the maturity date to April 2028, with the option to extend for a further year. As a result of strong cash generation in the year, the Group reduced its RCF by US\$200m to US\$600m in February 2024. Following these actions, the Group will have more than £700m of immediately available committed facilities and cash balances.

Pensions

The net IAS 19 funding position reduced from a net surplus of £15m at December 2022 to a net surplus of £2m at December 2023. This is primarily due to changes in financial assumptions, which resulted in a loss of £13m (2022: gain of £303m), mainly due to the decrease in discount rates over the year compared to increasing discount rates in the prior year, as well as a loss on plan assets of £12m (2022: £224m). These movements contributed to a charge of £28m (2022: credit of £65m) being recognised in the Consolidated Statement of Comprehensive Income.

During the year the UK Main Plan completed a further pensioner buy-in with the full buy-in premium amounting to £136m, which results in insurance policy assets held for the UK scheme now covering 60% (2022: 39%) of the UK's total funded obligation, reducing the Group's exposure to actuarial movements. In addition, the strength of the funding position of the UK Main Plan means that additional pension cash contributions will reduce by approximately £6m from 2024.

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Appendix 1 – 202	3 continuing	operations ³	quarterly	order trends
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		Reported growth									
Division	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 FY	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY	
Original Equipment	-18%	-3%	13%	19%	2%	20%	-12%	-10%	-15%	-6%	
Aftermarket	23%	18%	25%	6%	18%	5%	5%	1%	2%	3%	
Minerals	9%	11%	21%	10%	13%	9%	0%	-2%	-3%	0%	
Original Equipment	-17%	98%	-6%	14%	14%	39%	40%	21%	69%	41%	
Aftermarket	37%	19%	14%	1%	17%	-9%	-4%	-5%	-2%	-5%	
ESCO	32%	23%	13%	2%	17%	-6%	0%	-3%	2%	-2%	
Original Equipment	-17%	2%	12%	19%	3%	22%	-8%	-8%	-10%	-3%	
Aftermarket	28%	18%	21%	5%	17%	0%	2%	-1%	1%	0%	
Continuing Ops	15%	14%	19%	8%	14%	4%	0%	-2%	-2%	0%	
Book-to-bill	1.22	1.13	1.02	0.95	1.07	1.04	1.01	0.94	0.94	0.98	

	Quarterly orders ¹ £m									
Division	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 FY	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 FY
Original Equipment	111	148	144	144	547	132	130	129	123	514
Aftermarket	313	356	333	337	1,339	329	371	337	344	1,381
Minerals	424	504	477	481	1,886	461	501	466	467	1,895
Original Equipment	10	15	11	8	44	14	21	13	14	62
Aftermarket	178	162	161	159	660	162	156	154	156	628
ESCO	188	177	172	167	704	176	177	167	170	690
		100								
Original Equipment	121	163	155	152	591	146	151	142	137	576
Aftermarket	491	518	494	496	1,999	491	527	491	500	2,009
Continuing Ops ³	612	681	649	648	2,590	637	678	633	637	2,585

Appendix 2 – 2023 order bridges (as reported)

	H1			H2			Full Year		
Group orders (£m)	OE	AM	Total	OE	AM	Total	OE	AM	Total
2022 - as reported	285	997	1,282	320	1,042	1,362	605	2,039	2,644
Organic	5%	0%	1%	-9%	-1%	-3%	-3%	0%	0%
Structure	0%	1%	1%	0%	0%	0%	0%	0%	0%
Currency	1%	3%	2%	-5%	-5%	-5%	-2%	-1%	-2%
Total	6%	4%	4%	-14%	-6%	-8%	-5%	-1%	-2%
2023 - as reported	301	1,035	1,336	275	974	1,249	576	2,009	2,585

	H1			H2			Full Year		
Minerals orders (£m)	OE	АМ	Total	OE	AM	Total	OE	AM	Total
2022 - as reported	261	672	933	300	704	1,004	561	1,376	1,937
Organic	1%	5%	4%	-12%	1%	-3%	-6%	3%	0%
Structure	0%	0%	0%	0%	0%	0%	0%	0%	0%
Currency	1%	1%	1%	-5%	-6%	-6%	-2%	-2%	-2%
Total	2%	6%	5%	-17%	-5%	-9%	-8%	1%	-2%
2023 - as reported	266	714	980	248	667	915	514	1,381	1,895

		H1 H2			Full Year				
ESCO orders (£m)	OE	АМ	Total	OE	АМ	Total	OE	АМ	Total
2022 - as reported	24	325	349	20	338	358	44	663	707
Organic	40%	-9%	-6%	43%	-5%	-1%	41%	-7%	-3%
Structure	0%	3%	3%	0%	0%	0%	0%	2%	1%
Currency	7%	4%	4%	-12%	-5%	-3%	-1%	0%	1%
Total	47%	-2%	1%	31%	-10%	-4%	40%	-5%	-1%
2023 - as reported	35	321	356	27	307	334	62	628	690

Appendix 3 – Foreign exchange (FX) rates and continuing operations³ profit exposure

	2023 average FX rates	2022 average FX rates	Percentage of FY 2023 operating profits ²
US Dollar	1.24	1.24	36%
Australian Dollar	1.87	1.78	17%
Euro	1.15	1.17	8%
Canadian Dollar	1.68	1.61	17%
Chilean Peso	1,044.69	1,078.02	15%
South African Rand	22.94	20.19	5%
Brazilian Real	6.21	6.39	4%
Chinese Yuan	8.81	8.30	2%
Indian Rupee	102.66	97.06	1%

1. 2022 restated at 2023 average exchange rates.

2. Profit figures before adjusting items. Refer to note 2 of the Audited Results contained in this press release for further details of alternative performance measures.

3. 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.

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 forwardlooking 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.

AUDITED RESULTS

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

		Year ende	d 31 Decem	ber 2023	Year ended 31 December 2022			
		Adjusted results	Adjusting items (note 5)	Statutory results	Adjusted results	Adjusting items (note 5)	Statutory results	
	Notes	£m	£m	£m	£m	£m	£m	
Continuing operations								
Revenue	3	2,636.0	_	2,636.0	2,472.1	—	2,472.1	
Continuing operations								
Operating profit before share of results of joint ventures		456.3	(90.4)	365.9	392.3	(87.3)	305.0	
Share of results of joint ventures		2.5	_	2.5	2.5	_	2.5	
Operating profit		458.8	(90.4)	368.4	394.8	(87.3)	307.5	
Finance costs		(66.4)	_	(66.4)	(51.0)		(51.0)	
Finance income		18.7	_	18.7	3.7	_	3.7	
Profit before tax from continuing operations		411.1	(90.4)	320.7	347.5	(87.3)	260.2	
Tax (expense) credit	6	(110.9)	20.1	(90.8)	(92.5)	44.9	(47.6)	
Profit for the year from continuing operations		300.2	(70.3)	229.9	255.0	(42.4)	212.6	
(Loss) profit for the year from discontinued operations	7	_	(1.3)	(1.3)	1.2	_	1.2	
Profit (loss) for the year		300.2	(71.6)	228.6	256.2	(42.4)	213.8	
Attributable to:								
Equity holders of the Company		299.5	(71.6)	227.9	255.8	(42.4)	213.4	
Non-controlling interests		0.7	_	0.7	0.4	—	0.4	
		300.2	(71.6)	228.6	256.2	(42.4)	213.8	
Earnings per share	8							
Basic – total operations				88.2p			82.5p	
Basic – continuing operations		115.9p		88.7p	98.4p		82.0p	
Diluted – total operations				87.7p			82.0p	
Diluted – continuing operations		115.3p		88.2p	97.8p		81.5p	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended	Year ended
	31 December 2023	31 December 2022
	£m	£m
Profit for the year	228.6	213.8
Other comprehensive (expense) income		
Losses taken to equity on cash flow hedges	(0.4)	
Cost of hedging taken to equity on fair value hedges	(0.8)	
Exchange (losses) gains on translation of foreign operations	(159.1)	223.1
Reclassification of foreign currency translation reserve on disposal of operations		0.1
Exchange gains (losses) on net investment hedges	27.6	(124.9)
Reclassification adjustments on cash flow hedges	0.5	0.5
Reclassification adjustments on fair value hedges	0.1	_
Tax credit (charge) relating to above items	0.1	(0.1)
Items that are or may be reclassified to profit or loss in subsequent periods	(132.0)	98.7
Other comprehensive (expense) income not to be reclassified to profit or loss in subsequent periods:		
Remeasurements on defined benefit plans	(28.2)	65.3
Tax credit (charge) relating to above item	7.1	(16.3)
Items that will not be reclassified to profit or loss in subsequent periods	(21.1)	49.0
Net other comprehensive (expense) income	(153.1)	147.7
Total net comprehensive income for the year	75.5	361.5
Attributable to:		
Equity holders of the Company	76.1	360.8
Non-controlling interests	(0.6)	0.7
	75.5	361.5
Total net comprehensive income (expense) for the year attributable to equity holders of the Company		
Continuing operations	77.4	359.6
Discontinued operations	(1.3)	1.2

360.8

76.1

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2023

		31 December 2023	31 December 2022
	Notes	£m	£m
ASSETS			
Non-current assets			
Property, plant & equipment		490.5	462.2
Intangible assets		1,316.0	1,409.9
Investments in joint ventures		12.2	15.1
Deferred tax assets		111.3	92.5
Other receivables		53.8	76.8
Retirement benefit plan assets	14	30.1	50.0
Total non-current assets		2,013.9	2,106.5
Current assets			
Inventories		608.1	679.1
Trade & other receivables		526.2	528.9
Derivative financial instruments	15	7.9	8.9
Income tax receivable		29.4	41.3
Cash & short-term deposits		707.2	691.2
Total current assets		1,878.8	1,949.4
Total assets		3,892.7	4,055.9
LIABILITIES			
Current liabilities			
Interest-bearing loans & borrowings		286.2	406.3
Trade & other payables		581.3	623.5
Derivative financial instruments	15	6.4	13.2
Income tax payable		1.9	7.4
Provisions	12	47.6	35.3
Total current liabilities		923.4	1,085.7
Non-current liabilities			
Interest-bearing loans & borrowings		1,111.1	1,082.1
Other payables		0.6	1.0
Derivative financial instruments	15	2.3	
Provisions	12	80.7	62.9
Deferred tax liabilities		46.9	51.4
Retirement benefit plan deficits	14	28.0	34.9
Total non-current liabilities		1,269.6	1,232.3
Total liabilities		2,193.0	2,318.0
NET ASSETS		1,699.7	1,737.9
CAPITAL & RESERVES			
Share capital		32.5	32.5
Share premium		582.3	582.3
Merger reserve		332.6	332.6
Treasury shares		(29.0)	(14.3)
Capital redemption reserve		0.5	0.5
Foreign currency translation reserve		(238.7)	(108.5)
Hedge accounting reserve		1.4	1.9
Retained earnings		1,008.2	899.5
Shareholders' equity		1,689.8	1,726.5
Non-controlling interests		9.9	11.4
Non-controlling interests			

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

		Year ended	Year ended
		31 December 2023	31 December 2022
	Notes	£m	£m
Total operations			
Cash flows from operating activities	16		
Cash generated from operations		525.5	447.8
Additional pension contributions paid		(9.3)	(9.7)
Exceptional and other adjusting cash items		(18.0)	(14.2)
Exceptional cash items - acquired vendor liabilities		_	(9.7)
Income tax paid		(103.9)	(93.4)
Net cash generated from operating activities		394.3	320.8
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	16	(6.0)	(15.0)
	10	(6.9)	(15.2)
Purchases of property, plant & equipment		(79.1)	
Purchases of intangible assets		(7.6)	(6.6)
Other proceeds from sale of property, plant & equipment and intangible assets	7.16		
Disposals of discontinued operations, net of cash disposed and disposal costs	, -	(0.4)	(0.1
Exceptional cash item - disposal of ESCO Russia	16		(2.0)
Interest received		15.1	4.6
Dividends received from joint ventures		4.1	2.7
Net cash used in investing activities		(70.6)	(68.3)
Cash flows from financing activities			
Proceeds from borrowings		512.6	822.8
Repayments of borrowings		(627.6)	(958.9)
Lease payments		(31.0)	(30.5
Settlement of external debt of subsidiary on acquisition		(0.2)	_
Settlement of derivative financial instruments		(0.5)	(0.3)
Interest paid		(55.0)	(49.9
Dividends paid to equity holders of the Company	9	(95.9)	(66.7
Dividends paid to non-controlling interests		(0.9)	(0.3
Purchase of shares for employee share plans		(24.0)	(20.0
Net cash used in financing activities		(322.5)	(303.8
Net increase (decrease) in cash & cash equivalents		1.2	(51.3
Cash & cash equivalents at the beginning of the year		477.5	500.0
Foreign currency translation differences		(31.3)	28.8
Cash & cash equivalents at the end of the year	16	447.4	477.5

The cash flows from discontinued operations included above are disclosed separately in note 7.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Merger reserve	Treasury shares	Capital redemption reserve	Foreign currency translation 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 foreign currency translation reserve on disposal of 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 paid 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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 December 2023

	Share capital	Share premium	reserve	shares	Capital redemption reserve	reserve	reserve	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 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 year	_	_	_	_	_	_	_	227.9	227.9	0.7	228.6
Losses taken to equity on cash flow hedges	_	_	_	_	_	_	(0.4)	_	(0.4)	_	(0.4)
Cost of hedging taken to equity on fair value hedges	_	_	_	_	_	_	(0.8)	_	(0.8)	_	(0.8)
Exchange losses on translation of foreign operations	_	_	_	_	_	(157.8)	_	_	(157.8)	(1.3)	(159.1)
Exchange gains on net investment hedges	_	_	_	_	_	27.6	_	_	27.6	_	27.6
Reclassification adjustments on cash flow hedges	_	_	_	_	_	_	0.5	_	0.5	_	0.5
Reclassification adjustments on fair value hedges	_	_	_	_	_	_	0.1	_	0.1	_	0.1
Remeasurements on defined benefit plans	_	_	_	_	_	_	_	(28.2)	(28.2)	_	(28.2)
Tax relating to other comprehensive expense	_	_	_	_	_	_	0.1	7.1	7.2	_	7.2
Total net comprehensive income for the year	_	_	_	_	_	(130.2)	(0.5)	206.8	76.1	(0.6)	75.5
Cost of share-based payments inclusive of tax credit	_	_	_	_	_	_	_	7.1	7.1	_	7.1
Dividends	_	_	_	_	_	_	_	(95.9)	(95.9)	_	(95.9)
Purchase of shares for employee share plans	_	_	_	(24.0)	_	_	_	_	(24.0)	_	(24.0)
Dividends paid to non-controlling interests	_	_	_	_	_	_	_	_	_	(0.9)	(0.9)
Exercise of share- based payments	_	_	_	9.3	_	_	_	(9.3)	_	_	_
At 31 December 2023	32.5	582.3	332.6	(29.0)	0.5	(238.7)	1.4	1,008.2	1,689.8	9.9	1,699.7

1. Accounting policies

Basis of preparation

The audited results for the year ended 31 December 2023 ("2023") 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.

The financial information set out in the audited results does not constitute the Group's statutory financial statements for the year ended 31 December 2023 within the meaning of section 434 of the Companies Act 2006 and has been extracted from the full financial statements for the year ended 31 December 2023.

Statutory financial statements for the year ended 31 December 2022 ("2022"), which received an unqualified audit report, have been delivered to the Registrar of Companies. The reports of the auditors on the financial statements for the year ended 31 December 2022 and for the year ended 31 December 2023 were unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006. The financial statements for the period ended 31 December 2023 will be delivered to the Registrar of Companies and made available to all Shareholders in due course.

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

The financial statements are also prepared on a historic cost basis except where measured at fair value as outlined in the accounting policies.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue to operate for a period of at least 12 months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis of preparing the financial statements. In forming this view the Directors have reviewed the Group's budget and sensitivity analysis.

Basis of consolidation

The Consolidated Financial Statements include the results, cash flows and assets and liabilities of The Weir Group PLC and its subsidiaries, and the Group's share of results of its joint venture. For consolidation purposes, subsidiaries and joint ventures prepare financial information for the same reporting period as the Company using consistent accounting policies.

A subsidiary is an entity controlled, either directly or indirectly, by the Company, where control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The results of a subsidiary acquired during the period are included in the Group's results from the effective date on which control is transferred to the Group. The results of a subsidiary sold during the period are included in the Group's results up to the effective date on which control is transferred out of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that are not held by the Group and are presented within equity in the Consolidated Balance Sheet, separately from the Company Shareholders' equity.

New accounting standards, amendments and interpretations

The accounting policies that follow are consistent with those of the previous period, with the exception of the following standards, amendments and interpretations which are effective for the year ended 31 December 2023:

- IFRS 17 'Insurance contracts' as amended in December 2021;
- Definition of Accounting Estimates amendments to IAS 8;
- International Tax Reform Pillar Two Model Rules amendments to IAS 12;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction amendments to IAS 12; and
- Disclosure of Accounting Policies amendments to IAS 1 and IFRS Practice Statement 2.

The amendments listed above are not considered to have a material impact on the Consolidated Financial Statements of the Group.

The following new accounting standards and interpretations have been published but are not mandatory for 31 December 2023:

- Amendments to IAS 1 Classification of liabilities as current or non-current;
- Amendments to IAS 1 Non-current liabilities with covenants;
- Amendments to IAS 21 Lack of exchangeability;
- Amendments to IAS 7 and IFRS 7 Supplier finance arrangements; and
- Amendments to IFRS 16 Lease liability in a sale and leaseback.

These amendments have not been early adopted by the Group. The impact assessment is ongoing, however, from initial review these standards are not expected to have a material impact on the Group in the current or future reporting periods.

1. Accounting policies (continued)

Climate change

Climate change is considered to be a key element of our overall sustainability roadmap. As well as considering the impact of climate change across our business model, the Directors have considered the impact on the financial statements in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Climate change is not considered to have a material impact on the financial reporting judgements and estimates arising from our considerations. Overall, sustainability is recognised in the market as a growth driver for Weir and a key part of our investment case. This is 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. Specifically we note the following:

- The impact of climate change has been included in the modelling to assess the viability and going concern status of the Group, both in terms of the preparation of our Strategic Plan, which underpins our viability statement modelling, and the modelling of our severe, but plausible downside scenarios;
- Our assessment of the carrying value of goodwill and intangible assets included consideration of scenario analysis of
 potential climate change on our end markets and this did not introduce a set of circumstances that were considered could
 reasonably lead to an impairment;
- The impact on the carrying value and useful lives of tangible assets has been considered and while we continue to invest in projects to reduce our carbon impact, there is not considered to be a material impact on our existing asset base;
- In May 2021, the Group successfully completed the issuance of five-year US\$800m Sustainability-Linked Notes. The cost of meeting our linked targets in 2024 has been considered within the above modelling and the impact is not material; and
- In June 2023, the Group successfully completed the issuance of five-year £300m Sustainability-Linked Notes. The cost of
 meeting our linked targets in 2026 has been considered within the above modelling and the impact is not material.

Further detail on our science-based targets and performance against them is included in the Emissions Strategy in the Strategic Report section of the Annual Report.

Use of estimates and judgements

The Group's material accounting policy information is set out below. The preparation of the Consolidated 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.

Areas requiring significant judgement in the current year and on a recurring basis are presented to the Audit Committee.

Critical judgments and estimates

The areas where management considers critical judgements and estimates to be required, which are areas more likely to be materially adjusted within the next 12 months due to inherent uncertainty regarding estimates and assumptions, are those in respect of the following:

Retirement benefits (estimate)

The assumptions underlying the valuation of retirement benefit assets and liabilities include discount rates, inflation rates and mortality assumptions, which are based on actuarial advice. Changes in these assumptions could have a material impact on the measurement of the Group's retirement benefit obligations.

Provisions (judgement/estimate)

Management judgement is used to determine when a provision is recognised, taking into account the commercial drivers that gave rise to it, the Group's previous experience of similar obligations and the progress of any associated legal proceedings. The calculation of provisions typically involves management estimates of associated cash flows and discount rates. The key provision, which currently requires a greater degree of management judgement and estimate is the US asbestos provision and associated insurance asset, details of which are included in note 12.

Deferred taxation (estimate)

The level of current and deferred tax recognised in the financial statements is dependent on subjective judgements as to the interpretation of complex international tax regulations and, in some cases, the outcome of decisions by tax authorities in various jurisdictions around the world, together with the ability of the Group to utilise tax attributes within the time limits imposed by the relevant tax legislation. The value of the recognised US deferred tax asset in relation to US tax attributes is based on expected future US taxable profits with reference to the Group's ten-year forecast period and assumptions over the intended use of these tax attributes during this period. The application of this model and its underlying assumptions may result in future changes to the deferred tax asset recognised. In particular, the recognition of US deferred tax assets relating to deferred intra-group interest deductions is based upon the current policy and modelling demonstrating full utilisation of that attribute over the ten-year forecast period. If the current policy were to change then the utilisation of this tax attribute, as demonstrated by the model, may reduce resulting in a reduction in US deferred tax asset recognised of a maximum of £37.6m (2022: £41.2m).

1. Accounting policies (continued)

Other estimates

Taxation (estimate)

The Group faces a variety of tax risks, which result from operating in a complex global environment, including the ongoing reform of both international and domestic tax rules in some of the Group's larger markets and the challenge to fulfil ongoing tax compliance filing and transfer pricing obligations given the scale and diversity of the Group's global operations.

The Group makes provision for open tax issues where it is probable that an exposure will arise including, in a number of jurisdictions, ongoing tax audits and uncertain tax positions including transfer pricing which are by nature complex and can take a number of years to resolve. In all cases, provisions are based on management's interpretation of tax law in each country, as supported where appropriate by discussion and analysis undertaken by the Group's external advisers, and reflect the single best estimate of the likely outcome or the expected value for each liability. Provisions for uncertain tax positions are included in current tax liabilities and total £5.4m at 31 December 2023 (2022: £7.1m).

The Group believes it has made adequate provision for such matters although it is possible that amounts ultimately paid will be different from the amounts provided, but not materially within the next 12 months.

Tax disclosures are provided in note 6.

Accounting policies Adjusting items

In order to provide the users of the Consolidated Financial Statements with a more relevant presentation of the Group's performance, statutory results for each year have been analysed between:

- adjusted results; and
- the effect of adjusting items.

The principal adjusting items are summarised below. These specific items are presented on the face of the Consolidated Income Statement, along with the related adjusting items' taxation, to provide greater clarity and a better understanding of the impact of these items on the Group's financial performance. In doing so, it also facilitates greater comparison of the Group's underlying results with prior years and assessment of trends in financial performance. This split is consistent with how business performance is measured internally.

Intangibles amortisation

Intangibles amortisation is expensed in line with the other intangible assets policy, with separate disclosure provided to allow visibility of the impact of both:

- intangible assets recognised via acquisition, which primarily relate to items that would not normally be capitalised unless
 identified as part of an acquisition opening balance sheet. The ongoing costs associated with these assets are expensed;
 and
- ongoing multi-year investment activities, which previously included our IT transformation strategy and digitalisation strategy.

In the prior year, amortisation of £7.4m was included within adjusting items in relation to assets which are part of ongoing multi-year investment activities. As these assets are now fully amortised, no charge has been recognised during the current year.

Exceptional items

Exceptional items are items of income and expense which, because of the nature, size and/or infrequency of the events giving rise to them, merit separate presentation. Exceptional items may include, but are not restricted to: profits or losses arising on disposal or closure of businesses; the cost of significant business restructuring; significant impairments of intangible or tangible assets; adjustments to the fair value of acquisition-related items such as contingent consideration and inventory; acquisitions and other items deemed exceptional due to their significance, size or nature.

Other adjusting items

Other adjusting items are those that do not relate to the Group's current ongoing trading and, due to their nature, are treated as adjusting items. For example these may include, but are not restricted to, movements in the provision for asbestos-related claims or the associated insurance assets, which relate to the Flow Control Division that was sold in 2019, but the provision remains with the Group and is in run-off, or past service costs related to pension liabilities.

Further analysis of the items included in the column 'Adjusting items' in the Consolidated Income Statement are provided in note 5.

2. Alternative performance measures

The Consolidated 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 above. 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 underlying performance of the business from year to year.

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.

	2023	2022
	£m	£m
Continuing operations		
Operating profit	368.4	307.5
Adjusted for:		
Exceptional and other adjusting items (note 5)	64.9	51.4
Adjusting amortisation (note 5)	25.5	35.9
Adjusted operating profit	458.8	394.8
Non-adjusting amortisation	12.2	5.7
Adjusted earnings before interest, tax and amortisation (EBITA)	471.0	400.5
Depreciation of owned property, plant & equipment	39.9	47.0
Depreciation of right-of-use property, plant & equipment	31.6	31.4
Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)	542.5	478.9

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.

2. Alternative performance measures (continued)

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.

	2023	2022
	£m	£m
Operating cash flow (cash generated from operations)	525.5	447.8
Net capital expenditure from purchase & disposal of property, plant & equipment and intangibles	(82.5)	(58.3)
Lease payments	(31.0)	(30.5)
Dividends received from joint ventures	4.1	2.7
Purchase of shares for employee share plans	(24.0)	(20.0)
Free operating cash flow (FOCF)	392.1	341.7
Net interest paid	(39.9)	(45.3)
Income tax paid	(103.9)	(93.4)
Settlement of derivative financial instruments	(0.5)	(0.3)
Additional pension contributions paid	(9.3)	(9.7)
Non-controlling interest dividends	(0.9)	(0.3)
Free cash flow (FCF)	237.6	192.7

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.

	2023	2022
	£m	£m
Adjusted operating profit	458.8	394.8
Free operating cash flow	392.1	341.7
Free operating cash conversion %	85%	87%

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, 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.

	2023	2022
	£m	£m
Working capital as included in the Consolidated Balance Sheet		
Other receivables	53.8	76.8
Inventories	608.1	679.1
Trade & other receivables	526.2	528.9
Derivative financial instruments (note 15)	(0.8)	(4.3)
Trade & other payables	(581.3)	(623.5)
Other payables	(0.6)	(1.0)
	605.4	656.0
Adjusted for:		
Insurance contract assets	(57.5)	(77.9)
Interest accruals	12.3	5.3
Deferred consideration	1.6	2.0
	(43.6)	(70.6)
Working capital	561.8	585.4
Revenue	2,636.0	2,472.1
Working capital as a percentage of sales	21%	24%

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, highwear 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 (GET) 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 Sentiantechnologies AB (SentianAI) on 21 November 2023 and Carriere Industrial Supply Limited (CIS) on 8 April 2022, these entities have been included in the Minerals and ESCO segments respectively. SentianAI is a developer of innovative cloud-based Artificial Intelligence solutions to the mining industry. 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 interestbearing 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. Information related to discontinued operations is included in note 7.

	Miner	als	ESCO)	Total continuing operations	
-	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m
Revenue						
Sales to external customers	1,937.4	1,780.5	698.6	691.6	2,636.0	2,472.1
Inter-segment sales	0.1	0.1	2.5	3.2	2.6	3.3
Segment revenue	1,937.5	1,780.6	701.1	694.8	2,638.6	2,475.4
Eliminations					(2.6)	(3.3)
				_	2,636.0	2,472.1
Sales to external customers – 2022 at 2023 average ex	change rate	s				
Sales to external customers	1,937.4	1,734.6	698.6	688.2	2,636.0	2,422.8
Segment result						
Segment result before share of results of joint ventures	375.7	323.5	119.4	107.5	495.1	431.0
Share of results of joint ventures	—		2.5	2.5	2.5	2.5
Segment result	375.7	323.5	121.9	110.0	497.6	433.5
Corporate expenses					(38.8)	(38.7)
Adjusted operating profit					458.8	394.8
Adjusting items				_	(90.4)	(87.3)
Net finance costs				_	(47.7)	(47.3)
Profit before tax from continuing operations				-	320.7	260.2
Segment result - 2022 at 2023 average exchange rates	6					
Segment result before share of results of joint ventures	375.7	317.5	119.4	106.9	495.1	424.4
Share of results of joint ventures	_	_	2.5	2.5	2.5	2.5
Segment result	375.7	317.5	121.9	109.4	497.6	426.9
Corporate expenses					(38.8)	(38.9)

Adjusted operating profit

388.0

458.8

3. Segment information (continued)

Revenues from any single external customer do not exceed 10% of Group revenue.

	Miner	Minerals		ESCO		tinuing ions
	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m
Timing of revenue recognition						
At a point in time	1,825.2	1,682.7	685.3	681.9	2,510.5	2,364.6
Over time	112.3	97.9	15.8	12.9	128.1	110.8
Segment revenue	1,937.5	1,780.6	701.1	694.8	2,638.6	2,475.4
Eliminations					(2.6)	(3.3)
				_	2,636.0	2,472.1

Geographical information

Geographical information in respect of revenue for 2023 and 2022 is disclosed below. Revenues are allocated based on the location to which the product is shipped.

	2023	2022
	£m	£m
Revenue by geography		
UK	23.9	34.8
US	412.4	418.1
Canada	420.8	378.3
Asia Pacific	347.4	288.2
Australasia	412.4	336.3
South America	576.3	540.8
Middle East & Africa	317.4	295.3
Europe & FSU	125.4	180.3
Revenue	2,636.0	2,472.1
	2023	2022
	£m	£m
An analysis of the Group's revenue is as follows:		
Original equipment	552.3	456.0
Aftermarket parts	1,864.3	1,825.7
Sales of goods	2,416.6	2,281.7
Provision of services – aftermarket	160.7	141.9
Construction contracts – original equipment	54.3	45.5
Subscription services	4.4	3.0
Revenue	2,636.0	2,472.1

3. Segment information (continued)

£m £m £m £m Assets & liabilities Intangible assets 567.9 600.8 748.0 809.0 1,31 Property, plant & equipment 312.3 303.4 168.4 147.6 48 Working capital assets 844.9 902.0 288.1 307.3 1,13 1,725.1 1,806.2 1,204.5 1,263.9 2,92 Investments in joint ventures - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 95 3,89	tal Group	erals ESCO Total Gro		ESCO		Miner	
Assets & liabilities Intangible assets 567.9 600.8 748.0 809.0 1,31 Property, plant & equipment 312.3 303.4 168.4 147.6 48 Working capital assets 844.9 902.0 288.1 307.3 1,13 Investments in joint ventures - - 1,263.9 2,92 Investments in joint ventures - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Working capital liabilities 476.6 543.7 129.9 139.9 60 Segment liabilities 476.6 543.7 129.9 139.9 60 Corporate liabilities 12 15.8 2,19 <th>023 2022</th> <th>2023</th> <th>2022</th> <th>2023</th> <th>2022</th> <th>2023</th> <th></th>	023 2022	2023	2022	2023	2022	2023	
Intangible assets 567.9 600.8 748.0 809.0 1,31 Property, plant & equipment 312.3 303.4 168.4 147.6 48 Working capital assets 844.9 902.0 288.1 307.3 1,13 Investments in joint ventures - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,204.5 1,263.9 2,92 Investments in joint ventures - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 95 3,89 30.9 60 Segment liabilities 476.6 543.7 129.9 139.9 60 Corporate liabilities 476.6 543.7 129.9 139.9 60 Corporate liabilities 1,58 2,19 1,58 2,19 Other segment information - total Group 29.4 12 12 Orporate additions to non-current assets 79.7 68.7 46.6 29.4 12 Corporate additions to	£m £m	£m	£m	£m	£m	£m	
Property, plant & equipment 312.3 303.4 168.4 147.6 48 Working capital assets 844.9 902.0 288.1 307.3 1,13 Investments in joint ventures - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,204.5 1,263.9 2,92 Investments in joint ventures - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 95 3,89 95 3,89 95 Total assets 95 3,89 95 3,89 96 Working capital liabilities 476.6 543.7 129.9 139.9 60 Segment liabilities 476.6 543.7 129.9 139.9 60 Corporate liabilities 1,58 2,19 139.9 60 Other segment information - total Group 29.4 12 2,19 Segment additions to non-current assets 79.7 68.7 46.6 29.4 12 Other segment							Assets & liabilities
Working capital assets 844.9 902.0 288.1 307.3 1,13 1,725.1 1,806.2 1,204.5 1,263.9 2,92 Investments in joint ventures - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets 95 - - - 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Working capital liabilities 95 - - - - - - - 95 Working capital liabilities 476.6 543.7 129.9 139.9 60 Segment liabilities 1,58 -	5.9 1,409.8	1,315.9	809.0	748.0	600.8	567.9	Intangible assets
1,725.1 1,806.2 1,204.5 1,263.9 2,92 Investments in joint ventures — — 12.2 15.1 1 Segment assets 1,725.1 1,806.2 1,216.7 1,279.0 2,94 Corporate assets	0.7 451.0	480.7	147.6	168.4	303.4	312.3	Property, plant & equipment
Investments in joint ventures12.215.11Segment assets1,725.11,806.21,216.71,279.02,94Corporate assets95Total assets95Working capital liabilities476.6543.7129.9139.960Segment liabilities476.6543.7129.9139.960Corporate liabilities476.6543.7129.9139.960Corporate liabilities1,582,19139.960Corporate liabilities1,582,19139.960Corporate liabilities1,582,19139.960Corporate additions to non-current assets79.768.746.629.412Corporate additions to non-current assets79.768.746.629.412Other segment information - total Group121212Other segment information - total Group121212Segment depreciation & amortisation65.073.842.243.110	3.0 1,209.3	1,133.0	307.3	288.1	902.0	844.9	Working capital assets
Segment assets1,725.11,806.21,216.71,279.02,94Corporate assets95Total assets3,89Working capital liabilities476.6543.7129.9139.960Segment liabilities476.6543.7129.9139.960Corporate liabilities476.6543.7129.9139.960Corporate liabilities476.6543.7129.9139.960Corporate liabilities1,582,19139.960Other segment information - total Group2,192,192,19Other segment additions to non-current assets79.768.746.629.412Corporate additions to non-current assets12121212Other segment information - total Group12121212Other segment information - total Group55.073.842.243.110	9.6 3,070.1	2,929.6	1,263.9	1,204.5	1,806.2	1,725.1	
Corporate assets95Total assets3,89Working capital liabilities476.6543.7129.9139.960Segment liabilities476.6Corporate liabilities1,58Total liabilities1,58Total liabilities2,19Other segment information - total Group2,19Segment additions to non-current assets79.7Corporate additions to non-current assets12Other segment information - total Group12Segment additions to non-current assets12Other segment information - total Group12Segment information - total Group12Segment information - total Group12Other segment information - total Group12Segment information - total Group12Segment information - total Group12Segment depreciation & amortisation65.073.842.243.110	2.2 15.1	12.2	15.1	12.2	_	_	Investments in joint ventures
Total assets3,89Working capital liabilities476.6543.7129.9139.960Segment liabilities476.6543.7129.9139.960Corporate liabilities1,581,582,19Total liabilities2,192,192,19Other segment information - total Group79.768.746.629.412Segment additions to non-current assets79.768.746.629.412Other segment information - total Group121212Other segment information - total Group121212Segment information - total Group121212Other segment information - total Group121212Segment depreciation & amortisation65.073.842.243.110	1.8 3,085.2	2,941.8	1,279.0	1,216.7	1,806.2	1,725.1	Segment assets
Working capital liabilities476.6543.7129.9139.960Segment liabilities476.6543.7129.9139.960Corporate liabilities1,582,19Total liabilities2,192,19Other segment information - total Group546.629.4Segment additions to non-current assets79.768.746.629.4Total additions to non-current assets12Other segment information - total Group12Segment depreciation & amortisation65.073.842.243.110	0.9 970.7	950.9					Corporate assets
Segment liabilities476.6543.7129.9139.960Corporate liabilities1,58Total liabilities1,582,19Other segment information - total GroupSegment additions to non-current assetsTotal additions to non-current assetsSegment information - total GroupSegment depreciation & amortisation65.073.842.243.110	2.7 4,055.9	3,892.7	_				Total assets
Corporate liabilities 1,58 Total liabilities 2,19 Other segment information - total Group 2 Segment additions to non-current assets 79.7 68.7 46.6 29.4 12 Corporate additions to non-current assets 7 7 68.7 46.6 29.4 12 Other segment information - total Group 12 12 12 Other segment information - total Group 2 43.1 10 Segment depreciation & amortisation 65.0 73.8 42.2 43.1 10	6.5 683.6	606.5	139.9	129.9	543.7	476.6	Working capital liabilities
Total liabilities 2,19 Other segment information - total Group 2 Segment additions to non-current assets 79.7 68.7 46.6 29.4 12 Corporate additions to non-current assets 12 12 12 Other segment information - total Group 12 12 Other segment information - total Group 29.4 12 Segment depreciation & amortisation 65.0 73.8 42.2 43.1 10	6.5 683.6	606.5	139.9	129.9	543.7	476.6	Segment liabilities
Other segment information - total Group 79.7 68.7 46.6 29.4 12 Corporate additions to non-current assets 7 7 12 12 Total additions to non-current assets 12 12 Other segment information - total Group 5 73.8 42.2 43.1 10	6.5 1,634.4	1,586.5					Corporate liabilities
Segment additions to non-current assets 79.7 68.7 46.6 29.4 12 Corporate additions to non-current assets 12 12 Total additions to non-current assets 12 Other segment information - total Group 5 73.8 42.2 43.1 10	3.0 2,318.0	2,193.0	_				Total liabilities
Corporate additions to non-current assets 12 Total additions to non-current assets 12 Other segment information - total Group 5 Segment depreciation & amortisation 65.0 73.8 42.2 43.1 10							Other segment information - total Group
Total additions to non-current assets 12 Other segment information - total Group 5 Segment depreciation & amortisation 65.0 73.8 42.2 43.1 10	6.3 98.1	126.3	29.4	46.6	68.7	79.7	Segment additions to non-current assets
Other segment information - total Group Segment depreciation & amortisation 65.0 73.8 42.2 43.1 10	1.3 1.1	1.3					Corporate additions to non-current assets
Segment depreciation & amortisation 65.0 73.8 42.2 43.1 10	7.6 99.2	127.6	_				Total additions to non-current assets
							Other segment information - total Group
Segment impairment of property plant & equipment 14 13	7.2 116.9	107.2	43.1	42.2	73.8	65.0	Segment depreciation & amortisation
	1.4 1.3	1.4		_	1.3	1.4	Segment impairment of property, plant & equipment
Segment impairment of intangible assets - 0.3	- 0.3			_	0.3		Segment impairment of intangible assets
Corporate depreciation & amortisation	2.0 3.1	2.0					Corporate depreciation & amortisation
Total depreciation, amortisation & impairment 11	0.6 121.6	110.6	_				Total depreciation, amortisation & impairment

The asset and liability balances include right-of-use assets and lease liabilities.

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 as well as those assets which are used for general head office purposes. Corporate liabilities primarily comprise interest-bearing loans & borrowings and related interest accruals, derivative financial instruments, income tax payable, provisions, deferred tax liabilities, elimination of intercompany and retirement benefit deficits as well as liabilities relating to general head office activities. Segment additions to non-current assets include right-of-use assets.

Geographical information

Geographical information in respect of non-current assets for 2023 and 2022 is disclosed below. Assets are allocated based on the location of the assets and operations. Non-current assets consist of property, plant & equipment, intangible assets and investments in joint ventures.

	2023	2022
	£m	£m
Non-current assets by geography		
UK	308.8	310.3
US	707.6	765.5
Canada	168.8	177.7
Asia Pacific	195.1	184.6
Australasia	201.8	210.5
South America	81.4	82.9
Middle East & Africa	97.6	105.1
Europe & FSU	57.6	50.6
Non-current assets	1,818.7	1,887.2

4. Revenue & expenses

The following disclosures are given in relation to continuing operations.

Year ende	d 31 Decem	nber 2023	Year ende	ed 31 Decem	ber 2022
Adjusted results	Adjusting items	Statutory results	Adjusted results	Adjusting items	Statutory results
£m	£m	£m	£m	£m	£m
2,636.0	_	2,636.0	2,472.1	_	2,472.1
(1,641.1)	(1.6)	(1,642.7)	(1,573.4)	(24.8)	(1,598.2)
994.9	(1.6)	993.3	898.7	(24.8)	873.9
5.9	_	5.9	10.4	_	10.4
(291.4)	(2.4)	(293.8)	(279.8)	(4.2)	(284.0)
(253.1)	(86.4)	(339.5)	(237.0)	(58.3)	(295.3)
2.5	_	2.5	2.5		2.5
458.8	(90.4)	368.4	394.8	(87.3)	307.5
	Adjusted results £m 2,636.0 (1,641.1) 994.9 5.9 (291.4) (253.1) 2.5	Adjusted results Adjusting items £m £m 2,636.0 — (1,641.1) (1.6) 994.9 (1.6) 5.9 — (291.4) (2.4) (253.1) (86.4) 2.5 —	results items results £m £m £m 2,636.0 — 2,636.0 (1,641.1) (1.6) (1,642.7) 994.9 (1.6) 993.3 5.9 — 5.9 (291.4) (2.4) (293.8) (253.1) (86.4) (339.5) 2.5 — 2.5	Adjusted results Adjusting items Statutory results Adjusted results £m £m £m £m 2,636.0 — 2,636.0 2,472.1 (1,641.1) (1.6) (1,642.7) (1,573.4) 994.9 (1.6) 993.3 898.7 5.9 — 5.9 10.4 (291.4) (2.4) (293.8) (279.8) (253.1) (86.4) (339.5) (237.0) 2.5 — 2.5 2.5	Adjusted results Adjusting items Statutory results Adjusted results Adjusting items £m £m £m £m £m £m 2,636.0 — 2,636.0 2,472.1 — (1,641.1) (1.6) (1,642.7) (1,573.4) (24.8) 994.9 (1.6) 993.3 898.7 (24.8) 5.9 — 5.9 10.4 — (291.4) (2.4) (293.8) (279.8) (4.2) (253.1) (86.4) (339.5) (237.0) (58.3) 2.5 — 2.5 2.5 —

Details of adjusting items are included in note 5.

5. Adjusting items

	2023	2022
	£m	£m
Recognised in arriving at operating profit from continuing operations		
Intangibles amortisation	(25.5)	(35.9)
Exceptional items		
Acquisition and integration related costs	(0.7)	(2.4)
Russian operations wind down	7.7	(44.0)
Performance Excellence programme	(28.8)	(2.9)
Other restructuring and rationalisation activities	0.1	0.4
	(21.7)	(48.9)
Other adjusting items		
Asbestos-related provision	(43.2)	(2.5)
Total adjusting items	(90.4)	(87.3)
Recognised in arriving at operating profit from discontinued operations		
Exceptional items		
Finalisation of Oil & Gas related tax assessment	(1.3)	_
Total adjusting items (note 7)	(1.3)	_

Continuing operations

Intangibles amortisation

Intangibles amortisation of £25.5m (2022: £35.9m) relates to acquisition related assets. In the prior year the £35.9m amortisation charge included £7.4m in relation to ongoing multi-year investment activities, as outlined in the accounting policy in note 1.

Exceptional items

Exceptional items in the year include £0.7m of acquisition and integration related costs. These costs were cash settled during the year.

During the prior year exceptional costs of £44.0m were recognised in the Consolidated Income Statement in respect of the wind down of Russia operations. Of this total, £39.1m arose from the uncertainty over recoverability of assets in the Minerals division, with provisions made for the majority of Weir Minerals Russia's closing third-party net assets of £19.5m, severance costs of £3.3m, customer penalties of £1.8m and other costs of £0.8m mainly relating to staff retention. Exceptional charges were also recognised in other Minerals entities, 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. A further £4.9m arose from the loss on disposal of the ESCO Russia operations. In the current year a net credit of £7.7m has been recognised, primarily in respect of the reversal of previously impaired inventory and receivables, as working capital recoveries have exceeded initial expectations. These reversals were partially offset by £2.0m of additional inventory provision made for newly emerging contract exposures in the first half of the year and £1.9m of additional receivables provisions.

As a result of our ongoing Performance Excellence programme, an exceptional charge of £28.8m has been recorded. The threeyear 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 £16.5m, primarily severance, have been recognised under the capacity optimisation and lean processes pillars of the programme due to the relocation of facilities, service centre restructuring and transfer of certain manufacturing operations across the USA, Australia and South America. Of these costs, £9.1m have been cash settled in the year. The remaining costs of £12.3m primarily relate to consulting fees and other costs associated with establishing Weir Business Services, with £5.2m being cash settled in the year.

5. Adjusting items (continued)

Also included within exceptional items is a £0.1m credit for the release of an unutilised prior year provision for restructuring and rationalisation activities in China.

Other adjusting items

A charge of £43.2m (2022: £2.5m) has been recorded in respect of movements in the US asbestos-related liability and associated insurance asset that relate to legacy products sold by a US-based subsidiary of the Group. Further details of this are included in note 12.

Discontinued operations

Exceptional items

A charge of £1.3m 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

	2023	2022
	£m	£m
Continuing Group - UK	(4.5)	(11.8)
Continuing Group - Overseas	(86.3)	(35.8)
Income tax expense in the Consolidated Income Statement for continuing operations	(90.8)	(47.6)

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

	2023	2022
	£m	£m
Tax (expense) credit - adjusted results	(110.9)	(92.5)
- adjusting items	20.1	44.9
Continuing operations income tax expense in the Consolidated Income Statement	(90.8)	(47.6)
Discontinued operations income tax credit (expense) in the Consolidated Income Statement	_	1.2
Total income tax expense in the Consolidated Income Statement	(90.8)	(46.4)

The tax credit of £20.1m (2022: £44.9m) which has been recognised in adjusting items includes £0.9m (2022: £8.6m) in respect of adjusting intangibles amortisation and impairment. The £0.9m credit consists of a £5.6m credit in relation to intangibles amortisation which is offset by a non-recurring £4.7m charge in relation to changes in tax rates. The remaining £19.2m (2022: £36.3m) relates to exceptional and other adjusting items and includes a credit of £10.1m (2022: £3.5m) which primarily relates to the US asbestos-related provision.

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

	2023	2022
	£m	£m
Joint ventures	(0.6)	(0.2)

7. Discontinued operations

In the year ended 31 December 2023, a charge of £1.3m has been recognised in relation to the finalisation of certain tax indemnities under the sale and purchase agreement for the Oil & Gas Division, which was disposed of in 2021. In the prior year, a tax credit of £1.2m was recognised following the filing of the 2021 US tax return for Oil & Gas Division related activities. Total current year investing cash outflows from discontinued operations related to the charge in the period are £0.4m (2022: £0.1m).

For full disclosure of the disposal of the Oil & Gas Division refer to note 8 of the Group's 2021 Annual Report and Financial Statements.

(Loss) earnings per share

(Loss) earnings per share from discontinued operations were as follows.

	2023	2022
	pence	pence
Basic	(0.5)	0.5
Diluted	(0.5)	0.5

The (loss) earnings per share figures were derived by dividing the net (loss) profit attributable to equity holders of the Company from discontinued operations by the weighted average number of ordinary shares, for both basic and diluted amounts, shown in note 8.

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 in issue after deducting the own shares held by employee share ownership trusts and treasury shares. 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.

	2023	2022
	£m	£m
Profit attributable to equity holders of the Company		
Total operations ¹	227.9	213.4
Continuing operations ¹	229.2	212.2
Continuing operations before adjusting items ¹	299.5	254.6

The following reflects the share numbers 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.

	2023	2022
	Shares million	Shares million
Weighted average number of ordinary shares for basic earnings per share	258.4	258.7
Effect of dilution: employee share awards	1.4	1.6
Adjusted weighted average number of ordinary shares for diluted earnings per share	259.8	260.3

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.

5 1 3 5		
	2023	2022
	£m	£m
Net profit attributable to equity holders from continuing operations ¹	229.2	212.2
Adjusting items net of tax	70.3	42.4
Net profit attributable to equity holders from continuing operations before adjusting items	299.5	254.6
	2023	2022
	pence	pence
Basic earnings per share		
Total operations ¹	88.2	82.5
Continuing operations ¹	88.7	82.0
Continuing operations before adjusting items ¹	115.9	98.4
Diluted earnings per share		
Total operations ¹	87.7	82.0
Continuing operations ¹	88.2	81.5
Continuing operations before adjusting items ¹	115.3	97.8

1 Adjusted for a profit of £0.7m (2022: £0.4m) in respect of non-controlling interests for total operations.

There have been nil share awards (2022: 839) exercised between the reporting date and the date of signing of these financial statements. They were settled out of existing shares held in trust.

(Loss) earnings per share from discontinued operations is disclosed in note 7.

9. Dividends paid & proposed

	2023	2022
	£m	£m
Declared & paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2022: 19.3p (2021: 12.3p)	49.9	31.8
Interim dividend for 2023: 17.8p (2022: 13.5p)	46.0	34.9
	95.9	66.7
Proposed for approval by Shareholders at the Annual General Meeting		
Final dividend for 2023: 20.8p (2022: 19.3p)	53.6	49.9

The current year dividend is in line with the capital allocation policy announced in our 2020 Annual Report and Financial Statements, under which the Group intends to distribute 33% of adjusted earnings by way of dividend. As a result, dividend cover in 2023 is 3.0 times.

The proposed 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 dividend may differ due to increases or decreases in the number of shares in issue between the date of approval of this Annual Report and Financial Statements and the record date for the final dividend.

10. Property, plant & equipment and intangible assets

	2023	2022
	£m	£m
Additions of property, plant & equipment and intangible assets		
- owned land & buildings	3.1	4.8
- owned plant & equipment	83.6	55.9
- right-of-use land & buildings	25.8	24.9
- right-of-use plant & equipment	7.5	6.8
- intangible assets	7.6	6.8
	127.6	99.2

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

11. Business combinations

Sentiantechnologies AB

On 21 November 2023, the Group completed the acquisition of 100% of the voting rights of Sentiantechnologies AB (SentianAI) for an enterprise value of SEK87.3m (£6.7m). SentianAI is a Swedish-based developer of innovative cloud-based Artificial Intelligence (AI) solutions for the mining industry. The acquisition has joined the Minerals Division and SentianAI's technology will integrate with Minerals' existing product lines, and expand the Division's digital capabilities. Initial consideration of £6.1m was paid on completion, with a further deferred consideration of £0.6m recognised, payable 15 months after the date of acquisition.

The provisional fair values, which are subject to finalisation within 12 months of acquisition, include intangible assets £0.8m, trade & other receivables £0.2m, cash & cash equivalents £0.2m, trade & other payables £0.2m and external debt £0.2m, with resulting goodwill arising on consolidation of £5.9m.

Prior year business combination

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). CIS is a Canadian-based manufacturer and distributor of wear parts, and an aftermarket service provider to the mining industry, with exposure across both surface and underground mining in Ontario and Quebec. The acquisition joined the ESCO Division and reporting segment as CIS was already an established distributor of ESCO's core Ground Engaging Tools (GET) products. This acquisition will maintain ESCO's leading core GET presence in Ontario and provide opportunities to expand into fabricated hardware and underground capabilities.

Initial consideration of £16.2m was paid on completion, with a further deferred consideration of £2.5m recognised reflecting indemnification and working capital hold backs. In the year ended 31 December 2023, the Group settled £1.0m (2022: £0.5m) of the deferred consideration balance, on the first anniversary of the acquisition date as per the sale and purchase agreement. The remaining £1.0m balance will be settled in April 2024, on the second anniversary of the acquisition date.

The provisional fair values of the opening balance sheet acquired were finalised in April 2023, following a review over a 12 month period since the date of acquisition, as permitted by IFRS 3 'Business combinations'. No adjustment was required to be made to the fair values reported in the 2022 Annual Report.

Contingent consideration

SentianAI

Included in the sale and purchase agreement of SentianAI, a maximum of an additional SEK23.7m (£1.9m) is payable by the Group contingent on SentianAI exceeding specific revenue and EBITDA margin targets over the next three years and meeting non-financial targets by the end of 2026. The entry point for any contingent payment would require significant growth in terms of revenue and EBITDA margin by 2026. While the Group expects SentianAI to grow as it leverages the benefits of being partnered with Minerals, and the opportunities within ESCO, the entry targets are considered challenging. At present the probability of SentianAI exceeding the revenue and EBITDA margin targets in order to trigger a contingent payment is considered uncertain, in part due to the relative infancy of the business. As a result no contingent consideration has been recorded at the acquisition date. This will be reassessed in future periods as the business develops.

Motion Metrics

The Group completed the acquisition of 100% of the voting rights of Motion Metrics on 30 November 2021. As part of the purchase agreement a maximum of an additional CAD\$100.0m (£59.3m) 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 throughout 2023 and, while the Group expects Motion Metrics to continue to grow as it leverages the benefits of being partnered with ESCO and the opportunities with Minerals, the entry targets are considered challenging. Due to the commercial sensitivity these targets are not disclosed. At present, given the results achieved over the course of 2022 and 2023, the probability of Motion Metrics exceeding these targets in 2024 in order to trigger a contingent payment are considered remote. 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	9.4	33.2	16.5	30.3	1.7	91.1
Utilised	(9.2)	(7.9)	(17.2)	(19.6)	(0.8)	(54.7)
Unutilised	(0.2)	1.7		(0.6)	(1.8)	(0.9)
Transfers	(0.2)	_		0.2	—	_
Exchange adjustment	(0.6)	(3.5)	(0.7)		(0.6)	(5.4)
At 31 December 2023	9.6	78.7	12.1	15.7	12.2	128.3
Current 2023	9.6	11.2	8.4	15.7	2.7	47.6
Non-current 2023	_	67.5	3.7	_	9.5	80.7
At 31 December 2023	9.6	78.7	12.1	15.7	12.2	128.3
Current 2022	10.4	8.5	7.9	5.2	3.3	35.3
Non-current 2022	_	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 material for the asbestos-related category of provision, with lower discount rates at 31 December 2023, resulting in a £1.9m increase in the provision, which is reflected as unutilised above.

Warranties & contract claims

Provision has been made in respect of actual warranty claims on goods sold and services provided, and allowance has been made for potential warranty claims based on past experience for goods and services sold with a warranty guarantee. At 31 December 2023, the warranties portion of the provision totalled £7.2m (2022: £6.6m). At 31 December 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 31 December 2023, the contract claims element, which includes onerous provision, was £2.4m (2022: £3.8m), all of which is expected to be incurred within one year of the balance sheet date.

Asbestos-related claims

£m	£m
07.4	
67.4	49.9
8.8	2.8
76.2	52.7
2.5	2.5
78.7	55.2
	8.8 76.2 2.5

US asbestos-related provision

A US-based subsidiary of the Group is co-defendant 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 1990s.

The Group has historically held comprehensive insurance cover for cases of this nature and its subsidiary 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 insurers who also meet associated defence costs. The insurers, their legal advisers and in-house counsel agree and execute the defence strategy between them.

12. Provisions (continued)

A summary of the US subsidiary's asbestos-related claim activity is shown in the table below.

	2023	2022
Number of open claims	Number	Number
Opening	1,716	1,765
New	664	633
Dismissed	(362)	(443)
Settled	(230)	(239)
Closing	1,788	1,716

A review of the US subsidiary's expected liability for US asbestos-related diseases and the adequacy of the insurance policies to meet future settlement and defence costs was completed in conjunction with external advisers in 2023 as part of a planned triennial actuarial review. This review was based on an industry standard epidemiological decay model, and the subsidiary's claims settlement history. Consistent with recent claims experience, the 2023 review reflected a higher levels of claims, particularly relating to the 1970s and 1980s.

The actuarial model incorporates claims, with a dofe pre- and post-1981, primarily relating to Lung Cancer and Mesothelioma and includes estimates relating to:

- the number of future claims received through to 2064;
- settlement rates by disease type;
- mean settlement values by disease type;
- ratio of defence costs to indemnity value; and
- the profile of associated cash flows through to 2068.

The actuarial model in 2023 provided a range of potential liability based on levels of probability from 10% to 90%, which, on an undiscounted basis, equates to £89m-£195m. The mean actuarial estimate of £142m represents the expected undiscounted value over the range of reasonably possible outcomes. The provision in the financial statements is based on the mean actuarial estimate, which is then adjusted each year to reflect expected settlements in the model, discounting and restricting the timescale over which a liability can be reliably measured to ten years plus cash flows over a further six years.

	2023	2022
Period of future claims provided	10 years	10 years
Discount rate	4.7%	5.0%

The period over which the provision can be reliably estimated is judged to be ten years, plus cash flows for a further six years, due to the inherent uncertainty, resulting from the changing nature of the US litigation environment detailed below, and cognisant of the broad range of probability levels included within the actuarial model. While claims may extend past ten years and may result in a further outflow of economic benefits, the Directors do not believe any obligation that may arise beyond ten years can be reliably measured at this time. The effect of extending the claims period by a further ten years is included in the sensitivities below. The discount rate is set based on the corporate bond yield available at the balance sheet date denominated in the same currency, and with a term broadly consistent to that of the liabilities being provided for, with sensitivities to the discount rate also included below.

In 2023, confirmation was also received from external advisers of the insurance asset available, which includes the estimated defence costs that would be met by the insurer. An update to the insurance asset is obtained annually and totals £14.9m at 31 December 2023 (2022: £32.0m). Based on the profile of the claims in the actuarial model, external advisers expect the insurance cover and associated limits currently in place to be sufficient to meet the settlement and associated costs until 2025. No cash flows to or from the US subsidiary, related to claims with an exposure date pre-1981, are expected until the exhaustion of the insurance asset. Claims with an exposure date post-1981 are estimated to incur cash outflows of less than £0.8m per annum and are not insured currently or in the future.

The table below represents the Directors' best estimate of the future liability and corresponding insurance asset.

2023	2022
£m	£m
101.5	68.8
(25.3)	(16.1)
76.2	52.7
14.9	32.0
61.3	20.7
	£m 101.5 (25.3) 76.2 14.9

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.

12. Provisions (continued)

The net provision and insurance asset are presented in the financial statements as follows.

		2022
	£m	£m
Provisions – current	10.3	7.8
Provisions – non-current	65.9	44.9
Trade & other receivables	9.5	7.5
Non-current other receivables	5.4	24.5

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:

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

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 previous triennial update completed in 2020, the US subsidiary has experienced a higher number of claims received than modelled across both disease types. As noted in our 2022 Annual Report we expected these variations from the model may have been influenced by fluctuations in the profile of case rates across jurisdictions with higher average settlements coupled with the potential impact of the Covid-19 pandemic. However, the higher level of claims continued into 2023 demonstrating a longer-term trend of higher claims as opposed to one-off year-on-year variation.

Average settlement values have remained broadly stable over recent years for Mesothelioma cases, but have been lower than modelled in 2020 for Lung Cancer cases. Settlements largely occurred within four years of a claim being received and the settlement rates for Mesothelioma cases were slightly higher than previously modelled while Lung Cancer case settlement rates were trending marginally lower.

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. The trends witnessed in our recent claims experience have been reflected in the 2023 triennial actuarial review and provided the basis for the higher provision recognised at 31 December 2023.

Uncertainty regarding the timing and extent of variations year to year and whether they are short or long-term in nature, mean it is not considered possible to provide reasonably probable scenarios. The impact on the provision of incremental changes in key assumptions is provided below for guidance.

	2023
Estimated impact on the discounted US asbestos-related provision of	£m
Increasing the number of projected future settled claims by 20%	12.9
Increasing the estimated settlement value by 10%	6.4
Increasing the basis of provision by ten years	10.1
Decreasing the discount rate by 50bps	2.2

Application of these sensitivities, on an individual basis, would not lead to a material change in the provision.

The Group's US subsidiary has been effective in managing the asbestos litigation, in part, because it 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 US subsidiary 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: £2.5m).

12. Provisions (continued)

Employee-related

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

Exceptional items

The exceptional items provision relates to certain 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 for the Performance Excellence programme, and £0.7m for other smaller provisions.

Additions in the year total £30.3m, and includes £29.4m in relation to the Performance Excellence programme, of which £14.3m has been settled in the year. The remaining additions of £0.9m include acquisition and integration costs, and amounts in relation to the wind down of our Minerals Russia subsidiary. Of the provision balance related to the Russia wind down, £2.4m has been cash settled in the year.

The closing balance of £15.7m includes £1.3m related to Russia, and £14.2m in relation to the Performance Excellence programme of which £7.1m relates to capacity optimisation costs and £7.1m to functional transformation. Also included in the closing balance are £0.2m of smaller balances relating to an onerous lease and residual costs related to the Oil & Gas Division sale.

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

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 (RCF) by one year to now mature in April 2028, with the option to extend for a further year.

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 $1\&2 CO_2$ 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 31 December 2023, a total of £nil (2022: £nil) was outstanding under the programme.

At 31 December 2023, £97.7m (2022: £336.5m) was drawn under the US\$800m multi-currency RCF which, is disclosed net of unamortised issue costs of £2.3m (2022: £2.4m).

At 31 December 2023, a total of £nil (2022: £165.3m) was outstanding under private placement, which is disclosed net of unamortised issue costs of £nil (2022: £nil).

At 31 December 2023, a total of £922.3m (2022: £657.8m) was outstanding under Sustainability-Linked Notes, which is disclosed net of unamortised issue costs of £4.5m (2022: £3.5m).

14. Pensions & other post-employment benefit plans

	2023	2022
	£m	£m
Net asset	2.1	15.1

The defined benefit pension schemes across the Group's legacy UK and North American schemes worsened to a net surplus of $\pounds 2.1m$ (2022: $\pounds 15.1m$) primarily due to changes in financial assumptions mainly due to a fall in discount rates over the period.

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 'Financial Instruments' compliant hedge relationships.

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

	2023	2022
	£m	£m
Included in current assets		
Forward foreign currency contracts designated as cash flow hedges	0.6	1.0
Other forward foreign currency contracts	7.3	7.9
	7.9	8.9
Included in current liabilities		
Forward foreign currency contracts designated as cash flow hedges	(0.5)	(1.9)
Forward foreign currency contracts designated as net investment hedges	_	(0.1)
Other forward foreign currency contracts	(5.9)	(11.2)
	(6.4)	(13.2)
Included in non-current liabilities		
Forward foreign currency contracts designated as fair value hedges	(2.3)	
	(2.3)	
Net derivative financial liabilities	(0.8)	(4.3)

16. Additional cash flow information

		2023	2022
	Notes	£m	£m
Total operations			
Net cash generated from operations			
Operating profit – continuing operations		368.4	307.5
Operating loss – discontinued operations	7	(1.3)	_
Operating profit – total operations		367.1	307.5
Exceptional and other adjusting items	5	66.2	51.4
Amortisation of intangible assets		37.7	41.6
Share of results of joint ventures		(2.5)	(2.5)
Depreciation of property, plant & equipment		39.9	47.0
Depreciation of right-of-use assets		31.6	31.4
Impairment of property, plant & equipment		0.9	0.2
Capital grants received		(0.5)	(0.2)
Gains on disposal of property, plant & equipment		(0.4)	(0.6)
Funding of pension & post-retirement costs		(1.1)	(2.9)
Employee share schemes		7.0	8.0
Transactional foreign exchange		9.2	14.3
(Decrease) increase in provisions		(1.5)	1.2
Cash generated from operations before working capital cash flows		553.6	496.4
Decrease (increase) in inventories		42.0	(128.6)
Decrease in trade & other receivables & construction contracts		15.2	49.8
(Decrease) increase in trade & other payables & construction contracts		(85.3)	30.2
Cash generated from operations		525.5	447.8
Additional pension contributions paid		(9.3)	(9.7)
Exceptional and other adjusting cash items		(18.0)	(14.2)
Exceptional cash items - acquired vendor liabilities		_	(9.7)
Income tax paid		(103.9)	(93.4)
Net cash generated from operating activities		394.3	320.8

Cash flows from discontinued operations included above are disclosed separately in note 7.

The following tables summarise the cash flows arising on acquisitions (note 11) and disposals (notes 5 and 7).

	2023	2022
	£m	£m
Acquisitions of subsidiaries		
Acquisition of subsidiaries – cash consideration paid	6.1	16.3
Acquisition of subsidiaries - deferred consideration paid	_	0.5
Cash & cash equivalents acquired	(0.2)	(1.6)
Acquisition of subsidiaries – current period acquisitions	5.9	15.2
Prior period acquisitions - deferred consideration paid	1.0	
Total cash outflow relating to acquisitions	6.9	15.2
Net cash outflow arising on disposals		
Consideration received net of costs paid & cash disposed of - ESCO Russia	_	2.0
Prior period disposals	0.4	0.1
Total cash outflow relating to disposals	0.4	2.1

16. Additional cash flow information (continued)

	2023	2022
	£m	£m
Cash & cash equivalents comprise the following		
Cash & short-term deposits	707.2	691.2
Bank overdrafts & short-term borrowings	(259.8)	(213.7)
	447.4	477.5
	2023	2022
	£m	£m
Net debt comprises the following		
Cash & short-term deposits	707.2	691.2
Current interest-bearing loans & borrowings	(286.2)	(406.3)
Non-current interest-bearing loans & borrowings	(1,111.1)	(1,082.1)
	(690.1)	(797.2)

Reconciliation of financing cash flows to movement in net debt

	Opening balance at 31 December 2022	Cash movements	Additions/ acquisitions	FX	Non-cash movements	Closing balance at 31 December 2023
	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	477.5	1.0	0.2	(31.3)	_	447.4
Third-party loans	(1,165.5)	111.2	(0.2)	27.7	_	(1,026.8)
Leases	(115.1)	31.0	(38.4)	5.3	(0.3)	(117.5)
Unamortised issue costs	5.9	4.0	_	_	(3.1)	6.8
Amounts included in gross debt	(1,274.7)	146.2	(38.6)	33.0	(3.4)	(1,137.5)
Amounts included in net debt	(797.2)	147.2	(38.4)	1.7	(3.4)	(690.1)
Financing derivatives	(0.1)	0.5	_	_	(2.7)	(2.3)
Total financing liabilities ¹	(1,274.8)	146.7	(38.6)	33.0	(6.1)	(1,139.8)

	Opening balance at 31	Qaab	A -1-1141			New seek	Closing balance at 31
	December 2021	Cash movements	Additions/ acquisitions	Disposals	FX	Non-cash movements	December 2022
	£m	£m	£m	£m	£m	£m	£m
Cash & cash equivalents	500.0	(51.0)	1.6	(1.9)	28.8	—	477.5
Third-party loans	(1,174.7)	133.4	(0.4)	_	(123.8)	—	(1,165.5)
Leases	(105.4)	30.5	(35.0)	_	(6.0)	0.8	(115.1)
Unamortised issue costs	7.6	2.7	_	_	_	(4.4)	5.9
Amounts included in gross debt	(1,272.5)	166.6	(35.4)	_	(129.8)	(3.6)	(1,274.7)
Amounts included in net debt	(772.5)	115.6	(33.8)	(1.9)	(101.0)	(3.6)	(797.2)
Financing derivatives	1.4	0.3				(1.8)	(0.1)
Total financing liabilities ¹	(1,271.1)	166.9	(35.4)		(129.8)	(5.4)	(1,274.8)

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 that have been entered into by the Group with related parties for the relevant financial year and outstanding balances at the year end.

		Sales to related parties - goods	Sales to related parties - services	Purchases from related parties - goods	Amounts owed to related parties	Amounts owed by related parties
Related party		£m	£m	£m	£m	£m
Joint ventures	2023	0.9	0.1	19.2	3.8	0.4
	2022	1.1	0.1	25.9	6.2	0.3
Group pension plans	2023	_	_	_	1.6	_
	2022		_	_	8.2	

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.

Average rate (per £)	2023	2022
US Dollar	1.24	1.24
Australian Dollar	1.87	1.78
Euro	1.15	1.17
Canadian Dollar	1.68	1.61
Chilean Peso	1,044.69	1,078.02
South African Rand	22.94	20.19
Brazilian Real	6.21	6.39
Chinese Yuan	8.81	8.30
Indian Rupee	102.66	97.06

Closing rate (per £)		
US Dollar	1.28	1.21
Australian Dollar	1.87	1.77
Euro	1.15	1.13
Canadian Dollar	1.69	1.64
Chilean Peso	1,124.43	1,026.77
South African Rand	23.30	20.61
Brazilian Real	6.19	6.39
Chinese Yuan	9.06	8.34
Indian Rupee	105.96	100.05

19. Exchange rates (continued)

The Group's operating profit before adjusting items was denominated in the following currencies.

	2023	2022
	£m	£m
US Dollar	165.6	192.8
Canadian Dollar	78.8	63.5
Australian Dollar	79.7	55.4
Chilean Peso	69.0	53.8
Euro	34.6	24.4
South African Rand	24.8	11.3
Brazilian Real	18.8	10.4
Chinese Yuan	11.0	10.3
Indian Rupee	6.8	7.1
UK Sterling	(34.4)	(34.9)
Other	4.1	0.7
Adjusted operating profit	458.8	394.8

20. Events after the balance sheet date

The Group reduced its Revolving Credit Facility from US\$800m to US\$600m in February 2024. There are no further post balance sheet events requiring disclosure.

Financial Calendar

Q1 2024 Interim Management Statement 25 April 2024

Annual General Meeting 25 April 2024

Ex-dividend date for final dividend 18 April 2024

Record date for final dividend 19 April 2024

Shareholders on the register at this date will receive the dividend

Final dividend paid 31 May 2024