

22/01/2026

# Annual Results for the year to 30<sup>th</sup> September 2025

Matt Hamblin – CEO

Simon Hallam – Finance Director



- Overview
- Income statement summary
- Revenue analysis and commercial update
- Growth strategy
- Operational capacity and technical developments
- Q1 FY26 update
- Outlook

## Appendices:

- Cash flow statement and balance sheet
- 5 year track record
- Introduction to Hardide

## FY25

- Revenues up 27% from £4.7m to £6.0m, driven by new work wins
- Gross margins up from 48% to 57%
- Significantly improved EBITDA of £1.0m (2024: break even, prior to £0.4m restructuring costs)
- EPS 0.2p (2024: 1.9p loss)
- Net debt (inc. leases) reduced y-o-y by £0.5m to £1.6m at 30 September 2025
- Gross cash increased from £0.7 to £0.8m in FY25. Further increased to £1.2m by 31 December 2025

## FY26 to date

- Strong trading momentum continuing in FY26: Q1 revenues of £1.8m up c. 40% on Q1 FY25
- Confidence in further significant progress in FY26 as a whole is underpinned by:
  - Q1's encouraging trading momentum
  - order intake of £ 1.75m from a major new customer in the energy sector

# Income Statement Summary

£m	FY25	FY24	Change
<b>Revenue</b>	<b>6.0</b>	4.7	+1.3
Gross profit	<b>3.5</b>	2.3	+1.2
<i>Gross margin %</i>	<b>57%</b>	48%	+9 ppts
Overheads	<b>(2.5)</b>	(2.3)	(0.2)
<b>EBITDA</b>	<b>1.0</b>	-	<b>+1.0</b>
<i>EBITDA margin %</i>	<b>17%</b>	-	+17 ppts
Restructuring costs	-	(0.4)	+0.4
Depreciation	<b>(0.8)</b>	(0.8)	-
Financing	<b>(0.1)</b>	(0.1)	-
<b>PBT</b>	<b>0.1</b>	(1.3)	<b>+1.4</b>
<b>Basic EPS (pence)</b>	<b>0.2</b>	(1.9)	<b>+2.1</b>

	FY25 (£m)	FY24 (£m)	% change	FY25 % total	FY24 % total
Energy	2.8	1.9	+49%	47%	40%
Industrial	1.4	1.9	-26%	23%	40%
Aerospace	1.8	0.9	+90%+	30%	20%
Total	6.0	4.7	+27%	100%	100%

## Energy

- growth mainly from new work wins and some recovery from prior year de-stocking
- superior performance / longevity of Hardide's coatings is being preferred to traditional surface treatments in certain directional drilling applications

## Industrial

- lower demand from a significant customer / general economic conditions

## Aerospace

- new recurring work win (c. £1m pa) for freight aircraft, supplementing commercial aircraft demand

- CVD coatings as a service

Hardide's traditional business – working in conformance to existing customer specifications

- CVD coatings as a solution

Working with customer to solve problems and create differentiated specifications for CVD coatings

- North American market development

Significant market potential. Martinsville operations now harmonised with Bicester

- Ancillary Services and Products

Using spare capacity and existing skill sets, eg, electroless nickel plating, electropolishing, copper nozzles and laboratory services

- E-marketing

Content focused and sales driven e-marketing (website / social media, etc) targeting specifying engineers

## Operational capacity

- Previously estimated to be £10-12m of which circa two thirds is in Bicester
- Work is progressing to significantly increase this at modest capital cost  
(shift patterns, continuous operational improvements, reactor loadings, etc)
- Additional coating reactors have a c.£1.0-1.5m capital cost and can each deliver at least a similar value of annual revenues  
(depending on selling prices, loadings, cycle times, etc)
- We typically seek customer funding and / or asset finance for new reactors

## Technical developments

- Change in emphasis to customer opportunity driven and funded (rather than grant driven)
- Thinner coatings
- Increasing the range of coatings
- Improving the efficiency of masking
- Development of ancillary services

- Strong trading momentum continues
- Q1 revenues of £1.8m up c.40% on prior year Q1
- Double digit operating margins
- Cash balance at 31 December 2025 was £1.2m compared with £0.8m at 30 September 2025
- £1.75m of orders received so far from a major energy customer for delivery in H1
- Potential to win significant business with a second new major energy sector customer
- Follow-on order for £0.26m to coat turbine blades for delivery in FY26

**Business development tracker supports delivery of our initial strategic target of at least doubling FY24 revenues to £10m+ and utilising spare capacity as soon as possible, even excluding recent significant orders in North America**



- Despite continuing uncertainties in the global economy, the Board believes the business should continue to make further significant progress in the current financial year and beyond
- Market adoption of Hardide's unique surface coating technology is increasing, evidenced by:
  - growth in FY25 and so far in FY26;
  - significant new orders won recently from a major new energy sector customer; and
  - the growing pipeline of business development opportunities.

# Appendix: Cash Flow Summary

£m	FY25	FY24
EBITDA	1.0	-
Change in working capital	(0.3)	0.1
Capital expenditure	(0.1)	(0.1)
Net interest and tax	(0.1)	(0.1)
One-off restructuring cash cost	-	(0.4)
<b>Net cash flow pre-financing transactions</b>	<b>0.5</b>	<b>(0.5)</b>
Net financing transactions	(0.4)	0.5
<b>Net cash flow</b>	<b>0.1</b>	<b>-</b>
<b>Net period end cash balance</b>	<b>0.8</b>	<b>0.7</b>

- The cash balance increased to £1.2m at 31 December 2025 with profitable trading and recovery of higher-than-normal working capital carried over the FY25 year end
- The Group still has significant spare operational capacity
- Therefore, the Board believes further equity funding is not required to execute current business plans

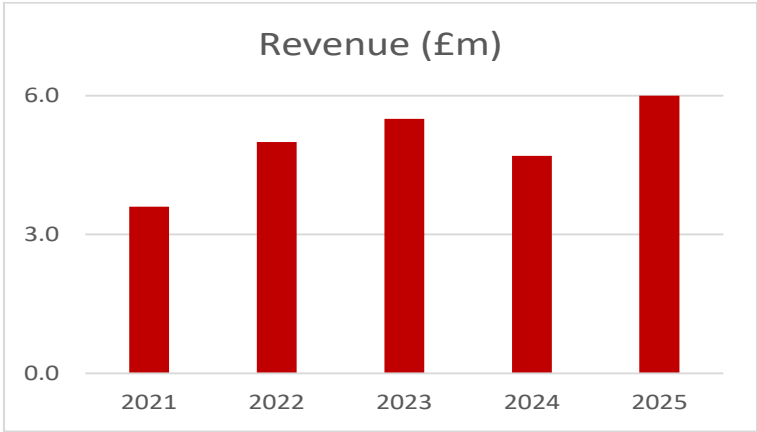
# Appendix: Balance Sheet Summary

£m	30 Sept 2025	30 Sept 2024	Change
Plant & equipment	3.5	4.0	(0.5)
Right of use assets	1.4	1.5	(0.1)
Working capital	0.6	0.3	0.3
<b>Capital invested</b>	<b>5.5</b>	<b>5.8</b>	<b>(0.3)</b>
Cash	0.8	0.7	0.1
Loans*	(0.5)	(0.7)	0.2
Lease liabilities**	(1.9)	(2.1)	0.2
<b>Shareholders' funds</b>	<b>3.9</b>	<b>3.7</b>	<b>0.2</b>

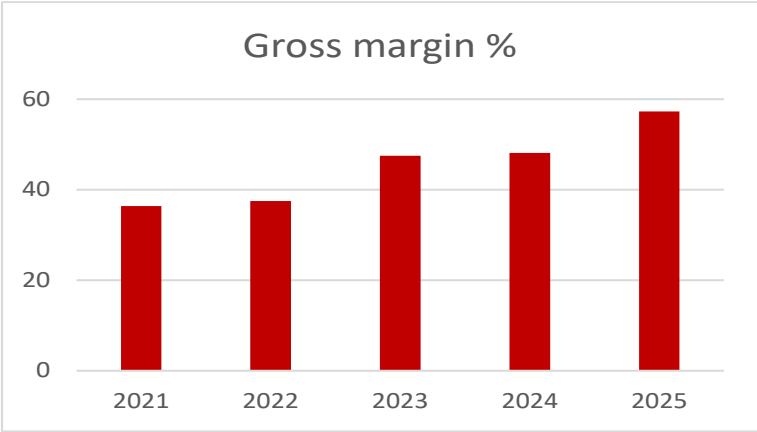
\* Loans at 30 September 2025 repayable within one year were £0.2m

\*\* Lease liabilities at 30 September 2025 repayable within one year were £0.2m

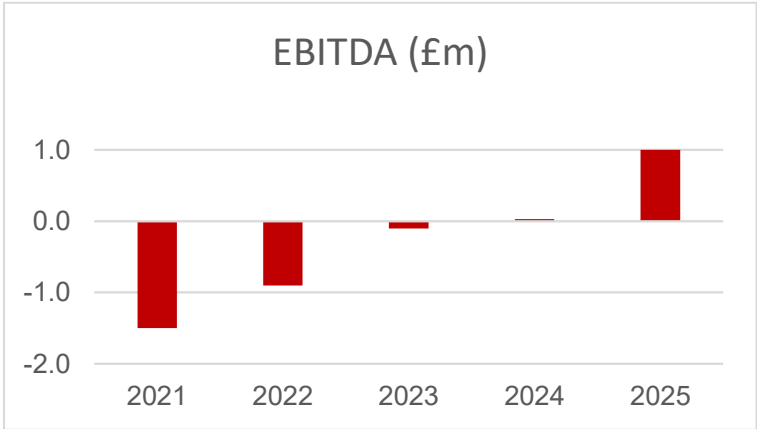
# 5 Year Track Record



Over 25% increase in revenues in FY25

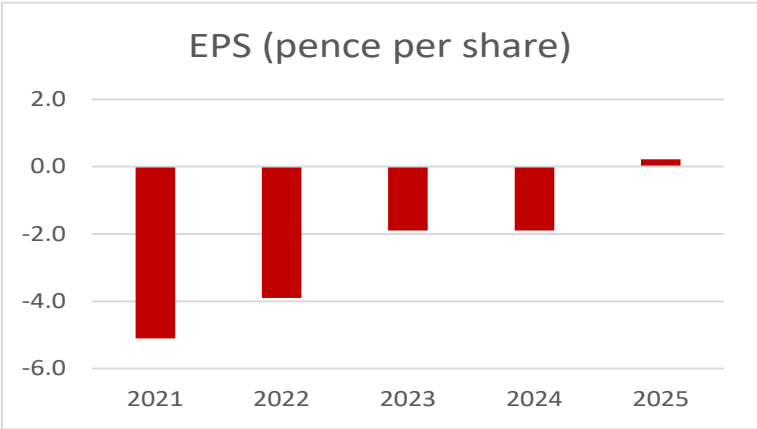


Significant improvements in gross margins



<sup>1</sup> In H2 of FY24 EBITDA excludes one off restructuring costs of £0.4m

Record EBITDA result in FY25



Positive EPS achieved in FY25



- Primary technology is Chemical Vapour Deposition (CVD) coatings
- Markets Served: Aerospace, Oil & Gas, Industrial across a variety of applications
- Our CVD coatings are unique in that they are applied in a “low” temperature  $<500^{\circ}\text{C}$  environment, versus traditional CVD coatings which are applied  $>1000^{\circ}\text{C}$
- Production Facilities:
  - Hardide UK – Bicester, Oxfordshire
  - Hardide US – Martinsville, Virginia
- Processing Dimensions: 0 - 1.5m height x 0 - 1m diameter
- ISO9001 / AS9100 / NADCAP Approved – Gold Standard
- REACH compliant

# How & Where Our CVD Coatings Are Deployed

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- Applied on various types of Steel, Alloys, Copper, Graphite
- Thickness typically 25 to 100+ microns
- Non line-of-sight, can do what most other coatings can't: uniformly coat complex internal and external surfaces
- Hardide coatings can be made as pure Tungsten Carbide, pure Tungsten or a composite of WC nanoparticles in metal W matrix
- Highly resistant to wear and erosion
- Strong pore-free barrier coating protects key components against corrosion, acids, H<sub>2</sub> permeation and Hydrogen embrittlement
- Our coatings are used on critical parts within oil drilling tools, aircraft, and industrial systems such as airport scanning machines
- Critical component examples are aerostructure wing parts, bores, pins, pumps, valves, cylinders and mesh filters
- Hardide enables high-value manufacturers to make globally competitive products, differentiated in terms of quality, performance and life-cycle costs





# Hardide

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22/01/2026



**THANK YOU**

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