

21/05/2026

Interim Results for the half year to 31st March 2026

Matt Hamblin – CEO

Simon Hallam – Finance Director



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- Revenue analysis and commercial review
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- Cash flow statement and balance sheet
- Proposed capital reduction and capital allocation priorities
- Introduction to Hardide
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H1 FY26

- Record first half results
- Revenues up over 70% to £4.8m (H1 25: £2.8m), due to new work wins particularly in North America
- Gross margins up from 54% to 65% driven by better capacity utilisation and operational efficiency gains
- Significantly improved EBITDA result of £1.6m (H1 25: £0.4m)
- Operating margins of 26.8% and annualised return on capital employed of 45.2% (H1 25: both Nil)
- Basic EPS 1.6p (H1 25: 0.1p loss)
- Cash balance as at 31 March 2026 increased to £1.5m (FY25: £0.8m), despite working capital investment to support growth

Outlook

- Current trading momentum continues to be strong, with recent input cost pressures being managed and offset
- Expect to achieve recently upgraded full year performance expectations
- Cash generative and well capitalised to support growth plans
- On track to deliver our initial strategic milestone of doubling FY24 revenues much faster than expected

Income Statement Summary

£m	H1 FY26	H1 FY25	Change
Revenue	4.8	2.8	+2.0 (+71%)
Gross margin	3.1	1.5	+1.6
<i>Gross margin %</i>	<i>65%</i>	<i>54%</i>	<i>+11ppts</i>
Overheads	(1.5)	(1.1)	(0.4)
EBITDA	1.6	0.4	+1.2
Depreciation	(0.3)	(0.4)	+0.1
Operating Profit	1.3	-	+1.3
<i>Operating margin %</i>	<i>27%</i>	-	<i>+27ppts</i>
Financing	(0.1)	(0.1)	-
PBT	1.2	(0.1)	+1.3
Basic EPS (pence)	1.6	(0.1)	+1.7

Revenue Analysis and Commercial Update

	HI 26 (£m)	HI 25 (£m)	% change	HI 26 % total	HI 25 % total
Energy	3.1	1.2	+144%	64%	44%
Industrial	0.9	0.6	+66%	19%	20%
Aerospace	0.8	1.0	(17%)	17%	36%
Total	4.8	2.8	+71%	100%	100%

General

- Growth largely driven by new work won with a major North American energy sector customer. Excluding this and prior year non-recurring development work, underlying revenues otherwise grew by 25%

Energy

- Increased demand across the portfolio generally, as well as the new customer win

Industrial

- Recovery from weaker demand in earlier part of FY25

Aerospace

- Non-repeat of cargo door contract development work in prior HI, delayed commencement of production earlier this year

Operations

- Significant operational scale up successfully delivered during H1 to meet growing demand
- Operational efficiencies being realised include improved reactor loadings and process gas usage
- Capital upgrade at Martinsville plant in the USA is scheduled for H2 at a capital cost of £0.7m. This will support fulfilment of increased demand and improved efficiency
- Technical end engineering teams are working to reduce cycle times and further improve reactor outputs

Operational Capacity

- The upgrade at Martinsville and the various operational improvements should lift operational capacity to support c. £20m of revenues pa without further significant investment
- Capacity could be further increased by adding new coating reactors at a cost of c. £1.3m each
- We are developing and testing coating reactor design improvements that could increase the ratio of annual revenue generation to capital cost for each reactor from c. 1-2 times to 3-4 times

Coatings as a Service

- Start of production on Aerospace Cargo Door project, plus award of additional part numbers.
- Order book strengthening with NA Oil & Gas Customers, plus new part award for H2.
- Testing ongoing with Middle East customers, 3 – 6 month delay but confidence they will mature to full production.
- Development orders received for ENP, additional services value stream out of Martinsville.
- Two additional business awards, low volume oil and gas applications with two new customers.

Solution based coatings

- Market pull Digital Marketing strategy continues, significant progress over the last 6 months in building awareness and pipeline advancement.
- Market agnostic, new development projects being tested by customers in Semi-Conductor and Industrial sectors with results expected over the next 3 – 6 months.

- Recent trading and order intake has continued to be strong, supported by the additional £1.8m sales order received from our large energy sector customer, for delivery during this financial year
- The Board continues to monitor developments in the Middle East closely
- As already announced, costs of tungsten gas have increased since April due to a combination of supply restrictions by China and high demand from the defence sector.
- Recent input cost pressures are being mitigated through a combination of selling price surcharges and operational efficiencies
- Process gas supplies have now been secured at known costs for the remainder of this financial year

- The Board continues to anticipate that Hardide will achieve its recently upgraded performance expectations for the full year
- Hardide also remains on track to deliver its initial strategic milestone of doubling revenues, significantly faster than was originally expected, from the original base line level set in FY24
- More broadly, the Board believes that Hardide is well positioned to drive further significant growth from the ongoing commercialisation of its unique surface treatment technology

APPENDICES AND QUESTIONS

Appendix: Cash Flow Summary

£m	H1 FY26	H1 FY25
EBITDA	1.6	0.4
Change in working capital	(0.6)	0.1
Capital expenditure	(0.1)	(0.1)
Debt and lease repayments	(0.2)	(0.1)
Net cash flow	0.7	0.3

Cash balance at 31 March	1.5	1.0
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Appendix: Balance Sheet Summary

£m	31 Mar 2026	30 Sept 2025	Change
Plant & equipment	3.5	3.5	-
Right of use assets	1.3	1.4	(0.1)
Working capital	1.1	0.6	0.5
Capital invested	5.9	5.5	0.4
Cash	1.5	0.8	0.7
Loans*	(0.4)	(0.5)	0.1
Lease liabilities**	(1.8)	(1.9)	0.1
Shareholders' funds	5.2	3.9	1.3
Return on capital employed	45%	-	45%

* Loans at 31 March 2026 repayable within one year were £0.2m

** Lease liabilities at 31 March 2026 repayable within one year were £0.2m

- During H2 Hardide intends to announce plans to seek shareholder and Court approval for a proposed capital reduction, under which approximately £20.9m of capital reserves would be converted into revenue reserves
- This will eliminate the current deficit in Hardide plc's revenue reserves, caused by historical trading losses, and restore distributable reserves at the parent company level
- The capital reduction will provide the Board with flexibility to use distributable reserves as appropriate e.g. for market-based purchases of own shares to satisfy executive share awards, thereby avoiding further issue of new shares and dilution of existing shareholders for this purpose
- Notwithstanding the above, the Board currently expects that profit and cash generated from trading will be used primarily to support the growth of the business, and does not intend to recommend the payment of dividends for the time being

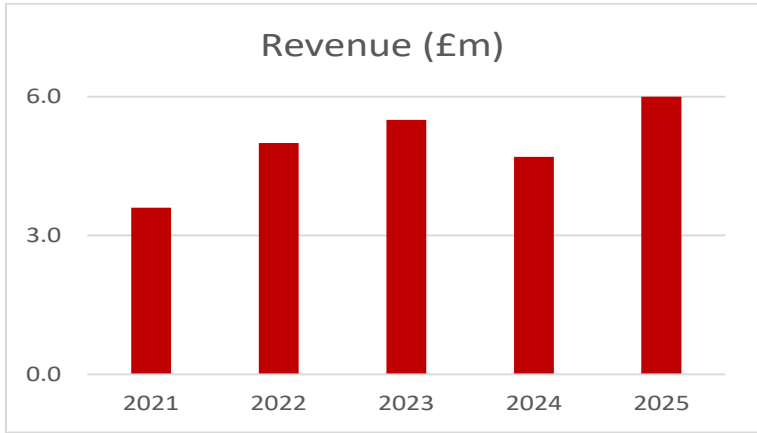


- Primary technology is Chemical Vapour Deposition (CVD) coatings
- Markets Served: Aerospace, Oil & Gas, Industrial across a variety of applications
- Our CVD coatings are unique in that they are applied in a “low” temperature $<500^{\circ}\text{C}$ environment, versus traditional CVD coatings which 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

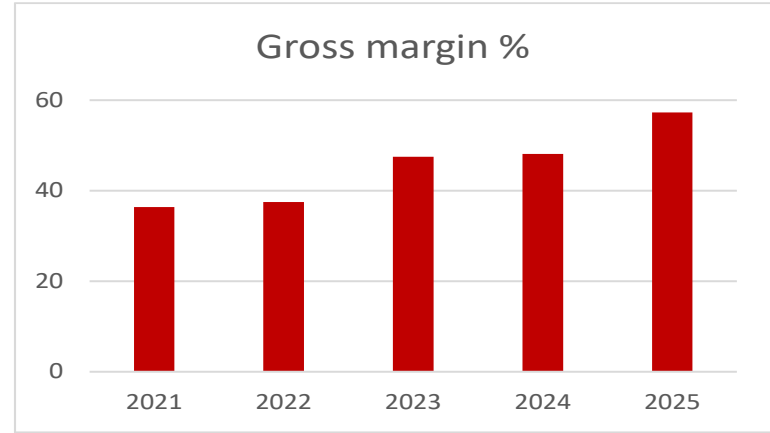
How & Where Our CVD Coatings Are Deployed

- 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, H₂ 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

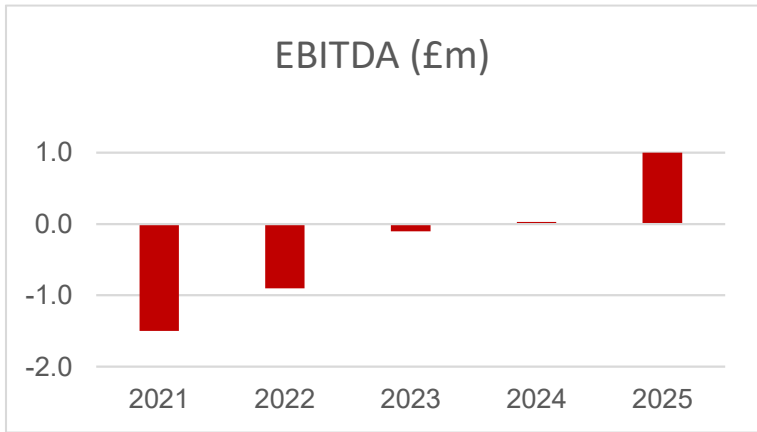
5 Year Track Record



Over 25% increase in revenues in FY25

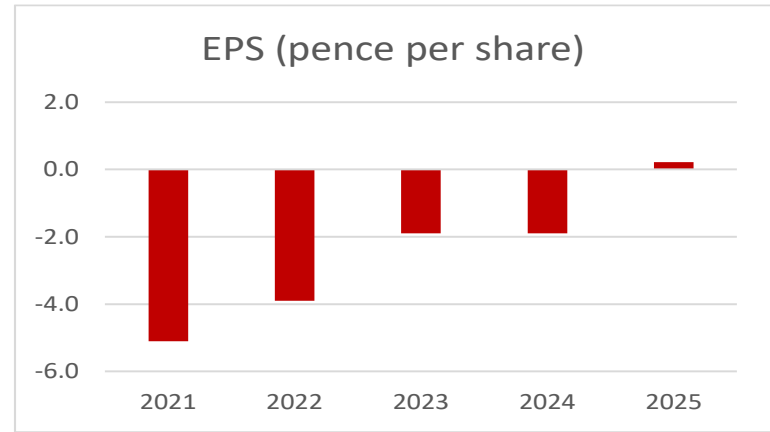


Significant improvements in gross margins



¹ In H2 of FY24 EBITDA excludes one off restructuring costs of £0.4m

Record EBITDA result in FY25



Positive EPS achieved in FY25



Hardide

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