

DOWLAIS

Dowlais Group plc Half Year Results 2025

Solid H1 performance in a volatile market

Dowlais Group plc, the specialist engineering group focused on the automotive sector, announces its results for the six months ended 30 June 2025.

| £ millions | Adjusted ¹ | | | | Statutory ² | | |
|--------------------------|-----------------------|---------|--------|--------------------------|------------------------|---------|--------|
| | H1 2025 | H1 2024 | Change | Constant FX ¹ | H1 2025 | H1 2024 | Change |
| Revenue | 2,464 | 2,571 | -4.2% | -1.6% | 2,181 | 2,289 | -4.7% |
| Operating profit/(loss) | 154 | 151 | 2.0% | 5.3% | 15 | (86) | 117% |
| Operating margin | 6.3% | 5.9% | 40bps | 40bps | 0.7% | -3.8% | 450bps |
| Profit/(loss) before tax | 104 | 95 | 9.5% | 14% | (6) | (123) | 95% |
| Basic EPS | 5.6p | 4.9p | 14% | n/a | (1.1)p | (7.3)p | 85% |
| Free cash flow | (29) | 10 | n/m | n/a | n/a | n/a | n/a |

- Adjusted financial measures are defined and reconciled to statutory measures in the Alternative Performance Measures section of this announcement, which also sets out the definition and basis of calculation of constant currency. Unless stated otherwise, all growth rates refer to growth at constant currency.
- The Group's statutory results for H1 2024 have been restated to present share of results of equity accounted investments below statutory operating profit rather than above, consistent with the presentation adopted for the H1 2025 statutory results. See Note 1 for more information.

Highlights

Financial overview

- Adjusted revenue of £2,464 million, representing a 1.6% year-on-year decline at constant currency, against a 0.7% decline in light vehicle production outside China and a 3.1% increase in global light vehicle production.
- Adjusted operating profit of £154 million, an increase of 5.3% compared to prior year, as the impact from lower volumes and tariffs, which were lower than initially anticipated, was more than offset by the benefits of global footprint restructuring initiatives and other ongoing performance improvement actions, resulting in adjusted operating margin of 6.3% or 40bps better than the prior period.
- Automotive adjusted revenue decreased by 0.9% and adjusted operating profit increased by 11%, resulting in an adjusted operating margin of 6.7%, 70bps higher than prior year. Restructuring initiatives and ongoing performance initiatives offset the impact from tariffs and lower volume, primarily in the Driveline product line as result of adverse customer mix and timing of production of new vehicles platforms.
- Powder Metallurgy adjusted revenue decreased by 4.0%, primarily driven by lower volumes, particularly in Europe and North America partially offset by growth in China. Adjusted operating profit reduced by 16%, resulting in an adjusted operating margin of 8.4%, 120bps lower versus prior year, as a result of lower volumes.
- Adjusted basic earnings per share of 5.6 pence, an increase of 14% as a result of higher earnings and lower net finance costs. Statutory loss per share of 1.1 pence compared to a statutory loss per share of 7.3 pence in H1 2024.
- Adjusted free cash flow was a £29 million cash outflow, compared to a £10 million cash inflow in H1 2024, primarily due to the impact of tariffs, higher restructuring outflows, in line with expectations, and the timing of dividend receipts from our China joint venture, with only 70% received in H1 this year and the remainder expected in H2. Net debt¹ was £1,034 million, up from £915 million at H1 2024, with leverage of 2.0x compared to the H1 2024 position of 1.6x.

Business wins

- Solid Automotive performance with business wins of over £1.5 billion of forecast lifetime revenue. Year-on-year bookings in H1 2025 were impacted by lower contribution from the ePowertrain product line, following

our decision to rightsize the engineering spend in the business and by the uncertainty around tariffs, leading some OEMs to delay new platform launches.

- Powder Metallurgy secured £55 million in new business wins. Approximately 62% of these new business win awards were for EV or propulsion-agnostic products.

Recommended cash and share combination of Dowlais with American Axle & Manufacturing Holdings, Inc (“AAM” and the “Combination”)

- Shareholders of Dowlais and AAM approved all resolutions proposed relating to the Combination at meetings held on 22 and 15 July 2025, respectively.
- Nine regulatory approvals/clearances in respect of the Combination have been received. Dowlais and AAM continue to actively engage with regulatory authorities to obtain all remaining approvals.
- The Combination remains subject to the satisfaction or waiver of the remaining conditions and further terms set out in the Scheme Document published by Dowlais on 19 June 2025. Subject to the satisfaction or waiver of those conditions, AAM expects completion of the Combination to be in Q4 2025.

Outlook

- Performance continues to be expected towards the lower end of our previously stated range of flat to a mid-single-digit decline in adjusted revenue, and an adjusted operating margin of between 6.5% and 7.0% on a constant currency basis.

Liam Butterworth, Chief Executive Officer, said:

“We delivered a solid first-half performance, with continued margin expansion despite ongoing macroeconomic uncertainty and market volatility. Our ability to grow profitability despite lower volumes and tariff-related impacts highlights the resilience of our operating model and the strong execution of our restructuring and performance initiatives.

Looking ahead, we remain on track to offset the tariff-related headwinds in the second half, and we continue to expect our full-year performance to be towards the lower end of our guidance range.

We were also pleased to have received strong shareholder support for our proposed combination with American Axle, which marks a pivotal milestone in our strategic journey. The transaction will significantly enhance our global scale, broaden our technology capabilities, and create a stronger, more resilient business. Combined with the expected \$300 million in run-rate synergies, the combination has the potential to unlock substantial long-term value for shareholders.”

Notes

References to changes “at constant currency” are defined in the Alternative Performance Measures section of this announcement. Certain other words and phrases used in this announcement have the meaning given to them in the Glossary.

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Results presentation

A presentation will be hosted by Liam Butterworth (CEO) and Roberto Fioroni (CFO) on 07 August 2025 at 09.00 BST. You can register to listen to the presentation online here:

<https://sparklive.lseg.com/DOWLAISGROUP/events/9bd1e212-067d-41e3-8245-c73f6db4a67b>

About Dowlais Group plc

Dowlais is a portfolio of market-leading, high-technology engineering businesses that advance the world's transition to sustainable vehicles. Dowlais' businesses comprise GKN Automotive and GKN Powder Metallurgy, with over 78 manufacturing facilities in 22 countries across the world, Dowlais is an automotive technology leader delivering precisely engineered products and solutions that drive transformation in our world. Dowlais has LEI number 213800XM8WOFLY6VPC92. For more information visit www.dowlais.com

Forward Looking Statements

These results include certain forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond Dowlais' control and all of which are based on Dowlais' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of terminology such as "believe", "expects", "may", "will", "would", "could", "should", "shall", "risk", "intends", "expects", "estimates", "projects", "believes", "aims", "plans", "predicts", "seeks", "goal", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include matters that are not historical facts, statements regarding the intentions, beliefs or current expectations concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies, dividend policy and industry of Dowlais and commitments, ambitions and targets relating to ESG matters. These forward-looking statements and other statements contained in these results regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved, and actual events or results may differ materially as a result of risks and uncertainties facing Dowlais. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward-looking statements contained in these results speak only to the date of these results. Dowlais and its directors expressly disclaim any obligation or undertaking to update these forward-looking statements to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law.

CHIEF EXECUTIVE OFFICER'S REVIEW

Market update

Global light vehicle production (GLVP) in H1 2025 was estimated at 44.9 million units, representing a year-on-year increase of approximately 3.1%. However, excluding China, GLVP declined by 0.7% over the same period. Market conditions remained volatile, particularly due to trade tensions and the imposition of import tariffs by the United States. Tariffs announced by the US administration in April 2025, along with additional measures on imports from Mexico and Canada, disrupted production flows and weighed on the near to medium term outlook for GLVP. In July 2025, the US administration announced a further wave of tariffs targeting imports from the European Union, Canada, Japan and Korea, amongst others, adding to the macroeconomic uncertainty for the remainder of the year.

Regionally, Asia continued to lead global production, with China producing 14.8 million vehicles and the rest of Asia contributing 11.0 million vehicles. EMEA accounted for 9.9 million vehicles, followed by the Americas at 9.2 million vehicles. China had strong momentum in the first half of the year as production grew by 11.7% year-on-year, followed by the rest of Asia where production grew by 3.1%. In contrast, production declined by 3.1% and 2.4% in EMEA and the Americas respectively.

GLVP forecasts have remained volatile throughout the first half of the year. In March, S&P projected flat full year output of 89.5 million units. Following the implementation of the US tariffs in April, S&P revised its forecast downwards to 87.9 million units in April, reflecting anticipated declines in North America and EMEA. However, a subsequent pause in implementation and exemption for USMCA compliant goods helped improve market sentiment.

As of its latest forecast, S&P now projects 2025 GLVP at 89.9 million units, implying modest year-on-year growth of 0.4%. Excluding China, a decline of 1.3% is anticipated. For H2 2025, S&P forecasts a 2.2% decline in production compared to the same period in 2024, with China expected to contract by 2.4%, a reversal from the strong growth seen in the first half.

Outlook

Macroeconomic uncertainty, particularly stemming from the imposition of US tariffs, including those specifically targeting the automotive sector, continues to weigh on the global production environment and the broader outlook for light vehicle output. As previously communicated, we do not expect our full-year performance to be materially impacted by the direct financial effect of the current tariffs. Drawing on our strong track record, we remain confident in our ability to offset these additional costs through a combination of commercial recoveries and operational performance initiatives over the balance of the year.

We continue to expect performance to be towards the lower end of our previously stated range of flat to a mid-single digit decline in adjusted revenue, and an adjusted operating margin of between 6.5% and 7.0% on a constant currency basis. We also continue to expect adjusted free cash flow to be below prior year, reflecting the impact of lower volumes and increased restructuring expenditure.

Strategy

In the first half of 2025, we continued our relentless focus to position the Group for sustainable profitable growth and improved margins:

GKN Automotive: In a volatile market environment with growing uncertainty around tariffs and the pace and scale of the battery electric vehicle (BEV) adoption, our goal remains unchanged: transitioning to a powertrain-agnostic business model better suited to navigating market volatility and delivering sustainable, profitable growth and cash generation. In the first half of 2025, despite increased market volatility and volume weakness, Automotive delivered an operating profit margin of 6.7%, an increase of 70 bps vs H1 2024, as restructuring initiatives and footprint optimisation efforts more than offset volume and tariff related headwinds. The direct impact of tariffs was approximately £12 million in the first half of the year, lower than initially anticipated, and, in line with our previous communications, the business expects to fully offset the direct impact of tariffs during the remainder of the year through commercial recoveries and other performance initiatives.

GKN Powder Metallurgy: In H1 2025, adjusted revenues were £489 million, a decline of 4.0% year-on-year, largely driven by lower volumes in Sinter in Europe and Powders in North America, partially offset by growth in China. In line with our strategy, Powder Metallurgy is making progress in expanding into new growth areas as its Acceleration Platforms product line performed strongly during the period with significant growth in metallic products resulting in 5.7% increase year-on-year.

H1 2025 Group performance

The priorities of our businesses remain unchanged, focusing on margin expansion, cash generation, and portfolio transition.

Margin expansion: In the first half of 2025, the Group successfully navigated ongoing market uncertainty stemming from trade tariffs imposed by the US government. Adjusted revenue declined by 1.6% year-on-year to £2,464 million, primarily reflecting lower volumes and the impact of tariffs, which was lower than initially anticipated. Despite these headwinds, disciplined execution of performance initiatives and the benefits from our restructuring programme resulted in a 40 basis point improvement in adjusted operating margin to 6.3%.

Cash generation: The Group reported an adjusted free cash outflow of £29 million for the period, down from £10 million inflow in the prior year. This decline was primarily driven by the impact of tariffs, which are expected to be recovered in the second half the year, higher restructuring outflows, as the Group continued to execute its restructuring initiatives and the timing of dividend receipts from our China joint venture. Net debt stood at £1,034 million, up from £915 million in H1 2024, with a leverage ratio of 2.0x (H1 2024: 1.6x).

Portfolio transition: In a volatile market environment, marked by growing uncertainty around tariffs, we continue to take a disciplined approach to investing in our portfolio. Our focus remains on transitioning to a powertrain-agnostic business model that is resilient to global market fluctuations and well-positioned to deliver sustainable, profitable growth and cash generation. The Automotive segment continued to make progress and delivered a strong performance, achieving bookings with forecast lifetime revenue exceeding £1.5 billion, distributed across a diverse range of products, customers, and geographies. Approximately 54% of contracts won in H1 2025 were either extensions or new wins on ICE and Mild-Hybrid programmes while 46% were on Electric or Full-Hybrid platforms reflecting a general slowdown in electrification. We continued to make significant progress in China by working closely with Chinese OEMs. In H1 2025, approximately 40% of the Automotive segment's China revenue came from Chinese OEMs, up from 27% in 2021. In Powder Metallurgy the business secured new business wins worth £55 million of peak annual revenue. Approximately 62% were on EV or propulsion-agnostic products.

Operational highlights

Our businesses have continued to demonstrate positive operational performance throughout 2025.

GKN Automotive continued its momentum from last year in driving operational improvements. In H1 2025, the business launched 24 new programmes and had a quality defect rate of three parts per million rejected (PPM), well within its target range. As part of its ongoing focus on improving the competitiveness of its global footprint, GKN Automotive finalised the streamlining of its operations in North America whilst in Europe the transfer of business from its plants in Sweden and Germany and expansion of operations in Hungary, are progressing in line with plan.

GKN Powder Metallurgy also made significant progress in first half of 2025. The business executed continuous improvements through its decentralised efficiency programme, driving productivity gains. Quality standards remained high, with a defect rate of two parts per million rejected (PPM) for the Sinter business, consistent with 2024 levels. The business delivered an Accident Frequency Rate of 0.04, well within our target.

Engineering transformation for a sustainable world

Sustainability is a core priority for Dowlais, and we have continued to make substantial progress in this year, understanding and addressing our sustainability-related impacts, risks and opportunities. We have already achieved significant progress against our science-based climate targets.

GKN Automotive continued to make progress on its sustainability roadmap during the first half of 2025. To further strengthen its sustainable procurement practices, the business announced new 2030 responsible sourcing targets, including: 95% of supplier spend required to be with partners who achieve a Supplier Assessment Questionnaire (SAQ) rating of 'C' or above; 50% of supplier spend to have science-based emission reduction targets; and 90% of steel to be sourced from electric arc furnaces (EAFs). The organisation also continued to grow its Future Talent STEM programme, notably in India where the business supported the construction and provision of STEM teaching in labs at local schools in Chennai and Bangalore. As part of GKN Automotive's diversity, equity and inclusion (DEI) roadmap, the business rolled-out cultural awareness training, focusing on inclusive leadership across key members of its senior leadership population.

GKN Powder Metallurgy reinforced its global sustainability leadership in the first half of 2025, successfully maintaining its EcoVadis Platinum rating, placing it among the top 1% of over 130,000 rated companies worldwide. The Group made a significant leap in renewable energy usage, reaching 48% of total consumption, up from 32% the previous year underscoring its commitment to carbon neutrality through measurable progress. Across all regions, the business advanced its ESG agenda with tangible actions, including the implementation of its global Human Rights Transition

Plan and site-level ESG impact projects. Targeted initiatives also strengthened diversity, equity, and inclusion through the Powder Metallurgy Leadership Programme DEI improvement roadmap.

At a group level, building on our detailed human rights risk assessment, we are developing a human rights strategy that goes beyond compliance, to ensure we are delivering for customers in this important area. We have also evaluated our requirements under the EU Corporate Sustainability Reporting Directive (CSRD), including completing our initial Double Materiality assessment, and identified all relevant disclosures, as we work towards full compliance.

Update on the proposed Combination with AAM

On 29 January 2025, the boards of AAM and Dowlais announced that they had reached an agreement on a recommended cash and share combination to be made by AAM for the entire issued and to be issued ordinary share capital of Dowlais, to be implemented by way of scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme"). On 22 July 2025, Dowlais announced the results of the Court Meeting and General Meeting held in connection with the Combination. The requisite majorities of Dowlais shareholders voted in favour of the Scheme at the Court Meeting and approved the shareholder resolution to approve and implement the Scheme (including the necessary amendments to Dowlais' Articles of Association) at the General Meeting. At a special meeting of AAM stockholders held on 15 July 2025, the requisite majority of AAM stockholders approved the Combination and all related proposals.

The Scheme remains subject to the satisfaction (or, where applicable, waiver) of certain conditions, including the receipt of certain regulatory approvals and subsequent sanction of the Scheme by the High Court of Justice. Full details of the conditions are set out in Part Three of the Scheme Document published on 19 June 2025. Currently, regulatory approvals have been received in respect of Germany, India, Korea, Romania, Spain, Taiwan, Turkey and the United States and clearance has been obtained in respect of the EU Foreign Subsidies Regulation. Dowlais and AAM continue to actively engage with regulatory authorities to obtain all remaining approvals, with completion of the Combination still expected to occur in Q4 2025.

FINANCIAL REVIEW

The Group's performance in the first half of the year was impacted by lower volumes and tariffs, leading to a year-on-year decline in some key metrics. However, benefits from footprint restructuring initiatives and other ongoing operational efficiency improvements fully mitigated this impact on operating profit and contributed to deliver operating margin expansion.

Overview

| £ millions | Adjusted ¹ | | | | Statutory ³ | | |
|--|-----------------------|---------|--------|--------------------------|------------------------|---------|--------|
| | H1 2025 | H1 2024 | Change | Constant FX ¹ | H1 2025 | H1 2024 | Change |
| Revenue | 2,464 | 2,571 | -4.2% | -1.6% | 2,181 | 2,289 | -4.7% |
| Automotive | 1,975 | 2,044 | -3.4% | -0.9% | 1,710 | 1,780 | -3.9% |
| Powder Metallurgy | 489 | 527 | -7.2% | -4.0% | 471 | 509 | -7.5% |
| Operating expenses | (210) | (243) | 14% | 12% | (300) | (432) | 31% |
| EBITDA | 291 | 291 | - | 3.1% | n/a | n/a | n/a |
| Depreciation and amortisation ² | (137) | (140) | 2.1% | 0.0% | (220) | (226) | 2.7% |
| Operating profit/(loss) | 154 | 151 | 2.0% | 5.3% | 15 | (86) | 117% |
| Operating margin | 6.3% | 5.9% | 40bps | 40bps | 0.7% | -3.8% | 450bps |
| Net finance costs | (50) | (56) | 11% | 8.9% | (52) | (66) | 21% |
| Profit/(loss) before tax | 104 | 95 | 9.5% | 14% | (6) | (123) | 95% |
| Tax | (27) | (24) | -13% | -17% | (5) | 25 | -120% |
| Profit/(loss) after tax | 77 | 71 | 8.5% | 11% | (11) | (98) | 89% |
| Non-controlling interest | (3) | (3) | - | - | (3) | (3) | - |
| Profit/(loss) attributable to owners | 74 | 68 | 8.8% | 12% | (14) | (101) | 86% |
| Weighted average shares | 1,335 | 1,385 | -3.6% | n/a | 1,312 | 1,357 | -3.3% |
| Basic EPS | 5.6p | 4.9p | 14% | n/a | (1.1)p | (7.3)p | 85% |
| Free cash flow | (29) | 10 | n/m | n/a | n/a | n/a | n/a |
| Capex | 102 | 103 | -1.0% | n/a | 102 | 103 | -1.0% |
| Net debt | 1,034 | 915 | 13% | n/a | n/a | n/a | n/a |
| Leverage | 2.0x | 1.6x | 0.4x | n/a | n/a | n/a | n/a |

- Adjusted financial measures are defined and reconciled to statutory measures in the Alternative Performance Measures section of this announcement, which also sets out the definition and basis of calculation of constant currency.
- Statutory depreciation and amortisation includes amortisation of intangible assets acquired in business combinations, as disclosed in Note 5 of the notes to the financial statements in this announcement.
- The Group's statutory results for H1 2024 have been restated to present share of results of equity accounted investments below statutory operating profit rather than above, consistent with the presentation adopted for the H1 2025 statutory results. See Note 1 for more information.

Revenue

Adjusted revenue in the period was £2,464 million, a decline of 1.6% at constant currency, as growth in the e-Powertrain product line and China JV was more than offset by a decline in Driveline product line and Powder Metallurgy. Translational foreign exchange headwinds were £67 million resulting in a reported adjusted revenue decline of 4.2%. Foreign exchange headwinds were largely due to the British Pound Sterling strengthening against several currencies (at average exchange rates), particularly the US Dollar, the Euro and the Chinese Renminbi.

Statutory revenue (which excludes revenues from non-consolidated joint ventures including the Group's major Automotive joint venture in China) in the period was £2,181 million (H1 2024: £2,289 million) with a reported decline of 4.7%.

The regional breakdown of Group adjusted revenues in the period is shown below.

| Adjusted revenue share by region | H1 2025 | H1 2024 |
|----------------------------------|------------|---------|
| Americas | 43% | 42% |
| Europe, Middle East & Africa | 32% | 33% |
| China ¹ | 14% | 13% |
| Rest of Asia | 11% | 12% |

1. China revenues reflect Joint Venture shareholding percentages.

Operating profit

Adjusted operating profit for the period increased by 5.3% at constant currency to £154 million and higher margin by 40bps. Foreign exchange headwinds in the period were £5 million higher than prior year, resulting in reported adjusted operating profit increase of 2.0%.

The increase in adjusted operating profit was primarily driven by £23 million of efficiencies related to our footprint restructuring and volume reduction initiatives and £15 million from our decision taken last year to rightsize engineering investment, largely in the ePowertrain product line. Full year net benefit of engineering spend reduction will be approximately £10 million due to impact of cessation of customer funded engineering spend in the second half, as previously communicated. In line with our financial model approximately £7 million of price reductions were broadly offset by other ongoing performance initiatives.

The statutory operating profit in the period was £15 million (H1 2024: loss of £86 million), with the primary adjustments between adjusted and statutory operating profit being amortisation of acquisition-related intangible assets of £92 million (H1 2024: £96 million), the addition of the adjusted operating profit of equity accounted investments of £44 million (H1 2024: £43 million), restructuring costs of £36 million (H1 2024: £49 million), AAM combination costs of £16 million and a gain on derivatives of £49 million (H1 2024: loss of £35 million). A full reconciliation between adjusted and statutory operating profit is provided in Note 5 of the Interim Financial Statements.

Translational foreign exchange impact

The difference in reported and constant currency values relates to translational foreign exchange impacts as further set out on in the Alternative Performance Measures section of this announcement. When considering the sensitivity of potential 2025 full year adjusted operating profit to translational foreign exchange movements, we expect that a 10% strengthening of certain underlying currencies against British pound sterling would increase adjusted operating profit as follows: US dollar approximately £15 million and Chinese Renminbi approximately £10 million.

We are not providing specific guidance in relation to foreign exchange for the 2025 financial year. However, using the spot exchange rates at 31 July 2025 including £1=\$1.32, £1=€1.16 and £1=CNY9.50 and applying them to a representative income statement profile for the year, we expect a negative year-on-year adjusted revenue impact of approximately (£86) million and a negative impact on adjusted operating profit of approximately (£10) million. The above spot rates and assumptions reflect a point in time, and it is reasonable to expect spot rates to fluctuate, especially for emerging markets currencies.

Net finance costs

The Group's adjusted net finance charges of £50 million (H1 2024: £56 million) represent £58 million of finance costs (H1 2024: £58 million) and £8 million of finance income (H1 2024: £2 million).

The finance costs include interest on bank borrowings of £45 million (2024: £45 million), interest on the Group's pension schemes of £7 million (H1 2024: £8 million) and finance lease charges of £3 million (H1 2024: £3 million). The Group's effective interest rate on bank borrowings was 6.3%.

Full year adjusted net finance charges are expected to be in line with our guidance of between £110 million and £120 million.

Tax

The results for the period show an adjusted tax charge of £27 million (H1 2024: £24 million), arising on an adjusted profit before tax of £104 million (H1 2024: £95 million). The Group's current adjusted effective tax rate (ETR) is 26% (H1 2024: 25%) in line with our expectations.

Earnings per share

In accordance with the Group's measures of performance, the Group also presents its earnings per share (EPS) on an adjusted basis. Adjusted EPS for the period was 5.6 pence per ordinary share (H1 2024: 4.9 pence). The increase is largely driven by higher earnings and lower net finance costs.

Statutory basic EPS was a loss of 1.1 pence per share (H1 2024: loss of 7.3 pence) and included the impact of adjusting items such as amortisation of acquisition-related intangible assets and restructuring costs as shown in Note 5 of the Interim Financial Statements.

Free cash flow

Adjusted free cash flow for the period was an outflow of £29 million, compared to an inflow of £10 million in H1 2024. The decrease primarily reflects the impact of tariffs, which are expected to be recovered in the second half of the year, higher restructuring outflows in line with expectations as the Group progresses its transformation initiatives, and the timing of dividend receipts from the Group's China joint venture, with only 70% received in H1 this year and the remainder expected in H2. These impacts were partially offset by lower interest payments. Working capital usage was also modestly higher, reflecting a temporary increase in inventory to support ongoing restructuring activity.

Interest payments totalled £47 million, broadly similar to prior year. Capital expenditure was £102 million, broadly in line with the prior year (H1 2024: £103 million).

Restructuring cash outflows of £63 million were £12 million higher than in H1 2024, in support of ongoing performance improvement and footprint rationalisation efforts. Full-year restructuring outflows are expected to be in the range of £120 million to £130 million, consistent with previously communicated guidance.

Tax payments for the period totalled £31 million, up from £26 million in the prior year, primarily due to the legislative withdrawal of patent box tax relief previously claimed in Italy, and the settlement of a tax audit in Germany, as previously disclosed.

Pension payments were also slightly higher than prior period mainly due to timing of payments, as full year pension payments are expected to be approximately £30 million.

Liquidity and leverage

The Group's primary sources of liquidity are cash generated from operating activities and funds available under its multi-currency term loan, revolving credit facility and US private placement notes. On 30 June 2025, the Group's cash and cash equivalents balance, net of overdrafts, was £267 million (30 June 2024: £289 million), while the revolving credit facility had available headroom of £462 million (30 June 2024: £545 million), translating to a total liquidity position of £729 million (30 June 2024: £834 million).

The Group continues to be funded through two core banking facilities comprised of a multicurrency revolving credit facility and term loan facility, and the US private placement notes resulting in a combined debt facilities of approximately £1.8 billion. The revolving credit and term loan facilities have an initial maturity date of 20 April 2026, the Group has the option to extend the maturity of the revolving credit facility by up to two years, at its sole discretion. The Group's US private placement notes have maturities in the range of 4-11 years.

As of 30 June 2025, the Group had 35% of its drawn debt at fixed interest rate. This is made up of the US private placement notes and interest rate swaps. The maturity dates of the interest rate swaps are aligned with those of the underlying debt facilities. The Group's effective interest rate was 6.3%, in line with prior years.

The Group's net debt on 30 June 2025 was £1,034 million, an increase from £915 million on 30 June 2024, as a result of funding the operational needs of the business. This, combined with lower Adjusted EBITDA resulted in a leverage ratio of 2.0x, an increase from 1.6x for the period ended 30 June 2024. The Group's leverage ratio is comfortably below the covenant requirement under its debt facilities of 3.5x. The Group's interest cover covenant (which measures Adjusted EBITDA to net interest charge over the preceding 12 months and requires a ratio of at least 4.0x) on 30 June 2025 was 6.8x, reflecting comfortable headroom above the covenant.

Retirement benefit obligations

The Group operates several defined benefit pension schemes. The Group's assets and liabilities under these schemes were calculated as of 30 June 2025 to reflect the latest assumptions and are summarised below.

Position at 30 June 2025

| £ millions | Assets | Liabilities | Accounting Surplus/(Deficit) |
|-----------------------------|--------|-------------|---------------------------------|
| UK plans ¹ | 612 | (570) | 42 |
| European plans | 16 | (380) | (364) |
| US plans | 72 | (102) | (30) |
| Other Group pension schemes | 12 | (22) | (10) |
| Total Group pension schemes | 712 | (1,074) | (362) |

1. UK plans primarily relate to the GKN Group Pension Schemes No. 2 and No. 3 and also include a legacy UK post-retirement medical scheme.

The Group's most significant defined benefit pension plans are the GKN Group Pension Scheme No. 2 and the GKN Group Pension Scheme No. 3, which constitute the majority of the UK plans. These defined benefit schemes are closed to new entrants and to the accrual of future defined benefits for current members. The Group contributed £5 million to scheme No. 3, as part of its asset-backed funding arrangements during the period. As of 30 June 2025, both schemes were in surplus totalling £44 million (31 December 2024: net surplus of £30 million), with £2 million of liabilities relating to a legacy post-retirement medical scheme (31 December 2024: £2 million). The UK schemes were last subject to their triennial statutory valuation in April 2022. The next triennial valuation as of April 2025 is due to be completed later this year.

The most significant of the Group's other pension liabilities are the future payment obligations under the German GKN pension plans, which provide benefits dependent on final salary and service, and which are generally unfunded and closed to new entrants. At period end, the future obligations associated with these plans represented an unfunded liability of £355 million (31 December 2024: £361 million).

Pension cash outflows in relation to the defined benefit pension schemes were £18 million during the period (H1 2024: £13 million). The full year amount is expected to be approximately £30 million, lower than previously anticipated, due to a lower than expected funding requirements for the UK scheme.

Principal Risks and Uncertainties

The Group's approach to risk management and its principal risks and uncertainties are set out on pages 66 to 70 of the Company's 2024 Annual Report. The Board has reviewed the principal risks and uncertainties facing the Group and has concluded that they remain applicable for the second half of the financial year.

Business Unit Reviews

Automotive

GKN Automotive is a global automotive technology business at the forefront of innovation. It specialises in designing, developing and producing market-leading driveline systems. GKN Automotive is the world leader in sideshafts, propshafts, all-wheel-drive (AWD) systems and advanced differentials, on which it has built its eDrive system capability, which was launched over 20 years ago and has since been used in over 2.5 million electrified vehicles worldwide.

Automotive overview

| £ millions | Adjusted ¹ | | | | Statutory ³ | | |
|---------------------------|-----------------------|---------|--------|--------------------------|------------------------|---------|--------|
| | H1 2025 | H1 2024 | Change | Constant FX ¹ | H1 2025 | H1 2024 | Change |
| Revenue | 1,975 | 2,044 | -3.4% | -0.9% | 1,710 | 1,780 | -3.9% |
| <i>Driveline</i> | 1,117 | 1,209 | -7.6% | -4.6% | 1,112 | 1,204 | -7.6% |
| <i>ePowertrain</i> | 560 | 538 | 4.1% | 5.0% | 560 | 538 | 4.1% |
| <i>China</i> | 260 | 259 | 0.4% | 3.4% | - | - | - |
| <i>Other</i> ² | 38 | 38 | - | 2.6% | 38 | 38 | - |
| Operating profit/(loss) | 132 | 122 | 8.2% | 11% | (8) | (38) | 79% |
| Operating margin | 6.7% | 6.0% | 70bps | 70bps | -0.5% | -2.1% | 160bps |

1. Adjusted financial measures are defined and reconciled to statutory measures in the Alternative Performance Measures section of this announcement, which also sets out the definition and basis of calculation of constant currency.

2. Other revenue includes revenue from Cylinder Liners.

3. The Group's statutory results for H1 2024 have been restated to present share of results of equity accounted investments below statutory operating profit rather than above, consistent with the presentation adopted for the H1 2025 statutory results. See Note 1 for more information.

Adjusted revenue declined 0.9% year-on-year to £1,975 million. The decline was primarily driven by a 4.6% decrease in Driveline revenue, compared to a 0.7% decline in light vehicle production outside China. This was largely due to adverse customer mix and timing, as the phasing out of older programmes was not fully compensated by new platform ramp-ups, which are expected to be more second-half weighted. Revenue from the ePowertrain segment grew 5.0% year-on-year. This was largely due to a lower comparison base in H1 2024 and a recovery in volume on an AWD platform previously impacted by production delays. Revenue from the Group's China joint venture increased by 3.4% year-on-year, underperforming the 12% growth in local light vehicle production. This relative underperformance was mainly driven by adverse customer mix as approximately 85% of the growth in the local light vehicle production was driven by some OEMs where the Group's China JV has limited exposure.

Automotive adjusted operating margin increased by 70bps to 6.7%, as benefits from restructuring and ongoing performance initiatives more than offset the impact from lower volume and tariffs.

Ongoing restructuring initiatives resulted in £27 million restructuring costs during the period (H1 2024: £43 million) with a £56 million cash outflow (H1 2024: £47 million cash outflow).

New business wins

GKN Automotive continued to expand its order book in the first half of 2025 securing contract awards worth more than £1.5 billion in forecast lifetime revenue across its Driveline and ePowertrain product lines. The awards cover a broad range of global as well as Chinese OEMs and are well balanced across the product portfolio and vehicle segments. Whilst the performance is broadly in line with H1 2023, it is lower than the lifetime value of contracts won in H1 2024 reflecting a slowdown in the pace of the transition to electrification over the period. Subsequently, approximately 54% of contracts won in H1 2025 were either extensions or new wins on existing ICE and Mild-Hybrid programmes. Extensions are typically shorter than a full programme cycle and therefore likely to result in lower lifetime revenue.

Technology and product portfolio

In the first half of 2025, GKN Automotive reached key milestones in the industrialization of its technologies. Most notably, newly developed sideshaft joints have successfully entered series production for several new BEV platforms. Additionally, the company's first fully in-house designed 3-in-1 eDrive system has launched successfully and is now in production for a major global OEM.

Building on this momentum, GKN Automotive continues to drive innovation across its core product portfolio—including advanced sideshafts and torque management products for both electrified and conventional drivelines. These developments further strengthen the company's leadership in driveline systems and reinforce its commitment to supporting customers through the changing pace of the transition to electrification.

Operational excellence

GKN Automotive delivered an Accident Frequency Rate of 0.04 in the first half of the year in line with target. The business maintained its world-class quality performance, with a PPM defect rate of three, whilst successfully launching 24 new programmes.

As part of its ongoing focus on continuous improvement of the competitiveness of its global operations, GKN Automotive finalised the streamlining of its operations in North America whilst in Europe the transfer of business from its plants in Sweden and Germany and expansion of operations in Hungary, is progressing in line with plan. In parallel, the business has intensified its focus on continuous improvement programmes across all of its global operations and functions to drive further efficiencies in all levels of the business.

Powder Metallurgy

GKN Powder Metallurgy is solving complex challenges in automotive and industrial markets through best-in-class sustainable and innovative powder metallurgy technology. It is a world-class supplier of metal powder and sintered metal components. The business comprises three focused divisions under one brand: GKN Powders/Hoeganaes, GKN Sinter Metals, and Acceleration Platforms, supplying metal powders, high-precision powder metal solutions and 3D-printed parts.

Powder Metallurgy overview

| £ millions | Adjusted ¹ | | | | Statutory ³ | | |
|--|-----------------------|---------|----------|--------------------------|------------------------|---------|---------|
| | H1 2025 | H1 2024 | Change | Constant FX ¹ | H1 2025 | H1 2024 | Change |
| Revenue | 489 | 527 | -7.2% | -4.0% | 471 | 509 | -7.5% |
| <i>Sinter</i> | 355 | 379 | -6.3% | -2.9% | 355 | 379 | -6.3% |
| <i>Powder</i> | 98 | 113 | -13% | -11% | 80 | 95 | -16% |
| <i>Acceleration Platforms</i> ² | 36 | 35 | 2.9% | 5.7% | 36 | 35 | 2.9% |
| Operating profit | 41 | 50 | -18% | -16% | 10 | 20 | -50% |
| Operating margin | 8.4% | 9.5% | (110)bps | (120)bps | 2.1% | 3.9% | -180bps |

1. Adjusted financial measures are defined and reconciled to statutory measures in the Alternative Performance Measures section of this announcement, which also sets out the definition and basis of calculation of constant currency.
2. Acceleration Platforms is a dedicated business segment focused on advancing scalable growth technologies beyond the company's traditional core. It is a portfolio of high-potential technologies with differentiated manufacturing techniques, delivering advanced solutions for industrial and next-generation mobility and energy applications.
3. The Group's statutory results for H1 2024 have been restated to present share of results of equity accounted investments below statutory operating profit rather than above, consistent with the presentation adopted for the H1 2025 statutory results. See Note 1 for more information.

Adjusted revenues were £489 million for the period, a decline of 4.0% year-on-year, largely driven by lower volumes in Europe and North America, partially offset by growth in China. Adjusted revenue in the Sinter product line was 2.9% and Powder product line was 11% lower compared to prior year mainly as result of customer/platform mix. The Acceleration product line performed strongly during the period with significant growth in additive metallic products resulting in 5.7% increase year-on-year in particular due to revenue growth in thermal management products for AI infrastructure customers.

Adjusted operating profit for the period was £41 million (H1 2024: £50 million), resulting in an adjusted operating margin of 8.4%. Operating margin declined 120bps compared to the prior year as result of lower volume flow.

Commercial progress

The business secured £55 million in new business wins (based on peak year revenue) within the period, with approximately 62% of these new business win awards for EV or propulsion-agnostic products. In addition to the new business wins the continued extension of ICE and hybrid programmes provided tailwinds for the core portfolio, with notable contract extensions and growing platform lifetimes supporting long-term value.

The business continued to make progress in core areas, including a sizable win in China for automotive transmission parts, and had further success in new product groups including in x-by-wire gearbox components in North America.

Beyond automotive, the business continued to make strong progress in metal additive manufacturing with a further customer secured in the computing thermal management space, reflecting their importance in AI infrastructure. The business has also experienced an increase in activity related to the magnets project. Recent geopolitical actions have catalysed the desire for customers to find a localised supply chain for these products. GKN's project continues to progress on track, with the installation of all equipment in the low-scale production facility in Germany and the first industrial-scale samples successfully produced. These achievements underline GKN Powder Metallurgy's continued ability to navigate market shifts and expand its portfolio into high-potential growth areas.

Operations

GKN Powder Metallurgy operates globally with 31 manufacturing plants and two technology centres across 11 countries, maintaining a strong focus on safety, quality, and sustainability. In 2025, the business again achieved significant progress in these areas, including a further reduction in its Accident Frequency Rate compared to last year. Quality standards remained high, with a defect rate of two parts per million rejected (PPM) for the Sinter business, consistent with 2024 levels.

The business continues to deliver continuous improvements through its decentralised Continuous Improvement Management System (CIMS) programme, driving productivity gains with 274 projects producing efficiencies during H1 2025.

Dowlais Profit Forecasts

The following statements contained within this announcement (the “**Dowlais Profit Forecasts**”) constitute profit forecasts for the purposes of Rule 28 of the City Code on Takeovers and Mergers. The Takeover Panel has granted Dowlais a dispensation from the requirement to include reports from reporting accountants and Dowlais’ financial advisers in relation to the Dowlais Profit Forecasts. Other than the Dowlais Profit Forecasts, nothing in this announcement is intended, or is to be construed, as a profit forecast or profit estimate for any period.

i.

Outlook

Performance continues to be expected towards the lower end of our previously stated range of flat to a mid-single-digit decline in adjusted revenue, and an adjusted operating margin of between 6.5% and 7.0% on a constant currency basis.

ii.

Looking ahead, we remain on track to offset the tariff-related headwinds in the second half, and we continue to expect our full-year performance to be towards the lower end of our guidance range.

iii.

Outlook

We continue to expect performance to be towards the lower end of our previously stated range of flat to a mid-single digit decline in adjusted revenue, and an adjusted operating margin of between 6.5% and 7.0% on a constant currency basis. We also continue to expect adjusted free cash flow to be below prior year, reflecting the impact of lower volumes and increased restructuring expenditure.

Board confirmation

The Board confirms that, as at the date of this announcement, the Dowlais Profit Forecasts are valid and have been properly compiled on the basis of the assumptions set out below and that the basis of the accounting used is consistent with Dowlais’ accounting policies, which are in accordance with IFRS.

Basis of preparation and principal assumptions

The Dowlais Profit Forecasts are based upon Dowlais’ current internal financial forecasts for the 12-month periods ending 31 December 2025 and 31 December 2026, prepared in accordance with Dowlais’ normal forecasting procedures and processes. These procedures take into consideration multiple factors including historical financial performance (including that set out in Dowlais’ financial statements for the financial year ended 31 December 2024) (the “**2024 Financial Statements**”), anticipated changes in Dowlais’ operations, sales forecasts and forecasts of customer demand for light vehicles and management judgement. In particular, the Dowlais Profit Forecasts are based upon the most recent global light vehicle production forecasts published by S&P Global on 16 July 2025 and Dowlais’ current order book. As stated in the Dowlais Profit Forecasts, they do not reflect any impact of any changes in import tariffs imposed by the United States, or any other country adopted in 2025 or which may be adopted thereafter. The basis of accounting used for the Dowlais Profit Forecasts is consistent with the accounting policies of Dowlais which are in accordance with IFRS and are those applied in preparing the 2024 Financial Statements. The Dowlais Profit Forecasts have been prepared on the basis referred to above and subject to the principal assumptions set out below. The Dowlais Profit Forecasts are inherently uncertain and there can be no guarantee that any of the principal assumptions below will not occur and/or, if they do, their effect on Dowlais’ results of operations, financial condition, or financial performance, may be material. The Dowlais Profit Forecasts should therefore be read in this context and construed accordingly. The principal assumptions assumed in the Dowlais Profit Forecasts are: (a) there will be no material change to macroeconomic, political, inflationary, regulatory or legal conditions in the markets or regions in which Dowlais operates, including changes in import or export tariffs; (b) there will be no material change in current interest rates, economic growth, inflation expectations or foreign exchange rates compared with Dowlais’ estimates; (c) there will be no material change in accounting standards; (d) there will be no material change in market conditions in relation to customer demand or the competitive environment; (e) there will be no material litigation or regulatory investigations, or material unexpected developments in any existing litigation or regulatory investigation, in relation to any of Dowlais’ operations, products or services; (f) there will be no business disruptions that materially affect Dowlais, its customers, operations, supply chain or labour

supply, including natural disasters, acts of terrorism, cyber-attack and/or technological issues; (g) there will be no material acquisitions, disposals, distribution partnerships, joint ventures or other commercial agreements, other than those already assumed within the forecast; (h) there will be no material change in the existing operational strategy of Dowlais; (i) there will be no material changes in Dowlais' accounting policies and/or the application thereof; (j) there are no material strategic investments or capital expenditure in addition to those already planned; and (k) there will be no material change in the management of Dowlais.

Responsibility Statement

The directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with UK-adopted IAS34 'Interim Financial Reporting'; and
- the interim management report includes a fair review of the information required by DTR 4.2.7 (indication of important events and their impact, and a description of principal risks and uncertainties for the remaining six months of the financial year) and DTR 4.2.8 (disclosure of related parties' transactions and changes therein).

The directors of Dowlais Group plc are listed on pages 75 and 76 of the 2024 Annual Report and on the Group's website www.dowlais.com under the page headed "Our Board".

By order of the Board

Liam Butterworth
Chief Executive Officer

Roberto Fioroni
Chief Financial Officer

07 August 2025

INDEPENDENT REVIEW REPORT TO DOWLAIS GROUP PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025, which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows, the condensed consolidated balance sheet and the condensed consolidated statement of changes in equity and related notes 1 to 16.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in Note 2, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor

London, United Kingdom

6 August 2025

DOWLAIS GROUP PLC

CONDENSED CONSOLIDATED INCOME STATEMENT

| | Notes | 6 months ended 30 June 2025 Unaudited £m | 6 months ended 30 June 2024 ⁽¹⁾ Unaudited £m | Year ended 31 December 2024 ⁽¹⁾ Audited £m |
|--|-------|--|---|---|
| Revenue | 3,4 | 2,181 | 2,289 | 4,337 |
| Cost of sales | | (1,866) | (1,943) | (3,691) |
| Gross profit | | 315 | 346 | 646 |
| Selling, general and administrative expenses | | (300) | (432) | (813) |
| Operating profit/(loss) | 4,5 | 15 | (86) | (167) |
| Share of results of equity accounted investments | 10 | 31 | 29 | 61 |
| Finance costs | 6 | (58) | (68) | (131) |
| Finance income | 6 | 6 | 2 | 22 |
| Loss before tax | | (6) | (123) | (215) |
| Tax | 7 | (5) | 25 | 47 |
| Loss after tax for the period | | (11) | (98) | (168) |
| Attributable to: | | | | |
| Owners of the parent | | (14) | (101) | (173) |
| Non-controlling interests | | 3 | 3 | 5 |
| | | (11) | (98) | (168) |
| Earnings per share | | | | |
| – Basic | 9 | (1.1)p | (7.3)p | (12.6)p |
| – Diluted | 9 | (1.1)p | (7.3)p | (12.6)p |

Adjusted⁽²⁾ results

| | | | | |
|-------------------------------------|-----|-------|-------|-------|
| Adjusted revenue | 4 | 2,464 | 2,571 | 4,937 |
| Adjusted operating profit | 4,5 | 154 | 151 | 324 |
| Adjusted profit before tax | 5 | 104 | 95 | 215 |
| Adjusted profit after tax | 5 | 77 | 71 | 161 |
| Adjusted basic earnings per share | 9 | 5.6p | 4.9p | 11.4p |
| Adjusted diluted earnings per share | 9 | 5.6p | 4.9p | 11.4p |

1. The presentation of the Condensed Consolidated Income Statement has been restated from that included in the Group's previously published UK Reports. Further details are set out in Note 1.1.

2. Defined in the summary of material accounting policies (Note 2).

DOWLAIS GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Notes | 6 months ended 30 June 2025 Unaudited £m | 6 months ended 30 June 2024 Unaudited £m | Year ended 31 December 2024 Audited £m |
|--|-------|--|--|--|
| Loss after tax for the period | | (11) | (98) | (168) |
| Items that will not be reclassified subsequently to the Income Statement: | | | | |
| Net remeasurement gain on retirement benefit obligations | | 25 | 31 | 37 |
| Income tax charge relating to items that will not be reclassified | 7 | (7) | (8) | (9) |
| | | 18 | 23 | 28 |
| Items that may be reclassified subsequently to the Income Statement: | | | | |
| Currency translation | | (112) | (52) | (68) |
| Impact of hyperinflationary economies | | 1 | 7 | 9 |
| Share of other comprehensive expense from equity accounted investments | | (25) | (5) | (3) |
| Gain arising on hedging instruments designated as hedge of net investment | | 54 | 2 | 4 |
| Fair value (loss)/gain on hedging instruments designated as cash flow hedges | | (2) | 10 | 2 |
| Cumulative loss/(gain) on hedging instruments reclassified to the Income Statement | | 1 | – | (3) |
| Income tax (charge)/credit relating to items that may be reclassified | 7 | (1) | (1) | 6 |
| | | (84) | (39) | (53) |
| Other comprehensive expense for the period | | (66) | (16) | (25) |
| Total comprehensive expense for the period | | (77) | (114) | (193) |
| Attributable to: | | | | |
| Owners of the parent | | (77) | (112) | (198) |
| Non-controlling interests | | – | (2) | 5 |
| | | (77) | (114) | (193) |

DOWLAIS GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Notes | 6 months ended 30 June 2025 Unaudited £m | 6 months ended 30 June 2024 Unaudited £m | Year ended 31 December 2024 Audited £m |
|---|-------|--|--|--|
| Net cash from operating activities | 14 | 11 | 35 | 120 |
| Investing activities | | | | |
| Purchase of property, plant and equipment | | (99) | (100) | (188) |
| Proceeds from disposal of property, plant and equipment | | 1 | 2 | 4 |
| Purchase of computer software and capitalised development costs | | (3) | (3) | (3) |
| Disposal of business, net of cash disposed | | – | – | (10) |
| Dividends received from equity accounted investments | | 45 | 70 | 70 |
| Interest received | | 5 | 2 | 8 |
| Net cash used in investing activities | | (51) | (29) | (119) |
| Financing activities | | | | |
| Drawings on borrowing facilities | | 198 | 190 | 921 |
| Repayment of borrowing facilities | | (136) | (146) | (792) |
| Costs of raising debt finance | | – | – | (2) |
| Repayment of principal under lease obligations | | (13) | (12) | (24) |
| Purchase of own shares under share buy-back | | (6) | (9) | (26) |
| Dividends paid to non-controlling interests | | – | – | (2) |
| Dividends paid to equity shareholders | 8 | (38) | (39) | (58) |
| Net cash from/(used in) financing activities | | 5 | (16) | 17 |
| Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts | | (35) | (10) | 18 |
| Cash and cash equivalents, net of bank overdrafts at the beginning of the period | 14 | 323 | 313 | 313 |
| Effect of foreign exchange rate changes | | (21) | (14) | (8) |
| Cash and cash equivalents, net of bank overdrafts at the end of the period | 14 | 267 | 289 | 323 |

As at 30 June 2025, the Group had net debt of £1,034 million (30 June 2024: £915 million; 31 December 2024: £968 million). A definition and reconciliation of the movement in net debt is shown in Note 14.

DOWLAIS GROUP PLC

CONDENSED CONSOLIDATED BALANCE SHEET

| | Notes | 30 June 2025 Unaudited £m | 30 June 2024 Unaudited £m | 31 December 2024 Audited £m |
|--|-------|------------------------------------|------------------------------------|--------------------------------------|
| Non-current assets | | | | |
| Goodwill and other intangible assets | | 1,992 | 2,242 | 2,129 |
| Property, plant and equipment | | 1,586 | 1,707 | 1,676 |
| Interests in equity accounted investments | 10 | 325 | 351 | 385 |
| Deferred tax assets | | 146 | 149 | 157 |
| Derivative financial assets | | 11 | 20 | 9 |
| Retirement benefit surplus | 13 | 46 | 31 | 34 |
| Other receivables | | 13 | 12 | 13 |
| | | 4,119 | 4,512 | 4,403 |
| Current assets | | | | |
| Inventories | | 437 | 480 | 431 |
| Trade and other receivables | | 600 | 625 | 485 |
| Derivative financial assets | | 19 | 20 | 9 |
| Other financial assets | | – | 19 | 18 |
| Current tax assets | | 38 | 43 | 25 |
| Cash and cash equivalents | 14 | 325 | 298 | 336 |
| | | 1,419 | 1,485 | 1,304 |
| Total assets | 4 | 5,538 | 5,997 | 5,707 |
| Current liabilities | | | | |
| Trade and other payables | | 981 | 1,110 | 961 |
| Interest-bearing loans and borrowings | 14 | 243 | 10 | 13 |
| Lease obligations | 15 | 23 | 22 | 29 |
| Derivative financial liabilities | | 7 | 8 | 32 |
| Current tax liabilities | | 57 | 95 | 65 |
| Provisions | 11 | 131 | 140 | 142 |
| | | 1,442 | 1,385 | 1,242 |
| Net current (liabilities)/assets | | (23) | 100 | 62 |
| Non-current liabilities | | | | |
| Other payables | | 23 | 16 | 18 |
| Interest-bearing loans and borrowings | 14 | 1,116 | 1,203 | 1,291 |
| Lease obligations | 15 | 101 | 120 | 103 |
| Derivative financial liabilities | | 2 | 10 | 14 |
| Deferred tax liabilities | | 190 | 235 | 199 |
| Retirement benefit obligations | 13 | 408 | 450 | 418 |
| Provisions | 11 | 89 | 156 | 117 |
| | | 1,929 | 2,190 | 2,160 |
| Total liabilities | 4 | 3,371 | 3,575 | 3,402 |
| Net assets | | 2,167 | 2,422 | 2,305 |
| Equity | | | | |
| Issued share capital | | 13 | 14 | 14 |
| Capital redemption reserve | | 1 | – | – |
| Own shares | | (7) | (7) | (7) |
| Translation reserve | | (213) | (123) | (133) |
| Hedging reserve | | (1) | 9 | – |
| Retained earnings | | 2,335 | 2,495 | 2,392 |
| Equity attributable to owners of the parent | | 2,128 | 2,388 | 2,266 |
| Non-controlling interests | | 39 | 34 | 39 |
| Total equity | | 2,167 | 2,422 | 2,305 |

DOWLAIS GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Issued share capital £m | Capital redemption reserve £m | Own shares £m | Translation reserve £m | Hedging reserve £m | Retained earnings £m | Equity attributable to owners of the parent £m | Non- controlling interests £m | Total equity £m |
|---|----------------------------------|--|---------------------|------------------------------|--------------------------|----------------------------|--|--|-----------------------|
| At 1 January 2024 (audited) | 14 | — | (7) | (81) | 1 | 2,620 | 2,547 | 36 | 2,583 |
| (Loss)/profit for the period | — | — | — | — | — | (101) | (101) | 3 | (98) |
| Other comprehensive (expense)/income | — | — | — | (42) | 8 | 23 | (11) | (5) | (16) |
| Total comprehensive (expense)/income | — | — | — | (42) | 8 | (78) | (112) | (2) | (114) |
| Dividends paid to equity shareholders | — | — | — | — | — | (39) | (39) | — | (39) |
| Equity-settled share-based payments | — | — | — | — | — | 1 | 1 | — | 1 |
| Purchase of own shares ⁽¹⁾ | — | — | — | — | — | (9) | (9) | — | (9) |
| At 30 June 2024 (unaudited) | 14 | — | (7) | (123) | 9 | 2,495 | 2,388 | 34 | 2,422 |
| (Loss)/profit for the period | — | — | — | — | — | (72) | (72) | 2 | (70) |
| Other comprehensive (expense)/income | — | — | — | (10) | (9) | 5 | (14) | 5 | (9) |
| Total comprehensive (expense)/income | — | — | — | (10) | (9) | (67) | (86) | 7 | (79) |
| Dividends paid to equity shareholders | — | — | — | — | — | (19) | (19) | (2) | (21) |
| Purchase of own shares ⁽¹⁾ | — | — | — | — | — | (17) | (17) | — | (17) |
| At 31 December 2024 (audited) | 14 | — | (7) | (133) | — | 2,392 | 2,266 | 39 | 2,305 |
| (Loss)/profit for the period | — | — | — | — | — | (14) | (14) | 3 | (11) |
| Other comprehensive (expense)/income | — | — | — | (80) | (1) | 18 | (63) | (3) | (66) |
| Total comprehensive (expense)/income | — | — | — | (80) | (1) | 4 | (77) | — | (77) |
| Dividends paid to equity shareholders | — | — | — | — | — | (38) | (38) | — | (38) |
| Equity-settled share-based payments | — | — | — | — | — | 1 | 1 | — | 1 |
| Purchase of own shares ⁽¹⁾ | — | — | — | — | — | (6) | (6) | — | (6) |
| Transaction with shareholder ⁽²⁾ | — | — | — | — | — | (18) | (18) | — | (18) |
| Cancellation of shares | (1) | 1 | — | — | — | — | — | — | — |
| At 30 June 2025 (unaudited) | 13 | 1 | (7) | (213) | (1) | 2,335 | 2,128 | 39 | 2,167 |

- On 4 April 2024 the Group commenced a share buy-back programme under which shares in the capital of the Company have been purchased. As a result of the recommended combination with AAM, the Group's share buy-back programme was terminated on 29 January 2025. Share purchases totalling £32 million were cancelled under the programme.
- During the period a charge of £18 million has been recognised directly in equity relating to the settlement of a derivative over the Company's own shares following a return of capital from Melrose Industries PLC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate information

Dowlais Group plc comprises the GKN Automotive and GKN Powder Metallurgy businesses along with certain Corporate functions, together referred to as the “Group”. GKN Automotive is a global technology and systems engineer which designs, develops, manufactures and integrates an extensive range of driveline technologies, including electric vehicle components. GKN Powder Metallurgy is a global leader in precision powder metal parts for the automotive and industrial sectors, as well as the production of powder metal. GKN Hydrogen also formed part of the Group, offering reliable and secure hydrogen storage solutions, until its sale on 29 July 2024 to Langley Holdings plc.

1.1 Basis of Preparation

The condensed set of Interim Financial Statements included in this report have been prepared in accordance with UK-endorsed International Financial Reporting Standards (“IFRS”). These Condensed Interim Financial Statements do not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006 and have been prepared in accordance with IAS 34: “Interim Financial Reporting” contained in UK-endorsed IFRS.

The information relating to the year ended 31 December 2024 is extracted from the Group’s published Annual Report for that year, which has been delivered to the Registrar of Companies, and on which the auditor’s report was unqualified and did not contain any emphasis of matter or statements under section 498(2) or 498(3) of the UK Companies Act 2006.

As part of the preparation of these Condensed Consolidated Financial Statements, the presentation of the Condensed Consolidated Income Statement has been re-presented from that included in the Company’s previously published UK Annual Reports, to align with accounts prepared for SEC reporting requirements. Operating expenses has been renamed to selling, general and administrative expenses. The share of results of equity accounted investments has been presented after operating profit/(loss) (30 June 2024: £29 million, 31 December 2024: £61 million). These changes had no impact on revenue, loss before tax or loss after tax for the periods presented.

1.2 New Standards, Amendments and Interpretations affecting amounts, presentation or disclosure reported in the current period

The following amendments to IFRS Accounting Standards have been applied for the first time by the Group. Their adoption has not had any material impact on the amounts reported or the disclosures or on the required amounts reported in these Condensed Interim Financial Statements:

- Amendments to IAS 21 Lack of Exchangeability

1.3 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these interim financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 7 and IFRS 9 Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 18 Presentation and Disclosure in Financial Statements which, if endorsed in the UK, will become effective for the Group’s Consolidated Financial Statements for the financial year ended 31 December 2027.

With the exception of IFRS 18, the Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods. The impact of IFRS 18 is under assessment and although it will not change how items are recognised and measured, there is likely to be a material impact on the Group’s presentation and classification of the Income Statement and reporting of financial performance.

2. Summary of material accounting policies

Material accounting policies applied in preparing the Condensed Interim Financial Statements and Alternative Performance Measures are consistent with those detailed in the Group's 2024 Annual Report.

Alternative Performance Measures

The Group presents Alternative Performance Measures ("APMs") in addition to the statutory results. These are presented in accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ("ESMA"). APMs used by the Group are set out in the Alternative Performance Measures section to these Condensed Interim Financial Statements and the reconciling items between statutory and adjusted results are listed below and described in more detail in Note 5.

Adjusted revenue includes the Group's share of revenue from equity accounted investments ("EAls").

Adjusted profit measures include adjusted profit from EAls but exclude items which are significant in size or volatility or by nature are non-trading or non-recurring.

On this basis, the following are the principal items included within adjusting items impacting operating profit:

- Amortisation of intangible assets that are acquired in a business combination, excluding computer software and development costs;
- Significant restructuring project costs and other associated costs, including losses incurred following the announcement of closure for identified businesses, and pre-operational losses for new operating sites, arising from significant strategy changes that are not considered by the Group to be part of the normal operating costs of the business;
- Acquisition and disposal related gains and losses;
- Costs relating to or resulting from the demerger of the Group from Melrose Industries PLC;
- Transaction and integration costs relating to or resulting from the proposed combination of the Group with American Axle & Manufacturing Holdings, Inc (AAM);
- Impairment charges that are considered to be significant in nature and/or value to the trading performance of the business;
- Movement in derivative financial instruments not designated in hedging relationships, including revaluation of associated financial assets and liabilities;
- Adjusted operating profit of equity accounted investments to reflect operating results; and
- The net release of loss-making contract provision fair value items booked on acquisitions.

Further to the adjusting items above, adjusting items impacting profit before tax include:

- The fair value changes on cross-currency swaps, relating to cost of hedging which are not deferred in equity;
- The movement in loans with Related Parties as a result of changes in foreign currency exchange rates; and
- The fair value changes on remeasurement of non-trading financial assets.

In addition to the items above, adjusting items impacting profit after tax include:

- The net effect on tax of significant restructuring from strategy changes that are not considered by the Group to be part of the normal operating costs of the business;
- The net effect of significant new tax legislation; and
- The tax effects of adjustments to profit before tax, described above.

The policy above is consistent with that used in the comparative period with the exception of costs relating to the proposed combination with AAM which have not been incurred previously.

The Board considers the adjusted results to be an important measure used to monitor how the businesses are performing as this provides a meaningful reflection of how the businesses are managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

The adjusted measures are used to partly determine the variable element of remuneration of senior management throughout the Group and are also in alignment with performance measures used by certain external stakeholders.

Adjusted profit is not a defined term under IFRS and may not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measures. All APMs relate to the current period results and comparative periods or years where provided.

Going concern

The Condensed Interim Financial Statements have been prepared on a going concern basis as the Directors consider that adequate resources exist for the Company to continue in operational existence on a stand-alone basis at least for the period up to 31 August 2026.

In reaching this conclusion, the Directors have also considered the implications in a going concern context of the proposed acquisition of the Group by AAM which was announced on 29 January 2025. As set out in the rule 2.7 announcement, the Directors believe that the proposed combination with AAM is an attractive opportunity to accelerate the realisation of shareholder value through the establishment of a global, automotive supplier with market-leading capabilities, better-positioned together to navigate both the short-term challenges and long-term market dynamics in the automotive sector. On that basis, the Directors believe this supports its going

concern assessment, in the event the combination proceeds. The combination is expected to close during the fourth quarter of 2025, subject to the approval and availability of the Court, as well as customary closing conditions, including regulatory clearances.

The Group's liquidity and funding arrangements are described in the Financial Review. Financing headroom (being the total of unutilised credit facilities and available cash) of c.£0.6 billion existed as at 30 June 2025 (31 December 2024: c.£0.7 billion) and on a stand-alone basis is forecast to remain at similar levels up to April 2026, when the maturity of the Group's £185 million term loan would reduce the financing headroom to c.£0.4 billion for the remainder of the going concern forecast period. Forecast covenant compliance is considered further below.

Covenants

The Group's current debt facilities have two financial covenants being a leverage (net debt to adjusted EBITDA) covenant of less than 3.50x and an interest cover covenant of 4.0x, both of which are tested half yearly, in June and December.

Testing

In concluding that the going concern basis is appropriate, the Directors have prepared a working capital model on a stand-alone basis with a 'base case' scenario supported by the Group's latest internal forecasts to 31 August 2026. The forecasts include the estimated impact of end market and operational factors, including supply chain and inflationary challenges and the Group's latest estimate of the impact of US tariffs throughout the going concern period. Climate related risks have also been considered, including estimating the expected transition from internal combustion engines to electric vehicles and considering potential risks to the Group's infrastructure resulting from extreme weather or climate events.

The Directors have also modelled the impact of a 'worst case' scenario to the 'base case' by including an aggregation of three plausible but severe downside risks. The scenarios modelled were based on the Group remaining an independent entity and, therefore, remain appropriate should the proposed combination not proceed.

The three downside scenarios modelled were (i) economic shock/downturn; (ii) losing a key market, product or customer; and (iii) significant contract delivery issues, including a cyber attack scenario.

Throughout the period covered, after applying the 'worst case' scenario, and after considering the repayment of the £100 million and €100 million tranches of the term loan due in April 2026, the model demonstrated that the Group would remain within covenant limits and retain sufficient headroom on available facilities.

Finally, a reverse stress test was performed which demonstrated that a significant additional reduction in revenue and operating profit over the 'worst case' scenario in the second half of 2025, and/or the first half of 2026, still assuming no mitigating actions, would be required before the Group breached its leverage and/or interest covenants.

Even after applying significant downside risk scenarios in aggregation under the 'worst case' scenario, no covenant is forecast to be breached during the 12 month going concern period until 31 August 2026, including at the relevant testing dates being 31 December 2025 and 30 June 2026, and the Group would not expect to require any additional sources of finance.

Critical accounting judgements and key sources of estimation uncertainty

The Group's critical accounting judgements and key sources of estimation uncertainty remain unchanged since the year-end and are set out on Note 3 of the Group's 2024 Annual Report. Where relevant, updates are provided below.

Key sources of estimation uncertainty

Assumptions used to determine the recoverable amount of goodwill and other intangible assets

In accordance with IAS 36, the Group assesses its goodwill and other intangible assets for impairment formally each year, at the testing date of 31 October. An impairment indicator assessment was performed at 30 June 2025 for both of the Group's cash generating units ("CGUs"), being the Automotive and Powder Metallurgy divisions.

The assessment identified indicators of impairment with respect to both CGUs following the introduction of new international tariffs, including specific tariffs on the automotive sector. The tariffs are anticipated to have both a direct impact through the tariffs incurred by Dowlais and its suppliers, and an indirect impact on demand and customer volumes. The expected impact of tariffs on customer demand led to reductions in industry forecasts for light vehicle production, a key market for both Automotive and Powder Metallurgy divisions. Accordingly, an impairment test was performed for both CGUs to estimate their recoverable amount which, in accordance with IAS 36, is the higher of value in use or fair value less costs to sell. For the six months ended 30 June 2025, impairment testing has been performed for each CGU using the value in use method based on estimated discounted cash flows (31 December 2024: value in use approach used for both CGUs).

As at 30 June 2025, the impairment test for the Automotive CGU determined that headroom of £134 million existed over the carrying value of net assets of £2,068 million (31 December 2024: headroom of £363 million over the carrying value of £2,040 million).

The estimated recoverable amount of the Automotive CGU is sensitive to a change in key assumptions and estimates, and in order for a material impairment charge to be recorded in the 12 months from 30 June 2025, the following reasonably possible changes in key assumptions would need to occur:

- A reasonably possible change in the post-tax discount rate and long-term growth rate from 10.0% to 10.4% or from 3.3% to 2.8% respectively would reduce headroom to £nil. Further changes in discount rates and long-term growth rates to 10.6% and 2.5% respectively, would result in an impairment of £79 million and £80 million.
- Operating margin assumptions, supported by the success of anticipated restructuring programmes and achieving forecast sales volumes, are key to the estimated valuation. A reduction in the terminal operating profit of 6% would reduce the terminal operating margin by 0.5 percentage points reducing headroom to £nil. A total reduction in the terminal operating profit of 10% would reduce the terminal operating margin by 0.8 percentage points resulting in an impairment of £88 million.

As at 30 June 2025, the impairment test for the Powder Metallurgy CGU determined that headroom of £18 million existed over the carrying value of net assets of £783 million (31 December 2024: headroom of £41 million over the carrying value of £799 million).

The estimated recoverable amount of the Powder Metallurgy CGU is also sensitive to a change in key assumptions and estimates, and in order for a material impairment charge to be recorded in the 12 months from 30 June 2025, the following reasonably possible changes in key assumptions would need to occur:

- A reasonably possible change in the post-tax discount rate and long-term growth rate from 10.0% to 10.2% or from 3.5% to 3.3% respectively would reduce headroom to £nil. Further changes in discount rates and long-term growth rates to 10.6% and 2.7% respectively, would result in an impairment of £50 million and £47 million.
- Operating margin assumptions are a key driver of business value and a reduction in the terminal operating profit by 3% would reduce the operating margin by 0.2 percentage points, reducing headroom to £nil. A total reduction in the terminal operating profit of 9% would reduce the terminal operating margin by 0.8 percentage points resulting in an impairment charge of £46 million.

For all sensitivities, it is assumed that all other variables remain unchanged.

Assumptions used to determine the carrying amount of the Group's net retirement benefit obligations

The Group's pension plans are significant in size. The defined benefit obligations in respect of the plans are discounted at rates set by reference to market yields on high quality corporate bonds. Significant estimation is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds to include are the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. In addition, assumptions are made in determining mortality and inflation rates to be used when valuing the plan's defined benefit obligations. At 30 June 2025, the retirement benefit obligation was a net deficit of £362 million (30 June 2024: £419 million; 31 December 2024: £384 million). For further details see Note 13.

3. Revenue

An analysis of the Group's revenue, presented by product line is as follows:

| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|------------------------|---|---|---|
| Automotive | | | |
| Driveline | 1,112 | 1,204 | 2,268 |
| ePowertrain | 560 | 538 | 1,049 |
| Other | 38 | 38 | 74 |
| | 1,710 | 1,780 | 3,391 |
| Powder Metallurgy | | | |
| Sinter | 355 | 379 | 707 |
| Powder | 80 | 95 | 172 |
| Acceleration Platforms | 36 | 35 | 67 |
| | 471 | 509 | 946 |
| Revenue | 2,181 | 2,289 | 4,337 |

The disaggregation of revenue for Powder Metallurgy for 2024 has been re-presented to reflect a change in the way management report on the business.

An analysis of the Group's revenue, presented by destination (i.e. by the location of the external customer), is as follows:

| 6 months ended 30 June 2025 | Automotive £m | Powder Metallurgy £m | Total £m |
|-----------------------------|------------------|----------------------------|--------------|
| UK | 84 | 8 | 92 |
| Rest of Europe | 516 | 179 | 695 |
| North America | 746 | 206 | 952 |
| South America | 96 | 8 | 104 |
| Asia | 267 | 69 | 336 |
| Africa | 1 | 1 | 2 |
| Revenue | 1,710 | 471 | 2,181 |

| 6 months ended 30 June 2024 | Automotive £m | Powder Metallurgy £m | Total £m |
|-----------------------------|------------------|----------------------------|--------------|
| UK | 101 | 7 | 108 |
| Rest of Europe | 560 | 175 | 735 |
| North America | 774 | 216 | 990 |
| South America | 82 | 8 | 90 |
| Asia | 257 | 102 | 359 |
| Africa | 6 | 1 | 7 |
| Revenue | 1,780 | 509 | 2,289 |

| Year ended 31 December 2024 | Automotive £m | Powder Metallurgy £m | Total £m |
|-----------------------------|------------------|----------------------------|--------------|
| UK | 196 | 13 | 209 |
| Rest of Europe | 993 | 339 | 1,332 |
| North America | 1,495 | 406 | 1,901 |
| South America | 176 | 16 | 192 |
| Asia | 516 | 170 | 686 |
| Africa | 15 | 2 | 17 |
| Revenue | 3,391 | 946 | 4,337 |

The Group derives its revenue from the transfer of goods at a point in time.

4. Segment information

Segment information is presented in accordance with IFRS 8 Operating Segments which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reported to the Group's Chief Operating Decision Maker ("CODM"), which has been deemed to be the Group's Board, in order to allocate resources to the segments and assess their performance.

The operating segments are as follows:

Automotive – a global technology and systems engineer which designs, develops, manufactures and integrates an extensive range of driveline technologies, including electric vehicle components.

Powder Metallurgy – a global leader in precision powder metal parts for the automotive and industrial sectors, as well as the production of powder metal.

The Group's Hydrogen business was sold on 29 July 2024 and offered reliable and secure hydrogen storage solutions.

In addition, central corporate cost centres are also reported to the Board. The central corporate cost centres contain the Group head office costs and charges related to the divisional management long-term incentive plans.

Reportable segment results include items directly attributable to a segment as well as those which can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis, in a manner similar to transactions with third parties.

The Group's geographical segments are determined by the location of the Group's non-current assets and, for revenue, the location of external customers. Inter-segment sales are not material and have not been disclosed.

a) Segment revenues

The following tables present the segment revenues and operating profits as regularly reported to the CODM, as well as certain asset and liability information regarding the Group's operating segments and central cost centres.

| 6 months ended 30 June 2025 | Notes | Automotive £m | Powder Metallurgy £m | Total £m |
|------------------------------|-------|------------------|----------------------------|--------------|
| Adjusted revenue | | 1,975 | 489 | 2,464 |
| Equity accounted investments | 10 | (265) | (18) | (283) |
| Revenue | | 1,710 | 471 | 2,181 |

| 6 months ended 30 June 2024 | Notes | Automotive £m | Powder Metallurgy £m | Total £m |
|------------------------------|-------|------------------|----------------------------|--------------|
| Adjusted revenue | | 2,044 | 527 | 2,571 |
| Equity accounted investments | 10 | (264) | (18) | (282) |
| Revenue | | 1,780 | 509 | 2,289 |

| Year ended 31 December 2024 | Notes | Automotive £m | Powder Metallurgy £m | Total £m |
|------------------------------|-------|------------------|----------------------------|--------------|
| Adjusted revenue | | 3,954 | 983 | 4,937 |
| Equity accounted investments | 10 | (563) | (37) | (600) |
| Revenue | | 3,391 | 946 | 4,337 |

b) Segment operating profit

| 6 months ended 30 June 2025 | Automotive £m | Powder Metallurgy £m | Corporate ⁽²⁾ £m | Total £m |
|---|------------------|----------------------------|--------------------------------|-------------|
| Adjusted operating profit/(loss) | 132 | 41 | (19) | 154 |
| Items not included in adjusted operating profit ⁽¹⁾ : | | | | |
| Amortisation of intangible assets acquired in business combinations | (71) | (21) | – | (92) |
| Equity accounted investments adjustments | (41) | (3) | – | (44) |
| Restructuring costs | (27) | (7) | (2) | (36) |
| AAM combination costs | – | – | (16) | (16) |
| Movement in derivatives and associated financial assets and liabilities | (1) | – | 50 | 49 |
| Operating (loss)/profit | (8) | 10 | 13 | 15 |
| Share of results of equity accounted investments | | | | 31 |
| Finance costs | | | | (58) |
| Finance income | | | | 6 |
| Loss before tax | | | | (6) |
| Tax | | | | (5) |
| Loss after tax for the period | | | | (11) |

1. For further details on adjusting items, refer to Note 5.

2. Corporate adjusted operating loss of £19 million includes a charge of £4 million in respect of divisional management long term incentive plans.

| 6 months ended 30 June 2024 | Automotive £m | Powder Metallurgy £m | Hydrogen £m | Corporate ⁽²⁾ £m | Total £m |
|---|------------------|----------------------------|----------------|--------------------------------|-------------|
| Adjusted operating profit/(loss) | 122 | 50 | (7) | (14) | 151 |
| Items not included in adjusted operating profit ⁽¹⁾ : | | | | | |
| Amortisation of intangible assets acquired in business combinations | (72) | (24) | – | – | (96) |
| Equity accounted investments adjustments | (41) | (2) | – | – | (43) |
| Restructuring costs | (43) | (4) | – | (2) | (49) |
| Movement in derivatives and associated financial assets and liabilities | (4) | – | – | (31) | (35) |
| Impairment of assets | – | – | (10) | – | (10) |
| Litigation costs | – | – | – | (3) | (3) |
| Demerger costs | – | – | – | (1) | (1) |
| Operating (loss)/profit | (38) | 20 | (17) | (51) | (86) |
| Share of results of equity accounted investments | | | | | 29 |
| Finance costs | | | | | (68) |
| Finance income | | | | | 2 |
| Loss before tax | | | | | (123) |
| Tax | | | | | 25 |
| Loss after tax for the period | | | | | (98) |

1. For further details on adjusting items, refer to Note 5.

2. Corporate adjusted operating loss of £14 million includes a credit of £2 million in respect of divisional management long term incentive plans.

| Year ended 31 December 2024 | Automotive £m | Powder Metallurgy £m | Hydrogen £m | Corporate ⁽²⁾ £m | Total £m |
|---|------------------|----------------------------|----------------|--------------------------------|-------------|
| Adjusted operating profit/(loss) | 268 | 89 | (9) | (24) | 324 |
| Items not included in adjusted operating profit ⁽¹⁾ : | | | | | |
| Amortisation of intangible assets acquired in business combinations | (143) | (48) | – | – | (191) |
| Equity accounted investments adjustments | (83) | (6) | – | – | (89) |
| Restructuring costs | (125) | (17) | – | (3) | (145) |
| Movement in derivatives and associated financial assets and liabilities | (3) | – | – | (68) | (71) |
| Impairment of assets and business disposal | – | – | (18) | – | (18) |
| Litigation costs | – | – | – | (3) | (3) |
| Demerger costs | – | – | – | (1) | (1) |
| Net release of certain fair value items | 27 | – | – | – | 27 |
| Operating (loss)/profit | (59) | 18 | (27) | (99) | (167) |
| Share of results of equity accounted investments | | | | | 61 |
| Finance costs | | | | | (131) |
| Finance income | | | | | 22 |
| Loss before tax | | | | | (215) |
| Tax | | | | | 47 |
| Loss after tax for the year | | | | | (168) |

1. For further details on adjusting items, refer to Note 5.

2. Corporate adjusted operating loss of £24 million includes a charge of £nil in respect of divisional management long term incentive plans.

c) Segment total assets and liabilities

| | Total assets | | | Total liabilities | | |
|-------------------|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|
| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
| Automotive | 4,029 | 4,390 | 4,123 | 1,620 | 1,934 | 1,655 |
| Powder Metallurgy | 1,144 | 1,251 | 1,185 | 342 | 391 | 373 |
| Hydrogen | – | 4 | – | – | 4 | – |
| Corporate | 365 | 352 | 399 | 1,409 | 1,246 | 1,374 |
| Total | 5,538 | 5,997 | 5,707 | 3,371 | 3,575 | 3,402 |

d) Segment additions to non-current assets and depreciation

| | Additions to non-current assets ⁽¹⁾ | | | Depreciation of owned assets ⁽¹⁾ | | | Depreciation of leased assets | | |
|-------------------|--|---|---|---|---|---|---|---|---|
| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
| Automotive | 52 | 92 | 194 | 93 | 94 | 187 | 6 | 7 | 14 |
| Powder Metallurgy | 15 | 21 | 43 | 23 | 24 | 46 | 6 | 5 | 11 |
| Total | 67 | 113 | 237 | 116 | 118 | 233 | 12 | 12 | 25 |

1. Includes computer software and development costs. Additions to non-current assets excludes lease additions.

e) Geographical information

The Group operates in various geographical areas around the world. The parent company's country of domicile is the UK and the Group's revenues and non-current assets in the rest of Europe and North America are also considered to be material.

The Group's revenue from external customers and information about specific segment assets (non-current assets excluding deferred tax assets, non-current derivative financial assets, retirement benefit surplus and non-current other receivables) by geographical location are detailed below:

| | Revenue ⁽¹⁾ from external customers | | | Segment assets | | |
|----------------|--|---|---|-----------------------|-----------------------|---------------------------|
| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
| UK | 92 | 108 | 209 | 488 | 600 | 520 |
| Rest of Europe | 695 | 749 | 1,332 | 1,499 | 1,566 | 1,521 |
| North America | 952 | 990 | 1,901 | 1,150 | 1,292 | 1,285 |
| Other | 442 | 442 | 895 | 766 | 842 | 864 |
| Total | 2,181 | 2,289 | 4,337 | 3,903 | 4,300 | 4,190 |

1. Revenue is presented by destination.

5. Reconciliation of adjusted profit measures

As described in Note 2, adjusted profit measures are an alternative performance measure used by the Board to monitor the performance of the Group.

a) Operating profit/(loss)

| | Notes | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|---|-------|---|---|---|
| Operating profit/(loss) ⁽¹⁾ | | 15 | (86) | (167) |
| Amortisation of intangible assets acquired in business combinations | a | 92 | 96 | 191 |
| Equity accounted investments adjustments ⁽¹⁾ | b | 44 | 43 | 89 |
| Restructuring costs | c | 36 | 49 | 145 |
| AAM combination costs | d | 16 | – | – |
| Movement in derivatives and associated financial assets and liabilities | e | (49) | 35 | 71 |
| Impairment of assets and business disposal | f | – | 10 | 18 |
| Litigation costs | g | – | 3 | 3 |
| Demerger costs | h | – | 1 | 1 |
| Net release of certain fair value items | i | – | – | (27) |
| Total adjustments to operating profit/(loss) | | 139 | 237 | 491 |
| Adjusted operating profit | | 154 | 151 | 324 |

1. Operating profit/(loss) has been restated from that included in the Group's previously published UK Reports to exclude the share of results from equity accounted investments. Associated adjustments to operating profit/(loss) have been restated accordingly. Further details are set out in Note 1.1.

- a. The amortisation charge on intangible assets acquired in business combinations of £92 million (2024: £96 million), is excluded from adjusted results due to its non-trading nature and to enable comparison with companies that grow organically. However, where intangible assets are trading in nature, such as computer software and development costs, the related amortisation is not excluded from adjusted results.
- b. The Group has a number of equity accounted investments ("EAls") in which it does not hold full control, the largest of which is a 50% interest in Shanghai GKN HUAYU Driveline Systems ("SDS"), within the Automotive business. EAls in the Group generated £283 million (2024: £282 million) of revenue in the period, which is not included in the statutory results but is shown within adjusted revenue so as not to distort the operating margins reported in the businesses when the adjusted operating profit earned from these EAls is included.

In addition, the profits and losses of EAls, which are shown after amortisation of intangible assets arising on acquisition, interest and tax in the statutory results, are adjusted to show the adjusted operating profit consistent with the adjusted operating profits of the subsidiaries of the Group. The revenue and profit of EAls are adjusted because they are considered to be significant in size and are important in assessing the performance of the business.

- c. Costs associated with restructuring projects in the period totalling £36 million (2024: £49 million) are shown as adjusting items due to their size and non-trading nature. During the period these included:
 - A charge of £27 million (2024: £43 million) within the Automotive division, primarily relating to footprint consolidation actions as the business continues to address its cost base and deliver transformational programmes. Costs incurred include direct costs relating to the closure of Automotive plants in Köping, Sweden and Roxboro, North Carolina together with direct costs of expansion of the Group's production capacity in Mexico, and continued transfer of manufacturing from Mosel, Germany to Miskolc, Hungary.
 - A charge of £7 million (2024: £4 million) within the Powder Metallurgy division relating to the optimisation of headcount and £2 million (2024: £2 million) of corporate costs.
- d. Professional fees of £16 million have been recorded in the period (2024: £nil) in relation to the proposed business combination of the Group with American Axle & Manufacturing Holdings Inc (AAM) as announced on 29 January 2025. Incremental direct costs of the transaction have been recorded as an adjusting item due to their non-trading nature.
- e. Movements in the fair value of derivative financial instruments (primarily forward foreign currency exchange contracts where hedge accounting is not applied) entered into to mitigate the potential volatility of future cash flows, on long-term foreign currency customer and supplier contracts, including foreign exchange movements on the associated financial liabilities, are shown as an adjusting item. This totalled a credit of £49 million (2024: charge of £35 million). Movements in fair value are treated as an adjusting item due to their volatility distorting operating profit. Any gains and losses on settlement are recorded in underlying results to give a better understanding of how the gains and losses on currency contracts relate to the trading cash flows.
- f. On 29 July 2024 the Group disposed of the Hydrogen business to Langley Holdings plc for nominal consideration, recognising a total loss on disposal of £18 million. This item was excluded from adjusted results due to its non-trading nature.
- g. In the year ended 31 December 2024, litigation costs of £3 million, which related to a legacy legal claim in respect of a prior business disposal were treated as an adjusting item due to their historical and non-trading nature.

- h. One-off costs relating to the demerger of the Group from Melrose Industries PLC of £1 million were incurred in the year ended 31 December 2024. Costs incurred were incremental and directly associated with the transaction. These items were excluded from adjusted results due to their non-recurring nature. No demerger costs have been incurred in the current period.
- i. Certain items previously recorded as fair value items on historical acquisitions, were resolved in the year ended 31 December 2024 for more favourable amounts than first anticipated. The net release of such fair value items of £27 million related to a warranty provision. This item was considered significant in size and was therefore presented as adjusting to avoid positively distorting the adjusted results.

b) Profit/(loss) before tax

| | Notes | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|---|-------|---|---|---|
| Loss before tax | | (6) | (123) | (215) |
| Adjustments to operating profit/(loss) as above | | 139 | 237 | 491 |
| Equity accounted investments | b | (29) | (28) | (60) |
| Fair value changes on other financial assets | j | – | 9 | 10 |
| Interest on tax provision released | | – | – | (11) |
| Total adjustments to loss before tax | | 110 | 218 | 430 |
| Adjusted profit before tax | | 104 | 95 | 215 |

- j. In the prior year, the fair value changes on other financial assets relating to the movement in their valuation, are shown as an adjusting item due to their volatility and non-trading nature.

c) Profit/(loss) after tax

| | Notes | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|--|-------|---|---|---|
| Loss after tax | | (11) | (98) | (168) |
| Adjustments to loss before tax per above | | 110 | 218 | 430 |
| Tax effect of adjustments to loss before tax | 7 | (15) | (42) | (50) |
| Equity accounted investments – tax | b | (7) | (7) | (12) |
| Exceptional tax credit | | – | – | (45) |
| Tax effect of significant restructuring | | – | – | 6 |
| Total adjustments to loss after tax | | 88 | 169 | 329 |
| Adjusted profit after tax | | 77 | 71 | 161 |

6. Finance costs and finance income

| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|---|---|---|---|
| Interest on bank loans and overdrafts | (45) | (45) | (89) |
| Amortisation of costs of raising finance | (2) | (2) | (5) |
| Net interest cost on pensions | (7) | (8) | (15) |
| Lease interest | (3) | (3) | (6) |
| Unwind of discount on provisions | – | – | (1) |
| Fair value changes on other financial assets ⁽¹⁾ | – | (9) | (10) |
| Other finance costs | (1) | (1) | (5) |
| Total finance costs | (58) | (68) | (131) |
| Finance income ⁽²⁾ | 6 | 2 | 22 |
| Total finance income | 6 | 2 | 22 |
| Total net finance costs | (52) | (66) | (109) |

1. Fair value changes on other financial assets are shown as adjusting items (Note 5).

2. For the year ended 31 December 2024, finance income includes £11 million relating to the release of a significant tax provision which was classified as an adjusting item (Note 5).

7. Tax

| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|--|---|---|---|
| Analysis of the charge/(credit) in the period: | | | |
| Current tax | 8 | 2 | 19 |
| Deferred tax | (3) | (27) | (66) |
| Total tax charge/(credit) | 5 | (25) | (47) |

The total tax charge for the period of £5 million (2024: credit of £25 million) comprises a tax charge on underlying profits of £27 million (2024: £24 million) and a tax credit on adjusting items of £22 million (2024: £49 million).

The effective tax rate in respect of adjusted profit before tax for the period is 26% (2024: 25%). Adjusted tax has been calculated by applying the expected tax rate to the adjusted profit before tax of £104 million (2024: £95 million), giving an adjusted tax charge of £27 million (2024: £24 million).

The £22 million tax credit (2024: £49 million) recognised as an adjusting item includes £15 million (2024: £42 million) in respect of tax credits on adjustments to loss before tax of £110 million (2024: £218 million) and £7 million credit (2024: £7 million) in respect of the tax charge on equity accounted investments which is treated as underlying. No other adjusting tax credits were recognised during the period (2024: £nil).

In addition to the amounts in the Income Statement, a charge of £8 million (2024: £9 million) has been recognised directly in the Statement of Comprehensive Income. This represents a tax charge of £7 million (2024: £8 million) in respect of the remeasurement of retirement benefit obligations and a tax charge of £1 million (2024: £1 million) in respect of movements on hedge relationships and translation differences.

The Group's underlying effective tax rate may be impacted, from 2025 onwards, by the UK's substantive enactment of the Organisation for Economic Co-operation and Development's Global Anti-Base Erosion Model Rules (Pillar Two). The impact of Pillar 2 on the Group's tax position for the period was immaterial.

8. Dividends

| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|-----------------------------|---|---|---|
| Interim dividend | — | — | 19 |
| Final dividend | 38 | 39 | 39 |
| Total dividends paid | 38 | 39 | 58 |

No interim dividend has been proposed by the Board for the year ended 31 December 2025 in accordance with the terms of the proposed combination with AAM.

9. Earnings per share

| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|--|--|--|---|
| Earnings attributable to owners of the parent | | | |
| Net loss attributable to shareholders | (14) | (101) | (173) |
| Adjustment for earnings attributable to shares subject to recall | — | 2 | 4 |
| Earnings for basis of earnings per share | (14) | (99) | (169) |

| | 6 months ended 30 June 2025 Number | 6 months ended 30 June 2024 Number | Year ended 31 December 2024 Number |
|---|--|--|---|
| Weighted average number of ordinary shares (million) | 1,335 | 1,385 | 1,373 |
| Adjustment for shares subject to recall (million) | (23) | (28) | (28) |
| Weighted average number of ordinary shares for the purposes of basic earnings per share (million) | 1,312 | 1,357 | 1,345 |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share (million) | 1,312 | 1,357 | 1,345 |

| | 6 months ended 30 June 2025 Pence | 6 months ended 30 June 2024 Pence | Year ended 31 December 2024 Pence |
|----------------------------|---|---|--|
| Earnings per share | | | |
| Basic earnings per share | (1.1) | (7.3) | (12.6) |
| Diluted earnings per share | (1.1) | (7.3) | (12.6) |

| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|--|--|--|---|
| Adjusted earnings attributable to shareholders ⁽¹⁾ | 74 | 68 | 156 |
| Adjustment for earnings attributable to shares subject to recall | (1) | (1) | (3) |
| Adjusted earnings for the basis of adjusted earnings per share | 73 | 67 | 153 |

| | 6 months ended 30 June 2025 Pence | 6 months ended 30 June 2024 Pence | Year ended 31 December 2024 Pence |
|-------------------------------------|---|---|--|
| Adjusted earnings per share | | | |
| Adjusted basic earnings per share | 5.6 | 4.9 | 11.4 |
| Adjusted diluted earnings per share | 5.6 | 4.9 | 11.4 |

1. Adjusted earnings for the period ended 30 June 2025 comprises adjusted profit after tax (see Note 5c) of £77 million (2024: £71 million), net of an allocation of profit to non-controlling interests of £3 million (2024: £3 million).

10. Share of results of equity accounted investments

Summary information for the Group's equity accounted investments is as follows:

| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|---|---|---|---|
| Revenue | 283 | 282 | 600 |
| Selling, general and administrative expenses | (239) | (239) | (511) |
| Adjusted operating profit | 44 | 43 | 89 |
| Adjusting items | (10) | (10) | (20) |
| Net finance income | 2 | 1 | 1 |
| Profit before tax | 36 | 34 | 70 |
| Tax ⁽¹⁾ | (5) | (5) | (9) |
| Share of results of equity accounted investments | 31 | 29 | 61 |

1. The tax charge for the period includes a charge of £7 million (2024: £7 million) in respect of adjusted operating profits and a credit of £2 million (2024: £2 million) in respect of adjusting items.

| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
|--|-----------------------|-----------------------|---------------------------|
| Aggregated amounts relating to equity accounted investments: | | | |
| Share of non-current assets | 219 | 250 | 445 |
| Share of current assets | 393 | 368 | 256 |
| Share of current liabilities | (264) | (251) | (288) |
| Share of non-current liabilities | (23) | (16) | (28) |
| Interests in equity accounted investments | 325 | 351 | 385 |

At 30 June 2025, dividends receivable from equity accounted investments of £19 million are recorded in trade and other receivables (2024: £nil).

11. Provisions

| | Loss-making contracts £m | Property related costs £m | Environmental and litigation £m | Warranty related costs £m | Restructuring £m | Other £m | Total £m |
|--|--------------------------------|---------------------------------|---------------------------------------|---------------------------------|---------------------|-------------|-------------|
| At 1 January 2025 | 10 | 4 | 40 | 91 | 90 | 24 | 259 |
| Utilised | (2) | — | (2) | (6) | (63) | (6) | (79) |
| Charge to operating profit ⁽¹⁾ | — | — | 2 | 16 | 36 | 4 | 58 |
| Release to operating profit ⁽²⁾ | — | — | (3) | (9) | (4) | (1) | (17) |
| Exchange adjustments | — | — | (1) | (3) | 3 | — | (1) |
| At 30 June 2025 | 8 | 4 | 36 | 89 | 62 | 21 | 220 |
| Current | 6 | 1 | 15 | 50 | 47 | 12 | 131 |
| Non-current | 2 | 3 | 21 | 39 | 15 | 9 | 89 |
| | 8 | 4 | 36 | 89 | 62 | 21 | 220 |

1. Includes £36 million of adjusting items and £22 million recognised in adjusted operating profit.

2. Includes £4 million of adjusting items and £13 million recognised in adjusted operating profit.

Provisions for loss-making contracts are considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received under it. This obligation has been discounted and will be utilised over the period of the respective contracts, which is up to five years.

The provision for property related costs represents dilapidation costs for ongoing leases and is expected to result in cash expenditure over the next five years.

Environmental provisions relate to the estimated remediation costs of pollution, soil and groundwater contamination at certain sites and at 30 June 2025 amounted to £14 million (31 December 2024: £15 million). Litigation provisions amounting to £22 million (31 December 2024: £25 million) relate to estimated future costs and settlements in relation to legal claims and associated insurance obligations. Due to their nature, it is not possible to predict precisely when these provisions will be utilised.

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products and subsequently updated for changes in estimates as necessary. Warranty terms are, on average, between one and five years.

Restructuring provisions relate to committed costs in respect of restructuring programmes (as described in Note 5), usually resulting in cash spend within three years.

Other provisions include long-term incentive plans for senior management and the employer tax on equity-settled incentive schemes which are expected to result in cash expenditure over the next one to two years.

12. Financial instruments and risk management

The table below sets out the Group's accounting classification of each category of financial assets and liabilities and their fair values as at 30 June 2025, 30 June 2024 and 31 December 2024:

| | Current £m | Non-current £m | Total £m |
|--|---------------|-------------------|-------------|
| 30 June 2025 | | | |
| Financial assets | | | |
| Classified as amortised cost: | | | |
| Cash and cash equivalents | 325 | – | 325 |
| Net trade receivables ⁽¹⁾ | 465 | – | 465 |
| Classified as fair value: | | | |
| Derivative financial assets: | | | |
| Foreign currency forward contracts | 19 | 11 | 30 |
| Financial liabilities | | | |
| Classified as amortised cost: | | | |
| Interest-bearing loans and borrowings | (243) | (1,116) | (1,359) |
| Lease obligations | (23) | (101) | (124) |
| Other financial liabilities ⁽²⁾ | (770) | (6) | (776) |
| Classified as fair value: | | | |
| Derivative financial liabilities | | | |
| Foreign currency forward contracts | (7) | – | (7) |
| Other derivatives | – | (2) | (2) |
| 30 June 2024 | | | |
| Financial assets | | | |
| Classified as amortised cost: | | | |
| Cash and cash equivalents | 298 | – | 298 |
| Net trade receivables ⁽¹⁾ | 494 | – | 494 |
| Classified as fair value: | | | |
| Derivative over own equity ⁽³⁾ | 19 | – | 19 |
| Derivative financial assets: | | | |
| Foreign currency forward contracts | 20 | 6 | 26 |
| Interest rate swaps | – | 14 | 14 |
| Financial liabilities | | | |
| Classified as amortised cost: | | | |
| Interest bearing loans | (10) | (1,203) | (1,213) |
| Lease obligations | (22) | (120) | (142) |
| Other financial liabilities ⁽²⁾ | (1,063) | (12) | (1,075) |
| Classified as fair value: | | | |
| Derivative financial liabilities | | | |
| Foreign currency forward contracts | (8) | (9) | (17) |
| Interest rate swaps | – | (1) | (1) |
| 31 December 2024 | | | |
| Financial assets | | | |
| Classified as amortised cost: | | | |
| Cash and cash equivalents | 336 | – | 336 |
| Net trade receivables ⁽¹⁾ | 369 | – | 369 |
| Classified as fair value: | | | |
| Derivative over own equity ⁽³⁾ | 18 | – | 18 |
| Derivative financial assets: | | | |
| Foreign currency forward contracts | 9 | 6 | 15 |
| Interest rate swaps | – | 3 | 3 |
| Financial liabilities | | | |
| Classified as amortised cost: | | | |
| Interest-bearing loans and borrowings | (13) | (1,291) | (1,304) |
| Lease obligations | (29) | (103) | (132) |
| Other financial liabilities ⁽²⁾ | (778) | (8) | (786) |
| Classified as fair value: | | | |
| Derivative financial liabilities | | | |
| Foreign currency forward contracts | (32) | (14) | (46) |

1. Net trade receivables are presented net of an allowance for expected lifetime credit losses of £10 million (30 June 2024: £18 million, 31 December 2024: £15 million).

2. Other financial liabilities comprise trade and other payables which meet the definition of a financial liability under IFRS 9 Financial Instruments.

3. Included within other financial assets.

The Directors consider that the carrying amount of financial assets and liabilities classified as amortised cost approximates to their fair value.

The fair value of the derivative financial instruments is derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and they are therefore categorised within level 2 of the fair value hierarchy set out in IFRS 13 Fair value measurement. The Group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer to occur. There have been no transfers between levels during the current period.

During the period, the derivative over own equity was settled with the Company receiving and cancelling 27,865,471 of its own shares. In line with the initial recognition, the £18 million charge recognised on settlement of the derivative has been recorded directly in equity based on the market value of the shares returned.

13. Retirement benefit obligations

The Group sponsors defined benefit plans for qualifying employees of certain subsidiaries. The funded defined benefit plans are administered by separate funds that are legally separated from the Group. The Trustees of the funds are required by law to act in the interest of the fund and of all relevant stakeholders in the plans. The Trustees of the pension funds are responsible for the investment policy with regard to the assets of the fund.

The most significant defined benefit pension plans in the Group at 30 June 2025 were:

UK: GKN Group Pension Schemes No.2 and No.3

The GKN Group Pension Schemes No.2 and No.3 are funded plans, closed to new members and were closed to future accrual in 2017. The valuation of the schemes was based on the most recent triennial statutory actuarial valuation as of 5 April 2022, updated to 30 June 2025 by independent actuaries.

US: GKN Automotive and GKN Powder Coatings Pension Plans

The GKN Automotive and GKN Powder Coatings Pension Plans are funded plans, closed to new members and closed to future accrual. The US Pension Plan valuation was based on the most recent triennial statutory actuarial valuation as of 1 January 2024, updated to 30 June 2025 by independent actuaries.

Germany: GKN Germany Pension Plans

The GKN Germany Pension Plans provide benefits dependent on final salary and service with the Company. The plans are generally unfunded and closed to new members.

The Group also has a number of other funded and unfunded defined benefit arrangements and retiree medical insurance plans, predominantly in the US and Europe.

The cost of the Group's defined benefit plans is determined in accordance with IAS 19 (revised 2011) Employee Benefits, using the advice of independent professionally qualified actuaries on the basis of formal actuarial valuations and using the projected unit credit method. In line with normal practice, these valuations are undertaken triennially in the UK and annually in the US and Germany.

The amount recognised in the Balance Sheet in respect of defined benefit plans was as follows:

| 30 June 2025 | UK plans £m | US plans £m | European plans £m | Other plans £m | Total £m |
|---|----------------|----------------|----------------------|-------------------|-------------|
| Plan assets | 612 | 72 | 16 | 12 | 712 |
| Plan liabilities | (570) | (102) | (380) | (22) | (1,074) |
| Net assets/(liabilities) | 42 | (30) | (364) | (10) | (362) |
| Analysed as: | | | | | |
| Retirement benefit surplus ⁽¹⁾ | | | | | 46 |
| Retirement benefit obligations | | | | | (408) |
| Net liabilities | | | | | (362) |

1. Includes a surplus relating to the GKN Group Pension Scheme No.2 of £35 million, GKN Group Pension Scheme No.3 of £9 million and the Japan employee plan of £2 million.

| 30 June 2024 | UK plans £m | US plans £m | European plans £m | Other plans £m | Total £m |
|---|----------------|----------------|----------------------|-------------------|-------------|
| Plan assets | 630 | 75 | 16 | 12 | 733 |
| Plan liabilities | (627) | (112) | (393) | (20) | (1,152) |
| Net assets/(liabilities) | 3 | (37) | (377) | (8) | (419) |
| Analysed as: | | | | | |
| Retirement benefit surplus ⁽¹⁾ | | | | | 31 |
| Retirement benefit obligations | | | | | (450) |
| Net liabilities | | | | | (419) |

1. Includes a surplus relating to the GKN Group Pension Scheme No.2 of £29 million and the Japan employee plan of £2 million.

| 31 December 2024 | UK plans £m | US plans £m | European plans £m | Other plans £m | Total £m |
|---|----------------|----------------|----------------------|-------------------|-------------|
| Plan assets | 613 | 76 | 16 | 12 | 717 |
| Plan liabilities | (584) | (111) | (385) | (21) | (1,101) |
| Net liabilities | 29 | (35) | (369) | (9) | (384) |
| Analysed as: | | | | | |
| Retirement benefit surplus ⁽¹⁾ | | | | | 34 |
| Retirement benefit obligations | | | | | (418) |
| Net liabilities | | | | | (384) |

1. Includes a surplus relating to the GKN Group Pension Scheme No.2 of £33 million and the Japan employee plan of £1 million.

Valuations of material plans have been updated at 30 June 2025 by independent actuaries to reflect updated assumptions regarding discount rates, inflation rates and asset values. The major assumptions were as follows:

| | Rate of increase of pensions in payment % p.a. | Discount rate % | Price inflation % (RPI/CPI) |
|--|---|--------------------|--------------------------------|
| 30 June 2025 | | | |
| GKN UK – Group Pension Schemes (No.2 and No.3) | 2.4 | 5.6 | 2.8/2.5 |
| GKN US plans | n/a | 5.3 | n/a |
| GKN Europe plans | 2.1 | 3.9 | 2.1/2.1 |
| 30 June 2024 | | | |
| GKN UK – Group Pension Schemes (No.2 and No.3) | 2.5 | 5.1 | 3.1/2.7 |
| GKN US plans | n/a | 5.3 | n/a |
| GKN Europe plans | 2.2 | 3.7 | 2.2/2.2 |
| 31 December 2024 | | | |
| GKN UK – Group Pension Schemes (No.2 and No.3) | 2.5 | 5.5 | 3.0/2.7 |
| GKN US plans | n/a | 5.5 | n/a |
| GKN Europe plans | 2.0 | 3.4 | 2.0/2.0 |

In addition, the defined benefit plan assets and liabilities have been updated to reflect the contributions made to the defined benefit plans and the benefits earned during the period to 30 June 2025.

14. Notes to the Cash Flow Statement

| | Notes | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
|--|-------|---|---|---|
| Reconciliation of operating profit/(loss) to net cash from operating activities | | | | |
| Operating profit/(loss) | | 15 | (86) | (167) |
| Adjusting items | 5 | 139 | 237 | 491 |
| Adjusted operating profit | 5 | 154 | 151 | 324 |
| Adjustments for: | | | | |
| Depreciation & impairment of property, plant and equipment | | 120 | 124 | 244 |
| Amortisation of computer software and development costs | | 8 | 6 | 14 |
| Share of adjusted operating profit of equity accounted investments | 10 | (44) | (43) | (89) |
| Foreign exchange losses | | – | 2 | – |
| Share-based payment expense | | 1 | 1 | 1 |
| Restructuring costs paid and movements in provisions | | (67) | (68) | (154) |
| Demerger costs paid | | (4) | (4) | (4) |
| AAM combination costs paid | | (7) | – | – |
| Defined benefit pension costs charged | | 4 | 4 | 8 |
| Defined benefit pension contributions paid | | (18) | (13) | (44) |
| Change in inventories | | (17) | 15 | 60 |
| Change in receivables | | (110) | (37) | 86 |
| Change in payables | | 69 | (28) | (176) |
| Corporation tax paid | | (31) | (26) | (56) |
| Interest paid on loans and borrowings | | (44) | (46) | (88) |
| Interest paid on lease obligations | | (3) | (3) | (6) |
| Net cash from operating activities | | 11 | 35 | 120 |

| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
|--|-----------------------|-----------------------|---------------------------|
| Reconciliation of cash and cash equivalents, net of bank overdrafts | | | |
| Cash and cash equivalents per Balance Sheet | 325 | 298 | 336 |
| Bank overdrafts | (58) | (9) | (13) |
| Cash and cash equivalents, net of bank overdrafts per Statement of Cash Flows | 267 | 289 | 323 |

Net debt reconciliation

Net debt at the balance sheet date consists of interest-bearing loans and borrowings and cash and cash equivalents. This measure is aligned with the Group's banking covenants. Currency denominated balances within net debt are translated to Sterling at the balance sheet rate.

Net debt is an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate of interest-bearing loans and borrowings (current and non-current) and cash and cash equivalents.

A reconciliation from the most directly comparable IFRS measure to net debt is given below.

| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
|---|-----------------------|-----------------------|---------------------------|
| Interest-bearing loans and borrowings – due within one year | (243) | (10) | (13) |
| Interest-bearing loans and borrowings – due after one year | (1,116) | (1,203) | (1,291) |
| Total debt | (1,359) | (1,213) | (1,304) |
| Less: | | | |
| Cash and cash equivalents | 325 | 298 | 336 |
| Net debt | (1,034) | (915) | (968) |

The table below shows the key components of the movement in net debt:

| | At 31 December 2024 £m | Cash flow £m | Other non-cash movements £m | Effect of foreign exchange £m | At 30 June 2025 £m |
|---|------------------------------|-----------------|-----------------------------------|-------------------------------------|--------------------------|
| External debt (excluding bank overdrafts) | (1,291) | (62) | (2) | 54 | (1,301) |
| Cash and cash equivalents, net of bank overdrafts | 323 | (35) | – | (21) | 267 |
| Net debt | (968) | (97) | (2) | 33 | (1,034) |

The Group's committed bank facilities include a multi-currency denominated term loan of £100 million and €100 million and a multi-currency denominated revolving credit facility of £350 million, US\$660 million and €450 million. Loans drawn under this facility are guaranteed by Dowlais Group plc and certain of its subsidiaries. There is no security over any of the Group's assets in respect of these facilities.

US\$500 million US Private Placement (USPP) was issued at fixed interest rates during the year ended 31 December 2024 with tranches maturing between 5 and 12 years.

At 30 June 2025, the term loans were fully drawn at £100 million and €100 million (31 December 2024: fully drawn at £100 million and €100 million) and £155 million (31 December 2024: £140 million), US\$400 million (31 December 2024: US\$400 million) and €360 million (31 December 2024: €310 million) were drawn on the multi-currency revolving credit facility. There are also a number of uncommitted overdraft, guarantee and borrowing facilities made available to the Group.

| | Current | | | Non-current | | | Total | | |
|--|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|-----------------------|-----------------------|---------------------------|
| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
| Floating rate obligations | | | | | | | | | |
| Bank borrowings – US Dollar loan | – | – | – | 292 | 585 | 319 | 292 | 585 | 319 |
| Bank borrowings – Sterling loan | 100 | – | – | 155 | 345 | 240 | 255 | 345 | 240 |
| Bank borrowings – Euro loan | 85 | – | – | 310 | 280 | 339 | 395 | 280 | 339 |
| Other loans and bank overdrafts | 58 | 10 | 13 | – | – | – | 58 | 10 | 13 |
| Unamortised finance costs | – | – | – | (3) | (7) | (4) | (3) | (7) | (4) |
| Fixed rate obligations | | | | | | | | | |
| US Private Placement | – | – | – | 364 | – | 399 | 364 | – | 399 |
| Unamortised finance costs | – | – | – | (2) | – | (2) | (2) | – | (2) |
| Total interest-bearing loans and borrowings | 243 | 10 | 13 | 1,116 | 1,203 | 1,291 | 1,359 | 1,213 | 1,304 |

15. Lease obligations

Amounts payable under lease obligations:

| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m |
|--|-----------------------|-----------------------|---------------------------|
| Minimum lease payments | | | |
| Amounts payable: | | | |
| Within one year | 29 | 26 | 35 |
| After one year but within five years | 72 | 71 | 74 |
| Over five years | 52 | 84 | 54 |
| Less: future finance charges | (29) | (39) | (31) |
| Present value of lease obligations | 124 | 142 | 132 |
| Analysed as: | | | |
| Amounts due for settlement within one year | 23 | 22 | 29 |
| Amounts due for settlement after one year | 101 | 120 | 103 |
| Present value of lease obligations | 124 | 142 | 132 |

It is the Group's policy to lease certain of its property, plant and equipment. The average lease term is ten years. Interest rates are fixed at the contract date.

16. Post balance sheet events

On 22 July 2025, Dowlais announced the results of the Court Meeting and General Meeting held in connection with the proposed combination with American Axle & Manufacturing Holdings, Inc. ("AAM"). The requisite majority of Scheme Shareholders voted in favour of the Scheme at the Court Meeting, and the requisite majority of Dowlais Shareholders passed the Special Resolution at the General Meeting to approve and implement the Scheme, including the amendment of Dowlais' Articles of Association. Dowlais was also informed that, at a special meeting of AAM shareholders held on 15 July 2025, the requisite majority of AAM shareholders voted to approve the combination and related proposals. The Scheme remains subject to the sanction of the Court and the satisfaction or waiver of the remaining Conditions set out in the Scheme Document.

ALTERNATIVE PERFORMANCE MEASURES (“APMS”)

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority (“ESMA”), additional information is provided on the APMs used by the Group below.

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These additional measures (commonly referred to as APMs) provide additional information on the performance of the business and trends to stakeholders. These measures are consistent with those used internally, and are considered important in understanding the financial performance and financial health of the Group. APMs are considered to be an important measure to monitor how the businesses are performing because this provides a meaningful comparison of how the business is managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

These APMs may not be directly comparable with similarly titled measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures. All Income Statement and Cash Flow measures are provided for continuing operations.

| APM | Closest equivalent statutory measure | Reconciling items to statutory measure | Definition and purpose | | | | | | | | | | | | | | | | | | | | |
|---|---|--|--|--|---|---|---|----------------------------------|--|--|--|--|--------------|-------|-------|---|------------|-----|-----|----------------------------------|--------------|-------|-------|
| Income Statement measures | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted revenue | Revenue | Share of revenue of equity accounted investments (Note 4) | Adjusted revenue includes the Group's share of revenue of equity accounted investments (“EAls”). This enables comparability between reporting periods and consistency with internal reporting. | | | | | | | | | | | | | | | | | | | | |
| | | | <table> <tr> <th></th><th>6 months ended 30 June 2025 £m</th><th>6 months ended 30 June 2024 £m</th><th>Year ended 31 December 2024 £m</th></tr> <tr> <td>Adjusted revenue</td><td></td><td></td><td></td></tr> <tr> <td>Revenue</td><td>2,181</td><td>2,289</td><td>4,337</td></tr> <tr> <td>Share of revenue of equity accounted investments (Note 4)</td><td>283</td><td>282</td><td>600</td></tr> <tr> <td>Adjusted revenue</td><td>2,464</td><td>2,571</td><td>4,937</td></tr> </table> | | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | Adjusted revenue | | | | Revenue | 2,181 | 2,289 | 4,337 | Share of revenue of equity accounted investments (Note 4) | 283 | 282 | 600 | Adjusted revenue | 2,464 | 2,571 | 4,937 |
| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | | | | | | | | | | | | | | | | | | | | |
| Adjusted revenue | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue | 2,181 | 2,289 | 4,337 | | | | | | | | | | | | | | | | | | | | |
| Share of revenue of equity accounted investments (Note 4) | 283 | 282 | 600 | | | | | | | | | | | | | | | | | | | | |
| Adjusted revenue | 2,464 | 2,571 | 4,937 | | | | | | | | | | | | | | | | | | | | |
| Adjusting items | None | Adjusting items (Note 5) | <p>Those items which the Group excludes from its adjusted profit metrics in order to present a further measure of the Group's performance.</p> <p>These include items which are significant in size or volatility or by nature are non-trading or non-recurring, any onerous contract provisions released to the Income Statement that was previously a fair value item booked on an acquisition, and includes adjusted profit from EAls.</p> <p>This provides a meaningful comparison of how the business is managed and measured on a day-to-day basis, provides consistency and comparability between reporting periods and is used to partly determine the variable element of remuneration of senior management throughout the Group.</p> | | | | | | | | | | | | | | | | | | | | |
| Adjusted operating profit | Operating profit/(loss) ⁽¹⁾ | Adjusting items (Note 5) | <p>The Group uses adjusted profit measures for consistency with internal reporting and to provide a useful and more comparable measure of the ongoing performance of the Group. Adjusted measures are reconciled to statutory measures by removing adjusting items, the nature of which are disclosed above and further detailed in Note 5.</p> | | | | | | | | | | | | | | | | | | | | |
| | | | <table> <tr> <th></th><th>6 months ended 30 June 2025 £m</th><th>6 months ended 30 June 2024 £m</th><th>Year ended 31 December 2024 £m</th></tr> <tr> <td>Adjusted operating profit</td><td></td><td></td><td></td></tr> <tr> <td>Operating profit/(loss)⁽¹⁾</td><td>15</td><td>(86)</td><td>(167)</td></tr> <tr> <td>Adjusting items to operating profit/(loss) (Note 5)</td><td>139</td><td>237</td><td>491</td></tr> <tr> <td>Adjusted operating profit</td><td>154</td><td>151</td><td>324</td></tr> </table> | | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | Adjusted operating profit | | | | Operating profit/(loss) ⁽¹⁾ | 15 | (86) | (167) | Adjusting items to operating profit/(loss) (Note 5) | 139 | 237 | 491 | Adjusted operating profit | 154 | 151 | 324 |
| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | | | | | | | | | | | | | | | | | | | | |
| Adjusted operating profit | | | | | | | | | | | | | | | | | | | | | | | |
| Operating profit/(loss) ⁽¹⁾ | 15 | (86) | (167) | | | | | | | | | | | | | | | | | | | | |
| Adjusting items to operating profit/(loss) (Note 5) | 139 | 237 | 491 | | | | | | | | | | | | | | | | | | | | |
| Adjusted operating profit | 154 | 151 | 324 | | | | | | | | | | | | | | | | | | | | |
| Adjusted operating margin | Operating margin ⁽²⁾ | Share of revenue of equity accounted investments (Note 4) and adjusting items (Note 5) | Adjusted operating margin represents adjusted operating profit as a percentage of adjusted revenue. The Group uses adjusted profit measures to provide a useful and more comparable measure of the ongoing performance of the Group to both internal and external stakeholders. | | | | | | | | | | | | | | | | | | | | |

| APM | Closest equivalent statutory measure | Reconciling items to statutory measure | Definition and purpose | | | |
|---------------------------------------|---|--|--|------------|--|--|
| Adjusted profit before tax | Loss before tax | Adjusting items (Note 5) | Profit before the impact of adjusting items and tax. As discussed above, adjusted profit measures are used to provide a useful and more comparable measure of the ongoing performance of the Group to both internal and external stakeholders. Adjusted measures are reconciled to statutory measures by removing adjusting items, the nature of which are disclosed above and further detailed in Note 5. | | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m |
| | | | | | | Year ended 31 December 2024 £m |
| | | | Adjusted profit before tax | | | |
| | | | Loss before tax | (6) | (123) | (215) |
| | | | Adjusting items to loss before tax (Note 5) | 110 | 218 | 430 |
| | | | Adjusted profit before tax | 104 | 95 | 215 |
| Adjusted profit after tax | Loss after tax | Adjusting items (Note 5) | Profit after tax but before the impact of the adjusting items. As discussed above, adjusted profit measures are used to provide a useful and more comparable measure of the ongoing performance of the Group to both internal and external stakeholders. Adjusted measures are reconciled to statutory measures by removing adjusting items, the nature of which are disclosed above and further detailed in Note 5. | | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m |
| | | | | | | Year ended 31 December 2024 £m |
| | | | Adjusted profit after tax | | | |
| | | | Loss after tax | (11) | (98) | (168) |
| | | | Adjusting items to loss after tax (Note 5) | 88 | 169 | 329 |
| | | | Adjusted profit after tax | 77 | 71 | 161 |
| Constant currency | Income Statement, which is reported using actual average foreign exchange rates | Constant currency foreign exchange rates | The Group uses GBP based constant currency models to measure performance. These are calculated by applying fixed exchange rates to local currency reported results for the current and prior periods. This gives a GBP denominated Income Statement which excludes any translational variances attributable to foreign exchange rate movements. | | | |
| Adjusted EBITDA for covenant purposes | Operating loss ⁽¹⁾ | Adjusting items (Note 5), depreciation of property, plant and equipment and amortisation of computer software and development costs, share of non-controlling interests and other adjustments required for covenant purposes | Adjusted operating profit for 12 months prior to the reporting date, before depreciation and impairment of property, plant and equipment and before the amortisation and impairment of computer software and development costs. Adjusted EBITDA for covenant purposes is a measure used by external stakeholders to measure performance. | | 12 months ended 30 June 2025 £m | 12 months ended 30 June 2024 £m |
| | | | | | | 12 months ended 31 December 2024 £m |
| | | | Adjusted EBITDA for covenant purposes | | | |
| | | | Adjusted operating profit | 327 | 329 | 324 |
| | | | Depreciation of property, plant and equipment and amortisation of computer software and development costs | 256 | 264 | 258 |
| | | | Non-controlling interests | (8) | (8) | (8) |
| | | | Other adjustments required for covenant purposes ⁽³⁾ | (50) | 2 | (24) |
| | | | Adjusted EBITDA for covenant purposes | 525 | 587 | 550 |

| APM | Closest equivalent statutory measure | Reconciling items to statutory measure | Definition and purpose | | | |
|--|--------------------------------------|--|--|------------------------------------|------------------------------------|--|
| Net finance costs for interest cover covenant purposes | Finance costs net of finance income | Net interest cost on pensions, fair value changes on other financial assets, amortisation of costs of raising finance and unwind of discount on provisions | Net finance costs for 12 months prior to the reporting date, excluding net interest cost on pensions, fair value changes on other financial assets, amortisation of costs of raising finance and unwind of discount on provisions. Net finance costs for interest cover purposes is a measure used by external stakeholders to measure performance. | 12 months ended 30 June 2025 £m | 12 months ended 30 June 2024 £m | 12 months ended 31 December 2024 £m |
| Net finance costs for interest cover covenant purposes | | | | | | |
| Total finance costs | | | | (121) | (131) | (131) |
| Total finance income | | | | 26 | 8 | 22 |
| Net finance costs | | | | (95) | (123) | (109) |
| Adjusted for: | | | | | | |
| Net interest cost on pensions | | | | 14 | 16 | 15 |
| Fair value changes on other financial assets | | | | 1 | 12 | 10 |
| Amortisation of costs of raising finance | | | | 5 | 3 | 5 |
| Other adjustments required for interest cover covenant purposes ⁽⁴⁾ | | | | (2) | 10 | (2) |
| Net finance costs for interest cover covenant purposes | | | | (77) | (82) | (81) |
| Bank covenant definition of interest cover | None | Not applicable | Interest cover for bank covenant testing purposes is calculated by dividing adjusted EBITDA for covenant purposes by net finance costs for interest cover covenant purposes. This measure is used for bank covenant testing. | 12 months ended 30 June 2025 £m | 12 months ended 30 June 2024 £m | 12 months ended 31 December 2024 £m |
| Interest cover | | | | | | |
| Adjusted EBITDA for covenant purposes | | | | 525 | 587 | 550 |
| Net finance costs for interest cover covenant purposes | | | | 77 | 82 | 81 |
| Interest cover | | | | 6.8x | 7.2x | 6.8x |
| Adjusted tax rate | Effective tax rate | Adjusting items, adjusting tax items and the tax impact of adjusting items (Note 5 and Note 7) | The income tax charge for the Group excluding adjusting tax items, and the tax impact of adjusting items, divided by adjusted profit before tax. This measure is a useful indicator of the ongoing tax rate for the Group to external stakeholders. | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m |
| Adjusted tax rate | | | | | | |
| Tax (charge)/credit per Income Statement | | | | (5) | 25 | 47 |
| Adjusted for: | | | | | | |
| Tax impact of adjusting items | | | | (15) | (42) | (50) |
| Tax impact of EAls | | | | (7) | (7) | (12) |
| Other adjusting tax credits | | | | — | — | (39) |
| Adjusted tax charge | | | | (27) | (24) | (54) |
| Adjusted profit before tax | | | | 104 | 95 | 215 |
| Adjusted tax rate | | | | 26% | 25% | 25% |
| Adjusted basic earnings per share | Basic earnings per share | Adjusting items (Note 5 and Note 9) | Profit after tax attributable to owners of the parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial period. This measure is useful in showing the current performance of the Group to external stakeholders. | | | |
| Adjusted diluted earnings per share | Diluted earnings per share | Adjusting items (Note 5 and Note 9) | Profit after tax attributable to owners of the parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial period adjusted for the effects of any potentially dilutive options. This measure is useful in showing the current performance of the Group to external stakeholders. | | | |

| APM | Closest equivalent statutory measure | Reconciling items to statutory measure | Definition and purpose | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|---|--|--------------------|--------------------|------------------------|-----------------|--|--|--|-------------------------------------|----------------|-------|-------|----------------------------|-------------|---|---|---|----------------|-------|-------|----------|-------------|-------------|-------------|
| Balance Sheet measures | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Working capital | Inventories, trade and other receivables less trade and other payables | Not applicable | Working capital comprises inventories, current trade and other receivables, non-current other receivables, current trade and other payables and non-current other payables. This measure provides additional information in respect of working capital management to external stakeholders. | | | | | | | | | | | | | | | | | | | | | | | | |
| Net debt | Cash and cash equivalents, interest-bearing loans and borrowings and finance related derivative instruments | Reconciliation of net debt (Note 14) | Net debt comprises cash and cash equivalents, interest-bearing loans and borrowings, and cross-currency swaps, where applicable. Net debt is one measure that could be used to indicate the strength of the Group's Balance Sheet position and is a useful measure of the indebtedness of the Group. | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank covenant definition of net debt at average rates and leverage | Cash and cash equivalents less interest-bearing loans and borrowings | Impact of foreign exchange and adjustments for bank covenant purposes | <p>Net debt (as above) is presented in the Balance Sheet translated at period end exchange rates.</p> <p>For bank covenant testing purposes net debt is converted using average exchange rates for the previous 12 months.</p> <p>Leverage is calculated as the bank covenant definition of net debt divided by adjusted EBITDA for covenant purposes. This measure is used for bank covenant testing.</p> <table> <tr> <th></th><th>30 June 2025 £m</th><th>30 June 2024 £m</th><th>31 December 2024 £m</th></tr> <tr> <td>Net debt</td><td></td><td></td><td></td></tr> <tr> <td>Net debt at closing rates (Note 14)</td><td>(1,034)</td><td>(915)</td><td>(968)</td></tr> <tr> <td>Impact of foreign exchange</td><td>(20)</td><td>2</td><td>7</td></tr> <tr> <td>Bank covenant definition of net debt at average rates</td><td>(1,054)</td><td>(913)</td><td>(961)</td></tr> <tr> <td>Leverage</td><td>2.0x</td><td>1.6x</td><td>1.7x</td></tr> </table> | | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m | Net debt | | | | Net debt at closing rates (Note 14) | (1,034) | (915) | (968) | Impact of foreign exchange | (20) | 2 | 7 | Bank covenant definition of net debt at average rates | (1,054) | (913) | (961) | Leverage | 2.0x | 1.6x | 1.7x |
| | 30 June 2025 £m | 30 June 2024 £m | 31 December 2024 £m | | | | | | | | | | | | | | | | | | | | | | | | |
| Net debt | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net debt at closing rates (Note 14) | (1,034) | (915) | (968) | | | | | | | | | | | | | | | | | | | | | | | | |
| Impact of foreign exchange | (20) | 2 | 7 | | | | | | | | | | | | | | | | | | | | | | | | |
| Bank covenant definition of net debt at average rates | (1,054) | (913) | (961) | | | | | | | | | | | | | | | | | | | | | | | | |
| Leverage | 2.0x | 1.6x | 1.7x | | | | | | | | | | | | | | | | | | | | | | | | |

| APM | Closest equivalent statutory measure | Reconciling items to statutory measure | Definition and purpose | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|--|---|---|---|--------------------------------|--|--|--|------------------------------------|------|----|-----|---------------------------------------|------|------|-------|--|-------------|----------|----------|-------------------------------|---|---|---|------------------------------|---|---|----|--------------------------------|-------------|-----------|-----------|
| Cash Flow measures | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Free cash flow | Net increase/decrease in cash and cash equivalents (net of bank overdrafts) | Net cash from/ (used in) financing activities | <p>Free cash flow represents cash generated after all trading costs including restructuring, pension contributions, tax and interest payments but before any cash flows associated with financing activities.</p> <p>This measure is a useful metric for monitoring cash management within the Group and is consistent with internal reporting.</p> <table> <tr> <th></th><th>6 months ended 30 June 2025 £m</th><th>6 months ended 30 June 2024 £m</th><th>Year ended 31 December 2024 £m</th></tr> <tr> <td>Free cash flow</td><td></td><td></td><td></td></tr> <tr> <td>Net cash from operating activities</td><td>11</td><td>35</td><td>120</td></tr> <tr> <td>Net cash used in investing activities</td><td>(51)</td><td>(29)</td><td>(119)</td></tr> <tr> <td>Free cash flow</td><td>(40)</td><td>6</td><td>1</td></tr> </table> | | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | Free cash flow | | | | Net cash from operating activities | 11 | 35 | 120 | Net cash used in investing activities | (51) | (29) | (119) | Free cash flow | (40) | 6 | 1 | | | | | | | | | | | | |
| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Free cash flow | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net cash from operating activities | 11 | 35 | 120 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net cash used in investing activities | (51) | (29) | (119) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Free cash flow | (40) | 6 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted free cash flow | Net increase/decrease in cash and cash equivalents (net of bank overdrafts) | Free cash flow, as defined above, adjusted for demerger and business disposal related cash flows | <p>Adjusted free cash flow represents free cash flow adjusted for demerger and business disposal related cash flows.</p> <p>This measure is a useful metric for monitoring cash management within the Group and is consistent with internal reporting.</p> <table> <tr> <th></th><th>6 months ended 30 June 2025 £m</th><th>6 months ended 30 June 2024 £m</th><th>Year ended 31 December 2024 £m</th></tr> <tr> <td>Adjusted free cash flow</td><td></td><td></td><td></td></tr> <tr> <td>Free cash flow</td><td>(40)</td><td>6</td><td>1</td></tr> <tr> <td>Demerger LTIP payments⁽⁵⁾</td><td>—</td><td>3</td><td>3</td></tr> <tr> <td>Other cash demerger items⁽⁶⁾</td><td>4</td><td>1</td><td>1</td></tr> <tr> <td>Cash spend on AAM combination</td><td>7</td><td>—</td><td>—</td></tr> <tr> <td>Cash on disposal of business</td><td>—</td><td>—</td><td>10</td></tr> <tr> <td>Adjusted free cash flow</td><td>(29)</td><td>10</td><td>15</td></tr> </table> | | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | Adjusted free cash flow | | | | Free cash flow | (40) | 6 | 1 | Demerger LTIP payments ⁽⁵⁾ | — | 3 | 3 | Other cash demerger items ⁽⁶⁾ | 4 | 1 | 1 | Cash spend on AAM combination | 7 | — | — | Cash on disposal of business | — | — | 10 | Adjusted free cash flow | (29) | 10 | 15 |
| | 6 months ended 30 June 2025 £m | 6 months ended 30 June 2024 £m | Year ended 31 December 2024 £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted free cash flow | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Free cash flow | (40) | 6 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Demerger LTIP payments ⁽⁵⁾ | — | 3 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other cash demerger items ⁽⁶⁾ | 4 | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash spend on AAM combination | 7 | — | — | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash on disposal of business | — | — | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Adjusted free cash flow | (29) | 10 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital expenditure (capex) | None | Not applicable | <p>Calculated as the purchase of owned property, plant and equipment and computer software and expenditure on capitalised development costs during the period, excluding any assets acquired as part of a business combination.</p> <p>Net capital expenditure is capital expenditure net of proceeds from disposal of property, plant and equipment.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital expenditure to depreciation ratio | None | Not applicable | <p>Net capital expenditure divided by depreciation of owned property, plant and equipment and amortisation of computer software and development costs.</p> <p>This measure is a useful metric for monitoring the investment in capital expenditure within the Group and is consistent with internal reporting.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

- Operating profit/(loss) is not defined within IFRS but is a widely accepted profit measure being loss before share of results of equity accounted investments, finance costs, finance income and tax. In prior years, the Group presented operating profit/(loss) including the share of results of equity accounted investments. This has been re-presented in the current period and comparative periods restated accordingly. For further details see Note 1.1.
- Operating margin is not defined within IFRS but is a widely accepted profit measure being derived from operating profit/(loss)⁽¹⁾ divided by revenue.
- Included within other adjustments required for covenant purposes are dividends received from equity accounted investments, the removal of adjusted operating profit of equity accounted investments, IFRS 2 related charges and non-cash finance costs.
- Other adjustments required for interest cover covenant purposes primarily relate to the exclusion of interest payable on non-recourse factoring arrangements and certain adjusting items within finance costs as set out in Note 5.
- Demerger LTIP payments relate to the cash payment of the divisional long-term incentive plans which were put in place under management of Melrose Industries PLC and crystallised on demerger on 20 April 2023.
- Other cash demerger items in the current period relate to the payment of Real Estate Transfer Tax arising in Germany on the Demerger.

GLOSSARY

| | |
|-----------------------------------|---|
| AAM | American Axle & Manufacturing Holdings, Inc. |
| Accident Frequency Rate | A safety key performance indicator, calculated as the number of lost time accidents (whether serious or minor) divided by the total number of hours worked multiplied by 200,000. |
| advanced differentials | Torque management components enabling specific advanced driving features such as mechanical and electronic limited slip differentials, locking differentials and disconnect devices. |
| Automotive | The GKN Automotive business operated by the Group. |
| AWD | All wheel drive. |
| AWD systems | Torque management components (being a power take-off unit and rear drive unit) for AWD vehicles with an East-West / transverse engine layout. |
| BEV | Battery electric vehicle, a light vehicle without an ICE which uses a battery to store the electricity needed to power the vehicle. |
| Board | The board of directors of the Company. |
| book-to-bill ratio | A metric used by GKN Automotive to describe, in respect of a period, the ratio of forecast lifetime revenue awarded in that period to revenues earned in the same period. It is calculated using reported FX rates and excludes aftermarket, cylinder liners and freight services revenues. |
| bps | Basis points. |
| CEO | Chief Executive Officer. |
| CFO | Chief Financial Officer. |
| Company or Dowlais | Dowlais Group plc. |
| constant velocity joint | A type of joint which allows a driveshaft to transfer torque via a variable angle at a constant rotational speed. |
| demerger | The demerger of the Company from Melrose Industries PLC which took place on 20 April 2023. |
| Director | A director of the Company. |
| drivetrain | The components of a light vehicle which transfer torque from the power source to the wheels. |
| Driveline | A product group of GKN Automotive which comprises sids shafts and prop shafts. |
| drive systems | Sids shafts, prop shafts, and AWD systems. |
| drop-through margin | The margin at which incremental sales volumes contribute incremental operating profit. |
| EBITDA | Earnings before interest, tax, depreciation and amortisation. |
| EMEA | Europe, Middle East and Africa. |
| ePowertrain | A product group of GKN Automotive, which includes AWD systems, ePowertrain components and eDrive systems. |
| EPS | Earnings per share. |
| ESG | Environmental, Social and Governance. |
| EVs | Electrified light vehicles, including BEVs, FCEVs and HEVs (but not including Mild Hybrids). |
| FCEV | Fuel cell electric vehicle, a light vehicle without an ICE which uses a fuel cell to generate the vehicle's power |
| FX | Foreign exchange. |
| global OEM | An OEM which produces light vehicles in more than one country and produces more than 100,000 light vehicles each year. |
| GLVP | Global light vehicle production |
| Group | The Company, its direct and indirect subsidiaries and other investments. |
| H1 or H2 | The first or second half (as applicable) of the relevant financial year. |
| HEV | Hybrid electric vehicle, a light vehicle which uses both an ICE and a high voltage electric motor to produce torque. |
| Hydrogen | The GKN Hydrogen business operated by the Group. |
| ICE | Internal combustion engine and an ICE vehicle means a light vehicle powered by an ICE. |
| IFRS | International Financial Reporting Standards. |
| LFP | Lithium iron phosphate. |
| lifetime revenue | In respect of a contract, the revenue earned over the life of that contract. |
| light vehicle | Passenger cars and light trucks up to 6 tonnes in weight. |
| M&A | Mergers and acquisitions. |
| market | Unless otherwise specified, means the global light vehicle market. |
| Melrose | Melrose Industries PLC. |
| Mild Hybrid | An ICE vehicle which features a low-voltage electric motor to provide supplementary power to the ICE and ancillary vehicle equipment. |
| OEM | Original equipment manufacturer of light vehicles. |
| PPM | Parts per million, a measures of defects per component manufactured. |
| Powder Metallurgy | The GKN Powder Metallurgy business operated by the Group. |
| propshaft | Propeller shaft, a type of driveshaft used to transfer torque from the front of the vehicle to the rear, or vice versa. |
| propulsion source agnostic | The product is not only for use in an EV or ICE vehicle, but can be used in both. |
| Q1, Q2, Q3 or Q4 | The first, second, third or fourth quarter (as applicable) of the relevant year. |
| S&P | S&P Global. |

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| SBTi | Science Based Targets initiative. |
| sideshaft | A type of driveshaft used to transfer torque directly to the wheels of the vehicle and which typically features two constant velocity joints. |
| SUV | Sport utility vehicle, a type of light vehicle. |
| Tier 1, Tier 2, Tier 3 etc. | The tiers of supplier in the automotive supply chain, in which Tier 1 suppliers supply the OEM directly, Tier 2 suppliers supply Tier 1 suppliers, and so on. |
| torque | Rotational force, which in a light vehicle is generated by the engine or drive system. |
| US | United States of America. |
| year-on-year | A comparison to the immediately preceding financial year (or relevant period thereof). |