



# WE ARE SENIOR

We are an international, market-leading, engineering solutions provider with 26 operating businesses in 12 countries.

Senior's expertise in fluid conveyance and thermal management provides safe and innovative products for demanding applications in some of the most challenging environments.

## Our purpose

We help engineer the transition to a sustainable world for the benefit of all our stakeholders.

We do this by:



### Technology expertise

Using our technology expertise in fluid conveyance and thermal management to provide safe and innovative products for demanding applications in some of the most hostile environments.



### Customer transition

Enabling our customers, who operate in some of the hardest-to-decarbonise sectors, to transition to low-carbon and clean energy solutions.



### Climate action

Staying at the forefront of climate disclosure and action by ensuring our own operations achieve our Net Zero commitments.

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## Financial highlights

Revenue  
+1%

£977.1m

2023 – £963.5m

Adjusted operating margin<sup>(1)</sup>  
nil bps

4.8%

2023 – 4.8%

Adjusted profit before tax<sup>(2)</sup>  
-14%

£33.0m

2023 – £38.3m

Profit before tax  
+22%

£27.8m

2023 – £22.8m

Adjusted earnings per share<sup>(3)</sup>  
-30%

7.17p

2023 – 10.28p

Basic earnings per share  
-17%

6.25p

2023 – 7.52p

Return on capital employed<sup>(4)</sup>  
-30 bps

6.8%

2023 – 7.1%

Dividend per share  
+4%

2.40p

2023 – 2.30p

Free cash flow<sup>(5)</sup>  
+12%

£17.3m

2023 – £15.5m

Net debt<sup>(5)</sup> £26m increase

£229.6m

2023 – £203.8m

## Non-financial highlights

CDP

(climate disclosure project)

A

2023 – A Leadership rating “Implementing best practices”

Total Scope 1 and 2 Carbon Dioxide Emissions

(tonnes CO<sub>2</sub> equivalent emitted)

38,238 tonnes

2023 – 40,491 tonnes (Scope 1, Scope 2 – market based)

Lost time injury rate

(per 100 employees)

0.19

2023 – 0.32

Waste recycled

91.1%

2023 – 95.1%

Ethics

(percentage of employees who completed  
Annual Code of Conduct Training)

96.2%

2023 – 95%

Women in leadership – Board of Directors

56%

2023 – 57%

Women in leadership – Executive Committee

38%

2023 – 38%

Adjusted operating profit and adjusted profit before tax are stated before £1.6m amortisation of intangible assets from acquisitions (2023 – £2.2m), £3.5m site relocation costs (2023 – £0.1m), £1.1m US class action lawsuit (2023 – £nil) and £nil net restructuring costs (2023 – £5.6m). Adjusted profit before tax is also stated before net income associated with corporate undertakings of £1.0m (2023 – £7.6m costs). A reconciliation of adjusted operating profit to operating profit is shown in Note 9. In 2023, adjusted earnings per share includes the benefit of a release of £10.5m of provision for uncertain tax positions, of which £3.5m relates to interest (see Note 10 for further details).

EBITDA is adjusted profit before tax and before interest, depreciation, amortisation and profit or loss on sale of property, plant and equipment. It also excludes EBITDA from businesses which have been disposed and includes 12 months EBITDA for businesses acquired and it is based on frozen GAAP (pre-IFRS 16). This measure is used for the purpose of assessing covenant compliance and is reported to the Group Executive Committee.

- (1) Adjusted operating margin is the ratio of adjusted operating profit to revenue.
- (2) A reconciliation of adjusted profit before tax to profit before tax is shown in Note 9.
- (3) A reconciliation of adjusted earnings per share to basic earnings per share is shown in Note 12.
- (4) See page 49 for the derivation of return on capital employed.
- (5) See Notes 31b and 31c for the derivation of free cash flow and of net debt respectively.

The US Dollar exchange rate applied in the translation of revenue, profit and cash flow items at average rates for 2024 was \$1.28 (2023 – \$1.24). The US Dollar exchange rate applied to the balance sheet at 31 December 2024 was \$1.25 (31 December 2023 – \$1.27).

### Cautionary statement

The Annual Report & Accounts 2024 contains certain forward-looking statements. Such statements are made by the Directors in good faith based on the information available to them at the date of this Report and they should be treated with caution due to the inherent uncertainties underlying any such forward-looking statements.

# OUR BUSINESS MODEL

## Our Vision

We are a trusted and collaborative high value-added engineering, manufacturing and technology company; our aim is to deliver sustainable growth in operating profit, cash flow and shareholder value.

## Our Purpose

We help engineer the transition to a sustainable world for the benefit of all our stakeholders. We do this by:

### Technology expertise

Using our technology expertise in fluid conveyance and thermal management to provide safe and innovative products for demanding applications in some of the most hostile environments.

### Customer transition

Enabling our customers, who operate in some of the hardest-to-decarbonise sectors, to transition to low-carbon and clean energy solutions.

### Climate action

Staying at the forefront of climate disclosure and action by ensuring our own operations achieve our Net Zero commitments.

➤ Read more about our strategic priorities on [pages 34 and 35](#)

## How we do it

### Our strategic priorities

#### Autonomous and collaborative business model

Senior's Business Model is one of empowering and holding accountable our operating businesses, operating within a clearly defined control framework. Business plans are developed in line with the overall Group strategy. Increasing collaboration amongst operating businesses in the Group is a priority in order to address our customers' needs whilst maintaining an autonomous business structure. Business leaders throughout Senior are actively embracing collaboration activities.

#### Focus on growth

Senior operates in end markets with structural long-term growth drivers. We aim to consistently outgrow our end markets by:

- growing market share, particularly with key customers;
- focusing on technology and product innovation;
- geographical expansion; and
- exploiting adjacent opportunities organically and through acquisition.

#### High performance model

Senior strives for excellence through a high-performance operating model, drawing on the many world-class practices from across the Group. The key elements include:

- the Senior Operating System: (SOS): an operational toolkit incorporating best practice processes such as lean and continuous improvement techniques, supplier management, new product introduction, 5/6S methodology, factory visual management systems, and risk and financial management;
- a comprehensive business review process utilising a balanced scorecard incorporating KPIs with a focus on performance, growth, operational excellence and talent development; and
- clear processes for developing strategy, ensuring top-down and bottom-up alignment, considering inorganic investments and managing M&A transactions.

#### Competitive cost country strategy

Senior has a global footprint to ensure we stay competitive at a capability and cost level. In addition to our North American and European footprint, we have facilities in Thailand, Malaysia, China, India, Mexico, South Africa and the Czech Republic which help to ensure we meet our customers' cost and price challenges whilst enhancing returns on investment.

#### Considered and effective capital deployment

Senior understands the importance of considered and effective capital deployment in the interest of maximising the creation of shareholder value. All significant investments undertaken by Senior are assessed using a rigorous investment appraisal process and are supported by a business case.

#### Talent development

Senior has a highly skilled workforce, experienced entrepreneurial business leaders and functional experts. We aim to attract and develop talent, supporting employees with online tools to enable personal and skills development as well as comprehensive technical and operational training. The Group has a strong focus on diversity and inclusion across the business including on our Board and Executive team.

## Our core Values

### 'The Senior Way'

#### Safety

We operate safely, protecting people and the environment.

#### Integrity

We operate with integrity and in an ethical manner.

#### Customer focus

We put the customer at the heart of everything we do.

#### Respect and trust

We work together with mutual respect and trust.

#### Accountability

We do what we say.

#### Excellence

We continually strive to do better in every aspect of our business.

## What we do

Senior designs and manufactures highly engineered, technology-rich components and systems for principal original equipment manufacturers in the worldwide aerospace & defence, land vehicle and power & energy markets.

Our Business Model is straightforward in terms of revenue recognition, with no exposure to long-term contract accounting.

The Group has a  
global footprint with

26

operating businesses,

located in

12

countries servicing  
blue-chip customers.

➤ Read more on  
pages 4 to 5

## Creating value for our stakeholders

### Our strengths/differentiators

#### Innovation

- Experts in fluid conveyance and thermal management.
- Focusing on technology product and process innovation to better serve our customers and deliver enhanced shareholder value.

#### People and culture

- Integrity and high ethical standards.
- Safety first culture embedded across the whole organisation.
- Empowerment of local leadership, within a robust control framework.
- Ongoing investment in personal and professional development at all levels throughout the business.

#### Financial

- Financial strength supporting investment, innovation and customer confidence.
- Rigorous business review process delivers benefits for shareholders.

#### Global footprint

- 26 operating businesses in 12 countries serving a number of markets.
- An integrated global footprint providing customers with market proximity and cost competitiveness.

#### Organisation

- A culture of autonomous collaboration.
- Active sharing of best practices.
- Complementary capabilities.
- Leverage common customer and supplier relationships.
- Strong Divisions provide additional focus on growth, performance and governance.

➤ Read more about our people on [page 28](#) and about innovation and technology on [pages 36 to 39](#)



### Our employees

Ensuring Senior is a great place to work with inspiring operational leadership and a highly motivated workforce.



### Our customers

Continuously delivering competitive products and solutions to customers with outstanding quality and delivery performance.



### Our suppliers

Developing reliable, ethical and sustainable supply chains ensuring we can meet our customers' requirements.



### Our shareholders

Generating shareholder value through sustainable growth in operating profit and cash flow.



### Our communities

Actively participating and helping to improve the quality of life in our local communities. Minimising our environmental impact through peer-leading sustainability programmes.



### Our environment

Caring for our planet by reducing greenhouse gas emissions, using less water and recycling our waste.

## Our culture

### Our Values set out the principles and standards of behaviour that drive our culture.

The safety and wellbeing of our employees is a priority in everything that we do. In our autonomous and collaborative Business Model, our operational business leaders are empowered and accountable, and set the tone for their operations.

The principles of openness and transparency are strongly encouraged and are evident across all our businesses.

# GROUP AT A GLANCE

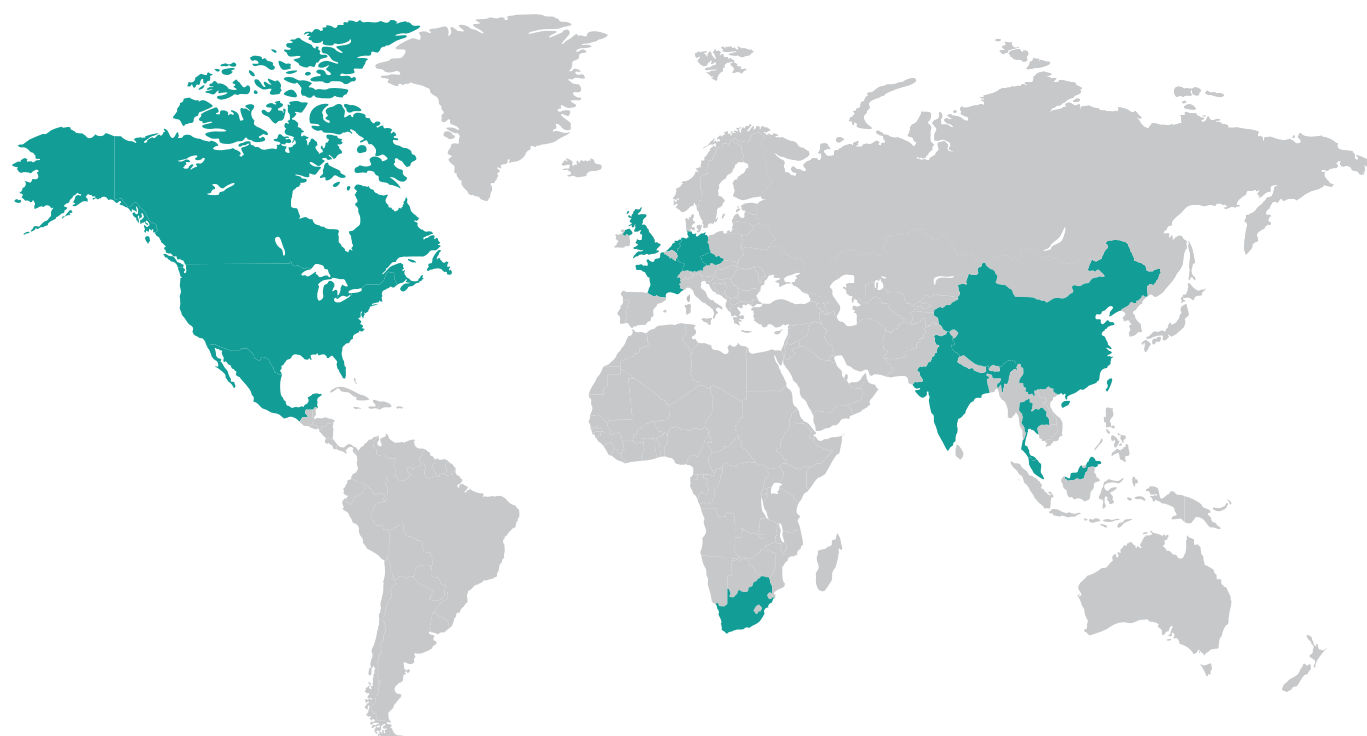
**David Squires** | Group Chief Executive Officer

“Our core Values underpin our culture with Safety and Integrity first amongst equals.”

➤ Read more about our Values on [page 2](#)

## Our people worldwide

North America	UK and Europe	Asia	Africa	Worldwide operating businesses	Countries
41%	36%	20%	3%	26	12



➤ Read more about our people and culture on [page 28](#)



## AEROSPACE

Senior Aerospace provides high technology products and systems for demanding applications in aerospace & defence and adjacent markets.

Our product portfolio spans a wide range of fluid conveyance, and thermal management components and sub-systems, as well as complex structural parts and assemblies, for fixed-wing and rotary aircraft, aero-engines, spacecraft and a variety of other industrial applications.

With a global footprint, Senior Aerospace develops and manufactures proprietary designed, and some highly engineered build-to-print products, for customers around the world, that meet today's challenges, and is actively engaged in developing products and capabilities for a low-carbon sustainable future.

➤ Read more about Aerospace on [page 60](#)

### Fluid conveyance systems

Design and manufacture:

- High-pressure ducting systems (metal)
- Low-pressure ducting systems (composite)
- Control bellows, sensors and assemblies
- Thermal insulations (soft & metallic)
- Aerospace Standard parts:
  - Hydraulic fittings and couplings
  - Flanges
  - Clamps

### Gas turbine engines and interiors parts

- Engine build-up (EBU) ducting and control products
- Interiors Passenger Service Units (PSUs)

➤ Read more on [pages 36 to 39](#)

# 68%

(2023 – 64%)

Civil Aerospace	46%
Defence	13%
Adjacent Markets	9%



## FLEXONICS

Senior Flexonics provides high technology products and systems for demanding applications in land vehicle, power & energy and adjacent markets.

Our product portfolio spans a wide range of fluid conveyance and thermal management components / sub-systems, as well as complex precision-machined parts, for conventional and advanced land vehicle propulsion systems, petrochemical, renewable energy and a variety of other industrial applications.

With a global footprint, Senior Flexonics is focused on the development and manufacture of proprietary designed and some highly engineered build-to-print products, all of which help customers around the world, that meet today's challenges, and is actively engaged in developing and supplying products and capabilities for a low-carbon sustainable future.

➤ Read more about Flexonics on [page 62](#)

### Land vehicle emission control and thermal control

- Exhaust gas recirculation coolers
- Battery cooling technology
- Fuel mixing and distribution systems
- Flexible couplings
- Control bellows

### Industrial process control

Design and manufacture:

- Engineered expansion joints, dampers and diverters
- Flexible hose assemblies and control bellows
- Heat exchangers for fuel cell manufacturers
- Precision-machined fluid conveyance components

➤ Read more on [pages 36 to 39](#)

# 32%

(2023 – 36%)

Land vehicle	19%
Power & energy	13%



# CHAIR'S STATEMENT

## Strategic progress sustained; the journey advances



**Ian King** | Chair

**"We are delivering on our strategy and remain confident in maximising value for shareholders over the medium term."**

### Business model & Strategic priorities

We aim to create value for all our stakeholders through our Business Model. The creation of this value is driven by our six strategic priorities.

➤ [Pages 2 and 3](#) and [pages 34 and 35](#) for further details.

### Investment case

Senior's strategy and positioning in attractive and structurally resilient core markets; technical capabilities and sustainability credentials; underpins our commitment to continue to deliver a strong performance, which in turn will deliver enhanced value for our shareholders.

➤ For more information on investment case read [pages 32 to 33](#).

### Overview

2024 further demonstrated Senior's resilience, once again having to navigate through choppy waters given external events. As a consequence of the well-documented situation at Boeing, impacting production volumes, we had to revise expectations to the market. The team delivered trading in line with revised market expectations and a strong cash performance. They responded by dynamically, supporting our customers and controlling our costs, to limit the impact on Aerospace profitability in 2024. Our robust strategy and product offerings in attractive end markets, combined with the focused and disciplined operational and pricing management, enabled us to emerge strong overall.

Our core markets developed largely as expected throughout the year. Boeing sales were impacted by 737 MAX volumes being subdued following the Alaska Airlines incident in January and from their employee strike from September to November leading to a shutdown of 737 MAX, 767 and 777 production.

Timely actions were taken to minimise cost and balance sheet exposure. Senior focused on operational efficiency during the year and maintained diligence on pricing and making sure commercial terms were reflective of current day pricing. Due to specific actions implemented both by us and our suppliers, Senior's supply chain has become more stable. A few hotspots remain, and we are continuing to work with our customers and suppliers to resolve these. We are also closely monitoring the impact on global trade from potential tariff changes.

The operating businesses as a result delivered improved profitability during the period. The Group's revenue growth was 4% on a constant currency basis and a healthy book-to-bill of 1.12 underpins future growth.

A massive thank you to David, Bindi and all of our teams for the 2024 results.

### Strategy

Senior is committed to a sale of our Aerostructures business and is making good progress with this process. This is in line with our strategy to position Senior as the market leading pure play fluid conveyance and thermal management business.

The Group has a solid foundation to support future growth aspirations. We have well equipped businesses and are supported by extensive design and manufacturing process intellectual property and know-how. Our offering is pivotal technologies for emissions reduction and environmental efficiency; capabilities that continue to be highly relevant as the world transitions towards a lower carbon economy. With continued R&D investment in these technologies and by leveraging our engineering capabilities, we will ensure that we provide solutions over the long term for our customers.

A good example is the standards-compliant parts strategy which taps into the high-growth, high-pressure hydraulic fluid fittings space enabled by our 2022 acquisition, Spencer Aerospace. The collaboration between Spencer and Senior Aerospace in France continues to progress well with innovative new products being designed for Commercial Aerospace.

In order to showcase our fluid conveyance and thermal management capabilities, the Company in June hosted an investor site visit to our Senior Aerospace France businesses (Ermeto and Calorstat). This engagement enabled us to demonstrate how such products will shape the growth of our business over the short and medium term.

As a well-capitalised and intrinsically cash generative Group, our operating businesses have existing capacity to benefit from our attractive end markets. Complementing this is the Group's strong financial position and robust balance sheet, further enhanced by the issuance of a \$40m private placement in February 2025. The Board actively reviews the Group's portfolio, ensuring a considered and effective capital deployment to maximise shareholder value creation. As the Group advances in its strategy, growing Senior's high-quality fluid conveyance and thermal management businesses becomes the focus. Underpinning this will be investments supported by a business case and assessed using a rigorous investment appraisal process.

The Board is confident in the Group's strategy and that it will deliver enhanced value for all our stakeholders.



## Our performance and dividend

In 2024, the Board and the Executive team continued to make good strategic, operational, and financial progress. Senior delivered trading in line with revised expectations, a strong cash performance, and grew the order book.

Group revenue increased 4% (on a constant currency basis) to £977.1m. Our adjusted operating profit increased to £46.5m which resulted in the Group's adjusted operating margin increasing by 10 basis points (on a constant currency basis), to 4.8%.

The Group has a healthy balance sheet and period-end net debt to EBITDA of 1.8x, after taking into account a £15.0m payment for dividends and net purchase of shares, and £10.7m contingent consideration for the acquisition of Spencer Aerospace following its strong growth post-acquisition.

The Board has confidence in the Group's performance, financial position and future prospects, and is proposing a final dividend of 1.65 pence per share. This would bring total dividends, paid and proposed for 2024 to 2.40 pence per share, an increase of 4% over 2023. The Board will continue to follow a progressive dividend policy reflecting earnings per share, free cash flow generation, market conditions and dividend cover over the medium term.

## Our sector leading sustainability credentials

The Board acknowledges the critical importance of implementing a bold and comprehensive sustainability programme. We firmly believe that our Company Purpose and leadership in sustainability provide a unique commercial advantage as the global economy transitions to a lower carbon future. Sustainability is deeply embedded in our strategy, reflected in the behaviours of our people and the culture of our organisation.

In 2024, we reached several significant milestones in our sustainability journey including being awarded the top 'A' score by CDP in its global annual ranking for transparency on climate change for 2024, reducing our Scope 1 and 2 emissions by 33% against our 2018 baseline and meeting our Near-Term Science-Based Target ahead of the 2025 target.

Looking ahead to 2025, we are committed to building on this strong foundation by enhancing our sustainability programmes and reporting. Our focus will be on addressing both financial and environmental/social impacts, ensuring our leadership in sustainability continues to deliver long-term value for all stakeholders.

The Sustainability Report on pages 12 to 17 provides more detail on how we are progressing.

## Our Board

In 2024, the Board maintained its focus on succession planning. Following Bindi Foyle's announcement to retire from a full-time Executive career, and after a thorough recruitment process, we appointed Alpa Amar as the Group Chief Financial Officer. We welcome Alpa to Senior's Board in April 2025, and we are confident that her strong financial acumen and expertise will be well placed to drive Senior's financial strategy to the next stage of growth. The Board would like to thank Bindi for her outstanding contribution to Senior over the past 19 years, and we wish her well for the future.

After nine years as a non-executive Director, Susan Brennan will be retiring following the conclusion of the Company's AGM in April 2025. I would like to take this opportunity to thank Susan for her valued contribution and commitment over the last nine years. As announced earlier in 2024, Zoe Clements joined the Board as an independent non-executive Director with effect from 1 September 2024. We believe that Zoe's strengths as an investment, private equity and financial professional will complement the Board's expertise and decision-making.

I am confident that the Board continues to have the right balance of skills and capabilities to provide effective oversight over the Company's future strategic journey.

Further information can be found in the Governance section of the Report on page 70.

## Stakeholder Engagement

The Board has a strong responsibility to all of Senior's stakeholder groups – our shareholders, employees, customers, suppliers and the communities we operate in. We believe that engaging with our stakeholders is key to the long-term success of the Group.

In 2024, the Executive team, Group Chair, and Chair of the Remuneration Committee (Barbara Jeremiah), continued the Group's engagements with shareholders across multiple channels. This included writing to shareholders regarding potential changes to the Remuneration Policy and the LTIP rules. Please refer to page 97 in the Remuneration Report.

This year the Group has conducted its third global Employee Opinion survey. 85% of our employees completed the survey which is an excellent result considering that approximately only 40% of our employees have ready access to business emails.

Mary Waldner, the non-executive Director for employee engagement and Jane Johnston, Group HR Director have continued their programme of face-to-face focus groups. In addition, Mary has met delegates from our Leading for Excellence group development programme, met leadership teams when visiting sites and joined the monthly global HR calls in June.

## Looking forward

Senior is delivering in line with our strategy, upholding our focus on highly engineered, IP-rich, fluid conveyance and thermal management expertise and capabilities. Looking ahead, we are positioning Senior as a pure play fluid conveyance and thermal management business operating in attractive and structurally resilient core markets. This position combined with our sector-leading sustainability credentials and highly-relevant technical capabilities, underpins our commitment to deliver a strong performance across our both Divisions. Reflecting the Board's confidence, we have announced new and improved medium term financial targets for the fluid conveyance and thermal management business, which will deliver consistent value creation for all of our stakeholders.

Good strategic, operational, and financial progress has been made in 2024 and we remain confident of continuing to do so in 2025.

On behalf of the Board, I would like to thank our employees and all other stakeholders for their continued support and commitments.

## Ian King

Chair

# GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

## Trading in line with revised expectations, strong cash performance



**David Squires** | Group Chief Executive Officer

"Our strategy of positioning Senior as a pure play fluid conveyance and thermal management business in attractive and structurally resilient core markets; with active portfolio management; combined with our highly relevant technical capabilities; and sector-leading sustainability credentials, provides confidence of continuing performance improvements for the Group."

### Revenue

**£977.1m**

(2023 – £963.5m)

### Adjusted operating profit

**£46.5m**

(2023 – £45.8m)

### Free cash flow

**£17.3m**

(2023 – £15.5m)

### Overview of 2024 results

Senior delivered 2024 results in line with revised expectations, enhanced by a strong cash performance.

A book-to-bill ratio of 1.12 reflected strong order intake in 2024, underpinning the Group's confidence in continued growth in 2025 and beyond. Both our divisions recorded good order intake, with some notable contract wins including from Safran, Deutsche Aircraft GmbH, Gail India Limited and land vehicle OEMs (details in the divisional reviews below), showcasing the broad, diversified and high-quality nature of our business.

During 2024, Group revenue increased by 4% on a constant currency basis to £977.1m, with growth in the Aerospace Division and lower sales in the Flexonics Division as expected. Exchange rates had an adverse impact of £25.5m to total sales.

In Aerospace, revenue increased 10% year-on-year on a constant currency basis. The increase reflected improved pricing, the ramp up in civil aircraft production rates and very strong growth of over 50% in Spencer Aerospace. This was despite 737 MAX volumes being subdued throughout the year following the Alaska Airlines incident in January 2024 and the Boeing employee strike from September to November 2024. We saw a return to growth in sales to semiconductor equipment customers (which is included in "Adjacent Markets") and steady growth in the defence market. In Flexonics, revenue was in line with expectations, down

6% compared to prior year, on a constant currency basis. The Group saw robust demand in our downstream oil and gas and nuclear business, partially offsetting a reduction in sales from one of our operating businesses to our upstream oil and gas customers due to a lower share of this very competitive market sector. Global land vehicle markets softened as expected in 2024, however, our sales outperformed key end markets due to the ramp up of recently won production contracts.

We measure Group performance on an adjusted basis, which excludes items that do not directly reflect the underlying trading performance in the period (see Note 9). References below therefore focus on these adjusted measures.

The Group's adjusted operating profit increased by 5% on a constant currency basis to £46.5m driven by improved profit in Aerospace more than offsetting the expected volume-related reduction in profit in Flexonics. Adjusted operating margin increased by 10 basis points in 2024 to 4.8%.

The market backdrop for our Aerospace Division remains healthy with order books for large commercial aircraft at record levels, driven by increasing air passenger demand. There were some supply chain issues for Airbus and its suppliers through the year, and although there are clear signs of improvement, we expect there to be ongoing issues to be managed given the large, planned increases in production. Boeing also had specific issues with the cap on 737 MAX production imposed following the Alaska

Airlines incident in early 2024 and 3 months of lost production on 737 MAX, 767 and 777 due to the strike at its factories in The Puget Sound. Boeing have now started to ramp up production following the recommencement of operations in December 2024.

Senior responded to these events dynamically, supporting our customers and controlling our costs. Nonetheless, these temporary headwinds did affect Aerospace profitability in 2024.

Flexonics followed a more predictable path, with Senior outperforming anticipated softer end markets in 2024.

The Group generated free cash flow of £17.3m (2023 – £15.5m) in 2024. The improvement from 2023 was a result of lower working capital outflows more than offsetting higher investment in capital expenditure and higher tax and interest payments. Cash outflows from working capital were £17.0m (2023 – £27.6m outflows), reflecting increased inventory, offset partially by inflows from receivables and payables. Inventory was higher in Aerospace with planned investment to enable us to meet the increase in demand from our customers, and as a result of the impact of the Boeing strike and certain customer schedule changes in Q4. Gross capital expenditure was £43.2m (2023 – £35.9m) which was 1.1x depreciation (excluding the impact of IFRS 16).

Further 2024 financial performance is described in the Divisional and Financial Review sections below.

The Board has confidence in the Group's performance, financial position and future prospects, and has approved a final dividend of 1.65 pence per share (2023 – 1.70 pence). This will be paid on 30 May 2025 to shareholders on the register at close of business on 2 May 2025. This brings the total dividends, paid and proposed for 2024, to 2.40 pence per share (2023 – 2.30 pence), an increase of 4% year-on-year. We will continue to follow a progressive dividend policy reflecting earnings per share, free cash flow generation, market conditions and dividend cover.

### Delivery of Group Strategy

We are committed to a sale of our Aerostructures business and are making good progress. There is good buyer interest, we are now at an advanced stage of a sale process with a small number of parties, and negotiations are progressing positively. We are focused on completing the sale process and maximising value for shareholders and will update the market in due course. This is in line with our strategy to position Senior as the market leading pure play fluid conveyance and thermal management business.

Senior's Purpose is "to help engineer the transition to a sustainable world for the benefit of all our stakeholders". We do this by:

- **Technology expertise** – Using our technology expertise in fluid conveyance and thermal management to provide safe and innovative products for demanding applications in some of the most hostile environments.
- **Customer transition** – Enabling our customers, who operate in some of the hardest-to-decarbonise sectors, to transition to low-carbon and clean energy solutions.
- **Climate action** – Staying at the forefront of climate disclosure and action by ensuring our own operations achieve our Net Zero commitments.

Our extensive design expertise, intellectual property and know-how supports our strategic focus. We offer pivotal technologies for emissions reduction and environmental efficiency, whether that is for cleaner and more efficient conventional technology or new low carbon product offerings.

We continue to invest in markets where we believe there is significant growth potential and where the Group's skills and knowledge can be exploited, such as aerospace highly engineered standard parts/components. This market has high barriers to entry and attractive returns. We are broadening our product portfolio for specific products such as flanges, couplings and fittings. Our high-pressure hydraulic fittings business, Spencer Aerospace ("Spencer") has continued to grow strongly with sales up by over 50% in 2024 compared to 2023 and has now grown over 135% since we acquired the business in late 2022.

Further information on Senior's strategy and strategic priorities can be found on pages 34 to 35. In addition, we will be providing further details on delivery of our strategy at our Investor Event on Monday, 3 March 2025.

### Market Overview

#### Civil Aerospace (46% of Group)

The civil aerospace sector continued its recovery with air traffic increasing in all regions during 2024. According to the International Air Transport Association ("IATA"), the latest data showed that total demand during the year, measured in Revenue Passenger Kms (RPKs), increased by 10% year-on-year. Air traffic is expected to continue to grow as incomes increase, especially in developing markets in Asia. The long-term demand for new aircraft is forecast to grow by 3-4% per annum driven by growth in air traffic and ongoing fleet replacement.

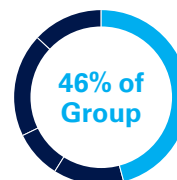
Airbus delivered 766 aircraft in 2024, compared to 735 deliveries in 2023. Airbus recently confirmed production rate targets are now: A220, 14 per month in 2026; A320 family, 75 per month in 2027; A330 maintaining 4 per month; and A350, 12 per month in 2028.

In 2024, Boeing delivered 348 aircraft compared to 528 deliveries in 2023. It has been well-documented that Boeing faced challenges in 2024. The Alaska Air 737 MAX incident in January 2024 led to the FAA imposing strict controls over Boeing production and capped production at 38 aircraft per month until the FAA agrees to further increases. The situation was exacerbated by an employee strike at Boeing's Puget Sound facilities which lasted for 53 days during which time no aircraft were produced at the affected facilities. Production of aircraft resumed in mid-December.

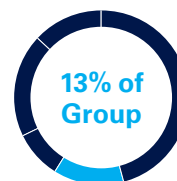
Boeing reduced the production rate of its 787 model from 5 aircraft per month to 3 for much of the year due to supply chain constraints, although production returned to 5 per month by the year end. Boeing further announced that the first delivery of the 777X will now be in 2026. In January 2025, the 777X program resumed FAA certification flight testing.

Embraer is forecasting that it will deliver between 77-85 commercial aircraft in 2025, up from 73 in 2024. It is also forecasting to deliver between 145-155 business jets in 2025, having delivered 130 in 2024. Global business jet activity was down by 1% year-on-year in 2024 according to WingX. Global deliveries of business jets are anticipated to increase by 11% year-on-year in 2025 and by 2% per annum over the next decade, according to Honeywell's Global Business Aviation Outlook.

#### Civil Aerospace



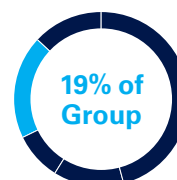
#### Defence



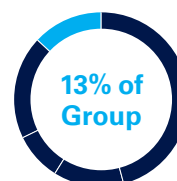
#### Adjacent Markets



#### Land Vehicle



#### Power & Energy





## Sustainability

Senior continues to be at the forefront of sustainability reporting and action. We believe that this is truly important and, evidently, so do many of our customers who are including commitment and progress on sustainability in their supplier selection decision-making process. In 2024, we made significant strides, including meeting our Near-Term science-based target for the reduction of greenhouse gases, a year ahead of the 2025 target date, and progressing our Double Materiality Assessment (DMA). Looking ahead to 2025, we will continue our focus on sustainability by supporting our customers in their carbon reduction efforts, and, having already achieved our Near Term Scope 1 & 2 SBTi accredited targets, our full focus now turns to meeting our 2040 Net Zero Scope 1, 2 and 3 targets.

In 2024, we achieved significant milestones in our sustainability journey:

### Environmental

- Awarded 'A' leadership score by CDP for our disclosure and action on climate change for 2024
- We continued to reduce our Scope 1 and 2 greenhouse gas emissions, achieving a reduction of 33% against our 2018 baseline, meeting our Near-Term science-based target ahead of the 2025 target date.
- Electricity sourced from renewable energy increased to 52%, from 48% in 2023.
- We extended our support to suppliers yet to set carbon reduction targets and updated our Sustainable Sourcing Policy.

### Social

- We undertook our annual Global Employee Engagement Survey in May 2024 and were pleased to see improvements in the participation rate, engagement, and health & wellbeing scores.
- Our Lost Time Injury Illness & Illness Rate in 2024 reduced by over 40% to 0.19, down from 0.32 in 2023.

- Currently, 56% of the Board Directors are female, including the Chair of the Audit Committee, the Senior Independent Director, who is also Chair of the Remuneration Committee, and the Group Finance Director. The Chair of the Audit Committee is also the non-executive Director with Board responsibility for employee engagement. Two of the Directors (22%) are from ethnic minority backgrounds.

### Governance

- We deployed an enhanced Group Anti-Fraud Policy.
- We carried out a Group-level double materiality assessment. The results of the assessment will inform Senior's approach to enhancing and evolving its sustainability strategy.

Further information on Senior's sustainability activities can be found on pages 12 to 31.

## Our sustainability performance

### Environment

# 33%

Reduction in Scope 1 (Direct) and Scope 2 (Indirect) emissions (market based) from 2018 base year (2023 – 29.5%)

### Waste

# 91.1%

Recycling rate (2023 – 95.1%)

### Diversity

# 56%

Percentage of women on Senior plc Board (2023 – 57%)



**Defence (13% of Group)**

Senior's sales to the Defence sector are primarily focused on US military aircraft platforms such as the F-35 and C-130J.

Lockheed Martin has stated that they will continue to produce 156 F-35 aircraft per year, having delivered 110 in 2024. The total planned purchases of F-35s are over 3,500, of which 31% is for the international market.

**Adjacent Markets (9% of Group)**

Sales from our Aerospace operating businesses into end markets outside of the civil aerospace and defence markets are classified under "Adjacent Markets" and include sales into the semiconductor equipment, space and medical markets.

In the semiconductor sector, global sales of wafer fabrication equipment grew by 7% during 2024. This market is forecast to grow by a further 7% in 2025 driven by demand for AI-related chips. (Source: Semi.org)

**Land Vehicle (19% of Group)**

Demand in heavy-duty truck markets during 2024 weakened in both Europe and North America, while the off-highway market remained subdued and light vehicle markets experienced mixed conditions.

According to Americas Commercial Transportation ("ACT") research, North American heavy-duty truck production declined by 2% in 2024 compared to 2023, which was better than originally anticipated. This decline was due to ongoing overcapacity in the for-hire freight-logistics sector in the USA, which has resulted in low levels of profitability and fleet investment in the Class 8 "tractor" sector. ACT forecast production to decline by 5% in 2025 and rebound in 2026 to 12% growth as a result of the pre-buy ahead of the planned 2027 emission change.

Weak economic fundamentals, particularly in Germany, led to lower orders for and production of heavy-duty trucks in Europe during 2024. S&P Global ("S&P") data shows that production was down 26% year-on-year, weaker than originally anticipated. S&P predict production in 2025 to increase by 2%.

In the off-highway sector, demand for construction vehicles decreased in both North America and Europe in 2024. Demand for mining equipment remained positive in all major markets. Industry participants are forecasting that overall demand in the off-highway sector in 2025 will decline in North America between 0% – 10%, be flat in Europe and increase between 0% – 10% in China.

European light vehicle production declined by 7% in 2024 after two years of post-pandemic catch-up, as supply and demand became more balanced. Production in North America fell by 2% in 2024, as four years of inventory restocking came to an end. In India, the other light-vehicle market to which Senior has significant exposure, production in 2024 increased by 4%. This relatively low rate, by Indian market standards, was due to high levels of inventory. S&P is forecasting that production in 2025 will fall by 5% in Europe, by 2% in North America and increase by 6% in India.

**Power & Energy (13% of Group)**

2024 saw growth in upstream oil & gas expenditure slowing, especially in the Middle East, while remaining subdued in North America.

Activity in the downstream sector remains focussed in the Middle East and Asia, where cheap feedstock and economic growth respectively is driving demand.

Global electricity consumption grew by 4.3% in 2024 and is forecast to grow at 4% annually through 2027. Demand is being driven primarily by economic growth, urbanisation and the adoption of EVs.

**Outlook**

We are committed to a sale of our Aerostructures business and are making good progress. There is good buyer interest, we are now at an advanced stage of a sale process with a small number of parties, and negotiations are progressing positively. We are focused on completing the sale process and maximising value for shareholders and will update the market in due course. This is in line with our strategy to position Senior as the market leading pure play fluid conveyance and thermal management business.

For the year ahead, the Board anticipates good growth for the Group, in line with its expectations. We are closely monitoring the impact on global trade from potential tariff changes.

Increasing aircraft build rates, operational efficiency benefits and improved contract pricing are expected to drive good growth in Aerospace in 2025, with H2 expected to be higher than H1.

For the full year, Aerostructures is expected to improve from a loss making position in 2024 to an operating profit range of £9m to £11m in 2025, with the large majority of that being earned in H2.

We expect Flexonics performance in 2025 to be broadly similar to 2024.

In land vehicles, the ramp up of programmes recently won means we expect our 2025 performance to be broadly similar to 2024, despite some softness in North America and Germany. In power and energy, activity levels are expected to be similar to 2024.

Our strategy of positioning Senior as a pure play fluid conveyance and thermal management business in attractive and structurally resilient core markets; with active portfolio management; combined with our highly relevant technical capabilities; and sector-leading sustainability credentials, provides confidence of continuing performance improvements for the Group. Reflecting the Board's confidence, we have announced new and improved medium term financial targets which will be discussed in detail at the Investor Event on Monday, 3 March 2025.

**David Squires**

Group Chief Executive Officer



# SUSTAINABILITY



**Mark Roden** | Group Director of  
HSE & Sustainability

“We have made progress against goals, reaching Net Zero a year ahead of target, reducing LTIR to word class levels and retaining an “A” rating with CDP on disclosure and climate action.”

## Sustainability goals for 2025

**In 2025, we aim to build on this strong foundation by:**

- commencing double materiality disclosure to address both financial and environmental/social impacts; and
- improving the precision of Scope 3 calculation methodologies as we progress toward our Net Zero 2040 target.

## Double Materiality Assessment

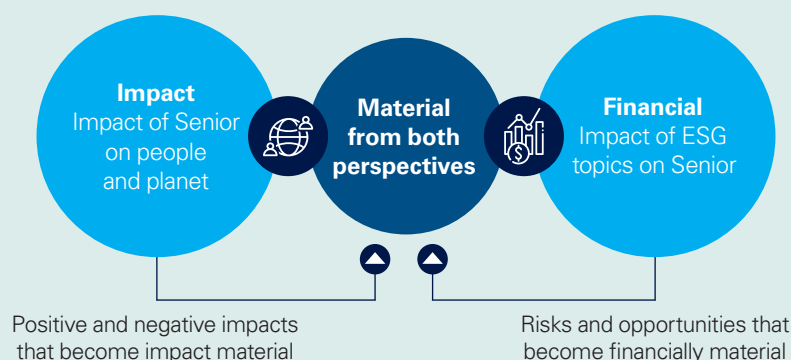
In 2024, we carried out our first Double Materiality Assessment (DMA) for the Group. The DMA, aligned to the CSRD, assessed both financial and impact materiality.

**Financial materiality** is defined as matters which (may) generate risks or opportunities that could potentially have a material influence on the undertaking's cash flows, development, performance, position, cost of capital or access to finance over the short, medium, and long-term time horizons.

**Impact materiality** is defined as matters which could have an actual or potential significant impact on people or the environment over the short, medium or long term, caused or contributed to by the undertaking's own operations, products, or services or through its business relationships.

The results of the DMA process are shown in the table below. The risks and impacts identified as part of this assessment have been mapped against the Group's principal risks disclosed on page 54 to 59. Appropriate mitigation measures are already in place to manage these risks and to take advantage of the opportunities.

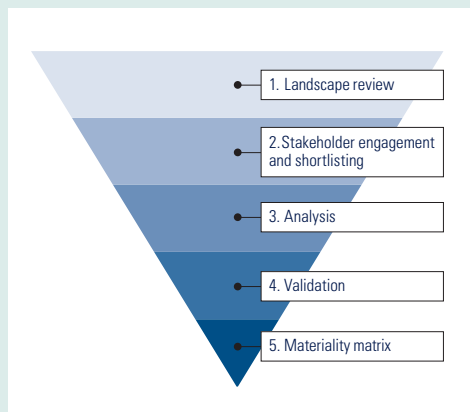
## All sustainability matters affected by, or having an effect on Senior



## Senior's material sustainability topics

Topic	Potentially material from a financial perspective	Potentially material from an impact perspective
<b>Environment</b>		
R&D and product innovation		●
Sustainable product design and lifecycle management		●
Climate change mitigation	●	●
Responsible material sourcing and efficiency		●
<b>Social</b>		
Product performance, quality and safety	●	●
Employment practices and worker rights in own workforce		●
Health, safety and wellbeing		●
Attracting future talent	●	
Worker and human rights in the supply chain		●
<b>Governance</b>		
Data protection and cyber security	●	●
Supply chain management	●	
Anti-bribery and corruption	●	

## Our double materiality process



**1. Landscape Review** – the objective of the landscape review was to identify the comprehensive list of sustainability topics that the Company should consider through the DMA. A comprehensive list of topics was identified and thoroughly reviewed.

**2. Stakeholder Engagement Process** – the stakeholder engagement process began with mapping Senior's value chain, which identified key activities, materials, geographies and stakeholders. Following the value chain mapping exercise, a list of stakeholder groups was identified. We selected a diverse range of internal and external stakeholders for direct engagement, ensuring they represented a variety of perspectives and a mix of geographies, business/market expertise and commercial relationships with Senior. Where the direct engagement was not possible, we used alternative information to gather insights. As a result of the engagement process, we validated the long list of sustainability topics, identifying Impacts, Risks and Opportunities (IROs) from a wide range of perspectives. Following engagement with stakeholders, the short list of sustainability topics and their associated IROs were identified.

**3. Analysis** – a scoring tool, designed in line with the European Financial Reporting Advisory Group (EFRAG) guidance, was used to score each IRO related to each short-listed topic. To score Impact Materiality, each topic was assessed according to the European Sustainability Reporting Standards (ESRS) and EFRAG double materiality guidance against three parameters to determine its severity: scale, scope and irremediability. To score Financial Materiality, the calculation considered how each issue might affect Senior financially in terms of revenues, fines and remediation, profit, cost of capital and asset value. This was aligned with Senior's existing guidance for assessing likelihood of occurrence and impact.

**4. Validation** – the scoring results were presented to the Executive Committee and the Board in December, who performed the final validation of the double materiality matrix. The matrix will provide a framework for Senior to prioritise its efforts in addressing sustainability-related risks, impacts and opportunities.

**5. Materiality Matrix** – the list of sustainability topics material to Senior is shown on page 12.

## Eight stakeholder groups were considered as part of the DMA process

Stakeholders identified during the value chain mapping	Stakeholder groups consulted in the DMA process	Rationale
<b>Senior Leadership</b>	Senior Leadership and members of the Executive Committee	To validate topics and identify IROs from a range of strategic perspectives
<b>Operating Business Leaders and Functional Managers</b>	Management and senior employees (various regional representation)	To validate topics and identify IROs from various regional and business development perspectives
<b>Employees</b>	Group HR Director and a representative of the Works Council	To validate IROs from a HR perspective and to ensure employee viewpoints are represented as an affected stakeholder
<b>Investors and ESG rating agencies</b>	Investor relations and investors	To represent shareholder perspectives
<b>Suppliers/workers in the value chain</b>	Supplier representatives	To validate topics and identify IROs from a supply chain perspective and to represent the views of employees in the value chain
<b>Customers/end users of Senior's products</b>	Customer representatives	To validate the topics and identify IROs from a customer and end user perspective
<b>Local communities</b>	Business leaders in our global operations	To understand the potential impacts of Senior's own operations on the local communities surrounding manufacturing sites
<b>Environment</b>	Global aviation agencies' reports	To validate IROs from an environmental perspective (focused on aviation)



# ENVIRONMENT

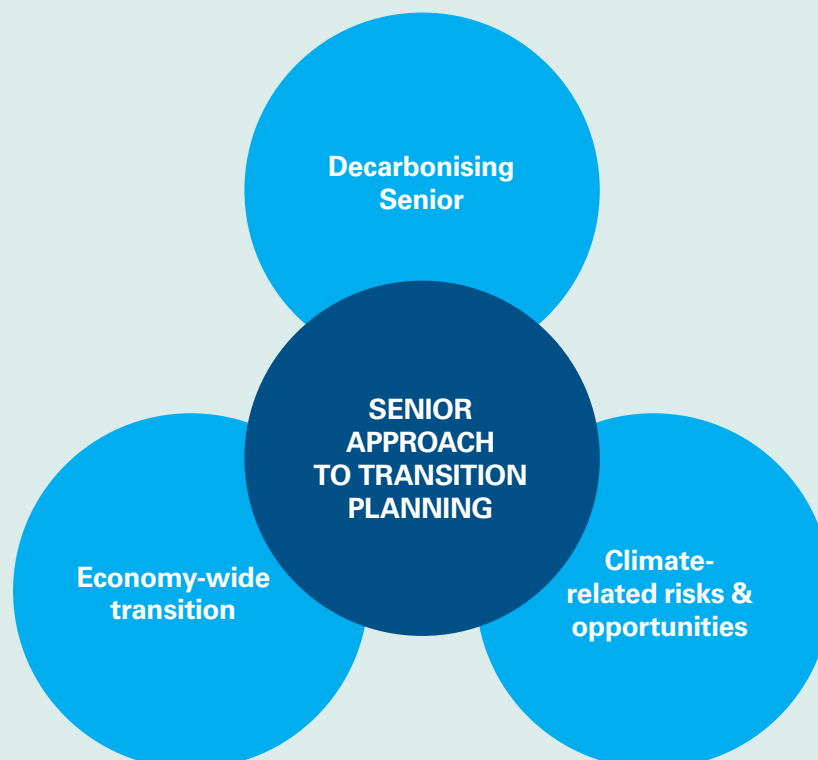
## Environmental progress and commitment

At Senior, we continue to make measurable progress toward our ambitious environmental targets. Our strategic investments in more sustainable manufacturing practices are driving our transition to carbon neutrality and fostering a positive impact across our various stakeholder groups.

We adopt a science-based approach to address climate change, with our commitment to achieve Net Zero emissions by 2040 firmly aligned with the Paris Agreement. This is underpinned by science-based targets approved by the Science Based Targets initiative (SBTi), ensuring our goals are credible and grounded in climate science.

Our energy management strategy plays a pivotal role in achieving these greenhouse gas emissions reductions within our operations, thereby supporting global efforts to mitigate climate change.

### Our approach to climate transition planning



We are contributing to the following UN Sustainable Development Goals through actions outlined in this chapter:



### Economy-wide transition

Our fluid conveyance and thermal management technology allows us to support our customers with high-value solutions in the medium and long term as they transition to sustainable technologies.

### Decarbonising Senior

Senior commits to reach Net Zero GHG emissions across the value chain by 2040 from a 2018 base year.

### Climate-related risks & opportunities

Climate change has been identified as one of the Group's principal risks since 2019. In 2024, we conducted our annual assessment of climate-related risks in conjunction with our Double Materiality Assessment (DMA). A detailed description of this process is provided in this section.

## Climate change

### Addressing the climate challenge

It is imperative that all industries work to reduce greenhouse gas (GHG) emissions in alignment with scientific guidance. This requires decisive and immediate actions to achieve near-term progress on the path to carbon neutrality by 2050, as outlined in the United Nations Framework Convention on Climate Change (Paris Climate Agreement). By working together and taking meaningful steps now, we can help mitigate these risks and build a sustainable future for generations to come.

### Progress towards our certified Science-Based Targets

#### Scope 1 and 2 Carbon Emissions

Scope 1 emissions encompass greenhouse gas (GHG) emissions directly generated by our operations, including those from natural gas combustion, owned transport, and refrigerant use. Scope 2 emissions, on the other hand, refer to indirect GHG emissions resulting from the energy purchased by our organisation, predominantly electricity.

As part of our certified science-based targets, we remain steadfast in our commitment to reducing these emissions. Our carbon reduction programme focuses on:

- Enhancing energy efficiency across our operations.
- Increasing on-site renewable energy generation.
- Sourcing low-carbon electricity where available to further minimise our environmental footprint.

Through these initiatives, we are driving meaningful progress toward achieving our climate goals while supporting the global transition to a sustainable, low-carbon future.

In 2024, our businesses remained focused on improving energy management and monitoring, expanding on-site solar generation, and upgrading plant and equipment with energy-efficient alternatives. These efforts yielded measurable outcomes:

- **Total energy usage** decreased by **1%**.
- **On-site solar generation** was extended, with the facility in the Czech Republic, installed in 2023 achieving full operational output. Existing solar photovoltaics (PV) installations in **Thailand, Malaysia, and India** continued to contribute to our renewable energy mix.

These achievements reflect our ongoing commitment to reducing our environmental footprint and advancing toward our certified science-based targets.

### Progress on Near-Term Science-Based Targets

We remain ahead of our 2025 Near-Term Science-Based Target, demonstrating our commitment to meaningful and measurable climate action:

- Achieved a **5.6 % reduction** in total Scope 1 and 2 emissions (market-based) in 2024 compared to 2023.
- Achieved a **33.4% reduction** in Scope 1 and 2 emissions against our 2018 baseline.
- Increased the sourcing of renewable electricity to **52% in 2024**, up from **48% in 2023**.

These accomplishments reflect our dedication to operational efficiency, renewable energy sourcing, and maintaining a trajectory toward carbon neutrality by 2040.

### Scope 3 emissions and supply chain engagement

Scope 3 emissions arise from activities beyond Senior's direct ownership or control, encompassing carbon emissions indirectly influenced by our value chain. These emissions extend beyond Scope 1 and 2, making them a critical area for addressing our overall carbon footprint.

To effectively reduce Scope 3 emissions, we recognize the importance of robust engagement with our supply chain, as purchased goods and capital goods represent the largest contributors to our Scope 3 profile. Since 2021, we have partnered with CDP to work collaboratively with our suppliers, adopting best practices to drive progress toward our Scope 3 (supplier engagement) Science-Based Target (SBTi).

This partnership exemplifies our commitment to fostering sustainable practices across our value chain and achieving impactful climate action.

### Recognition for CDP Supplier Engagement Programme efforts

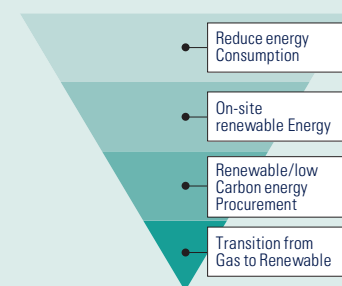
In 2023, we received an "A" rating for our efforts in the CDP Supplier Engagement Programme. This prestigious recognition is awarded only to the most committed companies actively working to reduce greenhouse gas emissions across their supply chains. It underscores our dedication to driving meaningful climate action in collaboration with our suppliers.

We eagerly await the announcement of our 2024 score, reflecting our continued commitment to sustainability leadership.

As part of CDP's supply chain engagement programme, we identified and engaged with over 300 of our key suppliers in 2024. In addition, we initiated an analysis of carbon reduction commitments among suppliers not yet participating in the CDP process.

To support those yet to embark on this journey, we have developed a simple carbon target tool aligned with the principles of Science-Based Targets. This tool provides practical guidance to help suppliers establish and implement their carbon reduction goals.

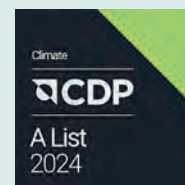
### Senior energy hierarchy



### Supplier engagement



**In 2024, we were delighted to receive an A rating from CDP for Climate Disclosure and Action for the third consecutive year. With over 24,000 organizations reporting to CDP, we are honoured to be among the select few awarded the highest grade. This recognition further reinforces our leadership position in climate disclosure within our peer group.**



When evaluating Purchased Goods and Services, we include approximately 320 of our suppliers. This approach aligns with our Science-Based Target, which requires that 82% of our suppliers, by spend, establish a Science-Based Target.

Ninety-one of our key suppliers have declared they have set carbon reduction targets. This has been helped by support through the CDP supplier programme, and the Senior sustainability team.

The data we receive from our suppliers is useful to us when we calculate our Scope 3 Purchased Goods carbon emissions, we are able to use this data to increase accuracy for this calculation.

🔗 Our latest Scope 3 emission data can be found on [senior\\_plc\\_esg\\_disclosure\\_march\\_2024.pdf](#), please see [www.seniorplc.com/sustainability](http://www.seniorplc.com/sustainability)



## Carbon Emissions 2024

### In Compliance with Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 – Streamlined Energy and Carbon Reporting (“SECR”)

	1 Jan 2024 to 31 Dec 2024			1 Jan 2023 to 31 Dec 2023		
	UK and Offshore	Global excluding UK and Offshore	Total	UK and Offshore	Global excluding UK and Offshore	Total
Scope 1: Combustion of fuel and operation of facilities	1,140	6,805	7,945	1,122	8,579	9,701
Scope 2: (location based) Electricity, heat and steam purchased for own use	2,381	42,975	45,356	2,264	39,473	41,737
Scope 2: (market based) Electricity + District Heating	0	30,293	30,293	0	30,790	30,790
Total gross Scope 1 and 2 (location based) emissions/tCO <sub>2</sub> e	3,521	49,780	53,301	3,387	48,051	51,438
Energy consumed in MWh to calculate above emissions	16,872	129,121	145,993	16,309	130,610	146,919
Scope 3: Business travel, waste, water	283	2,382	2,665	238	2,226	2,464
Total Gross emissions/tCO <sub>2</sub> e (Scope 1, Scope 2 location based, Scope 3 ; Business travel, waste, water)	3,804	52,162	55,966	3,625	50,278	53,902
Intensity measure tonnes CO <sub>2</sub> emitted per £m of revenue	23	63	57	21	64	56
Water usage (in megalitres)	25	215	240	32	228	260
Percentage of waste recycled or recovered	100%	91%	91%	100%	94.5%	95.1%

#### Methodology

The Group's approach to calculating and reporting our GHG emissions follows the GHG Protocol on how to measure and monitor GHG emissions. Three data sources are used to calculate GHG emissions:

1. UK Government GHG Conversion factors for company reporting (Defra full set for advanced users 2024).
2. US EPA (eGRID) Emission factors for greenhouse gas inventories for US electricity generation (2024Version).
3. IEA (International Energy Agency) Emission factors year 2024 Edition. Reporting has incorporated Scope 2 greenhouse gas emissions (associated with electricity consumption) calculated using both the location and market-based methods. Data for the market-based, utility emission rates has been collated during the period December 2024 – January 2025, as best available information to represent the emissions during the year. It should be noted that these vary and are periodically updated, so are representative of our best endeavour to determine market-based emissions at the time of collating data for this report.

Each Senior business reports its environmental performance monthly using the Group's financial reporting process.

The Scope 1 and 2 emissions location-based and market-based (FY24) are independently assured in accordance with the International Standard on Assurance Engagements ISAE 3410 (limited assurance).

In calculating GHG emissions, the Group has used the control approach and more specifically the financial control approach under which a company accounts for 100% of the GHG emissions from operations over which it has control. This covers all wholly owned operations and subsidiaries of the Group for financial reporting purposes.

Limited Scope 3 emissions are reported in the table above, they are not externally verified at the time of publication of this Annual Report and Accounts.

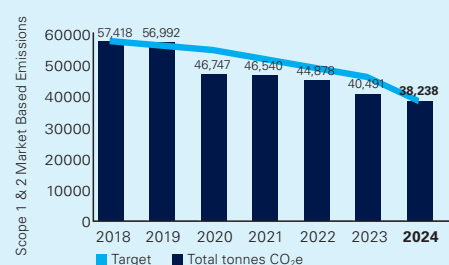
A full disclosure of the 2024 Scope 3 emissions, externally verified, will be made publicly available within our CDP Climate Change Disclosure, publicly available later in 2025.

Total waste includes the reported production and non-production-related hazardous and non-hazardous solid, sludge and liquid materials (including wastewater since 2019) that is sent off site for disposal, treatment, reprocessing, recycling or reuse by others. Waste materials do not include by-products or scrap from a Senior business process which are re-used in a production process. Similarly, waste that arises from construction and other maintenance/remediation work performed by third-party contractors are not included in the scope of reporting where the contractor is responsible for the disposal of the waste. Defra conversion factors are used worldwide for waste data as means to determine a reasonable carbon conversion factor.

Water volumes are obtained from meter readings and from supplier invoices. All water consumption is converted to megalitres, carbon is derived using recognised and appropriate Defra carbon conversion factors.

For vehicle and air mileage, Senior uses the most applicable Defra conversion factors to calculate the carbon based on distance travelled.

#### Scope 1 and 2 market-based emissions



# 33.4%

reduction in total Scope 1 and 2 emissions from our 2018 baseline

**We have achieved our 2025 Near Term Science Based Target this year: 30% reduction of Scope 1 and 2 emissions with a 2018 base year.**

#### Carbon emissions

(measured as tonnes of CO<sub>2</sub>e)

	Scope 1	Scope 2 Electricity + District Heating (market-based)	Total
2018	10,414	47,004	57,418
2019	10,378	46,614	56,992
2020	8,731	38,016	46,747
2021	8,445	38,095	46,540
2022	8,629	36,249	44,878
2023	9,701	30,790	40,491
<b>2024</b>	<b>7,945</b>	<b>30,293</b>	<b>38,238</b>

Note: The Scope 1 and 2 emissions location based and market-based (FY22) are independently verified in accordance with the International Standard on Assurance Engagements ISAE 3410 (limited assurance).

## Energy efficiency actions

In the reporting year, we have continued to implement energy efficiency projects across our global operations. In total, Senior's environmental improvements in 2024 have the potential to reduce annual GHG emissions by 1,360 tonnes of CO<sub>2</sub>e.

These improvements include enhancing energy efficiency in buildings through insulation upgrades, heating, ventilation, and air conditioning (HVAC) improvements, as well as further installations of LED lighting.

We remain focused on improving energy efficiency in production processes, including machine and equipment upgrades, compressed air system optimisation, and heat recovery initiatives. Eleven Senior operating businesses have implemented advanced energy monitoring software, providing granular insights into consumption trends across gas, electricity, and water usage. These systems enable plants to analyse energy consumption by service category, benchmark against baselines, and assess cost impacts via interactive dashboards. They also help detect anomalies, facilitating prompt investigations and corrective actions.

All of Senior's UK operating businesses and our Group Head Office are now powered by 100% renewable electricity. Additionally, Flexonics Kassel Germany and Aerospace Metal Bellows Boston USA have secured 100% renewable electricity contracts, collectively avoiding 4,000 tonnes of GHG emissions annually.

In the US, our SF Bartlett site continues to purchase renewable energy at a 50% renewable tariff, with other Senior sites making steady progress toward securing similar contracts. Our commitment to solar power also continues to grow, with Flexonics Olomouc solar installation achieving full operational status in 2024, capable of reducing GHG emissions by 40 tonnes annually. With this addition, the total number of our sites equipped with on-site solar photovoltaic (PV) systems now stands at four.

## Waste

In 2024, we conducted a comprehensive review of waste streams across all our global operations. This effort enabled us to enhance data collection, providing a more detailed delineation of our waste categories.

Our waste recycling rate experienced a slight decline, decreasing from 95.1% in 2023 to 91.1% in 2024. This was largely influenced by a reduction in production activity in our Pacific North West businesses due to customer strike in the second half of 2024 and increased landfill use, which will be a focus in 2025. Eleven of our operational sites achieved zero waste to landfill in 2024.

Looking ahead to 2025, we are placing an even stronger emphasis on waste reduction and recycling, with a particular focus on improving recycling rates in regions where local infrastructure supports it.

➤ For information on hazardous waste, please see: [www.seniorplc.com/sustainability](http://www.seniorplc.com/sustainability)

## Water

At Senior, our objective is to minimise the environmental impact of our production processes by optimising water usage, particularly in regions facing significant water scarcity. Aware of the growing strain on global freshwater reserves, we are committed to identifying areas of high water risk and implementing strategies to reduce freshwater consumption in these regions.

We utilise tools such as the World Wide Fund for Nature (WWF) Water Risk Filter to pinpoint businesses located in water-scarce regions, enabling us to target our efforts where they are needed most.

In 2024, our proactive measures proved effective, resulting in a reduction of our overall water consumption to **240 megalitres, down from 260 megalitres in 2023.**

➤ For information on water, please see [www.seniorplc.com/sustainability](http://www.seniorplc.com/sustainability)

## Certification

All Senior legacy businesses hold ISO 14001 accreditation, reflecting our commitment to robust environmental management practices.

In 2024, our recent acquisition, Spencer Aerospace, began its journey toward achieving this accreditation, with a target to secure it in 2025.

At Senior, the Environmental Management System (EMS) under ISO 14001 is more than a framework it is a collaborative effort that unites our teams in pursuit of shared environmental goals. By fostering a culture of transparency and celebrating achievements, we inspire and engage our staff, cultivating a cohesive and motivated workforce dedicated to environmental stewardship.



# OUR TECHNOLOGY AND PRODUCT DEVELOPMENT ON THE PATH TO NET ZERO

## Delivering sustainable solutions

As the world transitions to a low-carbon economy, Senior continues to work with our customers to develop efficient and effective products that are more sustainable and have a lower environmental impact during the manufacturing process and while in use.

Our success is built on developing long-term partnerships with our customers, which enable us to help them meet today's challenges and deliver solutions for future low-carbon requirements. An example of this is our work to provide customers with more energy efficient solutions on existing internal combustion technologies while simultaneously helping these same customers bring to market efficient and viable electric and hydrogen power trains.

We have continued to reduce our carbon emissions (market-based Scope 2) by using more renewable energy and by employing more sustainable production methods and utilising more sustainable materials wherever possible. Reducing waste and the consumption of electricity and water during the manufacturing of the products remains a key focus. In 2024, we achieved a waste recycling rate of 91.1%. With operations in 12 countries, we are also able to be geographically close to major customers which helps to minimise the carbon footprint of our products.

2020 —————> 2030

## AEROSPACE



### Observation

The latest generation aero-engine technology can deliver up to 15% fuel-efficiency improvements.

Advanced Air Mobility (AAM) operators plan to start operations from 2025, but widespread acceptance is unlikely before 2030.

### Our response

We have, and continue to win, significant content on systems critical to fuel efficiency on current best-in-class engines.

We are working with multiple AAM providers on prototype solutions for thermal management solutions.

### Observation

Policies to mandate (EU & Singapore) and encourage (US) the increased use of SAF are being introduced.

Hybrid-electric propulsion systems for aircraft are being developed to support decarbonisation within the aviation sector.

## LAND VEHICLE



### Observation

The California Air Resources Board requires 67.5% NOx reductions by 2027. EURO VII standards (15% reduction in CO<sub>2</sub> emissions) to be introduced in 2025.

Semiconductor content in cars is increasing, especially in EVs. The US passed the CHIPS Act to secure supply, EU and India are implementing similar plans.

### Our response

Our emissions controls products help vehicle manufacturers meet increasingly stringent regulations, such as our radial-fin EGR cooler for EURO-VII compliant diesel engines.

We are a key supplier to semiconductor equipment manufacturers.

### Observation

The US EPA will tighten emissions rules countrywide from 2027.

Major car markets are implementing a COP26 agreement to ban new fossil fuel cars by 2035.

## POWER & ENERGY



### Observation

Nuclear power is increasingly seen as vital for a low-carbon future. The European Parliament voted to classify nuclear power as a green investment.

Companies requiring reliable base-load electricity for data centres are signing agreements for the supply of electricity with utility companies that have nuclear generating capacity and with developers of Small Modular Reactors (SMRs)

World leaders agreed to transition away from fossil fuels at COP28.

### Our response

We are providing engineering design and bid support for expansion joints to OEMs of SMRs.

Our flue gas diversion products are mitigating the climate impact of conventional energy.

### Observation

The EU's target for renewables within its energy mix is at least 42.5% by 2030.

The US is targeting a 50 – 52% reduction in GHG emissions below 2005 levels by 2030.

→ 2040

→ 2050

**Our response**

Our current fluid conveyance solutions are fully compatible with SAFs.

We are collaborating with multiple customers on various components and systems for more-electric aircraft, whether with conventional or zero-emission propulsion systems.

**Observation**

Alternative-powered aircraft will increase demand for battery thermal management, fuel cell and cryogenic expertise.

Airbus' ZEROe H2 aircraft is planned for EIS in 2035.

**Our response**

Our Aerospace and Flexionics divisions are working together to develop various demonstrator hydrogen powertrain components for OEM customers.

**Our response**

We have patented solutions for electric vehicle (EV) inverter heat sinks (power electronics cooling), as well as battery thermal management systems.

We are developing fuel (H2) and exhaust water ducting solutions for hydrogen fuel-cell truck applications.

**Observation**

38 countries have committed to 100% zero-emission new truck and bus sales by 2040.

**Our response**

We are developing very high-pressure hoses capable of 1000 bar (40% higher than current capacity) for high speed H2 refuelling.

We are in series production of battery coolers and have won multiple contracts for fluid conveyance applications on BEVs.

**Our response**

Energy storage applications will grow in importance as renewable energy sources grow to be the dominant mode of generation.

Senior is already working with energy storage companies to develop thermal management solutions for this sector.

Carbon capture is another area where we are working with OEMs to develop solutions.

**Observation**

The IEA forecasts that under its Stated Policies Scenario the share of electricity in final energy consumption will increase from 20% in 2023 to 26% by 2035 driven by the electrification of end-uses, most notably electric vehicles and data centres.

Ensuring stable power supply for critical infrastructure such as data centres will be important.

**Our response**

Senior continues to work with its customers to provide thermal management solutions for EVs, while we have extensive experience in land-based solid oxide fuel cell ("SOFC") components used in backup power units for data centres.



# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

TCFD compliance statement – Senior's climate-related disclosures for the year ending 31 December 2024 are consistent with the TCFD recommendations and recommended disclosures (set out in Section C of the 2021 TCFD Annex "Guidance for All Sectors"), and comply with the requirements of the Listing Rule 6.6.6R(8).

## Governance

### Oversight of climate-related risks and opportunities

The Board of Directors oversees climate-related matters within the Company with David Squires, the Group Chief Executive Officer, having ultimate responsibility for climate-related risks and opportunities. David Squires is supported in this by Mark Roden, the Group Director of HSE & Sustainability, who is responsible for the Company's sustainability and climate-related disclosure and actions.

### Assessing and managing climate-related risks and opportunities

Senior's Executive Committee is responsible for assessing and managing climate-related risks and opportunities.

### Key activities in 2024

#### Oversight

- **The Group Chief Executive Officer's report to the Board** – presented at every scheduled Board meeting in 2024, the report covered the Group's progress on non-financial sustainability metrics, such as waste recycling, water usage and reduction of carbon emissions; as well as Senior's achievements in its sustainability initiatives, such as "A" rating in "Climate Change 2023" disclosures by CDP, and receiving a Low Carbon Innovation Award at "Safran IP Challenge 2024".
- **Presentations to the Board by the Group Director of HSE & Sustainability** – having attended two Board meetings in 2024, Mark Roden presented the Group's Scope 1 and 2 market-based emissions tracker, updated on the transition of the Group's operating businesses to renewable or low-carbon electricity contracts, and progress made on Senior's Supplier Engagement programme in respect of Scope 3 emissions. As part of the programme, Senior updated its Sustainable Sourcing Policy defining expectations for its suppliers to set and make progress towards their own science-based targets and environmental preservation goals.
- **Double Materiality Assessment (DMA)** – the Board reviewed the findings of the DMA, presented in the materiality matrix on page 12. Climate-related impacts, risks and opportunities will shape the Company's strategic sustainability direction.

### Senior's climate-related governance framework



- **Audit Committee** – during 2024, the Audit Committee reviewed the Company's TCFD disclosures included in the Company's 2023 Annual Report & Accounts, and the external assurance over GHG emissions and waste recycling rate.
- **Remuneration Committee** – reviewed progress of the 2024 bonus potential determined by a target related to absolute reductions in Scope 1 and 2 emissions and discussed potential targets for the 2025 annual bonus plan.
- **Strategy** – as part of the annual Board Strategy meeting, consideration was given, among other matters, to the implications of IATA's commitment to reach Net Zero carbon emissions by 2050 on the Group's Aerospace Division, including the role of electrification and hydrogen in sustainable aviation. The Board also considered regulatory developments affecting its Flexonics Division, the progress of transition to electric vehicles across the world, and the role of nuclear power as an important contributor to achieving Net Zero.

#### Management

- **Climate-related data** – the Group Director of HSE & Sustainability oversees collection and monitoring of the Company's data related to Scope 1, 2 and 3 emissions, waste recycling

and water consumption. Responsibility for carbon emission management and the development of the Energy Efficiency programme also resides with this position.

- **Divisional responsibility over climate-related matters** – Chief Executives of the Aerospace and the Flexonics Divisions have direct responsibility for ensuring that their Divisions meet the Group's carbon reduction targets and supplier engagement responsibilities. They monitor customer demands, and are best placed to ensure that these requirements are reflected in future programmes as customers transition to low-carbon products.
- **Health, Safety and Environment (HSE) Committee** – the HSE Committee, chaired by the Group Chief Executive Officer, monitors the Group's progress on its environmental targets, including Scope 1, 2 and 3 emissions.
- **Double Materiality Assessment (DMA)** – the Executive Committee approved conducting the DMA, with some members of the Committee participating in the internal stakeholder engagement process. Having reviewed the results of the DMA, the Committee agreed material sustainability (including climate-related) issues most critical to the Group based on financial and impact materiality.



## Strategy

### Climate-related risks and opportunities identified over the short, medium and long term




In 2024, we assessed climate-related risks, impacts and opportunities at a Group-level using the double materiality approach described on page 12.

The approach, aligned to the Corporate Sustainability Reporting Directive (CSRD),

ensures a more robust risk management process – it considers how climate change affects Senior (financial materiality), as well as the impact that Senior's activities and operations have on the environment (impact materiality).








The risks, impacts and opportunities, shown in the table below, are relevant to all of the Group's market sectors.

In line with the CSRD reporting framework, we adopted the following time horizons:

Rating	Range
 Short-term	1 year
 Medium-term	1–5 years
 Long-term	>5 years



### Climate change mitigation

Decarbonisation of own operations and the supply chain. This includes the purchase and/ or generation of renewable energy, the achievement of Senior's science-based targets, effective long-term planning for climate transition and managing costs associated with decarbonisation.

Impact, risk or opportunity	Description	Value chain	Time horizon
<b>Negative Impact</b>	Negative impact on climate due to greenhouse gas (GHG) emissions arising from Senior's own operations, the supply chain and through product use.	Across the value chain	 
<b>Positive Impact</b>	Senior's commitment to reach Net Zero GHG across the supply chain by 2040 will limit the Group's negative impact on climate. The Group is on track to achieve its Near-Term SBTi-approved Scope 1, 2 and 3 targets by the end of 2025.	Across the value chain	
<b>Financial Risk</b>	Customers' shift to low-emission products and activism and protests against aviation, land vehicles and oil and gas may reduce demand for some of Senior's products. Similarly, activism and protests against aviation, land vehicles and oil and gas might become a threat to the reputation of Senior. This is mitigated by the fact that Senior's products help reduce emissions for both conventional applications and clean energy applications.	Across the value chain	 
<b>Financial Opportunity</b>	Changing customer/consumer behaviour or preferences may increase demand for Senior's products which support the transition to a low-carbon economy.	Across the value chain	 




### Sustainable product design and lifecycle management

The incorporation of sustainable attributes into the product design phase with specific considerations for the product/service lifecycle. This includes changes to reduce the carbon impacts of products and services.

Impact, risk or opportunity	Description	Value chain	Time horizon
<b>Positive Impact</b>	The expansion of low-emission products will support customers, who operate in the hardest-to-decarbonise sectors, to transition to low-carbon and clean energy solutions, reducing their negative impacts on climate.	Across the value chain	 



### Responsible material sourcing and efficiency

The processes to ensure sustainable and traceable sourcing of raw materials, and the resilience of materials supply chains to impacts of climate change.

Impact, risk or opportunity	Description	Value chain	Time horizon
<b>Negative Impact</b>	The sourcing of finite materials (e.g. metals) may result in negative environmental impacts, particularly in countries with poorer environmental controls. This is mitigated by Senior's Sustainable Sourcing Policy.	Value chain (upstream)	  

### Innovation – R&D and product innovation

The R&D, investment and innovation of more sustainable products, services and solutions.

Impact, risk or opportunity	Description	Value chain	Time horizon
<b>Positive Impact</b>	A switch to low-emission technology will reduce the amount of GHGs emitted into the atmosphere across the whole value chain, reducing negative impacts on climate.	Across the value chain	 

The WWF Water Risk Filter analysis conducted in 2022 indicated that nine of our operating businesses were in areas of potential water scarcity. These are our businesses in India, South Africa and California (Senior Aerospace SSP, Senior Aerospace Jet Products, Senior Aerospace Ketema, Senior

Aerospace Steico Industries and Senior Aerospace Spencer), as well as our Flexonics and Aerospace businesses in Mexico. To date, Senior has not been subject to conditions where water scarcity led to interruptions in operations, although we are aware that severe localised water shortages can lead to potential

operational interruption and interrupted supply of products to our customers. We continue our focus on opportunities to reduce overall water consumption in each of these businesses.

## Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

### Products and services

Regulation and growing awareness of climate change are influencing customer preferences and increasing demand for energy efficient transportation, such as hybrid, fully electric and hydrogen powered vehicles. Senior is actively involved in this sector, offering innovative thermal management solutions for large battery packs to Land Vehicle markets (for public transport vehicles, commercial vehicles and some passenger vehicles). The Aerospace market is equally focused on energy efficiency, and Senior is working directly with several OEMs in areas such as the handling of sustainable fuel and the safety-critical conveyance of hydrogen within an aircraft. The Company has an opportunity to lead in this technology, leveraging its expertise in designing products with class-leading technical performance, which has the potential to increase sales in this growing market sector. Examples of this include battery cooling, electronics cooling, electric vehicle fluid handling and flex for vehicle range extenders, fluid conveyance hoses and tubes for hydrogen fuel cells.

Our engineering experts are working on exhaust gas recirculation ("EGR") systems with customers, addressing requirements that are driven by performance (lower carbon emissions) and the evolving legislation. Legislation drives lower NOx allowances for heavy-duty diesel engines. We recognise that internal combustion engines will be in operation for some time to come, that we need to keep on improving their energy efficiency, and that this will also contribute to improving transportation efficiency, alongside the roll-out of electric vehicles.

We continue to explore the use of specialised additive manufacturing equipment in some of our Aerospace businesses with a dual purpose: to develop and manufacture lighter metallic components, thereby reducing weight and, ultimately, saving fuel and reducing carbon emissions during flight. At the same time, lighter components will reduce waste in the production process, thereby decreasing the amount of material required (reducing our Scope 3 emissions) and the associated material cost.

➤ Read more on [pages 18 to 19 and 36 to 39](#)

### Operations and supply chain

Climate change considerations are essential to energy efficiency and cost reduction strategies across Senior's operating businesses. Transitioning to renewable energy sources and, subsequently reducing Scope 1 and 2 emissions, has been an integral part of the Group's sustainability efforts for several years. Further information can be found on pages 15 to 17. We continued focusing on energy-efficient initiatives, such as improving building insulation, upgrading energy efficient lighting, installation of heat recovery systems and upgrading HVAC systems.

In 2024, we continued our collaboration with suppliers through the Carbon Disclosure Project (CDP), encouraging them to disclose their environmental data. Ninety-one of our key suppliers have declared they have set carbon reduction targets. In addition, Senior updated its Sustainable Sourcing Policy defining expectations for its suppliers to set and make progress towards their own science-based targets and environmental preservation goals.

Each site within the Group has a scenario-based Business Continuity Plan which is tested annually. This ensures that mitigation and adaptation measures related to the physical risks of climate change are addressed effectively. Further information on how we manage the risk of climate change can be found on page 55.

➤ Read more on [pages 15 to 17](#)

## Impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning *continued*

### Investment in research and development

Climate change is a fundamental element of the Group's business strategy. Senior's products and services help our customers reduce carbon emissions in Aerospace, from industrial process plants and from land vehicles. When we consider R&D spend and expansion, we assess sustainability of our products in terms of supporting our customers' aims to reduce energy consumption and carbon. For example, the development of new thermal management technology (e.g. components for fuel cells, advanced heat exchanger solutions, using laser welding for battery cooling plates) presents an opportunity for Senior to become a leader in the specialised applications of off-road vehicles, large trucks and aerospace, where reduced weight and optimum working temperature are critically important.

### Acquisitions or divestments

Portfolio optimisation is a central pillar of our strategy. Whenever we analyse companies as potential acquisition targets, we carry out an assessment of that company's ESG credentials, including how its products will enhance the sustainability of our own portfolio, whether that company is committed to decarbonisation and has stated Net Zero targets, and how much that company is investing in improving the local communities in which it operates. Should we reach the stage of conducting due diligence on an acquisition target, we will conduct a full ESG analysis, potentially with external professional support. In terms of strategic fit, we will also assess the future markets of the company's products to ensure alignment with our own ambition of supporting decarbonisation in difficult markets, like Aerospace, Land Vehicle and Oil & Gas.

### Access to capital

Sustainability remains an important factor for our investors and lenders when allocating capital. Senior's focus on sustainability leadership in its own operations and that of its suppliers, as well as supporting customers in their transition journey to Net Zero, will help Senior's financing needs in the future whether raising debt or equity. The Group's main syndicated Revolving Credit Facility of £115m is a sustainability-linked loan with Key Performance Indicators on carbon emission reduction and waste recycling rates.

### Financial planning process

The Group's operating businesses have maintained their focus on internal efficiencies, particularly associated with Scope 1 and 2 emissions and made significant improvements as part of Senior's energy sustainability priorities, as described on page 15.

The Group monitors carefully the impact on demand for its products related to the transition to a low-carbon economy. For example, although some of Senior's operating businesses are seeing a reduced demand as a result of the decreasing market trend for diesel passenger vehicles in Europe, the overall effect in the Group is not significant as other product lines are filling demand. We are tailoring our financial planning to reflect these market changes. At the same time, the Group considers opportunities in new technologies that may require investment.

We consider climate change when assessing liabilities in the Group's operating businesses. The need to insure fixed assets and the adoption of safety measures to protect staff in areas subject to severe weather are current examples.

### Resilience of the organisation's strategy with reference to three climate-related scenarios, including a 2°C or lower scenario

In 2021, we carried out scenario analysis to understand the potential impact of climate change on the Group's operations. We selected the three climate scenarios produced by the Bank of England because:

- they meet TCFD recommendations to assess business resilience at different climate-related scenarios, including a 2°C or lower scenario;
- these scenarios are used by the Bank of England to explore resilience of the UK financial system to climate change;
- the scenarios are modelled to a 30-year timespan, out to 2050 to align to the Paris Agreement and other Net Zero 2050 targets;
- they consider the macroeconomic impacts with more granularity and within a more applicable business context than climate scenarios based on temperature increases; and
- multiple high transition scenarios provide diversity in stress tests.

Further information on the assumptions and parameters used in the scenarios can be found on the Company's website.

Scenario 1 (<2°C)	Scenario 2 (<2°C)	Scenario 3 (>3°C)
<b>Early policy action: smooth transition</b>	<b>Late policy action: disruptive transition</b>	<b>No policy action: business as usual</b>
<ul style="list-style-type: none"> <li>• Decisive carbon action to reduce global emissions starts in 2021.</li> <li>• Carbon taxes and other policies intensify gradually over the scenario horizon.</li> <li>• Global warming is limited to 1.8°C by 2050 compared to pre-industrial levels.</li> <li>• Limited physical risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Delay in implementing the policy required to reduce global emissions by 10 years.</li> <li>• Starting in 2031, significant and rapid policy action causing drastic bending of emissions trajectory globally.</li> <li>• Global warming is limited to 1.8°C by 2050 compared to pre-industrial levels.</li> <li>• Limited physical risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Governments fail to introduce further policies to address climate change beyond those already implemented.</li> <li>• Increase in global temperatures reach 3.3°C by 2050 compared to pre-industrial levels.</li> <li>• High physical risks.</li> </ul>
<b>Potential impact</b> Policy changes start to accelerate, and consumer and investor preferences evolve rapidly to facilitate decarbonisation.  In the short and medium term, Senior needs to ensure that its investment decisions are consistent with its science-based targets and deliver expected results.  In the long term, it is important to keep pace with changing market demand for low-emission products and remain consistent between Senior's public commitments and market expectations.	<b>Potential impact</b> A sudden increase in the intensity of climate policy in 2031, following an initial period which is characterised by insufficient or ineffective emission reducing policies.  Senior needs to ensure that it takes action over this time period to avoid disruption in the long term as mature economies make rapid strides to cut emissions.	<b>Potential impact</b> Absence of transition policies result in a growing concentration of greenhouse gas emissions in the atmosphere.  Increased exposure to heatwaves, tropical cyclones and droughts may increasingly provide challenge for some of Senior's sites and supply chains.  With less policy action and investment driving forward technology development, the costs of transitioning to the new technologies may be higher, the likelihood of successful implementation and the relative rewards for the investment may be lower.
<b>Opportunities</b> The ability to maximise returns on new investments in the long term, once transition has occurred and markets have stabilised.	<b>Opportunities</b> Early investment can set the Group up to be ready for the swift changes to the disrupted economy after 2030.  Opportunities may materialise over the long term, due to the late policy action and the abrupt transition to a low-carbon economy.	<b>Opportunities</b> The Group's continued investments and its ability to diversify business activities can help Senior be more resilient to changes in the markets and adapt to the impacts of climate change.

### Resilience statement

Having established our Long-Term Net Zero Targets, aligned to 1.5°C for all Scopes, we are taking proactive steps to ensure Senior's operations remain resilient to the effects of transitional risks associated with scenarios 1 and 2. As part of our Energy Hierarchy, we shall continue prioritising energy efficiency initiatives and the use of renewable energy.

We actively engage with our suppliers, requiring them to set and make progress towards their own science-based targets and environmental preservation goals, and to integrate sustainable practices into their operations. This will help create a stronger and more resilient supply chain that is aligned to Senior's sustainability goals. The Group's focus on innovation and strong relationships with customers means we are well positioned to maximise opportunities offered by smooth and disruptive transition scenarios. We are proactively assessing the way climate change affects market demand for our products as part of our annual strategic meetings.

The physical impacts of climate change associated with scenario 3 could be significant. The Group's business continuity plans play an important role in maintaining resilience against the potential physical impacts of climate change. By identifying potential vulnerabilities and implementing adaptive measures, the operating businesses will be well placed to maintain their functions, minimise operational disruptions and ensure long-term stability.

## Risk management

### The organisation's processes for identifying, assessing and managing climate-related risks

We identify, assess and manage the Group's risks using the risk management process shown on page 52. The Committee of Sponsoring Organisations of the Treadway Commission ("COSO") enterprise risk management integrated framework is used as the foundation of the Group's risk management process, tailored to reflect Senior's culture and Values. The process includes identification of relevant risks, risk scoring, development and assignment of response actions, monitoring the effectiveness of key mitigating controls and reporting of the risk and assurance environment to the Executive Committee, the Audit Committee and the Board.

In response to the upcoming CSRD reporting obligations, we revised our annual assessment of Group-level sustainability risks, impacts and opportunities (including climate-related) using the DMA described on page 13. Climate-related risks, impacts and opportunities were identified based on landscape review of our internal documents, industry bodies and regulators, investor ratings, customers, peers and sector reports. Further discussions were held with Senior's internal and external stakeholders to gain their perspective on which topics they

considered to be potentially material, resulting in a high-level, quantifiable short list of topics. Each short-listed topic arising over the short, medium and long term was scored based on impact and financial materiality, as described below:

- **Impact materiality** – each topic was assessed according to the ESRS and the European Financial Reporting Advisory Group (EFRAG) double materiality guidance against three parameters to determine its severity: scale, scope and remediability.
- **Financial materiality** – the calculation for financial materiality considered how each topic might affect the Group financially in terms of revenues, profit, cost of capital and asset value. This was aligned to Senior's existing risk management process, where scoring was based on the likelihood of a risk, as well as the magnitude of the affect in terms of operating profit and revenue.

For our 2024 DMA, short-listed sustainability topics were assessed on inherent basis. The results of the DMA were reviewed by the Executive Committee and the Board.

In 2023, Senior Flexonics Bartlett was selected as one of the operating businesses to pilot an assessment of climate-related risks and opportunities. The site completed its initial assessment in 2024, and the results generally

aligned with the Group-level climate-related risks and opportunities. Feedback gathered from this pilot assessment will be considered as the Group develops its operating business-level climate-related risks and opportunities assessment programme for the future.

Mitigating action plans, including a detailed description of the response action, assigned to the members of the Executive Committee and other senior members of staff, are developed for all material climate-related risks. Action plan progress is tracked to ensure timely implementation. The overall effectiveness of the risk control environment is closely monitored through assurance and audit activities to assess if critical risks are being mitigated within the Group's risk tolerance.

### Integration of processes for identifying, assessing, and managing climate-related risks into the organisation's overall risk management framework

Climate-related risks and impacts form part of the Group's risk register and will be subject to an annual review by the Executive Committee and the Board.

## Metrics and targets

### Metrics used to assess climate-related risks and opportunities

#### Targets used to manage climate-related risks and opportunities and performance against targets

The table below illustrates targets and metrics we have selected to measure our climate-related risks and opportunities. We have chosen these metrics because we consider that they are relevant to the climate-related risks and opportunities facing Senior and regulatory and stakeholder expectations. Our targets, which are aligned to the Paris Agreement and the UK's Net Zero Strategy, demonstrate our commitment to reduce the GHG emissions of Senior's

operational activities, as well as addressing indirect emissions within our value chain. Our near-term Scope 1, 2 and 3 targets were verified by SBTi in 2021. In 2023, the SBTi approved our Long-Term Net Zero climate targets for Scope 1, 2 and 3 emissions. The targets, to be achieved by 2040, aligned to 1.5°C for all Scopes.

We continue to develop our high-level plan to reduce our emissions in line with our 2040 Net Zero targets against our 2018 base year. In 2024, we have worked to refine our Scope 3 calculation methodology, and in 2025 we will undertake further work to produce a more granular transition plan.

In 2024, the Remuneration Committee aligned remuneration for the executive Directors and senior management to non-financial performance metrics and agreed that 10% of the 2024 bonus potential would be determined by a target related to absolute reduction in Scope 1 and 2 emissions over the one-year performance period. The set target is consistent with the Group's SBTi-validated target of a 30% reduction in these emissions by 2025 (from a 2018 base year).

Climate-related target	Target year	Base year	Progress in 2024	Metric	Link to material climate risk
Reduce absolute Scope 1 and 2 GHG emissions by 30%	2025	2018	<b>33.4% decrease (2023 – 29.5% decrease)</b>	Tonnes CO <sub>2</sub> e	
For Scope 3 GHG emissions, 82% of suppliers by spend to have climate science-based targets	2025	2018	<b>91 (2023 - not determined)</b>	Number of suppliers with science-based targets.	Increased pricing of GHG emissions/ cost of carbon offset Increased stakeholder concern or negative stakeholder feedback/stigmatisation of sector
Reduce absolute Scope 1, 2 and 3 emissions by 90%	2040	2018	<b>Reporting to start in 2026</b>	Tonnes CO <sub>2</sub> e	
Achieve a recycling rate of 95%	2025		<b>91.1% (2023 – 95.1%)</b>	% of waste recycled	Increased stakeholder concern or negative stakeholder feedback/stigmatisation of sector

### Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions

🔗 The details of our Scope 1, 2 and 3 emissions, in compliance with SECR, can be found on [page 16](#).



## SOCIAL



## Health and Safety

## Safety at Senior

At Senior, we foster a global safety culture that begins with senior leadership and permeates all levels of our global operations.

**This year, through sustained effort, we achieved a reduction of over 40% in our Lost Time Injury and Illness Rate, building on an already strong performance.**

Our safety initiatives are driven by **internal risk management Standards** and **critical controls**, which include:

- **22 specific prevention and risk management standards** addressing the core hazards of our business;
- **Ten Golden Rules for Safety;** and
- **a Behavioural Safety Standard** designed to prevent injury by supporting a positive safety culture.

Each standard is supported by critical controls that are carefully implemented and monitored to prevent fatalities and reduce the risk of serious injuries or incidents.

Our ongoing **safety training and communication** form the backbone of our commitment, empowering employees and contractors to proactively prevent incidents that could result in injuries, illnesses, or environmental damage.

In 2024, we continued a thorough review and update of our safety standards and critical controls, building on the progress initiated in 2023. These updates focused on making the standards more accessible and were reinforced with **new posters and videos** to enhance understanding and practical application across our sites.

Through these collective efforts, we remain steadfast in our goal to safeguard our people, operations, and environment.

## Injury prevention at Senior

At Senior, safety extends beyond merely avoiding incidents it encompasses a proactive approach to implementing effective controls that prevent and mitigate potential outcomes.

Our safety teams continuously analyse trends in incidents and injuries across our global operations, identifying location-specific or role-specific concerns. When necessary, they develop **injury reduction plans** tailored to address these issues. These plans incorporate:

- **safety controls** to mitigate risks;
- **targeted training** to enhance awareness and skills;
- **work design** adjustments to promote safer practices;
- **specialised programmes** to address recurring challenges; and
- **engagement campaigns** to reinforce the importance of safety at all levels.

Through these initiatives, we remain dedicated to fostering a safer workplace for all visitors to our sites.

## Contractor safety

At Senior, our safety commitment extends to everyone on-site, including temporary workers, contractors, and on site visitors. We have established **contractor-specific safety programmes** with tailored requirements and rigorous prequalification processes to uphold the highest standards of protection.

Our **contractor management procedures** require all personnel to complete a comprehensive onboarding process before commencing work. This ensures that everyone on site is informed about safety protocols, understands potential hazards, and is equipped to work safely.

These measures reflect our unwavering dedication to safeguarding every individual on site, ensuring they leave the workplace as safely as they arrived.

## 2024 injury performance highlights

In 2024, we made significant strides in improving workplace safety. Our Lost Time Injury and Illness Rate (LTIR) decreased to **0.19**, marking a 41% improvement from the 2023 rate of 0.32. Additionally, our Total Recordable Injury and Illness Rate (TRIR) which accounts for lost time, job transfers, and minor medical treatments remained stable at **0.63**.

In 2024, there were **no work-related fatalities** involving employees or contractors and **no major injuries** classified as serious or life changing.

## In 2024

Lost Time injury and illness Rate  
(per 100 employees)

0.19

2023 – 0.32

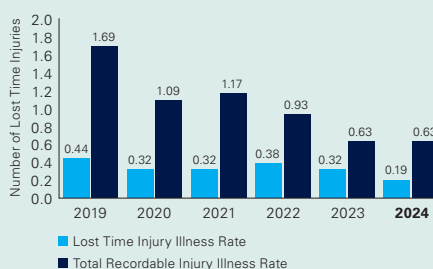
41% reduction

Total Recordable Injury  
and Illness Rate  
(per 100 employees)

0.63

2023 – 0.63

## Senior Group Injury rates



Lost Time Injury and Illness Rate ("LTIR"), defined as the number of work-related lost time injury and illness cases (losing more than one complete shift) per 100 employees.

The Total Recordable Injury Illness Rate is defined as the number of cases of lost workdays, restricted work activities, job transfers, medical care beyond first aid and work-related illnesses expressed per 100 employees.

## Safety initiatives in 2024

- A new behavioural safety programme for our supervisors was rolled out.
- A new Senior Safety Standard covering ergonomic assessments was introduced.
- Additional expert assistance was provided to those businesses with the most improvement opportunities.

## Case study

**SUPERVISOR BEHAVIOURAL  
SAFETY PROGRAMME**

In 2024, we launched a safety programme specifically designed for our supervisory-level employees. This initiative is built around our Senior Safety Behaviour Standard and delivered through face-to-face workshop sessions at our business sites. The programme focuses on coaching supervisors to identify and reward positive safety behaviours while emphasising the importance of fostering a proactive safety culture.

Developed in Q2 2024, the programme began rolling out in Q3, with additional workshops planned for 2025 to further embed these practices across our operations.

Image: Nick DeBruyne, Group Safety, trains supervisors in Senior Mexico.

**Equality, diversity and inclusion**

**Jane Johnston** | Group HR Director

**"At Senior we promote an inclusive culture where individuals can thrive. We are committed to providing equal opportunities for all and value diversity."**

**Our core Values underpin our culture**

At Senior we are committed to ensuring equal opportunities, fairness of treatment, work-life balance, and the elimination of all forms of discrimination in the workplace for employees and job applicants. Senior's leaders aim to create a working environment in which everyone can thrive, achieve their full potential, and contribute to the success of Senior, and where all decisions are based on skills and merit. We recognise that good business decisions are based on gathering different perspectives. We encourage individuals to speak freely, respecting alternative views and cultures.

Senior promotes a culture and working environment in which everyone can make the best use of their skills, free from discrimination or harassment. Our Values define how we treat people, and in our 2024 Global Employee Opinion Survey we saw improved scores for all of our Values including respect and trust. We expect employees to treat everyone they meet in the course of business with respect and dignity, reinforcing our commitment to be open and straightforward with colleagues, customers, suppliers and other stakeholders. As well as our Values, the right behaviours are reinforced in our people policies and processes, for example, talent acquisition, succession planning, promotions and learning and development opportunities.

In 2024, we updated our Code of Conduct with every employee receiving a personal copy. The Code has specific sections explaining how we value diversity and inclusion and emphasising that we are committed to preventing discrimination, harassment and bullying. The Code of Conduct and Human Rights policy are translated into our designated languages, and we included a module on Unconscious Bias in the 2024 Code of Conduct training.

The Executive Committee and business leaders continue to focus on providing a diverse and inclusive workplace. Gender diversity receives much attention in Senior, and we believe that there remains an opportunity for further improvement, particularly in our operating businesses general management. To support our objective to increase the number of women in these operational leadership roles we have launched a Women's Network, creating a steering committee to lead the network and identifying an executive sponsor. We are confident that the network will provide a forum to empower individuals as it will bring women across Senior together to discuss ideas and

shared experiences in a supportive and productive environment, creating strong peer-to-peer support and confidence, as well as providing an impartial and open forum to encourage and inspire.

The table below shows the Group's Board of Directors, Executive Committee and operational senior management in 2024 by gender.

	Male	Female
All employees	78%	22%
Senior managers who report directly to the Executive Committee	80%	20%
Executive Committee	62%	38%
Board	44%	56%

Senior is an equal opportunities employer. We strive to reflect the diversity of the communities we work in at all levels across our workforce. The Board seeks to ensure a diverse workforce that supports all employees, irrespective of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, gender or sexual orientation. We will not tolerate any form of unlawful discrimination against our colleagues, or any third parties be they potential employees, customers, subcontractors, suppliers or members of the public.

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, Senior publishes its Gender Pay Gap Report, as required on the Company's website.





## People and culture

In our autonomous and collaborative Business Model, operating business leaders are empowered and accountable for setting the tone for their operations, guided by our Values. In May 2024, we ran our Global Employee Opinion Survey. We partner with Workday, a market leading provider to run the survey and deliver it in multiple languages. 85% of our employees completed the survey, which for a manufacturing business where around two-thirds of our employees do not have ready access to a computer, is an excellent response rate. The survey provided a wealth of valuable information in relation to our culture. Following the survey, operating business leaders worked with their HR leads to understand what they do well and areas for improvement.

The overall engagement score increased from 7.2 in October 2022 to 7.5 in May 2024. The survey identifies “Drivers” which are key areas measured in the survey that drive engagement. In 2024, the Drivers that were most improved were Reward, Strategy, and Workload. The scores improved in all areas other than Goal Setting and Freedom of Opinions, which stayed the same as the prior survey, and Environment which showed a small decline. This decline in the Environment score was driven by a reduction in the score for Informal Space and around half of our businesses have identified working environment as an area to take further action in 2024/25. Every operating business developed action plans based on the survey feedback and shared them with their teams.

In 2024, we also asked employees “How do you feel about Senior’s Purpose which is to ‘Help engineer the transition to a sustainable world for the benefit of all our stakeholders?’”. In the main, our employees were positive about Senior’s Purpose with comments such as “I feel proud to be part of an organisation that prioritises engineering”, “it’s inspiring to be part of an organisation that prioritises sustainability” and “I am proud to be part of this”. However, it was clear that some employees did not see themselves as stakeholders highlighting that additional communication around this would be beneficial.

We remain focused on recruiting and retaining talent to sustain business resource requirements and growth. In order to meet our short and long-term talent requirements, we have continued to build strong relationships with local technical colleges, universities and education establishments, as well as partnering with recruitment firms. We are extending our use of job boards and other approaches to advertising and attracting applicants to build a strong talent pipeline. We have completed the roll-out of Recruit, our talent acquisition system, to all our UK and US businesses, thereby enhancing the candidate experience. The job market remains competitive for certain geographies and skills, and we have worked hard to secure the right talent.

Talent acquisition and retention is supported by our ongoing work to enhance our employee proposition. Informed by our employee engagement survey feedback, and other feedback mechanisms, our actions are making

Senior an even more attractive place to work. To that end many of our businesses have actively participated in career fairs and other activities that highlight the career opportunities available, and on a broader level, inspiring the engineers of the future. Examples of the steps we have taken to enhance our employee value proposition include flexible working, promoting our employee assistance programmes and introducing other support mechanisms such as mental health first aiders. We continue to be vigilant regarding rates of pay and the cost of living, ensuring we are paying people fairly for the work they do, and benchmarking pay rates in local markets, making adjustments if appropriate.

‘Perform’, our Performance and Development system provides a framework for managers and team members to discuss feedback, performance, behaviours linked directly to our Values, set clear objectives, both for business and personal development and create development plans. In order to enable individuals to fulfil their potential, learning and development needs are assessed during individual performance reviews and the output of these discussions feed into our succession planning process. For shopfloor operations teams, operating businesses undertake performance reviews, primarily paper based, to enable employees to discuss their performance, behaviours and development plans. The Executive Committee scrutinises succession plans and talent pipeline, identifying successors or interim cover for key roles across the Group. The Executive Committee also focuses on functional capability, for example engineering, as well as operational leadership. The Board reviews the succession plans for the Executive team and their direct reports on a regular basis, with a special emphasis on encouraging diversity and inclusion.

Training and development remained a priority in 2024. Business leaders work with their teams and HR to plan and design training to meet the business needs of their operation. In our autonomous and collaborative operating model, operating businesses conduct their own training needs analysis and learning and development plans, including technical, on the job and skills training. We continue to view the provision of development opportunities and training across the Group as vital to our success. As well as partnering with external providers to build our bench strength and support succession planning, every operation has a comprehensive offering of internal training. Examples of this include training activities such as Toolbox talks; “lunch and learns”; technical training; operational excellence, including lean manufacturing; as well as sponsoring individuals undertaking external and more academically orientated courses and training, for example engineering degree courses.

Our leadership programme, Leading for Excellence continues to receive positive feedback, meeting the development needs of our future leaders. The programme runs over six months and is a mix of virtual and face-to-face sessions as well as one-to-one coaching. The

programme culminates in the delegates presenting business projects they have worked on to hone their skills, embed their learning and return real business benefits through delivering a key project for their operating business.

‘Learn’, our best-in-class eLearning platform allows individuals to self-select training as well as being directed to specific content, for example following a personal development discussion. We have continued to enhance the content in Learn. The catalogue covers areas such as IT skills, Leadership and Management, Project Management, Health & Wellbeing and Communication skills, available in all our languages. Learn also enables us to deliver our Code of Conduct training and other compliance training. In 2024, we launched Trade Compliance training to US employees, two cyber security courses, one for all IS and IT teams and one for selected business leaders, and an AI training course which all employees with emails were asked to complete. We also used the platform to launch the in-house developed Preventing Workplace Violence training to meet the new California legislative requirements and, following the new duty under the Equality Act 2010 in the UK, all UK employees were issued with Preventing Sexual Harassment training.

As in the Global Employee Opinion Survey at the end of 2022, peer relationships remained a strength in the 2024 survey with a culture where colleagues help and support each other. We have an open and honest culture of respect and trust, and people value teamwork and the teams they work in and with. Our businesses have onboarding processes to ensure that new team members feel welcome and well informed, enabling them to become valued team members, and in the opinion survey, the engagement score for employees with less than one year’s service was higher than the overall Senior score. A significant proportion of learning is on the job and our culture of sharing knowledge and supporting colleagues remains central to developing technical competencies in our operations.

The culture across Senior is to build on our successes and learn from our mistakes. We say thank you, with our businesses holding regular employee recognition and team building events. As well as feedback received via the opinion survey, we encourage open and honest feedback with potential issues or concerns being raised with local management. The feedback from the survey was consistent with this and confirms that employees believe that people are treated fairly and that we do not tolerate misconduct. As outlined in our Values and Code of Conduct, we work together with mutual trust and respect and operate with integrity and in an ethical manner. On the rare occasion when an employee or employees have a concern that cannot be resolved by local management, employees are encouraged to raise their concerns through our third-party whistle-blowing service, EthicsPoint. All concerns raised are investigated and learning points are actioned by local leadership teams as appropriate.



## Employee wellbeing

In addition to receiving feedback on how engaged our employees feel we also asked a series of specific Health and Wellbeing questions in the Global Employee Opinion Survey. The overall Health and Wellbeing score improved by 0.2, taking it to 7.7. In all areas the Health and Wellbeing scores improved. However, the businesses have not been complacent, and many have set actions to further improve employee wellbeing. Examples include monthly health drives, providing healthy snacks, initiatives to improve muscular skeletal wellness and subsidised gym memberships.

Across Senior we provide a range of wellbeing support and education to employees as appropriate to local needs. Many have promoted specific health drives, for example, menopause awareness, health checks, flu and COVID vaccinations, and road safety education. We have a number of individuals specially trained to support colleagues with mental health issues and employee assistance programmes in many of our businesses. One of our larger businesses has partnered with a counsellor who attends the site on a regular basis to support employees, as needed. Other examples of how we support employees include offering subscriptions to wellbeing apps, creating quiet spaces for employees and start-of-shift exercise stretching classes.

Financial wellness is also important for wellbeing and businesses have provided support in this area as well. In the UK we continue to support employees with our financial wellbeing service and operations have invited benefits providers to our facilities to offer information and answer employee's questions.



Colleagues at Senior Aerospace Mexico enjoy a family day, touring the facility and learning about the Company.

Colleagues also enjoy participating in sports activities, team building, sports events, and family days such as the one held at Senior Aerospace Mexico. During this event, employees' families visited our facility to get a firsthand look at the environment, tour the factory, interact with teams, and learn about the processes that contribute to the Company's success.

We continue to launch new wellbeing content on Learn and it goes without saying that we remain vigilant regarding occupational health, for example ergonomics, supported by our Health and Safety frameworks.

## Senior global employee opinion survey results

**Overall engagement score**  
(of a max of 10)

7.5

**Employee participation**

85%



**Health and Wellbeing score**  
(of a max of 10)

7.7

**Health and Wellbeing**

Max Score: 10



**Total comments**

44,294

**Values**

Max Score: 10







## Communities

Senior's businesses actively support local communities by undertaking a range of education-focused and charitable activities. Here are some examples, to name but a few, of the activities our businesses and employees have undertaken to support their local communities:

A number of our businesses support local food banks with Senior Flexonics Canada providing freshly grown produce grown by our employees. As well as supporting local schools with STEM initiatives by sponsoring the STEM club, Lymington Precision Engineering ("LPE") again worked with an infant school as part of the school's engineering week. Businesses have hosted local trade schools and technical colleges, providing an insight into working for an engineering company and giving students an opportunity to see engineering in action. Senior Aerospace SSP supported ReIGNITE HOPE, a charity that provides support to help disadvantaged individuals, for example individuals transitioning from being unhoused and/or long-term unemployed to get into work. SSP did this by offering placements to individuals who received welding training from ReIGNITE HOPE. Both Senior Aerospace Thailand and Senior Aerospace Malaysia employees participated in blood donation drives.

Senior Aerospace BWT participated in the Salvation Army Toy Appeal 2024 and as a result of employees' generosity handed over 150 toys. In May 2024, Senior Aerospace Jet & Ketema helped raise funds to support Quality of Life Programmes for Navy personnel by participating in the Navy Bay Bridge 5K Run/Walk and in October they participated in the 5K Walk to End Alzheimer's, raising funds to further the care, support and research efforts of the Alzheimer's Association.

In August, Cape Town faced severe storms and flooding, which tragically impacted some of our employees, including the devastating loss of their homes. In response, our team demonstrated solidarity and compassion by coming together to donate food, clothing, and toiletries, providing much-needed support to help them rebuild their lives.

In 2024, Senior Metal Bellows continued their participation in HEESCO's St. Patrick's 5K. Thirty-two employees took part and raised money for the charity, with two of the runners coming first in their age groups. HEESCO provides support and services for individuals living with a disability, and their caregivers. Senior Aerospace Thailand showed their commitment to keeping fit and raising money again with 40 runners participating in the Pattaya Marathon.



Senior Aerospace Thailand employees participate in blood donations.



Senior Aerospace Jet & Ketema raised funds for the Alzheimer's Association by participating in the 5K Walk to End Alzheimer's.

# GOVERNANCE

## READ MORE ABOUT:

- Anti-bribery & Corruption on [page 79](#)
- Agents Policy on [page 79](#)
- Gifts and Hospitality Policy on [page 80](#)
- Fraud Policy on [page 80](#)
- Whistle-blowing on [page 80](#)
- Human Rights and Modern Slavery on [page 80](#)
- Sustainable Sourcing on [page 80](#)
- Cyber security and data protection on [page 80](#)
- International Trade Compliance on [page 80](#)

## THE SENIOR PLC CODE OF CONDUCT



- The Senior plc Code of Conduct can be found here: [www.seniorplc.com/sustainability.aspx](http://www.seniorplc.com/sustainability.aspx)

**Senior's Purpose – "We help engineer the transition to a sustainable world for the benefit of all our stakeholders" – articulates our commitment to long-term value creation for our stakeholders. We recognise that effective governance of sustainability-related matters is essential to ensure that decision-making is aligned with the Company's overarching Purpose. Senior's Executive Committee is responsible for the management of sustainability-related matters. The Board of Directors has oversight over such matters through regular updates provided during the scheduled Board meetings on the Group's sustainability performance and initiatives.**

### Uphold high standards of ethical integrity

The Senior plc Code of Conduct (the Code), available on the Company's website, provides our employees and business partners with a clear framework on which to base decisions when conducting day-to-day business. It does this by:

- clearly setting out the behaviour expected of all employees and business partners;
- providing guidelines which help employees to apply Senior's Values; and
- enabling employees to raise a concern or ask a question if in doubt.

The Code contains work-related scenarios, together with a selection of questions and answers, to help employees understand the Code and relate it to their individual roles and working environment. All employees are expected to follow the Code when performing their day-to-day duties, or where they are representing Senior.

The 2024 Global Code of Conduct training course contained the following modules:

- Anti-bribery;
- Unconscious Bias;
- Promoting the Reporting of Misconduct; and
- Social Engineering.

We use different methods to promote and ensure compliance with the Code across the Group:

- All employees are issued with a printed copy of the Code, available in all languages applicable to the Group employees.
- All employees must complete annual Code of Conduct training. The Group's completion rate for its 2024 Code of Conduct training can be found on page 1.
- The Group Chief Executive Officer, Group Finance Director and other members of the Executive Leadership team reinforce the Code and the importance of maintaining commitment to the highest ethical standards during their regular visits to the Group's operating businesses.

- Annual control self assessments, encompassing questions related to the Code, are conducted across all operating businesses.
- Internal audits test compliance with sections of the Code and the prominent display of the Group's whistle-blowing procedures at all operating businesses.
- Risk assessments considering areas of the Code are conducted at operating business and Group levels. Through its assurance programme, the Board is able to ensure that employees receive mandatory training and that the Group's operating businesses uphold high standards of ethical integrity. All alleged violations or complaints are investigated, and any remedial actions are taken as necessary. Any fraud issues that have come to the attention of the Director of Risk and Assurance are discussed by the Audit Committee, noting the cause, the actions taken and any improvements to internal controls implemented as a result.

### Responsible taxation

Senior's "Approach to Tax", which can be found on the Company's website, is aligned with the principles set out in the Code, which underpins the way we go about our day-to-day business across the Group and places integrity and ethical behaviour at the heart of what we do. Once a year, the Board of Directors approves the Group's tax strategy.

### Product safety

Product quality is absolutely core in all of Senior's operating businesses and activities. All of Senior's businesses have ISO 9001 accreditation for manufacturing. The operating businesses have additional aerospace and automotive accreditations, dependent upon their intended markets. Ultimate responsibility for product quality and safety lies with the senior manager of each business unit.

All products undergo service/safety risk assessments, as required in Senior's demanding markets. Employees receive regular training on product and service safety. All the Group's operating businesses have in place incident investigation and corrective action policies and procedures and quality testing programmes.

Product/service objectives or targets are set by the operating businesses to meet customer requirements and regular external product/service safety audits are conducted, where standards require.

### ADDITIONAL RESOURCES

[www.seniorplc.com/sustainability.aspx](http://www.seniorplc.com/sustainability.aspx)

# INVESTMENT CASE

## SUSTAINED PROFITABLE GROWTH AND RETURNS GENERATING ENHANCED VALUE FOR OUR STAKEHOLDERS

### A trusted and collaborative high value-added engineering, manufacturing and technology company

Experts in fluid conveyance and thermal management technology providing custom solutions for our customers

Operating in attractive, structurally growing end markets – aerospace & defence, land vehicle, and power & energy

Cost competitive global footprint

Senior Operating System driving continuous improvement and operational efficiency

Strong financial track record, with a disciplined capital allocation approach

Cash generative business model focused on shareholder value

### Our purpose

We help engineer the transition to a sustainable world for the benefit of all our stakeholders. We do this by:



#### Technology expertise

Using our technology expertise in fluid conveyance and thermal management to provide safe and innovative products for demanding applications in some of the most hostile environments.



#### Customer transition

Enabling our customers, who operate in the hardest-to-decarbonise sectors, to transition to low-carbon and clean energy solutions.



#### Climate action

Staying at the forefront of climate disclosure and action by ensuring our own operations achieve our Net Zero commitments.



## Key sectors

### Civil Aerospace



Increasing passenger demand to fly and higher air traffic drives the need for new and replacement aircraft. Environmental pressures to focus on clean technology are ideal for Senior's product and technology portfolio.

### Defence



Defence remains a priority for the US and has increased in importance for other countries given the constantly evolving geopolitical situation. Senior has good content on major programmes of record.

### Land Vehicle



Demand driven by tightening global emission control regulations for truck, off-highway and passenger vehicles.

### Power & Energy



Market leader of complex fluid systems and products used within industrial, petrochemical and power generation sectors.

## Adjacent markets

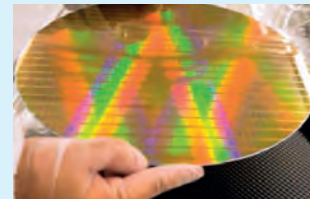
### Medical

Precision pressure requirements needed for both medical instrumentation and medical implants drive continued growth for Senior's technology.



### Semiconductor equipment

Growth is ultimately driven by digitisation and the greater use of AI in a large number of end markets. The production of semiconductor devices to meet this growth means Senior's products are in increasing demand to support chip production.



## Medium-term fluid conveyance and thermal management financial targets

Strategy to deliver enhanced shareholder value underpinned by new medium-term financial targets

**Expand Group adjusted operating profit margins**

Achieve at least...

**Double digit**

**Aerospace**

**At least mid-teens**

**Flexonics**

**10%–12%**

**Cash conversion\***

**>85%**

\*Operating cash flow/Adjusted operating profit

**Deliver increased returns on capital**

**15%–20%**

**Underpinned by a strong balance sheet, with leverage at...**

**0.5x–1.5x**

**Supported by an expectation of mid-single digit organic revenue growth through the cycle**

# STRATEGIC PRIORITIES OVERALL

The following six strategic priorities are key elements of our Business Model which drive the creation of stakeholder value. Our progress since these priorities were established is shown and they continue to receive specific attention and focus.

## Autonomous and collaborative business model

### Overview

Senior's Business Model is one of empowering and holding accountable our operating businesses, operating within a clearly defined control framework. Business plans are developed in line with the overall Group strategy. Increasing collaboration amongst operating businesses in the Group is a priority in order to address our customers' needs whilst maintaining an autonomous business structure. Business leaders throughout Senior are actively embracing collaboration activities. By utilising this unique differentiator, Senior in 2024 was able to showcase our competitive advantage:

- Secured a significant new nomination with a major European Truck manufacturer for EGR tubes. Product development is being undertaken at our design centre in Crumlin, Wales with production at our Olomouc, the Czech Republic and Saltillo, Mexico manufacturing sites. This collaborative effort is ensuring we meet the accelerated timescale for high volumes required by our customer.
- Secured and launched a substantial programme with a major global Engine Manufacturer to produce engine tubes in Europe and China, through collaboration between our Olomouc, Wuhan and Crumlin sites. Our customer had an urgent need to re-source due to a failure in their existing supply chain. Our collaborative approach allowed us to start series production in a matter of months.
- Designed and built a Vacuum Jacket Hose for a Hydrogen Combustion application for a major Aerospace OEM, combining cross-divisional expertise in predictive engineering, design and prototype in our Crumlin and Canada businesses.
- We successfully entered the Chinese Off-Highway Exhaust Flex market, winning business with major OEMs, utilising Crumlin product design and qualification testing expertise in collaboration with our Wuhan JV.

### Medium term

We will open our new product design and development centre in Crumlin in 2025 following investment in a new, larger, state-of-the-art facility. Crumlin's raison d'être is to design and market products which are then manufactured in multiple locations around the world. Within the new Crumlin site we are establishing production of EV battery thermal management plates for established commercial vehicle applications. This will enable the launch of future projects across our global manufacturing base.

We will develop the next generation of Thermal Management products for cleaner Diesel & Hydrogen Combustion engines for one of our long-standing OEM customers in the Construction Equipment sector. This will involve design and development in Crumlin, with production in Senior India.

Working with a major European OEM, we have developed a Power Electronics Thermal Management solution for a regenerative braking system for use in Rail & Truck applications. Development, validation and testing will be undertaken in Crumlin, with a manufacturing strategy being provided by our Cape Town Manufacturing site.

Through collaboration across our Flexonics & Aerospace businesses, we are working as part of a consortium to develop a market leading thermal management system to manage waste heat generated by an advanced Hydrogen Fuel Cell Aerospace Propulsion System.

### Governance

The Executive Committee and the Board regularly review the organisational design of the Group to ensure it is aligned to our strategic plan.

## Focus on growth

### Overview

Senior operates in end markets with structural long-term growth drivers. We aim to consistently outgrow our end markets by:

- growing market share, particularly with key customers;
- focusing on technology and product innovation;
- geographical expansion; and
- exploiting adjacent opportunities organically and through acquisition.

### Aerospace

A key focus over the next five years will be to establish Senior as a major supplier of fluid conveyance standards-compliant highly engineered parts including fittings, flanges, clamps and couplings. There is significant demand for these products from our existing customer base. The acquisition of Spencer Aerospace in late 2022 was a key element of this strategy and we have also been investing organically in new capabilities at our Aerospace businesses in the UK and France which has directly led to new customer awards.

### Flexonics

Many of Flexonics' products are focused on helping customers transition to more sustainable solutions in hard to decarbonise sectors.

For example, in our land vehicle segments, improved efficiency of our current product offering supports our customers' need to meet their carbon reduction targets in the near term. Additionally, we have partnered with customers in the development of new propulsion technologies and are well positioned to participate in this critical transition through our thermal management and fluid conveyance knowledge, skills and expertise.

### Medium term

Given Senior's aim to broaden end market exposure over the medium term, we will continue to grow in the maturing Advanced Air Mobility market, while keeping close attention to other markets such as emerging military technologies and decarbonised propulsion.

Moving forward, our investments in innovation will enable us to target other growth areas in energy production, such as back-up energy storage and nuclear. Our products are enablers to the efficient operation of fuel cells and electrolyzers, which are key parts of the evolving hydrogen market and energy storage market. Our technology also facilitates the introduction of small modular reactors, which use passive thermal solutions to ensure safe operating temperature.

We also see an increasing need for our products in other markets where demographics and AI will drive growth, such as Medical and Semi-Conductor. We have strong customer relationships managed collaboratively within Flexonics and more broadly across Senior into these ever-growing markets, and we see them as areas of continued growth in the near term.

### Governance

Growth opportunities are regularly reviewed by the Executive Committee and Board. The Technology Council is in place under the chairmanship of the Executive VP, Strategy, and progress on strategic technology and product developments are regularly presented to, and discussed by, the Executive Committee and the Board. The long-term strategic growth plan is evaluated at the annual Board Strategy Review and monitored continuously.



## Considered and effective capital deployment

### Overview

Senior understands the importance of considered and effective capital deployment in the interest of maximising the creation of shareholder value. All significant investments and portfolio changes, including M&A and Prune to Grow, undertaken by Senior are assessed using a rigorous investment appraisal process and are supported by a business case.

In 2024, we maintained our pricing and return on capital discipline when negotiating contracts and assessing investments. Key investment approvals include:

- Investing in a new, larger, state-of-the-art facility for our product design and development centre in Crumlin, including investment in setting up production of EV battery thermal management plates for established commercial vehicle applications. This will enable the launch of future projects across our global manufacturing base.
- Doubling the capacity of our Olomouc, Czech Republic facility, having won new contracts with European truck and passenger vehicles OEMs to supply EGR and engine tubes for multiple platforms.

We propose to grow the dividend in respect of the full year (total paid and proposed) by 4%.

We continued to actively manage the portfolio by reviewing our operating businesses and evaluating them in terms of strategic fit within the Group.

### Medium term

Senior understands the importance of considered and effective capital deployment in the interest of maximising the creation of shareholder value. All significant investments undertaken by Senior are assessed using a rigorous investment appraisal process and are supported by a business case.

The Group is highly focused on delivering excellent overall return on capital employed which is well in excess of the Group's cost of capital.

We aim to continue to increase the Group's ROCE and to drive working capital efficiencies at all operations in the medium term.

### Governance

The Board regularly reviews the Group's portfolio to ensure that long-term value is being generated for shareholders. Where appropriate, divestments will be considered. M&A opportunities are evaluated and discussed at each meeting of the M&A Committee, as appropriate, and the overall M&A and Prune To Grow divestment strategies are reviewed at the Board Strategy Review. Active projects are also discussed at each Board meeting as appropriate.

## High performance operating model

### Overview

Senior strives for excellence through a high-performance operating model, drawing on the many world-class practices from across the Group. The key elements include:

- the Senior Operating System (SOS): an operational toolkit incorporating best practice processes such as lean and continuous improvement techniques, supplier management, new product introduction, 5/6S methodology, factory visual management systems, and risk and financial management;
- a comprehensive business review process utilising a balanced scorecard incorporating KPIs with a focus on performance, growth, operational excellence and talent development; and
- clear processes for developing strategy, ensuring top-down and bottom-up alignment, considering inorganic investments and managing M&A transactions.

Throughout the year we have continued to conduct multiple lean events in both divisions, always with continuing focus on cycle time reduction and cost reduction, together with continued targeted inventory improvement workshops. Following a retirement, we have recruited a new Senior Vice President for Operational Excellence who is actively engaged in driving best practices across our operations, working hand in hand with the lean champions in our operating businesses. Continued to drive Kaizen events in both divisions, aimed at inventory management, cycle time reduction and cost reduction. We have also rolled out formal A3 thinking training across the business and hosted monthly meetings of the Aerospace Lean Council to foster collaboration and share best practices.

### Medium term

Moving forward we aim to strengthen and develop the SOS in the following areas:

- Inventory Reduction: Focus on inventory reduction through strategy deployment, A3 thinking, and Kaizen events.
- Strategic Plan Deployment: Cascade the strategic plan throughout the organisation by deploying and executing the X-Matrix and continue embedding A3 thinking deeper into the organisation.
- Reinvigorate the Operating System: Introduce a formal roadmap for continuous improvement success and conduct a cultural maturity assessment.
- Kaizen events: Increase both the pace and quality of Kaizen events across all sites.

### Governance

Our Vice President of Operational Excellence chairs the Aerospace Lean Council on a monthly basis. The Executive Committee reviews operational performance and the Group CEO reports progress to the Board at every Board meeting.

## Competitive cost country strategy

### Overview

Senior's global footprint ensures that our operating businesses stay competitive at both a capability and cost level. Key investments have been made in Thailand, Malaysia, China, India, Mexico, South Africa, and the Czech Republic to help ensure we meet our customers' cost and price challenges whilst enhancing returns on investment. We have established increasingly sophisticated capabilities in these competitive cost countries and optimised production capacity to align with growing demand.

Over the last year, we won new business and launched production programmes in India, China, Czech Republic and Cape Town. We continued the transfer of fluid conveyance products to our Saltillo aerospace manufacturing site from California for cost and capacity reasons: this will continue in 2025. In India we will open a new factory (while exiting an older, smaller facility) that will provide much needed additional capacity to meet higher demand from new business awards.

### Medium term

Looking to the future we aim to extend this model further, with sites such as Cape Town in South Africa not just serving the local market but increasingly working with other businesses to serve customers across Europe and potentially in the US. Our cost competitive locations will continue to play a key role in meeting our customers' global requirements while providing attractive returns for shareholders.

### Governance

The Executive Committee conducts quarterly Business Reviews of all operations. The Group Chief Executive Officer and Group Finance Director report and discuss progress at each Board meeting. The overall progress of the competitive cost country strategy is reviewed at the Board Strategy Review on a regular basis.

## Talent and development

### Overview

Senior has a highly skilled workforce, experienced entrepreneurial business leaders and functional experts. We aim to attract and develop talent, supporting employees with online tools to enable personal and skills development as well as comprehensive technical and operational training. The Group has a strong focus on diversity and inclusion across the business including on our Board and Executive team.

Attracting, retaining and developing talent remains key and we have embedded processes and systems to help achieve this. This includes:

- global succession planning process;
- online talent acquisition system in the UK and US with future plans to roll out globally;
- Perform, our global Performance and Development system;
- Learn, our global online learning platform; and
- Senior Employee Opinion Survey, now run annually, which enables us to look at populations of employees such as Engineering to ensure that they are engaged and motivated.

### Medium term

Our operating businesses focus on developing engineering talent to support our strategic plans. To that end, we collaborate with universities and technology colleges and other relevant organisations. Individuals are supported with training such as Masters degrees as well as apprenticeships and certifications. Looking forward we plan to enhance our training programmes and provide career paths for key functional areas such as research and development engineers.

To help achieve our growth targets we will invest in business development and design and applications engineering talent, in particular these teams will be focused on utilising their skills and knowledge in order to develop products for new markets.

Senior operates a number of successful apprentice schemes, or equivalent, which is a proven route for successfully developing careers within Senior. Our annual succession planning process enables us to identify talent and ensure we have appropriate plans for every key role in the Company.

### Governance

The Executive Committee conducts an extensive review of operating businesses' leadership succession plans. As stated above, the review scrutinises our talent pipeline, identifying successors or interim cover for key roles across our businesses. Appropriate development plans are in place and recorded in Perform, our performance management system, to enable individuals to fulfil their potential. The Board formally reviews the succession plans for the Executive team bi-annually and their direct reports on an annual basis.

# TECHNOLOGY

## Our technology themes

Within both Aerospace and Flexonics Divisions our core technologies are fluid conveyance and thermal management components or systems. Legislation is driving reduced emissions with the ultimate end goal

of achieving net zero, and so to meet changing customer requirements we have responded by evolving our current products as well as developing IP-rich, innovative technologies.

## Fluid conveyance and thermal management



In order to de-carbonise, the land vehicle market is set to rely heavily on electrification, and this in turn leads to a significant requirement for battery cooling. Our fluid conveyance products and systems route the coolant from the reservoir to where it is needed at the battery. Our design engineers work with the customer to ensure criteria such as package space, weight and durability targets are met. In some instances – we are currently working with a major European truck OEM – the geometry can become incredibly complex, but this is not an issue as our highly automated manufacturing processes such as the one at our Senior Flexonics Olomouc business in the Czech Republic are able to adapt and deliver a world class quality product.

One of the headwinds facing the adoption of electric vehicles is the availability of electricity generated from green renewal sources. In this area Senior Flexonics Pathway is supporting a company called Malta with their highly innovative energy storage system which converts electricity to thermal energy then storing it using molten salt ready for re-converting back to electricity when demand requires. Senior Pathway are supplying expansion joints which alleviate the stresses within the system caused by the thermal loading. Product has been supplied, and evaluation trials are being conducted.

In all markets, hydrogen is set to play a key role in how we get to net zero. Whether it be in gaseous or liquid state, our products are being enhanced to convey this matter safely. Our Senior Aerospace Calorstat business in France is leading the way in the development and supply of bellows that will support the use of liquid hydrogen at a cryogenic temperature of -253 deg C. Working closely with a major aerospace OEM, this work requires investigating new material options and pioneering techniques to allow the welding of two fundamentally different materials to achieve cryogenic operation.

### Case study

#### HYDROGEN

As previously mentioned, hydrogen usage is often managed at very high pressure. At our Senior Flexonics Kassel business in Germany, our fluid conveyance hose technology has been significantly enhanced to endure pressures of over 1000 times that of the atmosphere. Products in current mainstream series production are already capable of 300 times atmospheric pressure however – in many applications – this is not sufficient to cater for conveying gaseous hydrogen. Working from today's known technology, the core components of the hose have been significantly adapted to endure the higher pressure. A number of design iterations had been investigated with the final design concept undergoing rigorous material and pressure test validation.

The design solution, which is capable of enduring up to 750 times atmospheric pressure – with safety factor on top – has fully completed the validation process and achieved accreditation through the well respected and recognised body TÜV SÜD. Orders have already been secured for the product and have been supplied to a number of customers who are needing to either store, transport or dispense gaseous hydrogen.

The further enhanced design solution capable of enduring more than 1000 times that of atmospheric pressure – still with a safety factor – is currently midway through the validation process which will continue throughout the course of 2025. This product will also go through the same accreditation process.

Our hydrogen hoses have been designed to withstand 750 times atmospheric pressure.



## Group revenue by technology theme



# 28%

**Structures**  
Complex Machining and  
Manufacturing Know-How:  
Process IP

# 72%

**Fluid Conveyance  
& Thermal Management**  
Product and System Design  
& Manufacturing IP

## Thermal Management



The usage of hydrogen creates many engineering challenges including management of cryogenic temperatures and very high pressures. To meet the needs of the Heavy Duty Truck market utilising hydrogen internal combustion powertrain technology, at our Senior Flexonics Crumlin research centre in the UK we are currently developing a heat exchanger that will withstand up to 400 times atmospheric pressure plus an additional safety factor. Having been evolved from current know-how, the design concept has now been completed and is ready to go into prototype sample production. Thereafter, an extensive testing and validation programme will be undertaken eventually culminating in accreditation by the relevant bodies. To ensure weight, package space and performance targets are met, Senior is working closely with the relevant Heavy Duty Truck OEM. Serial production is anticipated by 2030 and to reach mature annual volumes by the middle of the next decade.

Not only hydrogen but electrification challenges require us to evolve our thermal management capabilities. During the course of 2024, cooling plate design and manufacturing processes have been further developed. The use of thinner gauge materials is being adopted, allowing us to achieve ever more complex geometrical shapes and profiles, and in turn to achieve higher levels of heat transfer efficiency. End user applications are becoming more diverse, with our expertise being widely adopted in the land vehicle market from motorcycles to buses and trucks with the latter requiring dimensionally larger scale cooling plates. As we increase our customer portfolio and annual production volumes of the cooling plates – at our new facility in Senior Flexonics, Crumlin – investment is being made in the form a semi-continuous brazing line.

### Case study

#### HEAT EXCHANGERS

In terms of thermal management, another example of Senior breaking new ground is the heat exchanger product we are developing for a major power management OEM. As part of a US Department of Energy project and in collaboration with Purdue University, the OEM will use their compressor technology to extend the life of the hydrogen fuel cell system, which drives a requirement for an Air-to Air Recuperator to achieve this. Using bend-a-flex technology inside a Shell and Tube configuration, our Senior Flexonics Bartlett business in Chicago, IL. has developed an IP rich heat exchanger to meet the performance needs. At 36 litres capacity and approximately 5 times larger than any similar design in current production, our core technology is proving suitably scalable to meet the required needs.

The product has been successfully manufactured at prototype volumes. An extensive performance and durability testing program at Senior is already underway. Samples have also been delivered to the OEM with system trials to be conducted during the course of 2025.

Our IP-rich heat exchanger extends the in-service life of hydrogen fuel cell systems.



## Underlying technologies

In support of our core technology themes, Senior continues to progress innovation throughout our product development and manufacturing lifecycle.

Ongoing engagement through our company-wide Technology Council ensures that these technologies are collaboratively promoted and developed across the Group to ensure

that we provide safe and innovative products for applications in the most hostile environments.

### Vacuum Jacketed Hose



To store more hydrogen for any given volume of space, the gas is compressed to a liquid form resulting in a temperature of -253 deg C. When liquid hydrogen is being transferred from one place to another it must remain at this temperature to stay in liquid form. Our Senior Flexonics businesses in Canada and Germany have flexible hoses that are dual wall with both a vacuum and insulating material between the two walls of the hose. Known as a Vacuum Jacketed Hose, these features ensure that any matter passing through the hose will maintain the same temperature from inlet to outlet. The underlying technology has been adapted and enhanced to meet the needs of hydrogen.

Among the customers we are collaborating with is a major engine supplier who in mid-2025 will run a hydrogen fuelled turbo-fan demonstrator engine at NASA's Stennis Space Centre. This groundbreaking demonstrator is based on an existing engine, modified to combust hydrogen fuel, which includes the Senior Vacuum Jacketed Hose.

With input and support from Senior, the customer developed the technical specification. Senior then employed its know-how and experience from a number of sites – to generate a design solution. Working collaboratively, our Senior Aerospace Bird Bellows, Senior Flexonics Crumlin and Senior Flexonics Canada businesses are undertaking the initial design, feasibility study, extensive durability simulation, testing and manufacture to deliver the product on time. Throughout the test schedule of the demonstrator programme, the component will undergo a number of differing input loads such as extreme temperatures, varying pressures and alternating engine vibrations all of which have to be taken into account when initially designing the product. We will then simulate based on our Finite Element Analysis modelling software to ensure the component is fit for purpose.

The hydrogen demonstrator engine programme will have a further phase requiring additional technology. For Senior, this has several implications and challenges among them being the requirement for a leak detection system. The safety critical nature of this product means leak detection is crucial a must but at present no suitable system exists. Senior is actively engaging with Aerospace Technology Institute (ATI) in the UK who – in order to support their Fly Zero project – have a number of open funding calls. Senior will collaborate with partners who have the appropriate expertise to create a leak

detection system potentially with ATI funding support.

The Vacuum Jacket Hose design is also very flexible. At our Senior Aerospace Ermeto business in France we are developing dual wall vacuum jacket rigid pipes and associated dual wall connectors. This will allow Senior to provide the customer with a complete dual wall vacuum jacketed fluid conveyance system comprising a continuous route of rigid and flexible sections to carry the liquid hydrogen to where it is needed.

#### Other hydrogen products or projects

We have previously detailed how we are adapting our technology or innovating products to meet the storage or usage needs of hydrogen. Beyond this, there is content for Senior throughout the value chain including in the manufacture of green hydrogen through the process of electrolysis. The electrolyzers used in this process require both thermal management and fluid conveyance products and through collaboration between our Senior Flexonics Bartlett and Senior Flexonics Canada businesses we can now offer Pipe Spooling fluid conveyance components, which carry hydrogen through all areas of the electrolyser unit. Our highly skilled manual welding expertise has been developed in order to meet the stringent tolerances required by the electrolyser manufacturers.

Whilst the need for green hydrogen and its usage in the maritime and land vehicle sectors is now a very real prospect, its usage in the aerospace sector – particularly via fuel cells – is much longer term. However, in order to overcome feasibility challenges and gain the relevant flight certification in readiness for 2050, work to support the aerospace market needs is being initiated now.

There are several consortia led projects running within Europe which are targeting single-aisle narrow-body flight using hydrogen fuel cells. Senior is a member of the Dutch Government funded Hydrogen Aircraft Powertrain and Storage System (HAPSS) consortium not only responsible for delivery of the thermal management system but also participating in the project steering committee. This project is truly pioneering, it will push boundaries and take our fluid conveyance and thermal management technical know-how to new levels aiming for revolutionary zero emissions regional flight.

#### Case study

### OPTIMIZING AEROSPACE HOT FORMING

Our Senior Aerospace Thermal Engineering business in the UK, using Autoform Metal Forming simulation software, have developed the capability to predict material behaviour digitally during both cold and hot sheet metal forming processes.

Work to refine our modelling parameters and material characteristic data over recent years is now reaping benefits following multiple work package awards providing confidence to customers that our forming process will yield conforming parts. Through the last year, Senior Aerospace Thermal Engineering has proven several 'right first time' tool try-outs. Traditionally, multiple iterations are required to perfect the press tool, blank size and press operating parameters. The new simulation process has reduced New Product Introduction lead-times by up to 8 weeks and, significantly, provides inputs to the customer's design which means Senior Aerospace Thermal Engineering will be able to manufacture defect-free parts without the need for expensive dressing, trimming or corrections.

Lead times for complex product introductions have been significantly reduced using simulation software.





## Additive Manufacturing



Our focus on investigating new manufacturing processes as well as new products has continued. A key advancement in recent years is additive manufacturing. Senior has invested in this technology area and now has two centres of excellence – at our Senior Aerospace SSP business in California and at our Senior Aerospace BWT business in the UK. SSP are focused on metallic structures whilst BWT composite thermo-plastic.

The key advantages of additive manufacturing are zero tooling cost, short manufacturing lead times and almost limitless design complexity – the process is ideal for prototype or annual low volume rates. Taking advantage of this, at Senior Aerospace SSP, we are working with a number of the Aerospace OEMs and have supplied components such as complex ducting, brackets and struts. Being a full-service supplier our team of engineers will not only design and manufacture the product but also will have the facilities and expertise to complete the testing and validation followed by microstructure characterisation with powder and chemical analysis. Our business Senior Aerospace SSP is one of the very few additive manufacturing companies worldwide to have gained NADCAP accreditation.

Meanwhile Senior Aerospace BWT is leveraging its additive manufacturing capabilities to replace traditional metallic components used in ultra-light-weight low-pressure ducts with advanced alternatives. Thermoplastics are particularly suited for aerospace applications due to their exceptional strength-to-weight ratio, heat resistance, and chemical stability. Our fully aerospace-qualified process is already delivering thousands of flight-ready components, demonstrating its reliability and efficiency. This innovative approach helps our customers save costs while ensuring exceptional quality with every part we produce. Our highly dependable process maintains perfect precision and consistency while significantly reducing lead times, enabling us to offer our customers superior products faster and more efficiently.

### Case study

#### METALLIC ADDITIVE MANUFACTURING FOR AERO ENGINES

Our Advanced Additive Manufacturing Centre at Senior Aerospace SSP in Burbank, CA is engaged with a major aero engine OEM for the supply of a variety of 3D printed metallic helicopter engine components. Owing to acute supply-chain delivery and cost challenges, our customer wanted to qualify a new supply-chain and manufacturing process. In some cases, our additive manufacturing process eliminates 12-month casting lead-times, providing a more agile response operationally and will also deliver important unit cost savings to the customer. During 2025, after a 3-year journey in which prototype parts have been supplied, we will receive material qualification to enable serial production to begin in early 2026, displacing the incumbent supply-chain. Our NADCAP approved additive manufacturing facility has a very high level of vertical integration leading to the highest quality service and responsiveness to support customer programmes. The products are engine structures and ducts on existing helicopter platforms enabling Senior to benefit from production rate volumes immediately.

Additive manufacturing delivers lower cost, less weight and a shorter development time for complex aero-engine components.





# STAKEHOLDER ENGAGEMENT

Senior's engagement with stakeholders is a continuous process with the full involvement of our Board and Executive Leadership team.

Our stakeholders are people, communities and organisations with an interest or concern in our Purpose, strategy, operations, and actions.

Senior engages with five key groups – our employees, customers, suppliers, shareholders, and communities. By engaging and collaborating with our stakeholders we can ensure our business delivers long-term sustainable value.

Our Business Model lists our stakeholders alongside the environment. We protect the environment through our sustainability framework as outlined in the sustainability section on pages 12 to 31.

## Our stakeholders

**senior**  
CONTINUOUS  
STAKEHOLDER  
ENGAGEMENT

Career development opportunities

Skills, loyalty and value creation

Safe and high performance products

Trust and long-lasting relationships

Respectful relationships and supply chain stability

Safe, high quality, ethical and cost-effective suppliers

Sustainable growth in operating profit, cash flow and shareholder value

Investment and valuable feedback

Local support and value creation

Talent for recruitment and sense of community

### Employees

The calibre and capabilities of the people within the Group drive our success and we recognise the importance of attracting the best talent into the business and retaining and developing individuals to enable them to do their best work.

➤ Read more on [page 41](#)



### Customers

Our core Value of "Customer Focus" firmly establishes that we put our customer at the heart of everything we do.

➤ Read more on [page 42](#)



### Suppliers

Constructive engagement with suppliers sets fair expectations on safety, quality, ethical behaviour, commercial terms and delivery performance.

➤ Read more on [page 43](#)



### Shareholders

Senior engages regularly with our investors to ensure our priorities are aligned on strategy, capital deployment, sustainability goals and value creation.

➤ Read more on [page 44](#)



### Communities

We recognise our responsibility to the communities in which we operate.

➤ Read more on [page 45](#)





## Employees

### How we engage

We continue to place a strong emphasis on employee engagement with open lines of communication and encouraging a culture of feedback. To that end, in May 2024, we invited all our employees to participate in our Global Employee Opinion Survey. 85% of our employees completed the survey which is an excellent result considering that approximately 60% of our employees do not have ready access to business emails. We were pleased by the participation level as this is a sign of positive engagement, and that we have created a culture where employees are happy to provide feedback. Following the survey, business leaders and HR teams analysed the results for their operation and worked with colleagues to develop action plans for their areas of responsibility. Every operating business communicated the results to their employees and shared action plans. In the 2024 survey, we asked for feedback on our Purpose – “How do you feel about Senior’s Purpose which is to ‘Help engineer the transition to a sustainable world for the benefit of all our stakeholders’?”. This provided us with additional insights, and in the main employees are supportive and think the Purpose makes sense, with comments such as feeling proud to be part of an organisation that prioritises sustainability, that the Purpose is impactful, and that Senior is doing a great job engineering new solutions to problems. One valuable piece of feedback was that in relation to the Purpose, some employees did not view themselves as stakeholders, an area for us to provide further communication on. See People and Culture on page 28 for further information on the engagement survey.

While the Employee Opinion Survey is a valuable tool in assessing employee engagement, our operations recognise the importance of maintaining lines of communication and making sure employees have the appropriate mechanisms in place for making suggestions and raising concerns, both formally and informally. Business leaders continued their regular cadences of holding face-to-face, all-hands briefings and team meetings. As in previous years, the Executive Leadership team visited operating businesses for our annual “Employee Roadshows”. The Roadshows provide an opportunity for members of the Executive Committee to present Senior’s business strategy and performance, health & safety, sustainability, cybersecurity and employee survey feedback. Operating business leaders also present information related to their individual business, for example their local business strategy, business performance metrics, product development and customer wins. During the sessions employees are encouraged to ask questions, raise concerns and provide feedback.

Operating businesses also utilised other methodologies to engage with employees face-to-face such as team meetings, question and answer sessions, skip level meetings and employee focus groups. We also used tried and tested methods like newsletters and meeting with employee representative bodies such as works councils and unions, and increased our use of technology, for example employee apps and TV information screens. In 2024, a number of our businesses launched or enhanced employee apps which are particularly useful in providing information to employees who do not have easy access to a company computer.

Mary Waldner, the non-executive Director for employee engagement and Jane Johnston, Group HR Director have continued their programme of face-to-face focus groups. In addition, Mary has met delegates from our Leading for Excellence group development programme, met leadership teams when visiting sites and joined the monthly global HR calls in June.

### Outcome of engagement

All our operating businesses communicated the outcome of the Employee Opinion Survey to their teams and developed action plans as a result of the feedback. The survey provides valuable insights at an operating business level allowing leaders, in our collaborative and autonomous model, to develop meaningful actions for their operations.

The employee engagement score improved from 7.2 in the prior survey in October 2022 to 7.5 in June 2024, and we have received positive feedback on many of the actions taken by the operations as a result of the 2022 and 2024 survey feedback. We remain focused on communicating the actions we have taken and the impact of those actions – “You said, we did”. In addition, we have seen an ongoing trend of improvements in employee turnover.

### Company actions responding to engagement outcome

#### Management-level actions

Operating business action plans were developed following the 2024 Global Employee Opinion Survey. The Executive Committee monitors performance and receives regular updates regarding employee engagement actions and progress against the plans throughout the year via our formal business review process. There has been a notable improvement from previous surveys in how operating business leaders communicate their strategy to their teams as this is no longer indicated as an area for improvement. However, business leaders will continue to focus on communicating their strategy and mission to their teams and thereby enabling people to feel inspired and connected to business challenges and achievements.

The next Global Employee Opinion Survey will be in May 2025.



Following every focus group, the Group HR Director provides feedback to the operating business leader and HR lead, linking it to the Employee Opinion Survey feedback and making recommendations for areas of improvement and/or further investigation. The operating business leaders implement actions as appropriate including explaining why something cannot be actioned.

### Board-level actions

As referenced above, Mary Waldner engaged with employees in a number of ways throughout the year. These interactions provided Mary with an opportunity to understand more about Senior’s culture, and in relation to the HR calls, to gain a better understanding regarding the people priorities being worked on around the Group. The focus groups and other interactions afford an opportunity to engage directly with a cross section of employees, allowing them to ask questions and provide feedback. As always, all the discussions were positive, enthusiastic and interactive.

The Board reviewed the 2024 Global Employee Opinion Survey action plans and received regular updates on employee engagement from Jane Johnston, the Group HR Director and Mary Waldner, who spent time conducting a more in-depth review into the survey data points and feedback.



## Customers

### How we engage

Across Senior, we continue our ongoing dialogue with our customers, including at an operating business, Division, Group and senior management level. Our division-level Customer Relationship Managers and Global Marketing Teams, in place in Europe, the UK, and the USA, interact with and support all levels of our largest customers. This process ensures that we monitor and understand the fundamental dynamics impacting our businesses and their end markets. Our ability to have regular and cross-functional insights allows us to respond appropriately when issues arise and to quickly capitalise on opportunities across the whole Group. These interactions provide the information necessary for Senior to develop strategies that link up with our customers' advanced engineering teams to improve costs, efficiency, and the achievement of their sustainability goals, including the transition to a low-carbon economy, their new competitive offerings to the marketplace, and mutual investments in research and technology.

Feedback is actively sought from our customers via frequent interactions between our operating business's customer account and business development teams. This involves monthly reporting of activities and monitoring of our Key Performance Indicators (KPI) and customer scorecards across Senior's operating businesses. Whilst Senior regularly receives customer awards for operational excellence, in those cases where our performance falls short of expectations, we actively engage with the customer to agree improvement targets, implementation schedules, resource dedication, and executive involvement.

We continued to conduct regular senior management meetings, including at CEO level, with our major customers in 2024. These interactions centred around ensuring commercial terms reflect current day pricing, supply chain and labour issues, operational metrics, communications, growth strategies, and market dynamics. These executive-level meetings formed a vital part of our ongoing relationship management and helped to clarify and focus our mutual activities towards driving success for both Senior and its customers.

### Outcome of engagement

Remaining close to both our Aerospace and Flexonics customers has helped to position Senior as a valued and trusted supply partner. We have worked in collaboration with customers to support their production and development programmes to the maximum extent possible, particularly in relation to clean energy solutions and technology development.

### Company actions responding to engagement outcome

#### Management-level actions

Our close collaboration with customers on their programme/market issues and opportunities provides valuable insight to Senior, helping to inform our future technology, product development, and innovation investments and activities. This partnership approach enables Senior to remain a healthy, vibrant, and reliable supplier in all the industries we operate in.

#### Board-level actions

Our Board receives detailed monthly updates relating to customer activities, both current programmes and new work we are bidding on. During Board site visits detailed discussions take place with operating business management regarding the performance for our customers.

### Case study

## SENIOR AEROSPACE UPECA AND DHL CONTRIBUTE TO MORE SUSTAINABLE AIR FREIGHT WITH SAF

Senior Aerospace UPECA signed an agreement with DHL Express for the use of the GoGreen Plus service. The partnership enables UPECA to invest in sustainable aviation fuel (SAF) to drive up to 30 percent reduction in carbon emissions associated with their time-definite international shipments.

GoGreen Plus currently stands as the sole solution within the global express logistics sector that allows customers to leverage SAF towards their Scope 3 footprint, which refers to the indirect release of greenhouse gases within a company's supply chain activities. Made from alternative raw materials such as used cooking oil, waste, and hydrogen, SAF cuts around 80 percent of lifecycle carbon emissions from air transport compared to conventional jet fuel.

UPECA's subscription to GoGreen Plus applies across its overseas trade lanes, encompassing key markets in Europe and North America. It comes amidst a report by the International Energy Agency that aviation has grown faster in recent decades than rail, road, and sea transport as a source of worldwide CO<sub>2</sub>e emissions<sup>1</sup>. The trend emphasises the urgency for the upscale and uptake of SAF in order to meet the International Air Transport Association (IATA) target of comprising 50 percent of global aviation fuel consumption by 2050.

"At UPECA, we believe SAF is one of the most promising means of decarbonising long-haul flight," said Kavan Jeet Singh, Chief Executive Officer of UPECA.

"Ready for deployment in existing aircraft, it complements intensive efforts to transform aviation into a post-carbon industry. We are delighted to join DHL Express in helping contribute to a commercially-viable market for such renewable energies."

"SAF is an important lever for achieving cleaner air mobility, but there remains progress to be made on the production and adoption fronts. Having UPECA onboard demonstrates an increasing shift among businesses to explore innovative pathways for a green transition in their operations. These collaborations are essential as we continue to promote SAF accessibility and affordability at the pace needed to address current climate challenges," said Julian Neo, Managing Director of DHL Express Malaysia and Brunei.

<sup>1</sup> International Energy Agency, 12 July 2023. 'Tracking Clean Energy Progress 2023'







## Suppliers

### How we engage

We engage with our suppliers in a variety of ways, including during tender and bid processes, scheduled status updates, on-site visits and audits where appropriate. Supply chain constraints continued to ease in 2024 but the Group remained focused on managing stubborn pockets of supply volatility caused by material shortages and labour disruption through bilateral, collaborative communication and close co-ordination with suppliers regarding lead times, demand changes, transportation options and other sources of volatility. 2024 also resulted in a moderation of inflation rates in many of the regions in which the Group operates and as a result, we recommenced discussions with key suppliers regarding potential cost reductions as part of our ongoing strategic review of supplier price competitiveness. The Executive Committee continues to closely monitor the health and performance of critical Group suppliers and supports the operating businesses in their engagement with suppliers where necessary.

In line with our Contract Review Policy, which is mandatory for all operating businesses, we continue to communicate the requirements of the Group's Sustainable Sourcing Policy to key suppliers and provide feedback to our suppliers on their performance and, where necessary, will agree improvement action plans.

The Group also completes bi-annual reporting pursuant to The Reporting on Payment Practices and Performance Regulations (2017), demonstrating our commitment to remain a strong financial partner with our suppliers.

For Scope 3 Greenhouse Gas emissions, Senior has a commitment that 82% of its suppliers by spend, covering purchased goods and services and capital goods, will have Science Based Targets by 2025.

### Outcome of engagement

During 2024, our collaboration with suppliers enabled the operating businesses to continue to mitigate residual supply chain volatility through lead time management, order flexibility and other cooperative solutions. We also benefited from lower costs on certain material and component inputs resulting from successful price reduction negotiations with suppliers.

As part of CDP's supply chain engagement programme, we identified and engaged with over 300 suppliers in 2024, reinforcing our commitment to driving sustainability throughout our value chain. Additionally, we initiated an analysis of carbon reduction commitments among suppliers not yet participating in the CDP process.

Our combined efforts through CDP engagement and ongoing analysis have so far revealed that 91 of our key suppliers have already set carbon reduction targets. To support those yet to embark on this journey, we have developed a simple carbon target tool aligned with the principles of science-based targets. This tool provides practical guidance to help suppliers establish and implement their carbon reduction goals.

Senior's leadership in supplier engagement has been recognised with the highest CDP leadership status for supplier engagement in both 2022 and 2023. Building on this foundation, we will continue advancing this programme in 2025, ensuring we drive impactful and collaborative climate action across our supply chain.

### Company actions responding to engagement outcome

#### Management-level actions

Supply chain challenges remained a principle risk to the Group in 2024. The Aerospace supply chain continued to stabilise, with the volume of parts shortages and specific supply chain challenges continuing to subside. Where supply chain challenges persist, these challenges, and actions to address them, continued to be focal points during operating business reviews and Executive Committee meetings throughout the year.

We continued to engage with our largest suppliers on our Scope 3 greenhouse gas emission targets and regular updates are provided to the Board on progress.

#### Board-level actions

The Board reviews the bi-annual reports for our UK subsidiaries to monitor compliance with negotiated vendor payment terms.

The Group Director of HSE & Sustainability attended two Board meetings in 2024 and provided an in-depth review on the progress in engaging with suppliers in respect of the Group's Scope 3 targets. When necessary, the Group CEO has actively intervened at executive level with critical under-performing suppliers.



Engaged with over

91

key suppliers who have already set carbon reduction targets

#### Launie Fleming

Aerospace Division Chief Executive

"We work hand in hand with suppliers to ensure high levels of operational performance and satisfaction for our customers."

- Read more in the Risk & Uncertainties Section on [page 50 to 59](#)
- Read more in the Sustainability Section on [page 12 to 31](#)



## Shareholders

### How we engage

In 2024, the Group continued, both through the Executive Leadership team and certain members of the Board including the Group Chair, to engage with its shareholders throughout the year. This was achieved using a diverse and tailored range of channels and collaterals, which are highlighted below.

Engagement with the Board grew in the year. As is customary, the Group's Chair attended the full-year and interim results announcements in March and August 2024 and undertook a series of solo meetings with the largest shareholders to receive feedback on Group strategy, capital deployment and allocation, and Senior leadership and management. Additionally, the newest members of the Board, namely Joe Vorih and Zoe Clements, met with the largest shareholders for introductory meetings separately.

Below highlights the various ways the Group, through its extensive Investor Relations programme, engaged with shareholders throughout the year:

- twice during the year following the announcement of the full-year and interim results, the Group Chief Executive Officer, Group Finance Director and interim Director of Investor Relations & Corporate Communications (as the current Director was away on maternity leave) engaged with our major shareholders through a series of face-to-face and virtual meetings (by video conference or telephone conference call). These meetings centred around the detailed performance of the business, the Group's strategic focus on fluid conveyance and thermal management capabilities and what this means for the future composition and portfolio of the business. These meetings were used to confirm our understanding of our shareholders' views and address any concerns they may have about the Group;
- in addition, we issued two market updates, one in April and one in October (followed up with a dial-in conference call session for our analysts and investors). Furthermore, on each occasion, we offered major shareholders the opportunity of a follow-up call with the Executive Leadership team and Group Chair;
- the Group organised one Group investor site visit and two sole site visits during the year, spanning across France and the East and West coast of the US. The Group site visit involved visiting two of our French operating businesses: Ermeto and Calorstat. The management teams of these operating businesses hosted institutional shareholders and sell-side analysts. The visit showcased the fluid conveyance and thermal management capabilities of the Group and the practical applications of our highly engineered, IP-rich, products. The two solo site visits involved visiting our Senior Aerospace Bartlett, Senior Metal Bellows and Senior Flexonics Pathway, and our Senior Aerospace Southern California and Senior Aerospace Steico businesses;

- Management used the opportunity presented by the Farnborough Air Show to also meet with members of the investment community. The Group Finance Director and Interim Director of Investor Relations hosted members of the investment community, including shareholders and analysts at the Group's stand at the Air Show;
- the Group has also leveraged digital platforms to keep our investors up-to-date including using LinkedIn to cover a range of topics (from contract wins to sustainability and our technological capabilities).

Throughout the year we responded to requests from investors and analysts for further information and addressed any questions or concerns.

The Group typically makes constructive use of the Annual General Meeting ("AGM") to communicate with its private shareholders, whose engagement we value. Held in April 2024, this forum provided private shareholders with the opportunity to hear directly from the Group Chief Executive Officer about the performance of the business, to submit questions to the Directors and to listen to their responses.

Barbara Jeremiah, non-executive Director, Senior Independent Director and Chair of the Remuneration Committee, wrote to shareholders regarding potential changes to the Remuneration Policy and the LTIP rules at the end of 2023. The LTIP rules were updated as required every ten years, and the new rules approved by shareholders at the AGM in April 2024. In addition, Barbara had a number of conversations with major shareholders on remuneration matters prior to the AGM and speaks to them periodically throughout the year in her role as SID and Chair of the Remuneration Committee.

### Outcome of engagement

- Positive engagement via the Investor Relations function and management with current and potential shareholders.
- Shareholders were kept fully informed of the progress of the Group, market dynamics and Group strategy through various channels including in-person meetings, investor site visits, and via social platforms (i.e. website/LinkedIn).
- Maintained open channel of communications with our shareholders on key topics such as remuneration and targets.
- Focused engagement with both selected ESG ratings providers and proxy advisory firms to ensure shareholders viewing this information have accurate and up-to-date insight.
- Engaging with shareholders post the Q3 Trading Update which highlighted short-term but temporary headwinds to provide reassurance of the Group's position and investment opportunity.
- Received better understanding of shareholder expectations in respect of strategic decisions.



Ian King | Chair

"In 2024, our extensive engagement was key to strengthening our strong relationships with our shareholders."

### Company actions responding to engagement outcome

#### Management-level actions

During the course of 2024, engagement with shareholders emphasised how focused they are on the Group's overall performance amid the existing environment, and in particular, on its strategic focus on fluid conveyance and thermal management and what that brings from a portfolio standpoint. In response to this, we continued with our normal Investor Relations engagement programme which included management presentations, in-person meetings, investor site visits and the use of social platforms. Investors were able to gain reassurance and clarity about Group strategy, understand the strategic focus on fluid conveyance and thermal management and gain a practical understanding of our high-engineered IP-rich capabilities.

#### Board-level actions

As part of the reporting cycle, the Board gets regular reports on the top 20 shareholders, movements in the share register, share price performance and engagement with investors and analysts. These regular investor updates included feedback on investor perceptions and the financial-market environment. The feedback is provided either directly from shareholders, from the Group's Investor Relations function or from our corporate brokers, Jefferies and Deutsche Numis. Updates from Group-level and Board-level engagement with shareholders are also provided to the Board as appropriate.

The Board discusses and considers issues with management as part of its decision-making process. It also takes the feedback received into consideration when reaffirming decisions on the Group's overall strategy and continued strategic focus.





## Communities

### How we engage

Senior takes its responsibility in relation to the communities in which we operate seriously, striving to nurture good relationships supporting local community endeavours, and finding ways to engage and make a positive contribution, as well as providing employment. Examples of our community engagement programmes include:

- Senior Aerospace Thailand ("SAT") supports a number of education focused initiatives and in 2024 signed an MOU with the Suranaree University of Technology. The aim of the partnership is to inspire the next generation of aerospace engineers. Our Thailand operation also hosted a number of educational focussed events, for example welcoming students and teachers from a number of universities, in particular to enable students to gain insights into the opportunities to progress careers in aerospace.
- For the last seven years Senior Flexonics GA has been working with a local women's correctional facility on their Work Release Program. The programme supports inmates to transition out of prison by, in conjunction with a local Community College, providing training and employment at this critical time. The participants benefit from an on-site CNC machine training "bootcamp". In addition, GA works with a local college to provide job shadowing to students with autism – "Uniquely Abled Academy program".
- As in previous years, Senior Flexonics India identified a number of community projects and charities they are going to support during the year. In 2024, they installed a Reverse Osmosis (RO) plant to provide access to safe drinking water for pupils at a government school for girls. The RO plant installed has a capacity of 500 litres per hour.
- Senior Aerospace Weston continued their successful partnership with the Barry Kilbride Prostate Cancer Appeal by taking part in a charity bike ride. A team of cyclists from Weston completed over 200 miles in three days and raised money for the charity through sponsorship.
- Senior Flexonics Pathway collaborated with other local businesses to provide Thanksgiving turkeys to the South Texas Vocational Technical Institute.
- Our Senior Flexonics Cape Town has continued to support Lawrence House, a home for orphaned boys and girls by donating essential items such as clothing, food and stationery. In addition, our Cape Town employees worked with Grace Animal Sanctuary and Faith Village, an organisation that supports vulnerable children.



Senior Aerospace Thailand welcomed students and teachers from Chiang Mai University.

### Outcome of engagement

- Senior Aerospace Thailand education community partnerships have helped promote aerospace and engineering as a career by providing real life experiences to develop, build and encourage the next generation of aerospace innovators.
- The Work Release Program supported by Senior Flexonics GA enables individuals transitioning from prison to acquire new skills, acclimatise to real world employer expectations, earn and save some money in order to become self-sufficient once released from the correctional facility and develop a work history. The work shadowing opportunities provided by GA for students with autism helps prepare them for future employment.
- Through their charitable endeavours, Senior Flexonics India ensures school students have access to potable water, thereby fostering better health and wellbeing.
- Senior Flexonics Pathway, through their participation in the Thanksgiving event, ensured that 593 students were able to enjoy a hearty Thanksgiving meal. For some students it will have been the only Thanksgiving meal they received.
- Senior Aerospace Weston's ongoing support for the Barry Kilbride Prostate Cancer Appeal enables them to continue to support men in the local community and raise awareness of the importance of men's health issues.
- Senior Flexonics Cape Town and the generosity of our employees has made a positive impact on the lives of vulnerable and less fortunate individuals in their local community by providing food and essential items.

### Company actions responding to engagement outcome

#### Management-level actions

Our operating businesses continue to make a positive contribution to the communities in which we operate with many of our businesses having committees to support such activities. They do this by participating and supporting local education establishments, contributing to charities serving causes local to them, including fundraising, supporting food banks, children's homes and education programmes, as well as, providing support for employees' families such as flu vaccinations.

#### Board-level actions

The Board supports Senior's community activities and our commitment to making a positive impact and creating a strong employer brand. The Board receives updates regarding community engagement in the Group HR Director's monthly Board reports.

➤ Read more in the Social Section on [page 26](#)

# SECTION 172 STATEMENT

This section describes how the Directors have had regard to the matters set out in Section 172 (1)(a) to (f) when performing their duties under Section 172 of the Companies Act 2006.

## Section 172 disclosures

### (a) the likely consequences of any decision in the long-term

Our Purpose	Page IFC
Our Business Model	Pages 2 and 3
Senior's Strategic Sustainability	Pages 12 to 31
Our strategic priorities	Pages 34 to 35
Dividends	Page 67
Viability Statement	Page 68
Annual Board Strategy Review	Page 78

### (b) the interests of the Company's employees

Sustainability – Equality, Diversity and Inclusion	Page 27
Sustainability – People and Culture	Page 28
Sustainability – Employee Wellbeing	Page 29
Stakeholder Engagement – Employees	Page 41

### (c) the need to foster the Company's business relationships with suppliers, customers and others

Our Technology and Product Development on the Road to Net Zero	Pages 18 and 19
Stakeholder Engagement – Customers and Suppliers	Pages 42 and 43
Modern Slavery	www.seniorplc.com
Anti-bribery and corruption	Page 79

### (d) the impact of the Company's operations on the community and the environment;

Sustainability – Environment	Pages 14 to 17
TCFD	Pages 20 to 22
Sustainability – Communities	Page 30
Stakeholder Engagement – Communities	Page 45

### (e) the desirability of the Company maintaining a reputation for high standards of business conduct

Sustainability – Governance	Page 31
Culture and Values	Pages 2 and 3
Whistle-blowing	Page 80
Human Rights	Page 80

### (f) the need to act fairly between members of the Company

Progressive Dividend Policy	Page 67
Stakeholder Engagement – Shareholders	Page 44
Investment Case	Pages 32 and 33
AGM	Page 89

Section 172 of the Companies Act 2006 requires a director of a company to act in the way that he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, Section 172 requires directors to have regard to, amongst other matters):

- (a) the likely consequences of any decision in the long-term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the Company.

We recognise that effective integration of considerations outlined in Section 172 into the Board decision-making ensures a broader stakeholder-oriented approach and long-term sustainability of the Company. Senior takes the following steps to incorporate Section 172 into the decision-making process by the Directors:

- **Board training:** all Board Directors receive training on their legal duties, including those under Section 172.
- **Terms of Reference:** Section 172 considerations are integrated into the schedule of Matters Reserved for the Board and the Terms of Reference of all Board Committees.
- **Board Meeting Papers:** all Board meeting packs start with a cover letter explicitly stating Directors' obligations under Section 172.
- **Stakeholder Engagement:** regular engagement initiatives with Senior's stakeholders, as outlined on pages 40 to 45, provide the Directors with valuable insights into their expectations and concerns. These insights help the Directors to better understand the likely impact that certain decisions or strategic options are likely to have on various stakeholders.

### Examples of S.172 considerations in practice

This section provides some examples of the decisions taken or implemented by the Board in 2024. The Directors acknowledge that every decision they make will not always result in a positive outcome for all of Senior's stakeholders. However, by considering the Company's Purpose, Vision and Values, together with our strategic priorities and having a process in place for decision-making, we aim to ensure that our decisions are considered, proportionate and balanced.

#### Capital Expenditure Request – Senior Flexonics Crumlin New Facility

At the start of 2024, the Board considered the proposal to relocate Senior Flexonics Crumlin (Crumlin) to a more suitable site to support growth and better showcase its design and development capabilities. Crumlin offers expert design, development, testing and manufacturing capabilities and is the Primary European Design and Development centre for thermal management, fluid conveyance and flexible connectors, which merited its justification. As a result of recent successes in thermal management products for EV markets, Crumlin had begun manufacturing battery thermal management plates and needed additional space to allow further expansion.

#### S.172 Considerations

(a) the likely consequences of any decision in the long-term	As part of its decision-making, the Board assessed such factors as the impact on the Group's budget and financial planning, the returns on investment, environmental impact, opportunities to leverage the existing skills of the employees and the alignment with the Group's long-term strategy.  The Board reviewed the proposal regarding the relocation of Crumlin to a new facility and deemed the request represented significant future opportunities to accelerate the profitability of the operating business and was equally in line with Senior's strategic focus of highly engineered, IP-rich, fluid conveyance and thermal management expertise and capabilities and its Purpose of helping engineer the transition to a sustainable world for the benefit of all stakeholders.
(b) interests of Company's employees	The Board recognised the value of leveraging opportunities of the existing skills and future-proofing the operating business.
(c) fostering relationships with the Company's suppliers, customers and others	The Board considered the strategic requirements of Crumlin's and the rest of the Flexonics Division's customers and the opportunities these presented for the Group.
(f) need to act fairly between members	The Board was cognisant that the relocation of Crumlin was important in creating long-term value for shareholders.

**Outcome:** The Board approved Crumlin's relocation proposal and promoted cooperation between Crumlin and the rest of the Flexonics Division's operating businesses.

#### Double Materiality Assessment

During the year, the Company performed its first double materiality assessment, which evaluated Senior's sustainability matters from both financial and impact perspectives.

#### S.172 Considerations

(a) the likely consequences of any decision in the long-term	The Board recognised the importance of identifying sustainability-related risks, impacts and opportunities that can enhance decision-making, contributing to a more sustainable business model.
(b) interests of Company's employees	
(c) fostering relationships with the Company's suppliers, customers and others	A range of internal and external stakeholders were consulted as part of the DMA process, to ensure the Company captured comprehensive points of view for a mix of geographies, business and market expertise, as well as commercial relationships with Senior.
(d) the impact of the Company's operation on the community and environment	
(f) need to act fairly between members	By incorporating sustainability considerations into the Company's decision-making, we are future proofing the business, making it more resilient in delivering long-term value.

**Outcome:** The Board reviewed and approved the list of material sustainability-related topics. The Company will use these insights to enhance its sustainability strategy.

# KEY PERFORMANCE INDICATORS

The Group highlights five financial and two non-financial metrics to measure progress in implementing its strategy.

## Non-financial metrics

The Group's non-financial objectives are as follows:

- to reduce the Lost Time Injury Illness Rate (per 100 employees) to 0.3 by 2025; and
- to reduce the absolute Scope 1 and 2 Greenhouse Gas ("GHG") emissions by 30% by 2025 (compared to 2018 base year).

The key performance indicators ("KPIs") are determined as follows:

- CO<sub>2</sub> emissions is an estimate of the Group's carbon dioxide emissions in tonnes equivalent; and
- lost time injury illness frequency rate is the number of OSHA (or equivalent) recordable injury and illness cases involving days away from work per 100 employees.

The Group's approach to calculating and reporting our GHG emissions follows the GHG Protocol.

2024's reporting has incorporated Scope 2 greenhouse gas emissions (associated with electricity consumption) calculated using both the Location and Market Based methods.

The Scope 1 and 2 emissions Location Based and Market Based (FY24) are independently verified in accordance with the International Standard on Assurance Engagements ISAE 3410 (limited assurance).

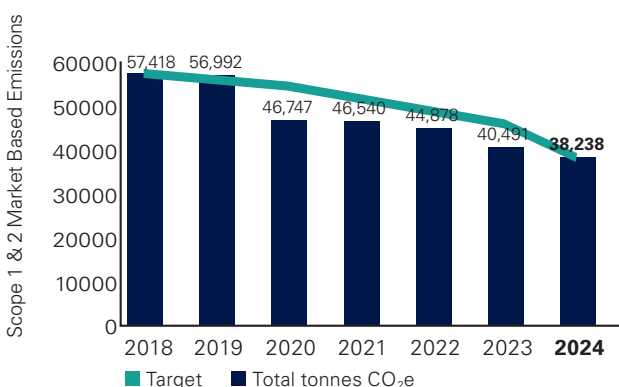
In calculating GHG emissions, the Group has used the financial control approach under which a company accounts for 100% of the GHG emissions from operations over which it has control. This covers all wholly owned operations and subsidiaries of the Group for financial reporting purposes.

Senior is on track to meet our 2025 targets for Scope 1 and 2 GHG emissions and lost time injury illness rate. Further details of the Group's performance, including its long-term performance trends, are shown on pages 14 to 19. More detail on the Methodology can be found on page 16.

↑ Increased
↓ Decreased
→ Unchanged

### Carbon dioxide emissions Scope 1 and 2 (Market Based) (Total tonnes CO<sub>2</sub>e)

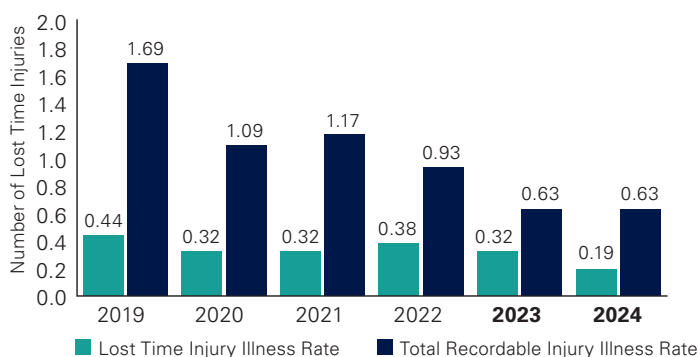
**33.4%** from 2018 base year



In 2024, our absolute Scope 1 and 2 Greenhouse Gas ("GHG") emissions reduced from 57,418 tCO<sub>2</sub>e (2018) to 38,238 tCO<sub>2</sub>e. We have met our SBTi 2025 target with a 33.4% reduction against our 2018 base year.

### Lost Time Injury Illness Rate (incidents per 100 employees p.a.)

**41% reduction**



We experienced a decrease in the Lost Time Injury and Illness Rate from 0.32 in 2023 to 0.19 in 2024. The Total Recordable Injury and Illness Rate remained stable at 0.63.



## Financial metrics

The Group's financial objectives for 2024 were as follows:

- to achieve revenue growth (at constant exchange rates) in excess of the rate of inflation;
- to increase the Group's return on revenue margin each year;
- to increase adjusted earnings per share on an annual basis;
- to generate sufficient cash to enable the Group to fund future growth and to follow a progressive dividend policy; and
- to maintain an overall return on capital employed in excess of the Group's cost of capital and to target a pre-tax return in excess of 13.5% on a post IFRS 16 basis.

The KPIs are determined as follows:

- revenue growth is the rate of growth of Group revenue, at constant exchange rates;
- return on revenue margin is the Group's adjusted operating profit divided by revenue;
- adjusted operating profit is defined in Note 9;
- adjusted earnings per share is defined in Note 12;
- net cash from operating activities is available from the Consolidated Cash Flow Statement; and
- return on capital employed is the Group's adjusted operating profit divided by the average of the capital employed at the start and end of the period, capital employed being total equity plus net debt (defined in Note 31c).

The Group's financial objectives for 2025 will be aligned to the new medium-term financial targets as noted on page 33.

↑ Increased

↓ Decreased

→ Unchanged

### Revenue growth (£m)



# +4.2%

23 938.0

24 977.1

As discussed in the Group Chief Executive Officer's Statement, the year-on-year increase was a result of growth in the Aerospace Division and an anticipated reduction in the Flexonics Division. The impact on the Divisions is set out in the Divisional Reviews, on pages 60 to 62.

### Net cash from operating activities (£m)



# +19.3%

23 41.4

24 49.4

The Group generated net cash from operating activities of £49.4m, which funded gross capital expenditure of £43.2m in 2024. The year-on-year increase was driven by more effective management of working capital and increased operating profit.

### Return on revenue margin (%)



# Nil bps

23 4.8

24 4.8

The Group's adjusted operating margin of 4.8% for the full year was in line with 2023, and on a constant currency basis it increased by 10 basis points. This reflected the benefits from higher prices, operational efficiencies and higher Aerospace volumes, offsetting the impact of lower volumes in Flexonics.

### Return on capital employed (%)



# -30 bps

23 7.1

24 6.8

Return on capital employed ("ROCE") decreased to 6.8%. The decrease in ROCE was mainly a result of higher inventory and investment in growth not yet fully offset by the growth in profit, which was impacted by near-term temporary customer led headwinds.

### Adjusted earnings per share (pence)



# -30.3%

23 10.28

24 7.17

The year-on-year decrease of 3.11 pence includes the non-repeat benefit in 2023 of 2.54 pence from the release of the provision for uncertain tax position. The decrease also reflects the impact of higher underlying interest and tax costs.

# RISKS AND UNCERTAINTIES



**Amy Legenza** | Group Director of Risk and Assurance

“Our comprehensive risk management framework helps the Group navigate the constantly evolving business environment.”

## Our approach to risk management

Identifying and effectively managing risks is essential to the achievement of the Group's strategic priorities and supporting the Group's Purpose and sustainability initiatives.

The Group's Business Model is described on pages 2 and 3, our strategic priorities are on pages 34 and 35, our Purpose is described on the inside front cover and Sustainability starts on page 12.

The Board is responsible for the Group's integrated risk and assurance framework, ensuring that the Group's risk process and systems of internal control are robust, continuously monitored and evolve to address changing business conditions and threats. The Board also provides direction and sets the tone on the importance of risk management. Responsibility for the monitoring and review of the effectiveness of the Group's risk and assurance framework has been delegated by the Board to the Audit Committee. The risk process is reviewed and agreed annually with the Audit Committee. The Director of Risk and Assurance delivers a comprehensive report on risk, assurance and various compliance activities at each Audit Committee meeting and presents to the Board twice a year.

The Group embeds risk management within its existing business processes across all levels within the Group. Risk tolerance is reflected throughout our control framework by way of the Group's Delegation of Authority, Code of Conduct and internal controls system. The Group's principal risk register is derived from a catalogue of approximately 50 identified risks encompassing strategic, financial, operational, environmental and other external risks. This catalogue of identified risks serves as the foundation for comprehensive risk assessments completed by every operating business and by the Executive Committee as part of the annual strategic planning process. The risk assessments also consider emerging risks as detected through internal activities and external sources. Emerging risks are risks which may develop but have a greater uncertainty attached to them in terms of likelihood, timing and velocity. Emerging risks are monitored and formally added to our identified risk catalogue when the risk solidifies within the Group's strategic planning horizon.

The Group also conducts functional risk assessments, targeting areas such as fraud, tax evasion facilitation and sustainability, which encompasses environmental, social and governance elements. The risk assessment specific to sustainability follows a double materiality assessment approach which incorporates feedback from internal and external stakeholders and considers the financial impacts of sustainability topics on the Group as well as the impacts from the Group on people and the planet. The sustainability double materiality risk assessment process considers multiple time horizons and applies scenario analysis to the most material climate-related transition and physical risks. Sustainability-related risks are also considered as part of the overall Group risk assessment completed during the annual strategic planning process and rank within the Group's principal risks.

During the risk assessment process, all risks in the identified risk catalogue are evaluated against our Purpose, strategy and Values to understand their likelihood and impact of occurrence, with those risks deemed as significant forming our register of principal risks. Once the principal risks have been identified, mitigating controls and relevant policies are documented and additional mitigating actions are developed where appropriate. An owner and due date are assigned to each action and progress towards completion is closely monitored. The operating business risk registers are refreshed regularly and reviewed by Divisional Management and the Executive Committee. The Executive Committee conducts its risk assessment twice a year and principal risks are discussed at each Executive Committee meeting. All principal risks are assessed for our financial viability scenarios to see if they could have a material financial impact individually or if they materialised together.

The Board performs robust, semi-annual assessments of the principal and emerging risks facing the Group. In addition, the Board regularly assesses outputs from the integrated risk and assurance framework and takes comfort from the “three lines of defence” risk assurance model. The first line represents operational management who own and manage risk on a day-to-day basis through effective internal controls. The Group Executive Committee and Divisional Management monitor and oversee these activities, representing governance and compliance as the second line.

The third line is the independent assurance over these activities provided by internal and other external assurance. The internal assurance programme includes a combination of broad scope internal audits, evaluating financial, information technology and security, human resources, governance and other controls, plus limited scope thematic reviews designed to provide assurance over targeted risk areas. Internal audits are conducted either in person or virtually, with all Group businesses audited on a multi-year rotational schedule based on a variety of factors, including site-specific risks, prior audit results and changes within local management. Thematic reviews are deployed across the entirety or a cross section of the Group dependent on the risk being targeted. In addition, all Group businesses must complete a comprehensive annual Controls Self-Assessment, allowing the Group to identify and address gaps in compliance with the Group's governance policies and internal control standards. Divisional Management, the Executive Committee and the Audit Committee monitor the completion progress of improvement actions resulting from internal audits, thematic reviews and the Controls Self-Assessment.

The key elements of the Senior risk management process are shown on the following page.

During 2024, the Group carried out assessments of the principal risks and uncertainties that could threaten the Group's Business Model or achievement of its strategic priorities. The risk assessments included consideration of emerging risks (as defined on page 50) which for 2024 included potential risks to the Group from employment trends and the anticipated cost and resource pressures resulting from ever-expanding compliance and governance reporting requirements.

As a result of the risk assessments, Inflation and Pandemic have been removed from the Group's principal risks. Rates of inflation moderated considerably in 2024, driven by further stabilisation of energy prices and supply chains during the year, but the Group continues to closely monitor and actively manage trailing inflationary impacts. Additional information regarding our ongoing inflation mitigation activities can be found within our Programme Management risk on page 57 and our Financing and Liquidity risk on page 59.

With regards to Pandemic, 2024 saw further easing of COVID-19 restrictions as the US, UK and other countries continued to significantly reduce or completely eliminate testing and isolation guidelines. The Group remains vigilant to the potential impacts of a resurgence of the COVID-19 pandemic or a manifestation of a completely new regional or global pandemic.

## Risk and assurance highlights

Introduced improvements to the Controls Self-Assessment process to provide enhanced assurance over a selection of key controls

Completed 21 internal assurance audits and assessments, including nine broad scope internal controls audits, nine information security assessments and three trade compliance "deep dive" assessments; the 2025 plan includes an additional 19 internal audits and assessments across the Group

Launched the next phase of enhancements to the Group's internal control framework to drive progress on the Group's response activities to the UK Government's audit and corporate governance reform framework

Completed an internal quality review of the Group's internal audit function against the relevant internal auditing standards and code of ethics

Adopted a double materiality risk assessment process for sustainability-related risks aligned to the European Sustainability Reporting Standards

Enhanced the Group's fraud prevention framework by formalising the Group's fraud prevention commitment and procedures via a Fraud Policy incorporated into the Group's Corporate Framework. Our Sustainable Sourcing Policy and Code of Conduct were also refreshed in 2024.

## Key responsibilities within the risk management strategy

### The Board

- Has overall responsibility for ensuring the Group's risk management process and systems of internal controls are robust and continually monitored
- Establishes the Group's Purpose, Values and strategy and defines the Group's risk tolerance and culture
- Monitors the nature, extent and management of risk exposure for the Group's principal and emerging risks
- Provides direction and sets the tone on the importance of risk management and internal controls



### Audit Committee

- Supports the Board in monitoring risk exposure in line with its Terms of Reference
- Reviews the effectiveness of the Group's risk management and internal control systems and reports to the Board for consideration



### Executive Committee and Divisional Management

- Development and implementation of strategy, operational plans, policies, procedures and budgets
- Monitoring of operating and financial performance including prioritisation and allocation of resources
- Assessment, control and mitigation of risk – including emerging risks



### Group Corporate Functions

- Lead and co-ordinate the Group's risk and control-related processes
- Assess and support the Group in mitigating the Group's risks through policies and procedures, control self-assessments, specialist support, business reviews and other activities



### Operating Businesses

- Operating businesses identify, assess and mitigate their key risks
- Risk assessments are reviewed and discussed by Divisional Management and the Executive Committee

## Senior's risk management process



1

### Identify risks

The risks to the achievement of the Group's strategic priorities are identified from a top-down and bottom-up perspective. Existing and emerging risks are considered.



2

### Evaluate gross (inherent) risks

The gross level of risk, considering impact and likelihood, to the achievement of the strategic priorities is assessed.



3

### Identify existing controls and processes

The existing controls and processes which mitigate the risks are identified and assessed for adequacy.



4

### Risk response planning

Based on the controls and processes already in place, the net (residual) risk from an impact and likelihood perspective is evaluated. Where the net risk is considered to be higher than the Group's tolerance level for that risk, additional mitigating actions are identified and owners assigned.



5

### Monitor and assure

The most significant risks are closely monitored. Second line assurance and internal audit activity is conducted to assess whether key controls are effective and risks are mitigated to an acceptable level. Timely implementation of resulting actions is monitored.



6

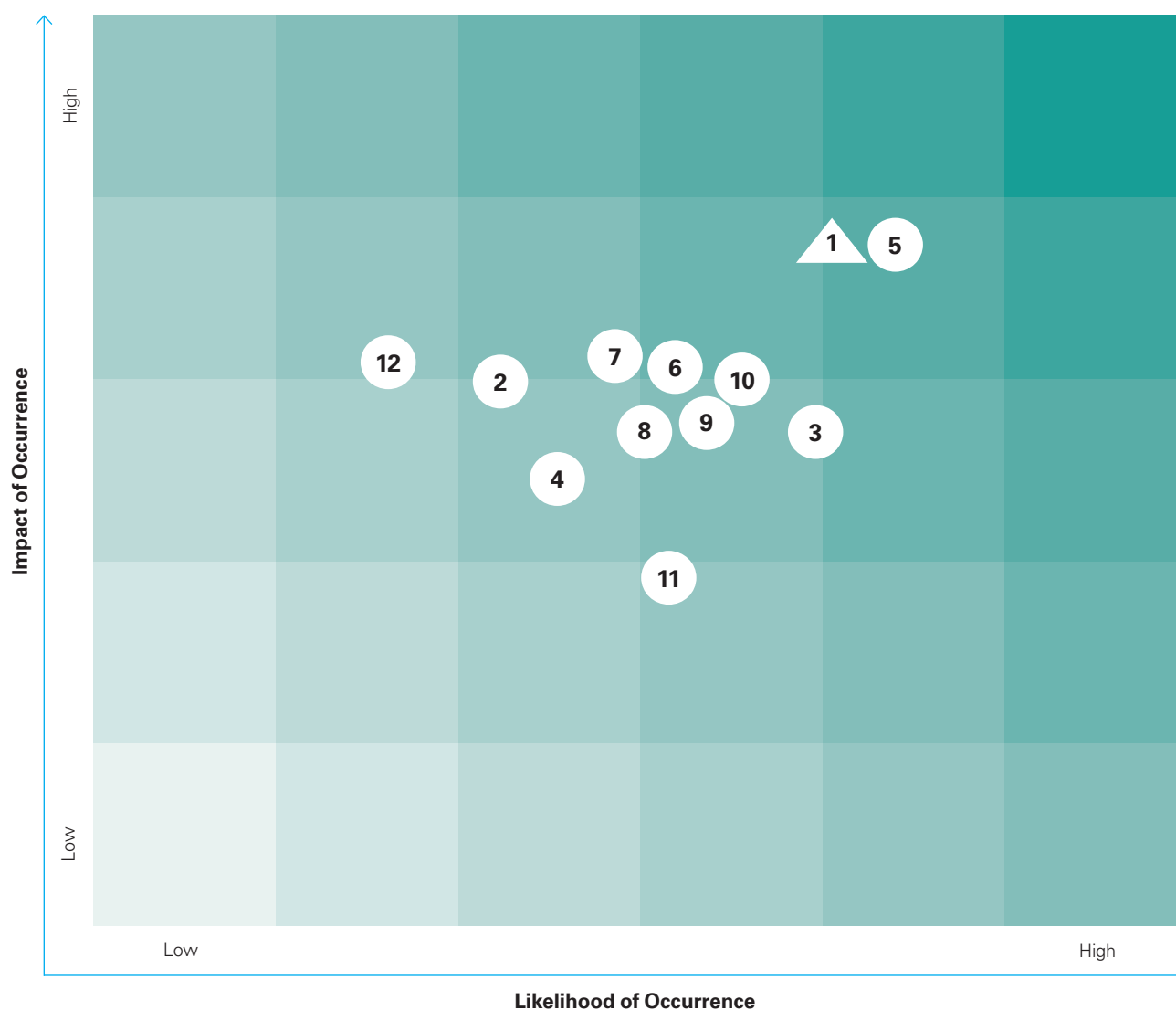
### Risk reporting and review

The status of the most significant risks, top down and bottom up, are regularly reviewed to ensure any changes to the risk profile are captured and acted upon. The consolidated risk, assurance and control position is reported to the Audit Committee and the Board.



## Risk heat map

(Residual risk after mitigations)



▲ Increased Residual Risk

▼ Decreased Residual Risk

● Residual Risk Unchanged

### RISK DEFINITIONS

#### Strategic

- 1 Geopolitical and Economic Impact
- 2 Implementation of Strategy
- 3 Climate Change
- 4 Innovation and Technological Change

#### Operational

- 5 Cyber/Information Security
- 6 Customer Disruption
- 7 Supply Chain Challenges
- 8 Programme Management
- 9 Price-down Pressures

#### People and Culture

- 10 Talent and Skills

#### Financial

- 11 Financing and Liquidity

#### Compliance

- 12 Corporate Governance Breach

## Principal Group risks

The principal potential risks and uncertainties, together with actions that are being taken to mitigate each risk, are:

- ↑ Increased residual risk
- ↓ Decreased residual risk
- Residual risk unchanged

Areas of strategic priorities

- 1 Business model
- 2 Focus on growth
- 3 High performance operating model
- 4 Competitive cost countries
- 5 Capital deployment
- 6 Talent and development

Key Performance Indicators

- A Revenue Growth
- B Return on Revenue Margin
- C Adjusted Earnings per Share
- D Net Cash from Operating Activities
- E Return on Capital Employed
- F Carbon Dioxide Emissions
- G Lost Time Injury Illness Rate

All of the Group's principal risks are factored into the severe but plausible downside scenario applied in the Group's viability assessment as described on page 68.

## Strategic

### Geopolitical and economic impact

↑ 2 3 4 5 A B C D E

#### Principal Risk

Changes in critical trade relations factors, such as tariffs, sanctions and exchange rates, resulting from geopolitical events have raised concerns over the future impacts on international trade, including export revenues, material availability and cost and the ability to employ foreign nationals. Increases in consumer product costs resulting from trade relations factors could impact demand for those products. Shifts in political regimes and government spending programmes can lead to higher taxation and have an impact on earnings.

There is a risk that there will be a global economic downturn impacting some or all of the sectors within which the Group operates.

#### How we manage it

Divisional Management and the Executive Committee closely monitor economic and geopolitical trends that may impact the operating businesses through regular business reviews. Contingency planning is undertaken to minimise operational disruption where necessary.

The Group employs tax, treasury and trade compliance specialists who maintain the Group's trade-related compliance programmes and continually monitor the impacts of evolving trade relations from regulatory, supply chain, people and financial perspectives.

The Group responds to potential margin impacts resulting from trade relations factors through leveraging contractual protection measures and actively engaging in impact mitigation dialogue with suppliers and customers.

The Board ensures that it is kept informed of significant trade developments in order to assess the impact on the Group and take action as appropriate.

The Group's Treasury Committee closely monitors potential changes to international tax and treasury regulations and tariff programmes to understand the likely impacts on the Group.

#### Focus in 2024

While supply chain constraints and inflationary pressures continued to ease in 2024, shifts in the political climate in various countries have increased uncertainties around tariffs, taxes and other trade relations factors. We are carefully monitoring all tariff, tax and trade relations actions that present the greatest possibility of adverse impacts on the Group, particularly the escalation of tariff activities between the US, Canada, Mexico, EU and China. The development of adaptable mitigation plans is underway and response actions include enhancement of our team of trade compliance specialists, recovery of additional tariff costs from customers, where appropriate, and evaluating opportunities to transition supply sources to more favourable locations.

## Strategic

### Implementation of strategy

→ 1 2 3 4 5 6 B D E

#### Principal Risk

An inability to implement the Group's strategy and/or effectively manage the Group's portfolio could have a significant impact on the Group's ability to generate long-term value for shareholders.

Ambiguity surrounding the Group's strategy and strategic priorities may result in investors failing to recognise the value of the Group's investment case.

#### How we manage it

The Group regularly reviews its strategy and portfolio to maximise long-term shareholder value. Where appropriate, divestments will be considered.

The Group has a well-documented M&A framework that includes proven research analysis, a committee that evaluates opportunities against a wide variety of strategic, financial, operational and cultural criteria, transaction engagement, management and due diligence processes and post-acquisition integration procedures designed to be efficiently executed by an experienced cross-functional team.

A comprehensive process for efficiently completing strategic divestments has been successfully deployed with past divestments.

Post-acquisition/divestment reviews are conducted, as appropriate, to demonstrate accountability to the Board and analyse lessons learned.

Additional information about projects that support expansion of our current businesses and products can be found starting on page 36.

The Group has an adaptable response framework to ensure sufficient focus remains on the Group's core strategic priorities during critical operational, strategic and financial challenges.

#### Focus in 2024

The Executive Committee and Board carried out annual assessments of our strategic objectives, end markets, capabilities and technologies and determined that the Group is well positioned to deliver its strategy and continue the transition through the evolving Net Zero world. The Group continues to focus on:

- refining our portfolio with a focus on creating a higher margin business with more engineered design content across our product range;
- investment in new technology and product development in our core markets with an emphasis on fluid conveyance, thermal management and expansion of our additive manufacturing capabilities;
- supporting our customers' transition towards a lower-carbon future by developing innovative new product offerings while continuing to deliver better designed, lighter and more efficient conventional products;
- expanding our presence in markets with attractive structural growth potential through leveraging our expertise in our traditional core markets; and
- liquidity and effective cash management to support growth.

The sale process of Aerostructures is now at an advanced stage.

## Strategic

### Climate change



#### Principal Risk

There is a risk that climate change and/or the measures taken to address it may have an adverse impact on the Group. Climate change may result in extreme weather events that may impact our ability, or that of a supplier, to meet our customers' requirements.

Our customers' products may evolve to require new technology, such as electrification. This also presents an opportunity for the Group to be involved in replacement technologies.

Increasing legislation aimed at accelerating decarbonisation may increase our operating costs. It may also change consumer behaviours impacting on our end markets. For example, consumers may fly less often.

#### How we manage it

To mitigate the impact of catastrophic events, such as an extreme weather event, each site has a scenario-based Business Continuity Plan which is tested on an annual basis. The Group also has insurance which helps to protect profits in such situations.

The Group continues to invest in and develop solutions relevant to changing end markets. Examples include battery cooling, waste heat recovery, heat sink in hybrid car technologies and additive manufacturing solutions for aerospace.

Climate change risks and opportunities are assessed annually by a multi-disciplinary team as part of the Group's sustainability-related double materiality risk assessment. Additional information regarding this assessment can be found starting on page 12.

The Group's SBTi-approved emissions reductions targets covering GHG emissions from the Group's operating businesses are consistent with reductions required to limit climate warming to 1.5°C and are aligned with Net Zero as Near-Term and Overall Targets. SBTi has approved the following targets:

- **Overall Net Zero Target** – The Group commits to reach Net Zero GHG emissions across its value chain by 2040 from a 2018 base year;
- **Near-Term Targets** – We commit to reduce our absolute Scope 1 and 2 GHG emissions by 30% by 2025 compared to a 2018 base year and for Scope 3 GHG emissions, the Group also commits that 82% of its suppliers by spend, covering purchased goods and services and capital goods, will have science-based targets by 2025; and
- **Long-Term Targets** – The Group commits to reduce absolute Scope 1, 2 and 3 GHG emissions 90% by 2040 from a 2018 base year.

The Group Corporate Framework includes a Sustainable Sourcing Policy mandating key suppliers adhere to the Group's Sustainable Sourcing Standards, which include environmental management requirements such as Near-Term Scope 1 and Scope 2 GHG emission targets and pollution, waste and wastewater management systems. Ninety-one of our key suppliers already have carbon reduction targets and we continue to work with remaining suppliers.

#### Focus in 2024

Information regarding TCFD and Sustainability, including progress against near-term science-based targets, our CDP ratings and awards, supplier engagement and how the Group is leveraging our technology and product development to drive progress towards Net Zero can be found starting on page 14.

A non-financial performance target related to Scope 1 and 2 carbon emissions reductions was added to the Senior Management annual bonus targets for 2024.

The Group received a Low Carbon Supplier competition award from Safran, a major aerospace customer, in recognition of our leading commitment to decarbonisation.

As detailed on pages 12 and 13, the Group's climate change risk and opportunity assessment programme was modified to adopt a double materiality risk assessment approach.

## Strategic

### Innovation and technological change



#### Principal Risk

The Group must innovate in order to continue to win new business and achieve profitable growth. There is a risk that the Group does not continue to innovate and implement technological change, resulting in its technology and/or products becoming uncompetitive, less desirable or obsolete.

New technologies may have an impact on the Group's markets, for example electric vehicles and hydrogen aircraft.

#### How we manage it

The Group develops products to support the move to low-carbon technologies and sustainability in the land vehicle, industrial and aerospace markets.

The Group has identified specific technology themes and focus areas that inform the product life cycle and technology development roadmaps across both the Aerospace and Flexonics Divisions. The Group also has a Technology Council which meets regularly to discuss innovation and technological changes across our various businesses and markets.

The Group invests in two enabling technologies which underpin our product development activity across all market sectors: Additive Manufacturing ("AM") and Digitisation. Our Advanced Additive Manufacturing Centre ("AAMC") continues to maintain and add various industry-leading AM process certifications. The AAMC team continues to improve its design capability to re-engineer existing product designs via AM to deliver significant weight savings and performance enhancements.

Global Marketing Teams for each technology focus area co-ordinate development activities across various operating businesses to ensure that customer requirements and industry trends are addressed.

The Group invests in machining and fabrication technology enhancements to improve process efficiency and reduce cost.

The Senior Operating System delivers best practice tools for innovation and product development across the Group.

The Technology section, starting on page 36, details the Group's technology themes and product development case studies.

#### Focus in 2024

In 2024, the Group maintained focus on five specific Technology Focus areas – Hydrogen, Electrification, Heat Exchanger development, Additive Manufacturing and Digitisation. We continue to invest in new product development and emerging technologies within these focus areas, including significant progress on:

- the use of high-pressure hoses in hydrogen production, clean energy and semiconductor markets;
- delivering the first of a series of advanced expansion joints to support 100MW electrolyser hydrogen production;
- demonstrating internally and validating with customers the applicability of a broad range of products to support Sustainable Aviation Fuel (SAF);
- developing vacuum jacketed hosing for cryogenic fluid conveyance of liquids and gases through successful collaboration between the engineering communities of several Senior operating businesses;
- collaboration with several Urban Air Mobility and eVTOL companies to enhance thermal management and low-pressure fluid conveyance in their products;
- proving the viability of AM for critical heat exchanger components in conjunction with a major aero-engine manufacturer; and
- analysing the potential benefits of using artificial intelligence (AI) within our operating businesses to explore how we can improve the operational efficiency of the complex quality assurance processes necessary for high accuracy engineering techniques.

In 2024, we continued our successful Innovation Competition, inviting our operating businesses to submit innovation projects focused on process technology, new products or environmental cost savings for judging and recognition. The 2024 winner was focused on the use of laser welding for thermal cooling plates in electrification applications. The number and quality of entries in the competition increases with each year.

The Group remains focused on sustainability as a driver for new product development and market expansion through leveraging existing capabilities, expertise and products in thermal management and fluid conveyance into new adjacent markets such as space, marine, advanced nuclear and hydrogen. Additional detail can be found on pages 18 and 19.

## Operational

### Cyber/information security



#### Principal Risk

The risk that the Group is subjected to external threats from malware, hackers or other malicious actors, potentially causing critical or sensitive data to be lost, corrupted, made inaccessible, or accessed by unauthorised users, resulting in the potential for business disruption and financial and/or reputational loss.

The cyber threat landscape is continually evolving, with threat actors developing, implementing and incorporating new methods and tools, including artificial intelligence ("AI"), to identify and exploit gaps in Information Security ("IS") defences. In addition, alternate work arrangements, such as remote working or hybrid schedules, are now common in today's office environment and can increase IS risks.

#### How we manage it

The Group has a rolling three-year strategic roadmap focused on continual improvement in people, process and technology. The roadmap accounts for the dynamic nature of the cyber threat landscape and builds on our layered security defence model consisting of preventative, detective and responsive technical controls.

IS risk is closely monitored by the Board via regular updates from the Group IS team and the Director of Risk and Assurance.

The Group has dedicated IS capability in place with a wide range of proactive and reactive security controls, including up-to-date antivirus capability across our operating businesses and network and system monitoring to identify vulnerabilities and potential threats.

A multi-year rotational IS assurance review programme is in place to assess and enhance compliance with established IS controls, policies and procedures. IS controls are also confirmed via the annual Controls Self-Assessment.

Vulnerability metrics have been developed and are actively reviewed by Divisional Management and the Executive Committee.

The Group has a risk management framework specific to Information Technology ("IT")/IS.

With our decentralised Business Model, each operating business deploys a suite of protection and monitoring services, including endpoint detection and response, vulnerability management and cyber threat intelligence. These are fully monitored by our centralised Group IS team to ensure consistency, continuity and rapid remediation.

Technology-led security controls are further supported by a clear and documented series of policies, standards and playbooks.

Employees receive annual awareness training on cyber-related issues and the Group maintains a cyber-awareness campaign to alert employees to cyber threats.

A near miss and incident reporting process is deployed across the Group to alert IT/IS teams of immediate cyber threats.

#### Focus in 2024

The Group remains committed to full compliance to our IT/IS policies and diligent monitoring of the IS environment. 2024 actions included:

- implemented quarterly IT/IS collaboration meetings between Group IS and operating business leadership and IT/IS teams;
- continued to seek independent accreditation against external security frameworks, including achieving accreditation under the National Cyber Security Centre's (NCSC) Cyber Essentials scheme for five of the Group's UK-based operating businesses and Trusted Information Security Assessment eXchange (TISAX) accreditation for the Group's Cape Town location;
- conducted targeted cyber security awareness and culture training for site, Division and Executive leadership;
- launched development of technical skills training and certification programme for IT/IS teams;
- issued Group-wide guidance over the acceptable use of AI and conducted AI awareness training for relevant employees; and
- being elected for membership to NCSC Trust Group for Manufacturing and Engineering.

## Operational

### Customer disruption



#### Principal Risk

Supply chain constraints, labour shortages and other operational disruptions may leave customers unable to meet current sales commitments and/or respond to increases in market demands. As a result, there is a risk that customers do not honour firm order schedules, delay programme ramp-up and/or postpone new programmes.

#### How we manage it

The Group has fostered long-lasting and cooperative relationships across its customer base.

In furtherance to its strategic priorities, the Group actively seeks to grow the business through diversification of its customer base and new product innovation.

The Group closely monitors market trends and developments through in-house market research analysis.

There is a Group Contract Review Policy which is mandatory for all operating businesses and requires comprehensive financial modelling and sensitivity analysis of contractual terms and assumptions.

#### Focus in 2024

2024 presented additional headwinds from some of the Group's key aerospace customers who continue to wrestle with operational challenges. The Group is carefully monitoring the impacts resulting from demand and build rate variability, heightened scrutiny of quality and safety conformance, imbalance of supply between different parts of customer programmes, labour disruption and the potential for disturbances resulting from merger and acquisition activity.

In 2024, the Group continued to focus on:

- collaborating with our customers to understand their demand variability and potential schedule changes in order to agree acceptable build schedules and other solutions to mitigate the impacts of sales demand fluctuations on the Group;
- diligently managing supply chain challenges to meet our product delivery objectives in support of customer operations;
- adapting staffing levels in response to programme fluctuations while maintaining a focus on planning for anticipated long-term labour and skills requirements; and
- continuing to identify overhead reductions through cost containment initiatives and efficiency improvements where possible.



## Operational

### Supply chain challenges



#### Principal Risk

Suppliers may be unable or unwilling to respond to increases or decreases in demand due to operational and other issues such as quality concerns, labour disruption or trade relations factors. This may impact our ability to supply our customers, operate efficiently and/or optimise inventory held.

Critical materials or components may become temporarily or permanently unavailable, leading to an inability to meet production commitments.

Supply chain disruption can lead to higher volatility in delivery schedules as customers adjust demand to protect their production capabilities. This may challenge the Group's ability to meet customer schedule, quality and cost requirements, resulting in potential delays, penalties and cost overruns.

In extreme cases some suppliers may face financial difficulties and go out of business.

#### How we manage it

The Group closely monitors the resources required to deliver customer demand and the resilience of our supply chain. Where supply chain challenges occur, we work closely with customers and suppliers to resolve those issues, including reducing over-reliance on individual suppliers, where possible.

The Group has deployed the Senior Operating System to provide operating businesses with a toolkit to optimise the use of lean and continuous improvement techniques, supplier management and other operational best practice processes.

Operating businesses are required to maintain strong internal controls over supplier management from new supplier selection to performance monitoring and management of existing suppliers.

Our core Values (see page 2) emphasise operating with integrity and respect, which allows the Group to cultivate strong, long-term relationships with critical suppliers.

#### Focus in 2024

Our supply chain continued to stabilise during 2024, but supply interruptions persist in certain markets and industries. As a result, the Group continues to face protracted delivery lead times and operational disruption in affected programmes stemming from material and shipping media shortages, quality issues in incoming materials and components and labour disruption in key suppliers. We also continue to closely monitor the potential for supply disruption resulting from the ongoing conflicts in Ukraine and the Middle East. The Group has maintained the initiatives previously deployed to mitigate the impacts of supply chain challenges, including:

- spotlighting ongoing supply chain challenges in operating business reviews and Executive Committee meetings to ensure the challenges are being effectively addressed;
- maintaining close and frequent communication with customers regarding delivery schedules, issues with directed supply sources, the need to qualify additional supply sources, options for alternate materials or components and potential incremental costs to mitigate supply chain disruptions;
- working with suppliers to manage lead times and maximise the benefits from long-term supply agreements, where applicable;
- holding appropriate levels of safety stock, where necessary, to ensure a consistent flow of materials and/or components for production;
- leveraging supplier relationships across the Group to identify alternate supply sources and opportunities to streamline or consolidate supply requirements; and
- applying the Senior Operating System and our engineering expertise to generate innovative solutions to supply chain challenges.

## Operational

### Programme management



#### Principal Risk

The ability to introduce new products in line with customer requirements and to respond appropriately to increases or decreases in demand thereafter is key to achieving the Group's strategic objectives.

There is a risk that the Group is unable to respond quickly enough to changes in demand, potentially resulting in excess inventory and/or an inability to meet schedule and cost requirements resulting in delays, penalties, cost overruns or asset write-downs.

Supply chain disruptions, higher material costs, rising energy prices and labour shortages could result in a reduction of earnings from existing programmes if the Group is unable to secure mitigating price adjustments from customers. Higher production costs resulting from inflationary pressures can also reduce our ability to remain cost competitive.

Changes across a variety of production requirements, such as fluctuations in material supplies, volatility in customer ordering and employee retention and training, may challenge the Group's ability to maintain programme quality specifications, leading to the potential for higher costs to maintain and/or demonstrate compliance with quality requirements or greater risk of product defects.

#### How we manage it

The Group is experienced in bidding and launching new products. Formal New Product Introduction ("NPI") processes, such as Advanced Product Quality Planning ("APQP") are in use across our operating businesses.

There is a Group Contract Review Policy which is mandatory for all operating businesses and requires comprehensive financial modelling and sensitivity analysis of contractual terms and assumptions.

The Senior Operating System maintains a strong focus on lean manufacturing, continuous improvement, labour efficiency and cost reduction initiatives.

NPI programmes are subject to regular review by Divisional and Group management to ensure that schedule, cost or quality issues are identified and dealt with promptly.

The Group monitors market and customer data so that we can be prepared to respond to changing market dynamics.

A variety of tools are deployed throughout the Group to prevent, detect and manage quality issues, including supplier audits, comprehensive quality management systems, internal quality audits, Gemba walks and documented root cause analysis.

#### Focus in 2024

While inflationary pressures eased considerably in 2024, other programme management challenges persisted during 2024 driven by lingering pockets of supply chain constraints and labour availability issues, regionalised wage inflation and an increase in demand fluctuations caused by customer disruption. In response, the Group maintained its focus on:

- spotlighting key programme management issues in operating business reviews and Executive Committee meetings to ensure issues receive adequate resourcing and action;
- continuing to work with our customers to ensure that, wherever possible, orders within firm windows can be delivered;
- working with our suppliers and managing inventory to balance inventory levels where there are delays in firm orders and/or ensure adequate supply to meet production demands;
- continuing to engage with customers to secure price increases, delay contractual price decreases and/or pass through higher production costs to mitigate the impact on Group margins where inflationary pressures persist;
- qualifying additional supply sources or options for alternate materials or components at potential incremental costs to mitigate supply chain disruptions;
- maintaining flexible labour resource plans to adapt to variations in demand and production schedules;
- driving labour and overhead cost reductions through efficiency improvements where possible; and
- responding to the ongoing, elevated level of new requests for quotation.

## Operational

### Price-down pressures



#### Principal Risk

Customer pricing pressure is an ongoing challenge within our industries, driven by the expectations of airlines, land vehicle operators and governments seeking to purchase more competitively priced products in the future. This may put some pressure on the Group's future operating margins.

#### How we manage it

The Group works closely with its customers to find innovative ways to produce products at a lower cost, thus helping customers meet pricing challenges.

The Group is able to consider bundles of products that in total help meet customer pricing challenges.

Where appropriate, the Group will actively pass work to some of its cost competitive facilities, such as Mexico, Thailand, the Czech Republic, South Africa, India, China and Malaysia, with a view to helping satisfy customer challenges.

There is a Group Contract Review Policy which is mandatory for all operating businesses and requires comprehensive financial modelling and sensitivity analysis of contractual terms and assumptions.

#### Focus in 2024

As supply challenges and inflationary pressures stabilise, customers are gradually shifting focus from containing supplier cost increases to initiating cost reduction discussions with their supply base. In 2024, the Group continued its focus on:

- our pragmatic and adaptable pricing response framework enabled the Group to secure favourable re-pricing across several key contracts during the year;
- working in partnership with customers to support their priorities within the contractual terms of existing agreements;
- balancing supplier capabilities and customer demand to manage material costs, including approval of alternate supply sources where appropriate; and
- driving labour and overhead cost reductions through cost containment initiatives and efficiency improvements where possible.

## People and culture

### Talent and skills



#### Principal Risk

There is a risk that the Group, particularly in the US and UK, is unable to attract sufficient skills and talent and/or is unable to retain the skills and talent it has in order to meet demand. Margins may be impacted by higher wage rates necessary to retain current employees and/or attract new employees.

A portion of the Group's workforce may reach retirement age at the same time, creating a gap in skills and labour availability.

The Group may have insufficient talent to respond to all strategic priorities.

#### How we manage it

Employee retention, recruitment and resource plans are regularly discussed within the operating businesses, Divisional Management and the Executive Committee.

The Group HR Director hosts focus groups across a number of the operating businesses to solicit constructive feedback from employees and foster open communication.

Operating businesses partner with technical colleges, universities and apprenticeship schemes to create talent pipeline programmes.

A Group-wide succession planning exercise is conducted annually to identify successors and interim cover for key roles and ensure appropriate development plans are in place to support employees in meeting their career goals.

The Nominations Committee reviews management development and succession plans twice a year, with a particular focus on critical roles and key talent.

The Group operates an internal leadership development programme for nominated high-potential employees.

The Perform performance and development system is utilised across the Group to facilitate objective setting, development planning and performance and behaviour assessment.

The Group HR Director regularly provides people and culture feedback to the Board.

#### Focus in 2024

Labour availability continued to improve during the year, but challenges remain within certain roles and geographic locations. In addition, disruption of demand from key customers in 2024 compelled the Group to adjust staffing levels in response to demand volatility while maintaining readiness for labour and skills requirements when demand from affected customers accelerates. We continued to closely monitor and manage staffing levels, recruitment and retention challenges and other employment trends across the Group. Actions in 2024 included:

- ongoing reassessment of compensation levels against industry and regional benchmarks, with off-cycle wage increases or lump sum payments offered where necessary to ensure the Group's compensation offerings are competitive;
- enhanced sign-on and candidate referral incentive opportunities for new and existing employees;
- introducing an internal mentoring programme;
- further expanding employee benefit offerings in certain locations to broaden healthcare coverage and other wellbeing programme options; and
- conducting the 2024 Global Employee Engagement Survey, driving development and implementation of localised action plans to respond to employee feedback received through the survey and further enhance our reputation as a company people want to work for. In addition, a non-financial performance target related to Employee Engagement was added to the Senior Management annual bonus targets for 2024. More information on employee engagement can be found on page 28.

## Financial

### Financing and liquidity



#### Principal Risk

The Group could have insufficient financial resources to fund its growth strategy or meet its financial obligations as they fall due or insufficient liquidity to meet financing covenants.

Foreign exchange movements could have a material impact on the Group's financial performance, both on the balance sheet (translation risk) and income statement (transaction risk).

Inflationary pressures may result in higher interest rates, which could impact the Group's earnings.

#### How we manage it

The Group's overall treasury risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group enters forward foreign exchange contracts to hedge the transactional exchange risk arising on operations' trading activities in foreign currencies; however, it does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group does not hedge translation risk, but aims to match the foreign currency of its net debt in similar proportions to its generation of foreign currency EBITDA, where practical and economic, in order to provide a natural hedge against the Group's principal lending covenant.

The Group monitors liquidity risks monthly and ensures sufficient headroom in its committed borrowing facilities to meet financial obligations across the Group as they fall due.

A global notional cash pooling solution is utilised to manage working capital funding in the operations and minimise central borrowings.

A significant portion of the Group's external debt is at fixed rates of interest, which mitigates the effect of higher benchmark interest rates that can result from inflationary pressures.

Compliance with financial policies, exposure limits and headroom/liquidity limits are reviewed by the Group's Treasury Committee on a regular basis.

The Group's Treasury Policy is updated and approved by the Board regularly.

The Group's viability assessment process considers a base case and risk case scenario, which considers the principal risks and uncertainties.

#### Focus in 2024

Financing and liquidity initiatives remain vital to mitigating the ongoing impacts of the supply chain challenges, inflation and customer disruption. Actions taken in 2024 included:

- issuing new, six-year tenor \$50m US Private Placement loan notes as a partial refinancing of long-term debt maturing in 2025;
- launching an inventory optimisation project to strengthen our response to the ongoing inventory management challenges caused by increasing customer demand, residual supply chain issues and disruption driven by customer demand fluctuations;
- continued compliance with transactional foreign exchange hedging policy to mitigate income statement volatility from currency movements; and
- the Group's Treasury Policy was updated and approved by the Board in September 2024.

## Compliance

### Corporate governance breach



#### Principal Risk

Corporate governance legislation (such as the UK Bribery Act and the US Foreign Corrupt Practices Act), regulations and guidance (such as the UK Corporate Governance Code and global health and safety regulations) and corporate reporting requirements are increasingly complex and onerous. A serious breach of these rules and regulations could have a significant impact on the Group's reputation, lead to a loss of confidence on the part of investors, customers or other stakeholders, result in financial penalties or fines and ultimately have a material adverse impact on the Group's enterprise value.

#### How we manage it

The Group has a well-established set of governance policies and procedures covering all key areas (our Corporate Framework), including a Group Code of Conduct, anti-bribery procedures, Fraud Policy, a Health & Safety Charter, an Agents Policy and various policies and procedures over the review and reporting of risk management and internal control activities.

Governance and regulatory compliance updates are provided to the Board and the Executive Committee at appropriate intervals, and to key Division and operational management.

All employees are required to complete annual Code of Conduct training.

All EU sites have received training on the General Data Protection Regulations and employees in other locations have received training as appropriate to their roles.

#### Focus in 2024

Employees and the Board received annual refresher training on our Code of Conduct during 2024. The completion rates typically hover around 94%, allowing for new starters who have not yet completed their training immediately on joining. The course included content related to anti-bribery, reporting of misconduct, unconscious bias and cyber security.

Additional training was conducted for appropriate employee groups on other topics including fraud, information security, accounting and financial integrity and prevention of facilitation of tax evasion.

The Group's fraud prevention framework was enhanced by formalising the Group's fraud prevention commitment and procedures via a Fraud Policy incorporated into the Group's Corporate Framework.

The Group Code of Conduct was refreshed during 2024 and a copy of the updated Code of Conduct was issued to every employee. Our Sustainable Sourcing Policy was also updated during the year.

The Group's 2024 internal audit programme and Controls Self-Assessment were completed as planned, providing a level of assurance that the Group's Code of Conduct, controls, policies and procedures are being followed.

# AEROSPACE DIVISION

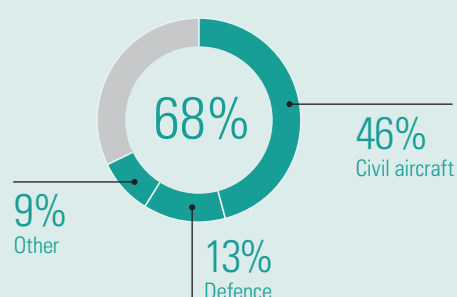


**Launie Fleming** | Aerospace Division Chief Executive

“The division continued to make steady progress operationally, responding dynamically to the temporary headwinds that were experienced in 2024.”



## Aerospace sales across the Group



**Revenue**  
**+9.9%**

**£660.8m**

(2023 – £601.4m)

**Adjusted operating profit**  
**+14.3%**

**£30.4m**

(2023 – £26.6m)

## Revenue by large commercial platforms (on a derived basis)



**Adjusted operating margin**  
**+20 bps**

**4.6%**

(2023 – 4.4%)

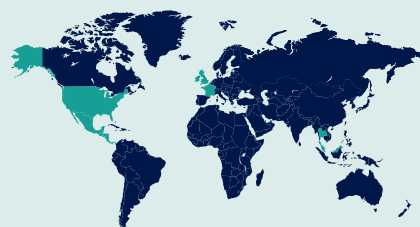
**Sales in civil aerospace**  
**increased by**

**12%**

(2023 – 21% increase)

## 14 Global Aerospace operations

North America	6
United Kingdom	4
Continental Europe	2
Thailand	1
Malaysia	1



## Revenue reconciliation (£m)

A	2023 revenue
B	Civil aerospace
C	Defence
D	Other adjacent markets
E	2024 revenue



In 2024, the Aerospace Division represented 68% (2023 – 64%) of Group revenue, consisting of 14 operations. These are located in North America (six), the United Kingdom (four), France (two), Thailand and Malaysia. This Divisional review is on a constant currency basis, whereby 2023 results have been translated using 2024 average exchange rates and on an adjusted basis to exclude amortisation of intangible assets from acquisitions, site relocation costs, US class action lawsuit and net restructuring costs. The Division's operating results on a constant currency basis are summarised below:

	2024 £m	2023 <sup>(1)</sup> £m	Change
Revenue	<b>£660.8m</b>	£601.4m	+9.9%
Adjusted operating profit	<b>£30.4m</b>	£26.6m	+14.3%
Adjusted operating margin	<b>4.6%</b>	4.4%	+20 bps

<sup>(1)</sup> 2023 results translated using 2024 average exchange rates – constant currency.

Divisional revenue increased by £59.4m (9.9%) to £660.8m (2023 – £601.4m) whilst adjusted operating profit increased by £3.8m (14.3%) to £30.4m (2023 – £26.6m).

Revenue Reconciliation	£m
2023 revenue	601.4
Civil aerospace	46.6
Defence	1.8
Other adjacent markets	11.0
2024 revenue	<b>660.8</b>

## Contract wins

The Aerospace Division has been awarded several new or extended contracts in 2024 from the following customers:

- Deutsche Aircraft. A new life of programme contract for the design, development and manufacture of high-pressure ducting for the sustainable D328eco aircraft from our SSP business in California and our Bird Bellows business in the UK.
- Safran Aircraft Engines. Awarded a multi-year contract for the supply of Maintenance, Repair and Overhaul (MRO) services for the CFM56 engine to be undertaken at Senior Aerospace's Ermeto facility in Blois, France.
- Airbus SA. A multi-year contract extension for the manufacture and supply of various aerostructures parts from our businesses in Thailand and Malaysia.
- Airbus Atlantic. A new contract for the supply of business class seat structures from our business in Thailand.
- Spirit AeroSystems. A 5-year contract extension for the supply of large diameter precision formed and machined structural components for various Boeing commercial programmes from our Jet Products business in California.



- Collins Aerospace (RTX). New multi-year production contracts for the supply of precision formed and machined thrust reverser structural components for commercial aerospace platforms at Airbus and Boeing from our Jet Products business in California.
- Rolls-Royce. A new 5-year contract for the supply of aerofoils for the Pearl engine family and manufacturing will be undertaken at our business in Thailand.

### Performance

Aerospace Division revenue in 2024 increased by 9.9% year-on-year on a constant currency basis, benefiting from increase in demand across all market sectors. The increase year-on-year reflected the ongoing ramp up in civil aircraft production rates, notwithstanding 737 MAX volumes being subdued following the Alaska Airlines incident in January 2024 and the Boeing employee strike from September to November 2024. Other adjacent markets (mainly the semiconductor equipment market) and defence also contributed to growth in the division.

The civil aerospace sector had good growth during the period with Senior's sales increasing by 11.6% compared to prior year. This was as a result of increased deliveries to Airbus programmes, higher prices, activity levels increasing in our Thailand business as a key supplier recovers from a fire last year as well as, continued strong growth in revenue from Spencer Aerospace (more than 50%). 22% of civil aerospace sales were from widebody aircraft in 2024, with the other 78% sales being from single aisle, regional and business jets.

Total revenue from the defence sector increased by £1.8m (1.4%) primarily due to higher sales on the F35 programme.

Revenue derived from other adjacent markets such as space, power & energy, medical and semiconductor equipment, where the Group manufactures products using very similar technology to that used for certain aerospace products, increased by £11.0m (15.4%) due to price increases and semiconductor equipment market starting to recover.

The market backdrop for our Aerospace Division remains healthy with order books for large commercial aircraft at record levels, driven by increasing air passenger demand. There were some supply chain issues for Airbus and its suppliers through the year, and although there are clear signs of improvement, we expect there to be ongoing issues to be managed given the large, planned increases in production. Boeing also had specific issues with the cap on 737 MAX production imposed following the Alaska Airlines incident in early 2024 and 3 months of lost production on 737 MAX, 767 and 777 due to the strike at its factories in The Puget Sound. Boeing have now started to ramp up production following the recommencement of operations in December 2024.

Senior responded to these events dynamically, supporting our customers and controlling our costs. Nonetheless, these temporary headwinds did affect Aerospace profitability in 2024 compared to original expectations. During the period, adjusted operating profit increased by 14.3% to £30.4m (2023 – £26.6m) and the adjusted operating margin increased by 20 basis points to 4.6% (2023 – 4.4%). This increased profitability reflected the benefits of price increases and higher volumes.

### Outlook

Increasing aircraft build rates, operational efficiency benefits and improved contract pricing are expected to drive good growth in Aerospace in 2025, with H2 performance expected to be higher than H1.

For the full year, Aerostructures is expected to improve from a loss making position in 2024 to an operating profit range of £9m to £11m in 2025, with the large majority of that being earned in H2.

"The civil aerospace sector had good growth during the period with Senior's sales increasing by 11.6% compared to prior year."

"22% of civil aerospace sales were from widebody aircraft in 2024, with the other 78% sales being from single aisle, regional and business jets."

"Aerospace Division revenue in 2024 increased by 9.9% year-on-year on a constant currency basis, benefiting from increase in demand across all market sectors. Adjusted operating margin in 2024 increased by 20 basis points to 4.6%. This increased profitability reflected the benefits of price increases and higher volumes."

### Supplementary information - Aerospace division sales and operating profit

	Revenue			Adjusted trading and operating profit		
	Year ended 2024 £m	Year ended 2023 <sup>(1)</sup> £m	Year ended 2022 <sup>(1)</sup> £m	Year ended 2024 £m	Year ended 2023 <sup>(1)(2)</sup> £m	Year ended 2022 <sup>(1)</sup> £m
Aerostructures	272.4	246.7	235.4	(6.5)	(11.1)	(3.7)
Aerospace excluding Aerostructures	391.1	357.7	306.5	36.9	37.7	23.4
Eliminations	(2.7)	(3.0)	(2.7)	–	–	–
<b>Total Aerospace</b>	<b>660.8</b>	<b>601.4</b>	<b>539.2</b>	<b>30.4</b>	<b>26.6</b>	<b>19.7</b>

<sup>(1)</sup> 2023 and 2022 results translated using 2024 average exchange rates – constant currency.

<sup>(2)</sup> 2023 results included benefit from retrospective inflationary cost recoveries.

# FLEXONICS DIVISION

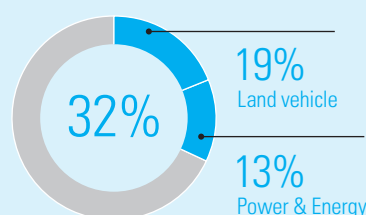


**Mike Sheppard** | Flexonics Division Chief Executive

"Our land vehicle businesses outperformed their end markets and we had a strong year in our important downstream oil and gas businesses, which helped the division have another successful year."



## Flexonics sales across the Group



**Revenue**  
-5.9%

**£317.7m**

(2023 – £337.5m)

**Adjusted operating profit**  
-3%

**£35.1m**

(2023 – £36.2m)

**Adjusted operating margin**  
+30bps

**11.0%**

(2023 – 10.7%)

"Operational efficiencies and favourable product mix enabled double digit margins to be maintained."

## 12 Global Flexonics operations

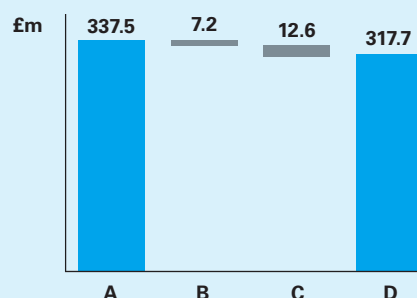
North America	4
Continental Europe	2
United Kingdom	2
India	1
South Africa	1
China <sup>(1)</sup>	2

(1) Including joint venture.



## Revenue reconciliation (£m)

A 2023 revenue  
B Land vehicle  
C Power & energy  
D 2024 revenue



The Flexonics Division represents 32% (2023 – 36%) of Group revenue and consists of 12 operations which are located in North America (four), continental Europe (two), the United Kingdom (two), South Africa, India, and China (two including the Group's 49% equity stake in a land vehicle product joint venture). This Divisional review, presented before the share of the joint venture results, is on a constant currency basis, whereby 2023 results have been translated using 2024 average exchange rates and on an adjusted basis to exclude site relocation costs and net restructuring costs. The Division's operating results on a constant currency basis are summarised below:

	2024 £m	2023 <sup>(1)</sup> £m	Change
Revenue	<b>£317.7m</b>	£337.5m	-5.9%
Adjusted operating profit	<b>£35.1m</b>	£36.2m	-3.0%
Adjusted operating margin	<b>11.0%</b>	10.7%	+30 bps

<sup>(1)</sup> 2023 results translated using 2024 average exchange rates – constant currency.

Divisional revenue decreased by £19.8m (-5.9%) to £317.7m (2023 – £337.5m) and adjusted operating profit decreased by £1.1m (-3.0%) to £35.1m (2023 – £36.2m).

Revenue Reconciliation	£m
2023 revenue	337.5
Land vehicle	(7.2)
Power & energy	(12.6)
2024 revenue	<b>317.7</b>

## Contract wins

The Flexonics Division won a number of important contracts in 2024 which include:

- Contract with Gail India Limited to manufacture and deliver over 100 expansion joints for a new Catofin project, supplied by our Pathway business in the USA.
- New contract signed with European truck OEM to supply tubes and pipes for a new engine to be used in multiple platforms with manufacturing being undertaken in Flexonics Olomouc, Cape Town and Saltillo facilities.
- Several new or extended contracts with North American heavy-duty truck OEMs with supply from our Bartlett business, with facilities in the USA and Mexico.
- New contracts with passenger vehicle OEMs in Europe supplying metal pipes and tubing for various engines from our Olomouc business in the Czech Republic.

## Performance

Flexonics Division revenue in 2024 decreased by 5.9% year-on-year on a constant currency basis. Strong revenue growth from downstream oil and gas and nuclear, was offset by lower upstream oil and gas business and the anticipated softness in land vehicle markets.

Global land vehicle markets softened as expected in 2024, nevertheless, our sales outperformed key end markets. Group land vehicle sales decreased by 3.7% driven by softer market conditions which were partially mitigated by the benefit from the launch and ramp up of new programmes in North America and Europe. Senior's sales to the North American truck market decreased by £1.2m (-2.0%) with market production decreasing by 2.3%. Our North American off-highway sales decreased £5.2m (-13.5%). Sales to other truck and off-highway regions, including Europe and India, were flat as growth from India offset reduced customer demand in Europe. The European truck and off-highway market decreased by 26% in 2024 primarily due to the weakness of the German economy. Senior's sales, however, only decreased by 1.6% in the period as we benefited from the launch and ramp of new programme wins. For example, Senior Flexonics Olomouc benefited from higher sales from a new project launched last year. There was also a one-off benefit from a large order placed by a Swedish OEM to our Senior Flexonics Kassel business. Group sales to passenger vehicle markets decreased by £0.8m (-1.7%) in the year.

In the Group's power & energy markets sales decreased by £12.6m (-9.5%) in the year. Sales to other power & energy markets increased by £4.8m (5.4%) reflecting growth in sales to power generation, nuclear and renewables industry customers. Sales to oil and gas customers decreased by £17.4m (32.8%). The Group saw robust demand in our downstream oil and gas business, partially offsetting a reduction in sales from one of our operating businesses to our upstream oil and gas customers due to a lower share of this very competitive business.

Adjusted operating profit decreased by £1.1m compared to prior period as a result of lower sales. Nevertheless, operational efficiencies, lower costs and favourable product mix helped increase margins by 30 basis points to 11.0% (2023 – 10.7%).

## Outlook

We expect Flexonics performance in 2025 to be broadly similar to 2024.

In land vehicles, the ramp up of programmes recently won means we expect our 2025 performance to be broadly similar to 2024, despite some softness in North America and Germany. In power and energy, activity levels are expected to be similar to 2024.

"Operational efficiencies, lower costs and favourable product mix helped increase margins by 30 basis points to 11.0%."

"In 2024, the Flexonics Division won a contract with Gail India Limited to manufacture and deliver over 100 expansion joints for a new Catofin project, supplied by our Pathway business in the USA."

## FINANCIAL REVIEW

## Strong operating cash conversion

Adjusted Operating Profit  
+2%

£46.5m

(2023 – £45.8m)

Operating Cash Conversion  
+1,100 bps

85%

(2023 – 74%)

Free Cash Flow  
+12%

£17.3m

(2023 – £15.5m)

Bindi Foyle | Group Finance Director

"Senior's 2024 performance demonstrates its financial resilience."

## Financial Summary

A summary of the Group's operating results (at reported currency) is set out in the table below. Further detail on the performance of each Division is set out in the Divisional Review.

	Revenue		Adjusted operating profit <sup>(1)</sup>		Margin	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 %	2023 %
Aerospace	660.8	616.5	30.4	27.0	4.6	4.4
Flexonics <sup>(2)</sup>	317.7	348.0	35.1	37.5	11.0	10.8
Share of results of joint venture	–	–	1.3	1.0	–	–
Inter-segment sales	(1.4)	(1.0)	–	–	–	–
Central costs	–	–	(20.3)	(19.7)	–	–
Group total	977.1	963.5	46.5	45.8	4.8	4.8

(1) See table below for reconciliation of adjusted operating profit to reported operating profit.

(2) Flexonics results are presented before share of results of joint venture.

Adjusted operating profit may be reconciled to the operating profit that is shown in the Consolidated Income Statement as follows:

	2024 £m	2023 £m
Adjusted operating profit	46.5	45.8
Amortisation of intangible assets from acquisitions	(1.6)	(2.2)
Site relocation costs	(3.5)	(0.1)
US class action lawsuit	(1.1)	–
Net restructuring costs	–	(5.6)
Operating profit	40.3	37.9

## Financial detail

## Group revenue

Group revenue was £977.1m (2023 – £963.5m). Excluding the adverse exchange rate impact of £25.5m, Group revenue increased by £39.1m (4.2%) with growth in the Aerospace Division and an anticipated reduction in the Flexonics Division. In 2024, 58% of revenue originated from North America, 17% from the UK, 13% from the Rest of Europe and 12% from the Rest of the World.

## Operating profit

Adjusted operating profit increased by £0.7m (1.5%) to £46.5m (2023 – £45.8m). Excluding the adverse exchange rate impact of £1.6m, adjusted operating profit increased by £2.3m (5.2%) on a constant currency basis. After accounting for £1.6m amortisation of intangible assets from acquisitions (2023 – £2.2m), £3.5m site relocation costs (2023 – £0.1m), £1.1m US class action lawsuit (2023 – £nil) and £nil net restructuring costs (2023 – £5.6m), reported operating profit was £40.3m (2023 – £37.9m).



The Group's adjusted operating margin of 4.8% increased by 10 basis points on a constant currency basis, with increases in both Aerospace and Flexonics divisions. Adjusted operating margin in Aerospace benefited from price increases and higher volumes. Operational efficiencies, lower costs and favourable product mix helped Flexonics more than offset the impact of lower volumes.

As set out in Note 9, adjusted operating profit and adjusted profit before tax are stated before £1.6m amortisation of intangible assets from acquisitions (2023 – £2.2m), £3.5m site relocation costs (2023 – £0.1m), £1.1m US class action lawsuit (2023 – £nil) and £nil net restructuring costs (2023 – £5.6m). Adjusted profit before tax is also stated before net income associated with corporate undertakings of £1.0m (2023 – £7.6m cost).

#### Site relocation costs

Site relocation costs of £3.5m (2023 – £0.1m) include £3.0m related to the transfer of some manufacturing from Senior Aerospace SSP's facility in California, US, to its cost competitive facility in Mexico. The majority of this cost relates to recognition of an impairment of £1.9m of property, plant and equipment. The Group also incurred £0.5m costs (2023 – £0.1m) related to the transfer of our Senior Flexonics Crumlin business to a nearby high-tech facility to better showcase its design, development, test and qualification capabilities in support of the Group's strategic initiatives.

#### Finance costs and income

Finance costs, net of finance income and before fair value changes in acquisition consideration increased to £13.5m (2023 – £7.5m) and comprise IFRS 16 interest charge on lease liabilities of £3.4m (2023 – £2.9m), net finance income on retirement benefits of £2.0m (2023 – £2.1m) and net interest charge of £12.1m (2023 – £10.2m). Also in 2023, interest unwind on uncertain tax positions of £3.5m was included, as described further below in the tax section. The £1.9m increase in net interest charge was driven by higher underlying interest rates on variable rate debt and higher levels of indebtedness in 2024 versus the prior year.

Before fair value changes in acquisition consideration, gross finance costs were £21.9m (2023 – £17.6m) and gross finance income was £8.4m (2023 – £10.1m including £3.5m benefit of interest unwind on uncertain tax positions). The change in fair value on acquisition consideration was net income of £2.2m (2023 – £2.9m interest unwind), comprising £3.6m income, relating to the 2025 earnout target no longer expected to be payable, as a result of the impact of the well publicised 737 MAX subdued volumes, partly offset by £1.4m interest unwind.

#### Corporate undertakings

Net income associated with corporate undertakings was £1.0m (2023 – £7.6m costs), of which £0.8m acquisition costs (2023 – £1.5m) and £2.2m income from fair value changes in contingent consideration (2023 – £2.9m costs) related to the acquisition of Spencer Aerospace in November 2022 and £0.4m costs are associated with potential disposal and other corporate activities (2023 – £3.2m). See Note 30 to the Financial Statements for further details on the financial impact of the acquisition in 2024.

In 2024, net cash outflow related to corporate undertakings was £13.0m (2023 – £25.8m), comprising £10.7m contingent consideration (2023 – £23.9m net deferred consideration) for the acquisition of Spencer Aerospace and £2.3m (2023 – £1.9m) of costs related to potential disposal and acquisition activities.

#### Profit before tax

Adjusted profit before tax decreased by 14% to £33.0m (2023 – £38.3m) reflecting higher net interest costs including the non-repeat of £3.5m prior year benefit of interest unwind on uncertain tax positions. Reported profit before tax increased by 22% to £27.8m (2023 – £22.8m) mainly due to operating profit and corporate undertakings favourable movements partly offset by non-repeat prior year interest unwind benefit. The reconciling items between adjusted profit and reported profit before tax are shown in Note 9 to the Financial Statements.

#### Tax charge/credit

The adjusted tax rate for the year was 10.0% charge (2023 – 11.0% credit), being a tax charge of £3.3m (2023 – £4.2m credit) on adjusted profit before tax of £33.0m (2023 – £38.3m). The adjusted tax rate benefitted from the recognition of a £2.2m deferred tax asset in respect of historical tax losses, enhanced R&D deductions in the US and the geographical mix of taxable profits. In 2023, the adjusted tax rate also benefitted from a release of £7.0m of provision for uncertain tax positions. This release and associated interest release of £3.5m followed a series of steps to simplify the legal ownership of the Group's Americas legal entity holding structure.

The reported tax rate was 6.8% charge, being a tax charge of £1.9m on reported profit before tax of £27.8m. This included £1.4m net tax credit against items excluded from adjusted profit before tax, of which £0.4m credit related to amortisation of intangible assets from acquisitions, £1.0m credit related to site relocation costs, £0.3m credit related to US class action lawsuit and £0.3m charge related to corporate undertakings in the year.

The 2023 reported tax rate was 36.4% credit, being a tax credit of £8.3m on reported profit before tax of £22.8m. This included £7.0m

credit related to the release of provision for uncertain tax positions as described above and £4.1m net tax credit against items excluded from adjusted profit before tax, of which £0.6m credit related to amortisation of intangible assets from acquisitions, £1.5m credit related to net restructuring costs, £0.1m credit related to site relocation costs and £1.9m credit related to corporate undertakings in the year.

Cash tax paid was £7.4m (2023 – £5.6m) and is stated net of refunds received of £1.2m (2023 – £2.8m) in respect of UK R&D expenditure credit payments and tax paid in prior periods.

#### Tax policy

The Group acts with integrity in all tax matters, in accordance with the Group's ethics and business conduct programme. It is the Group's obligation to pay the amount of tax legally due and to observe all applicable rules and regulations in the jurisdictions in which it operates. While meeting this obligation, the Group also has a responsibility to manage and control the costs of our business, including the taxes we pay for the benefit of all our stakeholders. The Group seeks to achieve this by conducting business affairs in a way that is efficient from a tax perspective, including maintaining appropriate levels of debt in the countries we operate in and claiming available tax reliefs and incentives. The Group is committed to building and maintaining constructive working relationships with the tax authorities of the countries in which it operates. Further details on our approach to tax may be found on Senior's website at [www.seniorplc.com](http://www.seniorplc.com).

#### Earnings per share

The weighted average number of shares, for the purposes of calculating diluted earnings per share, increased to 414.3 million (2023 – 413.3 million). The increase arose principally due to shares released from the employee benefit trust to satisfy the vesting of certain share-based payments during 2024, partly offset by the purchase of shares held by the trust. The adjusted earnings per share was 7.17 pence (2023 – 10.28 pence, which included a benefit of 2.54 pence from the release of the provision for uncertain tax positions as described above). Basic earnings per share was 6.25 pence (2023 – 7.52 pence). See Note 12 for details of the basis of these calculations.

#### Return on capital employed ("ROCE")

ROCE, a key performance indicator for the Group as defined on page 49, decreased by 30 basis points to 6.8% (2023 – 7.1%). The decrease in ROCE was mainly a result of higher inventory and investment in growth not yet fully offset by the growth in profit, which was impacted by near-term temporary customer led headwinds.

#### Revenue (£m) +1%

23	963.5
24	977.1

#### Adjusted operating profit (£m) +2%

23	45.8
24	46.5

#### Return on capital employed (%) -30 bps

23	7.1
24	6.8

## Research and design

The Group's expenditure on research and design was £20.0m during 2024 (2023 – £20.0m). Expenditure was incurred mainly on funded and unfunded work, which primarily relates to designing and engineering products in accordance with individual customer specifications and investigating specific manufacturing processes for their production. The Group also incurs costs on general manufacturing improvement processes which are similarly expensed. Unfunded costs in the year have been expensed, consistent with the prior year, as they did not meet the strict criteria required for capitalisation.

## Exchange rates

A proportion of the Group's operating profit in 2024 was generated outside the UK and consequently, foreign exchange rates, principally the US Dollar against Sterling, can affect the Group's results.

The 2024 average exchange rate for the US Dollar applied in the translation of income statement and cash flow items was \$1.28 (2023 – \$1.24). The exchange rate for the US Dollar applied to the translation of Balance Sheet items at 31 December 2024 was \$1.25 (31 December 2023 – \$1.27).

Using 2024 average exchange rates would have decreased 2023 revenue by £25.5m and decreased 2023 adjusted operating profit by £1.6m. A 10 cents movement in the £:\$ exchange rate is estimated to affect forecast full-year revenue on average by £50m, adjusted operating profit by £4m and net debt by £15m.

## Cash flow

The Group generated operating cash flow of £39.3m (2023 – £34.0m), a cash conversion of 85% of adjusted operating profit. Free cash flow was £17.3m in 2024 (2023 – £15.5m) as set out in the following table:

	2024 £m	2023 £m
Operating profit	<b>40.3</b>	37.9
Amortisation of intangible assets from acquisitions	<b>1.6</b>	2.2
Site relocation costs	<b>3.5</b>	0.1
US class action lawsuit	<b>1.1</b>	–
Net restructuring costs	<b>–</b>	5.6
Adjusted operating profit	<b>46.5</b>	45.8
Depreciation (including amortisation of software)	<b>49.0</b>	49.5
Working capital and provisions movement, net of restructuring items	<b>(17.0)</b>	(27.6)
Pension contributions	<b>(0.8)</b>	(1.4)
Pension service and running costs	<b>1.9</b>	1.3
Other items <sup>(1)</sup>	<b>2.8</b>	1.6
Capital expenditure	<b>(43.2)</b>	(35.9)
Sale of property, plant and equipment	<b>0.1</b>	0.7
Operating cash flow	<b>39.3</b>	34.0
Interest paid, net	<b>(14.6)</b>	(12.9)
Income tax paid, net	<b>(7.4)</b>	(5.6)
Free cash flow	<b>17.3</b>	15.5
Site relocation costs paid	<b>(1.6)</b>	–
Net restructuring costs paid	<b>(0.5)</b>	(2.1)
US pension settlement	<b>–</b>	(0.9)
Corporate undertakings	<b>(13.0)</b>	(25.8)
Dividends paid	<b>(10.1)</b>	(6.6)
Dividends from Joint Venture	<b>3.0</b>	–
Purchase of shares held by EBT net of repayments	<b>(4.9)</b>	(5.6)
Net cash flow	<b>(9.8)</b>	(25.5)
Effect of foreign exchange rate changes	<b>(3.1)</b>	8.5
IFRS 16 non-cash additions and modifications including acquisition	<b>(12.9)</b>	(7.9)
Change in net debt	<b>(25.8)</b>	(24.9)
Opening net debt	<b>(203.8)</b>	(178.9)
Closing net debt	<b>(229.6)</b>	(203.8)

(1) Other items comprises £4.5m share-based payment charges (2023 – £4.1m), £(1.3m) profit on share of joint venture (2023 – £(1.0m)), £(0.4m) working capital and provision currency movements (2023 – £(1.3m)) and £nil profit on sale of fixed assets (2023 – £(0.2m)).

## Capital expenditure

Gross capital expenditure of £43.2m (2023 – £35.9m) was 1.1 times depreciation excluding the impact of IFRS 16 (2023 – 0.9 times). The disposal of property, plant and equipment raised £0.1m (2023 – £0.7m). 2025 capital investment is expected to be above depreciation (excluding the impact of IFRS 16), the majority of which is investment on growth projects where contracts have been secured, with the rest on important replacement equipment for current production and sustainability related items.

## Working capital

Working capital increased by £18.1m in 2024 to £179.0m as at 31 December 2024 (31 December 2023 – £160.9m), of which £1.9m increase related to foreign currency movements. Inventory was higher particularly in Aerospace with planned investment to enable us to meet the strong increase in demand from our customers and was also as a result of 737 MAX production being lower than initially resourced for, exacerbated by the Boeing employee strike in the Puget sound area, coupled with schedule changes in Q4 from a customer who is an Airbus tier one supplier. Receivables were higher as a result of revenue growth. In 2024, working capital increased as a percentage of sales by 160 basis points to 18.3% (2023 – 16.7%). We are likely to see an increase in working capital over the coming year to support the growth anticipated in Aerospace, however working capital as a percentage of sales is expected to reduce towards the 17% level.

The Group participates in some non-recourse reverse factoring schemes which are arranged by our customers as a way of reducing credit risk. The trade receivables reverse factored under such non-recourse schemes at 31 December 2024 were £29.1m (31 December 2023 – £29.1m). The net impact of reverse factoring on 2024 was cash neutral in working capital (2023 – £5.5m inflow) and the discount interest presented within other finance costs is a charge of £0.9m in 2024 (2023 – £0.8m). These arrangements follow standard market terms and conditions and, as noted above, are 100% non-recourse to the Group, thereby transfer all credit risk to the financial institutions who provide the factoring schemes.

**Operating Cash Conversion (%)**  
**+1,100 bps**

23	74
24	85

**Free cash flow (£m)**  
**+12%**

23	15.5
24	17.3

**Funding headroom (£m)**  
**+£17m**

23	142
24	159

**Dividend**

The Board is proposing a final dividend of 1.65 pence per share (2023 – 1.70 pence). If approved, it would be paid on 30 May 2025 to shareholders on the register at the close of business on 2 May 2025 and payment would total £6.8m. This would deliver total dividends paid and proposed in respect of 2024 of 2.40 pence per share (2023 – 2.30 pence), an increase of 4.3%. At the level recommended, the full year dividend would be covered 3.0 times by adjusted earnings per share. The cash outflow incurred during 2024 in respect of dividends was £10.1m (2023 – £6.6m) relating to the final dividend for 2023 and the interim dividend for 2024.

We will continue to follow a progressive dividend policy reflecting earnings per share, free cash flow generation, market conditions and dividend cover over the medium-term.

**Goodwill**

The increase in goodwill from £193.3m at 31 December 2023 to £195.4m at 31 December 2024 reflects foreign exchange differences of £2.1m.

**Retirement benefit schemes**

The retirement benefit surplus in respect of the Group's UK defined benefit pension plan ("the UK Plan") decreased by £5.0m to £43.5m (31 December 2023 – £48.5m) due to £6.0m net actuarial losses and £1.2m running costs partly offset by £2.2m net interest income. Retirement benefit deficits in respect of the US and other territories decreased by £1.2m to £6.8m (31 December 2023 – £8.0m).

The latest triennial actuarial valuation of the UK Plan as at 5 April 2022 showed a surplus of £24.5m (5 April 2019 – deficit of £10.2m). The Group's deficit reduction cash contributions, including administration costs, to the UK Plan ceased on 30 June 2022.

The estimated cash contributions expected to be paid during 2025 in the US funded plans is £0.4m (£0.4m was paid in 2024).

**Net debt**

Net debt which includes IFRS 16 lease liabilities increased by £25.8m to £229.6m at 31 December 2024 (31 December 2023 – £203.8m). As noted in the cash flow on the previous page, the Group generated net cash outflow of £9.8m (as defined in Note 31), before £3.1m adverse foreign currency movements and £12.9m non-cash changes in lease liabilities due to additions and modifications.

Net debt excluding IFRS 16 lease liabilities of £76.2m (31 December 2023 – £71.8m) increased by £21.4m to £153.4m at 31 December 2024 (31 December 2023 – £132.0m), due to free cash inflow of £17.3m and £3.0m dividend received from the Joint Venture being more than offset by £15.0m outflow for dividends and net purchase of shares, £13.0m cash outflow in respect of corporate undertakings, £10.0m capital repayment of leases, £2.1m net cash outflows for site relocation and restructuring and £1.6m adverse foreign currency movements.

**Funding and Liquidity**

As at 31 December 2024, the Group's gross borrowings excluding leases and transaction costs directly attributable to borrowings were £200.0m (31 December 2023 – £181.0m), with 64% of the Group's gross borrowings denominated in US Dollars (31 December 2021 – 61%). Cash and bank balances were £45.5m (31 December 2023 – £47.6m).

The maturity of these borrowings, together with the maturity of the Group's committed facilities, can be analysed as follows:

	Gross borrowings <sup>(2)</sup> £m	Committed facilities £m
Within one year	75.0	75.0
In the second year	9.5	34.8
In years three to five	75.5	162.1
After five years	40.0	40.0
	200.0	311.9

(2) Gross borrowings include other loans and committed facilities, but exclude leases of £76.2m and transaction costs directly attributable to borrowings of £(1.1)m.

At the year-end, the Group had committed facilities of £311.9m comprising private placement debt of £162.1m and revolving credit facilities of £149.8m. The Group is in a strong funding position, with headroom at 31 December 2024 of £158.5m in cash and undrawn facilities.

In the first half, the US RCF of \$50m was extended by a year and will now mature in June 2026. New private placement loan notes of \$40m (£32m) were issued and drawn down in February 2025, carrying an interest rate of 5.46% and are due for repayment in February 2029. These new loan notes have refinanced the maturing £27m private placement loan notes that were repaid in January 2025.

The weighted average maturity of the Group's committed facilities at 31 December 2024 was 2.5 years.

The Group has £nil (2023 – £1.8m) of uncommitted borrowings which are repayable on demand.

The Group has two covenants for committed borrowing facilities, which are tested at June and December: the Group's net debt to EBITDA (defined in the Notes to the Financial Headlines on page 1) must not exceed 3.0x and interest cover, the ratio of EBITDA to interest must be higher than 3.5x. At 31 December 2024, the Group's net debt to EBITDA was 1.8x and interest cover was 7.0x, both comfortably within covenant limits.

**Bindi Foyle**

Group Finance Director

# VIABILITY STATEMENT

Following a robust assessment, the Directors have concluded that the Group and Parent Company have sufficient funds to operate for the foreseeable future (evaluated to 31 December 2027), even in a severe but plausible downside scenario.

The Board has considered a three-year period, as this reflects the normal mid-term planning cycle of its business operations while adequately covering customer lead times for both new and expansion investment. In addition, this period provides sufficient clarity to consider the business prospects and continued recovery from the pandemic under a base case, while also assessing impacts under a severe but plausible downside scenario.

Overall, the Board anticipates good growth for the Group in 2025 in line with its expectations. Increasing aircraft build rates, operational efficiency benefits and improved contract pricing are expected to drive good growth in Aerospace in 2025, with H2 performance expected to be higher than H1. For the full year, Aerostructures is expected to improve from a loss making position in 2024 to an operating profit range of £9m to £11m in 2025, with the large majority of that being earned in H2. We expect Flexonics performance in 2025 to be broadly similar to 2024. In land vehicles, the ramp up of programmes recently won means we expect our 2025 performance to be broadly similar to 2024, despite some softness in North America and Germany. In power and energy, activity levels are expected to be similar to 2024.

The base case projections of the viability assessment are based on the Group's Budget for 2025 and the Group's Strategy for 2026 and 2027. The civil aerospace sector continued its recovery with air traffic increasing in all regions during 2024. According to the International Air Transport Association ("IATA"), the latest data showed that total demand during the year, measured in Revenue Passenger Kms (RPKs), increased by 10% year-on-year. Air traffic is expected to continue to grow as incomes increase, especially in developing markets in Asia. The long-term demand for new aircraft is forecast to grow by 3-4% per annum driven by growth in air traffic and ongoing fleet replacement. With record order books, both Airbus and Boeing plan to increase their aircraft production rates over the coming years. In the Group's other key markets, Senior's sales to the Defence sector are primarily focused on US military aircraft platforms, with good content on the F-35 Joint Strike Fighter, the newer T-7A Red Hawk trainer programme, as well as mature programmes such as the C-130J. The total planned purchases of F-35s is over 3,500 aircraft, of which 31% is for the international market and Lockheed Martin expects to produce 156 F-35 aircraft per year.

In Flexonics, ACT forecast North American heavy-duty truck production to decline by 5% in 2025 and rebound in 2026 to 12% growth as a result of the pre-buy ahead of the planned 2027 emission change. S&P predict European truck and bus production to increase by 2% in 2025. S&P is forecasting that light vehicle production in 2025 will fall by 5% in Europe, by 2% in North America and increase by 6% in India. The global land vehicle market is expected to grow at low single-digit compound annual growth rate through the cycle. In power and energy markets, activity in the downstream sector remains focussed in the Middle East and Asia, where cheap feedstock and economic growth respectively is driving demand. Global electricity consumption is forecast to grow at 4% annually through 2027. Demand is being driven primarily by economic growth, urbanisation and the adoption of EVs.

In determining a severe but plausible downside scenario, the base case projections are flexed to reflect the weighted probability and cumulative estimated effects of all the Group's principal risks and uncertainties, as disclosed on pages 54 to 59. This scenario reflects the combined probabilistic effect of all principal risks, rather than individual scenarios for each risk, according to impact and likelihood of occurrence and include mitigations where appropriate to maintain liquidity. These effects drive key metrics in revenue growth, operating profit margin and borrowing rates. The top 5 principal risks with the highest estimated effect on key metrics include Geopolitical and Economic impact, Cyber/Information Security, Supply Change Challenges, Implementation of Strategy and Price-Down Pressures. The remaining risks have relatively equal weighting in the scenario with Corporate Governance having the lowest estimated effect.

To address the impacts under the severe but plausible downside, the Board has considered the mitigating actions within the Group's direct control. These include a continued focus on conserving cash through vigilant management of capital expenditure and working capital together with further restructuring actions and limiting non-critical discretionary spend.

## Committed facilities and debt covenants

At 31 December 2024, the Group held committed borrowing facilities of £311.9m with liquidity headroom of £158.5m. New private placement loan notes of \$40m (£32m) were issued and drawn down in February 2025. These notes carry an interest rate of 5.46% and

are due for repayment in February 2029. The weighted average maturity of the Group's committed facilities is 2.5 years. Net debt (defined in Note 31c) was £229.6m, including £76.2m of capitalised leases which do not form part of the definition of debt under the committed facilities and do not impact the Group's lending covenants.

The Group has two covenants for committed borrowing facilities, which are tested at June and December: the Group's net debt to EBITDA (defined in the Notes to the Financial Headlines on page 1) must not exceed 3.0x and interest cover, the ratio of EBITDA to interest must be higher than 3.5x. At 31 December 2024, the Group's net debt to EBITDA was 1.8x and interest cover was 7.0x, both comfortably within covenant limits.

## Board's conclusion

Modelling the base case and severe but plausible downside scenario and mitigations indicate that the Group is in compliance with all debt covenants at all measurement dates out to 31 December 2027. The scenarios also highlight sufficient liquidity headroom throughout the period in light of the committed facilities available. Accordingly, following a robust assessment the Directors have concluded that the Group and Parent Company have sufficient funds to operate for the foreseeable future, even in a severe but plausible downside scenario. For the going concern assessment, the foreseeable future covers a minimum period of 12 months from the date of approval of these Financial Statements, and with the viability period evaluated out to 31 December 2027.

## Going concern

As a consequence of the work undertaken to support the viability statement above, the Directors have, at the time of approving these Financial Statements, a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these Financial Statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing these Financial Statements, having undertaken a rigorous assessment of the financial forecasts.

## Approval

The Strategic Report from pages 1 to 69 was approved by the Board of Directors on 28 February and signed on its behalf by

## David Squires

Group Chief Executive Officer



## Non-Financial and Sustainability Information Statement

In compliance with the Non-Financial Reporting requirement set out in Sections 414CA and 414CB of the Companies Act 2006, the table below illustrates where our stakeholders can find information in respect of non-financial matters.

Non-financial information	Section of the report	Pages
Business Model	Our Business Model	2
Principal Risks	Risks and Uncertainties	50
Non-Financial KPIs	Key Performance Indicators	48
Climate-Related Financial Disclosures	Task Force on Climate-Related Financial Disclosures (TCFD)	20

Non-financial information	Policies	Related principal risk	Due diligence and outcomes	Pages
Environmental matters	<b>Health, Safety and Environmental Policy</b> – sets out Senior's commitment to creating a safe and healthy work environment free of occupational injuries, ill-health and environmental incidents.	Climate Change	• Sustainability – Environment	14
			• Streamlined Energy and Carbon Reporting	16
			• Climate-Related Financial Disclosures	20
Employees	<b>Code of Conduct</b> – provides a clear framework outlining the expected behaviour and ethical standards for Senior's employees.	Corporate Governance Breach	• Sustainability – Governance	31
	<b>Whistle-blowing Policy</b> – encourages employees to report suspected or observed wrongdoing and unethical behaviour within the workplace, and provides contact details of an independent, third-party whistle-blowing service.		• Internal Controls and Risk Management	80
	<b>Perform</b> – Senior's performance and development system is designed to manage and enhance the performance of its employees.	Talent and Skills	• Sustainability – People and Culture	28
	<b>Learn</b> – Senior's global learning management platform is designed to deliver and track training courses, promoting continuous learning and development among employees		• Sustainability – Health & Safety	26
	<b>Environmental Health &amp; Safety Management Framework</b> comprising: <ul style="list-style-type: none"> <li>• <b>Senior's Safety Standards</b> – define the minimum health and safety requirements for all Group operating businesses.</li> <li>• <b>Senior's Health &amp; Safety Essential Behaviours</b> – the behaviour model helping its employees understand the behaviours they "should" and "should not" display to strengthen the Company's health and safety culture.</li> <li>• <b>Senior's Golden Rules</b> – safety principles and guidelines designed to prevent accidents and protect wellbeing of employees, contractors, suppliers and visitors whilst on Senior's premises.</li> </ul>			
Respect for human rights	<b>Human Rights Policy</b> – sets out standards Senior expects from its employees, customers and suppliers regarding human rights	Corporate Governance Breach	• Internal Controls and Risk Management	80
	<b>Modern Slavery Act Statement</b> – outlines the Company's actions to assess potential modern slavery risks and processes to minimise any risk of slavery or human trafficking			
Anti-corruption and anti-bribery	<b>Agents Policy</b> – applies to business dealings with agents contracted to represent and act on behalf of Senior in any sales capacity.	Corporate Governance Breach	• Internal Controls and Risk Management	79
	<b>Gifts and Hospitality Policy</b> – restricts the receiving and giving of gifts and hospitality from, and to, third parties.			
	<b>Whistle-blowing Policy</b>			
Social matters	<b>Fraud Policy</b>	Talent and Skills	• Sustainability – Equality, Diversity and Inclusion	27
	<b>Diversity and Inclusion Executive Commitment</b> – dedication and involvement of Senior's leaders in promoting diversity and inclusion, creating the environment where individuals from diverse backgrounds feel valued and respected and have equal opportunities for success.		• Sustainability – Communities	30

➤ For more information please visit: [www.seniorplc.com](http://www.seniorplc.com)



# GOVERNANCE

**IN THIS SECTION**

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**Ian King** | Company Chair and  
Chair of the Nominations Committee

"On behalf of the Board,  
I am pleased to present  
the Senior plc Corporate  
Governance Report  
for the year ended  
31 December 2024."

# CHAIR'S GOVERNANCE LETTER



**Ian King** | Chair

**"The Board's composition, independence and expertise remains balanced and appropriate."**

## Statement of compliance with the Corporate Governance Code

Senior plc is subject to the UK Corporate Governance Code 2018 (the Code). The code is published by the Financial Reporting Council and available at [www.frc.org.uk](http://www.frc.org.uk). The Company has been compliant with the Code throughout the financial year under review.

Further information on how the Company has applied the Principles and complied with the Provisions of the Code can be found on the following pages:

Board Leadership and Company Purpose	78 to 81
Division of Responsibilities	82 to 83
Composition, Succession and Evaluation	84 to 88
Audit, Risk and Internal Control	90 to 95
Remuneration	96 to 109

## Dear Shareholder,

On behalf of the Board, I am pleased to present the Senior plc Corporate Governance Report for the year ended 31 December 2024. This is a period of change for the Company's Board, and we continued our strong focus on governance practices during this time. The Board's composition, independence and expertise remain appropriate for this period of transition, ensuring effective challenge and oversight.

### Board changes

As announced on 15 May 2024, Bindi Foyle informed the Board of her intention to retire from a full-time executive career in May 2025. Bindi has been a part of Senior's leadership team for the past 19 years and an accomplished Finance Director for almost 8 years. We would like to take this opportunity to thank Bindi for her outstanding contributions and commitment and wish her well for the future. As part of an orderly succession planning process, and after a thorough recruitment process, we appointed Alpna Amar as the Group Chief Financial Officer. Alpna will join the Board in April 2025 as an executive Director and will become the Group Chief Financial Officer in May 2025. Alpna brings a wealth of experience in our end markets and a strong track record of helping to enhance shareholder value. The Board is confident she will make a fantastic contribution to Senior for the benefit of all of our stakeholders.

Having reached her nine-year anniversary of serving on the Board of Senior, Susan Brennan will be retiring at the upcoming AGM of the Company. We thank Susan for her long-standing service and contributions to the Board, and we wish her all the best for the future. In compliance with the UK Corporate Governance Code and in line with our commitment to refresh the composition of the Board and to maintain its independence, we appointed Zoe Clements as a non-executive Director with effect from 1 September 2024. Zoe's direct experience in complex investment, private equity and finance roles across a variety of industries will complement the current Board and prove invaluable to Senior's continued development.

### Focus on diversity across leadership

In 2024, the Board maintained its focus on diversity. As at the time of this report, the Board includes 56% women, and two of our Board directors are from ethnic minority backgrounds. The Board remains committed to supporting the recommendations of the Parker Review to promote ethnic diversity. In 2024, we have set a target of 15%, to be achieved by December 2027, in respect of the UK senior management positions within the Group that will be occupied by ethnic minority executives.

## Sustainability governance

In response to the emerging regulatory landscape, the Board provided oversight over the Group's Double Materiality Assessment (DMA). The results of the assessment, which evaluated sustainability-related impacts, risks and opportunities from financial and impact perspectives, will inform Senior's approach to enhancing and evolving its sustainability strategy, aligning it to the changing external environment and long-term strategic priorities.

### Employee engagement

In 2024, we conducted our third Global Employee Engagement Survey, which allowed us to gain insights into employee experiences within the Group and their connection to Senior's Purpose and Values, and to identify areas for improvement. We are pleased to say that the Company has achieved an overall employee participation rate of 85% and an employee engagement score of 7.5. More information can be found on pages 28 and 29 of the Strategic Report.

### 2025 Annual General Meeting (AGM)

The Company's 2025 AGM will take place on 25 April 2025 as a physical meeting at 59/61 High Street, Rickmansworth, Hertfordshire, WD3 1RH. We invite you to attend the AGM, to meet the Board and our leadership team.

The Board and I would like to thank you for your continued support throughout this year of significant change and your continued commitment to the Company.

**Ian King**

Chair

28 February 2025



# BOARD AT A GLANCE

The Board is responsible for Group decisions affecting governance, strategy and the approval of annual operating budgets and Financial Statements.

## Board and Committee membership as at 31 December 2024 and meeting attendance in 2024

The membership and attendance record of the full Board meetings and its full Committee meetings during 2024 are shown in the table below:

	Main Board	Audit Committee	Nominations Committee	Remuneration Committee
Chair	Ian King	Mary Waldner	Ian King	Barbara Jeremiah
Ian King	11/11	–	6/6	5/5
Susan Brennan	11/11	4/4	6/6	5/5
Zoe Clements <sup>(1)</sup>	5/5	1/1	3/3	3/3
Bindi Foyle	11/11	–	–	–
Barbara Jeremiah	11/11	3/4	5/6	5/5
Rajiv Sharma	11/11	4/4	6/6	5/5
David Squires	10/11 <sup>(2)</sup>	–	–	–
Joe Vorih	11/11	3/4 <sup>(3)</sup>	6/6	5/5
Mary Waldner	11/11	4/4	6/6	5/5
<b>Total number of meetings</b>	<b>11</b>	<b>4</b>	<b>6</b>	<b>5</b>

<sup>(1)</sup> Zoe Clements joined the Board effective 1 September 2024.

<sup>(2)</sup> David Squires was unable to attend one Board meeting due to an unavoidable commitment.

<sup>(3)</sup> In advance of his appointment in January 2024, Joe Vorih notified the Board he would be unable to attend one Audit Committee meeting due to prior commitments.

## Board and Executive Committee gender and ethnicity metrics as at 31 December 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Group CEO, Group FD, SID, Chair)	Number in Executive Committee	% of Executive Committee
<b>Gender representation</b>					
Men	4	44%	2	5	62%
Women	5	56%	2	3	38%
Not specified	–	–	–	–	–
<b>Ethnicity</b>					
White British or other White (including minority-white groups)	7	78%	3	7	87%
Mixed/Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	2	22%	1	1	13%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified	–	–	–	–	–

# BOARD OF DIRECTORS

## Ian King

Company Chair and Chair of the Nominations Committee



## Barbara Jeremiah

Senior Independent Non-Executive Director, Chair of the Remuneration Committee



## Susan Brennan

Independent Non-Executive Director



## Bindi Foyle

Group Finance Director



## Rajiv Sharma

Independent Non-Executive Director



## David Squires

Group Chief Executive Officer



## Joe Vorih

Independent Non-Executive Director



## Mary Waldner

Independent Non-Executive Director, Chair of the Audit Committee and Director designated to engage with the Group's employees



## Zoe Clements

Independent Non-Executive Director



## Andrew Bodenham

Group Company Secretary



## Ian King

Chair and Chair of the Nominations Committee



**Date appointed to the Board**  
2017

**Independent**  
Yes, on appointment

**Qualifications**  
Fellow of the Chartered Institute of Management Accountants

**Skills, experience and contribution**  
Ian leads the Board in defining the strategy of the Group and driving the Company's Vision to produce sustainable growth in operating profit, cash flow and shareholder value. Ian has relevant direct experience in Aerospace, a key element of Senior's strategy. For more than 40 years, Ian has held many senior management and directorship roles, including finance, executive management, customer support and strategic planning.

### Current external appointments

- Senior Independent Director of Schroders plc
- The lead non-executive director of the Department for Transport
- A non-executive director of High Speed Two (HS2) Limited
- A senior adviser at Gleacher Shacklock LLP.

### Previous roles

- Chief Executive of Alenia Marconi
- Group Strategy and Planning Director of BAE Systems
- Chief Executive of BAE Systems
- Senior independent director of Rotork plc.

## Barbara Jeremiah

Senior Independent Non-Executive Director, Chair of the Remuneration Committee



**Date appointed to the Board**  
2022

**Independent**  
Yes

**Qualifications**  
BA in Political Sciences and a qualified lawyer

**Skills, experience and contribution**  
Barbara's extensive experience in a number of Senior's key markets as an executive and a non-executive director complements that of the existing members of the Board. Barbara is a US citizen and has good working experience in North American markets.

- A** Audit Committee
- R** Remuneration Committee
- N** Nominations Committee

**Current external appointments**

- Chair of The Weir Group plc
- Senior Independent Director of Johnson Matthey Plc.

**Previous roles**

- Executive Vice President, Corporate Development and Chairman's Counsel of Alcoa Inc
- Chairwoman of Boart Longyear Limited
- Non-executive director of Premier Oil plc and Russel Metals Inc
- A non-executive director and Remuneration Committee Chair of Aggreko plc.

**Susan Brennan**

Non-Executive Director



**Date appointed to the Board**  
2016

**Independent**  
Yes

**Qualifications**

BSc in Microbiology and MBA

**Skills, experience and contribution**

Susan brings valuable manufacturing experience to the Board, especially in areas of key technological advances. Her operational and executive experience, particularly in automotive and component assembly, means she is well placed to understand issues at both operational and strategic levels. Susan has more than 30 years of manufacturing experience, including commercial vehicle electric battery, fuel cell, automotive vehicle, powertrain, and component assembly. In her time as a manufacturing practitioner, she has always been a strong proponent of sustainability.

**Current external appointments**

- Adviser of Modern Hydrogen Inc.

**Previous roles**

- The Chief Executive Officer and a board member of 5E Advanced Materials, Inc.
- The President and Chief Executive Officer of Romeo Power, Inc.
- The Chief Operations Officer of Bloom Energy
- Leadership roles for major automakers, including Nissan and Ford.

**Bindi Foyle**

Group Finance Director

**Date appointed to the Board**  
2017

**Independent**  
No

**Qualifications**

BSc (Hons) in Economics &amp; Accounting and a Chartered Accountant

**Skills, experience and contribution**

Bindi's experience of financial control and investor relations and communications means that she is ideally placed to implement the strategy and policies approved by the Board. Since joining the Group in 2006, she has gained extensive knowledge of the running of all the Group's operations and is instrumental in managing the Group's finances and assisting the Group Chief Executive Officer in the management of the Executive team. Bindi is a member of the Group's Executive Committee and the Treasury Committee, which is not formally appointed as a Committee of the Board.

**Current external appointments**

- The Senior Independent Director of Avon Technologies plc as well as the Chair of its Audit Committee.

**Previous roles**

- Senior finance roles at Amersham plc, GE and BDO Stoy Hayward.

**Rajiv Sharma**

Non-Executive Director



**Date appointed to the Board**  
2019

**Independent**  
Yes

**Qualifications**

BTech in Mechanical Engineering and MBA, Marketing &amp; Strategy

**Skills, experience and contribution**

Rajiv has nearly 30 years' experience which includes commercial, operations, M&A, strategy, digital and general management. He had a long career running and growing multinational companies across the world, particularly in South East Asia. Rajiv's background in mechanical engineering means that he brings operational and technical understanding to the Board's discussions. His experience of developing and executing growth

strategy makes his contribution to delivering the Company's long-term success an important one.

**Current external appointments**

- A non-executive director of Raymond Lifestyle Limited
- The Chief Executive Officer of Archroma Singapore Pte. Ltd.

**Previous roles**

- The Chief Executive Officer of Coats plc
- Senior roles in various companies, including Honeywell, GE and Shell.

**David Squires**

Group Chief Executive Officer

**Date appointed to the Board**  
2015

**Independent**  
No

**Qualifications**

BA in Business Management Studies, a Fellow of the Chartered Institute of Purchasing and Supply and Fellow of the Royal Aeronautical Society

**Skills, experience and contribution**

David has a long-established career in manufacturing, for the most part having specialised in the aerospace sector. He brings extensive knowledge of the aerospace industry, other industrial markets and broad international experience, as well as understanding of supply chain and business development to the Board. David has been the guiding force in driving the Group's Vision and operating in a safe and ethical manner. David chairs the Group's Executive Committee. He is also the Chair of the Health, Safety & Environment Committee.

**Current external appointments**  
None

**Previous roles**

- The Chief Operating Officer of Cobham plc
- Various roles in Eaton Corporation, GEC-Marconi/BAE Systems, Hughes Aircraft Company (now Raytheon) and Shell.

**Joe Vorih**

Non-Executive Director



**Date appointed to the Board**  
2024

**Independent**  
Yes

**Qualifications**

BS and MS in Mechanical Engineering and MBA

**Skills, experience and contribution**

Joe brings broad international engineering expertise in the automotive, aerospace and industrial sectors where Senior operates. His experience in integrating businesses and managing businesses through transition and lean transformation – in both public and private equity environments – enable him to make valuable contributions to the Board.

**Current external appointments**

- The Group Chief Executive Officer of Genuit plc
- A partner in Rocky Neck Partners, LLC.

**Previous roles**

- The President of HBK, a division of and key platform business within Spectris plc
- Various roles in Clarcor Corporation, Stanadyne Corporation and Danaher Corporation
- A Board Director of Muth Mirror Systems.

## Mary Waldner

Non-Executive Director, Chair of the Audit Committee and Director designated to engage with the Group's employees



**Date appointed to the Board**  
2021

**Independent**  
Yes

### Qualifications

MA (Hons) in Physics and a Fellow of the Chartered Institute of Management Accountants

### Skills, experience and contribution

Mary's background and experience in finance and in the engineering sector complements the current Board membership and is invaluable in Senior's continued development.

### Current external appointments

- The Chief Financial Officer of Lloyd's Register.

### Previous roles

- As at 31 December 2024, a non-executive director and Chair of the Audit and Risk Committee of Oxford Instruments plc. Mary stepped down from this role in February 2025.
- Group Financial Controller of 3i Group plc
- The Director of Group Finance at QinetiQ Group plc
- The Group Finance Director of Ultra Electronics Holdings plc
- A number of senior roles within the aerospace and automotive sectors at British Airways and General Motors.

## Zoe Clements

Non-Executive Director



**Date appointed to the Board**  
2024

**Independent**  
Yes

### Qualifications

Chartered Accountant

### Skills, experience and contribution

Zoe is an investment, private equity and finance professional with over 15 years of board experience, and over 25 years of executive experience, notably in a private equity context. Zoe's direct experience in complex investment and finance roles across a variety of industries will complement the current Board and prove invaluable to Senior's continued development.

### Current external appointments

- A non-executive director of Pantheon International Plc
- A non-executive director of JPMorgan Emerging Markets Investment Trust plc
- A Member of the Social Investment Advisory Committee of the Growth Impact Fund
- A Trustee of the Money and Mental Health Policy Institute
- A Non-Executive Adviser of Travers Smith LLP.

### Previous roles

- A range of consumer, retail, leisure, healthcare and professional services boards as a non-executive Director.

## Andrew Bodenham

Group Company Secretary

Andrew was appointed Group Company Secretary in 2002. He acts as Secretary to the Senior plc Board and its Committees; he is also a member of the Group's Executive Committee and of the Treasury Committee. Prior to joining Senior, Andrew had gained experience working for businesses in the technology/software, manufacturing, insurance and aviation services sectors.

## New appointment

## Alpna Amar

Group Chief Financial Officer



Alpna will join the Senior plc Board in April 2025 as an Executive Director and will become Group Chief Financial Officer in May 2025.

**Date appointed to the Board**  
2025

### Qualifications

BSc (Hons) in Economics and Politics, Chartered Accountant

### Skills, experience and contribution

Alpna has extensive corporate, operational and commercial finance, strategy, M&A and investor relations experience, in both corporate and consulting positions. She also brings a wealth of experience in Senior's end markets and a strong track record of helping to enhance shareholder value. The Board is confident Alpna will bring valuable contribution to Senior for the benefit of all of its stakeholders.

### Current external appointments

- A non-executive director of Chemring Group PLC.

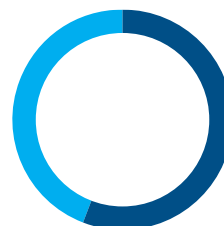
### Previous roles

- Corporate Development Director of Kier Group plc
- Senior investor relations and corporate development roles at TI Fluid Systems plc and Internal Automotive Components Group SA.

## Our Board as at 31 December 2024

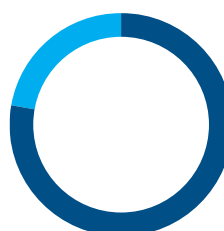
### Gender diversity

- 56% Female
- 44% Male



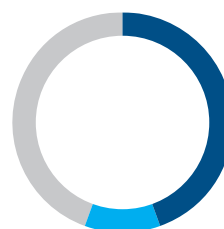
### Ethnic diversity

- 78% White British or other White (including minority-white groups)
- 22% Asian/Asian British



### Tenure

- 4 Over six years
- 1 Over three and up to six years
- 4 Up to three years





# EXECUTIVE COMMITTEE

The Executive Committee oversees the running of all Senior Group operations.

**David Squires**



**Nigel Major**



**Bindi Foyle**



**Jane Johnston**



**Andrew Bodenham**



**Launie Fleming**



**Mike Sheppard**



**Amy Legenza**



## Executive Committee membership and meeting attendance

The Executive Committee, led by the Group Chief Executive Officer, is responsible for the implementation of the decisions made by the Board and for the day-to-day performance and functioning of the Group's operations. Its Terms of Reference can be found on the Company's website. The Executive Committee met nine times during 2024.

### David Squires

See biography on page 75.

### Bindi Foyle

See biography on page 75.

### Nigel Major

Nigel Major joined Senior in April 2024 as Executive Vice President Strategy, responsible for strategy, M&A, and technology leadership across the Group. Before joining Senior, Nigel was Group Director, Mergers and Acquisitions at QinetiQ Group plc. Prior to that, he was Chief Strategy and Technology Officer at Laird plc. His earlier roles included both developing and implementing strategy, leading M&A activities, and leading technology development. Nigel has an MA in Maths from Cambridge University and a PhD in Artificial Intelligence from Nottingham University and worked as a research Fellow in Nottingham and Le Mans, France.

### Jane Johnston

Jane joined Senior as Group HR Director in May 2016. A Fellow of the Chartered Institute of Personnel and Development, Jane has considerable experience heading up HR functions across a range of global geographies. She has worked in a number of different sectors, including technology, drug development, construction and professional services and, prior to joining Senior, was Group HR Director at Pace plc. Jane will be retiring as Group HR Director in Q2 2025.

### Andrew Bodenham

See biography on page 76.

### Mike Sheppard

A US citizen, Mike has worked for the Group for over 30 years and is the Chief Executive of the Flexonics Division. A qualified engineer, Mike's previous positions within the Group included operational roles at the two largest Flexonics businesses, Pathway and Bartlett.

### Launie Fleming

A US citizen, Launie has extensive experience working for the Group. Launie joined the Executive Committee upon his appointment

as Chief Executive of Aerospace Fluid Systems in September 2008. In October 2020, Launie was appointed Chief Executive of the Aerospace Division, formed by the consolidation of the Aerospace Fluid Systems division and Aerospace Structures division. Prior to these divisional roles, Launie was the Chief Executive of Senior Aerospace SSP.

### Amy Legenza

A US citizen, Amy became the Director of Risk and Assurance on 1 January 2023 and was appointed to the Executive Committee on that date, having previously served as the Group's Head of Risk & Compliance. A Certified Public Accountant, Amy joined the Group in 2008 and has broad experience in senior finance and accounting roles.

## New appointments

### Alpna Amar



See biography on page 76.

### Silvia Schwark



Silvia will be joining Senior as the Group Human Resources Director on 3 March 2025. Silvia is a Fellow of the Chartered Institute of Personnel and Development; she has a wealth of experience in leading the people function in a range of global engineering and manufacturing organisations. Silvia's prior roles include the Chief People Officer at XP Power plc and other senior HR leadership roles at Mars Inc, Tate & Lyle plc and Vesuvius plc. We are confident Silvia will make a valuable contribution to Senior.

# BOARD LEADERSHIP AND COMPANY PURPOSE

## Role of the Board

Senior's Board has the responsibility to promote the long-term and sustainable success of the Company, creating value and delivering positive outcomes for all stakeholders. It is also responsible for the Group's strategic direction, financial and operational performance as well as an effective governance framework; it ensures that the necessary resources are in place for the Company to meet its objectives. A detailed description of the Board's responsibilities is covered by the Matters Reserved for the Board and available on the Company's website.

Our governance framework supports and promotes a culture of integrity, trust and accountability. Directors must avoid conflicts of interest that may arise when their personal interests conflict with those of the Company. Our approach to managing conflicts of interest is described on page 89. Directors should demonstrate zero tolerance for fraud, bribery and corruption. In 2024, we enhanced the Group's fraud prevention framework by formalising the Group's commitment through a Fraud Policy. The Policy was incorporated into the Group's Corporate Framework, and it reinforced our commitment to ethical behaviour, respect and transparency across all of Senior's operating businesses. Further information is set out on page 80. Directors promote a culture of open communication, where employees can express their opinions or concerns without a fear of retaliation. In 2024, as part of the Global Employee Engagement Survey, we held sessions with our Group employees where we listened to their feedback, giving them the opportunity to implement positive changes in their workplace. This year, we also took the opportunity to update our Code of Conduct.

During its regular meetings in 2024, the Board considered the best way of addressing opportunities and mitigating risks to the future success of the Company. This was done as part of the Group-wide assessment of the principal risks, described on pages 50 to 59. Our annual Board Strategy meetings continued to provide an effective forum to review Senior's competitive landscape, technological trends, changes in customer behaviour, as well as to consider existing and emerging opportunities to diversify the Group's products in response to changing customer preferences.

The table below sets out key focus areas for the Board during 2024.

### Key Board activities during the year

	Activities
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Updates on the Group's markets and technologies, divisional strategies, divestments and acquisitions</li> <li>• Feedback from the Executive Strategy session</li> <li>• Board Strategy session.</li> </ul>
<b>Financial, contractual and operational matters</b>	<ul style="list-style-type: none"> <li>• Approval of the Group's full-year 2023 and half-year 2024 results</li> <li>• Approval of the 2023 final and 2024 interim dividends</li> <li>• Approval of relevant contracts and capital expenditure requests</li> <li>• Approval of the Group's insurance renewal terms</li> <li>• Business updates from senior management</li> <li>• Approval of the 2025 Group budget</li> <li>• Updates on tax and treasury matters.</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Participating in, and reviewing the recommendations of the annual Board effectiveness review; agreeing the actions for implementation</li> <li>• Review and approval of the Modern Slavery Statement</li> <li>• Review of the Gender Pay Gap Report</li> <li>• Review and approval of the 2024 Long-Term Incentive Plan Rules</li> <li>• Review of the Directors' Potential Conflicts of Interest</li> <li>• Review and approval of the 2024 Code of Conduct</li> <li>• AGM</li> <li>• Review and approval of the Board Diversity and Inclusion Policy</li> <li>• Approval of Zoe Clements's and Alpna Amar's appointments</li> <li>• Updates on legal, regulatory and corporate governance developments.</li> </ul>
<b>Risk and compliance</b>	<ul style="list-style-type: none"> <li>• Review of the material financial and non-financial risks facing the Group</li> <li>• Update on trade compliance</li> <li>• Updates on information security.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Update from the Group HR Director and the Director designated to engage with the Group's employees</li> <li>• Updates on the 2024 Global Employee Engagement Survey results and review of the action plan.</li> </ul>
<b>Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>• Updates from financial advisers and feedback from the investor roadshows.</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Updates on the Group's sustainability matters.</li> <li>• Review of the outcomes of the Group's Double Materiality Assessment.</li> </ul>

To enable the members of the Board and its Committees to discharge their duties effectively, the Chair ensures that relevant and reliable information is provided to all Directors in a timely manner in advance of meetings. The Group Company Secretary supports the Board to ensure that it has in place appropriate policies, processes, time and resources to enable it to operate efficiently and effectively.

There is a procedure by which all Directors can obtain independent professional advice at the Company's expense in furtherance of their duties, if required, and they have been made aware of this.

## Alignment between Senior's Purpose, Values, culture and strategy

### Purpose

We help engineer transition to a sustainable world for the benefit of all our stakeholders.

The Company's Purpose is aligned with our strategic focus on fluid conveyance and thermal management, the support to our customers in transitioning to low-carbon and clean energy solutions, and to our commitment to stay at the forefront of climate disclosure and actions, including our Net Zero commitments.

### Values and Culture

Safety, Integrity, Customer Focus, Respect and Trust, Accountability, Excellence

Values define behaviours and practices expected from Senior's employees in their business relationships with internal and external stakeholders. Values guide the Company's culture, aligning daily actions with the long-term strategy. They are integrated into employees' performance reviews, reinforcing the culture where values are actively practiced and supported.

### Strategy

The Company strategy is reviewed on an annual basis, allowing the Board to assess performance, adjust priorities and make informed decisions to drive long-term sustainability.

Recognising that Senior's Business Model must be resilient and sustainable, the Board provided oversight of the considerable work being done by the Company in identifying material sustainability-related impacts, risks and opportunities, as described on pages 12 to 13. Integration of the Double Materiality Assessment insights into Senior's strategic decision-making will enable the Company to better respond to emerging regulatory changes, enhance its reputation with stakeholders and promote innovation – all of which contribute to the long-term sustainability of the Business Model.

Throughout the year, governance supported effective delivery of the Company's strategic priorities, as set out on pages 34 and 35. The Company's progress in implementing the strategy is monitored through a set of financial and non-financial KPIs, details of which can be found on pages 48 and 49.

The Board is responsible for assessing and monitoring the Group's culture. The expected behaviours and Values are communicated to all employees through our Code of Conduct; this is further supported by Group-wide policies and practices. The Group ensures that its workforce policies and practices align with the Company's Values and support its long-term sustainable success. The disclosures on pages 27 to 29 describe how our policies and procedures across the Group align with our Values.

### The Board's activities in monitoring culture

#### Qualitative reporting

- We hold some of our Board meetings at our operating business locations around the world, which provides an effective forum for employees to engage directly with Board Directors and to share their views. Presentations made by the operating businesses to Board directors provide further insights on culture, challenges and areas for improvement.
- Mary Waldner is our NED responsible for employee engagement, and she has provided feedback to the Board following her extensive engagement with the Group's employees across multiple operating business locations.

#### Quantitative reporting

- Reviewing health & safety and training completion statistics.
- Reviewing diversity metrics across the Group.

Further information on the Company's approach to investing and rewarding its workforce can be found on page 28.

### Internal controls and risk management

The Board has ultimate accountability for the Group's risk management process.

The Board determines the nature and extent of the actions necessary to achieve its strategic objectives and maintains an effective system of internal controls. The Company's Audit Committee reports to and, for certain matters, advises the Board of Directors. The Audit Committee Report on pages 90 to 95 describes the role and activities of the Audit Committee, together with the significant risks and judgments that it considered in relation to the 2024 Financial Statements and its relationship with the internal and External Auditors. Details of the Group's approach to risk management and its Risk and Assurance Framework can be found on page 52.

### Anti-bribery & corruption

Senior has a zero-tolerance policy for bribery and corruption. Senior's Code of Conduct clearly states that Senior will follow all applicable bribery and corruption laws that apply in the countries where we do business, including the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act. This principle is embedded in our Code and supported by four policies: Agents Policy, Gifts and Hospitality Policy, Fraud Policy and Whistle-blowing Policy. Employees are provided with training to raise awareness of the risks and potential consequences of corruption.

#### • Agents Policy

The Group recognises that the use of third-party intermediaries can increase potential bribery and corruption risks within the markets in which we operate. The Company conducts appropriate due diligence and ongoing monitoring of third parties with which it works, including regular screening, risk assessments and compliance health checks. The Company also subscribes to third-party rating organisations to support its due diligence process, particularly when appointing agents and distributors. The Group's operating businesses are required to report on the agents and advisers appointed by them, on a biannual basis, to the Group Company Secretary. In addition, the Group Company Secretary must be notified when new agents are appointed. Biannual reporting is reviewed by the Audit Committee.

#### • Gifts and Hospitality Policy

The Board recognises that gifts and hospitality have the potential to create a conflict of interest, or the perception of a conflict of interest. The Gifts and Hospitality Policy – which restricts the receiving and giving of gifts and hospitality from, and to, third parties – requires that all gifts and hospitality must be recorded annually through a self-declaration process. Employees must declare any gift or hospitality provided or received with the individual or annual aggregate value in excess of £200 (or a lower amount as notified by the Company Secretary) as specified in the Group Gifts and Hospitality Policy. Internal audits assess adherence to the Group's Gifts and Hospitality Policy during audits conducted throughout the year and the annual controls self-assessment.



### • **Fraud Policy**

Fraud can lead to financial, operational, legal and reputational damage and, ultimately, may affect the achievement of the Group's strategic long-term goals, objectives and priorities. The Group's Fraud Policy defines the critical elements of Senior's fraud management programmes and establishes clear expectations for anti-fraud responsibilities across the Group. The Audit Committee is responsible for reviewing fraud instances within the Group and ensuring that proper controls are implemented and maintained to prevent any further fraudulent activities.

### • **Whistle-blowing Policy**

As part of our commitment to operate ethically, the Company has a Whistle-blowing Policy that is communicated throughout the Group. This Policy provides employees and other stakeholders the opportunity to report suspected unethical or illegal corporate conduct confidentially and anonymously. Senior will not tolerate the harassment or victimisation (including the application of informal pressure) of a person reporting corporate conduct in good faith. In addition to the legal protection provided to such persons, Senior will treat retaliation against a person reporting corporate misconduct as a violation of this Policy and a serious disciplinary offence.

The Group encourages individuals to first raise their concerns, verbally or in writing, with a line manager, an HR team member or local operating business leader. Where local reporting is not appropriate, individuals can report their concerns to a Divisional CEO. Alternatively, anonymous written, electronic or telephonic communications may be submitted to any of the above-named parties. Where a person feels uncomfortable or unable to approach any of the parties mentioned earlier, or if the person feels an investigation was not concluded in accordance with local policy or regulations, they should contact Senior's third-party free whistle-blowing service provider by telephone or via the web reporting tool. This service includes the ability to report in multiple languages.

The provider will pass the details of the concern to a designated individual from Senior based at our Group head office in the UK to allow for a full investigation of the matter. Where requested, the provider will not pass on the personal details of who has made the disclosure if the individual(s) requested that their personal details be withheld. All whistle-blowing reports are investigated under the terms of strict confidentiality to the fullest extent possible. The investigator will ensure that the investigation is undertaken as quickly as possible and conducted within the timeframe required by local regulations. On conclusion of the investigation, the whistle-blower is informed of the outcome of the investigation and what action Senior has taken, or proposes to take, as a result of the investigation.

The Group Company Secretary provides information on any reported whistle-blowing cases in regular secretarial reports to the Board of Directors. This is a standing agenda item at every Board meeting. In addition, the Group HR Director summarises the total cases and assesses if any patterns or trends are emerging. This is included in every Group Chief Executive Officer's report to the Board. The Director of Risk and Assurance provides whistle-blowing case information in her report to the Audit Committee.

### **Human rights and modern slavery**

The Group's Human Rights Policy, which can be found on the Company's website, sets out the standards we expect from our employees, customers and suppliers regarding human rights. At Senior, we strive to do business in a responsible way, respecting the human rights of our workers and everyone we come into contact with. We also expect our suppliers to respect and adhere to the Policy. The Group recognises the importance of the Universal Declaration of Human Rights and adheres to the core principles and values defined within it. The majority of countries in which Senior operates have their own laws banning child labour and promoting human rights. Senior monitors the ages of its workforce across the world to ensure compliance and identify any potential issues.

Senior is committed to preventing slavery and human trafficking in its corporate activities and throughout its supply chain. Senior does not restrict any of its employees in any of the countries in which it operates from joining a trade union if they wish to do so. Senior also works closely with its suppliers to ensure that they at least meet internationally recognised minimum requirements for workers' welfare and conditions of employment. Senior publishes the Modern Slavery Act Statement, which is kept under review and updated as necessary. The current statement can be found on the Company's website.

### **Sustainable Sourcing Policy**

Senior's Sustainable Sourcing Policy defines the environmental, ethical and social responsibility principles that all Group suppliers must adhere to. The Policy applies to all key suppliers of goods and services based on annual spend and certain risk factors, such as country of origin and/or the nature of supply or service. All suppliers must be screened in accordance with the Policy, local trade compliance and sanctions regulations, as well as other relevant Group policies prior to engaging in any procurement activities.

### **International trade compliance**

Senior will conduct its business in full compliance with all global trade laws and regulations and all relevant sanctions for the import and export of goods and services in the countries within which it operates. This Principle of the Code of Conduct is supported by the Contract Review Policy, Local Export Compliance Programmes and the Whistle-blowing Policy.

### **Cyber security and data protection**

Cyber security is critical to the long-term sustainability of the Group's success, and we maintained strong focus on this area.

The Group has in place the Information Security Strategy, which provides assurance that there is sufficient focus on reducing risks of significant cyber attacks. The Group's Information Security Policies are based upon a number of recognised, international standards, including ISO 27001, NIST Cyber Security Framework and the CIS top 20 controls, and all Group operating businesses are required to follow the Policies.

The Board of Directors has overall responsibility over the Group's cyber security, ensuring that the Group remains resilient against cyber risks. In 2024, the Group Director of Information Security & Information Technology updated the Board on the progress against the Group's Information Security Strategy and security issues identified during the year, and presented the 2023-2026 Capability Roadmap that identified specific cyber security-related capabilities that needed to be developed to support the delivery of the Information Security Strategy.

The executive responsibility for both Information Technology (IT) and Information Security (IS) are consolidated under a single individual; this approach ensures clear accountability and more robust risk management. Information security risk assessments are regularly conducted across the Group. Risks identified by subject matter experts are reviewed with applicable risk owners and steps agreed to mitigate. Further information on how we manage cyber/information security risk can be found on page 56. In 2024, we continued various initiatives designed to enhance employees' awareness of the risks posed by phishing emails, helping them identify common traits of such emails and conducting simulated phishing exercises. In addition, we educated employees on healthy cyber security culture, as well as the benefits and risks posed by artificial intelligence.



The Group has established mechanisms to ensure compliance with specific regulatory requirements. An Acceptable Use Policy is in place to provide guidelines for the acceptable and appropriate use of the Group's information technology and operational technology assets by all Group employees. The Policy sets out the controls that are in place to help reduce the risk associated with the inappropriate use of the Group's information technology and operational technology assets, which could lead to data loss, manufacturing disruption, virus or malware infection or other issues that could have a negative financial or reputational impact on the Group. In compliance with the Data Protection (Charges and Information) Regulations 2018, the Company is registered with the Information Commissioner's Office.

To ensure compliance with the General Data Protection Regulations ("GDPR"), both in the EU and the UK, the Company and all relevant Group operations have in place a GDPR policy and breach incident procedure which have been communicated to their employees. As the Company is not a public authority, its core activities do not require regular and systematic monitoring of individuals on a large scale and it does not process special categories of personal data, criminal convictions or offences data on a large scale; it is therefore not required to appoint a data protection officer. However, the Company and relevant Group operations each have a Data Protection Champion, whom employees can approach for guidance if they have any queries or concerns relating to data protection. Compliance with data protection regulations will continue to be monitored on an ongoing basis.

### Engagement with stakeholders

A detailed description of the Board's engagement with its stakeholders can be found in the Stakeholder Engagement section of the Strategic Report, on pages 40 to 45.

Barbara Jeremiah, the Chair of the Remuneration Committee, engaged with the Company's shareholders and employee representatives on remuneration-related matters. Further details can be found on page 97.

As part of the Double Materiality Assessment process, we have engaged with a wide range of stakeholders, including customers, suppliers and shareholders; in addition, we have used insights received from the 2024 Global Employee Engagement Survey. Further details on this engagement process can be found on page 13.

Mary Waldner is the Director designated to engage with the Group's employees. The Board believes that Mary is well-suited to lead on the initiatives around employee engagement. Mary's excellent communication skills and empathy with diverse employee perspectives have helped establish trust and form strong connections with the workforce. In addition, Mary's background in the engineering sector has helped instil credibility with employees and their challenges.

The Board considers various factors when assessing the effectiveness of its engagement mechanisms with the Group's stakeholders. Participation rates in employee engagement activities, employee satisfaction rates and nature of feedback received from shareholders, nature and frequency of whistle-blowing reports are some examples that the Board uses to measure the effectiveness. The Board remained confident in the effectiveness of the Group's engagement mechanisms and will continue its commitment to sustaining and adapting, where necessary, its approach.

The statement of compliance with Section 172 can be found on pages 46 and 47.

# DIVISION OF RESPONSIBILITIES

## Board roles and responsibilities

Role	Director	Key responsibilities
<b>Company Chair and Chair of the Nominations Committee</b>	Ian King	(a) Leadership of the Board, setting the Board's agenda, the style and tone of Board discussions and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues; (b) supporting the Group Chief Executive Officer in the development of strategy and, more broadly, to offer guidance to the Group Chief Executive Officer; (c) promoting a culture of openness and debate by facilitating the effective contribution of non-executive Directors, and ensuring constructive relations between non-executive Directors and executive management; (d) ensuring that the Directors receive relevant, reliable, timely and clear information; (e) ensuring, in conjunction with the Group Chief Executive Officer, effective communication with shareholders; and (f) ensuring that the performance of the Board, its main Committees and individual Directors are formally evaluated on an annual basis.
<b>Group Chief Executive Officer</b>	David Squires	Leadership of the Company, managing the Group's business, developing and implementing the strategy and policies approved by the Board.
<b>Group Finance Director</b>	Bindi Foyle	To manage the Group's financial affairs and to contribute to the management of the Group's business, and the implementation of the strategy and policies approved by the Board.
<b>Senior Independent Non-Executive Director, Chair of the Remuneration Committee</b>	Barbara Jeremiah	To support the Chair and to act as an intermediary for other non-executive Directors, if necessary. To chair the Remuneration Committee.
<b>Independent Non-Executive Director, Chair of the Audit Committee and Director designated to engage with the Group's employees</b>	Mary Waldner	To challenge the executive Directors and monitor the delivery of the strategy within the risk and control framework set by the Board. To chair the Audit Committee and focus its agenda on its key matters: quality of financial reporting and controls, financial accounting, corporate reporting and effective internal controls. Mary is also a Director designated to engage with the Group's employees.
<b>Independent Non-Executive Directors</b>	Susan Brennan, Rajiv Sharma, Joe Vorih and Zoe Clements	To challenge the executive Directors and monitor the delivery of the strategy within the risk and control framework set by the Board.
<b>Group Company Secretary</b>	Andrew Bodenham	To provide advice to the Directors on all corporate governance matters and ensure the Company complies with legal and regulatory matters and good practice. Andrew acts as Secretary to the Senior plc Board and its Committees.

## Board leadership

Senior's Board is led by Ian King, the non-executive Chair, who was independent upon appointment as Chair of the Company in 2018. As at 31 December 2024, the Board comprises the Chair, six independent non-executive Directors and two executive Directors.

All Directors were selected for appointment because of their wide industrial and commercial experience. The Board considers that all non-executive Directors of the Company continue to be independent, having taken into account a list of relationships and circumstances that may appear relevant in determining independence. Details of the members of the Board and of the Executive Committee can be found on pages 74 to 77.

## Division of responsibilities

The Directors are confident that an effective Board is in place, with a clear division of responsibilities between the running of the Board and the running of the Group's operating businesses.

During 2024, the Chair held confidential meetings with non-executive Directors, without the executive Directors being present, in accordance with good practice. The Senior Independent non-executive Director met with the non-executive Directors to appraise the Chair's performance in 2024.

## Time commitments

The Board regularly reviews time commitments of its non-executive Directors to ensure they can dedicate sufficient time to the fulfilment of their roles with the Company. To prevent overboarding, the Board regularly reviews external directorships; this approach is also integrated into the recruitment process. In 2024, the Board approved the appointment of Zoe Clements as a non-executive Director. During the short-listing process, the Board noted Zoe's existing Board roles and remained satisfied that her availability and the ability to meet the time commitments required were appropriate. The Board undertakes its annual performance review which, among other matters, considers the performance of Board Directors, including their participation in and contribution to Board meetings.

## Our governance structure



### Governance structure

The Board delegates a certain number of its responsibilities to the Audit, Remuneration and Nominations Committees.

There are procedures in place to ensure that all Directors are properly briefed, so that decisions taken by the Board are based on the fullest, up-to-date, available information.

Other committees are appointed by the Board to deal with treasury matters, disclosure matters and specific matters such as acquisitions and disposals.

### HSE Committee

The HSE Committee is appointed by the Executive Committee; it oversees all health, safety and environmental matters across the Group. Its Terms of Reference can be found on the Company's website. The Committee met three times during the year, and there was full attendance at every meeting. In 2024, the Committee Chair provided feedback to the Board after each meeting, and minutes arising from all HSE Committee meetings were made available to the Board. In addition, the Group HSE & Sustainability Director attended two Board meetings in 2024, as described on page 20. The Committee membership is shown in the table below:

	Role
David Squires (Chair)	Group Chief Executive Officer
Launie Fleming	Chief Executive of the Aerospace Division
Mike Sheppard	Chief Executive of the Flexonics Division
Andrew Bodenham	Group Company Secretary
Mark Roden	Group HSE & Sustainability Director

# COMPOSITION, SUCCESSION AND EVALUATION



**Ian King** | Chair

"In 2024, the Committee continued its focus on succession planning. Maintaining and enhancing the diversity and capabilities of the Board remained a priority throughout the year."

## Committee membership and meeting attendance in 2024

The Committee met six times during the year under review. Details on meeting attendance can be found on page 73.

Member	Role
Ian King	Chair of the Nominations Committee
Barbara Jeremiah	Senior Independent non-executive Director
Susan Brennan <sup>(1)</sup>	Independent non-executive Director
Rajiv Sharma	Independent non-executive Director
Mary Waldner	Independent non-executive Director
Joe Vorih	Independent non-executive Director
Zoe Clements	Independent non-executive Director

<sup>(1)</sup> Susan Brennan will be stepping down from the Board following the conclusion of the 2025 AGM.

The Group Company Secretary acts as Secretary to the Committee. Senior members of management and advisers are invited to attend meetings, as appropriate. Two members constitute a quorum for the Nominations Committee. The Committee Chair attends the Company's AGM and is available to address any questions from shareholders regarding the matters within the Committee's responsibilities.

## Dear Shareholder,

On behalf of the Board, I am pleased to present the Nominations Committee Report for the year ended 31 December 2024.

### Board and Executive leadership succession

In 2024, the Committee continued its focus on succession planning. Following the announcement of Bindi Foyle's retirement from the Board, the Committee worked closely with the management and the executive search consultants to identify potential candidates for the role. As announced in November 2024, Alpna Amar will succeed Bindi, joining the Board as an executive Director in April 2025, and will become Group Chief Financial Officer when Bindi retires in May 2025.

The Committee was mindful that Susan Brennan would be approaching the end of her nine-year appointment to the Board in January 2025; therefore, it led the succession planning process to recruit an additional non-executive Director. We announced the appointment of Zoe Clements to the Board of Directors with effect from 1 September 2024. Susan Brennan will be retiring from the Board and as a member of the Audit, Nominations and Remuneration Committees at the conclusion of the Company's next AGM in April 2025.

Throughout the year, the Committee also maintained emphasis on executive leadership succession planning to ensure the continuity of strong and effective leaders across the Group. Jane Johnston, the Group HR Director, announced her intention to step down from the role in the second quarter of 2025, and the Nominations Committee supported the Group Chief Executive Officer in the selection process for this role.

### Induction process for new non-executive Directors

The induction process for new non-executive Directors is crucial in helping them understand, among other matters, the Company's business, culture and key stakeholders. Joe Vorih and Zoe Clements, two of our most recently appointed non-executive Directors, have undergone a structured induction programme, including meetings with members of the Executive Committee and visiting Senior's operating businesses. This enhancement to our induction programme is a follow-on action from the previous Board Effectiveness Review, and it will be maintained for all future non-executive appointments to ensure consistency and comprehensiveness of the onboarding process.

### Board and senior management diversity

Maintaining and enhancing the diversity of the Board remained a priority throughout the year. At the time of writing this report, the Board comprises 56% female directors and two ethnically diverse directors. Recognising the importance of building a strong diversity pipeline throughout all levels of the organisation, the Committee approved the target of 15%, to be achieved by December 2027, in respect of the Group's UK senior management positions that will be occupied by ethnic minority executives.

### Board performance review

An internal Board performance review was conducted during the year; further details can be found on page 88.

This report was reviewed and approved by the Nominations Committee and signed on its behalf by:

**Ian King**

Chair of the Nominations Committee  
28 February 2025



# NOMINATIONS COMMITTEE REPORT

## Responsibilities

The Company's Nominations Committee leads the process for Board appointments and supervises leadership development and succession planning. It also makes recommendations to the Board on all new Board appointments and re-appointments. Primary responsibilities of the Committee include:

- reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, and making recommendations to the Board with regard to any changes;
- ensuring plans are in place for orderly succession to Board and senior management positions, and overseeing the development of a diverse pipeline for succession;
- keeping under review the leadership needs of the organisation (both executive and non-executive) with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- leading the process of Board appointments;
- reviewing the time required from non-executive Directors; and
- reviewing the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.

The Nominations Committee's Terms of Reference can be found on the Company's website.

## Re-election of Board Directors

The Nominations Committee and the Board consider that all non-executive Directors are fully independent and free from any conflicts of interests that could hinder their ability to perform their duties effectively. Senior considers its non-executive Directors are actively contributing their diverse experiences and expertise from various industry sectors. Any potential conflicts of interest are fully disclosed by Directors upon appointment and are reviewed regularly throughout each year.

Details of the Directors' external statutory appointments can be found in their biographies on pages 74 to 76. The Board believes that the Directors' experience of working with other companies adds value to their contribution to the Company's Board and Committee meetings. The Directors believe that the Board and its Committees have the appropriate combination of skills, experience and knowledge to enable them to perform their duties effectively. Membership of the Board and its Committees is kept under regular review and refreshed when appropriate, taking into account the Directors' lengths of service and their ability to devote sufficient time to Company matters.

## Key activities of the Committee during the year

### February

- Reviewing recommendations of the external Board Effectiveness Review and agreeing focus areas for 2024.
- Reviewing the performance of all Board Directors and recommending their re-election at the 2024 AGM <sup>(1)</sup>
- Reviewing the composition of the Board Committees and confirming their memberships remained appropriate.
- Reviewing the draft Nominations Committee Report and recommending its approval to the Board.

### April

- Board and executive leadership succession planning.

### May

- Board and executive leadership succession planning.
- Appointment of Zoe Clements as a non-executive Director.
- Reviewing succession plans for the Group, Divisions and operating businesses.

### September

- Executive leadership succession planning.
- Approving the target, to be achieved by December 2027, for the percentage of UK-based senior management who self-identify as ethnic minority.
- Annual review of the Board Diversity and Inclusion Policy.

### October

- Recommending the appointment of Alpna Amar as the new Group Chief Financial Officer.
- Executive leadership succession planning.

### December

- Reviewing tenures of non-executive Directors.
- Reviewing succession plans for the Executive Committee.
- Ratification of Alpna Amar's non-executive directorship with Chemring Group PLC.
- Annual review of the Committee's Terms of Reference.
- Receiving an update of the Group's progress against the target of 30%, to be achieved by December 2027, for the percentage of global senior management who self-identify as ethnic minority.

<sup>(1)</sup> Following the 2024 year end, having considered the composition of the Board and its Committees, the Nominations Committee made recommendations to the Board concerning the election and re-election of Directors at the 2025 AGM.

In addition to the above-listed main meetings held in person during the year, the Nominations Committee also passed a written resolution, unanimously approved by all members of the Committee, confirming its support of Bindi Foyle's appointment as the Senior Independent Director of Avon Technologies plc.

The Board confirms that in 2024 all Directors in office at the time worked assiduously and diligently. Each Board member made a very positive contribution to the running of the Company and the Board confirms that they will all continue to work to ensure its long-term success.

In compliance with the Corporate Governance Code, all Directors, with the exception of Susan Brennan, will offer themselves for re-election at the 2025 AGM. Having reached her nine-year tenure on the Board of Senior, Susan will be retiring following the conclusion of the AGM and will not be standing for re-election. Zoe Clements, who was appointed to the Board in September 2024 and Alpa Amar, who will join the Board in April, will stand for election at the AGM to be held in April 2025. The resolutions to be put to shareholders at the 2025 AGM can be found in the Notice of Annual General Meeting, which is available on the Company's website.

#### Appointments to the Board

The Company follows a rigorous, formal and transparent procedure for its Board appointments, which is conducted in accordance with the Board Diversity and Inclusion Policy. New appointments are made on merit, taking account of the specific skills and experience, independence and knowledge needed to ensure a rounded Board, with diverse and inclusive Board and Committee composition. The Committee only engages with executive recruitment firms that have signed up to the Voluntary Code of Conduct for Executive Search Firms.

#### Board induction and development

All Directors receive induction upon joining the Board and are encouraged to update their knowledge and skills on a frequent basis. The induction process typically includes the following key elements:

- introduction to the Company's business;
- governance structure;
- legal compliance and Group policies;
- information on Group strategy;
- financial information;
- meetings with the Chair and non-executive Directors;
- meetings with the executive Directors and members of the Executive Committee; and
- site visits.

In 2024, we retained Sam Allen Associates Ltd, an executive search consultancy firm, to support with the recruitment of Group Chief Financial Officer and an additional non-executive Director. Sam Allen Associates is a member of the Standard Voluntary Code of Conduct for Executive Search Firms. The firm has no connection to the Company or any individual Directors.

#### Appointment process for Group Chief Financial Officer

The Committee worked closely with the executive leadership to define the experience, skills and competencies required for the role of Chief Financial Officer. The recruitment process carefully considered both external candidates, as well as the Group's internal talent, drawing on the established succession plans and talent mapping.

All candidates went through a strict referencing process. Following the conclusion of the interviews, Alpa Amar was identified as the most suitable candidate for the role of Group Chief Financial Officer. Her appointment was announced on 6 November 2024. The Committee noted that Alpa would retain her role as a non-executive director of Chemring Group PLC, a FTSE 250 listed company. The Committee considered this role in the context of the UK Corporate Governance Code, overboarding considerations and policies of key shareholders and proxy advisory firms, as well as the potential impact on Alpa's role as an executive Director and Group Chief Financial Officer of the Company. Having given due consideration to all factors, the Committee was supportive of Alpa continuing her non-executive director's role.

Directors receive training throughout the year, and the Group Company Secretary provides the Board with statutory and regulatory updates at every Board meeting and notifies them of any pressing points that are relevant between meetings. We recognise the importance of providing regular training to the Board Directors – this ensures they are well-equipped with the skills and competencies to fulfil their role effectively as the business and operating landscapes evolve. In 2024, the Directors completed the following training modules:

- Insiders and Insider Dealing;
- Accounting and Financial Integrity;
- Global Fraud Prevention;
- 2024 Global Code of Conduct;
- Prevention of Facilitation of Tax Evasion;
- Cyber Security Training for Leadership;
- Preventing Sexual Harassment; and
- AI: Understanding its Use, Risk and Limitations in the Workplace.

#### Appointment process for an additional non-executive Director

Recognising that Susan Brennan would be approaching the end of her nine-year appointment to the Board in January 2025, the Committee started an orderly recruitment process for an additional non-executive Director. Due consideration was given to the skills, experience and expertise required to maintain the diversity of the Board. Following an extensive selection process, the Committee recommended Zoe Clements as a preferred candidate to the position. Zoe's direct experience in complex investment, private equity and finance roles across a variety of industries will complement the current Board and prove invaluable to Senior's continued development.

#### Joe Vorih's and Zoe Clements' induction

Joe's and Zoe's induction process consisted of several steps. In the first instance, both Directors received Senior's Induction Pack which provided, among other matters, contextual background of the Group's operating environment, its strategic aspirations and performance.

The next element of Joe's and Zoe's induction included meeting with the Chair and representatives of senior management. The purpose of these sessions was to get a deeper understanding of any ongoing projects, stakeholder expectations, challenges and opportunities facing the Group; these informal meetings were also key to building relationships and rapport with internal stakeholders.

Finally, as part of their induction process, both Joe and Zoe have visited multiple Group operating businesses. These visits allowed Joe and Zoe to gain a better understanding of the broad range of products manufactured by Senior's operating businesses and their contribution to and alignment with the overall Group strategy, key customer expectations and supplier relationships.

## Succession planning

Effective succession planning plays a key role in maintaining continuity of leadership, strategic oversight and decision-making. In 2024, the Committee received two scheduled updates on the Group's succession plans from the Group Chief Executive Officer and the Group HR Director. The plans, which focused on the Executive Committee, their direct reports, and key divisional and Group roles, mapped out candidates capable of stepping into critical roles. This approach ensures that the Group can respond effectively to unexpected changes in leadership and maintain operational performance.

The Committee maintained its focus on reviewing individuals on the succession maps using the nine-box matrix, assessing employees based on two key dimensions – performance and potential. The matrix served as a starting point for discussions on development needs for the individuals shown on the matrix. When reviewing succession plans, the Committee acknowledged the benefits of a diverse workforce, diversity of thought and employing individuals from diverse backgrounds and experience across the organisation, including Board members and senior managers.

In 2024, we continued with our leadership development programme – “Leading for Excellence”. “Leading for Excellence” enables individuals to develop a number of critical competencies, particularly in the areas of leadership, stakeholder management and people management skills. The “Leading for Excellence” programme supports the Company's focus on developing and nurturing those individuals who are capable of taking on leadership roles in the future.

In 2024, we also introduced a mentoring programme where members of the Board and the Executive Committee were mentoring high potential individuals, identified through the succession planning process.

The Committee remained satisfied with the evolution and progression of the succession planning process and was supportive of the initiatives to prepare high potential employees for future leadership roles.

## Board diversity and inclusion

The Board Diversity and Inclusion Policy provides an effective framework for the Nominations Committee and the Board to follow in assessing the composition of the Board and its Committees and recommending the appointment of new Directors. The Company is committed to maintaining and promoting all aspects of diversity, inclusion and equal opportunity among the members of its Board and its Committees.

The Policy supports the Company strategy in several ways. A diverse Board brings a variety of perspectives, experiences and viewpoints, improving strategic discussions and decision-making. It helps the Company to maintain its agility, adapt to change more quickly, take advantage of emerging opportunities and find innovative approaches to address any challenges.

The objectives of the Policy in force for the year ended 31 December 2024 include:

- maintaining no less than 40% of female representation on the Board, including having at least one female director in a senior Board position (Chair, CEO, Senior Independent Director or Chief Financial Officer);
- maintaining no less than one director from a minority ethnic background on the Board;
- embedding diversity and inclusion principles into the recruitment process for Board appointments and succession planning by only engaging with executive recruitment firms that have signed up to the Voluntary Code of Conduct for Executive Search Firms; and
- working with executive recruitment partners to widen the pool of candidates by considering candidates from diverse backgrounds.

As at 31 December 2024, the Board has met all of the objectives set by the Policy.

In addition, we confirm that the Company has met the targets stipulated in the Listing Rule 6.6.6R (9) as at 31 December 2024. The numerical data on the ethnic background and the gender identity of the individuals on the Board of the Company and in its Executive Committee as at 31 December 2024 is set out on page 73. As announced on 6 November 2024, Alpna would join the Senior plc Board in April 2025 as an executive Director and will become Group Chief Financial Officer in May 2025. In addition, Silvia Schwark will replace Jane Johnston as the Group HR Director in early 2025. Data used for the purpose of making the disclosures was collected through the Company's diversity monitoring forms completed by the individuals on the Board of the Company and in its Executive Committee.

The information on the gender balance of those in senior management and their direct reports can be found on page 27.

In 2023, we set a target of 30%, to be achieved by December 2027, in respect of the Group's senior management positions that will be occupied by ethnic minority executives. At the end of 2024, ethnic minority representation among the Group's global senior management positions was 23%.

This year, following the revised recommendations of the Parker Review, we set a new target of 15%, to be achieved by December 2027, in respect of the Group's UK senior management positions.

## Case study

### EMPOWERING AND ELEVATING TALENTED WOMEN AT SENIOR

We are committed to providing a diverse and inclusive workplace, and we believe there remains an opportunity to further improve our gender diversity, particularly in our operating businesses by developing more women into leadership roles. To help us achieve this, we have established Senior's Women's Network which aims, among other matters, to support women by identifying, raising awareness of and addressing barriers for women in the workplace. The Network will provide opportunities for professional development and networking, helping women build confidence and skills to progress in their careers. We recognise that the Network's outcomes may not be immediately evident; instead, we believe it will be able to create a longer-term organisational change, leading to increased representation of women in Senior's operational roles.



## Board performance review

### 2023 Board performance review findings and the progress made in 2024

Continue the focus on Board skills and succession; strengthen the induction process for new Board members with emphasis on Senior's strategy, products and technology awareness, including site visits.	There had been good progress with Board succession, with the appointments to the Board of Joe Vorih and Zoe Clements, and to the Executive team of Alpna Amar and Silvia Schwark; changes to the induction process for new Board members would be made based on feedback received.
Adopt a more formalised structured agenda and broader role for the Nominations Committee, to enhance its oversight of succession planning, approach to training, development and talent.	The Nominations Committee oversaw the recruitment of two new Board members and of two executives.
Continue to streamline Board processes by making the Board meeting packs more concise.	Board processes continued to be reviewed including considering ways to make the Board meeting packs more concise.
Provide further opportunities for the Group employees to engage with and meet the members of the Board.	Further opportunities were provided for Group employees to engage with and meet the members of the Board, including during site visits and through the new Group Mentoring programme.

### How the 2024 Board performance review has been conducted

The 2024 Board performance review was carried out internally through the use of online questionnaires. The scope of the questionnaires covered the Board as well as the Audit, Remuneration and Nominations Committees. Areas covered by the questions included quality and quantity of information being provided to the Board and its Committees, composition and any gaps in characteristics, experience or skills, quality of discussions around strategic issues and other challenges facing the Company and relationship with the executive leadership, among other matters.

Following the completion of questionnaires by all Board Directors and the Company Secretary, a consolidated report was presented to the Board.

### The outcomes and actions taken

Overall, the Board performance review concluded that the Board had exercised strong governance and was operating effectively. The recruitment of Joe Vorih and Zoe Clements had addressed Board succession requirements and complemented the Board skills.

Board sessions had a good level of challenge and discussion, with appropriate and constructive input from non-executive Directors. The Board Committees were all considered to be working effectively.

The Chair was committed and fully engaged in the discussions taking place both within and beyond Board meetings. Barbara Jeremiah and Mary Waldner continued to be effective in their respective committee Chair roles. Barbara and Mary were also effective in their respective roles as the Senior Independent non-executive Director and the designated non-executive Director for employee engagement.

The Board is committed to regular training, in particular on Cyber and a yearly refresh on Code of Conduct, with all Board members up-to-date on requirements.

#### The Board agreed the following focus areas for 2025:

- the Nominations Committee would continue its focus on Executive succession and look to drive further improvements in the Group's gender diversity, particularly within the operational management teams;
- having defined the Fluid Systems strategy in 2024, the Board would continue to discuss and stress test the strategy, and oversee the implementation of the strategy and operational improvements;
- increase the amount of time the Board spends considering market developments affecting the Group, including customer activity and supply chain issues; and
- following the succession of the Group CFO and Group HR Director, ensure that their inductions are effective, that they build strong relationships with the respective Chairs of the Audit and Remuneration Committees, and that they drive further improvements in Organisation efficiencies.



# REPORT OF THE DIRECTORS

The Directors present their Report and supplementary reports, together with the audited Financial Statements for the year ended 31 December 2024.

This Directors' Report, together with the information in the Strategic Report forms the management report for the purposes of DTR 4.1.8R. The Strategic Report, the Governance Report, which includes this Directors' Report, and any notes to the Financial Statements include information that would otherwise be included in the Directors' Report required under the Companies Act 2006.

## Disclosures located elsewhere in the Annual Report & Accounts 2024

The Strategic Report on pages 1 to 69 includes details of Senior's Business Model, strategic priorities, financial and non-financial key performance indicators, risks and uncertainties, market overview, key growth drivers and a summary of the Group's 2024 performance.

## Activities and business review

Senior plc is a holding company. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 1 to 69. Its Group undertakings are shown on pages 175 and 176. Six of the Company's operating businesses and the Group head office are located in the UK and 20 in the Rest of the World.

## Dividends

An interim dividend of 0.75 pence per share (2023 – 0.60 pence) has already been paid and the Directors recommend a 2024 final dividend of 1.65 pence per share (2023 – 1.70 pence). The final dividend, if approved, will be payable on 30 May 2025 to shareholders on the Register of Members at the close of business on 2 May 2025. This would bring the total dividend for the year to 2.40 pence per share (2023 – 2.30 pence).

## Policy on employee disability

Senior provides support, training and development opportunities to all our employees irrespective of any disabilities they may have. We give full and fair consideration to disabled applicants, and where an existing employee becomes disabled during their employment, we will make every effort to ensure they are able to continue working for Senior in their original or an alternative role.

## Employee share plans

Details of employee share plans are set out in Note 32.

## Restrictions on transfer of shares

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Company's Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital, and all issued shares are fully paid.

## Directors

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code 2018, the Companies Act 2006 and related legislation. The powers of Directors are described in the Matters Reserved for the Senior plc Board, which may be found on the Company's website. Each year, shareholder approval is sought to renew the Board's authority to allot relevant securities.

## Amendment of Articles of Association

The Articles may be amended by special resolution of the shareholders.

## Significant agreements

There are a number of other agreements that take

effect, alter or terminate upon a change of control of the Company, such as commercial contracts, bank loan agreements, property lease arrangements, and employee share plans. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

## Conflicts of interest

The Board has a procedure for identifying and managing Directors' potential conflicts of interest. The Group Company Secretary maintains the Register of Directors' Potential Conflicts of Interest. Directors are required to declare their own potential conflicts, together with those of their close family members, their partners, any trust to which they are a beneficiary, a corporate body in which they have a 20% interest or above, or a firm in which they are a partner. The Directors review and confirm their Register entries at least annually. At every Board meeting, the Directors are required to declare if they have any potential conflicts of interest in the business to be discussed at the meeting. In 2024, the Directors confirmed there were no potential or actual conflicts of interest.

## Directors' indemnities

Qualifying third-party indemnity provisions for the benefit of the Directors were renewed by the Company during the year and remain in force at the date of this Report.

## Research and design

In 2024, the Group incurred £20.0m (2023 – £20.0m) on research and design. Product development and improving manufacturing processes represent the primary focus of the Group's research and design activities.

## Political donations

No political donations were made by the Company or any of the Group's operations during the year.

## Major shareholdings

The Company has been notified that the following shareholders were interested in 3% or more of the issued share capital of the Company:

	% at 11 February 2025
Alantra Asset Management	17.07
Franklin Templeton	9.34
Aberforth Partners	7.98
Heronbridge Investment Management	5.20
Vanguard Group	5.11
BlackRock	4.14
Columbia Threadneedle Investments	3.88
Janus Henderson Investors	3.54
Fidelity International	3.52
Sterling Strategic Value Fund	3.09

So far as is known, no other shareholder had a notifiable interest amounting to 3% or more of the issued share capital of the Company, and the Directors believe that the close company provisions of the Income and Corporation Taxes Act 1988 (as amended) do not apply to the Company.

## Annual General Meeting

The Notice of Annual General Meeting describes the business to be considered at the AGM to be held at

Acquisitions and disposals	157
Corporate governance statement of compliance	72
Directors	74
Directors' share interests	106
Stakeholder engagement	40
Future developments	18
Greenhouse gas emissions	16
Anti-bribery	79
Modern slavery	80
Related-party transactions	173
Risk management	50
Section 172 statement	46
Share capital	171
Use of Financial Instruments	128
Whistle-blowing	80

11.30 am on Friday 25 April 2025 at Senior plc, 59/61 High Street, Rickmansworth, Hertfordshire, WD3 1RH. Please see the Notice of Annual General Meeting 2025 for the details of the AGM; a copy of the Notice can be found on the Company's website.

## Authority to purchase the Company's own shares

The Company purchased no ordinary shares of 10 pence each in the capital of the Company; 4,148,205 shares in the Company (2023 – 3,234,988 shares) were purchased by the Senior plc Employee Benefit Trust in the year to satisfy the future vesting of executive share awards and employee share plans. At the end of the year, the Directors had authority, under a shareholders' resolution dated 26 April 2024, to make market purchases of the Company's shares up to an aggregate nominal amount of £42m (2023 – £42m), which represented approximately 10% of the issued share capital of the Company. A resolution to renew this authority will be proposed at the forthcoming AGM.

## Disclosure of information to auditor

Each of the persons who is a Director of the Company at the date of approval of this Annual Report & Accounts confirms that so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

In 2016, the Group undertook a formal tender process for its external audit function, which resulted in KPMG LLP being appointed the Group's External Auditor for the financial year commencing 1 January 2017. KPMG's re-appointment was last approved by the Company's shareholders at the 2024 AGM. In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as Auditor of the Company is to be proposed at the forthcoming AGM. During the second half of 2024 the Board, with the recommendation of the Audit Committee, agreed that the Company would conduct a competitive tender of the 2027 year-end audit during 2025.

By Order of the Board

## Andrew Bodenham

Group Company Secretary  
28 February 2025

# AUDIT COMMITTEE REPORT



**Mary Waldner** | Chair of the Audit Committee

"As Chair of the Audit Committee, I am pleased to present the Audit Committee Report for the year ended 31 December 2024."

## Dear Shareholder,

The Audit Committee has been established by the Board and consists entirely of independent non-executive Directors. The primary role of the Audit Committee is to maintain the integrity of the financial reporting of the Group and to ensure appropriate risk management and internal control procedures. To enable the Audit Committee to fulfil this role, its main responsibilities include:

- conducting the process for selecting the External Auditor and making recommendations to the Board, and ultimately shareholders, for approval of the appointment of the External Auditor and the audit fee, initiating tender processes in accordance with regulatory requirements, and the resignation or dismissal of the External Auditor;
- if an External Auditor resigns, investigating the issues leading to this and deciding whether or not any action is required;
- monitoring and assessing annually the independence and objectivity of the External Auditor, its compliance with regulatory requirements, the effectiveness of the external audit process and authorising the provision, if any, of non-audit services and the impact this may have on independence;
- monitoring the integrity of the Company's financial reporting, including its annual and interim reports, preliminary announcements and related formal statements. Reviewing and reporting to the Board on significant financial reporting issues and judgments which those statements contain, having regard to matters communicated to it by the Auditor. Reviewing any other statements requiring Board approval which contain financial information where practicable and consistent with any prompt reporting requirements. Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board;
- reviewing the Company's statement on the Annual Report & Accounts prior to endorsement by the Board, that taken as a whole the Annual Report & Accounts is fair, balanced, understandable and provides the information necessary to assess the Group's position and performance, Business Model and strategy;
- discussing with the External Auditor issues and reservations, if any, arising from the year-end audit and the half-year review, and any other matters the External Auditor may raise;
- reviewing and approving the terms of the External Auditor's engagement, including the management representation letter addressed to the External Auditor;
- reviewing the longer-term viability and the going concern basis of accounting in preparation of the Financial Statements of the Group;
- approving the appointment or termination of appointment of the Director of Risk and Assurance;
- reviewing the effectiveness of the internal audit function (currently headed by the Director of Risk and Assurance); considering the major findings of internal audit activities and management's response; ensuring co-ordination between the internal audit function and the External Auditor; reviewing and approving the role and mandate of the internal audit function; and annually approving the Internal Audit Charter, ensuring it is appropriate for the Group's current needs;
- ensuring the internal audit function has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensuring there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensuring that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;
- ensuring the internal Auditor has direct access to the Board Chair and to the Audit Committee Chair, providing independence from the Executive and accountability to the Audit Committee;
- carrying out an annual assessment of the effectiveness of the internal audit function;
- reviewing the effectiveness of the Group's internal control systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems;
- developing and recommending to the Board the Group's Policy for the Provision of Non-Audit Services by the External Auditor, including specifying permitted non-audit services and their approval requirements;
- ensuring the External Auditor's remuneration fee level is appropriate to enable an effective and high-quality audit;
- monitoring the External Auditor's processes for maintaining independence and its compliance with relevant law, regulation, other professional requirements and the Ethical Standard;
- agreeing with the Board a Policy on the Employment of Former Employees of the Group's External Auditor, taking into account the Ethical Standard and legal requirements, and monitoring the application of this Policy;

- understanding the strategy at both Group and operational levels to ensure that business risks and other relevant issues are effectively identified and communicated to the Board;
- assessing the Audit Committee's capabilities in relation to diversity, risk experience and the financial expertise of its members;
- understanding the implications of changes to accounting standards;
- ensuring the Company's corporate ethics, anti-bribery and compliance procedures are up to date in terms of addressing the potential risks of fraud and misconduct;
- reviewing the Group's Whistle-blowing Policy, to ensure that appropriate procedures are in place for employees, contractors and external parties to raise, in confidence, any concerns that they may have relating to suspected malpractice, illegal acts, omissions or other unethical corporate conduct, regarding financial or other matters; and ensuring that arrangements are in place for investigation of such matters and follow-up action;
- giving due consideration to all relevant laws and regulations, the provisions of the Code and published guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook, and any other applicable rules;
- after each Audit Committee meeting, the Audit Committee Chair formally reports to the Board on its proceedings and how the Committee has discharged its duties;
- working and liaising with all other Board Committees, ensuring interaction between the Committees and the Board is reviewed regularly; and
- considering any other topics specifically delegated to the Audit Committee by the Board from time to time.

The Audit Committee is required to report its findings to the Board, identifying any matters where it considers that action or improvement is needed, and to make recommendations as to the steps taken.

### Composition of the Audit Committee

The Terms of Reference for the Audit Committee state that the Audit Committee shall be appointed by the Board from amongst the independent non-executive Directors of the Company, excluding the Company Chair, at least one of whom shall have recent and relevant financial experience. The Audit Committee shall consist of not less than three members, of which all shall be independent of any business connection with the Group. Appointments to the Audit Committee shall be for a period of up to three years, which may be extended by a maximum of two additional three-year periods, subject to the members remaining independent.

Member	Appointment date
Mary Waldner (Committee Chair)	1 December 2021
Susan Brennan <sup>(1)</sup>	1 January 2016
Barbara Jeremiah	1 January 2022
Rajiv Sharma	1 January 2019
Joe Vorih	1 January 2024
Zoe Clements	1 September 2024

<sup>(1)</sup> Susan Brennan will be stepping down from the Board following the conclusion of the 2025 AGM.

One member of the Audit Committee, Barbara Jeremiah, Senior Independent non-executive Director and Chair of the Remuneration Committee was appointed a non-executive director of Johnson Matthey Plc with effect from 1 July 2023. Johnson Matthey Plc, a related party of the Group, has been renting excess car parking space from one of the Group's operating businesses on a rolling monthly basis. The lease contract was in place prior to the acquisition of Thermal Engineering in 2013 by the Group and Barbara has had no involvement in the contract; further details can be found on page 173.

The Audit Committee is composed entirely of independent non-executive Directors, as shown in the table above.

Two members constitute a quorum for the Audit Committee. The Group Company Secretary acts as Secretary to the Audit Committee.

Details of the attendance at Audit Committee meetings during the year are shown on page 73.

Collectively, the members of the Audit Committee have significant commercial and financial experience at a senior management level. I have the recent and relevant financial experience required by the UK Corporate Governance Code to chair the Audit Committee.

For details of the qualifications of members of the Audit Committee, please refer to the Board of Directors' biographies shown on pages 74 to 76.

No member of the Audit Committee has any connection with the Company's External Auditor, KPMG LLP.

### Audit Committee's Terms of Reference

The Audit Committee's Terms of Reference are reviewed annually to take into account current views on good practice and recent updates to the UK Corporate Governance Code. The UK Corporate Governance Code 2018 was adopted by the Audit Committee from the accounting period beginning on 1 January 2019. The Audit Committee's Terms of Reference were updated in December 2024, reflecting the changes introduced by the UK Corporate Governance Code 2024.

The Board expects the Audit Committee to have an understanding of:

- the principles, contents and developments in financial reporting, including the applicable accounting standards and statements of recommended practice;
- the key aspects of the Group's operations, including corporate policies, its products and services, Group financing, and systems of internal control;
- the matters that could influence or distort the presentation of accounts and key figures;
- the principles of, and developments in, company law, sector-specific laws and other relevant corporate legislation;
- the roles of internal and external auditing and risk management; and
- the regulatory framework for the Group's operating businesses.

The full Terms of Reference of the Audit Committee may be found on the Company's website.

## Activities of the Audit Committee

The Audit Committee met on 28 February 2024 to consider the 2023 year-end report and during the subsequent 12 months conducted the following business on the four standard scheduled meeting dates, as indicated below:

### 29 May 2024

- Discussed the external audit plan and strategy proposed by KPMG LLP for the 2024 audit, including materiality, scope, significant risks and other areas of audit focus, the audit cycle and auditor reporting.
- Considered the implications of ISA (UK) 600 (Revised) Standard.
- Reviewed and approved the terms of the proposed letter of engagement addressed to the External Auditor.
- Discussed the timeline for the external audit tender.

### 31 July 2024

- Reviewed the accounting presentation and judgmental issues, and the funding and liquidity reports for the half-year ended 30 June 2024.
- Reviewed, challenged and agreed the basis for going concern to be adopted for the 2024 Interim Results.
- Reviewed the Tax Memorandum for the half-year ended 30 June 2024.
- Reviewed and accepted KPMG LLP's Report to the Audit Committee on the half-year review for the six months ended 30 June 2024.
- Reviewed and approved the terms of the management representation letter addressed to the External Auditor.
- Approved the 2024 Audit Plan and Strategy Report.
- Reviewed and approved KPMG LLP's 2024 audit fee.
- Reviewed KPMG LLP's confirmation of its objectivity and independence, including analysis of permissible non-audit services carried out in 2024.
- Discussed the Group's draft Announcement of the 2024 Interim Results together with the draft slides for the analysts' presentation.
- Received and considered reports presented by the Director of Risk and Assurance including internal audit and risk management activities. The Committee concluded that, during the first half of 2024, the internal audit function had operated with adequate resources and access to personnel, data and documents necessary to conduct its audit plan; it also maintained its organisational independence.
- Reviewed the results of an internal quality assessment of the Group's internal audit function.
- Reviewed governance agency recommendations on the Company's Annual Report & Accounts 2023.
- Reviewed and approved the Group's Whistle-blowing Policy.
- Considered a detailed timetable for the external audit tender process.

### 26 September 2024

- Assessed the significant risks that are considered by the Audit Committee, agreeing they would be unchanged from 2023, apart from renaming "Other provisions" to "Legal claim and warranty provisions".
- Received and considered a report presented by the Director of Risk and Assurance.
- Received an update from the Group's Internal Audit Manager.
- Reviewed the effectiveness of the external audit process.
- Reviewed the results of the bi-annual agents and advisers' status report.
- Approved the draft updated Terms of Reference of the Audit Committee, to align with the requirements of the 2024 UK Corporate Governance Code.
- Approved the draft Policy for the Provision of Non-Audit Services by the External Auditor and the draft Policy on the Employment of Former Employees of the Company's External Auditor, to align with the requirements of the Ethical Standard 2024.
- Reviewed the effectiveness and quality of the 2023 external audit.
- Reviewed and considered proposals on managing the external audit tender process.

### 25 February 2025

- Reviewed the accounting presentation and judgmental issues, and the viability assessment report for the year ended 31 December 2024, which included consideration of compliance with all debt covenants at all measurement dates out to 31 December 2026.
- Reviewed and approved the statements included in the Annual Report & Accounts 2024 concerning internal control, risk management, including the assessment of principal risks and emerging risks, TCFD and the Viability Statement.
- Reviewed, challenged and agreed the going concern basis to be adopted for the 2024 Accounts.
- Reviewed the Tax Memorandum for the year ended 31 December 2024.
- Reviewed and accepted KPMG LLP's Report to the Audit Committee on the audit of the Financial Statements for the year ended 31 December 2024.
- Reviewed KPMG LLP's confirmation of its independence and objectivity.
- Reviewed and approved the terms of the management representation letter addressed to the External Auditor.
- Approved the Audit Committee Report for 2024.
- Reviewed the effectiveness of the Group's risk management and internal control systems and disclosures made in the Annual Report & Accounts 2024.
- Reviewed the draft Annual Report & Accounts 2024 and reviewed the Company's statement on the draft Annual Report & Accounts prior to endorsement by the Board, that, taken as a whole, the draft Annual Report & Accounts is fair, balanced and understandable and provides the information necessary to assess the Group's position and performance, Business Model and strategy.
- Discussed the Group's draft Announcement of the 2024 Final Results together with the draft slides for the analysts' presentation.
- Reviewed the Notice of Meeting for the 2025 AGM and the Proxy Form for the 2025 AGM.
- Received and considered a report presented by the Director of Risk and Assurance, which included the proposed 2025 internal audit plan. The Committee concluded that, throughout 2024, the Internal Audit function operated with adequate resources and access to personnel, data and documents necessary to conduct its audit plan; it also maintained its organisational independence.
- Reviewed and approved the Internal Audit Charter.
- Assessed the effectiveness of the internal audit function.
- Reviewed the results of the bi-annual agents and advisers' status report.



The Audit Committee held a private meeting with the External Auditor and a private meeting with the Group's Director of Risk and Assurance on 31 July 2024 and 25 February 2025, without executive management being present. In addition, the Chair of the Audit Committee held separate meetings with each of these during the course of the year.

In addition to the four scheduled meetings summarised above, an additional Audit Committee meeting was held in April 2024, to approve the draft Trading Update for the three-month period ended March 2024; the latter being subject to final confirmation by the Disclosure Committee.

#### Audit Committee attendance and separate discussions

The Audit Committee typically invites the non-executive Chair, Group Chief Executive Officer, Group Finance Director, Group Financial Controller, the Group's Director of Tax & Strategic Finance, the Group's Director of Risk and Assurance and senior representatives of the external audit firm to attend its meetings, although it reserves the right to request any of these individuals to withdraw from any meeting.

#### Significant risks considered by the Audit Committee

The table below summarises the significant risks considered by the Audit Committee, including significant judgments and estimates:

Significant risks considered by the Audit Committee	How the risk was addressed by the Audit Committee
<p><b>Legal claim and warranty provisions</b></p> <p>Provisions are held where management considers there is an obligation, payment is probable and the amount payable can be reliably estimated.</p> <p>Provisions held by the Group include but are not limited to those held against legal claims and contractual matters and product warranties.</p> <p>There is a risk that other provisions overstate or understate the associated liability.</p>	<p>The Audit Committee considered the basis upon which management had made its accounting judgments to determine the level of legal claim and warranty provisions. The Audit Committee carefully considers the assumptions applied and provides appropriate challenge including an assessment of the related sensitivities (See Note 24). These were further discussed with the External Auditor.</p> <p>The Audit Committee believes there are no further reportable issues arising from these significant areas.</p>

Tax provisioning for uncertain risk exposures, which was a significant risk in the Annual Report & Accounts 2023, is no longer considered a significant risk as the reorganisation of the Group's legal entities' structure in 2023 had reduced the reasonable range of estimated outcomes.

#### Other judgments and estimates

The Audit Committee considered other areas of focus where judgments and estimates have a significant effect on the amounts recognised in the 2024 Financial Statements. These areas of focus and how they were addressed by the Audit Committee are described below:

Other focus areas considered by the Audit Committee	How these were addressed by the Audit Committee
<p><b>Other key judgments and estimates</b></p> <p>These include, but are not limited to, judgments and estimates in areas not covered by significant risks such as going concern and viability, goodwill impairment assessment, retirement benefits, leases and income taxes (including uncertain risk exposures) and inventory net realisable value.</p> <p>We continue to progress strategic options for our Aerostructures business including the potential divestment of the business. At 31 December 2024, judgment is required to determine whether the business is classified as held for sale in accordance with IFRS 5.</p>	<p>The Audit Committee reviewed the accounting presentation and judgmental issues paper, including a funding and liquidity report, for the related reporting period from the Group Financial Controller. In addition, the Audit Committee received a tax memorandum paper for the related reporting period from the Group's Head of Tax &amp; Strategic Finance.</p> <p>In its review of these presentation papers, the Audit Committee challenged management on the critical accounting judgments, and the key sources of estimation and uncertainty that were taken in the preparation of the Financial Statements, and concluded that they were appropriate.</p> <p>The Audit Committee reviewed the critical accounting judgment that Aerostructures does not meet the criteria for held for sale at 31 December 2024 and concluded that, in line with the assessment taken in the prior year, this continues to be appropriate treatment up to and including the assessment date of 31 December 2024.</p> <p>The Audit Committee believes there are no further reportable issues arising from these other key judgments and estimates.</p>

## Presentation of results

The Board has a policy to separately disclose items it considers are outside the normal course of management oversight and control on a day-to-day basis and are not reflective of in-year trading performance. Indicative criteria such as the period to which the item relates and external driven factors that are outside of the control of the Group in combination with the magnitude and consistency of application are also considered.

The Audit Committee assessed the presentation to ensure a fair and balanced treatment of what is and is not included as an adjusting item, considered related guidance issued by the Financial Reporting Council ("FRC") and the European Securities and Markets Authority ("ESMA"), and the need to ensure any alternative performance measures are presented with equal prominence to reported figures and on a consistent basis year-on-year.

The Audit Committee discussed the presentation of adjusted items with the External Auditor, and concurs with management's view that the presentation of items excluded from and included in adjusted results, combined with wider disclosures throughout the Annual Report, provides useful information to aid the understanding of the performance of the Group.

## External audit

### Independence of the External Auditor and policy on the provision of non-audit services

The Audit Committee is responsible for reviewing and monitoring the External Auditor's independence. To fulfil this responsibility, the Audit Committee reviewed an annual letter of independence issued by the External Auditor confirming their independence and compliance with the FRC Ethical Standard and detailing safeguards to maintain independence, including limiting the scope and value of non-audit services provided by the External Auditor.

The Company maintains a Policy for the provision of non-audit services by the External Auditor (the "Policy"), which is aimed at mitigating any risks threatening, or appearing to threaten, the External Auditor's independence and objectivity arising through the provision of non-audit services. The Policy, which is in line with recommendations set out in the FRC's Guidance on Audit Committees (2016), was updated in 2024, to align it with the requirements of the Ethical Standard 2024.

The Policy differentiates between:

- permitted non-audit services, for which the Audit Committee has pre-approved the use of the External Auditor subject to the below limits:

Value	Approval required prior to engagement of the External Auditor
up to £25,000	Group Finance Director
£25,000 – £50,000	Chair of the Group Audit Committee (or delegate)
£50,000 and above	Group Audit Committee

and

- prohibited non-audit services.

When reviewing requests for permitted non-audit services, the Audit Committee assesses:

- whether provision of such services impairs the External Auditor's independence or objectivity and any safeguards in place to eliminate or reduce such threats;
- the nature of non-audit services;
- whether the skills and experience make the External Auditor the most suitable supplier of the non-audit service;
- the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, related to the Group audit fee; and
- the criteria which govern the compensation of the individuals performing the audit.

In addition, the Ethical Standard requires an assessment of whether it is probable that an objective, reasonable and informed third party would conclude independence is not compromised. The approval of the Audit Committee must be obtained before the External Auditor is engaged to provide any non-audit services and these services are limited to activities which feature on the approved Permitted Non-Audit Services list. The total fees for non-audit services shall be limited to no more than 70% of the average of the statutory audit fee for the Company, of its controlled undertakings and of the consolidated Financial Statements paid to the External Auditor in the last three consecutive financial years.

In 2024, the permitted services undertaken by KPMG LLP are set out in the table below. The Audit Committee considered that it was beneficial for the Company to retain KPMG LLP for a small amount of permitted non-audit work and audit-related services, because of the firm's knowledge of the Group and our requirements that the Interim audit be performed by the External Auditor. The Audit Committee continues to closely monitor the nature and level of such permitted non-audit work.

Fees	2024	2023
Interim review	<b>£0.07m</b>	£0.06m
Permissible tax audit required in India, assessment of tax incentives in Thailand and certification of expenses in UK and France	<b>£0.01m</b>	£0.01m
Total audit-related services:	<b>£0.08m</b>	£0.07m
Non-audit related services:	<b>£nil</b>	£nil

KPMG have not performed any non-audit services during the year ended 31 December 2024 or subsequently which are prohibited by the FRC Ethical Standard.

## Policy on tendering

In order to maintain auditor independence and comply with FRC, EU guidance and the provisions of the CMA Order 2014 on audit tendering, the Group undertook a formal tender of its external audit during the first half of 2016, led by the Audit Committee. The appointment of KPMG LLP as the Group External Auditor for the financial year commencing 1 January 2017 received approval by shareholders at the Annual General Meeting held in April 2017.

The Audit Committee reviews annually whether it is appropriate to put the external audit out to tender. During the second half of 2024 the Board, with the recommendation of the Audit Committee, agreed that the Company would conduct a competitive tender of the 2027 year-end audit during 2025. In the second half of 2024, the Audit Committee selected participants to invite based on assessment of global reach with scale, interest and resources to conduct a complex international audit. At this stage of the process, due consideration was given to mid-tier firms as required by the FRC.

The Audit Committee fully evaluates auditor performance and independence annually but does not favour mandatory five-year rotation.

## Assessment of external audit quality and effectiveness

The Audit Committee reviewed the effectiveness of the External Auditor and the external audit process, including an assessment of the quality of the audit, at its September 2024 meeting.

In 2024, the assessment of the effectiveness of the external audit process was again performed by assessing a range of key areas through a formal questionnaire that was individually distributed to all the members of the Audit Committee and all other executive and non-executive Directors. The questionnaire considered the following aspects:

- calibre of the external audit team and the audit partner;
- the robustness of the external audit process and degree of challenge to matters of significant audit risk and areas of management subjectivity;
- the degree of professional scepticism applied by the External Auditor;
- quality of the audit and audit planning approach;
- role of the management;
- communication and formal reporting by the External Auditor to the Audit Committee;
- the External Auditor's support of the work of the Audit Committee;
- insights and adding value;
- audit fees; and
- independence and objectivity.

Senior management received answers and comments from all questionnaires and consolidated them into a report. The Audit Committee used this report to facilitate a debate at its September 2024 meeting and to assist in assessing the level of external audit effectiveness.

Examples of the Auditor's professional scepticism and challenge of management's assumptions, as noted by the Committee, include:

- **Held for sale accounting** – the External Auditor challenged whether the potential divestment of Aerostructures business met the threshold of highly probable, including whether the expectation that it would be completed within 12 months was fully met as at 31st December 2024; and concurred with the judgment taken by the Board.
- **Valuation of customer claims provision** – the External Auditor challenged the assumptions and found the provisions for customer claims continued to be balanced and the provision recorded reflected the inherent uncertainty.
- **Valuation of defined benefit pension liability** – performing benchmarking of management's assumptions for the valuation of defined benefit obligations by comparing assumptions using their independent expectations.

Feedback about the effectiveness of the external audit process from the local management teams was also considered by the Audit Committee. The Audit Committee concluded that the External Auditor had challenged the thinking of the Company and of the Audit Committee on a number of significant issues and had maintained its independence.

Following completion of the assessment process outlined above, the Audit Committee concluded that it was satisfied with the effectiveness of the External Auditor; as a consequence, the Audit Committee has recommended to the Board that KPMG LLP be re-appointed as Auditor for 2025.

### Specific areas referred to the External Auditor

In 2024, the Audit Committee has not asked the Auditor to explicitly review any specific areas because the significant risks and other focus areas considered by the Auditor were aligned with the significant risks considered by the Audit Committee. The Audit Committee was satisfied with the results of the Auditor's results and findings.

### Internal control and risk management

The Audit Committee is responsible for reviewing the Company's internal financial controls and risk management systems. The Group Director of Risk and Assurance, supported by the Internal Audit Manager, provided regular reports to the Committee on the findings of the internal audits performed at the Group operating businesses. The reports, covering a range of financial and non-financial controls, evaluated the operation of controls and detailed specific areas for improvements, where applicable.

The Chair and non-executive Directors are actively encouraged to visit the Group's operating businesses unaccompanied by executive Directors. Such visits enable the Directors to meet the local management teams and employees and also undertake site tours to review matters including production methods, health and safety and the status of internal audit findings. These visits are viewed by the Audit Committee as making a positive contribution to the internal control framework.

There have been no substantive changes to the Group's Enterprise Risk Management process during 2024; the Executive Committee considers emerging risks alongside the principal risks. Throughout the year, the Audit Committee received comprehensive reports covering risk, assurance and compliance activities. Supplementary functional risk assessments covering sustainability-related risks and opportunities, fraud and facilitation of tax evasion were completed in 2024. The outcomes of the risk assessments were reported to the Board, as part of the annual review of the Group's risk management processes.

In preparation for the enhanced reporting obligations under provision 29 of the UK Corporate Governance Code 2024, the Audit Committee received updates on the steps taken by the Company to review its existing internal control environments. The Committee will continue to provide effective oversight to the Group's internal control system to ensure compliance with the forthcoming regulatory change.

### Internal audit

The Audit Committee is responsible for monitoring and reviewing the effectiveness of the Company's internal audit function, which is headed by the Director of Risk and Assurance, with the support of the Internal Audit Manager. In 2023, the Committee approved the Senior plc Internal Audit Charter, a formal document defining the responsibilities and authority of the internal audit function at Senior. During its February 2024 meeting, the Committee reviewed the 2024 internal audit plan, detailing scheduled assurance and risk management activities. Regular progress reports were provided to Audit Committee throughout the year.

As part of assessing the effectiveness of the internal audit function, the Audit Committee held two private sessions with the Director of Risk and Assurance without the executive Directors being present. The Committee remained satisfied that the internal audit plan was well aligned to the principal risks of the Company and was effective in evaluating the operation of internal controls.

During 2024, the Audit Committee reviewed the results of a comprehensive internal quality assessment completed by the Company of the internal audit function. The assessment evaluated the function against the 2017 International Standards for the Professional Practice of Internal Auditing and Code of Ethics as maintained by the Institute of Internal Auditors.

During its meeting on 31 July 2024 and 25 February 2025, the Audit Committee concluded that the Internal Audit function had operated with adequate resources and access to personnel, data and documents necessary to effectively conduct its Internal Audit plan.

### Conclusion

As a result of its work during the year, the Audit Committee has concluded that it has acted fully in accordance with its Terms of Reference. At its meeting held on 25 February 2025, the Audit Committee considered each section of the draft Annual Report & Accounts 2024, and the document as a whole, as proposed by the Company; it reached a conclusion and advised the Board that it considered the draft Annual Report & Accounts 2024 to be fair, balanced and understandable and that it provided the information necessary for shareholders to assess the Group's position and performance, Business Model and strategy. As the Chair of the Audit Committee, I will continue, where appropriate, to be available to engage with shareholders on the scope of the external audit and other significant matters related to the Audit Committee's areas of responsibility and I will be available at the 2025 AGM to answer any shareholders' questions about the work of the Audit Committee.

### Approval

This Report was reviewed and approved by the Audit Committee and signed on its behalf by:

### Mary Waldner

Chair of the Audit Committee  
28 February 2025

# REMUNERATION COMMITTEE REPORT

## CHAIR'S ANNUAL STATEMENT



**Barbara Jeremiah** | Chair of the Remuneration Committee

**"Our Remuneration Policy aligns executives with our shareholders and wider stakeholders."**

### Dear Shareholder,

I am pleased to present the Report of the Remuneration Committee for the financial year ended 31 December 2024. This statement sets out the work of the Committee during the year and provides the context for the decisions taken. The Report will be subject to an advisory vote at our forthcoming AGM.

### The link between strategy and remuneration

Senior's Purpose is "We help engineer the transition to a sustainable world for the benefit of all our stakeholders" and its Vision is to be a trusted and collaborative high value-added engineering and manufacturing company producing sustainable growth in operating profit, free cash flow and shareholder value. This is supported by a number of key strategic priorities, as explained in detail in the Strategic Report on pages 34 to 35.

Our approach to executive remuneration supports this Vision, with our bonus plans incentivising earnings growth, free cash flow and sustainability, and our long-term plans rewarding the creation of shareholder value, earnings growth and return on capital. We regularly consider the alignment of our performance metrics with the business strategy and over time have evolved our approach to reflect changes in strategic focus and the views of shareholders. As a reminder, for 2024 we introduced two non-financial measures into the annual bonus to link incentives more closely with Senior's sector-leading approach to sustainability and wider ESG matters.

The incentive framework is set out in our Remuneration Policy, the renewal of which was supported by over 92% of the shareholder vote at last year's AGM, following a shareholder engagement exercise which helped to shape the final proposals. The Committee was also pleased with the vote of over 98% in favour of the Directors' Remuneration Report for 2023 and over 93% in favour of the new LTIP plan rules. I would like to thank shareholders for their input and continued support for the Committee's approach. A summary of the Remuneration Policy is set out on pages 99 to 101 of this report.

### Senior's performance during 2024

Senior has delivered 2024 results with trading in line with revised expectations and strong cash performance, notwithstanding the well-documented situation at Boeing. We responded dynamically, supporting our customers and controlling our costs, limiting the impact on Aerospace profitability. Our Aerospace revenue and profits have grown.

In Flexonics, we outperformed softer markets and delivered double-digit margins, albeit revenues and profits were slightly lower as anticipated.

In 2024, Senior has continued to deliver on its strategy by investing in markets where we believe there is a significant growth potential and where the Group's skills and knowledge can be exploited, such as aerospace highly engineered standard parts/components.

### Executive Directors' remuneration for 2024

The executive Directors were eligible for an annual bonus of up to 150% of basic salary, payable subject to the achievement of stretching targets linked to key performance metrics.

A total of 80% of the bonus was based on adjusted EPS and free cash flow, maintaining the ratio between these two financial metrics at 60% and 40% respectively. Reflecting the headwinds described above, performance did not reach the lower threshold of the stretching ranges set at the start of the year, and therefore no bonus was payable for these elements.

The remaining 20% of the bonus was based on two key non-financial measures introduced into the bonus for 2024 to link our incentives more closely to sustainability and wider ESG matters. As described in the Sustainability Report, we achieved a significant reduction in our Scope 1 and 2 emissions during 2024, which means the 2024 performance is already better than our stated objective to deliver a 30% reduction in such emissions by 2025. Our employee engagement score increased year-on-year, reflecting our focus on talent, development and creating an environment where employees feel motivated and engaged. For both of these metrics, performance was above the upper end of the stretching range set, resulting in full pay-out. Details of the targets are set out on page 104.



Overall, bonuses were therefore achieved at a level of 20% of the maximum, leading to an outcome of 30% of basic salary for both Directors. In reviewing this outcome, the Remuneration Committee considered the wider performance of the business during the year and the contributions of the management team to the successful implementation of the strategy for the year. The Committee concluded that the outcome was an appropriate and fair outcome for all stakeholders.

The 2022 LTIP award was based on performance over the three years to 31 December 2024, using three equally weighted performance metrics: Return on Capital Employed ("ROCE"), adjusted EPS and relative Total Shareholder Return ("TSR"). Again, reflecting external headwinds during the period, ROCE and adjusted EPS outturns were below the relevant minimum thresholds. However, TSR performance was above median resulting in a vesting of 36% of maximum for that element. Overall, the award will vest at 12% of maximum and is subject to a two-year post-vesting holding period. Further details are set out on page 105.

### Executive Director succession in 2025

As disclosed during 2024, Bindi Foyle is due to retire as Group Finance Director shortly after the 2025 AGM after 19 years with the Group. Bindi will be succeeded by Alpna Amar who will join the Senior plc Board in April 2025 and will succeed Bindi as Group Chief Financial Officer in May 2025. The Committee has determined the remuneration arrangements which will apply in line with our Remuneration Policy.

On appointment, Alpna's salary will be set at £400,000. Alpna will be eligible for an annual bonus of 150% of basic salary (pro-rated for 2025 to reflect the portion of the year worked) and a 2025 LTIP award of 175% of basic salary. To compensate Alpna for the forfeiture of equity awards from her previous employment, the Committee has agreed to grant replacement awards following appointment which would remain subject to performance conditions where appropriate and would mirror the value and the vesting/release schedule of the forfeited share awards, in line with the recruitment provisions in our Remuneration Policy. Full details of these awards will be disclosed at the time of grant and in next year's report.

### Implementation of the Policy for 2025

Basic salaries for David Squires and Bindi Foyle will increase by 2.4% and 2.1% respectively, with effect from 1 January 2025. This is below the average increase of 4.25% for employees across our operations. Pension contributions for the Directors will remain at 15% of basic salary, aligned with the contribution rate available to the majority of the UK workforce.

In line with the Policy, the executive Directors will have the opportunity to earn up to 150% of basic salary as an annual bonus for 2025 (subject to appropriate pro-rating in respect of the Group Chief Financial Officer). The performance measures will remain unchanged from 2024, reflecting the refinements made to our framework in last year's Policy review. A total of 80% of the bonus will remain subject to challenging financial targets linked to adjusted EPS and free cash flow. The remaining 20% will be based on two equally weighted quantitative strategic non-financial measures: absolute reductions in Scope 1 and Scope 2 emissions and progress in Senior's employee engagement score. The specific targets are considered commercially confidential at this stage but will be published in full in next year's report. Any bonus payment will be subject to the appropriate deferral arrangements and the standard malus and clawback provisions set out in our Policy.

In 2025, David Squires and Alpna Amar will be granted LTIP awards at a level of 200% and 175% of basic salary, respectively, in view of her retirement, Bindi Foyle will not participate in the 2025 LTIP. The headline performance metrics will be unchanged, with the retention of the existing mix of ROCE, relative TSR and adjusted EPS, each with a one-third weighting. These metrics provide for a combined focus on absolute financial performance, returns to shareholders and efficient use of capital, all of which are critically important to the business and to investors. The specific targets for the 2025 LTIP award are considered suitably challenging over the performance period, which runs to the end of the 2027 financial year, and recognise our long-standing belief that maximum vesting should require material outperformance. The adjusted EPS target range has been set at 13.40p to 19.42p with the ROCE range maintained at 13.5% to 17.0%, requiring outperformance of our stated long-term strategic ambition.

The TSR element will be based on Senior's performance relative to the FTSE 350 (excluding companies in the Financial Services, Oil, Gas & Coal, Mining and Real Estate sectors). For maximum vesting, upper quartile performance will be required, in line with conventional market practice for TSR performance conditions. Further details on the targets are set out on page 109. Any awards which vest will be subject to the usual Committee assessment of overall performance over the LTIP period as well as a two-year post-vesting holding period. Malus and clawback provisions will apply.

### Consultation with stakeholders during the year

#### Consultation with shareholders

As reported last year, I held a number of conversations with major shareholders in respect of the renewal of the Directors' Remuneration Policy and of the LTIP plan rules, and the feedback we received helped to shape the final proposals. Further shareholder engagement on remuneration matters will take place as appropriate over the coming year.

#### Consultation with employees regarding executive remuneration

During the year, I reviewed executive remuneration with employee representatives from the UK operating businesses. In addition, Mary Waldner, as the designated non-executive Director with responsibility for employee engagement, met with employees across the wider Group and discussed a variety of subjects, including remuneration.

#### Wider workforce remuneration

The Committee continues to pay close attention to remuneration policies and practices across the wider workforce, and takes these into account when agreeing the shape and level of the executive Directors' remuneration.

Participation in the LTIP extends to around 50 senior executives within the business, all of whom are subject to the same performance conditions as the executive Directors. The new ESG performance measures which were introduced into the Directors' annual bonus plan for 2024 were also rolled out to all those business leaders who participate in the Group's senior manager bonus plan.

Equity awards in the form of restricted shares are granted to select individuals who are considered to have significant potential or who are key contributors. All-employee share plan arrangements are offered to employees in the UK, US and continental Europe in the interests of encouraging wider levels of share ownership across the business. A new Sharesave contract will be launched later in 2025.

### AGM

At the AGM on 25 April 2025, shareholders will be asked to vote on the Annual Remuneration Report. I trust that the decisions the Committee has taken in respect of 2024 will have your support. If you have any questions on this Report or on remuneration matters more generally, I can be contacted via the Group Company Secretary.

### Barbara Jeremiah

Chair of the Remuneration Committee  
28 February 2025

# 2024 REMUNERATION REPORT AT A GLANCE

## Overview of our remuneration framework for 2024

Element of remuneration	Key features
Salary and employment benefits	Market competitive to attract and retain high quality executives (including fully expensed car or car allowance, private medical insurance, life insurance, income protection, and defined contribution retirement benefits or allowances)
Annual bonus:	Rewards achievement against annual performance objectives:
Free cash flow (48%)	• Maximum bonus is 150% of salary.
Adjusted EPS (32%)	• One-third of any award is paid in shares, deferred for three years.
Reduction in CO <sub>2</sub> emissions (10%)	• Group Chief Executive Officer and Group Finance Director target: 75.0% of salary.
Employee engagement score (10%)	
Long-Term Incentive Plan:	Supports the Company's longer-term strategic aims to create sustainable growth in shareholder value and to incentivise, motivate and retain senior talent:
Adjusted EPS (33.3%)	• Maximum award is 200% of salary.
TSR (33.3%)	• 25% vesting at "threshold".
Return on Capital Employed (33.3%)	
Shareholding requirements	Equivalent to 200% of executive Directors' salary
	Post-employment shareholding requirement applies for a period of two years following cessation, as set out on page 101
Clawback and malus provisions	Cash bonus awards subject to clawback
	Share awards (LTIP and unvested deferred shares) subject to clawback, malus and post-employment shareholding requirement

## Performance highlights and incentive outcomes

Annual bonus	Target	Actual	Bonus achieved (% of maximum)
<b>Performance condition</b>			
Free cash flow	£22.7m	£17.3m	nil%
Adjusted EPS <sup>(1)</sup>	8.44p	7.55p	nil%
Reduction in CO <sub>2</sub> emissions (tonnes CO <sub>2</sub> equivalent emitted)	40,251t	38,238t	100%
Employee engagement score	7.3	7.5	100%
Bonus award to Group Chief Executive Officer and Group Finance Director: 20% of maximum			

<sup>(1)</sup> Adjusted EPS is measured on a constant currency basis to reduce the impact of exchange rate movements on bonus outcomes.

Long-Term Incentive Plan (2022 award)	Targets (threshold – maximum)	Actual	Achieved (% of maximum)
<b>Adjusted EPS (33.3%)</b>	10.05p (minimum threshold) to 12.35p (maximum threshold) for the final financial year of the three-year performance period	7.17p	nil%
<b>Return on Capital Employed (33.3%)</b>	10.0% (minimum threshold) to 13.5% (maximum threshold) for the final financial year of the three-year performance period	6.8%	nil%
<b>Total Shareholder Return (33.3%)</b>	TSR ranking: 50th percentile (minimum threshold) to 75th percentile (maximum threshold)	53rd percentile	36.1%

12.03% of the LTIP 2022 award of the Group Chief Executive Officer and Group Finance Director shall vest in March 2025.

## About this Report

The rest of this Remuneration Report includes a summary of the Directors' Remuneration Policy (pages 99 to 101) and the Annual Report on Remuneration (pages 102 to 109). These have been prepared in accordance with the Directors' Remuneration Reporting Regulations and the relevant provisions of the Listing Rules of the Financial Conduct Authority. Parts of the Annual Report on Remuneration are subject to audit, as indicated within this Report.

# DIRECTORS' REMUNERATION POLICY

At the Annual General Meeting held on 26 April 2024, shareholders approved the Directors' Remuneration Policy which became effective as at that date. An extract of the Remuneration Policy table from the Remuneration Policy is reproduced below for information only.

The full Remuneration Policy is contained on pages 111 to 117 of the 2023 Annual Report which is available at:  
[www.seniorplc.com/investors/reports.aspx](http://www.seniorplc.com/investors/reports.aspx).

## Policy table for executive Directors

Element	Purpose and link to strategy	Operation	Maximum	Performance assessment
<b>Salary</b>	<ul style="list-style-type: none"> <li>Reflects the performance of the executive Director, his or her skills and experience over time and the responsibilities of the role</li> <li>Provides an appropriate level of basic fixed pay avoiding excessive risk arising from over-reliance on variable income</li> </ul>	<ul style="list-style-type: none"> <li>Will normally be reviewed annually with effect from 1 January</li> <li>Benchmarked periodically against companies with similar characteristics and sector companies</li> <li>Normally positioned within a range around the mid-market level taking into account the experience and performance in the role of the individual, complexity of the role, market competitiveness and the impact of salary increases on total remuneration</li> </ul>	<ul style="list-style-type: none"> <li>Other than to reflect change in the size and complexity of the role/Company, the Committee will have regard to the basic salary percentage increases taking place across the Company more generally when determining salary increases for the executive Directors</li> <li>No maximum salary cap</li> </ul>	<ul style="list-style-type: none"> <li>Individual performance in the role and Group performance are among the factors taken into consideration when awarding increases</li> </ul>
<b>Bonus</b>	<ul style="list-style-type: none"> <li>Incentivises annual delivery of corporate financial and non-financial goals</li> <li>Delivery of a proportion of bonus in deferred shares provides alignment with shareholders and assists with retention</li> </ul>	<ul style="list-style-type: none"> <li>Up to 100% of salary paid in cash with up to a further 50% of salary paid as a conditional award of deferred shares</li> <li>Maximum bonus only payable for achieving demanding targets</li> <li>Deferred shares are released three years after award but are subject to forfeiture by a "bad leaver"</li> <li>Executives are entitled to receive the value of dividend payments that would have otherwise been paid in respect of vested deferred shares</li> <li>All bonus payments are at the discretion of the Committee</li> <li>Different performance conditions may be set when recruiting an executive Director</li> <li>The Committee may review the performance conditions from time to time</li> <li>The Committee has the discretion in certain circumstances to grant and/or settle an award in cash. In practice, this will only be used in exceptional circumstances for executive Directors</li> <li>The Committee has the discretion to adjust bonus targets or outcomes if deemed appropriate, where the bonus outcome feels perverse. In practice, this will only be used in exceptional circumstances for executive Directors</li> </ul>	<ul style="list-style-type: none"> <li>Overall maximum of 150% of salary</li> </ul>	<ul style="list-style-type: none"> <li>The Committee determines appropriate performance targets and weightings at the start of each year</li> <li>Details of the performance targets will normally be disclosed in the following Annual Report on Remuneration for reasons of commercial sensitivity</li> <li>The Committee may include non-financial metrics up to 25% of the overall award</li> <li>Performance below threshold results in zero payment. Payment rises from 0% to 100% of the maximum opportunity for levels of performance between the threshold and maximum targets</li> <li>For financial targets, typically, threshold is around 90% of target, and on-target performance delivers approximately 50% of the maximum opportunity</li> <li>Subject to clawback at the Committee's discretion over cash bonus outcomes and unvested deferred shares in the event of situations such as material misstatement, gross misconduct, serious reputational damage or corporate failure and, if required, over any unvested LTIP awards</li> </ul>

## Policy table for executive Directors

Element	Purpose and link to strategy	Operation	Maximum	Performance assessment
<b>Long-Term Incentive Plan (LTIP)</b>	<ul style="list-style-type: none"> <li>Incentivises sustained performance over the longer term</li> <li>The use of longer-term performance targets and delivery of awards in shares rewards the achievement of the Company's strategic goals and increases in shareholder value</li> </ul>	<ul style="list-style-type: none"> <li>Annual grants of performance shares which vest subject to performance (normally measured over three years) and continued service</li> <li>Executives are entitled to receive the value of dividend payments that would have otherwise accrued during the three-year vesting period in respect of vested LTIP awards</li> <li>All awards are subject to the discretions contained in the plan rules</li> <li>The Committee may review the performance conditions from time to time</li> <li>The Committee has the discretion in certain circumstances to grant and/or settle an award in cash. In practice, this will only be used in exceptional circumstances for executive Directors</li> <li>A two-year post-vesting holding period applies to LTIP awards (excluding those shares required to be sold to pay tax on vesting), creating a five-year period between the grant of the awards and their final release</li> </ul>	<ul style="list-style-type: none"> <li>200% of salary</li> </ul>	<ul style="list-style-type: none"> <li>The Committee determines performance conditions and weightings at the start of each year depending on the strategic priorities of the business at that time</li> <li>In respect of each performance element, performance below the threshold target results in zero vesting. Vesting of each performance element starts at the 25% threshold and rises to 100% for maximum level of performance</li> <li>Subject to malus during the period prior to vesting and to clawback during the period of three years following the date of vesting, at the Committee's discretion, in circumstances such as material misstatement, gross misconduct, fraud, dishonesty, serious reputational damage or corporate failure</li> </ul>
<b>All-employee share schemes</b>	<ul style="list-style-type: none"> <li>Employees, including executive Directors, are encouraged to become shareholders through the operation of the Sharesave Plan, the HMRC-approved all-employee share plan</li> </ul>	<ul style="list-style-type: none"> <li>The Sharesave Plan has standard terms under which participants can normally enter a savings contract in return for which they are granted options to acquire shares at the market value of the shares at the start of the performance period</li> <li>The rules for this plan were first approved by shareholders at the 2006 AGM and the updated rules were approved at the 2016 AGM</li> </ul>	<ul style="list-style-type: none"> <li>Employees can normally elect for a three-year savings contract under standard terms and within HMRC limits</li> <li>The option price for Sharesave awards can be set at a discount of up to 20% of the market value of the shares at the start of the savings contract, although to date no awards granted under the Sharesave Plan have been set at a discount</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Pension</b>	<ul style="list-style-type: none"> <li>Provides competitive retirement benefits for the Group's employees</li> </ul>	<ul style="list-style-type: none"> <li>The executive Directors may participate in the Senior plc Group Flexible Retirement Plan ("Senior GFRP"), a contract-based, money purchase pension plan and/or receive cash allowances</li> <li>Bonuses are not included in calculating retirement benefits</li> <li>Executive Directors receive a pension contribution in line with that available to the majority of employees in the relevant jurisdiction</li> <li>The pension contributions or pension allowance for executive Directors were aligned with the majority of the UK workforce by the end of 2022</li> </ul>	<ul style="list-style-type: none"> <li>The pension contributions or allowances for executive Directors of 15% of salary align with the pension contribution available to the majority of the UK workforce</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>



## Policy table for executive Directors

Element	Purpose and link to strategy	Operation	Maximum	Performance assessment
<b>Other benefits</b>	<ul style="list-style-type: none"> <li>Provides a competitive package of benefits that assists with recruitment and retention</li> </ul>	<ul style="list-style-type: none"> <li>Benefits include provision of a fully expensed car or car allowance, private medical insurance, life insurance and income protection, tax equalisation and relocation benefits</li> <li>Any reasonable business-related expenses (including tax thereon) can be reimbursed</li> </ul>	<ul style="list-style-type: none"> <li>The value of benefits is based on the cost to the Company and is not predetermined</li> <li>There is no monetary cap on other benefits</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
<b>Shareholding guidelines</b>	<ul style="list-style-type: none"> <li>Aligns executive Directors' interests with those of other shareholders in the Company</li> </ul>	<ul style="list-style-type: none"> <li>Executive Directors to retain at least 50% of the shares that vest under the LTIP and Deferred Bonus Award, after allowing for tax liabilities, until a shareholding equivalent in value to 200% of base salary is built up</li> <li>Post-employment shareholding requirements apply, for all LTIP awards granted from 2021 onwards and any shares that vest from deferred bonus from the 2021 bonus scheme onwards, for a period of two years following cessation of employment at the lower of (1) 100% of the in-employment shareholding guideline in place prior to cessation and (2) the actual shareholding held at the time of cessation</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>

## Policy for non-executive Directors

Element	Purpose and link to strategy	Operation	Maximum	Performance assessment
<b>Non-executive Directors and Chair of the Board fees</b>	<ul style="list-style-type: none"> <li>Takes account of recognised practice and set at a level that is sufficient to attract and retain high calibre non-executive Directors</li> </ul>	<ul style="list-style-type: none"> <li>The Chair of the Board is paid a single fee for all their responsibilities as determined by the Remuneration Committee. The non-executive Directors are paid a basic fee. The Senior Independent Director, the Chairs of the Audit and Remuneration Committees, and the Director with responsibility for employee engagement receive additional fees to reflect their extra responsibilities</li> <li>When reviewing fee levels, account is taken of market movements in non-executive Director fees, Board Committee responsibilities, ongoing time commitments and the general economic environment</li> <li>Fee increases, if applicable, are normally effective from 1 January</li> <li>The Chair of the Board and non-executive Directors do not participate in any pension, bonus, share incentive or other share option plans</li> <li>The remuneration of the non-executive Directors is determined by the Board of Directors. The non-executive Directors do not participate in any discussion or decisions relating to their own remuneration</li> <li>Any reasonable business-related expenses (including tax thereon) can be reimbursed</li> </ul>	<ul style="list-style-type: none"> <li>Other than when a non-executive Director changes role or where benchmarking indicates fees require realignment, fee increases will not normally exceed the general level of increases for the Group's employees</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>

## Service contracts and letters of appointment

The service agreements of the executive Directors are not fixed term and are terminable by either the Company or the Director on 12 months' notice.

The Chair of the Board and non-executive Directors do not have service agreements but the terms of their appointment, including the time commitment expected, are recorded in letters of appointment. The Chair's appointment may be terminated on providing 12 months' notice by either party. The appointments of the other non-executive Directors may be terminated by the Company or non-executive Director on providing one month's notice.

Name	Date original term commenced	Date current term commenced	Expected expiry date of current term
Ian King	Joined the Board November 2017 and became Chair of Board in April 2018	–	–
Susan Brennan	January 2016	January 2022	December 2024
Zoe Clements	September 2024	September 2024	August 2027
Barbara Jeremiah	January 2022	January 2025	December 2027
Rajiv Sharma	January 2019	January 2025	December 2027
Joe Vorih	January 2024	January 2024	December 2026
Mary Waldner	December 2021	December 2024	November 2027

# 2024 REMUNERATION REPORT: ANNUAL REPORT ON REMUNERATION

## Summary of the Committee's Terms of Reference

The Terms of Reference of the Remuneration Committee, available in full on the Company's website, are summarised below:

- determine and agree with the Board the framework or broad policy for the remuneration of the Chair of the Board, the executive Directors and other members of the executive management as it is designated to consider;
- within the terms of the agreed Policy and in consultation with the Chair of the Remuneration Committee and/or Group Chief Executive Officer, as appropriate, determine the total individual remuneration package of the Chair of the Board, each executive Director, and other designated senior executives including bonuses, incentive payments and share options or other share awards;
- approve the design of, and determine targets for, any performance-related pay plans operated by the Company and approve the total annual payments made under such plans;
- review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to executive Directors, and other designated senior executives and the performance targets to be used; and
- oversee any major changes in employee benefits structures throughout the Group.

## Members

The Remuneration Committee consists entirely of non-executive Directors.

Member	Number of meetings during term <sup>(1)</sup>	Number of meetings attended
Barbara Jeremiah – Chair	5	5
Susan Brennan	5	5
Zoe Clements <sup>(2)</sup>	3	3
Ian King	5	5
Rajiv Sharma	5	5
Joe Vorih	5	5
Mary Waldner	5	5

(1) The full Committee met five times in 2024. In addition, authority was delegated to two members of the Committee, Barbara Jeremiah and Ian King, to hold six additional meetings to confirm the granting and vesting of share awards.

(2) Zoe Clements was appointed to the Board on 1 September 2024 and attended all three of the meetings that were held in 2024 following her appointment.

## Other attendees at Remuneration Committee meetings

The Group Chief Executive Officer and Group HR Director attend meetings by invitation and the Group Company Secretary acts as secretary to the Committee but no executive Director or other employee is present during discussions relating to his or her own remuneration.

## Advisers

Before recommending proposals for Board approval, the Remuneration Committee may seek advice from external remuneration consultants to ensure that it is fully aware of comparative external remuneration practice as well as shareholder, legislative and regulatory developments. The Committee also considers publicly available sources of information relating to executive remuneration.

The Committee does not have a formal policy of subjecting its remuneration consultants to a regular fixed-term rotation, although the Committee remains cognisant of the need to seek objective advice and good value whilst also benefiting from the consultants' knowledge of the Company. During the year, the Committee appointed Alvarez & Marsal as its remuneration adviser following a competitive tender process.

All advisers to the Remuneration Committee are appointed and instructed by the Committee. During the year, the Committee was advised by Korn Ferry and Alvarez & Marsal in relation to remuneration advice (including in relation to the appointment of Alpha Amar and other executives) and benchmarking, LTIP performance monitoring and the provision of LTIP advice. During 2024, the Company incurred fees of £25,308 from Korn Ferry, £16,950 from Alvarez & Marsal and £5,401 from FIT Remuneration Consultants, and these costs were based on a combination of hourly rates and fixed fees for specific items of work. Korn Ferry, Alvarez & Marsal, and FIT Remuneration Consultants are members of the Remuneration Consultants Group and adhere to its Code in relation to executive remuneration consulting in the UK. The remuneration consultants that provided services during the year have no other connections with the Company or its Directors. The Committee is satisfied that the advice it has received during 2024 has been objective and independent.

### Principal activities and matters addressed during 2024

The Committee has a calendar of standard items within its remit and in addition it held in-depth discussions on specific topics during the year. The Committee met five times during the year. In addition, authority was delegated to two members of the Committee to hold additional meetings to confirm the grant and vesting of share awards. The table below shows the items considered at each meeting, with the meetings in February and March being where the key decisions regarding performance, outcomes and grants for the coming year are determined.

	Standard agenda items	Ad hoc items
February	Review of performance and outcomes under the Annual Bonus and Deferred Bonus Award. Review of performance and vesting under long-term incentives. Determine incentive structure for the 2024 financial year including finalisation of targets. Review and approve draft Remuneration Report.	Review gender pay gap reporting and CEO pay ratio.
March	Confirmation of grants of Deferred Bonus Awards and Restricted Share Awards. Confirmation of vesting of Deferred Bonus Awards and Restricted Share Awards.	
April	Confirmation of grants of LTIP awards.	
July		Review of remuneration advisers.
August		Confirmation of grants of LTIP and Restricted Share Awards to a limited number of executives.
October		Review of remuneration packages for two senior executives prior to making recruitment offer.
December (two meetings)	Review and approval of Directors' and senior managers' remuneration for the following financial year taking into consideration available salary market data. Performance update on outstanding incentive and bonus awards. Discussion on 2025 LTIP and bonus targets; and associated shareholder consultation. Determine remuneration of the Chair of the Board. Review of Committee's Terms of Reference.	Review feedback from UK employee consultation.

### Factors considered in applying the Policy

The Committee is comfortable that the Policy and its implementation are fully consistent with the factors set out in the UK Corporate Governance Code as applied for 2024 (set out below):

- **Clarity** – The Policy and the way it is implemented is clearly disclosed in this policy section of the Directors' Remuneration Report, with full transparency of all elements of Directors' remuneration.
- **Simplicity** – The Policy is simple and straightforward, based on a mix of fixed and variable pay. The annual bonus and LTIP include performance conditions which are aligned with Senior's business strategy.
- **Risk** – The Committee believes that the performance targets in place for the incentive schemes provide appropriate rewards for stretching levels of performance without driving behaviour which is inconsistent with the Company's risk profile and Values. Potential reward is aligned with market levels of peer companies and the reputational risk from a perception of "excessive" pay-outs is limited by the maximum award levels set out in the Policy and the Committee's discretion to adjust formulaic remuneration outcomes.
- **Predictability** – The Policy includes full details of the individual limits in place for the incentive schemes. Any discretion exercised by the Committee in implementing the Policy will be fully disclosed.
- **Proportionality** – The link between the delivery of strategy, long-term performance, shareholder return and the remuneration of the executive Directors is set out in the Remuneration Report.
- **Alignment to culture** – The approach to Directors' remuneration is consistent with the Group's culture and Values.

### Statement of voting at General Meeting

At the AGM held on 26 April 2024, shareholder votes on the Directors' Remuneration Report and the Remuneration Policy were cast as follows:

	Voting	For	Against	Total	Withheld <sup>(1)</sup>	Reason for vote against, (if known)	Action taken by Committee
Remuneration Report	Votes	347,796,158	4,626,619	352,422,777	640,956	N/A	N/A
	%	98.69%	1.31%	100%	N/A		
Remuneration Policy	Votes	326,312,097	26,721,279	353,033,376	30,357	N/A	N/A
	%	92.43%	7.57%	100%	N/A		

(1) A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes cast "For" and "Against" a resolution.

The Committee consulted extensively with major shareholders prior to the 2024 AGM concerning executive remuneration. Strong support for the above resolutions was received from shareholders.

### Single total figure of remuneration (audited information)

The table on the following page shows a single total figure of remuneration in respect of qualifying service for the 2024 financial year for each Director, together with comparative figures for 2023. Aggregate Directors' emoluments are shown at the end of the Single total figure of remuneration section.

	Salaries and fees £000s		Taxable benefits and allowances <sup>(1)</sup> £000s		Bonus <sup>(2)</sup> £000s		Long-term incentives <sup>(3)</sup> £000s		Pension benefits including cash in lieu of pension £000s		Total fixed remuneration £000s	Total variable remuneration £000s	Total <sup>(5)</sup> £000s	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2024	2024	2023
Executives														
David Squires	615	587	29	29	185	627	124	839	92	88	736	309	1,045	2,170
Bindi Foyle	420	400	23	22	126	427	84	561	63	60	506	210	716	1,470
Total remuneration	1,035	987	52	51	311	1,054	208	1,400	155	148	1,242	519	1,761	3,640
Non-executives														
Ian King	218	208	3	2	–	–	–	–	–	–	221	–	221	210
Susan Brennan	60	58	1	1	–	–	–	–	–	–	61	–	61	59
Zoe Clements <sup>(4)</sup>	20	–	–	–	–	–	–	–	–	–	20	–	20	–
Barbara Jeremiah <sup>(4)</sup>	82	71	1	–	–	–	–	–	–	–	83	–	83	71
Rajiv Sharma	60	58	1	–	–	–	–	–	–	–	61	–	61	58
Joe Vorih <sup>(4)</sup>	60	–	1	–	–	–	–	–	–	–	61	–	61	–
Mary Waldner <sup>(4)</sup>	78	68	–	–	–	–	–	–	–	–	78	–	78	68
Celia Baxter <sup>(4)</sup>	–	26	–	–	–	–	–	–	–	–	–	–	–	26
Giles Kerr <sup>(4)</sup>	–	21	–	–	–	–	–	–	–	–	–	–	–	21
Total remuneration	578	510	7	3	–	–	–	–	–	–	585	–	585	513

(1) Taxable benefits for executive Directors include the provision of a fully expensed company car or car allowance and private medical insurance. Taxable benefits for non-executive Directors are travel expenses.

(2) Under the Remuneration Policy, the deferred bonus would ordinarily be paid two-thirds in cash and one-third in Senior shares.

(3) Part of the performance conditions attached to David Squires' and Bindi Foyle's 2022 LTIP Awards were achieved, and therefore 12.03% of this award will vest in March 2025. Further details on the performance conditions can be found on page 98. The estimated value of shares to vest in the next period includes an amount for the dividend equivalent shares and was calculated using the average of daily closing market value of the shares over the last three months of 2024 of 145.0p. 16.6% of the value of the LTIP awards is attributable to share price appreciation, as the share price has increased from £1.21 at the time of grant.

(4) Joe Vorih and Zoe Clements were appointed to the Board on 1 January 2024 and 1 September 2024 respectively, and their 2024 fees are the amounts paid from those respective dates. From 22 April 2023, Barbara Jeremiah became Chair of the Remuneration Committee and the Senior Independent Director, and Mary Waldner became Chair of the Audit Committee and the Director with responsibility for employee engagement; and their respective fees were adjusted accordingly. Celia Baxter and Giles Kerr both retired from the Board in April 2023 and their 2023 fees are the amounts paid until their respective retirements.

(5) The aggregate amount of remuneration paid to or receivable by Directors in respect of qualifying services as per paragraph 9 of SI 2008/40 Schedule 5 was £2,139,407 (2023 – £2,752,795). Included within this was £1,400,692 (2023: £nil) paid in respect of long-term incentive schemes, £155,250 (2023: £148,050) paid as company contributions to pension schemes on behalf of two (2023: two) of the directors, and £nil (2023: £nil) in respect of gains on the exercise of share options granted.

### Performance against performance targets for annual bonus (audited information)

Bonuses are earned by reference to the financial year and paid in March following the end of the financial year. As outlined in the 2023 Remuneration Report, the bonuses accruing to the executive Directors in respect of 2024 have been determined by adjusted EPS, free cash flow, CO<sub>2</sub> emissions reductions, and Employee engagement performances as set out in the table below.

A summary of the measures, weightings and performance achieved is provided in the table below:

	2024						
	Threshold	Target	Maximum	Actual achieved	Maximum bonus achievable	Percentage of maximum achieved	Bonus payable (% of 2024 salary)
Free cash flow targets	£18m	£22.7m	£27.0m	£17.3m	48%	0%	0%
Adjusted EPS targets <sup>(1)</sup>	7.60p	8.44p	9.69p	7.55p	72%	0%	0%
CO <sub>2</sub> emissions reduction	40,491t	40,251t	39,751t	38,238t	15%	100%	15%
Employee engagement	7.1	7.3	7.4	7.5	15%	100%	15%
Totals					150%	20.0%	30%

(1) The adjusted EPS target is calculated on a constant currency basis.

In reviewing the bonus outcome, the Remuneration Committee considered the wider performance of the business during the year and the contributions of the management team to the successful implementation of the strategy for the year. The Committee concluded that the outcome was an appropriate and fair outcome for all stakeholders.

### Total pension entitlements (audited information)

The 2024 single figure remuneration for pension benefits for David Squires and Bindi Foyle consisted of a cash allowance of £92,250 (2023 – £88,050) and £63,000 (2023 – £60,000) respectively, this being 15% of the respective base salaries, in line with the Remuneration Policy.

### Payments for loss of office (audited information)

There were no payments made in the year for loss of office.

### Fees received for outside appointments

The Board supports executive Directors taking up appointments outside the Company to broaden their knowledge and experience. Each executive Director is permitted to accept one non-executive appointment from which they may retain any fee. Any external appointment must not conflict with a Director's commitments to Senior plc.

David Squires does not hold any outside appointments for which he is remunerated. Bindi Foyle was appointed to the Board of Avon Technologies plc ("Avon") as a non-executive director with effect from 1 May 2020 and retained fees of £67,298 for the year ending 31 December 2024 (£60,675 for the year ended 31 December 2023). Prior to her taking up this appointment, the Nominations Committee considered the time commitment required for this role and was supportive of her taking up that appointment, and of her subsequent appointment as Avon's Senior Independent Director from April 2024.



### Key management personnel compensation

The table below shows the cumulative benefits of the key management personnel, which include the Board, members of the Executive Committee and the two Divisional CFOs. In 2024, we replaced the previous senior managers' emoluments disclosure with an aggregated disclosure on all key management personnel. The value of other long-term benefits and termination payments in 2024 was £nil (2023: £nil).

	2024 Total £000s	2023 Total £000s
Short-term employee benefits	5,168	6,020
Post-employment benefits	70	83
Share-based payments	1,849	2,009
Total	7,087	8,112

### Performance against performance conditions for LTIP vesting (audited information)

Set out below are the performance conditions attached to the 2022 LTIP award. The performance conditions were partially achieved and therefore 12.03% of the 2022 LTIP awards are to vest as shown in the table below.

Performance condition	Target (25% vesting)	Maximum (100% vesting)	Actual	Percentage of total award achieved
Total shareholder return percentile ranking (1/3rd of Award)	50th	75th	53rd	36.1%
Adjusted earnings per share for the final financial year of the performance period (1/3rd of Award)	10.05p	12.35p	7.17p	0%
Return on Capital Employed for the final financial year of the performance period (1/3rd of Award)	10.0%	13.5%	6.8%	0%

The acquisition of Spencer Aerospace completed on 25 November 2022; the Committee reviewed the potential impact of the acquisition on the three performance targets for the 2022 LTIP awards: Total Shareholder Return; Earnings per Share; Return on Capital Employed, and agreed that the original targets for the LTIP awards should remain unaltered because the impact was not material.

### Scheme interests awarded during the financial year (audited information)

Directors	Scheme	Basis of award	Face value £000s	Percentage vesting at threshold performance	Number of shares	Performance period end date
David Squires <sup>(1)</sup>	LTIP	Annual award	1,230	25%	748,175	31 December 2026
Bindi Foyle <sup>(1)</sup>	LTIP	Annual award	840	25%	510,948	31 December 2026

(1) The face value of the awards represented 200% of the executive Directors' respective 2024 base salaries.

### Current position on outstanding LTIP awards (non-audited information)

The following table shows the current position against performance targets for LTIP awards outstanding from 2023 and 2024.

Performance condition	Conditional share awards granted in 2024			Conditional share awards granted in 2023		
	Threshold (25% vesting)	Maximum (100% vesting)	Actual to date	Threshold (25% vesting)	Maximum (100% vesting)	Actual to date
Total shareholder return ranking	50th percentile	80th percentile	23rd percentile	50th percentile	80th percentile	67th percentile
Adjusted EPS performance for the final Financial Year of the performance period	12.0p	19.0p	7.17p <sup>(2)</sup>	11.77p	18.50p	7.17p <sup>(1)</sup>
Return on Capital Employed	13.5%	17.0%	6.8% <sup>(4)</sup>	12.5%	17.0%	6.8% <sup>(3)</sup>

(1) Actual to date figure of 7.17p represents the adjusted EPS for the second year of the three-year performance period for the 2023 LTIP award.

(2) Actual to date figure of 7.17p represents the adjusted EPS for the first year of the three-year performance period for the 2024 LTIP award.

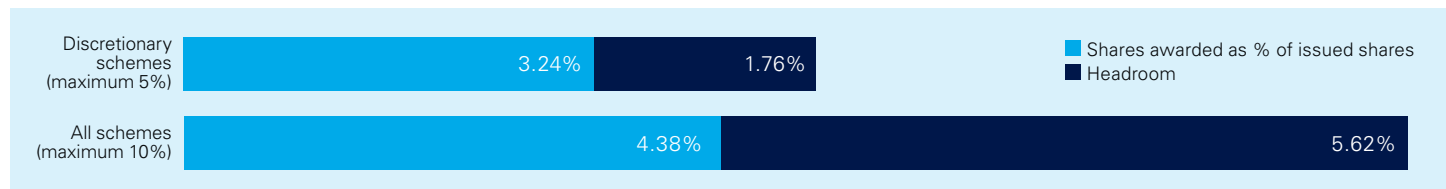
(3) Actual to date figure of 6.8% represents the Return on Capital Employed for the second year of the three-year performance period for the 2023 LTIP award.

(4) Actual to date figure of 6.8% represents the Return on Capital Employed during the first year of the three-year performance period for the 2024 LTIP award.

To ensure a suitably broad peer group, the TSR comparator group applicable to LTIP awards is the FTSE 350 index, excluding sectors with limited direct relevance to Senior and those exhibiting high volatility. TSR is averaged over three months prior to the start and end of the performance period.

### Shareholder dilution

Percentage of issued shares



The Company complies with the dilution guidelines contained within The Investment Association Principles of Executive Remuneration.

At 31 December 2024, awards outstanding and shares issued in the previous 10 years under the Senior plc 2005 Long-Term Incentive Plan (the 2005 LTIP), the Senior plc 2014 Long-Term Incentive Plan (the 2014 LTIP), the Senior plc 2024 Long-Term Incentive Plan (the 2024 LTIP), and the 2006 Savings-Related Share Option Plan (the Sharesave Plan) amounted to 3.24% of the issued ordinary share capital of the Company. At 31 December 2024, awards outstanding and shares issued in the previous 10 years under executive (discretionary) plans (the 2005 LTIP, 2014 LTIP and 2024 LTIP) amounted to 4.98% of the issued ordinary share capital of the Company.

During 2024, all share awards were satisfied using market-purchased shares. The Remuneration Committee monitors the flow rates of the Company's share plans, in particular before new share awards are made, to ensure the flow rates remain within the Investment Association dilution guidelines.

### Statement of Directors' shareholding and share interests (audited information)

The Remuneration Committee encourages Directors to own shares in the Company and, in support of this policy, it expects executive Directors to retain at least 50% of the shares that vest under the LTIP awards and the deferred share element of the bonus, after allowing for tax liabilities, until a shareholding equivalent in value to 200% of base salary is built up. Included within the Directors' holdings are 325,000 shares and 38,788 shares that David Squires and Bindi Foyle purchased respectively.

The table below shows how each Director complies with this requirement. Shares are valued using the Company's closing share price on 31 December 2024 of 159.6p (31 December 2023 – 177.6p). No options under the Sharesave Plan were exercised by the executive Directors during the year.

Executive Directors	Number of shares required to be held (equivalent to 200% of basic salary at 31 December 2024)	Number of shares held (including unvested deferred shares net of tax) at 31 December 2024	Share ownership requirements met	Unvested awards, subject to performance conditions		Unvested awards, not subject to performance conditions	
					LTIP award <sup>(1)</sup>	Sharesave	Total deferred share award
David Squires	770,677	1,228,949	Yes		2,186,440	10,088	451,969
Bindi Foyle	526,316	622,502	Yes		1,490,336	10,088	305,436

(1) The minimum threshold was exceeded for one of the three performance conditions attached to David Squires' and Bindi Foyle's 2022 LTIP awards over 690,495 shares, and 469,834 shares respectively (included within their respective LTIP award figures above) and therefore 83,089 shares and 56,536 shares respectively of these awards (together with dividend equivalent shares) shall vest in March 2025.

The interests of Directors have remained unchanged between the date of the review and the date of the signing of the Annual Report & Accounts 2024.

	Number of shares owned outright (including connected persons) at 31 December 2023	Shares vested during 2024	Shares retained from 2024 vested shares	Shares purchased during 2024	Number of shares owned outright (including connected persons) at 31 December 2024
<b>Executive Directors</b>					
David Squires	690,355	565,308	299,051	0	989,406
Bindi Foyle	260,710	377,918	199,911	0	460,621
<b>Non-executive Directors</b>					
Ian King	814,297	–	–	100,000	914,297
Susan Brennan	5,900	–	–	–	5,900
Zoe Clements	–	–	–	–	–
Barbara Jeremiah	25,000	–	–	–	25,000
Joe Vorih	–	–	–	7,500	7,500
Rajiv Sharma	15,000	–	–	–	15,000
Mary Waldner	10,000	–	–	–	10,000

### Performance graph

#### Senior plc total shareholder return

The following TSR graph compares the total shareholder return of the Company's shares against the FTSE All-Share, Aerospace & Defence index, and the FTSE 250 index over a 10-year period (where dividends are included gross of tax). This graph allows a comparison to be made against organisations facing broadly similar economic and market conditions as the Company.



### Remuneration of Group Chief Executive Officer

	2015 <sup>(1)</sup>	2016	2017	2018	2019	2020	2021	2022	2023	2024
CEO single figure of total remuneration (£000s)	1,020	790	1,009	1,107	1,203	917	1,350	1,388	2,136	1,041
Annual variable element award rates against maximum opportunity (%)	14	31	79	75	58	40	100	100	85.4	20
Long-term incentive vesting rates against maximum opportunity (%)	21	0	0	0	28	0	0	0	66.7	12

(1) During 2015, Mark Rollins retired from the Board on 31 May 2015 and David Squires was appointed a Director on 1 May 2015. The CEO single figure of total remuneration includes the combined 2015 values for Mark Rollins and David Squires.

### Relationship between executive Director and employee pay

The Remuneration Policy for the executive Directors is designed taking into account the policy for employees across the Group as a whole. There are some differences in the structure of the Remuneration Policy for the executive Directors and other senior employees, which the Remuneration Committee believes are necessary to reflect the different levels of responsibility of employees across the Company and reflect different market norms for different roles. The key differences in remuneration policy between the executive Directors and employees across the Group are the increased emphasis on performance-related pay and the inclusion of a share-based long-term incentive plan for executive Directors.

The majority of senior managers are eligible to participate in annual bonus arrangements with challenging targets tied to the performance of their operating business, Division and the Group's performance.

Long-term incentives are provided to the most senior executives and those anticipated as having the greatest potential to influence performance levels within the Company. A lower aggregate incentive quantum operates below the senior executive level, with levels driven by the impact of the role and market comparatives.

Awards under the Restricted Share Award Plan, a deferred share award plan without performance conditions, are a retention tool and are made to selected individuals who do not typically benefit from other long-term incentives but are considered to have significant potential or are key contributors.

In order to encourage wider employee share ownership, the Company operates a Sharesave Plan in which employees in the UK, North America and continental Europe, including executive Directors, may participate.

The pension contributions of the executive Directors (15% of base salary) aligns with the pension contribution available to the majority of the UK workforce.

### How employees' pay is taken into account when setting executive Director remuneration

The Committee also reviews the salaries of senior corporate, divisional and operational managers and therefore is fully cognisant of pay levels in the Group when determining the pay of the executive Directors.

In addition, the Committee's policy is that salary increases for the executive Directors and senior executives should not normally be greater than the general level of increases awarded to other senior managers in Europe and North America, other than when an executive changes role or when it is necessary in order to ensure levels of remuneration remain market competitive.

We continue to be vigilant regarding rates of pay and the cost of living, ensuring we are paying people fairly for the work they do, and benchmarking pay rates in local markets, making adjustments if appropriate and focusing higher relative salary increases on operations employees.

As laid out in the Remuneration Committee Chair's Annual Statement, the Company consulted with UK employee representatives in 2024 regarding executive Director remuneration.

### Percentage change in remuneration of Directors

The table below shows how the percentage changes in Directors' salary, benefits and bonus between 2020 and 2021, 2021 and 2022, 2022 and 2023, and between 2023 and 2024 compare with the percentage change in the average of each of those components of pay for Senior plc employees. Employees who joined or left in either year have been excluded to prevent distortion.

	Change (%)	David Squires	Bindi Foyle	Ian King	Susan Brennan	Zoe Clements <sup>(4)</sup>	Barbara Jeremiah <sup>(3)</sup>	Rajiv Sharma	Joe Vorih <sup>(4)</sup>	Mary Waldner <sup>(3)</sup>	Senior plc Employees excluding Directors
<b>2023 vs 2024</b>	<b>Salary</b>	<b>4.77%</b>	<b>5.00%</b>	<b>4.81%</b>	<b>4.35%</b>	<b>N/A</b>	<b>15.14%</b>	<b>4.35%</b>	<b>N/A</b>	<b>13.18%</b>	<b>7.29%</b>
	<b>Taxable benefits and allowances</b>	<b>2.44%</b>	<b>4.08%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8.02%</b>
	<b>Bonus</b>	<b>-70.57%</b>	<b>-70.51%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-69.07%</b>
<b>2022 vs 2023</b>	Salary	5.39%	5.54%	5.58%	5.50%	N/A	30.68%	5.50%	N/A	25.64%	7.31%
	Taxable benefits and allowances	19.81%	81.91%	–	–	–	–	–	–	–	-0.23%
	Bonus	-9.96%	-9.83%	–	–	–	–	–	–	–	-10.70%
<b>2021 vs 2022</b>	Salary	3.20%	5.00%	3.10%	2.80%	N/A	N/A	2.80%	N/A	N/A	6.70%
	Taxable benefits and allowances	-12.30%	-44.30%	–	–	–	–	–	–	–	7.00%
	Bonus	3.20%	5.00%	–	–	–	–	–	–	–	6.70%
<b>2020 vs 2021</b>	Salary	0%	0%	3.10%	2.80%	N/A	N/A	0%	N/A	N/A	3.30%
	Taxable benefits and allowances	3.40%	4.80%	–	–	–	–	–	–	–	2.00%
	Bonus	150.00%	150.00%	–	–	–	–	–	–	–	158.60%

(1) The Salary percentage change figure also includes any merit increases awarded to Directors and employees. The percentage change of salary percentage change figures for the 2021 and 2020 comparison are calculated using the 2020 salaries before the voluntary reduction in salaries and fees for the Directors and some Senior plc employees during the pandemic.

(2) David Squires' percentage change in Taxable benefits and allowances reflects the increase in 2023 of the annual premium of his private health insurance which amounted to £587. Bindi Foyle's percentage change in Taxable benefits and allowances in 2023 mainly reflects the transition from having a car allowance to having a company car during 2022.

(3) On 21 April 2023, Barbara Jeremiah was appointed the Senior Independent Director and the Chair of the Remuneration Committee and Mary Waldner was appointed the Chair of the Audit Committee and the Director with responsibility for employee engagement, and their respective fees were adjusted accordingly at that time.

(4) Joe Vorih and Zoe Clements were appointed to the Board on 1 January 2024 and 1 September 2024 respectively.

### CEO pay ratio narrative

The CEO pay ratio is calculated using Option B, by taking the gender pay gap data (based on Senior's largest UK employer, Senior UK Limited) and adding the data for Senior's two additional UK employing entities. For the purpose of making a valid comparison, leavers were excluded. Using the same principles as the gender pay data, the best equivalents were identified, namely: the 25th, 50th and 75th percentile. The full-time equivalent pay and benefits figures for the year ending December 2024 were calculated, and then reviewed to ensure that the selected best equivalents were reasonably representative. The underlying salary, bonus and benefits showed a reduction in the CEO pay ratio from 2023. We believe the reduction compared to prior years was mainly due to the increase in bonuses for employees compared to a reduction in bonus for the CEO during 2024. The CEO pay ratio includes the vesting of 2022 LTIPs at 12.03% of the total potential.

Year	Pay ratio			
	Method <sup>(1)</sup>	25th percentile	50th percentile	75th percentile
<b>2024</b>	<b>B</b>	<b>33 : 1</b>	<b>31 : 1</b>	<b>24 : 1</b>
2023	B	78 : 1	57 : 1	45 : 1
2022	B	51 : 1	44 : 1	36 : 1
2021	B	53 : 1	49 : 1	33 : 1
2020 <sup>(2)</sup>	B	25 : 1	20 : 1	16 : 1
2019	B	53 : 1	39 : 1	32 : 1

(1) Method B was selected as the most appropriate basis for selecting the 25th percentile, median and 75th percentile pay ratios because the gender pay gap data was more readily available.

(2) The pay ratios in 2020 had been impacted by the pandemic leading to significant numbers of employees being on furlough and/or made redundant, as well as reduced total remuneration for the CEO.

Year 2024	25th percentile	50th percentile	75th percentile
Base salary	£25,050	£24,028	£37,625
Total	£31,438	£33,328	£43,477

### Relative importance of spend on pay

The following table sets out the percentage change in profit, dividends and overall spend on pay in the financial year ended 31 December 2024 compared with the financial year ended 31 December 2023.

	2024 £m	2023 £m	Percentage change
Employee remuneration costs (excluding social security)	<b>272.3</b>	261.3	4.2%
Adjusted profit before tax	<b>33.0</b>	38.3	-13.8%
Dividends paid	<b>10.1</b>	6.6	53.0%

### 2025 remuneration (non-audited information)

#### Salaries and fees for 2025

We continue to be vigilant regarding rates of pay and the cost of living, ensuring we are paying people fairly for the work they do, and benchmarking pay rates in local markets, making adjustments if appropriate and focussing higher relative salary increases on operations employees. When determining the 2025 basic salaries of the Group Chief Executive Officer and Group Finance Director, which were increased by 2.4% and 2.1% respectively, the Committee was cognisant of the increases applied to the wider workforce, which were typically 4.25% or higher, depending upon skills and geographic location. Alpha Amar's salary on her appointment as the new Group Chief Financial Officer will be £400,000 per annum.

Although determined by the Board, rather than the Remuneration Committee, the 2025 base fee for the non-executive Directors was increased by 2.5% and had been determined after considering the increases applied to the wider workforce, and to those for the executive Directors.

	2025 £	2024 £	Percentage change
<b>Executive Directors</b>			
David Squires	630,000	<b>615,000</b>	2.4%
Bindi Foyle	429,000	<b>420,000</b>	2.1%
<b>Non-executive Directors<sup>(1)</sup></b>			
Chair of Board	222,500	<b>218,000</b>	2.1%
Non-executive Directors	61,500	<b>60,000</b>	2.5%
Chair of Audit Committee	11,000	<b>11,000</b>	0.0%
Chair of Remuneration Committee	11,000	<b>11,000</b>	0.0%
Senior Independent Director	11,000	<b>11,000</b>	0.0%
Director with responsibility for employee engagement	6,500	<b>6,500</b>	0.0%

(1) No additional fees are payable for Committee membership.



### Annual bonus for 2025

The maximum bonus opportunity remains 150% of basic salary, in line with the Policy. The KPIs remain unchanged from the prior year, namely, Free Cash Flow, Adjusted EPS, absolute reductions in Scope 1 and Scope 2 emissions in 2025, and improvements to Senior's employee engagement survey score in 2025 compared to the survey results from 2024, highlighting the importance of a highly engaged workforce to achieving outstanding results. The individual weightings of the KPIs for the executive Directors for the annual bonus are set out below.

	2025
	Weighting (% of max)
Free cash flow target	32.00%
Adjusted EPS target	48.00%
Reductions in Scope 1 and Scope 2 emissions	10.00%
Improvements to Senior's employee engagement survey score in 2025	10.00%
Totals	100.00%

The actual targets are currently considered commercially sensitive because of the information that this provides to the Company's competitors. disclosure of the 2025 targets will be in the 2025 Annual Report. Any bonus payment will be subject to the usual deferral arrangements and the standard malus and clawback provisions set out in our Policy.

### LTIP awards for 2025

In 2025, David Squires and Alpna Amar will be granted LTIP awards at a level of 200% and 175% of basic salary, respectively. As described in the Chair's statement, in view of her retirement, Bindi Foyle will not participate in the 2025 LTIP. The Remuneration Committee sets stretching targets which are consistent with the strategic priorities of the business, and vested awards will continue to be subject to a two-year holding period. Award levels will be 200% of basic salary, which is unchanged from 2024 and consistent with the Policy. This provides an appropriate level of reward potential for the outstanding levels of performance which are required to hit maximum vesting levels under the LTIP. As evidenced by the targets for the 2025 award set out in the table below, stretching goals have been set which, if achieved, would represent an outstanding level of performance which the Committee believes should be rewarded accordingly.

Adjusted EPS, TSR and ROCE metrics will be retained as the performance measures in the LTIP and have equal weighting of 33.3%: 33.3%: 33.3%. The Adjusted EPS target has been set to be stretching and challenging. The target is expressed as an absolute value achieved in 2027. Following a review by the Remuneration Committee, TSR performance will be measured against the FTSE 350 (excluding companies in the Financial Services, Oil, Gas & Coal, Mining and Real Estate sectors) with maximum vesting requiring upper quartile performance. The Committee adjusted this from upper quintile to more closely align with standard practice for TSR-based performance conditions. The Committee has also updated and simplified the excluded sectors. The Company has consistently stated that its medium-term ROCE target is a minimum of 13.5% pre-tax, post IFRS 16 and this has not changed. The targets are set at a stretching level that takes account of market conditions and the minimum stated target.

The thresholds and maximum for 2025 are set out in the table below:

	2025		
	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
Return on Capital Employed	1/3rd	13.5%	17.0%
Total shareholder return ranking	1/3rd	Median or higher	Upper quartile or higher
Adjusted earnings per share <sup>(1)</sup>	1/3rd	13.4p	19.42p

(1) Vesting is on a straight-line basis between Threshold and 66.67% vesting, and between 66.67% vesting and Maximum.

### Approval of the Directors' Remuneration Report

The Directors' Remuneration Report was approved by the Board on 28 February 2025.

Signed on behalf of the Board

#### Barbara Jeremiah

Chair of the Remuneration Committee  
28 February 2025

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company Financial Statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the Parent Company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the Financial Statements will form part of the Annual Financial Report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these Financial Statements provides no assurance over whether the Annual Financial Report has been prepared in accordance with those requirements

## Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

### David Squires

Group Chief Executive Officer  
28 February 2025

### Bindi Foyle

Group Finance Director  
28 February 2025

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENIOR PLC

## 1. Our opinion is unmodified

We have audited the financial statements of Senior plc ("the Company") for the year ended 31 December 2024 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement, Company balance sheet and Company statement of changes in equity and the related notes, including the accounting policies in note 2 and 35.

### In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards, including FRS 101 Reduced Disclosure Framework and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 21 April 2017. The period of total uninterrupted engagement is for the eight financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

## Overview

<b>Materiality:</b>	£3.2m (2023: £3.2m)
Group financial statements as a whole	0.3% (2023: 0.3%) of Group Revenue
<b>Key audit matters</b>	vs 2023
<b>Recurring risks</b>	<ul style="list-style-type: none"> <li>• Completeness and accuracy of warranty provision ◀▶</li> <li>• Recoverability of the Parent Company's investment in its subsidiary ▶▶</li> </ul>
<b>Event driven</b>	<ul style="list-style-type: none"> <li>• <b>New:</b> held for sale judgement ▲</li> </ul>

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of

audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
<b>Held for sale judgement</b> <i>Refer to critical judgement accounting policy in note 2 on page 130 and the Audit Committee Report on page 93.</i>	<b>Subjective Judgement</b> <p>The Group is actively marketing the sale of the Aerostructures business. Aerostructures is a sub section of the Groups' Aerospace segment. The Group have determined that the potential divestment was not sufficiently progressed to trigger a classification of held for sale under IFRS 5 (being the relevant accounting standard), as it was not "highly probable" based on the facts and circumstances as at 31 December 2024.</p> <p>This determination involved significant judgement to evaluate the criteria under IFRS 5. If the alternative judgement had been made there would be significant presentational and disclosure changes required.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the judgement over whether Aerostructures should be considered as held for sale is highly subjective. The financial statements disclose the significant judgement applied by the Group in note 2.</p>	<b>Our procedures included:</b> <ul style="list-style-type: none"> <li>• <b>Assessing the judgement:</b> Challenged the directors' accounting judgement as to whether or not the criteria for the sale being "highly probable" under IFRS 5 was met for recognising as held for sale based on the facts and circumstances as at 31 December 2024.</li> <li>• <b>Obtaining additional representations:</b> Obtained specific representations from the directors over the judgement made and the disclosure of the facts and circumstances known as at 31 December 2024.</li> <li>• <b>Our sector expertise:</b> Assessed the level of uncertainty through discussion with our own Deal Advisory expert in the aerospace sector to understand the current state of the market, and the factors that could effect the likelihood of completion within 12 months of year end.</li> <li>• <b>Personnel interviews:</b> Corroborated judgements through discussions with Key Executive management and Board members.</li> <li>• <b>Examining correspondence:</b> Confirmed the status of the sales process as at year end with the financial advisor.</li> <li>• <b>Assessing transparency:</b> Assessed whether the disclosure reflects the critical accounting judgement that has been made, and the potential implication of an alternative judgement on the Group financial statements.</li> </ul> <p>We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <b>Our results</b> <ul style="list-style-type: none"> <li>• We found the accounting judgement and the associated disclosure that the criteria under IFRS 5 has not been met for recognising as held for sale to be acceptable.</li> </ul>



## 2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
<p><b>Completeness and accuracy of warranty provisions</b></p> <p>£11.8m included within warranty provisions of £19.2m (2023: £11.0m within £17.9m)</p> <p><i>Refer to page 129 (accounting policy) and page 154 (financial disclosures) and the Audit Committee Report on page 93.</i></p>	<p><b>Subjective estimate</b></p> <p>There are significant judgements and estimates involved in the assumptions underlying the warranty provision in relation to a disputed commercial position. Given the judgement required in determining this provisioning, we have identified this as an area at high risk of fraud or error.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the provision in respect of this warranty claim have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p> <p>The financial statements (note 2) disclose the sensitivity estimated by the Group.</p>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>• <b>Assessing methodology:</b> Evaluated the methodology applied by the directors to the estimation to assess its reasonableness.</li> <li>• <b>Our sector experience:</b> Evaluated the assumptions using our sector knowledge and inspecting commercial and customer correspondence.</li> <li>• <b>Tests of detail:</b> Assessed the accuracy of the cost of replacement through testing a sample of cost lines to relevant source data and testing the number of products sold in the year.</li> <li>• <b>Personnel interviews:</b> Corroborated judgements through discussions with commercial and engineering level staff.</li> <li>• <b>Assessing transparency:</b> Assessed whether the disclosures of the effect of reasonably possible changes in key judgements and assumptions reflects the risks inherent in the provisions' estimation.</li> </ul> <p>We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p><b>Our results</b></p> <ul style="list-style-type: none"> <li>• We found the level of provision in respect of this disputed commercial position to be acceptable (2023 result: acceptable).</li> </ul>
<p><b>Recoverability of the parent Company's investment in its subsidiary</b></p> <p>The parent Company recorded an investment carrying value of £259.9m as at 31 December 2024 (2023: £259.9m)</p> <p><i>Refer to page 168 (accounting policy) and page 168 (financial disclosures).</i></p>	<p><b>Low risk, high value:</b></p> <p>The carrying amount of the parent Company's investment in its subsidiary represents 56% (2023: 52%) of its total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.</p>	<p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>• <b>Tests of detail:</b> We compared the carrying amount of the investment with the relevant subsidiary's draft statutory balance sheet to identify whether its net assets, being an approximation of its minimum recoverable amount, was in excess of its carrying amount and assessed whether the subsidiary has historically been profit-making.</li> <li>• <b>Assessing subsidiary audits:</b> Assessed the work performed by the subsidiary audit team and considered the results of that work on the investment subsidiary's profits and net assets.</li> </ul> <p>We performed the tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p><b>Our results</b></p> <ul style="list-style-type: none"> <li>• We found the Company's conclusion that there is no impairment of its investment in its subsidiary to be acceptable (2023 result: acceptable).</li> </ul>

Last year, in response to a material release of uncertain tax provisions, we reported "provision for uncertain tax positions" as a key audit matter. We continue to perform procedures over provisions for uncertain tax positions. However, as there are no material changes in the current period, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year as a key audit matter.

### 3. Our application of materiality and an overview of the scope of our audit

#### Our application of materiality

Materiality for the Group financial statements as a whole was set at £3.2 million (2023: £3.2 million), determined with reference to a benchmark of Group revenue of which it represents 0.3% (2023: 0.3%).

We consider total revenue to be the most appropriate benchmark as it provides a more stable measure year on year than Group profit before tax.

Materiality for the parent Company financial statements as a whole was set at £0.9 million (2023: £2.9 million), determined with reference to a benchmark of parent Company total assets, of which it represents 0.2% (2023: 0.6%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £2.4 million (2023: £2.4 million) for the Group and £0.67 million (2023: £2.2 million) for the parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the audit committee any corrected or uncorrected identified misstatements exceeding £160,000 (2023: £160,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

#### Overview of the scope of our audit

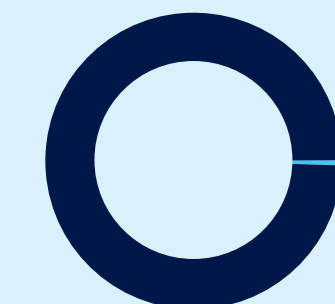
This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

#### Group revenue

£977.1m (2023: £963.5m)



■ Group revenue ■ Group materiality

#### Group materiality

£3.2m (2023: £3.2m)

**£3.2m**  
Whole financial statements materiality (2023: £3.2m)

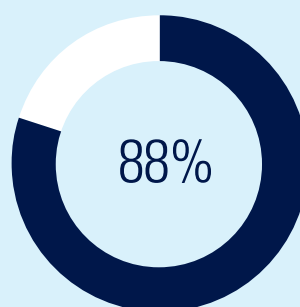
**£2.4m**  
Whole financial statements performance materiality (2023: £2.4m)

**£1.35m**  
Range of materiality at 23 components (£0.4m – £1.35m) (2023: £0.5m to £1.8m)

**£0.16m**  
Misstatements reported to the audit committee (2023: £0.16m)

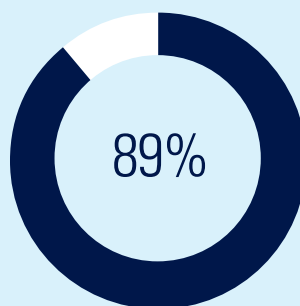
#### Our audit procedures covered 88% of Group revenue:

#### Group revenue

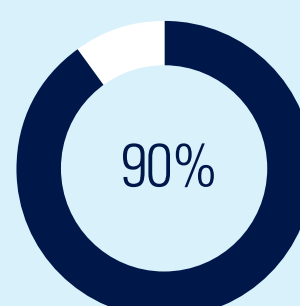


#### We performed audit procedures in relation to components that accounted for the following percentages of Group profit before tax and Group total assets:

#### Group total assets



#### Group profit before tax



In total, we identified 31 components, having considered our evaluation of the Group's legal and operational structure, and our ability to perform audit procedures centrally.

Of those, we identified only 1 quantitatively significant component which contained the largest percentage of total revenue of the Group, for which we performed audit procedures.

We also identified 13 components as requiring special audit consideration, owing to the Group risk relating to revenue.

Additionally, having considered qualitative and quantitative factors, we selected 9 components with accounts contributing to the specific RMMs of the Group financial statements.

Accordingly, we performed audit procedures on 23 components, of which we involved component auditors in performing the audit work on 22 components. We performed the audit of the parent Company.

We approved the component materialities, ranging from £0.4m to £1.35m, having regard to the mix of size and risk profile of the Group across the components.

### 3. Our application of materiality and an overview of the scope of our audit continued

Our audit procedures covered 88% of Group revenue. We performed audit procedures in relation to components that accounted for 90% of Group profit before tax and 89% of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 2% of Group total revenue, or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

#### Impact of controls on our group audit

The Group utilises a diverse range of IT systems across its operating businesses. For all of the components that were subject to audit procedures, we obtained an understanding of the relevant IT systems for the purposes of our audit work. On this audit we take a predominantly substantive approach in all areas of the audit due to the diverse nature of the Group's information systems and IT general controls, as well as having considered the efficiency and effectiveness of approaches to gaining the appropriate audit evidence. As a result, we appropriately planned additional substantive testing, including in the key transactional areas of revenue, purchases and inventory.

As we did not rely on automated controls on journal entries, our work to respond to the risk of management override of controls considered both automated and manual journals and additional testing as necessary.

#### Group auditor oversight

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components.

We visited 3 component auditors in the US and UK to assess the audit risks and strategy. Video and telephone conference meetings were also held with these component auditors and others that were not physically visited. At these visits and meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditors.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

### 4. The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit.

Climate change impacts the Group in a variety of ways including the impact of climate risk on the substitution of existing products and services with lower emissions options, increased costs to transition to lower emissions technology and the impact on useful lives of assets from physical and obsolescence risks. There is also potential reputational risk associated with the Group's delivery of its climate related initiatives, and greater emphasis on climate related narrative and disclosure in the annual report.

As part of our audit we have made enquiries of management to understand the extent of the potential impact of climate change risk on the Group's financial statements. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit. We held discussions with our own climate change professionals to challenge our risk assessment, including the goodwill impairment assessment, the estimates made regarding useful economic lives of property, plant and equipment, and the valuation of inventory, recoverability of trade receivables and going concern. Taking into account the extent of headroom on goodwill, the expected remaining useful lives of property, plant and equipment, the nature of customers and products, our assessment is that the climate related risks to the Group's business, strategy and financial planning did not have a significant impact on our key audit matters given the nature of the Group's operations and knowledge gained of its impact on critical accounting estimates during our risk assessment procedures and testing.

We have read the Group's and the parent Company's disclosure of climate related information in the front half of the annual report as set out on pages 14 to 24 and considered consistency with the financial statements and our audit knowledge.

### 5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the parent Company or to cease their operations, and as they have concluded that the Group's and the parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and parent Company's available financial resources and/or metrics relevant to debt covenants over this period were:

- The impact of a global economic downturn on the Group's key end markets, including increasing inflationary pressures; and
- The volatility of and disruption to supply chain affecting critical materials or components.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies. We assessed the completeness of the going concern disclosure.

#### Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the UK Listing Rules set out on page 68 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the parent Company will continue in operation.

## 6. Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, those charged with governance, internal audit, management and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors including the long-term incentive plan for Management remuneration.
- Considering announcements made by the group in respect of revised performance expectations for the year.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Our forensic specialists assisted us in designing and executing relevant audit procedures to respond to identifying fraud risks. This included holding a discussion between the forensic specialist and the engagement partner and engagement manager.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to all component audit teams of relevant fraud risks identified at the Group level and request to all component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards and taking into account possible pressures to meet profit targets and market consensus, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. In particular:

- the risk that revenue is misstated through recording revenues in the wrong period;
- the risk that Group and component Management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates and judgements such as the warranty provision, provisions for uncertain tax positions, provisions for litigation and claims, and pension assumptions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals posted to seldom used accounts, journals with certain descriptions, and those with unusual account pairings to revenue, cash and loans.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias, in particular warranty provisions.
- Selecting a sample of revenue near year end and comparing the identified entries to support documentation to check that revenue is recognised in the appropriate accounting period.

We discussed with the audit committee matters related to actual or suspected fraud, for which disclosure is not necessary, and considered any implications for our audit.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to all component audit teams of relevant laws and regulations identified at the Group level, and a request for all component auditors to report to the Group audit team any instances of noncompliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension scheme legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection regulation, environmental laws and regulations, anti-bribery and corruption, contract legislation, employment law and export laws and regulations, recognising the financial and regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## 7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



## Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

## Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement on page 68 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Risks and uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on page 68 under the UK Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and parent Company's longer-term viability.

## Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the audit committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.

We have nothing to report in this respect.

## 8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## 9. Respective responsibilities

### Directors' responsibilities

As explained more fully in their statement set out on page 110, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company'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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

➤ A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

## 10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### Mike Barradell

(Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square, London, E14 5GL

28 February 2025



# FINANCIAL STATEMENTS

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**Bindi Foyle** | Group Finance Director

“The following Financial Statements provide an overview of the Group’s financial performance for the year ended 31 December 2024.”

# CONSOLIDATED INCOME STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 2024 £m	Year ended 2023 £m
Revenue	3	977.1	963.5
Trading profit		39.0	36.9
Share of joint venture profit	15	1.3	1.0
Operating profit <sup>(1)</sup>	5	40.3	37.9
Finance income	7	10.6	10.1
Finance costs	8	(21.9)	(20.5)
Corporate undertakings	9	(1.2)	(4.7)
Profit before tax <sup>(2)</sup>		27.8	22.8
Tax (charge)/credit	10	(1.9)	8.3
<b>Profit for the period</b>		<b>25.9</b>	31.1
Attributable to:			
Equity holders of the parent		25.9	31.1
Earnings per share			
Basic <sup>(3)</sup>	12	6.25p	7.52p
Diluted <sup>(4)</sup>	12	6.12p	7.32p
<sup>(1)</sup> Adjusted operating profit	9	46.5	45.8
<sup>(2)</sup> Adjusted profit before tax	9	33.0	38.3
<sup>(3)</sup> Adjusted earnings per share	12	7.17p	10.28p
<sup>(4)</sup> Adjusted and diluted earnings per share	12	7.01p	10.00p



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 2024 £m	Year ended 2023 £m
Profit for the period		<b>25.9</b>	31.1
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
(Losses)/gains on foreign exchange contracts – cash flow hedges during the period		<b>(2.8)</b>	2.7
Reclassification adjustments for (gains)/losses included in profit		<b>(0.1)</b>	0.9
(Losses)/gains on foreign exchange contracts – cash flow hedges	27	<b>(2.9)</b>	3.6
Exchange differences on translation of overseas operations	27	<b>4.0</b>	(16.9)
Tax relating to items that may be reclassified	10	<b>0.8</b>	(0.9)
		<b>1.9</b>	(14.2)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial losses on defined benefit pension schemes	33	<b>(4.8)</b>	(2.6)
Tax relating to items that will not be reclassified	10	<b>1.1</b>	0.6
		<b>(3.7)</b>	(2.0)
Other comprehensive income for the period, net of tax		<b>(1.8)</b>	(16.2)
<b>Total comprehensive income for the period</b>		<b>24.1</b>	14.9
Attributable to:			
Equity holders of the parent		<b>24.1</b>	14.9

# CONSOLIDATED BALANCE SHEET

## AS AT 31 DECEMBER 2024

	Notes	Year ended 2024 £m	Year ended 2023 £m
<b>Non-current assets</b>			
Goodwill	13	195.4	193.3
Other intangible assets	14	32.1	33.1
Investment in joint venture	15	3.3	5.1
Property, plant and equipment	16	292.1	284.7
Deferred tax assets	21	27.5	20.7
Retirement benefits	33	43.5	48.5
Trade and other receivables	18	0.4	0.8
Total non-current assets		594.3	586.2
<b>Current assets</b>			
Inventories	17	236.0	207.5
Current tax receivables	21	2.8	2.3
Trade and other receivables	18	137.2	141.7
Cash and bank balances	31c	45.5	47.6
Total current assets		421.5	399.1
<b>Total assets</b>		1,015.8	985.3
<b>Current liabilities</b>			
Trade and other payables	23	196.9	188.4
Current tax liabilities	21	8.0	10.0
Lease liabilities	22, 31c	13.6	12.4
Bank overdrafts and loans	19	75.0	1.8
Provisions	24	11.3	10.5
Contingent consideration	30	13.0	10.5
Total current liabilities		317.8	233.6
<b>Non-current liabilities</b>			
Bank and other loans	19	123.9	177.8
Retirement benefits	33	6.8	8.0
Deferred tax liabilities	21	8.2	7.0
Lease liabilities	22, 31c	62.6	59.4
Provisions	24	14.6	15.0
Contingent consideration	30	3.5	18.5
Others	23	8.5	8.9
Total non-current liabilities		228.1	294.6
<b>Total liabilities</b>		545.9	528.2
<b>Net assets</b>		469.9	457.1
<b>Equity</b>			
Issued share capital	25	41.9	41.9
Share premium account	25	14.8	14.8
Equity reserve	26	7.8	7.9
Hedging and translation reserve	27	39.2	37.3
Retained earnings	28	376.7	368.0
Own shares	29	(10.5)	(12.8)
<b>Equity attributable to equity holders of the parent</b>		469.9	457.1
<b>Total equity</b>		469.9	457.1

The Financial Statements of Senior plc (registered number 282772) were approved by the Board of Directors and authorised for issue on 28 February 2025. They were signed on its behalf by:

**David Squires**  
Director

**Bindi Foyle**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2024

All equity is attributable to equity holders of the parent

	Notes	Issued share capital £m	Share premium account £m	Equity reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Own shares £m	Total equity £m
<b>Balance at 1 January 2023</b>		41.9	14.8	6.4	(38.8)	90.3	346.5	(11.7)	449.4
Profit for the year 2023		–	–	–	–	–	31.1	–	31.1
Gains on foreign exchange contracts – cash flow hedges	27	–	–	–	3.6	–	–	–	3.6
Exchange differences on translation of overseas operations	27	–	–	–	–	(16.9)	–	–	(16.9)
Actuarial losses on defined benefit pension schemes	33	–	–	–	–	–	(2.6)	–	(2.6)
Tax relating to components of other comprehensive income	10	–	–	–	(0.9)	–	0.6	–	(0.3)
<b>Total comprehensive income/(expense) for the period</b>		–	–	–	2.7	(16.9)	29.1	–	14.9
Share-based payment charge	32	–	–	4.1	–	–	–	–	4.1
Tax relating to share-based payments	10	–	–	–	–	–	0.9	–	0.9
Purchase of shares held by employee benefit trust	29	–	–	–	–	–	–	(5.6)	(5.6)
Use of shares held by employee benefit trust	29	–	–	–	–	–	(4.5)	4.5	–
Transfer to retained earnings	28	–	–	(2.6)	–	–	2.6	–	–
Dividends paid	11	–	–	–	–	–	(6.6)	–	(6.6)
<b>Balance at 31 December 2023</b>		41.9	14.8	7.9	(36.1)	73.4	368.0	(12.8)	457.1
Profit for the year 2024		–	–	–	–	–	25.9	–	25.9
Gain on foreign exchange contracts – cash flow hedges	27	–	–	–	(2.9)	–	–	–	(2.9)
Exchange differences on translation of overseas operations	27	–	–	–	–	4.0	–	–	4.0
Actuarial losses on defined benefit pension schemes	33	–	–	–	–	–	(4.8)	–	(4.8)
Tax relating to components of other comprehensive income	10	–	–	–	0.8	–	1.1	–	1.9
<b>Total comprehensive income/(expense) for the period</b>		–	–	–	(2.1)	4.0	22.2	–	24.1
Share-based payment charge	32	–	–	4.5	–	–	–	–	4.5
Tax relating to share-based payments	10	–	–	–	–	–	(0.8)	–	(0.8)
Purchase of shares held by employee benefit trust net of repayments	29	–	–	–	–	–	2.1	(7.0)	(4.9)
Use of shares held by employee benefit trust	29	–	–	–	–	–	(9.3)	9.3	–
Transfer to retained earnings	28	–	–	(4.6)	–	–	4.6	–	–
Dividends paid	11	–	–	–	–	–	(10.1)	–	(10.1)
<b>Balance at 31 December 2024</b>		41.9	14.8	7.8	(38.2)	77.4	376.7	(10.5)	469.9

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 2024 £m	Year ended 2023 £m
<b>Net cash from operating activities</b>	31a	<b>49.4</b>	41.4
<b>Investing activities</b>			
Interest received		<b>6.6</b>	4.3
Proceeds on disposal of property, plant and equipment		<b>0.1</b>	0.7
Purchases of property, plant and equipment	16	<b>(41.5)</b>	(33.7)
Purchases of intangible assets	14	<b>(1.7)</b>	(2.2)
Dividend from joint venture	15	<b>3.0</b>	–
Acquisition of Spencer	30	<b>(10.7)</b>	(23.9)
<b>Net cash used in investing activities</b>		<b>(44.2)</b>	(54.8)
<b>Financing activities</b>			
Dividends paid	11	<b>(10.1)</b>	(6.6)
New loans		<b>152.2</b>	136.2
Repayment of borrowings		<b>(132.0)</b>	(96.2)
Purchase of shares held by employee benefit trust		<b>(6.3)</b>	(5.6)
Repayments from employee benefit trust		<b>1.4</b>	–
Repayment of lease liabilities		<b>(10.0)</b>	(10.2)
<b>Net cash (used)/generated in financing activities</b>		<b>(4.8)</b>	17.6
<b>Net increase in cash and cash equivalents</b>		<b>0.4</b>	4.2
<b>Cash and cash equivalents at beginning of period</b>		<b>45.8</b>	42.7
Effect of foreign exchange rate changes		<b>(0.7)</b>	(1.1)
<b>Cash and cash equivalents at end of period</b>	31c	<b>45.5</b>	45.8



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. General information

Senior plc is a Company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the inside back cover. The nature of the Group's operations and its principal activities are set out in Note 3 and on pages 1 to 69.

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). These Financial Statements are presented in Pounds Sterling, which is the Company's functional and the Group's presentation currency.

## 2. Significant accounting policies

### Basis of accounting

These Financial Statements have been prepared in accordance with UK-adopted international accounting standards. They have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and retirement benefit costs measured in accordance with IAS 19.

### Going concern

In determining the appropriate basis of preparation of the Financial Statements for the year ended 31 December 2024, the Directors are required to consider whether the Group and Parent Company can continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these Financial Statements (the going concern period).

The Board has applied a robust process to assess the resilience of the forecast out-turns. This assessment included applying severe but plausible downside risks as set out in the Viability Statement on page 68. To address these risks the Board has considered mitigating factors within the Group and Parent Company's control that could be employed that would address the impact and provide options to the Group and Parent Company.

The Group has two covenants for committed borrowing facilities, which are tested at June and December: the Group's net debt to EBITDA (defined in the Notes to the Financial Headlines on page 1) must not exceed 3.0x and interest cover, the ratio of EBITDA to interest must be higher than 3.5x. At 31 December 2024, the Group's net debt to EBITDA was 1.8x and interest cover was 7.0x, both comfortably within covenant limits.

Based on the above assessment, the Board has concluded that the Group and Parent Company will continue to have adequate financial resources to realise its assets and discharge its liabilities as they fall due over the going concern period. Accordingly, the Directors have formed the judgment that it is appropriate to prepare these Consolidated Financial Statements and the Parent Company financial statements on the going concern basis.

### Changes in accounting policies

At the date of authorisation of these Financial Statements, there are no relevant and material new standards, amendments to standards or interpretations which are effective for the year ended 31 December 2024.

IFRS 18 Presentation and Disclosure in Financial Statements has been issued but is not effective until 2027. Its impact on the financial statements of Senior Plc is not yet known.

### Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of Senior plc and the entities controlled by it (its subsidiaries) made up to 31 December 2024. Control is achieved when Senior plc has the power to govern the financial and operating policies of an invested entity so as to obtain benefits from its activities.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred for each acquisition is the aggregate of the fair values (at the date of exchange) of assets transferred, liabilities incurred or assumed, and equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The results of joint ventures are accounted for using the equity accounting method.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### Goodwill

Goodwill arising on consolidation, which was acquired in a business combination, is measured as the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is recognised as an asset and allocated, at acquisition, to the group of cash-generating units (CGU groups) that are expected to benefit from that business combination. If the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree is less than the fair value of the net assets acquired (i.e. bargain purchase), the difference is credited to the Consolidated Income Statement in the period of acquisition.

CGU groups to which goodwill has been allocated are tested for impairment at least annually and reviewed for indicators of impairment at the Balance Sheet date. If impairment indicators exist, the individual assets within the CGUs, and the individual CGUs excluding goodwill, are tested for impairment before the CGU group is tested for impairment. Any impairment is recognised immediately through the Consolidated Income Statement and is not subsequently reversed. The determination of the recoverable amount of the CGU group is disclosed in the Notes to the Financial Statements (Note 13). If the recoverable amount of the CGU group is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU group and then to the other assets of the CGU group pro rata on the basis of the carrying amount of each asset in the CGU group.

On disposal of a subsidiary or part thereof, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill acquired in a business combination prior to the date of transition to IFRS has been retained at the previous UK GAAP amount subject to being tested for impairment at that date.

### Revenue recognition

The Group predominantly has one revenue stream relating to engineered components or systems (products), which are customer specific, with a secondary revenue stream of funded development revenue. Both streams have identifiable customer contracts and pricing specific performance obligations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 2. Significant accounting policies continued

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. Revenue is recognised net of discounts, VAT and other sales-related taxes. The determination of the transaction price is based upon pricing specified in the customer contract i.e. a price per unit.

Revenue is recognised as the identified performance obligations are satisfied.

The performance obligation for goods is a specific point in time when the customer obtains control, which is upon delivery or when available for collection. Allocation of transaction price to performance obligations is given in the contract i.e. a unit delivered or available for collection.

The performance obligation for development revenue is a specific point in time when the customer obtains control of the output, for example a first article good, which is the acceptance milestone specified in the customer contract.

Any portion of a change in transaction price that is allocated to a satisfied performance obligation is recognised as revenue – or as a reduction in revenue – when the transaction price changes.

Dividend income from investments is recognised when the shareholders' legal rights to receive payment have been established, with the related cashflows being classified as investing activities within the Consolidated Cash Flow Statement.

### Interest

Interest receivable/payable is credited/charged to the Consolidated Income Statement using the effective interest method.

Deferred and contingent consideration related to business combinations which is paid, including changes in fair value since acquisition date, is classified as investing activities within the Consolidated Cash Flow Statement. Any cash settlement relates to obtaining control rather than settlement of financing provided by the seller. Changes in fair value since the acquisition date are classified as finance income/expense.

### Leasing

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The assessment of control includes whether the Group has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the right to direct the use of the asset.

As a lessee, the Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjustment for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or restore the underlying asset, less any lease incentives received.

Lease payments comprise fixed payments and variable lease payments based on an index or rate. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The lease term includes optional extensions or terminations which are reasonably certain to be exercised by the Group. These optional terms are reassessed periodically or when there is a significant event which affects the lease. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Periodically the right-of-use asset is reduced for impairment, if necessary, as well as re-measurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method, which is initially equal to the present value of lease payments that are not paid at the commencement date, discounted using an incremental borrowing rate determined on a lease portfolio basis. The lease liability is re-measured either as a modification or reassessment. Modification occurs where there is a change in terms, such as rental payments, which did not form part of the original terms of the contract. In this case, the lease liability is re-measured using the revised terms and a revised incremental borrowing rate at the modification date. Reassessment occurs where there are changes within the scope of the original terms of the contract, such as rental payment changes with reference to an index. For reassessment changes, the lease liability is re-measured in the same way as for a modification, except for the incremental borrowing rate, which is not changed from the original commencement date of the contract.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases which have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, several indicators are assessed, such as the present value of the lease payments amounting to at least substantially all of the fair value of the asset. When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. The Group assesses the classification of the sub-lease with reference to the right-of-use asset arising from the head lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

### Foreign currencies

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each Balance Sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Balance Sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity, subject to meeting the requirements under IAS 21.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward exchange contracts (see section below on derivative financial instruments and hedging for details of the Group's accounting policies in respect of such derivative financial instruments).

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the Balance Sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange rate differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or expense in the period in which the operation is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate on the relevant Balance Sheet date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 2. Significant accounting policies continued

The exchange rates for the major currencies applied in the translation of results were as follows:

	Average rates 2024	Average rates 2023	Year-end rates 2024	Year-end rates 2023
US Dollar	1.28	1.24	1.25	1.27

### Government grants

Government grants received for items of a revenue nature are recognised as income over the period necessary to match them with the related costs, which are deducted in reporting the related expense and presented net of the costs to which they relate. Government grants relating to investment in property, plant and equipment are deducted from the initial carrying value of the related capital asset.

### Retirement benefit costs

Payments to defined contribution retirement plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit plans are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement plan.

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Method, with full actuarial valuations being carried out on a triennial basis, and updated at each Balance Sheet date. Actuarial gains and losses are recognised in full in the period in which they occur. They are recognised outside the Consolidated Income Statement and are presented in the Statement of Comprehensive Income.

Past service cost is recognised as an expense at the earlier of a plan amendment, curtailment, or restructuring.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation, and as reduced by the fair value of scheme assets.

### Taxation

Provisions for uncertain tax positions are included within current tax liabilities on the Consolidated Balance Sheet representing Management's best estimate of the likely cash outflow related to the uncertainty. There are transactions and activities that the Group engages in where the ultimate tax determination is uncertain and a provision may be made against the tax benefit. For example, the Group seeks to price transactions between Group companies on an arm's-length basis and in compliance with OECD transfer pricing principles and the laws of the relevant jurisdictions. The application of OECD principles and local tax laws require interpretation, and accordingly involves the application of judgment and is open to challenge by the relevant tax authorities. This gives rise to a level of uncertainty. Provisions for uncertain tax positions are established in accordance with IFRIC 23 based on an assessment of the range of likely tax outcomes in open years and reflecting the strength of technical arguments. Amounts are provided for individual tax uncertainties based on Management's assessment of whether the most likely amount or an expected amount based on a probability weighted methodology is the more appropriate predictor of amounts that the company is ultimately expected to settle. When making this assessment, the Group utilises specialist in-house tax knowledge and experience and takes into consideration specialist tax advice from third-party advisers on specific items.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, including for taxable temporary

differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available for their utilisation before their expiry. Amounts will be recognised first to the extent that taxable temporary differences exist and it is considered probable that they will reverse and give rise to future taxable profits against which losses or other assets may be utilised before their expiry. Assets will then be recognised to the extent that forecasts or other evidence support the availability of future profits against which assets may be realised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of goodwill (other than in a business combination) of other assets and liabilities in a transaction that affects neither the Group's taxable profit nor its accounting profit.

The carrying value of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the Balance Sheet date. Deferred tax is charged or credited in the Consolidated Income Statement, except when it relates to items charged or credited to Other Comprehensive Income or directly to Equity, in which case the deferred tax is also dealt with in Other Comprehensive Income or Equity.

### Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at their historical cost, or at modified historical cost, being a revaluation undertaken in 1988 which has been taken as the effective cost on transition to IFRS. Land and buildings were revalued to fair value at the date of revaluation. The Group does not intend to conduct annual revaluations.

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is charged to write off the cost of an asset on a straight-line basis over the estimated useful life of the asset, and is charged from the time an asset becomes available for its intended use. Annual rates are as follows:

Freehold land	Nil
Freehold buildings	2%
Right-of-use land and buildings	on the same basis as owned assets or, where shorter, over the lease term
Leasehold building improvements	on the same basis as owned assets or, where shorter, over the lease term
Plant and equipment	5%–33%
Right-of-use plant and equipment	on the same basis as owned assets or, where shorter, over the lease term

The Group primarily leases land and buildings for manufacturing use. The lease term, including options to extend which are reasonably certain, typically range from two to fifteen years. The Group also leases plant and equipment, including office equipment, vehicles and manufacturing equipment, with lease terms typically ranging from one to four years.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset at disposal and is recognised in the Consolidated Income Statement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 2. Significant accounting policies continued

### Internally generated intangible assets – development expenditure

An intangible asset arising from unfunded development work shall be recognised if the following can be demonstrated:

- i. the asset can be separately identified.
- ii. it is probable that the asset created will generate future economic benefits.
- iii. the development cost of the asset can be measured reliably during its development.
- iv. it is technically feasible to complete the asset so that it will be available for use or sale.
- v. there is intention to complete the asset and use or sell it.
- vi. the Group has ability to use or sell the asset.
- vii. the Group has availability of adequate technical, financial and other resources to complete the development work and to use or sell the asset.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Costs incurred in relation to funded development work are accumulated in inventory and are recognised when the related billings are made. Any amounts held in inventory are subject to normal inventory valuation principles. Expenditure on research, design and other development activities, that do not meet the capitalisation criteria above, is recognised as an expense in the period in which it is incurred.

### Other intangible assets

Other intangible assets include computer software and intangible assets acquired as part of a business combination. The cost of acquiring computer software (including associated implementation and development costs where applicable) is classified as an intangible asset. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Capitalised computer software is amortised over its estimated useful life of between three and five years on a straight-line basis, and is stated at cost less accumulated amortisation and impairment losses. Intangible assets acquired as part of a business combination principally comprise qualified parts list, customer relationships, contracts and trade names. They are shown at fair value at the date of acquisition less accumulated amortisation. At the Balance Sheet date, Intangible assets which incurred amortisation during the year, are being amortised at rates of between 16 and 18% on a straight-line basis since acquisition date.

### Impairment of tangible and intangible assets excluding goodwill

At each Balance Sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less the costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and an appropriate allocation of production overheads. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

### Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions.

Financial instruments are classified as cash and cash equivalents, bank overdrafts and loans, lease liabilities, trade receivables, trade payables, deferred consideration receivable or payable, contingent consideration payable, other receivables and other payables, as appropriate.

Non-derivative financial assets are categorised as Financial assets at amortised cost and non-derivative financial liabilities are categorised as Financial liabilities at amortised cost. Derivative financial assets and liabilities that are not designated and effective as hedging instruments are categorised as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively. The classification depends on the nature and purpose of the financial assets and liabilities and is determined at the time of initial recognition.

### Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by loss allowance. The Group has elected to measure loss allowance for trade receivables at an amount equal to the lifetime expected credit losses (ECLs), which are based on quantitative and qualitative credit risk assessments, using historical and forward-looking information. Changes in the carrying amounts of the loss allowance are recognised in the Consolidated Income Statement.

Trade receivables in default are considered uncollectible and are written off against the loss allowance. The Group considers a trade receivable to be in default when the customer is experiencing significant financial difficulties, bankruptcy, financial reorganisation or is in default or delinquent in paying its credit obligations to the Group in full. Subsequent recoveries of amounts previously written off are credited against the loss allowance.

Trade receivables are derecognised when reverse factored, without recourse, through schemes with financial institution counterparties who assume the risk of non-payment by the customer. Derecognition occurs when cash is received from the financial institution (less reverse factoring discount). For further details, see Strategic Report and the financial instrument credit risk section in the notes to the Consolidated Financial Statements.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 2. Significant accounting policies continued

### Non-derivative financial liabilities

Non-derivative financial liabilities are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised financial liability and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. For borrowings, their carrying value includes accrued interest payable, as well as unamortised issue costs.

### Equity instruments

Equity instruments issued by the Company are recorded at the value of the proceeds received, net of direct transaction costs.

### Derivative financial instruments and hedging

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange contracts and, on occasion, interest rate swap contracts to hedge these exposures. The use of financial derivatives is governed by the Group's Treasury Policies as approved by the Board of Directors, which provides written principles on the use of derivatives. The Group does not use derivative financial instruments for speculative purposes.

Certain derivative instruments do not qualify for hedge accounting. These are categorised as fair value through profit or loss and are stated at fair value, with any resultant gain or loss recognised in the Income Statement.

The Group designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents, both at hedge inception and on an ongoing basis, whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

For the Group's cash flow hedges of highly probable forecast transactions in foreign currencies, the hedged risk is always considered to be 1:1. If the underlying exposure changes over time, either due to commercial factors or timing differences, the hedging instruments will be rebalanced to ensure that the hedge ratio of 1:1 is maintained.

Changes in the fair value of derivative financial instruments that are designated and are effective as a cash flow hedge are recognised directly in equity and the ineffective portion is recognised immediately in the Consolidated Income Statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Income Statement in the same period in which the hedged item affects profit or loss.

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in the Consolidated Income Statement. Gains or losses from re-measuring the derivative are also recognised in the Consolidated Income Statement. If the hedge is effective, these entries will offset in the Consolidated Income Statement.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Income Statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Equity is transferred to the Consolidated Income Statement for the period.

Gains and losses accumulated in Equity are recognised in the Consolidated Income Statement on disposal of the overseas business.

### Assets and disposal groups held for sale

Assets are classified as held for sale if their carrying amount will be recovered by sale rather than by continuing use in the business. Where a group of assets and their directly associated liabilities are to be disposed of in a single transaction, such disposal groups are also classified as held for sale. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition, and Directors must be committed to and have initiated a plan to sell the asset or disposal group which, when initiated, was expected to result in a completed sale within 12 months. Assets that are classified as held for sale are not depreciated. Assets or disposal groups that are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the Balance Sheet date, taking into account the risks and uncertainties (such as timing or amount) surrounding the obligation. They are not discounted to present value if the effect is not material.

Provisions for restructuring are recognised when the Group has a detailed formal plan for the restructuring and the plan has been communicated to the affected parties. Provisions for the expected cost for warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products.

### Share-based payments

The Group applies the requirements of IFRS 2 Share-based payments.

The Group issues equity-settled share-based payments to certain employees. The fair value (excluding the effect of non-market-related conditions), as determined at the grant date, is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market-related conditions.

Fair value is measured by use of a Black-Scholes model for the share option plans, and a binomial model for the share awards under the 2014 Long-Term Incentive Plan.

The liability in respect of equity-settled amounts is included in Equity.

### Critical accounting judgments

IAS 1 requires disclosure of the judgments Management makes when applying its significant accounting policies and that have the most significant effect on amounts that are recognised in the Group's Financial Statements. In the course of preparing the Financial Statements, no significant critical judgments have been made in the process of applying the Group's accounting policies, other than held for sale, leases and those involving estimations, which are dealt with separately below. Management makes other judgments in the normal course of conducting business, such as those in relation to legal claims and contractual matters (see Note 24 for further details).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 2. Significant accounting policies continued

### Held for sale

At 31 December 2024, Management makes a judgment to determine that the potential divestment of the Aerostructures business does not meet the held for sale criteria in accordance with IFRS 5. In particular, the potential divestment does not meet the threshold of highly probable, including not fully meeting the expectation that it would be completed within 12 months when assessed as at 31 December 2024 based on facts available and circumstances at that time. In making this judgment, the board considered the publicised challenges at Boeing, including 737 MAX volumes being subdued throughout the year, following the Alaskan Airlines incident in January 2024 and the subsequent Boeing employee strike from September to November 2024. The Board also considered the risks and uncertainties set out on pages 50 to 59 which could impact the length of the potential divestment process, in particular the impact of geopolitical and economic uncertainties.

### Leases

Where a lease includes the option for an extension to the lease term, Management makes a judgment as to whether they are reasonably certain the option will be taken. This will take into account the length of time remaining before the option is exercisable, current and forecasted plans for utilising the asset and the level and type of planned future capital investment. As at 31 December 2024, these extension options have an approximate average remaining lease term of 5 years. These judgments are reassessed at each reporting period or when there is a significant event affecting the lease, which could result in a recalculation of the lease liability and a material adjustment to the associated balances.

### Key sources of estimation and uncertainty

When applying the Group's accounting policies, Management must make assumptions and estimates concerning the future that affect the carrying amounts of assets and liabilities at the Balance Sheet date and the amounts of revenue and expenses recognised during the period. Such assumptions are based upon factors including historical experience, the observance of trends in the industries in which the Group operates, and information available from the Group's customers and other external sources. The key sources of estimation and uncertainty at the Balance Sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and beyond include:

### Retirement benefits

Management makes assumptions and estimates, for the next financial year and beyond, which affect the value of the carrying amount of the UK Plan retirement benefit obligation at 31 December 2024. Management follows actuarial advice from a third party when determining estimation uncertainty on the valuation of the UK gross defined benefit obligation, the significant assumptions being discount rate, inflation and life expectancy (see Note 33). The carrying amount of the UK Plan's retirement benefits at 31 December 2024 was a surplus of £43.5m (2023 – surplus of £48.5m), being the present value of the defined benefit obligations of £181.9m (2023 – £199.2m) and fair value of plan assets of £225.4m (2023 – £247.7m). Further details and sensitivities from changes in estimates are set out in Note 33g.

### Warranty

The warranty costs include a provision of £11.8m (2023 – £11.0m) related to one specific disputed commercial matter. The range of reasonably possible outcomes considered by the Board is £6m, which reflects a reasonably possible increase of £4m or decrease of £2m. No further details on the matter are disclosed to avoid prejudicing the contractual position.

### Other estimates

Income taxes, specifically in relation to provisions for tax uncertainties, have been removed as a key estimate in 2024 following the release in respect of historical Americas uncertain tax positions in 2023.

The Board previously approved a restructuring plan that was initiated in 2019. In response to the pandemic, the Group implemented further cost cutting actions which included asset write downs. In 2023, some residual restructuring activity took place in response to further specific end market conditions affecting some of the businesses. In 2024, the restructuring provision is £nil and no longer represents a key estimate.

### Consideration of climate change

In preparing the Financial Statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosure on pages 20 to 25. There has been no material impact identified on the financial reporting judgments and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

- Useful lives of assets – The useful lives of assets could be reduced by climate-related matters, for example as a result of physical risks, obsolescence or legal restrictions. The change in useful lives would have a direct impact on the amount of depreciation or amortisation recognised each year from the date of reassessment. The Directors' review of useful lives has taken into consideration the impacts of the Group's Net Zero commitments and has not had a material impact on the results for the year.
- Inventory valuation – Climate-related matters may affect the value of inventories as they could become obsolete as a result of a decline in selling price or a reduction in demand. After consideration of the typical inventory days compared to the rate of change in the market the Directors consider that inventory is appropriately valued.
- Going concern and viability – risks identified in the TCFD disclosures in pages 20 to 25 have been factored into the going concern and viability assessment. See page 68 further details.
- Goodwill impairment assessment – cash flow forecasts used in the impairment assessment of goodwill have considered potential changes in demand over the next 5 years as a result of changing customer preferences on Senior's products. This is not expected to have a material impact on the cashflows, with longer-term growth rates based on forecasted market demand. Aerospace market rates were used for the Aerospace CGU and long-term GDP rates for advanced economies were used for the Flexonics CGU. Sensitivity analysis (See Note 13) shows that a 1 percent decrease in growth rate would not result in the carrying amount of CGU groups exceeding their recoverable amount.
- Recoverability of trade receivables – After consideration of the typical receivable days compared to the rate of change in the market, the Directors consider that receivables at 31 December 2024 are not adversely affected by climate change.
- Valuation of the UK Plan retirement gross benefit obligation – there is no material impact on key financial assumptions which are set according to market yields. Mortality assumptions take account of current views of possible climate pathways that may develop. Asset values are set according to market valuations which incorporate market expectations of climate impacts.

The Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgments and estimates made in preparation of the Group's Financial Statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 3. Revenue

Total revenue is disaggregated by market sectors as follows:

	Year ended 2024 £m	Year ended 2023 £m
Civil Aerospace	447.7	410.5
Defence	130.6	132.6
Other	82.5	73.4
Aerospace	660.8	616.5
Land Vehicle	187.6	201.7
Power & Energy	130.1	146.3
Flexonics	317.7	348.0
Eliminations	(1.4)	(1.0)
Total revenue	977.1	963.5

Other Aerospace comprises space and non-military helicopters and other markets, principally including semiconductor, medical, and industrial applications.

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Applying the practical expedient in paragraph 94 of IFRS 15, the Group recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

## 4. Segment information

The Group reports its segment information as two operating Divisions according to the market segments they serve, Aerospace and Flexonics, which is consistent with the oversight employed by the Executive Committee. The chief operating decision-maker, as defined by IFRS 8, is the Executive Committee. The Group is managed on the same basis, as two operating Divisions.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2 and the sales between segments are carried out at arm's length. Adjusted operating profit, as described in Note 9, is the key measure reported to the Group's Executive Committee for the purpose of resource allocation and assessment of segment performance. Finance income, finance costs and tax are not allocated to segments, as this type of activity is driven by the central tax and treasury functions.

Segment assets include directly attributable computer software assets, property, plant and equipment (including right-of-use assets), working capital assets, goodwill and intangible assets from acquisitions. Cash, deferred and current tax and other financial assets (except for working capital) are not allocated to segments for the purposes of reporting financial performance to the Executive Committee.

Segment liabilities include directly attributable working capital liabilities and lease liabilities. Debt, retirement benefits, deferred and current tax and other financial liabilities (except for working capital) are not allocated to segments for the purposes of reporting financial performance to the Executive Committee.

Central costs, assets and liabilities are corporate items not allocated to segments, which is consistent with the format used by the chief operating decision-maker.

Segment information for revenue, operating profit and a reconciliation to entity and profit after tax is presented below:

		Aerospace Year ended 2024 £m	Flexonics Year ended 2024 £m	Eliminations/ central costs Year ended 2024 £m	Total Year ended 2024 £m	Aerospace Year ended 2023 £m	Flexonics Year ended 2023 £m	Eliminations/ central costs Year ended 2023 £m	Total Year ended 2023 £m
	Notes								
External revenue		659.7	317.4	–	977.1	615.7	347.8	–	963.5
Inter-segment revenue		1.1	0.3	(1.4)	–	0.8	0.2	(1.0)	–
Total revenue		660.8	317.7	(1.4)	977.1	616.5	348.0	(1.0)	963.5
Adjusted trading profit		30.4	35.1	(20.3)	45.2	27.0	37.5	(19.7)	44.8
Share of joint venture profit		–	1.3	–	1.3	–	1.0	–	1.0
Adjusted operating profit		30.4	36.4	(20.3)	46.5	27.0	38.5	(19.7)	45.8
Amortisation of intangible assets from acquisitions	9	(1.6)	–	–	(1.6)	(2.2)	–	–	(2.2)
Site relocation costs	9	(3.0)	(0.5)	–	(3.5)	–	(0.1)	–	(0.1)
US class action lawsuit	9	(1.1)	–	–	(1.1)	–	–	–	–
Net restructuring costs	9	–	–	–	–	(3.6)	(2.0)	–	(5.6)
Operating profit		24.7	35.9	(20.3)	40.3	21.2	36.4	(19.7)	37.9
Finance income					10.6				10.1
Finance costs					(21.9)				(20.5)
Corporate undertakings	9				(1.2)				(4.7)
Profit before tax					27.8				22.8
Tax					(1.9)				8.3
Profit after tax					25.9				31.1

Trading profit and adjusted trading profit is operating profit and adjusted operating profit respectively before share of joint venture profit. See Note 9 for the derivation of adjusted operating profit.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 4. Segment information continued

Segment information for assets, liabilities, additions to non-current assets and depreciation and amortisation is presented below:

	Year ended 2024 £m	Year ended 2023 £m
<b>Assets</b>		
Aerospace	679.6	646.5
Flexonics	213.0	215.4
Segment assets for reportable segments	892.6	861.9
Unallocated		
Central	3.7	4.0
Cash	45.5	47.6
Deferred and current tax	30.3	23.0
Retirement benefits	43.5	48.5
Others	0.2	0.3
Total assets per Consolidated Balance Sheet	1,015.8	985.3

	Year ended 2024 £m	Year ended 2023 £m
<b>Liabilities</b>		
Aerospace	202.8	183.1
Flexonics	77.7	79.9
Segment liabilities for reportable segments	280.5	263.0
Unallocated		
Central	17.3	22.2
Debt	198.9	179.6
Deferred and current tax	16.2	17.0
Retirement benefits	6.8	8.0
Contingent consideration	16.5	29.0
Others	9.7	9.4
Total liabilities per Consolidated Balance Sheet	545.9	528.2

	Additions to non-current assets Year ended 2024 £m	Additions to non-current assets Year ended 2023 £m	Depreciation and amortisation Year ended 2024 £m	Depreciation and amortisation Year ended 2023 £m
Aerospace	25.3	24.4	37.1	38.2
Flexonics	20.9	12.6	12.9	13.0
Sub total	46.2	37.0	50.0	51.2
Central	0.7	0.9	0.6	0.5
Total	46.9	37.9	50.6	51.7

The Group's revenues from its major products is presented below:

	Year ended 2024 £m	Year ended 2023 £m
Aerospace – Structures	271.7	253.0
Aerospace – Fluid Systems	388.0	362.7
Aerospace total	659.7	615.7
Land vehicle	187.6	201.7
Power & Energy	129.8	146.1
Flexonics total	317.4	347.8
<b>Group total</b>	<b>977.1</b>	<b>963.5</b>

No individual customer accounted for more than 10% of external revenue in 2024 or 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 4. Segment information continued

### Geographical information

The Group's operations are located principally in North America and UK.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods. The carrying values of segment non-current assets are analysed by the geographical area in which the assets are located.

	Sales revenue Year ended 2024 £m	Sales revenue Year ended 2023 £m	Segment non-current assets Year ended 2024 £m	Segment non-current assets Year ended 2023 £m
USA	465.1	459.6	274.1	273.3
UK	166.7	156.8	155.8	157.1
Rest of the World	345.3	347.1	136.9	135.1
Sub total	977.1	963.5	566.8	565.5
Unallocated amounts	–	–	27.5	20.7
Total	977.1	963.5	594.3	586.2

The unallocated amounts on non-current assets relate to deferred tax assets.

## 5. Operating profit

Operating profit can be analysed as follows:

	Year ended 2024 £m	Year ended 2023 £m
Revenue	977.1	963.5
Cost of sales	(803.4)	(789.5)
Gross profit	173.7	174.0
Distribution costs	(7.1)	(6.9)
Administrative expenses	(127.6)	(130.4)
Profit on sale of fixed assets	–	0.2
Share of joint venture profit	1.3	1.0
Operating profit	40.3	37.9

Operating profit for the period has been arrived at after charging:

	Year ended 2024 £m	Year ended 2023 £m
Net foreign exchange losses	0.1	0.4
Research and design costs	20.0	20.0
Depreciation of property, plant and equipment	47.3	48.0
Amortisation of intangible assets included in administration expenses	3.3	3.7
Cost of inventories recognised as expense	803.4	789.5
Provision for loss allowance against receivables	2.0	0.4
Restructuring: provision charge for impairment of property, plant and equipment and inventories	–	3.2
Restructuring: staff and other costs	–	2.4
Site relocation costs	3.5	–

Staff costs are disclosed in Note 6. The majority of research and design costs incurred during the year have been expensed in line with the Group's accounting policies detailed in Note 2.

The analysis of the Auditor's remuneration is as follows:

	Year ended 2024 £m	Year ended 2023 £m
Fees payable to the Company's Auditor and their associates for the audit of the Company's annual accounts	0.6	0.6
Fees payable to the Company's Auditor and their associates for other services to the Group – The audit of the Company's subsidiaries	1.8	1.7
<b>Total audit fees</b>	<b>2.4</b>	<b>2.3</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 5. Operating profit continued

Fees payable to the Company's Auditor and their associates for non-audit services to the Company are not required to be disclosed because the Consolidated Financial Statements are required to disclose such fees on a consolidated basis.

The Group paid £0.08m (2023 – £0.06m) to the Company's Auditor for audit related services and £nil (2023 – £nil) for non-audit-related services during 2024, in line with the Company's policy on the use of Auditors for non-audit services.

Details of the Company's policy on the use of auditors for non-audit services, the reasons why the Auditor was used rather than another supplier and how the Auditor's independence and objectivity were safeguarded are set out in the Audit Committee Report on pages 90 to 95. No services were provided pursuant to contingent fee arrangements.

## 6. Staff costs

The average monthly number of employees (including Directors) was:

	Year ended 2024 Number	Year ended 2023 Number
Production	5,885	5,743
Distribution	94	85
Sales	278	260
Administration	561	539
Total	6,818	6,627

The actual number of employees at 31 December 2024 was 6,779 (2023 – 6,679).

	Notes	Year ended 2024 £m	Year ended 2023 £m
Their aggregate remuneration comprised:			
Wages and salaries		272.3	261.3
Social security costs		34.7	31.8
Termination benefits		–	0.7
Other pension costs – defined contribution	33a	11.5	10.2
Other pension costs – defined benefit	33e	0.7	0.5
Share-based payments	32	4.5	4.1
Aggregate remuneration		323.7	308.6

The Group also incurred medical and other employee benefit expenses during the year of £28.8m (2023 – £23.4m).

## 7. Finance income

	Notes	Year ended 2024 £m	Year ended 2023 £m
Interest on bank deposits and other finance income		6.4	4.5
Net finance income on retirement benefits	33e	2.0	2.1
Interest unwind on uncertain tax positions	10	–	3.5
Change in fair value on acquisition consideration	9, 30	2.2	–
Total income		10.6	10.1



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 8. Finance costs

	Notes	Year ended 2024 £m	Year ended 2023 £m
Interest on bank overdrafts and loans		12.2	9.8
Interest on other loans and other finance costs		6.3	4.9
Interest on lease liabilities		3.4	2.9
Change in fair value on acquisition consideration	9, 30	–	2.9
Total finance costs		21.9	20.5

## 9. Adjusted operating profit and adjusted profit before tax

The presentation of adjusted operating profit and adjusted profit before tax measures, derived in accordance with the table below, has been included to identify the performance of the Group prior to the impact of amortisation of intangible assets from acquisitions, net restructuring costs, site relocation costs, US class action lawsuit and costs associated with corporate undertakings. The Board has a policy, which was clarified in 2023, to separately disclose items it considers are outside the normal course of management oversight and control on a day-to-day basis and are not reflective of in-year trading performance. Indicative criteria such as period to which the item relates and external driven factors that are outside of the control of the Group in combination with the magnitude and consistency of application are also considered.

The amortisation charge relates to the acquisition of Spencer Aerospace. It is charged on a straight-line basis and reflects a non-cash item for the reported year. Site relocation costs relate to transfer of business activities into new or existing cost competitive facilities to support the Group's strategic initiatives. The US class action lawsuit relates to an historic legal matter. The Group implemented a restructuring programme in 2019, which had residual activity in 2023 in response to further specific end market conditions. Corporate undertakings relate to business acquisition and disposal activities. None of these charges are reflective of in-year performance. Therefore, they are excluded by the Board and Executive Committee when measuring the operating performance of the businesses.

	Year ended 2024 £m	Year ended 2023 £m
Operating profit	40.3	37.9
Amortisation of intangible assets from acquisitions	1.6	2.2
Site relocation costs	3.5	0.1
US class action lawsuit	1.1	–
Net restructuring costs	–	5.6
Adjusted operating profit	46.5	45.8
Profit before tax	27.8	22.8
Adjustments to profit before tax as above	6.2	7.9
Corporate undertakings	1.2	4.7
Corporate undertakings – change in fair value on acquisition consideration	(2.2)	2.9
Total Corporate undertakings	(1.0)	7.6
Adjusted profit before tax	33.0	38.3

### Site relocation costs

In 2024, £3.5m of site relocation costs were incurred (2023 – £0.1m) of which £0.5m (2023 – £0.1m) related to the transfer of our Senior Flexonics Crumlin business to a nearby high-tech facility in Wales to better showcase its design, development, test and qualification capabilities in support of the Group's strategic initiatives. The Group also recognised an impairment of £1.9m of property, plant and equipment and costs of £1.1m related to the transfer of existing business to other cost competitive facilities.

### US class action lawsuit

In June 2022, a wage and hour class action lawsuit was filed against one business based in California, USA. This lawsuit alleged violations of state regulations concerning meal and rest breaks and related penalties covering the period 2021 through the first half of 2024. Mediation took place in April 2024, resulting in a Company agreed settlement and related costs of £1.1m, of which no payments have been made as at 31 December 2024. Court approval and payment is expected by the end of the first half of 2025.

### Net restructuring costs

In 2024, no restructuring costs were incurred in the Consolidated Income Statement. In 2023, £5.6m was incurred, of which £2.4m related to consultancy and other costs, £2.0m related to inventory impairment where customer demand had decreased and £1.2m related to impairment of property, plant and equipment to cover the risk where there were no alternative uses.

Net restructuring cash outflow was £0.5m (2023 – £2.1m).

### Corporate undertakings

Net income associated with corporate undertakings was £1.0m (2023 – £7.6m costs), of which £0.8m acquisition costs (2023 – £1.5m) and £2.2m income from fair value changes in contingent consideration (2023 – £2.9m costs) related to the acquisition of Spencer Aerospace in November 2022 and £0.4m costs are associated with potential disposal and other corporate activities (2023 – £3.2m). See Note 30 to the Financial Statements for further details on the financial impact of the acquisition in 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 10. Taxation

	Year ended 2024 £m	Year ended 2023 £m
Current tax:		
Current year	8.4	10.7
Adjustments in respect of prior periods – Americas uncertain tax positions	–	(7.0)
Adjustments in respect of prior periods – other	(2.6)	(4.3)
	5.8	(0.6)
Deferred tax (Note 21)		
Current year	(5.0)	(5.8)
Adjustments in respect of prior periods	1.1	(1.9)
	(3.9)	(7.7)
Total tax charge/(credit)	1.9	(8.3)

On 24th May 2021, a future increase in UK corporation tax rate from 19% to 25% was substantially enacted with an effective date of 1 April 2023. Deferred tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

In the prior year, the Group implemented a series of steps to simplify the legal ownership of its Americas legal entity holding structure. As part of the exercise, provisions held for estimated uncertain tax positions around the historical establishment of the Americas legal structure were reassessed. As a result, in accordance with IAS 12 and IFRIC 23 (Uncertainty over Income Tax Treatments), provisions for the uncertain tax positions of £7.0m and associated interest of £3.5m were released to the Consolidated Income Statement during that year.

The OECD Pillar Two Globe Rules introduce a global minimum corporate tax rate, initially at 15%, applicable to multinational enterprise (MNE) groups with global revenue over €750m. All participating OECD members are required to incorporate these rules into national legislation. On 20th June 2023, the UK substantially enacted legislation to apply Pillar Two Globe rules into UK law which will first apply to the Group from 1 January 2024. The Group has provided £0.1m in the current year in respect of this liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 10. Taxation continued

The total charge for the year can be reconciled to the profit before tax per the Consolidated Income Statement as follows:

		Year ended 2024 £m	Year ended 2024 %	Year ended 2023 £m	Year ended 2023 %
Profit before tax		27.8		22.8	
Expected tax charge at the UK standard corporation tax rate 25%/23.5%		7.0		5.4	
Effect of different statutory rates in overseas jurisdictions	a	(1.3)		(0.4)	
Tax incentives and credits	b	(1.3)		(1.9)	
Tax losses not recognised	c	(2.2)		(0.3)	
Impact of share options	d	(0.6)		(0.1)	
Effect of difference in treatment of financing activities between jurisdictions	e	–		(0.1)	
Non-deductible expenses and other permanent differences	f	1.5		1.9	
Effect of changes in UK tax rate on deferred tax items	g	–		0.2	
Withholding taxes	h	0.2		0.2	
Adjustments in respect of prior periods – Americas uncertain tax positions	i	–		(7.0)	
Adjustments in respect of prior periods – other current tax items	j	(2.6)		(4.3)	
Adjustments in respect of prior periods – deferred tax items	k	1.1		(1.9)	
Pillar 2 Top up Tax	l	0.1		–	
Tax charge/(credit) and effective tax rate for the year		1.9	6.8%	(8.3)	(36.4%)

a. Attributable to profit mix at both higher and lower rates of taxes in different jurisdictions.

b. Includes a £1.4m benefit from enhanced US R&D deductions offset by permanent difference arising from losses in the year on projects that benefit from tax incentives.

c. Tax losses arising in prior years on which a deferred tax asset has been recognised in the year based on IAS 12 recognition criteria (£2.2m). The prior year comparative relates to unrecognised tax losses utilised in the year.

d. Impact of non-tax deductible share-based payment charges net of current tax deductions for share exercises in the year and the deferred tax asset recognition for future exercises.

e. Effect of different rates of tax between jurisdictions on internal financing activities.

f. Non-deductible expenses and other permanent differences includes a £0.2m charge in respect of uncertain tax positions in accordance with IFRIC 23 principles.

g. Relates to the Income Statement impact of the retranslation of UK deferred tax assets and liabilities following the substantial enactment of the future 25% tax rate effective from 1 April 2023.

h. Arises from irrecoverable withholding taxes.

i. The prior year comparative arises from the release of £7.0m Americas restructuring provisions in accordance with IFRIC 23 measurement criteria principles.

j. Includes a credit in respect of the uncertain tax positions which have been resolved, settled or released in accordance with IFRIC 23 principles of £2.0m as well as prior year items arising from the true up of tax accruals in line with local tax filings which in many cases have an equal and opposite prior year item in deferred tax.

k. Arises from the true-up of deferred tax estimates following the finalisation of entity statutory accounts and local tax returns.

l. Estimated Top up Tax arising from the OECD's Pillar 2 global minimum tax rules.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 10. Taxation continued

In addition to the amount charged to the Consolidated Income Statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2024 £m	2023 £m
Deferred tax:		
Items that will not be reclassified subsequently to profit and loss:		
Tax on actuarial items	1.1	0.5
Effect of change in UK tax rate	–	0.1
Items that may be reclassified subsequently to profit or loss:		
Tax on foreign exchange contracts – cash flow hedges	0.8	(0.9)
Total tax credit/(charge) recognised directly in other comprehensive income	1.9	(0.3)

In addition to the amount charged to the Consolidated Income Statement and Other Comprehensive Income, the following amounts relating to tax have been recognised directly in equity:

	Year ended 2024 £m	Year ended 2023 £m
Deferred tax:		
Excess tax deductions related to share-based payments in exercised options	(0.8)	0.9
Total tax (charge)/credit recognised directly in equity	(0.8)	0.9

Deferred tax (Note 21)	1.1	0.6
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## 11. Dividends

	Year ended 2024 £m	Year ended 2023 £m
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2023 of 1.70p per share (2022 – 1.00p)	7.0	4.1
Interim dividend for the year ended 31 December 2024 of 0.75p per share (2023 – 0.60p)	3.1	2.5
	10.1	6.6
Proposed final dividend for the year ended 31 December 2024 of 1.65p per share (2023 – 1.70p)	6.8	7.0

## 12. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 2024 Million	Year ended 2023 Million
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	414.3	413.3
Effect of dilutive potential ordinary shares:		
Share options	9.2	11.7
Weighted average number of ordinary shares for the purposes of diluted earnings per share	423.5	425.0

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 12. Earnings per share continued

	Notes	Year ended 2024		Year ended 2023	
		Earnings £m	EPS pence	Earnings £m	EPS pence
<b>Earnings and earnings per share</b>					
Profit for the period		<b>25.9</b>	<b>6.25</b>	31.1	7.52
Adjust:					
Amortisation of intangible assets from acquisitions net of tax credit of £0.4m (2023 – £0.6m credit)		<b>1.2</b>	<b>0.29</b>	1.6	0.39
Site relocation costs net of tax credit of £1.0m (2023 – £0.1m credit)	9	<b>2.5</b>	<b>0.60</b>	–	–
US class action lawsuit net of tax credit of £0.3m (2023 – £nil)	9	<b>0.8</b>	<b>0.20</b>	–	–
Net restructuring costs net of tax of £nil (2023 – £1.5m credit)	9	–	–	4.1	0.99
Corporate undertakings net of tax charge of £0.3m (2023 – £1.9m credit)		<b>(0.7)</b>	<b>(0.17)</b>	5.7	1.38
Adjusted earnings after tax		<b>29.7</b>	<b>7.17</b>	42.5	10.28
Earnings per share					
– basic			<b>6.25p</b>		7.52p
– diluted			<b>6.12p</b>		7.32p
– adjusted			<b>7.17p</b>		10.28p
– adjusted and diluted			<b>7.01p</b>		10.00p

The denominators used for all basic, diluted and adjusted earnings per share are as detailed in the table above.

The presentation of adjusted earnings per share, derived in accordance with the table above, has been included to identify the performance of the Group prior to the impact of amortisation of intangible assets from acquisitions, site relocation costs, US class action lawsuit, net restructuring costs and costs associated with corporate undertakings. The Board has a policy, which was clarified in 2023, to separately disclose items it considers are outside the normal course of management oversight and control on a day-to-day basis and are not reflective of in-year trading performance. Indicative criteria such as period to which the item relates and external driven factors that are outside of the control of the Group in combination with the magnitude and consistency of application are also considered. See Note 9 for further details.

## 13. Goodwill

	Year ended 2024 £m	Year ended 2023 £m
<b>Cost</b>		
At 1 January	<b>353.0</b>	360.4
Exchange differences	<b>2.5</b>	(7.4)
At 31 December	<b>355.5</b>	353.0
<b>Accumulated impairment losses</b>		
At 1 January	<b>159.7</b>	160.7
Exchange differences	<b>0.4</b>	(1.0)
At 31 December	<b>160.1</b>	159.7
<b>Carrying amount at 31 December</b>	<b>195.4</b>	193.3

In 2024, goodwill has increased by £2.1m due to net foreign exchange difference (2023 – £6.4m decrease).

Goodwill is allocated to the group of CGUs (CGU groups) namely Aerospace and Flexonics, reflecting the lowest level at which management exercises oversight and monitors the Group's performance. Central assets are allocated between the CGU groups on the basis of the percentage share of trading assets. The table below highlights the carrying amount of goodwill allocated to these CGU groups, all of which are considered significant in comparison with the total carrying amount of goodwill.

	Year ended 2024 £m	Year ended 2023 £m
Aerospace	<b>140.6</b>	139.0
Flexonics	<b>54.8</b>	54.3
Total	<b>195.4</b>	193.3



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 13. Goodwill continued

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The timing of the annual assessment at 30 September 2024 coincided with the Board's review of the most recent financial strategy. Management applied the value in use methodology to assess impairment. The key assumptions on which the value in use calculations were based relate to business performance over the next five years, long-term growth rates beyond 2029 and the discount rates applied. The discount rates were pre-tax measures based on the rate of 10-year government bonds issued in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the CGU group. The key estimates were the level of revenue and operating margins anticipated and the proportion of operating profit converted into cash flow in each year, long-term growth rates and discount rates applied. The forecast compound annual growth rate in revenue from 2024 to 2029 was 8% (2023 – 2023 to 2028 was 8%), reflecting expected increases in aircraft production as communicated by our customers and secured new programmes in Flexonics.

Forecasts used in the cash flow were based on the most recent financial strategy, as approved by Management for the next five years to 2029. These estimates up to 2029, where appropriate, take account of the current economic environment as set out in the Strategic Report on pages 1 to 69.

Cash flows after 2029 have been extrapolated based on estimated long-term growth rates into perpetuity, which has been determined by the lower of the long-term market growth rates and the historical forecast compound annual growth in revenue to 2029. For Aerospace, the long-term market growth rate is 4.2% per annum (2023 – 3.8%), which does not exceed the long-term average growth rate forecast for the aerospace market as included in market outlooks from Boeing and Airbus. For Flexonics, the long-term market growth rate is 1.6% per annum (2023 – 1.6%), which is based on the world long-term forecast GDP growth for advanced economies.

The pre-tax discount rates applied to discount the pre-tax cash flows for Aerospace and Flexonics are 10.4% and 10.8% respectively (2023 – 11.6% and 12.3%); these discount rates include CGU group specific risk adjustments which are the measurements used by Management in assessing investment appraisals specific to each CGU group.

Sensitivities reflecting reasonable possible changes have also been considered for each CGU group in relation to the value in use calculations. Each assumption was sensitised in isolation: Revenue was reduced by 10 percentage points in the terminal value, operating margins were reduced by 1 percentage point in the terminal value, the proportion of operating profit converted into cash flow was reduced by 5 percentage points in the terminal value, the long-term growth rate assumption was reduced by 1 percentage point and the discount rate was increased by 1 percentage point. This did not result in the carrying amount of the CGU groups exceeding their recoverable amount.

Further to the 30 September 2024 annual impairment test, the Board considered whether there were any triggering events as at the 31 December 2024 reporting date. Despite the near-term temporary headwinds announced in October 2024, the Board concluded that these events did not trigger an impairment assessment as at 31 December 2024 given the long-term growth prospects which underpin the recoverable amount of each CGU group.

## 14. Other intangible assets

	Intangible assets from acquisitions				Computer software and others	Total
	Qualified parts list Year ended 2024 £m	Customer relationships Year ended 2024 £m	Fully amortised Year ended 2024 £m	Total Year ended 2024 £m	Year ended 2024 £m	Year ended 2024 £m
<b>Cost</b>						
At 1 January	22.8	6.2	122.4	151.4	26.4	177.8
Additions	–	–	–	–	1.7	1.7
Disposals	–	–	–	–	(0.2)	(0.2)
Reclassification	–	–	–	–	–	–
Exchange differences	0.4	0.1	–	0.5	0.3	0.8
At 31 December	23.2	6.3	122.4	151.9	28.2	180.1
<b>Amortisation</b>						
At 1 January	1.4	0.4	122.4	124.2	20.5	144.7
Charge for the year	1.2	0.4	–	1.6	1.7	3.3
Disposals	–	–	–	–	(0.2)	(0.2)
Reclassification	–	–	–	–	–	–
Exchange differences	0.1	–	–	0.1	0.1	0.2
At 31 December	2.7	0.8	122.4	125.9	22.1	148.0
<b>Carrying amount at 31 December</b>	<b>20.5</b>	<b>5.5</b>	<b>–</b>	<b>26.0</b>	<b>6.1</b>	<b>32.1</b>

Intangible assets from acquisitions are being amortised over the following periods; qualified parts 18 years and 1 month, customer relationships 16 years and 1 month and order backlogs 1 year and 1 month.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 14. Other intangible assets continued

	Intangible assets from acquisitions				Total	Computer software and others	Total
	Qualified parts list Year ended 2023 £m	Customer relationships Year ended 2023 £m	Order backlog Year ended 2023 £m	Fully amortised Year ended 2023 £m	Year ended 2023 £m	Year ended 2023 £m	Year ended 2023 £m
<b>Cost</b>							
At 1 January	24.0	6.5	0.5	126.3	157.3	25.3	182.6
Additions	–	–	–	–	–	2.2	2.2
Disposals	–	–	–	–	–	(0.1)	(0.1)
Reclassification	–	–	(0.5)	0.5	–	–	–
Exchange differences	(1.2)	(0.3)	–	(4.4)	(5.9)	(1.0)	(6.9)
At 31 December	22.8	6.2	–	122.4	151.4	26.4	177.8
<b>Amortisation</b>							
At 1 January	0.2	–	–	126.3	126.5	19.9	146.4
Charge for the year	1.3	0.4	0.5	–	2.2	1.5	3.7
Disposals	–	–	–	–	–	(0.1)	(0.1)
Reclassification	–	–	(0.5)	0.5	–	–	–
Exchange differences	(0.1)	–	–	(4.4)	(4.5)	(0.8)	(5.3)
At 31 December	1.4	0.4	–	122.4	124.2	20.5	144.7
<b>Carrying amount at 31 December</b>	<b>21.4</b>	<b>5.8</b>	<b>–</b>	<b>–</b>	<b>27.2</b>	<b>5.9</b>	<b>33.1</b>

Intangible assets from acquisitions are being amortised over following periods; qualified parts 18 years and 1 month, customer relationships 16 years and 1 month and order backlogs 1 year and 1 month.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 15. Investment in joint venture

The Group has a 49% interest in Senior Flexonics Technologies (Wuhan) Limited, a jointly controlled entity incorporated in China, which was set up in 2012. Senior Flexonics Technologies (Wuhan) Limited is a precision manufacturer of automotive components.

The results of the joint venture are accounted for using equity accounting.

The Group's investment of £3.3m represents the Group's share of the joint venture's net assets as at 31 December 2024 (2023 – £5.1m). The movement of £1.8m in the Group's investment during the year comprises of £1.3m Group's Share of profit more than offset by £3.0m dividend received and £0.1m exchange difference.

The following amounts represent the aggregate amounts relating to the revenue and expenses and assets and liabilities of Senior Flexonics Technologies (Wuhan) Limited for the years ended 31 December 2024 and December 2023.

	2024 £m	2023 £m
Revenue	10.9	10.1
Expenses	(8.3)	(8.0)
Profit	2.6	2.1
Total assets	9.3	13.1
Total liabilities	(2.6)	(2.6)
Net assets	6.7	10.5
Group's share of profit	1.3	1.0
Group's share of net assets	3.3	5.1

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 16. Property, plant and equipment

	Freehold land and buildings Year ended 2024 £m	Leasehold building improve- ments Year ended 2024 £m	Plant and equipment Year ended 2024 £m	Right-of- use Land and Buildings Year ended 2024 £m	Right-of- use Plant and equipment Year ended 2024 £m	Total Year ended 2024 £m	Freehold land and buildings Year ended 2023 £m	Leasehold building improve- ments Year ended 2023 £m	Plant and equipment Year ended 2023 £m	Right-of- use Land and Buildings Year ended 2023 £m	Right-of- use Plant and equipment Year ended 2023 £m	Total Year ended 2023 £m
<b>Cost or valuation</b>												
At 1 January	110.7	8.2	563.9	98.3	8.7	789.8	113.0	8.3	570.2	99.1	9.3	799.9
Additions	1.4	1.1	39.0	1.6	2.1	45.2	2.0	0.4	31.3	–	1.9	35.6
Lease modifications	–	–	–	9.2	–	9.2	–	–	–	5.6	0.4	6.0
Exchange differences	(0.1)	0.1	4.6	1.8	–	6.4	(4.5)	(0.3)	(25.9)	(5.2)	(0.3)	(36.2)
Disposals	(0.1)	–	(9.2)	–	(0.4)	(9.7)	–	(0.2)	(8.4)	(1.3)	(2.6)	(12.5)
Reclassification	(0.3)	0.3	–	0.9	(0.9)	–	0.2	–	(1.1)	0.1	–	(0.8)
Restructuring disposal	–	–	–	–	–	–	–	–	(2.2)	–	–	(2.2)
At 31 December	111.6	9.7	598.3	111.8	9.5	840.9	110.7	8.2	563.9	98.3	8.7	789.8
<b>Accumulated depreciation and impairment</b>												
At 1 January	41.4	5.3	415.8	39.3	3.3	505.1	40.6	5.4	409.1	32.9	4.7	492.7
Charge for the year	1.9	0.4	34.0	9.2	1.8	47.3	2.4	0.3	34.8	9.0	1.5	48.0
Lease modifications	–	–	–	0.1	–	0.1	–	–	–	–	–	–
Exchange differences	(0.1)	0.1	3.4	0.6	–	4.0	(1.7)	(0.2)	(18.6)	(1.6)	(0.1)	(22.2)
Eliminated on disposals	(0.1)	–	(9.1)	–	(0.4)	(9.6)	–	(0.2)	(7.9)	(1.3)	(2.6)	(12.0)
Reclassification	–	–	–	0.5	(0.5)	–	0.1	–	(0.6)	0.3	(0.2)	(0.4)
Impairment/ restructuring disposal	–	–	–	1.9	–	1.9	–	–	(1.0)	–	–	(1.0)
At 31 December	43.1	5.8	444.1	51.6	4.2	548.8	41.4	5.3	415.8	39.3	3.3	505.1
<b>Carrying amount at 31 December</b>	<b>68.5</b>	<b>3.9</b>	<b>154.2</b>	<b>60.2</b>	<b>5.3</b>	<b>292.1</b>	<b>69.3</b>	<b>2.9</b>	<b>148.1</b>	<b>59.0</b>	<b>5.4</b>	<b>284.7</b>

In 2024, £1.9m right-of-use assets were impaired (2023 – £1.2m property, plant and equipment; see note 9). The recoverable amount of the assets was determined based on value-in-use for assets with confirmed orders, or fair value less costs to sell, where assets are to be disposed.

At 31 December 2024, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £6.5m (2023 – £4.0m).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 17. Inventories

	Year ended 2024 £m	Year ended 2023 £m
Raw materials	98.4	86.5
Work-in-progress	97.1	84.6
Finished goods	40.5	36.4
Total	236.0	207.5

Inventory write-downs recognised as an expense in 2024 were £3.3m (2023 – £8.9m after £2.0m charges relating to restructuring, see Note 9).

## 18. Trade and other receivables

Trade and other receivables at 31 December comprise the following:

	Year ended 2024 £m	Year ended 2023 £m
Non-current assets		
Foreign exchange contracts	0.2	0.6
Other receivables	0.2	0.2
	0.4	0.8
Current assets		
Trade receivables	119.2	124.9
Value added tax	4.0	3.4
Foreign exchange contracts	1.0	2.0
Prepayments	13.0	11.2
Other receivables	–	0.2
	137.2	141.7
Total trade and other receivables	137.6	142.5

### Credit risk

The Group's principal financial assets are bank balances and cash and trade receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Consolidated Balance Sheet are net of loss allowances. There are no other credit or impairment losses for other classes of financial assets.

Further disclosures on credit risk are included in Note 20.

The average credit period taken on sales of goods is 56 days (2023 – 58 days). An allowance has been made for estimated irrecoverable amounts from the sale of goods of £3.5m (2023 – £2.3m). In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. At 31 December 2024, the carrying amount of the receivable from the Group's most significant customer was £6.5m (2023 – £6.7m from the same customer). The Group has no other significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Accordingly, the Directors believe that there is no further credit provision risk in excess of the loss allowance.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 18. Trade and other receivables continued

### Expected credit loss

	Year ended 2024 £m	Year ended 2023 £m
Movements in loss allowance:		
At 1 January	2.3	3.3
Provision for impairment	2.0	0.4
Amounts written off as uncollectible	(0.4)	(0.7)
Amounts recovered	(0.4)	(0.6)
Exchange differences	–	(0.1)
At 31 December	3.5	2.3
Ageing analysis of past due, net of loss allowance:		
Up to 30 days past due	12.1	13.2
31 to 60 days past due	2.1	3.5
61 to 90 days past due	1.3	1.9
91 to 180 days past due	1.5	1.7
Total past due, net of loss allowance	17.0	20.3
Not past due	102.2	104.6
Total current trade receivables	119.2	124.9

There are no items past due in any other class of financial assets except for trade receivables.

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above. The Group does not hold any collateral as security.

## 19. Bank overdrafts and loans

	Year ended 2024 £m	Year ended 2023 £m
Bank overdrafts	–	1.8
Bank loans	37.0	55.9
Other loans	161.9	121.9
	198.9	179.6
The borrowings are repayable as follows:		
On demand or within one year	75.0	1.8
In the second year	9.5	78.0
In the third to fifth years inclusive	74.5	99.8
After five years	39.9	–
	198.9	179.6
Less: amount due for settlement within 12 months (shown under current liabilities)	(75.0)	(1.8)
Amount due for settlement after 12 months	123.9	177.8

At 31 December 2024, bank loans of £37.9m are drawn and there are £0.9m of capitalised revolving credit facility transaction costs.

At 31 December 2023, bank loans of £57.0m were drawn and there were £1.1m of capitalised revolving credit facility transaction costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 19. Bank overdrafts and loans continued

### Analysis of borrowings by currency

	Pound Sterling £m	Euros £m	US Dollars £m	Others £m	Total £m
<b>31 December 2024</b>					
Bank loans	21.1	–	15.9	–	37.0
Other loans	27.0	23.1	111.8	–	161.9
	48.1	23.1	127.7	–	198.9
	Pound Sterling £m	Euros £m	US Dollars £m	Others £m	Total £m
Sunday, 31 December 2023					
Bank overdrafts	–	0.8	–	1.0	1.8
Bank loans	15.9	–	40.0	–	55.9
Other loans	27.0	24.2	70.7	–	121.9
	42.9	25.0	110.7	1.0	179.6

The weighted average interest rates paid were as follows:

	Year ended 2024 %	Year ended 2023 %
Bank loans and overdrafts	6.81	6.42
Other loans	3.61	3.09

Bank loans and overdrafts of £37.9m (2023 – £58.8m) are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. Other borrowings are mainly arranged at fixed interest rates and expose the Group to fair value interest rate risk. No interest rate swaps were taken out in 2023 or 2024.

The Directors estimate the fair value of the Group's borrowings to be as follows:

	Year ended 2024 £m	Year ended 2023 £m
Bank loans and overdrafts	37.0	57.7
Other loans	159.1	115.5
	196.1	173.2

The fair value of Other loans has been determined by applying a make-whole calculation using the prevailing treasury bill yields plus the applicable credit spread for the Group (level 2 of the fair value hierarchy as defined in Note 20).

The other principal features of the Group's borrowings are as follows:

Bank overdrafts are repayable on demand. The effective interest rates on bank overdrafts are determined based on SONIA, SOFR and appropriate LIBOR rates plus applicable margins.

The Group's main loans are unsecured guaranteed loan notes in the US private placement market and revolving credit facilities.

- Loan notes of €28m, 2024 £23.1m (2023 – £24.3m) were taken out in January 2017, carry interest at the rate of 1.51% and mature on 1 February 2027.
- Loan notes of \$60m, 2024 £48.0m (2023 – £47.3m) were taken out in October 2015 and are due for repayment in October 2025. The loan notes carry interest at the rate of 3.75% per annum.
- Loan notes of £27m were drawn down in January 2018, carry interest at a rate of 2.35% and are due for repayment in January 2025.
- Loan notes of \$30m, 2024 £24.0m (2023 – £23.6m) were taken out in September 2018, carry interest at the rate of 4.18% and are due for repayment in September 2028.
- Loan notes of \$50m, 2024 £40.0m (2023 – £nil) were taken out in February 2024, carry an interest rate of 6.26% and are due for repayment in February 2030.

Transaction costs of £0.2m, directly attributable to the US Dollar notes (£0.2m), have been deducted from their carrying value.

New private placement notes of \$40m (£32m) were issued in February 2025. The loan notes were also drawn down in February 2025, carry an interest rate of 5.46% and are due for repayment in February 2029.

The Group also has two revolving credit facilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 19. Bank overdrafts and loans continued

A committed multi-currency revolving credit facility in the UK of £115m (2023 – £115m) matures in November 2027. At 31 December 2024, £28.4m was outstanding under the £115m facility, comprising \$8.0m (£6.4m) and £22.0m. At 31 December 2023, £53.2m was outstanding under the £115m facility, comprising \$46.0m (£36.2m) and £17.0m.

A committed \$50m (£40.0m) single bank loans and letter of credit facility matures in June 2026. There were \$11.9m (£9.5m) loans with reference to Term SOFR which are drawn under the facility on 31 December 2024 and \$4.9m (£3.8m) loans drawn in 31 December 2023 and there were letters of outstanding credit of \$6.4m (£5.2m) (2023 – £2.2m).

As at 31 December 2024, the Group had available £111.9m (2023 – £95.1m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The weighted average maturity of the Group's committed facilities at 31 December is 2.5 years (2023 – 2.9 years). The current weighted average maturity of the Group's facilities, updated for the February 2025 loan notes of \$40m, remains at 2.5 years.

## 20. Financial instruments

### Capital risk management

The Group manages its capital structure to safeguard its ability to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the balance between debt and equity. In considering the appropriate level of net debt, the Group pays close attention to its level as compared to the cash generation potential of the Group, measured by EBITDA (defined in the Notes to the Financial Headlines). The Group also monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is derived in Note 31c. Lease liabilities are excluded from net debt in calculating the gearing ratio. Total capital is the equity shown in the Consolidated Balance Sheet.

The Group's strategy in respect of gearing is to target a long-term gearing ratio within the range of 30% to 60%. The gearing ratio for the Group at the end of 2024 was 33% (2023 – 29%).

All of the Group's external borrowing facilities at 31 December 2024 have a requirement for the ratio of net debt to EBITDA to be less than 3.0x (US Private Placements) or 3.5x (UK RCF and US RCF). IFRS 16 does not impact the Group's lending covenants as these are currently based on frozen GAAP, hence figures quoted below exclude the impact of IFRS 16 on net debt, interest and EBITDA. As required by the covenant definition, net debt is restated using 12-month average exchange rates (consistent with EBITDA definition).

The Group has two covenants for committed borrowing facilities, which are tested at June and December: the Group's net debt to EBITDA (defined in the Notes to the Financial Headlines) must not exceed 3.0x and interest cover, the ratio of EBITDA to interest must be higher than 3.5x.

At 31 December 2024, the Group's net debt to EBITDA was 1.8x (31 December 2023 – 1.6x) and interest cover was 7.0x (31 December 2023 – 12.6x), both comfortably within the covenants limits.

### Financial risk management

The Group's activities expose it to a variety of financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall treasury risk management programme focuses on the unpredictability of financial markets, and seeks to minimise potential adverse effects on the Group's financial performance.

The Group uses derivative financial instruments to hedge certain risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Group's Treasury Committee on a regular basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Foreign exchange risk management

The Group enters into forward foreign exchange contracts to hedge the exchange risk arising on the operations' trading activities in foreign currencies. Where commented on below, the sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the beginning of the financial year and left unchanged throughout the reporting period, with all other variables held constant (such as interest rates). The sensitivity assumptions are based on analysis reviewed by the Group's Treasury Committee.

### Translation risk

The Group derived 83% of its revenue from businesses outside the United Kingdom, with 58% relating to operations in North America. Fluctuations in the value of the US Dollar and other currencies in relation to Pound Sterling have had, and may continue to have, a significant impact on the results of the Group's operations when reported in Pound Sterling. The Group decided not to hedge this translation risk. In addition, the majority of assets are denominated in foreign currency, particularly in US Dollars. In order to provide a hedge against volatility in the value of these assets compared to the Group's loss/earnings, and hence provide a natural hedge against the Group's principal lending covenant (the ratio of net debt to EBITDA), the Group aims to borrow in foreign currencies in similar proportions to its generation of foreign currency EBITDA, where practical and economic. A 10% appreciation (or depreciation) of all other currencies against the Pound Sterling would have increased (or decreased) 2024 Group adjusted operating profit by £5.3m (£2.7m of which would have been due to the US Dollar movement) and would have increased (or decreased) equity by £34.7m (£22.4m of which would have been due to the US Dollar movement).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 20. Financial instruments continued

### Transaction risk

The Group has a number of transaction-related foreign currency exposures, particularly between the US Dollar and the Pound Sterling, Thai Baht and Malaysian Ringgit. The Group seeks to hedge between 0% to 100% of transaction-related exposures mainly on a rolling 15 to 18-month forward basis, but in some cases for periods of up to 60 months and applies hedge accounting where the forwards can be designated in a qualifying cash flow hedge relationship. Based on the net of the annual sales and purchase-related exposures, all transaction-related foreign currency exposures to Group profit after hedging in existence at 31 December 2024 are immaterial. The impact on equity is determined by the unrecognised portion of open forward contracts at the year-end. A 10% appreciation (or depreciation) of the US Dollar against the Pound Sterling, Thai Baht and the Malaysian Ringgit would have decreased (or increased) equity by £4.5m, £1.6m and £0.5m, respectively.

### Interest rate risk management

The Group has a policy of maintaining approximately 60% of its borrowing costs at fixed interest rates. The Group generally borrows long-term in fixed rates but at times may borrow at floating rates and swap into fixed depending on credit market conditions. Occasionally a portion of fixed debt interest is swapped into floating rates. The combination of maintaining an acceptable balance of fixed and floating rate debt, and the Group's policy of borrowing in foreign currency in proportion to its generation of foreign currency earnings, provides an effective hedge against the impact of interest rate and foreign currency volatility on total interest costs. As at year-end 2024, the percentage of debt at fixed interest was 81% (2023 – 68%), excluding IFRS 16 lease liabilities from debt.

The following sensitivity analysis of the Group's exposure to interest rate risk in 2024 has been retrospectively determined based on the exposure to applicable interest rates on financial assets and liabilities held throughout the financial year, with all other variables held constant (such as foreign exchange rates). The sensitivity assumptions are based on analysis reviewed by the Group's Treasury Committee. If variable interest rates had been 0.5% lower (or higher), the Group's profit before tax would have increased (or decreased) by £0.4m. Any fixed interest debt is held to maturity and not fair value adjusted through the Consolidated Income Statement. An increase (or decrease) of 0.5% in the market interest rate for the fixed rate debt held up to maturity would have decreased (or increased) the fair value of the Group's borrowings by £1.6m. The Group's sensitivity to interest rates has remained broadly consistent with prior period due to the high proportion of fixed debt.

### Credit risk management

The Group's credit risk is primarily attributable to its trade receivables. The credit quality of customers is assessed taking into account their financial position, past experience and other factors. Further details on determining the recoverability of trade receivables is provided in Note 18. The Group is guarantor under one lease of a current subsidiary entity in the UK. Credit risk on liquid funds and derivative financial instruments is limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. The carrying amount of financial assets recorded in the Financial Statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

The Group participates in some non-recourse reverse factoring schemes which are arranged by customers. These are a form of non-recourse factoring that are common practice within the aerospace sector and with large customers in the Flexonics Division. In a reverse factoring scheme, a financial counterparty commits to pay supplier invoices ahead of due date in exchange for a discount interest charge. It is a funding solution initiated by the customer to provide the supplier with an alternative financing arrangement. The Group participates in reverse factoring schemes as a way of reducing credit risk. The trade receivables reverse factored at 31 December 2024 were £29.1m (2023 – £29.1m). The net impact of reverse factoring on 2024 was a cash inflow in working capital of £nil (2023 – £5.5m inflow) and the discount interest presented within other finance costs is a charge of £0.9m in 2024 (2023 – £0.8m).

### Liquidity risk management

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and revolving credit facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash flow forecasts are produced monthly, together with appropriate capacity planning and scenario analysis, to ensure that bank covenant and liquidity targets will be met. The Directors also regularly assess the balance of capital and debt funding of the Group, as part of a process to satisfy the Group's long-term strategic funding requirements.

As noted in the Financial Review on pages 64 to 67, the Group is currently in a well-funded position, with significant headroom under its committed borrowing facilities. It is considered unlikely that the Group will face any significant funding issues in the foreseeable future.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 20. Financial instruments continued

### Categories of financial instruments

	Year ended 2024 £m	Year ended 2023 £m
Carrying value of financial assets:		
Cash and cash equivalents	45.5	47.6
Trade receivables	119.2	124.9
Other receivables	0.2	0.4
Financial assets at amortised cost	164.9	172.9
Foreign exchange contracts – cash flow hedges	1.1	2.5
Foreign exchange contracts – held for trading	0.1	0.1
Total financial assets	166.1	175.5
Carrying value of financial liabilities:		
Bank overdrafts and loans	198.9	179.6
Lease liabilities	76.2	71.8
Trade payables	107.4	102.1
Other payables	65.8	67.8
Financial liabilities at amortised cost	448.3	421.3
Contingent consideration – fair value through profit or loss	16.5	29.0
Foreign exchange contracts – cash flow hedges	5.7	4.1
Foreign exchange contracts – held for trading	0.1	0.1
Total financial liabilities	470.6	454.5
Undiscounted contractual maturity of financial liabilities at amortised cost:		
Amounts payable:		
On demand or within one year	270.0	191.8
In the second to fifth years inclusive	141.2	234.5
After five years	90.2	46.7
	501.4	473.0
Less: future finance charges	(53.1)	(51.7)
Financial liabilities at amortised cost	448.3	421.3

The contingent consideration which is potentially payable in less than 5 years has a gross value at 31 December 2024 of \$21.6m (£17.3m) and a discounted value of \$20.6m (£16.5m). At 31 December 2023, the gross value was \$40m (£31.5m) and a discounted value was \$36.9m (£29.0m).

The carrying amount is a reasonable approximation of fair value for the financial assets and liabilities, excluding leases, noted above except for bank overdrafts and loans, disclosure of which are included within Note 19.

An ageing analysis of trade receivables is disclosed within Note 18.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 20. Financial instruments continued

### Forward foreign exchange contracts

The Group enters into forward foreign exchange contracts to hedge the exchange risk arising on the operation's trading activities in foreign currencies in accordance with the Group's accounting policy as set out in Note 2. At 31 December 2024, total notional amounts and fair values of outstanding forward foreign exchange contracts that the Group have committed are given below:

	Year ended 2024 £m	Year ended 2023 £m
Notional amounts:		
Foreign exchange contracts – cash flow hedges	157.1	157.2
Foreign exchange contracts – held for trading	8.0	7.0
Total	165.1	164.2
Less: amounts maturing within 12 months	(115.5)	(111.4)
Amounts maturing after 12 months	49.6	52.8
Contractual maturity:		
Cash flow hedges balances due within one year:		
Outflow	(108.8)	(105.6)
Inflow	106.3	105.8
Cash flow hedges balances due between one and two years:		
Outflow	(21.8)	(23.8)
Inflow	20.5	23.0
Cash flow hedges balances due between two and five years:		
Outflow	(29.7)	(30.9)
Inflow	29.3	30.0
Held for trading balances due within one year:		
Outflow	(8.0)	(6.9)
Inflow	8.0	6.9
Fair values:		
Foreign exchange contracts – cash flow hedges	(4.6)	(1.6)
Foreign exchange contracts – held for trading	–	–
Total liability	(4.6)	(1.6)

These fair values are based on market values of equivalent instruments at the Balance Sheet date, comprising £1.2m (2023 – £2.6m) assets included in trade and other receivables and £5.8m (2023 – £4.2m) liabilities included in trade and other payables. The fair value of currency derivatives that are designated and effective as cash flow hedges amounting to £4.2m loss (2023 – £1.3m loss) has been deferred in equity.

### Fair values

The following table presents an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1–3 based on the degree to which the fair value is observable:

- Level 1 those fair values derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 those fair values derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 those fair values derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There has not been any transfer of assets or liabilities between levels. There are no non-recurring fair value measurements. Level 2 fair values are derived from future cash flows, of open forward contracts at 31 December, translated by the difference between contractual rates and observable forward exchange rates.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 20. Financial instruments continued

31 December 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Assets</b>				
Foreign exchange contracts – cash flow hedges	–	1.1	–	1.1
Foreign exchange contracts – held for trading	–	0.1	–	0.1
Total assets	–	1.2	–	1.2
<b>Liabilities</b>				
Contingent consideration – fair value through profit or loss	–	–	16.5	16.5
Foreign exchange contracts – cash flow hedges	–	5.7	–	5.7
Foreign exchange contracts – held for trading	–	0.1	–	0.1
Total liabilities	–	5.8	16.5	22.3
31 December 2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Assets</b>				
Foreign exchange contracts – cash flow hedges	–	2.5	–	2.5
Foreign exchange contracts – held for trading	–	0.1	–	0.1
Total assets	–	2.6	–	2.6
<b>Liabilities</b>				
Contingent consideration – fair value through profit or loss	–	–	29.0	29.0
Foreign exchange contracts – cash flow hedges	–	4.1	–	4.1
Foreign exchange contracts – held for trading	–	0.1	–	0.1
Total liabilities	–	4.2	29.0	33.2

An amount of £0.1m loss (2023 – £0.7m gain) has been transferred to the Consolidated Income Statement, and is included within operating profit.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of the above foreign exchange contracts this may arise if the timing of the transaction changes from what was originally estimated.

The hedged forecast transactions denominated in foreign currency are expected to occur at various dates during the next 60 months. Amounts deferred in equity are recognised in the Consolidated Income Statement in the same period in which the hedged items affect profit or loss, which is generally within 12 months from the Balance Sheet date.

In 2023 and 2024, some cash flow hedging relationships were discontinued because forecast foreign currency transactions were no longer highly probable and no longer expected to occur. Previously accumulated gains or losses on the forward contracts were immediately reclassified to the income statement. These forward contracts, and the forward contracts entered to unwind the position, that remained at 31 December 2023 and 31 December 2024 were presented in the Balance Sheet as held for trading assets.

The fair value of contingent consideration is based on the expected present value technique, using risk-adjusted discount rate to discount probability weighted cashflows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 21. Tax balance sheet

### Current tax

The current tax receivable of £2.8m (2023 – £2.3m) includes excess tax paid to tax authorities that is expected to be recovered within 12 months by way of offset against future tax liabilities or refund.

The majority of the Group's taxable profits arise in countries, including the US, where the estimated tax liabilities are paid in on-account instalments during the year to which they relate and are largely paid at the Balance Sheet date. The current tax liability of £8.0m (2023 – £10.0m) includes £1.9m (2023 – £2.3m) tax due on profits of the current and prior years as well as £6.1m (2023 – £7.7m) provisions for tax uncertainties that represent amounts expected to be paid but by their nature, there is uncertainty over timing and eventual settlement.

The Group recognises provisions for tax items which are considered to have a range of possible tax outcomes and separately accounts for interest that may be due thereon. These uncertainties exist due to a number of factors including differing interpretations of local tax laws and the determination of appropriate arm's length pricing in accordance with OECD transfer pricing principles on internal transactions and financing arrangements. In calculating the carrying amount of provisions, Management estimates the tax which could become payable as a result of differing interpretations and decisions by tax authorities in respect of transactions and events whose treatment for tax purposes is uncertain. In accordance with IFRIC 23, individual provisions are established based on an assessment of whether it is the most likely individual outcome, or the expected outcome on a probability basis that is likely to best reflect the resolution of the uncertainty. The range of reasonably possible outcomes considered by the Board is not expected to increase the provision by a material amount.

### Deferred tax liabilities and assets

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation £m	Unrealised FX gains £m	Goodwill and intangible amortisation £m	Retirement benefits £m	R&D tax credits £m	Tax losses £m	Other temporary differences £m	Total £m
At 1 January 2023	(17.5)	1.1	(7.7)	(10.2)	2.7	4.2	33.6	6.2
(Charge)/credit to Consolidated Income Statement	(2.3)	0.1	(0.7)	(0.4)	(1.9)	(0.7)	13.6	7.7
(Charge)/credit to other comprehensive income	–	(0.9)	–	0.6	–	–	–	(0.3)
Credit direct to equity	–	–	–	–	–	–	0.9	0.9
Exchange differences	1.1	–	0.4	(0.1)	–	(0.1)	(2.1)	(0.8)
At 1 January 2024	<b>(18.7)</b>	<b>0.3</b>	<b>(8.0)</b>	<b>(10.1)</b>	<b>0.8</b>	<b>3.4</b>	<b>46.0</b>	<b>13.7</b>
Reclassification	–	–	–	–	<b>10.0</b>	–	<b>(10.0)</b>	–
(Charge)/credit to Consolidated Income Statement	<b>(0.8)</b>	<b>(0.5)</b>	<b>(0.7)</b>	<b>(0.8)</b>	<b>5.7</b>	<b>0.7</b>	<b>0.3</b>	<b>3.9</b>
Credit to other comprehensive income	–	<b>0.8</b>	–	<b>1.1</b>	–	–	–	<b>1.9</b>
Charge direct to equity	–	–	–	–	–	–	<b>(0.8)</b>	<b>(0.8)</b>
Exchange differences	<b>(0.3)</b>	<b>0.1</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.2</b>	–	<b>0.6</b>	<b>0.6</b>
<b>Asset/(liability) at 31 December 2024</b>	<b>(19.8)</b>	<b>0.7</b>	<b>(8.8)</b>	<b>(9.7)</b>	<b>16.7</b>	<b>4.1</b>	<b>36.1</b>	<b>19.3</b>

Other temporary differences include assets in the US of £15.1m (2023 – £17.3m) in respect of inventory provisions, accruals and other expenses where tax relief is only available when items are realised or paid as well other timing differences for interest costs of £10.0m (2023 – £4.9m). Also included are assets held in respect of IFRS 16 of £2.8m (2023 – £1.9m) and share-based compensation £2.7m (2023 – £3.7m). During the year, R&D timing differences of £10.0m, expected to become tax deductible in future periods, have been reclassified as part of the total deferred tax asset in respect of R&D expenditure.

The deferred tax liability in respect of retirement benefits relates primarily to the Senior plc UK defined benefit pension plan £10.9m (2023 – £12.0m), net of deferred tax assets on other schemes.

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances, after offset:

	Year ended 2024 £m	Year ended 2023 £m
Deferred tax assets	<b>27.5</b>	20.7
Deferred tax liabilities	<b>(8.2)</b>	(7.0)
	<b>19.3</b>	13.7

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 21. Tax balance sheet continued

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, including those arising from the reversal of other taxable temporary differences, against which the assets can be utilised.

At the Balance Sheet date the Group has recognised deferred tax assets in respect of losses of £4.4m (2023 – £3.4m), including £0.4m (2023 – £1.6m) recognised against deferred tax liabilities and £4.0m (2023 – £1.8m) recognised based on anticipated profits in the Group's five year forecast to 2029 as approved by the Board.

Due to uncertainty as to the availability of future profits against which tax losses may be utilised, £11.7m (2023 – £23.1m) of losses have not been recognised at the Balance Sheet date, following the recognition of £8.9m of losses in the year. Included in unrecognised tax losses are losses of £11.4m (2023 – £13.2m) that will expire over a period of one to nine years. Other losses may be carried forward indefinitely.

At the Balance Sheet date, a deferred tax liability of £0.4m (2023 – £0.3m) has been recognised in respect of the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries expected to reverse in the foreseeable future. No temporary difference has been recognised in respect of £30.7m (2023 – £28.0m) of undistributed earnings, which may be subject to a withholding tax, as the Group is in a position to control the timing of the reversal of the temporary differences and it is not probable that such differences will reverse in the foreseeable future.

The Group has determined that the global minimum Top up Tax, which it is required to pay under Pillar II legislation, is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the Top up Tax and accounts for it as a current tax when it is incurred.

At the Balance Sheet date, the Group had £5.0m (2023 – £5.0m) of surplus Advanced Corporation Tax ('ACT'), previously written off, for which no deferred tax asset has been recognised as it is unlikely to be recovered in the foreseeable future due to the UK earnings profile. The Group also has £18.0m (2023 – £18.0m) of unused capital losses.

## 22. Lease liabilities

When measuring lease liabilities, the Group discounts lease payments using incremental borrowing rates, determined on a lease portfolio basis.

	Year ended 2024 £m	Year ended 2023 £m
<b>Undiscounted contractual maturity of lease liabilities:</b>		
Amounts payable:		
On demand or within one year	14.2	12.7
In the second to fifth years inclusive	39.8	37.7
After five years	49.0	46.7
	103.0	97.1
Less: future finance charges	(26.8)	(25.3)
Lease liabilities	76.2	71.8
	Year ended 2024 £m	Year ended 2023 £m
<b>Amounts recognised in the Consolidated Income Statement:</b>		
Interest on lease liabilities	3.4	2.9
Expenses relating to short-term leases	–	0.1
	3.4	3.0

There was no income from sub-leasing right-of-use assets (2023 – £nil). If all lease extension options were fully applied, lease liabilities would increase by £4.3m at 31 December 2024.

	Year ended 2024 £m	Year ended 2023 £m
<b>Amounts recognised in the Consolidated Cash Flow Statement</b>		
Cash outflow for leases	13.4	13.1

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 23. Trade and other payables

Trade and other payables at 31 December comprise the following:

	Year ended 2024 £m	Year ended 2023 £m
Current liabilities		
Trade payables	107.4	102.1
Social security and PAYE	4.8	5.2
Value added tax	2.3	1.3
Foreign exchange contracts	3.7	2.1
Accrued expenses	78.7	77.7
Total trade and other payables	196.9	188.4

Foreign exchange contracts of £2.1m (2023 – £2.1m), advance payments of £4.4m (2023 – £4.9m) and other long-term liabilities of £2.0m (2023 – £2.9m) are included in Others, under Non-current liabilities on the Consolidated Balance Sheet.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

The average credit period taken for trade purchases is 61 days (2023 – 58 days).

## 24. Provisions

	Warranty £m	Restructuring £m	Legal claims and contractual matters £m	Total £m
At 1 January 2023	10.8	0.2	8.6	19.6
Additional provision in the year	4.4	2.4	4.4	11.2
Reclassification	4.8	–	(4.8)	–
Utilisation of provision	(1.3)	(2.1)	(0.1)	(3.5)
Release of unused amounts	(0.3)	–	(0.9)	(1.2)
Exchange differences	(0.5)	–	(0.1)	(0.6)
At 1 January 2024	17.9	0.5	7.1	25.5
Additional provision in the year	2.8	–	1.7	4.5
Utilisation of provision	(1.0)	(0.5)	(0.6)	(2.1)
Release of unused amounts	(0.6)	–	(1.5)	(2.1)
Exchange differences	0.1	–	–	0.1
<b>At 31 December 2024</b>	<b>19.2</b>	<b>–</b>	<b>6.7</b>	<b>25.9</b>
Included in current liabilities	4.8	–	6.5	11.3

### Warranty

Provisions for warranty costs are based on an assessment of future claims with reference to past experience. Management exercises judgment to determine the best estimate of the most likely outcome for each provision separately. £4.8m of costs are expected to settle within the next 12 months. The warranty costs include a provision of £11.8m (2023 – £11.0m) related to one specific disputed commercial matter. The range of reasonably possible outcomes considered by the Board is £6m, which reflects a reasonably possible increase of £4m or decrease of £2m. No further details on the matter are disclosed to avoid prejudicing the contractual position.

### Legal claims and contractual matters

Provisions at 31 December 2024 comprise £6.7m (2023 – £7.1m) relating to contractual matters that have arisen in the ordinary course of business, the settlement of which are subject to ongoing discussions. Management exercises judgment to determine the best estimate of the most likely outcome, having considered each provision separately and the possible range of outcomes. Amounts are recorded for known issues based on past experience of similar items and other known factors and circumstances. As with any judgment there is a high degree of inherent uncertainty, particularly with legal proceedings and claims, and the actual amounts of the settlement could differ from the amount provided.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 25. Share capital and share premium

### Share capital

At 31 December 2024, the Company has issued and fully paid 419.4 million ordinary shares of 10p each and share capital of £41.9m (2023 – 419.4 million ordinary shares of 10p each and share capital of £41.9m). No shares were issued during 2024 and 2023. The Company has one class of ordinary shares which carry no right to fixed income.

### Share premium

At 31 December 2024, the Company has share premium of £14.8m (2023 – £14.8m). There was no movement during the year.

## 26. Equity reserve

	Year ended 2024 £m	Year ended 2023 £m
Balance at 1 January	7.9	6.4
Transfer to retained earnings reserve	(4.6)	(2.6)
Share-based payment charge	4.5	4.1
Balance at 31 December	7.8	7.9

The transfer to retained earnings reserve is in respect of equity-settled share-based payments that vested during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 27. Hedging and translation reserves

	Hedging reserve Year ended 2024 £m	Translation reserve Year ended 2024 £m	Total Year ended 2024 £m	Hedging reserve Year ended 2023 £m	Translation reserve Year ended 2023 £m	Total Year ended 2023 £m
Balance at 1 January	(36.1)	73.4	37.3	(38.8)	90.3	51.5
Exchange differences on translation of overseas operations	–	4.0	4.0	–	(16.9)	(16.9)
Change in fair value of hedging derivatives	(2.9)	–	(2.9)	3.6	–	3.6
Tax on foreign exchange contracts – cash flow hedges	0.8	–	0.8	(0.9)	–	(0.9)
Balance at 31 December	(38.2)	77.4	39.2	(36.1)	73.4	37.3

### Hedging reserve

At 31 December 2024, the hedging reserve comprises net investment hedging losses of £35.2m (2023 – £35.2m), foreign exchange contracts – cash flow hedge losses of £4.2m (2023 – £1.3m) and related tax gains of £1.2m (2023 – £0.4m).

Movement in fair value of foreign exchange contracts – cash flow hedges:

	Derivatives at fair value through Hedging Reserve Year ended 2024 £m	Derivatives at fair value through Income Statement Year ended 2024 £m	Total Year ended 2024 £m	Derivatives at fair value through Hedging Reserve Year ended 2023 £m	Derivatives at fair value through Income Statement Year ended 2023 £m	Total Year ended 2023 £m
Balance at 1 January	(1.3)	(0.3)	(1.6)	(4.9)	(1.0)	(5.9)
Fair value movement recognised in Hedging reserve	(2.8)	–	(2.8)	2.7	–	2.7
Fair value movement recognised in Income Statement	–	(0.2)	(0.2)	–	1.6	1.6
Fair value movement recognised in Hedging reserve and Income Statement	(0.1)	0.1	–	0.9	(0.9)	–
Balance at 31 December	(4.2)	(0.4)	(4.6)	(1.3)	(0.3)	(1.6)

The Group uses foreign currency forward contracts to manage its foreign currency risk associated with its highly probable forecast transactions. These contracts are designated as cash flow hedge relationships. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. The sum of the fair value of foreign exchange contracts deferred in the hedging reserve and recognised in the Income Statement is presented as foreign exchange contracts – cash flow hedges. See Note 20 for further details.

### Costs of hedging

The Group designates the forward component of foreign currency forward contracts as hedging instruments in cash flow hedge relationships.

## 28. Retained earnings

	Year ended 2024 £m	Year ended 2023 £m
Balance at 1 January	368.0	346.5
Dividends paid	(10.1)	(6.6)
Profit for the year	25.9	31.1
Pension actuarial loss	(4.8)	(2.6)
Transfer from equity reserve	4.6	2.6
Transfer from own share reserve	(7.2)	(4.5)
Tax on deductible temporary differences	0.3	1.5
Balance at 31 December	376.7	368.0

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 29. Own shares

	Year ended 2024 £m	Year ended 2023 £m
Balance at 1 January	(12.8)	(11.7)
Transfer to retained earnings reserve	9.3	4.5
Purchase of new shares	(7.0)	(5.6)
Balance at 31 December	(10.5)	(12.8)

The own shares reserve represents the cost of shares purchased in the market and held by the Senior plc Employee Benefit Trust to satisfy options under the Group's share option schemes (see Note 32).

At 31 December 2024, the number of own shares held by the Senior Plc Employee Benefit Trust is 6,018,162 (2023 – 6,758,973).

## 30. Acquisition and other corporate activities

### Acquisition of Spencer Aerospace Manufacturing, LLC

On 25 November 2022, the Group acquired substantially all of the assets of Spencer Aerospace Manufacturing, LLC, a leading manufacturer of highly engineered, high-pressure hydraulic fluid fittings for use in commercial and military aerospace applications, located in Valencia, California, USA.

At 31 December 2024, there is a maximum contingent consideration remaining of \$26.6m (£21.2m) potentially payable, in milestone amounts, dependent on the financial performance of Spencer Aerospace for the period from 1 January 2024 to 31 December 2026. The most likely range of this remaining contingent element is estimated between \$21.6m and \$26.6m. The fair value of \$20.6m (£16.5m), which includes discounting, has been recognised at 31 December 2024. The fair value of contingent consideration assumes continuing to expand the relationship with Spencer's established customers and leveraging Senior's strong relationships with OEMs, Tier 1 integrators and after market customers around the world to exploit opportunities for Spencer Aerospace. In 2024, the fair value change relates to a release of £3.6m for the 2025 earnout target not expected to be payable as a result of the impact of the well publicised 737 MAX subdued volumes, partly offset by £1.4m interest unwind (2023 – £2.9m interest unwind). In 2023, \$26.6m (£23.9m) deferred consideration net of working capital adjustment was paid.

In 2024, £0.8m costs (2023 – £1.5m) were incurred related to the acquisition.

The movement of deferred and contingent consideration payable and working capital receivable since acquisition date is shown below:

	Year ended 2024 £m	Year ended 2023 £m
Balance at 1 January	29.0	52.0
Cash paid net of working capital received/paid	(10.7)	(23.9)
Change in fair value on acquisition consideration	(2.2)	2.9
Effect of movements in exchange rates	0.4	(2.0)
Balance at 31 December	16.5	29.0
Amounts falling due within one year	13.0	10.5
Amounts falling due after one year	3.5	18.5
Contingent consideration at 31 December	16.5	29.0

Also in 2024, £0.4m costs associated with potential disposal and other corporate activities were incurred (2023 – £3.2m).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 31. Notes to the consolidated cash flow statement

### A) Reconciliation of operating profit to net cash from operating activities

	Year ended 2024 £m	Year ended 2023 £m
Operating profit	40.3	37.9
Adjustments for:		
Depreciation of property, plant and equipment	47.3	48.0
Amortisation of intangible assets	3.3	3.7
Profit on sale of fixed assets	–	(0.2)
Share-based payment charges	4.5	4.1
Pension contributions	(0.8)	(1.4)
Pension service and running costs	1.9	1.3
Corporate undertaking costs	(2.3)	(1.9)
Share of joint venture	(1.3)	(1.0)
Increase in inventories	(26.6)	(21.7)
Decrease/(increase) in receivables	4.0	(20.4)
Increase in payables and provisions	5.1	16.8
Restructuring impairment of property, plant and equipment and software	–	1.2
US pension settlement	–	(0.9)
US class action lawsuit	1.1	–
Site relocation costs	1.9	–
Working capital and provisions currency movements	(0.4)	(1.3)
Cash generated by operations	78.0	64.2
Income taxes paid	(7.4)	(5.6)
Interest paid	(21.2)	(17.2)
Net cash from operating activities	49.4	41.4

### B) Free cash flow

Free cash flow, a non-statutory item, enhances the reporting of the cash-generating ability of the Group prior to corporate activity such as acquisitions, restructuring, disposal activities, financing and transactions with shareholders. It is used as a performance measure by the Board and Executive Committee and is derived as follows:

	Notes	Year ended 2024 £m	Year ended 2023 £m
Net cash from operating activities		49.4	41.4
Corporate undertaking costs	9	2.3	1.9
Net restructuring cash paid		0.5	2.1
Site relocation costs		1.6	0.1
US pension settlement cash paid		–	0.9
Interest received		6.6	4.3
Proceeds on disposal of property, plant and equipment		0.1	0.7
Purchases of property, plant and equipment		(41.5)	(33.7)
Purchase of intangible assets		(1.7)	(2.2)
Free cash flow		17.3	15.5

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 31. Notes to the consolidated cash flow statement continued

### C) Analysis of net debt

	Notes	At 1 January 2024 £m	Net Cash flow £m	Non Cash £m	Exchange movement £m	Other Lease movements £m	At 31 December 2024 £m
Cash and bank balances		47.6	(1.4)	–	(0.7)	–	45.5
Overdrafts		(1.8)	1.8	–	–	–	–
Cash and cash equivalents		45.8	0.4	–	(0.7)	–	45.5
Debt due within one year		–	–	(75.0)	–	–	(75.0)
Debt due after one year		(177.8)	(20.2)	75.0	(0.9)	–	(123.9)
Lease liabilities <sup>(1)</sup>	22	(71.8)	10.0	–	(1.5)	(12.9)	(76.2)
Liabilities arising from financing activities		(249.6)	(10.2)	–	(2.4)	(12.9)	(275.1)
Total		(203.8)	(9.8)	–	(3.1)	(12.9)	(229.6)

(1) The change in lease liabilities in the year ended 31 December 2024 includes lease rental payments of £13.4m (£3.4m of these payments relates to lease interest), £1.5m exchange movement and £12.9m other movements which are related to lease additions and modifications.

	Notes	At 1 January 2023 £m	Net Cash flow £m	Non Cash £m	Exchange movement £m	Other Lease movements £m	At 31 December 2023 £m
Cash and bank balances		43.2	5.5	–	(1.1)	–	47.6
Overdrafts		(0.5)	(1.3)	–	–	–	(1.8)
Cash and cash equivalents		42.7	4.2	–	(1.1)	–	45.8
Debt due within one year		–	–	–	–	–	–
Debt due after one year		(143.2)	(39.9)	–	5.3	–	(177.8)
Lease liabilities <sup>(2)</sup>	22	(78.4)	10.2	–	4.3	(7.9)	(71.8)
Liabilities arising from financing activities		(221.6)	(29.7)	–	9.6	(7.9)	(249.6)
Total		(178.9)	(25.5)	–	8.5	(7.9)	(203.8)

(2) The change in lease liabilities in the year ended 31 December 2023 includes lease rental payments of £13.1m (£2.9m of these payments relates to lease interest), £4.3m exchange movement and £7.9m other movements, which are related to lease additions and modifications.

	Year ended 2024 £m	Year ended 2023 £m
Cash and cash equivalents comprise:		
Cash and bank balances	45.5	47.6
Overdrafts	–	(1.8)
Total	45.5	45.8

Cash and cash equivalents (which are presented as a single class of assets on the face of the Consolidated Balance Sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less. The Directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 31. Notes to the consolidated cash flow statement continued

### D) Analysis of working capital and provisions

Working capital comprises the following:

	Year ended 2024 £m	Year ended 2023 £m
Inventories	236.0	207.5
Trade and other receivables	137.2	141.7
Trade and other payables	(196.9)	(188.4)
Working capital, including derivatives	176.3	160.8
Items excluded:		
Foreign exchange contracts	2.7	0.1
Total	179.0	160.9

Working capital and provisions movement, net of restructuring items, a non-statutory cash flow item, is derived as follows:

	Year ended 2024 £m	Year ended 2023 £m
Increase in inventories	(26.6)	(21.7)
Decrease/(increase) in receivables	4.0	(20.4)
Increase in payables and provisions	5.1	16.8
Working capital and provisions movement, excluding currency effects	(17.5)	(25.3)
Items excluded:		
Increase in restructuring related inventory impairment	–	(2.0)
Decrease/(increase) in net restructuring provision and other receivables	0.5	(0.3)
Total	(17.0)	(27.6)

## 32. Share-based payments

The Group recognised total expenses of £4.8m (2023 – £4.7m) related to share-based payments, of which £4.5m (2023 – £4.1m) related to equity-settled share-based payments, and £0.3m (2023 – £0.6m) related to social security costs on share-based payments. As at 31 December 2024, the Group had a liability of £0.9m (2023 – £1.1m) arising from share-based payments relating to social security costs.

### A) 2014 Long-Term Incentive Plan

#### Equity-settled Long-Term Incentive Plans

On 29 April 2024, 4,138,155 shares were awarded under the 2014 Long-Term Incentive Plan. Awards made under this plan have a three-year vesting period, and are subject to the following equally weighted performance conditions: adjusted earnings per share (EPS), total shareholder return (TSR), and for awards granted from 2021, there is also a return on capital employed (ROCE) performance condition. The adjusted EPS and ROCE performance conditions' targets are expressed as absolute numbers for the final financial year of the three-year performance period. The threshold of the TSR performance condition requires the Company's TSR performance to fall within the top half of a comparator group at the end of the three-year performance period. Vesting levels increase with higher performance. The awards are settled by delivering shares to the participants.

The estimated fair value for the awards granted in the year, excluding for the Executive Directors, with EPS and ROCE conditions is 164.40p, which is the share price at the date of grant. The estimated fair value for the awards granted in the year, excluding for the Executive Directors, with TSR conditions is 119.40p per share reflecting an adjustment of 33% to the fair value of the awards with EPS conditions due to the stringent TSR condition. The respective fair values for awards made to the Executive Directors is 141.1p and 102.7p reflecting the two-year retention period.

These fair values were calculated by applying a binomial option pricing model. This model incorporates a technique called "bootstrapping", which models the impact of the TSR condition. The model inputs at the date of grant were the share price (164.40p for the main award), expected volatility of 46% per annum, and the performance conditions as noted above. Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 32. Share-based payments continued

On 6 August 2024, 74,797 additional shares were awarded with three-year vesting period and subject to the same performance conditions mentioned above. In addition, one off 50,000 shares were also awarded on 26 September 2024. This award, which will vest on or after 16 March 2026, is subject to the performance conditions applied to the awards granted on 14 March 2023 to other executives under the Senior plc 2014 Long-Term Incentive Plan.

There were also 30,879 dividend equivalent shares awarded and exercised in 2024.

The following share awards were outstanding as at 31 December 2024 and 2023:

	Year ended 2024 Number of shares	Year ended 2023 Number of shares
Outstanding at 1 January	13,137,108	11,038,212
Granted	4,293,831	5,159,842
Exercised	(2,569,383)	–
Forfeited	(1,522,688)	(3,060,946)
Outstanding at 31 December	13,338,868	13,137,108

### B) Enhanced SMIS Deferred Share Award

On 15 March 2024, 936,736 shares were awarded under the Enhanced SMIS Deferred Share Award. Shares earned under this award have a three-year deferral period and would be subject to forfeiture by a “bad leaver” over that deferral period. There are no performance criteria for this award.

The awards are settled by delivering shares to the participants.

There were also 8,125 dividend equivalent shares awarded and exercised in 2024.

The estimated fair value for the awards granted in the year is 176.80p per share, which is the share price at the date of grant.

The following share awards were outstanding as at 31 December 2024 and 2023:

	Year ended 2024 Number of shares	Year ended 2023 Number of shares
Outstanding at 1 January	3,135,225	2,542,363
Granted	944,861	1,250,446
Exercised	(686,403)	(657,584)
Outstanding at 31 December	3,393,683	3,135,225

### C) Savings-Related Share Option Plan

The Company operates a Savings-Related Share Option Plan for eligible employees across the Group. There are no performance criteria for this arrangement and options are issued to all participants in accordance with the HM Revenue & Customs rules for such savings plans. Savings-Related Share Options were last issued on 5 May 2023.

The following options were outstanding as at 31 December 2024 and 2023:

	Year ended 2024		Year ended 2023	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at 1 January	4,942,990	138.66p	2,956,614	124.90p
Granted	–	–	2,737,695	156.30p
Exercised	(1,538,946)	118.40p	(6,315)	118.40p
Forfeited	(912,768)	137.05p	(745,004)	149.06p
Outstanding at 31 December	2,491,276	151.77p	4,942,990	138.66p
Exercisable at 31 December	298,041	118.40p	–	–

1,538,946 shares were exercised in 2024 (2023 – 6,315 shares). The options outstanding at 31 December 2024 had exercise prices of 156.30p and 118.40p per share, and a weighted average remaining contractual life of 1.7 years. The options outstanding at 31 December 2023 had exercise prices of 156.30p and 118.40p per share, and a weighted average remaining contractual life of 2.0 years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 32. Share-based payments continued

### D) Restricted Share Awards

On 15 March 2024, 325,000 shares and on 29 April 2024, 30,000 additional shares were awarded under this plan. Shares granted under this award have a three-year deferral period and would be subject to forfeiture by a "bad leaver" over that deferral period. There are no performance criteria for this award. The awards are settled by delivering shares to the participants.

The estimated fair value for the awards granted in the year is 176.80p per share, which is the share price at the date of grant.

The following share awards were outstanding as at 31 December 2024 and 2023:

	Year ended 2024 Number of shares	Year ended 2023 Number of shares
Outstanding at 1 January	540,000	1,823,950
Granted	355,000	245,000
Exercised	(100,000)	(1,528,950)
Forfeited	(20,000)	–
Outstanding at 31 December	775,000	540,000

## 33. Retirement benefit schemes

The Group operates a number of pension plans in the UK, North America and Europe. These include both defined contribution arrangements and defined benefit arrangements. The Senior plc Pension Plan ("the UK Plan"), which is a funded scheme in the UK and closed to future accrual at the end of 6 April 2014, has the largest pension obligation in the Group and Company. This plan provides benefits based on final pensionable emoluments for the employees of the Group and Company. The latest full actuarial valuation was carried out as at 5 April 2022 and, for the purposes of accounting under IAS19, this valuation has been rolled forward to 31 December 2024.

In addition, the Group operates one defined benefit plan in the US, following settlement of a second plan in 2023. This plan was closed to future participants from September 2013, and the Executive section was also closed to future accruals from December 2013.

Separate disclosure is made for the funded UK and US defined benefit arrangements. In both the UK and US, the assets of funded plans are held in separate trustee administered funds managed by independent financial institutions and have pension costs assessed by consulting actuaries using the Projected Unit Method. The Trustees are required to act in the best interests of the plans' beneficiaries.

The Group also has a small number of unfunded post-retirement plans, including a closed healthcare scheme in the US. Separate disclosure is provided for these arrangements.

Further details on the arrangement of the UK Plan are given below.

The Trustee of the UK Plan is Senior Trustee Limited. The appointment of the Directors to the Board is determined by the Articles of Association of Senior Trustee Limited. There are seven Trustee Directors in total and in accordance with statutory requirements under the Pensions Act 2004, at least one-third of trustees must be a Member Nominated Director. Currently, there are three Member Nominated Directors and four Directors who have been nominated by the Company, of which the Chairman and one other Director are viewed as independent.

The UK Plan exposes the Company to a number of risks. In particular:

- Uncertainty in benefit payments – the value of the obligations will ultimately depend on the amount of benefits paid out. This in turn will depend on factors such as the level of inflation and how long individuals live.
- Volatility in asset values – the value of the assets held to meet future benefit payments is volatile, for example due to changes in stock markets and interest rates.
- Uncertainty in cash funding – movements in the value of the UK Plan's obligations or assets may result in the Company being required to provide higher levels of cash funding.

The investment strategy for the UK Plan is decided by the Trustee in consultation with Senior plc. The primary investment objective is for the Plan to be able to meet benefit payments as they fall due. The UK Plan's average duration is around 11 years and benefits are expected to be paid for the next 60 years. These cash flow payments are expected to reach a peak around 2031, and gradually decline thereafter as the membership matures. In setting this strategy, the Trustee considers a wide range of asset classes, the risk and rewards of a number of possible asset allocation options, the sustainability of each asset class within each strategy, and the need for appropriate diversification between different asset classes. The Trustee's current investment strategy is to invest 100% in lower risk assets, consisting of corporate bonds, liability driven investments ("LDI"), gilts and cash. The LDI allocation helps to mitigate investment risk for the UK Plan by minimising the fluctuations in the UK Plan's funding levels arising from changes in the value of the liabilities. This is achieved through hedging movements in the funding liabilities caused by changes in interest rates and inflation expectations. The Trustee continues to review its investment strategy and adjust it in response to changes in the Plan's funding position and/or market conditions.

The UK Plan was in a surplus position of £24.5m as at 5 April 2022 when measured on the Trustee's funding basis and is in a surplus position of £43.5m as at 31 December 2024 (31 December 2023 – £48.5m surplus) when measured on an IAS 19 basis. The difference between the triennial funding and annual IAS 19 valuation relates to the assumptions used. For example, the funding discount rate is based on the UK Plan's stated investment strategy, as opposed to the yields available on corporate bonds for the IAS 19 discount rate.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 33. Retirement benefit schemes continued

The IAS 19 surplus position on the UK Plan is recognised as an asset in the Consolidated and Company Balance Sheet, with no requirement to recognise an additional liability on the UK Plan, on the grounds that the Company has an unconditional right to a refund, assuming the gradual settlement of Plan liabilities over time until all members have left. In considering this, the Company has taken into account that the Trustees do not have unilateral powers to wind up the Plan or modify benefits.

Cash contributions to the UK Plan are set by agreement between the Company and the Trustee of the UK Plan. These are set in accordance with legislation and take account of the intention to further reduce the risk associated with the UK Plan's investment strategy, as set out above. The contributions were last reviewed as at 5 April 2022 and were based on a forecast surplus at that time, as part of the 2022 triennial funding valuation. The Company agreed with the Trustee of the UK Plan to make scheduled contributions in respect of administrative expenses and PPF levies from 5 April 2022 until 30 June 2022, with no further contributions after this date. The estimated contributions expected to be paid during 2025 in the US funded plans is £0.4m.

The Group is ultimately responsible for making up any shortfall in the UK Plan over a period agreed with the Trustees. To the extent that actual experience is different from that assumed, the funding position will be better or worse than anticipated. As such, the contributions required by the Group could vary in the future.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The Company and pension trustees are currently considering the implications of the case for the UK Plan. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the Directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

### a) Defined contribution schemes

The Group has a number of different defined contribution and government-sponsored arrangements in place in the countries in which it operates. None of these are individually material to the Group and the aggregate cost of such schemes for the period was £11.5m (2023 – £10.2m).

### b) Defined benefit schemes

The amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of its defined benefit plans is set out below.

	31 December 2024				31 December 2023			
	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m
Present value of defined benefit obligations	(181.9)	(33.5)	(5.4)	(220.8)	(199.2)	(37.3)	(5.2)	(241.7)
Fair value of plan assets	225.4	32.1	–	257.5	247.7	34.5	–	282.2
Plan surplus/(deficit) per Consolidated Balance Sheet	43.5	(1.4)	(5.4)	36.7	48.5	(2.8)	(5.2)	40.5

### c) Movements in the present value of defined benefit obligations were as follows:

	31 December 2024				31 December 2023			
	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m
At 1 January	199.2	37.3	5.2	241.7	198.4	49.4	5.4	253.2
Current service cost	–	0.2	0.5	0.7	–	0.3	0.2	0.5
Interest cost	8.8	1.7	0.1	10.6	9.3	2.0	0.1	11.4
Experience on benefit obligations	0.6	(0.8)	–	(0.2)	1.9	(0.3)	–	1.6
Actuarial (gains)/losses – financial	(17.3)	(2.1)	0.1	(19.3)	4.7	(0.9)	0.1	3.9
Actuarial losses/(gains) – demographic	2.6	–	–	2.6	(3.0)	–	–	(3.0)
Benefits paid	(12.0)	(3.3)	(0.4)	(15.7)	(12.1)	(3.0)	(0.5)	(15.6)
Settlement	–	–	–	–	–	(8.1)	–	(8.1)
Exchange differences	–	0.5	(0.1)	0.4	–	(2.1)	(0.1)	(2.2)
At 31 December	181.9	33.5	5.4	220.8	199.2	37.3	5.2	241.7

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 33. Retirement benefit schemes continued

### d) Movements in the fair value of plan assets were as follows:

	31 December 2024				31 December 2023			
	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m
At 1 January	247.7	34.5	–	282.2	250.2	42.7	–	292.9
Interest on plan assets	11.0	1.6	–	12.6	11.8	1.7	–	13.5
Actual return on plan assets less interest	(20.1)	(1.6)	–	(21.7)	(1.4)	1.3	–	(0.1)
Contributions from employer	–	0.4	–	0.4	–	1.5	–	1.5
Benefits paid	(12.0)	(3.3)	–	(15.3)	(12.1)	(3.0)	–	(15.1)
Running costs	(1.2)	–	–	(1.2)	(0.8)	–	–	(0.8)
Settlement	–	–	–	–	–	(7.8)	–	(7.8)
Exchange differences	–	0.5	–	0.5	–	(1.9)	–	(1.9)
At 31 December	225.4	32.1	–	257.5	247.7	34.5	–	282.2

### e) Amounts recognised in the Consolidated Income Statement in respect of these defined benefit schemes are as follows:

	31 December 2024				31 December 2023			
	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m
Current service cost included within operating profit	–	0.2	0.5	0.7	–	0.3	0.2	0.5
Running costs	1.2	–	–	1.2	0.8	–	–	0.8
Charge included within operating profit	1.2	0.2	0.5	1.9	0.8	0.3	0.2	1.3
Included within finance income	(2.2)	0.1	0.1	(2.0)	(2.5)	0.3	0.1	(2.1)
Amount recognised in the Income Statement	(1.0)	0.3	0.6	(0.1)	(1.7)	0.6	0.3	(0.8)

### f) Amounts recognised in other comprehensive income are as follows:

	31 December 2024				31 December 2023			
	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m	UK plans funded £m	US plans funded £m	Unfunded plans £m	Total £m
Net actuarial gain/(losses) in the year due to:								
– Change in financial assumptions	17.3	2.1	(0.1)	19.3	(4.7)	0.9	(0.1)	(3.9)
– Change in demographic assumptions	(2.6)	–	–	(2.6)	3.0	–	–	3.0
– Experience adjustments on benefit obligations	(0.6)	0.8	–	0.2	(1.9)	0.3	–	(1.6)
Actual return on plan assets less interest on benefit obligations	(20.1)	(1.6)	–	(21.7)	(1.4)	1.3	–	(0.1)
(Losses)/gains recognised in other comprehensive income	(6.0)	1.3	(0.1)	(4.8)	(5.0)	2.5	(0.1)	(2.6)

Actuarial losses of £4.8m (2023 – £2.6m) have been recognised in the Statement of Comprehensive Income. The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income as at 31 December 2024 is £53.5m (2023 – £48.7m).

### g) Assets and assumptions in funded plans

	UK plans funded		US plans funded	
	2024 £m	2023 £m	2024 £m	2023 £m
Fair value of plan assets				
Bonds	99.4	105.7	32.1	34.5
Gilts	118.0	136.0	–	–
Cash and net current assets	8.0	6.0	–	–
Total	225.4	247.7	32.1	34.5
Actual return on plan assets	(9.1)	10.4	–	3.0

The UK Plan's assets are invested in pooled funds, which are invested exclusively within instruments with quoted market prices in an active market, with the exception of the Plan's holdings in insurance annuity policies which are included in cash and net current assets, valued at £3.1m (2023 – £3.6m). The value of the invested assets has been measured at bid value and the value of the scheme benefits covered by the insurance annuity policies has been set equal to the value of the corresponding obligations.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

## 33. Retirement benefit schemes continued

The Plan's corporate bond allocation is split between an actively managed mandate and a "buy and maintain" mandate, which seeks to hold a high quality portfolio while minimising portfolio turnover. Both mandates are predominantly invested in investment grade UK corporate bonds and are exposed to a fairly typical range of UK businesses. The majority of the Plan's gilts are passively invested in a range of UK fixed-interest and index-linked government bonds, with the remainder actively invested in a range of swap instruments linked to movements in government bond prices. The risks associated with the Plan's bond and gilt investments are largely offset by corresponding risks present within the pricing of the Plan's benefit obligations.

The UK Plan does not invest directly in property occupied by the Company or in financial securities issued by the Company.

	UK plans funded		US plans funded	
	2024	2023	2024	2023
Major assumptions (per annum %)				
Inflation	<b>3.30%</b>	3.20%	<b>N/A</b>	N/A
Increase in salaries	<b>N/A</b>	N/A	<b>N/A</b>	N/A
Increase in pensions	<b>3.10%</b>	3.00%	<b>0.00%</b>	0.00%
Increase in deferred pensions	<b>3.30%</b>	3.20%	<b>0.00%</b>	0.00%
Rate used to discount plan liabilities	<b>5.40%</b>	4.50%	<b>5.63%</b>	5.00%
Life expectancy of a male aged 65 at the year-end	<b>20.3</b>	20.2	<b>19.8</b>	19.7
Life expectancy of a male aged 65, 20 years after the year-end	<b>21.7</b>	21.6	<b>21.4</b>	21.3

Benefits under the US funded plans are not linked to inflation.

The UK Plan retirement benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. 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 include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. The assumption for estimating future Retail Price Index (RPI) inflation is based on the difference in yields on fixed-interest and index-linked gilts. Demographic assumptions are set broadly in line with the most recent actuarial valuation of the UK plan. The mortality assumption is 95% of standard mortality tables with an allowance for future improvements in line with the CMI 2023 enhanced projections, with a long-term annual rate of improvement of 1.25% for males and for females, with no weighting on 2020 and 2021 mortality data and a 20% weighting on each of 2022 and 2023 mortality data to make an allowance for the longer term impact of Covid-19 and other factors.

For the UK Plan, the estimated impact on the plan surplus at 31 December 2024 for changes in assumptions is as follows:

	Increase/ (decrease) in plan surplus £m
0.5% decrease in the discount rate	(9.1)
One-year increase in life expectancy	(7.5)
0.5% increase in inflation	(5.4)

These sensitivities have been calculated to show the movement in the surplus, including allowance for an increase to the value of insured annuity assets, but assuming no other changes in assets as at 31 December 2024. This is unlikely in practice – for example, a change in discount rate is unlikely to occur without any movement in the value of the assets held by the Plan.

### h) Other post-retirement liabilities

This balance comprises an unfunded German pension plan of £2.5m (2023 – £2.6m), unfunded closed pension and post-retirement healthcare plans in the US of £0.4m (2023 – £0.4m), a provision for post-retirement payments in France of £1.4m (2023 – £1.4m) and £1.1m for post-retirement payments in Thailand (2023 – £0.8m).

The closed pension and post-retirement healthcare plans in the US have been valued on a Projected Unit Method using a discount rate of 5.63% (2023 – 5.0%). No participants were eligible for medical benefits under the healthcare plan in 2024. The German plan has been subject to formal actuarial valuation on a Projected Unit Method with the following assumptions: discount rate 3.17%, salary growth nil% and pension increase 2.2% (2023 – 3.7%, nil% and 2.2%). In France, the provision arises from a legal obligation to make payments to retirees in the first two years post-retirement. Hence, it is not subject to discounting to the same extent as the other longer-term post-retirement liabilities. The Thailand plan has been subject to a formal actuarial valuation on a Projected Unit Method with the following assumptions: discount rate 3.75%, inflation rate 3.0% and salary growth 6.0% (2023 – 3.75%, 3.0% and 6.0%).

## 34. Contingent liabilities

The Group is subject to various claims which arise from time to time in the course of its business including, for example, in relation to commercial matters, product quality or liability, and tax audits. Where the Board has assessed there to be a more likely than not outflow of economic benefits, provision has been made for the best estimate as at 31 December 2024 (see Note 24). For all other matters, the Board has concluded that it is not more likely than not that there will be an economic outflow of benefits. While the outcome of some of these matters cannot be predicted with any certainty, the Directors do not expect any of these arrangements, legal actions or claims, after allowing for provisions already made where appropriate, to result in significant loss to the Group.

# COMPANY BALANCE SHEET

## AS AT 31 DECEMBER 2024

	Notes	Year ended 2024 £m	Year ended 2023 £m
<b>Non-current assets</b>			
Investment in subsidiaries	37	<b>259.9</b>	259.9
Property, plant and equipment	38	<b>1.3</b>	1.1
Other intangible assets	36	<b>0.2</b>	0.3
Other receivables	39	<b>93.9</b>	31.2
Retirement benefits	48	<b>43.5</b>	48.5
Total non-current assets		<b>398.8</b>	341.0
<b>Current assets</b>			
Other receivables	39	<b>64.6</b>	154.8
Cash and bank balances	45	<b>1.8</b>	1.2
Total current assets		<b>66.4</b>	156.0
<b>Total assets</b>		<b>465.2</b>	497.0
<b>Current liabilities</b>			
Trade and other payables	41	<b>81.0</b>	61.6
Lease liabilities	46	<b>0.3</b>	0.3
Bank overdrafts and loans	40	<b>75.0</b>	–
Total current liabilities		<b>156.3</b>	61.9
<b>Non-current liabilities</b>			
Bank and other loans	40	<b>50.5</b>	150.5
Lease liabilities	46	<b>0.5</b>	0.8
Deferred tax liabilities	47	<b>9.4</b>	8.9
Total non-current liabilities		<b>60.4</b>	160.2
<b>Total liabilities</b>		<b>216.7</b>	222.1
<b>Net assets</b>		<b>248.5</b>	274.9
<b>Equity</b>			
Issued share capital	42	<b>41.9</b>	41.9
Share premium account		<b>14.8</b>	14.8
Equity reserve		<b>7.8</b>	7.9
Retained earnings	43	<b>194.5</b>	223.1
Own shares	44	<b>(10.5)</b>	(12.8)
<b>Total equity</b>		<b>248.5</b>	274.9

The loss for the Company for the year ended 31 December 2024 was £11.1m (2023 – £35.6m profit).

The Financial Statements of Senior plc (registered number 282772) were approved by the Board of Directors and authorised for issue on 28 February 2025. They were signed on its behalf by:

**David Squires**  
Director

**Bindi Foyle**  
Director

# COMPANY STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2024

All equity is attributable to equity holders of the Company

	Notes	Issued share capital £m	Share premium account £m	Equity reserve £m	Retained earnings £m	Own shares £m	Total equity £m
<b>Balance at 1 January 2023</b>		41.9	14.8	6.4	199.4	(11.7)	250.8
Profit for the year 2023		–	–	–	35.6	–	35.6
Actuarial losses on defined benefit pension schemes		–	–	–	(5.0)	–	(5.0)
Tax relating to components of other comprehensive income		–	–	–	1.3	–	1.3
<b>Total comprehensive income for the period</b>		–	–	–	31.9	–	31.9
Share-based payment charge		–	–	4.1	–	–	4.1
Tax relating to share-based payments		–	–	–	0.3	–	0.3
Purchase of shares held by employee benefit trust	44	–	–	–	–	(5.6)	(5.6)
Use of shares held by employee benefit trust	44	–	–	–	(4.5)	4.5	–
Transfer to retained earnings	43	–	–	(2.6)	2.6	–	–
Dividends paid	11	–	–	–	(6.6)	–	(6.6)
<b>Balance at 31 December 2023</b>		41.9	14.8	7.9	223.1	(12.8)	274.9
Loss for the year 2024		–	–	–	(11.1)	–	(11.1)
Actuarial losses on defined benefit pension schemes		–	–	–	(6.0)	–	(6.0)
Tax relating to components of other comprehensive income		–	–	–	1.5	–	1.5
<b>Total comprehensive income for the period</b>		–	–	–	(15.6)	–	(15.6)
Share-based payment charge		–	–	4.5	–	–	4.5
Tax relating to share-based payments		–	–	–	(0.3)	–	(0.3)
Purchase of shares held by employee benefit trust net of repayments	44	–	–	–	2.1	(7.0)	(4.9)
Use of shares held by employee benefit trust	44	–	–	–	(9.3)	9.3	–
Transfer to retained earnings	43	–	–	(4.6)	4.6	–	–
Dividends paid	11	–	–	–	(10.1)	–	(10.1)
<b>Balance at 31 December 2024</b>		<b>41.9</b>	<b>14.8</b>	<b>7.8</b>	<b>194.5</b>	<b>(10.5)</b>	<b>248.5</b>

# NOTES TO THE COMPANY FINANCIAL STATEMENTS

## 35. Accounting policies

### Basis of accounting (Company only)

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has taken advantage of the FRS 101 disclosure exemptions for share-based payments, financial instruments, fair value measurements, capital management, presentation of a cash flow statement, disclosure of related party transactions and income taxes in connection with Pillar II disclosures.

The Financial Statements have been prepared on the historical cost basis. They have also been prepared on the going concern basis, as set out in the basis of preparation, Note 2 to the Consolidated Financial Statements. The principal accounting policies adopted are the same as those set out in Note 2 to the Consolidated Financial Statements, except in respect of investments in subsidiaries, which are stated at cost less, where appropriate, provisions for impairment. The carrying values of investments in subsidiaries are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

The Company is incorporated in England and Wales under the Companies Act.

## 36. Other intangible assets

	Year ended 2024 Computer software £m	Year ended 2023 Computer software £m
<b>Cost</b>		
At 1 January	1.1	0.8
Additions	–	0.3
At 31 December	1.1	1.1
<b>Amortisation</b>		
At 1 January	0.8	0.7
Charge for the year	0.1	0.1
At 31 December	0.9	0.8
<b>Carrying amount at 31 December</b>	<b>0.2</b>	<b>0.3</b>

## 37. Investments in subsidiaries

A list of the significant investments in subsidiaries, including the name, country of incorporation, and proportion of ownership interest is given on pages 175 to 176.

	Year ended 2024 £m	Year ended 2023 £m
At 1 January and 31 December	259.9	259.9

Impairment provision at 31 December 2024 was £nil (2023 – £nil). Despite the near-term temporary headwinds announced in October 2024, the Board concluded that these events did not trigger an investment impairment assessment as at 31st December 2024 given the long-term growth prospects which underpin the recoverable amount of the investment held by the Company.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

## 38. Property, plant and equipment

	Year ended 2024 Plant and equipment £m	Year ended 2023 Plant and equipment £m
<b>Cost</b>		
At 1 January	2.5	2.3
Additions	0.6	0.2
At 31 December	3.1	2.5
<b>Accumulated depreciation</b>		
At 1 January	1.4	1.2
Charge for the year	0.4	0.2
At 31 December	1.8	1.4
<b>Carrying amount at 31 December</b>	<b>1.3</b>	<b>1.1</b>

The carrying amount includes £0.7m of right-of-use assets (2023 – £1.0m)

## 39. Other receivables

Other receivables comprise the following:

	Year ended 2024 £m	Year ended 2023 £m
Other receivables: amounts due more than one year		
Due from subsidiaries	93.9	31.2
	93.9	31.2
Other receivables: amounts due within one year		
Value added tax	0.3	0.5
Prepayments and accrued income	1.2	1.3
Due from subsidiaries	63.1	153.0
	64.6	154.8
<b>Total other receivables</b>	<b>158.5</b>	<b>186.0</b>

The Directors consider that the carrying amount of debtors approximates to their fair value. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above. The Company does not hold any collateral as security.

The carrying amounts due from subsidiaries approximates to their fair value. There are no past due receivable balances and expected credit losses are immaterial (2023 – immaterial).

As at 31 December 2024, other receivables due in more than one year consist of £6.8m (2023 – £6.8m) due in accordance with the vesting periods of share-based payments and £87.1m (2023 – £24.4m) of loans to subsidiaries at market rates of interest, including £64.0m of loans due from subsidiaries that were re-evaluated as non-current following a review of when the Company expects the loans to be realised.



# NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

## 40. Bank overdrafts and loans

	Year ended 2024 £m	Year ended 2023 £m
Bank loans	27.5	52.1
Other loans	98.0	98.4
Total	125.5	150.5
The borrowings are repayable as follows:		
On demand or within one year	75.0	–
In the second year	–	74.2
In the third to fifth years inclusive	50.5	76.3
After five years	–	–
	125.5	150.5
Less: amount due for settlement within 12 months (shown under current liabilities)	(75.0)	–
Amount due for settlement after 12 months	50.5	150.5

At 31 December 2024, bank loans are £28.4m and there are £0.9m of capitalised revolving credit facility transaction costs. At 31 December 2023, bank loans were £53.2m and there were £1.1m of capitalised revolving credit facility transaction costs.

### Analysis of borrowings by currency

	Pound Sterling £m	Euros £m	US Dollars £m	Total £m
Tuesday, 31 December 2024				
Bank loans	21.1	–	6.4	27.5
Other loans	27.0	23.0	48.0	98.0
	48.1	23.0	54.4	125.5
Sunday, 31 December 2023				
Bank loans	15.9	–	36.2	52.1
Other loans	27.0	24.2	47.2	98.4
	42.9	24.2	83.4	150.5

The weighted average interest rates paid were as follows:

	Year ended 2024 %	Year ended 2023 %
Bank loans and overdrafts	6.80	6.57
Other loans	2.82	2.82

Bank loans of £28.4m (2023 – £53.2m) are arranged at floating rates, thus exposing the Company to cash flow interest rate risk. Other borrowings are mainly arranged at fixed interest rates and expose the Company to fair value interest rate risk. No interest rate swaps were taken out in 2023 or 2024. Transaction costs of £1.0m (2023 – £1.1m) have been deducted from the bank loans carrying value. Transaction costs of £0.1m (2023 – £0.2m), directly attributable to the GBP notes (£nil), the Euro notes (£0.1m) and the US Dollar notes (£nil) have been deducted from the carrying value of Other loans.

The Directors estimate the fair value of the Company's borrowings to be as follows:

	Year ended 2024 £m	Year ended 2023 £m
Bank loans and overdrafts	27.5	52.1
Other loans	96.6	93.7
	124.1	145.8

# NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

## 41. Trade and other payables

Trade and other payables comprise the following:

	Year ended 2024 £m	Year ended 2023 £m
Trade and other payables: amounts falling due within one year		
Trade payables	2.3	3.7
Social security and PAYE	0.2	0.2
Other payables and accruals	8.1	9.2
Due to subsidiaries	70.4	48.5
Total trade and other payables	81.0	61.6

The Directors consider that the carrying amount of trade payables approximates to their fair value.

## 42. Issued share capital

At 31 December 2024, the Company has issued and fully paid 419.4 million ordinary shares of 10p each and share capital of £41.9m (2023 – 419.4 million ordinary shares of 10p each and share capital of £41.9m). No shares were issued during 2024 and 2023. The Company has one class of ordinary shares which carry no right to fixed income.

## 43. Retained earnings

	Year ended 2024 £m	Year ended 2023 £m
Balance at 1 January	223.1	199.4
Dividends paid	(10.1)	(6.6)
(Loss)/profit for the year	(11.1)	35.6
Pension actuarial loss	(6.0)	(5.0)
Transfer from equity reserve	4.6	2.6
Transfer from own share reserve	(7.2)	(4.5)
Tax on deductible temporary differences	1.2	1.6
Balance at 31 December	194.5	223.1

In accordance with Section 408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income, including the Income Statement and related Notes.

## 44. Own shares

	Year ended 2024 £m	Year ended 2023 £m
Balance at 1 January	(12.8)	(11.7)
Transfer to retained earnings	9.3	4.5
Purchase of new shares	(7.0)	(5.6)
Balance at 31 December	(10.5)	(12.8)

The own shares reserve represents the cost of shares purchased in the market and held by the Senior plc Employee Benefit Trust to satisfy options under the Group's share option schemes (see Note 32).

The nominal value of each share is £0.1 (2023 – £0.1). The total number of treasury shares at 31 December 2024 is 6,018,162 (2023 – 6,758,973).

## 45. Cash and bank balances

	Year ended 2024 £m	Year ended 2023 £m
Cash and cash equivalents comprise:		
Cash	1.8	1.2

Cash and bank balances held by the Company (which are presented as a single class of assets on the face of the Balance Sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less. The Directors consider that the carrying amount of cash and cash equivalents approximate to their face value.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

## 46. Lease liabilities

When measuring lease liabilities, the Company discounts lease payments using incremental borrowing rates, determined on a lease portfolio basis.

	Year ended 2024 £m	Year ended 2023 £m
Undiscounted contractual maturity of lease liabilities:		
Amounts payable:		
On demand or within one year	0.3	0.3
In the second to fifth years inclusive	0.5	0.8
After five years	–	–
	0.8	1.1
Less: future finance charges	–	–
Lease liabilities	0.8	1.1

There was no income from sub-leasing right-of-use assets (2023 – £nil). The Company recognised lease cash outflow of £0.3m (2023 – £0.3m).

As at the date of approving the accounts, the Company has guaranteed £0.4m (2023 – £0.4m) of annual lease commitments of a current subsidiary entity.

## 47. Tax balance sheet

### Deferred tax liabilities

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation £m	Retirement benefits £m	Share-based payments £m	Tax losses £m	Total £m
At 1 January 2023	(0.3)	13.0	(0.8)	(3.1)	8.8
Charge to income	0.1	0.4	(0.3)	1.5	1.7
Charge to equity	–	–	(0.3)	–	(0.3)
Credit to other comprehensive income	–	(1.3)	–	–	(1.3)
At 1 January 2024	(0.2)	12.1	(1.4)	(1.6)	8.9
Charge to income	0.2	0.3	–	1.2	1.7
Charge to equity	–	–	0.3	–	0.3
Credit to other comprehensive income	–	(1.5)	–	–	(1.5)
<b>As at 31 December 2024</b>	<b>–</b>	<b>10.9</b>	<b>(1.1)</b>	<b>(0.4)</b>	<b>9.4</b>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances, after offset:

	Year ended 2024 £m	Year ended 2023 £m
Deferred tax liabilities	9.4	8.9

At the Balance Sheet date, the Company has unused capital losses of £15.6m (2023 – £15.6m) available for offset against future capital gains. No deferred tax asset has been recognised as no such capital gains are anticipated to arise in the foreseeable future.

# NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

## 48. Retirement benefit scheme

The Company's defined benefit scheme is shown in Note 33 in the "UK plans funded" column.

## 49. Related party transactions

Barbara Jeremiah, Senior Independent Non-Executive Director and Chair of the Remuneration Committee was appointed a non-executive director of Johnson Matthey Plc with effect from 1 July 2023. Johnson Matthey Plc, a related party of the Group, has been renting excess car parking space from one of the Group's operating businesses on a rolling monthly basis. The lease contract was in place prior to the acquisition of Thermal Engineering in 2013 by the Group. In 2024, £0.07m car park rental was received (2023 – £0.06m). There are no outstanding amounts at 31 December 2024 (31 December 2023 – £nil).

The remuneration of the Directors and Senior Managers, who are the key management personnel of the Group, is set out in the Remuneration Report on pages 96 to 109. In 2024, the Company recognised share-based payment expense of £0.8m (2023 – £0.8m) in relation to the executive Directors.

The Group has related party relationships with a number of pension schemes. Transactions between the Group and these pension schemes are disclosed in Note 33.

## 50. Share-based payments

The Company has a number of share-based payment arrangements that existed during 2023, the details of which can be found in Note 32.

For the savings-related share option plan, 58,315 shares were exercised in 2024 (2023 – nil). The options outstanding at 31 December 2024 had exercise prices of 156.30p per share, and a weighted average remaining contractual life of 1.9 years. The options outstanding at 31 December 2023 had exercise prices of 118.40p and 156.30p per share, and a weighted average remaining contractual life of 2.3 years.

Share-based payment costs relating to subsidiaries are recharged from the Company.

## FIVE-YEAR SUMMARY

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
<b>Group income statement</b>					
<b>Revenue</b>					
Continuing operations	<b>977.1</b>	963.5	848.4	658.7	733.6
<b>Adjusted operating profit</b>					
Continuing operations	<b>46.5</b>	45.8	28.5	6.1	3.7
Amortisation of intangible assets from acquisitions	<b>(1.6)</b>	(2.2)	(0.2)	–	(7.7)
Goodwill impairment and write-off	<b>–</b>	–	–	–	(134.3)
Net restructuring income/(costs)	<b>–</b>	(5.6)	4.2	4.4	(39.0)
Site relocation costs	<b>(3.5)</b>	(0.1)	–	–	–
US class action lawsuit	<b>(1.1)</b>	–	–	–	–
<b>Operating profit/(loss)</b>	<b>40.3</b>	37.9	32.5	10.5	(177.3)
Finance income/finance costs, net (excluding lease liabilities)	<b>(9.9)</b>	(9.6)	(7.4)	(5.8)	(7.8)
Interest on lease liabilities	<b>(3.4)</b>	(2.9)	(2.5)	(2.6)	(3.0)
Net finance income of retirement benefits	<b>2.0</b>	2.1	1.2	0.4	0.9
Corporate undertakings	<b>(1.2)</b>	(4.7)	(1.4)	21.2	(4.6)
<b>Profit/(loss) before tax</b>	<b>27.8</b>	22.8	22.4	23.7	(191.8)
Tax	<b>(1.9)</b>	8.3	(2.2)	0.5	33.3
<b>Profit/(loss) for the year</b>	<b>25.9</b>	31.1	20.2	24.2	(158.5)
<b>Depreciation and amortisation of intangibles excluding right-of-use assets</b>	<b>39.6</b>	41.2	39.5	38.3	51.4
<b>Depreciation on right-of-use assets</b>	<b>11.0</b>	10.5	10.3	9.5	10.2
<b>Gross capital expenditure</b>	<b>43.2</b>	35.9	30.5	21.3	26.8
<b>Basic earnings/(loss) per share</b>	<b>6.25p</b>	7.52p	4.86p	5.82p	(38.20)p
<b>Diluted earnings/(loss) per share</b>	<b>6.12p</b>	7.32p	4.73p	5.73p	(38.20)p
<b>Adjusted earnings/(loss) per share</b>	<b>7.17p</b>	10.28p	4.36p	0.17p	(0.84)p
<b>Dividends in respect of years – per share</b>	<b>2.40p</b>	2.30p	1.30p	0.0p	0.0p
<b>– value</b>	<b>9.9</b>	9.5	5.3	–	–
<b>Group Balance Sheet</b>					
Non-current assets excluding right-of-use assets	<b>528.8</b>	521.8	539.8	463.5	482.7
Right-of-use assets IFRS 16	<b>65.5</b>	64.4	70.8	67.4	72.5
Non-current assets	<b>594.3</b>	586.2	610.6	530.9	555.2
Net current assets	<b>103.7</b>	165.5	104.1	110.3	89.2
Non-current liabilities	<b>(228.1)</b>	(294.6)	(265.3)	(216.1)	(251.1)
Net assets	<b>469.9</b>	457.1	449.4	425.1	393.3
Net debt pre-IFRS 16	<b>(153.4)</b>	(132.0)	(100.5)	(79.9)	(129.4)
Lease liabilities IFRS 16	<b>(76.2)</b>	(71.8)	(78.4)	(73.2)	(76.5)
Net debt	<b>(229.6)</b>	(203.8)	(178.9)	(153.1)	(205.9)
<b>Group cash flow</b>					
Net cash from operating activities	<b>49.4</b>	41.4	57.7	27.0	48.9
Corporate undertaking costs	<b>2.3</b>	1.9	1.4	4.8	4.6
Net restructuring cash paid/(received)	<b>0.5</b>	2.1	(2.1)	0.9	15.2
Site relocation costs	<b>1.6</b>	0.1	–	–	–
US class action lawsuit	<b>–</b>	–	–	2.3	3.9
US pension settlement cash paid	<b>–</b>	0.9	–	–	–
Interest received	<b>6.6</b>	4.3	0.7	0.1	0.2
Proceeds from disposal of property, plant and equipment	<b>0.1</b>	0.7	0.5	0.2	0.5
Purchase of property, plant and equipment – cash	<b>(41.5)</b>	(33.7)	(28.7)	(20.2)	(25.2)
Purchase of intangible assets	<b>(1.7)</b>	(2.2)	(1.8)	(1.1)	(1.6)
Free cash flow	<b>17.3</b>	15.5	27.7	14.0	46.5
Dividends paid	<b>(10.1)</b>	(6.6)	(1.2)	–	–
Acquisition costs/disposal proceeds	<b>(10.7)</b>	(23.9)	(25.3)	51.7	0.4
Corporate undertaking costs	<b>(2.3)</b>	(1.9)	(1.4)	(4.8)	(4.6)
Net restructuring cash (paid)/received	<b>(0.5)</b>	(2.1)	2.1	(0.9)	(15.2)
US class action lawsuit	<b>–</b>	–	–	(2.3)	(3.9)
Site relocation costs	<b>(1.6)</b>	(0.1)	–	–	–
Dividend from joint venture	<b>3.0</b>	–	–	–	–
US pension settlement cash paid	<b>–</b>	(0.9)	–	–	–
Purchase of shares held by EBT net of repayments	<b>(4.9)</b>	(5.6)	(4.5)	–	–
Increase/(decrease) in loans	<b>20.2</b>	40.0	0.4	(21.1)	(7.2)
Decrease in lease liabilities	<b>(10.0)</b>	(10.2)	(9.1)	(8.4)	(7.9)
Increase/(decrease) in cash and cash equivalents	<b>0.4</b>	4.2	(11.3)	28.2	8.1



# GROUP UNDERTAKINGS

Operating Companies	Business Units	Locations		Country of Incorporation
Senior UK Limited	Senior Aerospace Bird Bellows	Congleton	England & Wales	59/61 High Street, Rickmansworth, Hertfordshire, WD3 1RH, UK
	Senior Aerospace BWT	Macclesfield		
	Senior Flexonics Crumlin	Crumlin		
	Senior Aerospace Weston	Colne		
	Senior Aerospace Thermal Engineering	Royston		
Lymington Precision Engineers Co. Limited	Senior Flexonics Lymington	Lymington	England & Wales	59/61 High Street, Rickmansworth, Hertfordshire, WD3 1RH, UK
Senior Flexonics Czech s.r.o.	Senior Flexonics Czech	Olomouc, Czech Republic	Czech Republic	Olomouc, Průmyslová 733/9, 779 00, Czech Republic
Senior Aerospace Ermeto SAS	Senior Aerospace Ermeto	Blois, France	France	Z.A Euro Val de Loire, 8 rue du Clos Thomas, 41330 Fosse, France
Senior Calorstat SAS	Senior Aerospace Calorstat	Dourdan, France	France	11 Rue des Soufflets, 91410, Dourdan, France
Senior Flexonics GmbH	Senior Flexonics Kassel	Kassel, Germany	Germany	Frankfurter Strasse 199, 34121 Kassel, Germany
Senior India Private Limited	Senior Flexonics New Delhi	New Delhi, India	India	4th Floor, Rectangle No.1, Commercial Complex D-4, Saket-New Delhi-110017, India
Senior Operations (Canada) Limited	Senior Flexonics Canada	Brampton, Ontario	Canada	134 Nelson Street West, Brampton, Ontario, L6X 1C9, Canada
Senior Flexonics SA (Pty) Limited	Senior Flexonics Cape Town	Cape Town, South Africa	South Africa	11 Thor Circle, Viking Place, Thornton, Cape Town, 7460, South Africa
Senior Operations LLC	Senior Aerospace AMT	Arlington, Washington	USA	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA
	Senior Aerospace Jet Products	San Diego, California		
	Senior Aerospace Ketema	El Cajon, California		
	Senior Aerospace Metal Bellows	Sharon, Massachusetts		
	Senior Aerospace Damar	Monroe, Washington		
	Senior Aerospace SSP	Burbank, California		
	Senior Flexonics Bartlett	Bartlett, Illinois		
	Senior Flexonics GA	Franklin, Wisconsin		
	Senior Flexonics Pathway	New Braunfels, Texas & Lewiston, Maine		
	Senior Aerospace Spencer	Valencia, California		
Steico Industries, Inc.	Senior Aerospace Steico Industries	Oceanside, California	USA	818 West Seventh St., Ste. 930, Los Angeles, CA 90017, USA
Senior Aerospace (Thailand) Limited	Senior Aerospace Thailand	Chonburi, Thailand	Thailand	789/115-116 Moo1, Pinthong Industrial Estate, Sainhongkor-Lamchabang Road, Tambol Nhonkham, Amphur Sriracha, Chon Buri Province 20230, Thailand
Upeca Aerotech Sdn Bhd	Senior Aerospace Upeca	Selangor, Malaysia	Malaysia	Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Malaysia
Upeca Flowtech Sdn Bhd	Senior Flexonics Upeca	Selangor, Malaysia	Malaysia	Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Malaysia

## GROUP UNDERTAKINGS

Operating Companies	Business Units	Locations	Country of Incorporation
Upeca Engineering (Tianjin) Co Ltd	Senior Flexonics Upeca (China)	Tianjin, China	China
Atlas Composites Limited			England & Wales
Flexonics Limited			England & Wales
Lymington Precision Engineering (LPE) Limited			England & Wales
Senior Aerospace Limited			England & Wales
Senior Americas One Limited			England & Wales
Senior Americas Two Limited <sup>(1)</sup>			England & Wales
Senior Automotive Limited			England & Wales
Senior Engineering Investments Limited			England & Wales
Senior Finance Four Limited			England & Wales
Senior Finance Seven Limited			England & Wales
Senior Finance Six Limited			England & Wales
Senior Five Limited <sup>(2)</sup>			England & Wales
Senior Flexonics Limited			England & Wales
Senior Trustee Limited			England & Wales
Senior France SAS			France
Senior Investments (Deutschland) GmbH			Germany
Upeca Technologies Sdn Bhd			Malaysia
Senior Aerospace Bosman B.V.			Netherlands
Senior Investments GmbH			Switzerland
Senior IP GmbH			Switzerland
Flexonics, Inc.			USA
Senior US Holdings Inc			USA

Senior Aerospace and Flexonics Business Units in Mexico are operated by a third party under contract manufacturing agreements.

The Group has a 49% interest in Senior Flexonics Technologies (Wuhan) Limited, a jointly controlled entity incorporated in China.

All Group undertakings are wholly and directly owned by subsidiary undertakings of Senior plc, and in every case the principal country of operation is the country of incorporation.

Senior Aerospace Bosman ceased trading in 2021, and Senior Flexonics Upeca, Malaysia ceased manufacturing in 2021.

Senior Holdings LLC was dissolved on 26 April 2024.

<sup>(1)</sup> On 14 February 2025, the company applied to be struck off and dissolved.

<sup>(2)</sup> On 10 December 2024, the company applied to be struck off and dissolved.

# ADDITIONAL SHAREHOLDER INFORMATION

Analysis of shareholders at 31 December 2024

	Shareholders Number	Shareholders %	Issued Shares Millions	Issued Shares %
By category				
Corporate bodies	348	18.82	411.88	98.20
Other shareholders	1,501	81.18	7.54	1.80
	<b>1,849</b>	<b>100.00</b>	<b>419.42</b>	<b>100.00</b>
By range of holdings				
1 – 24,999	1,601	86.59	5.51	1.31
25,000 – 49,999	59	3.19	2.06	0.49
50,000 – 249,999	86	4.65	10.02	2.39
250,000 – 499,999	28	1.51	9.23	2.20
500,000 – 999,999	24	1.30	19.07	4.55
1,000,000 – and over	51	2.76	373.53	89.06
	<b>1,849</b>	<b>100.00</b>	<b>419.42</b>	<b>100.00</b>

The number of shares in issue at 31 December 2024 was 419,418,082.

## Share Registrars

All shareholder records are maintained by Equiniti and all correspondence should be addressed to the Registrars, Senior plc at the Equiniti address shown on the inside back cover, quoting the reference number starting with 0228 detailed on your dividend vouchers. The Registrars should be notified regarding changes to name or address, loss of share certificate, or request for, or change to, a dividend mandate.

Equiniti provides a range of shareholder information online. Shareholders can check their holdings, update details and obtain practical help on transferring shares at: [www.shareview.co.uk](http://www.shareview.co.uk).

Instead of payment by post to your registered address, dividends can be paid through the BACS system direct into a UK bank or building society account, with the dividend voucher still sent to your registered address. If you wish to use this facility and have not previously applied, then please apply direct to Equiniti and request a dividend mandate form. Shareholders who are currently receiving duplicate sets of Company mailings, as a result of any inconsistency in name or address details, should write direct to Equiniti so holdings can be combined, if appropriate.

## CREST Proxy Voting

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 25 April 2025 and any adjournment(s) thereof by using the procedures described in the CREST manual. Further details relating to voting via CREST may be found on the 2025 AGM Notice of Meeting and Form of Proxy.

# OFFICERS AND ADVISERS

## Secretary and registered office

Andrew Bodenham  
Senior plc  
59/61 High Street, Rickmansworth, Hertfordshire WD3 1RH  
Registered in England and Wales No. 00282772

## Registrars

Equiniti Ltd  
Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA

## Auditor

KPMG LLP  
15 Canada Square, London E14 5GL

## ShareGift

If you have only a small number of shares which would cost more for you to sell than they are worth, you may wish to consider donating them to the charity ShareGift (Registered Charity 1052686) which specialises in accepting such shares as donations. The ShareGift Transfer Form may be obtained from Equiniti, the Company's Registrars, at [www.shareview.co.uk](http://www.shareview.co.uk). There are no implications for Capital Gains Tax purposes (no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. Further information about ShareGift may be obtained on 020 7930 3737 or from [www.ShareGift.org](http://www.ShareGift.org).

## Solicitors

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KBC Bank NV, London Branch  
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The Adelphi  
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London WC2N 6HT

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London EC2N 4JL

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