Bodycote

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Bodycote plc
Interim results for the six months to 30 June 2021

Strong profit and cash performance; Full year guidance raised

Financial summary

	Half year to 30 June 2021		Half year to 30 June 2020		% Change	% Change Constant Currency
Revenue	**£312.9**	**m**	£306.7	m	2.0%	5.9%
Headline operating profit[1]	**£48.7**	**m**	£37.8	m	29%	35%
Headline operating margin[1]	**15.6**	**%**	12.3	%		
Exceptional items[2]	**-**	**m**	£(32.1)	m		
Free cash flow[1]	**£60.2**	**m**	£69.7	m	-14%	
Basic headline earnings per share[1,3]	**18.5**	**p**	14.2	p	30%	
Interim dividend per share	**6.2**	**p**	6.0	p		

Additional statutory measures

	Half year to 30 June 2021		Half year to 30 June 2020	
Operating profit/(loss)	**£43.4**	**m**	£(1.0)	m
Profit/(loss) after tax	**£31.5**	**m**	£(2.3)	m
Net cash from operating activities	**£78.2**	**m**	£75.5	m
Basic earnings/(loss) per share	**16.4**	**p**	(1.3)	p

Highlights

- Revenues up 5.9%[4] to £312.9m (2.0% at actual rates)
- Headline Operating Profit up 35%[4] to £48.7m
- Headline Operating Margin increased to 15.6% (2020: 12.3%); with AGI margins above 20% for the first time
- Free cash flow of £60m (124% free cash conversion)
- £78m net cash from operating activities
- Profits benefit strongly from restructuring and efficiency improvements, with gearing[5] over 70%
- On track to deliver £20m net restructuring cost savings in 2021
- Specialist Technologies and Emerging Market strategies delivering strong outperformance against background markets
- Full year guidance raised

Commenting, Stephen Harris, Group Chief Executive said:

"Bodycote's headline operating margin, at 15.6%, has recovered strongly, boosted by good operational performance and net savings from the 2020 restructuring programme. AGI margins are above 20% for the first time, while ADE margins have also improved over the previous half year.

Revenues in the Automotive and General Industrial market sectors have shown good recovery, even if end market performance has been held back by the global chip shortage and supply chain constraints more generally.

Civil Aerospace revenues are yet to rebound and, while prospects for this recovery continue to improve as civil air traffic returns and the OEMs increase production rates, no material increase in our business is expected in 2021.

We expect growth to accelerate once short-term supply chain disruptions are eliminated in the Automotive and General Industrial markets and Civil Aerospace begins its upward climb, but none of these effects are expected to be material until 2022. However, the benefits of our 2020 restructuring programme continue to build and Bodycote is well placed to capitalise on increases in revenues as they occur. Given the developments in the first half and the anticipated second half performance, we now expect to deliver a result in the upper half of the range of expectations[6]."

1 The headline performance measures represent the statutory results excluding certain non-operational items. These are deemed alternative performance measures under the Financial Reporting Council (FRC) guidelines. Please refer to note 2 of the condensed consolidated financial statements for a reconciliation to the nearest IFRS equivalent.
2 Detail of exceptional items is provided in note 4.
3 A detailed earnings per share reconciliation is provided in note 7.
4 At constant currency.
5 Gearing is the differential in headline operating profit divided into the differential in revenue on a constant currency basis.
6 Company compiled analysts' expectations for the full year headline operating profit range from £91m to £104m.

END

Interim Results Presentation

Bodycote will be presenting our results via webcast at **09.00am UK GMT on 29 July 2021**. Please find the following instructions to connect to the video and audio:

Webcast URL:
https://bodycote.com/webcast2021

For dial-in only:
Participant dial-in numbers are:
United Kingdom: 0800 640 6441
UK local: 0203 936 2999
All other locations: +44 203 936 2999

Participant Access Code: 617409

An audiocast and presentation will be available from 9.00am at www.bodycote.com in the investor section from 29 July 2021.

For further information, please contact:

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Overview
Bodycote reported increased revenues of 2.0% to £312.9m (H1 2020: £306.7m). At constant currency, revenue increased 5.9%, while, on an organic constant currency basis, revenues increased by 2.7%. As the prior period experienced dramatic declines related to the pandemic, it is instructive to compare also with the first half of 2019, against which 2021 revenues in the half were down 12.1% on a constant currency basis, and down 17.6% on an organic basis.

Headline operating profit was £48.7m (H1 2020: £37.8m), yielding a headline operating margin of 15.6%. This represents a strong recovery versus the 12.3% margin achieved in the equivalent period last year. Free cash flow in the first half was very strong at £60.2m, representing 124% free cash conversion.

The following reflects constant currency growth rates versus the comparable period last year, unless stated otherwise.

Market sectors
General Industrial revenues increased by 9% to £126.7m in the period, with sequential improvement in the second quarter compared with the first quarter. Against 2019, revenues were down 5% in the period. The recovery was similar across all of our geographies and reflects the continued recovery in industrial production. Similar revenue trends are being seen across most of the major sub sectors, with the exception of Tooling. Tooling is a lead indicator for the Automotive sector and growth in Tooling stalled in early Q1 2021 and has yet to show further material growth.

Automotive revenues increased by 34% to £91.7m in the period. The increase would have been higher but for production delays at major OEMs due to supply chain constraints, which contributed to second quarter Automotive revenues being lower than the first quarter. Against 2019, revenues were down 8% in the period.

Aerospace & Defence revenues were down 16% to £71.0m (down 25% on an organic basis). Against 2019, total Aerospace & Defence revenues were down 24% (down 37% on an organic basis). European revenues are recovering faster than North America revenues but from a lower base. This is driven largely by an increase in flying hours. While there has been some improvement in revenues for the latter stages of the supply chains, there is still plenty of inventory in the civil aerospace supply chain and there has been no significant rebound in Bodycote's overall Civil Aerospace business so far. New plane build rates are forecast to improve, particularly in narrow body aircraft and there is a growing expectation of a strong ramp up in this business in 2022 and beyond.

Specialist Technologies
The proportion of Specialist Technologies revenues grew from 27% to 30% of the Group and continue to outperform the Classical Heat Treatment revenues in the associated market sectors. Given the higher margins that we achieve with our Specialist Technologies, they contributed 43% of the Group's operating profit.

The AGI focused Specialist Technologies recorded 42% revenue growth versus last year, comparing very favourably with the 14% growth achieved in Classical Heat Treatment in the Automotive and General Industrial market sectors. Moreover, AGI focused Specialist Technologies' revenues were 22% up against 2019 revenues.

The ADE focused Specialist Technologies naturally fared worse, given the subdued Civil Aerospace market. Nonetheless, on an organic basis, revenues were only down 13%, comparing favourably with the 23% decline experienced in Classical Heat Treatment in these sectors.

Emerging Markets
Emerging markets represent 12% of Group revenues, growing 36% in the period and recording strong growth in all of our key Emerging Market countries. Against 2019, Emerging Markets' revenues are 15% higher on an

organic basis. It is worth remembering that almost two-thirds of Emerging Markets' revenues are in the Automotive market sector and our growth comfortably exceeds the general market growth. Furthermore, Emerging Markets margins at 25% are comfortably ahead of Group margins.

Environmental, Social and Governance
Bodycote has continued to develop its ESG agenda, particularly in the area of climate change. We are on the path to net zero carbon emissions in line with the Paris Agreement. We are assessing and managing climate related risks in line with the Task Force on Climate-Related Financial Disclosures (TCFD). We continue to make meaningful progress in our carbon accounting practices which will enable us to commit to the Science Based Target Initiative. Bodycote's most significant contribution to sustainability, however, is to help customers reduce their carbon emissions. Bodycote can lower most of our customers' emissions by 10% to 40% if they outsource their works to us. In addition, we are often able to convert our customers' natural gas-fuelled processes to electrically fired processes. These are often not only more efficient but also allow us to take advantage of green energy where it is available. We expect this to be a growing feature of our business in the months and years to come. As the importance of all sustainability aspects increases, Bodycote is constantly evolving to ensure we maintain our leadership role in the industry.

Restructuring Update
Implementation of the 2020 restructuring programme has remained on track, with 19 of the 26 facilities concerned having closed by the end of the half; the remaining 7 plants will be closed in the second half. As a result, much of the eventual permanent cost savings have already been achieved (even if there are some short term additional business disruption costs associated with the closures). Three new facilities are operational. Overall, we expect to deliver 2022 savings of £30m per annum as previously communicated. The expected benefit for 2021 remains at £20m.

Profits and Margins
Profitability and margins improved significantly compared with the same period last year. Headline operating profit increased by 35% at constant currency to £48.7m (2020: £37.8m), while the headline operating margin increased to 15.6% (2020: 12.3%). The margin improvement stems from the benefits of the 2020 restructuring programme as well as improvements in operational efficiency which have yielded operational gearing of over 70%. Whilst we experienced some inflation in energy costs in the first half, we have once again passed these costs through to our customers. We have a longstanding record of being able to do this, regardless of background macroeconomic conditions. With early signs of labour inflation in some of our geographies, we fully expect to continue to be able to pass any cost increases through.

The margin improvement in the first half was not consistent across both of our key business divisions.

AGI suffered a sharper initial pandemic-related revenue decline, particularly in the Automotive sector but the recovery has been quicker. Our AGI restructuring was already in train, and was accelerated when the pandemic hit. The consequence is that AGI margins have already recovered – indeed with margin now at 20.2%, profitability exceeds pre-pandemic levels. The previous peak was 19.4%. It is also worth noting that this margin improvement was achieved in spite of a number of operational challenges. The impact of customers' supply chain shortages, including the global chip shortage and labour shortages in a number of markets, has contributed to an uneven recovery in AGI's end markets, which, in turn, has led to volatility in customer demand through the period, most notably affecting our Automotive plants. Since labour costs represent roughly half of our cost of sales, matching labour to customer demand at plant level is critically important in our business. Moreover, labour shortages have not only impacted our customers. In some areas of our business, it has also been a challenge to find the extra labour needed to service the pick-up in demand. We have handled these challenges well and the improvement in business quality speaks for itself.

In contrast, the decline in ADE revenues has been more sustained, and the recovery will be slower. ADE revenues remain some 30% below pre-pandemic levels on an organic basis. The ADE restructuring was initiated at the start of the pandemic and the benefits are, therefore, being delivered later than those in AGI. Consequently, the 14.6% ADE margin achieved during the period was well below the 20.0% margin achieved in H1 2020 (although well above the 8.6% margin in H2 2020). Some measure of revenue recovery will be required before margins return to previous levels.

We fully expect Group margins to trend above 20% in due course.

Headline earnings per share increased to 18.5p in the first half (H1 2020: 14.2p) as a result of the improvement in headline operating profit.

In terms of statutory measures, statutory operating profit was £43.4m (H1 2020: loss of £1.0m). Basic earnings per share were 16.4p (H1 2020: loss of 1.3p).

Dividend

In light of the improvement in revenues and margins, the Board has decided that an interim dividend for 2021 of 6.2p (2020: 6.0p) will be paid on 5 November 2021 to all shareholders on the register at close of business on 8 October 2021.

Summary and outlook

Bodycote's key strategic pillars comprise expansion in Specialist Technologies, expansion in Emerging Markets with a particular emphasis on electric vehicles, and a focus on the narrow-bodied Civil Aerospace market. Our goal is to make progress on these while, at the same time, driving down our customers' carbon footprint as well as our own. Good progress on all of our strategic pillars in the half has translated into the business momentum that these results demonstrate.

Bodycote's headline operating margin, at 15.6%, has recovered strongly, boosted by good operational performance and net savings from the 2020 restructuring programme. AGI margins are above 20% for the first time, while ADE margins have also improved over the previous half year.

Revenues in the Automotive and General Industrial market sectors have shown good recovery, even if end market performance has been held back by the global chip shortage and supply chain constraints more generally.

Civil Aerospace revenues are yet to rebound and, while prospects for this recovery continue to improve as civil air traffic returns and the OEMs increase production rates, no material increase in our business is expected in 2021.

We expect growth to accelerate once short-term supply chain disruptions are eliminated in the Automotive and General Industrial markets and Civil Aerospace begins its upward climb, but none of these effects are expected to be material until 2022. However, the benefits of our 2020 restructuring programme continue to build and Bodycote is well placed to capitalise on increases in revenues as they occur. Given the developments in the first half and the anticipated second half performance, we now expect to deliver a result in the upper half of the range of expectations[1].

Business review

The following review reflects constant currency growth rates versus the comparable period last year unless stated otherwise.

[1] Company compiled analysts' expectations for the full year headline operating profit range from £91m to £104m.

The AGI divisions
Revenue for the first half of the year was £192.5m, 16% higher than last year (13% at actual rates), reflecting the recovery in the General Industrial and Automotive market sectors.

Headline operating profit was £38.9m (H1 2020: £14.4m), improving as a result of the higher revenues and cost savings from restructuring. Statutory operating profit was £37.1m (H1 2020: loss of £13.5m).

Net capital expenditure was £11.8m (H1 2020: £15.3m). We will continue to invest in profitable programmes which will deliver growth and margin improvements.

The ADE divisions
Revenue for the first half of the year was £120.4m, a decrease of 7% (11% at actual rates). Organic ADE revenues fell 15% in the first half, reflecting the revenue declines in the Civil Aerospace and Energy sectors. Headline operating profit was £17.6m, (H1 2020: £27.1m), declining as a result of the lower revenues. Statutory operating profit fell to £14.3m (H1 2020: £16.2m).

Net capital expenditure in the period was £3.9m (H1 2020: £8.5m). Investment for growth will continue where there is a compelling business case, particularly in support of our Specialist Technologies.

Financial overview

	Half year to 30 June	
	2021 £m	2020 £m
Revenue	**312.9**	306.7
Headline operating profit	**48.7**	37.8
Amortisation of acquired intangible assets	**(5.1)**	(4.7)
Acquisition costs	**(0.2)**	(2.0)
Exceptional items	-	(32.1)
Operating profit/(loss)	**43.4**	(1.0)
Net finance charge	**(2.9)**	(2.8)
Profit/(loss) before taxation	**40.5**	(3.8)
Taxation (charge)/credit	**(9.0)**	1.5
Profit/(loss) for the period	**31.5**	(2.3)

Group revenue in the first half of 2021 was £312.9m, an increase of 2.0% at actual rates, 5.9% at constant currency. Headline operating profit for the six months increased by 29% to £48.7m (H1 2020: £37.8m), with headline operating margin increasing to 15.6% (H1 2020: 12.3%). Statutory operating profit rose to £43.4m (H1 2020: statutory operating loss of £1.0m). In the first half of 2020, the Group incurred exceptional restructuring charges of £32.1m associated with an extensive restructuring programme through 2020.

Finance charge
The net finance charge was £2.9m (H1 2020: £2.8m). During the first half, the Group extended its £251m Revolving Credit Facility by one year and this is now due to expire in May 2026. The facility was drawn by £98.7m (30 June 2020: £46.1m), as the Group paid £58.3m of remaining consideration in April for the 2020 acquisition of Ellison.

Taxation
The tax charge in the first half of 2021 was £9.0m compared with a tax credit of £1.5m for the same period in 2020. The effective tax rate was 22.2%.

In line with previous guidance, the headline tax rate, being stated before accounting for amortisation of acquired intangibles, acquisition costs and exceptional items, was 22.5% (H1 2020: 22.5%).

Earnings per share

Basic headline earnings per share for the half year were 18.5p (H1 2020: 14.2p). Basic earnings per share were 16.4p (H1 2020: loss of 1.3p).

Cash flow

	Half year to 30 June 2021		Half year to 30 June 2020		Year end 31 Dec 2020
£m	**Post IFRS 16**	**Pre IFRS 16**	Post IFRS 16	Pre IFRS 16	Post IFRS 16
Headline operating profit	**48.7**	**47.5**	37.8	36.6	75.3
Depreciation and amortisation	**37.7**	**30.8**	41.0	33.7	82.0
Impairment of property, plant & equipment	**-**	**-**	0.4	0.4	0.4
Income from associates	**(0.2)**	**(0.2)**	(0.2)	(0.2)	(0.2)
(Profit)/loss on disposal of property, plant & equipment	**(2.3)**	**(2.3)**	0.1	0.1	0.6
Headline EBITDA	**83.9**	**75.8**	79.1	70.6	158.1
Net maintenance capital expenditure	**(14.3)**	**(11.3)**	(22.3)	(19.5)	(45.1)
Net working capital movement	**4.1**	**4.1**	24.7	24.7	17.2
Headline operating cash flow	**73.7**	**68.6**	81.5	75.8	130.2
Restructuring	**(8.1)**	**(8.1)**	(3.0)	(3.0)	(11.6)
Financing costs	**(2.7)**	**(1.8)**	(2.2)	(1.1)	(4.7)
Tax	**(2.7)**	**(2.7)**	(6.6)	(6.6)	(7.8)
Free cash flow	**60.2**	**56.0**	69.7	65.1	106.1
Expansionary capital expenditure	**(10.3)**	**(9.6)**	(12.9)	(12.4)	(20.0)
Ordinary dividend	**(37.0)**	**(37.0)**	-	-	(25.1)
Acquisition spend	**(58.5)**	**(58.5)**	(97.2)	(94.1)	(99.3)
Own shares purchased less SBP and others	**1.7**	**1.7**	(0.9)	(0.9)	(0.1)
Increase in net debt	**(43.9)**	**(47.4)**	(41.3)	(42.3)	(38.4)
Opening net (debt)/cash	**(98.1)**	**(22.5)**	(58.5)	20.9	(58.5)
Foreign exchange movements	**1.9**	**0.1**	(6.8)	(2.2)	(1.2)
Closing net debt	**(140.1)**	**(69.8)**	(106.6)	(23.6)	(98.1)

The Group's cash flow generation remained strong in the first half, helped by a good recovery in operating profit during the first half. Headline operating cash flow of £73.7m was lower than last year's £81.5m, despite improving profits, as a result of the significant working capital inflow in the first half of 2020 from the pandemic-related drop in revenues and the associated reduction of trade receivables. Headline operating cash conversion was very strong at 151%.

Free cash flow was also strong in the period at £60.2m (30 June 2020: £69.7m) with a good free cash flow conversion ratio of 124%.

Net debt was £69.8m (30 June 2020: £23.6m) and net debt plus lease liabilities was £140.1m (30 June 2020: £106.6m), both higher than the equivalent period last year, largely a result of settlement of the remaining consideration on the Ellison acquisition which resulted in an outflow of £58.3m. The Group also paid £37m of dividends to shareholders during the first half.

The Group remains focused on careful cash management.

Principal risks and uncertainties

The Directors have reconsidered the principal risks and uncertainties of the Group. The Directors consider that the principal risks and uncertainties of the Group published in the Annual Report for the year ended 31 December 2020 remain appropriate and the risks and associated risk management processes, including financial risks, can be found on pages 29-33 and 120-121 of the 2020 Annual Report, which is available at www.bodycote.com.

The risks referred to and which could have a material impact on the Group's performance for the remainder of the current financial year relate to:

- Markets;
- Competitor action;
- Safety and health;
- Environment;
- Service quality;
- Contract review;
- Loss of key accreditations;
- Major disruption at a facility;
- Machine downtime;
- Information technology and cybersecurity; and
- Regulatory and legislative compliance.

Going concern

As described in note 1 to the condensed consolidated financial statements, the Directors have formed a judgement, at the time of approving the condensed consolidated financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months. In making this judgement, they have considered the impacts of both current and severe, but plausible consequences arising from the Group's activities which include COVID-19 impact assessments.

For this reason, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Responsibility statement

We confirm to the best of our knowledge that:

(a) the condensed consolidated set of financial statements has been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting;

(b) the Interim results includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the Interim results includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board,

S.C. Harris
Group Chief Executive
29 July 2021

D. Yates
Chief Financial Officer
29 July 2021

Cautionary statement

These Interim results have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Interim results should not be relied on by any other party or for any other purpose.

These Interim results contain certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Independent review report to Bodycote plc
Report on the condensed consolidated financial statements

Our conclusion
We have reviewed Bodycote plc's condensed consolidated financial statements (the "interim financial statements") in the Interim results 2021 of Bodycote plc for the 6 month period ended 30 June 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed
The interim financial statements comprise:

- the unaudited condensed consolidated balance sheet as at 30 June 2021;
- the unaudited condensed consolidated income statement and the unaudited condensed consolidated statement of comprehensive income for the period then ended;
- the unaudited condensed consolidated cash flow statement for the period then ended;
- the unaudited condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim results 2021 of Bodycote plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The Interim results 2021, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim results 2021 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim results 2021 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim results 2021 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
29 July 2021

Unaudited condensed consolidated income statement

Year ended 31 Dec 2020 £m		Note	**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
598.0	**Revenue**	3	**312.9**	306.7
(535.0)	Cost of sales and overheads		**(269.5)**	(275.5)
0.4	Net impairment losses on financial assets		**-**	(0.1)
63.4	**Operating profit prior to exceptional items**		**43.4**	31.1
(58.4)	Exceptional items	4	**-**	(32.1)
5.0	**Operating profit/(loss)**	3	**43.4**	(1.0)
0.2	Finance income		**0.1**	0.1
(6.7)	Finance costs		**(3.0)**	(2.9)
(1.5)	**Profit/(loss) before taxation**		**40.5**	(3.8)
2.3	Taxation (charge)/credit	5	**(9.0)**	1.5
0.8	**Profit/(loss) for the period**		**31.5**	(2.3)
	Attributable to:			
0.4	Equity holders of the parent		**31.2**	(2.4)
0.4	Non-controlling interests		**0.3**	0.1
0.8			**31.5**	(2.3)
	Earnings/(loss) per share	7		
Pence			**Pence**	Pence
0.2	Basic		**16.4**	(1.3)
0.2	Diluted		**16.4**	(1.3)

All activities have arisen from continuing operations.

Unaudited condensed consolidated statement of comprehensive income

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
0.8	**Profit/(loss) for the period**	**31.5**	(2.3)
	Items that will not be reclassified to profit or loss:		
0.5	Actuarial gains/(losses) on defined benefit pension schemes	**0.2**	(0.3)
(0.1)	Tax on items that will not be reclassified	**-**	-
0.4	**Total items that will not be reclassified to profit or loss**	**0.2**	(0.3)
	Items that may be reclassified subsequently to profit or loss:		
(1.4)	Exchange (losses)/gains on translation of overseas operations	**(15.6)**	30.6
1.1	Movements on hedges of net investments	**1.9**	(1.2)
(0.3)	**Total items that may be reclassified subsequently to profit or loss**	**(13.7)**	29.4
0.1	**Other comprehensive (expense)/income for the period**	**(13.5)**	29.1
0.9	**Total comprehensive income for the period**	**18.0**	26.8
	Attributable to:		
0.8	Equity holders of the parent	**17.9**	26.8
0.1	Non-controlling interests	**0.1**	-
0.9		**18.0**	26.8

Unaudited condensed consolidated balance sheet

As at 31 Dec 2020 £m		Note	**As at 30 June 2021 £m**	As at 30 June 2020 £m
	Non-current assets			
215.5	Goodwill	8	**212.9**	225.0
108.0	Other intangible assets		**103.1**	127.2
522.6	Property, plant and equipment		**497.9**	557.7
69.0	Right-of-use assets		**64.3**	75.5
4.1	Investment in associate		**3.9**	4.2
2.4	Deferred tax assets		**2.5**	6.4
2.1	Trade and other receivables		**1.7**	2.4
923.7			**886.3**	998.4
	Current assets			
15.8	Inventories		**16.1**	18.3
-	Derivative financial instruments		**-**	0.1
20.7	Current tax assets		**19.8**	16.7
116.2	Trade and other receivables		**114.5**	128.7
30.7	Cash and bank balances		**31.5**	23.9
2.9	Assets held for sale		**1.3**	-
186.3			**183.2**	187.7
1,110.0	**Total assets**		**1,069.5**	1,186.1
	Current liabilities			
170.9	Trade and other payables		**111.8**	194.1
30.7	Current tax liabilities		**36.3**	23.9
53.2	Borrowings		**101.3**	47.5
13.6	Lease liabilities		**13.3**	14.5
26.0	Provisions	9	**18.3**	20.6
294.4			**281.0**	300.6
(108.1)	**Net current liabilities**		**(97.8)**	(112.9)
	Non-current liabilities			
62.0	Lease liabilities		**57.0**	68.5
16.2	Retirement benefit obligations		**15.5**	19.7
42.7	Deferred tax liabilities		**41.7**	52.7
11.0	Provisions	9	**8.7**	10.7
2.3	Other payables		**1.5**	2.1
134.2			**124.4**	153.7
428.6	**Total liabilities**		**405.4**	454.3
681.4	**Net assets**		**664.1**	731.8
	Equity			
33.1	Share capital		**33.1**	33.1
177.1	Share premium account		**177.1**	177.1
(6.9)	Own shares		**(6.3)**	(8.2)
132.6	Other reserves		**133.5**	133.0
37.9	Translation reserves		**24.4**	67.4
306.7	Retained earnings		**301.3**	328.6
680.5	**Equity attributable to equity holders of the parent**		**663.1**	731.0
0.9	Non-controlling interests		**1.0**	0.8
681.4	**Total equity**		**664.1**	731.8

Unaudited condensed consolidated cash flow statement

Year ended 31 Dec 2020 £m		Note	**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
139.1	**Net cash from operating activities**	11	**78.2**	75.5
	Investing activities			
(57.8)	Purchases of property, plant and equipment		**(24.4)**	(33.3)
1.9	Proceeds on disposal of property, plant and equipment and intangible assets		**6.0**	1.8
(2.1)	Purchases of other intangibles		**(2.3)**	(0.2)
(66.7)	Acquisition of businesses, net of cash acquired	10	**(58.3)**	(66.1)
0.3	Interest received[1]		**0.1**	0.3
(124.4)	**Net cash used in investing activities**		**(78.9)**	(97.5)
	Financing activities			
(5.0)	Interest paid		**(2.9)**	(2.5)
(25.1)	Dividends paid	6	**(37.0)**	-
(15.5)	Principal elements of lease payments		**(7.2)**	(7.6)
101.9	Drawdown of bank loans		**75.6**	46.1
(62.1)	Repayments of bank loans		**(27.9)**	(11.9)
(0.5)	Own shares purchased		**-**	(0.5)
(6.3)	**Net cash generated from/(used in) financing activities**		**0.6**	23.6
8.4	**Net (decrease)/increase in cash and cash equivalents**		**(0.1)**	1.6
20.9	**Cash and cash equivalents at beginning of period**		**29.2**	20.9
(0.1)	Effect of foreign exchange rate changes		**(0.2)**	-
29.2	**Cash and cash equivalents at end of period**	11	**28.9**	22.5

[1] Interest received has been restated to present this as an investing activity cash flow item rather than a financing activity cash flow item.

Unaudited condensed consolidated statement of changes in equity

	Share capital £m	Share premium account £m	Own shares £m	Other reserves £m	Translation reserves £m	Retained earnings £m	**Equity attributable to equity holders of the parent £m**	Non-controlling interests £m	**Total equity £m**
Half year to 30 June 2021									
1 January 2021	**33.1**	**177.1**	**(6.9)**	**132.6**	**37.9**	**306.7**	**680.5**	**0.9**	**681.4**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**31.2**	**31.2**	**0.3**	**31.5**
Exchange differences on translation of overseas operations	**-**	**-**	**-**	**-**	**(15.4)**	**-**	**(15.4)**	**(0.2)**	**(15.6)**
Movements on hedges of net investments	**-**	**-**	**-**	**-**	**1.9**	-	**1.9**	**-**	**1.9**
Actuarial gains on defined benefit pension schemes net of deferred tax	**-**	**-**	**-**	**-**	**-**	**0.2**	**0.2**	**-**	**0.2**
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**-**	**(13.5)**	**31.4**	**17.9**	**0.1**	**18.0**
Acquired in the period/settlement of share options	**-**	**-**	**0.6**	**(0.8)**	**-**	**0.1**	**(0.1)**	**-**	**(0.1)**
Share-based payments	**-**	**-**	**-**	**1.7**	**-**	**-**	**1.7**	**-**	**1.7**
Deferred tax on share-based payment transactions	**-**	**-**	**-**	**-**	**-**	**0.1**	**0.1**	**-**	**0.1**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**(37.0)**	**(37.0)**	**-**	**(37.0)**
30 June 2021	**33.1**	**177.1**	**(6.3)**	**133.5**	**24.4**	**301.3**	**663.1**	**1.0**	**664.1**
Half year to 30 June 2020									
1 January 2020	33.1	177.1	(11.6)	136.7	37.9	331.8	705.0	0.8	705.8
Net loss for the period	-	-	-	-	-	(2.4)	(2.4)	0.1	(2.3)
Exchange differences on translation of overseas operations	-	-	-	-	30.7	-	30.7	(0.1)	30.6
Movements on hedges of net investments	-	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Actuarial losses on defined benefit pension schemes net of deferred tax	-	-	-	-	-	(0.3)	(0.3)	-	(0.3)
Total comprehensive income for the period	-	-	-	-	29.5	(2.7)	26.8	-	26.8
Acquired in the period/settlement of share options	-	-	3.4	(3.4)	-	(0.6)	(0.6)	-	(0.6)
Share-based payments	-	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Deferred tax on share-based payment transactions	-	-	-	-	-	0.1	0.1	-	0.1
Balance at 30 June 2020	33.1	177.1	(8.2)	133.0	67.4	328.6	731.0	0.8	731.8
Year ended 31 December 2020									
1 January 2020	33.1	177.1	(11.6)	136.7	37.9	331.8	705.0	0.8	705.8
Net profit for the year	-	-	-	-	-	0.4	0.4	0.4	0.8
Exchange differences on translation of overseas operations	-	-	-	-	(1.1)	-	(1.1)	(0.3)	(1.4)
Movements on hedges of net investments	-	-	-	-	1.1	-	1.1	-	1.1
Actuarial gains on defined benefit pension schemes net of deferred tax	-	-	-	-	-	0.4	0.4	-	0.4
Total comprehensive income for the year	-	-	-	-	-	0.8	0.8	0.1	0.9
Acquired in the year/settlement of share options	-	-	4.7	(4.5)	-	(0.8)	(0.6)	-	(0.6)
Share-based payments	-	-	-	0.4	-	-	0.4	-	0.4
Dividends paid	-	-	-	-	-	(25.1)	(25.1)	-	(25.1)
Balance at 31 December 2020	33.1	177.1	(6.9)	132.6	37.9	306.7	680.5	0.9	681.4

Included in other reserves is a capital redemption reserve of £129.8m (31 December 2020: £129.8m; 30 June 2020: £129.8m) and a share-based payments reserve of £2.9m (31 December 2020: £2.0m; 30 June 2020: £2.4m). The capital redemption reserve arose from B shares which were converted into deferred shares in 2008 and 2009, and as a result, £129.8m was transferred from retained earnings to a capital redemption reserve.

The own shares reserve represents the cost of shares in Bodycote plc purchased in the market. At 30 June 2021, 779,717 (31 December 2020: 865,565; 30 June 2020: 1,012,786) ordinary shares of 17 3/11p each were held by the Bodycote Employee Benefit Trust to satisfy share-based payments under the Group's incentive schemes.

Notes to the condensed consolidated financial information

1. Accounting policies

Basis of preparation
These condensed consolidated financial statements for the half year ended 30 June 2021 have been prepared in accordance with UK adopted International Accounting Standard 34 'Interim financial reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority (FCA).

These condensed consolidated financial statements should be read in conjunction with the Annual Report for the year ended 31 December 2020, which was prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The annual financial statements for the year ended 31 December 2021 will be prepared under UK-adopted international accounting standards. There are no differences for the Group in applying each of these accounting frameworks.

The financial information does not constitute statutory accounts as defined by section 434 of the UK Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2020 has been delivered to the Registrar of Companies. The auditors have reported on those accounts; their reports were (i) unqualified and (ii) did not contain a statement under section 498 (2) or (3) of the UK Companies Act 2006. These interim financial statements have been reviewed, not audited.

The Group is not significantly affected by timing differences in its operations. As such, seasonality has had no material impact on the preparation of these condensed consolidated financial statements and notes.

Going concern
In determining the basis of preparation for the Group's condensed consolidated financial statements, the Directors have considered the Group's business activities, together with the factors likely to affect its future development, performance and position. The financial overview included in these Interim results provides a summary of the Group's financial position, cash flows, liquidity position and borrowings.

The current and plausible future impact of COVID-19 on the Group's activities and performance, in addition to other factors and risks, has been considered by the Board of Directors in preparing its going concern assessment. The Group has modelled potential severe but plausible impacts on revenues, profits and cash flows in its assessment. In preparing its assessment, the Directors have considered the actual impact that COVID-19 has had on the business since the beginning of the outbreak and the related decline in revenues.

Management has modelled a base case scenario, built upon the budgeting and forecasting process for 2021 and extended up to December 2022. This model shows an improvement in performance for 2021 and 2022 in both revenue and profits compared to 2020, but revenues are still some way below 2019 levels. Management then established a severe but plausible downside scenario under which the crisis would have a more prolonged impact than currently anticipated, with a significant revenue shortfall compared with 2019 actuals modelled through to the end of December 2022. The Group's record of cash conversion during recent periods was used to estimate the cash generation and level of net debt over that period and includes the cost reductions achieved through the restructuring programme announced in 2020, resulting in future improvements in operating margins.

The key covenants attached to the Group's Revolving Credit Facility relate to financial gearing (net debt to EBITDA) and interest cover, which are measured on a pre-IFRS 16 basis. The maximum financial gearing ratio permitted under the covenants is 3.0x (with an acquisition spike at 3.5x) and the minimum interest cover ratio permitted is 4.0x. In the severe but plausible downside scenario modelled, the Group continues to maintain sufficient liquidity and meets its gearing and interest cover covenants under the Revolving Credit Facility with substantial headroom.

The Group meets its working capital requirements through a combination of committed and uncommitted facilities and overdrafts. For the purposes of the going concern assessment, the Directors have only taken into account the capacity under existing committed facilities, being predominantly the Group's Revolving Credit Facility.

The Group has access to a £250.9m Revolving Credit Facility maturing in May 2026. The Group's committed facilities at 30 June 2021 totalled £252.7m while uncommitted facilities totalled £59.3m. At 30 June 2021, the Group's Revolving Credit Facility had drawings of £98.7m (31 December 2020: £51.7m, 30 June 2020: £46.1m) and the Group's net debt was £69.8m (31 December 2020: £22.5m, 30 June 2020: £23.6m). The liquidity headroom was £172.7m at 30 June 2021 (31 December 2020: £221.0m, 30 June 2020: £219.4m,) excluding uncommitted facilities.

In addition to the above scenarios, management has performed reverse stress testing over the model to determine the extent of downturn which would result in a breach of covenants. Assuming similar levels of cash conversion as seen in recent months, a monthly revenue decline compared with 2019 actuals, well in excess of the maximum decline experienced in any month over the last 18 months would need to persist throughout the going concern period for a covenant breach to occur, which is considered very unlikely. This stress test also does not incorporate additional mitigating actions or cash preservation responses, which the Group would implement in the event of a severe and extended revenue decline.

Following this assessment, the Directors have formed a judgement, at the time of approving the financial statements, that there are no material uncertainties that cast doubt on the Group's going concern status and that it is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months. For this reason, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Changes in accounting policies
The same accounting policies, presentation and methods of computation are followed in the condensed set of consolidated financial statements as applied in the Group's latest annual audited financial statements, except as set out below.

In determining the tax charge for the interim period under IAS 34, the Group has applied the forecast annual effective corporate income tax rate to the pre-tax income for the six month period.

The Group's latest annual audited financial statements set out the key sources of estimation uncertainty and the critical judgements that were made in preparing those financial statements. which related to the assumptions (in particular the discount rate and mortality rates) used to account for retirement benefit schemes under IAS 19 (revised), the allocation of goodwill and valuation of acquired intangible assets related to business acquisitions and the recognition of tax provisions. There have been no changes to these key sources of estimation uncertainty or these critical judgements since year end.

The Directors have considered other areas of judgement and estimation including the valuation of goodwill and the impact of the COVID-19 pandemic. The Directors have concluded that any updates to the estimates associated with these areas in the condensed consolidated financial statements are not expected to result in a material change in the next 12 months and, therefore, are not key sources of estimation uncertainty.

2. Alternative performance measures (APMs)

Bodycote uses various APMs, in addition to those reported under IFRS, as management consider these measures enable users of the financial statements to assess the underlying trading performance of the business. These APMs of financial performance, position or cash flows are not defined or specified according to International Financial Reporting Standards (IFRS) and are defined below and, where relevant, are reconciled to IFRS measures. APMs are prepared on a consistent basis for all periods presented in this report.

The APMs used include headline operating profit, headline operating margin, headline profit before taxation, EBITDA, headline EBITDA, headline EBITDA margin, headline operating cash flow, free cash flow, headline operating cash conversion, free cash flow conversion, headline tax charge, headline tax rate, headline earnings per share (EPS), net debt and net debt plus lease liabilities. These measures reflect the underlying trading performance of the business as they exclude certain non-operational items, exceptional items, acquisition costs and the amortisation of acquired intangible assets. The Group also uses revenue growth percentages adjusted for the impact of foreign exchange movements, where appropriate, to better represent the underlying performance of the business. The measures described above are also used in the targeting process for executive and management annual bonuses (headline operating profit and headline operating cash flow) and share schemes (headline EPS).

The constant exchange rate comparison uses the current year reported segmental information, stated in the relevant functional currency, and translates the results into its presentational currency using the prior year's monthly exchange rates. Expansionary capital expenditure is defined as capital expenditure invested to grow the Group's business. APMs are defined and reconciled to the nearest IFRS statutory measure as follows:

Headline operating profit

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
5.0	Statutory operating profit/(loss)	**43.4**	(1.0)
	Add back:		
9.8	Amortisation of acquired intangibles	**5.1**	4.7
2.1	Acquisition costs	**0.2**	2.0
58.4	Exceptional items	**-**	32.1
75.3	**Headline operating profit**	**48.7**	37.8

Headline operating margin

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
75.3	Headline operating profit	**48.7**	37.8
598.0	Revenue	**312.9**	306.7
12.6%	**Headline operating margin**	**15.6%**	12.3%

Headline profit before taxation

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
(1.5)	Profit/(loss) before taxation	**40.5**	(3.8)
	Add back:		
9.8	Amortisation of acquired intangibles	**5.1**	4.7
2.1	Acquisition costs	**0.2**	2.0
58.4	Exceptional items	**-**	32.1
68.8	**Headline profit before taxation**	**45.8**	35.0

EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation), headline EBITDA and headline EBITDA margin

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
5.0	Operating profit/(loss)	**43.4**	(1.0)
91.9	Depreciation and amortisation	**42.8**	45.8
16.5	Impairment of property, plant and equipment and other assets - recognised in exceptional items	**-**	11.9
0.3	Impairment of property, plant and equipment and other assets - recognised in operating profit	**-**	0.4
6.2	Impairment of other intangible assets - recognised in exceptional items	**-**	-
0.6	Profit/(loss) on disposal of property, plant and equipment	**(2.3)**	0.1
0.4	Share-based payments	**1.7**	(0.3)
(0.2)	Income from associate	**(0.2)**	(0.2)
120.7	**EBITDA**	**85.4**	56.7
2.1	Acquisition costs	**0.2**	2.0
35.7	Exceptional items, excluding impairments	**-**	20.1
(0.4)	Share-based payments	**(1.7)**	0.3
158.1	**Headline EBITDA**	**83.9**	79.1
26.4%	**Headline EBITDA Margin**	**26.8%**	25.8%

Headline operating cash flow

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
158.1	Headline EBITDA	**83.9**	79.1
	Less:		
(45.1)	Net maintenance capital expenditure	**(14.3)**	(22.3)
17.2	Net working capital movement	**4.1**	24.7
130.2	**Headline operating cash flow**	**73.7**	81.5

Free cash flow

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
130.2	Headline operating cash flow	**73.7**	81.5
	Less:		
(11.6)	Restructuring cash flows	**(8.1)**	(3.0)
(7.8)	Income taxes paid	**(2.7)**	(6.6)
(4.7)	Interest paid	**(2.7)**	(2.2)
106.1	**Free cash flow**	**60.2**	69.7

Headline operating cash conversion

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
130.2	Headline operating cashflow	**73.7**	81.5
75.3	Headline operating profit	**48.7**	37.8
173%	**Headline operating cash conversion**	**151%**	216%

Free cash flow conversion

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
106.1	Free cashflow	**60.2**	69.7
75.3	Headline operating profit	**48.7**	37.8
141%	**Free cash flow conversion**	**124%**	184%

Headline tax charge

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
(2.3)	Tax charge/(credit)	**9.0**	(1.5)
2.4	Tax on amortisation of acquired intangibles	**1.3**	1.2
15.4	Tax on exceptional items	**-**	8.2
15.5	**Headline tax charge**	**10.3**	7.9

Headline tax rate

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
15.5	Headline tax charge	**10.3**	7.9
68.8	Headline profit before taxation	**45.8**	35.0
22.5%	**Headline tax rate**	**22.5%**	22.5%

Headline earnings per share
A detailed reconciliation is provided in note 7.

Net debt and net debt plus lease liabilities

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
30.7	Cash and bank balances	**31.5**	23.9
(1.5)	Bank overdrafts (included in borrowings)	**(2.6)**	(1.4)
(51.7)	Bank loans (included in borrowings)	**(98.7)**	(46.1)
(22.5)	**Net debt**	**(69.8)**	(23.6)
(75.6)	Lease liabilities	**(70.3)**	(83.0)
(98.1)	**Net debt plus lease liabilities**	**(140.1)**	(106.6)

Revenue and headline operating profit/(loss) at constant exchange rates
Reconciled to revenue and headline operating profit in the table below.

	Half year to 30 June 2021			
	ADE £m	**AGI £m**	**Central costs and eliminations £m**	**Consolidated £m**
Revenue	**120.4**	**192.5**	**-**	**312.9**
Constant exchange rates adjustment	**6.4**	**5.5**	**-**	**11.9**
Revenue at constant exchange rates	**126.8**	**198.0**	**-**	**324.8**
Headline operating profit	**17.6**	**38.9**	**(7.8)**	**48.7**
Constant exchange rates adjustment	**0.9**	**1.0**	**0.4**	**2.3**
Headline operating profit at constant exchange rates	**18.5**	**39.9**	**(7.4)**	**51.0**

3. Business and geographical segments

The Group has more than 165 facilities across the world serving a range of market sectors with various thermal processing services. The range and type of services offered is common to all market sectors.

In accordance with IFRS 8 Operating Segments, the segmentation of Group activity reflects the way the Group is managed by the chief operating decision maker, being the Group Chief Executive, who regularly reviews the operating performance of six operating segments, split between the Aerospace, Defence & Energy (ADE) and Automotive & General Industrial (AGI) business areas, as follows:

- ADE – Western Europe;
- ADE – North America;
- ADE – Emerging markets;
- AGI – Western Europe;
- AGI – North America; and
- AGI – Emerging markets.

The split of operating segments by geography reflects the business reporting structure of the Group.

We have also presented combined results of our two key business areas, ADE and AGI. The split being driven by customer behaviour and requirements, geography, and services provided. Customers in the ADE segment tend to operate and purchase more globally and have long supply chains, whilst customers in the AGI segment tend to purchase more locally and have shorter supply chains.

Bodycote plants do not exclusively supply services to customers of a given market sector. Allocations of plants between ADE and AGI are therefore derived by reference to the preponderance of markets served.

	Half year to 30 June 2021			
Group	**ADE £m**	**AGI £m**	**Central costs and eliminations £m**	**Consolidated £m**
Revenue				
Total revenue	**120.4**	**192.5**	**-**	**312.9**
Result				
Headline operating profit prior to share-based payments and unallocated central costs	**17.9**	**39.4**	**-**	**57.3**
Share-based payments (including social security charges)	**(0.3)**	**(0.5)**	**(1.1)**	**(1.9)**
Unallocated central costs	**-**	**-**	**(6.7)**	**(6.7)**
Headline operating profit/(loss)	**17.6**	**38.9**	**(7.8)**	**48.7**
Amortisation of acquired intangible assets	**(3.3)**	**(1.8)**	**-**	**(5.1)**
Acquisition costs	**-**	**-**	**(0.2)**	**(0.2)**
Segment result	**14.3**	**37.1**	**(8.0)**	**43.4**
Finance income				**0.1**
Finance costs				**(3.0)**
Profit before taxation				**40.5**
Taxation				**(9.0)**
Profit for the period				**31.5**

Inter-segment sales are not material.

The Group does not have any one customer that contributes more than 10% of revenue.

	Half year to 30 June 2021			
Aerospace, Defence & Energy	**Western Europe £m**	**North America £m**	**Emerging markets £m**	**Total ADE £m**
Revenue				
Total revenue	**52.3**	**66.3**	**1.8**	**120.4**
Result				
Headline operating profits prior to share-based payments	**9.6**	**8.5**	**(0.2)**	**17.9**
Share-based payments (including social security charges)	**(0.1)**	**(0.2)**	**-**	**(0.3)**
Headline operating profit/(loss)	**9.5**	**8.3**	**(0.2)**	**17.6**
Amortisation of acquired intangible assets	**-**	**(3.3)**	**-**	**(3.3)**
Segment result	**9.5**	**5.0**	**(0.2)**	**14.3**

	Half year to 30 June 2021			
Automotive & General Industrial	**Western Europe £m**	**North America £m**	**Emerging markets £m**	**Total AGI £m**
Revenue				
Total revenue	**113.8**	**43.3**	**35.4**	**192.5**
Result				
Headline operating profit prior to share-based payments	**25.6**	**4.2**	**9.6**	**39.4**
Share-based payments (including social security charges)	**(0.3)**	**(0.1)**	**(0.1)**	**(0.5)**
Headline operating profit	**25.3**	**4.1**	**9.5**	**38.9**
Amortisation of acquired intangible assets	**(0.3)**	**(1.3)**	**(0.2)**	**(1.8)**
Segment result	**25.0**	**2.8**	**9.3**	**37.1**

	Half year to 30 June 2020			
Group	ADE £m	AGI £m	Central costs and eliminations £m	Consolidated £m
Revenue				
Total revenue	135.8	170.9	-	306.7
Result				
Headline operating profit prior to share-based payments and unallocated central costs	27.2	14.5	-	41.7
Share-based payments (including social security charges)	(0.1)	(0.1)	0.5	0.3
Unallocated central costs	-	-	(4.2)	(4.2)
Headline operating profit/(loss)	27.1	14.4	(3.7)	37.8
Amortisation of acquired intangible assets	(2.8)	(1.9)	-	(4.7)
Acquisition costs	(2.0)	-	-	(2.0)
Operating profit/(loss) prior to exceptional items	22.3	12.5	(3.7)	31.1
Exceptional items	(6.1)	(26.0)	-	(32.1)
Segment result	16.2	(13.5)	(3.7)	(1.0)
Finance income				0.1
Finance costs				(2.9)
Loss before taxation				(3.8)
Taxation				1.5
Loss for the period				(2.3)

	Half year to 30 June 2020			
Aerospace, Defence & Energy	Western Europe £m	North America £m	Emerging markets £m	Total ADE £m
Revenue				
Total revenue	57.2	78.1	0.5	135.8
Result				
Headline operating profit prior to share-based payments	11.9	15.2	0.1	27.2
Share-based payments (including social security charges)	(0.1)	-	-	(0.1)
Headline operating profit	11.8	15.2	0.1	27.1
Amortisation of acquired intangible assets	-	(2.8)	-	(2.8)
Acquisition costs	-	(2.0)	-	(2.0)
Operating profit prior to exceptional items	11.8	10.4	0.1	22.3
Exceptional items	(4.5)	(1.6)	-	(6.1)
Segment result	7.3	8.8	0.1	16.2

	Half year to 30 June 2020			
Automotive & General Industrial	Western Europe £m	North America £m	Emerging markets £m	Total AGI £m
Revenue				
Total revenue	102.0	41.2	27.7	170.9
Result				
Headline operating profit/(loss) prior to share-based payments	11.5	(2.0)	5.0	14.5
Share-based payments (including social security charges)	(0.1)	-	-	(0.1)
Headline operating profit/(loss)	11.4	(2.0)	5.0	14.4
Amortisation of acquired intangible assets	(0.3)	(1.4)	(0.2)	(1.9)
Acquisition costs	-	-	-	-
Operating profit/(loss) prior to exceptional items	11.1	(3.4)	4.8	12.5
Exceptional items	(17.0)	(8.5)	(0.5)	(26.0)
Segment result	(5.9)	(11.9)	4.3	(13.5)

	Year ended 31 December 2020			
Group	ADE £m	AGI £m	Central costs and eliminations £m	Consolidated £m
Revenue				
Total revenue	249.2	348.8	-	598.0
Result				
Headline operating profit prior to share-based payments and unallocated central costs	36.8	41.0	-	77.8
Share-based payments (including social security charges)	-	-	0.9	0.9
Unallocated central costs	-	-	(3.4)	(3.4)
Headline operating profit/(loss)	36.8	41.0	(2.5)	75.3
Amortisation of acquired intangible assets	(5.7)	(4.1)	-	(9.8)
Acquisition costs	(2.1)	-	-	(2.1)
Operating profit/(loss) prior to exceptional items	29.0	36.9	(2.5)	63.4
Exceptional items	(16.9)	(35.3)	(6.2)	(58.4)
Segment result	12.1	1.6	(8.7)	5.0
Finance income				0.2
Finance costs				(6.7)
Loss before taxation				(1.5)
Taxation				2.3
Profit for the year				0.8

Aerospace, Defence & Energy	Year ended 31 December 2020 Western Europe £m	 North America £m	 Emerging markets £m	 Total ADE £m
Revenue				
Total revenue	103.1	143.3	2.8	249.2
Result				
Headline operating profit/(loss)	17.0	20.0	(0.2)	36.8
Amortisation of acquired intangible assets	-	(5.7)	-	(5.7)
Acquisition costs	-	(2.1)	-	(2.1)
Operating profit/(loss) prior to exceptional items	17.0	12.2	(0.2)	29.0
Exceptional items	(10.3)	(6.5)	(0.1)	(16.9)
Segment result	6.7	5.7	(0.3)	12.1

Automotive & General Industrial	Year ended 31 December 2020 Western Europe £m	 North America £m	 Emerging markets £m	 Total AGI £m
Revenue				
Total revenue	203.7	83.5	61.6	348.8
Result				
Headline operating profit/(loss)	26.7	(0.4)	14.7	41.0
Amortisation of acquired intangible assets	(0.5)	(3.2)	(0.4)	(4.1)
Operating profit/(loss) prior to exceptional items	26.2	(3.6)	14.3	36.9
Exceptional items	(24.8)	(9.4)	(1.1)	(35.3)
Segment result	1.4	(13.0)	13.2	1.6

4. Exceptional items

In 2020, the Group announced several exceptional restructuring initiatives across the Group resulting in an exceptional restructuring charge of £32.1m for the period ended 30 June 2020 (31 December 2020: £52.2m and an exceptional impairment charge of £6.2m). The organisational restructuring was primarily driven by longer term automotive and aerospace market structural shifts. These restructuring activities entailed the closure of several plants. Further details of this restructuring programme are outlined in the 2020 Annual Report and further details on restructuring provisions can be found in note 9. No exceptional items have been recorded for the period ended 30 June 2021.

5. Taxation

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
9.4	Current tax - charge/(credit) for the period	**9.1**	(2.2)
(9.7)	Current tax - adjustments in respect of prior periods	**0.1**	0.1
(2.0)	Deferred tax	**(0.2)**	0.6
(2.3)	**Taxation charge/(credit)**	**9.0**	(1.5)

The headline rate of tax for the six months ended 30 June 2021 was 22.5% (31 December 2020: 22.5%; 30 June 2020: 22.5%) of the headline profit before tax.

6. Dividends

Amounts recognised as distributions to equity holders in the period:

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
25.1	Deferred dividend for the year ended 31 December 2019 of 13.3p per share	**-**	25.3
-	Interim dividend for the year ended 31 December 2020 of 6.0p per share	**11.4**	-
-	Final dividend for the year ended 31 December 2020 of 13.4p per share	**25.6**	-
25.1		**37.0**	25.3
	Proposed interim dividend for the year ending 31 December 2021 of 6.2p per share	**11.8**	-

The Board approved the payment of an interim dividend for 2020 of 6.0p on 24 November 2020 to those shareholders on the register of Bodycote plc on 8 January 2021. The 2020 interim dividend was paid on 12 February 2021. Furthermore, the Board approved a final ordinary dividend for 2020 of 13.4p to shareholders on the register of Bodycote plc on 23 April 2021. The final ordinary dividend was paid on 4 June 2021. The proposed 2021 interim dividend for the year ending 31 December 2021 of 6.2p has been approved by the Board on 27 July 2021 and has not been included as a liability in these condensed consolidated financial statements. Dividends are waived on shares held by the Bodycote International Employee Benefit Trust.

7. Earnings per share

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
	Earnings		
0.4	Earnings/(loss) for the purpose of basic earnings per share being net profit/(loss) attributable to equity holders of the parent	**31.2**	(2.4)
Number		**Number**	Number
	Number of shares		
190,374,428	Weighted average number of ordinary shares for the purposes of basic earnings per share	190,624,409	190,205,026
	Effect of dilutive potential ordinary shares:		
-	Shares subject to performance conditions[1]	**-**	-
-	Shares subject to vesting conditions	**123,076**	-
190,374,428	Weighted average number of ordinary shares for the purposes of diluted earnings per share	**190,747,485**	190,205,026
	Earnings/(loss) per share		
Pence		**Pence**	Pence
0.2	Basic	**16.4**	(1.3)
0.2	Diluted	**16.4**	(1.3)
£m		**£m**	£m
	Headline earnings		
0.4	Net profit/(loss) attributable to equity holders of the parent	**31.2**	(2.4)
	Add back:		
7.4	Amortisation of acquired intangible fixed assets (net of tax)	**3.8**	3.5
1.5	Acquisition costs (net of tax)	**0.2**	2.0
43.6	Exceptional items (net of tax)	**-**	23.9
52.9	**Headline earnings**	**35.2**	27.0
Pence		**Pence**	Pence
	Headline earnings per share		
27.8	Basic	**18.5**	14.2
27.8	Diluted	**18.5**	14.2

[1] As at 30 June 2021, 31 December 2020 and 30 June 2020, in accordance with IAS 33 the related performance conditions for all open plans were not met resulting in nil dilution of earnings per share.

8. Goodwill

As at 31 Dec 2020 £m		As at 30 June 2021 £m	As at 30 June 2020 £m
	Cost		
230.7	At 1 January	276.3	230.7
(4.4)	Exchange differences	(2.7)	6.8
50.0	Recognised on acquisition of businesses	-	48.8
276.3	At balance sheet date	**273.6**	286.3
	Accumulated impairment		
60.9	At 1 January	60.9	60.9
(0.1)	Exchange differences	(0.2)	0.4
60.8	At balance sheet date	**60.7**	61.3
215.5	**Carrying amount**	**212.9**	225.0

Goodwill acquired through business combinations is allocated to the cash generating units (CGUs) that are expected to benefit from the synergies of the combination. The recoverable amounts of these CGUs are the higher of fair value less costs to dispose and value-in-use.

Impairment is monitored at the CGU level which is the same level at which goodwill is allocated. These CGU's are grouped into the business and geographical segments as follows:

31 Dec 2020 £m		30 June 2021 £m	30 June 2020 £m
	ADE:		
27.0	Western Europe	**26.8**	27.0
93.1	North America	**92.2**	98.4
	AGI:		
28.8	Western Europe	**28.0**	28.8
54.3	North America	**54.0**	58.2
12.3	Emerging markets	**11.9**	12.6
215.5		**212.9**	225.0

In accordance with IAS 36, the Group tests goodwill at least annually for impairment and performs a trigger assessment at the end of each reporting period to determine if there is any indication of impairment. Accordingly, the Group has performed this assessment on goodwill and other assets across all of its CGUs. The COVID-19 pandemic continues to impact some markets with continued country specific lockdown and restrictions.

The assessment of the CGUs focused on a review of the year to date performance versus budget, an analysis of CGU headroom from the December 2020 annual impairment exercise and an analysis of scenarios that would result in this headroom being eliminated. No impairment triggers were identified and the Directors have concluded that no impairment testing is required for the period ended 30 June 2021.

9. Provisions

	Restructuring £m	Restructuring environmental £m	Environmental £m	Total £m
1 January 2021	**24.5**	**4.8**	**7.7**	**37.0**
Increase in provision	**-**	**-**	**0.1**	**0.1**
Release of provision	**(0.4)**	**-**	**(0.7)**	**(1.1)**
Utilisation of provision	**(7.0)**	**(0.8)**	**(0.3)**	**(8.1)**
Exchange difference	**(0.7)**	**(0.1)**	**(0.1)**	**(0.9)**
30 June 2021	**16.4**	**3.9**	**6.7**	**27.0**

Included in current liabilities	**18.3**
Included in non-current liabilities	**8.7**
	27.0

The restructuring provisions relates to the costs associated with the closure of a number of Heat Treatment sites. A number of these restructuring provisions were recorded as exceptional items in 2020 and further details of this programme can be found in our 2020 Annual Report. No exceptional restructuring provisions have been released during the period to 30 June 2021. Included in the utilisation of provisions at 30 June 2021 is £7.7m related to exceptional restructuring.

The Group provides for the costs of environmental remediation that have been identified at the time of plant closure if there is a probable outflow of economic resources identified, as part of acquisition due diligence, or in other circumstances where remediation by the Group is required and a probable outflow of economic resources is identified. This provision is reviewed annually and is separated into restructuring environmental and environmental to identify separately environmental provisions relating to the restructuring programme from those arising in the ordinary course of business.

The majority of cash outflows in respect of these liabilities are expected to occur within five years.

The Group remains exposed to contingent liabilities in respect of environmental remediation liabilities. In particular, the Group could be subjected to regulatory or legislative requirements to remediate sites in the future. However, it is not possible at this time to determine whether and to what extent any liabilities exist, other than for those recognised above. Therefore, no provision is recognised in relation to these items.

10. Acquisition of businesses

On 3 April 2020 the Group completed the acquisition of 100% of the ordinary share capital of Ellison Surface Technologies ("Ellison") for total consideration of £129.5m. Ellison is a Surface Technology business located in North America with a number of sites primarily serving the Aerospace sector. The transaction has been accounted for as a business combination under IFRS 3. The table below summarises the final fair values of net assets acquired and related goodwill:

As at 31 Dec 2020 £m		**As at 30 June 2021 £m**	As at 30 June 2020 £m
	Fair value of net assets acquired:		
87.9	Other intangible assets	87.9	87.9
14.8	Property, plant and equipment	14.8	14.8
5.1	Right-of-use assets	5.1	5.1
2.6	Inventories	2.6	2.7
7.3	Trade and other receivables	7.3	7.5
(19.4)	Trade and other payables	(19.4)	(19.4)
(5.1)	Lease liabilities	(5.1)	(5.1)
(1.1)	Deferred tax liabilities	(1.1)	-
(0.2)	Provisions	(0.2)	(0.2)
(11.9)	Bank loans	(11.9)	(11.9)
80.0	Final fair value of net assets acquired	**80.0**	81.4
50.0	Goodwill	**49.5**	48.8
130.0	Total final consideration	**129.5**	130.2
	Satisfied by:		
66.1	Cash consideration	**66.1**	66.1
63.9	Deferred consideration at acquisition date	**63.4**	64.1
130.0	Total final consideration	**129.5**	130.2

Deferred consideration was settled in US dollars which translated to £63.4m at the acquisition date. £0.6m of the deferred consideration was paid in October 2020 and the remaining deferred consideration of £58.3m was settled in April 2021 as per agreement with the seller. As the deferred consideration was settled in US dollars, the final settlement was subject to foreign exchange movements of £4.5m. This foreign exchange difference is recorded within foreign exchange reserves in the financial statements.

The goodwill arising on the acquisition will be deductible for tax purposes and is attributable to:

- the anticipated profitability of the distribution of the Group’s services in new markets; and
- the synergies that can be achieved in the business combination including management, processes and maximising site capacities.

Further details of this acquisition can be found in our 2020 Annual Report.

11. Notes to the cash flow statement

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
0.8	Profit/(loss) for the period	**31.5**	(2.3)
	Adjustments for:		
(0.2)	Finance income	**(0.1)**	(0.1)
6.7	Finance costs	**3.0**	2.9
(2.3)	Taxation charge/(credit)	**9.0**	(1.5)
5.0	Operating profit/(loss)	**43.4**	(1.0)
	Adjustments for:		
65.2	Depreciation of property, plant and equipment	**29.8**	32.6
14.8	Depreciation of right-of-use assets	**6.9**	7.3
11.9	Amortisation of other intangible assets	**6.1**	5.9
0.6	(Profit)/loss on disposal of property, plant and equipment	**(2.3)**	0.1
0.4	Share-based payments	**1.7**	(0.3)
(0.2)	Income from associate	**(0.2)**	(0.2)
16.5	Impairment of property, plant and equipment and other assets - recognised in exceptional items	**-**	11.9
0.3	Impairment of property, plant and equipment and other assets - recognised in operating profit	**-**	0.4
6.2	Impairment of other intangible assets - recognised in exceptional items	**-**	-
120.7	**EBITDA (see note 2)**	**85.4**	56.7
2.1	(Increase)/decrease in inventories	**(0.9)**	-
35.6	(Increase)/decrease in receivables	**(1.2)**	27.3
(35.1)	Increase/(decrease) in payables	**6.7**	(18.3)
23.6	(Decrease)/increase in provisions	**(9.1)**	16.4
146.9	**Cash generated by operations**	**80.9**	82.1
(7.8)	Income taxes paid	**(2.7)**	(6.6)
139.1	**Net cash from operating activities**	**78.2**	75.5

Year ended 31 Dec 2020 £m		**Half year to 30 June 2021 £m**	Half year to 30 June 2020 £m
	Cash and cash equivalents comprise:		
30.7	Cash and bank balances	**31.5**	23.9
(1.5)	Bank overdrafts (included in borrowings)	**(2.6)**	(1.4)
29.2		**28.9**	22.5

12. Related party transactions

Transactions between the Company and its wholly owned subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed. There are no other significant related party transactions to disclose. Information on the remuneration of the Board of Directors, who are considered key management personnel of the Group, is disclosed in note 29 to the consolidated financial statements in the 2020 Annual Report.

13. Financial instruments

In accordance with IFRS 7 Financial Instruments: Disclosures, the Group's financial instruments are considered to be classified as level 2 and level 3 instruments. Fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices). There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments, or classification of financial instruments by fair value hierarchy during the period.

The Group uses foreign currency forward contracts in the management of its exchange rate exposures and to gain access to lower interest rates using synthetic hedges. The contracts are primarily denominated in the currencies of the Group's principal markets. The aggregate notional amount (aggregate face value) of contracts held at 30 June 2021 was £0.3m (31 December 2020: £2.3m; 30 June 2020: £4.5m).

The fair value of the Group's foreign currency forward contracts is determined using quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. The related fair value of the contracts held at 30 June 2021 was £nil (31 December 2020: £nil; 30 June 2020: £0.1m).

The Group's interest rate risk is primarily in relation to its floating rate borrowings (cash flow risk). From time to time the Group will use interest rate derivative contracts to manage its exposure to interest rate movements within Group policy. At the balance sheet date the related fair value of the contracts held at 30 June 2021 was £nil (31 December 2020: £nil; 30 June 2020: £nil). The Group is currently discussing a transition mechanism with its lenders with regard to LIBOR reform which will be completed before the end of this year. The impact is not expected to be material to the consolidated financial statements.

Whilst low levels of debt are typically maintained, at the balance sheet date the Group drew down on the RCF to partly fund the Ellison acquisition. This loan is denominated in USD and EUR and the amounts designated as hedges of the net investments of the Group's subsidiaries with matching functional currency on a 1:1 ratio. The effects and performance of the net investment hedge at 30 June 2021 are set out as follows:

	£m	€m	$m
Carrying amount (bank loan) and denominations	**(69.2)**	41.0	47.0
Hedge Ratio	**1:1**	-	-
Change in bank loan carrying amount as a result of foreign currency movements since 1 January 2021	**1.9**	-	-
Change in value of hedged item used to determine hedge effectiveness	**(1.9)**	-	-

The foreign exchange gain of £1.9m on translation of borrowings to GBP at the end of the reporting period is recognised in other comprehensive income and accumulated in the foreign currency translation reserve in shareholder's equity. There was no ineffectiveness to be recorded from the net investment hedge.

14. Contingent liabilities

The international tax environment has received increased attention and seen rapid change over recent years, both at a US and European level, and by international bodies such as the Organisation for Economic Cooperation and Development (OECD). Against this backdrop, Bodycote has been monitoring developments and continues to engage transparently with the tax authorities in the countries where we operate. On 25 April 2019, the European Commission released its decision that part of the UK Group Financing Exemption measures in the UK– controlled foreign company rules were unlawful and incompatible State Aid and have instructed HM Revenue & Customs to recover the State Aid. The UK Government has subsequently appealed the decision.

In common with other UK based international companies whose arrangements were in line with current UK CFC legislation, Bodycote may be affected by the outcome of this decision and has calculated the maximum potential liability including interest to be approximately £22.2m (31 December 2020: £22.0m; 30 June 2020: £21.8m). Bodycote is reviewing the details of the decision and assessing any impact upon the Group's tax position. At present, Bodycote has not been assessed for any tax charge in relation to this matter and believes that no provision is required.

The Group is subject to certain legal proceedings, claims, complaints and investigations arising out of the ordinary course of business. Legal proceedings may include, but are not limited to, alleged breach of contract and alleged breach of environmental, competition, securities and health and safety laws. The Group may not be insured fully, or at all, in respect of such risks. The Group cannot predict the outcome of individual legal actions or claims or complaints or investigations. The Group may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. The Group may do so to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when it considers it has valid defences to liability. The Group considers that no material loss is expected to result from these legal proceedings, claims, complaints and investigations. Provision is made for all liabilities that are expected to materialise through legal and tax claims against the Group.

15. General information

Copies of this report and the last Annual Report are available from the Group Company Secretary, Bodycote plc, Springwood Court, Springwood Close, Tytherington Business Park, Macclesfield, Cheshire SK10 2XF, and can each be downloaded or viewed via the Group's website at www.bodycote.com. Copies of this report have also been submitted to the FCA Electronic Submission System which is situated at: https://data.fca.org.uk/#/nationalstoragemechanism

Company information

Financial calendar

Interim dividend for 2021	5 November 2021
Results for 2021	March 2022
Annual General Meeting	May 2022
Final dividend for 2021	June 2022
Interim results for 2022	July 2022
Interim dividend for 2022	November 2022

Shareholder enquiries

Enquiries on the following administrative matters can be addressed to the Company's registrars at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Telephone 0333 207 5951 (+44 333 207 5951 if calling from outside the UK). Lines open 8.30am to 5.30pm (UK time), Monday to Friday excluding public holidays in England and Wales); Email: Log on to help.shareview.co.uk (from here you will be able to email your query securely).

- Change of address
- Stock transfer form including guidance notes
- Dividend mandates
- ShareGift donation coupon

Forms for some of these matters can be downloaded from the registrars' website www.shareview.co.uk. Shareholders can easily access and maintain their shareholding online by registering at www.shareview.co.uk. To register, shareholders will require their shareholder reference number which was recently provided.

Shareholder dealing service

For information on the share dealing service offered by Equiniti Limited telephone 0345 603 7037 (+44 121 415 7560 if calling from outside the UK). Lines open 8.00am to 4.30pm (UK time), Monday to Friday excluding public holidays in England and Wales.

* Please either telephone Equiniti or look online at www.shareview.co.uk for the up-to-date commission rates.

To view the Bodycote Interim report online visit www.bodycote.com

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