

Innovating for

future growth



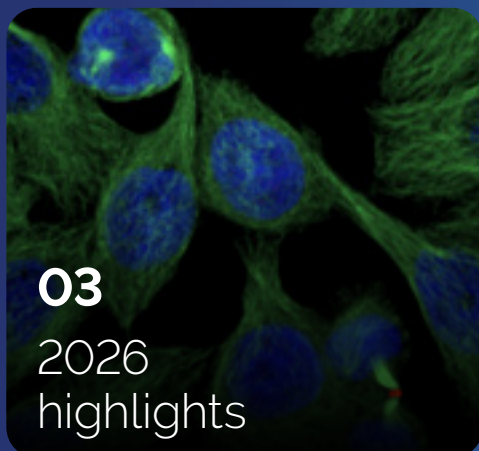
Our purpose is to accelerate the **breakthroughs** that create a **brighter future for our world**

Our technology and scientific expertise enables our customers to discover and bring to market exciting new advances that drive human progress.

See our CEO review on pages 11 to 23



Inside this report



What we do

We provide academic and commercial organisations worldwide with market-leading scientific technology and expertise across our key market segments: Materials Analysis, Semiconductors, and Healthcare & Life Science.

Innovation is the driving force behind our growth and success, supporting our core purpose to accelerate the breakthroughs that create a brighter future for our world.

We hold a unique position to anticipate global drivers and connect academic researchers with commercial applications engineers, acting as a catalyst that powers real world progress.

Read more in **At a glance** on page 6



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Our statement in accordance with Section 172(1) of the Companies Act 2006, describing how the Directors have had regard to the matters set out in section 172(1)(a) to (f), is included in the Governance report on pages 112 to 119 and is incorporated in the Strategic Report, by reference.

2026 highlights

Poised to deliver sustainable growth and value



"With a strong order book, a robust balance sheet and clear priorities, we are confident in our ability to deliver attractive sustainable growth and value for all our stakeholders."

RICHARD TYSON
Chief Executive Officer

Strong strategic progress and an effective response to market headwinds led to a good full-year performance, despite significant disruption in the first half. This is down to a combination of the agility and hard work of my colleagues and the continuing structural demand for our market-leading solutions, across a diversified portfolio.

Read more in the **CEO statement** on **pages 11 to 23**



Management initiatives in Imaging & Analysis, particularly within our Belfast-based imaging business, where we restructured the cost base and sharpened our product strategy alongside productivity improvement, drove a stronger second-half performance. The division enters the year ahead well positioned, benefiting from organic investment and good strategic progress.

In Advanced Technologies, our updated strategy, market-leading compound semiconductor technology and commercial focus have generated a record orderbook, providing revenue visibility in FY27 and into FY28. We are focused on executing this significant opportunity to drive sustainable profitable growth.

Whilst the macroeconomic and geopolitical environment remains uncertain, we are making clear progress against the strategy set out in 2024 and remain well positioned in structurally growing markets, supported by increased investment in innovation, operational excellence and our people.

With a strong order book, a robust balance sheet and clear priorities, we are confident in our ability to deliver attractive sustainable growth and value for all our stakeholders in the new financial year and beyond.

RICHARD TYSON
CEO, Oxford Instruments plc

Summary of the year

- Strong H2 across the Group delivered full-year performance slightly ahead of expectations¹ reflecting agile response to a challenging geopolitical environment
- NanoScience divestment improves focus, group margins and contributes £42m in net proceeds
- Advanced Technologies (AT) order intake up 28% for the year, with FY27 planned revenue now largely covered and opportunity pipeline continuing to strengthen



2026 highlights continued

Adjusted financial highlights²

Revenue

£423.2m

(2025: £443.4m)³

% change
organic constant
currency (OCC)⁴

(4.6%)

(3.0%)

Adjusted operating profit

£73.7m

(2025: £79.5m)

% change
organic constant
currency (OCC)

(7.3%)

(1.6%)

Adjusted basic earnings per share

100.7p

(2025: 109.1p)

(7.8%)

Normalised cash conversion⁵

89%

(2025: 102%)

Adjusted operating profit margin

17.4% (50 bps)

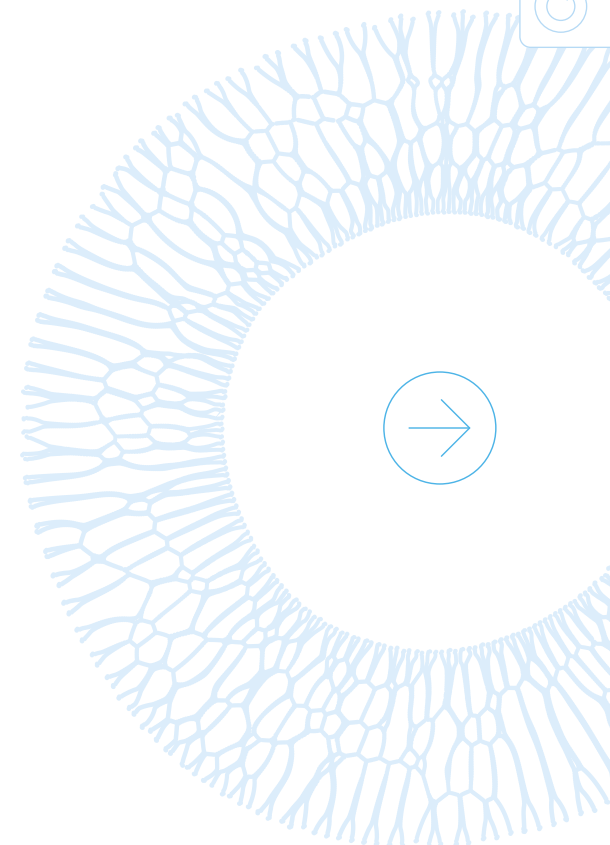
(2025: 17.9%)

Organic constant currency profit margin
+30bps, equivalent to 18.2% OCC adjusted
operating profit margin
(2025: 17.9%)

Net cash⁶

£94.0m

(2025: £84.4m)



2026 highlights continued

Reported highlights

Revenue

£423.2m

(2025: £443.4m)

(4.6%)

Operating profit margin

13.7%

(2025: 8.5%)

520 bps

Basic earnings per share

84.6p

(2025: 44.8p)

+88.8%

Operating profit

£58.0m

(2025: £37.6m)

+54.2%

Profit before taxation

£58.5m

(2025: £38.2m)

+53.1%

Dividend per share for the year (proposed)⁷

23.6p

(2025: 22.2p)

+6.3%

- 1 The mean of consensus estimates for reported full year FY26 results are for revenue of £420.7m, adjusted operating profit of £71.3m, and adjusted operating margin of 16.9%. Please refer to the Company website for more details of how consensus is calculated.
- 2 See pages 195 to 200 Alternative Performance Measures for a full explanation of adjusted measures and how they reconcile to reported IFRS measures.
- 3 FY25 restated to reclassify NanoScience business as a discontinued operation. Previously reported adjusted operating margin was 16.4%.
- 4 Organic constant currency (OCC). References to year-on-year movements and margin percentages are shown at OCC or constant currency (CC) as appropriate throughout our reporting. Constant currency numbers are prepared using prior year results translated at the current reporting year's average exchange rates. Organic constant currency numbers exclude disposals and acquisitions are not included until the prior year includes a full year of performance.
- 5 Normalised cash conversion measures the percentage of adjusted cash from operations to adjusted operating profit, as set out in the finance review.
- 6 Net cash includes total borrowings, cash at bank and bank overdrafts but excludes IFRS 16 lease liabilities.
- 7 Proposed dividend per share, to be confirmed at the annual general meeting on 23 July 2026.
- 8 Book-to-bill is defined as orders received in the period divided by revenue in the period.



2026 highlights continued

Financial and operational highlights

Financial highlights

- Strong demand from commercial semiconductor customers across both divisions
- Imaging & Analysis (I&A) order intake momentum improving through the year, with orders up 8% in H2 (+1.3% full year)
- Strong margin performance in I&A (OCC +120 bps, Reported +50 bps) following Belfast restructuring, portfolio refocus and operational excellence benefits
- Group revenue down 3.0% OCC (-4.6% reported) following disrupted H1 in I&A and later than expected conversion of AT orders to revenue. Group revenue up 1.3% OCC in H2
- Book-to-bill of 1.06^a provides momentum for FY27
- Group adjusted operating margin continuing to move forward, up 30 bps on a constant currency basis (reported decrease 50 bps) following strong I&A margin delivery. Currency headwind of £4.5m to adjusted operating profit

- Reported operating profit and margins sharply up after FY25 impairment charge at Belfast-based Andor, with restructuring actions positively impacting business performance
- NanoScience proceeds (£42.4m) and strong normalised cash conversion (89%) supporting a share buyback of £62.2m, and growth in net cash⁸ to £94.0m (+11.4%)
- Proposed 6.3% increase in full year dividend to 23.6p⁷



Read more on pages 42 to 50



Strategic and operational highlights

- Portfolio optimised through divestment of NanoScience, strengthening Group operating margins and resulting in a simplified, more focused AT division
- Successful restructuring of our Belfast imaging facility in I&A, with a focus on cost base, high contribution product lines, and increasing productivity, supporting second half performance
- Proactive response to the changing macroeconomic environment, including:
 - acceleration of electron microscope 'Made in China' initiative, to meet local requirements;
 - relocating some atomic force microscopy manufacturing from the US to Germany, and transferring some nanoindentation production from Switzerland to the UK;
 - mitigation of rare earth magnet restrictions through proactive R&D and alternative sourcing
- New products introduced, including in atomic force microscopy, nuclear magnetic resonance, Raman and scientific cameras, further consolidating our technological lead and expanding commercial market opportunities



- Progressing strategic shift to high-volume manufacturing customers in compound semiconductors, investing in strengthening customer service proposition (service orders up 35% year on year, and enhanced capability for larger and more complex installations)

Read more on pages 11 to 23



Please see footnotes on previous page.

At a glance

We are a leading provider of scientific technology and expertise to academic and commercial partners worldwide

+1,900

Employees

27

Base locations

23

Countries from which we operate

Further details on [pages 11 to 23](#)



What we do

We develop and manufacture market-leading imaging, analysis and fabrication tools that accelerate new scientific breakthroughs. Our technology and market insight place us in a unique position to anticipate global drivers and connect academic researchers with commercial applications engineers, acting as a catalyst that powers real world progress.

Our divisional structure



Imaging & Analysis

Microscopes, scientific cameras, analytical instruments and bespoke software



Advanced Technologies

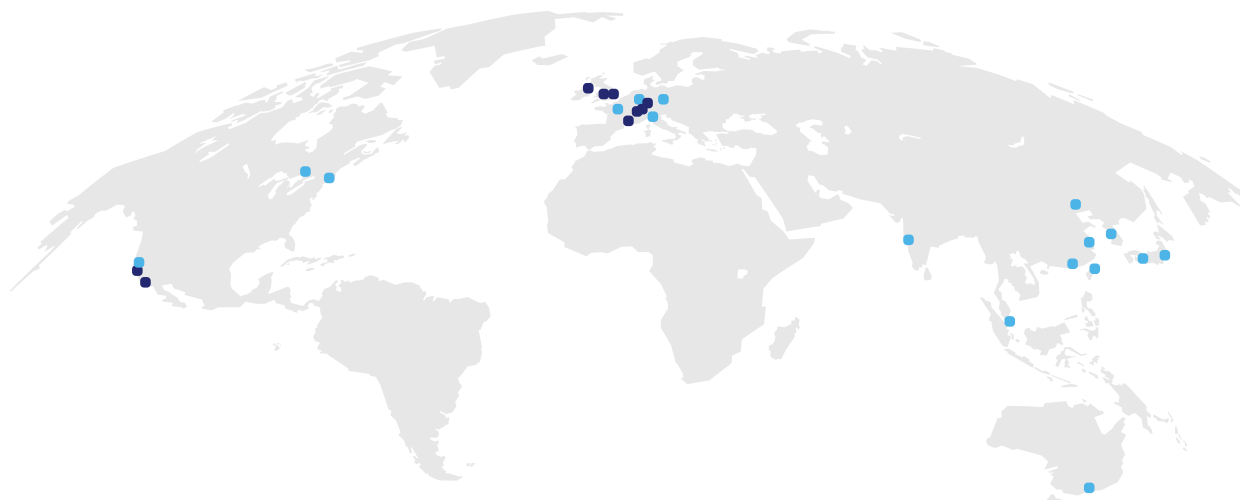
Compound semiconductor fabrication capital equipment and X-ray tubes

Revenue split by sector

■ Imaging & Analysis	£314.7m
■ Advanced Technologies	£108.5m



At a glance continued



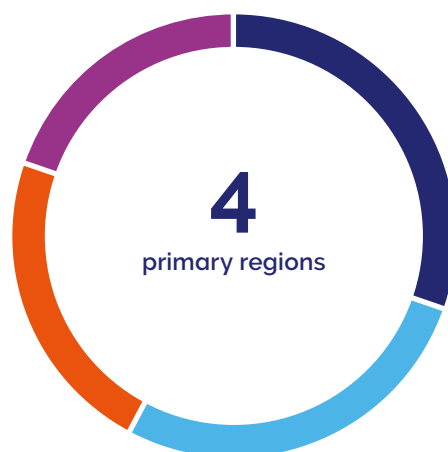
■ Manufacturing sites
■ Regional sales and service sites

Where we operate

We sell products and services all over the world, employing more than 1,900 people across 27 bases in 23 countries.

Revenue by region

■ EMEA-I	£129.0m
■ North America	£116.2m
■ China	£95.1m
■ East and Southeast Asia	£82.9m

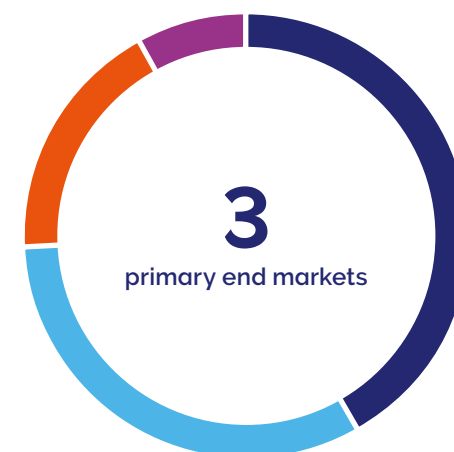


Who we work with

We work with thousands of academic and commercial organisations in three key structural growth markets.

Revenue by market

■ Materials analysis	£178.2m
■ Semiconductor	£136.3m
■ Healthcare & life science	£71.6m
■ Other markets, including quantum	£37.1m



Our purpose-driven approach

Our purpose

To accelerate the breakthroughs that create a brighter future for our world

Our opportunity

Oxford Instruments holds a unique position to anticipate global drivers and connect academic and commercial researchers, acting as a catalyst that powers real world progress

Our Ways of Working

- We start with the customer
- We succeed by being focused
- We make and keep our promises
- We work together as one team
- We help and trust each other to succeed

Medium-term KPIs

Enhance growth, margins and returns:

- Organic growth CAGR 5–8%
- Adjusted operating profit margin 20%+
- Return on capital employed > 30%
- Cash conversion > 85%
- Selective acquisitions

Our ambition

Be the scientific instrumentation partner in every significant lab and production facility across the world

Our strategic priorities



Deliver strong growth through 'customer first' Ways of Working



Deliver a step change in operational performance



Simplify the organisation



Significant investment in new technology and products



Embed our values and Ways of Working



Reach net zero in our own operations by 2030

Chair's statement

Strong strategic delivery positions Oxford Instruments for future growth

"The remarkable outcomes we have achieved this year clearly reflect the benefits of the actions we have taken over the past two years."

NEIL CARSON
Chair



Further details on **pages 11 to 23**



It has been another year of strong delivery and strategic progress for Oxford Instruments, as we continue to execute with clarity and discipline against the priorities set out in 2024.

The remarkable outcomes we have achieved this year, meeting the market's expectations for the year in the wake of significant external headwinds in the first half, clearly reflect the benefits of the actions we have taken over the past two years. We are now operating on much stronger foundations, which have underpinned our resilience to external headwinds and positioned us for future growth. We enter the new financial year with clear momentum and with our confidence in the Group's medium-term potential underlined.

Driving innovation in science has always been at the core of Oxford Instruments, and remains central to our strategy as we invest to accelerate breakthrough developments. Since 2023, we have built on this heritage with a step change in customer focus, commercial discipline and operational performance. The work done to simplify the Group, sharpen our commercial focus and embed a culture of operational excellence is now clearly translating into improved performance and resilience.

Strength and opportunity Group-wide

In Advanced Technologies, having committed the right level of investment at the right time to create our new facility at Severn Beach, we have added greater strategic focus and commercial discipline to our capabilities, and are now extremely well positioned to benefit from the current strong growth in the compound semiconductor market. With the site now fully up and running, the benefits of our world-class clean room and our investment in talent and innovation are clear, as growing numbers of key commercial customers place their trust in us to support their new chip developments and volume ramp up. The divestment of NanoScience, completed in January 2026, has further enabled us to prioritise the most significant growth opportunities for the division. The Board's thanks go to everyone involved in this project for their commitment and professionalism throughout.

In Imaging & Analysis, we have honed and sharpened the focus of what was already a highly effective driver of value for customers and shareholders alike. The quality and differentiation of our product range, underpinned by ongoing innovation, gives us continued opportunity for growth in this division. I was particularly pleased with the agility and pace with which the team here dealt with significant external headwinds this year, swiftly returning the business to growth, delivering improvement quarter on quarter and ultimately maintaining their exceptional financial performance.



Chair's statement continued

Across both divisions, we play a vital role both in enabling pure academic research and in supporting customers as they develop the next generation of technologies and applications and take them into a production setting. By connecting academic and commercial ecosystems, and by providing the tools and insights needed to accelerate innovation, Oxford Instruments occupies a distinctive and highly valued position. This continues to provide a degree of resilience against macroeconomic uncertainty, while ensuring that we remain aligned to long-term global investment in science and technology.

We have maintained strong momentum in our operational transformation during the year with significant efficiency improvements supporting results. The changes made to our structure and Ways of Working increasingly embedded organisation-wide, creating a simpler and more agile business.

In parallel, we have continued to allocate capital with discipline, focusing on the areas of highest strategic and financial return, and further strengthening the foundations for sustainable growth. The strength of our cash position as we head into FY27 gives us excellent capital investment flexibility. Given the improved cash flows and strength of our balance sheet, and our confidence in the prospects for organic growth within Oxford Instruments, key areas of focus for capital investment will be in continuing to strengthen our customer experience and demonstration centre capability, and reinforcing our operational site process capability; we also plan to accelerate the development roadmap for our product ranges in both divisions with additional investment.

Our people delivering progress

The progress we have made would not have been possible without the continued commitment and capability of our people. Across the Group, teams have embraced our strategy and have translated it into tangible outcomes, while maintaining a clear focus on our customers and on delivering commercial impact.

I have been pleased to see our new Ways of Working become more deeply embedded during the year. They are fostering greater collaboration, accountability and pace, and are helping to create a more consistent and customer-focused culture across the Group. This cultural shift is an important enabler of our strategy and will remain a priority as we continue to evolve the organisation.

On behalf of the Board, I would like to thank all our employees for their contribution to another successful year. Their expertise, agility and commitment position Oxford Instruments strongly for the opportunities ahead.

Sustainability

We have continued to make strong progress on our sustainability journey, building on the important milestones achieved last year, which included the approval of our science-based net zero targets and the publication of our transition plan. During the year, we have focused on embedding these commitments into our operations and decision-making processes, ensuring that sustainability remains closely aligned with our strategy and long-term value creation.

Our technologies continue to support customers in addressing some of the world's most pressing challenges, from advances in healthcare to the development of more efficient materials and semiconductor technologies. In doing so, we are not only delivering commercial value, but also contributing to wider societal and environmental progress.

Dividend

Reflecting the Group's continued strong performance and our confidence in its future prospects, the Board is recommending a 6.3% increase in the full-year dividend to 23.6p, in line with our progressive dividend policy. This remains an important element of our commitment to delivering sustainable returns to shareholders. The proposed dividend is subject to approval at the AGM on 23 July 2026.

"Oxford Instruments is now in a position of strength. We have a clearer strategic focus, a stronger operational platform, and a culture that is increasingly aligned to delivering consistent and sustainable performance."

Looking to 2027 and beyond

As we look to the future, Oxford Instruments is now in a position of strength. We have a clearer strategic focus, a stronger operational platform, and a culture that is increasingly aligned to customer expectations and delivering consistent and sustainable performance.

While the external environment remains complex and fast-moving, with ongoing geopolitical and macroeconomic uncertainty, we are ever more confident in our ability to navigate these challenges. The long-term drivers of demand in our markets remain compelling, underpinned by global investment in research, technology and innovation.

With a strengthened portfolio, a more disciplined approach to execution, and a talented and committed team, we enter the next financial year and the period beyond with confidence. We remain focused on delivering further progress against our strategic objectives and on creating long-term value for all our stakeholders.

I look forward to reporting on our continued progress in the year ahead.

NEIL CARSON
Chair

8 June 2026

Chief Executive Officer's review

Delivering on our strategy, powering future growth

"We are making clear progress against our strategy and remain well positioned in structurally growing markets, supported by increased investment in innovation, operational excellence and our people."

RICHARD TYSON
Chief Executive Officer



Further details on **pages 11 to 23**



A strong second half delivered a good full-year performance, slightly ahead of expectations, in a year characterised by geopolitical uncertainty, as we responded to external challenges with agility and strong strategic and operational execution. Given the H2 trajectory, the significant growth opportunity in compound semiconductors, and the strategic actions taken since 2024, we are confident in our ability to deliver attractive growth and create value in FY27 and beyond.

Despite the macro challenges in the early part of the year, the Group delivered order growth of 8.0% on an organic constant currency (OCC) basis. This growth is underpinned by the strength of our high margin, diversified Imaging and Analysis (I&A) portfolio, and the expanding opportunities within the compound semiconductor market for our Advanced Technologies (AT) division, where order intake has grown by 28.1%.

Revenue returned to growth in the second half (up 1.3% OCC), finishing the year 3.0% lower than last year following the disrupted first half. Adjusted operating profit rebounded markedly, growing 15.4% in H2 versus H2 FY25, with the full year ending just 1.6% behind last year.

Order intake

£450.4m

(2025: £423.4m)

Revenue

£423.2m

(2025: £443.4m)

Adjusted¹ operating profit

£73.7m

(2025: £79.5m)

Adjusted¹ organic constant currency operating margin

18.2%

(2025: 17.9%)

¹ Details of adjusting items can be found in Note 2 to the financial statements.



Chief Executive Officer's review continued

Gross margins increased by 70 basis points, driven mainly by the I&A division, where our restructuring of the Belfast cameras and microscopy business has delivered significant savings, and together with tight cost control has allowed us to grow our continuing operations full-year adjusted operating margin on an organic constant currency by 30 basis points to 18.2%, despite absorbing 80 basis points of stranded cost following the NanoScience divestment.

I am extremely proud of all my colleagues who have not only taken such effective action to mitigate and manage geopolitical volatility, but have also continued to drive forward the strategy we set out in 2024, building a more commercial and operationally focused business, better able to deliver sustainable future growth.

Imaging & Analysis returning to growth

We acted quickly in **our Imaging & Analysis (I&A) division**, which was most impacted by the tariff and funding disruption to orders and revenue in the first half, as customers sought to clarify funding sources and delayed placing orders. We repriced our open order book, adjusted our manufacturing footprint, and sought new funded market opportunities to restore the business to growth. Our response, coupled with the division's exposure to structurally resilient end markets, helped this division to deliver an improving growth rate every quarter. Order intake grew 8% in H2, and full-year orders closed 1.3% OCC up for the year. As a result of the profit improvement actions taken in our cameras and microscopy business, and improved operational execution, adjusted operating margin improved 120 basis points on an already strong prior year. This margin improvement offset a 3.0% decline in revenue and delivered divisional operating profit growth of 2.3%.

Strong order momentum in Advanced Technologies

Advanced Technologies (AT) delivered 28.1% CC order intake growth, with the second half order intake growing over 30%, and our year-end orderbook closing up 27% versus the prior year. Following receipt of a significant multi-year order in April 2026, the current AT order book materially covers planned revenue for FY27, with orders now extending into FY28. The investment thesis behind the £75m investment in our state-of-the-art, purpose-built facility at Severn Beach, now fully operational, is playing out as planned. The significant growth in data centres has driven high demand for compound semiconductor chips for optical data switching and early positioning for power applications. Orders for these datacomms applications have grown more than 200% in FY26, mainly from large high-volume commercial manufacturers who now make up more than 50% of our order volume. We are also seeing healthy growth momentum in micro LED and lens etchings related to the development of augmented reality (AR) and virtual reality (VR) glasses.



↑ Our Unity detector has contributed to our strong orders performance in Imaging & Analysis

The weighting of order book growth to the second half, and of product mix towards larger, multi-chamber systems being ordered by volume production customers, means we have seen later flow through into revenue growth than expected, and are seeing this order momentum convert into revenue and operating profit in H1 FY27.

NanoScience successfully divested

In January 2026 we completed the sale of NanoScience, the quantum-focused business within our AT division. This divestment enabled us to crystallise the performance improvement delivered in FY25, achieving a strong value outcome for shareholders. Whilst the divestment has left stranded cost in the Group to be absorbed by the remaining divisions¹, the Group's FY25 restated adjusted operating margin increased by 150 basis points as a direct result of the sale. The divestment has brought greater focus and predictability to the AT division, allowing us to allocate capital with greater confidence. It has also further simplified the Group, including reducing our site footprint, and releasing management time to focus on higher value growth opportunities.

Recovering cameras and microscopy business

As we described in our FY25 Annual Report, our Belfast-based cameras and microscopy business has struggled to maintain market share in recent years in a declining healthcare and life sciences market. We took decisive, but difficult action to address the competitiveness and the margin structure of the business. This included a 20% reduction in workforce, new leadership, a shift in product strategy towards higher contributing lines, and increased investment in both new products and production facilities, including a full clean room upgrade in April 2026.

¹ Stranded costs refer to central costs that were previously charged to the NanoScience business, and remain within the Group post-divestment. These costs are now borne by the remaining I&A and AT divisions.

Chief Executive Officer's review continued

I am pleased to say we are seeing the benefits of these actions, including improved operating margins, higher productivity and lower inventory levels which delivered an extra £5.6m in cash flow. Most importantly we have seen increased orders from OEMs. With a book to bill for these product lines of 1.05, we are moving into FY27 with confidence in the growth prospects for the business.

Customer-centric commercial model

Changes to our operating model have been instrumental in the year's strong recovery. Our regional teams, fully connected to customers and to local market dynamics, are now primarily responsible for driving order growth, while business units, based at our operational facilities, focus on developing market-leading products and software, and ensuring effective delivery. We have realigned our sales teams and increased resources to enable them to build deeper and broader relationships with key customers, with a capability to sell products from across our portfolio. As part of this change to our structure, we have strengthened our presence in Europe, the Middle East, Africa and India (EMEA), creating a dedicated EMEA regional leadership team under a regional president, as we have already done successfully in the US and China, and by combining regional teams for Japan and the rest of Asia. The changes made in EMEA are already having a positive impact, with double digit order growth in the region.

Experience has proved that customers are more likely to order an Oxford Instruments product if they have an opportunity to experience its capabilities in action, in a high technology setting. The prime example of this is the Severn Beach facility, where we are able to demonstrate the capabilities of our equipment on customer wafer samples, in one of Europe's leading clean room settings. However, we are also bringing our I&A tools closer to customers by investing in new demonstration suites in growing markets in Asia, key centres in the US, and our primary regional office in Germany.

Service as a driver of growth and margin opportunity

Service is playing an increasingly important role in our ability to drive high-margin revenue growth, and this will remain a key focus area in FY27. Service revenue now accounts for 18.8% of Group revenue, up from 15.9% in FY23, prior to the launch of our customer-first strategy, as we seek to improve customer experience by delivering support that is faster, more capable and more locally responsive. Service initiatives under way include upskilling employees to support a wider range of systems, improving availability of parts and loan/exchange units, and beginning to introduce local repair centres, as well as adopting new systems to track targets and drive improvements.

The provision of service in commercial settings, where product uptime and rapid issue resolution are critically important to high-volume manufacturers, has been a key focus area in the year. We are now able to offer a higher level of service on a contracted basis for key commercial customers, providing 24/7 on-site support for large, complex installations. Globally, tailored packages now allow customers to choose the elements of service which add most value for them, ranging from preventative maintenance to rapid response on-site repairs.

This targeted focus on delivering first-class customer service has supported a 7.7% uplift in service orders year on year, with scope for further growth in FY27, with standardised reporting highlighting opportunities for improvement across regions, and improved mapping of our installed base supporting increased opportunities to target warranty sales.

Building an operational excellence culture

Our operational excellence programme – OpEx30 – is a fundamental component of our strategy. It is not only aimed at impacting near-term financial performance, but also as a catalyst for transforming the culture of Oxford Instruments to one of disciplined, data-driven execution. First deployed at our Belfast site in 2024, the programme has expanded to all our major UK sites, with impressive results. In Belfast, we have seen a 60% increase in camera productivity and a 30% reduction in customer repair times. In Severn Beach, we have achieved a 40%+ reduction in build time for one of our atomic layer deposition systems, the Plasma Pro ASP. The programme is staffed by a mix of highly experienced operations leaders and key talent at an earlier stage in their careers. We now have a body of experience and lessons learned enabling us to accelerate the impact of the programme in new sites.

A beneficiary will be our compound semiconductor facility in Severn Beach, where our experience of made-to-order configuration processes in our NanoScience business has direct relevance, as we strengthen our production capabilities and supply chain to address current and future growth.



↑ A new customer demonstration centre in Seoul enables us to showcase our technology in person

Chief Executive Officer's review continued

Strategic sourcing

A strategic approach to managing our supply chain has become even more important in the context of geopolitical uncertainty, inflationary headwinds, and a step change in growth trajectory in our AT business. Led by our Chief Operating Officer and the global sourcing team, we have been very active in ensuring greater resilience in our supply chain to support future growth through dual sourcing, strategic supplier relationships, and long-term inventory planning. We continue to work to mitigate this risk in line with our overall risk appetite. The work carried out to mitigate the impacts of geopolitical uncertainty, including rare earth supply challenges, has delivered lasting benefits, in terms of long-term expansion of the supply base and improved commercials for our UK manufacturing sites. Separately, the team's forward planning for universally required components for I&A improved security of supply and avoided £1m of inflationary cost.

So far, the current energy crisis has not had a material impact on our cost base, with energy costs typically representing less than 1% of revenue at our UK sites, which have the highest energy consumption in the Group, and which will benefit from hedged pricing contracts over the next six to 12 months. However, we will expect to see second order impacts filter into our supply chain. Where we have faced inflationary pressures, we have worked to secure the best deals we can, and have found sources of value in taking a more global approach to sourcing, moving on from a legacy of individual business units making individual buying decisions. During FY26 the sourcing team has generated a £1m annual saving and improved service by consolidating logistics partners.

Looking forward, our procurement and engineering teams are working closely together to drive forward a value engineering agenda, designing out cost and complexity from key product lines, positively impacting product contribution margins. Significant savings have been achieved on new product launches: most notably, c.£7k per unit was shaved from the cost of components for a recent product launch, generating a 5%+ gross margin improvement versus near-final designs and thereby enabling a competitively priced market position.

Sustained commitment to innovation and R&D

Innovation remains at the heart of Oxford Instruments. Recognising that our differentiated technology is a key source of strength for Oxford Instruments, we have invested almost £40m in R&D in FY26, representing 8.8% revenue (2025: 8.7%). We are also proud of our academic heritage and the continued strong links we have into academia around the world, which help to ensure we are at the forefront of new analytical techniques and new applications for our technology. In I&A, our long-term growth has come from delivering the best products in the world, but also from making these products more accessible to less expert users in both academic and commercial settings, significantly expanding our addressable market. Today, our R&D priorities for this division include continuing to develop our highly regarded software interface to encompass our full analytical suite of tools, providing greater functionality and ease of use. We are also investing in incorporating AI further into our products, accelerating analysis and decision making for our customers. We continue to successfully bring new products to market, with a particular focus on our camera portfolio, where we are incorporating new sensor technologies and software tools to ensure we remain leaders in this area. Recognising the significant opportunities in semiconductors for our I&A division, as well as AT, we are also investing more to adapt our tools to fit seamlessly into high-volume chip manufacturing environments.

In AT, we work closely with our customers to understand future market needs and ensure we have a product development roadmap in place to meet them. High-volume manufacturing customers in particular want confidence not only that we can meet their requirements today, but that we can grow and innovate with them to support their growth plans. A clear example is the need to ensure our equipment can continue to accommodate larger wafer sizes, as customers seek to drive economies of scale. We are committed to working with our customers over the long term and are ensuring we are allocating sufficient capital to R&D in these areas.

We have launched a number of new products in I&A, while in AT's compound semiconductor business we have created new and improved processes and semiconductor 'recipes' to maintain our leading edge and support our customers' roadmaps. Developments across both divisions are covered in more detail in the divisional overviews below.

The principles of maintaining and developing new leading-edge capabilities, combined with increasing ease of use, are common to the whole Group's R&D programme.

Given our strong net cash position, and the opportunities for long-term growth in both divisions, we plan to incrementally increase our cash investment in R&D in FY27, to capture more of our growth opportunities, recognising that innovation is a key organic growth engine for Oxford Instruments. Key areas of focus include:

- adapting our metrology equipment to better suit a semiconductor production environment, and supporting our customers to move to larger wafer sizes,
- broadening the scope of our software and integrating further AI capabilities; and
- refreshing our camera lines and exploring further OEM integration.



Chief Executive Officer's review continued

Strong progress on Group medium-term actions

	Medium-term target	FY24	FY26	Future
Revenue growth	5–8% organic growth CAGR	3-year CAGR 12.1%	3-year CAGR (3.4%)	Life science recovery Commercial investments Service growth
Group margin	20%+	17.1%	18.2%	AT growth – operating leverage Belfast return to growth Service revenues
ROCE	>30%	29.1%	28.2%*	Steps back to range with profit growth Focus for future investments
Cash conversion	>85%	64%	89%	Improvements in working capital Pension buy out
Investment in R&D	8–9% revenue invested	8.3%	8.8%	Periodic investing in additional growth opportunities
M&A	Selective M&A	Acquired First Light Imaging and FemtoTools	Disposal of NanoScience	Disciplined approach to opportunities, ensuring they meet investment thresholds

* Ex NanoScience

Progress on medium-term goals

In 2024 we set out our key medium-term financial goals:

- Organic revenue growth of 5–8% CAGR
- Adjusted operating margin improvement to 20%+
- Cash conversion of over 85%
- Continuing to invest in growth, including 8–9% on R&D
- Strong return on capital employed (30%+)
- Selective acquisitions bringing complementary capabilities

As set out above, we are investing in R&D aligned to our target range of 8–9% of revenue. Our adjusted operating profit margin continues to improve, from 16.4% in FY25 to 18.2% in FY26, supported by the divestment of NanoScience, restructuring in our cameras business, and a greater focus on operational excellence. Despite the 130bps of currency headwinds since 2024, we remain confident in our medium-term margin goal of 20%.

This reflects the benefit of the actions taken in Belfast, supply chain and operational efficiency initiatives, and the operating leverage benefit expected from a growing AT division, for which we are now guiding to a margin range of 12–15%, up from the 10–12% set out in 2024. Cash conversion also remains high at 89% for FY26 and has averaged 85% over the last three years. We remain confident that average cash conversion over the medium term will be at or above our goal of 85%.

Challenging trading in Q1 of FY26, together with currency headwinds in recent years, has meant revenue growth since FY24 has been below our target range on a reported basis, and this is reflected in our FY23 to FY26 compound annual growth rate (CAGR) of 3.4%. However, with a return to growth in I&A in H2 of FY26, and a very strong order book in AT, we remain confident in our medium-term organic revenue CAGR goal of 5%–8%.

Our return on capital employed (ROCE) goal is to deliver above 30%. Excluding NanoScience, we delivered a reported ROCE of 28.2%. Given the progress being made, and the expected future growth profile of the business, we still expect to see an average ROCE above 30% over the medium term, even with our additional organic investment plans.

The outcomes we have achieved in such a challenging year reinforce our confidence in our ability to achieve these mid-term targets.

Disciplined capital allocation

With £94.0m net cash at the end of the year, our balance sheet is strong, providing us with resilience and the flexibility to invest to drive future returns. As anticipated, cash conversion was strong in H2, with full-year cash conversion at 89%, and free cash flow is anticipated to accelerate through FY27, as the business grows, restructuring costs fall away, and following the cessation of contributions to our defined benefit pension scheme.

Our primary capital allocation priorities remain as follows:

- **Organic investment**, encompassing:
 - R&D, to which we remain committed to investing 8%–9% of revenue; and
 - capital investment in organic growth opportunities, where the basis for investment is increased returns, rather than simply maintaining the capital base.

We see a number of growth investment opportunities in FY27 in both I&A and AT, and we plan to allocate more capital to these next year.
- **Dividend**: our dividend programme, through which we are returning £13.0m to shareholders in FY26. Subject to ratification by shareholders at the Annual General Meeting, we intend to increase the dividend by 6.3% to 23.6p per share, reflecting our confidence in long-term growth.

Chief Executive Officer's review continued

- **M&A:** After allocating free cash flow to organic investment and dividends, any remainder will be considered for allocation to inorganic growth and margin opportunities. We continue to actively review M&A opportunities, primarily focused on our I&A division. However, we are disciplined in our approach to assessing these opportunities to ensure they provide clear strategic advantages and meet our investment returns threshold.
- **Additional capital returns to shareholders:** We will consider additional capital returns via further share buy backs if surplus capital remains once the three avenues above have been explored.

Since successfully executing two smaller acquisitions, First Light Imaging and FemtoTools in 2024, we have considered capital returns as delivering greater value to shareholders. We announced the company's first buyback programme in June 2025 for £50m and extended it further to £100m in November. Over the course of the year, we deployed £62.2m of capital to share buybacks, and will continue to execute on this programme into FY27.

Positioned in structurally growing markets

We remain confident in the structural growth potential of our three primary markets: **materials analysis**, **semiconductors** and **healthcare & life science**.

Materials analysis, which remains our largest market segment at £178m revenue, rebounded from the disruption of H1 to achieve strong order growth up 5.5% OCC in H2, demonstrating broad-based demand for our capabilities. Full-year orders were broadly in line with the prior year.

Here, customers use our technology to understand, test and improve the properties of materials across a wide range of markets, from the development and analysis of advanced, structural and energy-efficient materials including metals, alloys and polymers, through the production life cycle to quality control, in areas such as automotive and food.

Environmental applications such as geology and microplastics analysis are also reported in this segment.

Revenue growth in materials analysis applications has lagged orders, down 4.4% OCC year on year following the tariff and US academia-related disruption of Q1, but with a strong recovery in H2 following the pattern of order intake.

We have delivered strong order growth in **semiconductors**, up 28.1% CC. This was largely driven by the 28% CC order intake growth in our AT compound semiconductor business; however, we also achieved 12.7% OCC growth in I&A semiconductor orders. As semiconductor design and manufacture reshoring programmes take place, customers are increasingly using our Imaging & Analysis metrology tools for quality control in final assembly, among other tasks.

In Advanced Technologies, our strategy is to focus on multiple areas of potential demand across data communications, augmented reality, power electronics and quantum. In FY26 this has underpinned strong orders and a growing pipeline as our expertise generates demand from our target volume manufacturers, notably resulting from the following developments:

- The full capacity build-out in response to growth in generative AI applications and the associated demand for data, which requires a step change in the performance and cost-effective manufacturing of data communication devices with laser optics.
- The evaluation of future power chip requirements using gallium nitride for data centres, electric vehicles and next generation consumer electronic devices, as customers test the technology in a production setting ahead of scaling.
- Corporate R&D to test cost-effective volume manufacturing potential of augmented reality glasses.

With our longstanding expertise, we are well placed to address the current demand for new material science to support the development of the properties of compounds on semiconductors. As well as advancing our customers' capabilities in these and other areas, we play a vital role in supporting efficient and robust wafer production, enabling the cost of each wafer to be reduced.

For further detail on compound semiconductor market dynamics, see the Advanced Technologies divisional overview on pages 20 to 23.

Revenue for the semiconductor segment was £136m, 62% of which was generated by AT, and 38% by I&A. H2 saw significant growth in both divisions; however, the timing of order receipt in AT, and the lead times associated with the increasing number of orders for volume production, combined with the Q1 tariff disruption in I&A, has led to a lag in receipt of revenue, with full-year revenue down 3.3% at constant currency versus prior year, again tracking order intake patterns.

The early signs of recovery in **Healthcare & Life Science** signalled at half year have continued into the remainder of the year, with 7.5% OCC order growth in H2 in the Imaging & Analysis division as a whole and 12% OCC order growth in our Belfast cameras and microscopy facility, as well as an increasing use of our atomic force microscopy equipment in this market. Healthcare & Life Science revenue was broadly level at £71.6m, down 0.9% OCC year on year, with £73.9m of orders giving a full-year book to bill of 1.03, reflecting positive momentum into FY27.

Other markets represent £37m of revenue, of which the largest portion stems from quantum applications across both divisions.



Chief Executive Officer's review continued



Imaging & Analysis

The Imaging & Analysis (I&A) division develops and manufactures microscopes, scientific cameras, analytical instruments and bespoke software, with manufacturing bases in the UK (High Wycombe and Belfast), Europe (Aix-en-Provence, Ulm and Zurich) and the USA (Santa Barbara).

Orders

£317.3m

(2025: £318.6m)

Revenue

£314.7m

(2025: £330.5m)

Key highlights

Imaging & Analysis	2026	2025 ¹	growth	OCC growth ²
Order intake	£317.3m	£318.6m	(0.4%)	+1.3%
Revenue	£314.7m	£330.5m	(4.8%)	(3.0%)
Adjusted operating profit ³	£70.9m	£73.2m	(3.1%)	+2.3%
Adjusted operating profit margin ³	22.5%	22.1%	40bps	
OCC adjusted ³ operating margin	23.3%	22.1%		+120bps
Statutory operating profit	£59.0m	£37.8m		
Statutory operating margin	18.7%	11.4%		

1 FY25 restated to classify NanoScience as a discontinued operation.

2 For definition refer to note above.

3 Details of adjusting items can be found in Note 2 to the financial statements.

The I&A division brings together the Group's extensive capabilities in imaging and analysis, where we offer highly sophisticated, but relatively small-scale scientific instruments, paired with bespoke software, to a wide range of customers from academic research institutions to commercial R&D teams and volume manufacturers. The division generates strong margins and runs on a shorter order cycle than our Advanced Technologies division, where we typically sell larger scale capital equipment with longer lead times and structurally lower, albeit growing, margins.

Chief Executive Officer's review continued

Imaging & Analysis market dynamics

We have a strong divisional presence in each of our three main markets: materials analysis, semiconductors and healthcare & life science. The primary drivers of each are set out in 'Positioned in structurally growing markets' above.

Divisional performance in **materials analysis** was resilient, with a strong rebound from H1 disruption into H2, to end the year with orders broadly flat, down 0.5% CC and revenue down 3.4% OCC.

Demand for **semiconductor-related** applications was strong, with orders growing by 12.7% OCC, while revenue was down 0.9% OCC against a strong prior year comparator.

We are able to showcase our metrology capabilities to an increasing range of volume manufacturing customers via our compound semiconductor facility in Severn Beach, where we have installed a full range of Imaging & Analysis products in our state-of-the-art cleanroom, which is aiding conversion of prospects to orders.

Following early signs of order stabilisation over the past two reporting periods, the **healthcare & life science segment** has returned to order growth in H2.

We saw sustained order momentum from the start of the second half, ending H2 7.5% OCC up versus prior year and with a 29% uplift in system sales for BC43, our flagship confocal microscope. Healthcare & life science revenue was 0.9% OCC behind prior year.

Our increasing exposure to commercial customers has enhanced the resilience of the division, with growth in commercial R&D orders of 18% year-on-year more than offsetting a reduction in pure academic demand.

Increasing traction with commercial customers has also underpinned our strong recovery in China, where divisional orders were up 14% CC year on year following our pivot to new sources of funding.

Strategic and operational progress

As set out earlier in this review, the start of the year was disrupted by tariffs and uncertainty in US academic funding, resulting in a slower order flow and lower revenue in H1.

However, the actions we have taken to restore order growth and manage costs, combined with the underlying strength of our market positions, and improving markets, enabled us to deliver a strong recovery in the second half, as anticipated.



↑ We showcase our Imaging & Analysis metrology products at our Severn Beach facility

At the start of the year, we accelerated the progress of our 'Made in China' project, through which we now manufacture some of our detectors through a supply chain partner in China. This has helped to protect market share for these products, which are not strategically sensitive, in the context of increased appetite for locally produced products. We have also shifted production of some of our atomic force microscopes from Santa Barbara in California to Ulm in Germany, and moved some nanoindentation production from Zurich in Switzerland to our High Wycombe base. Both of these initiatives, completed in the second half of the year, have increased flexibility for customers as well as helping us achieve operational efficiencies, fulfilling the order book at pace.

Our swift actions in the face of US federal budget uncertainty, pivoting to new funding markets, primarily in commercial settings, have contributed to our resilient performance.

As detailed in 'Recovering cameras and microscopy business' above, our Belfast facility has been a further key focus area this year. Here, our OpEx programme continues to deliver increased productivity and quality and, more timely delivery to customers and significant inroads into repair backlogs. Progress on our OEM strategy is also encouraging, with a key OEM partner returning to Oxford Instruments from a competitor, an important framework order for cameras won with a large manufacturer, and discussions under way with a number of existing partners.

Chief Executive Officer's review continued

However, significant work and relationship building is required to achieve our full potential, and OEM partnerships will continue to be a primary focus area for FY27.

Continued investment in innovation is central to our growth plans from I&A. New launches this year include:

New launches in Imaging & Analysis this year include:

- an easier-to-use extension to our atomic force microscopy range, which delivers excellent capabilities at a more attractive price point relevant for certain customer types, extending our market reach; this has been well received by customers, supporting strong early order intake and broadening our addressable market among both academic and commercial users;
- a significantly updated benchtop nuclear magnetic resonance instrument which has enabled us to regain technology leadership in the space;
- a new in operando high-speed nanoindenter suited to industrial settings rather than lab conditions, developed by our team in Zurich who joined as part of the acquisition of FemtoTools in 2024;
- a new suite of high-speed, high-resolution, visible light and UV scientific cameras created by the team that joined Oxford Instruments as part of the acquisition of First Light Imaging in 2024; and
- a refreshed core Raman microscope line with a groundbreaking new spectrometer, which together offer customers greater speed, ease-of-use and flexibility in obtaining research-grade results.

Across the year's launches, customer feedback and early order patterns reinforce our confidence in the commercial relevance of our innovation pipeline.

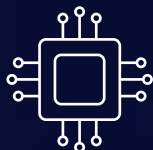


↑ In August 2025 we shipped our first 'Made in China' XPlore detector to a customer in China

We were delighted to be awarded the Institute of Physics' Business Innovation of the Year award for our revolutionary Unity detector, which combines backscatter electron microscopy with X-ray to create detailed analysis of samples at a scale and pace not previously feasible.

We have also made good progress with the development of new products to be launched in FY27, including an extension to our range of scientific cameras, as set out in 'Sustained commitment to innovation and R&D' above.

Chief Executive Officer's review continued



Advanced Technologies

The Advanced Technologies division develops and manufactures compound semiconductor fabrication capital equipment (Severn Beach, UK), and X-ray tubes (Scotts Valley, USA).

Orders

£133.1m

(2025: £104.8m)

Revenue

£108.5m

(2025: £112.9m)

Key highlights

Advanced Technologies	2026	2025 ¹	growth	CC growth ²
Order intake	£133.1m	£104.8m	27%	28.1%
Revenue	£108.5m	£112.9m	(3.9%)	(3.2%)
Adjusted operating profit ³	£2.8m	£6.3m	(55.6%)	(47.6%)
Adjusted operating profit margin ³	2.6%	5.6%	(300bps)	
Operating profit margin OCC ³	3.0%	5.6%		(260bps)
Statutory operating profit/(loss)	£1.5m	£0.7m		
Statutory operating margin	1.4%	0.6%		

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

2 For definition refer to note on page 3.

3 Details of adjusting items can be found in Note 2 to the financial statements.

The Advanced Technologies division has a different profile from Imaging & Analysis, primarily selling much lower product volumes of larger-scale complex capital equipment for the compound semiconductor market. Our compound semiconductor business represents more than 90% of the division's revenue, with the remainder in our small components business specialising in X-ray tubes.

Chief Executive Officer's review continued

Compound semiconductor market dynamics

The market is currently in a phase of strong growth, driven primarily by surging demand for high-performance electronics in applications such as the hyperscale data centres needed to support growth in AI. Additionally, the shift toward electrification and renewable energy systems is accelerating adoption, as these materials enable smaller, faster, and more energy efficient power devices compared with traditional silicon.

Market insight from Yole Group indicates that the size of the overall semiconductor capital equipment market is c. \$130bn with a CAGR of 10–12%. Compound semiconductor, which represents the majority of AT's business and therefore the majority of Oxford Instruments' activity at Group level, accounts for c. \$10bn of that figure, growing rapidly and with an expanding number of applications.

Our own current positive momentum is underpinned by our expertise in, and our strategic focus on, select key markets with strong opportunity, such as power, datacomms, micro LED and augmented reality, where we know we can add value through our leading technology and partnerships with our customers.

As major semiconductor manufacturers ramp up production optoelectronics applications for data centres to support AI applications, our differentiated capabilities are attracting an increasing portfolio of reference customers, who use our equipment to fabricate laser transceivers. These include a significant and ongoing partnership with global advanced chips manufacturer Coherent Corp. to support its 6" indium phosphide fab ramp for AI data centres in Europe and the US, with several orders placed in FY26.

Post year-end, the business received a significant long-term purchase agreement from a US customer for a number of large, fully automated etch and deposition systems to be delivered over the latter part of FY27 and into FY28, aligned with the customer's fab build out. This order exemplifies the shift we have made from a relatively small-scale academic R&D specialist to become a strategic partner of many of the world's leading technology companies. The growing demand for our capabilities is testament to over 40 years of specialist expertise which have enabled us to develop market-leading capabilities in our chosen niches.

We have also been chosen by a leading provider of optoelectronic components to install a number of large, fully automated etch and deposition systems as it rolls out new manufacturing capacity to support the need for high-speed data transceivers. With existing customers, we see three primary drivers for sustained engagement:

- repeat orders to support capacity requirements, where we are the process of record;
- the opportunity to cross sell, both in terms of processes for next-generation devices and for 'commodity' applications, where production cost is key; and
- the capacity of our new facility which allows us offer highly competitive lead times on occasions where this makes a material impact on our ability to win orders.

Gallium nitride (GaN) power electronics applications, which enable customers to increase power and drive efficiency in applications including onboard automotive chargers, consumer devices and AI servers, are a further focus area for the business. With this market in the positioning stage, we continue to see strong customer interest in piloting and validating applications for future production.

Micro LED is a further future growth area, currently in a corporate research stage as customers explore the feasibility of future consumer technology. Advances in process technology are enabling more cost-effective manufacturing of micro LEDs which is critical for market adoption and unlocking new end market applications, such as display applications where high brightness and small emitter size are required. We are already working with globally recognised customers to advance their technology roadmaps for products such as augmented reality glasses, in applications including meta lenses, wireless charging and 3D sensors. We received a £10m micro LED order from a single customer in FY26, marking the business's largest ever order to that point (superseded since by the major multi-year optoelectronics order for data centres referenced above).

We also continue to play a role in the transition of quantum technology from academic research to corporate R&D, providing products and applications to support the fabrication of qubits, and the acceleration of capabilities in quantum sensing and quantum communications. We recently won a significant order from Rigetti to supply atomic layer etch capabilities to its dedicated quantum fab in California.

The silicon carbide market remains weak globally. However, we continue to be active in the sector, and are focusing on applications that enable next-generation devices, winning a small number of orders in the period.

Across our process portfolio, the combination of our deep expertise in our chosen niches, and the differing life cycle stage of each technology ramp, provides us with strong growth opportunities stretching well into the medium term, and protection against overconcentration on a single market area. Demand indicators are very positive, with a record pipeline of qualified compound semiconductor opportunities even after accounting for the significant order growth in FY26, and growing visibility of customers' fab ramp roadmaps.



Chief Executive Officer's review continued

Strategic and operational progress

As set out in 'NanoScience successfully divested' above, we divested our Oxford-based quantum-focused business at the beginning of January 2026. This strategic divestment crystallised the value of the business following its return to profitability and, as intended, will enable us to devote full management focus to maximising the division's opportunity for profitable growth amid tailwinds in the compound semiconductor market.

We also completed the move to our new compound semiconductor site during the year, giving us scope to increase capacity by 3x versus our legacy site at Yatton, in North Somerset. Following the transfer of tools via a phased programme over the summer of 2025, the Yatton site was sold in early September for £4.8m.

We are now focusing on maximising the benefits of our ISO 5-standard cleanroom and increased production capacity as we prepare to execute on our order book for FY27. Our new cleanroom dramatically increases our ability to demonstrate our IP and capability in a 'customer-equivalent' fab environment which improves our success rate in order conversion.

We continue to generate efficiencies by streamlining our product portfolio. More than 90% of system orders (up from 75% in FY25) were generated from sales of three core platforms – Plasma Pro, IonBeam and ALD (atomic layer deposition) – with modular assembly carried out in dedicated bays. The production of fully automated and larger production systems has grown significantly as a proportion of overall system orders year on year, supporting our strategy of growing our reach within compound semiconductor production markets.



↑ Our new state-of-the-art Severn Beach facility is optimised to facilitate growth

A team from our OpEx programme has been embedded at the site since January 2026 to support the business' growth trajectory. The first phase of the programme has focused on:

- optimising clean room planning, prioritisation and operational execution;
- optimising front end operations in sales and engineering;
- improving sales, inventory and operational planning; and
- streamlining manufacturing operations by implementing lean methodologies and more modular builds.

Addressing these areas will support improved scheduling of production which is now feasible given our increased order book visibility, as well as helping to ensure that we extract full value from the new clean room. Good initial progress has been made, exemplified by a doubling of demonstration forecast visibility, ensuring that the most impactful demonstrations are prioritised, and a 40% reduction in build time on Plasma Pro ASP systems. A second phase of the programme is now getting under way.

Chief Executive Officer's review continued

Customer service is an important contributor to our current and future growth, with service contracts increasingly sold alongside systems (including, this year, our largest ever service contract at €1.4m). The business has achieved 34% year-on-year growth in service orders as we work to support the 24/7 uptime requirements of our high-volume production customers, including the introduction of a higher level of service whereby customers can have a dedicated representative embedded on site for all service needs.

As part of our commitment to maximising our customers' use of our technology, we have opened a dedicated technical training suite at Severn Beach, where customers can pursue in-depth hands-on training covering system operation, process optimisation, troubleshooting, and maintenance.

Positive impact and progress to net zero

Our products support a range of positive outcomes across our chosen market segments. Environmental examples include the contribution made by our compound semiconductor solutions to the development of more power-efficient data centres, as global demand for data grows ever larger; and the use of our materials analysis tools and software to facilitate the creation and optimisation of more sustainable materials, reducing the need to use finite resources. Elsewhere, our imaging and equipment and software are used by customers to research and develop improved treatments for cancer and other diseases. We are committed to running our own operations sustainably and supporting the wellbeing and career development of our employees.

Following last year's Science Based Targets initiative (SBTi) validation of our ambitious net zero targets and the publication of our transition plan, in FY26 we have focused on putting our plans into action. We are making good progress, with a 25% year-on-year reduction in Scope 1 and 2 emissions versus our 2024 baseline, and positive engagement with suppliers as we begin to address our Scope 3 emissions. We were pleased to achieve a B rating again in CDP's climate change assessment, reflecting our commitment and action in this area, and also to have our supplier engagement recognised by CDP with an A- rating.

The talented teams driving our progress

My thanks, and those of the whole Board, go to our talented and committed teams around the world. In a year of significant external disruption, combined with structural and operational changes within the business, they have maintained focus throughout, responding with flexibility, pace and creativity to support our customers and each other. I am extremely proud and privileged to work with such exceptional people, and grateful for their ongoing commitment as we work together to achieve Oxford Instruments' full potential.

Our second externally benchmarked global employee survey, carried out in April and May of 2026, saw Oxford Instruments achieve a 'One to Watch' rating from Best Companies, recognising that this is a good place to work. We will continue to build on our progress to ensure that Oxford Instruments remains a rewarding environment in which to build a fulfilling career.

Summary and outlook

Strong strategic progress and an effective response to market headwinds led to a good full-year performance, despite significant disruption in the first half. This is down to a combination of the agility and hard work of my colleagues and the continuing structural demand for our market-leading solutions, across a diversified portfolio.

Management initiatives in Imaging & Analysis, particularly within our Belfast-based imaging business, where we restructured the cost base and sharpened our product focus, drove a stronger second-half performance. The division enters the year ahead well positioned, benefiting from organic investment and good strategic progress.

In Advanced Technologies, our updated strategy, market-leading compound semiconductor technology and commercial focus have generated a record orderbook, providing revenue visibility in FY27 and into FY28. We are focused on executing this significant opportunity to drive sustainable profitable growth.

Whilst the macroeconomic and geopolitical environment remains uncertain, we are making clear progress against the strategy set out in 2024 and remain well positioned in structurally growing markets, supported by increased investment in innovation, operational excellence and our people.

With a strong order book, a robust balance sheet and clear priorities, we are confident in our ability to deliver attractive sustainable growth and value for all our stakeholders in the new financial year and beyond.

RICHARD TYSON
Chief Executive Officer
8 June 2026

Investment case

Exceptional technology and software in attractive structural growth markets

Our leading technology and customer-centric, focused market strategy provide a strong platform from which to deliver sustainable growth, margin expansion and enhanced shareholder returns.

This platform is now translating into a clear inflection point in Advanced Technologies, where exceptionally strong order intake underpins confidence in near-term delivery, alongside a sustained, structurally attractive growth opportunity in Imaging & Analysis, driven by increasing customer demand and expanding applications.

Further details on pages 11 to 23



Investment case continued



Aligned to powerful global megatrends driving sustainable long-term growth

- Our clear purpose to accelerate the breakthroughs that create a brighter future for our world is well aligned with global megatrends (see pages 26 and 27)
- Our technologies and services help customers to:
 - sustainably power an increasingly digital world with the advent of AI;
 - accelerate the electrification of global infrastructure and economies; and
 - develop new and enhanced medical treatments for an ageing population.

\$US2.3tn

Record levels of global investment in the energy transition alone in 2025



Exceptional technologies and unique expertise provide high value add to customers

- Our differentiated solutions enable customers to accelerate meeting their objectives
- We have a competitive advantage across a broad base, spanning all scientific disciplines
- An outstanding team with deep expertise in scientific research and application engineering

8.8%

revenue invested in R&D in FY26



Leading positions in key structural growth markets, across the production life cycle

- Market leaders across three key structural growth markets responding to global megatrends: materials analysis, semiconductors, and healthcare & life science (together representing c.92% of revenues)
- Diverse commercial and academic customer base spanning the world's leading companies and scientific research communities, across North America, Europe and Asia
- Unique ability to leverage insights from research stage through to commercial production

90%+

revenue generated from three core structural growth markets



Strong financial profile supports investment in growth and innovation

- Improved cash flows and disciplined capital allocation (see page 46) have strengthened our net cash position, providing strong optionality
- Cash-generative growth and our strong balance sheet support investment in growth and innovation and a progressive dividend policy
- Strong ROCE of 28.2% (2024/25: 25.9%)
- Well invested, supporting operational gearing from capacity utilisation, new product development (8–9% pa), investment in talent and selected, value-accretive acquisitions

£94.0m

net cash at year end FY26



Clear opportunities to accelerate growth and enhance margins

- Enhancing margins through driving and leveraging growth, operational transformation and efficiencies, and generating synergies from simplification and standardisation (see CEO review, pages 11 to 23)
- Strong order book and pipeline provide a positive underpin for continued growth
- Attractive opportunities to accelerate growth through existing product portfolio, new product pipeline, enhanced sales and servicing, and selective M&A

8.0%

OCC order intake growth reflects strong demand

Market review

Megatrends shaping our market positioning

Link to end market:



Materials analysis



Semiconductor



Healthcare & life science

Oxford Instruments is closely aligned with powerful global megatrends that are reshaping technology, energy and healthcare markets.

These long-term forces are driving sustained demand for solutions in our three chosen end markets: materials analysis, semiconductor and healthcare & life science.

Our balanced portfolio positions us to respond at pace to strong growth drivers, such as the current demand for data centres, while providing resilience to changes of pace and focus.

Digitisation: AI and automation driving explosion in demand for data

Artificial intelligence is reshaping the world by accelerating innovation, productivity and decision-making across industries, driving sustained investment in computing, connectivity and energy efficiency as the demand for data grows exponentially. Companies and countries all over the world are investing in hyperscale data centres to fulfil ever-increasing infrastructure requirements.

US\$650bn projected capex investment in AI-related infrastructure in 2026

The role we play

The build-out of AI data centre is accelerating demand for high-speed, energy-efficient optical interconnects using compound semiconductors. Our advanced fabrication and analysis capabilities support customers deploying indium phosphide-based optical devices for today's data centres and testing gallium nitride power solutions for the data centres of tomorrow.

Link to end market:



Energy transition: the push for electrification and efficiency

Electrification and power efficiency are central to the global energy transition, reshaping how energy is generated, distributed and consumed. The ongoing shift from fossil fuels to electricity, needed to reduce emissions and improve resilience to geopolitical pressures, is driving sustained investment in power electronics, grids, renewable solutions, storage and advanced materials worldwide across all sectors.

\$US2tn IEA estimate of annual investment in clean energy, electrification and efficiency

The role we play

Advanced materials analysis is key to both the development and the production of energy efficient materials and the efficient deployment of renewable energy sources. Our analytical tools play an important role at the forefront of technological developments, enabling customers to test and optimise nanoscale properties at every stage of R&D and into production.

Link to end market:



Global health: addressing the needs of an ageing population

Population ageing is reshaping global healthcare demand, increasing the prevalence of chronic disease and placing sustained pressure on health systems. Meeting these needs requires earlier diagnosis, more personalised and efficient care, and continued investment in medical technology, life sciences and innovation to improve outcomes and quality of life worldwide.

US\$250bn OECD member spend on health-related research and development

The role we play

Our imaging & analysis tools and bespoke software accelerate research into the health needs of an ageing population by enabling rapid acquisition and interpretation of high resolution biomedical and pharmaceutical data samples in both academic and commercial laboratory settings.

Link to end market:



Market review continued

Focusing on our three core markets

Revenue by market



Materials analysis	£178.2m
Semiconductor	£136.3m
Healthcare & life science	£71.6m
Other markets, including quantum	£37.1m

Materials analysis

Current position and competitive landscape

The structurally strong materials analysis market accounts for the majority of Imaging & Analysis revenue. As a market leader, we are focused on targeting our solutions to drive market penetration with commercial customers, with continued sustainable growth.

Key drivers

- Supporting advanced material development and sustainability progress
- Improving performance from finite resources
- Increasing complexity driving need for precision at a smaller scale

Market opportunity

Continued growth in Materials Analysis will be driven by requirements in materials optimisation and sustainability across a broad spectrum of end-use applications. We are increasingly leveraging market insights from our strong existing position in academia to support commercial applications.

% of Group revenue in 2026

42%

Semiconductor

Current position and competitive landscape

Demand in semiconductor end markets has been exceptionally strong in recent periods. We have a strong and growing presence across the development life cycle and our target use cases, from R&D to commercial application and production environments.

Key drivers

- Growth in demand for data driven by AI
- Supporting growth in bandwidth and connectivity, faster devices, power efficiency, augmented reality and quantum technology
- Enabling development of new compound semiconductors

Market opportunity

We have leading semiconductor capabilities across both Imaging & Analysis and Advanced Technologies, with expertise in fabrication, process development and quality control driving strong growth. Digitisation provides opportunities across the development and production life cycle, particularly with commercial customers.

% of Group revenue in 2026

32%

Healthcare & life science

Current position and competitive landscape

While there have been market headwinds in recent years, including OEM destocking and funding uncertainties, we are well positioned in a structurally growing market and focused on developing our portfolio and maintaining strong relationships with key customers.

Key drivers

- Personalising medicine & therapies and caring for an ageing population
- Improving treatments & vaccines, whilst reducing the cost of development
- Well positioned in our main markets and strong geographic position

Market opportunity

The medium-term prospects for our end markets are exciting; with our leading products and technologies and globally diverse competitive position, we are well placed to take advantage of opportunities in the future. We have worked to enhance operational efficiencies and are able to pivot to areas of opportunity as they arise.

% of Group revenue in 2026

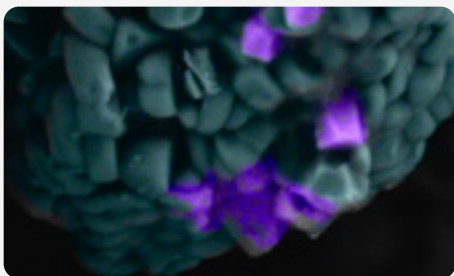
17%

Our business model

Accelerating the **breakthroughs** that create a **brighter future** for our world

We add value across the research and commercial production life cycle:

Explore



Our market-leading technology and expertise enable academic researchers and scientists to make new breakthroughs across all areas of fundamental research, providing the underpin to our global reach and longstanding reputation for innovation.

Academia provides a resilient global market with diversified funding

Find out more on pages 11 to 23



Develop



Our key enabling technologies and solutions cut the time from discovery to real world progress, and by leveraging our market insights from the academic research stage, our technology is used to develop new products for commercial applications.

Attracting commercial R&D spend as we support customers to develop new products

Find out more on pages 11 to 23



Produce and test



Our products support the commercialisation of technology, addressing today's manufacturing challenges and helping an increasing number of volume production customers to increase their productivity.

Our biggest opportunity area as we extend our reach into the much larger production market

Find out more on pages 11 to 23



Our business model continued

Working through two divisions:



Imaging & Analysis



We offer a range
of detectors for use with
electron microscopes



in FY26

74%

of Group revenue

in FY26

96%

of Group profit

Manufacturing sites in the UK, France, Germany, Switzerland and the US

Capabilities:

- Microscopy
- Analysis tools for microscopy
- Scientific cameras
- Specialist software

The division brings together similar smaller-scale imaging & analysis equipment and analytical software tools, which are high margin products with a common operating framework, routes to market and customer base.

Markets served

- Academia & research
- Industrial R&D
- High volume manufacturing

Routes to market

Direct to end users

- Via global sales & service organisation

Subsystem OEM partnerships

- Deep integration with leading instrument OEMs
- Platform influence & scale

Value creation

- High market share in core niches
- Strong voice of customer
- Software led differentiation
- Recurring life cycle revenues

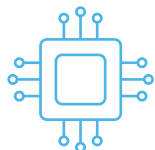
Outcomes

- Balanced growth
- Resilient, repeatable revenue
- Continuous innovation driven by customer insight

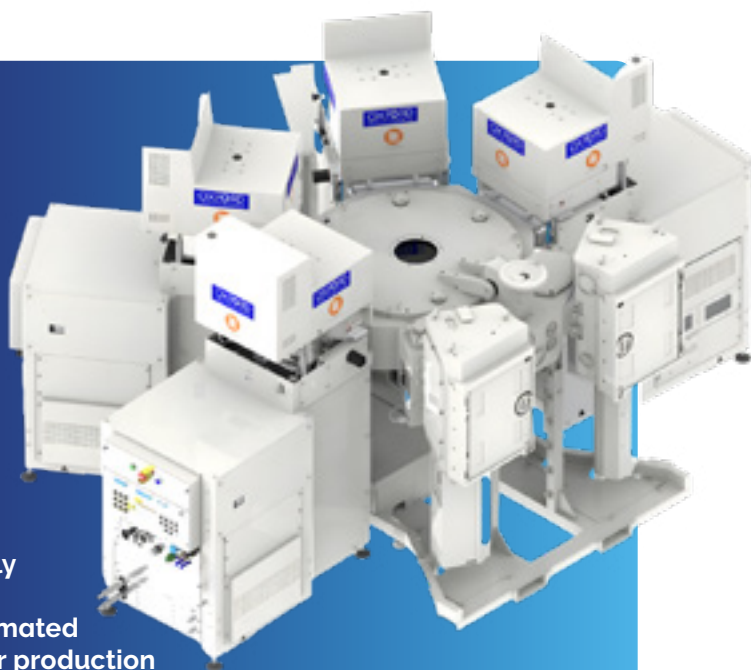
Find out more on pages 17 to 19



Our business model continued



Advanced Technologies



We are increasingly supplying large automated systems for production manufacturing

in FY26

74%

of Group revenue

in FY26

4%

of Group profit

Manufacturing sites in the UK and US

Capabilities:

- Compound semiconductor etch and deposition equipment
- X-ray tubes

The division includes low volume, longer lead time, complex and larger scale systems in distinct specialist markets, with different customer bases and growth drivers.

Markets served

- Semiconductor manufacturers in the consumer technology supply chain
- Corporate R&D
- Academic institutions

Routes to market

Direct to industrial customers

- Engagement at process definition stage
- Close collaboration with device manufacturers

Direct to academia

- Partnerships and consortia with universities and research institution, including nationally and internationally funded initiatives

Selective regional channel partners

- Targeted local support where appropriate

Value creation

- Deep process expertise
- High switching costs
- Long equipment life cycles
- Repeat revenue from service and upgrades

Outcomes

- Exposure to structural growth in compound semiconductors
- Strong order visibility
- Sustainable long-term value creation

Find out more on pages 20 to 23



Our business model continued

Operating across three key structural growth end markets:

Materials analysis

Semiconductors

Healthcare & life science

The health and resilience of our chosen end markets has played a critical role in our strong performance.

We believe our strong position in these end markets, along with their structural growth drivers, will continue to create value for our customers and present significant opportunities for sustainable growth.

Our global footprint, with operations in 23 countries across Europe, Asia and the Americas, provides excellent reach and resilience to changing international dynamics.

Market overview on pages 26 and 27



Delivering value and positive outcomes

How the group creates value

- Recurring revenues from service, upgrades and consumables
- Reinvestment of customer insight into innovation
- Operational leverage from global footprint

Outcomes

- Resilient and diversified revenue base
- Strong order visibility and life cycle economics
- Exposure to structural growth, led by compound semiconductors
- Sustainable long-term value creation for stakeholders

Our business model continued

Creating value for our stakeholders

For our customers

We develop strong, long-standing relationships with our customers, understanding their needs, challenges and opportunities. Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress.

+8

percentage points year-on-year uplift in average NPS score

For our people

Our culture reflects our values – we are committed to creating the best possible working environment for our employees, enabling them to build rewarding careers in an exciting, purpose-driven organisation.

24,294

training courses undertaken by our teams to expand their knowledge

For our shareholders

Our leading technology and customer-centric, focused market strategy provide a strong platform from which to deliver cash-generative, sustainable growth, margin expansion and enhanced shareholder returns.

£75.2m

returned to shareholders in FY26 through buyback and dividend

For our planet

Sustainability is central to Oxford Instruments. Our solutions support advances that address global challenges. While our commitment to responsible operations underpins long-term value creation for customers, communities and the environment.

25%

reduction in Scope 1 and 2 emissions versus our 2024 baseline

Group outcomes in FY26

Revenue

£423.2m

(3.0%) at organic constant currency

Adjusted operating profit

£73.7m

(1.6%) at organic constant currency

Adjusted EPS

100.7p

2025: 109.1p

Return on capital employed

28.2%

How we invest our capital:

Organic cash investment with R&D of £39.2m and capital expenditure of £7.4m

£62.2m allocated to share buyback in FY26

Shareholder distributions with proposed full-year dividend payments of £13.0m

Balance sheet flexibility for organic growth and inorganic opportunities with net cash of £94.0m

Our strategy for growth

Strong foundations maximise growth opportunity



Two years into the delivery of our strategy, the positive impacts of the changes we've made are clear, with foundations now in place for strong medium-term growth.

Restructured and more customer focused, Oxford Instruments today is a fundamentally simpler, stronger and more cohesive organisation, better equipped to respond to structural growth in our chosen markets.



Deliver strong growth through 'customer first' Ways of Working



Simplify the organisation



Embed our values and Ways of Working



Deliver a step change in operational performance



Significant investment in new technology and products



Reach net zero in our own operations by 2030

Further details on **pages 33 to 38**



Deliver **strong growth** through '**customer first**' Ways of Working

Progress in 2025/26

- Shifted accountability for sales and service fully into our regional teams
- Expanded our manufacturing footprint, enabling customers in China and Europe to buy locally made products (see page 18)
- Created new demonstration centres in Seoul and Taiwan, increasing our ability to show customers our products in action
- Grew service orders by 8% through increased collaboration and sharing of best practice across regions (see page 37)

Focus for 2026/27

- Ongoing investment in improved customer journeys, including increasing opportunities for customers to experience our products at first hand during the buying process through further demonstration hubs
- Increasing the availability of in-region servicing and repairs
- Further mapping of our installed base to offer targeted support for customers

Strategy in action

New demonstration centres in Seoul and Taiwan take global total to 11, giving customers more opportunities to see our products in action

11

demonstration centres globally



Our strategy for growth continued



Deliver a step change in
operational performance
(delivery, quality, efficiency)

Progress in 2025/26

- Enhanced profitability of Belfast product lines through quality improvements, the discontinuation of a limited number of products, and improved inventory management (see page 12)
- Improved resource planning and introduced effective production performance management at High Wycombe and Severn Beach
- Early outcomes of Group-wide strategic sourcing programme delivered £1m logistics savings and margin improvements on new products

Focus for 2026/27

- Continued operational improvement programme at Severn Beach to support future growth trajectory, focused on clean room operational execution, and improved sales inventory and operations planning
- Invest in improvements at our Belfast production facility, including a new cleanroom layout

Strategy in action

Standardisation of a key capital equipment product for compound semiconductor customers has delivered a significant reduction in build time

40%

reduction in build time for Plasma Pro ASP atomic layer deposition system



Simplify the organisation, increasing
collaboration and **accountability**

Progress in 2025/26

- Improved the customer journey through our new, clearer regional operating model (see page 13), bringing sales closer to customers
- Integrated the Imaging & Analysis division under a single leadership team with a shared innovation roadmap
- Created a new EMEAI operating region, bringing teams for Europe, the Middle East and India under a single leadership team with a shared strategy
- Centralised key functions including Finance, HR, Legal and IT to share best practice and ensure strong governance

Focus for 2026/27

- Fully embed operating model changes through ongoing change management
- Continue to simplify and streamline business processes, including deploying AI agents with appropriate human oversight and governance
- Increase cross-training of sales and service colleagues

Strategy in action

New focused approach to EMEAI operating region has facilitated 10.4% order growth in FY26

+10.4%

Constant currency order growth in new EMEAI region in FY26

Our strategy for growth continued



Continue to **invest in new technology and products**, protecting and enhancing our core strengths



Embed our **values and Ways of Working** so that they are lived every day

Progress in 2025/26

- Successful product launches in atomic force microscopy, nuclear magnetic resonance, Raman and scientific cameras retain Imaging & Analysis' leading edge (see pages 17 to 19)
- Advanced Technologies' state-of-the-art cleanroom fully installed and operating close to capacity
- Advances in semiconductor processing capabilities support rapid order growth from commercial customers (see pages 20 to 23)

Focus for 2026/27

- Additional investment in key initiatives, including supporting semiconductor customers to move to larger wafer sizes, updating our scientific camera portfolio and widening the scope of our well-regarded software
- Deliver effective launches for key new Imaging & Analysis products
- Work with compound semiconductor customers to hone new processes to improve their productivity

Progress in 2025/26

- Increased focus on effective people management using Best Companies' personalised feedback tool
- Successfully addressed external headwinds through improved collaboration across product lines and regions
- Leadership conference held for c.75 leaders to equip them with the skills to role model and embed Ways of Working
- Ways of Working reinforced at local level through workshops and visual prompts

Focus for 2026/27

- Continued emphasis on collaboration and clarity as we embed our new operating model
- Improved awareness and adoption of Ways of Working at all levels of the organisation
- Target improvements to Best Companies score as evidence of improved engagement

Strategy in action

Awarded Business Innovation of the Year by the Institute of Physics for our ground-breaking Unity detector



Business Innovation of the Year

Strategy in action

We achieved a 'One to Watch' rating from Best Companies in our 2026 employee survey, reflecting our position as a good place to work

'One to Watch'
rating from Best Companies

Our strategy for growth continued



Reach net zero in our own operations by 2030 and contribute to **global sustainability through our products**

Progress in 2025/26

- 25% reduction in Scope 1 and 2 emissions versus 2024 baseline, taking us closer to our medium-term (2030) emissions reduction targets
- Oil-fired boiler replaced at Tubney Woods and plans fully scoped for gas boiler replacements at two of our UK sites
- Scope 3 emissions reduction pathway improved through engagement with top suppliers
- Carbon footprinting carried out on two representative products to inform our approach to design and procurement

Focus for 2026/27

- Full scoping of solution to abate process emissions at our Severn Beach compound semiconductor facility
- Transitioning more of our global sites to renewable electricity
- External verification of our emissions data

"Our strategic priorities underpin every choice we make, from day-to-day decision making to the long-term planning shaping our future."

RICHARD TYSON
Chief Executive Officer

Read more in the **CEO statement** on **pages 11 to 23**



Strategy in action

We were delighted to achieve an 'A-' score from CDP for our approach to supplier engagement

A-

CDP supplier engagement score for 2025

Our strategy for growth continued

Spotlight

Getting closer to our customers

A transformative shift in our approach to customer service is beginning to generate tangible positive outcomes for customers, and supporting the positioning of service as a driver of growth.

At Oxford Instruments, our reputation for innovation and pushing scientific boundaries has been our USP for many years. As we grow our business, we are determined to make first-class customer service a key positive differentiator too.

In FY26, we have made significant progress in bringing our service teams closer to customers, delivering support that is faster, more capable and more locally responsive. In China, for example, we have invested in growing our capabilities, upskilling colleagues to support a wider range of systems, and implementing service support through WeChat to engage with customers in real time. We have strengthened technical support, improved availability of parts, and introduced local repair centres, reducing repair times in some instances from as long as two months to just 10 days. In the US, too, we have adopted new systems to track service targets and target improvements.

Customers are feeling the positive impact, particularly in commercial settings where product uptime and rapid issue resolution are critically important to maintaining high production volumes. Our capabilities now extend to a 'white glove' platinum service, providing on-site support 24/7 to key production customers with large, complex installations.

Globally, tailored packages now allow customers to choose the elements of service which add most value for them, ranging from preventative maintenance to rapid response on-site repairs.

This targeted focus on customer service has supported an 8% uplift in service orders at constant currency. And there is scope to grow more in FY27, with standardised reporting highlighting opportunities for improvement across regions, and improved mapping of our installed base supporting increased opportunities for service contracts, upgrades and new system sales. A further project is under way to extend local repairs, reducing the need to return products to manufacturing sites.

Link to strategy:



Further details on pages 11 to 23



Improvement in average NPS for service and install year on year

+8 points

Global service order growth

+8%

Our strategy for growth continued

Spotlight

State-of-the-art clean room at the heart of growth

With growing demand for our compound semiconductor solutions, particularly among volume manufacturing customers, we're reaping the benefits of the significant investment made in our new facility at Severn Beach.

Our ISO5 and ISO6-certified clean room is key to our ability to grow. It is here that our cutting-edge compound semiconductor fabrication technology is developed and refined to enable innovations in datacommunications, augmented and virtual reality, and quantum technology. Our plasma equipment is used to etch and deposit with atomic-level precision the critical layers of semiconductor devices which define their capabilities, ranging from light transmission to improved power efficiency.

Demonstrations performed in the clean room are an important differentiator and proof point for these critical layer processes, enabling us to work directly with existing and new customers to showcase our capabilities, test repeatability and hone performance. Several of the world's largest technology companies have entrusted us with their samples as we collaborate with them to accelerate their progress.

And it's not just our plasma technology which is showcased at Severn Beach. The clean room is also equipped with an extensive range of Oxford Instruments' latest imaging and analysis solutions, including Raman and atomic force microscopy systems and detectors for electron microscopy.

With market tailwinds underpinning strong demand, it is crucial that we use the clean room as effectively as possible. This has been a key focus of our operational excellence programme over the past year, working with the clean room team on improved sales, inventory and operations planning (SIOP) to support effective prioritisation and maximise uptime. Optimisation will continue into FY27 to ensure that the clean room can support increasing numbers of demonstrations as more and more commercial customers seek out our expertise.

Link to strategy:



Read more at plasma.oxinst.com

Further details on [pages 20 to 23](#)



Order growth
in FY26

28%

Production and test
customers as % of orders

53%

Key performance indicators

The Group uses a range of measures to **monitor progress** against its strategic plans

Measuring our performance

Our goal through our financial KPIs is to deliver shareholder returns through profitable, sustainable growth and strong cash conversion and efficient use of capital. The Group uses a range of measures to monitor progress against its strategic plans. The key performance indicators are presented here.

Key to alignment with remuneration ^(R) and strategic priorities



Deliver strong growth through 'customer first' Ways of Working



Simplify the organisation



Embed our values and Ways of Working



Deliver a step change in operational performance



Significant investment in new technology and products



Reach net zero in our own operations by 2030

Financial KPIs

Revenue growth (%)

(3.0%) organic constant currency



Why we measure: To drive profitable, sustainable growth through the implementation of our strategy against its strategic plans.

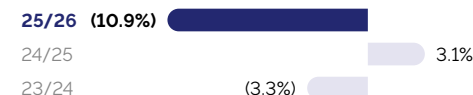
Progress: A challenging Q1 FY26 and currency headwinds have meant revenue has been below our target range on a reported basis. With a return to growth in CAGR I&A and a very strong order book in AT, we remain confident in our ability to deliver medium-term organic revenue growth.

Alignment to remuneration and strategic priorities:



Adjusted earnings per share (EPS) growth (%)

(7.7%)



Why we measure: To achieve long-term growth in EPS.

Progress: Adjusted earnings per share decreased by 7.7% in FY26, reflecting the fall in operating profit partially offset by a lower tax charge versus the prior year.

Alignment to remuneration and strategic priorities:

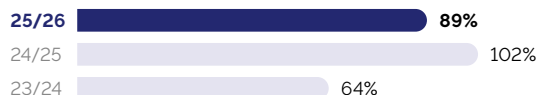


Key performance indicators continued

Financial KPIs continued

Cash flow conversion (%)*

89%



Why we measure: To maintain a strong operating cash conversion ratio and high level of free cash flow.

Progress: Free cash flow generation has been resilient in FY26 and we continue to generate strong operating cash flow conversion. We remain confident that average cash conversion over the medium term will be at or above our goal of 85%.

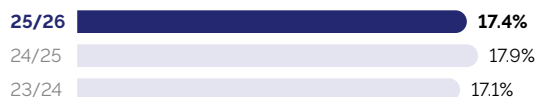
Alignment to remuneration and strategic priorities:



* Normalised.

Adjusted operating profit margin (%)

17.4% reported



Why we measure: To assess progress towards our target of 20%+ adjusted operating profit margin.

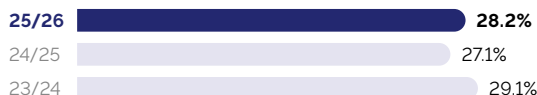
Progress: Group margin continues to progress towards our target of 20%+ see page 15 despite the currency headwinds since 2024 which have impacted reported margin, and we remain confident in our medium-term margin goal of 20%.

Alignment to remuneration and strategic priorities:



Return on capital employed (ROCE) (%)

28.2%



Why we measure: To deliver ROCE in excess of our cost of capital.

Progress: ROCE is currently below our target range; however with the expected future growth profile of the business, we expect to see average ROCE above 30% over the medium term, even with our additional organic investment plans.

Alignment to remuneration and strategic priorities:



Strategic KPIs

Investment in R&D (%)

8.8%



What we measure: Investment in R&D as a percentage of revenue.

Why we measure: To measure the effectiveness of our R&D programmes.

Progress: We continue to invest in R&D aligned to our target range of 8–9% of revenue, recognising that our differentiated technology is a key source of strength for Oxford Instruments.

Alignment to remuneration and strategic priorities:



Key performance indicators continued

Strategic KPIs continued

Absolute carbon emissions (Scope 1 and 2) tCO₂e

3,485



What we measure: Market-based carbon emissions from our own operations, Scope 1 and 2, measured using the Green House Gas Protocol methodology.

Why we measure: To track our progress towards our Scope 1 and 2 2030 net zero target.

Progress: We have reduced market-based Scope 1 and 2 carbon emissions by 25% versus our 2024 baseline.

Alignment to remuneration and strategic priorities:



Carbon emissions intensity (tCO₂e per £m revenue)

12.71



What we measure: Carbon intensity = Absolute location-based carbon emissions/Revenue.

Why we measure: To track our progress towards our Scope 1 and 2 2030 net zero target.

Progress: We have achieved a 4% reduction in carbon intensity in FY26.

Alignment to remuneration and strategic priorities:



Non-financial KPIs

Employee engagement

'One to Watch'

rating awarded by Best Companies 2026

2024: 'One to Watch'

What we measure: Employee engagement through the externally benchmarked Best Companies survey.

Why we measure: To assess employee engagement via a recognised external benchmark and identify areas of focus.

Progress: We have maintained 'One to Watch' status for a second time, reflecting that Oxford Instruments is a good place to work.

Alignment to remuneration and strategic priorities:



Serious injuries (#)

2



What we measure: Rate of serious injuries to employees for ongoing businesses.

Why we measure: To measure the impact of our safety drive, Push for Zero, to reduce accidents.

Serious injuries are defined as those which are reportable under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulation) and are measured as an absolute number.

Progress: Following a number of years with no serious accidents, we have recorded two accidents requiring seven or more days of absence from work; we remain committed to driving global safety standards through our 'Push for Zero' initiative.

Alignment to remuneration and strategic priorities:



* Adjusted figure following rebaselining in 2026; please see pages 47 to 51.

Finance review

A strong performance against a challenging backdrop

"After a challenging start to FY26, we have seen performance progressively return to growth during the year, with strong margins in our Imaging & Analysis division and a step change in order book for our Advanced Technologies division. Free cash flow generation has been resilient, with continued strong operating cash flow conversion."

PAUL FRY
Chief Financial Officer



Further details on **pages 43 to 50**



At a glance

Orders

£450.4m

(2025: £423.4m)

Revenue

£423.2m

(2025: £443.4m)

Net cash

£94.0m

(2025: £84.4m)

Dividend per share

23.6p

(2025: 22.2p)

Adjusted operating profit

£73.7m

(2025: £79.5m)

Statutory profit before tax

£58.5m

(2025: £38.2m)

Adjusted operating margin

17.4%

(2025: 17.9%)

Cash conversion

89%

(2025: 102%)

Finance review continued

Financial highlights

	FY25 ¹ £'m	FX £'m	Acquisitions £'m	OCC £'m	FY26 £'m	OCC change %	Change %
Order intake	423.4	(8.7)	2.0	33.7	450.4	+8.0	+6.4
Revenue	443.4	(8.1)	1.4	(13.5)	423.2	(3.1)	(4.6)
Adjusted operating profit	79.5	(4.6)	0.1	(1.3)	73.7	(1.6)	(7.3)
Adjusted operating margin	17.9%			18.2%	17.4%	+30 bps	(50) bps

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

In the year to 31 March 2026 the Group completed the disposal of its NanoScience business. The FY25 and FY26 financial statements have been re-presented to reflect the classification of the NanoScience business as a discontinued operation.

All growth rates described in the text of this review are organic constant currency (OCC) measures unless otherwise stated. All tables are labelled accordingly.

The Financial review includes a mixture of reported IFRS measures and alternative performance measures (APMs) which have been derived from our reported results to provide a useful basis for measuring our operational performance. Movements in revenue and adjusted operating profit are given on an organic constant currency (OCC) basis so that the assessment of performance is not distorted by acquisitions, disposals and movements in exchange rates. Note 2 provides further information on APMs and how they reconcile to reported IFRS measures.

Challenging macro backdrop

As we reported in our Interim statement in November, the first half of FY26 proved a very challenging period driven by retrenchment in academic spending and broader geopolitical uncertainty.

However, order intake has recovered well in the second half, with overall order intake up +14.1% in H2 and up +8.0% for the full year on an OCC basis.

Order intake by end customer

	FY26 £'m	FY25 ¹ £'m	Change %	CC change %
Academia	187.3	208.9	(10.3)	(9.0)
Commercial	263.1	214.5	22.7	+25.4
Total	450.4	423.4	+6.4	+8.4

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

We began the year with uncertainty in academic funding, especially in the US, accentuated by new tariffs and trade barriers. Academia has continued to be a headwind to order growth in FY26. US academia, which accounted for 11% of all orders, saw order intake for the year fall 11.2%, and academia outside of the US by 8.1%. This decline was more than offset by strong demand from commercial customers, growing 25.4% over the prior year, mainly related to semiconductor applications and positively impacting both our divisions.

Order intake by end market segment

	FY26 £'m	FY25 ¹ £'m	Change %	CC change %
Materials analysis	176.0	176.8	(0.5)	+1.6
Healthcare & life sciences	73.9	75.6	(2.2)	+0.3
Semiconductors	165.7	131.5	26.0	+28.0
Other	34.8	39.5	(11.9)	(10.4)
Total	450.4	423.4	+6.4	+8.4

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

The materials analysis market continues to be Oxford Instruments' largest source of new orders, at around 39% of the total. Order intake remained robust for the full year, growing +1.6% on the prior year, with growth of +5.5% in the second half following a difficult start to the year characterised by tariffs and by supply constraints for rare earth materials used in magnets. Whilst the second half benefited from a less volatile geopolitical backdrop, the quick and effective action from our engineering and supply chain teams to adapt to this new paradigm was impressive.

Semiconductors made up around 37% of new order intake in FY26, with strong growth in both our Imaging & Analysis (I&A) +13.7% and Advanced Technologies (AT) +37.3% divisions. Both divisions have benefited from the current AI data centre growth cycle, with strong orders for analysis tools and chip production equipment, which has been especially strong in H2. This semiconductor growth has come largely from commercial R&D and commercial high volume chip manufacturers, which together have driven commercial order intake up from 51% of the Group in FY25 to 58% in FY26.

Finance review continued

Healthcare & life science order intake has seen declines over recent years as a result of a tough market backdrop and reduced competitiveness in our Belfast-based cameras and microscopy business. Whilst we have not seen declines in this segment demand has remained subdued, with our focus being on growing market share through an improved OEM commercial offering and new products.

Imaging & Analysis return to growth, maintaining strong margins

Imaging and Analysis division performance

	FY25 ¹	FX	Acquisitions	OCC	FY26	OCC change	Change
Order intake	318.6	(7.6)	2.0	4.3	317.3	+1.3%	(0.4%)
Revenue	330.5	(7.3)	1.4	(9.9)	314.7	(3.0%)	(4.8%)
Adjusted operating profit	73.2	(4.1)	0.1	1.7	70.9	2.4%	(3.1%)
Adjusted operating margin	22.1%			23.3%	22.5%	+120 bps	+40 bps

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

Order momentum has steadily returned to Imaging & Analysis (I&A) over the course of the year. First quarter orders were down (11.4%) on the prior year, but a consistently improving picture quarter on quarter resulted in H2 order intake growth +8.4% above the prior year, a growth of +1.3% for the full year. Growth in H2 has come from the division's core materials analysis market, but it is also benefiting from growth in the semiconductor sector, with full year order intake up +13.7% in this segment.

Revenue growth has naturally lagged order growth, but H2 showed a return to revenue growth, up 1.9% on the prior year, with a greater than normal concentration of shipping in the last quarter, accentuated by rare earth constraints from earlier in the year being resolved. Overall reported revenue declined by (4.8%), and by (3.0%) on an organic constant currency basis.

Whilst revenue declined, gross margins progressed versus the prior year. Reported operating margins increased 40 basis points versus the prior year, and were up 120 basis points on an OCC basis. Our restructuring of the Belfast cameras and microscopy business has been a significant contributor to this margin performance, delivering approximately £5m of cost reduction versus FY25.

With second half order and revenue momentum, a divisional book-to-bill ratio of around 1.0, and recovery in the camera and microscopy business, we expect to deliver low single digit revenue growth in FY27, being mindful also of macroeconomic backdrop, which remains uncertain.



Finance review continued

Advanced Technology step change in outlook

Advanced Technologies division performance

	FY25 ¹	FX	Acquisitions	OCC	FY26	OCC change	Change
Order intake	104.8	(1.1)	–	29.4	133.1	+28.1%	+27.0%
Revenue	112.9	(0.8)	–	(3.6)	108.5	(3.2%)	(3.9%)
Adjusted operating profit	6.3	(0.5)	–	(3.0)	2.8	(47.6%)	(55.6%)
Adjusted operating margin	5.6%			3.0%	2.6%	(260) bps	(300) bps

1 FY25 restated to reclassify NanoScience business as a discontinued operation.

Accelerating demand for compound semiconductors has driven a transformation in the AT order book. The first half of the year saw order growth of +25.3% versus the prior year, helping to replenish the order book, pushing the September (P6) order book 6.8% above FY25. Second half orders have continued to build, growing +30.2% versus the prior year, with the March (P12) order book closing 25% ahead of last year.

A further large order received post-year end builds further confidence for FY27 and is supportive to our medium-term outlook for the AT business.

Around two thirds of FY26 order intake has been driven by commercial customer demand, predominantly for volume production equipment, with the remainder from academia. The main applications for equipment have been optical switching for data centres (InP) and augmented and virtual reality (uLED or lens etchings), with orders in both cases growing over 200% versus the prior year, and continued growth in the opportunity pipeline. We continue to also ensure the business is well positioned for future growth for both GaN and SiC applications.

This order momentum has not materially fed through into revenue in FY26, with revenue for the division declining 3.2% versus the prior year. Revenue decline in our X-ray tube business accounted for most of this, with the semiconductor equipment business revenue remaining broadly flat.

Conversion to revenue has been slower than expected, with revenue growth beginning to pull through in late Q4, and continuing in Q1 FY27. This delay in revenue growth has been partly driven by the need to replenish orders in H1 before growing orderbook materially in H2. It is also due to the size and complexity of the large commercial volume manufacture systems which are now a feature of the AT orderbook. This has meant in some cases customer readiness was delayed, as their facilities were not ready, or there were delays in production due to supply chain, planning or technical challenges. The team is rapidly adapting to these new demands, and we are continuing to invest in capabilities and our supply chain to support revenue growth in FY27.

Adjusted operating margin for the division has been impacted by the decline in revenue, increased depreciation and maintenance costs of Severn Beach (+£2.5m versus FY25) and changes to our inventory valuation approach versus the prior year. The result has been lowering divisional adjusted operating margin to 2.6%, from 5.6% in the prior year. However, given the strong opening order book, and a revenue growth of high teens, our expectation is for operating margins to move significantly forward in FY27.

Focus on cash generation and returns

During FY26 we completed the divestment of the NanoScience business, which has positively impacted both operating margins and cash conversion. The restatement of FY25 to exclude the NanoScience business improved the prior year adjusted operating profit margin by 150 basis points, from 16.4% to 17.9%.

Reported adjusted operating margin for FY26 was 17.4%. On an organic constant currency basis operating margins progressed by a further 30 basis points to 18.2%, due to restructuring actions taken in Belfast, and improved gross margins.

We expect to see continued constant currency margin progress in FY27, driven by better margins in our cameras and microscopy business, supported further by a shift of focus to higher contribution product lines, coupled with a significant operational leverage benefit from the growth in AT. Reported margin is expected to remain broadly in line with FY26, as we absorb an approximately £3.2m FX headwind to adjusted operating profit (AOP) in FY27. On a constant currency basis we expect to remain on track to our medium-term operating margin goal of 20%.

Cash conversion has remained high in FY26, at 89%, with free cash flow remaining strong despite the reduction in operating profit versus the prior year. Working capital represented 12.6% of sales, as receivables reached 5% of revenue at year end due to high shipping levels in the final part of the year. Despite the decrease in operating profit, free cash flow was resilient, supported by lower cash tax following overpayments in prior years. Reducing exceptional costs and the ceasing of future pension contributions will provide significant headroom to both increase organic investment in FY27, and maintain high levels of FCF.

Finance review continued

Overall net cash increased by 11.4% to £94.0m, following receipt of proceeds from the sale of NanoScience, and shareholder returns of £75.2m through dividends and our share buyback programme. Return on capital employed (ROCE) was 28.2% in the year (FY25: 27.1%), supported by the divestment of the NanoScience business. The calculation of ROCE is contained in note 2 to the accounts.

Disciplined capital allocation

We set out our capital allocation priorities in 2025 with our number one priority being to invest organically to drive growth and margin opportunities. Investment in R&D at 8%–9% of revenues remains core to our growth plans, and we have continued to invest at these levels. The growth in semiconductors presents opportunities in both divisions to widen our offering for this sector, adapting our current analysis product set to fit better into a production environment, and supporting customers with moving towards larger wafer sizes. We see opportunities to widen the scope of our well-regarded software interface, and incorporate more AI-based capabilities, both of which will allow us to reach further into the commercial user base, and support our customers' productivity goals. With a return to growth in our cameras business we are investing to refresh our product lines to drive greater OEM uptake, and allocating capital expenditure to upgrade our production suite. As we ramp our production facility in Severn Beach we will also be looking to invest to ensure capacity is available for accelerating order growth, both in terms of resources, but also our supply chain and inventory levels. Within the next two years both our Belfast and Severn Beach sites will require significant ERP upgrades to support growth and margin.

With these priorities we expect to see capital expenditure increase by £7–8m in FY27, and capitalised R&D to increase by £3–4m. Expensed R&D is expected to continue at our target range of 8–9% of revenue. With the continued deployment of our growth strategy, it is also clear there are opportunities for significant simplification of the Group's operating model, with the priority being in I&A. An historically siloed business model, coupled with multiple acquisitions, has led to a fragmented operating model, process and system landscape that makes pursuing growth and margin together more challenging. It also complicates the experience for our customers. We have therefore committed to evaluating a simplified and standardised trading model for the Group, and supporting a higher level of automation and data analytics.

As with all organic investments we will apply a disciplined approach to ensure we are driving incremental returns above our cost of capital.

Our second capital allocation priority remains our dividend which we have committed to grow in line with underlying earnings. The full-year dividend for FY26 will be 23.6p, up 6.3% on last year.

Cash generation in excess of these priorities will either be deployed against inorganic opportunities, or returned to shareholders. We continue to actively review potential M&A opportunities which will enable us to drive growth and/or margin upside to our plans, with returns in excess of our cost of capital, but to date we have not identified an opportunity to fit our disciplined criteria. However, we aim to maintain a strong balance sheet to ensure we are well positioned in competitive processes should they arise.

We announced the company's first buyback programme in June 2025 of £50m, and a further £50m extension of this in November 2025. As at the end of March we had completed £62.2m of the programme and expect to complete the remainder by the end of the calendar year.

Results summary

	FY26	FY25 ¹	Change
Reported operating profit	£58.0m	£37.6m	+54.3%
Reported operating margin	13.7%	8.5%	+520 bps
Reported profit before tax	£58.5m	£38.2m	+53.1%
Reported basic EPS	84.6p	44.8p	+88.8%
Adjusted profit before tax	£75.0m	£80.7m	(7.1%)
Adjusted basic EPS – continuing operations	100.7p	109.1p	(8.4p)
Dividend per share	23.6p	22.2p	+6.3%
Net cash	£94.0m	£84.4m	+11.4%

¹ FY25 restated to reclassify NanoScience business as a discontinued operation.

In the year to 31 March 2026 the Group completed the disposal of its NanoScience business. The FY25 and FY26 financial statements have been re-presented to reflect the classification of the NanoScience business as a discontinued operation.

Finance review continued

1. Research and development

The Group has set out as a medium-term goal to spend between 8% and 9% of revenue on R&D. R&D expenditure charged to the income statement in FY26 was £37.1m, equivalent to 8.8% of sales (FY25: £38.7m; 8.7% of sales). A further £2.4m of R&D was capitalised in the period (FY25: £0.9m).



2. Adjusting items

Adjusted measures are presented alongside statutory results to support users of the accounts in their understanding of the Group's performance from one period to the next, as well as comparison to other peers in the sector. Further details on adjusting items relating to continuing operations are provided in note 2 to the accounts.

Alternative profit measures are adjusted to exclude amortisation of acquired intangibles and movements in fair value related to foreign exchange hedging contracts between reporting periods. We expect to continue to adjust for these categories of items in FY27.

The following adjustments were also made to operating profit in FY26:

- costs relating mainly to the restructuring of the I&A division, including downsizing of the Belfast workforce, a new organisational model and other leadership changes
- costs and income related to the completion of the move of our compound semiconductor equipment production from Yatton to Severn Beach
- costs related to the move of the Group's defined pension scheme to an insurance provider ('buy-in').

The table below details the adjustments made to statutory results relating to continuing operations. Adjusting items related to discontinued operations are set out in Note 12 to the accounts. Items included as 'Other' above relate to non-cash adjustments arising from the acquisition of First Light Imaging and FemtoTools.

The adjusting item related to discontinued operations (£6.8m) represents the post-tax gain on disposal of the NanoScience business. Details of this calculation are set out in note 13.

3. Taxation

The adjusted tax charge of £17.6m (2025: £17.4m) represents an effective tax rate of 23.5% (2025: 21.6%). In the prior year the adjusted tax rate was depressed as a result of prior year credits, which do not repeat in the current year and therefore has led to an increase in the effective tax rate. The reported tax charge of £14.0m (2025: £13.0m) represents a reported effective tax rate (ETR) of 23.9% (2025: 34%). The decrease in reported ETR was as a result of a non-tax deductible impairment charge in FY25 which did not repeat in FY26.

	Statutory results £'m	Amortisation £'m	Derivative fair value movements £'m	Other adjusting items £'m	Adjusted measure £'m
Operating profit	58.0	7.3	1.0	7.4	73.7
Profit before tax	58.5	7.3	1.0	8.2	75.0
Tax	(14.0)	(1.9)	(0.3)	(1.4)	(17.6)
Profit after tax	44.5	5.4	0.7	6.8	57.4
<i>Effective tax rate</i>	23.9%				23.5%

Finance review continued

The increase from the adjusted tax rate reflects the impact of prior year adjustments (noted above), a change in the rate at which the US deferred tax is recognised and also an increase in the level of disallowances as a result of the NanoScience disposal.

When compared to the prior year the overall tax rate has reduced, as the prior year was impacted by goodwill impairment which was not tax deductible.

We expect the adjusted effective tax rate to return to approximately 24% in FY27. This is a reduction of 15% on previous guidance reflecting increased benefits arising from our UK patent box arrangements.

Cash tax for the year was £11m (FY25: £19.8m) mainly as a result of benefiting from overpayments of UK tax in the prior year which should reduce in FY27.

4. Discontinued operations

The Group disposed of the NanoScience business in January 2026 for a gross consideration of £54.7m, with a net cash inflow of £42.4m. The consideration is still subject to final agreement of completion accounts with the buyer. The gain on disposal was £6.8m, and has been treated as an adjusting item. The adjusted loss after tax from discontinued operations was £3.1m. The NanoScience business has been reported as a discontinued operation in both FY26 and in the FY25 comparator results. It is reported after tax and is therefore not included in operating profit. As a result of this change in reporting, the adjusted operating profit margin for FY25 moved from 16.4% in the annual report and accounts last year, to 17.9% as reported in this year's, an increase of 150 basis points. The FY25 reported operating profit margin was similarly restated from 7.8% to 8.5%.

5. Earnings per share

Adjusted basic earnings per share from continuing operations decreased by -7.7% to 100.7p (FY25: 109.1p), reflecting the fall in operating profit partially offset by a lower tax charge versus the prior year. The number of undiluted weighted average shares in issue decreased to 57.0m (FY25: 58.0m) as a result of the ongoing execution of the share buyback programme.

Reported basic earnings per share increased from 44.8p to 84.6p benefiting from the gain on disposal of the NanoScience business in FY26, as well as a non-recurrence of the impairment of the Andor cash generating unit (CGU) in FY25.

6. Currency

The impact of currency on the Group arises predominantly from transactional effects, as the Group bases the majority of its production, R&D and central costs in the UK, whereas revenue is largely denominated in US dollars, euros, and Japanese yen. Translational impacts can also arise on the consolidation of overseas company results into sterling.

The Group's translation and transaction foreign currency exposure for the FY26 is summarised below. The Group is most exposed to USD movements as 49% of revenue is denominated in USD.

£m equivalent	Revenue	Adjusted operating profit
Sterling	38.7	(127.7)
US dollar	206.8	122.8
Euro	115.5	43.6
Japanese yen	41.4	26.1
Chinese renminbi	9.7	0.5
Other	11.1	8.4
	423.2	73.7

To mitigate the transactional effects of the movement in exchange rates the Group implements a rolling hedging programme against the major currencies it trades in.

The Group aims to have hedged a significant proportion of expected currency inflows at least 12 months ahead, with the remainder transacted at spot rates during the year. The weighted average blend of these hedged rates and spot rates represents the effective exchange rate at which the Group transacted currency for the year.

The table below details the effective exchange rate at which the Group transacted foreign currency and the headwind or tailwind impact on Group adjusted operating profit:

GBP exchange rate	FY26	FY25	% change	AOP impact versus PY £'m
US dollar	1.31	1.26	(3.7%)	(4.5)
Euro	1.15	1.16	+1.0%	0.4
Japanese yen	192.69	185.13	(4.1%)	(1.1)
Other				0.6
Total transactional impact				(4.5)
Total translational impact				0.2
Total currency (headwind)/tailwind				(4.3)

Over the same period the average spot rate for USD moved (2.3%), EUR +1.5% and JPY (2.3%).

Taking into account hedged rates for FY27 and currently prevailing spot rates for the major currencies, the Group expects a headwind to adjusted operating profit in FY27 of £3.2m. This includes an assumption of 1.335 as an average spot rate for the USD. A one cent movement in the GBP to USD exchange rate would have an approximately £0.6m impact on adjusted operating profit.

Finance review continued

7. Capital expenditure

Total expenditure on property, plant and equipment in the year was £7.4m. Of this £2.9m related to the completion of the Severn Beach investment, with the site becoming fully operational in July 2025. A further £1.3m relates to investment in new property adjacent to our High Wycombe facility, providing more space options to expand headcount at the site. The remaining £3.2m relates to general maintenance and improvement of facilities, including upgrades to the clean room at our Belfast facility.

8. Working capital

Working capital related to continuing operations increased in FY26 by £12.1m (FY25: £2.0m), driven by the late timing of shipments in the year and the higher than normal receivables balance that resulted. Trade receivables increased by £20.9m, but were partially offset by increases in payables and customer deposits. Inventory increased by £1.6m as the business ramps for stronger growth in FY27, and as we continue to deploy supply chain risk management plans. Working capital equated to 12.7% of revenue in FY26 (FY25: 12.8%).

9. Pensions

The Group has a defined benefit pension scheme in the UK which has been closed to new entrants since 2001 and closed to future accrual from 2010.

In December 2025, the Trustee of the Scheme completed the purchase of a bulk annuity policy (buy-in) with Royal London covering the whole of the Scheme's membership. The bulk annuity policy is in the name of the Trustee and is an asset of the Scheme. The purchase price of the bulk annuity policy was set by Royal London. Following the purchase of the bulk annuity policy, and in accordance with IAS 19 accounting standards, the value of the policy as an asset of the Scheme is set to the same value as the Scheme liabilities covered by the policy. More information on the accounting of the buy-in can be found in Note 25 to the accounts.

Following the confirmation of policy pricing the Group ceased further contributions to the Scheme, and does not expect to make any contributions in future years. Contributions in FY26 were £5.3m (FY25: £8.7m).

10. Cash generation

The Group ended the year with £94.5m in cash or cash equivalents (£94.0m net cash). Adjusted cash from operations, including capital expenditure, was £67.5m (FY25: £75.6m) and represents a cash conversion of 92% (FY25: 95%). Cash conversion is calculated as adjusted cash from operations divided by adjusted operating profit. Excluding capital expenditure relating to our new semiconductor systems facility (including the proceeds from Yatton) and the purchase of property adjacent to our High Wycombe facility, cash conversion on a normalised basis for continuing operations was 89% (FY25: 102%). An explanation of how cash conversion is calculated can be found in note 2 to the accounts.

The reduction in cash from operations was mainly driven by the reduction in adjusted operating profit versus the prior year (£5.8m) and the increase in working capital of (£12.1m) as a result of a higher trade receivables balance resulting from the timing of shipments late in the year.

Despite the decrease in cash from operations, free cash flow (FCF) was broadly similar to the prior year (FY26: £41.9m; FY25: £43.8m), due to a reduction in cash tax following overpayments in prior years (£9.4m), and proceeds from the sales of the Yatton site (£4.8m).

In addition to FCF generated by the core business, net cash proceeds of £42.4m were also received following the disposal of the NanoScience business. During the year £75.2m of cash was returned to shareholders through dividend payments (£13.0m), and the continuation of our share buyback programme £62.2m. We expect to complete the remaining £47.8m of the buyback programme in Q3.

The Group maintains an unsecured multi-currency revolving facility agreement which expires in March 2028, with two extension options. The facility is supported by four banks and comprises a euro-denominated multi-currency facility of €95.0m (£80m) and a US dollar-denominated multi-currency facility of \$150.0m (£116m).

Debt covenants are net debt to EBITDA less than 3.0 times and EBITDA to interest greater than 4.0 times.



Finance review continued

11. Dividend

The Group's policy on the dividend takes into account changes to underlying earnings, dividend cover, movements in currency and demands on our cash. The Board remains confident in the long-term performance of the business and has proposed a final dividend of 18.2p (FY25: 17.1p) per share. This results in a total dividend of 23.6p (FY25: 22.2p) per share, growth of 6.3%. An interim dividend of 5.4p per share was paid on 7 January 2026. The final dividend will be paid, subject to shareholder approval, on 18 August 2026 to shareholders on the register as at 10 July 2026.

12. Return on capital employed (ROCE) and Return on invested capital (ROIC)

ROCE measures effective management of capital employed relative to the profitability of the business. ROCE is calculated as adjusted operating profit less amortisation of intangible assets divided by average capital employed. Average capital employed is defined as the average of the closing balance at the current and prior year end. Capital employed for FY25 includes the NanoScience business which was classified as a discontinued operation during FY26. Average capital employed for FY26 excludes the NanoScience business.

ROCE has increased to 28.2% versus 27.1% in the prior year. The Group has a medium-term target to deliver ROCE of 30% or more.

ROIC measures the after-tax return on the total capital invested in the business. It is calculated as adjusted operating profit after tax divided by average invested capital. Invested capital is total equity less net cash, including lease liabilities. Average invested capital is defined as the average of the closing balance at the current and prior year end. Average invested capital for FY25 includes the NanoScience business which was classified as a discontinued operation during FY26. Average invested capital for FY26 excludes the NanoScience business. ROIC for the year was 19.9% (FY25: 20.3%).

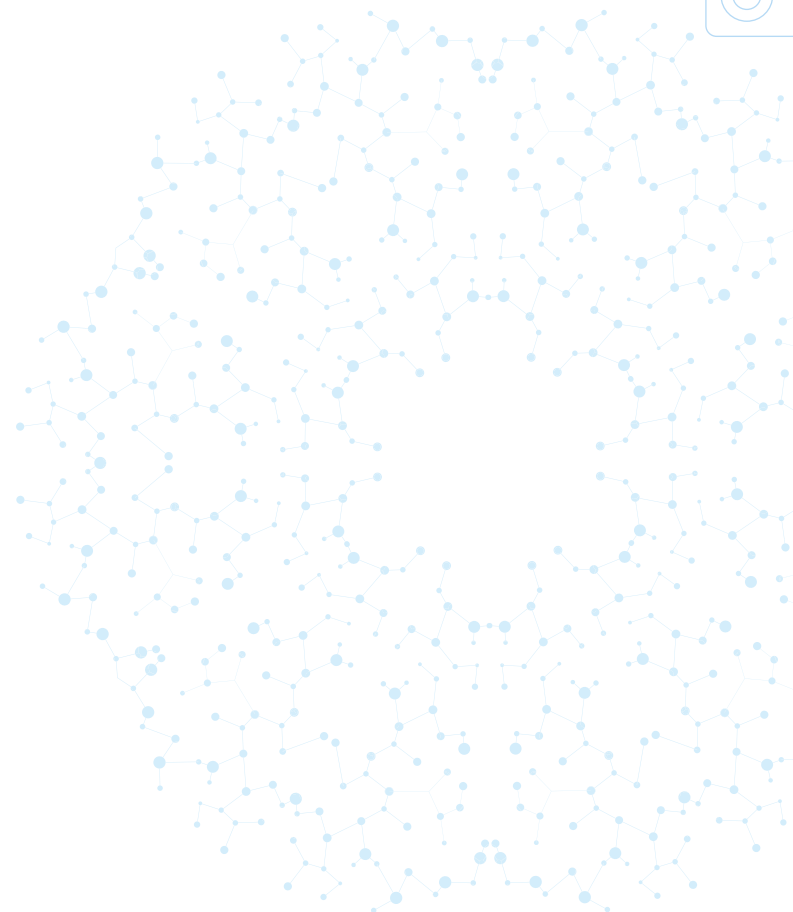
Further detail on how ROCE and ROIC are calculated is contained in note 2 of the accounts.

Forward-looking statements

This document contains certain forward-looking statements. The forward-looking statements reflect the knowledge and information available to the company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future, thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the company.

PAUL FRY
Chief Financial Officer

8 June 2026



Sustainability

Sustainability is central to Oxford Instruments, with our purpose, values, strategy and products all aligning around the positive impact we seek to have on our planet and the societies in which we operate

Through our products and services, we are working to accelerate the breakthroughs that create a brighter future for our world. And through our commitment to operating responsibly, in line with our values, we strive to operate with the highest standards and integrity.

We take a holistic approach to sustainability, ensuring that it is embedded throughout the organisation, from our Board-level Sustainability Committee, joined by all Board members, to our workforce around the world. We also seek to embed principles of sustainability in our interactions with all stakeholders, including customers, supply chain partners and our local communities.

We are committed to building on past progress and continuing to challenge ourselves to go further. Our environmental, social and governance (ESG) strategy focuses on driving positive action across the following areas: progress to net zero and environmental impact; health and safety; investing in our people; culture and engagement, ethical business practices and regulatory financial compliance. We set out our progress throughout this section.



Environment

Our products and services have a key role to play in achieving a more sustainable future. We are committed to minimising our own impact on the environment, reflected in our ambitious net zero targets: 2030 in our own operations, and 2045 across our whole value chain.

For more information / Pages 53 to 68



Social

Our purpose and values-driven social programme seeks to uphold our deeply held sense of responsibility to our employees, the communities we impact, and the generations to come. We strive to create a safe and inclusive culture where colleagues can build rewarding careers, and to be a responsible corporate citizen everywhere we operate.

For more information / Pages 69 to 75



Governance

We are committed to upholding the highest ethical standards in all our interactions with our colleagues, customers, suppliers, and the stakeholders in our wider network. How we run our business is as important as what we do. We seek to operate in an inclusive, responsible and sustainable way, and with integrity at all times.

For more information / Pages 76 to 77



Sustainability continued

Our sustainability ratings

CDP climate change:

B (2025: B)

CDP supplier engagement assessment:

A- (new metric in 2026)

ISS:

C (2025: C-) fifth decile

MSCI ESG Ratings:

AA (2025: AA)

S&P:

37
(77th percentile, up from the 82nd in 2025 putting us in the top 25% of our peer group of 439 companies for ESG management)

Sustainalytics ESG Risk Rating:

11.5 Low risk
(up from 12.1 in 2025, putting us on the 10th percentile among technology hardware companies)

Introduction

We are committed to advancing our positive progress on sustainability each year. Following last year's SBTi validation of our targets and the publication of our net zero transition planning, in FY26, we have focused on putting our plans into action. We have carried out detailed scoping and planning for the key capital investment projects which will facilitate the largest reductions in our Scope 1 and 2 emissions (see page 55) and deepened our engagement with our suppliers to better model our Scope 3 reduction pathway. We were pleased to achieve a B rating again in CDP's climate change assessment, reflecting our commitment and action in this area, and also to have our supplier engagement recognised by CDP with an A- rating.

Health and safety remains a key priority at all levels of the organisation, and our performance continues to compare favourably to industry benchmarks. We have recorded a small rise in the number of accidents during the year; we will redouble our efforts to ensure all our sites are managed effectively and that all incidents are reviewed so that lessons can be learned. We continue to roll out our targeted IOSH-accredited H&S training programme.

Supporting our colleagues to work and collaborate effectively, and building a positive working environment, is fundamental to our company culture. This year, we have focused on embedding our Ways of Working (set out on page 69) with colleagues around the world, as well as listening to and acting on feedback from colleagues generated through the externally benchmarked global engagement survey carried out in November 2024. A further global survey was carried out in April and May 2026 (see page 70). We were pleased to be rated as 'One to Watch', reflecting that Oxford Instruments is a good place to work. We will digest the detailed survey outputs and take action on feedback over the course of this year.

We believe in fostering career development at every level of our global organisation. This year, we ran a second cohort of our Foundations programme, which supports high-potential colleagues in their early career, following last year's successful pilot. Three cohorts of our long-running Leadership programme also benefitted from bespoke training.

We have continued to embed and strengthen our compliance training programme, driving employee awareness through training and regular communications. Colleagues completed 6,246 compliance training courses during calendar year 2025. For more on our people and governance-centred initiatives, see pages 69 to 78.

Sustainability – environment



We are proud of the role our products play in supporting decarbonisation, and we are committed to reaching net zero emissions across our value chain by 2045

Strategy and targets

We have committed to reach net zero (where we add no incremental greenhouse gases to the atmosphere) across our own operations (Scopes 1 and 2) by 2030. We are making good progress, with emissions down 25% versus our 2024 baseline year. For Scope 3, we are committed to reducing our emissions by 25% by 2030. Our carbon reduction targets were validated by the Science Based Targets initiative (SBTi) in 2025.¹ Our plans for how to achieve them are set out in our net zero transition plan (see pages 54 to 55). Implementation of our plan is progressing with a clear glidepath to hit our 2030 Scope 1 and 2 target. In common with many other businesses, the most challenging of our targets is reducing our Scope 3 emissions, with emissions from the goods and services we procure forming the largest part of our Scope 3 footprint (96%). Our Scope 3 emissions have reduced by 7% since our baseline. We are currently 831 tCO₂e (1%) over our glidepath to hit our 2030 target. This has led us to undertake deeper engagement with our supply chain on their carbon emissions, asking key suppliers for more details on both their carbon emissions and their plans to reduce them.

We continue to implement programmes across the Group to reduce our environmental impact, including purchasing 100% renewable electricity at our UK sites, as well as at some international sites. A key focus of the coming years will be to expand the purchase of renewable electricity to more sites.

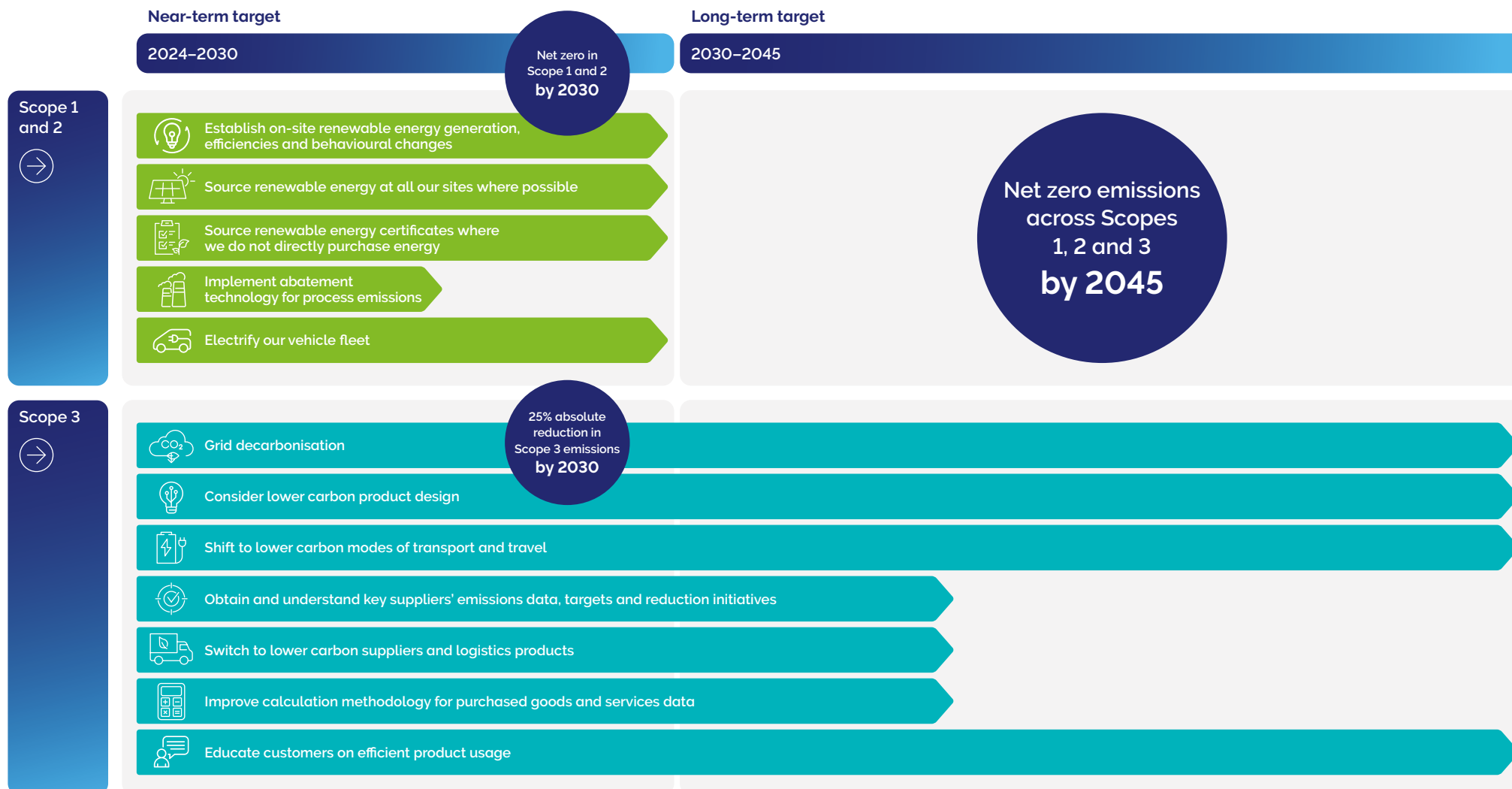
We are also assessing further opportunities to self-generate renewable electricity. Scoping work has been undertaken at all our UK sites to utilise roof space for solar developments. We currently generate solar power from arrays at our sites at Scotts Valley, Severn Beach and Ulm, generating 348,590 kWh in FY26.

In line with our transition plan, activities to replace our fossil fuel boilers have continued. Before the divestment of NanoScience in January 2026, the oil-fired boilers at this site were replaced with electric heating, cutting emissions by 271 tCO₂e. Boiler replacement projects at Belfast and High Wycombe are fully scoped (see 'Transition plan to net zero' on page 55). The largest single source of Scope 1 and 2 emissions at Oxford Instruments is the process emissions generated by plasma processing at our semiconductor facility at Severn Beach. Work has been undertaken this year to better understand these emissions and gain an insight into viable abatement technologies. Development of a technology solution to these emissions will be progressed in FY27.

¹ <https://sciencebasedtargets.org/target-dashboard>.

Sustainability – environment continued

Our science-based net zero transition plan



Sustainability – environment continued

Net zero target and re-baselining

Following the divestment of the NanoScience business, our carbon emissions have reduced by more than 5%. In line with our re-baselining policy, this has triggered a full re-baselining of our emissions, with those previously generated by NanoScience removed. This is in line with the Greenhouse Gas Protocol methodology, as the emissions have not been eliminated from the environment.

Emissions scope	FY24 rebased	FY26	% change from baseline	Target goal by 2030	Status
Scope 1	2,916	3,011	3%	Net zero	On target
Scope 2 (market-based)	1,751	474	(73%)	Net zero	On target
Scope 3	89,226	82,621	(7%)	66,919 (25% reduction)	On target

Emissions scope	FY24 baseline rebased	FY26	% change from baseline	Target goal by 2045	Status
Scope 1, 2 and 3	93,893	86,106	(8%)	Net zero	On target

Today, our location-based carbon intensity metric for Scopes 1 and 2 stands at 12.71 tonnes CO₂e per £million revenue. This is a decrease from 13.23 tonnes per £million revenue in FY25¹. This reduction is primarily as a result of a year-on-year reduction in Scope 1 combustion emissions and fugitive emissions along with a reduction in Scope 2-related emissions.

Transition plan to net zero

In November 2024, we published our net zero transition plan, created in line with the recommendations of the Transition Plan Taskforce. This key document available on our website at www.oxinst.com/investors/sustainability/ sets out how we intend to hit our 2030 and 2045 targets. We have already begun our implementation plan.

- **Heat decarbonisation** – Heating systems are a large contributor to our Scope 1 emissions. Plans to decarbonise the heating systems at Belfast and High Wycombe by switching from gas to air source heat pumps are fully scoped and awaiting upgrades to the power network before they can progress. Both systems will remove the use of natural gas from the sites, saving a combined 196 tonnes CO₂e per year.

- **Process emissions** – Process emissions have become a significant part of our Scope 1 footprint from the processes at our compound semiconductor facility. A significant proportion of these gases representing c. 2,761 tonnes CO₂e per year can be abated. An engineering design is expected to be delivered during FY27.
- **Renewable electricity** – We purchase renewable electricity contracts at all our UK sites and three sites internationally. The sites that are currently not on renewable electricity contracts will be reviewed, with the intention to switch to purchasing renewable electricity, or to purchase energy attribute certificates to cover their consumption where contracts are not possible. Moving to renewable electricity will reduce our Scope 2 emissions by 468 tonnes CO₂e per year.
- **Energy efficiency** – We have deployed energy efficiency measures such as server room temperature controls. Server rooms are often over cooled, so increasing the temperature set point of a server room can reduce energy consumption by circa 9,500 kWh or 1.6 tCO₂e/year.
- **Fleet** – As vehicles in our fleet come up for replacement we will switch from internal combustion engine vehicles to electric vehicles.
- **Facilities portfolio** – We will prioritise positive environmental attributes when we are looking for new sales, services or manufacturing facilities.
- **Scope 3 emissions** – The largest proportion of our emissions comes from our purchased goods and services. Work has continued this year to engage with our key suppliers, and wider supply chain. As well as direct communication with suppliers, new tools have been deployed to increase engagement. Questionnaires have been used to gain insight into key suppliers' carbon emissions and their plans to reduce their own emissions. Where suppliers have provided good quality data, this will be used to help to improve our carbon footprint data and project reductions in our own footprint.

Streamlined Energy and Carbon Reporting (SECR)

We have outlined our emissions and energy usage across the whole Group, accounting for all Oxford Instrument sites.¹ As mentioned above, we have re-baselined our footprint to reflect the change in business structure caused by the divestment of NanoScience. Along with the baseline data, subsequent reporting years have also been amended to reflect the change and allow comparison.

¹ Figures have been re-baselined in FY24.



Sustainability – environment continued

Absolute location-based Scope 1 and 2 emissions decreased by 6% during the year. This is primarily due to the carbon associated with the electricity we are using and an increase in the quantity of self-generated solar electricity being consumed.

Scope 1 emissions have stabilised this year, decreasing slightly (0.4%). Scope 2 market-based emissions continue to be lower versus the baseline year (73% reduction) due to the continued purchase of renewable energy contracts at all our UK sites and three international sites. When available and appropriate, further international sites will be moved onto renewable energy contracts.

We are also scoping opportunities to develop on-site electricity self-generation, particularly through solar, at additional sites over the medium term.

Purchased renewable electricity has increased by 2% year on year, driven by increases at High Wycombe, with additional staff and resource now working from this location, and a net increase in consumption as Severn Beach fully opened and Yatton closed. Following the closure of Yatton FY27 consumption is projected to reduce by around 300,000 kWh.

Absolute energy consumed has reduced by 415,087 kWh from FY25. Part of this reduction followed the completion of the move to the Severn Beach site and the closure of the Yatton site, removing any energy from Yatton for the second half of the year. Further actions to reduce energy consumption are continuing, and are described on page 55.

We report our location-based emissions and energy intensity as tonnes CO₂e/£m revenue and kWh/£m revenue. Emissions intensity has reduced by 3.9% this year, while energy intensity has decreased by 0.33%.

	GHG emissions (tCO ₂ e)					
	2026			2025		
	UK	Global (exc. UK)	Group total	UK	Global (exc. UK)	Group total
Scope 1 fugitive emissions (tCO ₂ e)	3	–	3	26	0	26
Scope 1 process emissions	2,671	–	2,671	2,692	0	2,692
Scope 1 combustion emissions (tCO ₂ e)	174	74	248	200	104	304
Total Scope 1 (tCO₂e)	2,937	74	3,011	2,918	104	3,021
Scope 2 location-based (tCO ₂ e)	1,822	662	2,484	2,082	761	2,844
Scope 2 market-based (tCO ₂ e)	0	474	474	0	578	578
Total Scope 1 + 2 location-based (tCO₂e)	4,759	735	5,495	5,000	865	5,865
Total Scope 1 + 2 market-based (tCO₂e)	2,937	548	3,485	22,918	681	3,599
Upstream Scope 3 (tCO₂e)	–	–	67,171	–	–	63,864
Downstream Scope 3 (tCO₂e)	–	–	15,450	–	–	17,365
Total Scope 3 (tCO₂e)	–	–	82,621	–	–	81,229
Total Scope 1, 2 & 3 location-based (tCO₂e)	–	–	88,116	–	–	87,094
Total Scope 1, 2 & 3 market-based (tCO₂e)	–	–	86,106	–	–	84,828
Scope 1 + 2 location-based GHG emissions intensity ratio (per Group turnover) £m	–	–	12.71	–	–	13.23

Sustainability – environment continued

	Energy consumption (kWh)					
	2026			2025		
	UK	Global (exc. UK)	Group total	UK	Global (exc. UK)	Group total
Total renewable fuels consumption (kWh)	0	0	0	0	0	0
Liquid fuel (diesel, petrol, fuel oil)	17,850	129,969	147,819	82,151	151,926	234,077
Gaseous fuel (natural gas)	926,607	218,631	1,145,238	1,069,404	364,483	1,433,887
Total non-renewable fuels consumption (kWh)	944,457	348,600	1,293,057	1,151,555	516,409	1,667,964
Total fuels consumption (kWh)	944,457	348,600	1,293,057	1,151,555	516,409	1,667,964
Consumption of purchased or acquired electricity renewable (kWh)	10,295,051	498,305	10,793,357	10,056,750	488,661	10,545,411
Consumption of purchased or acquired electricity non-renewable (kWh)	–	1,643,823	1,643,823	–	1,872,295	1,872,295
Consumption of self-generated non-fuel renewable energy (solar) (kWh)	120,518	228,072	348,590	28,867	183,222	212,089
Total electricity consumption (kWh)	10,415,569	2,370,201	12,785,770	10,085,617	2,544,178	12,629,795
Consumption of purchased or acquired heating, steam and cooling non-renewable (kWh)	–	32,901	32,901	–	250,034	250,034
Consumption of purchased or acquired heating, steam and cooling renewable (kWh)	–	70,650	70,650	–	49,673	49,673
Total renewable energy consumption (kWh)	10,415,569	797,028	11,212,597	10,085,617	721,556	10,807,173
Total non-renewable energy consumption (kWh)	944,457	2,025,324	2,969,782	1,151,555	2,638,738	3,790,293
Total energy consumption (kWh)	11,360,026	2,822,352	14,182,378	11,237,172	3,360,294	14,597,466
% renewable electricity from total electricity	100%	31%	87%	100%	26%	85%
Energy intensity ratio (per Group turnover) £m	–	–	32,814	–	–	32,922

1 This section has been prepared for the reporting period of 1 April 2025 to 31 March 2026. We report on all of the material emission sources in line with an operational control approach method, as required in Part 7 under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and under the UK's Streamlined Energy and Carbon Reporting (SECR) requirements.

Our energy consumption and emissions data is reported in accordance with the reporting requirements of the Greenhouse Gas Protocol ('GHG Protocol'), Revised Edition and the Environmental Reporting Guidelines, including the SECR guidance dated March 2019. The GHG Protocol standard covers the accounting and reporting of seven greenhouse gases (GHGs) covered by the Kyoto Protocol.

We report on Scopes 1 and 2 GHG emissions, as well as select Scope 3 emissions, providing a detailed breakdown of the Group's emissions by type and intensity measurement.

In our calculations, we have taken into account instances where sites generate their own renewable electricity or purchase electricity backed by contractual instruments, such as Renewable Energy Guarantee Origin (REGO). Consistent with the Greenhouse Gas Protocol, we regularly review our reporting procedures in response to changes in business structure, calculation methodologies, and data accuracy and availability. Consequently, we have restated our Scope 1 and 2 2024 emissions data to reflect the divestment of the NanoScience business.

For Scope 1 emissions, we have used emission factors from the UK Government's GHG Conversion Factors for company Reporting 2025 (provided by the Department for Environment, Food and Rural Affairs (DEFRA)). Scope 2 emissions, calculated using the GHG Protocol location-based method, have been determined using country-specific emission factors from the International Energy Agency (IEA) and DEFRA for UK sites. For Scope 2 emissions calculated using the GHG Protocol market-based method, we have used residual mix emission factors from the Association of Issuing Bodies (AIB) 2022 where applicable. In cases where residual mix emission factors were not available, we employed country-specific emission factors from the IEA in accordance with GHG Protocol guidelines.

Sustainability – environment continued

Scope 3 emissions

Our Scope 3 emissions are still our most significant source of emissions, contributing 96% of our total emissions.

We calculated all applicable Scope 3 categories for our carbon footprint, with five categories not applicable to our business. In line with the Greenhouse Gas Protocol, we continue to review our reporting in light of any changes in business structure, calculation methodology and the accuracy or availability of data.

Due to recognised inherent uncertainties in calculating Scope 3, we have adopted a continuous improvement approach. We will continue to review our processes and disclose any restatements in a timely and transparent manner. We disclose our most material Scope 3 categories for our FY26 footprint below.

Overall Scope 3 emissions have increased by 1.7% from last year. This was due to an increase in spend towards higher emission factor sectors in category 1 emissions, including computers and electronics and fabricated metals, despite an overall year-on-year reduction in spend. Category 6 business travel also increased, as we focus on strengthening relationships with our customers through face-to-face meetings. There were falls in category 11 emissions as grids have decarbonised.

Purchased goods and services (67% of Scope 3) –

The largest contributor to our Scope 3 emissions are the goods and services we purchase. For our calculations we have continued to use a 'spend-based' approach, which allocates emissions to an amount spent on specific commodities. Primary data is being sought from suppliers in our supply chain, with the aim of moving to supplier-specific emissions calculations.

Use of sold products (19% of Scope 3) – We calculate the lifetime energy use for representative products of our key product ranges, using our annual sales volume, average power use per product and estimated hours in use over life. Emissions factors for our key sales regions are applied to this data.

Upstream transportation and distribution (5% of Scope 3) – All inbound, intragroup and outbound logistics paid for by the Group are mapped against the transportation mode, weight and distance travelled to calculate emissions on a well-to-wheel basis.

Category	Description	Status	2026 Scope 3 emissions (tCO ₂ e)	2025 Scope 3 emissions (tCO ₂ e)
1	Purchased goods and services	Relevant, calculated	55,073	53,393
2	Capital goods	Relevant, calculated	Inc. in category 1	Inc. in category 1
3	Fuel- & energy-related activities	Relevant, calculated	931	910
4	Upstream transportation and distribution	Relevant, calculated	3,904	4,310
5	Waste generated in operations	Relevant, calculated	10	13
6	Business travel	Relevant, calculated	5,830	3,922
7	Employee commuting	Relevant, calculated	1,424	1,316
8	Upstream leased assets	Not relevant, not applicable	–	–
Upstream emissions			67,171	63,684
9	Downstream transportation and distribution	Relevant, calculated	inc. in category 4	inc. in category 4
10	Processing of sold products	Not relevant, not applicable	–	–
11	Use of sold products	Relevant, calculated	15,449	17,363
12	End-of-life treatment of sold products	Relevant, calculated	2	3
13	Downstream leased assets	Not relevant, not applicable	–	–
14	Franchises	Not relevant, not applicable	–	–
15	Investments	Not relevant, not applicable	–	–
Downstream emissions			15,450	17,365
Total Scope 3			82,621	81,229

Sustainability – environment continued

Environmental management and legislation

As a Group, we are committed to strong environmental management and to ensuring compliance with environmental legislation in the countries where we operate. We maintain certification to the ISO 14001 environmental management system standard at all our UK manufacturing sites.

No environmental fines or penalties have been placed on the Group in the last three years. Some of the primary frameworks which drive our environmental compliance actions are as follows:

- Waste Electronic and Electrical Equipment (WEEE) Directive;
- Restriction on the use of Hazardous Substances (RoHS) regulations;
- Registration, Evaluation, Authorisation of Chemicals (REACH) Directive; and
- European Waste Framework Directive.

Water and waste

Water withdrawal and waste data has been collected across the Group from sites with independent water supplies and direct control of their waste collection services. This includes all the primary UK manufacturing sites, which account for more than 80% of Group revenue.

Some of our operations are in regions with high or extremely high levels of water stress. However, water is not seen as a material risk as it is not used significantly as part of our production processes.

In total the Group recorded 16,385 m³ of water withdrawal, down from an adjusted total with the divestment of NanoScience of 28,975 m³ in FY25 and produced 16,385 m³ of water discharged.

UK sites are sending zero waste to landfill; our waste from these sites is either recycled or used at energy from waste facilities to generate electricity. We are committed to reducing the quantity of hazardous waste we produce.

Total waste – treatment	kg	% split of waste
Recycled	130,212	53.7%
Landfill	11,641	4.8%
Energy from waste	100,751	41.5%
Total	242,605	

Hazardous vs non-hazardous	kg	% split of waste
Hazardous	6,626	2.7%
Non-hazardous	235,979	97.3%
Total	242,605	

Water	m ³	Intensity ratio (per Group turnover) £m
Withdrawal	16,385	37.91
Discharge	16,385	37.91

Sustainable product development

Oxford Instruments provides academic and commercial organisations worldwide with market-leading scientific technology and expertise across our key market segments: materials analysis, semiconductors, and healthcare & life science. Our Imaging & Analysis division develops, manufactures and services microscopes, scientific cameras, analytical instruments and software. Our Advanced Technology division develops, manufactures and services compound semiconductor fabrication equipment and X-ray tubes.

Our new product introduction (NPI) process considers sustainable design alongside customer and market demands. This will allow us to continue to produce technologies that enable and facilitate the transition to a low-carbon economy.

Our NPI process considers the sustainability attributes of new products from the feasibility and design stage through to development, launch and scale up. Some of the key sustainable design considerations for reducing product-related emissions include: seeking recycled or low emission raw materials with suitable technical properties, reducing the weight and number of components in our products, and enhancing their overall efficiency during the use phase.

We are in the early stages of building our ability to assess embedded carbon in our products, and this year carried out a carbon footprinting exercise on two representative products to better understand opportunities to reduce their footprint.

Sustainability – TCFD statement

Task Force on Climate-related Financial Disclosures (TCFD) Statement for the year ended 31 March 2026.

Introduction

In tandem with our net zero commitment, this report addresses our climate governance and describes how we integrate climate risks and opportunities into our risk management, strategic planning, and decision-making, in line with our ambition to achieve net zero emissions across Scopes 1 and 2 by 2030, and across Scopes 1, 2 and 3 by 2045.

As a global manufacturer of high-technology products, mitigating, adapting and responding to the impacts of climate change is central to our strategy, both in terms of how we operate our business, and in terms of the key role our products and services play in the technology pathway to enable the transition from fossil fuels to a low-carbon economy. This year, we have continued to progress delivery of our net zero transition plan and have reviewed and refreshed our assessment of climate-related risks and opportunities, reflecting any changes in impact, likelihood and emerging developments over the past year.

Compliance statement

For clarity around compliance of the following information with the TCFD framework, and requirements arising from UK Listing Rule 6.6.6(8), we consider our disclosure to be consistent with all TCFD recommendations and recommended disclosures as detailed in 'Recommendations of the Task Force on Climate-related Financial Disclosures' (2017) and the additional guidance as set out in the 2021 Annex, 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures' and with the climate-related financial disclosure requirements under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CA 414CB), as shown in the TCFD and CFD cross reference and disclosure consistency summary below.

TCFD pillar	Recommended disclosure	Disclosure location	CA 414CB
Governance: Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 61	(a)
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 62	(a)
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Pages 63 to 67	(d)
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pages 63 to 68	(e)
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 68	(f)
Risk management: Disclose how the organisation identifies, assesses, and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Pages 62 and 63	(b)
	b. Describe the organisation's processes for managing climate-related risks.	Page 62	(b)
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Page 62	(c)
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 68	(h)
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pages 56 to 58	(h)
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 53 to 58, 68	(g)

Sustainability – TCFD statement continued

Governance

Board level

The Board of Directors has ultimate responsibility for the oversight of climate-related issues and is supported by its Committees (primarily the Sustainability Committee, the Audit and Risk Committee and the Remuneration Committee), the Senior Leadership Team, the Environmental Leadership Forum (ELF) (previously Sustainability Leadership Forum), and the wider leadership team. Climate-related considerations are embedded throughout our governance structure, and at every level across the organisation, as set out in the graphic and explained in more detail below. The Board engages regularly with a range of external advisers and internal subject matter experts on environmental legislation, decarbonisation and climate risk.

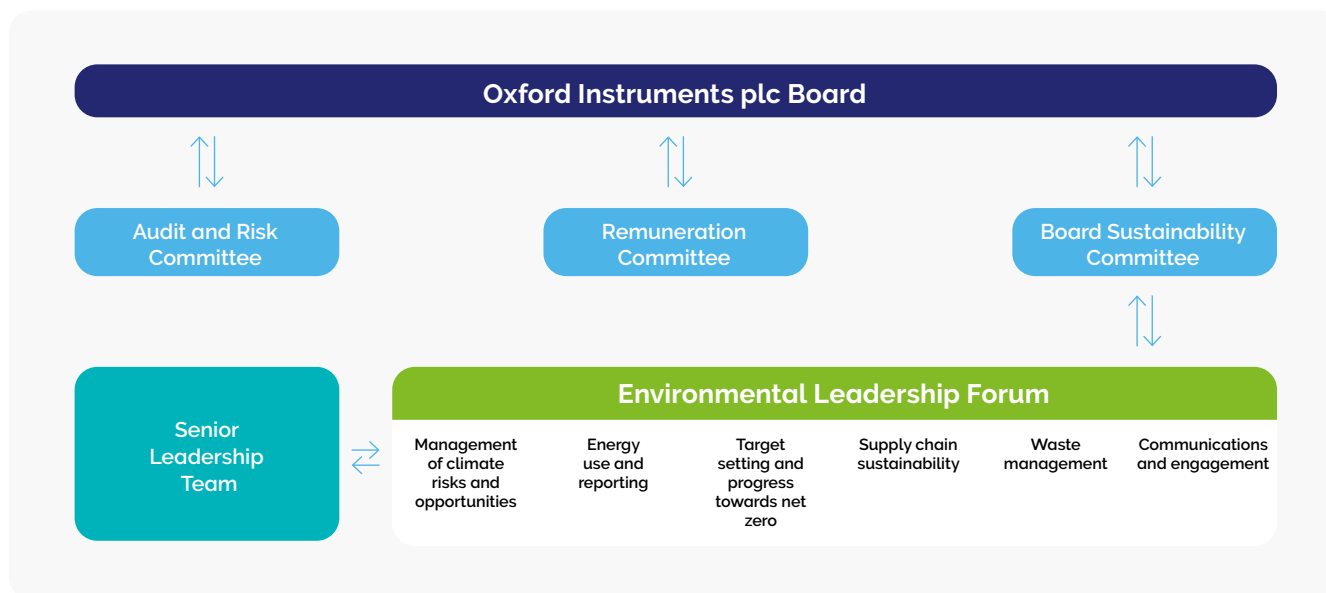
The Group's environmental strategy and the management of climate-related risks and opportunities is set and directed by the CEO and the Senior Leadership Team. Any major capital expenditure, including climate-related initiatives such as solar arrays or energy efficiency upgrades to sites, is approved by the CEO and CFO and, if required, the Board.

The Board, through its Sustainability Committee (comprising all the Non-Executive Directors), provides oversight and governance over environmental strategy, including monitoring progress to SBTi-aligned net zero targets through its review of emissions data, and assessing how these are being managed. The Sustainability Committee meets at least three times a year.

The Audit and Risk Committee provides oversight and governance in relation to climate change-related risks and opportunities, while the Remuneration Committee is responsible for setting and overseeing climate change-related remuneration incentives, together with any other sustainability-related incentives.

The current climate-related executive remuneration objectives can be found on pages 142 and 143. The Sustainability Committee, in turn, provides strategic guidance and oversight to the management-level ELF, primarily through the attendance of relevant ELF members at the Committee's meetings.

Climate-related governance framework organogram



Sustainability – TCFD statement continued

Management level

The ELF is a cross-functional forum, chaired by the Chief HR Officer, with a remit across the full spectrum of the Group's net zero strategy. It holds responsibility for environmental issues at a management level, including identifying and assessing climate-related risks and opportunities and the delivery of the Group's environmental strategy, including its ambitious emissions reduction targets across Scopes 1, 2 and 3. The chair of the ELF attends the Sustainability Committee to share strategic updates and seek the Board's input on them. Other members of the ELF attend the Sustainability Committee when required. The ELF meets once per quarter, and is primarily responsible for detailed development of strategy, and the assessment, management and tactical delivery of the environmental remit.

The ELF's membership includes functional heads, subject matter experts and site leaders, whose responsibilities include:

- facilitating the exchange of sustainability activities and good practices across the business through:
 - progress updates on capital investment projects;
 - maintaining a sustainable supply chain, including logistics; and
 - sustainable packaging and product design;
- reviewing existing reporting requirements and accurate and timely delivery of metrics;
- staying abreast of future legislation/requirements; and
- reviewing renewable energy contracts, ensuring all facilities use renewable energy or have a renewable energy strategy in place.

ELF members lead liaison with external consultant CEN-Group on climate, energy and progress to net zero. In addition, members monitor the KPIs outlined in the Metrics and Target section on page 68.

A key part of the ELF's remit, working in collaboration with the Senior Leadership Team, is to foster two-way engagement with manufacturing sites and regional leadership to drive and accelerate Oxford Instruments' progress towards net zero and our management of climate risks and opportunities.

Risk management

Our process for identifying and assessing climate-related risks

As a principal risk, climate-related risks and opportunities are identified and assessed in line with Oxford Instruments' processes for wider enterprise risk management. This allows the importance of climate-related risks and opportunities to be compared with other risks and opportunities. All physical and transition risk categories (current and emerging) outlined by the TCFD are considered by Oxford Instruments, regardless of whether they occur within our operations, upstream or downstream of the Group. Our approach to identifying and assessing risks and opportunities is set out in detail in the Risk Management section on pages 79 to 95 of the Annual Report 2026.

Relevant risks and opportunities are identified with help from external consultants, CEN Group, and involve collaboration with key internal stakeholders such as senior management, legal and regulatory, product management, and health and safety functions. As part of this process, we carry out horizon scanning to identify potential threats, particularly regulatory changes, and any emerging risks and opportunities, which allows for better preparedness to support decision making. We consider climate-related risks and opportunities across the short, medium and long term, with these timeframes defined on page 63. Generally, transition risks are considered at a macro level by the Group in collaboration with internal stakeholders and senior management, while physical risks are typically more granular and therefore more relevant at a business unit and site level.

Any new regulatory requirements are implemented as they arise, and further actions taken as appropriate.

As with all other Group risks, climate risks and opportunities are assessed on a 4x5 matrix, which incorporates an assessment of both Likelihood (Highly Unlikely to Highly Likely) and Impact (Insignificant to Catastrophic¹). The financial impact of climate risk is defined below.

Financial impact²

Insignificant	Low	Moderate	Severe	Catastrophic
Reduction in annual adjusted operating profit (AOP) of up to £2m	Reduction in annual AOP between £2–3m	Reduction in annual AOP between £3–5m	Reduction in annual AOP between £5–6m	Reduction in annual AOP more than £6m

1. Likelihood is a measure of the risk occurrence while impact is a measure of the combination of financial, reputational and compliance impacts.
2. Materiality limits are set in line with the Group's financial statement materiality levels. Last year Group financial materiality was £3m based on 5% of profit before tax.

Through this assessment, risks are assigned a Risk Score and classified as either Low, Moderate, High or Significant. Risks that are classified as High or above are reported to the Group for further assessment. This process allows prioritisation of risks and ensures that the significance and scope of climate-related risks are considered in relation to non-climate-related risks.

Sustainability – TCFD statement continued

Climate-related risks scored as High or above are reflected in the Group risk register, which is reported to the Audit and Risk Committee on a quarterly basis. Risks below this threshold are still monitored and considered for future review. The decision to tolerate, transfer or treat a risk is determined by the outcome of the Risk Score; higher scoring risks need to be managed to bring the risk impact back in line with the Group's appropriate risk appetite. Action plans for each risk are outlined in the risk register, including mitigating actions and who is responsible for these actions.

Additional information regarding each risk and opportunity has been elaborated upon, including an assessment of their implications, including but not limited to financial and reputational implications, strategic responses, associated costs, and the variability within climate-related scenarios, where feasible. This detailed analysis, coupled with evaluations of impact and likelihood, facilitates the determination of appropriate risk responses, such as mitigation, acceptance, or control. Consequently, resources can be allocated effectively to address the most consequential climate-related impacts, while other risks necessitate additional scrutiny or are deemed acceptable within the Group's customary risk tolerance.

Strategy

Climate-related risks and opportunities

Our approach to managing climate-related risks and leveraging opportunities is incorporated into our business strategy, with our climate identification exercise refreshed every three years. In 2026, we reviewed and refined the climate-related risks and opportunities we identified as part of our previous climate scenario analysis in 2024. This has ensured we are aware of any new climate-related risks and opportunities that have become relevant throughout the year, and also that we understand whether the impact or likelihood of any previous risks or opportunities has changed.

Transition risks and opportunities

The TCFD defines transition risks in four categories (Policy and Legal, Market, Technology, and Reputation) and transition opportunities in five categories (Resource Efficiency, Energy Source, Products & Services, Markets and Resilience). These categories were considered as part of the transition risk assessment. Risks and opportunities identified in these categories were ranked, with only the most significant being reported below. Short, medium and long-term time horizons defined below were used as part of this assessment to identify the impact of climate on our business strategy.

The following International Energy Agency climate scenarios have been used to perform scenario analysis on our transition risks and opportunities.

- Net Zero 2050 (NZE): a narrow but achievable pathway for the global energy sector to achieve net zero CO₂ emissions by 2050. This scenario meets the requirement for a 'below 2°C' scenario and is used as a positive climate pathway. NZE also informs the decarbonisation pathways used by the SBTi.
- Stated Policies Scenario (STEPS): This scenario represents projections based on the current policy landscape and is used as a base case pathway. Global temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability.

Impact time horizon	Year from	Year to	Rationale
Short term	2026	2028	In line with the existing risk management time horizon and specific business plan strategy.
Medium term	2028	2035	Encompasses Oxford Instruments' near-term emission targets, set at 2030.
Long term	2035	2050	Encompasses the Group's net zero by 2045 target, the UK Government's net zero by 2050 target and the useful life of the organisation's assets.

Sustainability – TCFD statement continued

- **Significant risk/opportunity** – Report to Group
● **High risk/opportunity** – Report to Group
● **Moderate risk/opportunity** – Do not report to Group mitigation plan expected to be in place
● **Low risk/opportunity** – Do not report to Group

Transition risks and opportunities

Transition risks identified

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario			STEPS scenario			Scenario implications
						2028	2035	2050	2028	2035	2050	
Current and emerging environmental regulation and increasing reporting requirements	Increased exposure to environmental regulation – such as regulation on Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS).	Policy and legal	Rise in material prices for switching to compliant products or disruption to production if unable to react in sufficient time. Could also result in component/process obsolescence.	We have product compliance processes in place to manage the regulatory environment. We use existing processes to meet Restriction of Hazardous Substance (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) requirements, which remain appropriate to manage future changes in standards. Further, our new product development process considers environmental regulation.	Frequency of horizon scanning for new regulation	●	●	●	●	●	●	Regulation increases under NZE, but long-term risk remains aligned with STEPS through mitigation.
	The global regulatory landscape for ESG issues is changing rapidly, and uncertainty remains with respect to the adoption of global reporting standards such as EU CSRD, UK SRS and CSDDD. Failure to keep up with emerging regulation could increase costs of compliance.	Policy and legal	Penalties for non-compliance with regulation. Further, cost of compliance could increase through being late to address regulation.	Oxford Instruments has dedicated internal risk, legal and environmental management resources, as well as investing in external consultancy, to ensure that we are aware of, and remain compliant with, legislation. Further, we implement any new regulatory requirements as they arise. Our certified ISO 14001 systems at our three UK manufacturing sites support our mitigation of climate risk.	Percentage of sites with ISO 14001 certification	●	●	●	●	●	●	Regulation increases under NZE, with no long-term change in risk exposure versus STEPS.
Price inflation in the value chain	Value chain exposure to carbon pricing impacts. Globally, there is an increase in carbon pricing mechanisms – both policy and market instruments – for example UK Carbon Border Adjustment Mechanism (CBAM) and EU CBAM, which may result in high supplier costs and embedded carbon charges.	Policy and legal	Potential of higher supply chain costs through increased raw material prices.	As part of our net zero plan, we are aiming for a 25% reduction in Scope 3 by 2030 and net zero across the value chain by 2045, thereby mitigating the impacts of carbon pricing on our value chain. Our net zero transition plan highlights key levers to reduce supply chain emissions. We are engaging with our key suppliers, globally, through a third-party platform, alongside direct engagement with several of our top spend suppliers to gather information on their carbon footprints, reduction targets and decarbonisation programmes.	- Scope 3 – category 1, 4 emissions - Global carbon prices	●	●	The company plans to be net zero by 2045	●	●	The company plans to be net zero by 2045	Exposure is higher under NZE due to higher carbon costs and wider carbon pricing.
	Global supply chains are implementing more expensive production methods and changing raw materials to facilitate decarbonisation, although the extent to which increased costs will be passed on is largely unknown.	Market	Potential of higher supply chain costs.	Oxford Instruments maintains close relationships with key suppliers. Product Development and Strategic Sourcing teams identify and evaluate viable alternatives in materials and processes and work closely with key suppliers to deliver supply chain solutions.	- Percentage of supply chain spend with decarbonisation dialogue - Percentage of suppliers engaged to collect emissions data	●	●	●	●	●	●	Change is faster and pricing impact greater under NZE than STEPS.

Sustainability – TCFD statement continued

- **Significant risk/opportunity**
– Report to Group
- **High risk/opportunity**
– Report to Group
- **Moderate risk/opportunity**
– Do not report to Group
mitigation plan expected
to be in place
- **Low risk/opportunity**
– Do not report to Group

Transition risks identified continued

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario			STEPS scenario			Scenario implications
						2028	2035	2050	2028	2035	2050	
Increasing stakeholder, regulatory and reporting expectations	Key stakeholders are demanding sustainability performance from Oxford Instruments.	Reputation	Reputational damage could result in loss of customers and shareholders and reduced access to capital.	Board-level scrutiny and oversight, and an organisation-wide focus on addressing the risks and opportunities arising from climate change, together with a focus on impact reporting, wider communications and stakeholder engagement. Our net zero transition plan and SBTi-approved targets reduce exposure to this risk and set out our clear pathway to net zero.	Rating agency scores	●	●	●	●	●	●	Stakeholder expectations rise short to medium term under NZE; emissions targets balance risk over time.

Transition opportunities identified

Opportunity	Opportunity description	Opportunity type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario			STEPS scenario			Scenario implications
						2028	2035	2050	2028	2035	2050	
Investment in R&D for a low-carbon economy	The transition to a low-carbon economy requires significant investment in R&D for more sustainable technologies. Innovation and development in technology areas such as batteries are critical for the transition to a low-carbon economy.	Products and services	Increased revenue	Our products and services play a key role in the technology pathway to enable the transition from fossil fuels to a low-carbon economy. Our enabling technologies, such as materials analysis solutions, and semiconductor equipment, help customers address these challenges.	- Low-carbon market segments growth - Industry investment in low-carbon R&D	●	●	●	●	●	●	Greater investment in renewables and alternative technologies under NZE; slower transition under STEPS.
	In-house R&D and our new product development process have the potential to address the need for products with sustainability credentials, eg energy-efficient products.	Products and services	Increased revenue	Our new product development process takes environmental considerations into account. Developments in our semiconductor equipment are implicitly geared towards energy efficiency, while our materials analysis instrumentation supports battery development and analysis, and the development and optimisation of renewable energy technologies, and more sustainable structural materials.	- Internal R&D investment - Scope 3 – category 11, 12 emissions	●	●	●	●	●	●	Greater investment in renewables and alternative technologies under NZE; slower transition under STEPS.
	Proactive collaboration with suppliers to drive low-carbon innovation helps improve the sustainability credentials of our product portfolio.	Products and services	Increased revenue	We have been directly engaging with key suppliers to understand the existing mechanisms they are using to reduce their carbon footprint, and subsequently to embed material and energy efficiencies into the products we purchase.	Number of suppliers' carbon data obtained from Scope 3 – category 1, 11 emissions	●	●	●	●	●	●	Greater investment in renewables and alternative technologies under NZE; slower transition under STEPS.

Sustainability – TCFD statement continued

- **Significant risk/opportunity**
– Report to Group
- **High risk/opportunity**
– Report to Group
- **Moderate risk/opportunity**
– Do not report to Group
mitigation plan expected
to be in place
- **Low risk/opportunity**
– Do not report to Group

Transition opportunities identified continued

Opportunity	Opportunity description	Opportunity type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	NZE scenario			STEPS scenario			Scenario implications
						2028	2035	2050	2028	2035	2050	
Services that facilitate the reduction of carbon emissions and deliver value for customers	Remote Services Solutions is a developing service across the Group. This service area not only provides an area for growth but also allows for reduction of emissions in our own operations and for our customers.	Products and services	Increased revenue and decreased transport cost and emissions	Almost all our products are already shipped with remote connectivity and we are building business system infrastructure to enable remote service capabilities.	Revenue from remote services	●	●	●	●	●	●	Increased opportunity under NZE from organisations pursuing carbon reduction.
	Local sourcing and strategic placement of services delivers efficiency to customers and allows Oxford Instruments to reduce logistics travel.	Resource efficiency	Decreased transport cost and emissions	We are engaging in strategic building of capabilities, supply chain sourcing and services to deliver efficiency to customers. Load optimisation in logistics is also part of this strategy. We continue to look for opportunities in this area.	Scope 3 – category 4, 9 emissions	●	●	●	●	●	●	Increased opportunity under NZE from organisations pursuing carbon reduction.
Operational energy and carbon reductions	Obtaining renewable electricity through renewable electricity certificates (RECs) and power purchase agreements (PPAs) reduces reliance on local grids and helps to reduce Scope 2 emissions as an interim measure whilst exploring opportunities to reduce energy usage.	Energy source	Reduced costs and Scope 2 emissions. Renewable electricity can also provide operating cost savings and reduce operational exposure to carbon pricing.	Our current renewable energy programme utilises REGO-certified or REGO-equivalent certifications of renewable electricity. We make use of solar arrays on our Severn Beach, Ulm and Scotts Valley manufacturing sites, along with our Tokyo office. We are adding additional renewable generation capacity to suitable sites, with scoping assessments completed at High Wycombe.	- Scope 2 market-based emissions - Percentage of renewable electricity out of total electricity	●	●	●	●	●	●	Greater supply availability under NZE; STEPS sees slightly reduced REC availability.
Resource efficiency	Internally, Oxford Instruments can implement resource efficiency programmes to improve waste, water use and energy savings.	Resource efficiency	Reduced costs and emissions	Group-wide, we are continually looking for opportunities to embed resource efficiency into our operations. We are in the process of replacing gas boilers at Belfast with air source heat pumps, with installation planned for summer 2027. We also seek to invest in long-term, alternative technologies as they become suitable and economically feasible.	- Scope 1 and Scope 2 (location-based) emissions - Total waste - Total water	●	●	●	●	●	●	Greater exposure under NZE due to more investment in resource efficient products and services.

Sustainability – TCFD statement continued

- **Significant risk/opportunity**
– Report to Group
- **High risk/opportunity**
– Report to Group
- **Moderate risk/opportunity**
– Do not report to Group
mitigation plan expected
to be in place
- **Low risk/opportunity**
– Do not report to Group

Physical risks

The frequency of physical climate-related impacts is expected to increase in the future through an increased frequency and severity of extreme weather events. Oxford Instruments has used a location risk tool to assess the Group's sites and key suppliers' current and future risk exposure to climate-related disruptions. Sites have been assessed for both acute and chronic physical risks, including potential risks such as drought stress, tornadoes, storms, sea level rise and flooding events, among other hazards.

Particular attention has been paid to the three UK manufacturing sites (Severn Beach, High Wycombe and Belfast) as they contribute approximately 75% of Group revenue. Since physical climate-related risks are expected to manifest over a longer time frame than transition risks and opportunities, different time horizons have been used.

These are: 2030 (short term), 2050 (medium term) and 2100 (long term). During this reporting year we had no insurance claims that were climate-related.

The following scenarios have been used for the physical risk assessment:

- RCP 2.6 is an optimistic scenario whereby atmospheric concentrations of greenhouse gases lead to a global temperature rise of less than 2°C by the end of the century relative to the pre-industrial period (1850–1900).
- RCP 8.5 is a pessimistic high emissions scenario, consistent with a future with no policy change to reduce emissions and leading to a global temperature rise of around 4°C by 2100.

Risk	Risk description	Risk type	Potential impact on the business	Response/actions we are taking and how they are managed	KPIs	2.6 Scenario			8.5 Scenario			Scenario implications
						2030	2050	2100	2030	2050	2100	
Flooding	One manufacturing site is projected to be a Zone 50 (2% chance each year of a flood event) site under all future scenarios from 2030 onwards. A further manufacturing site is located in a Zone 100-year return period for storm surges (1% chance of occurring each year).	Acute	Increased costs and decreased revenue through decreased manufacturing output, delayed production times and damage to site infrastructure, equipment, or inventory.	Oxford Instruments' sites are insured for asset/property damage as well as business interruption. Each site has a business continuity plan and emergency response measures in place to deal with significant events. The flood risk exposure at the Zone 50 site has been mitigated by constructing the building on a 1.5m raised platform.	● Number of days operations are disrupted due to flooding events ● Revenue loss from site disruption ● Insurance premiums	●	●	●	●	●	●	Minimal change in exposure between RCP2.6 and 8.5.
Wildfire	One manufacturing site is currently at a high risk level and projected to remain high against future scenario projections. A further manufacturing site increases from medium to high risk across all projections including the most optimistic scenario by 2030.	Acute	Increased costs and decreased revenue through disrupting manufacturing output such as road closures, evacuation orders, restricted access, or damage to site infrastructure.	Oxford Instruments' sites are insured for asset/property damage as well as business interruption. Each site has a business continuity plan and emergency response measures in place to deal with significant events.	● Number of days operations are disrupted due to fire events ● Revenue loss from site disruption ● Insurance premiums	●	●	●	●	●	●	Increased exposure under RCP8.5, particularly in the long-term 2100 projections.
Supplier disruption from extreme weather	Increasing extreme weather events can cause supply chain disruptions or site shutdowns. Analysis indicates low physical risk for our key suppliers currently.	Acute	Decreased revenue	Business interruption insurance provides a degree of cover in the event that supply chain issues cause significant disruption to production.	● Number of days our operations are disrupted due to supply chain issues resulting from extreme weather events	●	●	●	●	●	●	Minimal change in exposure between RCP2.6 and 8.5.

Sustainability – TCFD statement continued

Impact on strategy and financial planning

We consider climate change to be a principal risk for Oxford Instruments, but also a source of material opportunity, given our focus on accelerating breakthroughs, and the end markets we serve. Our assessment is based on having evaluated key climate-related risks and opportunities, including understanding the potential impact of each in terms of its time horizon, likelihood and magnitude, and the stakeholders or areas of the business that may be affected.

Although there is not a dedicated climate-related R&D budget, our existing R&D expenditure incorporates climate change. Our products are designed to address our structurally growing markets in advanced materials development and semiconductors, which both have a key role to play in decarbonisation and addressing the impacts of climate change. In terms of the direct impact of our products, considerations are incorporated into the Group's New Product Development process, to ensure the ongoing reduction of the carbon footprint of our products through energy use, packaging and distribution, as well as increased recyclability and upgradability. In addition to R&D considerations, the costs of planned climate initiatives are included within each site's annual budget plans of capital expenditure requests. When purchasing or leasing new offices and manufacturing sites, environmental considerations form part of the procurement process.

Resilience of the organisation's strategy to climate change

The scenarios used in our climate scenario analysis are explained in more detail above. They have been selected to provide contrasting scenarios which allow us an understanding of how resilient the Group is under different situations and temperature pathways. Our identified climate-related risks and opportunities, and action plans to address these, highlight that in aggregate, our overall climate risk exposure is moderate.

We believe, given our current mitigation plans, that we can incorporate climate risks into our business-as-usual activities and that the Group is financially resilient to climate change. Therefore, we do not currently envisage any additional significant capital expenditure or changes to business strategy as a result of climate change that sits outside of our normal planning. Please see page 186 of our financial statements where the impacts of climate change have been considered.

The outputs of the scenario analysis we have carried out can be found on pages 63 to 67. The limitations of this scenario analysis are:

- scenarios often only provide high-level global and regional forecasts;
- not all risks are easily subject to scenario analysis;
- scenario analysis requires analysis of specific factors and modelling them with fixed assumptions;
- impacts are to be considered in the context of the current financial performance and prices;
- impacts are modelled to occur in a linear fashion when, in practice, dramatic climate-related impacts may occur suddenly after tipping points are breached;
- the analysis considers each risk and scenario in isolation when, in practice, climate-related risks may occur in parallel as part of a wider set of potential global impacts; and
- carbon pricing is informed by the World Energy Outlook 2025 report from the International Energy Agency.

Metrics and targets

Climate-related metrics

We disclose our Scope 1, 2 and 3 emissions in line with the Greenhouse Gas (GHG) Protocol A Corporate Accounting and Reporting Standard, with additional guidance from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions.

This covers the accounting and reporting of the seven greenhouse gases covered by the Kyoto Protocol. An operational control approach was adopted, with all material emissions sources reported.

We also disclose a wide range of metrics to help us to track our progress across a number of climate-related and sustainability-related areas. This includes electricity consumption, GHG emissions intensity and water and waste usage. The specific metrics used to track our climate-related risks and opportunities are identified on pages 63 to 67. Please see the environment section, pages 53 to 59, for further information, and for this year's SECR reporting, the primary means by which we report our progress and track our impact.

Climate-related targets

As set out in the environment section, we are committed to reaching net zero carbon emissions (where we add no incremental GHGs to the atmosphere) against Scopes 1, 2 and 3 by 2045. These targets are ambitious, getting us to net zero ahead of the UK Government's pledge, and demonstrate our commitment to operating responsibly. Our Scope 1, 2 and 3 emissions targets have been validated by the SBTi, as set out on page 53, while we have also published our net zero transition plan which details our actions to achieve these targets. Our SBTi-validated targets are as follows:

- to reach net zero emissions across Scopes 1 and 2 by FY30 from a FY24 base year;
- to reduce absolute Scope 3 GHG emissions 25.00% by FY30 from a FY24 base year; and
- to reach net zero GHG emissions across the value chain by FY45.



Sustainability – social



We believe that businesses have a **valuable contribution to make to society**. We are acutely aware of our **responsibility to our employees**, the communities we impact and the generations to come.

Our social sustainability agenda

Our social sustainability agenda comprises six key subject areas, as follows:

- Culture, values and engagement
- Inclusive workplace
- Health, safety and wellbeing
- Investment in our people
- Next-generation talent
- Community impact

Culture, values and engagement

Our Ways of Working



We start with the customer



We succeed by being focused



We make and keep our promises



We work together as one team



We help and trust each other to succeed

Our values



Inclusive

By seeking out different perspectives and diverse collaboration, we deliver better solutions and lasting success.



Innovative

Through our knowledge, expertise and focused curiosity, we create new possibilities for ourselves and for our customers.



Trusted

We build successful, long-term relationships based on accountability, integrity and respect.



Purposeful

We care, and our passion and commitment drive positive change in the world.

Sustainability – social continued

We strive to create an open, inclusive and values-driven culture, where colleagues feel able to share their views in a two-way dialogue with senior leaders.

CEO Richard Tyson and the leaders of our business units and regional teams based around the world hold regular in-person and virtual briefing meetings where employees are encouraged to, and do, ask a wide range of questions. The Board discusses current workforce issues regularly with management, and meets a broad range of employees, for example at site visits by the Chair and Non-Executive Directors. We also gather our people's views through our externally benchmarked global engagement survey, monitoring a range of cultural KPIs and taking action on opportunities for improvement at site, regional and Group level.

A key focus of the year was on responding to colleague feedback shared via our first externally benchmarked survey undertaken with leading survey provider Best Companies. Activities focused on socialising our bespoke 'Ways of Working', summarised above, which are designed to support the delivery of our strategic priorities while fostering a positive working environment. Workshops were held around the Group to explore how to bring them to life in day-to-day working.

We also maximised the value of receiving personalised manager feedback through the survey, using it to celebrate our most effective people managers, and to work with others to help them lead and support their direct reports as effectively as possible. Our most recent survey was carried out in April and May 2026 and we were pleased to be awarded a 'One to Watch' rating, recognising that Oxford Instruments is a good place to work.

We held residential Leadership Conferences in September 2025 and April 2026 for around 75 senior leaders. Both conferences aimed to support effective collaboration and drive improved awareness and adoption of our Ways of Working at every level of the organisation, as well as focusing on strategic delivery and exploring external perspectives on Oxford Instruments and the global landscape.

The Ways of Working are now fully embedded into our corporate vernacular, strategic planning, decision making and performance frameworks, and are regularly reinforced by leaders at key touch points with colleagues. Posters, wall art and desktop reminders help to keep them front of mind.

Creating an inclusive workplace

We are committed to creating an inclusive culture. We seek to develop and sustain a supportive and collaborative working environment where difference is recognised, valued and celebrated. However, we also recognise that we operate globally, and that legislative frameworks and cultural landscapes vary hugely across our footprint. Wherever we operate, we aim to be inclusive and progressive in our working practices, but will ensure that we are not in conflict with legislative frameworks.

Our approach to inclusion is overseen by the Board Sustainability Committee.

We are committed to eliminating our gender pay gap. We monitor, measure and take action globally to ensure that men and women are paid fairly. Our external data reporting is focused on UK legislation, which requires companies to report their pay gap annually if they have more than 250 employees, and is published in our Gender and Ethnicity Pay Gap Report, www.oxinst.com/corporate-content/gender-pay-report.

Our Oxford Instruments Nanotechnology Tools entity in the UK, representing 818 employees in 2025, reported a gap of 7.5% (mean) and 9.8% (median) in its 2025 report, a reduction of 1.5 and 2.7 percentage points respectively.

We continue to build on the work we have done so far to establish balanced recruitment shortlists (that is, shortlists including candidates from groups which are underrepresented in our workforce).

Our inclusive approach to recruitment includes the use of technology to ensure that the language used in job advertisements is free from bias. We operate a hybrid working policy which helps employees to balance work and personal commitments. We also offer support and, where appropriate, special leave, for those with caring needs for dependants.

Following the reconfiguration of our internal employee data portals to include the Office for National Statistics ethnicity categories, 96% of UK employees and 79% of employees globally have provided data on their ethnicity. Our UK ethnicity pay data indicates that 13% of our UK workforce identify as being part of an ethnic minority group, and reflects an ethnicity pay gap of 12% mean and 1.4% median in favour of employees from white British ethnic backgrounds. The gap for both metrics was down, by 3.2 percentage points and 1.1 percentage points respectively.

We are committed to using this data to help to ensure that our processes and pay are fair and equitable with respect to race and ethnicity, as well as the characteristics on which we have had full data for several years. As an international company, we recognise the importance of ensuring we have strong, ethnically diverse leadership role models and a diverse decision-making team that reflects our customer base and the communities in which we operate.



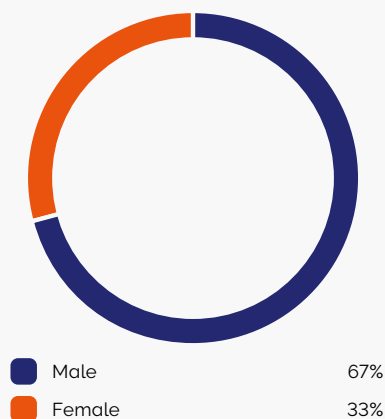
Sustainability – social continued

We are signatories to the Business in the Community Race at Work charter, underlining our commitment to improving equity of opportunity in the workplace.

At the date of the Annual Report, the Senior Leadership Team of Oxford Instruments plc comprises 14 persons, of whom 28% are of Asian or mixed ethnicity. There are 108 direct reports of this team, of whom 26% identify as belonging to an ethnic minority group. We will be seeking to maintain and improve the ethnic diversity of this cohort.

Our Gender and Ethnicity Pay Gap Report provides more information on all these areas:
www.oxinst.com/investors/sustainability/gender-pay-report

New employees in FY26 by gender



Gender split

	Male	Female
Global Oxford Instruments	71%	29%
Plc Board	57%	43%
Senior Leadership Team	75%	25%
Managers	70%	30%
Employees	71%	29%

Gender split by region

	Male	Female
UK	75%	25%
EMEA-I	70%	30%
Asia (excluding China)	69%	31%
China	60%	40%
North America	69%	31%



View our Gender and
Ethnicity Pay Gap Report:

www.oxinst.com



Sustainability – social continued

Health, safety and wellbeing

We are committed to fostering a healthy, safe and productive work environment for our entire workforce, and to driving continuous improvement in our health and safety (H&S) performance.

The Board is responsible for oversight of our approach to H&S, supported by the Sustainability Committee.

Our six-step strategic framework supports continuous improvement via six key areas of management.

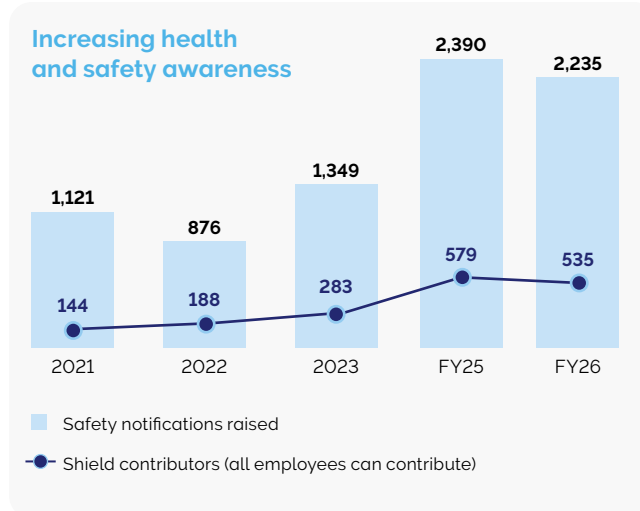


Our H&S management strategy, grounded in continuous risk identification and mitigation, safeguards employees through proactive measures. We employ chemical management software to oversee hazardous substances, provide training across known risk areas, enforce stringent PPE adherence and utilise asset management software for equipment integrity.

This approach reduces risk before escalation into incidents or near-miss events, thereby ensuring a secure and compliant workplace.

Recognising that our entire workforce has a role to play in creating a safe working environment, we use, and regularly promote, the Shield incident reporting system, through which we record, manage and monitor accidents and safety observations, and to which all employees have access. The system has supported our improved performance since its introduction in 2019.

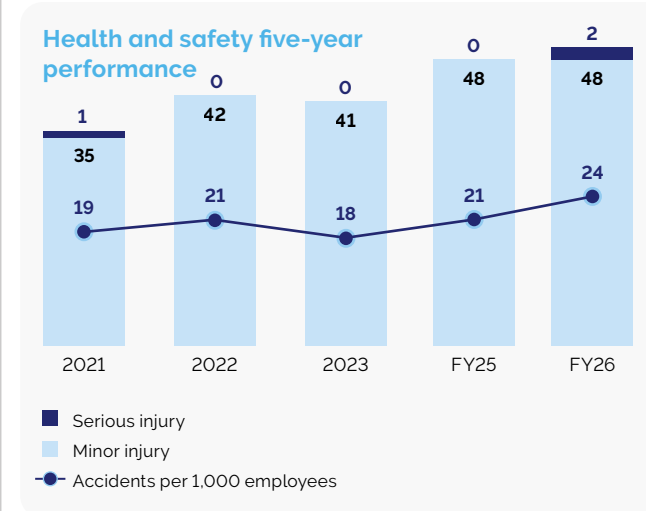
Through targeted campaigns, we have maintained high levels of H&S awareness and engagement throughout the organisation. The safety notifications and number of contributors remain high, reflecting a stable environment and ongoing staff engagement. Our accident frequency rate has shown a small increase, partly explained by the Q4 reduction in headcount on the divestment of NanoScience.



1 Reporting transitioned in FY25 from the use of calendar year data to financial year data.

There were two RIDDOR-reportable accidents, both reportable as classified as "Over-7-day incapacitation of a worker". Both were correctly actioned and reported, with no further action taken by the Health and Safety Executive. Work has continued to proactively lower our accident numbers and ensure all of our locations and work scenarios are managed safely. No employee/contractor fatalities have been recorded over the five-year period from 2021 to 2026. Our H&S performance continues to compare favourably with industry benchmarks, and we remain committed to driving global safety standards through our Push for Zero initiative, which targets a sustained reduction in work process-related accidents over time.

This year, we continued to roll out our accredited Institution of Occupational Safety and Health (IOSH) training programme globally, extending across all business units and regions. To date, more than 190 employees have successfully completed this training.



Sustainability – social continued

The training is equipping our executive teams, as well as eligible members of our management, production and services workforce, with enhanced H&S competency and awareness.

During FY26, 1,390 employees have received H&S training. This figure comprises new content, training renewals and onboarding of new joiners.

Our structured management systems, subject to external audits as required, underpin our commitment to safe working practices, environmental management and quality manufacturing. At our primary manufacturing facilities in the UK, representing c. 75% of Group revenue, we maintain certification to ISO 45001, ISO 14001 and ISO 9001. The effectiveness of our management systems is further supported by a robust internal audit programme across all operational domains.

We are committed to ensuring our continued compliance with regulatory requirements relating to the reduction and elimination of certain harmful chemical substances used in the development and manufacture of our products.

We have engaged a leading external environmental compliance partner to help us ensure that we keep pace with existing and new regulatory requirements and to facilitate the collection and assessment of data from our supply chain partners. This will improve our ability to react to requirements and proactively remove substances of concern from our products as evidence of their harmful nature is identified.

In tandem with these efforts, we are equally dedicated to meeting global health, safety and environment (HSE) requirements. We have engaged an external global consultancy to help us ensure that our operations not only minimise environmental impact but also safeguard the wellbeing of our employees, customers and communities worldwide.

By aligning our product compliance initiatives with our broader HSE obligations, we strengthen our ability to deliver sustainable, safe and responsible solutions. As well as seeking to ensure safe and responsible working conditions, we also support our employees and their families by providing a range of opportunities to enhance their wellbeing, including readily accessible support services on a wide range of topics from financial wellbeing to mental health and health assistance programmes.

We strive to empower individuals coping with mental health challenges or disabilities to thrive in their professional roles, encouraging colleagues to seek assistance when needed, via our team of Mental Health First Aiders and through the provision of independent and confidential digital platforms and services, accessible to employees globally.

Further, we are proud to support our local community groups and charities alongside being inclusive of our people and culture through the celebration of events and achievements.



Employee turnover rates

Year	Turnover
2025/26	18%, of which 9% was voluntary
2024/25	14%, of which 8% was voluntary
2023/24	12%, of which 9% was voluntary
2022/23	11%, of which 9% was voluntary
2021/22	14%, of which 11% was voluntary

Employee numbers

	Full time	Part time	Contract workers
2025/26	1,760	94	53
2024/25	2,117	104	53
2023/24	2,090	144	69
2022/23	1,894	134	86
2021/22	1,662	126	70

All employees are guaranteed a fair salary and other employment benefits in accordance with their role and responsibilities. We ensure compliance with minimum wage legislation and strive to offer competitive compensation packages suitable for each position and our business needs. In the UK, representing more than half of our workforce, we are an accredited Living Wage employer.

All employees, regardless of location, are entitled to legally required benefits such as annual leave, sick leave, maternity leave and standard working hours. All UK-based employees have access to our Share Incentive Plan scheme after six months' service. Furthermore, in compliance with UK regulations, all UK employees have the option to enrol in our workplace pension scheme.

Sustainability – social continued



Our bespoke leadership programme brings together high-potential candidates from across the Group

Investment in our people

Our people and their capabilities are core to what makes Oxford Instruments a great company. We are committed to being the company where the best people in our sector want to work, and to training our people and enabling their career development and employability.

We provide a range of opportunities for our employees across technical, commercial, operational and business support functions to gain knowledge, skills and experience. This includes challenging assignments, learning from colleagues and targeted training. Colleagues have completed a total of 24,294 training courses in FY26 (23,631 online and 663 classroom/virtual), pursuing more than 350 different courses.

Our learning and development programmes include core skills training courses, e-learning opportunities, secondments, career breaks, apprenticeships and support towards external qualifications. In FY26, three cohorts (31 employees) have undertaken our bespoke Oxford Instruments Leadership programme, which brings together high-potential candidates from across the Group and covers a wide range of topics including interviewing skills, self-development, developing others and managing remote teams. Following its successful launch in 2024, a second cohort benefitted from training through our bespoke Foundations programme for emerging talent. The programme is designed to give aspiring leaders a variety of tools and techniques to allow them to work effectively as they progress their career at Oxford Instruments.

We have a robust system of regular feedback. 100% of our employees have undergone an evaluation process in the year, embedded through our annual performance review, which also encompasses career development with a focus on training opportunities.

This year, we have strengthened our recruitment processes, introducing Zinc background checks for all employees to improve governance. We have also broadened the use of psychometrics and verified G+ cognitive testing, extending these to the majority of new hires in order to support positive onboarding experiences and improved integration into existing teams.

Next-generation talent

We take our responsibility towards developing the next-generation workforce seriously and are committed to inspiring the next generation of scientists, engineers and business people by showing them the difference they can make in the world.

For us, this begins in schools, colleges and universities, where we equip and encourage our employees around the world to take any opportunity they can to talk to young people about careers in our industry. We partner with schools, universities and post-graduate schools to help students understand the range of careers available in a technology company, supporting this with interviews for school-age students and work experience for students from mid-teens to graduate and post-graduate level, engaging with employees from a broad range of backgrounds. We are also pleased to facilitate work experience placements for employees' family members aged between 16 and 25.

We remain committed to providing structured apprenticeships, sponsorships, internships, early career jobs and graduate programmes. We intentionally reach out to attract a diverse range of people and those from untapped talent pools, ensuring we are inclusive and accessible.

Sustainability – social continued



Our High Wycombe site's Go Green team takes part in regular volunteering opportunities

Community impact

We actively engage in locally focused activities that make our communities and environments a better place to live and work. All employees are offered up to two paid volunteering days a year to share their professional or practical skills in the community, including activities such as river restoration, litter picking and maintaining local nature reserves and hiking trails. We also participate in charity outreach programmes and offer sponsorship of local community events.

Our global network of Go Green teams drives action to be more environmentally friendly, both as a business and as individuals.

When we arrange gifts, celebrations, events and activities for our teams we aim to support the small, independent businesses near our sites. We also participate in a range of charity outreach activities, including raffles, marathon sponsorships, pub quizzes and coffee mornings.



Spotlight

OI Academy building key skills

Supporting our growth by providing in-house training and exciting career opportunities for the technicians of the future

The UK faces a significant technical skills shortage, with 76% of engineering employers struggling to recruit for key roles.¹ At our compound semiconductor facility near Bristol, we're addressing the challenge head on through our OI Academy. Welcoming apprentices from post-16 to degree level, our academy is training the next generation of young engineers and people who are retraining in their second or third careers. At the academy, apprentices benefit from the opportunity to build their mechanical and electrical engineering skills in a bespoke training area within our production floor.

As well as creating new career opportunities in engineering, the scheme has proven revolutionary for our Severn Beach business, supporting continual growth and improvement and creating a pipeline of talent across nearly every department.

"The success of our apprentices is not just that they are developing skills that the UK economy needs, it's the fact that they contribute to our business from day one, learning fast, asking great questions and challenging us to see things in new ways."

Matthew Northey, Senior Manufacturing Engineer and Academy Manager

¹ Institute of Engineering and Technology skills stats, November 2025.

Sustainability – governance



We are wholly committed to conducting our **business responsibly** and holding ourselves to **high ethical standards**.

Upholding high ethical standards

Our strong values (see page 69) underpin everything we do; from how we work with each other and our customers to how we trade with suppliers. Every representative of Oxford Instruments is expected to behave in a way which is consistent with these values.

Our approach to governance is overseen by our Board of Directors and summarised in our Code of Conduct (see www.oxinst.com/codeofconduct), which is updated regularly and issued to all permanent and contracted employees as a mandatory training module. All employees, customers and suppliers also have round-the-clock access to our widely publicised and independent whistleblowing hotline, Safecall (www.safecall.co.uk/en/clients/oxinst/), should they encounter any behaviour not in keeping with our ethical standards. A team reviews any whistleblowing reports which are made, and each report is escalated and investigated as appropriate. We received five reports via Safecall in 2025/26. None of the reports led to a compliance concern being identified.

Our governance sustainability agenda comprises eight key areas

Our overarching governance sustainability agenda, set out below, is overseen by our Board Sustainability Committee (see pages 137 to 138); with the exception of anti-bribery and anti-corruption, sanctions, export control and customs, and financial sustainability and tax transparency, which are overseen by the Audit and Risk Committee (see pages 127 to 136).

1 Anti-bribery and anti-corruption

When dealing with business partners, suppliers and customers, or when engaging with public officials, we expect our employees and associated persons to act in a transparent and fair manner. We choose our business partners and suppliers carefully and avoid working with anyone who does not meet and adhere to the same high standards. During the reporting year we carried out a comprehensive audit of our distributors and channel partners, reducing the number of partners to support effective governance.

The key principles we expect everyone to follow include not offering or accepting bribes or improper payments; not improperly influencing any individual; and not participating in any kind of corrupt business activity, either directly or through a third party. To help our employees understand what is expected of them we provide a comprehensive training course, refreshed regularly, which all new joiners must complete to pass their probationary period, and which all employees must retake annually; we also maintain a detailed policy document, www.oxinst.com/investors-content/compliance/anti-bribery-and-corruption.

Our compliance and onboarding programme for our channel partners includes completion of a mandatory compliance training course covering anti-bribery and anti-corruption and a certification to confirm compliance with our anti-bribery and anti-corruption policy for channel partners.

No one has been dismissed during FY26 as a result of having committed bribery.

2 Sanctions, export control and customs

We review our Sanctions Policy regularly (most recently in February 2026) to align with UN, UK, EU and US sanctions and adapt the policy, processes and controls as required to manage compliance risks arising from changes in regulations, notably with regard to Russian sanctions programmes.

We are committed to adhering to both the letter and the spirit of export controls governing our activities, and engage regularly with the UK Government's Export Control Joint Unit and its equivalents in other jurisdictions.

Sustainability – governance continued

3 Inside information and share dealing

As a listed company on the London Stock Exchange, Oxford Instruments and its employees must comply with the relevant laws relating to inside information and share dealing, including the UK Market Abuse Regulation, as well as our internal Share Dealing Policy and associated procedures. We ensure that there are adequate processes and controls in place to identify, manage and disclose inside information and also support our employees and anyone working on our behalf with understanding their obligations.

4 Supply chain responsible sourcing

We operate our business in compliance with all applicable laws and regulations and expect our suppliers to do the same. The overarching standards we expect from our suppliers, covering all operations, are set out in our Supplier Quality Manual, which incorporates our Code of Conduct for Representatives and Suppliers, www.oxinst.com/assets/uploads/documents/OI_COC_REPS_SUPPLIERS.pdf.

In addition, as part of our supplier contracts, suppliers are required to warrant that they and their sub-contractors will comply with all applicable laws, statutes, regulations and codes relating to modern slavery, anti-bribery and anti-corruption, and Oxford Instruments' Supplier Quality Manual, which incorporates our Code of Conduct for Representatives and Suppliers.

We are committed to avoiding the use of controversial materials and proactively eliminating the use of so-called 'conflict minerals', ie minerals sourced from mines in the Democratic Republic of Congo and adjoining countries which support or fund conflict from products and the supply chain. Our conflict minerals policy covers all operations.

We undertake due diligence on our key suppliers and expect them, in turn, to conduct due diligence on their own supply chain to help eliminate the use of conflict minerals. The recent engagement of a leading external environmental compliance partner will support us in ensuring our due diligence and risk assessment of suppliers is robust.

Our supplier portal allows us to store and audit our key supplier documents, enabling us to collect information on product environmental compliance, quality and sustainability. We are nearing the end of a transitioning process to a partnership with a leading external compliance partner, Assent, to help us ensure that we keep pace with existing and new regulatory requirements and to facilitate the robust collection and assessment of data from our supply chain partners, including conflict minerals and carbon footprint data.

5 Human rights and modern slavery

We are committed to preventing acts of modern slavery and human trafficking from occurring within our business and supply chain. We take a zero-tolerance approach to all forms of modern slavery, including servitude, forced, bonded and compulsory labour, and human trafficking, and we expect our suppliers to adopt the same approach.

We recognise the importance of educating our employees on human rights issues and have launched bespoke training for relevant employees to help them understand human rights risks and to recognise indicators of modern slavery and human trafficking in our business and supply chain. This training is reviewed periodically to ensure it remains effective and aligned with evolving risks and regulatory requirements.

We maintain an established Whistleblowing Procedure for employees and third parties to report any concerns in confidence (and if requested, anonymously), without fear of retaliation. Further guidance is made available in our Global Human Rights Policy. In addition, we have extended the availability of our Whistleblowing hotline to all our suppliers, representatives, and other business partners, reinforcing our commitment to transparency and accountability throughout our value chain.

Our global Code of Conduct sends a clear message to our employees, business partners, investors, and other stakeholders about our business principles and ethics. In addition, our Supplier Quality Manual and Code of Conduct for Representatives and Suppliers mandates that our suppliers take action to prevent modern slavery occurring in their business and supply chain.

Our Anti-Slavery and Human Trafficking Statement is updated annually and can be found both on our website and on the Government's Modern Slavery Statement Registry, and demonstrates how we seek to continuously strengthen our approach and enhance transparency over the effectiveness of the measures we take to address modern slavery risks.

6 Intellectual property and confidentiality

Our intellectual property (IP) is one of our most important assets; it is key to our success in the market and enables us to secure and maintain a competitive advantage. We have comprehensive policies and procedures in place to protect it, including templates, guidance and training for colleagues. We continue to protect our inventions, brand and designs through the use of registered IP rights. In the year we filed a number of new priority patent applications.

Oxford Instruments often collaborates with third parties on projects which generate new IP, further enhancing our product offerings to our customers. In these situations, we will not use any IP without it first being legitimately acquired or licensed.



Sustainability – governance continued

7 Data protection, data privacy and data security

Our global privacy standard www.oxinst.com/corporate-content/privacy sets out the principles that guide our approach to handling personal information, and all employees are required to undertake mandatory training on data protection.

Our marketing teams work closely with our legal teams to ensure our marketing activities are compliant with the European General Data Protection Regulation (GDPR), UK GDPR and related privacy legislation in other territories. Our CRM and marketing business systems infrastructure enables us to enhance our security and controls.

Our legal team horizon scans for developments in data protection legislation around the world and develops compliance programmes where necessary to ensure we can respond quickly to any changes made in legislation and guidance from regulators.

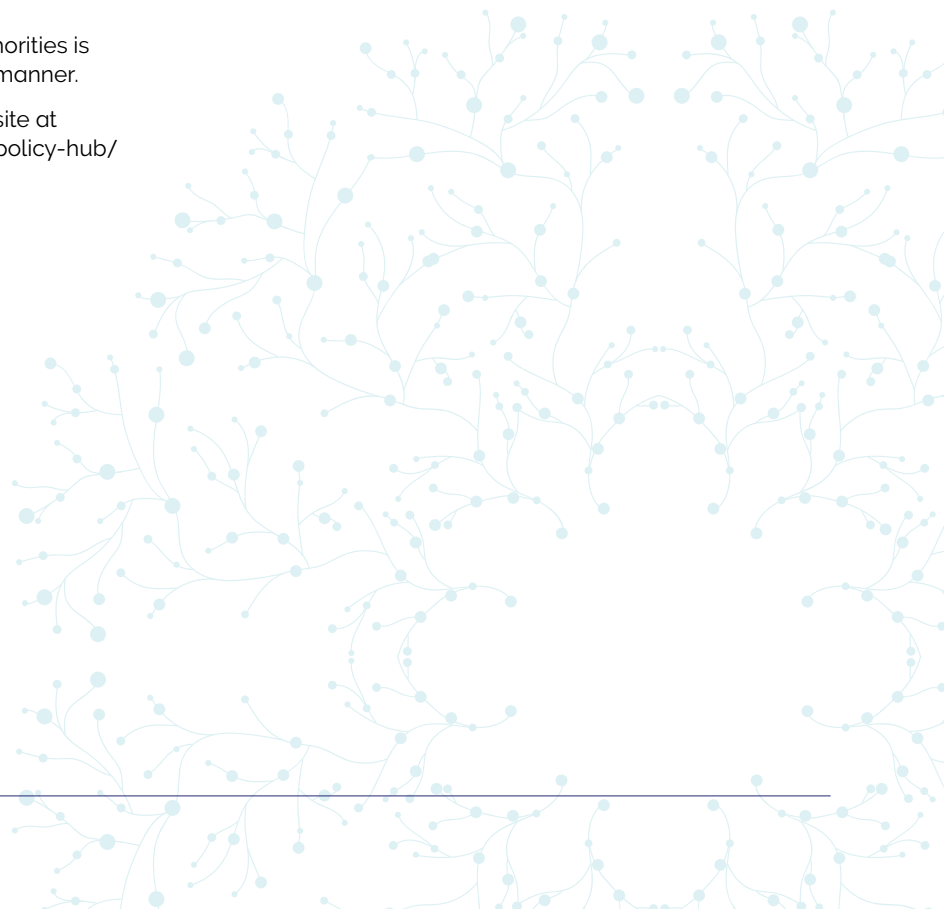
We have implemented annual mandatory Information Technology (IT) Security training for all employees. We take a multi-layered approach to cyber security, using a range of technical and procedural controls to protect our systems and data. Through continual improvement, we regularly assess and improve our IT controls across the organisation in line with UK Government recommendations and recognised industry best practice. See pages 85 and 86 for further details of how we manage IT risks.

8 Financial sustainability and tax transparency

We manage our tax affairs in accordance with the following objectives:

- ensuring compliance with all relevant tax law in all jurisdictions in which the Group operates whilst managing the associated tax costs in a manner that is consistent with our Code of Conduct and its attitude to commercial risk;
- seeking to maintain stable effective and cash tax rates which reflect the geographic markets in which we operate, and the Group's tax attributes, such as brought-forward losses and special deductions such as for research and development; and
- ensuring that all communication with tax authorities is conducted in a transparent and professional manner.

Our Group Tax Strategy is available on our website at www.oxinst.com/investors/oxford-instruments-policy-hub/group-tax-strategy



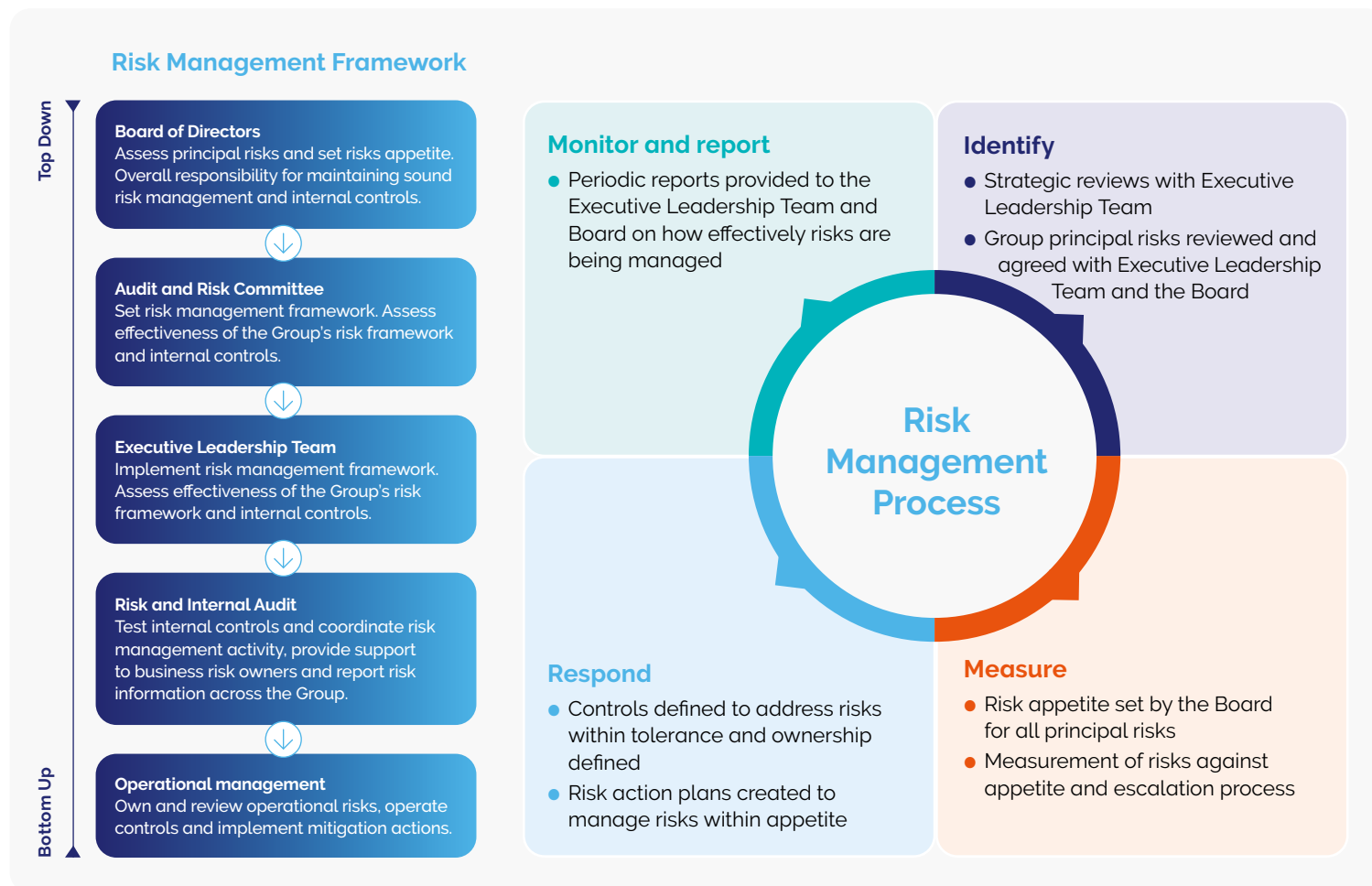
Risk management

Audit, risk and internal control

The Board is responsible for establishing and maintaining a sound system of risk management and internal control, and for determining the nature and extent of the principal risks the Group is willing to take in pursuit of its long-term strategic objectives.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group is embedded throughout the organisation. Day-to-day management of this process has been delegated by the Board to the Executive Directors, as detailed in the Audit and Risk Committee Report. Our risk management and internal control systems have been in place throughout the financial year and up to the date of approval of this Annual Report and are subject to annual review by the Audit and Risk Committee. In respect of the year ended 31 March 2026, the Board considered that these processes remained effective.

The Board has carried out a robust assessment of the principal risks facing the Group, including those which threaten its business model, future performance, solvency and liquidity. Details of all major risks identified, and the mitigating actions adopted, are reported to and reviewed by the Audit and Risk Committee throughout the year. All business units follow a standard process for risk identification and reporting.



Risk management continued

Priorities during financial year ended 31 March 2026

During the year ended 31 March 2026, we continued to strengthen our internal audit and risk management capability. The Head of Internal Audit, with responsibility for risk management and assurance, has embedded regular six-monthly formal reviews of principal risks by the Executive Leadership Team. These include the identification and evaluation of key risks and focus on the mitigating strategies and actions required. New and emerging risks are also reviewed to support the risk reporting process.

We have further strengthened our resilience to cyber security risk through the appointment of a Chief Information Security Officer and implementation of enhanced threat intelligence and monitoring capabilities.

A significant development during the year has been the refinement of our risk appetite framework and the establishment of target risk scores for each principal risk, providing clear boundaries for risk-taking aligned with our strategic objectives.

Risk appetite framework

The Board has established a risk appetite framework with three categories that define our tolerance for different types of risk:

- **Averse:** Low tolerance for risks that could cause serious harm, loss of life, or fundamental business disruption. We seek to minimise these risks to the lowest level reasonably practicable.
- **Balanced:** Moderate tolerance where risks are managed through robust controls and active monitoring. We accept these risks as part of normal business operations, provided they remain within defined boundaries.
- **Open:** Higher tolerance for strategic risks where the potential upside justifies the exposure. We are willing to accept elevated risk levels where they align with strategic growth objectives and competitive advantage.

Each principal risk is assigned a target score aligned with this framework. Where current exposure is above the target appetite, structured mitigation plans are in place and progress is regularly reviewed by the Audit and Risk Committee. The Board's approach to risk appetite balances robust governance with commercial pragmatism, ensuring that risk decisions are informed by thorough cost-benefit analysis and aligned with the Group's capacity to manage risk while pursuing strategic growth.

Principal risks and uncertainties

Principal risks are reported and discussed at every meeting of the Audit and Risk Committee. We consider principal risks to be those which could have a significant adverse impact on the Group's business model, financial performance, liquidity or reputation. Each principal risk is assigned to an executive risk owner who is accountable for ensuring appropriate mitigation strategies are in place and monitored.

The Board and Audit and Risk Committee have continued to refine the Group's risk framework to ensure it remains aligned with our business strategy. Key changes during the year include:

- **Risk disaggregation:** Cyber/IT has been separated into Cyber security and ERP resilience, while Legal and regulatory has been separated into Laws and regulations and Product compliance to provide more granular oversight.
- **Elevation of health and safety:** This has been elevated to a standalone principal risk to reinforce our commitment to a 'zero-harm' culture and an Averse risk appetite.
- **Integration of business interruption:** This has been removed as a standalone risk, with its components integrated into relevant principal risks (eg. Supply chain and Health and safety) for a more holistic approach to resilience.
- **Macroeconomic and geopolitical sensitivity:** While these risks remain within our appetite, we have increased their impact assessment to reflect the persistent inflationary environment and tightening global export control regimes.



Risk management continued

Principal risks and uncertainties matrix

Our principal risks are mapped onto a probability and impact matrix to assess their relative importance.

Commentary

The Group's risk profile over the last 12 months has been shaped by a complex interplay of persistent external volatility and the deliberate internal strengthening of our risk management framework. While our core operational controls remain robust, the global environment has necessitated a more agile and granular approach to risk oversight.

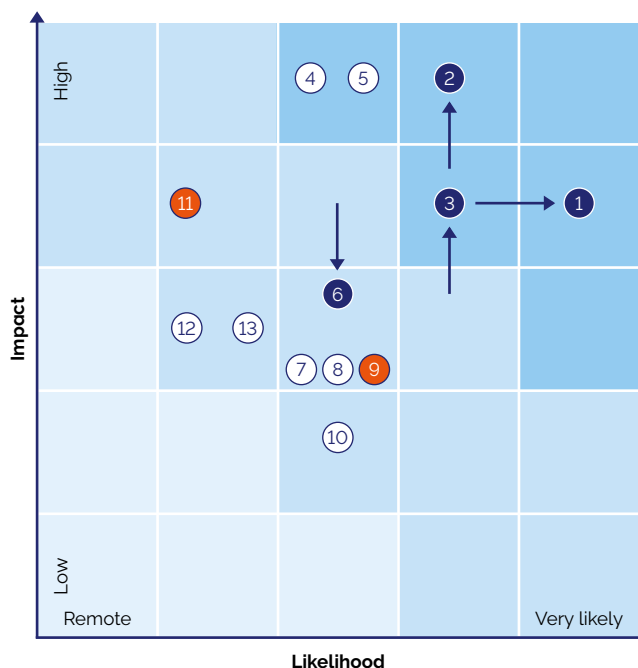
External risk drivers and movements

The external risk landscape remained challenging throughout the financial year, leading to an increase in the residual risk scores for geopolitical and macroeconomic risks.

Geopolitical volatility: We have seen a continued tightening of global export control regimes and escalating trade tensions in key jurisdictions. While our compliance framework is mature, the external environment is increasingly restrictive, requiring constant monitoring and scenario planning.

Macroeconomic headwinds: Persistent inflationary pressures on our cost base and significant volatility in foreign exchange markets have led to an increased impact assessment for macroeconomic risk. We have also noted increased sensitivity in public sector research funding in certain geographies, which we continue to monitor through our commercial planning.

Supply chain stabilisation: The Group's supply chain risk has increased during the year due to global shortages of electronic components caused by geopolitical events in 2025. These shortages have affected component availability and lead times across several product lines, requiring enhanced supplier engagement and proactive inventory management. We have accelerated our dual-sourcing and supplier diversification programmes to mitigate these dependencies and enhance supply chain resilience.



Comparability note: The FY26 principal risk matrix is not directly comparable with FY25 due to refinements to the Group's principal risk framework and assessment methodology during the year, including changes to risk grouping and the incorporation of business interruption within other principal risks. Changes in numbering and matrix position should therefore not be interpreted on a like-for-like movement against the FY25 Annual Report.

Summary of risk direction

Of our 13 principal risks, 3 have increased during the year primarily due to heightened external volatility and specific supply chain constraints, while 1 has decreased reflecting improved channel diversification. The remaining 9 risks remain stable, reflecting the effectiveness of our internal mitigation strategies. The Board remains confident that our refined risk framework provides the necessary resilience to navigate this period of global uncertainty.

#	Principal Risk/(Risk Owners)	Risk Appetite
1	Geopolitical (CEO)	Open
2	Supply chain (COO)	Balanced
3	Macroeconomic (CEO)	Balanced
4	Cyber/IT: Cyber-attack (CFO)	Balanced
5	Cyber/IT: Major ERP/system failure (CFO)	Balanced
6	Routes to market (CEO/MDs)	Balanced
7	NPI (MDs)	Balanced
8	Operational transformation (COO)	Balanced
9	Product compliance (COO)	Balanced
10	People & capability (CHRO)	Balanced
11	Health & safety (COO)	Averse
12	Laws & regulations (GC)	Balanced
13	Climate change (CHRO)	Balanced

● Current residual risk score

↑ Increase

↓ Decrease

○ Unchanged

● New Risk

Detailed principal risk descriptions

1. Geopolitical

Risk owner: Chief Executive Officer (CEO) | **Risk appetite:** Open | **Year-on-year change:** Increase

Link to strategy:  

Context

The Group operates globally and is subject to evolving geopolitical developments, including export controls, sanctions, and trade policy changes.

Risk appetite

Geopolitical risk is largely external and not directly controllable. The Group therefore adopts an open appetite, supported by robust compliance processes, scenario planning and portfolio diversification. Our focus is on agility, resilience and informed decision-making rather than attempting to eliminate exposure.

Risk and potential impact

Material disruption to market access or supply chains in key territories could lead to a significant reduction in Group revenue, increased landed costs through tariffs, or the inability to fulfil contracts due to export licence rejections. Prolonged instability in core markets may also impair the carrying value of assets or necessitate a strategic re-evaluation of regional operations.

Control mechanisms and mitigation

- Engagement with UK Government and regulatory authorities.
- Broad global customer base with contractual protection and market diversification.
- Strategic sourcing and dual sourcing to reduce landed costs.
- Focus on lower-risk markets and end users.
- Long-term investment planning strategies.

Changes since FY25

The risk has increased during the year, reflecting a more complex and volatile global geopolitical environment. This includes heightened uncertainty and recent developments in the Middle East, alongside ongoing trade tensions and the continued evolution of global sanctions regimes. While the Group has not experienced a material impact on its operations to date, we continue to monitor developments closely and maintain a robust compliance framework to manage potential secondary effects on global trade and regulatory requirements.

Key:



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Detailed principal risk descriptions continued

2. Supply chain

Risk owner: Chief Operating Officer (COO) | **Risk appetite:** Balanced | **Year-on-year change:** Increase

Link to strategy:  

Context

The Group operates a global supply chain, sourcing from many suppliers across a wide range of categories. For certain technologies, there are limited alternative sources. Disruption may be triggered by global events such as conflict, natural disaster, geopolitical developments or pandemics.

Risk appetite

Oxford Instruments maintains a balanced appetite for supply chain risk, accepting moderate exposure where strategic sourcing benefits justify it. This approach is supported by proactive risk management through contingency planning, supplier diversification, and ongoing regulatory monitoring.

Risk and potential impact

Failure of critical or single-source suppliers could result in significant production delays, inability to meet customer delivery schedules, and a subsequent loss of market share. Supply shortages or sudden price volatility in key components (such as sensors or magnets) may lead to increased working capital requirements and a material adverse impact on operating margins.

Control mechanisms and mitigation

- Sales and operational planning process with long-term demand planning.
- Strategic, selective and diversified supplier base.
- Group strategic sourcing programme to consolidate demand and manage key supplier risks.
- Buffer stock in extended supply chain for high-risk suppliers.
- Relationship management with key suppliers and long-term contracts.

Changes since FY25

The risk increased during the year, primarily driven by shortages of certain electronic components resulting from wider geopolitical events during 2025. Our multi-year resilience programme remains under way, including dual-sourcing and supply chain diversification initiatives. We also remain vigilant to potential logistics or cost disruptions arising from recent developments in the Middle East.

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Detailed principal risk descriptions continued

3. Macroeconomic

Risk owner: CEO | **Risk appetite:** Balanced | **Year-on-year change:** Increase (impact)

Link to strategy:  

Context

Macroeconomic factors such as recession, inflation and government budget priorities (particularly US university funding) can affect demand and place upward pressure on key cost elements. The Group operates in international markets exposed to inflationary pressures, currency movements and public sector funding dynamics.

Risk appetite

Oxford Instruments maintains a balanced appetite for macroeconomic risk, actively managing exposure to currency fluctuations, inflationary pressures, tax burdens, and tariff risks through hedging, strategic sourcing, operational efficiencies, and agile commercial practices.

Risk and potential impact

Persistent inflation or recessionary trends in major economies could dampen demand for high-technology capital equipment. Significant volatility in foreign exchange rates, particularly the GBP/USD relationship, may lead to material fluctuations in reported revenue and profit, while rising labour and energy costs could erode the Group's competitive cost base.

Control mechanisms and mitigation

- Strategic focus on growth markets and price reviews.
- Inflation protection in commercial response to long lead-time tenders.
- Strategic management of currency exposure with active hedging.
- Reviews of supply chain currency base.

Changes since FY25

The risk has increased, reflecting persistent inflationary pressures and volatility in foreign exchange markets. We are also monitoring the potential for secondary impacts arising from geopolitical developments, including recent events in the Middle East, which may influence energy prices and customer investment confidence in certain geographies. While no material impact has been observed to date, the Group maintains flexibility in its cost base and pricing strategies and continues to monitor funding sensitivity through its commercial planning.

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Detailed principal risk descriptions continued

4. Cyber/IT: Cyber security

Risk owner: Chief Financial Officer (CFO)/Chief Information Officer (CIO) | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:  

Context

Elements of production, financial and other systems rely on IT availability. The Group faces evolving cyber threats including ransomware, malware and data privacy breaches.

Risk appetite

Oxford Instruments maintains a balanced appetite for cyber security risk, recognising that cyber threats cannot be eliminated entirely. The Group seeks to manage this exposure through layered technical controls, employee awareness, incident response capability and regular testing designed to strengthen resilience and recovery.

Risk and potential impact

A successful cyber-attack or ransomware incident could result in prolonged operational downtime, loss of sensitive intellectual property, and the compromise of personal or commercial data. Such events may lead to significant remediation costs, regulatory fines, and enduring damage to the Group's reputation and customer trust.

Control mechanisms and mitigation

- Managed service with third-party security specialists providing incident monitoring.
- Suite of IT protection mechanisms including firewalls, penetration testing and regular backups.
- Appointment of Chief Information Security Officer.
- Employee awareness training and phishing simulation exercises.
- Regular review and testing of key security measures.

Changes since FY25

Despite continued investment in threat detection and response capabilities, residual cyber risk remains elevated given the increasing sophistication, frequency and persistence of global cyber threats. The Group's focus remains on maintaining strong cyber hygiene, resilience and recovery capability.

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Detailed principal risk descriptions continued

5. Cyber/IT: ERP resilience

Risk owner: CFO/CIO | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:  

Context

The Group operates across multiple enterprise resource planning (ERP) platforms as part of an evolving technology landscape.

Risk appetite

Oxford Instruments maintains an overall balanced appetite for IT risk. Recognising the complexity of enterprise systems, the company manages transformation through structured maintenance, phased upgrades, and legacy system migrations, supported by business continuity planning.

Risk and potential impact

Major failure of legacy ERP systems or inadequate disaster recovery could lead to a loss of data integrity and the inability to process orders, manage production, or report financial results accurately. This could cause significant business interruption, impacting both customer service levels and the Group's ability to meet its financial obligations.

Control mechanisms and mitigation

- Business continuity plans for all sites.
- Backup and recovery procedures.
- ERP modernisation roadmap.
- Regular disaster recovery (DR) testing and system redundancy for critical applications.

Changes since FY25

The risk remains stable as the Group continues to execute its ERP modernisation roadmap. Residual risk remains elevated due to the complexity of the legacy systems landscape and the time required to complete migration and standardisation activities. Management continues to prioritise resilience, disaster recovery capability and phased transformation.

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Detailed principal risk descriptions continued

6. Routes to market

Risk owner: CEO/Divisional and regional presidents | **Risk appetite:** Balanced | **Year-on-year change:** Decrease

Link to strategy: 

Context

In some instances, the Group's products are components of higher-level systems sold by original equipment manufacturers (OEMs), and thus the Group does not fully control its route to market.

Risk appetite

Oxford Instruments adopts a balanced approach as it accepts moderate exposure to changes in its OEM and distributor base, while managing this risk through strategic marketing, enhanced due diligence, and strategic options such as 'Made in China'.

Risk and potential impact

The loss of a key OEM partnership or the failure of a major distributor could result in a sudden loss of access to specific market segments. Vertical integration by partners could turn current customers into competitors, leading to reduced sales volumes and the potential under-utilisation of manufacturing capacity.

Control mechanisms and mitigation

- Customer insight to match product performance to customer needs.
- Strategic relationships with OEMs to promote benefits of combined systems.
- Positioning of Oxford Instruments brand and marketing directly to end users.
- Product differentiation and direct marketing strategies.

Changes since FY25

The risk reduced during the year, reflecting progress made in broadening the Group's routes to market. This included expansion of OEM relationships and a wider customer base within ANDOR, reducing concentration risk and improving channel resilience. We continue to manage dependencies through our Channel Partner Strategy while selectively increasing direct end-user engagement.

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Detailed principal risk descriptions continued

7. New Product Introduction (NPI)

Risk owner: CEO/Divisional and regional presidents | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:   

Context

The Group provides high-technology equipment, systems and services to its customers in rapidly evolving markets.

Risk appetite

Oxford Instruments maintains a balanced appetite for innovation, investing in new technologies and product development to stay close to customer needs and drive strategic growth. The company accepts a measured level of risk in its R&D activities.

Risk and potential impact

Failure to innovate or delays in bringing new technologies to market could lead to technological obsolescence and a loss of competitive advantage. This would result in lower-than-anticipated revenue growth, the impairment of R&D investments, and a failure to meet the long-term objectives of our stated business strategy.

Control mechanisms and mitigation

- 'Voice of the Customer' approach and deep market knowledge.
- Formal NPI processes to prioritise investment and manage R&D expenditure.
- Stage-gate process to challenge commercial business case and mitigate technical risks.
- Competitive intelligence and intellectual property monitoring.
- AI and emerging tech governance.

Changes since FY25

Risk levels remain stable. The Group's stage-gate governance has been further strengthened to ensure that R&D investment remains aligned with strategic priorities, customer need and expected return.

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Detailed principal risk descriptions continued

8. Operational transformation

Risk owner: COO | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:  

Context

Following the Group's 2024 strategy review, an operational transformation programme (OpEx30) is in progress, aiming to improve operating efficiencies. Business plans include revenue growth and operating margin improvements that are, in part, dependent on realising those efficiencies.

Risk appetite

Oxford Instruments maintains a balanced appetite for operational transformation, accepting a measured level of risk in pursuit of margin improvement and increased output. This is underpinned by a strong performance monitoring framework and a culture of continuous improvement.

Risk and potential impact

Failure to execute the OpEx30 programme effectively could result in the Group missing its margin improvement targets and failing to achieve intended operational efficiencies. This may lead to a higher-than-planned cost base and could negatively affect investor confidence in the Group's ability to deliver its strategic roadmap.

Control mechanisms and mitigation

- CEO and steering group oversight of operational excellence programme.
- Programme headed by COO with proven track record, supported by Vendigital partnership.
- Dedicated support in key areas and structured tracking.

Changes since FY25

The risk is stable as the OpEx30 programme moves into its next phase. Governance remains strong, and early milestones are being met, though we remain vigilant regarding the execution of complex efficiency initiatives.

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Detailed principal risk descriptions continued

9. Product compliance

Risk owner: COO | **Risk appetite:** Balanced | **Year-on-year change:** NEW

Link to strategy:  

Context

As a global business operating across multiple jurisdictions, Oxford Instruments manages evolving product compliance requirements including environmental regulations such as WEEE (Waste Electrical and Electronic Equipment) and packaging recycling standards.

Risk appetite

Oxford Instruments maintains a balanced appetite for product compliance risk, proactively managing regulatory obligations through robust governance frameworks, dedicated compliance resources, and continuous monitoring. The Group prioritises compliance with all applicable product safety, environmental, and labelling regulations, while accepting a measured level of risk during transition periods as standards evolve or new regulations are introduced. Non-compliance with safety-critical requirements is not tolerated.

Risk and potential impact

Non-compliance with evolving global standards (such as safety, environmental, or chemical regulations) could lead to product recalls, seizure of goods by customs authorities, and the exclusion of the Group from key markets. This would result in significant financial penalties and potential legal action against the Group.

Control mechanisms and mitigation

- Product compliance teams with established methodology for regulatory changes.
- Strategic sourcing and product compliance groups.
- External audits.

Key:



Deliver strong growth through 'customer first' Ways of Working



Simplify the organisation



Embed our values and Ways of Working



Deliver a step change in operational performance



Invest in new technology and products, protecting and enhancing our core strengths



Reach net zero in our own operations by 2030

New for FY26

Product Compliance has been established as a standalone principal risk during FY25/26, having previously been reported within the combined Legal and Regulatory risk. This disaggregation reflects the growing complexity of global product compliance obligations and the Board's view that this area warrants dedicated principal risk oversight.

Detailed principal risk descriptions continued

10. People and capability

Risk owner: Chief HR Officer | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy:   

Context

Delivering and protecting our core people capability and knowledge is a strategic priority for the Group.

Risk appetite

Oxford Instruments maintains a balanced appetite for people and capability risk, supported by targeted recruitment for specialist roles, competitive reward structures, and investment in development and succession planning.

Risk and potential impact

The inability to attract or retain specialist technical and leadership talent could lead to a loss of core knowledge and an inability to execute strategic projects. High staff turnover or capability gaps in key geographies may result in increased recruitment costs, lower productivity, and a loss of competitive edge in innovation.

Control mechanisms and mitigation

- Talent management and succession processes.
- Leadership and technical development programmes.
- Strategic focus on employee experience and competitive remuneration.
- Hybrid and remote working policies.

Changes since FY25

The risk has remained stable, notwithstanding the highly competitive global market for specialist scientific and engineering talent. Our retention rates remain healthy, and we continue to adopt a more proactive talent acquisition strategy to fill critical roles in the business.

Key:



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Detailed principal risk descriptions continued

11. Health and safety

Risk owner: COO | **Risk appetite:** Averse | **Year-on-year change:** NEW

Link to strategy: 

Context

Oxford Instruments operates manufacturing facilities and service operations globally, with the health, safety, and wellbeing of our employees, contractors, and customers as a fundamental priority.

Risk appetite

Oxford Instruments maintains an averse appetite for health and safety risk, prioritising the protection of our people above all other considerations. The Group is committed to achieving zero-harm through robust risk assessments, comprehensive training, proactive hazard identification, and continuous improvement in safety culture. All operations must comply with applicable health and safety regulations, and the Group targets performance that exceeds regulatory minimums and industry benchmarks. Any serious incident or near-miss is subject to immediate investigation, root cause analysis, and Board-level review, with lessons learned shared across all locations.

Risk and potential impact

A serious health and safety incident could result in loss of life or life-altering injuries, leading to criminal prosecution, substantial fines, and the potential closure of manufacturing sites. Beyond the human cost, such incidents cause profound damage to the Group's reputation and its standing as an employer of choice.

Control mechanisms and mitigation

- Group H&S policies and procedures.
- Site-level risk assessments and regular H&S audits.
- Mandatory training programmes.
- H&S legal registers at all manufacturing and regional HQs.
- Group H&S Manager providing support and oversight.

New for FY26

Health and Safety has been elevated to a standalone principal risk during FY25/26, reflecting the Group's commitment to a zero-harm culture and the Board's determination that this risk warrants dedicated principal risk oversight at the highest level. Previously reported within the broader operational risk cluster, its elevation reinforces the Averse risk appetite the Board applies to the safety of our people.

Key:



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Detailed principal risk descriptions continued

12. Laws and regulations

Risk owner: General Counsel | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy: 

Context

As a global technology business, Oxford Instruments operates across multiple jurisdictions with diverse and evolving legal and regulatory frameworks. The Group proactively manages compliance obligations spanning corporate governance, financial reporting, anti-bribery and corruption, competition law, data protection, employment law, and export controls.

Risk appetite

Oxford Instruments maintains a balanced appetite for corporate legal and regulatory risk, operating within defined policies and established standards of compliance while supporting commercially viable opportunities within those parameters. The Group prioritises compliance with all applicable laws and regulations through robust governance frameworks, mandatory training, legal horizon scanning, and proactive engagement with regulators.

Non-compliance with anti-bribery, competition law, and data protection requirements is not tolerated, and any breaches identified are escalated and addressed through our established governance processes. The Group applies a risk-based and proportionate approach, whereby issues are assessed based on their nature, scale, and potential impact, with material breaches escalated and remediated in line with our defined oversight and reporting protocols.

Risk and potential impact

Breaches of corporate laws, such as anti-bribery, competition, or data protection regulations, could result in severe financial penalties, debarment from government contracts, and criminal sanctions. Such failures would fundamentally undermine the Group's integrity and its relationship with stakeholders and regulators.

Control mechanisms and mitigation

- Group Legal function with regional support.
- Compliance policies and procedures including Code of Conduct.
- Regular compliance training programmes.
- Legal and regulatory horizon scanning.
- Use of external legal advisers in specialist areas.
- Whistleblowing hotline and investigation procedures.

Key:



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Reach net zero in our own operations by 2030

Changes since FY25

The risk is stable. Our compliance framework, including anti-bribery and data protection, is well-embedded. We continue to monitor the regulatory horizon for changes in corporate governance and reporting requirements. There were no material breaches, fines or sanctions against the Group during the year.

Detailed principal risk descriptions continued

13. Climate change

Risk owner: Chief HR Officer | **Risk appetite:** Balanced | **Year-on-year change:** No change

Link to strategy: 

Context

Climate change presents both physical and transition risks to the Group's operations, supply chain and markets. The Group is committed to achieving net zero emissions and supporting the transition to a low-carbon economy. Regulatory requirements for climate-related disclosures and carbon reduction are increasing globally.

Risk appetite

Oxford Instruments maintains a balanced appetite for climate-related risk, integrating sustainability into strategic decision-making and operational planning. The Group's approach is supported by Board oversight, dedicated ESG capability, climate risk assessment, and engagement across the supply chain. Management continues to balance ambition, operational feasibility and evolving regulatory expectations.

Risk and potential impact

Physical risks, such as extreme weather, could cause catastrophic damage to facilities or supply chain hubs. Transition risks, including carbon pricing and stricter emissions regulations, may increase operating costs. Failure to meet net zero commitments could lead to reputational damage, reduced access to capital, and a decline in demand from sustainability-conscious customers.

Control mechanisms and mitigation

- Net zero commitment and carbon reduction roadmap.
- Climate risk assessment integrated into enterprise risk management.
- Energy efficiency programmes and renewable energy procurement.
- Sustainable product design and circular economy initiatives.
- Supply chain engagement on climate and sustainability.
- TCFD-aligned climate disclosures.
- Board oversight through Sustainability Committee.

Key:



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Reach net zero in our own operations by 2030

Changes since FY25

The risk level is stable as we continue to execute our net zero roadmap. We have made good progress in renewable energy procurement and supply chain engagement, keeping us on track with our long-term sustainability commitments.

Detailed principal risk descriptions continued

Emerging risks and horizon scanning

The Group maintains an active horizon-scanning process to identify emerging risks that may develop into principal risks over time. Areas of ongoing focus include:

- acceleration of export control regimes;
- rapid technological disruption, including AI-enabled competition;
- evolving sustainability and ESG regulation; and
- regionalisation of global supply chains

Emerging risks are reviewed regularly by the Executive Leadership Team and Audit and Risk Committee.

Viability statement

For the year ended 31 March 2026

In accordance with Provision 31 of the 2024 UK Corporate Governance Code, the Directors have assessed the viability of the Group. The Group has traded successfully for over 65 years, been listed on the London Stock Exchange since 1983, and has an established track record of adapting to changing macroeconomic conditions and other challenges to its business model.

Our strategy for how we aim to deliver continued growth is set out on pages 33 to 38. Our principal risks to the success of this strategy are set out on pages 79 to 95. The Directors have assessed viability over five years to 31 March 2031, taking into account the Group's current position and the potential impact of our principal risks on future performance.

Whilst the Board has no reason to think the Group will not be viable over a longer period, five years is considered an appropriate period over which a reasonable expectation of long-term viability can be evaluated. The assessment period reflects an extension to the previous year's viability assessment period of three years, and is aligned to our planning horizon at both a Group and divisional level.

Assessment of viability

The Board has conducted a robust assessment of the principal risks during the year, including factoring in more recent geopolitical developments such as the conflict in the Middle East. It has also assessed these against a risk appetite framework, and has reviewed the mitigation plans in place to maintain or align risks within the Board's expressed appetite. Key risk indicators are also in place to monitor the progress of these mitigation actions.

In performing the viability assessment, the Board has considered how these risks individually or in combination may impact viability in a series of severe, but plausible scenarios. The Board has considered impacts associated with geopolitical instability, including tariffs and other trade protectionist measures which might limit the Group's access to certain territories.

These impacts may be combined with other resulting macroeconomic effects, including inflation or supply chain disruptions. Given the high proportion of the Group's turnover that is derived from non-UK territories, the Board has also considered the impact of significant changes in the value of sterling versus the US dollar, which represents the Group's most important trading currency, representing just under half of the Group's total revenues in FY26.

Financial modelling was carried out, using the Group's long-term strategic growth plan, annual budgets and five year financial forecasts as a base case, creating financial scenarios based on the Group's principal risks and uncertainties. The analysis has considered the Group's resilience under these scenarios, including impacts on profitability, and cash flow generation.

Consideration has also been given to the Group's current strong financial position. The Group had a net cash balance of £94.0m as at 31 March 2026, with borrowings of £0.5m. Free cash flow generation was £41.9m in the year, and the Group has continued to deploy capital to pay dividends and buyback of its own shares. However, suspension of capital returns to shareholders is a mitigating action the Group could take if the Board considered it was required to ensure viability. The Group maintains an unsecured multi-currency revolving facility agreement which expires in March 2028, with two extension options. The facility is supported by four banks and comprises a euro-denominated multi-currency facility of €95.0m (£80m) and a US dollar-denominated multi-currency facility of \$150.0m (£116m).

The Directors have also considered mitigating actions available to management, which include implementing cost reduction and efficiency programmes, reprioritising or deferring discretionary capital expenditure, lease back of some of the Group's property assets, optimising inventory levels and supply chain strategies, or disposing of certain product lines or businesses.



Viability statement continued

Conclusion

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five year period of the assessment. Accordingly, the Directors consider the Group to be viable over that period.

This viability statement should be read in conjunction with the Principal Risks and Uncertainties on pages 79 to 95, the Finance Review on pages 42 to 50 and the Going concern statement as set out below.

Going concern statement

The Directors have considered the Group's current financial position and future prospects and have a reasonable expectation that the Group has adequate resources to continue in operational existence from at least 12 months from the date of signing the accounts. As set out in the Viability statement above, a longer-term assessment has been performed up to 31 March 2031. For these reasons, the Directors conclude that the use of the going concern basis of accounting is appropriate, the Group will continue operational existence for the foreseeable future, and that no material uncertainty related to going concern exists that would require disclosure in the financial statements.

The Directors have carried out a robust viability assessment, including stress testing and scenario analysis, which considered severe but plausible downside scenarios.

These scenarios include, individually and in combination:

Scenario modelled	Link to principal risks
Scenario 1 – Revenue reduction	
- Reduction in customer demand across key end markets, or limits on the Group's ability to trade in key territories - A 25% reduction in revenue over the five year assessment period versus the base case, with no cost mitigation. Negative impact on Group margins and cash generation	- Risk 1: Geopolitical - Risk 2: Supply chain - Risk 3: Macroeconomic - Risk 6: Routes to market - Risk 7: NPI - Risk 9: Product compliance
Scenario 2 – Cost inflation	
- A 10% per annum increase in production and overhead costs - No additional price increase mitigation	- Risk 1: Geopolitical - Risk 2: Supply chain - Risk 3: Macroeconomic
Scenario 3 – Global supply chain disruption	
- Sustained 10% reduction in revenue over the assessment period versus the base case - Increased production costs by 10% per annum over the assessment period	- Risk 1: Geopolitical - Risk 2: Supply chain - Risk 3: Macroeconomic - Risk 5: Major ERP system failure
Scenario 4 – Adverse FX movement	
- Weakening of USD to GBP to \$1.40, impacting all US dollar denominated revenues - No price, currency mix, or hedging mitigation actions	- Risk 1: Geopolitical - Risk 3: Macroeconomic
Scenario 5 – Combined cost inflation and adverse FX movement	
- Weakening of USD to GBP to \$1.40, impacting all US dollar denominated revenues - No price, currency mix, or hedging mitigation actions - A 10% per annum increase in production and overhead costs - No additional price increase mitigation	- Risk 1: Geopolitical - Risk 2: Supply chain - Risk 3: Macroeconomic

Non-financial and sustainability information statement

In accordance with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006, the below table and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters and sets out where relevant non-financial and sustainability information (NFSIS) can be found within this Annual Report. The description of our business model can be found on pages 28 to 32 and information regarding our approach to stakeholder engagement can be found on pages 112 to 119.

Key policies and procedures	NFSIS ref:	Description	Page ref:
Anti-bribery and Anti-corruption Policy*	5	Sets out our expectations and the responsibilities of all employees and business partners in relation to bribery and corruption, and provides information and guidance on how to recognise and address bribery and corruption issues.	132
Business Travel Policy	2	Provides guidelines to ensure that employees travelling for business purposes can do so in a safe, efficient, comfortable and sustainable manner, whilst upholding their wellbeing.	n/a
Code of Conduct*	2 3 5	Sets out the actions and behaviours expected of all those who work for and on our behalf around the world. It provides guidance on identifying ethical issues and suggests ways to either prevent or address them if necessary.	76, 120
Conflicts of Interest Policy	2	Provides guidance to employees on our expectations in relation to conflicts of interest and how they should be managed.	122, 173
Environmental Policy*	1	Outlines our commitment to achieving net zero carbon emissions by 2045 by significantly reducing our environmental footprint, addressing activities that may contribute to climate change, and continuously monitoring our progress.	53–68
Export Control Policy	2	Provides a framework for identifying and managing goods that are subject to export restrictions and end-use controls in accordance with the UK's Export Control Act 2002, the US' Export Controls Act 2018 and EU regulations.	76
Gender & Ethnicity Pay Gap Report	2 3	Describes the gender and ethnicity pay gaps among our employees and how we monitor, measure and take action to help ensure that all employees, regardless of gender or ethnicity, are paid fairly.	70–71
Global Human Rights Policy*	4	Describes our commitment to create an inclusive and safe working environment in which everyone is treated with dignity and respect. The policy is guided by internationally recognised human rights standards, including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.	77
Group Sanctions Policy	3 4	Provides a framework for ensuring compliance with UN, UK, EU and US sanctions for international transactions including, but not limited to, financial transactions and the sale or purchase of products and services.	76
Group Tax Strategy*	5	Sets out our approach to managing tax risks and obligations across the Group in a manner that is compliant, transparent, and aligned with our strategic objectives.	78
Health and Safety Policy*	2 3 4	Sets out our commitment and approach to ensuring the health and safety of our employees, visitors, contractors and all stakeholders.	72–73
Modern Slavery Statement*	4	Outlines our commitment to preventing acts of modern slavery and human trafficking in our operations and supply chains, including due diligence reviews of key suppliers and providing support and guidance to help suppliers address any concerns they might have in their business and supply chains.	77
Opportunity and Career Policy	2	Sets out our commitment to encouraging and supporting the career development of our employees.	74
Privacy Policy*	2 3 4	Sets out our commitment to protecting the privacy and security of personal data of our employees, suppliers, customers and others who interact with our business. We have country-specific employee privacy notices, or equivalent, to ensure we are complying with our obligations to employees across the business.	78

Key

Environment	1
Employees	2
Social matters	3
Human rights	4
Anti-bribery and anti-corruption	5



Non-financial and sustainability information statement continued

Key policies and procedures	NFSIS ref:	Description	Page ref:
Reward and Recognition Policy	2	Outlines our principles for rewarding and recognising employees, underpinning our values and strategy.	n/a
Share Dealing Policy	2 5	Provides guidance to Directors and employees of the Group to comply with their obligations under the UK Market Abuse Regulation.	77
Supplier Due Diligence and Audit Procedures	1 5	Our Code of Conduct for Representatives and Suppliers complements our Code of Conduct by setting out the basic requirements mandated for the Group's representatives and suppliers concerning their responsibilities towards their stakeholders and the environment.	77
Ways of Working	2	Provides a framework to guide our behaviour and decision-making, helping colleagues to work effectively with customers, suppliers and others to deliver on our commitments and uphold our values.	69–70
Whistleblowing Policy*	2 3 5	Provides guidance to all Workers (meaning employees, whether permanent, contract, self-employed or employees of other individuals or contractors who are working on our premises or on behalf of the company) regarding how they can freely voice genuine concerns and/or disclose information relating to possible malpractice about the company's or a colleague's business activities, and how such concerns will be taken forward.	76–77

* Policy available on our website at oxinst.com

Additional non-financial and sustainability information

NFSIS reference	Information within this report	Page ref:
Business model	Business model	28–32
Principal risks	Principal risks and uncertainties matrix Detailed principal risk descriptions Audit and Risk Committee report	79–94 127–136
Non-financial key performance indicators	Non-financial KPIs	41
Climate-related financial disclosures	TCFD Statement	60–68

Approval

The Strategic Report was approved by the Board on 8 June 2026.

RICHARD TYSON
Chief Executive Officer

8 June 2026

Key

Environment	1
Employees	2
Social matters	3
Human rights	4
Anti-bribery and anti-corruption	5

Governance Report

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Chair's overview

Delivering Governance that supports long-term value

"Strong governance is fundamental to delivering long-term value, and the Board has continued to focus on strategy, risk oversight and culture as the Group evolves."

NEIL CARSON
Chair



Dear Shareholder,

On behalf of the Board, I am pleased to present the Governance Report for the year ended 31 March 2026. This report outlines our governance framework, highlights the work undertaken by the Board and its Committees over the year, and demonstrates how we have fulfilled our responsibilities. The Board remains focused on promoting the long-term, sustainable success of the company and the Group, creating value for shareholders and other stakeholders. Central to this is our continued commitment to applying and upholding high standards of corporate governance across the Group, and we have complied with all applicable provisions of the 2024 UK Corporate Governance Code during the year.

Strategy and purpose

The Board has maintained a strong focus on overseeing the delivery of our strategy, receiving updates on strategic execution at each Board meeting. During the year, the Board also heard directly from the Managing Directors of our Advanced Technologies and Imaging & Analysis divisions, who provided insights into both progress made and medium-term strategic planning. I am pleased to note that our initiatives to drive enhanced growth and profitability through a customer first approach continue to build momentum, and are now delivering many of the outcomes we set out to achieve.

For more information, see Our purpose-driven approach on page 8, Our strategy for growth on pages 33 to 38, and the Chief Executive Officer's review on pages 11 to 23.

Governance highlights

- **Focused Board oversight**
Continued strong oversight of strategy, capital allocation and risk, including approval of a refreshed five-year growth plan.
- **Strengthened governance and control environment**
Strengthened oversight of risk management and internal controls, including progress towards readiness for the enhanced requirements of Provision 29 of the UK Corporate Governance Code.
- **Clear outcomes from Board and workforce engagement**
Board-led workforce engagement, including site visits and employee sessions, provided valuable insight into employee perspectives and informed subsequent Board discussions and internal communications.

Chair's overview continued

Positive progress

The Board is pleased that it has been another year of strong delivery and strategic progress for Oxford Instruments, as we continue to execute with clarity and discipline against the priorities set out in 2024. Looking to the future, Oxford Instruments is now in a position of strength. We have a clearer strategic focus, a stronger operational platform, and a culture that is increasingly aligned to customer expectations and delivering consistent and sustainable performance.

For more information, see the Chief Executive Officer's review on pages 11 to 23, the Finance Review on pages 42 to 50 and my Chair's statement on pages 9 to 10.

Board activities

During the year, the Board considered a broad range of strategic, financial, operational and people-related matters, as well as its core responsibilities for risk, governance and compliance. Our discussions covered the continued delivery of the OI30 strategy, financial performance and capital allocation, operational improvement initiatives, workforce engagement, and our ongoing assessment of principal and emerging risks. We also maintained regular dialogue with shareholders and reviewed developments across our governance framework.

This year, we have expanded our disclosure of the outcomes of the Board's work within the governance section of this Annual Report. This addition is intended to give readers clearer insight into how the Board's decisions translate into tangible actions and improvements across the Group.

Employee engagement

The Board was once again pleased to take part in its formal employee engagement programme during the year. We believe that this engagement enhances the Board's understanding of employees' views and helps us take their interests into account when making decisions. Each year, the Board contributes to shaping the programme, ensuring that we meet employees across a wide range of roles, locations and career stages. This year's activities included full Board visits to our Advanced Technologies site in Severn Beach, Bristol and our Imaging & Analysis site in High Wycombe. Insights from these engagements informed subsequent Board discussions and helped shape the way the Group communicated its strategic priorities and key developments to employees. We look forward to continuing our engagement activities in 2026/27.

To find out more about our approach to stakeholder engagement, including our employees, please see 'How we engage with stakeholders' on pages 112 to 119.

Board effectiveness and evaluation

As part of our regular three-year cycle, we carried out an internal Board evaluation this year. The process provided valuable insights into how the Board and its Committees are operating, and included feedback on strategy, composition, diversity, culture and leadership. I met individually with each Director to discuss their reflections, and the Board has agreed a focused action plan for the year ahead to support our continued effectiveness. More detail on the actions we agreed is included in the Corporate Governance Report on page 121.

Annual General Meeting

The 2026 Annual General Meeting (AGM) of Oxford Instruments plc will be held at Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW at 11.00am on Thursday 23 July 2026.

Further details, including the resolutions to be proposed to our shareholders, can be found in the Notice of Meeting which has been sent to our shareholders and which is also available on our website at: www.oxinst.com/investors/annual-general-meeting. The result of the votes on the resolutions put forward at the AGM will be publicly announced to the stock exchange and published on our website as soon as possible following the conclusion of the meeting.

As usual, I will be available at the AGM and will be very happy to take any questions you may have regarding the operation of the Board during the year.

NEIL CARSON
Chair

8 June 2026

Board of Directors

Experienced Board

Our Board comprises a team of Directors whose skills, knowledge and experience enable effective leadership of the Group and create long-term value for our stakeholders.

Committee Membership

- | | |
|--|--|
| A Audit and Risk Committee Member | N Nomination Committee Member |
| R Remuneration Committee Member | S Sustainability Committee Member |
| | C Chair of Committee |

NEIL CARSON Chair

Appointed to the Board:
1 December 2018

**Non-Executive
Independent:** No¹



Skills and experience:

Neil is a former FTSE 100 chief executive. After completing an engineering degree, Neil joined Johnson Matthey in 1980 where he held several senior management positions in the UK and the USA, before holding the role of Chief Executive Officer from 2004 to 2014. He has a broad industrial outlook and a highly commercial approach with a practical perspective on business. He provides valuable insight based on his former executive position and operational experience and brings a track record of strong operational exposure, familiarity with capital-intensive business and a first-class international perspective on driving value in complex environments, and this experience makes him particularly well suited to serving as Chair of the Board. Neil was awarded an OBE for services to the chemical industry in 2016.

Neil's previous non-executive roles include serving as Chairman of TT Electronics plc, Deputy Chairman of TI Fluid Systems plc, Non-Executive Director of Paypoint plc and Amec Foster Wheeler plc, and Non-Executive Director, member of the Sustainability Committee and Chair of the Remuneration Committee of Shell plc.

External appointments:

None.

Committee Membership N R S

RICHARD TYSON Chief Executive

Appointed to the Board:
1 October 2023

**Executive
Independent:** No



Skills and experience:

Richard has a track record of business leadership in the advanced technology sector spanning more than 30 years. In his previous role as Chief Executive Officer at TT Electronics plc from 2014 to 2023, Richard transformed, reshaped and refocused the business, delivering product innovation, building the group organically and through acquisition, and delivering strong growth in revenue, profits and margin. Richard held senior roles at defence group Cobham plc, where he was a member of the executive committee and led the aerospace and security division. He also served as the Senior Independent Director and a Non-Executive Director of Videndum plc.

Richard is a fellow of the Royal Aeronautical Society and a Governor of St Swithun's Independent School for Girls in Hampshire. He is a graduate of the Executive Senior Leadership programme at Henley Business School, and holds a diploma from the Chartered Institute of Marketing and a BSc in Management Sciences from The University of Manchester.

External appointments:

Governor of St Swithun's Independent School for Girls.
Director of The Salters' Management Company Limited.

Committee Membership None

¹ Neil was independent upon appointment to the Board, in line with provision 10 of the UK Corporate Governance Code 2024.

Board of Directors continued

PAUL FRY

Chief Financial Officer

Appointed to the Board:

1 April 2025

Executive

Independent: No



Skills and experience:

Paul has a strong track record in senior positions at international healthcare and technology companies, having held the roles of CFO, most recently at Argenta Group and previously at Vectura plc and Immunocore Limited. With a career spanning more than 35 years, Paul has also held a number of senior roles at Vodafone and GlaxoSmithKline. He brings a wealth of highly relevant experience in business transformation, a clear understanding of Oxford Instruments' growth drivers, and a shared commitment to our purpose and values-led approach. Paul holds a BA in Philosophy, Politics and Economics from the University of Oxford and is an associate of the Chartered Institute of Management Accountants.

Paul's previous roles include serving as the Chief Financial Officer at Argenta Group Limited, as the Chief Financial Officer with a period as acting Chief Executive Officer at Vectura Group plc and as the Chief Financial Officer at Immunocore Limited.

External appointments:

Non-Executive Director and Chair of the Audit Committee of Avacta Group plc.

Committee Membership

None

ALISON WOOD

Senior Independent Director

Appointed to the Board:

8 September 2020

Non-Executive

Independent: Yes



Skills and experience:

Alison holds a BA in Engineering, Economics and Management from the University of Oxford and an MBA from Harvard Business School. Her background is in leading business development, M&A and strategic planning across blue-chip UK companies, particularly in the defence sector. She was formerly the Global Director for Corporate Development & Strategy at National Grid plc and before that, Group Strategic Development Director for BAE Systems plc. She is a highly experienced Non-Executive Director and committee chair, with her experience being particularly well suited to her role as Chair of Oxford Instruments' Remuneration Committee.

Alison's previous roles include serving as Senior Independent Director and Remuneration Committee Chair of Costain Group PLC and the British Standards Institute, a Non-Executive Director and Remuneration Committee Chair of Cobham plc and Capricorn Energy PLC (formerly Cairn Energy PLC), Senior Independent Director of e2v plc, Non-Executive Director and Remuneration Committee Chair of TT Electronics plc, and a Non Executive Director of both BTG plc and THUS plc.

External appointments:

Non-Executive Director and Chair of Galliford Try Holdings plc.
Senior Independent Director of Morgan Advanced Materials plc.

Committee Membership

A N R S

ROWENA INNOCENT

Non-Executive Director

Appointed to the Board:

17 February 2025

Non-Executive

Independent: Yes



Skills and experience:

Rowena is currently a consultant for AcoustoFab Ltd, which aims to create precision-driven, sustainable solutions that address real-world challenges across sectors such as lab automation, 3D printing and agritech. She also serves as a member of the Advisory Council at the National Composite Centre, and the Digital Program Expert Group for the DSIT National Measurement System, and is an Aegis Professor for Technology, Innovation and Equality and Chair of the IAB School of Physics at the University of Bristol. Rowena has over 30 years' experience in high-tech product design and manufacturing. She is a Chartered Engineer and holds a degree in Physics with Astrophysics from the University of Leicester. Prior to her current role, Rowena served as the Chief Operating Officer of Ultraleap Limited. She has also held the position of Group Head of STEM strategy at Spectris as well as a range of engineering leadership roles with Malvern Panalytical (a Spectris company), General Electric and Druck.

External appointments:

Consultant at AcoustoFab Ltd.

Committee Membership

A N R S

Board of Directors continued

SIR NIGEL SHEINWALD Non-Executive Director



Appointed to the Board:
22 September 2021

**Non-Executive
Independent:** Yes

Skills and experience:

Sir Nigel previously served as a British diplomat and has deep knowledge of international politics, strategy, regulation and communication. He holds an MA from Balliol College, University of Oxford, where he is now an Honorary Fellow. He joined the Diplomatic Service in 1976 and served in Brussels, Moscow, Washington and in a wide range of policy roles in London. He served as British Ambassador to the United States (2007-12) and European Union (2000-03) and as Foreign Policy and Defence Adviser to the Prime Minister (2003-07). Since leaving the Diplomatic Service in 2012 he has served on a wide range of corporate and not-for-profit boards. The extensive range of skills and experience that he brings, along with his commitment to Oxford Instruments' sustainability agenda, is a good fit with the Group's requirements and particularly benefit his role as Chair of the Sustainability Committee.

Sir Nigel was previously a Non-Executive Director and Chair of the Safety, Environment and Sustainability Committee at Royal Dutch Shell plc (now Shell plc).

External appointments:

Non-Executive Director of Invesco Ltd.

Visiting Professor at King's College, London.

International Advisory Board member of BritishAmerican Business.

Advisory Board member of Centre for European Reform, London.

Committee Membership

A N R S

HANNAH NICHOLS Non-Executive Director



Appointed to the Board:
1 January 2024

**Non-Executive
Independent:** Yes

Skills and experience:

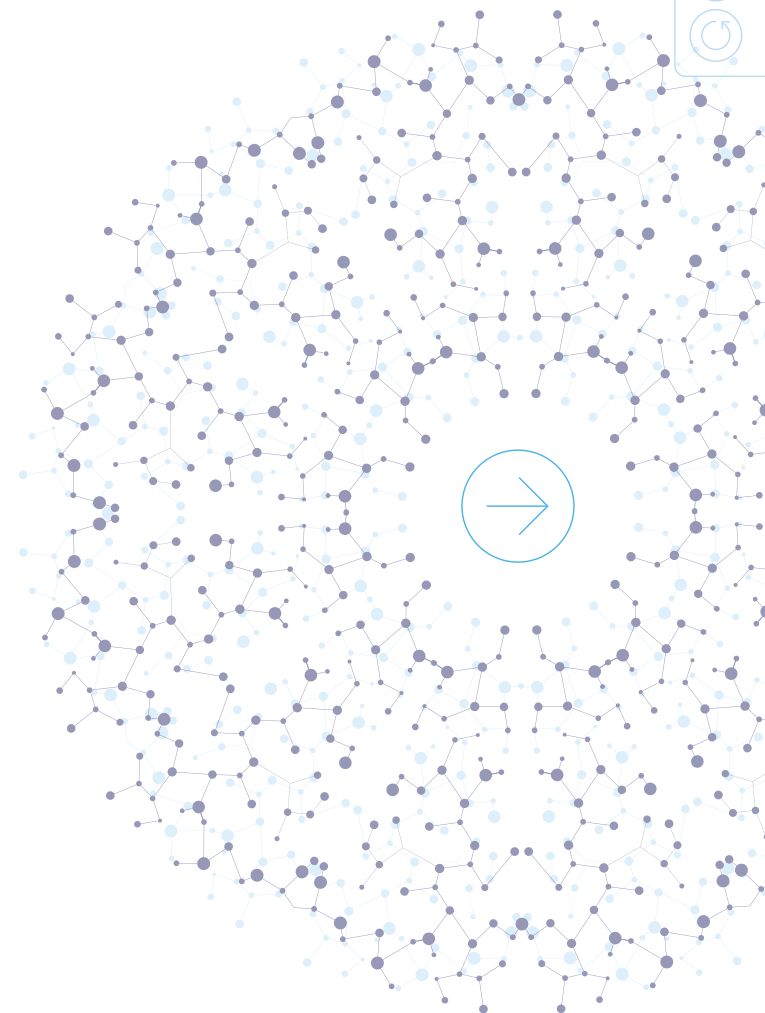
Hannah is currently Chief Financial Officer of Coats Group plc, which is a world leader in thread manufacturing and structural components for apparel and footwear, as well as an innovative pioneer in performance materials and a constituent of the FTSE 250 index on the London Stock Exchange. She holds a Classics degree from the University of Cambridge and is a qualified chartered accountant. Hannah is an experienced financial professional; prior to her current executive role she held the role of Chief Financial Officer of Hill & Smith PLC, and prior to this, had a successful 15-year career at BT Group plc, latterly serving as Chief Financial Officer, Asia, Middle East and Africa for BT Global Services, based in Singapore. She also held a number of commercial roles at Cable & Wireless plc and qualified as a chartered accountant at Arthur Andersen. Hannah's expertise demonstrates how she is well suited to the role of Chair of the Audit and Risk Committee.

External appointments:

Chief Financial Officer of Coats Group plc.

Committee Membership

A N R S



Governance at a glance

The Board is committed to **high standards of governance** and to ensuring that our **purpose, values and behaviours** are consistently reflected in the way the Group operates.

Board composition

Board gender diversity:

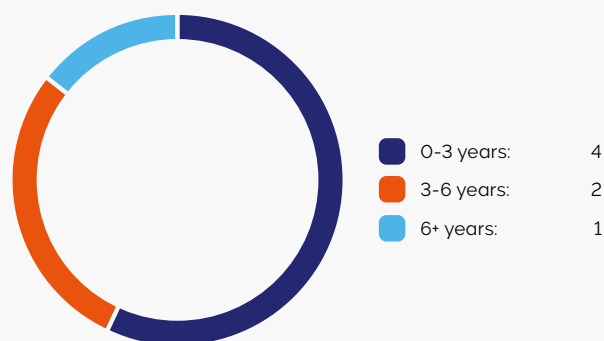


👤 – 43% female 👤 – 57% male

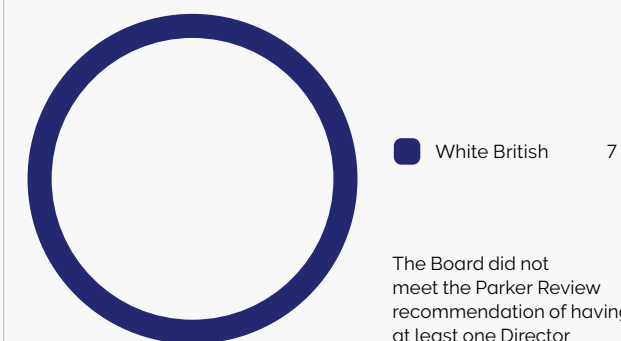
Senior Board positions

Chair	👤
Chief Executive Officer	👤
Chief Financial Officer	👤
Senior Independent Director	👤

Board tenure



Board ethnicity



The Board did not meet the Parker Review recommendation of having at least one Director from a minority ethnic background. Further detail on our approach and plans is set out in the Nomination Committee Report on page 125.

Governance at a glance continued

Board and Committee meetings and attendance

Committee key

A Member of the Audit and Risk Committee

R Member of the Remuneration Committee

N Member of the Nomination Committee

S Member of the Sustainability Committee

C Committee Chair

Director	Committee membership	Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Neil Carson	N R S	10/10	N/A	1/1	6/6	4/4
Richard Tyson		10/10	N/A	N/A	N/A	N/A
Paul Fry		10/10	N/A	N/A	N/A	N/A
Alison Wood	R A N S	10/10	5/5	1/1	6/6	4/4
Sir Nigel Sheinwald	S A N R	10/10	5/5	1/1	6/6	4/4
Hannah Nichols	A N R S	10/10	5/5	1/1	6/6	4/4
Rowena Innocent	A N R S	10/10	5/5	1/1	6/6	4/4

In addition to the scheduled meetings, two sub-committee meetings of the Audit and Risk Committee and three sub-committee meetings of the Board were held.

At the end of each Board meeting, the Non-Executive Directors meet without the Executive Directors present and at the end of each Audit and Risk Committee meeting, the Committee meets with both the internal and external auditor without management present.

Board skills and experience

Specific skill, experience or expertise	Number of Directors identifying as having specific skill, experience or expertise						
Chairmanship							
Listed Company Executive directorship(s)							
Listed Company Non-Executive directorship(s)							
Financial expertise							
Financial reporting experience							
Risk management							
Investor relations							
Corporate governance							
Executive remuneration							
Workforce engagement							
Strategy development							
International business experience							
Commercial and business development							
Business management							
Operations and manufacturing							
Services and life cycle revenue							
Technology, Science or Engineering							
Sustainability							
Climate change							
Energy transition							
Customer focus							
People leadership							
Digital experience							
Government Relations, Public Affairs and Communications							

Governance at a glance continued

UK Corporate Governance Code

UK Corporate Governance Code 2024 (the 'Code'):
Statement of Compliance

Oxford Instruments plc is subject to the UK Corporate Governance Code 2024 (the 'Code') issued by the Financial Reporting Council. The Code is available in full at [frc.org.uk](https://www.frc.org.uk). For the financial year ended 31 March 2026, the Board considers that it has applied the principles and complied with the provisions of the Code.

The company complied with Provision 29 of the 2018 Code during the year and has a clear plan of action to comply with the enhanced requirements of Provision 29 of the 2024 Code for the year ending 31 March 2027. Further details of our preparations for compliance can be found in the Audit and Risk Committee Report on pages 127 to 136.

Disclosure Guidance and Transparency Rules

The company is also required to comply with Disclosure Guidance and Transparency Rule 7.2. The following specific disclosures required under this Rule can be found as follows:

- A description of the main features of our internal control and risk management systems in relation to the financial reporting process can be found on page 79.
- Share capital information can be found in the Directors' Report on page 174.
- Details of the composition of the Board and its Committees can be found on pages 102 to 104.
- Our Board diversity policy is described on page 125.

How we have applied the Code principles

Board leadership and company purpose The Board sets the strategic direction for long-term, sustainable success. It leads by example, promotes our purpose and values, and ensures meaningful engagement with stakeholders. Pages 100 to 105.	Division of responsibilities We maintain a clear division of responsibilities, with an effective balance of Executive and Non-Executive Directors and well defined roles for the Board and executive management. Pages 108 and 109.	Composition, succession and evaluation The Board monitors and maintains an appropriate mix of skills, experience and knowledge. Regular Board evaluations and robust succession planning support effective governance and future leadership needs. Pages 102 to 106, 121 to 122, and 125.
Compliance and culture The Board oversees and promotes a culture that reflects our purpose and values, ensuring our operations are conducted ethically and in line with our governance standards. Page 120.	Audit, risk and internal control Through the Audit and Risk Committee, the Board oversees the effectiveness and independence of internal and external audit, the integrity of financial reporting, and the robustness of risk management and internal control systems. Pages 132 to 136.	Remuneration Our remuneration framework aims to fairly and responsibly reward executives while aligning incentives with long-term, sustainable performance and the delivery of our strategic priorities. Pages 139 to 171.

The Board has complied with all applicable provisions of the UK Corporate Governance Code during the year. The Board's approach to wider best-practice recommendations, including the Parker Review, is explained elsewhere in this report.



Corporate governance report

Our governance framework

The Board

The Board is accountable to shareholders for the long-term sustainable success of the Group. This is achieved through setting the Group's strategy and priorities and overseeing their implementation within the Board's risk appetite and a framework of effective internal controls. The Board takes into account the interests of a range of stakeholder groups as part of its decision making process and is collectively responsible for engagement with the workforce.



Board Committees

The Board is supported by its principal Committees, each of which is responsible for overseeing and making recommendations to the Board on their respective specialist areas, as set out below and within their respective Committee reports.

Audit and Risk Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Hannah Nichols, Chair	Neil Carson, Chair	Alison Wood, Chair	Nigel Sheinwald, Chair
Oversees the integrity of financial reporting, monitors the effectiveness of internal controls and risk management, and maintains an independent relationship with external auditors. It safeguards shareholders' interests by ensuring transparent reporting and robust governance of these areas.	Leads board succession planning, ensuring the Board has the right mix of skills, experience and diversity to support long-term company success. It oversees Director recruitment, induction and ongoing training.	Sets and oversees executive pay to ensure it aligns with the company's strategy, long-term sustainable success and shareholder interests. It establishes fair, transparent remuneration policies for Directors and the senior management team, taking into account wider workforce remuneration, and linking rewards clearly to performance and the company's culture.	Oversees the company's approach to ESG matters, ensuring these issues are managed in line with good practice and the company's long-term objectives. It monitors material sustainability risks and opportunities, progress against the company's net zero transition plan and promotes transparent reporting.
Read more in the Audit Committee Report on pages 127 to 136	Read more in the Nomination Committee Report on pages 123 to 126	Read more in the Remuneration Committee Report on pages 139 to 171	Read more in the Sustainability Committee Report on pages 137 to 138



The Executive Leadership Team is responsible for the day-to-day running of the business of the Group, where delegated by the Chief Executive Officer. The team meets at least monthly and focuses on Group-wide performance, strategy and risk management.

Senior management and internal forums report to the Executive Leadership Team either directly or indirectly. They lead internally on delivering the objectives delegated by management as well as workstreams which encompass our environmental sustainability strategy via the Environmental Leadership Forum.

Corporate governance report continued

Roles of Directors on the Board and the Executive Leadership Team

The Board

The Board comprises the Chair, two Executive Directors and four independent Non-Executive Directors, all supported by the Company Secretary. The roles of the Chair, Executive Directors, Senior Independent Director and the Non-Executive Directors are formally documented and reviewed by the Board on a periodic basis.

Non-Executive chair	Senior Independent Director	Chief Executive Officer	Chief Financial Officer	Non-Executive Directors
Neil Carson	Alison Wood	Richard Tyson	Paul Fry	
Leads the Board, sets its agenda and ensures it operates effectively, fostering a culture of openness, constructive debate and high-quality decision-making. Ensures effective governance is maintained.	Leads the appraisal of the Chair's performance and provides an alternative point of contact for shareholders. Meets separately with the Non-Executive Directors and the Executive Directors without the Chair present. Responsible for escalating any issues identified through these discussions to the Board.	Responsible for the day-to-day management of the company, implementing the Board's strategy and overseeing operations. Carries out the Board's decisions and policies, ensuring the organisation has the resources, leadership and operational direction to achieve its objectives.	Leads the company's financial management, ensuring accurate financial reporting and strong internal controls. Along with the CEO, develops budgets and medium-term plans to deliver the strategy, oversees financial performance and provides strategic financial insight to the Board to drive long-term value.	Provide independent oversight and constructive challenge to the Executive Directors on delivery of the company's strategy and bring an external perspective to strategy, performance, risk management and governance to ensure balance in the Board's decision making process.

Corporate governance report continued

Board activities

The Board is responsible for establishing our purpose. It is also responsible for setting the strategy which we will deliver in line with the purpose, and which is underpinned by our values, culture and how we do business. For more information on our purpose, see page 8, and for more information on our strategy, see pages 33 to 38. To ensure that it fulfils its obligations to its shareholders and wider stakeholders, the Board actively engages with these groups in order to understand their needs and how delivery of our strategy impacts and delivers value for them. Details of such engagement activities are outlined in 'How we engage with stakeholders' on pages 112 to 119.

During the year, the Senior Independent Director supported the Chair in the effective operation of the Board and led the appraisal of the Chair's performance. She met separately with the Non-Executive Directors, providing an additional channel for discussion and feedback, and contributed to the Board effectiveness evaluation process. The Senior Independent Director was also available to shareholders should they have wished to raise concerns that could not be resolved through the usual channels.

The Board's activity and the outcomes of that activity are set out below. For more information regarding the key areas of focus for the Committees of the Board, please see their respective reports within this Annual Report.

	Strategy and sustainability	Financial	Operational	People and organisational	Risk, governance, legal, compliance and investor relations
Key Board activity	- Regular updates on progress with implementing the OI30 strategy - Business unit deep dive strategy sessions including site visits - New product innovation strategy review - Portfolio strategy discussion - Geopolitical considerations and mitigation actions - Investment in initiatives to meet net zero targets	- Regular financial performance updates - Full-year, half-year and trading updates - FY27 budget - Five-year strategic growth plan - Capital expenditure and investment - Cash flow, liquidity, going concern and long-term viability - Use of cash/capital allocation, including share buyback considerations - Defined Benefit Pension Scheme	- Regular updates on operational improvement programme - Health and safety updates - Supply chain risk assessment - ERM platform and target operating model - Customer services improvement programme	- Leadership talent and succession review - Employee engagement survey - Employee voice in the boardroom - Development of new Directors' Remuneration Policy	- Full and half-year risk reviews, including principal and emerging risks - Updates on cyber security landscape and risk mitigation - Updates from the Audit and Risk Committee on their oversight of preparations for compliance with Provision 29 of the 2024 Corporate Governance Code - AGM matters, including share allotment authority resolutions, Director re-elections and Articles of Association - Legal, Ethics and Compliance reviews - Modern Slavery Statement - Internal Board evaluation - Feedback from investors following results announcements - Movements in the investor share register

Corporate governance report continued

	Strategy and sustainability	Financial	Operational	People and organisational	Risk, governance, legal, compliance and investor relations
Outcomes	- Effective monitoring and oversight of the implementation of the OI30 strategy - M&A pipeline refreshed - Approval of the sale of the NanoScience business (see page 118) - Completion of one site heating infrastructure project - Approval of investment in Advanced Technologies new product development	- Publication of the FY25 preliminary results announcement, the FY25 Annual Report and Accounts, the FY26 half-year report and quarterly trading updates - Progressive final and interim dividends £50m share buyback programme completed in March 2026 and second £50m tranche under way - FY26 budget and refreshed five-year strategic growth plan approved - Company pension contributions ceased from October 2025 following the purchase of a policy to insure all members' Scheme benefits by the Trustee of the pension scheme	- Effective Board oversight of operations and execution of operational excellence programme - Actions to de-risk supply chain including strategic stock purchases and product redesign to reduce reliance on rare-earth minerals - Initiatives launched to optimise regional repair capacity and capability	- Population of the leadership development programme agreed - Feedback from Non-Executive Directors to the Board following employment engagement sessions, which was then reflected in internal communications to the wider employee group - Agreement that the Board will continue to be collectively responsible for workforce engagement - Continued support for employee share ownership	- Risk appetite workshop to formally define risk appetite for all principal risks - The Board was not made aware of any material weaknesses in the Group's risk management and internal control systems during the year - Continued active dialogue with shareholders and investment community - All AGM resolutions approved in the range of 91% to 100% - Publication of Modern Slavery Statement - Focus areas from FY26 internal Board evaluation identified
Key stakeholder groups considered	   	  	  	 	   
Links to strategy	     	 	   	  	  

Relevant Section 172 factors:

 Long-term
  Employees
  Business relationships
  Community and environment
  Business conduct
  Members of the company

Links to Strategy:

 Deliver strong growth through 'customer first' Ways of Working
  Simplify the organisation
  Embed our values and Ways of Working

 Deliver a step change in operational performance
  Invest in new technology and products, protecting and enhancing our core strengths
  Reach net zero in our own operations by 2030

Corporate governance report continued

Stakeholder engagement and Section 172(1) statement

The Board is committed to developing its understanding of the views of its key stakeholders. During the year, the Board has been collectively responsible for workforce engagement and has not designated a specific Non-Executive Director to undertake this responsibility. The Board considers that the mechanisms for workforce engagement, as set out below, have been effective, but will be kept under review in the coming year.

How we engage with stakeholders

In some instances, the Board engages directly with stakeholders, but there is also significant engagement by senior management and throughout the company. The Board receives reports and updates on such engagement, and the views and feedback gathered from stakeholders are used to inform discussion and decision making.

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
Customers We put our customers' needs at the centre of our conversations and decision making. Customer intimacy is key not only to helping us identify additional opportunities to deliver increased value to our customers, but to the long-term growth of our business.	- Excellent customer support and engagement throughout the buying cycle. - High-quality products and technical expertise. - Products which deliver value and help customers to meet their objectives. - Remote access and continuity of supply during disruption.	- The Executive Directors and senior management frequently host direct meetings with key customers from around the world, including virtually and in person at our sites. These meetings provide meaningful opportunities to understand first hand, at a senior level of the organisation, how we can enhance our offering to customers by shaping our understanding of their current and future needs. - The Board considers feedback from these meetings, together with, for example, outputs from our heightened customer intimacy such as customer trends.	- Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress. - Continuing to invest in R&D allows us to deliver cutting-edge products and services. Insights gained from customer intimacy are instrumental in helping to determine where investment should be made. - Through deep knowledge of our target market segments and the challenges faced by customers, we have changed the way we communicate with prospective and existing customers, more clearly identifying the value our products can add. - Our portfolio focuses on areas where our key enabling technologies are driving long-term success. This allows us to help customers to make ground-breaking discoveries, accelerate their applied R&D and increase productivity in high-tech manufacturing. - Insights from customers help us to align our innovation and product development initiatives to their strategic roadmaps, so we can create differentiated products and solutions which provide significant value. - We have continued to refine our service offering with digital connectivity helping to maintain productivity through remote access and service. - Our transition to a more regional sales model has developed how we work with customers, enhancing input into the business from our Regional Presidents. - Ongoing investment in customer service aids customer connections. - Ongoing improvements in the systems and methods used to understand customer needs and use that insight in business decisions.	Continued investment in high-quality products and technical expertise is key to the long-term growth of the business and is in firm alignment with the company's strategy, which the Board sets and supports. The Board reviews the product development pipeline and approves the capital allocation for product development as part of the budget process, as well as specific product development investment decisions where significant. See our strategy / Pages 33 to 38



Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
Employees Our employees are the foundation of our business success, and we have a responsibility to support their health, wellbeing and development. A highly capable, diverse workforce also enables us to better understand our customers and markets. Building an organisation with a broad range of perspectives and experiences increases our ability to innovate, to make the right decisions and to meet or exceed our customers' expectations.	• Development and progression opportunities. • Health, safety and wellbeing. • Fostering an inclusive workplace. • Understanding how they contribute to our strategy and success. • Fair and consistent remuneration. • Clarity of expectation on how recognition and remuneration structures align with accountabilities.	• The Board again participated in a formal programme of employee engagement activity this year, which included sessions focused on executive remuneration and full-Board site visits to our Severn Beach and High Wycombe sites. • We maintain an engaging and structured approach to connecting with our employees, with regular sessions for all employees held at business unit and regional level, together with an active intranet and Group-wide email communications on key strategic initiatives. A periodic engagement survey tracks employee sentiment. • We continue to promote our 'Push for Zero' health and safety programme and Shield reporting system.	• The Board discusses the insights and actions from all of its employee engagement activity. During these sessions, employees raised questions on a wide range of topics including the Group's strategic direction, approach to M&A and the potential implications of the geopolitical environment on the business. Non-Executive Directors responded directly to the questions during the sessions and management subsequently addressed the themes raised through follow-up communications to the wider employee population. The Board will be participating in a programme of engagement activity during 2026/27. • The Remuneration Committee reviewed the wider workforce remuneration landscape and related policies, and considered these when developing the proposals for the new Directors' Remuneration Policy, and setting Executive Director and Senior Leadership Team remuneration. • We have continued to promote observation reporting in relation to health and safety, aiming to ensure that remedial actions can be taken to prevent accidents from happening.	Decisions relating to our social sustainability agenda, from health, safety and wellbeing to investment in our people. See the Sustainability Report / Pages 51 to 78 and Sustainability Committee Report / Pages 137 to 138 Setting Executive Director and Senior Leadership Team remuneration. See the Directors' Remuneration Report / Pages 139 to 171



Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
Shareholders Generating value for shareholders is part of the Board's fundamental role, alongside promoting the long-term sustainable success of the company and the Group and contributing to society. Our goal is to deliver shareholder returns through profitable, sustainable growth with strong cash conversion and efficient use of capital.	- Current and future financial performance. - Communication and engagement. - Sustainability.	- We actively engage with shareholders throughout the year to ensure they understand the performance of the business. - At multiple occasions throughout the year, we hosted analysts and shareholders at both our High Wycombe site and compound semiconductor facility in Bristol to highlight our capabilities. - Our ongoing programme of dialogue includes numerous shareholder meetings and roadshows, which are facilitated alongside the publication of the Annual Report and full-year and half-year results announcements. - During the year, the Chair, Remuneration Committee Chair and Executive Directors all directly engaged with a range of shareholders, including both virtual and in-person meetings at our sites. Key topics included the company's financial results and strategy as well as the consultation on the revised Directors' Remuneration Policy. - Our externally appointed IR specialist increases the bandwidth available to meet and inform a broader range of new shareholders.	The Board as a whole receives updates regarding the nature and outcome of meetings and engagement by certain Directors with the company's shareholders. This feedback helps the Board to shape the strategy, which enables the company to deliver shareholder returns through profitable, sustainable growth with strong cash conversion and efficient use of capital.	Developing and delivering against our strategy. See our strategy / Pages 33 to 38 Consultation on the Directors' Remuneration Policy See the Directors' Remuneration Report / Pages 139 to 171 Capital allocation policy See the Financial Review / Pages 42 to 50 Consideration and decisions relating to our wider sustainability agenda, from inclusion to setting net zero targets. See the Sustainability Report / Pages 51 to 78 and Sustainability Committee Report / Pages 137 to 138



Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
Suppliers Our supply chain plays a vital role in supporting sustainable growth and efficiency across the business. It is imperative that we attain the highest quality products and service for our customers, whilst also striving to enhance the efficiency of the business and to reduce risk. Engaging with our supply chain is also crucial in the development and delivery of our net zero commitment.	- Long-term partnerships. - Visibility of the wider supply chain, so that they can best forecast future requirements. - Strong relationships built on trust and respect.	- It is crucial to provide our suppliers with accurate forward visibility in order to align our customers' requirements with our total supply capabilities. We share the output from our sales and operations planning process with them, and we have dedicated Category Managers to help reduce risk and improve efficiency. We must ensure our extended supply chain meets our strict environmental compliance requirements, whilst challenging them to provide improvements to quality. Our key suppliers are encouraged to become part of our new product introduction process, allowing them to add value to our process. - The Board remains mindful of potential supply chain challenges and where appropriate, will be briefed as regards any necessary work to mitigate the impacts of these challenges.	- As part of our operational excellence programme, we continue to work to strengthen our supply chain by executing a procurement strategy focused on leveraging our scale and building long-term strategic relationships with fewer suppliers. - We have continued to develop our supplier due diligence and audit procedures, including engaging a leading compliance partner to support our collection and assessment of data. We have a zero-tolerance approach to all forms of modern slavery, including servitude, forced, bonded and compulsory labour, and human trafficking, and we expect our suppliers to adopt the same approach. - We are implementing new processes around supply chain risk and ESG activities for FY27.	Developing and delivering against our operational excellence programme. Decisions relating to the environmental and governance strands of our sustainability agenda, from supply chain responsible sourcing to human rights and modern slavery. See the Sustainability Report / Pages 51 to 78 and Sustainability Committee Report / Pages 137 to 138



Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
Local communities Striving to meet our purpose in alignment with our values enables us to support the development of stronger communities and have a positive environmental and social impact.	• The environment. • Local small businesses. • Schools and colleges within their region. • Volunteering opportunities. • Charitable donations. • The appearance and tangible impact of our sites and operations.	• We actively engage in locally focused activities that make our communities and environments a better place to live and work. • We are committed to empowering students with an understanding of the working world and the range of career opportunities that choosing STEM subjects could open up, so we facilitate school visits, work experience programmes and industrial post-doctoral placements. • We aim to support the small, independent businesses near our sites. • We help our employees to support their local communities through charitable donations. • We aim to be considerate neighbours in all aspects of how we operate, but in particular, we recognise the importance of the appearance and tangible impact of our sites and operations.	• We operate 'Go Green' committees at many of our sites to deliver a local environment agenda and promote positive behaviours amongst peers. They are focused on finding innovative ways to improve our environmental impact. • Many of our people are keen to share their expertise and to make a difference to the people and organisations that are close by, and we encourage them to get involved through volunteering schemes. We operate a 'Volunteer time-off' programme for eligible employees which offers many benefits, including increasing the positive impact we have in our communities, boosting employee morale and enhancing team bonding. • We have facilitated collections of contributions to local food banks and fundraising activity for local charities and causes. • We are committed to minimising emissions.	Decisions relating to our wider sustainability agenda, from community impact to supporting next-generation talent. See the Sustainability Report / Pages 51 to 78 and Sustainability Committee Report / Pages 137 to 138



Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
Society Through our stated purpose – to accelerate the breakthroughs that create a brighter future for our world – we are committed to making a positive impact on the world through our solutions and services. Our purpose underpins our wholehearted commitment to playing our part in creating a sustainable future throughout our operations, and by behaving as a responsible business.	- Protecting and enhancing the environment. - Addressing the impacts, risks and opportunities arising from climate change. - The development of new and affordable vaccines and treatments for diseases. - Fostering a more connected world. - Enabling advances in technology.	- Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress. - We use our market intimacy to develop new products and services in pursuit of our purpose. - We engage directly with universities, governments and leading companies to explore and develop new ideas, and to support productivity. - Our Sustainability Committee elevates oversight of the Group's sustainability agenda to Board level, with a specific focus on considering our approach to climate change, amongst other things.	- Our sites and grounds are well maintained and sensitive to the local environment and wildlife. - We continue to develop new products and services, as set out in the CEO review on pages 11 to 23. - Our Sustainability Committee has continued to keep under review the progress being made across its wider remit, including our work towards achieving our ultimate net zero target of 2045 and interim targets to 2030 in respect of both our Scope 1 and 2 emissions.	See our Sustainability Report / Pages 51 to 78 Information on the work of the Sustainability Committee / Pages 137 to 138



Corporate governance report continued

Spotlight



Principal decision case study

Disposal of our NanoScience business

As part of its ongoing review of portfolio composition and long-term strategy, the Board considered the future role of the Group's NanoScience business. This review formed part of the Board's wider responsibility to promote the long-term success of the company, taking into account the interests of shareholders and other key stakeholders.

The Board assessed whether continued ownership of the NanoScience business was the optimal route to deliver sustainable value, recognising the differing market dynamics, investment requirements and growth trajectories across the Group's businesses.

In evaluating the proposed sale, the Board considered a broad range of factors, including:

Strategic fit: alignment of the NanoScience business with the Group's strategic priorities and capital allocation framework.

Long-term value creation: the comparative medium- and long-term value of retaining the business versus divestment, including use of proceeds to strengthen the Group's balance sheet and invest in growth opportunities elsewhere.

Risk profile: operational, commercial and investment risks associated with the NanoScience business relative to the remainder of the Group.

Market conditions: current and expected market demand, technological developments, and the attractiveness of the asset to potential buyers with sector-specific expertise.

External financial and legal advisers were engaged to support the Board's evaluation, including assessment of valuation, transaction structure, and execution risks.

The Board recognised that the proposed transaction would have a direct impact on employees within the NanoScience business. In its deliberations, the Board considered plans for employee consultation and communication at appropriate stages of the process; the prospective owner's strategic intent, operational capability and approach to people, culture and long-term investment; and continuity of employment and future opportunities for employees. The Board sought assurance from management that employee interests were treated carefully and respectfully throughout the process.

The Board also considered the implications of the sale for other stakeholders, including suppliers: continuity of commercial relationships, payment terms and operational stability during and after the transition and customers: the ability of the business to continue to deliver high-quality products, service and innovation under new ownership.

The transaction was reviewed at multiple Board meetings. The Board challenged management assumptions and alternative options, reviewed risk assessments and mitigation plans, ensured that appropriate internal controls and authorities were applied throughout the transaction life cycle, and considered its responsibilities under Section 172 of the Companies Act 2006 in reaching its decision.

Following careful consideration, the Board concluded that the sale of the NanoScience business was in the best interests of the company and its shareholders, while also having due regard to employees and other stakeholders.

Corporate governance report continued

Section 172(1) Statement

During the year to 31 March 2026, the Board of Directors has acted to promote the long-term success of the company for the benefit of its shareholders, whilst having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006, being:

- The likely consequences of any decision in the long term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and the environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the company.

In addition to the detailed disclosure which demonstrates how the Board has had regard to these matters in the preceding Board activities and How we engage with stakeholders section on pages 112 to 119, further examples can be found in the following sections of this Annual Report.

Additional information demonstrating how the Board has had regard to the factors set out in Section 172(1) of the Companies Act 2006

Matters per Section 172(1)(a) to (f) of the Companies Act 2006	Key example(s)	Page number
Consequences of any decision in the long term	Our purpose-driven approach	8
	Our strategy	33 to 38
	Risk management	79 to 95
Interests of employees	Employee engagement	113
	Our purpose-driven approach	8
	Sustainability	51 to 78
Fostering business relationships with suppliers, customers and others	Engagement with suppliers	115
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Corporate governance report continued

Monitoring culture

Our Ways of Working framework, set out on page 8, provides the foundation of our values and, in turn, our culture at Oxford Instruments.

The Board recognises its responsibility to oversee and promote a culture that supports the company's purpose, values and long-term success. Culture is monitored through a range of formal and informal mechanisms, including employee engagement activities, site visits, workforce surveys and whistleblowing arrangements.

The Audit and Risk Committee receives regular reports on matters raised through the company's whistleblowing processes, including the nature of cases, investigation outcomes and any remediation actions. The Committee considers whether issues identified may indicate broader cultural or behavioural themes and, where appropriate, escalates relevant insights to the Board.

Mechanisms for monitoring and embedding culture

Senior Management interaction

Various members of the senior management team attend Board and Committee meetings to present on their areas of responsibility. This gives the Directors insight into how leadership culture is embedded beyond the Executive Directors.

Directors also have the opportunity to meet with members of the senior membership team in more informal settings.

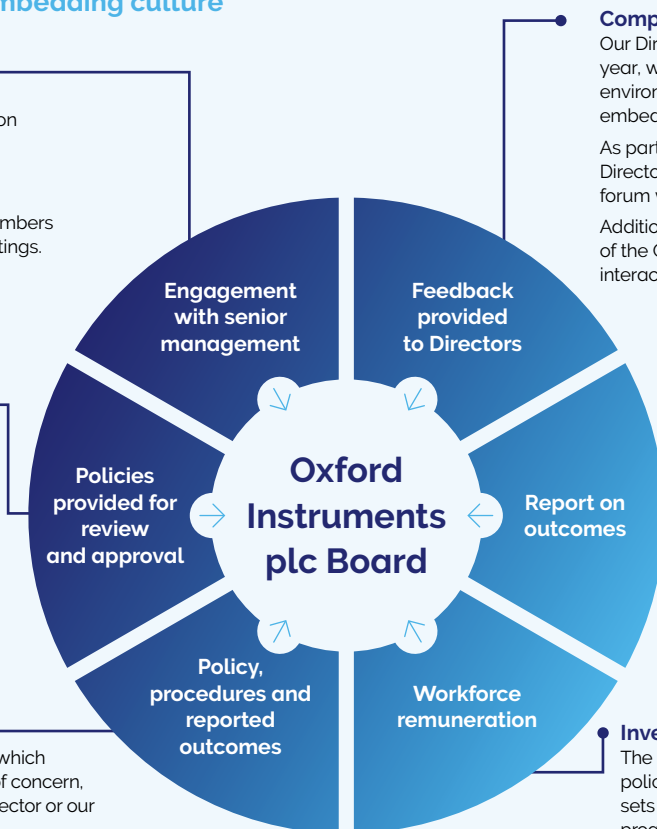
Code of Conduct

Workforce policies and our Code of Conduct underpin our values and culture. Each of our employees is required to read our Code of Conduct and complete mandatory training when they join the Group, and at least annually thereafter. Training completion rates are monitored by the Audit and Risk Committee. The Board periodically reviews these policies to ensure they remain appropriate and support the expected behaviours and values across the Group.

Workforce concerns

The Board has approved the policy and procedures which enable and encourage employees to raise matters of concern, either with management, the Senior Independent Director or our dedicated, confidential third party hotline, SafeCall.

The Audit and Risk Committee receives a report from the General Counsel at least annually detailing all such matters raised and the outcomes of the associated investigations. If a serious matter is alleged, it is notified immediately to the Chair of the Audit and Risk Committee and/or the Chair or Senior Independent Director as appropriate. This oversight supports the Board in assessing whether the company's values and expected behaviours are being consistently embedded across the organisation.



Company site visits and employee insights

Our Directors undertake site visits to different sites each year, which provides first-hand experience of the workplace environment, health & safety processes and how culture is embedded throughout the Group.

As part of these site visits, the Chair and Non-Executive Directors meet with groups of employees in an open discussion forum which gives them further insight into the Group's culture.

Additionally, the CEO and Chief HR Officer routinely visit various of the Group's sites and report back to the Board on their interactions and discussions with employees.

Employee engagement survey

The Group conducts an externally benchmarked periodic engagement survey covering a broad range of topics, including specific questions on the Group's culture, Ways of Working and whistleblowing arrangements. The results of the survey are reported to, and discussed by, the Board giving them insight into how culture is embedded throughout the Group.

Investing and rewarding employees

The Remuneration Committee reviews workforce remuneration policies, including gender pay gap data. The Committee also sets the targets applied to the Group's share based incentive programme and annual bonus targets for senior management to ensure that incentivisation metrics are aligned with the Group's culture and the Board's long-term strategy.

As part of the performance development review process, managers assess employees not only on delivery of objectives but also on how those objectives are achieved, including performance against Oxford Instruments' Ways of Working. This helps embed the company's values and expected behaviours across the workforce.

Corporate governance report continued

Board effectiveness

The Board recognises the need to monitor and continually improve its performance. It carries out internal or externally facilitated Board performance reviews annually, in order to obtain feedback to help enhance its effectiveness.

In line with our three-year cycle, the FY26 Board evaluation was carried out internally. Each Director completed a detailed questionnaire covering a wide range of topics, including strategy, Board composition and diversity, Board dynamics, risk management and internal control, workforce engagement, Director development, the operation of the Board and its Committees, and the performance and contribution of the Chair and the Senior Independent Director.

The Company Secretary collated and summarised the responses, providing the Chair with the key themes and all verbatim comments, except those relating to the Chair's own performance, which were shared directly with the Senior Independent Director. The Chair then met individually with each Director to explore their feedback in more depth. The collective findings were subsequently discussed at a Board meeting.

The Directors confirmed that the outcomes from the prior year effectiveness review, which was externally facilitated by Round Governance Services, had been effectively addressed during the year:

- Strategy updates were a standing agenda item for each meeting, along with more time being allocated to deep dives of key elements of the strategy.
- The Board had more interaction with members of the Senior Leadership Team, both through formal updates to the Board as well as informal engagement outside of Board meetings.
- The Board further developed their knowledge and understanding of technology and the investment pipeline, through sessions at Board meetings delivered by subject matter experts.

With regards to FY26, the Board effectiveness review confirmed that the Board is operating effectively, with strong engagement, constructive challenge and a clear focus on long-term value creation. The Board reaffirmed the importance of continued oversight of strategy, maintaining discipline around M&A while prioritising organic growth and the funding required to support it.

The Board acknowledged that it does not currently meet the Parker Review recommendation and agreed that diversity will continue to be a key consideration in future succession planning. Workforce engagement activities were valued by both Directors and employees. The Board agreed to place continued emphasis on these activities, including enhanced engagement at the annual Leadership Conference and site visits, to provide broader exposure to senior management beyond the Executive Leadership Team.

The review highlighted continued strengthening of risk oversight, with the risk appetite workshop seen as particularly valuable. As a result, the Board agreed to enhance the mapping of principal risks to Board agenda items and to continue regular risk-focused discussions.

Board information and development

The Chair ensures that Directors are well informed on matters considered at Board meetings and that they receive accurate, timely and relevant information necessary to support effective decision making. To enable the Board to carry out its responsibilities, Directors are provided with comprehensive briefing materials in advance of meetings. The Board's Committees are also supported with the resources they need to fulfil their roles, including access to internal expertise and external advisers where appropriate. Where Directors consider it necessary to do so in order to discharge their duties, they may seek independent professional advice at the Company's expense.

All Directors also have access to the Company Secretary, who provides guidance on governance matters and supports the Board in meeting its obligations.

The Board and Committees receive dedicated training and information on matters relevant to the Group's business, including operational and technological briefings and updates on legal, regulatory and governance developments. During the year, training and updates were provided by the Company's remuneration adviser, external counsel, an external AI subject matter expert and internal subject matter experts.

Board induction programme

The Chair and Company Secretary are responsible for ensuring that all Directors receive a full, formal and tailored induction upon joining the Board. Whilst our induction programme will be tailored based on the needs, experience and background of the individual Director, it will ensure that they gain a comprehensive understanding of the Group through activities including: visits to our sites, one-to-one sessions with the Executive Directors, sessions with all members of the Executive Leadership Team, meetings with various functional and regional heads, and the opportunity to meet with a range of employees across the business.

Board diversity

The Board is committed to fostering diversity and inclusion within its membership. We recognise that a broad mix of backgrounds and perspectives – including gender, ethnicity, religion, disability, sexual orientation, socio economic background, age and a range of cognitive and personal strengths – contributes meaningfully to an effective and well rounded Board. While we believe diversity is an important component of Board effectiveness, we do not consider it appropriate to expand the Board solely for this purpose.



Corporate governance report continued

Instead, diversity remains a key consideration within the broader set of skills and experience we assess whenever a new appointment is required.

The Board's tenure, gender and ethnicity are set out on page 105. The Board's diversity policy and plans and progress against the recommendations of the FTSE Women Leaders Review and the Parker Review are described in the Nomination Committee Report on pages 123 to 126.

Board independence

At the end of the financial year, the Board consisted of seven Directors: the Chair (who was considered independent on appointment), four independent Non-Executive Directors as confirmed through the Board's annual assessment, and two Executive Directors – the Chief Executive Officer and the Chief Financial Officer. This composition meets the Code's recommendation that at least half of the Board, excluding the Chair, should be independent Non-Executive Directors.

Our Board Committees also continued to operate in line with the Code's requirements throughout the year. Details of each Committee's membership and work can be found in the individual Committee reports within this Annual Report.

External commitments

The Board is attentive to the time commitments required of our Non-Executive Directors to carry out their responsibilities effectively. Before joining the Board, prospective Directors share details of any existing roles or significant commitments that could affect their availability. Directors are expected to keep the Board informed of any new external appointments, and any such appointment requires the Chair's approval. We monitor external commitments to ensure each Director continues to have sufficient time to fulfil their duties. Further details on each Director's background and significant commitments are provided in the Board biographies on pages 102 to 104.

During the financial year and up to the date of signing the Annual Report, Alison Wood resigned as Non-Executive Director and Chair of the Remuneration Committee of TT Electronics plc; Hannah Nichols was appointed as Chief Financial Officer of Coats Group plc; Richard Tyson stepped down as the Senior Independent Director and a Non-Executive Director of Videndum plc; and Neil Carson stepped down as a Non-Executive Director of Shell plc.

Conflicts of interest

The Companies Act 2006 states that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. Boards of public companies may authorise conflicts and potential conflicts, where appropriate, if permitted by the company's Articles of Association – and the company's Articles of Association do allow for this.

Directors are required to disclose conflicts and potential conflicts to the Chair and the Company Secretary as and when they arise. When a Director takes on additional external commitments, they will discuss the potential position with the Chair and confirm that, as far as they are aware, there are no conflicts of interest. During the year, none of the Directors declared to the company any actual or potential conflicts of interest between any of his or her duties to the company and his or her private interests and/or other duties, except for the Executive Directors, who hold the position of Director of the company. The system for monitoring potential Director conflicts remained effective throughout the period.

Director re-election

In line with best practice and the company's Articles of Association, all Directors are required to retire from office at each AGM, in order to be proposed for re-election by the company's shareholders should they wish to continue in their role. At the company's 2025 AGM, all Directors on the Board at that time were reappointed by shareholders with majority votes ranging from 94% to 100%. Paul Fry was appointed to the Board as an Executive Director in his capacity as Chief Financial Officer on 1 April 2025, and was therefore elected by shareholders for the first time at the 2025 AGM.

Having considered the performance and contribution of each of the Directors, the Board remains satisfied that they are operating effectively and continue to demonstrate commitment to their roles. The Board will therefore recommend the re-election of all Directors who intend to stand for appointment at the AGM.

The biographical information of each Director, their initial appointment dates and the reasons for their respective re-election, can be found on pages 102 to 104. More information regarding the Board and the Director performance review process is set out on page 121.



Nomination Committee report

NEIL CARSON
Chair



Committee membership

The current members of the Committee are:

Neil Carson (Chair)
Alison Wood
Sir Nigel Sheinwald
Hannah Nichols
Rowena Innocent

- For details of attendance at Committee meetings during the financial year, see page 106.
- For the biographies of all Committee members, see pages 102 to 104.

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2026.

This has been a stable year for the Board, with no changes to its composition. As a result, the Committee met once during the year, focusing primarily on our ongoing succession planning for the Board and senior leadership.

Although activity has been limited, the Committee remains committed to ensuring the Board retains the right balance of skills, experience and diversity to support the Group's long-term strategy. The Nomination Committee's work focuses on ensuring the Board has the right mix of skills, experience and perspectives to support the Group's long-term success. Our responsibilities include overseeing succession planning for the Board and senior leadership, monitoring the balance of skills and diversity on the Board, and reviewing the findings from the annual Board evaluation that relate to composition and leadership needs.

When Board appointments are required, the Committee identifies and recommends suitable candidates and ensures that any new Non-Executive Director receives a clear outline of their responsibilities. We also keep under review the time commitments of Non-Executive Directors and make recommendations to the Board on matters such as reappointments, re-elections and committee membership.

At the end of the year, the Board did not meet the Parker Review recommendation to have at least one Director from an ethnic minority background. The Board has considered this position carefully and does not believe it would be appropriate to appoint an additional Director solely to meet this recommendation.

Diversity, including ethnicity, remains a high priority for the Board and will be a key consideration in future succession planning. When the next Non-Executive Director appointment is made, the Board will seek a diverse candidate pool, alongside ensuring that the selected candidate brings the skills, experience and perspectives required to support the company's strategy and long-term success. The Board will also keep under review whether an expansion of the Board would be appropriate as part of this process.

I would like to thank my fellow Committee members for their continued support during the year, and I look forward to updating shareholders on our progress in next year's report.

I will be available at the AGM to answer any questions you may have regarding the work of the Committee.

NEIL CARSON
Chair of the Nomination Committee

8 June 2026

Nomination Committee report continued

Key responsibilities

1. Board composition:

The Committee keeps the structure, size and composition of the Board under review, considering the balance of skills, experience, knowledge and diversity needed for effective leadership.

2. Succession planning:

We oversee plans for the orderly succession of Board members and the Executive Leadership Team, ensuring a strong and diverse pipeline that reflects the company's future needs and the opportunities and challenges it faces.

3. Leadership needs:

The Committee reviews the leadership requirements of the organisation – both Executive and Non-Executive – to help ensure the company has the capability to compete effectively and deliver its strategy.

4. Board appointments:

When vacancies arise, we identify and recommend suitable candidates for Board approval. Before any appointment, we assess the existing balance of skills and experience and define the role requirements, including the expected time commitment.

5. Onboarding:

We ensure that all newly appointed Non-Executive Directors receive a clear and comprehensive letter of appointment setting out their responsibilities.

6. Board evaluation insights:

The Committee considers the findings from the Board evaluation process relating to Board composition and succession planning.

7. Time commitments:

We review annually the time required of Non-Executive Directors to ensure they can continue to meet their obligations.

8. Recommendations to the Board:

The Committee advises the Board on:

- updates to the succession planning approach;
- candidates for new appointments and succession to existing roles;
- Committee membership across the Audit and Risk, Remuneration and Sustainability Committees;
- reappointment of Non-Executive Directors at the end of their terms;
- Directors standing for re-election by shareholders;
- any matters relating to the continuation in office of a Director; and
- appointments to executive or other roles as appropriate.

Committee composition

In line with the Committee's terms of reference, which are available on our website at: www.oxinst.com/investors/ corporate-governance, the Committee comprises a majority of independent Non-Executive Directors and is chaired by the Chair of the Board, Neil Carson.

Meetings

The Nomination Committee holds a minimum of one meeting annually, as required under its terms of reference. Regular attendees at meetings may include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer, where appropriate. The Company Secretary is the secretary to the Committee.

Committee performance review

During the year, an internal performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on page 121. The review found that the Committee functions effectively.

Appointments to the Board

The Nomination Committee is responsible for leading the process for appointments to the Board and its standard process when making new appointments to the Board is set out below.

Director appointment process

Evaluate Board composition and determine required capabilities of proposed appointee	Evaluate the Board's skills, experience, independence, diversity and knowledge, and utilise this to develop a specification which reflects the role and specific capabilities required.
Advertise role and determine long list of potential candidates	Advertise the role using open advertising (unless confidential) and by instructing external executive search consultants with the necessary expertise. Identify long list of potential candidates based on, amongst other things, experience, capabilities, merit and diversity.
Refine short list of potential candidates and complete interviews	Determine short list and invite the potential candidates to complete a formal interview process. Interview process to be facilitated by various Board members but specifically the Chair, Chief Executive Officer and senior management, as appropriate.
Consideration and approval by Nomination Committee	Nomination Committee to consider the short-listed candidates and feedback from interview process from both interviewers and interviewee. Determine the preferred candidate and recommend their appointment to the Board for approval.
Consideration and approval by Board	Board to consider and, if thought fit, approve the proposed appointment of the preferred candidate. Market announcement made in accordance with regulatory requirements.

Nomination Committee report continued

Board composition and succession planning

The Nomination Committee keeps under review the composition of the Board and its Committees. We take seriously our responsibility for Board effectiveness and continuity, and the need to conduct a continuous and proactive process of planning and assessment in the context of the company's strategic priorities, and the main trends and factors affecting the long-term success and future viability of the company.

In addition to reviewing Board composition, the Nomination Committee oversees the succession plans for the Executive Leadership Team. It has regular opportunities to meet with its members and other members of the wider senior leadership through their attendance at Board meetings to report on their respective business areas or functions, and through workforce engagement activities.

Board diversity

The Board is committed to fostering a genuinely diverse and inclusive environment at Board level. We recognise that a broad mix of backgrounds and perspectives is essential to effective decision making. Our approach to diversity goes beyond gender and ethnicity to include age, disability, and social and educational backgrounds, among other characteristics. We remain focused on maintaining a balanced and diverse Board, and on supporting strong representation across the wider organisation as well.

At the end of the financial year, the Board had 43% female representation but did not include ethnically diverse representation. The composition of our Board therefore met the recommendation of the FTSE Women Leaders Review (40% female representation by the end of 2025) but did not meet the recommendation of the Parker Review (at least one Director of colour by the end of 2024).

Future Board appointments will continue to be made on the basis of merit, using objective criteria to ensure we identify and select the strongest candidates for each role. We aim to draw from a broad and diverse talent pool, and when we engage executive search firms, we do so only with those that have adopted the Voluntary Code of Conduct for Executive Search Firms. On this basis we remain committed to meeting the recommendation of the Parker Review.

In line with the Parker Review, we are also developing a target for the proportion of senior management roles to be held by individuals from ethnic minority backgrounds by the end of 2027. As an international business, we recognise the value of strong, ethnically diverse leadership and the importance of building decision making teams that reflect our customer base and the communities in which we operate.

As of the date of the Annual Report, the Senior Leadership Team comprises 14 persons, of whom 28.6% are Asian or mixed ethnicity. We will be seeking to maintain and improve the ethnic diversity of this cohort on a year-on-year basis, within a target range of 20% to 25%.

In March 2026, we published our third year of ethnicity pay gap data. All colleagues have been invited to self-report their ethnicity and 96% of our UK employees have now done so. We continue to encourage disclosure to support our understanding and inform our actions. The data shows that in April 2025, 13% of the 1,117 colleagues working for Oxford Instruments in the UK identified as being part of an ethnic minority group, an increase of 1% from the previous year. The analysis shows that there was an ethnicity pay gap in mean and median pay across the UK workforce. The mean gap was 12%, while the median gap was 14%. The gap in both measures was reduced versus the previous year (by 3.2% and 1.1% respectively). This was largely helped by an increase in representation in the highest pay quartile. We are committed to ensuring equity of opportunity and remuneration.



Nomination Committee report continued

Diversity of individuals on the Oxford Instruments plc Board and executive management

In accordance with the UK Financial Conduct Authority's Listing Rule 6.6.6 (9), the Board confirms that as of 31 March 2026, Oxford Instruments plc:

- had surpassed the target for at least 40% of the Board to comprise women, with 43% female representation given that three of the Board's seven Directors are women; and
- had (i) met one of the remaining targets set out in that rule with Alison Wood holding the role of Senior Independent Director and a woman, therefore, holding one of the specified senior positions on the Board (Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer); and (ii) had not met the other remaining target set out in that rule, with the Board including no Directors from a minority ethnic background.

In line with the UK Financial Conduct Authority's Listing Rule 6.6.6 R (10), the tables below set out the sex and ethnic background of the Oxford Instruments plc Board and the Senior Leadership Team as at 31 March 2026.

We collected this information in two ways. For Board members, we asked them to complete a questionnaire covering their skills, experience and diversity characteristics, including sex and ethnic background. For the Senior Leadership Team, we drew on data voluntarily provided through our employee records, which individuals understand may be used both for disclosure and to help ensure our processes and pay practices are fair and equitable across race, ethnicity and other protected characteristics for which we hold complete data.

Sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Senior Leadership Team	Percentage of Senior Leadership Team
Men	4	57%	3	11	78.6%
Women	3	43%	1	3	21.4%
Not specified/prefer not to say	–	–	–	–	–

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in senior management	Percentage of senior management
White British or other White (including minority-white groups)	7	100%	4	10	71.4%
Mixed/Multiple ethnic groups	–	–	–	2	14.3%
Asian/Asian British	–	–	–	2	14.3%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Audit and Risk Committee report

HANNAH NICHOLS
Chair



Committee membership

The current members of the Committee are:

Hannah Nichols (Chair)
Alison Wood
Sir Nigel Sheinwald
Rowena Innocent

- For details of attendance at Committee meetings during the financial year, see page 106.
- For the biographies of all Committee members, see pages 102 to 104.

Dear Shareholder,

I am pleased to present the Audit and Risk Committee's Report for the year ended 31 March 2026. The purpose of this report is to outline the role of the Committee, provide insight into our activities and demonstrate how we have discharged our responsibilities effectively during the year.

External audit

During the year, the Committee accelerated the external audit tender, having regard to the Group's growth and the importance of maintaining consistently high standards of audit execution. The Committee engaged with the Financial Reporting Council (FRC) to address auditor independence requirements applicable to Public Interest Entities as certain firms had provided non-audit services to the Group during FY26 which would, absent regulatory consent, have restricted their participation in the tender. The Committee therefore sought and obtained explicit exemptions from the FRC to allow these firms to participate, ensuring the tender remained competitive.

Following a comprehensive evaluation, the Committee recommended the appointment of Deloitte LLP as external auditor, which the Board accepted. More detail on the audit tender process is given on pages 135 to 136.

In light of the timing of the external audit tender and the transition to a new auditor during the year, the Committee did not request a formal half-year review. Instead, Deloitte LLP performed a number of accelerated audit procedures in respect of key financial areas to provide the Committee with appropriate comfort over the integrity of the Group's financial information. The Committee considered this approach to be appropriate in the circumstances and remained satisfied that it had discharged its responsibilities for oversight of financial reporting during the period.

Financial Reporting Council review

During the year, the company's Annual Report and Accounts were subject to a routine review by the FRC's Corporate Reporting Review team. The review did not give rise to any questions or substantive correspondence, although the FRC provided a number of observations where users of the accounts may benefit from enhanced disclosure in future reporting. The Committee has considered this feedback as part of its ongoing commitment to high-quality, clear and transparent reporting.

Risk management, internal control and readiness for Provision 29

The company has continued to strengthen its internal control and risk management capability during the year including refining the risk appetite framework and establishing target risk scores for each principal risk. The Committee has regularly reviewed the principal risks faced by the Group over the year, including the process for identifying, evaluating and managing those risks.

The Committee has spent time assessing readiness for compliance with Provision 29 of the UK Corporate Governance Code 2024, which will apply to the company for the financial year ending 31 March 2027, and requires the Board to make a declaration on the effectiveness of the company's material controls as at the balance sheet date. The Board recognises that alignment with Provision 29 is an ongoing journey and, while good progress has been made, further work remains, particularly in relation to IT controls and control documentation, as we continue to enhance the maturity of the Group's internal control framework. More detail on the work conducted is given on pages 132 and 133.

Audit and Risk Committee report continued

Information and cyber security

In light of the evolving risk environment in respect of cyber threats, maintaining a high level of 'cyber hygiene' and resilience is critical to the long-term sustainable success of the company's operations. As such, the Committee continued to closely monitor the Group's cyber security risk management processes and governance systems during the year and received an update from the Chief Information Officer on progress with maturing the Group's IT General Controls. The Chief Information Security Officer was appointed during the year and provided an update to the Board covering an overview of the cyber threat landscape, the company's cyber approach, an assessment of effectiveness of cyber security controls and the information security roadmap for continuous improvement.

Performance evaluation

I am pleased to report that, based on the results of the 2026 performance evaluation, the Board members continue to consider the Committee to be thorough and effective in fulfilling its responsibilities. More information concerning the evaluation process can be found in the Corporate Governance Report on page 121.

Additional information concerning the Committee's activities during the year can be found later in this report. Should you have any questions or comments regarding the work of the Committee during the year, I would be pleased to hear from you.

HANNAH NICHOLS

Chair of the Audit and Risk Committee

8 June 2026

Composition and experience

The Committee comprises all of the independent Non-Executive Directors, who were appointed to the Committee by the Board following recommendations by the Nomination Committee. All Committee members contribute to the work of the Committee and bring a balance of financial, risk management, commercial acumen and industry experience, and are considered by the Board to be collectively competent in the sector in which the company operates. The Company Secretary is the secretary to the Committee.

The Board considers that Hannah Nichols, who is the serving CFO of Coats Group plc and a qualified chartered accountant, has recent and relevant financial experience. Further information concerning the Directors' skills and experience can be found in the Corporate Governance Report on pages 102 to 106.

Meetings and activities

The Committee held five meetings during the year and all members attended all meetings. In addition to the Committee members, regular attendees include the Chair of the Board, CEO, CFO, Group Financial Controller, the Head of Internal Audit and the External Auditor. The Committee meets privately with the Head of Internal Audit and the External Auditor without management present regularly throughout the year.

The Committee has a structured, rolling annual planner which is developed with the Company Secretary and designed to ensure that the Committee's responsibilities are discharged in full during the year as well as to facilitate more in-depth reviews into topics which of are particular importance.

Financial reporting

One of the Committee's principal responsibilities is to review the half-year and full-year financial statements including the appropriateness and application of accounting policies, the adequacy of disclosures, and the quality, balance and completeness of the associated narrative reporting. Further information on these topics can be found as follows:

- Accounting policies and practices applied (pages 184 to 191).
- Material accounting assumptions and estimates made by management (Note (b) on page 185).
- Significant judgements and key audit matters identified by the External Auditor (pages 241 to 249).
- The effectiveness of internal financial controls (page 133).
- Whether the Report and Accounts, taken as whole, is fair, balanced and understandable (page 131).

Audit and Risk Committee report continued

Significant financial judgements, key assumptions and estimates

The Committee considered reports from management on accounting policies, current accounting issues and the key judgements and estimates in relation to this Annual Report. It assessed whether suitable accounting policies had been adopted and the reasonableness of the judgements and estimates made by management. The following section summarises the significant judgements and estimates considered by the Committee in relation to the Financial Statements for the year ended 31 March 2026 and how they were addressed.

Issue	Assumptions or estimates	Outcomes
Revenue recognition		
The Group generates a significant portion of revenue and profit in period 12 and any errors in revenue cut-off could potentially have a significant impact.	Following the divestment of NanoScience, revenue recognition has been significantly simplified, driven by incoterms and the timing of installation obligations. Management are comfortable that appropriate cut-off procedures are in place and that revenue has been recognised in line with Group policy.	The Committee reviewed management's reports on the approach to revenue recognition and assumptions used, including in relation to revenue cut-off testing. The Committee concluded that management's approach to revenue recognition was reasonable and controls around revenue cut-off were adequate.
Valuation of the inventory provision		
There is a risk that inventory is not valued appropriately because of local sites not correctly applying the group provisioning accounting policy to appropriately write-down the net realisable value of excess and obsolete stock.	Inventory provisioning requires consideration of several factors including but not limited to recent usage, expected future demand, new product introduction plans and likely realisable values to estimate the excess quantities and net realisable value.	The Committee reviewed management's reports on the application of the provisioning accounting policy, with a particular focus on the provisioning in Advanced Technologies given the business growth. The Committee concluded that management's approach to the valuation of the inventory provision was reasonable.
Goodwill and other intangibles assessment		
Management carries out annual assessments of all cash-generating units (CGUs) with goodwill by comparing their carrying value to their value in use to determine if there is any impairment.	In carrying out impairment reviews of goodwill, a number of significant assumptions have to be made when preparing cash flow projections. These include the future rate of market growth, discount rates, the market demand for products acquired and the future profitability of products. In prior years, management used an initial cash flow forecast of three years, but this has been extended to five years to better align with the Group's business model and strategic planning cycle.	The Committee reviewed management's reports on the key assumptions with respect to goodwill. We also challenged the downside sensitivity analysis undertaken. The Committee reviewed management's forecasts for future performance and challenged the assumptions adopted. Particular focus was given to the Andor CGU given there was an impairment in the prior year. The Committee was satisfied there was now significant headroom on the Andor CGU, and no further concern for impairment. The Committee concluded that the carrying values of acquired assets are reasonably and appropriately supported by the cash flow projections.



Audit and Risk Committee report continued

Other matters related to the financial statements

Disposal of NanoScience

The Group announced the disposal of its NanoScience business on 10 June 2025 and this disposal was completed on 2 January 2026. Accordingly, the financial results of NanoScience have been treated as a discontinued operation in the Annual Report. This requires the restatement of prior year comparatives and reallocation of directly attributable costs to the discontinued line within the income statement. The gain on disposal of the NanoScience business net of tax was £6.8m and the impact of discontinued operations is disclosed in Note 13 to the Financial Statements.

Adjusting items

The Group applies adjustments to the statutory definition of profit and EPS to present adjusted profitability and earnings, as the Board considers that they present a clearer picture of the financial performance of the Group. These adjustments totalled £16.5m as set out in Note 2 to the Financial Statements.

The Committee has reviewed the nature of the adjustments and the methodologies used to calculate them. Based on these enquiries and explanations provided, the Committee concluded that adjustments have been applied consistently in line with the Group's new policy on adjusting items. Further, the Committee is satisfied with the presentation of these adjusting items in the 2026 Financial Statements.

Share buyback

Following the disposal of NanoScience, the Group commenced a share buyback programme aimed at repurchasing up to £50m of its ordinary shares and subsequently announced a further £50m tranche to follow on immediately after completion of the first tranche. As of 31 March 2026, approximately £12m of the second tranche buyback was completed.

Further details relating to the share buyback programme are given on page 16. The Committee reviewed the associated accounting treatment and appropriateness of the disclosures made in this Annual Report and concluded that it was satisfied with both the accounting treatment and the disclosures.

UK defined benefit pension scheme valuation

On 5 December 2025, the Trustee of the Oxford Instruments Pension Scheme completed the purchase of a bulk annuity policy (buy-in) with Royal London Mutual Insurance Society Limited to insure all members' Scheme benefits. Pension contributions by the company have ceased from November 2025, with contributions for FY26 totalling £5.3m.

Following the purchase of the bulk annuity policy, and in accordance with IAS 19 accounting standards, the value of the policy as an asset of the Scheme is set to the same value as the Scheme liabilities covered by the policy, calculated using the current IAS 19 actuarial assumptions for the defined benefit obligation. The Committee concluded that the valuation is reasonable and appropriately supported by the valuation conducted by an external actuary, Aon Hewitt.

Viability and Going Concern Assessment and Statements

The Committee and the Board reviewed the Viability and Going Concern Statements as presented in more detail on pages 95 to 96.

The Committee reviewed the Viability Assessment, which was based upon consideration of the Group's current financial position and the potential impact of certain of its principal risks and uncertainties on future performance. It performed a review of the scenario analyses prepared by management in the Viability Assessment and concluded that the Group would be able to continue in operation and meet its liabilities as they fall due over the next five years.

In addition, the Committee noted that there were no material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern over the period of at least 12 months from the date of approval of the Financial Statements and concluded that it was appropriate to continue to adopt the going concern basis of accounting.

R&D cost capitalisation

The Group has a policy to capitalise development expenditure if there is a plan or a design for production of new or substantially improved products. Under IAS 38, there is a strict criteria for demonstrating commercial and technical viability. The Committee reviewed the appropriateness of any costs capitalised against IAS 38 criteria and concluded that the capitalised costs were appropriate.



Audit and Risk Committee report continued

Taxation

The Group carries tax provisions in relation to uncertain tax positions arising from possible outcome from negotiations with tax authorities. Additionally, the assessment of the NanoScience disposal's tax impact required a degree of judgement and complexity, particularly in reviewing valuations on a country-by-country basis to calculate taxable exit charges. The Committee reviewed management's judgements in relation to uncertain tax provisions recognised as well as the process followed to determine the disposal tax impact of the NanoScience sale. The Committee concluded that both calculations were appropriate.

Misstatements

Management has provided the Committee with reports that they were not aware of any material or immaterial misstatements that had been made with the intent of achieving a particular presentation in the Financial Statements. The Committee also reviewed Deloitte's report on unadjusted audit differences and these were discussed by the Committee in June 2026. On the basis of its review and those discussions, the Committee concluded that the unadjusted differences were not material to the Financial Statements and therefore no adjustment was required.

Fair, balanced and understandable

The Board asked the Committee to consider whether the 2026 Annual Report is fair, balanced and provides the necessary information for shareholders to assess the company's position and prospects, business model and strategy. In performing this review, the Committee received a report from management and considered if it meets the requirements of the 2024 UK Corporate Governance Code including the following considerations:

- Is the Annual Report open and honest with the whole story being presented?
- Have any sensitive areas been omitted that are material?
- Is there consistency between different sections of the Annual Report, including between the narrative and the financial statements, and does the reader get the same message from reading the two sections independently?
- Is there a clear explanation of key performance indicators and their linkage to strategy?
- Is there a clear and cohesive framework for the Annual Report with key messages drawn out and written in accessible language?
- Is there an appropriate balance between the use of statutory accounting measures and adjusted performance measures, and are adjusted performance measures adequately explained?

Following this review, we confirmed to the Board that, in our view, the Annual Report is fair, balanced and understandable in accordance with the requirements of the UK Corporate Governance Code.

Corporate Reporting Review

The company was notified that the FRC's Corporate Reporting Review team carried out a review of the company's Annual Report and Accounts for the year ended 31 March 2025 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The review was based solely on the Annual Report and Accounts and did not benefit from detailed knowledge of the company's business or an understanding of underlying transactions entered into. The review provides no assurance that the Annual Report and Accounts are correct in all material respects and the FRC accepts no liability for reliance on it by the company or any third party, including but not limited to investors and shareholders. The FRC did not raise any questions or queries as an outcome of its review, although it did note a number of matters where it believes that users of the accounts would benefit from improvements in the company's reporting.

The Committee reviewed the findings of the review and confirms that all matters noted by the FRC have been addressed in the annual report and accounts for the year ended 31 March 2026.



Audit and Risk Committee report continued

Whistleblowing

Employees can report concerns of non-compliance, ethical issues or malpractice via an independent and confidential reporting route. Reports can be made anonymously if required and are covered by the Group's Whistleblowing Policy which provides for protected disclosure. Employees can also make reports to their manager, HR or a member of the Executive Leadership Team, as well as to the Senior Independent Director. Posters are located at all our sites giving details of the independent reporting service and the Whistleblowing Policy is available to employees on the company's intranet. All employees complete mandatory training on the Whistleblowing Policy each year and on the Code of Conduct, Anti-Bribery and Anti-Corruption Policy and the Conflict of Interests Policy. Irrespective of the reporting channel used, the Group operates a formal protocol for the independent investigation of reports which is overseen by the Chief HR Officer and Group Compliance. All employees are required to complete annual 'speak up' training to ensure that they are aware of the company's policies and how they can raise any concerns.

The Committee performs an annual review of the Whistleblowing Policy and receives a summary report into the outcome of investigations during the year. It also receives a report from management on its activities in this area. The latest report and review took place in March 2026. During the year, there was a mix of reports being made to our SafeCall service and directly to management or our Compliance email inbox. The number of reports made increased from the prior year suggesting that the focus on training and improving awareness of the company's whistleblowing channels through 2025 has been successful. The reports covered a broad spectrum of business areas and regions and no recurring themes or pervasive issues have been identified.

Anti-bribery and Anti-corruption

The company has a formal anti-bribery and anti-corruption policy, which is available to all employees on the company's intranet, and is part of the mandatory annual training programme for all employees. The Committee receives an annual update from management on the Group's anti-bribery and anti-corruption compliance programme. This review includes a summary of activities across the UK Ministry of Justice's six key principles of proportionate procedures, top level commitment, risk assessment, due diligence, communication and training, and monitoring and review.

Risk management and internal control

The Board monitors and approves the Group's risk management and internal control systems and keeps their effectiveness under review. A summary of the company's risk management framework and activities undertaken during the year, as well as the Group's principal risks and mitigations, is set out on pages 79 to 95.

During the year, the risk management framework was further developed with risk appetite more clearly defined through the implementation of target risk scores, which were debated and approved by the Board.

The Committee regularly reviews the Group risk register, which includes climate change-related risks, and uses these, supplemented by reports from management, the external auditor and other subject matter experts, to assess the approach taken to identify and mitigate the risks faced by the Group. The Group maintains an active horizon scanning process to identify emerging risks that may develop into principal risks over time.

The Board recognises its responsibility for establishing and maintaining a robust system of internal control and for monitoring its effectiveness on an ongoing basis. The Board views alignment with Provision 29 of the UK Corporate Governance Code as a progressive journey rather than a single point in time exercise. During the year, management continued to enhance the Group's internal control framework, with a particular focus on strengthening controls over financial reporting, embedding consistent risk and control assessment processes across the Group, and improving the quality and consistency of supporting documentation. These actions build on the foundations already in place and reflect the Board's expectation that effective controls should evolve in line with the scale and complexity of the business.

The Board and Audit and Risk Committee have identified a number of areas where further work remains. These include the continued maturity of IT general controls, particularly in relation to access management and systems dependencies, the consistency and depth of control documentation across all business units, and the embedding of standardised control practices. Addressing these areas is a key focus of the Group's ongoing internal control enhancement programme.

Internal audit plays an important role in supporting this journey by providing independent assurance over the design and operating effectiveness of key controls, identifying gaps and areas for improvement, and monitoring the timely completion of agreed management actions. The Audit and Risk Committee regularly reviews internal audit findings and themes and uses these insights to inform priorities and assess progress in strengthening the control environment.

Further enhancements to the internal control framework are planned as part of a multi-year programme to increase the maturity and consistency of internal controls across the Group, with the objective of continuing to improve the effectiveness of risk management and internal control in line with the principles of Provision 29.



Audit and Risk Committee report continued

Risk management and internal control continued

The Board expects that, by the end of the next financial year, the Group will have reached a sufficient level of maturity in its internal control framework to enable the Board to make the declaration required under Provision 29 of the 2024 Code. This will be based on management's assessment of the effectiveness of key controls, supported by internal audit assurance and the remediation of identified weaknesses. Until that time, the Board will continue to monitor progress closely and to enhance the framework where necessary.

Internal audit

A new, dedicated Head of Internal Audit commenced leadership of the internal audit function from 1 April 2025. The purpose of the internal audit function is to provide assurance regarding the effectiveness of internal controls through regular reviews and the provision of reports to the Committee. Once finalised, all internal reports are also shared with the external auditor. The Head of Internal Audit has had direct access to the Chair of the Board and the Chair of the Committee, to help safeguard independence from the executive and accountability to the Committee and meets regularly with the Committee without management present. The internal audit function also continues to benefit from a co-sourcing relationship, whereby an external service provider has been engaged to supplement work on internal audits focused on financial controls and to provide support in other areas where specific subject matter expertise is required or advantageous.

Developments in the internal audit function during the year included documentation of an assurance strategy setting out priorities and deliverables for FY26, refreshing of the Audit Charter which now defines the mission, vision and scope of Internal Audit & Risk activities for the Group and the introduction of action tracking metrics to gauge management's effectiveness in addressing audit and risk actions.

Internal audit plan

The annual internal audit plan for FY26 was approved by the Committee at its meeting in January 2025 and progress against the plan is reviewed at each meeting. It comprises audits which assess the effectiveness of internal financial controls, to be performed on a rotational basis across business units and the principal regional offices. Complementing this, the programme also includes risk-based audit areas which are proposed or recommended by a combination of the Committee and management.

Internal audit effectiveness review

The Committee has a responsibility to carry out an annual assessment of the effectiveness of the internal audit function. During the year, Internal Audit KPIs were introduced which are reported against at each meeting, which enables the Committee to continuously assess the effectiveness of the Internal Audit function. Additionally, as part of its assessment in respect of the financial year ended 31 March 2026, the Committee liaised with the Head of Internal Audit, reviewed and assessed the annual internal audit plan, reviewed the results of the internal auditor's work and considered whether the quality, experience and expertise of internal audit remains appropriate for the business. It also reviewed the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.

Following due consideration, the Committee agreed that the internal audit function had remained effective.

External auditor

The Committee has principal responsibility for managing the relationship with the external auditor, including assessing its performance, effectiveness and independence and making recommendations to the Board regarding its reappointment, removal and terms of engagement, including all fees.

The Committee regularly meets with the external auditor, both with and without the Executive Directors or members of the management team present, to discuss any appropriate matters in a frank and open manner.

Audit Committees and the External Audit: Minimum Standard

The Audit and Risk Committee has discharged its responsibilities during the year in accordance with the Audit Committees and the External Audit: Minimum Standard, which is now fully incorporated into the UK Corporate Governance Code. This report describes how the Committee has met the provisions of the Standard including oversight of the external audit, assessment of the effectiveness of the audit process, auditor independence and objectivity, and the conduct of the external audit tender.

In addition to overseeing the audit tender process, the Committee regularly assesses the effectiveness of the external audit through consideration of audit planning, execution, reporting quality, communication with the Committee and the handling of significant judgements. The Committee also considers feedback from management, internal audit and regulatory reviews as part of this assessment.

Audit and Risk Committee report continued

External audit effectiveness review

The Committee is responsible for reviewing the effectiveness of the audit process, including assessing the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee. The Committee will review the audit process in respect of the financial statements for the year ended 31 March 2026, as soon as practicable post the conclusion of this work.

During and post the completion of the audit process in respect of the financial statements for the year ended 31 March 2025, the Committee reviewed the effectiveness of the external audit as described above. They ultimately decided to accelerate the external audit tender, not least due to the importance of maintaining consistently high standards of audit execution.

Audit Inspection Report

The company was notified that the FRC's Audit Quality Review team carried out an inspection of the audit of the financial statements of the company for the year ended 31 March 2025, conducted by BDO LLP. The audit quality assessment related only to those areas of audit work included in the Scope of Inspection which covered risk assessment and planning; execution of the audit plan; and completion and reporting, including the quality of communication with the Audit Committee. The review assessed the audit as 'limited improvements required' with findings relating to enhancements in documentation of audit procedures to evaluate and respond to General IT Control Deficiencies. BDO proposed remedial action including performing a precise revised risk assessment in response to significant GITC deficiencies for each of the related processes, balances, IT systems/applications and data, particularly in relation to the risk of fraud.

Independence and objectivity

The Committee should assess the external auditor's independence and objectivity on an annual basis, considering relevant law, regulation, the Ethical Standard and other professional requirements, and the Group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats, including the provision of any non-audit services.

To make this assessment, the Committee obtains confirmation from the external auditor regarding whether it considers itself to remain independent and also satisfies itself that there are no relationships between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity. During the financial year, the Committee made this assessment as part of the tender process and again in March 2026. The Committee confirmed that Deloitte remained independent and objective. See the Audit Opinion on pages 241 to 249 for further information regarding the independence of the auditor, Deloitte LLP.

Audit strategy

Following its appointment in October 2025, Deloitte presented its proposed audit strategy and transition plan for the financial year ended 31 March 2026 to the Committee. The suggested strategy had been informed through feedback from various stakeholders including the Committee Chair, Chief Financial Officer and Group Financial Controller during the tender process. The proposal included details of the recommended scope, materiality, fees and timelines plus the principal areas of audit risk and the anticipated approach for addressing such. Following due consideration, the Committee approved Deloitte's proposed audit strategy and transition plan.

Auditor engagement policy

During the year, the non-audit services policy was expanded to document the company's approach to mandatory tendering process, management of non-audit relationships with audit firms and approach to hiring of former external auditor employees. The approval process for the provision of non-audit services by the auditor was amended to delegate the approval of non-audit services to the CFO or the Audit Chair up to the following financial limits:

Value of non-audit services	Approval required prior to engagement of Auditor
Up to £25,000	Chief Financial Officer
£25,001 to £50,000	Chair of the Audit Committee
Above £50,000	Audit Committee

The policy also includes a cap on non-audit fees payable to the external audit firm to no more than 70% of the average of the audit fees paid in the last three consecutive years and specifies which non-audit services are exempt from the cap, as well as documenting which services are not permitted to be performed by the external auditor, regardless of associated fee levels.

During the financial year, the Committee approved the provision of non-audit services by Deloitte amounting to £24k which, when considered in light of the audit fees amounting to £1,389k, represented less than 2% of the total fees payable to the auditor and its associates.

Audit and Risk Committee report continued

Auditor engagement policy continued

A further illustration of this comparison can be seen in the following table.

	Fees (£'000)	Proportion
Audit fees	1,389	98.3%
Audit-related assurance services	0	0%
Non-audit services	24	1.7%
Total fees payable to the auditor and its associates	1,413	100%

See Note 6 of the Financial Statements for further information regarding the external auditor's remuneration.

As disclosed on page 135, as part of the audit tender process an exemption was received from the FRC in relation to non-audit services provided by Deloitte LLP in the year, which ceased immediately upon Deloitte being notified of the audit tender process.

External audit tender

During the year, the Committee accelerated the external audit tender, having regard to the Group's growth and the importance of maintaining consistently high standards of audit execution. Accordingly, a formal, competitive tender process was conducted during the year in respect of the financial year to 31 March 2026 ('FY26').

Preparation

In advance of the tender the following tasks were performed by the Committee:

- Reviewed best practice guidelines on external audit tenders.
- Agreed the tender process timetable.
- Discussed the key attributes required from an external auditor and the Lead Audit Partner.
- Identified suitable firms to be invited to participate in the tender.

Selection of firms invited to tender

One of the Committee's main priorities was to include in the tender audit firms both with significant experience of auditing FTSE 250 businesses, and who have a higher degree of credibility in delivering high quality, robust and on-time audits. For this reason, the Committee decided to only include 'big 4' firms in the tender process. Of the 'big 4' firms, one was excluded as they were the company's main tax adviser. A second firm was unable to participate as they had a related party conflict. Of the two remaining 'big 4' firms, both had provided non-audit services to the company during FY26 which, under the relevant independence requirements, created a potential independence challenge. These services were limited in nature and were assessed by the Committee as not having a material bearing on the company's financial statements.

The Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025 (SI 2025/439) provides that the FRC may grant an exemption, upon request by a statutory auditor or an audit firm and on an exceptional basis, to prohibitions on the provision of non-audit services to a Public Interest Entity (PIE), thus allowing the applicant to tender for the audit of that PIE. Both firms made exemption applications to the FRC on this basis and the FRC granted a waiver to both firms enabling them to participate in the company's audit tender process.

See the Audit Opinion on pages 241 to 249 for further information regarding the independence of the auditor, Deloitte LLP.

RFP process

Both firms received a Request for Proposal (RFP) on 17 July 2025 outlining the selection criteria and further information in preparation for the presentations to the Committee. In addition to the RFP, and following the completion of the prepared NDA, secure access to the data room was provided to the shortlisted firms on 22 July 2025. Both firms were given the opportunity to meet with members of the Audit Committee, Executive Leadership Team and senior management to aid them in understanding our requirements and in preparing their proposal. Both firms also made site visits to some of the company's facilities to gain a better understanding of our operations.

Audit and Risk Committee report continued

Audit firm selection criteria

The selection criteria used in the audit tender was:

Strength, style and experience of the team

- Relevant experience of the partners and managers on the proposed team
- Details of the team roles and locations
- Personal fit with the company's management team and culture
- Approach to succession planning and how team continuity is ensured

Understanding of the company, and relevant experience and expertise in the company's industry

- Understanding of the company's business, strategy and risks, and how the audit will respond
- Industry experience and client base

Audit approach, methodology and quality

- Overall approach to the audit, including risk assessment and reliance on controls
- Approach to determining materiality and audit scope
- Use of technology and innovation in the audit
- Approach to addressing key company and industry-specific risks and challenges
- Process for ensuring audit quality
- Approach for resolving accounting and reporting issues

Communication and reporting, including project management and meeting deadlines

- Approach to client relationship management and communication with the Audit Committee
- Approach to working with operational management and corporate functions
- Details of how the firm will project manage a successful audit process

Proactivity, value and insights

- Examples of how the firm can provide additional value beyond the core audit services
- Commitment to environmental, social and governance initiatives and alignment with the company's values

Approach to transition and first year audit

- Overview of transition plan and timetable for the first year audit
- Details on how auditor independence will be maintained, including any transition plans for non-audit services currently provided

Presentations to the Committee

Presentations to the Audit Committee were held on 19 September 2025 with a scorecard template used to assess each firm based on the selection criteria outlined in the RFP. The Committee remained involved throughout the tender process and the presentations were attended by members of the Committee, the Board Chair, the CEO, the CFO and senior managers from the Finance team.

Recommendation to the Board

Following a comprehensive evaluation, the Committee recommended to the Board the appointment of Deloitte LLP ('Deloitte') as external auditor and the Board accepted this recommendation. The Committee is satisfied that the selected firm demonstrated the strongest capability to deliver a high quality, independent audit.

Date of change in auditor

BDO resigned as the company's auditor on 20 October 2025 and deposited a statement with the company confirming that there are no circumstances in connection with its resignation that should be brought to the attention of the member of creditors of the company under Section 519 of the Companies Act 2006. Deloitte was appointed as the company's auditor on the same date and a proposal to appoint them as auditor of the company will be subject to the approval of shareholders at the 2026 Annual General Meeting.

Appointment of external auditor

Deloitte has expressed its willingness to continue as auditor of Oxford Instruments plc and separate resolutions will be brought to the Oxford Instruments plc 2026 AGM, proposing Deloitte's appointment as auditor and to authorise the Board, through the Committee, to negotiate and agree its remuneration.

Statement of Compliance with the Competition and Markets Authority (CMA) Order

The company confirms that it has complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014 (Article 7.1), including with respect to the Audit and Risk Committee's responsibilities for agreeing the audit scope and fees and authorising non-audit services.

Sustainability Committee report

SIR NIGEL SHEINWALD
Chair



Committee membership

The current members of the Committee are:

Sir Nigel Sheinwald (Chair)
Alison Wood
Hannah Nichols
Neil Carson
Rowena Innocent

- For details of attendance at Committee meetings during the financial year, see page 106.
- For the biographies of all Committee members, see pages 102 to 104.

Dear Shareholder,

I am pleased to present the report of the Sustainability Committee for the year ended 31 March 2026. The Committee has overseen a broad agenda across environmental, social and governance (ESG) issues and continued to challenge and support management in delivering the Group's long-term sustainability commitments.

During the year, we maintained close oversight of the Group's progress towards achieving its net zero targets for Scopes 1 and 2 by 2030 and its focus on Scope 3 emissions, building on the foundations set in FY25. We have continued to include ESG metrics for the FY26 LTIP, specifically relating to Scope 1 and 2 emissions reductions, to align long-term incentives with the achievement of our net zero plan.

We have made substantial progress against our net zero targets for Scope 1 and 2, with 25% reduction as at the end of the year. In line with our transition plan, activities to replace our fossil fuel boilers have continued and the oil-fired boilers at our NanoScience site were replaced with electric heating, cutting emissions by 271 tCO₂e before its sale in January 2026. The Committee continues to monitor progress with other actions to deliver our transition plan and meet our targets.

There has been good progress in Scope 3 supplier engagement, including supplier questionnaires, RFQ carbon related questions, and engagement with international and UK business unit key suppliers. These efforts will improve emissions data quality and enable sustainability considerations to be embedded into procurement decision making. Full carbon footprints were undertaken during the year for a sample of two products in anticipation of increased customer requirements and forthcoming regulation.

We also reviewed progress across key social areas, welcoming updates on programmes aimed at improving inclusion and the broader rollout of training and development initiatives supporting career progression across the organisation. The updated internal Ways of Working model continued to be embedded across the Group.

In addition to updates on environmental and social activities, we reviewed the Group's sustainability governance agenda and received detailed updates regarding emerging UK Government consultations on sustainability reporting and the potential impact of new requirements.

We were pleased to note that MSCI, a leading provider of critical decision support tools and services for the global investment community, has continued to rate our ESG practices as AA for a third year.

The Committee has overseen another year of significant activity and progress, particularly in refining the Group's environmental strategy, strengthening the foundations required for future regulatory compliance, and continuing to embed a culture of inclusion and responsible business practices.

Our integrated Sustainability Report is available on pages 51 to 78 and includes our Task Force on Climate-related Financial Disclosures Statement, as set out on pages 60 to 68. We are committed to building on past progress and continuing to challenge ourselves to go further.

I will be available at the AGM to answer any questions you may have.

SIR NIGEL SHEINWALD
Chair of the Sustainability Committee

8 June 2026

Sustainability Committee report continued

Committee composition

In line with its terms of reference, which are available on our website at: www.oxinst.com/investors/corporate-governance, the Committee comprises a majority of independent Non-Executive Directors. Nigel Sheinwald, the Committee Chair, brings a wealth of skills and experience, particularly from his time as Chair of Shell plc's equivalent Sustainability Committee.

Meetings

The Sustainability Committee holds a minimum of three meetings annually and this year held four meetings. Standing attendees at meetings include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer. Other members of senior management may also attend as required. The Company Secretary is the secretary to the Committee.

Committee performance review

During the year, an external performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on page 121. The review found that the Committee functions effectively.

How the Committee spent its time during the year ended 31 March 2026

The Committee's responsibilities, as outlined in its terms of reference, continue to shape its work and guide its agenda. In addition to these core duties, the Committee also considers other matters referred by the Board that fall within its remit.

The Committee's key activities and areas of focus during the year included:

- Staying informed on the progress of initiatives aimed at achieving the company's net zero targets.
- Receiving regular updates from the Chief Executive Officer and senior management on climate related issues.
- Received updates on emerging sustainability reporting requirements, including the UK Sustainability Reporting Standards, and will continue to monitor regulatory developments and their implications for the Group. This will remain an area of focus as the regulatory framework develops.
- Hearing from members of the internal Environmental Leadership Forum.
- Reviewing the annual assessment of social matters integral to the sustainability agenda and noting continued progress in areas such as inclusion and related internal programmes and measures.
- Considering the annual review of sustainability related governance activities, with attention to both internal developments and external factors influencing this element of the agenda.
- Following year end, reviewing and recommending to the Board the approval of sustainability related narrative reporting and external disclosures, including the integrated Sustainability Report (pages 51 to 78) and the Task Force on Climate-related Financial Disclosures Statement (pages 60 to 68).

Key responsibilities

The current key responsibilities of the Committee per its terms of reference, are as follows:

- Review all sustainability-related narrative reporting and external disclosures, including, but not limited to, those relating to the Greenhouse Gas Protocol, Streamlined Energy and Carbon Reporting Regulations, Sustainable Development Goals and the Task Force on Climate-related Financial Disclosures.
- Determine the guiding principles to be used when setting targets in relation to the Group's sustainability goals and implementation plans.
- Regularly review and provide advice on the Group's ongoing activities and progress in relation to the three key elements of its sustainability agenda, broadly comprising environmental, social and governance-related matters, as follows:
 - Environmental: review with management and recommend to the Board for approval, sustainability-related targets, including environmental targets and timescales; review the company's progress towards decarbonisation of energy use globally; and consider and recommend to the Board for approval, the methodology to be used for achieving net zero.
 - Social: review any relevant externally published policies and statements and approve targets set in respect of the following areas: equity, diversity, inclusion and belonging; health, safety and wellbeing; investing in our people; next-generation talent; and community impact.
 - Governance: review any relevant corporate policies and approve targets set, in respect of the following areas: anti-bribery and anti-corruption; sanctions, export control and customs; dissemination of inside information to the market and share dealing; supply chain responsible sourcing; human rights and modern slavery; intellectual property and confidentiality; data protection, data privacy and data security; and financial sustainability and tax transparency.
- Through policy reviews and discussions with management, seek to ensure that the highest ethical standards and concern for human rights are embedded in the company across its global operations.

Directors' Remuneration report

ALISON WOOD
Chair



Committee membership:

Alison Wood (Chair), Neil Carson, Nigel Sheinwald, Hannah Nichols and Rowena Innocent.

Key responsibilities of the Committee:

- Determining the Policy for Executive Directors and senior leadership.
- Considering and determining the components and total remuneration packages for the Executive Directors.
- Determining the Policy for pension arrangements, service agreements, recruitment terms and termination payments for Executive Directors.
- Designing effective performance-related incentive plans aligned, for Executive Directors and senior leaders, to the business strategy and the wider workforce.
- Approving the structure and targets for all performance-related remuneration plans for executives as well as the overall payments made under such plans.
- Reviewing and noting Policy and trends across the Group and considering the Executive Directors' remuneration within this context.

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 March 2026. The report sets out our remuneration strategy, together with the key activities and decisions made by the Remuneration Committee during the year.

The report is presented in the following sections:

- My annual statement as Chair, summarising the work of the Committee during the year.
- At-a-glance summaries of the key remuneration outcomes for the year, and proposed Executive Director remuneration for 2026/27.
- The future Directors' Remuneration Policy, to be proposed to shareholders at the 2026 AGM (the 'new Policy' or the '2026/27 Policy').
- The Annual Report on Remuneration, detailing the remuneration outcomes for the year ended 31 March 2026 and the implementation of the Policy for the year ahead. The current Policy operated as intended during the year with no changes and the Committee did not exercise discretion.

Business context

The Group delivered a strong second half, with full-year performance slightly ahead of expectations despite significant disruption arising from a challenging geopolitical environment.

Underlying operating margin increased by 150 basis points, driven by strategic actions, operational efficiencies and cost reductions. Adjusted operating profit was £73.7m, following significant improvement in the second half ending down 1.6% on an organic constant currency basis, while adjusted earnings per share was 100.7p.

The year also saw meaningful strategic progress. Our simplified operating model, stronger commercial execution and operational excellence transformation have helped the business deliver resilient performance in a demanding external environment.

The divestment of NanoScience, completion of the UK defined benefit pension buy in, and extension of our share buyback programme were important milestones that further enhanced our financial flexibility, supporting our capital allocation priorities and sharpened our strategic focus. The divestment generated £42.4m of net cash, supported margin improvements and delivered significant shareholder value, with the share price increasing by 61% from announcement to the date of this report, compared with 8% growth in the FTSE 250 Index over the same period.

The Group exited the year with good momentum across structurally growing markets, a strong order book and a robust balance sheet. In Imaging & Analysis, new product innovation is further consolidating our technological lead and expanding commercial market opportunities. In Advanced Technology, our market-leading and differentiated technology positions us well to capture attractive market share opportunities and deliver sustainable profitable growth.

Against this backdrop, the Committee has proactively reviewed the executive remuneration framework to ensure it supports the next phase of the Group's strategy, centred on attractive organic growth and margin progression, and continues to align leadership with the principles of long-term value creation and shareholder outcomes.

Directors' Remuneration report continued

Operation of the Remuneration Policy in 2025/26 and incentive plan outcomes

Annual Bonus

The outcome for the 2025/26 annual bonus scheme was based on a combination of profit before tax (50%), adjusted operating profit margin (16.7%), cash conversion (16.7%) and non-financial strategic objectives (16.7%). Against the stretching financial performance targets set, profit before tax was between threshold and target, operating profit margin achieved the maximum target and cash conversion was between target and maximum. Overall, this resulted in a payout, relating to the financial elements of the scheme, of 65.3% of salary for the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), out of the maximum opportunity of 150% of salary.

The non-financial strategic targets were based on (i) evolution of the business portfolio, and (ii) progress of our operational transformation programme. The CFO had a further objective in respect to the future ERP strategy. Having considered each element carefully, we determined achievement of 25% out of 25% of base salary opportunity for the CEO and 20% out of 25% of base salary opportunity for the CFO. The overall bonus achieved was therefore 90.3% and 85.3% of salary for the CEO and CFO respectively. One-third of the annual bonus will be paid in shares, which must be retained for three years. The former CFO also received a pro-rata award for the period of the year worked based wholly on financial performance in accordance with the exit arrangement. Details of the awards are included on page 158.

Vesting of LTIP awards made in 2023

Awards granted in 2023 under the Long-Term Incentive Plan (LTIP) to the CEO and the former CFO were based on Earnings Per Share (EPS) (30%), Return on Capital Employed (ROCE) (30%), Total Shareholder Return (TSR) (25%) and sustainability-related measures (15%).

Over the three-year period to 31 March 2026, EPS growth was slightly ahead of the threshold performance target. In the final year of the performance period, ROCE was midway between the threshold and maximum performance targets. TSR, whilst positive, was slightly below the median rank for threshold vesting. Performance against the sustainability measures was strong, achieving the maximum performance targets. As a result of this performance, the 2023 LTIP grant will vest at 42.8% overall. A two-year holding period applies to the vested award. The current Chief Financial Officer did not participate in this award.

The Committee believes that the variable pay outcomes provide a robust link between reward and performance, as well as alignment with investor returns. We are satisfied that the Policy has operated as intended and the remuneration outcomes are appropriate, considering the relativities between outcomes for employees and Executive Directors, and the wider stakeholder experience as set out above.

Committee decision making

The Committee has consistently received strong shareholder support, reflecting our disciplined approach to remuneration design and outcomes. We have aspired to position remuneration at mid-market levels, ensuring a competitive position while avoiding excess. When the current Policy was approved in 2023, with 98% of shareholder votes, we took steps to modernise our framework and strengthen our ability to attract, retain and motivate high-calibre leadership in a responsible and transparent way.

Throughout my tenure as Committee Chair, we have maintained a clear and consistent link between pay and performance. We have not applied upward discretion and hold a high bar for the application of judgement in ensuring that incentive outcomes are fair, reflective of the performance delivered and aligned with shareholder interests.

This discipline is central to upholding the integrity of our remuneration framework and the trust placed in us by shareholders.

Remuneration continues to play an important role in supporting the long-term sustainability of the Group and aligning leadership with the delivery of long-term shareholder value.

Reviewing and strengthening our Remuneration Policy

This year, the Committee undertook a comprehensive review of the Remuneration Policy to ensure that it remains fit for purpose and fully aligned with the company's strategic priorities over the next three years.

The review was conducted against a backdrop of a fully established leadership team, a stabilised business, and a clearly defined next phase of our strategy. Over the last three years, the Policy has successfully supported the transition of both the CEO and CFO and has underpinned strong strategic progress.

While the current Policy has enabled the company to attract key executive talent, market benchmarking shows that CEO remuneration has now fallen below mid-market levels and that existing incentive opportunities are operating at their maximum permitted levels.

Engagement and governance

The Committee received advice from its independent Remuneration Adviser and undertook extensive engagement with the company's largest shareholders and proxy advisory bodies as part of the review process. Feedback from this engagement played a critical role in shaping proposed changes and refining the implementation of the Policy for 2026/27 and beyond.

Directors' Remuneration report continued

The Committee believes that this engagement has strengthened the alignment between the interests of shareholders and the proposed remuneration framework.

Linking reward to strategy and shareholder value

The Committee considers that executive remuneration should be closely aligned with the delivery of long-term shareholder value. As the company's strategy increasingly focuses on organic growth, margin progression and value creation opportunities, the Committee believes there is a clear opportunity to deliver enhanced long-term shareholder value and to further strengthen the connection between executive reward outcomes and strategic delivery.

We continue to believe that performance and value creation are best assessed using a range of measures that reflect both financial outcomes and the overall shareholder experience. Retaining and motivating our Executive Directors remains critical to translating the strong platform they have established into sustained long-term value creation.

Remuneration structure

As part of the Policy review, the Committee revisited its core remuneration principles to confirm that they remain appropriate for the company's next phase of development. While alternative remuneration structures were considered, including hybrid share plans combining performance-based and time-based restricted shares, we ruled them out. These alternatives were considered overly complex and risked diluting the strong link between pay and performance.

The Committee therefore reaffirmed that remuneration arrangements should be simple, transparent and performance-driven, with a clear emphasis on long-term outcomes and alignment with shareholder interests.

We believe that the combination of an annual bonus and a performance-based long-term incentive plan remains the most effective approach to motivate executives, promote retention within senior leadership and support delivery of our strategy over the long term.

The Committee is satisfied that the existing remuneration framework aligns with recognised best practice and good governance principles. Annual bonuses are subject to deferral, and the LTIP has a three-year performance period followed by a two-year holding period post-vesting. In addition, minimum shareholding guidelines apply both during employment and following cessation of employment.

To support our strategic ambitions, the remuneration framework must remain market-competitive, reinforce alignment with shareholder value creation through strategic delivery, and provide appropriate opportunities for exceptional rewards when exceptional performance is delivered.

Incentive opportunity

The primary enhancement under the new Policy relates to the LTIP maximum opportunity. The Committee intends to retain the current typical annual award level for Executive Directors of 200% of base salary, while introducing discretion to grant awards of up to 300% of base salary where appropriate.

The Committee believes that this enhanced flexibility better supports the creation of excellent long-term shareholder value through the execution of our highly attractive strategy, while maintaining a clear link between exceptional performance and the opportunity for exceptional rewards.

Where award levels are above the typical annual award level of 200% of salary, the Committee will apply appropriately higher levels of performance stretch when setting LTIP performance targets. This approach ensures that any additional compensation is directly linked to exceptional outperformance and the shareholder experience, demonstrating our continued commitment to robust pay-for-performance principles.

To facilitate this change, an additional resolution will be proposed at the 2026 AGM to amend the individual limit in the LTIP rules from 200% of salary to align to the limit in the Remuneration Policy, 300% of salary for this policy period.

The Annual Bonus structure will remain unchanged in terms of overall maximum opportunity, which will continue to be capped at 150% of salary, with an on-target award level at 75% of salary. However, to introduce greater flexibility and ensure appropriate incentivisation, the bonus payable for achieving the threshold performance target has been increased from up to 10% of the maximum bonus opportunity to up to 20% of the maximum.

Directors' Remuneration report continued

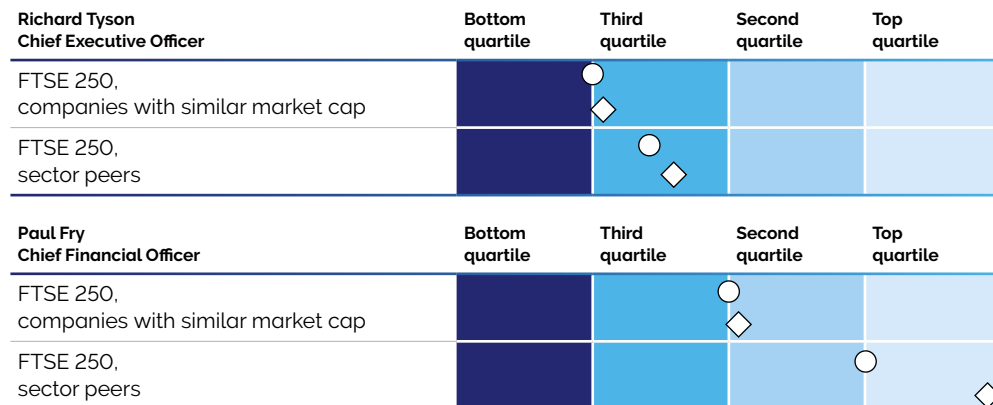
Operation of the Remuneration Policy in 2026/27

Base salary

As part of our holistic review of executive remuneration, we periodically review the competitive position of Director pay. The Committee considers market practice from a range of perspectives to ensure a fair and balanced approach:

- **Market capitalisation:** A peer group comprising the 20 companies ranked above and below Oxford Instruments based on market capitalisation, consisting of FTSE 250 constituents.
- **Sector peers:** A peer group comprising of eight companies operating in the same or similar sectors to Oxford Instruments and of a broadly similar structure, complexity and size in terms of market capitalisation.

CEO remuneration, since appointment in October 2023, has fallen toward lower quartile benchmarks as a result of a lower base salary position. CFO remuneration is competitively positioned. The following chart shows the relative position of 2025/26 target and maximum total compensation for the Executive Directors.



○ Positioning of *current target* total remuneration relative to market benchmarks.

◇ Positioning of *current maximum* total remuneration relative to market benchmarks.

Note: Sector peers include: Morgan Advanced Materials plc, Avon Technologies plc, Senior plc, Vesuvius plc, Bodycote plc, Chemring Group plc, Renishaw plc, Rotork plc.

Given the aim of the Policy review is to ensure that our remuneration packages enable us to attract and retain the very best talent, the CEO base salary should be adjusted to a fair and appropriately competitive level reflecting Richard's strong sustained performance in role since appointment.

In finalising Executive Director salary adjustments, we reviewed the recommendations regarding base salary increases for employees where the average salary increase across the UK workforce is expected to be 3.5%. Following shareholder consultation, supportive feedback and the changes to the Policy, the Committee concluded it is appropriate to adjust the CEO salary by a further 4.5% beyond the average UK workforce increase (a total increase of 8%). The CEO salary will therefore increase from £601,778 to £650,000. Following this increase, target total remuneration will be competitively positioned relative to the sector group but will remain below mid-market capitalisation benchmarks. The salary of the CFO will be increased by 3.5% in line with the UK workforce from £471,500 to £488,003.

Annual bonus

The annual bonus maximum opportunity will remain at 150% of salary. Performance will continue to be assessed against the same measures, with simplified weightings: profit (40%), cash conversion (20%), adjusted operating profit margin (20%) and strategic objectives (20%). One-third of any bonus payable will be delivered in shares, which must be held for three years.

Long-Term Incentive Award

The Committee believes there is now a clear opportunity to strengthen the alignment of our Executive Directors with the delivery of sustained, long-term shareholder value. The 2026 awards under the LTIP will therefore be set at 300% of salary for the CEO and CFO. The award will comprise two elements: (i) a Core award of 200% of salary, and (ii) a Strategic Stretch award of an additional 100% of salary, designed to reward truly exceptional performance.

The Core award will retain the same broad mix of performance measures used in the previous three years, to provide a rounded overall assessment of performance. The measures will therefore be EPS (30%), ROCE (30%), TSR (25%) and a sustainability-related measure (15%).

EPS performance will be calculated by using fixed foreign exchange rates to calculate the profit for the currencies of the major trading countries to whom we export. With more than 95% of our sales overseas, the company's financial performance is unusually impacted by movements in exchange rates and significant currency volatility can weaken the effectiveness of the incentive.

The EPS measure will require compound annual growth of between 5% and 11% over three years and the ROCE measure will be based on a target range of 26% to 30% in 2028/29. TSR will be measured relative to the companies comprising the FTSE 250 Index excluding Investment Trusts, financial services and commodities, requiring median performance for threshold vesting and upper quartile for maximum vesting.

Directors' Remuneration report continued

Long-Term Incentive Award continued

The sustainability target will require reduction in absolute Scope 1 and 2 market-based carbon emissions in 2028/29 by 45% (threshold) to 70% (maximum) from the FY24 baseline to drive achievement of net zero in our own operations by 2030.

The Strategic Stretch award will be based on two equally weighted financial performance measures, EPS and AOP margin, reflecting their critical role in driving exceptional organic growth through sustained improvements in profitability and earnings strength. The Committee considers this focus to be central to the delivery of material and sustained shareholder value, by strengthening earnings, enabling disciplined reinvestment to accelerate growth, and increasing the company's capacity to deliver enhanced returns to shareholders. The EPS performance range will be extended from the maximum 11% compound annual growth target under the Core award to 15% over the same three years. AOP margin will be based on a target range of 18.5% to 20% in FY29, mirroring the requirement for the delivery of exceptional performance. Both measures under the Strategic Stretch award will be assessed on a constant currency basis. The EPS stretch target equates to 50%+ growth over the three-year period. The adjusted operating profit margin target aligns with our mid-term aspiration at the top end and sustained stretching margin progression at entry. In setting the margin targets, the Committee was mindful not to set the entry target at a level that may prevent the investment needed to drive long-term sustainable top-line and bottom-line growth beyond the three-year performance period.

A majority of consulted shareholders agreed that these measures are critical to both driving and unlocking sustainable and exceptional long-term shareholder value. The Committee is mindful of the trust placed in it and, before confirming any vesting outcomes under the Strategic Stretch award, will undertake a holistic assessment of performance over the period and the shareholder experience. In particular, the Committee shall consider total shareholder return (TSR), EPS growth in the context of AOP margin growth, and the sustainability and quality of earnings. Where the Committee considers that the formulaic level of vesting under the Strategic Stretch element does not appropriately reflect performance and is not aligned with the long-term interests of shareholders, it may exercise its discretion to adjust the formulaic outcome.

We believe this change provides an appropriate level of incentivisation for the effort required to deliver sustained exceptional performance. The Committee expects further opportunities to deliver exceptional performance over the Policy period and therefore intends to grant LTIP awards to the Executive Directors in 2027 of up to 300% of salary.

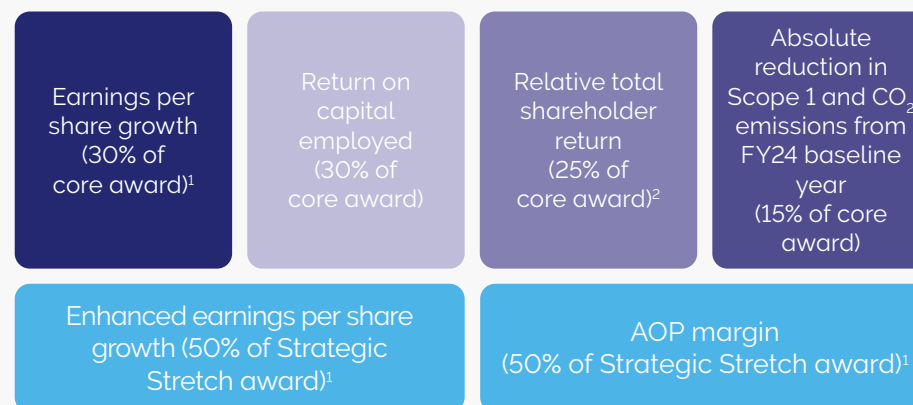
The Committee will determine, ahead of the 2027 awards and thereafter, whether such an award level remains appropriate and in shareholders' interests.

2026/27 Variable pay

Annual bonus opportunity: 150% of salary, 75% of salary at target



LTIP opportunity: 300% of salary (Core award: 200%, Strategic Stretch award: 100% of salary)



Notes:

1 Assessed at constant currency.

2 Relative TSR compared to the FTSE 250 excluding Investment Trusts, Financial Services and Commodities.

Directors' Remuneration report continued

Importance of shareholder feedback

The Committee is committed to ongoing dialogue with shareholders and institutional advisory bodies on remuneration matters and it welcomes feedback as it helps to inform decision making.

The Committee takes an active interest in voting and feedback on Annual General Meeting resolutions on remuneration matters and is pleased with the high level of support received historically for its Annual Reports on Remuneration and Remuneration Policy renewals.

The Committee has actively engaged with major shareholders and investor bodies concerning the proposed changes to the Remuneration Policy, and the implementation of the Policy in 2026/27 and beyond. We received feedback from a large proportion of investors and representative bodies, the majority were supportive of our aims, positively tested our thinking and improved our plans for Executive Director remuneration. We are grateful for the constructive engagement on the proposed Directors' Remuneration Policy for FY27–29 and its implementation in the years ahead.

Broader employee remuneration considerations

Our people are a key differentiating factor of our competitive advantage and are fundamental to delivering sustained shareholder value. The Committee seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken.

During the year, the Committee reviewed an update on workforce remuneration, including the general salary increases, share schemes and incentives. These updates were taken into consideration in deciding the pay of Executive Directors and senior management. The Committee was pleased to see progress made to enhance the pay for performance culture and to improve employee share ownership.

Engagement and feedback from a broad cross-section of the senior leadership team directly informed refinements to both the short and long-term incentive arrangements, ensuring continued alignment with wider workforce practices.

Throughout the year, the Committee received regular updates and insights from the Chief HR Officer, and Committee members also met independently with a cross-section of employees as part of the annual Board engagement cycle. These discussions provided valuable, candid feedback on the company's remuneration policies and how they are experienced across the workforce.

Non-Executive Directors' (NED) fees

Following a periodic review to ensure that NED fees appropriately reflect the time commitments of the roles, and support the attraction and retention of individuals with the experience and expertise required for a company of our size, scale and growth opportunity, fees are proposed to be increased to mid-market competitive levels. This results in an increase at a rate higher than that awarded to the wider UK workforce.

The NED base fee and chair fee are positioned at the lower quartile, the NED base fee will be increased from £60,608 to £68,000 and the Senior Independent Director/Committee Chair fee will be increased from £10,558 to £15,000. The Committee concluded that the Chair fee will increase in line with the UK workforce by 3.5% from £217,978 to £225,607.

Committee performance review

During the year, an internal performance review of the effectiveness of the Committee was conducted as part of the wider review of the Board and the Board Committees. More information can be found on page 121. The review found that the Committee functions effectively.

Conclusion

The Committee has carefully considered the new Policy, the remuneration outcomes for 2025/26 and the operation of the new Policy for 2026/27, to ensure strong alignment between executive remuneration and the experience of shareholders, employees and our wider stakeholders.

The Committee believes that the CEO salary increase is proportionate and reflects the sustained performance delivered since appointment, while supporting the positioning of typical annual remuneration at a more appropriate level relative to comparative mid-market benchmarks. The new Policy further reinforces the focus on long-term business performance and excellent value creation through the delivery of the strategy, with executive reward outcomes clearly aligned to the achievement of exceptional performance and sustainable shareholder returns.

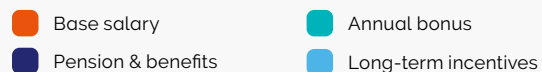
We hope that you will be supportive of the annual advisory vote to approve the Annual Report on Remuneration, the binding vote to approve the new Policy and the vote to update our LTIP rules, at our AGM on 23 July 2026.

ALISON WOOD
Chair of the Remuneration Committee

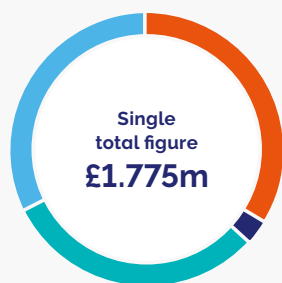
8 June 2026

2026 Remuneration at a glance

Total remuneration in 2025/26

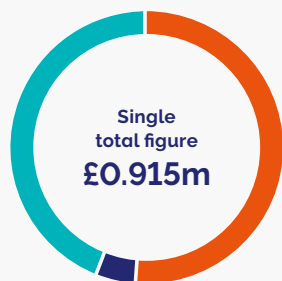


Chief Executive Officer Richard Tyson



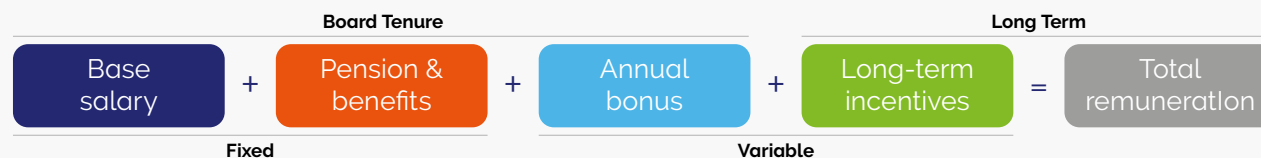
36.9% Fixed pay
63.1% Variable pay

Chief Financial Officer Paul Fry



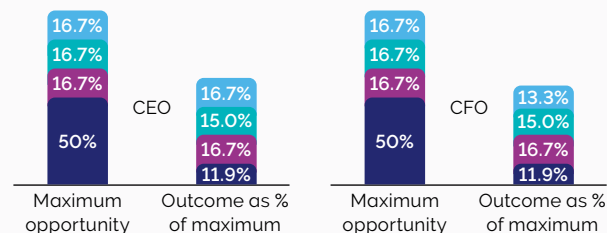
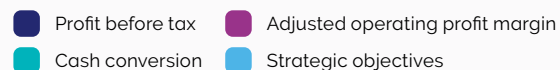
56.0% Fixed pay
44.0% Variable pay

Remuneration structure

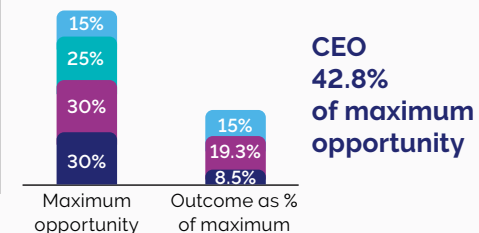


Variable remuneration outcomes in 2025/26 (CEO and CFO)

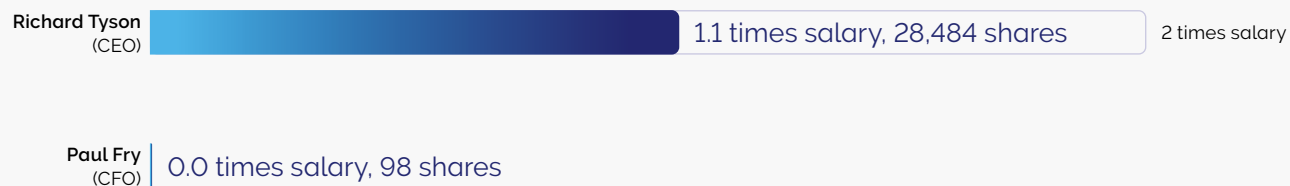
Annual bonus



Long-term incentives



Share ownership



Statement of Implementation of Remuneration policy in 2026/27

Base salary

Richard Tyson (CEO):

£650,000

8% increase

UK wider workforce increase of 3.5%

Paul Fry (CFO):

£488,003

3.5% increase

Pension

Richard Tyson (CEO):

6%

of base salary

Paul Fry (CFO):

6%

of base salary

Benefits

Benefits package consisting of healthcare, insurances and car benefit

Benefits package consisting of healthcare, insurances and car benefit

Annual bonus (maximum opportunity)

Richard Tyson (CEO):

150%

of base salary

Paul Fry (CFO):

150%

of base salary

Performance measure	Weighting
Profit	40%
Profit margin	20%
Cash Conversion	20%
Strategic Objectives	20%

- One-third of annual bonus deferred into shares for three years
- Strategic objectives focus on organic growth and margin progression
- Specific targets are considered to be commercially sensitive and will be disclosed retrospectively

Long-term incentive (LTIP)

Richard Tyson (CEO):

300%

of base salary

Paul Fry (CFO):

300%

of base salary

Core award: 200% of salary, Performance measure	Weighting	Threshold	Maximum
EPS at constant currency (CAGR)	30%	5%	11%
ROCE	30%	26%	30%
TSR (FTSE250 excl. Investment Trusts, Financial Services & Commodities)	25%	Median	Upper quartile
Scope 1&2 CO ₂ emission reduction over FY24 baseline	15%	45%	70%

Stretch award: 100% of salary, Performance measure	Weighting	Entry	Strategic Stretch
EPS at constant currency (CAGR)	50%	11.1%	15%
Profit margin at constant currency	50%	18.5%	20%

- 25% of the Core award vests at threshold. Stretch award vesting is subject to a holistic performance assessment and starts at 0% for entry performance
- Two-year post-vesting holding period applies

Shareholding requirements

Executive Directors should build a minimum shareholding of 200% of salary, equivalent to the Core LTIP opportunity, and are required to hold shares equivalent to their full in-employment shareholding guideline, or actual holding if lower, for two years post-employment.

Performance measures and link to strategy

Element	Outcome	Bonus	LTIP
Financial KPIs	Attractive end markets	Profit	✓
	Leading businesses	Profit margin	✓
	Operational excellence	Return on capital employed	✓
	Customer relationships	Cash flow conversion	✓
		EPS growth	✓
Strategic & Non-financial KPIs	Purpose, values and Ways of Working	Scorecard of strategic measures key to Group and business performance	✓
	High performance culture		
	Reach net zero	Scope 1 & 2 carbon emission reduction	✓
	Invest behind growth	Relative total shareholder return	✓

Directors' Remuneration policy

This section of the Directors' Remuneration Report sets out the proposed Remuneration Policy for the company and has been prepared in accordance with Schedule 8 to the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Companies (Miscellaneous Reporting) Regulations 2018 (the 2018 regulations), the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (the 2019 regulations) and the disclosure requirements set out in the Listing Rules of the UK Financial Conduct Authority. The policy has been developed taking into account the principles of the 2024 UK Corporate Governance Code.

This policy is subject to a binding shareholder vote at the 2026 AGM, from when it will take effect, and is intended to apply until the 2029 AGM and covers the financial years 2026/27, 2027/28 and 2028/29. The new Policy is set out in full on pages 149 to 155.

2026/27 Remuneration Policy changes

Element		Proposed changes to Policy	Rationale
Annual bonus	Bonus threshold	The bonus payable for achieving the threshold performance target has been increased from up to 10% of the maximum opportunity to up to 20% of the maximum.	To provide the Committee with additional flexibility in the setting of threshold performance targets and to ensure an appropriate level of incentivisation for their achievement.
Long-Term Incentive Plan	Opportunity	The maximum award opportunity under the policy will increase from 200% to 300% of base salary: - The normal award limit will remain 200% of base salary. - This limit may be exceeded at the Committee's discretion up to 300% of salary.	To give the Committee greater flexibility to better align the delivery of a highly attractive strategy and excellent shareholder value, providing the opportunity for exceptional rewards for exceptional performance. The Committee intends to grant LTIP awards to the Executive Directors in 2026 and 2027 of up to 300% of salary. It is envisaged that further awards above the 200% normal award limit would ordinarily be made following shareholder consultation.
	Linked options	The ability for LTIP awards to be granted in conjunction with a tax-advantaged option (a Linked Option) will be removed.	Policy simplification.

Policy review process

Scope of the review

- Remuneration Policy
- Implementation of the Policy over the next three years
- Full holistic review

Committee 1-2-1s

- Remuneration principles
- Market and governance developments
- Review of existing Policy
- Considerations to ensure remuneration remains fit for purpose
- Reviewing different remuneration structures

Draft proposals

- Review collective feedback and preferences
- Agree Policy requirements for the next three years
- Draft Policy changes
- Draft FY27 implementation of Policy

Stakeholder consultation

- Key shareholders
- Key shareholder advisory bodies
- OI leadership group

Finalise proposals

- Review stakeholder feedback
- Refined and improved proposals
- Approval of revised Policy
- Implementation of the Policy in the year ahead

Directors' Remuneration Policy continued

Policy overview

The company has a strategy focused on delivering significant shareholder value through sustained organic growth and margin progression. In support of this, the Committee aims to reward executives fairly and responsibly, with remuneration reflecting both Group performance and individual contribution. Ensuring that reward outcomes align with performance is essential for motivation, retention and the long-term success of the business.

The Committee carefully assesses incentives to ensure they are effective and do not create unintended consequences, including in relation to governance, environmental or social issues. More broadly, the Committee ensures that the overall Policy does not encourage inappropriate risk-taking and continues to promote sustainable value creation.

The Committee undertook a comprehensive review of the Policy during the year to ensure that it remains aligned with the company's strategy, supports long-term sustainable value creation and continues to reflect shareholder expectations and good practice. Furthermore, the Committee sought to ensure that the Policy provides sufficient flexibility to support opportunities to deliver exceptional long-term shareholder value.

How the views of shareholders are taken into account

The Committee considered the guidelines issued by bodies representing institutional shareholders and feedback from shareholders on the Group's remuneration policies and practices. It also proactively consulted with our largest shareholders, representing 65% of the company, and a number of the shareholder adviser bodies, prior to finalising proposed changes to the current Remuneration Policy. Stakeholders were invited to provide any feedback they had and were offered the opportunity to discuss the proposals with the Committee Chair. The Committee was pleased with the high level of engagement. Feedback received was positive and has been instrumental in shaping the final proposals. The Committee took account of the views expressed and considered refinements to certain aspects of the Policy in response to the consultation process. The key themes and outcomes from the consultation are shown opposite:

Element	Feedback	Incorporation of feedback
Annual bonus deferral	Stakeholders expressed mixed views on reducing bonus deferral once Executive Directors have achieved their shareholding guideline.	Taking account of feedback on share ownership, the Committee concluded: not to proceed with the proposal. Bonus deferral therefore remains unchanged, preserving ongoing share ownership and strong shareholder alignment; and
Share ownership requirement	A limited number of shareholders noted that market practice often aligns Executive Director share ownership guidelines with the maximum LTIP opportunity.	that the existing 200% of salary guideline remains appropriate and aligned to the ongoing typical LTIP award level of 200%. The 2026 LTIP award at 300% is not intended to set a new annual level.

Feedback was also received on the implementation of the Policy in 2026/27, helping to test and refine proposals. The Committee thanks shareholders for their considered feedback and engagement.

The Committee is committed to shareholder consultation, and the Committee Chair will actively engage with shareholders on significant changes, giving careful consideration to their views, including feedback received prior to and during the Annual General Meeting.

How the views of employees are taken into account

The Committee is provided with an overview of workforce remuneration each year and this was taken into consideration in deciding the pay of Executive Directors and senior management.

Although the Committee does not directly consult with employees on Directors' remuneration, the Committee does take into consideration the pay and employment conditions of all employees when setting the policy for Directors' remuneration.

In ensuring alignment of workforce pay practices and enabling feedback on Director pay proposals, a broad cross-section of the senior leadership team directly informed refinements to both the short and long-term incentive arrangements for the wider workforce for 2026/27.

Salary increases are normally in line with the general increase for the broader UK workforce, and pension contributions for Executive Directors are aligned to the level available for the majority of the UK workforce. The Committee is also mindful of any changes to the pay and benefit conditions for employees more generally when considering the policy for Directors' pay. When determining incentive outcomes, including whether discretion should be applied, the Committee also considers workforce pay and broader incentive outcomes.

Directors' Remuneration Policy continued

2026/27 Remuneration Policy for Directors

The Policy represents an evolution rather than a wholesale change. It strengthens the alignment between Executives and shareholders, enhances the link to long-term performance, and ensures the company can continue to attract and retain the high-calibre leadership that are needed to deliver our strategic ambitions.

The following table summarises the key aspects of the Remuneration Policy for Executive Directors.

Remuneration Policy

Element, purpose and link to strategy	Operation	Maximum opportunity
Base salary		
- To provide a competitive and appropriate level of basic fixed pay to recruit and retain executives of a suitable calibre for the roles and duties required. - Set at a level to avoid excessive risk taking that might otherwise result from an overreliance on variable remuneration.	- Normally reviewed annually with any increase usually effective 1 July. - Takes account of experience, performance and responsibilities as well as the performance of the Company, the complexity of the role within the Group and salary increases for employees generally. - Set with regard to market data for comparable positions in similar companies in terms of size, internationality, business model, structure and complexity, including within the industry. - Pay rises typically aligned with or below that of the workforce.	- There is no minimum or maximum annual increase. - Higher increases than the average percentage for the workforce may be appropriate; for example, where an individual changes role or their responsibilities increase, where the complexity of the Group changes, where an individual is materially below market comparators or is appointed on a below market salary with the expectation that his/her salary will increase with experience and performance.
Benefits		
Provide market-competitive benefits.	- Currently include, but are not limited to, the cost of: - life assurance; - private medical insurance; and - company car benefit (car, driver, car allowance, fuel); and/or overnight hotel accommodation where necessary to enable the executive to carry out his duties efficiently at the Head Office and other company sites. - Executive Directors are also eligible to receive long service awards in line with other employees. - The benefits provided may be subject to amendment from time to time by the Committee within this Policy. - Relocation costs and other incidental expenses may be provided as necessary and reasonable. - Benefits are not part of pensionable earnings.	- The value of benefits varies from year to year depending on the cost to the company and is not subject to a specific cap. - Benefit costs are monitored and controlled and represent a small element of total remuneration costs.



Directors' Remuneration Policy continued

Remuneration Policy continued

Element, purpose and link to strategy	Operation	Maximum opportunity
Pension		
Provide market-competitive benefits.	Company contributions to a money purchase pension scheme and/or salary supplement.	Pension contributions (or salary supplement in lieu) are aligned to the maximum employer contribution applying to the majority of the UK workforce, currently 6% of salary.
Annual bonus		
- To encourage and reward the successful delivery of the Group's short-term objectives. - Targets set at the start of the year with performance normally assessed over a one-year period.	- Performance targets based on the key performance indicators and strategic objectives of the business. - At least 70% of the bonus is based on financial metrics and the balance on non-financial/strategic metrics. - One-third of any bonus earned will be paid in shares, which are beneficially owned and which must be held by the Executive Director for at least three years. - The Committee may use discretion to override the result of any formula-driven bonus payment. - Clawback and malus provisions apply for misstatement, error, misconduct, corporate failure or reputational damage, or in other circumstances at the discretion of the Committee.	- Up to 30% of salary at year end payable for achieving threshold performance. 75% of salary at year end payable at target performance. 150% of salary at year end payable for maximum performance.

Directors' Remuneration Policy continued

Remuneration Policy continued

Element, purpose and link to strategy	Operation	Maximum opportunity
Long-Term Incentive Plan (LTIP)		
- To encourage and reward the successful delivery of the Group's long-term strategic objectives. - To align the Directors' interests with those of shareholders. - Facilitates share ownership to provide further alignment with shareholders and to assist with retention.	- Annual awards of performance shares with vesting subject to achievement of performance targets. Both the vesting and performance period will normally be over a three-year period. - Awards structured as options may have a zero exercise price or an exercise price equivalent to the par value of an ordinary share. - The Committee will set targets each year linked to the long-term business strategy and may be based on financial performance, a stock market-based metric and non-financial performance. - Vested awards must be held for a further two years before sale of the shares (other than to pay tax). - The Committee may use discretion to override the result of any formula-driven payment. - Clawback and malus may be applied for misstatement, error, misconduct, corporate failure or reputational damage, or in other circumstances at the discretion of the Committee.	- The normal award limit is 200% of salary. This limit may be exceeded at the Committee's discretion up to a limit of 300% of salary. - Up to 25% of the awards will vest at threshold performance under each performance condition. - In a recruitment situation the limit may be exceeded to facilitate a buy-out award (see further details in the 'Recruitment and promotion policy for Executive Directors' section on page 154). - Dividend equivalents may accrue on the LTIP awards over the vesting and holding period and would normally be paid out as shares in respect of the number of shares that have vested.
All-employee share schemes		
To encourage share ownership and align the interests of employees with shareholders.	- The company may from time to time operate tax-approved share schemes (such as the HMRC approved Share Incentive Plan (SIP)) for which Executive Directors could be eligible. - The SIP is open to all UK permanent staff.	The schemes are subject to the limits set by tax authorities.



Directors' Remuneration Policy continued

Remuneration Policy continued

Element, purpose and link to strategy	Operation	Maximum opportunity
Share ownership guideline		
To increase the alignment of interests between Executive Directors and shareholders.	- The Committee has established shareholding guidelines which encourage the Executive Directors to build and retain a holding of company shares equivalent to 200% of base salary (the normal LTIP award limit). - Until the guideline is met, Executive Directors are expected to retain or acquire shares equivalent to the value of 50% of the net amount realised from exercise/vesting of share awards as appropriate after allowing for tax payable. - Post cessation of employment there will be a requirement to retain the lower of the level of shareholding at that time, or 200% of base salary, for two years (unless by genuine exception, eg, serious ill health). At the Committee's discretion, shares which have been purchased voluntarily may be excluded, so as not to discourage further self-purchases.	Not applicable.
Non-Executive Director (NED) fees		
- To provide a competitive and appropriate level of remuneration to attract and retain a high-calibre Chair and NEDs. - Fees may be in the form of cash and/or shares.	- The Committee (excluding the Chair) is responsible for evaluating and determining the fees payable to the Chair. - The Chair and CEO are responsible for evaluating and making recommendations to the Board on fees payable to the NEDs within an aggregate limit approved from time to time by shareholders. - The Chair is currently paid a single inclusive fee for the role. - The policy is to pay NEDs a basic fee for membership of the Board and additional fees to the Senior Independent Director and Committee Chairs to recognise the additional responsibilities and time commitment of these roles. Additional fees may be paid to reflect additional Board or Committee responsibilities or time commitments as appropriate. - Fees are determined, and typically reviewed annually, taking into account time commitment, experience, knowledge and responsibilities of the role as well as market data for comparable roles in other companies of a similar size and/or business to Oxford Instruments. - NEDs based outside the UK may receive additional fees, taking into account additional travel and time commitment associated with their role. - Out of pocket expenses including travel may be reimbursed by the company in accordance with the company's expenses policy including tax thereon grossed up as appropriate.	There is no prescribed maximum or maximum annual increase.



Directors' Remuneration Policy continued

Malus and clawback

The payment of any bonus is at the ultimate discretion of the Remuneration Committee, which also retains an absolute discretion to reclaim or withhold some, or all, of any annual bonus paid in exceptional circumstances, such as misstatement of results, an error in the calculation of the performance targets and/or award size, misconduct of the participant, reputational damage, failure of risk management or corporate failure. The period over which these recovery provisions can be applied is three years from the award date.

The Committee has similar power in respect of the LTIP and may exercise discretion to reclaim or withhold some, or all, of a vested LTIP award in exceptional circumstances. The period over which these recovery provisions can be applied is three years from the vesting date. In each instance, the Remuneration Committee has assessed that the periods are suitable for the company as they are considered to be sufficiently long for the audit procedures to identify any circumstances that would give rise to the operation of malus or clawback.

Discretion

The Committee may adjust the formula-driven outturn for an annual bonus or LTIP performance condition if it considers the quantum to be inappropriate in light of wider company performance or overall shareholder experience. Any such use of discretion would be detailed in the Annual Report on Remuneration and in the Annual Statement of the Committee Chair.

The Committee operates the Group's incentive plans according to their respective rules and in accordance with HMRC rules, where relevant. To ensure the efficient administration of these plans, it may apply certain operational discretions, including:

- selecting the participants in the plans;
- determining the timing of grants and/or payments;
- determining the quantum of grants and/or payments;
- determining the extent of vesting based on the assessment of performance;
- determining 'good leaver' status and, where relevant, the extent of vesting in the case of the share-based plans;
- where relevant, determining the extent of vesting in the case of share-based plans in the event of a change of control;
- making the appropriate adjustments required in certain circumstances (eg, rights issues, corporate restructuring events, variation of capital and special dividends); and
- the annual review of weighting of performance measures and setting targets for the annual bonus plan and discretionary share plans from year to year.

The Committee may adjust the targets and/or set different measures and alter weightings for existing annual bonus plans and share-based awards only if an event occurs which causes the Committee to reasonably consider that the performance conditions would not without alteration achieve their original purpose and the varied conditions are no less difficult to satisfy than the original conditions. Any changes, and the rationale for those changes, will be set out clearly in the Annual Report on Remuneration in respect of the year in which they are made.

Legacy arrangements

In approving this Policy, authority is given to the company to honour any commitments entered into with current or former Directors (such as the vesting or exercise of past share awards) that have been disclosed to and approved by shareholders in previous remuneration reports. Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

Differences in remuneration policy for Executive Directors compared to other employees

We use the same principles (as set out in this report) to determine pay for our Executive Directors and everyone else who works at Oxford Instruments. Arrangements are designed to be competitive, aligned with local market practice and enable all employees to share in the success they help to create through incentives.

The Committee considers the general basic salary increase for the broader employee population when determining the annual salary review for the Executive Directors and the pension is aligned with that offered to the majority of the workforce in the UK.

Overall, the remuneration policy for the Executive Directors is more heavily weighted towards variable pay than for other employees. This ensures that there is a clear link between value created for shareholders and remuneration received by Executive Directors.

Remuneration arrangements and performance targets cascade down the organisation to ensure alignment with the company strategy. The structure of senior management bonuses and LTIPs broadly reflect those of the Executive Directors, with some measures being Group-wide and others specific to their remit. Outside senior management, a variety of complementary bonus plans are operated linked to the performance of their business and/or their contribution.

In order to support retention within key roles or critical knowledge and skills that are important to the company, employees may be granted share-based incentives.



Directors' Remuneration Policy continued

Approach to recruitment and promotions

In setting total remuneration levels and in considering quantum for each element of the package for a new Executive Director, the Committee takes into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

The company seeks to align the remuneration package with the Policy approved by shareholders. Salary is provided at such a level as required to secure the most appropriate candidate. For new appointments, base salary and total remuneration may be set initially at below normal market rates on the basis that it may be increased once expertise and performance has been proven and sustained.

Specific variable remuneration performance targets can be introduced for an individual where necessary for the first year of appointment if it is appropriate to do so to reflect the individual's responsibilities and the point in the year in which they joined the Board.

Flexibility is retained to offer additional cash and/or share-based payments on appointment in respect of deferred remuneration or benefit arrangements forfeited on leaving a previous employer (ie, a buy-out award). The Committee would look to replicate the arrangements being forfeited as closely as possible and, in doing so, will take account of relevant factors including the nature of the remuneration forfeited, performance conditions, attributed expected value and the time over which they would have vested or been paid. Such awards may be made under the terms of the LTIP (which, when combined with a normal annual LTIP award, may exceed the 'normal' 200% of salary award level or the maximum 300% of salary limit per annum) or as permitted under the Listing Rules.

For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to continue to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the company will meet certain relocation, legal and any other incidental expenses as appropriate.

Service contracts and policy on payments for loss of office

Details of contractual terms and the policy on cessation of employment are summarised in the table below. Payments to departing Directors can only be made in line with the Policy:

Contractual provision	Detailed terms
Notice period	12 months by the company or by the Director.
Termination payment	A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, in the event of gross misconduct. For termination in other circumstances, the company has a right to pay salary in lieu of the notice period (or part thereof) if it so determines. In addition, any statutory entitlements in connection with the termination would be paid as necessary, and, at the Committee's discretion if deemed necessary and appropriate, outplacement, legal fees and settlement of claims or potential compensation claims.
Remuneration entitlements	Pro rata bonus may also become payable for the period of active service based on the satisfaction of performance conditions and usually payable at the normal time, along with vesting for outstanding share awards or deferred bonus shares (in certain circumstances – see below).
Change of control	No Executive Director's contract contains additional provisions in respect of a change of control. Any applicable share plan rules address the treatment of unpaid and unvested awards.

Any share-based entitlements granted to an Executive Director under the company's share plans will be determined based on the relevant plan rules. The default treatment for existing awards is that any unvested awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury, ill health, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. Under the LTIP, awards to good leavers will vest on the normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and will normally be scaled back to reflect the proportion of the original vesting period or performance period actually served.

Directors' Remuneration Policy continued

Service contracts and policy on payments for loss of office continued

In the event of a good leaver there would be no early release from a post-vest holding period (again, unless by genuine exception, for example, serious ill health). The Committee has discretion in exceptional circumstances to disapply time pro rating, to measure performance to, and vest awards at, the date of cessation. Vesting at cessation would be the default position where a participant dies. Deferred bonus shares are beneficially owned by the executive from the time of the bonus payment, so are not at risk of forfeiture (other than in relation to clawback).

Non-Executive Directors

For the appointment of a new Chair or Non-Executive Director, the fee arrangements would be in accordance with the Policy.

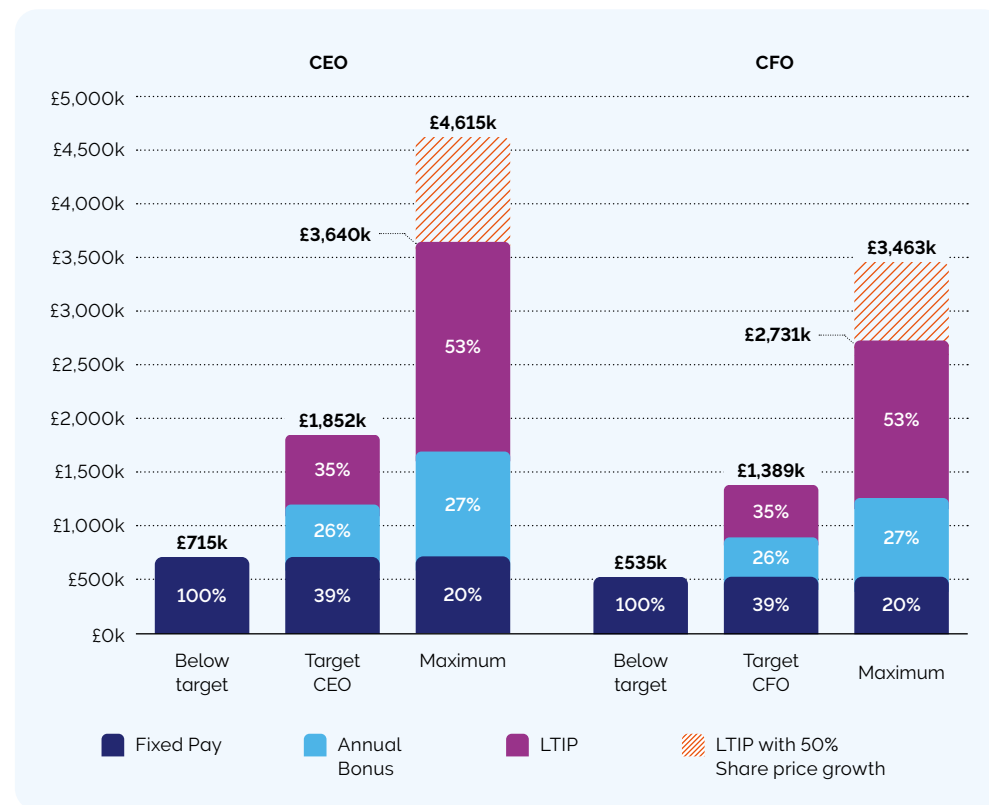
The Chair and Non-Executive Directors do not have service contracts; they serve under letters of appointment and in line with governance best practice, the company proposes all Directors for annual re-election by shareholders at the AGM. The term of appointment for the Chair and Non-Executive Directors is three years. The Chair is subject to termination on six months' notice and Non-Executive Director appointment letters provide for termination without notice and with no compensation payable on termination. In the event of the termination of their position, they are entitled to reimbursement of any outstanding fees and expenses due.

Remuneration scenarios for Executive Directors

The Group's normal policy results in a significant portion of remuneration received by Executive Directors being dependent on performance. The chart opposite shows how 2026/27 remuneration outcomes for Executive Directors would vary under different performance scenarios – Minimum, Target, Maximum, and Maximum plus 50% share price growth.

Assumptions

- Fixed pay comprises salary levels as at 1 July 2026, pension of 6% of salary and the value of benefits received in 2025/26 for the CEO and CFO.
- The on-target level of bonus is 75% of salary.
- The on-target level of vesting under the LTIP is taken to be 50% of the face value of the Core award at grant.
- The maximum level of bonus is 150% of salary, the typical LTIP award level is 200% of salary for the CEO and the CFO and the maximum LTIP award level is 300% of salary.
- To show the impact of potential share price growth on the value of an Executive Director's package, the impact of share price growth of 50% on the LTIP is used.



Annual Report on Remuneration

This part of the Directors' Remuneration Report has been prepared in accordance with Part 3 and Part 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (as amended), the Companies Act 2006 and UK Listing Rule 6.6.6R, and explains how Oxford Instruments' current Remuneration Policy has been implemented during the year. The Annual Statement and Annual Report on Remuneration will be put to a single advisory vote at the AGM on 23 July 2026.

Role of the Remuneration Committee

The principal role of the Remuneration Committee is to establish the policy for remuneration of the Executive Directors, the Executive Leadership Team and the Chair, which is aligned with the long-term success of the company and its shareholders. It also oversees the principles and structure of remuneration arrangements for all employees across the Group.

The Chair and the Executive Directors are responsible for determining the remuneration of the Non-Executive Directors, and the Remuneration Committee, in the absence of the Chair, is responsible for determining the remuneration of the Chair.

Membership of the Remuneration Committee

The Committee comprises a majority of independent Non-Executive Directors. Alison Wood has held the role of Chair of the Committee since 26 January 2021 and has significant prior remuneration committee experience, in particular, chairing remuneration committees at other listed companies, and is sufficiently experienced to undertake this role in line with Provision 32 of the UK Corporate Governance Code 2024.

The Committee members have no personal financial interest, other than as shareholders, in matters to be decided, no potential conflicts of interests arising from cross-directorships and no day-to-day involvement in running the business. The Non-Executive Directors are not eligible for pensions and do not participate in the Group's bonus or share schemes. The Committee's terms of reference can be found on the Group website.

The Remuneration Committee holds a minimum of two meetings annually, as required under its terms of reference, and this year held six meetings. Standing attendees at meetings may include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer. Other members of senior management may also attend as required. The Company Secretary is the secretary to the Committee. No Director or the Company Secretary or the Chief HR Officer took part in discussions relating to their own remuneration and/or benefits. The Committee also has an independent remuneration consultant to provide advice on all aspects of executive remuneration as required by the Committee.

Priorities and activities of the Remuneration Committee during 2025/26

Reviewed the appropriateness of the current Remuneration Policy

- As described in the Committee Chair annual statement and the proposed enhancements to the Remuneration Policy, the Committee carefully evaluated the design of the remuneration package and its ability to support the delivery of long-term shareholder value creation. The Committee evaluated the alignment of all remuneration elements with the long-term experience of shareholders, the company's strategy, culture and pay principles.
- As part of the review, the Committee considered corporate governance developments, guidance from institutional investors, external remuneration trends and external benchmarking, to ensure our remuneration structures reflect good practice and our pay for performance principles.

Reviewed the application of the current Remuneration Policy in relation to remuneration arrangements for 2025/26, to ensure a package that is proportionate and aligned with shareholder interests

- Reviewed all elements of the current Remuneration Policy, in order to ensure that all elements remain fit for purpose and align with good governance, the shareholder experience and our pay for performance principles.

Determine pay outcomes that are performance driven and reflective of the shareholder experience

- Determined the bonus performance outcomes against 2024/25 targets and approved bonus payments.
- Determined the LTIP vesting outcome against the 2022 performance targets and approved vesting.
- Reviewed incentive plan outcomes for the application of malus and/or clawback.
- Reviewed incentive plan outcomes and evaluated whether it was appropriate for discretion to be applied.

Set pay at a competitive level against the external market and ensured remuneration remained affordable and fair in the context of pay for all employees

- Considered corporate governance developments, guidance from institutional investors and external remuneration trends, to ensure our remuneration structures reflect good practice and our pay for performance principles.
- Reviewed the pay arrangements for employees across the Group and considered how these relate to those for our senior leaders.



Annual Report on Remuneration continued

Set pay at a competitive level against the external market and ensured remuneration remained affordable and fair in the context of pay for all employees continued

- Set basic salary increases for the Executive Directors in line with the approach for setting workforce pay.
- Reviewed the fee payable to the Chair.

Ensure pay is motivating, simple, transparent and aligned to shareholder interests

- Reviewed and considered shareholder feedback on the implementation of the Policy in 2026/27.
- Reviewed the terms of the annual bonus, selected the performance measures and set the performance targets for the Executive Directors' and other members of senior management's bonus schemes for 2026/27.
- Approved the Executive Directors' personal strategic objectives for the 2026/27 bonus.
- Reviewed the terms of the LTIP plans and the award levels for Executive Directors and other members of senior management. Reviewed the performance measures and performance targets.

Maintain transparency and clarity in everything we do

- Engaged shareholders on the proposals for the future Remuneration Policy with a clear articulation of the link to shareholder value. Providing all shareholders with a summary of those discussions and any revisions to final proposals.
- Approved the 2025/26 Directors' Remuneration Report and recommended that shareholders vote in favour of this report, the new Policy and the new LTIP rules at the company's 2026 Annual General Meeting.

Single figure of remuneration for 2025/26 and 2024/25 (audited)

The remuneration paid to the Directors during the year under review and the previous year is summarised in the following tables:

Executive Directors (audited)

Executive Directors ¹		Salary £'000	Benefits ² £'000	Annual Bonus ³ £'000	Long-term incentive Awards ⁴ £'000	Pension ⁵ £'000	Other ⁶ £'000	Total fixed £'000	Total variable £'000	Total £'000
Richard Tyson	2025/26	598	26	544	576	31	–	655	1,120	1,775
	2024/25	583	26	828	–	31	–	640	828	1,468
Paul Fry ⁷	2025/26	469	17	402	–	26	–	512	403	915
	2024/25	–	–	–	–	–	–	–	–	–

1 No operation of malus or clawback operated in the year for these or previous directors.

2 Benefits comprise car allowance and/or benefit in kind of a company car, private medical insurance, other insurance benefits, overnight hotel accommodation where necessary to carry out duties at the Head Office of the company.

3 Annual bonus represents the gross annual bonus for the year to March 2026 and would usually be paid in the July 2026 payroll. Of the total bonus amounts payable, £181,167 and £134,089, equal to one-third, will be paid in shares for Richard Tyson and Paul Fry, respectively, which must be held for three years.

4 Long-term incentive awards are those awards where the vesting is determined by performance periods ending in the year under review and therefore reports the value of the LTIP award granted on 14 November 2023. Awards will vest in July 2026 and, as such, the value has been determined using an indicative share price of £24.6508 (being the average closing price over the three months to 31 March 2026). This award will be restated in next year's report. The share price used on grant of the 2023 LTIP award was £21.50, therefore the value of the LTIP award that has been attributable to share price growth is £71,520 for Richard Tyson. Dividend equivalents have been added to arrive at the total figure included in the table above.

5 Comprises contribution to a money purchase pension scheme and/or payments in lieu of pension contribution.

6 The company operates a Share Incentive Plan (SIP) which is open to all UK permanent staff employed for at least six months. For Richard Tyson and Paul Fry, 'Other' is the value of matching SIP shares attributable to the year; the company offers a 1:5 match for partnership shares purchased by employees and this amounted to £369 and £347 each of matching shares for Richard Tyson and Paul Fry, respectively.

7 Paul Fry was appointed Chief Financial Officer on 1 April 2025.

Annual Report on Remuneration continued

Chair and Non-Executive Directors (audited)

Non-Executive Director		Fees £'000	Benefits £'000	Total £'000
Neil Carson	2025/26	217	–	217
	2024/25	211	–	211
Alison Wood	2025/26	81	–	81
	2024/25	79	–	79
Sir Nigel Sheinwald	2025/26	71	–	71
	2024/25	69	–	69
Hannah Nichols	2025/26	71	–	71
	2024/25	66	–	66
Rowena Innocent ¹	2025/26	60	–	60
	2024/25	7	–	7

1 Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

Executive Director pension arrangements (audited)

Executive Directors are entitled to receive a contribution to a money purchase pension scheme and/or cash payments in lieu of pension contribution for a fixed value of 6% of base salary, which is the maximum percentage amount payable to the majority of the UK workforce. Cash payments in lieu of pension contribution are taxed as income and, in line with the policy for all UK employees, this cash payment is reduced to cover employer's national insurance costs.

Payments to past Directors and for loss of office (audited)

As explained in the 2025 Annual Report, Gavin Hill was treated as a good leaver when he stepped down from the Board and his role as CFO on 31 March 2025, and remained actively employed until 10 June 2025 to ensure a smooth transition. The remuneration approach, which is in line with the Policy, is as follows:

Salary, pension and benefits – Gavin continued to receive his contractual salary of £412,000 per annum, pension and benefits until the end of his notice period on 7 January 2026 (£347k in aggregate).

Annual bonus – Gavin remained eligible to participate in the 2025/26 annual bonus plan, pro-rated for the period of his active service, ie, up to 10 June 2025, payable at the usual time in cash and deferred shares, and wholly subject to financial performance measures. The outturn, in line with the achievement of the financial measures disclosed in this report, of 52.3% of the maximum, equates to an award of £68,310 for the period 1 April 2025 to 10 June 2025.

Long-Term Incentive Plan – Gavin retained his unvested Performance Share Plan and Long-Term Incentive Plan awards which will vest at their normal vesting dates, subject to performance testing and time pro-rata reduction to the end of his notice period ie, 7 January 2026. The two-year post-vesting holding periods will continue to apply. The final vested value of the LTIP award granted on 20 June 2022 was £203,418. The LTIP award granted on 25 September 2023 will vest at 42.8% of the maximum, which will result in 14,939 shares vesting, including 419 dividend shares, in July 2026; the value of these shares is £368,254 based on the average share price over the three months to 31 March 2026, £24.6508.

Share Incentive Plan – Gavin participated in the SIP and received matching shares on the same basis as all participants. The value of the matching shares amounted to £269.

Share ownership guidelines – Gavin is subject to a post-employment shareholding requirement which requires him to retain a shareholding on cessation of employment, equivalent to 200% of base salary, for two years commencing from the end of his notice period ie, 7 January 2026.

Annual Report on Remuneration continued

Details of annual bonus earned in year (audited)

As in previous years, the Committee set stretching performance targets for the annual bonus which are clearly linked to the strategy and financial performance of the Group. Executive Director on-target bonus opportunity was 75% of salary and the maximum opportunity was 150% of salary. The targets set and the achievement against them are set out in the table below.

Measure (% of salary maximum)	Targets ¹			Actual Performance	Payout % of salary
	Threshold	Target	Maximum		
Adjusted profit before tax ² (75%)	£78.2m	£82.3m	£86.4m	£79.6m	17.8%
Adjusted organic operating profit margin ² (25%)	17.1%	17.5%	17.8%	18.1%	25.0%
Cash conversion (25%)	80.0%	85.0%	90.0%	89%	22.5%
Strategic objectives (25%)	See below			CEO:	25.0%
				CFO:	20.0%
Total				CEO:	90.3%
				CFO:	85.3%

1 10% of the element is payable for achieving threshold performance and 50% is payable for achieving target performance.

2 Calculated on a constant currency basis.

Annual Report on Remuneration continued

Details of annual bonus earned in year (audited) continued

The non-financial strategic objectives were set at the start of the year. The CEO and CFO were set the same two main strategic objectives and the CFO was set one additional objective.

Details of the objectives and an assessment as to their achievement are set out below:

Strategic objectives	Objective detail and rationale	Weighting CEO	Weighting CFO	Outcome as % of salary CEO	Outcome as % of salary CFO
Progress evolution of the portfolio in line with agreed Group strategy	NanoScience divestment completed in January 2026 to improve quality of the Group. Final net proceeds of £42.4m. Facilitated second £50m share buyback. Portfolio strategy reviewed during the year with various options explored. Pipeline of M&A opportunities refreshed and reviewed alongside wider transformation opportunities; no options deemed appropriate. Capital deployment plans updated, alongside second share buyback and increased investment into R&D.	✓	✓	12.5%	6.25%
Progress operational excellence transformation programme	NanoScience programme fully delivered in early FY26 with identification of further margin improvement possibilities, key to supporting divestment. Andor programme well advanced and expanded into product strategy. Significant improvements in efficiency and productivity key to improvements in operating margin. Further transformation activities scheduled. Plasma programme advancing and delivering improvements. Further opportunities identified potential to create clean room capacity for new business samples and restructure standards for simpler supply chain and assembly processes. Materials & Analysis plans under way to improve Engineering NPI processes and to improve manufacturing flexibility between sites. Continued improvement in forecast delivery across the Group.	✓	✓	12.5%	6.25%
Establish the future ERP strategy	Strategic review complete with approach agreed by the Board. Investment and implementation plans under way. Project progressed to full scoping during FY27.		✓		7.5%
Total outcome				25%	20%



Annual Report on Remuneration continued

Details of annual bonus earned in year (audited) continued

The actual bonuses payable for the Executive Directors for the year ended 31 March 2026 are set out below.

Executive Director	Actual bonus payable (% of salary)	Actual bonus payable (% of maximum)	Actual bonus payable for 2025/26 ¹
Richard Tyson	90.3%	60.2%	£543,501
Paul Fry	85.3%	56.9%	£402,265

1 Bonus is calculated on salary as at 31 March 2026. Of the amounts disclosed, £181,167 and £134,089 will be paid in shares to Richard Tyson and Paul Fry respectively, which must be held for three years.



Annual Report on Remuneration continued

Long-term incentive plans (audited)

The performance targets, performance against them and the resulting value in respect of the long-term incentive awards where vesting is determined by a performance period ending in 2025/26 are as follows:

LTIP awards vesting based on performance to 31 March 2026 (audited)

The LTIP awards granted in 2023 had a three-year performance period, which ran from 1 April 2023 to 31 March 2026, were subject to the following performance targets:

Measure	Weighting	Performance period	Threshold target (25% vesting) ¹	Maximum target (100% vesting)	Performance outcome	Vesting outcome (% of weighting)
EPS growth over the 2022/23 baseline ²	30%	01/04/2023 – 31/03/2026	4%	10%	4.3%	8.5%
					Performance between threshold and maximum	
ROCE in the final year of the three-year performance period ^{2,3}	30%	01/04/2023 – 31/03/2026	30%	34%	32.1%	19.3%
					Performance between threshold and maximum	
TSR relative to the FTSE 250 excl. Investment Trusts	25%	01/04/2023 – 31/03/2026	Median rank	Upper quartile rank	44th percentile	0%
					Performance below threshold	
Absolute reduction in Scope 1 & 2 CO ₂ emissions (market-based) from 2022/23 (2019 baseline)	7.5%	01/04/2023 – 31/03/2026	2% reduction	9% reduction	34.7% reduction	7.5%
					Performance at maximum	
Improved female representation in senior leadership positions	7.5%	01/04/2023 – 31/03/2026	35%	40%	41.5% representation	7.5%
					Performance at maximum	

1 For performance between threshold and maximum, awards vest on a pro-rata basis.

2 EPS is defined on a constant currency basis.

3 ROCE is summarised as adjusted operating profit less amortisation of acquired intangibles divided by the average of capital employed in the current and the prior annual reporting periods. Acquisitions during the performance period are excluded.

The award will vest at 42.8% of the maximum. The Committee believes that, in line with its pay-for-performance principles, the vesting appropriately reflects performance over the three-year performance period and the shareholder experience.

Annual Report on Remuneration continued

2023 LTIP award

	Date award granted	Total number of shares granted	Percentage of award vesting	Number of shares vesting	Value ¹ of shares vesting	Number of shares awarded as dividend equivalent ²	Value ¹ of shares vesting including dividend equivalent
Richard Tyson	14 November 2023	53,023	42.8%	22,699	559,548	654	575,670

- As the awards vest after the date of this report, value has been calculated using the average mid market closing price of the company's shares over the three-month period ending 31 March 2026, £24.6508. This will be restated for the actual value on vesting in next year's report.
- Dividend equivalents have been calculated based on dividends paid up until the date of this report. If dividends are payable between the date of this report and the vesting date, additional dividend equivalents will be awarded and the value will be updated in next year's report.

Share awards granted during the financial year (audited) LTIP awards (audited)

Awards made under the LTIP during the financial year ended 31 March 2026 are set out below.

Director	Date award granted	Total number of shares granted	Percentage of salary	Face value of award at grant date	Share price at date of grant ¹	Vesting date
Richard Tyson	19 June 2025	68,151	200%	£1,203,556	£17.66	31 July 2028
Paul Fry	19 June 2025	53,397	200%	£943,000	£17.66	31 July 2028

- The share price used to determine the number of shares under award was the average share price over the three trading days prior to grant.

The awards are nominally priced options of £0.05 and are subject to the following performance conditions:

Performance measure	Weighting	Performance targets
Earnings Per Share (EPS)	30%	3% pa (25% vesting) to 10% pa (100% vesting) CAGR over three financial years measured from the FY25 year-end EPS.
Return on Capital Employed (ROCE)	30%	26% in the final year of the performance period (FY28) (25% vesting) to 30% (100% vesting).
Relative Total Shareholder Return (TSR)	25%	Median (25% vesting) to Upper quartile (100% vesting) over three financial years commencing with FY2026 relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – absolute reduction in Scope 1 & 2 CO₂ emissions (market-based) over the 2023/24 baseline	15%	45% reduction in the final year of the performance period (FY28) (25% vesting) to 65% reduction (100% vesting).

Annual Report on Remuneration continued

Summary of outstanding share awards held by Executive Directors (audited)

As at 31 March 2026, the outstanding options for Richard Tyson and Paul Fry under the LTIP¹ were as follows:

Scheme	1 Apr 2025	Granted in the year	Lapsed in the year	Exercised in the year	Dividend equivalents ¹	Awards held at 31 March 2026	Exercise price ²	Share price on date of grant	Date of grant	Earliest exercise	Latest exercise
Richard Tyson											
LTIP	13,521	–	–	13,521	–	–	£0.05	£20.55	14/11/2023	16/03/2024	15/03/2031
LTIP ²	53,023	–	–	–	–	53,023	£0.05	£20.55	14/11/2023	31/07/2026	13/11/2033
LTIP	48,222	–	–	–	–	48,222	£0.05	£24.35	22/07/2024	31/07/2027	21/07/2034
LTIP	–	68,151	–	–	–	68,151	£0.05	£17.56	19/06/2025	31/07/2027	18/06/2035
Total	114,766	68,151	–	13,521	–	169,396					
Paul Fry											
LTIP	–	53,397	–	–	–	53,397	£0.05	£17.56	19/06/2025	31/07/2027	18/06/2035
Total	–	53,397	–	–	–	53,397					

1 Dividend equivalents are awarded on vesting of LTIP awards, for the period to vesting, in respect of the actual number of shares vesting.

2 The performance conditions relating to this award have been tested and the award will vest at 42.8%.

Annual Report on Remuneration continued

Shareholding requirements (audited)

Executive Directors are required to build and retain a shareholding in the company equivalent in value to 200% of basic salary. Until the requirement is met, the Executive Directors are expected to retain or purchase shares equivalent to the value of 50% of the net amount realised on exercise of long-term incentive awards after allowing for tax payable. The value of vested but unexercised LTIP awards may count towards the shareholding level, calculated at the net of tax value.

Directors' shareholdings as at 31 March 2026 (or date of resignation if relevant) are shown in the table below.

	Beneficially owned shares ¹	Share option awards vested but unexercised	Percentage of salary shareholding achieved ²	Guideline met as at 31 March 2026	Share option awards unvested and subject to performance ³
Richard Tyson	28,484	–	114%	No	169,396
Paul Fry ⁴	98	–	0%	No	53,397
Neil Carson	24,000	–	N/A	N/A	–
Alison Wood	–	–	N/A	N/A	–
Nigel Sheinwald	–	–	N/A	N/A	–
Hannah Nichols	–	–	N/A	N/A	–
Rowena Innocent ⁵	–	–	N/A	N/A	–

1 Includes shares held by connected persons, SIP partnership shares, SIP matching shares released from the three-year trust period and vested LTIP awards and their dividend equivalents.

2 The notional tax rate used to determine the net value of the vested share awards is 47%. Shares valued using the market price of the shares on 31 March 2026: £24.00.

3 Award granted in 2023 will vest at 42.8% in July 2026. Awards granted in 2024 and 2025 remain subject to performance conditions.

4 Paul Fry was appointed Chief Financial Officer on 1 April 2025.

5 Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

There has been no change in the directors' interests in the ordinary share capital of the company between 31 March 2026 and the date of this report.

Annual Report on Remuneration continued

Performance graph and CEO's remuneration

The graph below shows for the ten years ended 31 March 2026 the total shareholder return (TSR) on a holding of the company's ordinary shares compared with the TSR of an equivalent value invested in the FTSE 250 and FTSE 350 Electronic and Electrical Equipment indices. These indices have been chosen as they are considered to be the most appropriate comparator groups for the company.

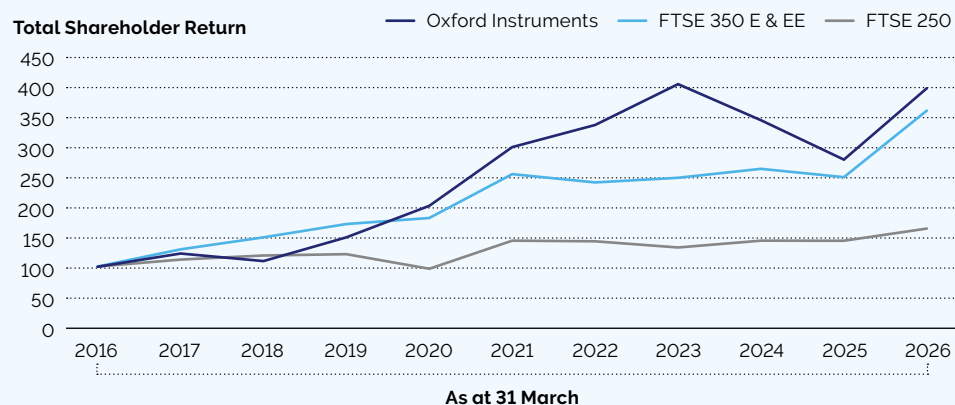
The total remuneration of the CEO over the last ten years is shown in the table below. The annual bonus payout and LTI vesting level as a percentage of the maximum opportunity are also shown.

Year ending 31 March	2017 ¹		2018	2019	2020	2021	2022	2023	2024 ³		2025	2026
	Jonathan Flint	Ian Barkshire							Ian Barkshire	Richard Tyson		
Total remuneration (£000)	64	620	791	1,957	1,967	2,244	2,087	2,135	1,321	1,392	1,468	1,775
Annual bonus outcome (%)	0%	56.3%	63.7%	94.4%	62.9%	100%	74.2%	80.56%	60%	60%	94%	60.2%
LTI ² vesting (%)	0%	N/A	N/A	92.8%	100%	100%	100%	100%	97.5%	N/A	N/A	42.8%

1 FY17: remuneration shown separately for Jonathan Flint who was CEO from 1 April to 11 May 2016 and Ian Barkshire who was CEO from 12 May 2016 to 31 March 2017.

2 LTI vesting across ESOS/SELTIS/PSP/LTIP (%). Executive Directors were last granted ESOS (market value share options) and SELTIS (nil-cost options) in June 2014. PSP awards were granted from June 2014 to June 2022. LTIP awards have been granted since September 2023.

3 FY24: remuneration shown separately for Ian Barkshire who was CEO from 1 April 2023 to 1 October 2023 and Richard Tyson who was CEO from 1 October 2023 to 31 March 2024.



Annual Report on Remuneration continued

Percentage change in the remuneration of the Directors

The table below shows the percentage change in each of the Director's salaries, taxable benefits and annual bonus earned between 2020/21 to 2025/26 compared to that for the average UK based employee of the Group (on a per capita full-time equivalent basis).

Directors during the year ended 31 March 2026	2024/25 to 2025/26 % change			2023/24 to 2024/25 % change			2022/23 to 2023/24 % change			2021/22 to 2022/23 % change			2020/21 to 2021/22 % change		
	Salary	Benefits	Bonus ⁶	Salary	Benefits	Bonus ⁷	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
Richard Tyson ¹	2.6	0.3	(34.4)	104.5	96.8	223.6	N/A	N/A	–	N/A	N/A	–	N/A	–	–
Paul Fry ²	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Neil Carson	2.6	–	–	3.5	–	–	5.0	–	–	4.3	–	–	8.0	–	–
Alison Wood	2.6	–	–	4.1	–	–	8.6	100	–	9.3	–	–	N/A	–	–
Nigel Sheinwald	2.6	–	–	4.4	–	–	7.0	–	–	N/A	–	–	N/A	–	–
Hannah Nichols ³	7.6	–	–	369.7	–	–	N/A	N/A	–	N/A	N/A	–	N/A	–	–
Rowena Innocent ⁴	815.0	–	–	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average employee pay ⁵	9.8	17.5	40.3	2.7	(1.0)	46.5	1.7	(11.0)	(29.3)	10.3	9.01	(4.7)	4.2	(8.4)	(23.1)

1 Richard Tyson joined the Board on 1 October 2023 and the 2023/24 year does not reflect an equivalent full year of salary, benefits and bonus.

2 Paul Fry was appointed as Chief Financial Officer on 1 April 2025.

3 Hannah Nichols joined the Board on 1 January 2024 and was appointed Chair of the Audit and Risk Committee on 25 July 2024.

4 Rowena Innocent joined the Board on 17 February 2025. Rowena received fees of £7,391 for the period served in 2024/25.

5 Average employee pay includes all UK employees in service on 31 March 2026 for the 2024/25 to 2025/26 comparison, but excludes those who were on maternity leave, long-term sick leave and those who started or ended employment within the period.

6 The value of the average employee bonus for the year ended 31 March 2026 (to be paid in July 2026) was not fully known at the time the Annual Report was approved and consequently the number included is management's best estimate of the bonus that will be paid.

7 The 2023/24 to 2024/25 change in average employee bonus has been restated for actual bonuses paid in July 2025.

Relative importance of the spend on pay

The following table shows the Group's employee costs relative to dividends:

	Year ended 31 March 2026	Year ended 31 March 2025	% change
Employee costs (£m)	159.9	166.6	(4.0)%
Dividends (£m)	13.0	12.1	7.4%

Annual Report on Remuneration continued

Ratio of CEO pay to that of employees

The table below shows the ratio of the CEO's total remuneration for 2025/26 and the lower, median and upper quartile full-time equivalent remuneration of the Group's UK employees. Historical pay ratios are shown for comparison. The ratios have been calculated in accordance with Option A under the relevant regulations, as it provides the most statistically accurate method for identifying the pay ratios. Option A requires a company to calculate the total full-time equivalent pay and benefits of all its UK employees for the relevant financial year (using the same methodology as for CEO pay) in order to identify and rank the 25th, 50th and 75th percentiles. The total remuneration for employees includes salaries, taxable benefits, bonuses, share-based payments remuneration and pensions. The period of analysis is between 1 April 2025 and 31 March 2026. The analysis included colleagues employed at 31 March 2026.

Financial year	Method	25th percentile	50th percentile	75th percentile
2025/26	A	45:1	34:1	25:1
2024/25	A	40:1	31:1	23:1
2023/24	A	77:1	58:1	43:1
2022/23	A	66:1	49:1	37:1
2021/22	A	65:1	49:1	36:1
2020/21	A	73:1	55:1	40:1
2019/20	A	63:1	48:1	33:1

The aggregated payment made in respect of the CEO who served during the year, and the employees at the percentiles for the 2025/26 ratio are set out below:

	CEO	25th percentile	50th percentile	75th percentile
Salary	£598,109	£35,700	£47,398	£65,038
Total pay	£1,774,594	£39,167	£51,462	£70,575

For the purpose of calculating the pay ratio, the CEO's remuneration is based on the single figure table. Details of colleague bonus payments for the year ended 31 March 2026 (to be paid in July 2026) was not known at the time the Annual Report was approved and consequently the number included is management's best estimate of the bonus that will be paid. The 2024/25 pay ratios have been restated to reflect the actual bonuses paid.

The Committee considers the median pay ratio consistent with the Group's wider policies on employee pay, reward and progression. For example, the Committee reviewed workforce remuneration practices which were taken into consideration when deciding the pay of Executive Directors and Senior Management. Changes in total remuneration for the CEO are reflective of the Committee's pay for performance principles and the performance delivered, with the majority of CEO remuneration opportunity being performance-related variable pay. The CEO's pay ratio, is therefore, heavily dependent on the outcomes of the annual bonus and LTIP. It is expected that there could be considerable year-to-year changes in the ratio. The increase in the pay ratio for 2025/26 compared to the prior year reflects the inclusion of an LTIP vesting for the CEO this year. Whilst the annual bonus outcome for 2025/26 is lower than 2024/25, the total variable pay outcome this year for the CEO with the inclusion of the LTIP vesting is higher, resulting in a slight increase to the ratio at all percentiles.

The Committee is satisfied that the pay ratios are appropriate and consistent with the pay, reward and progression policies in place for all employees.

Annual Report on Remuneration continued

Executive Directors' service contracts and Non-Executive Directors' terms of engagement

A summary of the operation of the Executive Directors' service contracts and policy on payments for loss of office is set out within the overview of the Remuneration Policy. The Chair and Non-Executive Directors do not have service contracts; they serve under letters of appointment and are subject to annual re-election by shareholders at the AGM. The term of appointment for Non-Executive Directors and the Chair is three years, the Chair has a six-month notice period and Non-Executive Directors terms provide for termination without notice. In the event of the termination of their position, they are entitled to reimbursement of any outstanding fees and expenses due. The dates of appointment and date of service contract (in the case of Executive Directors) or date of letter of appointment (in the case of Non-Executive Directors) for those Directors seeking re-election at the 2026 AGM are set out below. The service contracts and letters of appointment may be viewed at the company's registered office and at the company's AGM.

Executive Directors' service contracts

Executive Director	Date of appointment to the Board	Date of service contract	Notice period (rolling)
Richard Tyson	1 October 2023	1 October 2023	12 months by either party
Paul Fry	1 April 2025	8 January 2025	12 months by either party

Non-Executive Directors' terms of appointment

	Date of appointment to the Board	Notice period	Unexpired term
Neil Carson	1 December 2018	Six months by either party	2027 AGM
Alison Wood	8 September 2020	None	2029 AGM
Sir Nigel Sheinwald	22 September 2021	None	2027 AGM
Hannah Nichols	1 January 2024	None	2027 AGM
Rowena Innocent	17 February 2025	None	2028 AGM

Annual Report on Remuneration continued

Non-Executive Directors' fees

The Committee and the Board, as appropriate, have reviewed the fees for the Chair and Non-Executive Directors. The Chair fee will increase by 3.5% effective from 1 July 2026. The fees payable to the Non-Executive Directors were reviewed during the year and will be realigned to better reflect the time commitments, skills and experience required in the roles.

	2025/26	2026/27	% increase
Board Chair	£217,978	£225,607	3.5%
Basic fee	£60,608	£68,000	12.2%
Additional fee for Senior Independent Director	£10,558	£15,000	42.1%
Additional fee for Committee Chair	£10,558	£15,000	42.1%

Note: The fees shown for 2025/26 and 2026/27 are the annual rates as at 1 July 2025 and 1 July 2026, respectively.

Statement of shareholder voting

The resolution to approve the Policy was passed at the 2023 AGM and received the following votes from shareholders:

Resolution	Votes for	Votes against	% for	% against	Votes marked as abstain
To approve the Directors' Remuneration Policy	43,129,297	862,318	98.04	1.96	4,077

The resolution to approve the Annual Report on Remuneration at the 2025 AGM received the following votes from shareholders:

Resolution	Votes for	Votes against	% for	% against	Votes marked as abstain
To approve the Annual Report on Remuneration	47,389,001	323,788	99.32	0.68	176,195

Annual Report on Remuneration continued

Committee advisers

During the year, the Committee received support and advice on all aspects of executive remuneration from its independent remuneration consultant, Korn Ferry. Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres to the Code. During the year, Korn Ferry had discussions with the Committee Chair on remuneration matters relevant to the company and on how best its team can work with the Committee to meet the company's needs, including the review of the Remuneration Policy. The Committee is satisfied that the advice it received from Korn Ferry for the year ended 31 March 2026 was objective and independent.

The total fees paid to Korn Ferry for the advice provided to the Committee during the year were £78,978 (excluding VAT). Fees are charged predominantly on the basis of time and expenses.

ALISON WOOD

Chair of the Remuneration Committee

8 June 2026



Shareholder information

Financial calendar¹

9 June 2026	Announcement of preliminary results
9 July 2026	Final dividend ex-dividend date
10 July 2026	Final dividend record date
23 July 2026	Annual General Meeting
28 July 2026	Final dividend DRIP election date
18 August 2026	Final dividend payment date
13 October 2026	Trading update
10 November 2026	Announcement of interim results
26 November 2026	Interim dividend ex-dividend date
27 November 2026	Interim dividend record date
15 December 2026	Interim dividend DRIP election deadline
8 January 2027	Interim dividend payment date
31 March 2027	Financial year end

¹ Please note that these dates may be subject to change.

Annual General Meeting 2026

The 2026 Annual General Meeting of Oxford Instruments plc will be held at the offices of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW at 11.00am on Thursday 23 July 2026.

Further details can be found in the Notice of Meeting which has been sent to our shareholders and which is also available on our website at: www.oxinst.com/investors/annual-general-meeting.

Analysis of share register at 31 March 2026

	Total number of holdings	Percentage of holders	Total number of shares	Percentage of issued share capital
By type of shareholder				
Individual	1,382	74.54	1,712,266	3.01
Institutions and others	472	25.46	53,718,551	96.91
By size of shareholding				
1-500	1,107	59.71	183,602	0.33
501-1,000	202	10.90	151,718	0.27
1,001-10,000	309	16.66	995,275	1.80
10,001-100,000	149	8.04	5,764,267	10.40
100,001-500,000	63	3.40	13,817,013	24.93
Over 500,000	24	1.29	34,518,942	62.27
Total	1,866	100.00	58,134,773	100.00

Shareholder enquiries

Please contact MUFG Corporate Markets, our Registrar, using the below details, for all enquiries regarding your shareholding, including updating your address or other contact details, direct dividend payments and amending your communication preferences.

Online:
www.signalshares.com

To register to use this site, you will need your Investor Code (IVC) which can be found on your share certificate or dividend confirmation.

By telephone:
+44 (0) 371 664 0300

Company information

Company name:
Oxford Instruments plc

Company number:
00775598

Registered office address:
Halifax Road
High Wycombe
United Kingdom
HP12 3SE

Type:
Public Limited Company

Website:
www.oxinst.com

Auditor:
Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

Calls to this number are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am-5.30pm, Monday to Friday excluding public holidays in England and Wales.

By email:
shareholderenquiries@cm.mpms.mufg.com

By post:
MUFG Corporate Markets
Shareholder Services,
Central Square,
29 Wellington Street,
Leeds LS1 4DL

Directors' report

The Directors present the Annual Report of Oxford Instruments plc for the year ended 31 March 2026.

Principal activity and business reviews

Oxford Instruments plc ('OI plc') is the ultimate holding company of a group of subsidiary undertakings (the 'Group') which is a leading global provider of technology and expertise to academic and commercial partners. The Directors of OI plc are required to set out in this report a true and fair view of the business of the Group during the financial year ended 31 March 2026, the position of the Group at the end of the financial year and a description of the principal risks and uncertainties facing the Group. The information which fulfils these requirements includes the Finance Review on pages 42 to 50 and the Sustainability Report on pages 51 to 78, which are incorporated in this report by reference. The operations, the strategic review, the risk management disclosures, the viability statement, the research and development activities and likely future prospects of the Group are reviewed in the Strategic Report on pages 9 to 98 which is also incorporated by reference.

Results and dividends

The results for the year are shown in the Consolidated Statement of Income on page 179. The Directors recommend a final dividend of 18.2p per ordinary share, which together with the interim dividend of 5.4p per ordinary share is a total of 23.6p per ordinary share for the year (2025: 22.2p per ordinary share). Subject to shareholder approval, the final dividend will be paid on 18 August 2026 to shareholders registered at close of business on 10 July 2026.

Risks and uncertainties

The Board exercises proper and appropriate corporate governance across the Group. It ensures that there are effective systems of internal controls in place to manage shareholders' interests and the Group's assets, including the assessment and the management of the risks to which the businesses are exposed, and to monitor and manage compliance with all the legal requirements that affect the Group's worldwide business activities.

However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Executive Directors report to the Board on changes in the business and in the external environment which may affect the risks which the Group faces. The Executive Directors also provide the Board with financial information at each Board meeting. Key performance indicators are reviewed periodically.

There are a number of risks and uncertainties which may have a material effect on the Group. These are described in the Risk Management Report on pages 81 to 94.

Directors

Biographies of all the Directors at the date of this report, including Non-Executive Directors, are set out on pages 102 to 104.

Any Director who has been appointed by the Board since the previous Annual General Meeting of shareholders, either to fill a casual vacancy or as an additional Director, holds office only until the conclusion of the next Annual General Meeting and then shall be eligible for re-election by the shareholders. The company's Articles of Association provide that all Directors are subject to annual re-election in accordance with the UK Corporate Governance Code.

The Directors are subject to removal with or without cause by the Board or the shareholders. Directors may exercise all of the powers of the company subject to the provisions of the Articles of Association.

Directors' conflicts of interest

The Companies Act 2006 allows Directors of public companies to authorise conflicts and potential conflicts of interest, where appropriate. Only Directors with no interest in the matter under consideration may participate in the relevant decision and in doing so, they must act in a way which they consider in good faith will be most likely to promote OI plc's success.

A conflicts policy is in place, which is reviewed as appropriate, and a register of conflicts and potential conflicts is maintained.

Directors' interests

The beneficial interests of the Directors in OI plc's share capital, all in fully paid up shares at 31 March 2026, are:

	31 March 2026 Shares	31 March 2025 Shares
Neil Carson	24,000	24,000
Richard Tyson	28,484	5,910
Paul Fry	98	N/A
Alison Wood	–	–
Nigel Sheinwald	–	–
Hannah Nichols	–	–
Rowena Innocent	–	–

Directors' report continued

Directors' interests continued

Details of share options for the Executive Directors are shown in the Remuneration Report on page 164.

No Director was beneficially interested in the shares of any subsidiary company at any time during the year.

In the year to 31 March 2026, no Director had a material interest in any contract of significance with OI plc or any of its subsidiaries. As of 29 May 2026, there were no changes to the above shareholdings.

Insurance cover and Directors' indemnities

For a number of years, the Group has purchased insurance to cover its Directors and Officers against their costs in defending themselves in legal proceedings taken against them in that capacity, and in respect of damages resulting from the unsuccessful defence of any proceedings. In addition, to the extent permitted by UK law, the Group indemnifies its Directors and Officers for liabilities arising from such proceedings.

Neither the insurance nor the indemnity provides cover for situations where the Director has acted fraudulently or dishonestly.

Share capital

OI plc only has one class of share capital, which comprises ordinary shares of 5p each. All shares forming part of the ordinary share capital have the same rights and carry one vote each. There are no unusual restrictions on the transfer of a share.

The full rights and obligations attaching to OI plc's ordinary shares, as well as the powers of the Directors, are set out in OI plc's Articles of Association, a copy of which is available on OI plc's website. These can also be obtained from Companies House or by contacting the Company Secretary.

During the year to 31 March 2026, the Board issued 267,353 new shares (2025: 220,981) following the exercise of options under OI plc's share option schemes. At 31 March 2026, the issued share capital of OI plc was 55,401,506 ordinary shares of 5p each, 3,000,620 shares were repurchased and cancelled by the company itself during the year (2025: nil). Details of the share capital and options or other awards outstanding as at 31 March 2026 are set out in Notes 27 and 28, respectively, to the financial statements.

Powers in relation to OI plc issuing or buying back its own shares

At the 2025 AGM, shareholders authorised the company to allot relevant securities: (i) up to a nominal amount of £969,323 (being one-third of the company's issued share capital); and (ii) up to a nominal amount of £1,938,645 (being two-thirds of the company's issued share capital), after deducting from such limit any relevant securities allotted under (i), in connection with an offer by way of a rights issue or for use in connection with any pre-emptive offer. A similar resolution will be put to shareholders at the 2026 AGM.

In 2025, shareholders also authorised the company to purchase its own shares in the market up to a limit of 10% of its issued share capital, being 5,815,936 shares. As noted in the 2025 notice of meeting, the Directors will seek to renew this authority at the 2026 AGM by proposing a further special resolution. This authority will also be limited to a maximum of 10% of the company's issued share capital and the resolution will set the minimum and maximum prices which may be paid. The Directors will only purchase the company's shares in the market if they believe it is in the best interests of the company and shareholders generally and where Directors (i) expect that such a purchase would result in an increase in earnings per share, (ii) consider that the company has excess cash, and/or (iii) determine that it is appropriate to increase the company's gearing.

Disapplication of pre-emption rights

At the 2026 AGM, OI plc will seek approval from its shareholders to empower Directors to issue equity securities or sell treasury shares for cash other than to existing shareholders pro-rata to their holdings to the fullest extent permitted by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group ('Statement of Principles').

In addition to offers or invitations in proportion to the respective number of shares held, this equates to the ability for Directors to issue equity securities or sell treasury shares for cash up to 10% of the company's issued share capital for general purposes and up to a further 10% of the company's issued share capital to be used in connection with an acquisition or specified capital investment of a kind contemplated by the Statement of Principles. In each case, the Directors will seek a power to issue up to a further 2% of the company's issued share capital for the purposes of a 'follow-on offer' (also as contemplated by the Statement of Principles) which would enable existing retail shareholders to participate in relevant equity issues.

These resolutions are the same as those approved by shareholders at the company's 2025 AGM. The Directors believe the resolutions being proposed at the 2026 AGM reflect market practice.

Research and development

Information on the research and development activities of the Group can be found on page 201.

Branches

Subsidiaries of the company have established branches in a number of different countries in which they operate.



Directors' report continued

Payment of suppliers

The Group does not follow a standard payment practice but agrees terms and conditions for its business transactions with each of its suppliers. Payment is then made in accordance with these terms.

Substantial shareholdings

The following are beneficial interests of 3% or more (direct), or of 5% or more (indirect), which have been notified to OI plc, per Chapter 5 of the Disclosure Guidance and Transparency Rules, of OI plc's issued ordinary share capital, the only class of voting capital, at 30 April 2026:

	As at 30 April 2026	As at 31 March 2026
	% of voting rights over ordinary shares of 5p each	% of voting rights over ordinary shares of 5p each
Artemis Fund Managers	13.58	13.65
BlackRock, Inc.	8.99	8.73
Van Lanschot Kempen Investment Management	5.71	5.41
Aviva Investors	5.49	5.86
The Vanguard Group	5.23	4.99

Tax strategy

The Group's tax strategy supports the strategic objectives of the Group and applies equally to both UK and non-UK taxes and to all forms of taxation. The Group pays a significant amount of tax to national and local governments, including taxes on employment, corporate taxes on profits, customs and excise duty on purchases, withholding taxes and environmental taxes. We also administer VAT and similar sales taxes charged to our customers and withholdings on payments made to our employees. The Group's tax strategy is published on the Group's website at www.oxinst.com/investors-content/tax-strategy.

Charitable donations

During the year, the Group made charitable donations of £3,474 (2025: £6,167).

Political donations

During the year, the Group made no political donations (2025: nil).

Disclosure of information to auditor

Pursuant to Section 418(2) of the Companies Act 2006, the Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which OI plc's auditor is unaware; and each Director has taken all the steps that he or she might reasonably have been expected to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that OI plc's auditor is aware of that information.

Annual General Meeting

The Notice of the Annual General Meeting, to be held on 23 July 2026, is set out in a letter to shareholders together with explanatory notes relating to the resolutions.

Articles of Association

The company's Articles of Association may be amended by a special resolution at a general meeting of the shareholders. The current Articles of Association were adopted by shareholders at the AGM held on 8 September 2020. A special resolution to adopt new Articles of Association of the company will be proposed to shareholders at the AGM to be held on 23 July 2026.

External auditor

A resolution to reappoint BDO LLP as auditor for FY26 was passed at the 2025 Annual General Meeting. As explained on pages 135 to 136, a formal audit tender was conducted during the year and Deloitte LLP was appointed as the company's auditor on 20 October 2025 in respect of the financial year ended 31 March 2026. A resolution to reappoint them as auditor for FY27 will be proposed at the 2026 Annual General Meeting on 23 July 2026.

Change of control arrangements

There are a number of agreements that take effect, alter or terminate upon a change of control of OI plc following a takeover, such as banking agreements and OI plc share plans. On a change of control, OI plc's committed credit facilities may be cancelled by lenders by giving not less than three days' notice. It is also possible that pension plan funding arrangements would need to be changed following a change of control if that resulted in a weakening of the employer covenant.

Directors' report continued

Corporate governance statement

The Board's corporate governance statement is set out on page 107. The Board reviews its work on corporate governance in the Governance Report on pages 100 to 171. Pages 112 to 118 include details of how we engage with our stakeholders and page 119 includes our statement in accordance with Section 172(1) of the Companies Act 2006.

Financial risk management

Details of the Group's financial risk management objectives and policies, including the exposure to price, credit and liquidity risk, are set out in Note 25 to the financial statements.

Employees

The Board recognises that its employees are fundamental to the Group's success. The Group's aim is to ensure there are equal opportunities for all employees and that there is an inclusive culture where differences are valued and people are given the environment in which they can do their best work. The Sustainability Report on pages 51 to 78 further describes how diversity and inclusion is promoted within Oxford Instruments.

It is the policy of Oxford Instruments plc to give full and fair consideration to applications for employment from disabled persons; to continue, wherever possible, the employment of members of staff who may become disabled; and to ensure that suitable training, career development and promotion of disabled persons takes place.

For further information regarding employee engagement, please see 'How we engage with stakeholders' on pages 112 to 117.

Statement per Section 172(1) of the Companies Act 2006

For information on how the Directors have had regard to the interests of employees and the need to foster the company's business relationships with suppliers, customer and others as well as the effect of that regard on the principal decisions taken by the company during the financial year, please see the Section 172(1) statement on page 119.

Greenhouse gas emissions

To meet the requirements of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, CO₂ emissions are reported on as part of our reporting on greenhouse gas emissions in the Sustainability section on pages 51 to 78.

Material events

There were no material events since the year end to report.



Directors' responsibilities in relation to the Annual Report

The Directors are responsible for preparing the 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, 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 their 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;

- 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; and
- prepare a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement which comply with requirements of the Companies Act and the applicable laws and regulations.

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.

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. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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/Directors' 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, 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.

Signed on behalf of the Board

RICHARD TYSON
Chief Executive Officer

PAUL FRY
Chief Financial Officer

8 June 2026

Financial Statements



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Consolidated statement of income

Year ended 31 March 2026

	Note	2026			2025 as restated ¹		
		Adjusted £m	Adjusting items (Note 2) £m	Total £m	Adjusted £m	Adjusting items (Note 2) £m	Total £m
Revenue	1	423.2	–	423.2	443.4	–	443.4
Cost of sales		(187.2)	–	(187.2)	(199.1)	–	(199.1)
Gross profit		236.0	–	236.0	244.3	–	244.3
Research and development	4	(37.1)	–	(37.1)	(38.7)	–	(38.7)
Selling and marketing		(78.3)	–	(78.3)	(73.3)	–	(73.3)
Administration and shared services		(49.6)	(14.7)	(64.3)	(53.6)	(15.6)	(69.2)
Impairment of goodwill		–	–	–	–	(26.0)	(26.0)
Foreign exchange gain/(loss)		2.7	(1.0)	1.7	0.8	(0.3)	0.5
Operating profit		73.7	(15.7)	58.0	79.5	(41.9)	37.6
Financial income		3.1	–	3.1	2.6	–	2.6
Financial expenditure		(1.8)	(0.8)	(2.6)	(1.4)	(0.6)	(2.0)
Profit/(loss) before income tax	2/3	75.0	(16.5)	58.5	80.7	(42.5)	38.2
Income tax (expense)/credit	9	(17.6)	3.6	(14.0)	(17.4)	4.4	(13.0)
Profit/(loss) for the period from continuing operations		57.4	(12.9)	44.5	63.3	(38.1)	25.2
(Loss)/profit from discontinued operations after tax	13	(3.1)	6.8	3.7	1.9	(1.1)	0.8
Profit/(loss) for the year attributable to equity shareholders of the parent		54.3	(6.1)	48.2	65.2	(39.2)	26.0

	Note	2026			2025		
		Adjusted p	Adjusting items (Note 2) p	Total p	Adjusted p	Adjusting items (Note 2) p	Total p
Earnings per share (in pence)	11						
Basic earnings per share							
From continuing operations		100.7		78.1	109.1		43.4
From discontinued operations		(5.4)		6.5	3.3		1.4
Basic		95.3		84.6	112.4		44.8
Diluted earnings per share	11						
From continuing operations		99.7		77.3	107.8		42.9
From discontinued operations		(5.4)		6.4	3.2		1.4
Diluted		94.3		83.7	111.1		44.3

1 Comparative information has been restated to present the results of the disposed business as discontinued operations in accordance with IFRS 5, with no impact on profit for the year or equity. Detailed information can be found in Note 13.

The attached notes form part of these Financial Statements.

Consolidated statement of comprehensive income

Year ended 31 March 2026

	Note	2026 £m	2025 £m
Profit for the year		48.2	26.0
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to Consolidated Statement of Income			
Foreign exchange translation differences		2.7	(2.0)
Items that will not be reclassified to Consolidated Statement of Income			
Remeasurement loss in respect of post-retirement benefits	26	(20.8)	(1.1)
Tax credit on items that will not be reclassified to Consolidated Statement of Income		5.2	0.2
Total other comprehensive expense		(12.9)	(2.9)
Total comprehensive income for the year attributable to equity shareholders of the parent		35.3	23.1

Consolidated statement of financial position

As at 31 March 2026

	Note	As at 31 March 2026 £m	As at 31 March 2025 as restated ¹ £m
Assets			
Non-current assets			
Property, plant and equipment	14	76.4	85.6
Intangible assets	15	112.7	121.8
Right-of-use assets	16	29.9	29.9
Long-term receivables		1.0	1.0
Derivative financial instruments	24	1.6	0.3
Retirement benefit asset	26	9.2	24.4
Deferred tax assets		10.0	11.1
		240.8	274.1
Current assets			
Inventories	17	72.5	99.1
Trade and other receivables	18	125.0	126.2
Tax receivable		6.4	9.4
Derivative financial instruments	24	0.5	1.9
Cash and cash equivalents	20	106.9	94.1
Total current assets		311.3	330.7
Total assets		552.1	604.8
Equity			
Capital and reserves attributable to the company's equity shareholders			
Share capital	27	2.7	2.9
Share premium		62.7	62.6
Other reserves		0.4	0.2
Translation reserve		8.1	5.4
Retained earnings		266.3	305.0
		340.2	376.1

	Note	As at 31 March 2026 £m	As at 31 March 2025 as restated ¹ £m
Liabilities			
Non-current liabilities			
Bank loans	21	0.2	0.5
Lease liabilities	16	27.8	26.7
Retirement benefit obligations	26	1.2	0.9
Derivative financial instruments	24	0.2	–
Provisions	23	1.2	1.3
Deferred tax liabilities		11.1	16.7
		41.7	46.1
Current liabilities			
Bank loans and overdrafts	21	12.7	9.2
Trade and other payables	22	137.6	153.7
Contingent consideration		4.7	4.0
Lease liabilities	16	3.8	4.5
Tax payable		7.5	6.0
Derivative financial instruments	24	0.8	0.6
Provisions	23	3.1	4.6
Total current liabilities		170.2	182.6
Total liabilities		211.9	228.7
Total liabilities and equity		552.1	604.8

1 Comparative balances have been restated to present correctly contingent consideration separately from trade and other payables, with no impact on net assets or equity. There was no contingent consideration at 1 April 2024 and therefore no balance sheet at that date is required to be presented.

The Financial Statements were approved by the Board of Directors on 8 June 2026 and signed on its behalf by:

RICHARD TYSON
Director

PAUL FRY
Director

Company number: 775598

Consolidated statement of changes in equity

Year ended 31 March 2026

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Translation reserve £m	Retained earnings £m	Total £m
As at 1 April 2025		2.9	62.6	0.2	5.4	305.0	376.1
Profit for the year		–	–	–	–	48.2	48.2
Foreign exchange translation differences		–	–	–	2.7	–	2.7
Remeasurement loss in respect of post-retirement benefits	26	–	–	–	–	(20.8)	(20.8)
Tax credit on items that will not be reclassified to Consolidated Statement of Income	9	–	–	–	–	5.2	5.2
Total comprehensive income		–	–	–	2.7	32.6	35.3
Share-based payment transactions		–	–	–	–	3.7	3.7
Income tax on share-based payment transactions	9	–	–	–	–	0.2	0.2
Proceeds from shares issued		–	0.1	–	–	–	0.1
Share buyback ¹		(0.2)	–	0.2	–	(62.2)	(62.2)
Dividends	10	–	–	–	–	(13.0)	(13.0)
Total transactions with owners:		(0.2)	0.1	0.2	–	(71.3)	(71.2)
As at 31 March 2026		2.7	62.7	0.4	8.1	266.3	340.2
As at 1 April 2024		2.9	62.6	0.2	7.4	292.6	365.7
Profit for the year		–	–	–	–	26.0	26.0
Foreign exchange translation differences		–	–	–	(2.0)	–	(2.0)
Remeasurement loss in respect of post-retirement benefits	26	–	–	–	–	(1.1)	(1.1)
Tax credit on items that will not be reclassified to Consolidated Statement of Income	9	–	–	–	–	0.2	0.2
Total comprehensive (expense)/income		–	–	–	(2.0)	25.1	23.1
Share-based payment transactions		–	–	–	–	(0.1)	(0.1)
Income tax on share-based payment transactions	9	–	–	–	–	(0.5)	(0.5)
Proceeds from shares issued		–	–	–	–	–	–
Share buyback		–	–	–	–	–	–
Dividends	10	–	–	–	–	(12.1)	(12.1)
Total transactions with owners:		–	–	–	–	(12.7)	(12.7)
As at 31 March 2025		2.9	62.6	0.2	5.4	305.0	376.1

1 During the year ended 31 March 2026, 3,000,620 ordinary shares were repurchased and cancelled by the Group as part of the first and second tranches of the up to £100m share buyback programme, resulting in a cash outflow of £62.2m. The remaining amount of share buyback is expected to complete in the first half of the year ended 31 March 2027.

Consolidated statement of cash flows

Year ended 31 March 2026

	Note	2026 £m	2025 as restated ¹ £m
Cash flows from operating activities			
Profit for the year		48.2	26.0
Profit for the year from discontinued operations		(3.7)	(0.8)
Profit for the year from continuing operations		44.5	25.2
Adjustments for:			
Income tax expense	9	14.0	13.0
Net financial income		(0.5)	(0.6)
Fair value movement on financial derivatives		1.0	0.3
Amortisation of right-of-use assets	16	5.3	5.4
Depreciation of property, plant and equipment		6.7	5.1
Amortisation and impairment of intangible assets		7.7	10.6
(Profit)/loss on disposal of plant, property and equipment		(3.7)	1.3
Charge/(credit) in respect of equity-settled employee share schemes		3.7	(0.1)
Contributions paid to the pension scheme more than the charge to operating profit		(3.8)	(7.9)
(Increase)/decrease in inventories		(1.6)	6.4
Increase in receivables		(20.9)	(8.8)
Increase in payables and provisions		3.4	2.1
Increase in customer deposits		7.0	2.3
Cash generated from operations		62.8	80.3
Income taxes paid		(11.1)	(19.8)
Net cash from operating activities – continuing operations		51.7	60.5
Net cash from operating activities – discontinued operations		2.7	(10.8)
Net cash from operating activities		54.4	49.7
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5.3	2.3
Purchase of property, plant and equipment		(7.4)	(13.6)
Acquisition of intangible assets		(0.5)	–

	Note	2026 £m	2025 as restated ¹ £m
Acquisition of subsidiaries, net of cash acquired		–	(15.4)
Net cash flow on disposal of business		42.4	–
Capitalised development expenditure		(2.4)	(1.0)
Interest received		1.6	1.6
Net cash generated from/(used in) investing activities – continuing operations		39.0	(26.1)
Net cash generated used in investing activities – discontinued operations		(2.0)	(1.3)
Net cash generated from/(used in) investing activities		37.0	(27.4)
Cash flows from financing activities			
Proceeds from issue of share capital		0.1	–
Interest paid on overdrafts and borrowings		(1.2)	(0.6)
Interest paid on lease liabilities	16	(0.6)	(0.6)
Payment of lease liabilities	16	(4.6)	(4.8)
Repayment of borrowings	21	(0.4)	(0.8)
Share buyback	21	(62.2)	–
Dividends paid		(13.0)	(12.1)
Net cash used in financing activities – continuing operations		(81.9)	(18.9)
Net cash used in financing activities – discontinued operations		–	(0.1)
Net cash used in financing activities		(81.9)	(19.0)
Change in cash and cash equivalents		9.5	3.3
Cash and cash equivalents at beginning of the year		85.3	85.5
Effect of exchange rate fluctuations on cash held		(0.3)	(3.5)
Cash and cash equivalents at end of the year	20	94.5	85.3
Comprised of:			
Cash and cash equivalents as per the Consolidated Statement of Financial Position		106.9	94.1
Bank overdrafts	21	(12.4)	(8.8)
		94.5	85.3

1 Whilst the prior year impact is not material, comparative cash flows have been restated to reclassify interest paid on cash overdrafts and borrowings from operating to financing activities to be consistent with the presentation of interest paid on lease liabilities, with no impact on the total change in cash and cash equivalents.

Material accounting policies

Year ended 31 March 2026

Oxford Instruments plc (the 'company') is a public company limited by shares incorporated under the Companies Act 2006 and domiciled in the United Kingdom.

The Group Financial Statements have been prepared in accordance with UK adopted International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 and interpretations issued by the IFRS Interpretations Committee (IFRIC) applicable to companies reporting under UK-adopted IFRS.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group Financial Statements.

Going concern

In determining the basis of preparation for the Consolidated Financial Statements, the Directors have considered the Group's available resources, current business activities and factors likely to impact on its future development and performance, including the impact of current macroeconomic factors, tariffs, and climate change on the Group, which are described in the Chief Executive Officer's Review and Finance review.

The Group's business activities, together with factors likely to affect its future development, performance and financial position, are set out in the Strategic Report on pages 09 to 41. The financial position of the Group, its cash flows, and borrowing facilities are described in the Finance Review on pages 42 to 50. In addition, Note 25 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group finances its operations from retained earnings, and where needed, from third-party borrowings. On 19 March 2024, the Group entered into a new multi-currency revolving facility agreement, which is committed until March 2028 with 15-month and 12-month extension options at the end of the first and second years respectively. The facility has been entered into with four banks and comprises a euro-denominated multi-currency facility of €95m and a US-dollar-denominated multi-currency facility of \$150m.

The Group regularly monitors its financial position to ensure that it remains within the terms of its financial covenants. Debt covenants are on a pre-IFRS 16 basis and are net debt to EBITDA less than 3.0 times and EBITDA to interest greater than 4.0 times. At the date of approving these Financial Statements, the facility remains undrawn.

In addition to the above, at year end, the Group had a cash and cash equivalents balance of £106.9m. The Group also had bank overdrafts of £12.4m and other small loan balances that totalled £0.5m. This resulted in a net cash position of £94.0m, an increase of £9.6m from the £84.4m net cash position at 31 March 2025.

The Group has prepared and reviewed cash flow forecasts for the period to 30 June 2027 for the Going Concern assessment, which reflect forecasted changes in operating profit, and operating cash across its business. The Group's net cash position and undrawn credit facilities provide substantial liquidity headroom that even under extreme stress scenarios, it would be able to meet its obligations for well beyond the 12-month assessment period.

In its going concern assessment, the Directors considered not only its base case but also 'severe but plausible' downside scenarios. These scenarios reflected a 25% reduction in Adjusted Operating Profit, a 25% increase in working capital and a third scenario of incorporating both. In each scenario the Group's cash balances remained positive, and the facility remains undrawn throughout the going concern period to 30 June 2027.

Following this assessment, the Board of Directors are satisfied that the Group has sufficient resources to continue in operation for a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in relation to this conclusion and preparing the Consolidated Financial Statements. Further information on the going concern of the Group can be found on pages 95 and 96 in the Viability Statement.

(a) Changes in accounting standards

Standards, interpretations and amendments that became effective in the current financial year have not had a material impact on the consolidated Group financial statements. The Group has not applied any standards, interpretations or amendments that have been issued but are not yet effective.

The International Accounting Standards Board (IASB) issued a new Standard, IFRS 18 Presentation and Disclosure in Financial Statements, on 9 April 2024 that will replace IAS 1 Presentation of Financial Statements. The purpose of the new standard is to provide more consistent presentation of financial information across preparers as it is acknowledged that existing standards have given flexibility to present information in different ways. IFRS 18 will not impact the recognition or measurement of items in the Financial Statements. Many of the existing presentation principles in IAS 1 are retained, but there are some more specific requirements that will require the Group to make some changes in its future Annual Report and Interim Financial Statements.

Material accounting policies continued

(a) Changes in accounting standards continued

The new Standard is not yet endorsed by the UK Endorsement Board (UKEB) but is expected to be applicable for reporting periods beginning on or after 1 January 2027. Comparative information for 2026 will need to be restated when the 2027 Interim Financial Statements and Annual Report and Accounts are published and early adoption is expected to be permitted.

The Group has started an initial review of the Standard and expects changes to the presentation of the income statement. The process of assessing the financial impact on the Consolidated Financial Statements will continue during 2026.

Other standards, interpretations and amendments issued but not yet effective are not expected to have a material impact on the consolidated Group financial statements.

(b) Significant estimates and judgements

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Significant judgements

In the opinion of the Group there is one key judgement made in the preparation of the Financial Statements in respect of which taking a different view would have a material impact on the Financial Statements.

Adjusting items

The Group introduced a new adjusting items policy during the year to add clarity on income or expense items that should be excluded from statutory profit measures because they are not reflective of normal, ongoing operations. In determining whether an event or transaction is an adjusting item, the Directors consider quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

Significant estimates

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. One key area where estimates have been used and assumptions applied have been identified as follows:

Provision for inventory

Provision is made for obsolete, slow-moving and defective stock where there is evidence of impairment, to reduce the carrying value to its net realisable value. This requires consideration of several factors including, but not limited to, recent usage, expected future demand, new product introduction plans and likely realisable values to estimate the excess quantities and net realisable value. The level of provisioning requires certain estimates regarding future demand and possible design changes to identify excess quantities. Amounts provided represent in aggregate the Group's best estimate of the levels of provisioning required.

The carrying amount of inventories subject to estimation uncertainty is £66.4m (2025: £65.7m). A 5% increase in the provision as a percentage of gross inventory (before provisions) which, based on management's judgement, represents a reasonably possible change, would result in a £4.2m (2025: £4.3m) decrease in the carrying amount of inventories.

(c) Basis of preparation and consolidation

The Financial Statements are presented in sterling, rounded to the nearest £0.1m and are prepared on the historical cost basis except as described below in accounting policy (e).

The Group Financial Statements include the accounts of Oxford Instruments plc and its subsidiary companies adjusted to eliminate intra-Group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions.

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to or has rights to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The results of subsidiary companies are included in the consolidated Financial Statements from the date that control commences until the date that control ceases. The acquisition method is used to account for the acquisition of subsidiaries.

Material accounting policies continued

(d) 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 Task-force on Climate-Related Financial Disclosures (TCFD) disclosure on pages 60 to 68 this year. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

- Going concern and viability of the Group.
- Cash flow forecasts used in the impairment assessments of non-current assets including goodwill.
- Carrying value and useful economic lives of property, plant and equipment.

Whilst there is currently no medium-term impact expected from climate change, the Directors are aware of the ever-changing risks attached to climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's Financial Statements.

(e) Financial instruments at fair value

Financial assets and liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Forward foreign exchange contracts (derivative financial instruments) of the Group are used to hedge its exposure to foreign currency risks arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading purposes. The Group has chosen not to apply hedge accounting in respect of these exposures. All derivatives are initially recognised at fair value; attributable transaction costs are recognised in profit or loss as incurred. Foreign exchange contracts are classified as 'fair value through profit and loss' under IFRS 9. Subsequent to initial recognition, derivatives are measured at fair value and gains or losses on the settlement of such derivatives are recognised in operating expenses. Where such derivatives relate to the following year's exposure, any gains or losses resulting from the change in fair value are recognised as an adjusting item in operating expenses.

The fair value of forward exchange contracts is their market price at the Consolidated Statement of Financial Position date, being the present value of the forward price. The gain or loss on remeasurement to fair value of forward exchange contracts is recognised immediately in the Consolidated Statement of Income.

Contingent purchase consideration is measured at fair value at the date of acquisition and subsequently carried at fair value, with movements recognised in the Consolidated Statement of Income.

(f) Property, plant and equipment

Property, plant and equipment is stated at historical cost less provisions for impairment (see accounting policy (k)) and depreciation which, with the exception of freehold land which is not depreciated and rental assets (see below), is provided on a straight-line basis over each asset's estimated economic life. Depreciation is provided based on historical cost less estimated residual value. The principal estimated economic lives used for this purpose are:

Freehold buildings, long leasehold land and buildings	50 years
Furniture and fittings	10 years
Machinery and other equipment	5 to 10 years
Computer equipment	4 years
Vehicles	4 years

Machinery and other equipment, computer equipment and vehicles are included within the 'Plant and equipment' subheading in Note 14.

For leasehold improvements, where the length of the lease is less than the principal estimated economic lives noted above, the length of the lease is used.

(g) Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries and is the difference between the cost of the acquisition and the fair value of the assets, liabilities and contingent liabilities acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

The Group expenses transaction costs associated with its acquisitions and movements in liabilities relating to contingent consideration within the Consolidated Statement of Income.

Goodwill arising on acquisitions is stated at cost less any accumulated impairment losses and allocated to cash-generating units (CGUs) that are anticipated to benefit from the combination. It is not amortised but is tested annually for impairment (see accounting policy (k)), or more frequently when there is an indicator that the unit may be impaired.

Material accounting policies continued

(g) Intangible assets continued

(ii) Development costs

Research and development costs are charged to the Consolidated Statement of Income in the year in which they are incurred unless development expenditure is applied to a plan or design for the production of new or substantially improved products, in which case they are capitalised. The criteria for capitalisation include demonstration of the technical feasibility of completing a new intangible asset that will be available for sale and that the asset will generate probable future economic benefits. Where expenditure meets the criteria, development costs are capitalised and amortised through the Consolidated Statement of Income over their useful economic lives.

(iii) Acquired intangible assets

An intangible asset acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be reliably measured. The asset is amortised through the Consolidated Statement of Income over its useful economic life.

(iv) Amortisation

Amortisation of intangible assets is charged to the Consolidated Statement of Income on a straight-line basis over the short of the estimated useful economic life (determined on an asset-by-asset) basis or underlying contractual life. The estimated useful economic lives are as follows:

Capitalised development costs	3 to 5 years
Technology-related acquired intangibles	5 to 14 years
Customer-related acquired intangibles	6 months to 15 years
Development costs acquired intangibles	10 years
Software	10 years

Customer-related acquired intangible assets include a number of different types of asset. For example, the shorter end of the useful economic life relates to the order book of acquired businesses, whilst the longer useful economic life relates to assets such as trademarks.

(h) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost less appropriate provision for impairment. The provision for impairment of receivables is based on lifetime expected credit losses. Lifetime expected credit losses are calculated by assessing historic credit loss experience, which is then updated for any reasonable and supportable forward-looking information and expectations. The charges or reversals in the provision are recognised as part of administrative and shared services within the Consolidated Statement of Income.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour, an attributable proportion of production overheads based on normal operating capacity and all other expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Provision is made for obsolete, slow-moving and defective stock where appropriate in light of recent usage, expected future requirements, new product introduction plans and likely realisable values.

As outlined in Note (p) below, the revenue associated with both the sale and installation of certain complex products is recognised at the time that the installation is completed. The net realisable value associated with complex products is included in finished goods inventories where the installation has not yet been completed.

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost.

Cash and cash equivalents include cash at bank and in hand, investments in money-market funds and short-term deposits with a maturity of three months or less on inception. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Material accounting policies continued

(k) Impairment of non-current assets

All non-current assets are tested for impairment whenever events or circumstances indicate that their carrying value may be impaired. Additionally, goodwill is subject to an annual impairment review.

For the purposes of impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows from other groups of assets.

An impairment loss is recognised in the Consolidated Statement of Income under the administration and shared services heading, to the extent that an asset's carrying value, or a CGU's carrying value, exceeds its recoverable amount, which represents the higher of its net realisable value and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or from the CGU to which it relates. The present value is calculated using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset concerned.

Impairment losses recognised in previous periods for an asset other than goodwill are reversed if there has been a change in estimates used to determine the asset's recoverable amount, but only to the extent that the carrying amount of the asset does not exceed its carrying amount had the impairment loss not been recognised in previous periods. Impairment losses in respect of goodwill are not reversed.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit.

(l) Employee benefits

The Group operates a number of defined benefit and defined contribution plans which require contributions to be made to independent trustee-administered funds.

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Statement of Income as incurred.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that current and past employees have earned in return for their service in prior periods. That benefit is discounted to determine its present value and is deducted from the fair value of any plan assets. Surpluses in schemes are recognised as assets only if they represent economic benefits available to the Group in the future. The calculation is performed by a qualified actuary using the projected unit credit method.

All actuarial gains and losses in calculating the Group's net obligation are recognised in the Consolidated Statement of Comprehensive Income in the year.

The charge to the Consolidated Statement of Income reflects the current service cost. The interest expense or income is calculated on the net defined benefit asset by applying the discount rate to the net defined benefit asset, and is included within financial expenditure or financial income in the Consolidated Statement of Income respectively.

(iii) Share-based payment transactions

The fair value of equity-settled share option programmes is measured at grant date and charged to the Consolidated Statement of Income, with a corresponding increase in equity, on a straight-line basis over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted.

The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to market performance conditions not being met.

Material accounting policies continued

(m) Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. A provision for warranty and product-related liability is recognised when the underlying products are sold. A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. A provision for a claim or dispute is made when it is considered probable that an adverse outcome will occur and the amount of the loss can be reasonably estimated.

Contractual and other provisions represent the Directors' best estimate of the cost of settling future obligations where the Directors, taking into account professional advice received, assess that it is more likely than not that such proceedings may be successful.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liabilities.

(n) Customer deposits

Customer deposits are classified as contract liabilities and included within trade and other payables in the Statement of Financial Position.

Customer deposits represent the cash payments received or consideration due from customers prior to the recognition of revenue in respect of product sales; for example, deposits received on order (and shipment in the case of complex products where revenue is not recognised until installation).

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Consolidated Statement of Income over the period of the borrowings on an effective interest basis.

(p) Revenue

Revenue is recognised in the Consolidated Statement of Income when the performance conditions in the contract with the customer are met.

In most cases where the contract includes the sale of both a product and installation then the sale of the product and the related installation are treated as two separate performance conditions. This is because the Group considers that the customer is able to benefit from the product even if the Group does not supply installation, ie it would be possible for them to arrange installation by a third party. In such situations, revenue in respect of the product is recognised when control passes to the customer which is normally upon shipment of the product. Revenue in respect of the installation is recognised when the customer confirms acceptance of the installation. Revenue in respect of both product and installation is recognised at a point when it is considered the performance conditions are met.

Revenue is allocated between the product and installation based on the relative standalone selling prices of those products and installation activities. Where it is difficult to establish a standalone selling price by a market comparator, the standalone selling price is estimated, where required, by applying the cost plus margin approach.

A receivable is recognised for products when control passes over to the customer, and for installation when the customer confirms acceptance of the installation, since this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the performance obligations met by the Group exceed the payment, a contract asset is recognised. If the payments exceed the performance obligation, a contract liability is recognised.

Within service revenue, revenue for fixed-term maintenance and support contracts is recognised over time using the output method by determining the proportion of the elapsed time relative to the contract period.

Revenue excludes value added tax and similar sales-based taxes and is stated before commission payable to agents which is recognised in cost of sales.



Material accounting policies continued

(q) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Consolidated Statement of Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Tax positions are reviewed to assess whether a provision should be made based on prevailing circumstances. Tax provisions are included within current taxation liabilities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets are measured on an undiscounted basis.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Where there is uncertainty surrounding an income tax position, consideration is given to whether the tax authority (with full knowledge of the facts) would probably be more or less likely to accept the uncertain tax position. If the conclusion reached is that it is probable that the tax authority would not accept a tax position, a provision is calculated either as the most likely outcome (where the possible outcomes are binary or concentrated on one value) or as the expected value (where there is a range of possible outcomes) depending on which method would provide the better prediction for the resolution of the uncertainty.

(r) Leases

The Group recognises a right-of-use asset and a 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 adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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 right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments.



Material accounting policies continued

(r) Leases continued

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. If such remeasurement is required, it is performed using the original incremental borrowing rate, unless there is a change in estimated lease term; in which case it is performed using a new incremental borrowing rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(s) Segment reporting

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, including any revenues and expenses that relate to transactions with any of the Group's other components. Operating components are combined into aggregated operating segments to the extent that they have similar economic characteristics. Aggregated operating segments' operating results are reviewed regularly by the Group's Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, for which discrete financial information is available. Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

A reportable segment is an aggregated operating segment in respect of which revenue or profit exceeds 10% of the Group total. Discrete financial information is disclosed for each reportable segment.



Notes to the consolidated financial statements

1 Segment information

As required by IFRS 8 Operating Segments, the segmental structure reflects the current internal reporting provided to the Chief Operating Decision Maker (deemed to be the Executive Directors).

The Group is organised into two segments:

- The Imaging & Analysis segment comprises a group of businesses focusing on microscopy, cameras, analytical instruments and software.
- The Advanced Technologies segment comprises a group of businesses focusing on compound semiconductor fabrication equipment and X-ray tubes.

Discrete financial information is available for each segment and used by the Executive Directors for decisions on resource allocation and to assess performance. The Group's internal management structure and financial reporting systems differentiate the two operating segments.

The NanoScience business is classified as a discontinued operation and is not included in the segment results, further information can be found in Note 13. It was previously reported within the Advanced Technologies segment. The reported segment results are from continuing operations.

Revenue by segment is further disaggregated between product revenue recognised at a point in time and service revenue recognised over time.

Results

	Imaging & Analysis £m	Advanced Technologies £m	Total £m
Year ended 31 March 2026			
External product revenue	253.0	90.9	343.9
External service revenue	61.7	17.6	79.3
Total segment revenue	314.7	108.5	423.2
Segment adjusted operating profit	70.9	2.8	73.7
	Imaging & Analysis £m	Advanced Technologies £m	Total £m
Year ended 31 March 2025 as restated¹			
External product revenue	270.1	94.4	364.5
External service revenue	60.4	18.5	78.9
Total segment revenue	330.5	112.9	443.4
Segment adjusted operating profit	73.2	6.3	79.5

1 Comparative information has been restated to present the results of the disposed business as discontinued operations. Detailed information can be found in Note 13.

No individual customer accounts for more than 10% of revenue.

As at 31 March 2026, the Group had unfulfilled performance obligations under IFRS 15 of £225.4m (2025: £262.6m). It is anticipated that £225.4m (2025: £261.9m) of this balance will be satisfied within one year.

Notes to the consolidated financial statements continued

1 Segment information continued

Reconciliation of reportable segment profit

	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Year ended 31 March 2026				
Segment adjusted operating profit	70.9	2.8	–	73.7
Defined benefit pension scheme buy-in costs	–	–	(0.9)	(0.9)
Transaction-related costs	(0.3)	–	–	(0.3)
Restructuring costs and charges associated with management changes	(4.3)	(4.5)	(1.1)	(9.9)
Profit on disposal of assets	–	3.7	–	3.7
Amortisation of acquired intangibles	(7.3)	–	–	(7.3)
Fair value movement on financial derivatives	–	–	(1.0)	(1.0)
Financial income	–	–	3.1	3.1
Financial expenditure	–	–	(2.6)	(2.6)
Profit/(loss) before income tax	59.0	2.0	(2.5)	58.5

	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Year ended 31 March 2025 as restated¹				
Segment adjusted operating profit	73.2	6.3	–	79.5
Transaction-related costs	(0.7)	–	–	(0.7)
Restructuring costs and charges associated with management changes	(1.8)	(5.4)	(0.6)	(7.8)
Impairment of goodwill	(26.0)	–	–	(26.0)
Amortisation of acquired intangibles	(9.0)	(0.2)	–	(9.2)
Fair value movement on financial derivatives	–	–	(0.3)	(0.3)
Financial income	–	–	2.6	2.6
Financial expenditure	–	–	(2.0)	(2.0)
Release of contingent consideration	2.1	–	–	2.1
Profit/(loss) before income tax	37.8	0.7	(0.3)	38.2

1 Comparative information has been restated to present the results of the disposed business as discontinued operations. Detailed information can be found in Note 13.

	Carrying amount of segment assets		Carrying amount of segment liabilities	
	2026 £m	2025 £m	2026 £m	2025 £m
Imaging & Analysis	267.4	249.5	(77.2)	(78.9)
Advanced Technologies	136.9	136.0	(65.7)	(52.9)
Unallocated Group items	13.2	13.2	(35.3)	(35.5)
NanoScience assets and liabilities classed as discontinued operations	–	64.9	–	(27.5)
Total segment assets and liabilities	417.5	463.6	(178.2)	(194.8)
Cash and borrowings	106.9	94.1	(12.9)	(9.7)
Derivative financial instruments	2.1	2.2	(1.0)	(0.6)
Retirement benefits	9.2	24.4	(1.2)	(0.9)
Taxation	16.4	20.5	(18.6)	(22.7)
Consolidated total assets and liabilities	552.1	604.8	(211.9)	(228.7)

	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Year ended 31 March 2026				
Capital expenditure	(2.2)	(4.7)	(0.5)	(7.4)
Depreciation of property, plant and equipment	(2.6)	(3.5)	(0.5)	(6.6)
Amortisation of right-of-use assets	(2.1)	(1.2)	(2.0)	(5.3)
Amortisation and impairment of intangibles	(7.3)	(0.1)	(0.3)	(7.7)
Capitalised development expenditure	(1.4)	(1.0)	–	(2.4)

Notes to the consolidated financial statements continued

1 Segment information continued

Reconciliation of reportable segment profit continued

Year ended 31 March 2025 as restated ¹	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Capital expenditure	(3.9)	(9.4)	(0.3)	(13.6)
Depreciation of property, plant and equipment	(2.9)	(1.7)	(0.6)	(5.2)
Amortisation of right-of-use assets	(2.2)	(1.2)	(2.0)	(5.4)
Amortisation and impairment of intangibles	(35.6)	(0.5)	(0.5)	(36.6)
Capitalised development expenditure	(0.8)	(0.1)	–	(0.9)

The Group's revenue by destination of the end user is as follows:

Revenue	2026 £m	2025 as restated ¹ £m
UK	15.2	15.9
China	95.0	103.1
Japan	44.7	44.7
USA	103.9	111.4
Germany	34.9	38.3
Rest of Europe	62.7	46.4
Rest of Asia	49.1	62.4
Rest of World	17.7	21.4
	423.2	443.6

1 Comparative information has been restated to present the results of the disposed business as discontinued operations. Detailed information can be found in Note 13.

Non-current assets (excluding deferred tax)	2026 £m	2025 £m
UK	141.2	172.3
China	2.2	2.0
Japan	4.3	5.4
USA	12.6	11.2
Germany	27.0	30.0
Rest of Europe	42.7	41.4
Rest of Asia	0.6	0.5
Rest of World	0.2	0.2
	230.8	263.0

Notes to the consolidated financial statements continued

2 Alternative Performance Measures (APMs)

The Group uses Alternative Performance Measures (APMs) which are not defined or specified under IFRS. These measures are used by management and the Board to monitor the performance of the business, in addition to statutory financial measures.

APMs should not be considered as a substitute for, or superior to, measures prepared in accordance with IFRS. Definitions and reconciliations to the nearest IFRS statutory measures are provided below.

a) Adjusting Items

Adjusting items are those which management consider should be disclosed separately due to their size, nature or incidence and that excluding them from certain statutory financial measures provides stakeholders with additional useful information when comparing across reporting periods or between industry peers.

These adjusting items are excluded in the calculation of adjusted operating profit, adjusted profit before tax, adjusted profit for the period, adjusted EPS, adjusted cash conversion and adjusted effective tax rate. Details of adjusting items are given below.

	2026 £m	2025 £m
Defined benefit pension scheme buy-in costs	0.9	-
Transaction-related costs	0.3	0.7
Impairment of goodwill	-	26.0
Restructuring costs and charges associated with management changes	9.9	7.8
Profit on disposal of assets	(3.7)	-
Amortisation of acquired intangibles	7.3	9.2
Fair value movement on financial derivatives	1.0	0.3
Release of contingent consideration	-	(2.1)
Total adjusting items to operating profit	15.7	41.9
Unwind of discount in respect of contingent consideration	0.8	0.6

	2026 £m	2025 £m
Total adjusting items to profit before tax	16.5	42.5
Tax effect of adjusting items	(3.6)	(4.4)
Total adjusting items to profit from continuing operations	12.9	38.1
Gain on disposal of NanoScience net of transaction costs and tax	(6.8)	1.1
Total adjusting items to profit for the year	6.1	39.2

Defined benefit pension scheme buy-in costs

In the current year, these represent the costs of one-off charges incurred in the buy-in of the defined benefit pension scheme.

Transaction-related costs

In the current and prior year, these represent the costs of one-off charges incurred at the Statement of Financial Position date relating to the acquisitions of FemtoTools.

Impairment of goodwill

In the prior year, the Group's microscopy and scientific cameras business, Andor Technology, faced a challenging trading period as a result of continued healthcare and life science market weakness, loss of revenues in China, and operational challenges with certain product lines. Actions have been put in place which have improved performance and the outlook for the business, and no further impairment has been deemed necessary in the current year. Further information can be found in Note 15.

Restructuring costs and charges associated with management changes

Costs incurred of £9.9m (2025: £7.8m) relating to restructuring and management changes, as well as to the relocation of semiconductor equipment production to a new facility in Severn Beach.

Profit on disposal of assets

In the current year, this represents the profit on disposal of the Yatton site following the relocation of our semiconductor equipment production to a new facility in Severn Beach.

Amortisation and impairment of acquired intangibles

Adjusted profit excludes the non-cash amortisation and impairment of acquired intangible assets, consistent with prior periods and peers.

Notes to the consolidated financial statements continued

2 Alternative Performance Measures (APMs) continued

a) Adjusting Items continued

Fair value movement on financial derivatives

Under IFRS 9, all derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are also measured at fair value. In respect of instruments used to hedge foreign exchange risk and interest rate risk, the Group does not take advantage of the hedge accounting rules provided for in IFRS 9 since that standard requires certain stringent criteria to be met in order to hedge account, which, in the particular circumstances of the Group, are considered by the Board not to bring any significant economic benefit. Accordingly, the Group accounts for these derivative financial instruments at fair value through profit or loss. To the extent that instruments are hedges of future transactions, adjusted profit for the period is stated before changes in the valuation of these instruments so that the core trading performance of the Group can be more clearly seen.

Release of contingent consideration

In the prior year, this represents the release of the earn-out provision in respect of the acquisition of First Light Imaging.

Unwind of discount in respect of contingent consideration

There is an adjustment for the unwind of the discount in respect of the contingent consideration on the acquisition of FemtoTools (Note 12).

Adjusted income tax expense

Statutory income tax is adjusted for the income tax impact on the adjusting items described above.

Gain on disposal of NanoScience net of transaction costs and tax

Consideration receivable on disposal of the NanoScience business, less the carrying value of net assets disposed, transaction costs and associated tax.

b) Adjusted operating profit

Adjusted operating profit is the Group's statutory operating profit excluding amortisation of acquired intangibles and other adjusting items to operating profit listed in a) above.

	2026 £m	2025 £m
Statutory operating profit	58.0	37.6
Adjusting items to operating profit per a) above	15.7	41.9
Adjusted operating profit	73.7	79.5

c) Adjusted profit before tax and adjusted profit

The adjustments in calculating adjusted profit before tax are consistent with those in calculating adjusted operating profit as above. There is a further adjustment for the unwind of the discount in respect of the contingent consideration on the acquisition of FemtoTools (Note 8).

Statutory income tax is adjusted for the income tax impact of these items to arrive at adjusted profit.

	2026 £m	2025 £m
Statutory profit before tax	58.5	38.2
Adjusting items to operating profit per a) above	15.7	41.9
Unwind of discount in respect of contingent consideration	0.8	0.6
Total adjusting items to profit before tax	16.5	42.5
Adjusted profit before tax	75.0	80.7
Adjusted income tax expense	(17.6)	(17.4)
Adjusted profit from continuing operations	57.4	63.3
Adjusted effective tax rates	23.5%	21.6%

Notes to the consolidated financial statements continued

2 Alternative Performance Measures (APMs) continued

d) Adjusted Basic and Diluted Earnings Per Share (EPS)

Adjusted basic EPS from continuing operations is calculated using adjusted profit from continuing operations and dividing by the weighted average number of shares in issue.

Adjusted profit from continuing operations is calculated as follows:

	2026 £m	2025 £m
Profit for the period from continuing operations	44.5	25.2
Adjusting items (from a) above)	16.5	42.5
Tax effect on adjusting items	(3.6)	(4.4)
Adjusted profit for the period from continuing operations	57.4	63.3
Weighted average shares in issue	57.0	58.0
Effect of shares under option	0.6	0.7
Number of ordinary shares per diluted earnings per share calculation	57.6	58.7
Basic adjusted EPS	100.7p	109.1p
Diluted adjusted EPS	99.7p	107.8p

Adjusted diluted EPS from continuing operations is calculated using the adjusted profit from continuing operations and dividing by the weighted average number of shares in issue, augmented by an assumed conversion value of all potentially dilutive ordinary shares.

Adjusted basic EPS from discontinued operations is calculated in the same way but using adjusted profit/(loss) from discontinued operations.

Adjusted profit/(loss) from discontinued operations is calculated as follows:

	2026 £m	2025 £m
Profit/(loss) for the period from discontinued operations	3.7	0.8
Adjusting items:		
Gain on disposal before transaction costs	(15.8)	–
Transaction related costs related to the sale of NanoScience business	5.7	1.1
Tax effect on adjusting items	3.3	–
Adjusted profit for the period from discontinued operations	(3.1)	1.9
Adjusted basic EPS	(5.4p)	3.3p
Adjusted diluted EPS	(5.4p)	3.2p

Adjusted EPS for the Group is the sum of the adjusted EPS for continuing operations and discontinued operations.

Notes to the consolidated financial statements continued

2 Alternative Performance Measures (APMs) continued

e) Organic constant currency (OCC)

OCC is used to assess performance between reporting periods excluding the impact of new acquisitions, disposals and movements in exchange rates. The prior year results are translated at the current reporting year's average exchange rates. Results from acquisitions are not included until the prior year includes a full year of performance. Disposals are always excluded from the current and prior year.

Revenue and adjusted operating profit are reconciled to OCC results as follows:

Group performance

£'m	FY25	FX	Acquisitions	OCC	FY26	OCC change	Change
Orders	423.4	(8.7)	2.0	33.7	450.4	+8.0%	+6.4%
Revenue	443.4	(8.1)	1.4	(13.5)	423.2	(3.1%)	(4.6%)
Adjusted operating profit	79.5	(4.6)	0.1	(1.3)	73.7	(1.6%)	(7.3%)
Adjusted operating margin	17.9%			18.2%	17.4%	+30 bps	(50) bps

Imaging and Analysis division performance

£'m	FY25	FX	Acquisitions	OCC	FY26	OCC change	Change
Orders	318.6	(7.6)	2.0	4.3	317.3	+1.3%	(0.4%)
Revenue	330.5	(7.3)	1.4	(9.9)	314.7	(3.0%)	(4.8%)
Adjusted operating profit	73.2	(4.1)	0.1	1.7	70.9	2.3%	(3.1%)
Adjusted operating margin	22.1%			23.3%	22.5%	+120bps	+40bps

Advanced Technologies division performance

£'m	FY25	FX	Acquisitions	OCC	FY26	OCC change	Change
Orders	104.8	(1.1)	–	29.4	133.1	+28.1%	+27.0%
Revenue	112.9	(0.8)	–	(3.6)	108.5	(3.2%)	(3.9%)
Adjusted operating profit	6.3	(0.5)	–	(3.0)	2.8	(47.6%)	(55.6%)
Adjusted operating margin	5.6%			3.0%	2.6%	(260) bps	(300) bps

f) Cash conversion

Cash conversion is calculated as adjusted cash generated from operations as a percentage of adjusted operating profit.

Reconciliation of cash generated from operations to adjusted operating cash flow	2026 £m	2025 £m
Cash from operations	62.8	80.3
Add back:		
Pension scheme payment above charge to operating profit	3.8	7.9
Non-recurring items	11.1	5.1
Capitalised development expenditure	(2.4)	(1.0)
Net proceeds/(expenditure) on tangible and intangible assets	(2.6)	(11.3)
Payments made in respect of lease liabilities	(5.2)	(5.4)
Adjusted cash from operations	67.5	75.6
Adjusted operating profit	73.7	79.5
Cash conversion %	92%	95%

Normalised cash conversion excludes certain large investments, typically related to property, plant and equipment, where these investments are not deemed to be operational in nature.

Notes to the consolidated financial statements continued

2 Alternative Performance Measures (APMs) continued

f) Cash conversion continued

The items excluded from adjusted cash from operations to determine normalised cash conversion are as follows:

	2026 £m	2025 £m
Adjusted cash from operations	67.5	75.6
Add back:		
Capital expenditure related to completion of the Severn Beach facility	1.5	5.3
Capital expenditure relating to the purchase of a new building in High Wycombe	1.3	–
Net proceeds on the sale of the Yatton facility	(4.8)	–
Normalised adjusted cash from operations	65.5	80.9
Adjusted operating profit	73.7	79.5
<i>Normalised cash conversion %</i>	89%	102%

g) Free cash flow

Free cash flow (FCF) is calculated as net operating cash flow cash flow after deducting cash outflows (or adding cash inflows) for interest income, taxation, capitalised development expenditure, expenditure on intangible and tangible fixed assets and payments made with respect to finance leases. FCF represents cash available to the Group to service debt, return capital to shareholders, through dividends or share buybacks, or invest in other corporate development activity such as acquisitions. The priorities for deploying free cash flow are guided by the Group's capital allocation priorities.

	2026 £m	2025 as restated ⁽¹⁾ £m
Adjusted operating profit	73.7	79.5
Depreciation and amortisation	12.4	11.9
Adjusted EBITDA	86.1	91.4
Working capital movement	(12.1)	2.0
(Profit)/loss on disposal of plant, property and equipment	(3.7)	1.3
Non-recurring items	(7.4)	(6.4)
Equity settled share schemes	3.7	(0.1)
Pension scheme payment above charge to operating profit	(3.8)	(7.9)
Cash generated by operations	62.8	80.3
Add/(deduct):		
Interest income	0.4	1.0
Tax paid	(11.1)	(19.8)
Capitalised development expenditure	(2.4)	(1.0)
Expenditure on tangible and intangible assets	(2.6)	(11.3)
Payments made in respect of finance leases	(5.2)	(5.4)
Free Cash Flow (FCF)	41.9	43.8
The reconciliation to net increase in cash and cash equivalents is as follows:		
Free Cash Flow (FCF)	41.9	43.8
Acquisition of subsidiaries, net of cash acquired	–	(15.4)
Net cash flow on disposal of business	42.4	–
Share buyback	(62.2)	–
Dividends paid	(13.0)	(12.1)
Proceeds from issue of share capital and exercise of share options	0.1	–
Decrease in borrowings	(0.4)	(0.8)
Net increase in cash and cash equivalents from continuing operations	8.8	15.5
Net decrease in cash and cash equivalents from discontinued operations	0.7	(12.2)
Net increase in cash and cash equivalents	9.5	3.3
Effect of exchange rate fluctuations on cash held	(0.3)	(3.5)
Closing cash	94.5	85.3
Borrowings	(0.5)	(0.9)
Net cash	94.0	84.4

Notes to the consolidated financial statements continued

2 Alternative Performance Measures (APMs) continued

h) Return on Capital Employed (ROCE)

The return on capital employed ratio is used by management to help ensure that capital is used efficiently. It is calculated by dividing adjusted operating profit after amortisation of acquired intangibles, divided by the average of capital employed in the current and the prior annual reporting periods.

ROCE in FY26 excludes discontinued operations from both adjusted operating profit and from average capital employed.

	2026 £m	2025 £m
Adjusted operating profit	73.7	82.2
Amortisation of acquired intangible assets	(7.3)	(9.2)
Adjusted operating profit after amortisation of acquired intangible assets	66.4	73.0
Property, plant and equipment	76.4	85.6
Right-of-use assets	29.9	29.9
Intangible assets	112.7	121.8
Long-term receivables	1.0	1.0
Inventories	72.5	99.1
Trade and other receivables	125.0	126.2
Lease liabilities	(27.8)	(26.7)
Provisions	(1.2)	(1.3)
Trade and other payables	(137.6)	(153.7)
Contingent consideration	(4.7)	(4.0)
Lease liabilities	(3.8)	(4.5)
Provisions	(3.1)	(4.6)
Capital employed	239.3	268.8
Capital employed for continuing operations 2025	231.4	
Average capital employed	235.4	269.0
Return on capital employed (ROCE)	28.2%	27.1%

i) Return on Invested Capital (ROIC)

ROIC is an alternative metric used for assessing how efficiently capital is deployed in the company. It is calculated by dividing adjusted operating profit after tax by average invested capital across the current and prior years. Invested capital is defined as total equity, less net cash and lease liabilities.

ROIC in FY26 excludes discontinued operations from both adjusted operating profit and from average capital employed.

	2026 £m	2025 £m
Adjusted operating profit	73.7	82.2
Taxation	(17.6)	(17.4)
Adjusted operating profit after taxation	56.1	64.8
Total equity	340.2	376.1
Less: net cash and lease liabilities	(62.4)	(53.2)
Invested capital	277.8	322.9
Invested capital for continuing operations 2025	285.5	
Average invested capital	281.7	319.1
Return on invested capital (ROIC)	19.9%	20.3%

APMs have limitations as analytical tools and should be considered alongside statutory results. They may not be comparable to similarly titled measures used by other companies.

Notes to the consolidated financial statements continued

3 Profit for the year

Statutory profit for the year has been determined after charging/(crediting):

	2026 £m	2025 £m
Foreign exchange gain	(1.7)	(0.5)
Research and development	37.1	38.7
Depreciation of property, plant and equipment	6.7	5.1
(Profit)/loss on disposal of plant, property and equipment	(3.7)	1.3
Amortisation of right-of-use assets	5.3	5.4
Amortisation of acquired intangibles	7.7	7.7
Impairment of goodwill	–	26.0
Cost of inventories recognised as an expense	146.1	190.9
Write downs of inventories recognised as an expense	0.2	0.6
Contributions to defined contribution plans	5.5	6.8
Defined benefit income (Note 25)	–	(0.1)
Charge/(credit) in respect of employee share options	3.7	(0.1)
Loss allowance on trade receivables	0.6	1.1

4 Research and development (R&D)

The total R&D spend by the Group as part of continuing operations is as follows:

	Imaging & Analysis £m	Advanced Technologies £m	Total £m
Year ended 31 March 2026			
R&D expense charged to the Consolidated Statement of Income	23.7	13.4	37.1
Less: depreciation of R&D-related fixed assets	(0.2)	–	(0.2)
Less: amortisation and impairment of R&D costs previously capitalised as intangibles	–	(0.1)	(0.1)
Add: amounts capitalised as intangible assets	1.4	1.0	2.4
Total cash spent on R&D during the year	24.9	14.3	39.2

	Imaging & Analysis £m	Advanced Technologies £m	Total £m
Year ended 31 March 2025			
R&D expense charged to the Consolidated Statement of Income	24.8	13.9	38.7
Less: depreciation of R&D-related fixed assets	(0.2)	–	(0.2)
Less: amortisation of R&D costs previously capitalised as intangibles	(0.6)	(0.3)	(0.9)
Add: amounts capitalised as intangible assets	0.8	0.1	0.9
Total cash spent on R&D during the year	24.8	13.7	38.5

Notes to the consolidated financial statements continued

5 Employee information

Personnel costs incurred during the year were as follows:

	2026 £m	2025 £m
Wages and salaries	133.4	143.0
Social security costs	18.1	17.0
Contributions to defined contribution plans (Note 25)	5.5	6.8
Defined benefit income (Note 25)	–	(0.1)
Charge/(credit) in respect of employee share options	3.7	(0.1)
	160.7	166.6

Included in the total above is £13.1m (2025: £16.1m) relating to discontinued operations.

Directors' remuneration during the year was as follows:

	2026 £m	2025 £m
Short-term benefits	2.1	2.4
Post-employment benefits	0.1	0.1
Charge in respect of share options	0.6	0.2
	2.8	2.7

Further details of Directors' remuneration are disclosed in the Remuneration Report on pages 156 to 171 of this Report and Financial Statements.

The average monthly number of people employed by the Group (including Directors and temporary employees) during the year was as follows:

	2026 number	2025 number
Production	837	912
Sales and Marketing	636	620
Research and Development	418	474
Administration and Shared Services	295	328
	2,186	2,334

6 Auditor's remuneration

	2026 £'000	2025 £'000
Audit of these Financial Statements	1,044	381
Amounts received by the auditor and its associates in respect of:		
– Audit of Financial Statements of subsidiaries pursuant to legislation	345	809
– Audit-related assurance services	–	53
– Other non-audit services	24	8
Total fees payable to the auditor and its associates	1,413	1,251

The other non-audit services comprise of regulatory tax return preparation and VAT advice in a limited number of jurisdictions, completed prior to the audit tender. For further details please refer to the Audit and Risk Committee Report on pages 127 to 136, and the Independent Auditor's Report on pages 241 to 249.

7 Financial income

	2026 £m	2025 £m
Interest receivable	1.6	1.6
Interest credit on pension scheme net assets	1.5	1.0
	3.1	2.6

8 Financial expenditure

	2026 £m	2025 £m
Bank interest payable	1.2	0.8
Interest on lease liabilities	0.6	0.6
Unwind of discount on contingent consideration	0.8	0.6
	2.6	2.0

Notes to the consolidated financial statements continued

9 Taxation

Income tax expense

	2026 £m	2025 £m
Recognised in the Consolidated Statement of Income		
Current tax expense		
Current year	14.6	12.6
Adjustment in respect of prior years	0.3	(2.5)
	14.9	10.1
Deferred tax expense		
Origination and reversal of temporary differences	(0.8)	3.7
Adjustment in respect of prior years	(0.1)	-
	(0.9)	3.7
Total tax expense	14.0	13.8
Reconciliation of effective tax rate		
Profit before income tax	58.5	38.2
Income tax using the weighted average statutory tax rate of 26% (2025: 25%)	14.9	9.5
Tax rates other than the weighted average statutory rate	0.5	1.1
Change in rate at which deferred tax recognised	(0.9)	(0.9)
Transaction costs, deferred consideration and impairments not deductible for tax	0.7	7.0
Non-taxable income	(0.7)	(0.2)
Non-deductible expenses	1.0	0.3
Tax incentives – technology-related	(2.1)	(1.1)
Movement in unrecognised deferred tax	0.4	0.2
Adjustment in respect of prior years	0.2	(2.5)
Total tax expense	14.0	13.4

	2026 £m	2025 £m
Taxation credit recognised directly in other comprehensive income		
Current tax – relating to employee benefits	(1.3)	(0.1)
Deferred tax – relating to employee benefits	(3.9)	(0.1)
Taxation (credit)/charge recognised directly in equity		
Current tax – relating to share options	(0.1)	(0.3)
Deferred tax – relating to share options	(0.1)	0.5

The UK deferred tax assets and liabilities have been calculated based on the enacted rate of 25%. The Group carries tax provisions in relation to uncertain tax positions arising from the possible outcome of negotiations with tax authorities. The provision is calculated using the expected value method from a range of possibilities and assumes that the tax authorities have full knowledge of the facts. Such provisions reflect the geographical spread of the Group's operations and the variety of jurisdictions in which it carries out its activities.

Notes to the consolidated financial statements continued

9 Taxation continued

Deferred tax

	Property, plant and equipment £m	Inventory £m	Employee benefits £m	Intangible assets £m	Tax losses £m	Other £m	Total £m
Balance at 1 April 2024	(7.5)	4.3	2.4	(6.1)	3.4	4.3	0.8
Recognised in income	(1.6)	0.4	(2.6)	2.3	(2.0)	(0.2)	(3.7)
Recognised in other comprehensive income	–	–	0.1	–	–	–	0.1
Recognised directly in equity	–	–	(0.8)	–	–	–	(0.8)
Acquired on business combination	–	–	0.1	(2.1)	–	–	(2.0)
Effect of movements in foreign exchange rates	–	0.1	–	0.1	(0.1)	(0.1)	–
Balance at 31 March 2025	(9.1)	4.8	(0.8)	(5.8)	1.3	4.0	(5.6)
Recognised in income	0.2	0.7	(0.2)	0.7	0.5	(1.8)	0.1
Recognised in other comprehensive income	–	–	3.9	–	–	–	3.9
Recognised directly in equity	–	–	0.1	–	–	–	0.1
Disposals of business	1.3	(0.3)	–	–	(0.2)	(0.1)	0.7
Effect of movements in foreign exchange rates	–	–	–	(0.3)	–	–	(0.3)
Balance at 31 March 2026	(7.6)	5.2	3.0	(5.4)	1.6	2.1	(1.1)

The deferred tax category of 'Other' includes deferred tax recognised on accounting general liability accruals/provisions, deferred revenue and bad debts. Deferred tax is recognised on provisions made against inventory on which tax relief has not yet been granted.

Certain deferred tax assets and liabilities have been offset as follows:

	Assets		Liabilities		Net	
	2026 £m	2025 £m	2026 £m	2025 £m	2026 £m	2025 £m
Gross assets/(liabilities)	12.8	16.5	(13.9)	(22.1)	(1.1)	(5.6)
Offset	(2.8)	(5.4)	2.8	5.4	–	–
Net assets/(liabilities)	10.0	11.1	(11.1)	(16.7)	(1.1)	(5.6)

Deferred tax assets have not been recognised in respect of the following items:

	2026 £m	2025 £m
Tax losses	0.8	0.5

The tax losses and the deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised on tax losses related to gross unrecognised losses of £3.2m (2025: £1.7m), as it is not probable that future taxable profits will be available in the subsidiaries concerned against which the Group can utilise the brought forward tax losses.

No deferred tax liability has been recognised in respect of £49.4m (2025: £52.3m) of undistributed earnings of overseas subsidiaries since the majority of such distributions would not be taxable. In other cases the Group considers that it is able to control the timing of remittances so that any tax is not expected to arise in the foreseeable future.

Notes to the consolidated financial statements continued

10 Dividends

The following dividends per share were paid by the Group:

	2026 pence	2025 pence
Previous period final dividend	17.1	15.9
Current period interim dividend	5.4	5.1
	22.5	21.0

The following dividends per share were proposed by the Group in respect of each accounting period presented:

	2026 pence	2025 pence
Interim dividend	5.4	5.1
Final dividend	18.2	17.1
	23.6	22.2

The final dividend for the year to 31 March 2025 of 17.1p per share was approved by shareholders at the Annual General Meeting on 28 July 2025 and paid on 19 August 2025. The interim dividend for the year to 31 March 2026 of 5.4p per share was approved by a sub-committee of the Board on 10 November 2025 and was paid on 9 January 2026.

The proposed final dividend for the year ended 31 March 2026 of 18.2p per share was not provided at the year end and is subject to shareholder approval at the Annual General Meeting on 23 July 2026. It is expected to be paid on 18 August 2026, to shareholders on the register on the record date of 10 July 2026, with an ex-dividend date of 9 July 2026 and with the last date of election for the Dividend Reinvestment Plan (DRIP) being 28 July 2026.

11 Earnings per share

Basic earnings per ordinary share (EPS) is calculated by dividing the profit attributable to equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares held by the Employee Benefit Trust, which have been treated as if they had been cancelled.

For the purposes of calculating diluted and diluted adjusted EPS, the weighted average number of ordinary shares is adjusted to include the weighted average number of ordinary shares that would be issued on the conversion of all potentially dilutive ordinary shares expected to vest, relating to the company's share-based payment plans. Potential ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease EPS.

The following table shows the weighted average number of shares used in the calculation and the effect of share options on the calculation of diluted earnings per share:

	2026 shares million	2025 as restated (Note 13) shares million
Weighted average number of shares outstanding	57.0	58.0
Effect of shares under option	0.6	0.7
Number of ordinary shares per diluted earnings per share calculations	57.6	58.7

Notes to the consolidated financial statements continued

11 Earnings per share continued

Basic and diluted EPS are based on the profit for the period attributable to equity shareholders of the parent, as reported in the Consolidated Statement of Income. Adjusted and diluted adjusted EPS are based on adjusted profit for the period, as reported in Note 3:

	2026		2025 as restated (Note 13)	
	£m	Pence	£m	Pence
Profit for the period from continuing operations	44.5	78.1	25.2	43.4
Profit from discontinued operations after tax	3.7	6.5	0.8	1.4
Profit attributable to equity shareholders of the parent/Basic EPS	48.2	84.6	26.0	44.8
Total underlying adjustments to profit before tax (Note 2)	16.5	28.9	42.5	73.3
Total underlying adjustments to profit before tax on discontinued operations (Note 13)	(6.8)	(11.9)	1.1	1.9
Related tax effects	(3.6)	(6.3)	(4.4)	(7.6)
Adjusted profit/(loss) attributable to equity shareholders of the parent/adjusted EPS	54.3	95.3	65.2	112.4
Adjusted profit/(loss) attributable to equity shareholders of the parent/adjusted EPS:				
Continuing operations	57.4	100.7	63.3	109.1
Discontinued operations	(3.1)	(5.4)	1.9	3.3
Total adjusted profit	54.3	95.3	65.2	112.4
Diluted basic EPS		83.7		44.3
Diluted adjusted EPS		94.3		111.1

12 Acquisitions

Prior year acquisition of FemtoTools

On 28 June 2024, the Group acquired 100% of the issued share capital of FemtoTools AG ('FemtoTools') on a cash-free, debt-free basis for consideration of CHF 17.9m (£15.8m), with a further CHF 5.5m (£4.8m) which was conditional on trading performance over a period of 33 months from the acquisition. The conditions for the contingent consideration were meeting certain revenue, order and margin thresholds. In the calculations below, it has been assumed that these thresholds will be met.

The book and fair value of the assets and liabilities acquired is given in the table below. Fair value adjustments have been made to better align the accounting policies of the acquired business with the Group accounting policies and to reflect the fair value of assets and liabilities acquired.

	Book value £m	Adjustments £m	Fair value £m
Intangible assets	–	10.5	10.5
Property, plant and equipment	0.3	–	0.3
Inventories	0.6	–	0.6
Trade and other receivables	0.9	–	0.9
Deferred tax	0.1	(2.1)	(2.0)
Trade and other payables	(0.9)	–	(0.9)
Retirement benefit obligations	(0.3)	–	(0.3)
Provisions	(0.1)	–	(0.1)
Cash	1.1	–	1.1
Net assets acquired	1.7	8.4	10.1
Goodwill			9.5
Total consideration			19.6
Net cash acquired			(1.1)
Contingent consideration after discounting to transaction date			(3.6)
Net cash outflow relating to the acquisition			14.9

Notes to the consolidated financial statements continued

12 Acquisitions continued

Prior year acquisition of FemtoTools continued

The goodwill arising is considered to represent the value of the acquired workforce and the value of technology that has not been individually fair valued.

Acquisition-related costs in the prior year of £0.7m were expensed to the Consolidated Statement of Income as an adjusting item in the administration and shared services cost line. There were no acquisition-related costs in the current period in relation to this acquisition.

The acquisition contributed revenue of £5.9m, adjusted operating profit of £1.5m and a statutory profit before tax of £1.5m in the prior year.

If the acquisition had occurred on the first day of the prior year the acquisition would have contributed revenue of £7.2m, adjusted operating profit of £1.3m and a statutory profit before tax of £1.3m in the prior year.

13 Disposal of subsidiary and discontinued operations

On 2 January 2026, the Group disposed of its NanoScience business for a final consideration of £55.4m.

Effect of disposal on the financial position of the Group

	NanoScience 2026 £m
Acquired intangible assets	–
Other intangible assets	(7.6)
Property, plant and equipment	(9.4)
Inventory	(26.6)
Trade and other receivables	(14.9)
Cash and cash equivalents	(7.3)
Trade and other payables	25.0
Provisions	1.1
Tax balances	0.8
Net assets divested	(38.9)

Net cash inflow on disposal of business

	NanoScience 2026 £m
Consideration received, satisfied in cash	55.4
Cash disposed of	(7.3)
Transaction costs	(5.7)
Net cash inflow	42.4

Gain on disposal of business

Consideration receivable	54.7
Carrying value of net assets disposed of	(38.9)
Transaction costs	(5.7)
Gain on disposal	10.1
Income tax on transaction costs	0.1
Tax charge on gain on disposal	(3.4)
Gain on disposal net of tax	6.8

Cash received included estimated amounts for cash, debt, and working capital of the business at the disposal date. The final cash and debt balances, determined at the Statement of Financial Position date, were £0.7m lower than initially estimated. Accordingly, consideration receivable has been reduced by £0.7m, with a corresponding liability recognised within trade and other payables.

The final working capital position at the disposal date had not been agreed by the Statement of Financial Position date. As a result, no adjustment has been recognised in respect of working capital in the current year.

Notes to the consolidated financial statements continued

13 Disposal of subsidiary and discontinued operations continued

Discontinued operations

In the year to 31 March 2026 the Group's NanoScience business was classified as a discontinued operation.

The 2025 Financial Statements have been re-presented to reflect the classification of the NanoScience business as a discontinued operation.

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Results of discontinued operations		
Revenue	32.7	57.2
Expenses	(36.7)	(54.5)
Income tax credit	0.9	(0.8)
Adjusted (loss)/profit after tax	(3.1)	1.9
Adjusting items:		
Transaction related costs related to sale of NanoScience business	(5.7)	(1.1)
Income tax on adjusting items	0.1	–
(Loss)/profit after tax	(8.7)	0.8
Gain on disposal before transaction related costs	15.8	–
Tax on gain on disposal	(3.4)	–
Profit from discontinued operations after tax	3.7	0.8

	Year ended 31 March 2026 pence	Year ended 31 March 2025 pence
Earnings per share from discontinued operations		
Adjusted basic earnings per share	(5.4)p	3.3p
Adjusted diluted earnings per share	(5.4)p	3.2p
Total basic earnings per share	6.5p	14p
Total diluted earnings per share	6.4p	14p
	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m
Cash flows from discontinued operations		
Net cash generated/(used in) from operating activities	2.7	(10.8)
Net cash generated/(used in) investing activities	(2.0)	(1.3)
Net cash used in financing activities	–	(0.1)
Net cash flows	0.7	(12.2)

Notes to the consolidated financial statements continued

14 Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Total £m
Cost				
Balance at 1 April 2024	61.5	53.0	11.5	126.0
Additions – business combinations	–	0.3	–	0.3
Additions	7.7	4.9	1.8	14.4
Disposals	(1.1)	(4.9)	(0.6)	(6.6)
Exchange differences	–	(0.3)	–	(0.3)
Balance at 31 March 2025 and 1 April 2025	68.1	53.0	12.7	133.8
Additions	3.1	3.5	0.8	7.4
Disposals – sale of business	(6.0)	(8.1)	(1.0)	(15.1)
Disposals	(1.4)	(8.5)	(0.7)	(10.6)
Exchange differences	–	–	(0.1)	(0.1)
Balance at 31 March 2026	63.8	39.9	11.7	115.4
Depreciation and impairment losses				
Balance at 1 April 2024	5.9	33.1	6.5	45.5
Depreciation charge for the year	0.6	4.7	0.6	5.9
Disposals	–	(2.7)	(0.3)	(3.0)
Exchange differences	–	(0.2)	–	(0.2)
Balance at 31 March 2025 and 1 April 2025	6.5	34.9	6.8	48.2
Depreciation charge for the year	1.8	4.3	0.6	6.7
Disposals – sale of business	(2.3)	(4.1)	(0.7)	(7.1)
Disposals	(0.6)	(7.5)	(0.5)	(8.6)
Exchange differences	–	(0.2)	–	(0.2)
Balance at 31 March 2026	5.4	27.4	6.2	39.0

	Land and buildings £m	Plant and equipment £m	Fixtures and fittings £m	Total £m
Carrying amounts				
Balance at 1 April 2024	55.6	19.9	5.0	80.5
Balance at 31 March 2025 and 1 April 2025	61.6	18.1	5.9	85.6
Balance at 31 March 2026	58.4	12.5	5.5	76.4

Included within plant and equipment are assets under construction with additions in the year of £1.4m (2025: £5.8m) and a carrying amount of £1.4m (2025: £39.0m).

Notes to the consolidated financial statements continued

15 Intangible assets

	Goodwill £m	Customer- related acquired intangibles £m	Technology- related acquired intangibles £m	Development costs acquired intangibles £m	Development costs internally generated £m	Software £m	Total £m
Cost							
Balance at 1 April 2024	129.5	33.9	109.8	1.8	35.2	4.6	314.8
Additions – business combinations	9.5	0.9	9.6	–	–	–	20.0
Additions – internally generated	–	–	–	–	1.5	–	1.5
Disposals	–	–	–	–	–	(1.2)	(1.2)
Effect of movements in foreign exchange rates	(1.0)	(0.5)	(1.7)	–	0.2	0.1	(2.9)
Balance at 31 March 2025 and 1 April 2025	138.0	34.3	117.7	1.8	36.9	3.5	332.2
Additions – external	–	–	0.5	–	–	–	0.5
Additions – internally generated	–	–	–	–	2.4	–	2.4
Disposals – sale of businesses	(6.6)	(1.0)	(6.9)	–	(5.1)	(0.1)	(19.7)
Effect of movements in foreign exchange rates	1.7	0.4	1.5	–	–	–	3.6
Balance at 31 March 2026	133.1	33.7	112.8	1.8	34.2	3.4	319.0
Amortisation and impairment losses							
Balance at 1 April 2024	22.6	27.8	88.9	1.3	32.8	3.2	176.6
Amortisation and impairment charged	26.0	1.3	7.7	0.2	0.9	0.5	36.6
Disposals	–	–	–	–	–	(1.2)	(1.2)
Effect of movements in foreign exchange rates	(0.2)	(0.5)	(1.2)	(0.1)	0.2	0.2	(1.6)
Balance at 31 March 2025 and 1 April 2025	48.4	28.6	95.4	1.4	33.9	2.7	210.4
Amortisation and impairment charged	–	1.3	5.8	0.2	0.2	0.2	7.7
Disposals – sale of businesses	–	(1.0)	(6.9)	–	(4.1)	(0.1)	(12.1)
Effect of movements in foreign exchange rates	(0.3)	0.2	0.4	–	–	–	0.3
Balance at 31 March 2026	48.1	29.1	94.7	1.6	30.0	2.8	206.3
Carrying amounts							
Balance at 1 April 2024	106.9	6.1	20.9	0.5	2.4	1.4	138.2
Balance at 31 March 2025 and 1 April 2025	89.6	5.7	22.3	0.4	3.0	0.8	121.8
Balance at 31 March 2026	85.0	4.6	18.1	0.2	4.2	0.6	112.7

Notes to the consolidated financial statements continued

15 Intangible assets continued

During the year the Group made impairments of £nil (2025: £0.2m) in respect of capitalised development costs.

The following intangible assets are considered material by the Directors as they represent 89% (2025: 77%) of total acquired intangible assets:

Acquisition	Type	2026			2025
		Net book value £m	Amortisation period years	Remaining amortisation period years	Net book value £m
Andor	Trademarks	1.9	15.0	2.8	2.6
WITec	Trademarks	1.5	10.0	5.6	1.7
First Light Imaging	Technology, know-how and patents, C-RED	8.4	14.0	11.8	8.6
FemtoTools	Technology, know-how and patents	8.6	11.0	9.3	8.8

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to individual CGUs as follows:

	2026 £m	2025 £m
Imaging & Analysis		
NanoAnalysis	10.0	9.8
Magnetic Resonance	2.3	2.3
Andor	41.1	40.9
WITec	21.4	20.6
FemtoTools	10.2	9.4
Advanced Technologies		
NanoScience	–	6.6
	85.0	89.6

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Impairment tests on the carrying values of goodwill, which are the Group's only indefinite life intangible assets, are performed by analysing the carrying value allocated to each significant CGU against its value in use. Value in use is calculated for each CGU as the net present value of that unit's discounted future cash flows. These cash flows are based on board approved budget cash flow information for a period of one year and board approved strategic plans for the following four years, both of which are prepared taking into account a range of factors including past experience, the forecast future trading environment and macroeconomic conditions in the Group's key markets. The cash flows beyond the strategic plan period use growth rates of 2.0% (2025: 2.0–2.5%). This rate was considered to be at or below long-term market trends for the Group's businesses. These forecasts are also adjusted for more recent information where this is considered to have a material impact.

Notes to the consolidated financial statements continued

15 Intangible assets continued

Key assumptions

The key assumptions are those regarding discount rates and growth rates.

The growth rates are at or below the Group's view on long-term trends within its markets. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The pre-tax discount rate used for Imaging & Analysis and Advanced Technologies in impairment testing is between 8.8% and 15.7% (2025: 13.7% to 14.3%), in line with the risk associated with each of the business segments. Management has estimated these discount rates by reference to past experience and an industry average weighted cost of capital as adjusted for appropriate risk factors reflecting current economic circumstances and the risk profiles of each CGU.

The pre-tax weighted average cost of capital used for each CGU are as follows:

	2026 £m	2025 £m
Imaging & Analysis		
NanoAnalysis	15.1%	14.2%
Magnetic Resonance	14.7%	13.7%
Andor	15.7%	14.3%
WITec	13.5%	14.2%
FemtoTools	8.8%	14.2%
Advanced Technologies		
Plasma Technology	13.4%	14.2%
NanoScience	–	14.2%

Result of impairment assessment

In the prior year, the impairment review for Andor Technology concluded the carrying values of the business exceeded their recoverable amounts of £105.9m and accordingly an impairment charge of £26.0m was recognised. Restructuring actions and efficiency initiatives were implemented in the current year to improve business performance, and consequently there is no further impairment charge to be recognised and no impairment when considering a reasonable possible change in key assumption.

Sensitivity analysis

The Group has applied sensitivities to assess whether any reasonable possible changes in assumptions could cause an impairment of the goodwill in any CGU that would be material to these Consolidated Financial Statements. The sensitivity analyses did not identify any potential impairment for any CGU.

16 Leases

The Group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. In some jurisdictions' property leases, the periodic rent is fixed over the lease term.

The Group also leases certain items of plant and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms.

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- the length of the lease term;
- the economic stability of the environment in which the property is located; and
- whether the location represents a new area of operations for the Group.

The Group leases assets including land and buildings, vehicles and machinery. Information about leases for which the Group is a lessee is presented below.

Notes to the consolidated financial statements continued

16 Leases continued

Right-of-use assets

	Property leases £m	Other leases £m	Total £m
Cost			
Balance at 1 April 2024	46.4	2.9	49.3
Additions	2.4	0.5	2.9
Disposals	(0.7)	(0.7)	(1.4)
Exchange differences	(0.6)	–	(0.6)
Balance at 31 March 2025	47.5	2.7	50.2
Additions	4.7	0.6	5.3
Disposals – sale of businesses	–	(0.1)	(0.1)
Disposals	(2.9)	(0.7)	(3.6)
Exchange differences	(0.2)	–	(0.2)
Balance at 31 March 2026	49.1	2.5	51.6
Amortisation and impairment losses			
Balance at 1 April 2024	15.2	1.7	16.9
Amortisation charge for the year	4.8	0.6	5.4
Disposals	(1.0)	(0.7)	(1.7)
Exchange differences	(0.3)	–	(0.3)
Balance at 31 March 2025	18.7	1.6	20.3
Amortisation charge for the year	4.7	0.6	5.3
Disposals – sale of businesses	–	(0.1)	(0.1)
Disposals	(3.0)	(0.7)	(3.7)
Exchange differences	(0.2)	–	(0.2)
Balance at 31 March 2026	20.3	1.4	21.7
Carrying amounts			
Balance at 1 April 2024	31.2	1.2	32.4
Balance at 31 March 2025 and 1 April 2025	28.8	1.1	29.9
Balance at 31 March 2026	28.8	1.1	29.9

Lease liabilities

	2026 £m	2025 £m
Balance at beginning of year	31.2	33.4
Additions – business combinations	–	–
Additions	5.3	2.9
Disposals	(0.1)	(0.3)
Payments made (cash flows from financing activities)	(5.2)	(5.5)
Interest charge	0.6	0.6
Effect of movements in foreign exchange rates	(0.2)	0.1
	31.6	31.2
Amounts falling due after more than one year	27.8	26.7
Amounts falling due in less than one year	3.8	4.5

Amounts recognised in Consolidated Statement of Income

	2026 £m	2025 £m
Interest on lease liabilities	(0.6)	(0.6)
Amortisation of right-of-use assets	(5.3)	(5.4)

Repayments of lease liabilities of £5.2m (2025: £5.5m) have been recognised in the Consolidated Statement of Cash Flows.

Notes to the consolidated financial statements continued

17 Inventories

	2026 £m	2025 £m
Raw materials and consumables	32.9	52.5
Work in progress	19.1	28.0
Finished goods	20.5	18.6
	72.5	99.1

The amount of inventory recognised as an expense was £146.1m (2025: £190.9m). In the ordinary course of business, the Group makes impairment provisions for slow-moving, excess and obsolete inventory as appropriate. Inventory is stated after charging impairments of £0.2m in the current period (2025: £0.6m). In the current year, £nil (2025: £nil) was reversed relating to previous impairments. Impairments are included within gross profit.

Inventory carried at net realisable value is £0.2m (2025: £3.2m).

18 Trade and other receivables

	2026 £m	2025 £m
Trade receivables	104.8	102.2
Less provision for impairment of receivables	(5.1)	(4.7)
Net trade receivables	99.7	97.5
Accrued income	6.2	12.2
Prepayments	9.5	9.9
Other receivables	4.0	2.3
Other taxation receivable	5.6	4.3
	125.0	126.2

Trade receivables are non-interest-bearing. Standard credit terms provided to customers differ according to business and country, and are typically between 30 and 60 days.

The maximum exposure to credit risk for trade and other receivables plus accrued income, by geographic region, was:

	2026 £m	2025 £m
UK	7.0	7.9
China	15.5	9.4
Japan	11.0	15.6
USA	32.1	42.5
Germany	10.2	6.7
Rest of Europe	21.2	13.5
Rest of Asia	8.2	8.9
Rest of World	4.7	7.5
	109.9	112.0

The ageing of financial assets comprising net trade receivables and other receivables plus accrued income at the reporting date was:

	2026 £m	2025 £m
Current (not overdue)	61.4	81.5
Less than 31 days overdue	28.0	11.7
More than 30 but less than 91 days overdue	8.4	8.2
More than 90 days overdue	12.1	10.6
	109.9	112.0

In the current year £0.7m (2025: £0.2m) of the provision against trade receivables and other receivables plus accrued income relates to balances less than 90 days overdue. The remaining balance relates to balances more than 90 days overdue.

Notes to the consolidated financial statements continued

18 Trade and other receivables continued

The movement of the Group's expected credit losses provision in respect of trade receivables and other receivables plus accrued income are as follows:

	2026 £m	2025 £m
Balance at start of year	4.7	3.6
Transferred out on disposal of business	(0.2)	-
Increase in loss allowance recognised in the Consolidated Statement of Income during the year	0.6	1.1
Balance at end of year	5.1	4.7

The loss allowance is recognised in the administration and shared services line in the Consolidated Statement of Income.

19 Contract assets and liabilities

	2026			2025		
	Contract asset	Contract liability		Contract asset	Contract liability	
	Accrued income £m	Customer deposits £m	Deferred income £m	Accrued income £m	Customer deposits £m	Deferred income £m
Balance at 1 April	12.2	(46.4)	(24.6)	11.7	(58.4)	(22.9)
Transferred out on disposal of business	(3.6)	18.8	1.1	-	-	-
Transfers in the period from contract assets to trade receivables	(12.2)	-	-	(11.7)	-	-
Amounts included in contract liabilities that were recognised as revenue during the period	-	46.4	24.6	-	57.3	22.9
Excess of revenue recognised over cash (or rights to cash) being recognised during the period	9.8	-	-	12.2	-	-
Cash received or consideration due in advance of performance and not recognised as revenue during the period	-	(54.9)	(26.0)	-	(45.3)	(24.6)
Balance at 31 March	6.2	(36.1)	(24.9)	12.2	(46.4)	(24.6)

Contract assets and contract liabilities are included within trade and other receivables, and trade and other payables respectively on the face of the Consolidated Statement of Financial Position.

Payment terms for the sale of large goods typically require payment of a deposit on order, with the remaining payments due on shipment, and in some cases installation. For lower value goods, payment is typically required at shipment. Maintenance and service contracts are generally paid in full at inception. There is no financing component in the arrangements, and contracts are for specified, pre-agreed amounts with no variable element.

Notes to the consolidated financial statements continued

20 Cash and cash equivalents

	2026 £m	2025 £m
Cash balances	78.9	90.9
Cash equivalents	28.0	3.2
Bank overdrafts (Note 19)	(12.4)	(8.8)
Cash and cash equivalents in the Consolidated Statement of Financial Position	94.5	85.3
Bank loans at First Light Imaging	(0.4)	(0.4)
Covid-19 loan at WITec	(0.1)	(0.5)
Net cash after borrowings at the end of the year	94.0	84.4

Cash and cash equivalents at 31 March 2026 includes £0.4m (2025: £0.9m) that is not available for general use by the Group. This balance relates to customer deposits received on orders by Oxford Instruments India that are then placed into a variable term deposit account. The cash is released back to Oxford Instruments India once the order is completed.

Reconciliation of changes in cash and cash equivalents to movement in net cash after borrowings

	2026 £m	2025 £m
Net increase in cash and cash equivalents	9.5	3.3
Effect of exchange rate fluctuations on cash held	(0.3)	(3.5)
Movement in net cash in the year	9.2	(0.2)
Repayment of borrowings	0.4	0.8
Net cash after borrowings at the start of the year	84.4	83.8
Net cash after borrowings at the end of the year	94.0	84.4

21 Borrowings

	2026 £m	2025 £m
Current		
Bank loans at First Light Imaging	0.2	–
Covid-19 loan at WITec	0.1	0.4
Bank overdrafts	12.4	8.8
At the end of the year	12.7	9.2
	2026 £m	2025 £m
Non-current		
Bank loans at First Light Imaging	0.2	0.4
Covid-19 loan at WITec	–	0.1
At the end of the year	0.2	0.5

On 19 March 2024, the Group entered into a new multi-currency revolving facility agreement, which is committed until March 2028 with 15-month and 12-month extension options at the end of the first and second years respectively. The facility has been entered into with four banks and comprises a euro-denominated multi-currency facility of €95m and a US-dollar-denominated multi-currency facility of \$150m. Debt covenants are net debt to EBITDA less than 3.0 times and EBITDA to interest greater than 4.0 times.

The Group's undrawn committed facilities available at 31 March 2026 were £195.4m, comprising the undrawn portion of the Group's £195.4m revolving credit facilities.

Bank overdrafts reflect the aggregated overdrawn balances of Group companies (even if those companies have other positive cash balances). The overdrafts are held with the Group's relationship banks.

The Group's uncommitted overdraft facilities at 31 March 2026 were £18.0m (2025: £18.0m), comprising of an £11m facility, a \$5m facility, a €1.5m facility and a 400m Japanese yen facility.

Notes to the consolidated financial statements continued

21 Borrowings continued

A reconciliation of the Group's borrowings balances is shown below.

	2026 £m	2025 £m
Balance at the beginning of the year	9.7	14.0
Repayment of borrowings (cash flow from financing activities)	(0.4)	(0.8)
Increase/(decrease) in bank overdrafts	3.6	(3.5)
Interest charged	1.2	1.4
Interest paid	(1.2)	(1.4)
At the end of the year	12.9	9.7

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flow from financing activities.

£m	As at 31 March 2025	Financing cash flows	New leases	Other non-cash movement	Effect of changes in foreign exchange rates	As at 31 March 2026
Bank loans	0.9	(0.4)	–	–	–	0.5
Total borrowings	0.9	(0.4)	–	–	–	0.5
Lease liabilities	31.2	(4.6)	5.3	(0.1)	(0.2)	31.6
Total liabilities from financing activities	32.1	(5.0)	5.3	(0.1)	(0.2)	32.1

£m	As at 31 March 2024	Financing cash flows	New leases	Other non-cash movement	Effect of changes in foreign exchange rates	As at 31 March 2025
Bank loans	1.7	(0.8)	–	–	–	0.9
Total borrowings	1.7	(0.8)	–	–	–	0.9
Lease liabilities	33.4	(4.8)	2.9	(0.4)	0.1	31.2
Total liabilities from financing activities	35.1	(5.6)	2.9	(0.4)	0.1	32.1

22 Trade and other payables

	2026 £m	2025 as restated ¹ £m
Trade payables	27.8	31.4
Customer deposits	36.1	46.4
Social security and other taxes	8.3	5.9
Accrued expenses	35.8	40.9
Deferred income	24.9	24.6
Other payables	4.6	4.5
	137.5	153.7

1 Previously, contingent consideration has been included within trade and other payables. This balance is now disclosed separately on the Consolidated Statement of Financial Position and so is no longer included within this note.

Notes to the consolidated financial statements continued

23 Provisions for other liabilities and charges

	Warranties £m	Other £m	Total £m
Balance as at 1 April 2025	3.6	2.3	5.9
Effect of disposal of business	(0.8)	–	(0.8)
Provisions made during the year	1.5	0.8	2.3
Provisions used during the year	(1.5)	(0.6)	(2.1)
Provisions released during the year	(0.5)	(0.4)	(0.9)
Exchange differences	–	(0.1)	(0.1)
Balance as at 31 March 2026	2.3	2.0	4.3
Amounts falling due before one year	2.3	0.9	3.2
Amounts falling due after more than one year	–	1.1	1.1

Warranty provisions

Product warranty provisions reflect commitments made to customers on the sale of goods in the ordinary course of business and included within the Group companies' standard terms and conditions. Warranty commitments typically apply for a 12-month period. The provision represents the Directors' best estimate of the Group's liability based on past experience.

Other provisions

Other provisions relate to various obligations, including obligations in respect of onerous contracts, product-related liabilities, dilapidation provisions, provisions for retirement allowances and provisions for other claims. The economic outflows for the dilapidation provisions and provisions for retirement allowances are not expected to occur within the next financial year and so have been classed as non-current liabilities falling due after more than one year.

24 Financial instruments

Fair values and categories of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		As at 31 March 2026		As at 31 March 2025	
	Fair value hierarchy £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Financial assets measured at fair value					
Derivative financial assets:					
– Foreign currency contracts	2	2.1	2.1	2.2	2.2
Financial assets measured at amortised cost					
Long-term receivables		1.0		1.0	
Trade receivables		99.7		97.5	
Other receivables and accrued income		10.2		14.5	
Cash and cash equivalents	2	106.9		94.1	
Financial liabilities measured at fair value					
Derivative financial liabilities:					
– Foreign currency contracts	2	(1.0)	(1.0)	(0.6)	(0.6)
– Contingent consideration	3	(4.7)	(4.7)	(4.0)	(4.0)
Financial liabilities measured at amortised cost					
Trade and other payables		(68.2)		(76.8)	
Bank overdrafts	2	(12.4)		(8.8)	
Borrowings	2	(0.5)		(0.9)	

Notes to the consolidated financial statements continued

24 Financial instruments continued

Fair values of financial assets and liabilities continued

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table.

Derivative financial instruments

Derivative financial instruments are marked-to-market using market prices.

Fixed and floating rate borrowings

The fair value of fixed and floating rate borrowings is estimated by discounting the future contracted principal and interest cash flows using the market rate of interest at the reporting date.

Trade and other receivables/payables

For receivables/payables with a remaining life of less than one year, the carrying amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine their fair value. Advances received are excluded from other payables above as these are not considered to be financial liabilities. Tax-related receivables and payables are excluded from the above table as these are not considered to be financial assets and liabilities.

Fair value hierarchy

The table above gives details of the valuation method used in arriving at the fair value of financial instruments. The different levels have been identified as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie, as prices) or indirectly (ie, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

There have been no transfers between levels during the period.

The level 3 fair value of contingent consideration is determined by considering the performance expectations of the acquired entity whilst applying the entity-specific discount rates. The unobservable inputs are the projected forecast measures that are assessed on an annual basis. Changes in the fair value of contingent consideration relating to updated projected forecast performance measures are recognised in the Consolidated Statement of Income within administrative expenses in the Consolidated Statement of Income in the period that the change occurs. Contingent consideration relates entirely to financial (2026: £4.7m, 2025: £4.0m) conditions on prior year acquisitions. The financial conditions for the contingent consideration are meeting certain revenue, order and margin thresholds.

25 Financial risk management

The Group's multinational operations and debt financing expose it to a variety of financial risks. In the course of its business, the Group is exposed to foreign currency risk, interest rate risk, liquidity risk, commodity risk and credit risk. Financial risk management policies are set by the Board of Directors. These policies are implemented by a central treasury function that has formal procedures to manage foreign exchange risk, interest rate risk and liquidity risk, including, where appropriate, the use of derivative financial instruments. Commodity risk is managed locally by the operating businesses. The Group has clearly defined authority and approval limits.

In accordance with its Treasury Policy, the Group does not hold or use derivative financial instruments for trading or speculative purposes. Such instruments are only used to manage the risks arising from operating or financial assets or liabilities or highly probable future transactions.

The Group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates. In common with a number of other companies, the Group has decided that the additional costs of meeting the extensive documentation requirements of IFRS 9 to apply hedge accounting to derivative financial instruments used for hedging exposure to foreign currency and interest rate volatility cannot be justified. Accordingly, the Group does not use hedge accounting for such derivatives.

Foreign currency risk

Foreign currency risk arises both where sale or purchase transactions are undertaken in currencies other than the respective functional currencies of Group companies (transactional exposures) and where the results of overseas companies are consolidated into the Group's reporting currency of sterling (translational exposures). The Group has operations around the world which record their results in a variety of different local functional currencies. In countries where the Group does not have operations, it invariably has some customers or suppliers that transact in a foreign currency. The Group is therefore exposed to the changes in foreign currency exchange rates between a number of different currencies but the Group's primary exposures relate to the US dollar, the euro and the Japanese yen. To reduce uncertainty, the Group maintains a rolling hedge of forward contracts up to 80% (2025: 80%) of the exposure expected to arise over the following 12 months. The remaining 20% is sold on the spot market. The fair value of outstanding currency contracts recognised as a liability as at 31 March 2026 amount to £1.0m (2025: £0.6m) and those recognised as an asset amount to £2.1m (2025: £2.2m).

Notes to the consolidated financial statements continued

25 Financial risk management continued

Foreign currency risk continued

Movements in the fair value of derivative financial instruments are recognised in the Consolidated Statement of Income immediately. However, in order to facilitate a more meaningful comparison of the Group's performance year-on-year, the elements of these movements that relate to hedges in respect of future sales are treated as an adjusting item in the calculation of adjusted earnings (Note 2).

The Group's translational exposures to foreign currency risks can relate both to the Consolidated Statement of Income and net assets of overseas subsidiaries. The Group's policy is not to hedge the translational exposure that arises on consolidation of the Consolidated Statements of Income of overseas subsidiaries.

Interest rate risk

Interest rate risk comprises both the interest rate price risk that results from borrowing at fixed rates of interest and also the interest cash flow risk that results from borrowing at variable rates. The Group's policy is to use a mixture of revolving short- and medium-term floating rate debt underpinned by longer-term fixed rate debt. The short- and medium-term floating rate debt provides flexibility to reduce debt levels as appropriate. The longer-term fixed rate debt provides stability and cost certainty to the Group's financing structure.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount 2026 £m	Carrying amount 2025 £m
Variable rate instruments		
Cash and cash equivalents	106.9	94.1
Bank overdrafts	(12.4)	(8.8)
Fixed rate instruments		
Bank loans	(0.5)	(0.9)

Liquidity risk

Liquidity risk represents the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages this risk by maintaining adequate committed lines of funding from high-quality lenders. The facilities committed to the Group as at 31 March 2026 are set out in Note 21.

Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. The Group is exposed to credit risk on financial assets such as cash balances, derivative financial instruments, accrued income, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables and cash balances. The amounts recognised in the Consolidated Statement of Financial Position are net of expected credit losses, which are estimated by the Group's management based on the Group's historical experience of losses, along with consideration of any reasonably and supportable forward-looking information and expectations. Due to its wide geographic base and large number of customers, the Group is not exposed to material concentrations of credit risk on its trade receivables. The Group's experience of credit loss is minimal, which has and continues to be mitigated through receiving payment in advance of delivery or using trade guarantees provided by the Group's relationship banks. In the unusual event of a particular issue with a particular customer, a specific provision will be made if appropriate. Trade receivables are subject to credit limits and control and approval procedures in the operating companies. There has been no material change in the Group's experience of credit losses over the reporting period.

Credit risk associated with cash balances and derivative financial instruments is managed by transacting with policy-compliant partners. In particular, a Board-approved policy sets out guidelines for which categories of institutions may be used and the maximum amount which may be invested with each institution within a particular category. Accordingly, the Group's associated credit risk is limited. The Group has no significant concentration of credit risk. The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the Group Consolidated Statement of Financial Position.

Notes to the consolidated financial statements continued

25 Financial risk management continued

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk by type of asset at 31 March 2026 is as shown below:

	2026 £m	2025 £m
Long-term receivables	1.0	1.0
Trade receivables	99.7	97.5
Other receivables and accrued income	10.2	14.5
Cash and cash equivalents	106.9	94.1
Derivative financial instruments	2.1	2.2
	219.9	209.3

The maximum exposure to credit risk for trade receivables is discussed in Note 17.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board's long-term objective is to have an efficient capital structure by maintaining a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. This is monitored by reference to the ratio of net debt to earnings before interest, tax, depreciation and amortisation (EBITDA) and the Board has set itself internal limits, which are well inside any covenants the Group has with lenders. The Group maintains the right to purchase its own shares in the market; the timing of these purchases would depend on market prices. Buy and sell decisions are made on a specific transaction basis by the Board.

Each year the Board carefully considers the appropriate level of dividend payments. In doing this, the Board looks to increase dividends in line with underlying earnings, although the Board will also take into account other considerations in their decision-making process. The Board does not have a policy to pay a fixed dividend yield or to maintain a fixed rate of dividend cover but assesses both of these metrics in line with sustained earnings growth.

The Board encourages employees to hold shares in the company. As well as various share option plans (full details of which are given in Note 28), from April 2008 all UK employees have been offered the opportunity to take part in a Share Incentive Plan (SIP). Under this plan, employees are able to invest up to £1,800 each tax year in shares in the company. The company awards one additional free share (a matching share) for every five shares bought by each employee.

There were no changes to the Group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

Maturity of financial liabilities

	Carrying amount £m	Contractual cash flows £m	Due within one year £m	Due one to five years £m	Due more than five years £m
2026					
Foreign exchange contracts	(1.0)	1.0	0.8	0.2	–
Contingent consideration	(4.7)	5.2	5.2	–	–
Trade and other payables	(68.2)	68.2	68.2	–	–
Bank overdrafts	(12.4)	12.4	12.4	–	–
Borrowings	(0.5)	0.5	0.2	0.3	–
Lease liabilities	(31.6)	35.5	5.1	16.7	13.7
	(118.4)	122.9	92.0	17.2	13.7

	Carrying amount £m	Contractual cash flows £m	Due within one year £m	Due one to five years £m	Due more than five years £m
2025					
Foreign exchange contracts	(0.6)	0.6	0.6	–	–
Contingent consideration	(4.0)	4.8	–	4.8	–
Trade and other payables	(76.8)	76.8	76.8	–	–
Bank overdrafts	(8.8)	8.8	8.8	–	–
Borrowings	(0.9)	0.9	0.4	0.5	–
Lease liabilities	(31.2)	36.2	5.3	14.8	16.1
	(122.3)	128.1	91.9	20.1	16.1

Notes to the consolidated financial statements continued

25 Financial risk management continued

Sensitivity analysis

The Group has estimated the impact on the Consolidated Statement of Income and on equity of the following changes in market conditions at the balance sheet date:

- One percentage point increase in interest rates.
- Ten percentage point weakening in the value of sterling against all currencies.
- Ten percentage point strengthening in the value of sterling against all currencies.

The sensitivities above represent the Directors' view of reasonably possible changes in each risk variable, not worst-case scenarios or stress tests. The outputs from the sensitivity analysis are estimates of the impact of market risk assuming that the specified changes occur at the year end and are applied to the risk exposures at that date. Accordingly, they show the impact on the balance sheet of an instantaneous shock. The calculations include all hedges in place at the year end.

Actual results in the future may differ materially from these estimates due to commercial actions taken to mitigate any potential losses from such rate movements, to the interaction of more than one sensitivity occurring and to further developments in global financial markets. As such, this table should not be considered as a projection of likely future gains and losses.

	1% increase in interest rates £m	10% weakening in sterling £m	10% strengthening in sterling £m
2026			
Impact on adjusted profit (Note 2)	0.9	1.2	(1.2)
Impact on reported profit	0.9	(19.0)	19.0
Impact on equity	0.6	(14.3)	14.3
	1% increase in interest rates £m	10% weakening in sterling £m	10% strengthening in sterling £m
2025			
Impact on adjusted profit (Note 2)	0.9	1.7	(1.7)
Impact on reported profit	0.9	(15.6)	15.6
Impact on equity	0.6	(11.7)	11.7

26 Retirement benefit assets and obligations

The Group operates a defined benefit plan in the UK. The plan offers pensions in retirement and death in service benefit to members. Pension benefits are related to members' final salary at retirement and their length of service. The scheme has been closed to new members since 2001 and closed to future accrual since 2010.

In December 2025 the Trustee of the Scheme completed the purchase of a bulk annuity policy (buy-in) with Royal London covering the whole of the Scheme's membership. The bulk annuity policy is in the name of the Trustee and is an asset of the Scheme. The purchase price of the bulk annuity policy was set by Royal London. Following the purchase of the bulk annuity policy, and in accordance with IAS 19 accounting standards, the value of the policy as an asset of the Scheme is set to the same value as the Scheme liabilities covered by the policy, calculated using the current IAS 19 actuarial assumptions for the DBO. As the purchase price of the bulk annuity policy was higher than the value of the corresponding Scheme liabilities calculated using the IAS assumptions, there was an immediate reduction in the value of the Scheme's assets following the purchase of the bulk annuity policy. The company views the bulk annuity policy as an asset of the Scheme and a change in investment strategy and so the reduction in the value of the assets resulting from the bulk annuity purchase is attributed as an experience loss in the Statement of Other Comprehensive Income (SOCl).

On acquisition of FemtoTools AG on 28 June 2024, the Group now also operates a defined benefit pension scheme in Switzerland.

Defined contribution schemes

In the UK, employees are offered participation in the defined contribution Oxford Instruments Stakeholder Plan. The company contribution rate and employee contribution rate varies between grades and whether the individual had previously been in the defined benefit scheme. The company contribution ranges between 4% and 14% of base salary. The Group also operates a 401k defined distribution plan in the US. Details of pension schemes contributions made in respect of Directors can be found in the Remuneration Report.

The expense recognised in the Consolidated Statement of Income is:

	2026 £m	2025 £m
Total defined benefit income	–	(0.1)
Contributions to defined contribution schemes	5.8	6.8
	5.8	6.7

Notes to the consolidated financial statements continued

26 Retirement benefit assets and obligations continued

Defined contribution schemes continued

Pension costs are recorded in the following lines in the Consolidated Statement of Income:

	2026 £m	2025 £m
Cost of sales	1.7	2.0
Research and development	0.9	1.2
Selling and marketing costs	0.6	1.4
Administration and shared services	4.1	3.1
Financial income	(1.5)	(1.0)
	5.8	6.7

Remeasurement gains and losses shown in the Consolidated Statement of Comprehensive Income:

	2026 £m	2025 £m
Actual return on assets excluding interest income	(20.0)	(28.7)
Experience (loss)/gain on scheme obligations	(3.5)	1.6
Changes in assumptions underlying the present value of scheme obligations:		
– Financial	2.3	25.3
– Demographic	0.4	0.7
Actuarial losses recorded in the Statement of Comprehensive Income	(20.8)	(1.1)

The amounts recognised in the Consolidated Statement of Financial Position are:

	2026			2025		
	UK £m	Switzerland £m	Total £m	UK £m	Switzerland £m	Total £m
Present value of funded obligations	194.9	4.1	199.0	194.8	2.9	197.7
Fair value of plan assets	(204.1)	(2.9)	(207.0)	(219.2)	(2.0)	(221.2)
Recognised (asset)/liability for defined benefit obligations	(9.2)	1.2	(8.0)	(24.4)	0.9	(23.5)

The reconciliation of the opening and closing balances of the present value of the defined benefit obligation is as follows:

	2026			2025		
	UK £m	Switzerland £m	Total £m	UK £m	Switzerland £m	Total £m
Benefit obligation at the beginning of the year	194.8	2.9	197.7	223.6	–	223.6
Pension obligations acquired on acquisition of FemtoTools	–	–	–	–	1.9	1.9
Administrative expenses	–	0.2	0.2	–	0.1	0.1
Contributions by employees	–	0.2	0.2	–	–	–
Interest on defined benefit obligation	11.0	–	11.0	10.5	–	10.5
Benefits paid	(11.3)	0.3	(11.0)	(11.1)	0.3	(10.8)
Remeasurement gain on obligation	0.4	0.3	0.7	(28.2)	0.6	(27.6)
Exchange rate adjustment	–	0.2	0.2	–	–	–
Benefit obligation at the end of the year	194.9	4.1	199.0	194.8	2.9	197.7

Notes to the consolidated financial statements continued

26 Retirement benefit assets and obligations continued

Defined contribution schemes continued

The reconciliation of the opening and closing balances of the present value of the fair value of plan assets is as follows:

	2026			2025		
	UK £m	Switzerland £m	Total £m	UK £m	Switzerland £m	Total £m
Fair value of plan assets at the beginning of the year	219.2	2.0	221.2	239.7	–	239.7
Pension assets acquired on acquisition of FemtoTools	–	–	–	–	1.6	1.6
Interest on plan assets	12.5	–	12.5	11.5	–	11.5
Contributions by employees	–	0.2	0.2	–	–	–
Contributions by employer	5.3	0.2	5.5	8.7	0.1	8.8
Benefits paid	(11.3)	0.3	(11.0)	(11.1)	0.3	(10.8)
Administrative expenses	(1.5)	–	(1.5)	(0.9)	–	(0.9)
Actual return on assets excluding interest income	(20.1)	0.1	(20.0)	(28.7)	–	(28.7)
Exchange rate adjustment	–	0.1	–	–	–	–
Fair value of plan assets at the end of the year	204.1	2.9	207.0	219.2	2.0	221.2

Defined benefit scheme – UK

A full actuarial valuation of the UK plan was carried out as at 31 March 2024 which, for reporting purposes, has been updated to 31 March 2026 by a qualified independent actuary.

The major assumptions used by the actuary for the purposes of IAS 19 were (in nominal terms):

	2026 %	2025 %
Discount rate	6.1	5.8
Rate of increase in pensions in payment ('3LPI')	2.3	2.2
Rate of increase in pensions in payment ('5LPI')	3.0	2.8
Rate of inflation ('CPI')	2.6	2.3
Rate of inflation ('RPI')	3.1	2.9
Mortality – pre- and post-retirement	107% of S4PA 'Light' tables (101% for females) future improvement in line with CMI 2024 with 1.25% long-term trend	107% of S4PA 'Light' tables (101% for females) future improvement in line with CMI 2023 with 1.25% long-term trend

As at 31 March 2026 the weighted average duration of the defined benefit obligations was 11 years (2025: 11 years).

The mortality assumptions imply the following expected future lifetime from age 65:

	2026 years	2025 years
Pre-retirement – males	23.6	23.3
Pre-retirement – females	25.6	25.5
Post-retirement – males	22.4	22.1
Post-retirement – females	24.2	24.1

The assumptions have been chosen by the Directors from a range of possible actuarial assumptions, which, due to the timescales covered, may not be borne out in practice.

Notes to the consolidated financial statements continued

26 Retirement benefit assets and obligations continued

Defined benefit scheme – UK continued

The assets in the plan were:

	2026 £m	2025 £m
Equities	–	1.6
Corporate and emerging market bonds	–	22.9
Gilts	–	163.0
Insurance-linked funds	1.4	2.7
Credit and global loan funds	–	12.3
Cash	8.0	16.7
Insurance policy	194.7	–
	204.1	219.2

Where assets have no observable market price, a valuation will be provided by the fund manager. The scheme's investment manager will accept that valuation if it is within the expected range of performance. Otherwise, the investment manager will query the valuation with the fund manager. Complex financial instruments are valued by the scheme's investment manager who uses financial models which take as their input the characteristics of the instrument and observable market data such as swap rates.

The investment strategy for the UK scheme is controlled by the trustee in consultation with the Group. A de-risked investment strategy is in place to mitigate funding volatility.

The Group made deficit recovery payments to the UK pension scheme up until November 2025. The annual deficit recovery payment was £5.3m (2025: £8.7m) for the financial year. No annual deficit recovery payments will be made after the year ended 31 March 2026.

In 2018 the trustees of the UK defined benefit scheme, in consultation with the company, reduced its exposure to on-risk assets (a portfolio of market-focused asset classes, the majority being equities) with a corresponding increase in its liability-driven investments, with the objective of steering a more stable journey to being fully funded. The pension fund's gross exposure to on-risk assets fell from 85% to 45%; the majority of transactions required to make this change were completed in February 2018.

As a result, the level of risk inherent in the investment strategy is now significantly lower than previously, in addition to a substantial reduction in funding level volatility. Following investment outperformance and contributions made by the Group in the year to 31 March 2022, the allocation to on-risk assets has been further reduced to 35%, with a view to further reduction in funding level volatility.

The Group has considered the requirements of IFRIC 14. The terms of the scheme give the Group the right to recover any surplus assets on the scheme upon wind-up and therefore management has concluded that there is no impact on the amounts recognised in respect of retirement benefit obligations, ie there is no need to apply the 'asset ceiling'.

The table below shows the sensitivity of the Consolidated Statement of Financial Position to changes in the significant pension assumptions:

	2026 £m	Discount rate (-0.1% pa) £m	Inflation rate (+0.1% pa) £m	Life expectancy (+one year) £m
Present value of funded obligations	194.9	197.0	196.7	201.1
Fair value of plan assets	(204.1)	(206.2)	(205.9)	(210.3)
Surplus	(9.2)	(9.2)	(9.2)	(9.2)

The valuation of defined benefit liabilities is most sensitive to changes in the discount rate, inflation rate and mortality rate. The sensitivities have been calculated by running the liability calculations in full using the alternative assumptions. In each case, only the indicated assumption has changed by the amount stated. For the inflation sensitivity, the impact on the assumptions that are based on RPI inflation, such as CPI inflation and the inflation-linked pension increases, has been included.

Defined benefit scheme – Switzerland

A full actuarial valuation of the Swiss plan was carried out as at 31 March 2026.

The major assumptions used by the actuary for the purposes of IAS 19 were (in nominal terms):

	2026 %	2025 %
Discount rate	1.2	1.2
Rate of increase in pensions in payment	3.0	2.5
Rate of inflation	1.0	1.0
Mortality – pre- and post-retirement	BVG 2020	BVG 2020

Notes to the consolidated financial statements continued

26 Retirement benefit assets and obligations continued

Defined benefit scheme – Switzerland continued

The assets in the plan were:

	2026 £m	2025 £m
Equities	1.0	0.6
Corporate and emerging market bonds	0.8	0.6
Property	0.4	0.3
Infrastructure	0.3	0.2
Alternative investments	0.4	0.3
	2.9	2.0

Virgin Media

The Group is aware of a UK High Court legal ruling that took place in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments were invalid if they were not accompanied by actuarial certifications. The DWP has announced that it will introduce legislation to allow retrospective confirmation of historic benefit changes. This announcement should significantly reduce the impact on pension schemes. Whilst this ruling was in respect of another scheme, this judgement will need to be reviewed for its relevance to the Oxford Instruments Pension Scheme. A high-level review has been undertaken of the scheme which concluded that there is a very low risk of any historic plan amendments being found to be invalid. The company's pension advisers have not completed detailed numerical analysis and no adjustments have been made to the Consolidated Financial Statements at 31 March 2026.

27 Capital and reserves

Issued and fully paid ordinary shares:

	2026 number of shares	2025 number of shares
At the beginning of the year	58,134,773	57,913,792
Issued for cash	267,353	220,981
Cancelled on buyback ¹	(3,000,620)	–
At the end of the year	55,401,506	58,134,773

	2026		2025	
	Number of shares	£m	Number of shares	£m
Allotted, called up and fully paid				
Ordinary shares of 5p each	55,401,506	2.7	58,134,773	2.9

1 During the year ended 31 March 2026, 3,000,620 ordinary shares were repurchased and cancelled by the Group as part of the first and second tranches of the up to £100m share buyback programme, resulting in a cash outflow of £62.2m. No liability was recognised on the 31 March 2026 Statement of Financial Position for the remaining amounts to be repurchased under Tranche 2 as the agreement can be terminated with immediate effect. The remaining amount of share buyback is expected to complete in the first half of the year ended 31 March 2027.

The holders of the ordinary shares are entitled to receive dividends as declared, a proportionate amount of capital on a winding up of the company and one vote per share at meetings of the company.

Other reserves comprise the capital redemption reserve, which represents the nominal value of shares repurchased and then cancelled during the year ended 31 March 1999.

The foreign exchange translation reserve comprises all foreign exchange differences arising since 1 April 2004 from the translation of the Group's net investments in foreign subsidiaries into sterling.

Notes to the consolidated financial statements continued

28 Share option schemes

Share Incentive Plan (SIP)

UK employees may be eligible to participate in the Group's HM Revenue and Customs-approved SIP. Participating employees may make a cash contribution to the SIP of up to £1,800 each year. The Group contributes a further amount equal to 20% of the employee's contribution. Independent trustees then purchase partnership and matching shares in the market on behalf of the employees. Subject to the rules of the SIP, matching shares may be withdrawn without forfeiture after they have been held for three years, provided the participant has remained an employee. On a similar basis, shares can be withdrawn tax-free after five years' service.

Long-Term Incentive Plan Scheme (LTIP)

Under the LTIP awards of nominally priced options of £0.05, conditional share awards or cash conditional awards may be made annually to certain senior managers. Subject to vesting based on the achievement of performance targets and the rules of the LTIP, options granted under the plan may have a life of ten years, including a vesting period of three years. Subject to vesting based on performance and the rules of the LTIP, conditional share awards and cash conditional awards will vest appropriately three years after the award date. Awards were valued using the Black-Scholes option pricing models with the exception of options relating to the total shareholder return tranche which were valued using Stochastic option-pricing models.

Share option schemes that have been discontinued but for which options were outstanding at the year end include the following:

Performance Share Plan Scheme (PSP)

Under the PSP, awards of nominally priced options of £0.05 were made annually to certain senior managers. The last grants were made under this scheme in 2022. Awards to persons other than the Executive Directors may also be referred to as Medium Term Incentive Plan awards (MTIP). Subject to vesting based on the achievement of performance targets and the rules of the PSP, awards may have a life of ten years, including a vesting period of a minimum of three years. Options were valued using the Black-Scholes option-pricing models.

Executive Share Option Scheme (ESO)

Under the ESO awards of approved options, unapproved options and share appreciation rights were made annually to certain senior managers. The last grants were made under this scheme in 2016. The exercise prices were determined according to the mid-market closing share price on the day before the date of grant. Subject to vesting based on the achievement of performance targets and the rules of the ESO, awards may have a life of ten years, including a vesting period of a minimum of three years. Options were valued using the Black-Scholes option-pricing models.

Performance conditions

Awards under the ESO, PSP and LTIP schemes may be or may have been subject to the achievement of certain performance conditions. The performance conditions applicable for the Executive Directors of Oxford Instruments plc can be found in the Directors' Remuneration Report on pages 156 to 171.

Administrative expenses include a charge of £3.7m (2025: credit of £0.1m) in respect of the cost of providing share-based remuneration. The cost of share awards is calculated by estimating the fair value of the award at grant date and spreading that amount over the vesting period after adjusting for an expectation of non-vesting.

For options granted in the year ended 31 March 2026, the fair value and the assumptions used in the calculation are as follows:

	LTIP CEO June 2025	LTIP CFO June 2025	LTIP: Options June 2025	LTIP: Conditional Shares June 2025
Weighted average fair value of options granted	£12.93	£12.93	£14.65	£16.88
Share price at grant date	£17.56	£17.56	£17.56	£17.56
Exercise price	£0.05	£0.05	£0.05	£0.05
Expected volatility	29.3%	29.3%	29.5%	N/A
Expected option life	3 years	3 years	3 years	3 years
Expected dividend yield	–	–	1.2%	1.2%
Risk-free interest rate	4.0%	4.0%	3.7%	N/A

Notes to the consolidated financial statements continued

28 Share option schemes continued

Performance conditions continued

For options granted in the year ended 31 March 2025, the fair value and the assumptions used in the calculation are as follows:

	LTIP CEO July 2024	LTIP CFO July 2024	LTIP: Options July 2024	LTIP: Conditional Shares July 2024	LTIP: Options March 2025
Weighted average fair value of options granted	£20.42	£20.42	£21.73	£23.79	£17.64
Share price at grant date	£24.35	£24.35	£24.35	£24.35	£18.06
Exercise price	£0.05	£0.05	£0.05	£0.05	£0.05
Expected volatility	29.1%	29.1%	29.1%	N/A	N/A
Expected option life	3 years	3 years	3 years	3 years	2.3 years
Expected dividend yield	–	–	0.9%	0.9%	0.9%
Risk-free interest rate	3.9%	3.9%	3.9%	N/A	N/A

Movements in the share option schemes during the year were as follows:

	Executive Share Option Scheme		Performance Share Plan		Long-Term Incentive Plan	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at 1 April 2024	98,729	£8.68	622,507	£0.05	200,572	£0.05
Granted	–	–	–	–	154,874	£0.05
Forfeited	–	–	(9,125)	£0.05	(20,001)	–
Exercised	(18,986)	£9.79	(201,744)	£0.05	–	–
Lapsed	(9,878)	£9.94	(7,854)	£0.05	(5,850)	£0.05
Outstanding at 31 March 2025	69,865	£8.20	403,784	£0.05	329,595	£0.05
Granted	–	–	293	£0.05	224,007	£0.05
Forfeited	–	–	–	–	–	–
Exercised	(36,789)	£8.00	(202,895)	£0.05	(25,529)	–
Lapsed	(21,842)	£9.51	(92,614)	£0.05	(59,880)	£0.05
Outstanding at 31 March 2026	11,234	£6.27	108,568	£0.05	468,193	£0.05
Exercisable at 31 March 2026	69,865	£6.27	108,568	£0.05	–	£0.05
Exercisable at 31 March 2025	69,865	£8.20	265,829	£0.05	43,213	£0.05

The number and weighted average exercise prices of those options are as follows:

The weighted average share price at the time of exercise of the options was £20.72 (2025: £21.86).

The weighted average remaining contractual life for the share options as at 31 March 2026 was one year (2025: one year).

The total consideration received from exercise of options in the year was £0.1m (2025: £0.0m).

Notes to the consolidated financial statements continued

29 Working capital movements

Reconciliation of movements in working capital

	Inventories £m	Receivables ¹ £m	Payables and provisions ¹ £m	Customer deposits £m	Total £m
As at 1 April 2024	108.1	118.5	(114.3)	(58.4)	53.9
Working capital movement	(8.8)	10.0	(1.1)	11.1	11.2
First Light Imaging related flows	–	–	2.8	–	2.8
FemtoTools related flows	0.6	0.9	(4.7)	–	(3.2)
Exchange differences	(0.8)	–	(0.2)	0.9	(0.1)
Net movement on financial derivatives	–	–	(0.3)	–	(0.3)
As at 31 March 2025 and 1 April 2025	99.1	129.4	(117.8)	(46.4)	64.3
Working capital movement	1.6	20.9	(3.4)	(7.0)	12.1
NanoScience related flows	(28.3)	(20.8)	9.9	17.6	(21.6)
Exchange differences	0.1	(1.3)	0.2	(0.3)	(1.3)
Net movement on financial derivatives	–	(0.1)	(0.4)	–	(0.5)
As at 31 March 2026	72.5	128.1	(111.5)	(36.1)	53.0

1 Receivables and payables include derivative financial instruments.

30 Commitments and contingencies

The Group has entered into agreements in respect of the new Severn Beach site for its Plasma Technology business. At 31 March 2026 commitments for future expenditure are £0.4m (2025: £0.4m) and include capital expenditure, fit-out costs, plant and machinery, furniture and computer equipment.

31 Related parties

All transactions with related parties are conducted on an arm's length basis and in accordance with normal business terms. Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Group has related party relationships with its Executive Directors and members of the Senior Leadership Team.

The remuneration of key management personnel is as follows:

	2026 £m	2025 £m
Short-term employee benefits	5.1	4.1
Post-employment benefits	0.2	0.1
Share-based payment charges	1.5	0.9
Total	6.8	5.1

In accordance with IAS 24 'Related Party Disclosures', key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Key management personnel comprise the Directors and the other members of the Senior Leadership Team.

Short-term employee benefits comprise salary and benefits earned during the year and bonuses awarded for the year.

Parent Company statement of financial position

As at 31 March 2026

	Notes	2026 £m	2025 £m
Assets			
Non-current assets			
Intangible assets	d	0.5	0.7
Tangible assets	c	0.2	0.4
Right-of-use assets		–	–
Investments in subsidiary undertakings	e	359.5	357.9
Trade and other receivables	f	3.7	2.8
Derivative financial instruments		1.6	0.3
Retirement benefit asset		2.1	5.6
Deferred tax assets	i	–	0.4
		367.6	368.1
Current assets			
Trade and other receivables	f	40.3	39.0
Derivative financial instruments		0.8	2.1
Cash and cash equivalents		41.0	11.2
		82.1	52.3
Total assets		449.7	420.4
Equity			
Capital and reserves attributable to the company's equity shareholders			
Share capital		2.8	2.9
Share premium		62.7	62.6
Capital redemption reserve		0.3	0.1
Other reserves		7.6	7.6
Retained earnings		244.0	292.7
		317.4	365.9

	Notes	2026 £m	2025 £m
Liabilities			
Current liabilities			
Bank overdrafts	h	0.5	3.8
Derivative financial instruments		1.5	1.3
Trade and other payables	g	130.3	49.4
		132.3	54.5
Total liabilities		132.3	54.5
Total liabilities and equity		449.7	420.4

The company's profit for the financial year was £26.2m (2025: £29.4m). Other comprehensive expense in the year was £3.7m (2025: expense of £0.1m). The expense will not subsequently be reclassified to statement of income.

The Financial Statements were approved by the Board of Directors on 8 June 2026 and signed on its behalf by:

RICHARD TYSON
Director

PAUL FRY
Director

Company number: 775598

Parent Company statement of changes in equity

Year ended 31 March 2026

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Total shareholders' equity £m
As at 1 April 2025	2.9	62.6	0.1	7.6	292.7	365.9
Profit for the year					26.2	26.2
Other comprehensive expense:	-	-	-	-		
– Remeasurement of defined benefit liability, net of tax					(3.6)	(3.6)
Total comprehensive income for the year	-	-	-	-	22.6	22.6
– Proceeds from shares issued	-	0.1	-	-	-	0.1
– Share options awarded to employees	-	-	-	-	2.1	2.1
– Share options awarded to employees of subsidiaries	-	-	-	-	1.6	1.6
– Tax charge in respect of share options	-	-	-	-	0.2	0.2
– Share buyback	(0.1)	-	0.2	-	(62.2)	(62.1)
– Dividends paid	-	-	-	-	(13.0)	(13.0)
As at 31 March 2026	2.8	62.7	0.3	7.6	244.0	317.4
As at 1 April 2024	2.9	62.6	0.1	7.6	276.1	349.3
Profit for the year					29.4	29.4
Other comprehensive expense:	-	-	-	-		
– Remeasurement of defined benefit liability, net of tax					(0.1)	(0.1)
Total comprehensive income for the year	-	-	-	-	29.3	29.3
– Share options awarded to employees	-	-	-	-	(1.1)	(1.1)
– Share options awarded to employees of subsidiaries	-	-	-	-	1.0	1.0
– Tax charge in respect of share options	-	-	-	-	(0.5)	(0.5)
– Dividends paid	-	-	-	-	(12.1)	(12.1)
As at 31 March 2025	2.9	62.6	0.1	7.6	292.7	365.9

Details of issued, authorised and allotted share capital are included in Note 27 to the Group Financial Statements.

Details of the Group's share option schemes are included in Note 28 to the Group Financial Statements.

Details of the Group's defined benefit pension scheme are included in Note 26 to the Group Financial Statements.

Details of dividends paid are included in Note 10 to the Group Financial Statements.

Other reserves relates to premium on shares issued as part of acquisitions made in the year to 31 March 1987.

Notes to the Parent Company financial statements

Year ended 31 March 2026

(a) Accounting policies

Basis of preparation

Oxford Instruments plc is a company incorporated and domiciled in the UK. These Financial Statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) on the historical cost basis, except that derivative financial instruments are stated at their fair value.

In preparing these Financial Statements, the company applied the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006.

In these Financial Statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes.
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties.
- Disclosures in respect of transactions with wholly owned subsidiaries.
- Disclosures in respect of capital management.
- The effects of new, but not yet effective, accounting standards.
- Disclosures in respect of the compensation of key management personnel.

As the consolidated Financial Statements of Oxford Instruments plc include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-based Payments in respect of Group settled share-based payments.
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

As permitted by Section 408 of the Companies Act 2006, a separate statement of income for the company has not been included in these Financial Statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Going concern

The Financial Statements have been prepared on a going concern basis, based on the Directors' opinion, after making reasonable enquiries, that the company has adequate resources to continue in operational existence for the foreseeable future. The going concern of the parent company is intrinsically linked with the Group. Further details on the Group's going concern can be found on pages 95 and 96.

Material accounting policies

Significant estimates and judgements

In the application of the company's accounting policies, the directors are not required to make any significant judgements, estimates, or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, investments in money-market funds and short-term deposits with a maturity of three months or less on inception.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Details of the Group's interest-bearing borrowings are included in Note 21 to the Group Financial Statements.

Intra-Group lending

The company has lent funds to and from its UK subsidiaries on interest-free terms. These amounts are repayable on demand. They are stated at cost less any impairment losses.

Notes to the Parent Company financial statements continued

(a) Accounting policies continued

Material accounting policies continued

Derivative financial instruments

The company's accounting policies for financial instruments are the same as the Group's accounting policies under IFRS, namely IAS 32 Financial Instruments: Presentation, IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. These policies are set out in accounting policy '(e) Financial Instruments at fair value' in the Group accounting policies, on page 186.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment – 4 years
- Furniture and fittings – 4 years

Depreciation methods, useful lives and residual values are reviewed at each statement of financial position date.

Intangible assets

Intangible assets represents internally developed software. Amortisation is charged to the statement of income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software – 10 years

Impairment excluding deferred tax assets

Financial assets (including trade and other receivables)

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost less appropriate provision for impairment. The provision for impairment of debtors is based on lifetime expected credit losses, which is then updated for any reasonable and supportable forward-looking information and expectations. Lifetime expected credit losses are calculated by assessing historic credit loss experience. The movement in the provision is recognised in the company's statement of income.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit' or CGU).

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in statement of income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans

A defined contribution plan is a post employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income in the periods during which services are rendered by employees.

Notes to the Parent Company financial statements continued

(a) Accounting policies continued

Employee benefits continued

Defined benefit plans

The company is the sponsoring employer of a Group-wide defined benefit pension plan. The net defined benefit cost of the plan is charged to participating entities on the basis of the proportion of scheme membership attributable to each legal entity at the reporting date. The contributions payable by the participating entities are determined using an agreed ratio which has been in place for approximately ten years.

The company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that current and past employees have earned in return for their service in prior periods. That benefit is discounted to determine its present value and is deducted from the fair value of any plan assets. Surpluses in schemes are recognised as assets only if they represent economic benefits available to the company in the future. The calculation is performed by a qualified actuary using the projected unit credit method.

All actuarial gains and losses in calculating the company's net obligation are recognised in the statement of comprehensive income in the year.

The charge to the statement of income reflects the current service cost. The interest expense or income is calculated on the net defined benefit asset by applying the discount rate to the net defined benefit asset, and is included within financial expenditure or financial income in the Statement of Income respectively.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Share-based payment transactions

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where the company grants options over its own shares to the employees of its subsidiaries, it recognises, in its individual Financial Statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share based payment charge recognised in its consolidated Financial Statements with the corresponding credit being recognised directly in equity. Amounts recharged to the subsidiary are recognised as a reduction in the cost of investment in subsidiary. If the amount recharged exceeds the increase in the cost of investment, the excess is recognised as a dividend.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

The company enters into forward exchange contracts and options to mitigate the currency exposures that arise on sales and purchases denominated in foreign currencies. Transactions in foreign currencies are converted into sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the statement of financial position date. Exchange profits and losses arising from the above are dealt with in the statement of income.



Notes to the Parent Company financial statements continued

(a) Accounting policies continued

Employee benefits continued

Investments

Investments in subsidiaries are stated at cost, less any provision for impairment, where appropriate.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the statement of financial position date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the Financial Statements.

(b) Profit for the year

The company's profit for the financial year was £26.2m (2025: £29.4m). Other comprehensive expense in the year was £3.7m (2025: expense of £0.1m). The expense will not subsequently be reclassified to statement of income.

The auditor's remuneration comprised £1,044,000 (2025: £381,000) for the statutory audit.

The average number of people employed by the company (including Directors) during the year was 93 (2025: 94). All these individuals were involved in administration.

The aggregate payroll costs (including Directors) of these people were as follows:

	2026 £m	2025 £m
Wages and salaries	11.7	10.8
Social security costs	1.5	1.5
Other pension costs	0.5	0.5
	13.7	12.8

The share-based payment charge was £2.1m (2025: credit of £1.1m). Details of the Group's share option schemes are included in Note 28 to the Group Financial Statements.

Full details of the emoluments paid to Directors can be found in the Remuneration Report on pages 156 to 171.

(c) Tangible fixed assets

	Furniture and fittings £m	Computer equipment £m	Total £m
Cost			
Balance at 1 April 2025	0.3	0.7	1.0
Additions	0.0	0.1	0.1
Disposals	(0.3)	0.0	(0.3)
Balance at 31 March 2026	0.0	0.8	0.8
Depreciation			
Balance at 1 April 2025	0.1	0.5	0.6
Charge for year	0.1	0.1	0.2
Disposals	(0.2)	0.0	(0.2)
Balance at 31 March 2026	0.0	0.6	0.6
Net book value			
Balance at 31 March 2025	0.2	0.2	0.4
Balance at 31 March 2026	0.0	0.2	0.2

Notes to the Parent Company financial statements continued

(d) Intangible assets

	Software £m
Cost	
Balance at 1 April 2025	1.8
Disposals	0.0
Balance at 31 March 2026	1.8
Amortisation and impairment losses	
Balance at 1 April 2025	1.1
Amortisation charge for year	0.2
Balance at 31 March 2026	1.3
Net book value	
Balance at 31 March 2025	0.7
Balance at 31 March 2026	0.5

(e) Investments

	Investments in subsidiary undertakings £m
Cost or valuation	
Balance at 1 April 2025	376.6
Expense in respect of share options transferred to subsidiary undertakings	1.6
Balance at 31 March 2026	378.2
Impairment	
Balance at 1 April 2025 and 31 March 2026	18.7
Net book value	
Balance at 31 March 2025	357.9
Balance at 31 March 2026	359.5

Related undertakings of the Group

The following disclosure is provided in accordance with Section 409 of the Companies Act 2006.

As of 31 March 2026, the companies listed below and on the following pages are indirectly held by Oxford Instruments plc, except for Oxford Instruments Industrial Products Holdings Limited, Oxford Instruments Nanotechnology Tools Holdings Limited and Oxford Instruments Overseas Holdings Limited, which are all 100% directly owned by Oxford Instruments plc.

The financial year end of each company is 31 March unless otherwise indicated.

All subsidiary undertakings are controlled by the Group and their results are fully consolidated in the Group's Financial Statements.

Notes to the Parent Company financial statements continued

(e) Investments

Subsidiaries

Company name	Address	Ownership interest	% of class held
Andor Technology Limited	7 Millennium Way, Springvale Business Park, Belfast, Northern Ireland, BT12 7AL	Ordinary shares	100
Andor Technology, Inc.	300 Baker Avenue, Suite 150, Concord MA 01742, United States	Common stock	100
Bitplane AG	Zurcherstrasse 6, 8952 Schlieren, Switzerland	Ordinary shares Preference shares	100
FemtoTools AG	Furtbachstrasse 4, 8107 Buchs ZH, Switzerland	Ordinary shares	100
First Light Imaging SAS	Europarc Sainte Victoire Bâtiment 5, Route de Valbrillant Le Canet, 13590 Meyreuil France	Ordinary shares Preference shares	100
Oxford Instruments AFM Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments America Inc.	300 Baker Avenue, Suite 150, Concord MA 01742, United States	Common stock	100
Oxford Instruments Asylum Research Inc.	7416 Hollister Avenue, Santa Barbara, CA 93117, United States	Common stock	100
Oxford Instruments Australia Pty Limited	C/O ECOVIS, Suite 7, 13 Hickson Road, Dawes Point, New South Wales, Australia	Ordinary shares	100
Oxford Instruments GmbH	Borsigstrasse 15a, 65205, Wiesbaden, Germany	Ordinary shares	100
Oxford Instruments Holdings 2013 Inc	300 Baker Avenue, Suite 150, Concord MA 01742, United States	Common stock	100

Company name	Address	Ownership interest	% of class held
Oxford Instruments Holdings Europe Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Holdings GmbH	Borsigstrasse 15a, 65205, Wiesbaden, Germany	Ordinary shares	100
Oxford Instruments India Private Limited	Coral Plaza, 2nd Floor, Plot No. A-114 & A-115, Road No. 21, Nehru NagarWagle Industrial Estate, Thane (W), Maharashtra, 400604, India	Equity shares	100
Oxford Instruments Industrial Products Holdings Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Industrial Products Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Italia s.r.l.	Via Della Chiusa 15, 20123, Milan, Italy	Capital stock	100
Oxford Instruments KK	Sumitomo Fudosan Osaki Twin Building East, 5-1-18 Kita-Shinagawa, Shinagawa-ku, Tokyo, 141-0001, Japan	Ordinary shares	100
Oxford Instruments Molecular Biotoools Limited ¹	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Nanotechnology Tools Holdings Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Nanotechnology Tools Limited	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100

Notes to the Parent Company financial statements continued

(e) Investments continued

Subsidiaries continued

Company name	Address	Ownership interest	% of class held
Oxford Instruments Nordiska AB	C/o TMF Sweden AB, Vasagatan 38, 111 20 Stockholm, Sweden	Shares	100
Oxford Instruments Overseas España SL	Calle Ferraz No. 78 2 A, 28008 Madrid, Spain	Ordinary shares	100
Oxford Instruments Overseas Holdings 2008 Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Overseas Holdings Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Overseas Marketing GmbH	Borsigstrasse 15a, 65205, Wiesbaden, Germany	Ordinary shares	100
Oxford Instruments Overseas Marketing Limited	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100
Oxford Instruments Private Limited	80 Raffles Place, #47-01 UOB Plaza, 048624, Singapore	Ordinary shares	100
Oxford Instruments SAS	9 Avenue du Canada, Immeuble "Le Méridien", 91940 Les Ulis, France	Ordinary shares	100
Oxford Instruments (Taiwan) Co., Ltd	6F.-1, No. 32, Gaotie 2nd Rd., Zhubei City, Hsinchu County	Ordinary shares	100
Oxford Instruments Technologies Oy	Technopolis Innopoli 1, Tekniikantie 12, Espoo, 02150, Finland	Ordinary shares	100
Oxford Instruments Technology (Shanghai) Co. Ltd	Floor 1, Building 60, 461 Hongcao Road, Xuhui District, Shanghai, China	Registered capital	100
Oxford Instruments UK 2013 Limited ³	Halifax Road, High Wycombe, HP12 3SE, United Kingdom	Ordinary shares	100

Company name	Address	Ownership interest	% of class held
Oxford Instruments X-Ray Technology Inc.	360 El Pueblo Road, Scotts Valley CA 95066, United States	Common stock	100
Spectral Applied Research Inc	199 Bay Street, Suite 5300, Commerce Court West, Toronto ON M5L 1B9, Canada	Common shares	100
WITec Pte. Ltd ²	25 International Business Park, #03-59A German Centre, 609916, Singapore	Ordinary shares	100
WITec Wissenschaftliche Instrumente und Technologie GmbH	Lise-Meitner-Str. 6, D-89081 Ulm, Germany	Ordinary shares	100

1 Dormant entity.

2 Financial year end is 31 August.

3 Entity has taken advantage of S479A Companies Act 2006 (S479A) audit exemption for the year ended 31 March 2026. Oxford Instruments plc will issue a guarantee pursuant to S479A in relation to the liabilities of the entity.

Notes to the Parent Company financial statements continued

(f) Trade and other receivables

	2026 £m	2025 £m
Amounts falling due after one year:		
Amounts owed by subsidiary undertaking	3.7	2.8
Amounts falling due within one year:		
Amounts owed by subsidiary undertaking	33.9	35.3
Other receivables	3.2	0.7
Prepayments and accrued income	3.2	3.0
	40.3	39.0

Amounts owed by subsidiary undertakings are interest-free, unsecured and repayable on demand.

The company has no immediate intention to recall £3.7m (2025: £2.8m) of these balances in the short term and so these amounts are classified as amounts falling due after more than one year.

(g) Trade and other payables

	2026 £m	2025 £m
Amounts falling due within one year:		
Trade payables	2.0	2.5
Amounts owed to subsidiary undertaking	119.7	39.1
Tax, social security and sales-related taxes	2.9	2.3
Other payables	0.9	–
Accruals	4.8	5.5
	130.3	49.4

Amounts owed to subsidiary undertakings are interest-free and repayable on demand.

(h) Bank overdraft

	2026 £m	2025 £m
Current		
Bank overdraft	0.5	3.8
At the end of the year	0.5	3.8

(i) Deferred tax asset

	2026 £m	2025 £m
Balance at 1 April	0.4	2.1
Statement of income (debit)/credit	(1.7)	(1.2)
Other comprehensive income credit	1.2	–
Statement of changes in equity debit	0.1	(0.5)
Balance at 31 March	–	0.4

The amounts of deferred tax assets not recognised are as follows:

	Not recognised	
	2026 £m	2025 £m
Excess of depreciation over corresponding capital allowance	0.2	0.2
Employee benefits – pension and share scheme	0.9	0.2
	1.1	0.4

The company recognises deferred tax assets only to the extent that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The UK deferred tax assets and liabilities have been calculated based on the enacted rate of 25%.

Notes to the Parent Company financial statements continued

(j) Pension commitments

The company and its employees contribute to the Oxford Instruments Pension Scheme ('the Scheme'), a defined benefit pension scheme, which offers pensions in retirement and death in service benefit to members. Pension benefits are related to members' final salary at retirement and their length of service.

The Scheme was closed to new members from 1 April 2001. Since this date, new employees have been invited to join the Oxford Instruments Stakeholder Plan, a defined contribution scheme. The Scheme is also closed to future accrual.

The Oxford Instruments Group policy for charging net defined benefit costs to participating entities states that member costs are charged directly to a participating company if that member is also an employee of said participating company. The costs of scheme members that are no longer employees of any participating company or directly affiliated with a Group company are allocated on the basis of the participating company's scheme members as a percentage of the total scheme members that are also employees of participating companies.

The policy for determining contributions to be paid by participating companies is the same as that for charging net defined benefit costs.

Details of the Scheme, its most recent actuarial valuation and its funding can be found in Note 26 to the Group Financial Statements. The contributions paid by the company to the Scheme were £2.0m (2025: £2.0m). The company's share of the retirement benefit asset was £2.1m (2025: £5.6m).

(k) Guarantees

The company has given a guarantee to the pension scheme in respect of the liability of its UK subsidiaries to the pension scheme. The guarantee is for the excess of 105% of the liabilities of the scheme, calculated on the basis of Section 179 of the Pensions Act 2004, over the assets of the Scheme.

The company and its UK subsidiaries have entered into a cross-guarantee for £10.0m (2025: £10.0m) in respect of bank overdraft facilities, of which £nil (2025: £nil) was drawn at the year end.

(l) Commitments

At 31 March 2026, capital commitments contracted were £nil (2025: £nil) and authorised were £nil (2025: £nil).

(m) Related party transactions

The company has a related party relationship with its Directors and Executive Officers and with its wholly owned subsidiary companies.

Transactions with key management personnel are disclosed in the Remuneration Report on pages 156 to 171. There were no other significant transactions with key management personnel in either the current or preceding year.



Independent auditor's report to the members of Oxford Instruments plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the Financial Statements of Oxford Instruments plc (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2026 and of the group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the Parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated statement of income;
- the Consolidated statement of comprehensive income;
- the Consolidated statement of financial position;
- the Consolidated statement of changes in equity;
- the Consolidated statement of cash flows;
- the Material accounting policies;
- the related Notes 1 to 31 to the Consolidated Financial Statements;
- the Parent Company statement of financial position;
- the Parent Company statement of changes in equity; and
- the related notes a to m for the Parent Company Financial Statements.

The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law, and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Parent company for the year are disclosed in note 6 to the financial statements.

Prior to our appointment as auditor, and during the year ended 31 March 2026, we provided certain non-audit services to the Group, comprising regulatory tax return preparation and VAT advice in a limited number of jurisdictions. These services related to the year ended 31 March 2025 and were completed before we were invited to participate in the audit tender.

Ahead of participating in the tender, we assessed the impact of these services on our independence, taking into account their nature, the fact that they had ceased, and that the associated fees were not significant in the context of the prior year audit fee. Based on this assessment, and consistent with the perspective of an objective, reasonable and informed third party, we concluded that these services did not impair our independence. This conclusion was discussed and confirmed with the FRC and the FRC granted a waiver to permit our participation in the tender in accordance with the Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of Oxford Instruments plc continued

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Timing of revenue recognition (revenue 'cut-off') • Inventory provisioning
Materiality	The materiality that we used for the Group Financial Statements was £3.85m which was determined on the basis of 5% of forecasted adjusted profit before tax.
Scoping	We completed audits of specified classes of transactions, account balances and disclosures for 20 reporting entities. These components represent 91% of revenue and 91% of profit before tax.
Our approach to the transition, and changes in our approach compared with the predecessor auditor	The year ended 31 March 2026 is our first year as auditor of the Group. We commenced our transition activities from October 2025. Our work included: • Preparing a detailed audit transition plan; • Reviewing the predecessor auditor's audit files; • Holding planning workshops with key management teams including component management teams, internal audit, tax, legal and Group finance teams throughout our audit planning; and • Holding a series of planning meetings with our component audit teams and undertaking Group audit team visits to key components. These procedures developed our understanding of the Group and informed our risk assessment, including materiality, scoping and identification of key audit matters. The only significant change in our approach compared to the approach adopted by the predecessor audit in the prior year was as follows: • Having assessed the changes in the model since prior year and the increased level of headroom demonstrated in the directors' assessment, we do not consider the Valuation of Group goodwill (Andor CGU) to be a key audit matter in the current year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Group's financing facilities including the nature of facilities, repayment terms, covenants and expected renewal of financing arrangements;
- evaluating the assumptions used in the Board-approved forecasts by reference to historical performance, the impact of macroeconomic uncertainty, and other supporting evidence such as market data;
- recalculating the amount of headroom in the forecasts (in liquidity terms and against the relevant covenant limits);
- assessing the appropriateness of the sensitivity analysis and reverse stress tests performed by management; and
- assessing the appropriateness of the disclosures made in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Oxford Instruments plc continued

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Timing of revenue recognition (revenue 'cut-off')

Key audit matter description	The Group recognised revenue of £423.2m predominantly through the provision of goods accounted for under IFRS 15: Revenue from Contracts with Customers. Given the number of businesses within the Group, the variety of revenue streams and nature of businesses spanning across numerous countries and industries understanding the revenue cycles in each business and their respective control environments was the key focus of our risk assessment and the basis for our planned audit procedures. As disclosed in the material accounting policies section, revenue should be recognised once control of goods has passed to the customer in line with the relevant requirements of IFRS 15. We identified a key audit matter and potential fraud risk relating to a risk of material misstatement in cut-off of revenue recognition. The potential fraud risk relates to revenue recognised in advance of the appropriate revenue recognition point, given that revenue in March 2026 is notably higher than the monthly revenues through the remainder of the year. Revenue recognition is considered a significant matter by the Audit and Risk Committee, as outlined on page 129.
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How the scope of our audit responded to the key audit matter

We performed the following procedures to address this key audit matter:

- obtained an understanding of the revenue cycle and relevant controls in place to address the risk of inappropriate cut-off;
- for a sample of transactions within the relevant period, we assessed the consistency of the recorded period of the transaction with evidence including purchase orders, amendment letters, despatch documentation and sales invoices, as necessary in order to determine whether revenue is recognised in the correct period.
- for a sample of manual journals posted in March 2026 which increased revenue, we inspected the underlying documentation supporting the journal and assessed the consistency of the recorded period of the transaction;
- assessed a sample of credit notes issued post year end by inspecting supporting documentation and evaluating the reason for the credit note to assess appropriateness of the recorded period of the transaction.

Key observations

Based on the procedures performed, we found that the year-end cut-off of revenue is appropriate for the year ended 31 March 2026.

5.2. Inventory provisioning

Key audit matter description	The Group's inventory balance as at 31 March 2026 was £72.5m. Inventory valuation is considered a significant matter by the Audit and Risk Committee, as outlined on page 129. The level of estimation and judgement in the valuation of inventory is primarily focussed on the provision made for slow moving and obsolete stock where there is evidence of impairment, to reduce the carrying value to its net realisable value. This requires consideration of several factors including but not limited to inventory usage, expected future demand, new product introduction plans and likely realisable values to estimate the excess quantities and net realisable value. The calculation of the inventory provision is determined with respect to the usage of the particular item of inventory over a period of time. However, the calculation often includes manual adjustments which are incorporated into the estimate. This therefore requires significant management judgement. As a result, we identified a key audit matter relating to inventory provisioning.
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Independent auditor's report to the members of Oxford Instruments plc continued

5.2. Inventory provisioning continued

How the scope of our audit responded to the key audit matter

We performed the following procedures to address this key audit matter:

- obtained an understanding of the relevant controls relating to the provision for slow moving and obsolete stock;
- attended inventory counts at key locations to inspect a sample of physical inventory for existence and to assess the condition of a sample of stock in order to identify any slow-moving, obsolete or damaged items;
- assessed whether the assumptions underpinning the judgements applied in the provision are aligned to the Group policies and assessed whether the policies are being applied consistently across the Group;
- evaluated the mathematical accuracy of the provision by reperforming a calculation of the expected provision based on the key inputs. We then assessed the appropriateness of a sample of manual adjustments to the calculation by assessing whether they were consistent with external evidence and by making inquiries of those outside of finance. This included considering future demand and inspecting evidence of future orders where relevant;
- assessed the completeness of the inventory provision, by inspecting the supporting documentation related to the subsequent sale of finished items held within year-end inventory, and comparing this to the cost of inventory recorded.

Key observations

Based on the procedures performed, we found that the carrying value of inventory of the Group is appropriate as at 31 March 2026. We made a number of recommendations to management and those charged with governance with respect to control improvements in this area.

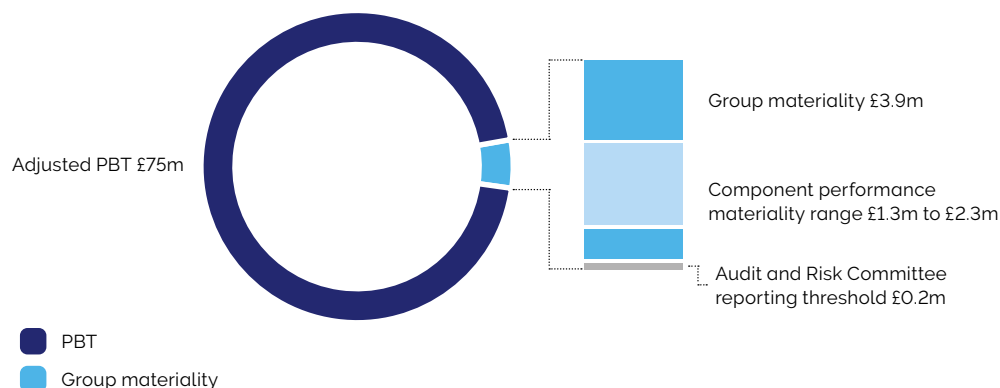
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group Financial Statements	Parent Company Financial Statements
Materiality	£3.9m	£3.5m
Basis for determining materiality	We determined materiality on the basis of 5% of forecasted adjusted profit before tax, which represents 5.2% of final adjusted profit before tax.	Parent Company materiality is capped at 90% of the Group materiality.
Rationale for the benchmark applied	We have used adjusted profit before tax for determining materiality. This is considered to be a key benchmark and best portrays the performance of the business. It is metric that is most commonly used and seen as important by the primary users of the Financial Statements.	We have capped Parent Company materiality based on the entity's contribution to the overall net assets of the Group given the entity is primarily a holding company for the Group.



Independent auditor's report to the members of Oxford Instruments plc continued

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% of Group materiality	65% of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our risk assessment, including our assessment of the Group's overall control environment; • The disaggregated nature of the Group; and • The number of corrected and uncorrected misstatements identified in the previous audit by the predecessor audit.	

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £192,500, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identify when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Our definition of component is aligned to the reporting unit structure within the Group.

Our determination of which components to include in our audit scope considered:

- qualitative and quantitative risk factors;
- the structure of internal reporting within the Group;
- changes to the Group arising from acquisitions, disposals, or restructuring events; and
- the outcome of recent internal audit reports, or other indications of increased risk identified by management or the directors.

For the purposes of our Group audit we have performed audit procedures on one or more classes of transactions, account balances, or disclosures for components which represent 91% of revenue and 91% of profit before tax. Our work has been completed to component performance materiality levels which were lower than Group materiality, ranging from £13 million to £2.3 million.

As each of the components maintains separate financial records, we have engaged component auditors from Deloitte member firms in Germany, Northern Ireland and Japan to perform procedures under our direction and supervision as further described in section 7.4 below. At a Group level, we performed work on UK & US components in scope as well as testing the consolidation processes. We also performed a review at group level on components and balances that were not subject to audit procedures.

7.2. Our consideration of the control environment

The Group operates a range of IT systems relevant to its financial reporting processes. These can vary by geography and/or reporting entity. For certain components, we identified relevant IT systems for the purpose of our audit work. These were typically the principal Enterprise Resource Planning (ERP) systems for each relevant component that govern the general ledger and transaction accounting balances and also included the Group's consolidation system. Our approach was principally designed to inform our risk assessment and, as such, with the involvement of our IT specialists we obtained an understanding of relevant general IT controls.

In the current year we did not plan to rely on the operating effectiveness of controls (automated or otherwise). This strategy reflected our understanding of the Group, including: the disaggregated nature of the control environment, which brings inherent segregation of duty challenges in certain smaller businesses; limited formality of the control environment specifically around retention of evidence of a control's operation sufficient for testing purposes; and our understanding of the Group's programme to improve its control environment. This understanding was reconfirmed in our testing results which identified a number of control deficiencies which were communicated to the Audit and Risk Committee and therefore appropriately already factored into our planned audit approach and risk assessment. We also gained an understanding of the relevant controls related to key audit matters as well as other key financial reporting process cycles to inform our risk assessment. The Group continues to invest time in responding to and addressing our observations on controls. Management determines their response to these observations and continues to monitor their resolution with reporting to and oversight from the Audit and Risk Committee as explained in their Report on pages 127 to 136, which includes consideration of developments in control in the context of the FRC guidance and changes to the Corporate Governance Code.

Independent auditor's report to the members of Oxford Instruments plc continued

7.2. Our consideration of the control environment continued

As management develops and completes its controls improvement programme, we expect our audit approach to be developed to place increased reliance on controls in future years alongside these developments in the internal control environment.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements. The Group has assessed the risk and opportunities relevant to climate change and this remains a principal risk for the Group. The risk has also been considered and embedded into the businesses as explained in the Strategic Report on page 94.

As part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements.

While management has acknowledged the risks posed by climate change, they have assessed that climate change does not create any key sources of estimation uncertainty in the financial statements as at 31 March 2026 as explained in Note 1. With the involvement of our ESG specialists, we performed our own qualitative risk assessment of the potential impact of climate change on the Group's account balances and classes of transactions and did not identify any additional risks of material misstatement. Our procedures include reading disclosures included in the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

The work of component auditors was performed under the direction and supervision of the Group audit team. The Group audit team was directly involved in the component auditors' planning and risk assessment processes, as well as during the execution of their audit work. We sent our component teams detailed instructions, reviewed the component audit working papers and findings from their work, and reviewed their reporting.

We also visited component audit teams in Germany and Northern Ireland and held in-person discussions. Prior to the commencement of our detailed audit work we held planning meetings with our component teams, led by the Group audit team. The purpose of these planning meetings was to develop our understanding of the Group's businesses, its core strategy and a discussion of the significant risks and our planned audit approach at a component level.

We provided additional guidance to the component audit teams, to identify areas of judgement and improve the quality and consistency of the audit procedures performed.

We attended component audit closing conference calls and held regular remote meetings to interact on any related audit and accounting matters. Senior members of the Group audit team were assigned to each component to facilitate an effective and consistent approach to component oversight.

8. Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Oxford Instruments plc continued

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including component audit teams and relevant internal specialists, including tax, valuations, pensions and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Timing of revenue recognition (revenue 'cut-off'). In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Listing Rules, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

Independent auditor's report to the members of Oxford Instruments plc continued

11.2. Audit response to risks identified

As a result of performing the above, we identified timing of revenue recognition (revenue 'cut-off') as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the licensing authority;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The UK Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 96;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 95 and 96;
- the directors' statement on fair, balanced and understandable set out on page 131;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 79;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 132 to 133; and
- the section describing the work of the Audit and Risk Committee set out on pages 127 to 136.

Independent auditor's report to the members of Oxford Instruments plc continued

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors in October 2025 to audit the financial statements for the year ending 31 March 2026 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is one year covering the year ended 31 March 2026.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.



JAMES HUNTER
(Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
8 June 2026

Historical financial summary

	2022 £m	2023 £m	2024 £m	2025 as restated (Note 13) £m	2026 £m
Consolidated Statement of Income					
Revenue from continuing operations	367.3	444.7	470.4	443.4	423.2
Adjusted operating profit from continuing operations ¹	66.3	80.5	80.3	79.5	73.7
Intellectual property litigation settlement	(0.4)	–	3.3	–	–
Transaction-related costs	(0.4)	–	(1.0)	(0.7)	(0.3)
Release of provision on disposal	–	0.4	–	–	–
Defined benefit pension scheme buy-in costs	–	–	(0.4)	–	(0.9)
Impairment of goodwill	(1.7)	(0.5)	–	(26.0)	–
Restructuring costs and charges associated with management changes	–	(0.4)	(3.7)	(7.8)	(9.9)
Profit on disposal of assets	–	–	–	–	3.7
Intellectual property litigation costs	–	(0.5)	(0.4)	–	–
Impairment of capitalised development costs	–	(0.8)	–	–	–
Amortisation of acquired intangibles	(9.5)	(9.3)	(9.1)	(9.2)	(7.3)
Fair value movement on financial derivatives	(6.4)	3.0	(0.7)	(0.3)	(1.0)
Release of contingent consideration	–	–	–	2.1	–
Operating profit from continuing operations	48.3	72.4	68.3	37.6	58.0
Net financing (costs)/income	(0.7)	1.1	3.0	0.6	0.5
Profit before taxation from continuing operations	47.6	73.5	71.3	38.2	58.5
Income tax expense	(9.0)	(14.9)	(20.6)	(13.0)	(14.0)
Profit for the year from continuing operations	38.6	58.6	50.7	25.2	44.5
Adjusted profit before tax from continuing operations	65.9	82.0	83.3	80.7	75.0

	2022 £m	2023 £m	2024 £m	2025 as restated (Note 13) £m	2026 £m
Consolidated Statement of Financial Position					
Property, plant and equipment	31.7	59.3	80.5	85.6	76.4
Right-of-use assets	17.9	31.4	32.4	29.9	29.9
Intangible assets	140.7	132.1	138.2	121.8	112.7
Long-term receivables	–	0.5	1.3	1.0	1.0
Deferred and current tax	(5.4)	(2.9)	(5.8)	(2.2)	(2.2)
Inventories	65.3	81.4	108.1	99.1	72.5
Trade and other receivables	95.8	115.2	117.2	128.4	127.1
Trade and other payables	(141.0)	(160.6)	(166.3)	(158.3)	(143.3)
Lease payables	(3.5)	(5.2)	(4.8)	(4.5)	(3.8)
Net assets excluding net cash	201.5	251.2	300.8	300.8	270.3
Cash and cash equivalents	96.4	112.7	97.8	94.1	106.9
Bank overdrafts	(8.7)	(11.2)	(12.3)	(8.8)	(12.4)
Bank borrowings	(1.8)	(1.3)	(1.7)	(0.9)	(0.5)
Net cash	85.9	100.2	83.8	84.4	94.0
Lease payables	(14.9)	(26.2)	(28.6)	(26.7)	(27.8)
Provisions	(7.8)	(7.6)	(6.4)	(5.9)	(4.3)
Retirement benefit obligations	51.7	26.4	16.1	23.5	8.0
Net assets employed/capital and reserves attributable to the company's equity holders	316.4	344.0	365.7	376.1	340.2

Historical financial summary continued

	2022 £m	2023 £m	2024 £m	2025 as restated (Note 13) £m	2026 £m
Cash flows from continuing operations					
Net cash from operating activities	49.1	66.5	42.4	60.5	51.7
Net cash (used in)/generated from investing activities	(45.6)	(36.4)	(37.5)	(26.1)	39.0
Net cash used in financing activities	(15.7)	(16.6)	(18.0)	(19.0)	(81.9)
Net (decrease)/increase in cash equivalents from continuing operations	(12.2)	13.5	(13.1)	15.4	8.8
	pence	pence	pence	pence	pence
Per ordinary share					
Earnings – continuing	67.1	101.6	87.7	44.8	84.6
Adjusted earnings ¹	94.3	112.7	109.0	112.4	95.3
Dividends	18.1	19.5	20.8	22.2	23.6
Employees					
Average number of employees	1,878	2,027	2,244	2,334	2,186

1 Adjusted numbers are stated to give a better understanding of the underlying business performance. Details of adjusting items can be found in Note 2 to the Group Financial Statements.



Notes



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