Oxford Instruments plc full-year results 2024/25

Strong results and good momentum

Strategic execution on track and sale of quantum business

Oxford Instruments plc, a leading provider of high technology products and systems for industry and research, today (13 June 2025) announces its preliminary results for the 12 months to 31 March 2025.

Summary

	Adjusted[1]			Statutory	
	2025	2024	OCC growth[2]	2025	2024
Revenue	**£500.6m**	£470.4m	+6.5%	£500.6m	£470.4m
Operating profit	**£82.2m**	£80.3m	+10.8%	£39.2m	£68.3m
Operating profit margin	**16.4%**	17.1%		7.8%	14.5%
Operating profit margin OCC	***17.8%***	*17.1%*	+70bps		
Profit before taxation	**£83.4m**	£83.3m	8.3%	£39.8m	£71.3m
Basic earnings per share	**112.4p**	109.0p	3.1%	44.8p	87.7p
Cash conversion[3]	**89%**	64%			
Net cash[4]	**£84.4m**	£83.8m			
Dividend per share[5]	**22.2p**	20.8p	6.7%		

Highlights

- Revenue exceeds £500m for the first time, up by 6.5% at OCC[5], driven by:
  - Good growth in semiconductor and materials analysis, offsetting continued weakness in healthcare & life science
  - Strong performance across North America, Asia and Europe, with successful pivot to new markets in China, now complete
  - Double-digit revenue growth from commercial customers (c.50% of revenue, up from 45% in 2024) as we leverage our strength in our priority technologies from academia to commercial and applied R&D
- Adjusted operating profit of £82.2m, up 10.8% OCC, and adjusted operating profit margin of 17.8% OCC, up 70bps, supported by operational efficiencies and new, simplified Group structure:
  - Imaging & Analysis: OCC margin 24.7%, up 60bps – in the upper range of medium-term guidance, reflecting early results in strategic action, and despite market headwinds in life science holding back growth and operating leverage
  - Advanced Technologies: constant currency margin of 4.5%, up 360bps – fix and improve action plan on track, with continued double-digit growth in compound semi business scaling and quantum returned to profitability
- Robust demand and resulting orderbook provide good visibility for year ahead
- £84.4m net cash (2024: £83.8m) after £15.4m acquisition consideration; normalised cash conversion improved to 89% from 64% in 2024
- FX headwind of £8.5m on adjusted operating profit, largely due to USD weakening
- 6.7% increase in the total dividend to 22.2p (2024: 20.8p)[5]

Sale of quantum business and £50m share buyback programme launched

- Binding agreement to sell NanoScience, the Group's quantum business, for consideration of £60m, of which £3m deferred. One-off transaction costs expected to be £2m-£3m.
    - Enables the Group to focus on businesses with strong growth and margin characteristics where it is best placed to deliver value for shareholders
    - Accelerates progress to deliver the Group's medium-term margin targets
- Strength of balance sheet and proceeds from the sale of NanoScience enable up to £50m share buyback programme which will commence shortly

Richard Tyson, Chief Executive Officer of Oxford Instruments plc, said:

"The Group has had a good year, reporting strong revenue, profit growth, and constant currency margin progression. It was also a year of significant progress with our strategic initiatives to improve our operational and commercial outcomes. We have turned around the profitability of our NanoScience business, and subsequently crystallised an attractive value through the sale of the business for £60m, announced this week. The sale is in line with our strategy to focus and invest in the best areas of opportunity to grow the Group and create value for shareholders, and accelerates our progress to our medium-term margin targets. I am really pleased with the agility and performance of the whole Oxford Instruments team as they have responded to the new strategy and navigated the current market environment.

"This year's results demonstrate the benefits of the long-term drivers of our business model, founded on the growth dynamics in the markets where we operate, and the demand for our market-leading products and solutions. Looking ahead, whilst acknowledging the level of macro uncertainty, we have a strong and more focused business; there is a lot we can control, and we are well placed to mitigate any direct impact from tariffs. There are further benefits to be realised from our strategic initiatives to transform the business, and our revenue visibility is healthy. Our strong balance sheet, and the proceeds to come from the sale of our quantum business, allow us to return capital to shareholders via a share buyback that we've also announced this week. We are confident that our differentiated higher margin business will continue to deliver attractive profitable growth."

Notes

1. Adjusted items exclude the amortisation and impairment of acquired intangible assets, acquisition items, business reorganisation costs, other significant non-recurring items, and the mark-to-market movement of financial derivatives. A full definition of adjusted numbers can be found in the finance review and Note 2.
2. Organic constant currency (OCC). References to year-on-year movements and margin percentages are shown at OCC or constant currency (CC) as appropriate. Constant currency numbers are prepared on a month-by-month basis using the translational and transactional exchange rates which prevailed in the previous year rather than the actual exchange rates which prevailed in the year. Transactional exchange rates include the effect of our hedging programme.
3. Normalised cash conversion measures the percentage of adjusted cash from operations to adjusted operating profit, as set out in the finance review.
4. Net cash includes total borrowings, cash at bank and bank overdrafts but excludes IFRS 16 lease liabilities,
5. Proposed dividend per share, to be confirmed at the annual general meeting on 28 July 2025.

The financial information in this preliminary announcement has been prepared in accordance with UK adopted international accounting standards. The Group has applied all accounting standards and interpretations issued relevant to its operations and effective for accounting periods beginning on 1 April 2024. The UK adopted IFRS accounting policies have been applied consistently to all periods.

LEI: 213800J364EZD6UCE231

Oxford Instruments management will present its full-year results at Deutsche Numis, 45 Gresham Street, London EC2V 7BF, to analysts and investors at 10:00 today (13 June 2025). The presentation will be streamed live at https://brrmedia.news/OXIG_FY24/25 and a recording will be made available later today at www.oxinst.com/investors/financial-reports-and-presentations .

The financial information for the year ended 31 March 2025 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. The auditor has reported on these accounts; their report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. Statutory accounts for the year ended 31 March 2024 have been delivered to the Registrar of Companies and those for 2025 will be delivered following the Company's 2025 Annual General Meeting.

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Notes to Editors

About Oxford Instruments plc

Oxford Instruments provides academic and commercial organisations worldwide with market-leading scientific technology and expertise across its key market segments: materials analysis, semiconductor, and healthcare & life science.

Innovation is the driving force behind Oxford Instruments' growth and success, supporting its core purpose to accelerate the breakthroughs that create a brighter future for our world. The vigorous search for new ways to make our world greener, healthier and more productive is driving unprecedented levels of R&D investment in new materials and techniques to support productivity and decarbonisation worldwide, creating a significant opportunity for Oxford Instruments to grow.

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

Founded in 1959 as the first technology business to be spun out from Oxford University, Oxford Instruments is now a global, FTSE250 company listed on the London Stock Exchange (OXIG).

For more information, visit www.oxinst.com

Cautionary statement

Certain statements in this announcement constitute, or may be deemed to constitute, forward-looking statements, projections and information (including beliefs or opinions) with respect to the Company and its subsidiary undertakings ("the Group"). An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They include, without limitation, statements regarding the Group's future expectations, operations, financial performance, financial condition and business. Such forward looking statements are based on current expectations and are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from any expected future results in forward-looking statements. These risks, uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement.

Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation, the UK Listing Rules, Disclosure and Transparency Rules of the Financial Conduct Authority) no undertaking is given by the Group to update any forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

This announcement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Group when viewed as a whole.

Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this announcement.

Chief Executive Officer's Review

I am pleased to report on an excellent full-year performance for Oxford Instruments. The actions we have taken to simplify the Group, improve commercial execution and realign our regional presence have resulted in strong growth in revenue and profit, and increased margins in both divisions. As signalled at half year, our targeted actions underpinned a strong second half performance, a particularly encouraging achievement in the context of a challenging geopolitical and macro environment.

Demand for our market-leading technology, led by commercial customers, has resulted in strong double digit revenue growth in both compound and silicon semiconductor markets, and continued growth in materials analysis applications, which together have more than offset ongoing weakness in healthcare and life science.

With good growth in orders and a robust order book, we have good visibility of planned revenues for the coming year, with order book to revenue ratios in line with historical patterns. We have mitigated the direct impacts of tariffs on existing orders through positive engagement with customers. With key semiconductor product lines currently exempt from the 10% US universal tariff, and with further mitigating actions at our disposal, we are confident we can continue to navigate this dynamic situation.

Group	**2025**	2024	growth	OCC growth[1]
Orders	**£463.7m**	£459.1m	+1.0%	+0.9%
Revenue	**£500.6m**	£470.4m	+6.4%	+6.5%
Adjusted[2] operating profit	**£82.2m**	£80.3m	+2.4%	+10.8%
Adjusted[2] operating margin	**16.4%**	17.1%	(70bps)	
OCC adjusted operating margin	**17.8%**	17.1%		+70bps
Statutory operating profit	**£39.2m**	£68.3m		
Statutory operating margin	**7.8%**	14.5%		

1. For definition refer to note above.
2. Details of adjusting items can be found in note 2 to the financial statements.

The outcomes we have achieved reinforce our confidence in our ability to achieve the mid-term outcomes outlined in June 2024, which are as follows:

- 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 (currently 27%)
- Selective acquisitions bringing complementary capabilities.

Positive strategic and operational progress

As we set out in June 2024, our exceptional technology, strong talent base, well-distributed regional infrastructure and exposure to attractive markets give us a strong platform from which to grow, as well as providing valuable resilience to external dynamics.

We highlighted then the significant opportunities ahead – and the fact that to capture them in full and achieve industry-leading margins, we needed to structure Oxford Instruments differently.

A key focus of the year, therefore, was to simplify and streamline the Group, reconfiguring it into two new divisions, each with separate and distinct characteristics and opportunities. Both divisions have delivered strong progress. Our strategic actions to target enhanced growth and profitability through a customer-first approach have gained real traction, and have started to generate many of the outcomes we set out to achieve.

In **Imaging & Analysis**, which represents 66% of the Group's revenue, and 93% of profit, our actions to integrate multiple business units and drive operational excellence have enabled the division to improve on an already strong position. The resulting synergies, cost reductions and productivity enhancements have supported the delivery of a 60bps improvement in OCC margin to 24.7%, at the upper end of our medium-term guidance of 23-25%. Ongoing demand remains strong, with our semiconductor and materials analysis end markets more than offsetting the continuing weakness in life science.

Advanced Technologies, representing 34% of revenue and 7% of Group profit**,** has delivered strong double digit revenue growth as our compound semiconductor business continued to increase returns from its new state-of-the-art facility, while our quantum business, Oxford Instruments NanoScience, returned to profitability as a result of cost savings and the first installations of an ongoing programme for a key global technology customer. Together, these actions have resulted in a strong increase in CC margins in the division to 4.5% (2024: 0.9%).

We have this week exchanged contracts to sell NanoScience to Quantum Design, International Inc for a £60m total consideration, including up to £3m of deferred consideration linked to growth in quantum scaling systems. The divestment will enable the Group to focus its capital deployment on business capabilities with higher margin and potential to create shareholder value.

The sale, which is expected to complete in the third quarter of FY2025/26, is also consistent with our focus on our three core markets: materials analysis, semiconductor, and healthcare and life science

For further details on each division's performance, see the divisional overviews below.

The delivery of our operational transformation programme has also enabled us to identify further growth and margin opportunities, which we are already capturing in FY2025/26, giving scope to build on progress already made.

Across both divisions, we have reduced the cost base, with a 70bps improvement in both gross profit margin and operating profit margin. Further efficiencies are anticipated across the Group as we continue with our operational programme, and with the ongoing streamlining and simplification of processes. Strong management of inventory has contributed to an improvement in cash conversion in both divisions, with a strong net cash balance of £84.4m after £15.4m acquisition consideration, up from £39.3m at the half year. The strength of our balance sheet and the returns to come from the sale of NanoScience enable us to return capital to our shareholders via a share buyback, to commence shortly.

Driving a step change in operational performance and productivity

Alongside our actions to streamline and simplify Oxford Instruments, we have continued with our operational transformation programme, beginning at our Imaging & Analysis facility in Belfast and our quantum facility in Oxfordshire. The programme seeks to improve our customers' experience and drive a step change in operational performance and productivity, ultimately putting all the Group's manufacturing sites on to a much stronger operational footing. We have introduced leaner processes, improved quality and lead times, and transformed planning and forecasting. As the programme progresses, an increasing number of colleagues are upskilled, with team members subsequently deployed to further sites to pass on their learning.

- The first wave of the programme, in the Belfast camera lines, has boosted camera output by more than half, from a smaller direct workforce, as well as delivering a significant improvement in first time pass rates through the build process. Wave one revealed further scope for quality improvements and efficiencies than had been anticipated, with work continuing as we go through FY25/26. A facility-wide product review in April 2025, as part of wave two of the programme, focused on systems, and has identified a small number of product lines where high material costs, heavy labour requirements and poor delivery performance has led to low profitability and questions over the competitiveness and potential of these products. Having considered performance improvement actions and potential returns, we will be discontinuing those which are a drag on the business, taking out the related cost, and refocusing our efforts on products with core leading technology with strong market potential, and alternative commercial strategies to create value. Together with improvements already made, and with new leadership, we expect to see significant further opportunity for growth and margin enhancement for this facility.

- Wave two of the programme is also under way at our Advanced Technologies quantum facility in Oxfordshire, targeting productivity, quality, lead time and cost engineering improvements on the Proteox suite of cryogenic dilution refrigerators, the facility's leading product range.
- Our Raman facility in Ulm, Germany, will be the subject of wave three, beginning in July, helping the facility to scale to meet growing demand.

The impact of the programme to date is clear, and we will continue to roll it out to further sites.

Execution of our regional pivot

Our actions to rebalance our regional focus, by moving the sales force to address less sensitive commercial customers in China, and strengthening our presence elsewhere in Asia, and in North America, have contributed to the Group's strong revenue growth. Growth in Europe, East and Southeast Asia and North America have more than offset the reduction in revenue in China resulting from our pivot away from sensitive quantum and certain semiconductor applications, and the ensuing cancellation of orders.

Our pivot in **China** is now complete, and the local team have delivered 8% year-on-year growth in orders by targeting structurally growing commercial markets. Our recovery in the country has been supported by cross-training sales and service teams on multiple products, in combination with strong representation in key territories.

All regions are now focusing their marketing and sales efforts around a targeted, customer segment-based approach, rather than a product-first approach. This is particularly beneficial in the Imaging & Analysis division, where we take an increasingly product-agnostic approach, offering a whole suite of analysis techniques to help customers deliver the outcomes they need for their specific use cases.

Bolstering the bench strength of the **Americas** team, and investing in more effective marketing channels, has resulted in strong double digit revenue growth for the region and a 20% increase in sales per head. With a strong pipeline of qualified opportunities, ongoing activities to optimise revenue and profitability, and supportive engagement with customers on tariffs, the team is agile, close to its customers and well placed to mitigate the impacts of the new US administration's positioning on tariffs and academic funding.

Strong revenue growth of 25% CC in East and Southeast **Asia** has been supported by the consolidation of separate teams for Japan, East and Southeast Asia, and Australia under one leadership team, with shared processes and increasingly aligned approaches to segmentation, as set out above. Revenue growth in the region has stemmed largely from strong semiconductor sales as customers move their operational capability out of China and new investment increases in the region. The growth is broadly split between materials analysis capabilities and compound semiconductor fabrication equipment and was able to completely offset the £20.2.m reported reduction in China resulting from the decision to exit selling of certain sensitive technologies in that territory.

We are continuing to share best practice and streamline processes in our regional sales and marketing structures and anticipate generating further productivity benefits as we do so.

Positioned in structurally growing markets

Materials analysis, **semiconductors** and **healthcare & life science** remain our three primary markets. They all have high structural growth potential. **Quantum technology**, a much smaller contributor to our current revenue, also represents a growth opportunity, primarily within our Advanced Technologies division. This has begun to crystallise this year, although the trajectory of the quantum computing market remains less clear.

The strategic priorities within each division reflect our decision to focus our product development and marketing activities on addressing these structurally growing markets.

We have delivered strong year-on-year revenue growth in **semiconductors**, up 16.4% CC to £144.8m, generated from both divisions, with a roughly 60/40 split between our growing Advanced Technologies compound semiconductor business and our Imaging & Analysis capabilities. As semiconductor design and manufacture reshoring programmes take place, customers are increasingly using our Imaging & Analysis tools for quality control in final assembly, among other tasks. In Advanced Technologies, our fabrication equipment is used to accelerate the development of next generation semiconductor capabilities which are fundamental to enable advances in technology, including AI chips, augmented reality, 3D sensing and the hyperscale data centres needed to support growing demand for data.

As well as advancing our customers' capabilities, we play a vital role in supporting the delivery of more good quality wafers at a lower cost per wafer.

Materials analysis has continued to grow steadily and remains the largest end market for the Group, with revenue of £203.7m, up 3.4% CC, as customers use our technology to understand, improve and test the properties of materials across a wide range of markets, from development of structural materials and polymers to quality control in automotive and food industries.

Growth in these markets has more than offset continued weakness in **healthcare & life science**, which has seen an 11.6% CC reduction in revenue year on year due to the dual headwind of original equipment manufacturers (OEMs) pausing deliveries to use existing stocks built up during the Covid pandemic, and overall sales of microscopes slowing in response to wider market dynamics, as we indicated at H1. Demand has stabilised, with order demand flat between the second half and the first half of FY25, and book to bill for the year ending at 1.02.

Revenues from other markets have seen a 44.6% CC increase to £73.8m, largely derived from **quantum** applications. This included the first installations under a key ongoing quantum partnership for Advanced Technologies, which were the key drivers of this significant growth.

Overall demand remained positive throughout the year with 3% growth in orders at constant currency. The order book provides visibility consistent with prior years at Oxford Instruments. Imaging and Analysis has c.5 months of order cover for FY26 and had a underlying book to bill of 1.0x in FY25 excluding China cancellations. Advanced Technologies has c.9 months of order cover for FY26 and a book to bill of 0.9x in FY25 excluding China cancellations, reflecting the normal lumpiness in quantum orders in Advanced Technologies. Our pipeline of new opportunities is strong, whilst acknowledging the increased timing uncertainty given macro conditions.

Focusing on our key strengths

We have maintained levels of investment in R&D at 8.2% (2024: 8.3%) and launched new products in every part of our business, recognising that our differentiated technology is a key source of strength. 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. As we develop our combined innovation roadmap for the Imaging & Analysis division, we are applying an increasingly commercial lens to the investments we make, to ensure that new products address a genuine gap in the market, are cost-effective to manufacture and can generate an attractive profit margin. We will also limit the number of custom builds we produce, recognising that modular, repeatable assembly benefits both productivity and profitability.

In Imaging & Analysis, new semiconductor-specific capabilities in Raman and atomic force microscopy have gained significant traction, while our tools for electron backscatter diffraction microscopy have proved popular with industrial customers. A number of OEMs have integrated our products into their own new ranges.

In Advanced Technologies, the first installations of our largest modular dilution refrigerator and the increasing adoption of our latest atomic layer deposition equipment for compound semiconductor have significantly contributed to growth.

At a Group level, commercial customer revenues have increased as a proportion of total Group revenues, with our focus on growing our presence in this much larger market driving double digit growth. Revenue from academic customers, who remain the bedrock from which our commercial growth stems, was broadly flat year on year.

Imaging & Analysis

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

Key highlights

Imaging & Analysis	**2025**	2024	growth	OCC growth[1]
Orders	**£318.6m**	£306.6m	+3.9%	+3.0%
Revenue	**£330.5m**	£328.1m	+0.7%	+0.2%
Adjusted[2] operating profit	**£76.2m**	£79.0m	(3.5%)	+2.8%
Adjusted[2] operating margin	**23.1%**	24.1%	(100bps)	
OCC adjusted[2] operating margin	**24.7%**	24.1%		+60bps
Statutory operating profit	**£40.8m**	£69.2m		
Statutory operating margin	**12.3%**	21.1%		

1. For definition refer to note above.
2. Details of adjusting items can be found in note 2 to the financial statements.

Imaging & Analysis market dynamics

Created in 2024, the Imaging & Analysis division maintains strong positions in each of our three core markets: materials analysis, semiconductors and healthcare & life science, due to our differentiated product ranges and ongoing investment in innovation. Notably strong growth in semiconductor and growth in materials analysis more than offset the continued weakness in the healthcare and life science market.

The division supports silicon semiconductor development and production, where the breadth of our capabilities across the lifecycle, from supporting early-stage academic research through to quality assurance and failure analysis in production settings, provides resilience to cyclicality in the silicon semiconductor market. Specific semiconductor editions of our Raman microscope (capable of analysing 300mm wafers) and our atomic force microscope have helped us to increase traction in the commercial sector, with both technologies enabling customers to work on new capabilities and maintain and enhance wafer quality.

Divisional revenue from semiconductors was up 35% CC, with orders up by a similar amount at 32% CC. This reflects strong continued demand for our highly differentiated product suite, as new applications are creating growth opportunities for electron microscopy, coupled with companies establishing new product manufacturing lines across Asia, Europe and the USA.

Materials analysis applications also performed well, with orders up 8% CC on the year, with strong growth in structural materials R&D, commercial applications in nuclear and solar energy, and the development of new, advanced materials such as graphene and other 2D materials, where our ability to analyse at the nanoscale is key. We also saw strong growth in sales to service labs for core facilities, centralised shared resources where cutting-edge equipment is made available for scientists to carry out a wide range of analysis. Here, as elsewhere, the ease of use, accuracy and speed of the results generated by our tools are key differentiators.

In terms of technology adoption, both Raman and electron backscatter diffraction (EBSD) products have achieved strong growth year on year. EBSD has gained particular traction with industrial customers, such as a tier 1 automotive manufacturer in China which is using our product to speed the development of faster charging EV batteries. The addition to our portfolio of nanoindentation, a technique which enables customers to test the hardness of materials, with the acquisition of FemtoTools, has also contributed to revenue growth across both semiconductor and materials analysis.

The weakness in the **healthcare & life science** market continued in the second half of the year, with full-year revenue 12% CC below a strong prior year comparator. This downturn primarily reflects a reduction in imaging revenue, together with OEM and wider destocking, and is concentrated largely on our Belfast microscopy and scientific cameras facility, where historic operational challenges have been an additional factor in the reduction in revenue. Healthcare & life science orders reflect similar weakness, ending the year 8% CC down versus the prior year, lower than anticipated at half year, with some customers in the US deferring orders in the final quarter due to the actions of the US administration. However, demand has stabilised, with orders broadly flat across both halves of the year and book to bill at 1.02.

Revenue from our Imaris software remained strong, while Raman microscopy for life science has delivered strong double-digit growth, generating 8% of divisional life science revenue (up from 4% last year).

Overall, the division has made significant progress in growing revenue to industrial customers (up 12% CC year on year), in line with our strategic ambition to extend our reach in the much larger commercial R&D and production sector. Academic revenue was marginally down year on year.

Strategic and operational progress

The newly created division brings together a suite of product lines with strong synergies and a track record of success, manufactured from six sites across the UK, Europe and the US which were previously run as separate business units (including FemtoTools, acquired at the start of the year). Focused on small-scale imaging and analysis equipment and software, they share common business models, go to market strategies and margins, and address a similar client base in their three key markets in materials analysis, semiconductors, and healthcare & life science. We therefore saw a clear opportunity to enhance growth and profitability, taking the businesses in the division from good to great, by simplifying our operating model and maximising existing synergies through greater collaboration.

Over the course of the year, we have integrated five materials analysis businesses under one leadership team. This has facilitated a degree of delayering, resulting in £1.9m of cost efficiencies as well as streamlining processes. We have also developed a shared innovation roadmap for the division, enabling us to target new product development based on the Group's strategic goals rather than at a business unit level.

The realignment and integration programme has enabled us to more effectively realise the potential of our recent acquisitions, most notably the WITec business, acquired in 2021, which specialises in Raman microscopy. Raman product lines have delivered strong double digit revenue growth year on year, and almost 50% growth in orders, concentrated on semiconductor and life science applications. Our bolt-on acquisition in June of nanoindentation specialist FemtoTools has brought a new complementary technique to the Group's portfolio and is performing to plan, while First Light Imaging, acquired in the prior year, has been integrated with our cameras and microscopy business, extending its capabilities, notably in high speed, low noise and infrared scientific cameras. Both of our most recent acquisitions have now launched their first products under the Oxford Instruments brand.

We see opportunities to achieve even closer integration across the Imaging & Analysis division and are actively pursuing these in FY2025/26. A further key focus for the division has been the two waves of our operational transformation programme focused on cameras and systems in Belfast, details of which are set out above.

Our strategic actions to consolidate and streamline the division's product lines, and to embark on our operational excellence programme, have underpinned a strong divisional performance, with growth in revenue, profit and orders. We were particularly pleased to have extended Imaging & Analysis' excellent operating profit margin by 60 basis points to 24.7% OCC, at the upper end of our medium-term target range for the division. We were able to deliver this strong margin growth despite the weakness in the division's life science market, and having identified the limited profitability of a small number of product lines, primarily in Belfast, which is now being addressed.

Advanced Technologies

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

Key highlights

Advanced Technologies	**2025**	2024	growth	CC growth[1]
Orders	**£145.1m**	£152.5m	(4.9%)	(3.3%)
Revenue	**£170.1m**	£142.3m	+19.5%	+21.3%
Adjusted[2] operating profit	**£6.0m**	£1.3m	+351.1%	+486.5%
Adjusted[2] operating margin	**3.5%**	0.9%	+260bps	
CC adjusted[2] operating margin	**4.5%**	0.9%		+360bps
Statutory operating profit/(loss)	**(£0.7m)**	£2.2m		
Statutory operating margin	**(0.4%)**	1.5%		

1. For definition refer to note on page 3.
2. Details of adjusting items can be found in note 2 to the financial statements.

The two larger businesses in Advanced Technologies each benefit from a dedicated, focused approach to reflect their specialist markets (compound semiconductor and quantum), unique growth drivers and principally separate customer bases. The division has a different profile from Imaging & Analysis, selling much lower product volumes of larger-scale complex systems.

Our strategic priorities for Advanced Technologies are to 'fix, improve and grow', leveraging the well-invested base in both key businesses, delivering improved margins and growing our commercial customer revenues. Both businesses have made good progress following our targeted actions, resulting in strong growth in both halves of the year. Revenue was up 21.3% CC year on year, and, as predicted, the division delivered a profitable full-year performance.

Our compound semiconductor business continues to scale as it reaps the benefits of its new, state-of-the-art facility, which has tripled capacity to address structural growth in datacomms (including AI datacentre scaling), power electronics, and augmented reality. Strong double-digit growth in both revenue and orders reflects the business's increasing foothold in carefully diversified and profitable niches within the burgeoning compound semiconductor sector. Greater focus on fewer product lines has supported improved productivity.

Our quantum-focused facility has delivered a good year of recovery, returning to profitability as it leveraged a reduced cost base and installed the first orders for a key global technology customer as part of a major technology demonstration programme. We have crystallised the performance improvement through the sale of the business, due to complete in the third quarter of FY2024/25.

The division's strong growth is particularly notable in the context of our regional pivot, which saw us end new quantum sales to China and target alternative customers and applications in compound semiconductor in the country. At a divisional level, we have delivered strong growth in revenue as we gained traction in North America and East and Southeast Asia, and rebuilt our position in China, with more than 50% CC order growth year on year.

Orders overall were slightly behind last year, reflecting the lumpy order profile of the large capital equipment typically sold in the division, and a large biannual framework order that our X-Ray Technology business received a few days into the new financial year.

Compound semiconductor operational developments and market dynamics

Our compound semiconductor business has completed a successful first full year at its new facility at Severn Beach, near Bristol, UK. Growth plans are firmly on track, with 13% CC growth in both revenue and orders, as the business takes advantage of the improved layout and process flow of the new site, and simplified production. A key development in the year has been the completion of the site's cleanroom, which is one of the most advanced in the world for compound semiconductor process development, and is now fully signed off and operating to ISO5 specifications. Final systems, including showcasing our Imaging & Analysis metrology capabilities, are being installed and tested. The sale of our legacy site is expected to complete in H1 of FY2025/26.

Our exceptional high-tech facilities have increased our ability to partner with leading blue-chip manufacturers. Customer demonstrations are up 30% year on year, and our qualified pipeline of opportunities has grown by 7% year on year, with improved conversion rates.

The business has grown revenue by successfully focusing on carefully chosen subsets within the growing compound semiconductor market where we have leading-edge capabilities, and where we are able to deploy pricing power to command a higher margin than in more standardised processes. We enable next generation device architectures for better performance, helping our industrial customers to accelerate their own growth by improving wafer performance, yield and therefore cost per wafer.

Our market applications range from datacomms to augmented reality, next generation power electronics and quantum, the blend of which provides valuable resilience to fluctuations in any single area. This year has seen strong growth in applications for datacentres, including a significant and ongoing partnership with global advanced chips manufacturer Coherent Corp. to support Coherent's 6" InP fab ramp in Europe and the US for AI datacentres.

We have also successfully grown revenue from quantum applications, as customers (ranging from blue chip global technology companies to leading universities and start-ups) use our equipment to make qubits, and develop their capabilities in quantum sensing and quantum communications.

Gallium nitride applications (GaN), which enable customers to increase power and drive efficiency, have delivered significant revenue growth over the year, with Tier 1 blue chips in Japan deploying our technology into 5G and 6G, and other customers using GaN to enable more efficient power in energy-hungry data centres. We continue to target growth in GaN power applications for the year to come.

In silicon carbide, where we have strong capabilities but limited exposure (representing 2% of FY2024/25 orders for this facility), we have delivered modest revenue growth despite the downturn in the electric vehicle market, as customers invest in R&D for next generation silicon carbide performance.

In tandem with the move to the new site, and the strategic decision to focus on the technologies where we have a significant competitive edge, we have also generated efficiencies by streamlining the product portfolio of this business. More than 80% of orders in the year came from sales of three core platforms – Plasma Pro, IonBeam and ALD (atomic layer deposition) – with modular assembly carried out in dedicated bays, and fewer complex and resource-hungry one-off products.

A strengthened focus on service has also contributed to the business's growth, with service revenue up 18% CC year on year.

Quantum operational developments and market dynamics

We are pleased with the progress made at our quantum-focused facility, Oxford Instruments NanoScience, based just outside Oxford, with the business having achieved a return to profitability, delivering the first systems of a key commercial partnership with a globally significant technology player and benefiting from reductions in its cost base made in the first half.

The key partnership is founded on the strength of our modular Proteox proposition, which delivers vital cooling capabilities to support the scaling of this customer's quantum computing programme. The customer has received the first of our largest Proteox QX systems to be installed anywhere in the world.

Our products, including ongoing deliveries of our smaller Proteox MX, are key to enabling our customer to scale significantly past current cryogenic refrigeration limitations to deliver its quantum roadmap.

A further contributor to the business's recovery in FY2024/25 was our action to address the operational challenges which have hampered growth in recent years. We made progress with productivity initiatives, and addressed supply chain management and inventory challenges which became apparent following the introduction of a new ERP system. This allowed us to strengthen output through the first half and deliver a record final quarter, with more systems shipped than in any previous period.

As set out above, we have now agreed the sale of Oxford Instruments NanoScience to Quantum Design. The divestment will enable the Group to focus its capital deployment on business capabilities with higher margin and potential for shareholder returns, and is consistent with our focus on our three core markets: materials analysis, semiconductor, and healthcare and life science.

Capital allocation priorities

We have a strong balance sheet which provides good optionality for the business to support our growth aspirations. Our net cash position improved in the second half, with net cash increasing to £84.4m from £39.3m at the half year. We are committed to continuing to invest 8-9% revenue in R&D and to making targeted operational investments to support our growth, whilst also being mindful of shareholder returns, taking account of underlying earnings, dividend cover, currency movements and demands on our cash.

Our acquisition pipeline remains healthy, and is focused on adding capabilities in Imaging & Analysis.

Our recent acquisitions, most notably WITec and FemtoTools, have benefited from the integration of business units under Imaging & Analysis, with WITec's performance notably accelerating during the year.

We will continually assess the appropriateness of additional returns to shareholders in the form of dividends and/or buyback of the company's shares, such as the programme announced this week.

Positive impact and progress to net zero

The markets we serve are carefully chosen to support the development of a more sustainable planet. Our products support a range of positive outcomes, from enabling the development of personalised treatments for cancer to facilitating the path to decarbonisation through our extensive role in the battery ecosystem. We are equally committed to running our own operations sustainably.

We took an important step forward this year, securing validation and approval from the Science-Based Targets initiative of our science-based near and long-term targets, through which we have committed to reach net zero across our whole value chain by 2045, and to tackle our Scope 1 and 2 emissions even earlier, by 2030.

Our targets are stretching, putting our goal five years ahead of the UK government's own commitment. Given our purpose, to accelerate the breakthroughs that create a brighter future for our world, and the contribution our technology makes to developing sustainable solutions to global challenges, I have every confidence in the commitment and talent of the Oxford Instruments team to deliver them.

Our commitment to operating sustainably also encompasses the social impact we have on our employees and our communities, and our ethical approach to doing business. We reconfirmed our approach to each of these areas through the launch of a new Code of Conduct in November 2024, and via a new rolling programme of enhanced and extended compliance training.

Talented global workforce addressing strategy

The strong progress we have made this year has been driven by the energy and expertise of our highly engaged global team, who have embraced our new strategic priorities and addressed them at pace. I would like to extend my sincere thanks to all my colleagues for their commitment and agility, as we streamline and simplify Oxford Instruments and transform our operational capabilities to meet our full potential. Amid the additional context of a challenging external landscape, they have maintained strong focus and demonstrated their ability to adapt and thrive in new circumstances.

Our first externally benchmarked global employee survey saw Oxford Instruments rated by Best Companies as 'One to Watch', recognising that this is a good place to work. While we are pleased with this outcome, especially in a year of transition, we will use it as a spur to enhance our progress in future years.

A new chapter for NanoScience

I would also like to take this opportunity to thank our departing colleagues in NanoScience for the contribution they have made to Oxford Instruments and the global scientific community with their advances in cryogenics and advanced magnet technology over many years. Their talent and innovative spirit are remarkable, and the Board and I wish them every success as they begin a new chapter with Quantum Design.

Leadership changes

I am delighted to welcome Paul Fry, who joined Oxford Instruments in January 2025, and took up the role of Chief Financial Officer on 1 April 2025, joining the Board as an Executive Director on the same date. I have greatly enjoyed working and travelling with Paul over recent months, visiting several of our international sites together as we develop our plans to unlock the full potential of Oxford Instruments. I look forward to building a strong and close partnership with him in the months and years to come.

Gavin Hill stepped down as Chief Financial Officer and Executive Director at the end of the financial year (31 March 2025), and leaves Oxford Instruments this month. Gavin was an excellent steward of the company's finances and is enormously well respected and liked by both colleagues and stakeholders. On a personal note, I am very grateful to Gavin for his support for me when I joined the company, and wish him the very best for the future.

Through the year we have further strengthened our capabilities through recruitment and internal promotions, including the permanent retention of our Chief Transformation Officer as Chief Operating Officer for the Group and the appointment of an internal candidate to the role of Managing Director for the Imaging & Analysis division.

Summary and outlook

The Group has had a good year, reporting strong revenue, profit growth, and constant currency margin progression. It was also a year of significant progress with our strategic initiatives to improve our operational and commercial outcomes. We have turned around the profitability of our NanoScience business, and subsequently crystallised an attractive value through the sale of the business for £60m, announced this week. The sale is in line with our strategy to focus and invest in the best areas of opportunity to grow the Group and create value for shareholders, and accelerates our progress to our medium-term margin targets. I am really pleased with the agility and performance of the whole Oxford Instruments team as they have responded to the new strategy and navigated the current market environment.

This year's results demonstrate the benefits of the long-term drivers of our business model, founded on the growth dynamics in the markets where we operate, and the demand for our market-leading products and solutions. Looking ahead, whilst acknowledging the level of macro uncertainty, we have a strong and more focused business; there is a lot we can control, and we are well placed to mitigate any direct impact from tariffs. There are further benefits to be realised from our strategic initiatives to transform the business, and our revenue visibility is healthy. Our strong balance sheet, and the proceeds to come from the sale of our quantum business, allow us to return capital to shareholders via a share buyback that we have also announced this week. We are confident that our differentiated higher margin business will continue to deliver attractive profitable growth.

RICHARD TYSON

Chief Executive Officer

12 June 2025

Finance review

The business made a very positive step forward towards its medium-term financial goals, with organic constant currency revenue growth in the target range, and both divisions showing margin progression and improved cash conversion. Focused deployment of the strategy has offset challenging market conditions in life sciences and the pivot in China.

Key highlights

	Adjusted[1]			Statutory		
	FY25	FY24	OCC[2] Change	**FY25**	FY24	Change
Revenue	**£500.6m**	£470.4m	+6.5%	**£500.6m**	£470.4m	+6.4%
Operating profit	**£82.2m**	£80.3m	+10.8%	**£39.2m**	£68.3m	(42.6%)
Profit before tax	**£83.4m**	£83.3m	+8.3%	**£39.8m**	£71.3m	(44.2%)
Operating margin	**16.4%**	17.1%	(70) bps	**7.8%**	14.5%	(670) bps
Operating margin organic CC	**17.8%**		+70 bps			
Normalised cash conversion[3]	**89%**	64%				
Free cash flow[4]	**£31.6m**	£13.5m				
Earnings per share – basic	**112.4p**	109.0p	+3.1%	**44.8p**	87.7p	(48.9%)
Dividend per share	**22.2p**	20.8p	+6.7%	**22.2p**	20.8p	+6.7%
Return on capital employed[5]	**27.2%**	29.1%				

[1] Removing the effect of adjusting items: see Note 2 for further analysis of adjusting items
[2] Organic constant currency basis
[3] Normalised cash conversion excludes the impact of Severn Beach capital investment
[4] Free cash flow before acquisitions
[5] See section 13 of the Finance Review for details of the calculation used

Certain Alternative Performance Measures (APMs) have been included within this Annual Report. These APMs are used by management and the Board to help it effectively monitor the performance of the Group as they consider that these represent a more consistent measure of underlying performance. Note 2 provides further analysis of the adjusting items in reaching adjusted profit measures. Definitions of the Group's material alternative performance measures, along with reconciliation to their equivalent IFRS measure, are included within the Finance Review. Unless stated otherwise, movements in orders, revenue and adjusted operating profit are given on an organic and constant currency (OCC) basis, removing the impact of acquisitions, disposals and currency movements in the year

1. Orders

Total reported orders grew by 1.0% (+0.9% at organic constant currency) to £463.7m. Order growth in the year was impacted by a high order intake in FY24 in our NanoScience business, related to a large quantum computing programme for a key customer, the replenishment of which is not expected in FY26. Organic order intake excluding NanoScience grew 2.8% CC (+0.4% reported).

Order intake in the Imaging and Analysis (I&A) division grew 3.0% on an organic CC basis. First Light Imaging and FemtoTools were acquired into the I&A division in January and June 2024 respectively. Orders were strong in the semiconductor (+32%) and core materials analysis (+8%) markets, but were offset by declines in the healthcare and life science market in part due to general market weakness, but also due to historical operational challenges in our imaging business which have impacted order momentum in FY25.

Order intake in the Advanced Technologies (AT) division fell 3.3% CC. The high level of NanoScience orders in FY24, which are expected to replenish in FY26, provided a high comparator, and order intake growth excluding NanoScience was 2.1% CC. Order growth was also held back by cyclical ordering in our X-Ray Technology business, where FY24 orders are due to replenish on an approximately eighteen month to two year cycle. The Plasma business experienced strong order growth in FY25, with orders up 13.0% CC, driven by continued strong investment in commercial compound semiconductor R&D.

2. Revenue

Revenue of £500.6m (FY24: £470.4m) increased by 6.5% OCC (statutory +6.4%), which lies in the middle of the Group's target range of 5-8% organic growth. The cancellation of China orders in FY24 due to UK export restrictions and the Group's pivot toward lower risk customers, has resulted in CC revenues being £18.7m lower in China than FY24. This pivot is complete and China revenues are expected to return to growth in FY26. Revenues in our NanoScience business have grown significantly in FY25 (+£20.9m CC), largely due to the shipping of a number of large quantum computing systems during the year. Organic CC revenue growth excluding NanoScience and China revenues was 9.4%.

Revenues in the academic sector fell 4.5% CC (statutory -6.4%) and have been impacted largely by the loss in China revenues described above. Non-China academic revenues grew +4.1% CC. US academia, which accounted for approximately 12% of FY25 revenue, grew +0.8% CC mainly due to a slowdown in healthcare and life science sales. US academic grew 8.7% CC excluding healthcare and life sciences revenues. Commercial applied R&D grew very strongly as commercial customers continued to invest strongly in new product and technology developments. Revenues from this sector grew 24% CC, and excluding NanoScience grew 13% CC. Revenues from commercial production and testing applications grew 7% CC.

The Imaging and Analysis (I&A) division accounts for around 66% of Group revenue, and grew 3.1% (Statutory +0.7%). There was strong growth across the portfolio of product ranges, including SEM detectors and Raman systems, and good market acceptance of price increases. These gains were partially offset by declines in the healthcare and life sciences sector, in part due to general market weakness, but also due to historical operational challenges in our Belfast-based imaging business which have impacted performance in FY25. Divisional revenue has also been impacted by cancelled orders in China (-£7.6m versus FY24). Organic CC growth excluding China remained solid at 3.4%.

The Advanced Technologies (AT) division grew revenue by 21.3% (statutory +19.5%) benefitting from strong demand for its plasma products and the revenue pull through of NanoScience quantum orders placed in FY23 and FY24. AT revenues were also impacted by the cancellation of orders for the China market in FY24, due to UK export licence restrictions (-£11.1m versus FY24). Excluding NanoScience and China, AT revenues grew at 29.0% CC, driven by a significant step up in plasma equipment shipments.

£m	Imaging & Analysis	Advanced Technologies	Total
Revenue: 2024	328.1	142.3	470.4
Constant currency growth	10.1	30.3	40.4
Currency	(7.7)	(2.5)	(10.2)
Revenue: 2025	**330.5**	**170.1**	**500.6**
Revenue growth: reported	+0.7%	+19.5%	+6.4%
Revenue growth: organic constant currency	+0.1%	+21.3%	+6.5%

Geographic revenue growth

On a geographical basis, the US is now the Group's largest market, accounting for 28% of revenues. Growth has been strong in the US, up 30% OCC, due to both NanoScience revenues, and strong semiconductor performance for both plasma and materials research tools. US growth excluding NanoScience was +11% OCC.

Whilst China revenue growth suffered from order cancellation in FY24, markets in the rest of Asia, notably Japan, South Korea, Singapore and Taiwan, have shown significant growth. Europe growth at 1.9% CC has been held back by a high comparator year in FY24 in the UK, whereas key markets such as Germany, France, Italy and the Netherlands have all shown double digit growth.

	2025 £m	2024 £m	Change	Change CC
United States[1]	**142.3**	111.7	+27.4%	+29.6%
China	**107.2**	127.4	(15.9%)	(14.7%)
Asia (ex. China)	**112.7**	94.1	+19.8%	+23.4%
Europe	**115.8**	116.1	(0.3%)	+1.9%
Rest of World	**22.6**	21.1	+7.1%	+8.5%
	500.6	470.4	+6.4%	+6.5%

[1] CC growth excluding NanoScience +11.3%

3. R&D

Total R&D expenditure charged to the income statement in the year was £41.1m, equivalent to 8.2% of sales (FY24: £39.1m; 8.3% of sales). In addition, a further £1.5m of R&D expense was capitalised (FY24 £0.7m).

4. Adjusted operating profit and margin

Adjusted operating profit of £82.2m (FY24: £80.3m) represents organic constant currency growth of 10.8% (statutory +2.4%). Adjusted operating profit margin was 16.4% (FY24: 17.1%). On an organic constant currency basis adjusted operating margin was 17.8%, up 70 bps versus the prior year.

The I&A division represents 93% of the Group's adjusted operating profit, and it has continued to deliver a strong margin, despite the challenges in the life sciences market and imaging business, increasing its OCC margin by 60 bps to 24.7% (Statutory 23.1%). This performance is driven by a combination of product mix, price increases, and overhead cost reductions.

The AT division improved profitability substantially in FY25. Adjusted operating profit for the division was £6.0m, up from £1.3m in FY24 and a significant reversal from the loss of £2.0m reported in H1. Profitability has benefited from the operational leverage associated with higher volumes in both the Plasma and NanoScience businesses, as well as by a focus on cost, operational improvements, and leveraging the efficiencies from the new facility in Severn Beach. As a result adjusted operating OCC margin has improved to 4.5% (FY24: 0.9%).

£m	Imaging & Analysis	Advanced Technologies	Total
Adjusted operating profit: 2024	79.0	1.3	80.3
Constant currency growth	3.9	6.5	10.4
Currency	(6.7)	(1.8)	(8.5)
Adjusted operating profit: 2025	**76.2**	**6.0**	**82.2**
Adjusted operating margin[1]: 2024	24.1%	0.9%	17.1%
Adjusted operating margin[1]: 2025	23.1%	3.5%	16.4%
Adjusted operating margin[1] (OCC): 2025	**24.7%**	**4.5%**	**17.8%**

1. Adjusted margin is calculated as adjusted operating profit divided by revenue. Adjusted margin at constant currency is defined as adjusted operating profit at constant currency divided by revenue at constant currency.

5. Adjusting items

The following adjusting items are excluded from statutory profit in order to give a clearer picture of the underlying profitability of the Group:

- Amortisation of acquired intangibles relates to intangible assets recognised on acquisitions, being the value of technology, customer relationships and brands. This value was slightly up versus the prior year at £9.2m (FY24: £9.1m).
- Impairment of acquired intangibles, where the carrying value of intangible assets is not supported by forecasts of future cash flows. The Group recognised a £26.0m charge in the period, relating to the impairment of acquisition goodwill of its Andor business (see below under Balance Sheet – Intangible assets).
- Non-recurring items are expenses which are considered to be exceptional in nature, and not reflective of underlying performance in the year. These costs in FY25 were £7.5m (FY24 £2.2m) and included:
  - restructuring costs of £7.8m, of which £4.8m relating to relocation of the plasma business to Severn Beach
  - transaction-related costs of £1.8m
  - release of First Light Imaging contingent consideration (£2.1m) following a review of expected performance versus the earn out targets agreed at acquisition.
- The Group uses derivative products to hedge its short-term exposure to fluctuations in foreign exchange rates. Net movements on mark-to-market derivatives in respect of transactional currency exposures of the Group in future periods are disclosed in the Income Statement as foreign exchange and excluded from our calculation of adjusted profit before tax. In the year this amounted to a charge of £0.3m (FY24: £0.7m).
- The unwind of discount in respect of contingent consideration on the acquisition of FemtoTools (£0.6m), reported under Net Finance Income.

6. Net finance income

Adjusted net finance income for the Group was £1.2m (FY24: £3.0m). The reduction from last year is largely the result of lower interest income on reduced cash balances in FY25 (£1.6m; FY24 £3.2m), following capital expenditure at the Severn Beach facility and acquisitions.

7. Taxation

The adjusted tax charge of £18.2m (FY24: £20.3m) represents an adjusted effective tax rate of 21.8% (FY24: 24.4%). The tax charge of £13.8m (FY24: £20.6m) represents an effective tax rate of 34.7% (FY24: 28.9%). The decrease in the adjusted effective tax rate is due to historical transactional currency conversion adjustments related to interbranch dividend payments, as well as an increase in the rate at which the US deferred tax is recognised. We expect the adjusted effective tax rate to increase in FY26 to approximately 25.5%.

8. Earnings per share

Adjusted basic earnings per share increased by 3.1% to 112.4p (FY24: 109.0p); adjusted diluted earnings per share increased by 3.3% to 111.1p (FY24: 107.5p). Basic earnings per share decreased by 48.9% to 44.8p (FY24: 87.7p); diluted earnings per share decreased by 48.8% to 44.3p (FY24: 86.5p).

The number of undiluted weighted average shares increased to 58.0m (FY24: 57.8m).

9. Currency

The Group faces transactional and translational currency exposure, most notably against the US dollar, euro and Japanese yen. For the year, approximately 15% of Group revenue was denominated in sterling, 51% in US dollars, 22% in euros, 9% in Japanese yen and 3% in other currencies. Translational exposures arise on the consolidation of overseas company results into sterling. Transactional exposures arise where the currency of sale or purchase transactions differs from the functional currency in which each company prepares its local accounts.

The Group's translation and transaction foreign currency exposure for the full year 2024/25 is summarised below.

£m equivalent	Revenue	Adjusted Operating Profit
Sterling	72.7	(189.3)
US Dollar	254.5	179.4
Euro	108.6	53.1
Japanese Yen	45.7	28.2
Chinese Renminbi	7.0	3.3
Other	12.1	7.5
	500.6	**82.2**

The headwind to operating profit is due to stronger transactional sterling currency rates against the US dollar, euro and Japanese yen exposures versus the hedged and unhedged currency rates achieved in FY24:

£m equivalent	FY25 blended rate	FY24 blended rate	% Change
US Dollar	1.27	1.23	(3.3%)
Euro	1.17	1.14	(2.6%)
Japanese Yen	191	173	(10.4%)

For the full year FY26, our assessment of the currency impact is, based on hedges currently in place and forecast currency rates, a headwind of £9.1m to revenue and £4.4m to operating profit. A one cent movement in the GBP to USD exchange rate would have an approximately £0.5m impact on adjusted operating profit.

10. Balance sheet

Intangible assets

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 to improve the performance of the business including restructuring, operational improvements and realigned commercial focus. These plans are in the early phases of execution, and therefore forecasts at 31 March 2025 for expected future cash flows from the business give greater weight to recent performance and reflect future uncertainty over the potential outcomes of those plans. Based on these forecasts it was determined that Andor's expected future cash flows at 31 March 2025 were not sufficient to support its full carrying value, resulting in a £26.0m impairment of the acquisition goodwill.

Intangible assets net book value decreased by £16.4m versus the prior year. This decrease is largely driven by the Andor impairment and £10.6m of amortisation. This is partially offset the acquisition of FemtoTools in June 2024, adding £10.5m of intangible assets related to trademarks, technology, know-how and patents, and £9.5m of goodwill.

Property, plant and equipment

Additions to property, plant and equipment were £14.4m in the year. £9.2m of this was related to investment in the Severn Beach plasma facility, with £5.8m classed as assets under construction. At year-end, the total assets under construction balance was £39.0m (FY24: £33.2m). Property, plant and equipment with a carrying value of £3.6m were disposed of in the year, of which £1.8m was related to moving out of the Yatton plasma facility. The depreciation charge for the year was £5.9m.

Working capital

Working capital increased by £11.2m to £64.3m. The increase is mainly driven by a £9.9m reduction in FY24 customer pre-payments balances related to NanoScience quantum computing systems which were shipped in FY25, moving from trade payables to trade receivables. Trade receivables also increased due to the shipment of large equipment in the final months of the year. Inventories partially offset these movements, decreasing by £8.8m as a result of normalising inventory levels following destocking in OEMs, the burn down of the additional safety stock purchased ahead of the Severn Beach move, and other operational planning improvements. Approximately £4.2m of the trade receivables balance was related to sales to the NanoScience large quantum computing customer in Q4, which were settled by the customer in early April.

Pensions

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

Scheme liabilities decreased to £194.8m (FY24: £223.6m). Company contributions of £8.7m in the period were offset by market conditions that reduced the scheme's assets during the period to £219.2m (FY24: £239.7m). On an IAS 19 basis, the surplus arising from our UK defined benefit pension scheme obligations on 31 March 2025 rose to £24.4m (FY24: £16.1m).

The scheme's actuarial valuation review, rather than the accounting basis, determines our cash payments into the scheme. Whilst the scheme is close to self-sufficiency, the company has agreed to continue contributions until 2029. The company is expecting to contribute £9m in FY26.

11. Cash and liquidity

The Group ended the year with £85.3m in cash of cash equivalents (£84.4m net cash). Adjusted cash from operations, including capital expenditure, was £65.7m (FY24: £37.6m) and represents a cash conversion of 80% (FY24: 47%). Cash conversion is calculated as adjusted cash from operations divided by adjusted operating profit. Excluding capital expenditure relating to our new semiconductor systems facility, and facility expansion in Belfast in FY24, cash conversion on a normalised basis was 89% (FY24: 64%).

The improvement in cash conversion is mainly driven by a lower working capital increase in the year versus the prior year (FY25: +£11.4m; FY24: +£24.7m). This was partially offset by an increase in non-recurring costs of £4.9m.

Free cash flow (FCF) has improved significantly to £31.6m in FY25 (FY24: £13.5m). This is due mainly to the improvement in cash conversion, and to the reduction in capital expenditure associated with the new Severn Beach plasma facility. FCF was used for acquisitions and to fund a dividend payment of £12.1m (FY24: £11.4m).

The Group Consolidated Statement of Cash Flows is summarised below:

	2025 £m	2024 £m
Adjusted operating profit	**82.2**	80.3
Depreciation and amortisation	**12.7**	11.0
Adjusted EBITDA[1]	**94.9**	91.3
Working capital movement	**(11.2)**	(24.7)
Loss on disposal of plant, property and equipment	**1.3**	-
Non-recurring items	**(7.5)**	(2.2)
Equity settled share schemes	**(0.1)**	3.0
Pension scheme payment above charge to operating profit	**(7.9)**	(8.0)
Cash generated by operations	**69.5**	59.4
Add /(deduct):		
Interest income	**1.0**	2.2
Tax paid	**(19.8)**	(16.1)
Capitalised development expenditure	**(1.5)**	(0.7)
Expenditure on tangible and intangible assets	**(12.1)**	(26.5)
Payments made in respect of finance leases	**(5.5)**	(4.8)
Free Cash Flow (FCF)[2]	**31.6**	13.5
Acquisition of subsidiaries, net of cash acquired	**(15.4)**	(13.4)
Dividends paid	**(12.1)**	(11.4)
Decrease in borrowings	**(0.8)**	(1.8)
Net increase/(decrease) in cash and cash equivalents	**3.3**	(13.1)
Effect of exchange rate fluctuations on cash held	**(3.5)**	(2.9)
Closing cash and cash equivalents	**85.3**	85.5
Borrowings	(0.8)	(1.8)
Net cash	**84.4**	83.8

[1]Adjusted EBITDA is defined as Adjusted operating profit before depreciation and amortisation of capitalised development costs.
[2] Free cash flow is reported before acquisitions or similar corporate development activity

Reconciliation of cash generated from operation to adjusted operating cash flow:

	2025 £m	2024 £m
Cash generated by operations	**69.5**	59.4
Add back /(deduct):		
Pension scheme payment above charge to operating profit	**7.9**	8.0
Non-recurring items	**7.5**	2.2
Capitalised development expenditure	**(1.5)**	(0.7)
Expenditure on tangible and intangible assets	**(12.1)**	(26.5)
Payments made in respect of finance leases	**(5.5)**	(4.8)
Adjusted cash generated by operations	**65.8**	37.6
Cash conversion[1]	***80%***	*47%*
Normalised cash conversion[2]	***89%***	*64%*

[1]Cash conversion = Adjusted cash generated by operations divided by adjusted operating profit.
[2]Cash conversion calculated on a normalised basis excludes expenditure in the year of £7.9m (FY24: £14.1m) relating to the new semiconductor systems facility in Severn Beach in FY25 and FY24. FY24 also excludes the property acquisition in Belfast

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.

12. 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 17.1p (FY24: 15.9p) per share. This results in a total dividend of 22.2p (FY24: 20.8p) per share, growth of 6.7%. An interim dividend of 5.1p per share was paid on 7 January 2025. The final dividend will be paid, subject to shareholder approval, on 19 August 2025 to shareholders on the register as at 11 July 2025.

13. Return on capital employed (ROCE)

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. Capital employed is defined as assets (excluding cash, pension, tax and derivative assets) less liabilities (excluding tax, debt and derivative liabilities).

Average capital employed is defined as the average of the closing balance at the current and prior year end.

ROCE has fallen on a reported basis to 27.1% (FY24: 29.1%), and on an organic basis, which excludes the impact of acquisitions, and Andor impairment in the year, to 26.4% (FY24: 30.6%). The fall in ROCE is due to the increase in capital employed (CE) to £268.8m from FY23 (FY24: £269.2m; FY23: £219.5m). Aside from acquisitions, the main drivers are:

- the large investment in the new semiconductor systems facility in Bristol which has increased property, plant and equipment between year-end FY23 (included in the FY24 average CE value);
- the significant step up in inventories in FY24 from FY23. Inventories have reduced in FY25 versus FY24, but remain at historically high levels due to increases in the level of safety stock to support the Plasma move to Severn Beach; and
- increased trade receivables due to the volume of high value, large equipment shipments at year end, including the movement of NanoScience quantum computing pe-payments from trade payables to trade receivables.

	2025 £m	2024 £m
Adjusted operating profit	**82.2**	80.3
Amortisation of acquired intangible assets	**(9.2)**	(9.1)
Adjusted operating profit after amortisation of acquired intangible assets	**73.0**	71.2
Property, plant and equipment	**85.6**	80.5
Right-of-use assets	**29.9**	32.4
Intangible assets	**121.8**	138.2
Long-term receivables	**1.0**	1.3
Inventories	**99.1**	108.1
Trade and other receivables	**126.2**	114.7
Non-current lease liabilities	**(26.7)**	(28.6)
Trade and other payables	**(157.7)**	(166.2)
Current lease liabilities	**(4.5)**	(4.8)
Provisions	**(5.9)**	(6.4)
Capital employed	**268.8**	269.2
Average capital employed	**269.0**	244.4
Return on capital employed (ROCE)	27.1%	29.1%

Return on invested capital (ROIC)

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. Oxford Instruments aims to deliver high returns, measured by a return on capital in excess of our weighted average cost of capital of 13.4%-14.0%. ROIC has decreased in the year, due to the same key factors driving capital employed described above.

	2025 £m	2024 £m
Adjusted operating profit	**82.2**	80.3
Taxation	**(18.2)**	(20.3)
Adjusted operating profit after taxation	**64.0**	60.0
Total equity	**376.1**	365.7
Less: net cash and lease liabilities	**(53.2)**	(50.4)
Invested capital	**322.9**	315.3
Average invested capital	**319.1**	295.3
Return on invested capital (ROIC)	**20.1%**	20.3%

Subsequent events

On 10 June 2025 the Group entered into a binding agreement to sell our NanoScience business for a total consideration of £60m, of which £57m is payable on closing and up to £3m is contingent on future business performance over three years. The deal is expected to close in Q3 of FY26.

Whilst a sale process was ongoing prior to 31 March 2025, at that point no binding offer or terms from prospective buyers had been received and therefore actions to complete the sale remained highly uncertain. In addition, management were not committed to sale and given the macro conditions prevailing at that time a successful sale remained highly uncertain. As a result, the Directors consider that the IFRS 5 conditions to classify the NanoScience assets as held for sale were not fully met. Therefore, no adjustments have been made in FY25 financial statements in respect of this potential transaction.

Capital allocation

The Group generated £31.6m of free cash flow in FY25, and held £85.3m in cash and cash equivalents at 31 March 2025. The Group will prioritise opportunities which deliver incremental organic growth and remains committed to a progressive dividend policy, rising in line with underlying earnings. Oxford Instruments will consider inorganic opportunities where they offer a compelling strategic and synergy case, delivering returns above the Group's financial strict criteria. Alongside this the Group will consider the buy back of its own shares where it considers there is a compelling case to create value for individual shareholders.

In accordance with this policy the Board has approved a return of capital to shareholders of approximately £50m by means of a share buyback. In making this decision the Board has considered the current and future capital needs of the business, as well as taken into account the potential future proceeds of a sale of our NanoScience business.

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

12 June 2025

Consolidated statement of income

Year ended 31 March 2025

	2025			2024		
	Adjusted	**Adjusting items (Note 2)**	**Total**	Adjusted	Adjusting items (Note 2)	Total
	£m	**£m**	**£m**	£m	£m	£m
Revenue	**500.6**	**-**	**500.6**	470.4	-	470.4
Cost of sales	**(241.8)**	**-**	**(241.8)**	(228.0)	-	(228.0)
Gross profit	**258.8**	**-**	**258.8**	242.4	-	242.4
Other operating income	**-**	**-**	**-**	-	3.3	3.3
Research and development	**(41.1)**	**-**	**(41.1)**	(39.1)	-	(39.1)
Selling and marketing	**(78.7)**	**-**	**(78.7)**	(74.5)	-	(74.5)
Administration and shared services	**(56.5)**	**(42.7)**	**(99.2)**	(58.7)	(14.6)	(73.3)
Foreign exchange (loss)/gain	**(0.3)**	**(0.3)**	**(0.6)**	10.2	(0.7)	9.5
Operating profit	**82.2**	**(43.0)**	**39.2**	80.3	(12.0)	68.3
Financial income	**2.6**	**-**	**2.6**	4.7	-	4.7
Financial expenditure	**(1.4)**	**(0.6)**	**(2.0)**	(1.7)	-	(1.7)
Profit/(loss) before income tax	**83.4**	**(43.6)**	**39.8**	83.3	(12.0)	71.3
Income tax (expense)/credit	**(18.2)**	**4.4**	**(13.8)**	(20.3)	(0.3)	(20.6)
Profit/(loss) for the year attributable to equity shareholders of the parent	**65.2**	**(39.2)**	**26.0**	63.0	(12.3)	50.7

Earnings per share (in pence)						
Basic	**112.4p**		**44.8p**	109.0p		87.7p
Diluted	**111.1p**		**44.3p**	107.5p		86.5p

Consolidated statement of comprehensive income

Year ended 31 March 2025

	2025 **£m**	2024 £m
Profit for the year	**26.0**	50.7
Other comprehensive (expense)/income:		
Items that may be reclassified subsequently to Consolidated Statement of Income		
Foreign exchange translation differences	**(2.0)**	(5.5)
Items that will not be reclassified to Consolidated Statement of Income		
Remeasurement loss in respect of post-retirement benefits	**(1.1)**	(19.4)
Tax credit on items that will not be reclassified to Consolidated Statement of Income	**0.2**	4.8
Total other comprehensive expense	**(2.9)**	(20.1)
Total comprehensive income for the year attributable to equity shareholders of the parent	**23.1**	30.6

Consolidated statement of financial position

As at 31 March 2025

	2025 £m	2024 as restated[1] £m
Assets		
Non-current assets		
Property, plant and equipment	**85.6**	80.5
Intangible assets	**121.8**	138.2
Right-of-use assets	**29.9**	32.4
Long-term receivables	**1.0**	1.3
Derivative financial instruments	**0.3**	0.2
Retirement benefit asset	**24.4**	16.1
Deferred tax assets	**11.1**	13.7
	274.1	282.4
Current assets		
Inventories	**99.1**	108.1
Trade and other receivables	**126.2**	114.7
Current income tax receivable	**9.4**	1.0
Derivative financial instruments	**1.9**	2.3
Cash and cash equivalents	**94.1**	97.8
	330.7	323.9
Total assets	**604.8**	606.3
Equity		
Capital and reserves attributable to the company's equity shareholders		
Share capital	**2.9**	2.9
Share premium	**62.6**	62.6
Other reserves	**0.2**	0.2
Translation reserve	**5.4**	7.4
Retained earnings	**305.0**	292.6
	376.1	365.7
Liabilities		
Non-current liabilities		
Bank loans	**0.5**	0.9
Lease liabilities	**26.7**	28.6
Retirement benefit obligations	**0.9**	-
Provisions	**1.3**	-
Deferred tax liabilities	**16.7**	12.9
	46.1	42.4
Current liabilities		
Bank loans and overdrafts	**9.2**	13.1
Trade and other payables	**157.7**	166.2
Lease liabilities	**4.5**	4.8
Current income tax payables	**6.0**	7.6
Derivative financial instruments	**0.6**	0.1
Provisions	**4.6**	6.4
	182.6	198.2
Total liabilities	**228.7**	240.6
Total liabilities and equity	**604.8**	606.3

[1]Details of restatement of prior period numbers can be found in Note 7.

Consolidated statement of changes in equity

Year ended 31 March 2025

	Share capital £m	Share premium £m	Other reserves £m	Translation reserve £m	Retained earnings £m	Total £m
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	**-**	**-**	**-**	**-**	**(1.1)**	**(1.1)**
Tax credit on items that will not be reclassified to Consolidated Statement of Income	**-**	**-**	**-**	**-**	**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	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**
Dividends	**-**	**-**	**-**	**-**	**(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**
As at 1 April 2023	2.9	62.6	0.2	12.9	265.4	344.0
Profit for the year	-	-	-	-	50.7	50.7
Foreign exchange translation differences	-	-	-	(5.5)	-	(5.5)
Remeasurement loss in respect of post-retirement benefits	-	-	-	-	(19.4)	(19.4)
Tax credit on items that will not be reclassified to Consolidated Statement of Income	-	-	-	-	4.8	4.8
Total comprehensive (expense)/income	-	-	-	(5.5)	36.1	30.6
Share-based payment transactions	-	-	-	-	3.0	3.0
Income tax on share-based payment transactions	-	-	-	-	(0.5)	(0.5)
Dividends	-	-	-	-	(11.4)	(11.4)
Total transactions with owners:	-	-	-	-	(8.9)	(8.9)
As at 31 March 2024	2.9	62.6	0.2	7.4	292.6	365.7

Consolidated statement of cash flows

Year ended 31 March 2025

	2025 **£m**	2024 £m
Cash flows from operating activities		
Profit for the year	**26.0**	50.7
Adjustments for:		
Income tax expense	**13.8**	20.6
Net financial income	**(0.6)**	(3.0)
Fair value movement on financial derivatives	**0.3**	0.7
Impairment of goodwill	**26.0**	-
Amortisation of right-of-use assets	**5.4**	5.0
Depreciation of property, plant and equipment	**5.9**	5.3
Amortisation and impairment of intangible assets	**10.6**	9.8
Loss on disposal of plant, property and equipment	**1.3**	-
(Credit)/charge in respect of equity-settled employee share schemes	**(0.1)**	3.0
Contributions paid to the pension scheme more than the charge to operating profit	**(7.9)**	(8.0)
Decrease/(increase) in inventories	**8.8**	(26.3)
Increase in receivables	**(10.0)**	(2.7)
Increase/(decrease) in payables and provisions	**1.1**	(2.8)
(Decrease)/increase in customer deposits	**(11.1)**	7.1
Cash generated from operations	**69.5**	59.4
Interest paid	**(0.6)**	(0.9)
Income taxes paid	**(19.8)**	(16.1)
Net cash from operating activities	**49.1**	42.4
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**2.3**	0.5
Purchase of property, plant and equipment	**(14.4)**	(27.0)
Acquisition of subsidiaries, net of cash acquired	**(15.4)**	(13.4)
Capitalised development expenditure	**(1.5)**	(0.7)
Interest received	**1.6**	3.1
Net cash used in investing activities	**(27.4)**	**(37.5)**
Cash flows from financing activities		
Interest paid on lease liabilities	**(0.6)**	(0.8)
Payment of lease liabilities	**(4.9)**	(4.0)
Repayment of borrowings	**(0.8)**	(1.8)
Dividends paid	**(12.1)**	(11.4)
Net cash used in financing activities	**(18.4)**	(18.0)
Change in cash and cash equivalents	**3.3**	(13.1)
Cash and cash equivalents at beginning of the year	**85.5**	101.5
Effect of exchange rate fluctuations on cash held	**(3.5)**	(2.9)
Cash and cash equivalents at end of the year	**85.3**	85.5
Comprised of:		
Cash and cash equivalents as per the Consolidated Statement of Financial Position	**94.1**	97.8
Bank overdrafts	**(8.8)**	(12.3)
	85.3	85.5

1 Segment information

The Group's operating segments were previously combined into three aggregated operating segments; Materials & Characterisation, Research & Discovery, and Service & Healthcare. From 1 April 2024, these have now been combined into two new aggregated operating segments to the extent that they have similar economic characteristics, with relevance to products and services, type and class of customer, methods of sale and distribution, and the regulatory environment in which they operate. Each of these two aggregated operating segments is a reportable segment. In the previous structure, service revenue for operating segments was reported within Service & Healthcare, in the new structure service revenue is reported within each respective operating segment. The aggregated operating segments are as follows:

- 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, cryogenic and superconducting magnet technology and X-ray tubes.

Prior year results have been adjusted to reflect the new operating segments.

The Group’s internal management structure and financial reporting systems differentiate the two aggregated operating segments based on the economic characteristics discussed above.

Reportable segment results include items directly attributable to a segment as well as those which can be allocated on a reasonable basis. The operating results of each are regularly reviewed by the Chief Operating Decision Maker, which is deemed to be the Executive Directors. Discrete financial information is available for each segment and used by the Executive Directors for decisions on resource allocation and to assess performance. No asset information is presented below as this information is not presented in reporting to the Group's Executive Directors.

On 9 January 2024, the Group acquired 100% of the issued share capital of First Light Imaging which has been integrated into the Imaging & Analysis segment. On 28 June 2024, the Group acquired 100% of the issued share capital of FemtoTools which has also been integrated into the Imaging & Analysis segment.

Results

2025	**Imaging & Analysis £m**	**Advanced Technologies £m**	**Total £m**
External product revenue	**270.1**	**146.0**	**416.1**
External service revenue	**60.4**	**24.1**	**84.5**
Total external revenue	**330.5**	**170.1**	**500.6**
Inter-segment product revenue	**-**	**1.0**	
Total segment revenue	**330.5**	**171.1**	
Segment adjusted operating profit	**76.2**	**6.0**	**82.2**

2024	Imaging & Analysis £m	Advanced Technologies £m	Total £m
External product revenue	272.8	121.5	394.3
External service revenue	55.3	20.8	76.1
Total external revenue	328.1	142.3	470.4
Inter-segment product revenue	0.2	0.3	
Total segment revenue	328.3	142.6	
Segment adjusted operating profit	79.0	1.3	80.3

No individual customer accounts for more than 10% of revenue.

As at 31 March 2025, the Group had unfulfilled performance obligations under IFRS 15 of £262.6m (2024: £301.5m). It is anticipated that £261.9m (2024: £277.3m) of this balance will be satisfied within one year. The remainder is anticipated to be satisfied in the following financial year.

Reconciliation of reportable segment profit

2025	**Imaging & Analysis £m**	**Advanced Technologies £m**	**Unallocated Group items £m**	**Total £m**
Segment adjusted operating profit	**76.2**	**6.0**	**-**	**82.2**
Transaction-related costs	**(0.7)**	**(1.1)**	**-**	**(1.8)**
Impairment of goodwill	**(26.0)**	**-**	**-**	**(26.0)**
Restructuring costs and charges associated with management changes	**(1.8)**	**(5.4)**	**(0.6)**	**(7.8)**
Amortisation and impairment 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	**40.8**	**(0.7)**	**(0.3)**	**39.8**

2024	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Segment adjusted operating profit	79.0	1.3	-	80.3
Intellectual property litigation settlement	-	3.3	-	3.3
Adjustments relating to defined benefit pension schemes	-	-	(0.4)	(0.4)
Transaction-related costs	(0.7)	(0.3)	-	(1.0)
Restructuring costs and charges associated with management changes	-	(1.7)	(2.0)	(3.7)
Intellectual property litigation costs	-	(0.4)	-	(0.4)
Amortisation and impairment of acquired intangibles	(9.1)	-	-	(9.2)
Fair value movement on financial derivatives	-	-	(0.7)	(0.7)
Financial income	-	-	4.7	4.7
Financial expenditure	-	-	(1.7)	(1.7)
Profit/(loss) before income tax	69.2	2.2	(0.1)	71.3

2025	**Imaging & Analysis £m**	**Advanced Technologies £m**	**Unallocated Group items £m**	**Total £m**
Capital expenditure	**(3.9)**	**(10.2)**	**(0.3)**	**(14.4)**
Depreciation of property, plant and equipment	**(2.9)**	**(2.4)**	**(0.6)**	**(5.9)**
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)**	**(0.7)**	**-**	**(1.5)**

2024	Imaging & Analysis £m	Advanced Technologies £m	Unallocated Group items £m	Total £m
Capital expenditure	(18.1)	(6.6)	(2.3)	(27.0)
Depreciation of property, plant and equipment	(3.3)	(1.5)	(0.5)	(5.3)
Amortisation of right-of-use assets	(2.4)	(0.4)	(2.2)	(5.0)
Amortisation and impairment of intangibles	(9.5)	(0.3)	-	(9.8)
Capitalised development expenditure	(0.2)	(0.5)	-	(0.7)

The Group's revenue by destination of the end user is as follows:

Revenue	**2025 £m**	2024 £m
UK	**20.4**	30.4
China	**107.2**	127.4
Japan	**46.4**	43.5
USA	**142.3**	111.6
Germany	**41.4**	35.5
Rest of Europe	**54.0**	50.3
Rest of Asia	**66.3**	50.6
Rest of World	**22.6**	21.1
	500.6	470.4

Non-current assets (excluding deferred tax)	**2025 £m**	2024 £m
UK	**172.3**	191.0
China	**2.0**	4.0
Japan	**5.4**	6.2
USA	**11.2**	12.5
Germany	**30.0**	32.1
Rest of Europe	**41.4**	22.4
Rest of Asia	**0.5**	0.2
Rest of World	**0.2**	0.3
	263.0	268.7

2 Adjusting items

In the preparation of adjusted numbers, the Directors exclude certain items in order to assist with comparability between peers and to give what they consider to be a better indication of the underlying performance of the business. 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.

These adjusting items are excluded in the calculation of adjusted operating profit, adjusted profit before tax, adjusted profit for the period, adjusted EBITDA (defined as adjusted operating profit before depreciation and amortisation of capitalised development costs), adjusted EPS, adjusted cash conversion and adjusted effective tax rate. Details of adjusting items are given below.

Adjusted EBITDA is calculated by adding back depreciation of property, plant and equipment, amortisation of right-of-use assets and amortisation of intangible assets to adjusted operating profit, and can be found in the Consolidated Statement of Cash Flows. The calculation of adjusted EPS can be found in Note 6. Adjusted effective tax rate is calculated by dividing the share of tax attributable to adjusted profit before tax by adjusted profit before tax. The definition of cash conversion is set out in the Finance Review.

Reconciliation between operating profit and profit before income tax and adjusted profit

	2025		2024	
	Operating profit £m	**Profit before income tax £m**	Operating profit £m	Profit before income tax £m
Statutory measure	**39.2**	**39.8**	68.3	71.3
Intellectual property litigation settlement	**-**	**-**	(3.3)	(3.3)
Adjustments relating to defined benefit pension schemes	**-**	**-**	0.4	0.4
Transaction-related costs	**1.8**	**1.8**	1.0	1.0
Impairment of goodwill	**26.0**	**26.0**	-	-
Restructuring costs and charges associated with management changes	**7.8**	**7.8**	3.7	3.7
Intellectual property litigation costs	**-**	**-**	0.4	0.4
Amortisation and impairment of acquired intangibles	**9.2**	**9.2**	9.1	9.1
Fair value movement on financial derivatives	**0.3**	**0.3**	0.7	0.7
Unwind of discount in respect of contingent consideration	**-**	**0.6**	-	-
Release of contingent consideration	**(2.1)**	**(2.1)**	-	-
Total adjusting items	**43.0**	**43.6**	12.0	12.0
Adjusted measure	**82.2**	**83.4**	80.3	83.3
Adjusted income tax expense		**(18.2)**		(20.3)
Adjusted profit	**82.2**	**65.2**	80.3	63.0
Adjusted effective tax rates		**21.8%**		24.4%

Intellectual property litigation settlement
The income in the prior year represents one-off settlement income in the Advanced Technologies segment from defending our intellectual property.

Adjustments relating to defined benefit pension schemes
During the prior year, the Group recognised a one-off charge of £0.4m in respect of removing the pension increase exchange at retirement option for deferred members.

Transaction-related costs
These represent the costs of one-off charges incurred at the Statement of Financial Position date relating to transactional work.

Impairment of goodwill
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 in to improve the performance of the business. These plans are in the early phases of execution, and therefore forecasts at 31 March 2025 for expected future cash flows from the business give greater weight to recent performance and reflect future uncertainty over the potential outcomes of those plans. Based on these forecasts it was determined that Andor's expected future cash flows at 31 March 2025 were not sufficient to support its full carrying value, resulting in a partial impairment of the acquisition goodwill.

Restructuring costs and charges associated with management changes
In the current year, these represent £5.0m of costs associated with the relocation of production facilities within the semiconductor business and £2.8m of one-off restructuring within the group. In the prior year, these represent £1.7m of costs associated with the relocation of production facilities within the semiconductor business and charges of £2.0m incurred in respect of the recruitment of the CEO and one-off dual-running costs associated with this appointment.

Intellectual property litigation costs
These represent one-off legal costs to defend our intellectual property.

Amortisation and impairment of acquired intangibles
Adjusted profit excludes the non-cash amortisation and impairment of acquired intangible assets.

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 underlying performance of the Group can be more clearly seen.

Unwind of discount in respect of contingent consideration
This represents the unwind of the discount in respect of the contingent consideration on the acquisition of FemtoTools (Note 7).

Release of contingent consideration
This represents the release of the earn-out provision in respect of the acquisition of First Light Imaging.

Adjusted income tax expense
Statutory income tax is adjusted for the income tax impact on the adjusting items described above.

3 Research and development (R&D)

The total research and development spend by the Group is as follows:

2025	**Imaging & Analysis £m**	**Advanced Technologies £m**	**Total £m**
R&D expense charged to the Consolidated Statement of Income	**24.8**	**16.3**	**41.1**
Less: depreciation of R&D-related fixed assets	**(0.2)**	**-**	**(0.2)**
Less: amortisation and impairment of R&D costs previously capitalised as intangibles	**(0.6)**	**(0.3)**	**(0.9)**
Add: amounts capitalised as intangible assets	**0.8**	**0.7**	**1.5**
Total cash spent on R&D during the year	**24.8**	**16.7**	**41.5**

2024	Imaging & Analysis £m	Advanced Technologies £m	Total £m
R&D expense charged to the Consolidated Statement of Income	24.9	14.2	39.1
Less: depreciation of R&D-related fixed assets	-	(0.2)	(0.2)
Add: amounts capitalised as fixed assets	0.2	-	0.2
Less: amortisation of R&D costs previously capitalised as intangibles	(0.3)	(0.3)	(0.6)
Add: amounts capitalised as intangible assets	0.2	0.5	0.7
Total cash spent on R&D during the year	25.0	14.2	39.2

4 Income tax expense

	2025 £m	2024 £m
Recognised in the Consolidated Statement of Income		
Current tax expense		
Current year	**12.6**	17.1
Adjustment in respect of prior years	**(2.5)**	1.1
	10.1	18.2
Deferred tax expense		
Origination and reversal of temporary differences	**3.7**	1.6
Adjustment in respect of prior years	**-**	0.8
	3.7	2.4
Total tax expense	**13.8**	20.6
Reconciliation of effective tax rate		
Profit before income tax	**39.8**	71.3
Income tax using the weighted average statutory tax rate of 25% (2024: 25%)	**9.9**	17.8
Effect of:		
Tax rates other than the weighted average statutory rate	**1.1**	(0.2)
Change in rate at which deferred tax recognised	**(0.9)**	-
Transaction costs, deferred consideration and impairments not deductible for tax	**7.0**	0.4
Non-taxable income and non-deductible expenses	**0.1**	1.3
Tax incentives - technology-related	**(1.1)**	(0.6)
Movement in unrecognised deferred tax	**0.2**	-
Adjustment in respect of prior years	**(2.5)**	1.9
Total tax expense	**13.8**	20.6
Taxation credit recognised directly in other comprehensive income		
Current tax – relating to employee benefits	**(0.1)**	(2.1)
Deferred tax – relating to employee benefits	**(0.1)**	(2.7)
Taxation (credit)/charge recognised directly in equity		
Current tax – relating to share options	**(0.3)**	(0.6)
Deferred tax – relating to share options	**0.8**	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.

5 Dividends

The following dividends per share were paid by the Group:

	2025 pence	2024 pence
Previous period final dividend	**15.9**	14.9
Current period interim dividend	**5.1**	4.9
	21.0	19.8

The following dividends per share were proposed by the Group in respect of each accounting period presented:

	2025 pence	2024 pence
Interim dividend	**5.1**	4.9
Final dividend	**17.1**	15.9
	22.2	20.8

The final dividend for the year to 31 March 2024 of 15.9p per share was approved by shareholders at the Annual General Meeting on 25 July 2024 and was paid on 20 August 2024. The interim dividend for the year to 31 March 2025 of 5.1p per share was approved by a sub-committee of the Board on 11 November 2024 and was paid on 10 January 2025.

The proposed final dividend for the year ended 31 March 2025 of 17.1p per share was not provided at the year end and is subject to shareholder approval at the Annual General Meeting on 28 July 2025. It is expected to be paid on 19 August 2025, to shareholders on the register on the record date of 11 July 2025, with an ex-dividend date of 10 July 2025 and with the last date of election for the Dividend Reinvestment Plan (DRIP) being 29 July 2025.

6 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:

	2025 shares million	2024 shares million
Weighted average number of shares outstanding	**58.0**	57.9
Less: weighted average number of shares held by Employee Benefit Trust	**-**	(0.1)
Weighted average number of shares used in calculation of basic earnings per share	**58.0**	57.8
Effect of shares under option	**0.7**	0.8
Number of ordinary shares per diluted earnings per share calculations	**58.7**	58.6

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 2:

	2025		2024	
	£m	Pence	**£m**	Pence
Profit attributable to equity shareholders of the parent/Basic EPS	**26.0**	*44.8*	**50.7**	*87.7*
Total underlying adjustments to profit before tax (Note 2)	**43.6**	75.2	**12.0**	20.8
Related tax effects	**(4.4)**	(7.6)	**0.3**	0.5
Adjusted profit attributable to equity shareholders of the parent/adjusted EPS	**65.2**	112.4	**63.0**	109.0
Diluted basic EPS		44.3		86.5
Diluted adjusted EPS		111.1		107.5

7 Acquisitions

Acquisition of First Light Imaging

On 9 January 2024, the Group acquired 100% of the issued share capital of First Light Imaging SAS ('First Light Imaging') on a cash-free, debt-free basis for consideration of €19.3m (£16.6m), of which €3.0m (£2.5m) was conditional on trading performance over a period of 12 months from the acquisition. The conditions for the contingent consideration were meeting certain revenue, order and margin thresholds. In the calculations below, it was assumed that these thresholds were to be met.

During the period, £0.5m of deferred consideration in relation to a net asset adjustment was paid. This is included within "acquisition net of subsidiaries, net of cash acquired" in the period in the Consolidated Statement of Cash Flows.

The thresholds to pay the remaining contingent consideration were not met and the payable has been released to the Consolidated Statement of Income (Note 2).

Acquisition-related costs in the period of £0.1m were expensed to the Consolidated Statement of Income as an adjusting item in the administration and shared services cost line. 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.

The acquisition contributed revenue of £0.6m, adjusted operating loss of £0.6m and a statutory loss before tax of £0.6m to the Group's profit for the prior year.

If the acquisition had occurred on the first day of the prior year the acquisition would have contributed revenue of £5.7m, adjusted operating profit of £0.3m and a statutory profit before tax of £0.3m for the year ended 31 March 2024.

Retrospective adjustment for prior year business combination accounting

A restatement has been made in the prior year, in relation to a fair value adjustment to inventory at acquisition of First Light Imaging.

In the Consolidated Financial Statements for the year ended 31 March 2024, provisional values for the book and fair value of the assets and liabilities acquired were used because the initial acquisition accounting was incomplete as at the date of the report. A fair value adjustment has been made to the provisionally reported amounts, reducing inventory by £0.3m with a corresponding increase in goodwill. The book and fair value of the assets and liabilities acquired given in the table below, are no longer provisional.

As a result, the Consolidated Statement of Financial Position as at 31 March 2024 has been restated as follows:

	2024 £m	Restatement £m	2024 (restated) £m
Consolidated Statement of Financial Position			
Non-current assets			
Intangible assets	137.9	0.3	138.2
Current assets			
Inventories	108.4	(0.3)	108.1

The restatement did not result in any change to reported profit, earnings per share, net assets or net cash from operating activities reported in the 2024 full-year Financial Statements.

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**

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 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 prior year in relation to this acquisition.

The acquisition contributed revenue of £5.9m, adjusted operating profit of £1.5m and a statutory loss before tax of £1.5m in the year.

If the acquisition had occurred on the first day of the 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 year.

8 Intangible assets

	Goodwill	Customer-related acquired intangibles	Technology-related acquired intangibles	Development costs acquired intangibles	Development costs internally generated	Software	Total
	£m	£m	£m	£m	£m	£m	£m
Cost							
Balance at 1 April 2023	124.6	34.1	101.0	1.8	37.3	4.3	303.1
Additions - business combinations (as restated Note 7)	5.7	0.2	10.1	-	-	0.1	16.1
Additions - internally generated	-	-	-	-	0.7	0.2	0.9
Disposals	-	-	-	-	(2.8)	-	(2.8)
Effect of movements in foreign exchange rates	(0.8)	(0.4)	(1.3)	-	-	-	(2.5)
Balance at 31 March 2024 and 1 April 2024 as restated (Note 7)	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	**138.0**	**34.3**	**117.7**	**1.8**	**36.9**	**3.5**	**332.2**
Amortisation and impairment losses							
Balance at 1 April 2023	22.9	27.0	81.6	1.6	34.9	3.0	171.0
Amortisation and impairment charged	-	1.2	7.9	-	0.6	0.1	9.8
Disposals	-	-	-	-	(2.8)	-	(2.8)
Effect of movements in foreign exchange rates	(0.3)	(0.4)	(0.6)	(0.3)	0.1	0.1	(1.4)
Balance at 31 March 2024 and 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	**48.4**	**28.6**	**95.4**	**1.4**	**33.9**	**2.7**	**210.4**
Carrying amounts							
Balance at 1 April 2023	101.7	7.1	19.4	0.2	2.4	1.3	132.1
Balance at 31 March 2024 and 1 April 2024 as restated (Note 7)	**106.9**	**6.1**	**20.9**	**0.5**	**2.4**	**1.4**	**138.2**
Balance at 31 March 2025	**89.6**	**5.7**	**22.3**	**0.4**	**3.0**	**0.8**	**121.8**

[1] Details of the restatement of prior year numbers can be found in Note 7.

During the year the Group made impairments of £0.2m (2024: £nil) in respect of capitalised development costs, and £26.0m (2024: £nil) in respect of goodwill.

The following intangible assets are considered material by the Directors as they represent 97% (2024: 96%) of total acquired intangible assets:

Acquisition	Type	2025 Net book value £m	2025 Amortisation period years	2025 Remaining amortisation period years	2024 as restated[1] Net book value £m
Andor	Trademarks	**2.6**	**15.0**	**3.8**	3.9
Andor	Technology, know-how and patents	**3.1**	**12.0**	**0.8**	7.3
WITec	Trademarks	**1.7**	**10.0**	**6.6**	2.0
WITec	Technology, know-how and patents	**1.4**	**5.0**	**1.6**	2.4
First Light Imaging	Trademarks	**0.1**	**2.0**	**0.8**	0.2
First Light Imaging	Technology, know-how and patents:				
	- OCAM	**0.3**	**12.0**	**10.8**	0.3
	- C-RED	**8.6**	**14.0**	**12.8**	9.3
Asylum	Technology, know-how and patents	**-**	**12.0**	**-**	1.0
FemtoTools	Trademarks	**0.8**	**7.0**	**6.3**	-
FemtoTools	Technology, know-how and patents	**8.8**	**11.0**	**10.3**	-

[1] Details of the restatement of prior year numbers can be found in Note 7.

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:

	2025 £m	2024 as restated[1] £m
Imaging & Analysis		
NanoAnalysis	**9.8**	9.9
Magnetic Resonance	**2.3**	2.3
Andor	**40.9**	67.0
WITec	**20.6**	21.0
FemtoTools	**9.4**	-
Advanced Technologies		
NanoScience	**6.6**	6.7
	89.6	106.9

[1] Details of the restatement of prior year numbers can be found in Note 7.

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 2 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 between 2.0% and 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.

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 post-tax weighted average cost of capital used for Imaging & Analysis and Advanced Technologies in impairment testing is between 13.38% and 13.98% (2024: 13.14% to 13.64%), 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.

Result of impairment assessment

Based on the methodology set out above, as explained in Note 2, the impairment review for Andor Technology concluded that the carrying values of the business exceeded their recoverable amounts and accordingly an impairment charge of £26.0m has been recognised.

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. Actions have been put in place in to improve the performance of the business. These plans are in the early phases of execution, and therefore forecasts at 31 March 2025 for expected future cash flows from the business give greater weight to recent performance and reflect future uncertainty over the potential outcomes of those plans. Based on these forecasts it was determined that Andor's expected future cash flows at 31 March 2025 were not sufficient to support its full carrying value, resulting in an impairment of the Andor CGU.

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, with the exception of Andor Technology.

For Andor Technology, revenue growth, long-term adjusted operating profit growth, cash conversion %, and the discount rate are the key assumptions to which the goodwill impairment review is most sensitive. The following table provides information of the impact on calculated headroom of various independent scenarios for each of those key assumptions:

Input	Scenario	Sensitivity applied	Additional impairment charge £m
Revenue growth rate FY27 - FY28	Base case	2.5%	-
	Sensitised	0.0%	(10.4)
Adjusted operating profit growth rate FY28 onwards	Base case	2.0%	-
	Sensitised	0.0%	(7.1)
Cash conversion	Base case	86%	-
	Sensitised	80%	(7.5)
Post-tax discount rate	Base case	13.98%	-
	Sensitised	15.48%	(7.4)

9 Subsequent events

Disposal of Oxford Instruments NanoScience

On 10 June 2025, the Group entered into a binding agreement to sell the trade and assets of the Nanoscience business to Quantum Design International Inc for £60m total consideration, including up to £3m of deferred consideration linked to performance of the business post-closing. Nanoscience is our Quantum business and a separately identifiable business within the Oxford Instruments Nanotechnology Tools Limited legal entity. The disposal is expected to complete during FY26.

In 2025, NanoScience generated approximately £57.2m of revenue and £1.1m of adjusted operating profit. Non-recurring transaction-related costs are expected to be approximately £2m– £3m in 2026. At 31 March 2025, the business accounted for £34.7m of net assets within the Advanced Technologies segment.

Risk management

Audit, risk and internal control

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. Our risk management and internal control systems have been in place throughout the financial year and up to the date of approval of the Annual Report, and are subject to annual review by the Audit and Risk Committee. In respect of the year ended 31 March 2025, the Board considered that these processes remained effective. A summary of our risk management framework and process can be found below.

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. Further below we provide an overview of the major risks and uncertainties faced by the Group. All business units follow a standard process for risk identification and reporting. The process is described below. On a regular basis, each business unit reviews and updates its risk register, which is then consolidated and assessed in the context of the wider Group and reported to the Chief Executive Officer (CEO). If a material risk changes or arises, a review of the adequacy of the mitigating actions taken is completed with the CEO. The Board and Audit and Risk Committee also consider any risks which may impact delivery against our strategic objectives at a Group level and consider the approach to managing and mitigating these risks.

Priorities during financial year ended 31 March 2025

During the year ended 31 March 2025 we strengthened our internal audit and risk management capability through recruitment of additional headcount and organisational changes. The role of Head of Risk, Assurance and Trade Compliance has been split into two, and a dedicated Head of Internal Audit, with responsibility for risk management and assurance, joined in March 2025, reporting to the Chief Financial Officer (CFO). Further, a new role, the Group Head of Trade, Ethics and Compliance, was created, reporting to General Counsel. These changes have increased the bandwidth available to address both areas and will provide the focus required to identify and deliver the changes we consider necessary to comply with the revised UK Corporate Governance Code.

Also, during the year ended 31 March 2025, the CEO introduced regular six-monthly formal reviews of principal risks by the Senior Leadership Team. These include the identification and evaluation of key risks and focus on the mitigating strategies and actions required, where relevant. New and emerging risks are also reviewed to support the risk reporting process.

In a further development, we have appointed a Chief Information Security Officer to strengthen our resilience to cyber security risk.

Risk governance framework

The key accountabilities and features of our risk governance framework are summarised below:

Operational management

Responsible for risk management and control within the business and, through the Senior Leadership Team, implementing Board policies on risk and control. Guided by the internal audit and assurance function, completes detailed risk reviews on a quarterly basis.

Internal audit and assurance function

Assesses the adequacy and effectiveness of the management of significant risk areas and provides oversight of operational management's frontline and assurance activities. Further information regarding the scope of internal audit and assurance activities is set out below.

Audit and Risk Committee

Reviews the internal financial controls and systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems. More information regarding the work of the Committee can be found in its report in the Annual Report.

Board

Oversees the internal control framework and determines the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives. Ultimately accountable for approving the adequacy and effectiveness of internal controls operated by the Group.

Internal control

Our internal control framework includes central direction, oversight and risk management of the key activities within the Group. It includes a financial planning process which comprises a five-year planning model and a detailed annual budget which is subject to Board approval. All Group businesses' results are reported monthly and include variance analysis to budget and the prior year. Management also prepares monthly reforecasts.

Control activities include policies and procedures for appropriate authorisation and approval of transactions, the application of financial reporting standards and reviews of significant judgements and financial performance. Financial, regulatory and operational controls, procedures and risk activities across the Group are reviewed by the Group's internal audit and assurance function, and are subject to separate review by subject matter experts where required (e.g. trade compliance and health and safety).

The internal control framework has been designed to manage, rather than eliminate, material risks to the achievement of strategic and business objectives and can provide only reasonable, and not absolute, assurance against material misstatement or loss. Due to inherent limitations, internal controls over financial reporting may not prevent or detect all misstatements. There has been no material change to the Group's internal control framework during the period covered by this Annual Report

The key components designed to provide effective internal control within the Group include:

- a formal schedule of matters reserved for the Board for decision and specific terms of reference for each of its Committees; other than these matters, the Board delegates to the CEO, who in turn reviews the delegation of authorities throughout the management structure;
- the Group's internal management beneath the Board is led by the Senior Leadership Team (SLT). Day-to-day responsibility for the management of the Group is delegated to the SLT. There are clearly defined lines of management responsibilities at all levels up to and including the Group Board, and the Group's accounting and reporting functions reflect this organisation;
- financial reporting lines have been reorganised such that financial executives within Group businesses report directly to the CFO;

- the Board reviews strategic issues and options both as part of the annual strategic planning process and on an ongoing basis throughout the year. In addition, the Executive Directors maintain a five-year planning model of the Group and its individual businesses;
- annual budgets are prepared for each of the Group's businesses which include monthly figures for turnover, profit, capital expenditure, cash flow and borrowings. The budgets are reviewed through the Group management structure and result in a Group financial budget which is considered and approved by the Board;
- the businesses prepare monthly management accounts which compare the actual operating result with both the budget and prior year. They also prepare rolling reforecasts for orders, turnover, operating profit and cash. These are reviewed by the Board at each of its scheduled meetings;
- the Board approves all acquisition and divestment proposals and there are established procedures for the planning, approval and monitoring of capital expenditure;
- for all major investments, the performance of at least the first 12 months against the original proposal is reviewed by the Board;
- internal audits are carried out through a system of regular reviews of the financial and non-financial internal controls at individual businesses;
- the Board and its Committees receive regular updates on trade compliance, sustainability, business ethics, health and safety, treasury, tax, insurance and litigation, amongst other topics;
- authorisation limits are set at appropriate levels throughout the Group; compliance with these limits is monitored by the CFO and the Group assurance function;
- there is a detailed and risk-based delegation of authority structure in place for sales contracts and managing commercial risks. Contracts with onerous terms and conditions (such as unlimited liability contracts) are subject to enhanced approval requirements;
- the International Trade Committee monitors, considers action and makes recommendations around the management of key risks relating to international trade, including sanctions, export controls and customs; and
- as regards the UK pension scheme, the Group nominates half of the Trustee Directors of the scheme's Corporate Trustee; involves as appropriate its own independent actuary to review actuarial assumptions; agrees the investment policy with the Trustee; works with the Trustee on its investment sub-committee to deal with day-to-day investment matters; ensures there is an independent actuarial valuation every three years; and agrees funding levels to provide adequate funding to meet the benefit payments to the members as they fall due.

Risk management process

Our methodical approach to risk management is summarised below. The principal risks and uncertainties detailed further below are identified, reported, and monitored through this process.

Alignment with strategy

The broad range of potential factors which could impact the Group are considered and those which have a significant effect on its ability to deliver its strategy are determined to be principal risks and uncertainties

Evaluation of risk

Careful consideration is given to:

i) the specific scenarios in which the risk could arise; and

ii) the various potential impacts which the risk could present.

Mitigation implementation

Suitable management actions or robust control mechanisms are determined, developed and implemented.

Risk review

An embedded, cyclical process review:

i) determination of principal risks and uncertainties; and

ii) effectiveness of the implemented mitigation mechanisms.

Emerging risks

The Board is required to complete a robust assessment of the company's emerging and principal risks and confirms that it performed such an evaluation during the financial year.

It is recognised that emerging risks can also be principal risks. A detailed description of the principal risks and the activities to mitigate these is set out below.

The identification and evaluation of emerging risks is derived from the Group's quarterly risk reporting framework. The output from the business units' detailed risk registers is reviewed by the Group Head of Internal Audit and the CFO every quarter. New significant risks reported by the business units are highlighted and discussed as part of this process. A formal review of emerging risks is conducted annually, with the outputs shared and discussed with the Audit and Risk Committee as part of its review of the Group risk register and principal risks and uncertainties.

In the latest review performed by the Senior Leadership Team, no significant emerging risks were identified.

The Committee discussed emerging risks with the Executive Directors and Group Head of Internal Audit and agreed with the assessment that there were no new significant emerging risks to disclose.

Principal risks and uncertainties

Principal risks are reported and discussed at every meeting of the Audit and Risk Committee. We generally consider that principal risks are those which could have a significant adverse impact on the Group's business model, financial performance, liquidity or reputation. The Audit and Risk Committee also considers emerging risks, within the risk management framework. A formal review of emerging risks is conducted annually.

Principal risks and uncertainties matrix

Our principal risks and uncertainties are mapped onto a probability and impact matrix, so that we can meaningfully assess their relative importance. The arrows used in this matrix indicate the change in the risk by comparison to the prior year's assessment. Our methodology uses the Group's assessment of the residual risk, being the probability of the risk occurring and the potential impact it may have, taking account of any mitigating actions and controls that have been implemented.

A simplified version of this matrix is included in the Annual Report 2025, to be published in June. The most significant risks are positioned in its top right quadrant and the least significant in the bottom left. It shows that, based on our assessment, the likelihood of the geopolitical risk materialising has increased compared to the prior year. For all other risks we consider that the likelihood has remained the same. For macroeconomic risk and people and capability risk, we consider that the impact has increased.

The risk management process identified 11 principal risks. We summarise each risk below, explaining why it is relevant for the Group, setting out the potential consequences should it materialise and detailing the risk mitigation mechanisms. Risks are managed at Board level and are not assigned an individual risk owner.

1 Geopolitical

Context: The Group is principally a UK based, export-driven business which operates in global markets and is required to comply with relevant regulations including, but not limited to, sanctions, embargoes and export controls. Government policies on international trade, including the export of specific technologies, raw materials and the approval of particular end users are subject to foreign policy objectives which can change over time.

Risk

- Uncertainty arising from the impact of import tariffs on supply chains, the increase in the landed cost of goods and end-user pricing may have an adverse impact on global growth and subsequent demand for our products in key markets.
- Customers reallocate priorities and financial budgets.
- Export restrictions on our products as a result of changes to foreign policy objectives.

Possible impact

- Lower net pricing / reduced orders for markets adversely affected by tariffs, reducing contribution margins or sales volumes.
- Increases to input costs and lower gross margins.
- Counter measures by countries affected, such as restrictions on supply of key raw materials and investment in domestic alternatives, the latter leading to longer term reduction in export opportunities to specific markets.
- Restrictions on the provision of after-sales service, leading to lower service contract revenues.
- Reduced volumes may impact research and development (R&D) investment decisions due to adverse impacts on business cases.

Control mechanisms

- Engagement with UK Government and regulatory authorities.
- Engagement with customers to address the impact of tariffs.
- Contract review and protection against breach of contract should export licences be withheld.
- Long-term investment planning strategies.

Mitigation

- Broad global customer base; contractual protection.
- Market diversification.
- Strategic sourcing / dual sourcing to reduce landed cost of purchases (notably for USA / China origin goods).
- Use of duty-free programs when applicable.
- Opportunity to leverage potential differences in tariff rates compared to competitors.
- Focus on lower-risk markets and end users.

Change in the year: Increased

2 Operational transformation

Context: Following the OI30 strategy review an operational transformation programme is in progress that aims to improve operating efficiencies. Business plans include revenue growth and operating margin improvements that are, in part, dependent on realising those efficiencies in production, service and support functions.

Risk

- The programme may fail to generate operational efficiencies intended to improve operational gearing through measures such as lead time reduction and reduced overheads in relative terms.

Possible impact

- Lower sales volumes than planned due to higher lead times.
- Higher costs of production leading to lower gross margins.
- Higher overhead costs leading to lower operating profit.

Control mechanisms

- CEO and steering group oversight of operational excellence programme.

Mitigation

- Programme headed by Chief Operating Officer with a proven track record in operational improvement with dedicated support in key areas such as manufacturing and strategic sourcing.

Change in the year: Unchanged

3 Supply chain

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 a pandemic.

Risk

- Operational disruption or price increases, due to supply chain shortages, particularly in electronic components.
- Suppliers de-committing orders due to their inability to supply as a result of internal production issues.
- Change of supplier ownership resulting in loss of supply.
- Regulatory changes or economic viability causing suppliers to discontinue production, impacting the long-term availability of key components.

Possible impact

- Short-term delays or hiatus in our production arising from component shortages.
- Poor customer service.
- Reputational damage.
- Lost revenue.
- Downward pressure on margins.
- Increased lead times and potential of being unable to fulfil orders.
- Increased stock holding adversely impacting cash conversion.

Control mechanisms

- Sales and operational planning process.
- Group strategic sourcing programme to consolidate demand and manage key supplier risks.
- Sourcing of alternative options and/or buffer stocks in relation to high-risk suppliers.
- Long-term contracts with key suppliers.

Mitigation

- Strategic, selective and diversified supplier base.
- Long-term demand planning.
- Buffer stock in extended supply chain.
- Relationship management with key suppliers.
- Responsive and adaptive engineering change process.

Change in the year: Unchanged

4 Routes to market

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

- Vertical integration by OEMs.
- Key relationships with OEMs fail or are diminished

Possible impact

- Loss of key customers/routes to market.
- Reduction in sales volumes and/or pricing and lower profitability.

Control mechanisms

- Customer insight to match product performance to customer needs.
- Positioning of the Oxford Instruments brand and marketing directly to end users.

Mitigation

- Strategic relationships with OEMs to promote the benefits of combined systems.
- Product differentiation to promote advantages of Oxford Instruments' equipment and solutions.
- Direct marketing to end users.

Change in the year: Unchanged

5 New Product Introduction (NPI)

Context: The Group provides high-technology equipment, systems and services to its customers.

Risk

- Failure of the Group's R&D programme to produce commercially viable products.

Possible impact

- Loss of market share or negative pricing pressure, resulting in lower turnover and reduced profitability.
- Additional NPI expenditure.
- Adverse impact on the Group's brand and reputation.

Control mechanisms

- 'Voice of the Customer' customer listening approach and deep market knowledge to direct product development activities.
- Formal NPI processes to prioritise investment and to manage R&D expenditure.
- Product life cycle management.

Mitigation

- Understanding customer needs/expectations and targeted new product development programme to maintain and strengthen product positioning.
- Stage gate process in product development to challenge commercial business case and mitigate technical risks.
- Operational practices around sales-production matching and inventory management to mitigate stock obsolescence risks.

Change in the year: Unchanged

6 Macroeconomic

Context: Macroeconomic factors such as recession, inflation and government budget priorities, particularly regarding US funding for universities may affect demand or place upward pressure on key elements of the cost base such as labour and materials. A high proportion of the Group's revenue is in foreign currencies, notably US dollars, while the cost base is predominantly denominated in GBP.

Risk

- Lower demand for the Group's products and services.
- Rises in key cost drivers such as people costs, energy, components and raw materials.
- For sales of long lead-time items, requirement to make inflationary estimates when pricing, which may be inaccurate.
- Long-term strengthening of sterling against key foreign currencies.

Possible impact

- Decrease in sales volumes.
- Increased cost of production leading to a reduction in operating profit if not offset by sufficient price increases.
- Potential for under-recovery of increases if inflation estimates are too low, or reduction in order volumes if competitors do not react similarly.
- Reduction in reported revenue and earnings.

Control mechanisms

- Strategic focus on growth markets.
- Price reviews.
- Inflation protection in commercial response to long lead-time tenders and long-term agreements.
- Strategic management of currency exposure.

Mitigation

- Ability to address inflationary pressures through price management reviews.
- Reviews of key drivers of financial performance.
- Reviews of supply chain currency base.
- Active review of net exposure in key currencies.

Change in the year: Increased

7 Cyber/information technology

Context: Elements of production, financial and other systems rely on IT availability.

Risk

- Cyber-attack on the Group's IT infrastructure.
- Ransomware/spread of viruses or malware.

Possible impact

- System failure/data loss and sustained disruption to production operations.
- Loss of business-critical data.
- Delays in making payments to employees and suppliers.
- Financial and reputational damage.
- Data privacy breach.

Control mechanisms

- Suite of IT protection mechanisms including firewalls, penetration testing, regular backups, virtual machines and cyber reviews.
- External IT security consultants.
- Internal IT governance to maintain protection systems and our incident response.
- Employee awareness training.

Mitigation

- Managed service with third-party security specialists providing incident monitoring.
- Regular review, monitoring and testing of key security measures to assess adequacy of protection against known threats.
- Upgrade of enterprise resource planning (ERP) and other internal systems.
- End user education and phishing simulation exercises.

Change in the year: Unchanged

8 Legal and regulatory compliance

Context: The Group operates in a complex and evolving technological, legal and regulatory environment, particularly in areas such as export controls and product compliance. In addition, competitors may seek to protect their position through enforcement of intellectual property (IP) rights and the Group may at times experience unintentional legal, regulatory or IP compliance issues.

Risk

- Infringement of a third party's intellectual property.
- Legal or regulatory breach.

Possible impact

- Potential loss of future revenue.
- Future royalty payments.
- Payment of damages.
- Fines and non-financial sanctions such as restrictions on trade, exclusion from public procurement contracts.
- Reputational damage.
- Breach of contract with a third party
- Potential loss of suppliers if they cannot meet requirements that need to be flowed down into supply agreements

Control mechanisms

- Formal 'Freedom to Operate assessment to identify potential IP issues during product development.
- Internal control framework including Code of Conduct policies, procedures, risk assessments and training in risk areas such as bribery and corruption, sanctions, export controls, modern slavery, market abuse and data protection.
- Specialist compliance teams supported by external advisors.
- Internal and external audits
- Whistleblowing hotline
- Supplier excellence programme

Mitigation

- Confirmation of 'Freedom to Operate' during new product development stage gate process.
- Compliance training, communications and monitoring programmes for key compliance risks.
- Regular reviews of policies, procedures and risk assessments
- Channel partner de-risking project

Change in the year: Unchanged

9 People and capability

Context: Delivering and protecting core capability and knowledge is a strategic priority for the Group.

Risk

- Challenges in attracting and retaining high-quality talent in a tight labour market, notably for roles requiring niche skills that are in high demand.
- Shortage of key capabilities required to meet the Group's strategic priorities.

Possible impact

- Salary inflation and/or additional recruitment costs.
- Adverse impact on NPI.
- Operational disruption.
- Lower sales and profitability.

Control mechanisms

- Strategic focus on the employee experience, including career development, communications and competitive remuneration, to differentiate Oxford Instruments.

Mitigation

- Talent management and succession processes.
- Leadership and technical development programmes.
- Hybrid and remote working policies to facilitate location-agnostic appointments.
- Visa sponsorship registration for employee mobility.
- Comprehensive internal communications.
- Holistic approach to total compensation.

Change in the year: Increased

10 Business interruption

Context: Business units' production facilities are typically located at a single site and are dependent on availability of parts sourced from global supply chains.

Risk

- Sustained disruption to production arising from a major incident at a site.
- Hiatus in production due to shortage of supply.

Possible impact

- Inability to fulfil orders in the short term, resulting in a reduction in sales and profitability.
- Additional, non-recurring overhead costs.

Control mechanisms

- Business continuity plans for all manufacturing sites.
- Contractual protection to limit financial consequences of delayed delivery.
- Group strategic sourcing programme.

Mitigation

- Business continuity plans can reduce downtime arising from incidents and facilitate the restoration or relocation of production.
- Standard sales contracts include clauses for limitation of liability, liquidated damages and the exclusion of consequential losses.
- Business interruption insurance.

Change in the year: Unchanged

11 Climate change

Context: Climate change generates both risks and opportunities. Our response needs to address risks and optimise opportunities. More detail on our approach is set out in our Task Force on Climate-related Disclosures Statement in the Annual Report.

Risk

- The transition from fossil fuels to a low-carbon/net zero economy may require significant changes in materials used and production methods that may impact our own operations and those of our suppliers.
- Chronic changes in weather and extreme weather events may disrupt supply chains, operations and logistics.

Possible impact

- Rises in production costs and product development costs to reduce CO2 emissions linked to our products.
- Delayed production and/or installation leading to delayed revenue.
- Reduction in sales volumes if we fail to meet customers' environmental expectations/requirements.
- Reputational damage or loss of investment arising from failure to anticipate or address climate risk.
- Increased freight and packaging costs.

Control mechanisms

- Sustainability Committee and management-level Sustainability Leadership Forum.
- Climate-related risks and opportunities evaluation and reporting embedded in operating businesses.
- Strategic sourcing.
- Product compliance groups.

Mitigation

- Product compliance teams have an established methodology to deal with changes to environmental regulations.
- Investment in product development to capitalise on the opportunities for our key enabling technologies to help customers address climate-related challenges.
- Investment in CO2 reduction solutions.

Change in the year: Unchanged