Delivering Critical Connections

Annual Report and Accounts
for the year ended 2024

Welcome to **Volex's 2024** Annual Report

Technology drives our world and **Volex** provides the critical connection

As a leading integrated manufacturer, customers choose to partner with us because of our proven track record in supporting their mission-critical power and connectivity requirements.

The critical products and services that we offer are essential to the increasingly complex digital world we live in, providing power and connectivity from the simplest household items to the most sophisticated medical equipment.

Serving diverse end-markets and customers, we have created a dynamic and resilient business. Whether it is a power cord to fire up a laptop or a sophisticated control system for a major piece of medical hardware, we deliver engineering expertise and manufacturing excellence to ensure we deliver for our customers.

Working in partnership with some of the most innovative technology companies, we have a deep understanding of what it takes to exceed our customers' expectations. With talented engineers and process specialists, we understand how to go beyond the ordinary and deliver the exceptional.

And all of this is made possible by our dedicated global workforce of 14,000 employees across 25 countries. This breadth and depth allows us to deliver great service wherever it is required.

How we make a difference

Our purpose:

Delivering best-in-class critical connections.

Our vision:

To be a leading global supplier of diverse, high-quality solutions related to power and data connectivity, renowned for our adaptability and customer services and with customers, engineering and people at our core.

Our mission:

To provide safe, sustainable and high-quality critical power and data connectivity-related solutions in our chosen markets. Enabling our customers to thrive in an era of rapid technological acceleration through our manufacturing excellence, global footprint and rigorous quality assurance.

Sustainability ratings

UN SDGs

Read more Volex content:

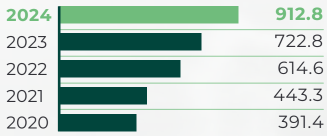
Sustainability supplement:
https://www.volex.com/wp-content/uploads/2024/06/FY2024-Supplemental-Sustainability-Disclosure-Report.pdf

Our website:
www.volex.com

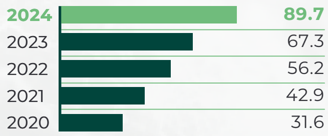
stock code: VLX

Financial highlights

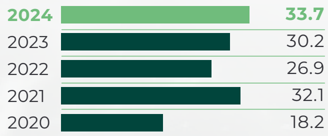
Revenue ($m)



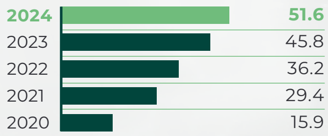
Underlying operating profit[1] ($m)



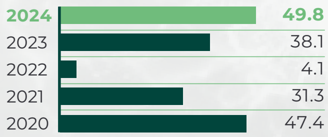
Underlying basic earnings per share[3] (cents)



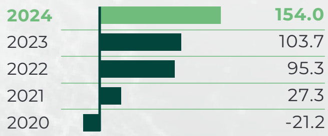
Profit before tax ($m)



Free cash flow[2] ($m)



Net debt ($m)



Underlying operating profit, free cash flow and underlying basic earnings per share are alternative performance measures. More details on alternative performance measures can be found on pages 197 to 198.

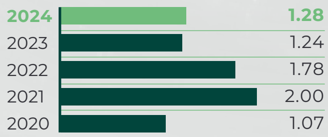
1 Underlying operating profit is operating profit before adjusting items and share-based payment charges – see note 7 on pages 150 to 151.

2 Free cash flow is net cash flow before financing activities and the acquisition of businesses, net of cash acquired.

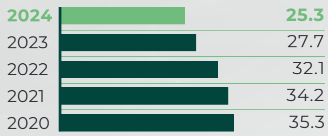
3 Based on profit before adjusting items and share-based payments, net of tax – see note 11 on page 154.

Non-Financial highlights

Employee safety
(reportable accidents per million hours worked)



Carbon intensity
(tonnes of scope 1 and 2 emissions produced per $m revenue)



Contents

Volex at a glance

Delivering critical connections

North America

Revenue

$372.3m

(FY2023: $339.8m)

With a strong presence throughout North America, we support several of the world's largest technology companies, who are consistently striving to enhance their products and services. The improved availability of components, coupled with growth in AI deployment, has led to a dramatic increase in demand for Data Centre cables. Our ability to offer tariff-free and low-tariff options enables us to supply customers with cutting-edge products.

Asia

Revenue

$185.1m

(FY2023: $171.4m)

Our exposure to the rapidly growing Indian market results in the increase in the Asia segment. This is partially offset by the Consumer Electricals sector, which constitutes the majority of our revenue in this region, being subdued due to the normalisation of supply chains and the temporary effect of customers managing excess inventory levels.

Europe

Revenue

$355.4m

(FY2023: $211.6m)

Macroeconomics have continued to impact the market, with some recovery now being seen in the consumer market due to customers having sufficiently decreased buffer stock.

With the acquisition of Murat Ticaret Kablo Sanayi A.S. ('Murat Ticaret'), we have increased our presence within Europe and are working with scale in the Off-Highway market.

In five end-markets

Diversified End-Markets

We are a value-added solutions provider serving a diverse range of markets and customers. Volex operates in five varied end-market sectors, with the acquisition of Murat Ticaret giving immediate scale and allowing us to launch Off-Highway as a new sector during FY2024. Accordingly, we have restated end-market comparatives. We leverage our experience and insight across all our sectors to develop specialised solutions and drive product innovation.

This focus on diversification of market sectors, customers and product range reduces the risk of cyclicality in end-markets having a significant adverse impact on Group performance.

Electric Vehicles

Revenue	Growth
$123.7m	(10.6)%

Revenue declined, against a strong comparative, with customers who had built up buffer stocks in the prior year taking the opportunity to reduce inventories as supply chains normalised.

% of revenue: **14%**

Consumer Electricals

Revenue	Growth
$235.3m	(9.4)%

FY2024 demand from Consumer Electricals customers reduced due to the normalisation of consumer demand and customer destocking. Moderate recovery in demand has occurred in H2 of FY2024.

% of revenue: **26%**

Medical

Revenue	Growth
$177.5m	+22.4%

As supply chains have stabilised, the improved availability of components, which previously limited our customers' output, has enabled them to effectively address their substantial backlogs.

% of revenue: **19%**

Complex Industrial Technology

Revenue	Growth
$213.4m	+35.4%

Strong growth in sales of high-speed data centre cables due to improved availability of semi-conductors and the transition to latest architecture to support demand from AI applications has driven the growth within the Complex Industrial Technology sector.

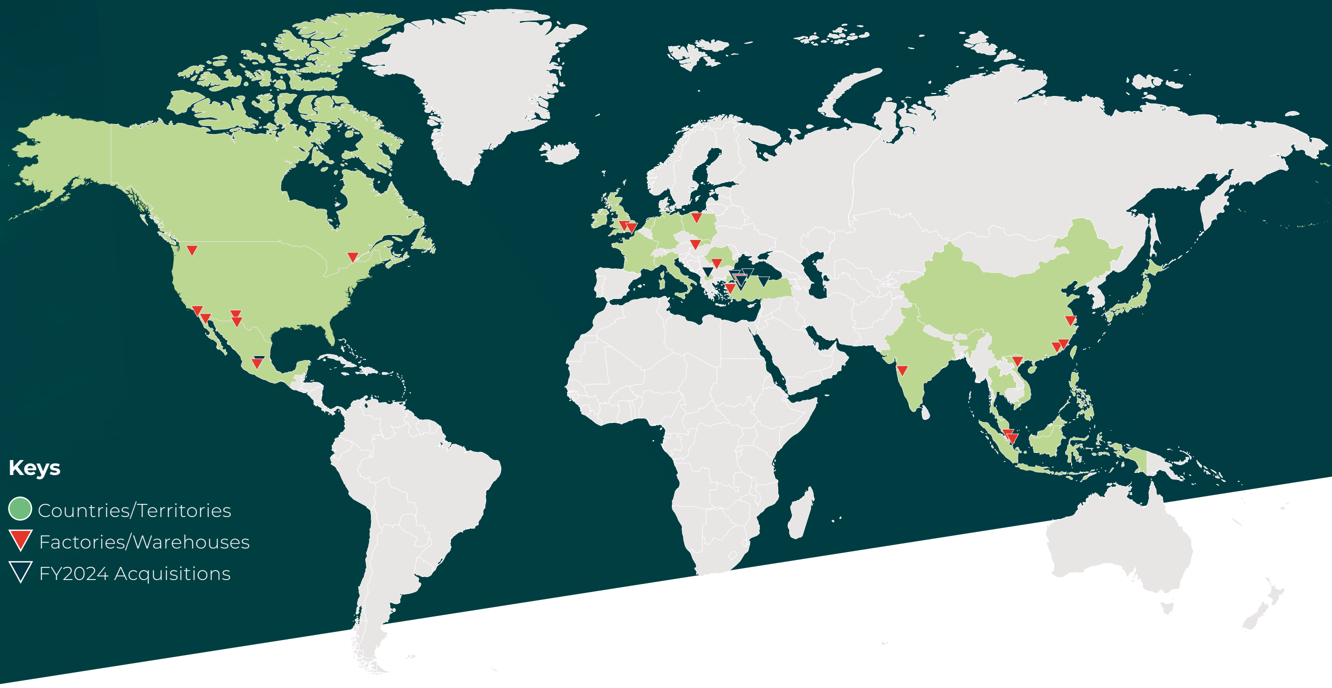
% of revenue: **23%**

Off-Highway

Revenue	Growth
$162.9m	+632.4%

The acquisition of Murat Ticaret has enabled Volex to achieve immediate scale in a fifth growth market. Off-Highway products, previously sold in North America and Asia, reported under Consumer Electricals and Complex Industrial Technology, are now realigned to the new sector.

% of revenue: **18%**



Our Products

Power Cords, Plugs and Connectors

As a world-class manufacturer, the Group produces custom power cords and related power products for a wide range of electrical and electronic devices and appliances. We specialise in AC power cords, offering solutions tailored to every major international market. Our products exceed international safety standards and meet the stringent requirements of our customers.

Integrated Manufacturing Services

Our team possesses extensive experience and expertise in harnesses, printed circuit board assemblies (PCBa), and the integration of these products to create complex box builds and sub-assemblies. Our Integrated Manufacturing Services business provides technically advanced manufacturing solutions, developing specialised products across various industries.

Electric Vehicle Charging Solutions

Volex possesses exceptional expertise in manufacturing a range of electric vehicle charging components and proudly collaborates with the industry's leading Original Equipment Manufacturers (OEMs). The Group has developed EV charging products suitable for various applications, from private AC home-charging stations to public DC fast-charging solutions.

Consumer Cable Harnesses and Power Products

As a manufacturer of consumer cable harnesses and power products, we serve the global domestic appliances market with highly reliable internal power and data harnesses. Our integrated manufacturing services encompass the entire production process, ensuring excellence in every product delivered.

High-Speed Copper Interconnect Cable / Data Transfer Cable

We deliver market-leading high-speed data cables that undergo rigorous end-to-end testing to exceed customers' quality and performance expectations. Volex provides both external and internal copper cable assemblies in various form factors, along with custom power distribution units and power whip cable assemblies, supporting a diverse array of data centre applications.

Data Centre Power Cables / Power Cords

We provide expert services to create power cables that suit our customers' specialist applications, ensuring that the configuration is tailored to their individual use cases.

Off-Highway Harnesses

Volex manufactures custom ruggedised wiring harnesses and battery cables essential for the safety and efficiency of off-road vehicles, ensuring reliable power transmission and control of critical systems in increasingly complex specialist vehicles.

Our investment proposition

01 Strong financial track record

We have consistently delivered underlying operating margins within our 9-10% target range, while successfully expanding revenue, both organically and through acquisitions. Our strong financial position and robust cash generation enables continued investment in the future growth of the business. The majority of our investment projects pay back within two years, with many doing so even quicker.

+27%
Revenue CAGR in the last three years

02 Ideally positioned in growing, sustainable markets

Our chosen markets exhibit sustainable long-term growth drivers with opportunities to enhance our market share. We collaborate with customers in the Electric Vehicles, Consumer Electricals, Medical, Complex Industrial Technology and Off-Highway end-markets. Through our partnerships, we deliver process innovation and develop new products that fulfil evolving customer needs. Through our diversified end-market exposure, we continue to expand our business and deliver high-quality products to exceed customer requirements.

+6.9%
FY2024 organic revenue growth

03 Global presence and scale

With 28 manufacturing facilities and sales and technical support teams distributed across three continents and 25 countries, we ensure availability and responsiveness to our customers' needs, wherever and whenever required. Our expansive operations allow us to leverage economies of scale and significant purchasing power. This strategic advantage enables cost-effective procurement and operational efficiencies, resulting in competitive pricing and enhanced service delivery, directly benefiting our customers. Our widespread presence not only facilitates prompt and reliable service, but also reinforces our commitment to supporting our customers' global operations.

28
Manufacturing sites

04 Successful approach to acquisitions

Acquisitions are a fundamental component of our strategic approach. Our proven track record of successful acquisitions has substantially enhanced our capabilities and yielded considerable operational, financial and geographical benefits. We carefully evaluate potential acquisition targets to ensure they align with our strategic priorities and long-term objectives. We prioritise opportunities that provide geographic expansion, technological advancement and greater diversification, enabling us to deliver enhanced value to our stakeholders.

12
Acquisitions in six years

05 Operational excellence

Continuous improvement is embedded in our culture which, alongside our advanced manufacturing assets, drives our pursuit of operational excellence. Our brand is synonymous with quality and reliability, assuring customers of our commitment to consistently deliver products that meet their stringent standards. We invest heavily in rigorous testing and certifications to ensure that every product adheres to the highest quality standards. Through ongoing innovation, creativity and collaboration, we continuously enhance our processes, allowing us to remain at the forefront of our industry.

$4m
Invested in testing and quality assurance

06 Remarkable talent

We highly value the extraordinary talents of our employees, who collaborate to deliver results locally while providing support across the organisation. Our leadership fosters an environment conducive to collaboration by nurturing talent and encouraging professional development. We promote a culture of accountability, responsibility and ownership, empowering each individual to act ethically and responsibly. We recognise and value the unique strengths of every team member and group within our organisation.

$3m
Invested in training and welfare for our people

What differentiates Volex

Connectivity-related solutions for the digital world

We deliver products that provide critical connections vital to the increasingly high-technology world in which we operate. With a relentless focus on safety and quality, we hold numerous regulatory certifications, assuring our customers of our products' excellence in meeting their exacting standards.

Resilience through the cycle

Volex operates across a range of market sectors, each with unique characteristics, affording the Group flexibility and resilience throughout economic cycles. In FY2024, we demonstrated the importance of this diversity as supply chains normalised. While revenue from some of our high-volume products declined due to customer destocking, sales of more complex products increased, driven by improved availability of components. This underscores the robustness of our business model in adapting to changing conditions.

An operating model that is both sustainable and scalable

Our operating model utilises manufacturing sites around the globe, strategically positioning us to access diverse markets and tap into local expertise, while also mitigating supply chain risks. This global footprint allows for the optimisation of production and distribution and provides us with the flexibility to meet the increasing demand for localisation.

Positioned to take advantage of fragmented markets

The specialised characteristics of our end-markets result in a highly fragmented landscape, with no individual business commanding a dominant market share. Volex is strategically positioned within these sectors, with an impressive product set and deep customer relationships. This advantageous positioning presents ample opportunities for us to expand our market share.

Strategically aligned with growing market sectors

Our selected markets are bolstered by distinct structural growth drivers, from government incentives promoting electric vehicle ownership, to the demands an ageing population places on the medical sector. These underlying market dynamics offer broad, sustainable expansion opportunities for our business.

Decentralised operating model leverages the strengths of our individual businesses

Our decentralised operating model offers significant advantages by empowering local management teams to make decisions that are closely aligned with the specific needs and conditions of their businesses. This approach enhances agility and responsiveness, enabling faster adaptation to changes and opportunities in the business environment, thereby fostering innovation and operational efficiency.

Firmly on track with our five-year plan

In June 2022, we set out our ambitious five-year plan, to grow our revenues to $1.2 billion by the end of FY2027.

Our strong results, clear strategy and pipeline of customer opportunities reinforce our confidence in the delivery of our five-year targets.

Key delivery objectives	Progress
Expand Electric Vehicles customer base	Increasing both product set and range of customers
Vertical integration and automation in Consumer Electricals	Cable extrusion capability in Suzhou and Batam sites
Support customer simplification of supply chains	Building new dedicated medical production facility in India to support customer localisation
Invest in next-generation data centre cables	800Gbps data centre cables now in production
Increase PCBa capability around the Group	Significant investment in Surface Mount Technology in North America and India

Revenue
$1,200m

Underlying operating margin
9-10%

Revenue from acquisitions
$200m

We are making this a reality by:

Providing solutions for the digital world

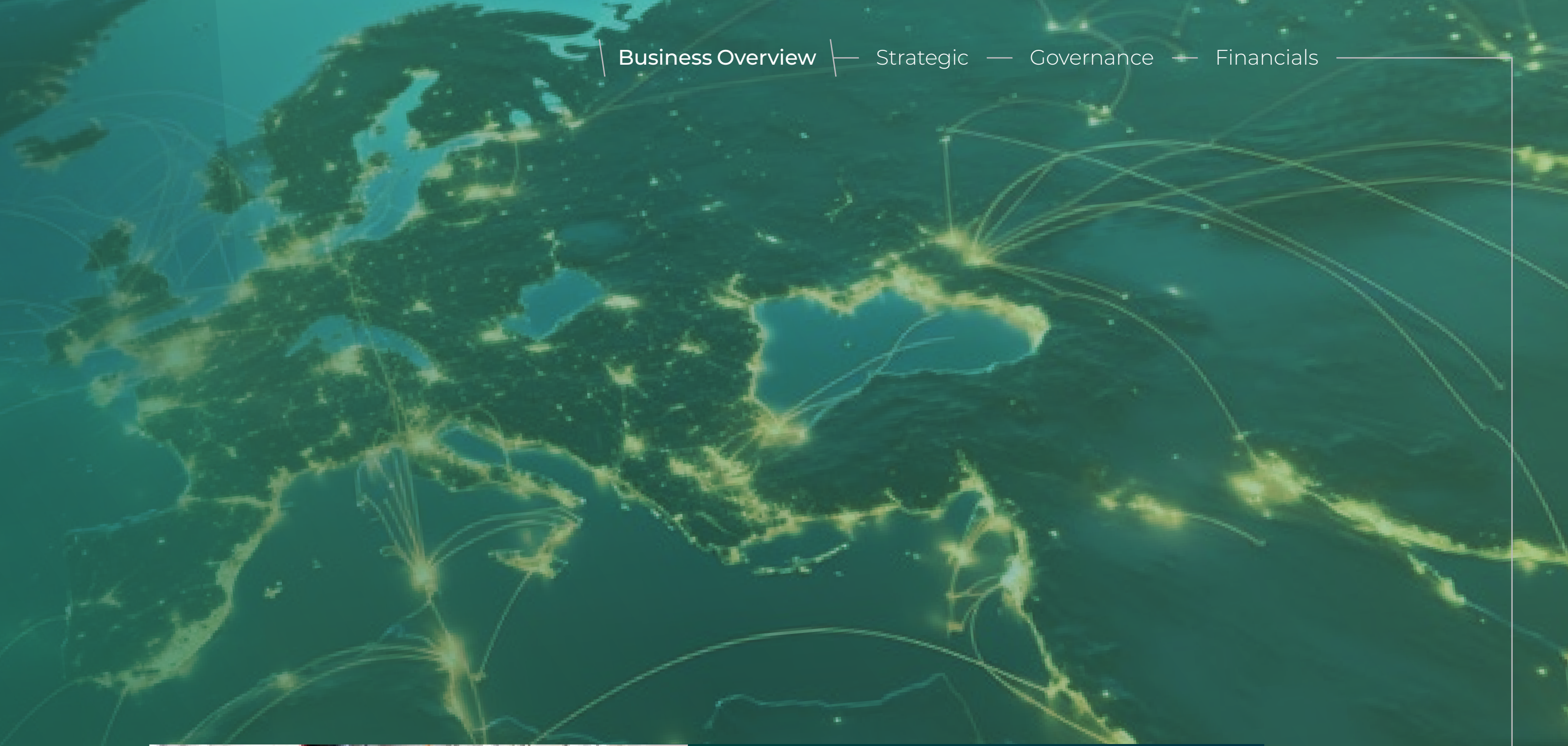
With products tailored to the demands of the increasingly connected world and worldwide customer service representatives and sales teams strategically positioned close to our customers, we are able to offer our partners an enhanced experience. Additionally, we actively manage the procurement of components for complex solutions, ensuring our global supply chain experts are fully aligned with our customers' requirements.

Read more on pages 08–09

Transforming our business

Volex has delivered excellent revenue progression with strong organic growth. Despite widespread challenges, such as supply chain disruptions and inflationary pressures that have impacted manufacturers globally, our underlying operating margins have consistently met our target range over the past four years. Our commitment to continuous improvement has enabled us to enhance our manufacturing capabilities, both organically and through strategic acquisitions.

Read more on pages 10–11



Innovating successfully

Innovation and continuous improvement are fundamental to the culture of our organisation. Our world-class process engineers empower us to successfully deliver increasingly complex manufacturing services through close partnerships with customers. Our design teams create unique solutions to complex engineering challenges, which has led to the registration of several new patents annually.

Read more on pages 12–13

Delivering on our acquisition strategy

Acquisitions are a key component of our strategy. With an impressive track record of acquiring quality businesses at attractive valuations, we continued to expand the size of our Group through the acquisition of Murat Ticaret during FY2024. Since we launched our five-year plan, we have now delivered over $200 million of annualised revenue from acquisitions.

Read more on pages 14–15

Providing solutions for the digital world

Bringing connectivity and power to high-tech equipment is central to transforming how we live, work and communicate, reflecting our commitment to enhancing global quality of life. This dedication is supported by continuous investments in developing and maintaining advanced manufacturing assets. Capital investment programmes are crucial for meeting the evolving demands of our customers and maintaining a technological edge.

Integrated solutions are delivered by leveraging a broad spectrum of capabilities specifically designed to navigate and overcome complex manufacturing challenges. This strategic focus on innovation enables us to assemble and provide highly effective solutions that meet, and often exceed, the diverse needs of our global customer base.

Product design

By partnering with our customers, we craft tailored solutions that address their specific power and connectivity needs, as well as the challenges of their next-generation products. This collaborative approach ensures our designs align with their strategic goals and operational requirements. By integrating continuous feedback, we enhance functionality and expedite development cycles, facilitating faster market entry. Our solutions are scalable and adaptable, evolving with technological advances and market shifts.

New product introduction

We assist customers in developing products by engaging with them from the very outset of the product development process. This collaborative approach not only allows us to deeply understand and meet our customers' specific needs, but also facilitates cost reduction. By being involved early, we can identify potential challenges and opportunities, which helps streamline the development process and ensures that the final product is both cost-effective and fully aligned with the client's requirements.

Intellectual property

Our design teams excel in developing innovative solutions to complex engineering challenges, enabling us to secure a number of patents annually. This intellectual property not only showcases our creative capabilities, but also reinforces our competitive edge in the market. Each patent represents a technological breakthrough or process improvement, enhancing the deep manufacturing expertise we have cultivated over many years.

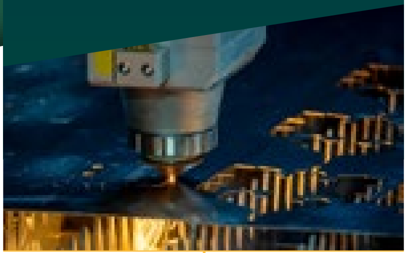
Vertically integrated solutions

In recent years, our Group has significantly increased its vertical integration, allowing for enhanced control over the entire production process, from sourcing raw materials to delivering the final product. This strategic integration ensures consistent quality and reduces reliance on external suppliers, resulting in substantial cost savings and maintaining our cost competitiveness. Furthermore, by managing multiple production stages internally, we can swiftly respond to market fluctuations and shifts in consumer preferences, thereby enhancing our operational flexibility and sustaining a competitive advantage.

Essential power and connectivity for everything we use in our lives, from simple household items to sophisticated equipment.

Display screens

Volex integrates displays into a variety of devices, with advanced display technology increasingly vital in our digitalised world.

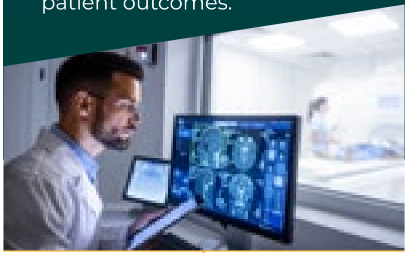


Data transfer

We supply high-speed data centre cables, incorporating the latest technology to meet the demands of this rapidly evolving, technologically advanced sub-sector.

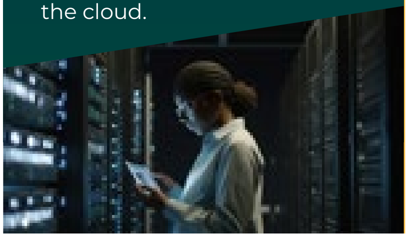
Radiation oncology treatments

Our wire harnesses are integral components of numerous critical medical devices, contributing to enhanced patient outcomes.



Connecting data centres

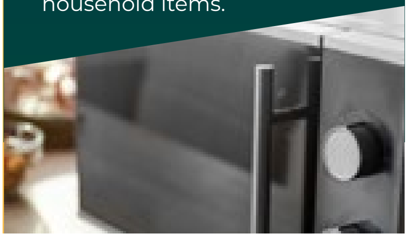
Providing cost-effective industrial-grade power cables to keep data centres running and allowing expansion as more data is stored in the cloud.



Our products significantly enhance consumer quality of life globally, positioning Volex as an integral partner to a broad spectrum of modern manufacturers.

Keeping domestic appliances running

Volex provides essential wire harnesses and power cords for domestic appliances, playing a vital role in maintaining the functionality of these crucial household items.



Powering electric vehicles

With its expanding range of products, Volex is becoming a pivotal player in the electric vehicle charging landscape.

High performance wire harnesses

Our wire harnesses are utilised across a diverse range of products, from medical scanners to communications technology.

Charging laptops and games consoles

Volex power cords are essential for enabling safe and convenient charging of consumer devices.

Transforming our business

Firmly on track to achieve the ambitious five-year plan revenue goal of $1.2 billion by the end of FY2027

With a clear vision and strategic plan, Volex has carefully expanded in attractive, profitable markets through organic growth and acquisitions, enhancing our confidence in meeting long-term targets.

Since the start of FY2019, we have successfully completed the acquisition of 12 businesses, significantly boosting our global presence, production capacity and range of value-added services.

As we expand our scale and technical capabilities through facility expansion, capital investment and ongoing research and development, we are driving innovation in product solutions and accessing higher-value opportunities.

We have grown revenue with existing customers while also gaining additional business. This expansion in breadth of offering and customer base enhances our resilience as a business so we can continue to grow and meet our targets.

Furthermore, the vertical integration and automation of our manufacturing processes have streamlined efficiency, enhanced quality and tightened cost control, particularly critical during inflationary periods. As a contract manufacturer, we have the opportunity to pass on increased costs to our customers, thus managing our expenses and preserving our profit margins within targeted parameters.

Our highly experienced and agile team have a proven track record of delivering top-line growth and margin improvement. We are committed to achieving our five-year plan, underpinned by our team's deep expertise.

Our strong strategic focus and commitment to operational excellence gives us confidence in our ability to deliver our current five-year plan by the end of FY2027

Delivering growth

Revenues more than doubled over five years

- Operating with a well-diversified customer base and product range
- Launched Electric Vehicles product range and expanded the manufacturing services on offer
- Expanded our PCB assembly capacity to support higher customer demand
- Developed a suite of cutting-edge products for Data Centre customers

Enhancing profitability

Operating profits four times higher over five years

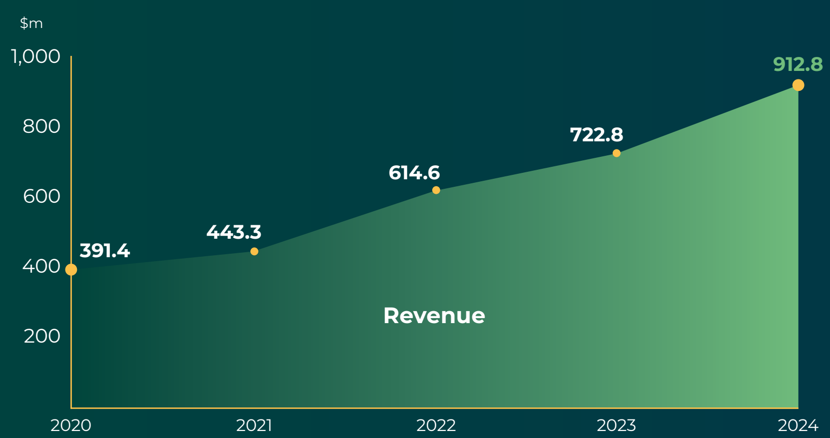
- Significant investment in vertical integration to reduce manufacturing costs
- Targeted automation to improve quality and efficiency
- Evolution of the customer base to deliver better margins

Expanding capabilities

Significant ongoing investment in expansion to enhance capacity and capabilities

- Increasing our expertise in complex manufacturing through knowledge-sharing
- Adding capabilities organically and through acquisition
- Diversifying our chosen end-markets, including scaling up in the Off-Highway sector
- Investing in site expansions in order to increase capacity in locations close to our customers

Revenue Growth FY2020 - FY2024



Innovating successfully

Remarkable talent

Our employees are our most important asset.

Onboarding, training and retention

Every employee benefits from a structured onboarding process and on-the-job development, ensuring that new hires are smoothly integrated into our team. We provide professional development opportunities for existing employees as we recognise developing talent is essential to drive business growth.

Reward and recognition

We are committed to providing fair and compliant remuneration across our organisation. We operate global recognition programmes to celebrate site and team excellence. Many sites provide individual and team recognition initiatives that support our customer-focused culture. These initiatives boost motivation, engagement and job satisfaction, leading to improved performance and retention.

Impact

Talented people are central to our business because they drive innovation through collaboration and knowledge-sharing. Our people deliver quality products and solutions that are right the first time, every time, exceeding our customers' expectations.

Supported by our values

Be trusted - Committed to putting our customers first, we partner with them to understand their requirements and to continuously exceed their expectations. Our deep, long-standing relationships mean that our customers fully trust us to deliver their critical projects.

Be tenacious - We get things done, we relentlessly drive for results, we never yield in the face of challenges. Continuous improvement involves the entire team collaboratively seizing every opportunity to enhance our performance and capabilities.

Be challenging - Our policy is to speak up, urging everyone to be direct and honest with each other. By fostering a culture where constructive challenge is welcomed, we collaborate effectively and devise the best solutions together.

Be respected - A belief in quality is deeply ingrained in our organisation. We consistently fulfil our promises and take accountability for our commitments. We take pride in what we do and this fuels our drive to deliver excellence.

Be focused - We establish clear goals, objectives and performance standards for our people, products and processes, ensuring these are communicated effectively throughout our organisation. By playing to our strengths, we focus on delivering distinct solutions that meet the specific needs of our customers.

Case study

Innovative data centre products

The escalating use of data-intensive applications is necessitating GPU acceleration, driving increased demand for high-speed Direct Attach Cables ('DAC'). This market evolution is primarily driven by the requirements of high-performance computing, artificial intelligence (AI), and machine learning. Volex is addressing these needs by creating pioneering solutions that are poised for the future transitions in data handling speeds, from 400 Gigabit-per-second to 800 Gigabit-per-second and up to 1.6 Terabit-per-second within the same form factor. These cutting-edge solutions are designed to be more efficient, featuring reduced power consumption, decreased data loss, minimal latency and superior signal integrity. These attributes make them particularly suitable for meeting the progressive requirements of AI implementations and data centre operations.

Our strategy encompasses high-level collaborations and active engagement with key stakeholders, including both hyperscalers and system designers, to address both current and future market demands. This approach necessitates participation at the standards committees and with various partners aimed at innovating at a system architecture level. Such collaboration ensures that the solutions not only meet but surpass the essential low power and latency requirements for sophisticated AI back-end devices. Furthermore, Volex is committed to maintaining a robust product vision, supported by a skilled and experienced research and development team focused on resolving complex signal integrity challenges related to interconnectivity and interoperability along the way. The team is dedicated to establishing stringent testing and qualification protocols that comply with regulatory and certification standards, while also aligning with Volex's commitments to environmental, social and governance principles. Volex has designed and deployed enhanced signal-conditioned 400Gbps and 800Gbps products and is now working on next-generation module platforms that will be supporting 1.6Tbps aggregate speeds.

What we are developing

- AI back-end and data centre connectivity enabled with high-speed copper featuring enhanced signal conditioning
- Both standard and bespoke cable whip cords for data centre-distributed power

A culture for success

Kaizen

At Volex, we believe in the Japanese philosophy of kaizen: a continuous process of improvement. Our teams are encouraged to work collaboratively across the organisation, to learn from one another and share insights. Through a philosophy of kaizen and rigorous process standardisation, we drive our performance forward. We recognise success through the Volex Site Excellence Awards and always consider how we can take the next step forward in manufacturing.

Innovating standards to meet the evolving requirements of clients

By establishing strong relationships with our customers, we collaborate with them from designing complete solutions to their unique problems through to delivery of the product. We encourage our global teams to come together to innovate and share ideas in order to drive our performance forward.

Advanced manufacturing assets across three continents

Our global team of 14,000 colleagues, who work across 25 countries, are united by a shared mission: to be a world class supplier, providing our customers with advanced manufacturing services that will exceed their expectations.

Our global footprint of well-equipped manufacturing locations allows us to manufacture products around the world, delivering to customers where they need it.

Best-in-class processes and quality assurance

We are committed to maintaining the highest standards of quality throughout our operations and we work tirelessly to standardise our excellent processes while remaining flexible and responsive to customer demand and requirements. Through a kaizen mindset, we are always questioning how we can improve our processes to make them more efficient, cost-effective and improve product quality.

Our sites have in-line testing and rigorous procedures to ensure quality assurance. Our sites around the world have achieved independent certification to a wide range of international and industry standards.

Accreditations

Volex manufacturing sites hold globally recognised industry specific and sustainability accreditations, including ISO 9001 and sector specific certifications including IATF 16949, ISO 13485, MedAccred and AS 9100D.

Read more about our Business model on pages 24 to 27

Delivering on our acquisition strategy

Acquiring excellent businesses for attractive valuations remains a fundamental component of our strategy.

Our approach involves the identification of high-performing enterprises within sectors in which we possess a deep understanding and significant experience.

We are particularly attracted to businesses with strong and long-lasting customer relationships and proven competencies. Our acquisition pipeline is carefully managed to prioritise opportunities that enhance our Group's value proposition and extends our presence into existing or adjacent markets. Given the dynamic nature of the global supply chain landscape, the strategic geographic location of potential targets is also a critical consideration. We only consider targets demanding substantial integration or restructuring when we are comfortable that we have sufficient availability of the necessary managerial resources to manage these transformations effectively.

A history of successful and margin-enhancing acquisitions

We have completed 12 acquisitions in the past six years, totalling an aggregate investment of just under $400 million.

2018

MC Electronics

New medical and industrial consumers with quick-turn capability

$4m

Silcotec

Offers low-cost production in Slovakia alongside the opportunity to cross-sell Volex expertise to new medical customers

$14m

GTK

Experts in connectors, cable assemblies and displays. They also offer quick-turn solutions from the UK and Romania

$18m

Ta Hsing

Provided vertical integration through their cable manufacture business in Shenzhen

$5m

Servatron

Brings PCBa and box-build / integration capability. Also an EMS provider in high-growth segments

$20m

What we look for in an acquisition

Our selection criteria ensure acquisitions are aligned with our strategic goals.

Customers

Targeting businesses that maintain deep customer relationships, as these connections frequently generate new opportunities and revenue synergies.

Capabilities

We focus on businesses that offer complementary or adjacent capabilities, or those that can expedite our vertical integration efforts.

Markets

Market considerations involve assessing whether the target is strategically located and evaluating Volex's depth of understanding within the sector.

Culture

Well-managed, entrepreneurial businesses with strong management teams fit perfectly with our established Group culture.

Valuation

An important part of our acquisition approach is to target businesses at valuations that are attractive.

In general, acquisitions should enhance the Group's margin profile. The identification phase includes businesses not actively on the market as well as those already in a sales process. Potential acquisitions undergo a rigorous qualification procedure and must receive approval from our investment committee before we enter the negotiation stage. Due diligence begins only once there is a clear agreement on the commercial terms.

Volex has a proven track record of successfully acquiring and integrating businesses, with an aggregate investment totalling, approximately, $400 million since the beginning of FY2019. Over this period, the Group has developed and refined a well-structured approach for assessing potential targets.

The integration of our most recent and largest acquisition, Murat Ticaret, is progressing well. This acquired business boasts a strong and resilient operating culture dedicated to delivering high-quality production promptly to a diverse customer base with complex requirements.

DE-KA
Offers market-leading power cord and plug manufacturing, with highly automated production facilities in Türkiye

$85m

Irvine Electronics
Specialists in mission-critical assemblies for defence

$15m

Prodamex & TC
Prodamex brings an appliance wiring harness business, creating cross-sales opportunities. TC bolsters position in the defence market and opens up the Off-Highway market

$19m

inYantra
High-volume PCB assembly based in India

$13m

RDS
RDS is a UK-based supplier of electronic displays, embedded and IOT solutions

$9m

Murat Ticaret
A leading manufacturer of complex wire harnesses for the Off-Highway sector

$196m

2024

Strategic Report

/ Contents

Case study

Acquisition of Murat Ticaret

Our acquisition of Murat Ticaret creates a new, fifth sector for the Group in an attractive market aligned with our strategy to deliver high-quality, specialist manufacturing solutions.

Founded in 1969 and headquartered near Istanbul in Türkiye, Murat Ticaret is a leading wiring harness company operating across three continents. Murat Ticaret specialises in producing complex wiring harnesses and power connectors for the Off-Highway sector. The acquired group supplies major global manufacturers across multiple subsectors, principally in public transportation, construction, agriculture and material handling. In addition to manufacturing services, it delivers value-added services such as engineering and design.

Acquisition rationale

Market leading Off-Highway wire harness manufacturer	• Entry into a fifth sector diversifies the Group further and unlocks a combined customer base while adding non-competing, complementary products to Volex's capabilities across a broad range of geographies.
Diverse and long-term customer base	• Customers include four of the five largest agricultural equipment manufacturers in the world, the largest lift truck manufacturer in Europe and the largest bus builder in Türkiye.
Strong regional footprint	• With nine manufacturing sites across three countries, Murat Ticaret provides additional scale and increases purchasing power of the supply chain.
Track record of profitable growth and strong prospects	• Murat Ticaret has delivered consistent profitable growth and operates in markets with strong structural growth drivers.
Opportunity to expand capacity to meet expected demand	• The fragmented North American market is the largest market for agricultural equipment in the world. By leveraging Volex's existing footprint in North America, there is an opportunity to expand in this attractive space.
Experienced management team committed to the business	• Ensures key operational processes continue seamlessly while integration efforts occur.

Integration observations

The acquisition has provided Volex with immediate scale in a fifth key growth market. We have had excellent initial customer engagement and secured incremental projects. Our existing North American infrastructure and relationships allow us to effectively expand our Off-Highway business in the highly fragmented market, supported by targeted investments in local sales and production.

This expansion enables substantial synergy opportunities, including cross-selling, broadening our customer base and deepening existing relationships. We are committed to continuous improvement through kaizen, optimising processes and integrating best practices across the Group.

Executive Chairman's Statement

FY2024 was another year of significant progress for Volex. Despite headwinds from destocking, we increased revenue to $912.8 million, achieving organic growth of 6.9%, with strong half-on-half sequential growth of 30%. Overall, our business is delivering excellent performance, with strong profitability and cash generation. We now have a leading Off-Highway business, having completed the acquisition of Murat Ticaret in August 2023, further diversifying Group earnings. Delivering consecutive years of record results reaffirms our belief that our strategy is effective and validates our confidence in achieving the five-year plan.

We have doubled revenue in three years, with 40% of this growth from organic expansion. For the fourth consecutive year, we have achieved an underlying operating profit margin within our target range of 9% to 10%. This year, our underlying operating profit was $89.7 million, representing a margin of 9.8%, while underlying EBITDA reached $111.6 million, a 36.8% increase from the previous year. We ended the year with a strong balance sheet and covenant leverage of 1.0x, comfortably within our target range of 1.0x to 2.0x.

Strong organic growth through cycle

FY2024 saw a marked improvement in component availability and supply chain reliability. Some customers rebuilt inventory, leading to increased demand. Others used this stability to normalise inventory levels. Effects varied across markets and customer sectors, but in aggregate we delivered robust organic revenue growth of 6.9%.

Read more about our Strategic Aim on pages 28 to 31

Against particularly strong comparatives for both Electric Vehicles and Consumer Electricals, revenues declined in FY2024 due to normalisation and destocking. However, both sectors showed signs of recovery in the second half of the year.

Lord Rothschild
Executive Chairman

Sales to Medical and Complex Industrial Technology customers increased, driven by improved supply chain conditions, that enabled customers to expedite order backlogs. Additionally, there was a significant boost in sales of high-speed data centre cables, supported by growing demand as technology companies implement artificial intelligence infrastructure.

Integration of Murat Ticaret and our Off-Highway strategy

The acquisition of Murat Ticaret completed at the end of August 2023 and significantly enhances our scale in the attractive Off-Highway market. We generated revenues of $163 million in this sector, producing complex wire harnesses for various applications, including agricultural and construction equipment, buses and coaches, and material handling machinery. This acquisition advances our strategy of providing specialised manufacturing solutions, driving profitable growth, and fostering deep, long-term relationships with our clients.

Integration is progressing well, as we enhance the organisation and embed our working methods and delivery approach. Customer engagement has been excellent, leading to securing several incremental projects and the identification of cross-selling opportunities.

Murat Ticaret is a fast-growing business and we are increasing factory capacity and optimising facilities. We have recruited a talented management team with international experience to support the continued success of the operations and to deliver the integration programme.

A recurring theme in feedback from Off-Highway customers is the desire for us to replicate the high-quality manufacturing services they receive in Europe within the North American market. We are building a team and accelerating our investment in infrastructure to make this happen.

Investing for growth

The complex assemblies and critical components we manufacture are essential to customers' operations. Recent supply chain disruptions have fundamentally reshaped procurement thinking and sourcing strategies. Many customers want to simplify their supply networks, reduce complexity, minimise risk and promote sustainability. This is an unprecedented opportunity to support our customers' localisation initiatives. We are, therefore, actively expanding our manufacturing footprint.

We have significant strength in strategic locations, such as Mexico and Türkiye, which bring manufacturing closer to our clients in the US and Europe. Additionally, we offer extensive capabilities in highly competitive regions, like Indonesia and India.

Relocating production can be challenging and our experienced teams are well-versed in managing such transitions. It is crucial for us to have available capacity that aligns with our customers' project timelines. Consequently, by the end of the summer, we will have added incremental capacity in Mexico, Türkiye, India, Indonesia and Poland. Although this will incur some short-term additional costs, as these sites become operational with customer projects, we anticipate enhanced profitability from these locations over the longer term.

We are disciplined with our returns criteria for capital investment projects and target cash payback within two years of production going live. This industry-leading return enables us to consistently maintain a return on capital employed of over 20%.

Enhancing our organisation

The majority of our products are highly complex, some with hundreds of individual components. To meet the highest quality standards in delivering these critical assemblies, we implement rigorous quality assurance measures and innovative production techniques. Consequently, we employ highly skilled engineers and manufacturing specialists. Over the past year, we have recruited additional experts and invested in enhancing our capabilities in automation and efficient manufacturing.

Our decentralised operating model continues to provide the quick decision-making and flexibility necessary for managing our diverse and complex business. In recent years, we have enhanced this model with regional leadership teams that bring significant manufacturing experience. These teams provide support and governance to the management in our manufacturing facilities. This year, we established a regional leadership team for Türkiye, underscoring the importance of this region to our growth plans.

Sustainability

Our Group is deeply committed to sustainability, integrating it into every aspect of our operations. We collaborate with customers, many of whom are at the forefront of the transition to a low-carbon economy, to provide sustainable power products and connectivity solutions. This approach leverages data-driven insights from our Sustainability Reporting System to prioritise improvements and maximise the benefits we can achieve through our sustainability initiatives.

Since FY2022, we have aligned our sustainability efforts with the UN's Sustainable Development Goals, implementing new environmental management and responsible water use policies. The Group aims to decarbonise its scope 1 and 2 emissions by 2035 and its scope 3 emissions by 2050.

Every production facility contributes to sustainability through tailored kaizen improvement plans, leading to innovations in energy efficiency, waste reduction, and environmental protection. Significant achievements include a 28% reduction in carbon intensity since FY2019, expansion of on-site solar generation and a commitment to reducing water and waste.

Our sustainability strategy also involves addressing scope 3 emissions and enhancing the supply chain's sustainability. The Group has updated its Supplier Code of Conduct and is developing a sustainable procurement policy to further its environmental goals. Overall, we are dedicated to building a sustainable future through continuous improvement and strategic initiatives.

Board changes

In October 2023, Dean Moore stepped down from the Board after six and a half years, during which he served as the Chair of the Audit Committee and our Senior Non-Executive Director. We extend our gratitude to Dean for his support and guidance during this period.

We welcomed John Wilson to the Board in October. John brings a strong background in the technology, components, and connectivity solutions sectors, including his current role as CEO of Bulgin Limited, a leading global manufacturer of sealed connectors and components. John has assumed the role of Chair of the Audit Committee. At the same time, Sir Peter Westmacott was appointed as our Senior Non-Executive Director.

Dividend

Having achieved another year of robust growth and maintaining a strong balance sheet, the Board is pleased to propose a final dividend of 2.8 pence per share. Combined with the interim dividend of 1.4 pence, this totals 4.2 pence for the year, marking a 7.7% increase from the previous year. The Board believes this dividend level is both appropriate and sustainable, reflecting our confidence in the Company's ongoing ability to deliver consistent growth.

Outlook

The improvement in demand from our Electric Vehicles and Consumer Electricals customers towards the end of FY2024 and the beginning of FY2025 is encouraging, indicating a reduction in the impact of destocking in these areas. The significant growth in Medical and Complex Industrial Technology included some one-off catch-up due to better component availability, which is not expected to repeat in FY2025. However, we continue to secure new projects in these sectors, demonstrating how our global capabilities and manufacturing footprint support our growth objectives.

There is a significant opportunity to accelerate our growth in the Off-Highway sector outside of existing geographies served by the Group. Based on customer feedback and requests, we are therefore expediting our plans to launch an Off-Highway business in North America. This initiative will underpin our growth strategy in this sector.

With a clear strategy and execution plan for each of our markets, we are accelerating our investment programme to achieve long-term growth. This includes broadly doubling operational investments and raising capital expenditure to around 5% of revenue for the next year. We enter FY2025 with the business in excellent shape, positioning us to meet our five-year plan targets and deliver sustained growth and value for shareholders.

Rothschild
Executive Chairman

26 June 2024

Our Markets

Macroeconomic trends

At Volex, every activity, every interaction and every production instruction is highly standardised. Yet at the same time, our sales and operations are flexible and responsive to macroeconomic trends.

Climate change

Relevant markets
All sectors

Market drivers

- Improved infrastructure and range are encouraging consumers to choose electric vehicles. Increased demand for EVs will result in further development of out-of-home charging infrastructure
- Transition from internal combustion engines to EVs is backed by a large number of governments and the automotive industry
- Rising fuel costs are changing consumer spending habits: customers are seeking out more energy-efficient home appliances and electric vehicles offer a cost-effective alternative to internal combustion engines
- Public transport is adopting electrification to promote zero emissions

How Volex is responding to these trends

- Volex has been announced as a licensed partner of Tesla for the North American Charging Standard ('NACS')
- Volex's experienced engineering team has developed a broad portfolio of EV components, including charging cables, AC and DC charging systems and energy storage systems to suit demand
- With vertically integrated offerings in our sites, including cable extrusion, we can reduce a product's carbon footprint while also optimising product costs
- Identifying cross-selling opportunities between the Off-Highway and EV sector
- High-quality, traceable products reduce the likelihood of product failure and, therefore, scrap

Technological advancement

Relevant markets
All sectors

Market drivers

- The migration of data and applications to the cloud continues, driven by factors such as cost savings, security and scalability of requirements
- Manufacturers across a large variety of industries are continuing to invest in their Industry 4.0 journeys
- Relocating manufacturing requires additional technology investment in new markets
- Expected increase in adoption of, and reliance on, Artificial Intelligence
- Customer requirement for innovative products in order to stay ahead of the technology curve
- Demand for ever-increasing data processing speeds continues with the evolution of data cables from 400Gbps to 800Gbps and beyond

How Volex is responding to these trends

- Volex offers active and passive Data Centre cables at speeds of up to 800Gbps and are developing next generation products
- Our highly skilled and competent engineering and manufacturing team are well-versed in the latest technology and processes to help our customers with complete and advanced solutions
- Expansion in range of solutions and products available through collaboration and cross-selling between traditional Volex and acquisitions, for example our capabilities in display solutions through the acquisition of RDS

Globalisation

Relevant markets
All sectors

Market drivers
- Customers are looking for tariff-free manufacturing options with logistical and environmental considerations forcing a rethink in existing supply chains
- Increasing freight costs are leading OEMs to regionalise their supply chain
- Customers are de-risking complicated sourcing strategies to use suppliers who are closer to end-markets. The pace of change has been accelerating in recent years due to multiple challenges from existing supply chains

How Volex is responding to these trends
- Volex offers highly integrated production options and has invested in automation, leading to efficient manufacturing and the delivery of cost-effective, high-quality output
- Six sites have undergone expansion in FY2024, allowing us to increase capacity so we can scale up to meet customer requirements
- Volex has a global footprint of sites with accreditations in the medical sector and safety approvals covering every major market for consumer products, allowing us to manufacture products in the regions that our customers need them
- Volex operates in low-tariff and tariff-free locations

Population growth and demographic changes

Relevant markets
Medical, Off-Highway

Market drivers
- Growth in population and urbanisation increases the need for sustainable and safe infrastructure and Off-Highway vehicles
- Long-term declines in mortality rates among those over 65 are driving increased life expectancy, which in turn necessitates greater investment in medical equipment to support the ageing population
- As medical knowledge of conditions expands, the need for innovative medical equipment and integrated solutions increases
- Further deployment in medical technology is required globally to realise the benefits of innovative treatment approaches, such as robotic surgery

How Volex is responding to these trends
- Following the acquisition of Murat Ticaret, Volex achieved immediate scale in the Off-Highway sector and we are developing our Off-Highway offering in North America
- We work with the most advanced medical equipment manufacturers in the world and, with our capabilities and global footprint, have the flexibility to support increasing demand
- Our global accreditations and medical-grade manufacturing make us an attractive partner to customers who require high-quality, traceable products for use in advanced healthcare applications
- Our exceptional operations team are well versed in the latest technology and processes, enabling development of complete solutions for all kinds of medical manufacturing and assembly requirements

The interconnection of global and local needs

Volex has international scale with 28 manufacturing sites and a presence in 25 countries. Our global customer service and production capability provides us with significant advantage in regionalised and fragmented markets, allowing us to deliver the products customers require, when and where they need them.

Localisation of services

The drivers

Our customers are adjusting their sourcing strategies in response to several pivotal factors, including supply chain disruptions, environmental concerns and shifting geopolitical landscapes. These challenges have prompted many customers to streamline and consolidate their supplier networks, with a growing emphasis on relocating manufacturing operations closer to their own facilities. This shift not only supports local economies by fostering job creation and economic stability, but also simplifies logistics, enhancing the efficiency of supply chain management.

Moreover, moving production nearer to customers reduces the environmental impact associated with long-distance transportation. This alignment with sustainability goals is increasingly important as businesses seek to meet regulatory requirements and consumer expectations for environmentally responsible practices. Our extensive global presence and local operational capabilities uniquely position us to support these evolving needs.

Our response

Our responsiveness towards customers' needs

With an efficient global supply chain and sophisticated logistics support, customers benefit from expedited product lead times and more efficient cost management without compromising performance and reliability.

Our world-class facilities are designed for flexibility and adaptability, enabling us to deliver top-quality goods, products and services precisely when and where they are needed. Our global manufacturing approach can accommodate a large variety of products in varying volumes, from small batches to production runs of millions of units.

Responding to customer demands, local market requirements and the need for enhanced capabilities, Volex is actively expanding its capacity and technological acumen through a targeted investment programme. In the first half of the year, we relocated to a new manufacturing facility in Poland, and we are currently expanding our operations in Indonesia, India and Mexico. These strategic expansions are part of our commitment to meet the evolving needs of our customers globally, ensuring that we continue to offer competitive and cutting-edge solutions across all markets.

Integrated services and solutions

The drivers

In today's increasingly complex and competitive manufacturing landscape, customers demand solutions that balance stringent cost-efficiency criteria with the highest standards of quality, precision and durability. This balance is particularly crucial in highly regulated sectors where compliance, reliability and performance cannot be compromised.

Many of our customers operate in highly regulated markets and require accredited suppliers, ensuring that every aspect of the production process adheres to rigorous industry standards. This approach often involves a comprehensive system of supplier qualification and meticulous inspection of raw materials, extending through every stage of production, which includes continuous in-line inspection and rigorous testing of the final products.

Vertical integration is pivotal in ensuring that each component, product and project meets and exceeds established quality benchmarks. This strategy allows for control over each phase of the manufacturing process, from procurement and processing of materials to assembly and final testing, enhancing operational efficiencies, reducing lead times and guaranteeing that the final products meet the high standards required in regulated industries.

Our response

Our design capabilities

Volex is a global leader in Integrated Manufacturing Services ('IMS') for performance-critical applications and a supplier of power products. We are a value-added solutions provider serving a diverse range of markets and customers. Our teams have a wealth of experience and are experts in cable assemblies, higher-level assemblies, data centre power and connectivity, electric vehicle charging and consumer electricals.

Our Integrated Manufacturing Services business delivers technically sophisticated manufacturing solutions. We leverage our experience and insight across a wide range of industries to develop specialised solutions and drive product innovation, supply chain efficiencies and improved time-to-market.

We bring together the expertise and resources from across North America, Europe and Asia to create an aligned, tailored and dedicated proposition. We pride ourselves on being a proactive and dependable partner who delivers world-class, future-facing solutions.

We are a vertically integrated business

With a knowledgeable sales team, global expertise in our chosen markets, design skills, integrated manufacturing capabilities and precision testing, we support our customers throughout the whole product process. Recent acquisitions have complemented our market offerings and allow Volex to create increasingly complete customer solutions.

Our core engineering competency has enabled us to broaden our portfolio offering for EV and data centre products. Additionally, the engineering team liaise with our customers, listening to their needs, and developing solutions to meet their complex requirements.

As part of our vertically integrated manufacturing capabilities we have in-house cable extrusion; having ready access to a high-quality supply of cable allows us to scale up for increased demand, particularly in Electric Vehicles and Consumer Electricals manufacturing, where copper is a key component. Being highly vertically integrated with significant automation, we remain competitive on pricing and have the ability to improve product quality and manufacturing efficiency.

Value creation that makes a difference

Business model

Led by our purpose:

Delivering best-in-class critical connections.

That drives our mission:

To provide safe, sustainable and high-quality critical power and data connectivity-related solutions in our chosen markets. Enabling our customers to thrive in an era of rapid technological acceleration through our manufacturing excellence, global footprint and rigorous quality assurance.

Key resources

Engineering and design capabilities

Our exceptional research and development employees, alongside our skilled engineering teams, create new products and unique solutions to our customers' complex problems. With many years of experience in accredited industries, we possess the expertise in design and manufacturing to guarantee our products meet the highest levels of quality and safety. We constantly look at ways to improve our manufacturing processes through automation and vertical integration to deliver cost-effective solutions.

Remarkable talent

Volex is guided by a dedicated and experienced leadership team that shape and drive the direction of the organisation. Our regional structure empowers local management to make critical decisions on-site and implement plans to optimise performance within our production facilities. Within this framework, our teams thrive in a collaborative environment where talent is cultivated and professional development is encouraged.

Globalised business

Our unique global footprint aligns with localisation trends, as many customers are shifting from complex and disjointed sourcing strategies to suppliers closer to end-markets. The rapid evolution in recent years has been driven by multiple challenges within existing supply chains. In response, we have been investing in capacity at strategically located production facilities to support our customers now and in the future. Volex's global customer service and production capabilities provide a significant advantage in regionalised and fragmented markets.

Market expertise

With best-in-class processes and the highest levels of quality and safety, bolstered by medical and defence accreditations, we are a trusted long-standing manufacturing partner to global blue-chip customers. Partnering with us allows our customers to benefit from market-specific manufacturing excellence and deep technical expertise refined over many years.

Our culture

Our culture instils pride and shapes our approach and operations. Our teams are deeply committed to our customers and through collaboration and dedication, we ensure the delivery of on-time solutions that are right the first time, every time. By fostering teamwork and continuous improvement through kaizen, we harness the full potential of our people to achieve operational excellence.

Our financial model

Profitable growth

Volex has shown strong financial progress over the years with revenue doubling since FY2021 whilst maintaining margins in our target range of 9-10%.

Consistent operating margins

- Operating profit has been improved through acquisitions and organic growth
- Margins maintained despite significant economic headwinds
- Investment in vertical integration to reduce manufacturing costs and targeted automation to improve quality and efficiency

Disciplined capital allocation approach

Investment and innovation

- Targeted investments in capital expenditure have been made, enhancing capabilities to support long-term growth
- Majority of capital expenditure investments deliver cash payback within two years
- Investing in capacity to support customers localisation strategies for the long term
- Research and development to supportive innovative product development

Successful acquisitive approach

- Acquisitions are a fundamental part of our growth strategy
- Diversifies our capabilities, customer base and manufacturing footprint
- c.$400m spent on acquisitions since FY2019

Enhanced shareholder value

- Sustainable through-cycle dividend
- If other opportunities for cash deployment are not available, surplus capital would be returned to shareholders

Supported by the way we operate:

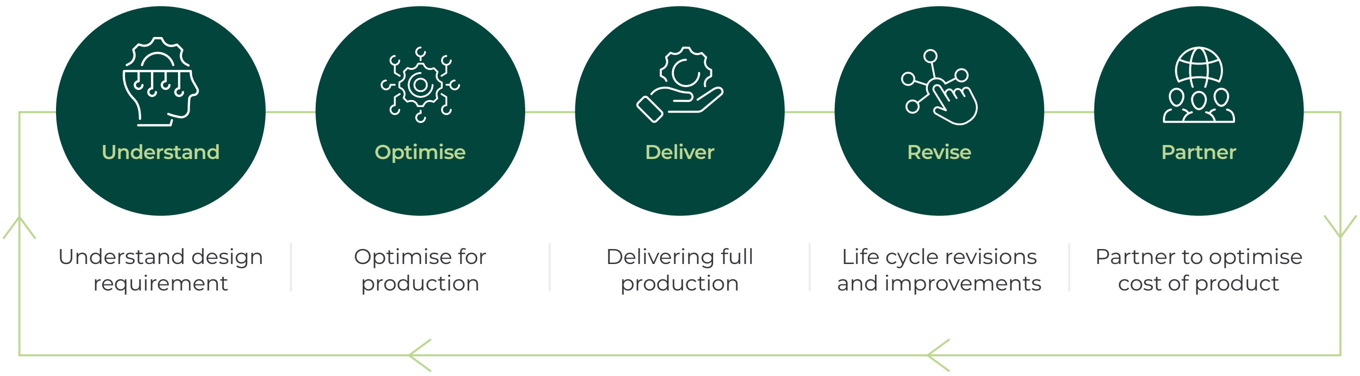
Our teams collaborate effectively, putting the customer first in everything that we do. By harnessing the expertise of our global organisation, we solve problems quickly and share best practice. This allows us to be competitive and efficient.

Our operating model

Supporting customers through the project life cycle

Volex's global teams possess the expertise to deliver exceptional results, from design and development to final delivery. Our capabilities span from high-volume power cords to custom cable harnesses for advanced fabrication technologies, from EV charging cables to box build solutions for mission-critical aerospace devices. Our expertise in these fields is complemented by fast prototyping, flexible and agile manufacturing and rigorous testing. Dedicated project management teams ensure solutions are delivered on budget, using high-quality materials to precise specifications. Additionally, Volex's global sourcing and logistics systems facilitate on-time delivery, installation and support.

All these skills, supported by knowledgeable account management teams will ensure that, with Volex, our customers will receive a simply first-class solution.



Leading practices

Best-in-class processes across our market sectors

Diverse range of manufacturing capabilities

Read more about our **Operational Excellence** on page 30

Best-in-class processes and quality assurance

Read more about our **Integrated Services and Solutions** on page 08

Global footprint of accredited sites to support localisation

Read more about **Localisation and our response** on page 22

Acting responsibly

We continuously monitor and improve our business practices to demonstrate our credentials as a sustainable, responsible and trusted business.

UN SDGs

We publish performance data through trusted disclosure platforms to provide our stakeholders with independent assurance.

Sustainability ratings

Value creation that makes a difference

Business model continued

Driven by a decentralised approach:

Our decentralised approach allows fast, effective decisions by local management.

Optimising our performance

A decentralised approach

We are an international community with a decentralised approach: our managers are given responsibility and autonomy in managing local operations. This approach enables our experienced regional teams to make quick responses to the local business environment. Our global customers have access to one global supplier, but one with detailed knowledge of their key local markets and an ability to reduce local lead times.

Key functions are managed from the centre:

Drive culture

With a shared set of values, our leadership team establish the tone for the Group. The relentless focus on operational excellence and the continuous improvement framework are prevalent throughout our business.

Set strategy

Volex is led by a group of highly committed and experienced individuals that shape and drive the direction of the organisation. With a clear alignment over the strategic direction of the Group, we ensure that everyone is working together to achieve our targets.

Capital management

Decisions around the allocation of both organic and acquisition capital investments are taken by Group senior management. This ensures that at a holistic level the Group can generate the best possible returns from the investment made.

Orchestrate operations

Local management is empowered to make timely decisions, ensuring prompt and effective action. Through monthly review meetings at each site, Group management oversees operations to maximise efficiency.

Promote collaboration

Central management fosters collaboration by promoting open communication channels and incentivising cross-functional teamwork. They also establish technology platforms that enable teams from various locations to connect and collaborate effectively.

Share expertise

Our teams are encouraged to produce high-quality and complete solutions by working together and sharing knowledge. Kaizen initiatives and best practices are actively shared across the Group to ensure all businesses benefit from continuous improvement.

Where every moment matters:

We create impact that provides value and positive societal benefits.

Value generated

Shareholders

We are firmly on track to achieve our ambitious five-year target of $1.2 billion of revenue by FY2027, driven by organic growth and strategic acquisitions, while maintaining profitability. We boost shareholder value through a sustainable, through-cycle dividend policy and are focused on increasing the enterprise value.

7.7% increase in dividend per share

Customers

Customers are at the heart of our business. We actively engage with them from design to delivery and beyond. The enduring relationships we build are a testament to our supportive approach and the high quality of our products. Our extensive global footprint enables us to deliver precisely where and when our customers need us.

Global workforce of **14,000** employees across 25 countries

Employees

Our people are central to our operations and are the driving force behind our innovation and continuous improvement. We commit to investing in our team by providing training and development opportunities throughout the organisation at all levels, nurturing our talent from within. By offering career advancement, internal promotions, a comprehensive rewards package and a positive workplace culture, we fully support our employees' growth and satisfaction.

119.8 thousand hours of training

Suppliers

With an experienced procurement team, we actively collaborate with our suppliers to streamline our global supply chain and optimise logistics. Customers benefit from faster product lead times and more efficient cost management without compromising performance and reliability.

Communities and environment

At Volex, we encourage all our factories to consider their carbon footprint and what actions can be taken at a local level to achieve the Group global target of net zero scope 1 and 2 emissions by 2035. Our sites actively engage with their local communities, addressing a variety of issues that are crucial to our workforce and central to our corporate responsibility.

Net Zero scope 1 and 2 by 2035

Social and societal benefits

Electric Vehicles

As environmental pressures intensify due to climate change, the adoption of electric vehicles is steadily increasing. Regarded as a sustainable choice, electric vehicles play a crucial role in reducing the consumption of fossil fuels.

Read more about Electric Vehicles on page 41

Consumer Electricals

Consumer technology encompasses items utilised in day-to-day life. With the latest models and developments, consumer electricals are enhancing communication, access to information and quality of life. As technology continues to develop, consumer electricals are becoming more efficient and cost effective, making products more readily accessible.

Read more about Consumer Electricals on page 42

Medical

With an ageing global population, the development and availability of medical equipment is crucial for supporting healthcare systems worldwide. Technology-driven solutions are key to enhancing the affordability of medical care, enabling faster diagnoses and improving patient outcomes.

Read more about Medical on page 42

Complex Industrial Technology

Industrial technology combines science and engineering to develop more efficient, cost-effective solutions. Industries are increasingly adopting automation technologies to enhance efficiency, reduce waste and improve product quality.

Read more about Complex Industrial Technology on page 43

Off-Highway

As countries prioritise net-zero targets, public transport is undergoing electrification to support zero-emission initiatives. Simultaneously, the agricultural industry is embracing technologies tailored for its needs, such as automation and Advanced Driver Assistance Systems, which enhance both farming efficiency and safety.

Read more about Off-Highway on page 43

Strategy

We exist to continuously enhance and maximise value for all our stakeholders. As a diverse and resilient business with solid fundamentals, we are well-positioned to achieve this objective. By leveraging our manufacturing prowess and engineering expertise, we are committed to sustaining and increasing profitability. Our track record highlights our ability to sustain operating margins and increase revenues, fuelled by our dedication to continuous improvement and efficiency.

Our strategy is geared towards optimising profitability and cash flow, enabling us to expand our capabilities and pursue strategic acquisitions that enhance shareholder returns. We are dedicated to achieving consistent growth and maximising margins, which generates robust free cash flows for reinvestment and further acquisitions.

We take pride in our team's commitment and passion, which drives our focus on securing long-term growth for every stakeholder involved.

What we have delivered

Strong revenue expansion:

Revenues delivered in FY2024 of $912.8 million were double those achieved in FY2021, a compound annual growth rate of 27%. This has been achieved through a combination of organic growth and successful acquisitions.

Consistent, stable margins:

Over the past four years, we have consistently achieved robust underlying operating margin in excess of 9.0%, in line with our stated range of 9-10%. Between FY2016 and FY2020, our successful transformation enabled us to increase underlying operating margins from 2.0% to 8.1%.

Further progress in FY2024:

In a tough year for manufacturing businesses, we have delivered excellent organic revenue growth of 6.9%. Combined with the acquisition of Murat Ticaret, this puts us comfortably on track to deliver the five-year plan. Underlying operating margins of 9.8% are a record high for our business. We continued to invest in capacity expansion and in the high growth areas of our business, as well as our investment into research and development, which will fuel the growth of the business going forwards.

Year-on-year revenue growth

26.3%

Underlying operating margin

9.8%

Three-year revenue CAGR

27.2%

Number of years margins >9%

4 years

What we are doing

Quality management team makes us an attractive investment

Management owns more than 25% of the Company's shares, ensuring excellent alignment between shareholder priorities and the actions of senior management. The Volex management team is deeply committed to fostering a successful and expanding business for our shareholders. We are extremely confident in Volex's long-term prospects, bolstered by organic growth opportunities and a healthy acquisition pipeline.

Fragmented markets

Operating in highly fragmented markets presents numerous opportunities to expand our market share both organically and through strategic acquisitions. Our deep understanding of delivering value in our chosen sectors, combined with our extensive global presence, gives us a significant competitive advantage over other companies in the same sectors.

Investing for our future

Aligned to our capital allocation policy, we have continued to invest capital expenditure in our business to support our future growth. This has been focused on improving the capacity across the Group, with expansions implemented or in progress in Mexico, Indonesia and India. The vast majority of our investments are approved based on a less than two-year payback period and are supported by customer demand.

Leveraging our global footprint

The disruption caused by the pandemic accelerated a significant shift toward localisation. Customers are streamlining their complex supply chains and our unique global footprint positions us ideally to capitalise on this trend. We have the capability to manufacture our products close to our customers, regardless of their location, enabling us to provide tariff-free options. This strategic positioning ensures both convenience and cost-efficiency for our clients.

Our acquisition strategy

Acquiring and integrating exceptional businesses into Volex is an important element of our growth strategy.

What we look for in an acquisition

- Strong customer relationships
- Additional capabilities
- Attractive markets
- Strong cultural fit
- Compelling valuation

Customers

Capabilities

Location

Culture

Where we are heading

01

Our five-year plan, announced in June 2022, set out our ambition to achieve revenues of $1.2 billion by the end of FY2027 with new acquisitions contributing at least $200 million to this target. As part of our five-year plan, we will deliver a blended underlying operating margin in the range of 9–10%.

02

We are firmly on track to achieve the five-year plan having delivered revenues of $913 million and underlying operating margins of 9.8% in FY2024.

03

Following the acquisition of Murat Ticaret, annualised revenue from acquisitions completed since the end of FY2022 is greater than $200 million.

To achieve this ambition, we are:

- Focusing on high-growth opportunities, particularly Electric Vehicles, Data Centre and Off-Highway markets
- Optimising the sales organisation
- Investing in expanding capacity and capabilities
- Investing in research and development, vertical integration and efficiencies
- Identify, complete and integrate strategic acquisition targets

Strategy continued

There are five key pillars underpinning our strategy, designed to position us for growth while optimising profitability and cash generation. These pillars form an integral part of our plan to develop a world-class manufacturing organisation.

Product development

What this means

Renowned for the exceptional quality of our products, we collaborate closely with our customers from the initial design phase through to delivery. Our process engineers tackle manufacturing challenges by engaging early in the design process to thoroughly understand complex requirements. Meanwhile, our research and development teams are at the forefront of innovation, continually developing advanced products that cater to the next generation of technologies in our rapidly evolving markets. Increasingly, the products we sell feature elements that have been meticulously designed by Volex.

Strategy in action

Having successfully developed 800 Gigabit-per-second high-speed data centre cables, we have begun production for this new generation of high-speed cable. We are expecting sales of these cables to accelerate over the coming years as data centre providers upgrade their infrastructure.

Future priorities

Our research and development teams are dedicated to future developments in our Electric Vehicles and Data Centre markets. In the Electric Vehicles space, our efforts are particularly focused on enhancing charging technologies to ensure that we maintain and expand our market-leading portfolio of products. As the high-speed Data Centre market evolves at a rapid pace, our strategic technical partnerships are crucial in broadening and improving our array of solutions. These collaborations enable us to stay at the cutting edge of technology, ensuring we meet the dynamic needs of our customers and maintain our competitive edge in these fast-moving markets.

Link to KPIs: A, C, G

Link to Risks: 2, 8, 9, 10, 13

Revenue growth

What this means

At the core of our operations, the customer's needs and expectations drive all that we do. Strong, consistent and transparent customer communication have been fundamental to maintaining exceptional service and responsiveness, especially given ongoing supply chain challenges.

We cultivate a thorough understanding of our customers' operations, recognising the critical need to be responsive at every touchpoint of the customer journey. By identifying opportunities to deliver additional value through enhanced solutions, we not only deepen our relationships with existing customers, but also fuel the growth of our business.

Strategy in action

Following our decision to expand our site in Tijuana, Mexico, in FY2024, we won an EV contract with a leading North America-based automotive manufacturer, securing annualised revenues of $30 million.

We further enhanced our EV sector credentials by being granted a licence from Tesla to produce the North American Charging Standard coupler.

Future priorities

We are dedicated to continuously developing and enhancing our sales team to deepen our understanding of our customers and effectively identify support opportunities. Additionally, we are actively engaging with Murat Ticaret's customers to strengthen our relationships and offer further support, ensuring we comprehensively meet their needs. To highlight our expanding capabilities, we are also investing in targeted marketing and customer communication programmes.

Link to KPIs: A, B, D

Link to Risks: 2, 3, 4, 8, 9

Operational excellence

What this means

Continuous improvement is deeply embedded in our culture across all levels of the organisation, from the production floor to the support functions. We relentlessly pursue efficiency gains and process enhancements. Our aim is to establish a best-in-class organisation that leverages its global footprint and scale to optimise production and deliver substantial value to our stakeholders.

Local managers receive firm support from senior leaders, empowering them to drive positive change throughout the organisation. This collaborative approach ensures that we continually enhance our operations and maintain our competitive edge.

Strategy in action

Each year, we implement numerous operational improvements. These include ideas originating on the production floor as well as senior management initiatives. Underpinning these operational enhancements is the kaizen culture we foster throughout the Group. This culture of continuous improvement results in the implementation of hundreds of innovative ideas each year, significantly enhancing our operational efficiency and effectiveness.

Future priorities

At the site level, we have identified numerous opportunities for optimisation that will reduce our manufacturing costs while simultaneously elevating our standards of quality and safety. These opportunities will constitute a fundamental part of our capital expenditure strategy for FY2025.

Link to KPIs: B, D, E

Link to Risks: 4, 5, 7, 12, 14

Investment and acquisition

What this means

Our capital allocation policy places huge importance on investing both organically in capital expenditure and through strategic acquisitions. Supported by a robust balance sheet and good access to funding, we are well-equipped to continuously invest for growth. Our approach to acquisitions is agile, bolstered by a strong network within Volex senior management.

We have substantial organic investment opportunities within our existing operations that are projected to deliver attractive cash returns. Notably, many of our capital investment programmes are expected to achieve cash payback within two years.

Strategy in action

The transformative acquisition of Murat Ticaret was completed in H1 FY2024, providing access with scale to a fifth end-market, significant additional revenue and margin expansion.

Due to the growth we have seen in recent years, we have invested in expanding our footprint in a number of territories to provide additional capacity to ensure that we can continue to provide excellent service for our customers when and where they require it.

Future priorities

Our acquisition pipeline remains varied and interesting, with opportunities which are at various stages in the acquisition process.

Consistent with previous years, we have conducted a thorough review of our future needs to develop a detailed capital investment plan for FY2025. This plan is designed to support our growth and includes the completion of several expansion projects.

Link to KPIs
A B H

Link to Risks
1 11

Remarkable talent

What this means

We have highly skilled and capable teams around the globe, critical to the success of our business. These talented groups are dedicated to delivering excellent value for our stakeholders. They are led by a strong and experienced management team, unified by a clear set of goals and a shared purpose, which complements our culture and underpins our operations.

Strategy in action

Building on our strong regional leadership, we have invested in enhancing the regional capabilities and improving their depth. Following the acquisition of Murat Ticaret, we have established a robust leadership team in Türkiye. These strategic investments empower our teams to execute ambitious transformation activities across the organisation.

Additionally, our Site Excellence Awards programme encourages outstanding performance. By recognising and celebrating excellence throughout the Group, we motivate our sites to achieve and maintain high standards of operational excellence.

Future priorities

Our skilled teams are actively encouraged to design and implement incremental improvements, an approach that not only fosters valuable ongoing professional development, but also expands their responsibilities.

We are committed to investing in our high-performing team members, supporting their growth and enhancing their skills. By maintaining a competitive reward structure that recognises and compensates our employees fairly, we continue to excel in a competitive marketplace.

Link to KPIs
C F H

Link to Risks
6

Key to KPIs

- A Annual revenue change
- B Underlying operating profit
- C Return on capital employed
- D Underlying free cash flow
- E Underlying basic EPS
- F Employee safety
- G Scope 1 and 2 carbon emissions
- H Carbon intensity

Key to Risks

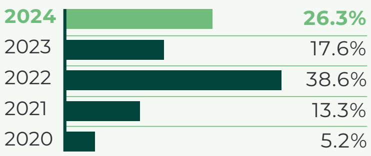
- 1 Acquisition integration
- 2 Market competition
- 3 Customer concentration
- 4 Global economic conditions
- 5 Supply chain
- 6 Staffing and people
- 7 IT and cybersecurity
- 8 Product quality
- 9 Technological change
- 10 Climate and environment
- 11 Access to finance
- 12 Commodity prices and FX rates
- 13 Regulatory compliance
- 14 Financial controls

Key Performance Indicators

We use a range of metrics, reported periodically, against which we measure Group performance. These metrics are aligned to our strategic priorities and to the key risks of the business.

Financial KPIs

A Annual revenue change (%)



Definition
Change in reported revenue compared to the previous year.

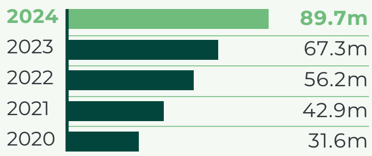
Relevance
Through consistent customer service and the right sales mix, we aim to drive higher revenue.

Performance
Continuing increases in organic revenue as a result of leading positions in attractive, diversified end-markets and contribution from the transformative acquisition of Murat Ticaret.

Link to Strategy

Link to Risks
2 3 4 8 9

B Underlying operating profit ($m)



Definition
Operating profit before adjusting items and share-based payment expense.

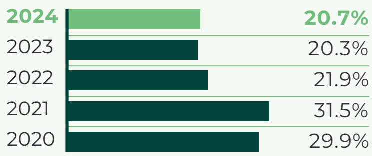
Relevance
Optimising profitability is central to our strategy. This is realised through a robust pricing strategy and efficiency programmes.

Performance
Operating margins achieved within target range, demonstrating stringent cost control during volatile market conditions.

Link to Strategy

Link to Risks
1 4 5 12

C Return on capital employed (%)



Definition
Underlying operating profit as a percentage of average net assets excluding net cash/debt.

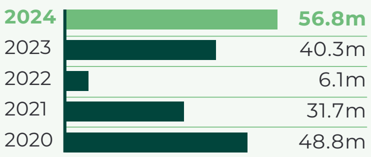
Relevance
This measures return on the equity asset base as the Group continues to grow.

Performance
Returns at similar levels to prior year, despite significant investment in acquisitions, which have typical returns of 15%, as profitability increased from FY2023.

Link to Strategy

Link to Risks
1 5 7 14

D Underlying free cash flow ($m)



Definition
Underlying free cash flow is the net cash before financing activities and excluding costs of acquisition, adjusting items and share-based payments.

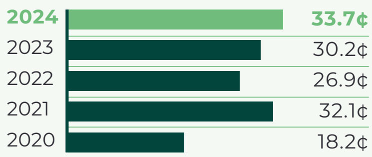
Relevance
We aim to maximise cash generation to fund further acquisitions and support the growth of the business.

Performance
Strong free cash flow generation due to growth in profit, combined with working capital inflows, less capital expenditure.

Link to Strategy

Link to Risks
1 8 11

E Underlying basic EPS (cents)



Definition
Basic earnings per share adjusted for the impacts of adjusting items and share-based payment expense, net of tax.

Relevance
This measures the growth and profitability of the Group and is a measure used by investors when assessing the business.

Performance
The expansion of the business organically and through acquisition have improved EPS.

Link to Strategy

Link to Risks
1 8

Non-Financial KPIs

F Employee safety (accident frequency rate)

Definition
Reportable accidents (a lost time accident resulting in more than one day of time loss) per million hours worked.

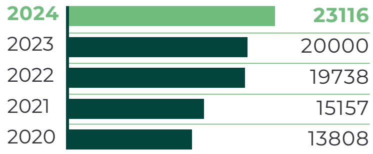
Relevance
Ensuring the safety of our workforce is our first priority. We ensure that every site takes safety seriously to deliver a healthy and safe working environment.

Performance
This has increased slightly. 13 sites achieved zero lost time accidents in FY2024. This KPI excludes our Murat Ticaret business and therefore represents 69% of our global workforce.

Link to Strategy

Link to Risks 6 13

G Scope 1 and 2 carbon emissions (tCO_2e)



Definition
Total amount of carbon dioxide equivalent tonnes (tCO_2e) of scope 1 and 2 emissions. Includes all material emission sources within the financial control boundary.

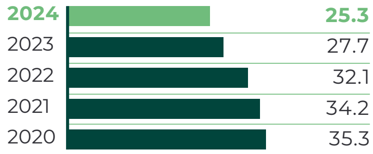
Relevance
We are committed to reducing the carbon emissions associated with our operations.

Performance
The increase is due to the Group expanding, but the implementation of energy-efficient processes and operations have limited the increase in emissions.

Link to Strategy

Link to Risks 10

H Carbon intensity



Definition
Carbon dioxide equivalent tonnes of scope 1 and 2 emissions (CO_2e) per $m revenue.

Relevance
Intensity ratio of gross global emissions in tonnes of CO_2e per million dollars of revenue is a common business metric for our industry sector.

Performance
As our revenues have grown, we have successfully controlled the increase in our carbon emissions by moving to less energy-intensive manufacturing and increasing our use of renewable energy.

Link to Strategy

Link to Risks 10

Key to Strategy

- Product development
- Revenue growth
- Operational excellence
- Investment and acquisition
- Remarkable talent

Key to Risks

1 Acquisition integration
2 Market competition
3 Customer concentration
4 Global economic conditions
5 Supply chain
6 Staffing and people
7 IT and cybersecurity
8 Product quality
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10 Climate and environment
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14 Financial controls

Operational review

How is the Murat Ticaret integration progressing?

We used the time we had during the due diligence phase to really understand the business. This allowed us to establish a clear plan about what we needed to do during the first 100 days of ownership. We have acquired an excellent business with some significant new customers. The response of customers and our new colleagues has been extremely positive.

The current focus is on enhancing processes within Murat Ticaret to ensure they are consistent with the high standards that we have across our entire organisation. We are also engaging with our Off-Highway customers to look at how we can best serve them in other geographic markets – particularly in North America. Overall, we are very pleased with the business we have acquired and the progress we are making around integration.

How has the approach to integration developed?

We've now acquired 12 businesses in the last six years. When we made our first three acquisitions back in 2018, we ran them on a standalone basis, concentrating on aligning around key control areas. This worked well given that we manage our operations in a decentralised way, with experienced local managers able to make timely decisions.

As our Group has developed, we have increased the scope of our integration process, having experienced and recognised the clear benefits from a common operating model. We've had some significant successes through cross-selling. It has also been great to bring together sales, operations and engineering specialists from our different entities so that they can work together to deliver innovation and operational improvements.

Lord Rothschild
Executive Chairman

John Molloy
Chief Operating Officer

What characteristics do you look for in acquisitions?

One of the reasons we have been able to acquire some very successful businesses for attractive valuations is that we keep an open mind to acquisitions and we consider a broad range of targets. We have bought businesses in markets that we understand well, where we have a good insight into why the commercial proposition is compelling for the customer.

In terms of what an ideal acquisition would look like, it would bring great customers and scale in a specialist manufacturing area. Location is important because we want to make sure we have an experienced team available to support the integration activities. With so much growth happening around the Group, this is a key consideration.

How do you determine where to invest?

We are a customer-centric organisation, so a lot of our decisions about investment start with the customer. We have very close relationships with many of our customers, giving us an insight into their future requirements. This shapes our investment strategy both in terms of where we look to grow our production footprint as well as enhancing capabilities.

The other key element is enhancing efficiency. Our continuous improvement culture drives us towards identifying ways to optimise our production and improve our delivery. This allows us to continue to deliver excellent value to our customers, which allows us to win more opportunities.

What are the localisation trends that are impacting the market?

There has been a significant shift in the way our customers approach procurement. With all of the disruption experienced in supply chains in the last couple of years, there is a trend towards reducing complexity and eliminating risk. Often, this involves choosing a supplier who can manufacture closer to home. This is a major opportunity for Volex, given our global footprint and our capabilities in attractive markets like Mexico and India.

It's worth noting that moving the complex products that we manufacture is not simple. Our engineering capabilities and experience give our customers confidence that we can deliver a seamless process when they look to transfer production from alternative providers. This is also why it is so important that we have capacity available now. Once customers have moved production, they will have little appetite to move it again for some time. As a result, we are bringing on incremental capacity to support the current wave of demand to localise production.

What have been some of the major projects the team has delivered this year?

It's been a really busy year. There has been a lot of focus on expanding some of our key sites so we can support our customers' growth requirements. This gives us a platform to deliver the incremental revenue we require to hit our five-year plan.

We also worked closely with one of our major customers to deliver a complex and critical assembly for one of their flagship electric vehicle projects. This required close collaboration between our production specialists and the customer's engineering team. Our ability to support challenging technical requirements through the manufacturing process is a real differentiator and contributed to the successful delivery of this programme.

What do you see as the major growth opportunities for the remainder of the five-year plan?

One of the things that is so exciting right now is that we can see excellent opportunities in all parts of our business. We have deliberately aligned ourselves to markets with significant structural growth drivers, which gives us a lot of confidence in our ability to deliver growth.

Localisation is a significant trend in manufacturing and we see this as particularly relevant for the complex, mission-critical assemblies that are an essential part of our customers' advanced technology products. For our higher volume customers, the efficiencies and production enhancements we have secured are helping us win new business based on competitive pricing and exceptional quality. We are also very excited by what we can deliver in Off-Highway, where we have great capabilities and long-standing relationships with some very important customers.

How have your capabilities and locations developed in recent years?

We are fortunate to operate in markets with strong structural growth drivers, as well as serving customers who are growing strongly as they deploy innovative technology. As a result, we need to invest in expanding our available manufacturing footprint and ensure that we can support the increasing demand.

We have had a particular focus on being able to deliver high-quality manufacturing in competitive locations, which can help customers reduce supply chain complexity or reliance on a particular region. We listen carefully to what our customers need so we can improve our offerings and have the right combination of specialist services to support their developing product sets.

What's the most important factor in delivering success?

Delivering advanced manufacturing requires a combination of people, processes and technology; but it's the people that drive the business. We have an amazing team of hard-working and talented individuals, who are able to collaborate and support the requirements of our customers. Given the importance of people to our business, we put a lot of time and effort into talent management, personal development and succession planning.

What are the key challenges you are dealing with at Volex?

Customers want to partner with us because we provide excellent customer service, competitive pricing and exceptional quality. Delivering this requires a continuous focus on operational excellence throughout the organisation. This is particularly relevant given the growth that we are experiencing, both as we onboard new customer projects and support the transfer of production between locations.

With so much happening across our organisation, robust project management skills and good communication is critical. We have well-established teams who work together effectively to allow us to hit key milestones and to respond to changing customer requirements. There is definitely a lot going on at the moment and it is very satisfying to see us delivering on our commitments.

Performance review

The Group has achieved strong results, showing good revenue growth and increased profitability, and is on track with its five-year plan. The acquisition of Murat Ticaret has improved both revenue and profitability and has expanded our presence into a fifth end-market sector, speeding up our diversification. Our operations across varied end-markets have made our business resilient, allowing us to deliver strong financial performance even in varied market conditions.

Over the past year, supply chains continued to normalise and the lead time variability experienced in the prior periods reduced. This has resulted in two contrasting market dynamics. In our high complexity areas, component availability improved enabling our customers to address significant backlogs that had accumulated. Conversely, in the higher volume parts of our business, the more stable supply chain conditions allowed customers to reduce their inventory levels.

Trading performance overview

The Group generated revenue of $912.8 million (FY2023: $722.8 million), an increase of 26.3% compared to the previous year. This included organic revenue growth of 6.9% and $142.9 million contribution from acquisitions, being principally the recently acquired Murat Ticaret business, in addition to the full-year effect of our FY2023 acquisition.

Customers with complex requirements accelerated demand thanks to better availability of components, with organic revenue growth of 15% in Medical and 32% in Complex Industrial Technology. Supply chain improvements and stability allowed other customers to reduce buffer stocks. This effect was seen in Electric Vehicles, where there was an organic revenue reduction of 10% and in Consumer Electricals, where the reduction was 8%. Underlying operating profit increased by 33% to $89.7 million (FY2023: $67.3 million), primarily due to the acquisition of Murat Ticaret. Statutory operating profit also rose to $63.9 million (FY2023: $53.8 million) and included adjusting items and share-based payments of $25.8 million (FY2023: $13.5 million).

The Group's underlying operating margin was 9.8%, an improvement of 50 basis points, driven by higher volumes, stringent cost controls, vertical integration efficiencies, sales mix and the acquisition of Murat Ticaret. This improvement, achieved despite macroeconomic challenges and inflationary pressures, demonstrates the resilience and agility of our business. Additionally, we have continued to invest in expanding the capacity of the business to support future growth.

Strong free cash flow generation and an equity raise earlier in the year supported capital investment, dividend payments and acquisitions spend of approximately $177 million. Consequently, net debt (before operating leases) was $121.1 million at 31 March 2024 (2 April 2023: $76.4 million), excluding $32.9 million (2 April 2023: $27.3 million) of operating lease liabilities. The covenant net debt to adjusted EBITDA ratio was 1.0 times (FY2023: 1.0 times) giving the Group significant headroom.

Impact of the macroeconomic backdrop

Volex remains well positioned to navigate the challenges of a dynamic macro-environment. This strength is supported by our diverse markets, extensive capabilities and global manufacturing footprint. These core strengths have been essential to our continued strong progress, enabling us to overcome disruptions to global supply chains, as well as the challenges posed by Covid-19 and the war in Ukraine.

Although inflation rates remain elevated in many parts of the world compared to the previous decade, they have moderated from the previous year. Our well-defined and transparent process for managing inflation is well understood by our customers. For power cord customers, where copper is a significant part of our bill of materials, contracts allow for the pass-through of cost changes to the customer, although there can be a short time lag in implementing price changes. Other price inflation is addressed through price discussions with customers, which occur on a regular basis, such as quarterly, or on an ad hoc basis as necessitated by changes in costs.

Supply chains continued to improve, allowing some customers to accelerate production to address backlogs, while others optimised inventory levels and reduced buffer stock. The normalisation of supply chain conditions also allowed the Group to improve working capital, resulting in net cash inflow for the year.

Revenue by reportable segment

Volex partners with a wide range of global blue-chip businesses. Supporting our customers is integral to our business model, and our global footprint allows us to achieve this effectively. Customers increasingly require manufacturing in multiple locations to mitigate the risk of supply chain disruption from any single country and to align production closer to where the final product is manufactured. Our regional operational focus supports these needs and we, therefore, analyse our customer revenue geographically. Revenue is allocated based on where the customer relationship is managed, reflecting our customer-centric approach.

North America

North America represents our largest customer segment, where we collaborate with some of the region's major technology companies and global innovators. This segment comprises 40.8% of Group revenue (FY2023: 47.0%). Revenue grew by 9.6% to $372.3 million (FY2023: $339.8 million). This reflects some of the strong organic growth we experienced with our Medical customers and within Data Centres, supplemented by the contributions from the Murat Ticaret North American customers. Offsetting these are the reduction in revenue levels within the Electric Vehicles and Consumer Electricals end-markets as customers rationalised inventory levels.

Asia

Asia constitutes 20.3% of Group revenue (FY2023: 23.7%). Asia revenue increased by 8.0% to $185.1 million (FY2023: $171.4 million). The increase is largely because of the growth from inYantra, which is exposed to the rapidly expanding Indian market. However, this positive trend was somewhat mitigated by the normalisation seen in the Consumer Electricals end-market.

Europe

Europe now accounts for 38.9% of Group revenue (FY2023: 29.3%). Revenue in Europe increased by 68.0% to $355.4 million (FY2023: $211.6 million) principally due to the acquisition of Murat Ticaret. Additionally, strong organic growth from our Medical customers and the annualised impact of the FY2023 acquisition of RDS contributed to the year-on-year revenue increase.

Revenue by customer sector

Electric Vehicles

Revenues in Electric Vehicles were lower year-on-year against a particularly strong comparative. In FY2023, customers built up buffer stocks to mitigate the impact of variable lead times. In FY2024, our customers were able to reduce their inventory as lead times normalised, resulting in a reduction in demand. Organic revenue from our Electric Vehicles customers decreased year-on-year by 10% to $123.7 million (FY2023: $138.3 million), but still 19% higher than FY2022, illustrating sustained growth over the longer-term.

The electric vehicle industry is set for continued growth as consumer adoption increases, supported by government legislation. Volex, with its market-leading position and strong reputation as an innovative manufacturer in this sector, is well-positioned to capitalise on this growth. Leveraging our extensive experience with EV charging technology, we have expanded our product offering to support faster AC charging and out-of-home charging solutions, aiming to broaden our customer base. To maintain our competitive edge as one of the industry's lowest-cost producers, we continue to invest in new product development, enhance vertical integration, and refine our manufacturing processes. This is important as the competitive landscape intensifies.

Consumer Electricals

Improvements in supply chains allowed our Consumer Electricals customers to reduce buffer stock levels in the year. Consequently, revenue reduced in FY2024 to $235.3 million (FY2023 restated: $259.6 million). The previous year's revenue has been restated to move $2.2 million revenue to the newly launched Off-Highway end-market. On an organic basis, revenue for this sector declined by 8%. Two of the most substantial components in our power cords, copper and PVC, were, on average, at a lower price during the year compared to the prior year, allowing us to pass on cost savings to customers which in turn contributed to part of the revenue reduction.

The ability to deliver a truly global solution to supply high-quality power cords in every major market is a key reason why Volex is a critical supplier to many household name Consumer Electricals brands. With proven expertise in wire harness manufacturing, we are receiving an excellent response as we look to expand in this area. Our relatively low levels of penetration for domestic appliance harnesses offer a strong opportunity for expansion. This is combined with a focus on cross-selling, capitalising on our widespread manufacturing capabilities, supporting sustained growth and customer retention in a dynamic market environment.

6.9%
Organic revenue growth

9.8%
Underlying operating margin

$31.6m
Investment in capital expenditure

Medical

Sales to Medical customers were exceptionally strong this year, benefiting significantly from the supply chain normalisation. This improvement enabled our customers to acquire components that were previously in short supply and address pent-up demand. Medical revenues were up 15% on an organic basis to $177.5 million (FY2023: $145.0 million). Additionally, this sector benefited from a full year of RDS revenues, following its acquisition part-way through FY2023.

The medical products we manufacture are complex, with precisely specified bills-of-materials, making production dependent on the availability of specialist components. Some of the catch-up that occurred in FY2024 as supply chain conditions improved is not expected to repeat in FY2025, potentially leading to slightly reduced or broadly flat demand levels in the near term. The mid-to-long-term growth prospects for this sector are supported by an ageing population and advances in medical technology.

Complex Industrial Technology

Revenue from Complex Industrial Technology increased organically by 32% to $213.4 million (FY2023 restated: $157.7 million), bolstered by the full-year effect of RDS which was acquired in FY2023. The previous year's revenue has been restated to move $20.0 million revenue to the newly launched Off-Highway end-market. Excluding Data Centre customers, revenues within this sector remained broadly flat on an organic basis. Component availability has improved in FY2024 as supply chain pressures eased; this could lead to temporarily lower growth in the short term as customers are able to reduce stock levels.

Data Centre customers are reported within Complex Industrial Technology and represented 41.7% (FY2023: 21.2%) of revenue in this sector. The revenue in this sub-sector increased by 131% year-on-year, partly due to prior year shortages of up-to-date network equipment essential to support the adoption of 400 Gigabit-per-second architecture in data centres. As these shortages abated towards the end of FY2023 and throughout FY2024, demand levels accelerated as customers addressed their backlogs. In addition, the expansion of data-intensive artificial intelligence applications increased demand from Data Centre customers.

Off-Highway

Following the acquisition of Murat Ticaret, we established Off-Highway as a distinct fifth end-market sector. Previously, our sales to Off-Highway customers from our sites in North America and Asia were reported under Consumer Electricals and Complex Industrial Technology. We have now restated these figures to reflect the FY2023 Off-Highway comparator of $22.2 million. Revenues increased to $162.9 million in FY2024, with $132.4 million as a result of seven months contribution from the acquisition of Murat Ticaret.

There are significant cross-selling opportunities within this end-market particularly in the highly fragmented US market. Medium-term growth is supported by factors such as increasing urbanisation, advances in agricultural technology and the accelerating trend towards environmentally friendly and sustainable products. Our global footprint and advanced manufacturing assets position us well to capitalise on these trends and expand our presence in this sector.

Realising our strategy

Five key pillars encompass our strategy: product development; revenue growth; operational excellence; investment and acquisition; and talent.

We are committed to developing the right products and capabilities to become the manufacturing partner of choice for our customers. Through research and development, we have expanded our product offering, collaborating with our customers to understand their specific requirements.

Our customers are central to our operations. We excel in delivering outstanding quality and service by maintaining regular, transparent communication and continuously striving to add value.

To consistently meet these high standards, we closely monitor our manufacturing facilities and processes, identifying ways to improve and to increase efficiency and quality. Our continued investment in vertical integration gives us greater control over the supply chain and protects margins. The customer service we provide drives organic revenue growth as customers are onboarded and increase our allocation of their products.

Investments and acquisitions remain a cornerstone of our strategic plan. Our investments are tactically selected to enhance capacity and capabilities, led by the customer and generally approved based on a two-year payback period. We are constantly evaluating potential acquisition targets, or building relationships with businesses that show strategic alignment, but are not yet available for sale. Since FY2019, we have successfully invested nearly $400 million on 12 strategic acquisitions, which has contributed to expanding our product offering, improving our international manufacturing footprint and boosting earnings and margin.

All of which requires great people. We continue to strengthen the organisation by bringing in talented leaders, in addition to creating development opportunities for existing employees. Effective communication is critical, and we use diverse channels to drive employee engagement.

Creating value through organic investment

Investing in our business is a crucial component of our strategy, delivering excellent returns with projects typically recouping costs within two years. Building on our strong track record of creating value, we focus on growth areas while adhering to stringent financial criteria. Our investments not only maintain and enhance our assets but also respond to increased customer demands and support the development of new products, paving the way for future expansion.

In response to increasing customer demand, the Group invested in the further expansion of its global manufacturing base, creating additional capacity to facilitate growth as part of the Group's five-year growth plans. Total gross capital investment increased to $31.6 million (FY2023: $27.0 million), representing 3.5% of revenue (FY2023: 3.7% of revenue). The prior year expenditure included $8.7m of assets which were purchased under lease agreements. As well as expanding capacity to support future growth, investment was concentrated on high-growth areas, including EV and data centre capabilities. The investment strategy continues to be shaped by customer demand, localisation requirements and capability enhancements.

In FY2024, we made $8 million of operational investments to support growth. These investments include additional operating costs to enhance our operational capacity, expand our market presence, and drive innovation. This also encompasses increased depreciation expenses from additional capital investments and costs associated with scaling our organisation and manufacturing footprint, such as recruiting additional sales and engineering staff. These targeted expenditures are essential for scaling up our operations and positioning us for long-term success.

We also continued to invest in expanding our research and development activities, including the recruitment of additional specialists to advance our product development programmes. We expect to continue to enhance our research and development teams through FY2025, ensuring sustained innovation.

Creating value through acquisitions

The successful acquisition and integration of high-quality businesses remains a pivotal part of our growth strategy. Our typical acquisition target is a well-managed company in a sector where we have a deep understanding. We favour businesses with blue-chip, long-term customers and good operational capabilities. This approach enables us to maximise cross-selling opportunities and synergies. Targets requiring significant integration or restructuring effort are only contemplated when we can identify the right management resources to lead this activity.

Our acquisition process is thorough; we explore both off-market deals and formal sales processes, with each potential acquisition being rigorously assessed by our investment committee before we advance to negotiation. In an environment where factors outside of managements control (such as Covid-19) impacted profitability at potential targets, both positively and negatively, valuation can be complex and we have taken a prudent approach in this regard. We proceed to due diligence only when there is alignment on commercial terms and we only pursue opportunities that meet the strict value criteria that we tailor for each transaction, based on its specific characteristics.

Since 2018, we have acquired 12 businesses, refining our expertise in seamlessly integrating new operations. Our integration strategies are tailored for each acquisition, concentrating on cost synergies and cross-selling opportunities while ensuring the new business fits within our regional structure.

Acquisitions remain a high priority and we will continue to actively pursue opportunities, at different stages of qualification. We maintain a strong balance sheet, good access to funding and significant undrawn facilities. The completion of any acquisition is dependent on the business meeting our stringent requirements following thorough due diligence and negotiations.

In FY2024, we successfully completed the acquisition of Murat Ticaret for total consideration of up to $196m including potential earn-outs of up to $46 million over two years, subject to the business achieving certain performance conditions. This acquisition was completed at an enterprise value to EBITDA multiple of 5.3 times, assuming the earn-out payments are paid in full. This demonstrates our continued ability to acquire quality businesses at attractive valuations. Murat Ticaret contributed revenues of $132.4 million to the Group in FY2024.

Headquartered in Türkiye, Murat Ticaret is a leading manufacturer of complex wire harnesses for specialist applications, with a significant global presence, including nine manufacturing sites across three continents. This acquisition is our largest to date and instantly scales our capabilities in the Off-Highway sector, marking it as our fifth end-market and further diversifying our portfolio. Murat Ticaret also brings a diverse customer base of blue-chip manufacturers, with products complementary to the rest of the Volex Group. This provides the ability to market the full range of Volex production capabilities to the acquired customer base. Additionally, there is potential to leverage our existing footprint to expand operations in North America's fragmented Off-Highway market. Integration efforts commenced immediately post-acquisition and are progressing well, with promising customer engagement and several exciting cross-selling opportunities, for which we are developing targeted strategies.

Sustainability

We have continued to progress in enhancing the sustainability of our operations, recognising its importance to our business, customers, employees, the communities we operate in and our shareholders. During the year, we have implemented new policies on environmental management and responsible water use and have improved our ratings with both CDP and Ecovadis disclosure platforms. Our commitment to sustainability is embedded in our operational practices through a kaizen-based framework, which drives continuous improvement activities across all our factories. This ensures that each facility identifies and reports on key initiatives that contribute to both operational excellence and sustainability.

With the integration of our Murat Ticaret acquisition progressing well, we are enhancing performance across many aspects of sustainability. This progress will allow us to review our net zero ambitions and solidify our action plans aimed at progressively decarbonising our operations, thereby reinforcing our commitment to long-term environmental stewardship.

Electric Vehicles

New customers and expansion of product range

$124m
Revenue FY2024

(11)%
Growth FY2024

Performance

- Decline in revenues in FY2024 compared to FY2023 due to customers over-stocking in the prior year and then reducing buffer stocks as supply chains normalised
- Broadening our customer base and our range of products
- With a vertically integrated offering including cable extrusion we remain competitive on pricing

Opportunity

Expected market compound annual growth over five years of 10%[1]

Impact

Increasing awareness of the environmental consequences of passenger vehicle emissions is heralding a move towards electric vehicles ('EVs'). This is predominantly a consumer-led trend, but also has the support of governments all over the world.

The ongoing adoption of EVs is, in part, dependent on the enhancement of charging infrastructure as potential adopters are disinclined due to "range anxiety". Governments have pledged funding towards on-the-go charging stations and major oil companies have also entered the EV charging space.

1 Source: Statista research on global electric vehicles 2024-2028

Consumer Electricals

Normalisation in consumer spending

$235m Revenue FY2024

(9)% Growth FY2024

Performance

- Normalisation in consumer spending after surge in home-working drove high demand for over two years
- Macroeconomic headwinds continued into FY2024, suppressing demand
- Vertical integration has allowed us to decrease costs
- Moderate recovery in demand has occurred in the second half of FY2024, creating optimism in a continued recovery
- We have the scale, global footprint and experience to meet the demands of our customers: delivering high-quality products where and when they are needed

Opportunity

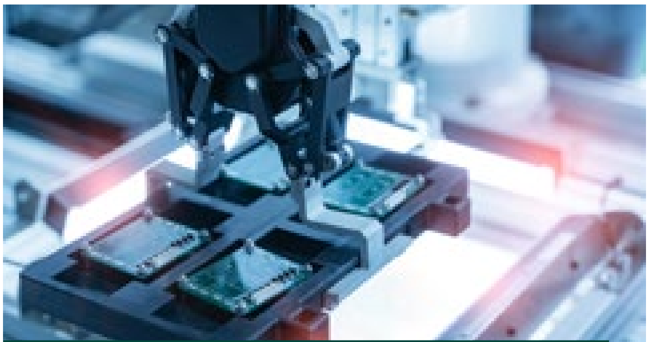
Expected market compound annual growth over five years of 3%[2]

Impact

As environmental concerns grow and fuel costs rise, consumers are increasingly prioritising energy efficiency in their purchasing decisions. This shift is driving demand for products that not only reduce energy consumption, but also offer cost savings over time.

Simultaneously, there is an expected continued increase in the adoption of smart technology, driven by consumers' desire for more efficient and interconnected home solutions. Smart technology offers the capability to automate routine tasks and optimise household functions which can, significantly, save time, energy and money for users. This integration of advanced technology into everyday life is enhancing the convenience and sustainability of modern living spaces.

2 Source: Statista research on global consumer electronics 2024-2028



Medical

Maintaining strong customer relationships

$178m Revenue FY2024

+22% Growth FY2024

Performance

- With supply chains normalising, component availability, which held back revenue in previous years, improved and allowed customers to accelerate production
- Some of this catch-up from pent-up demand is not expected to repeat in FY2025
- Volex's robust supply chain for medical-grade components enables rapid response to customer needs and scaling up production

Opportunity

Expected market compound annual growth over five years of 6%[3]

Impact

Medical OEMs are revolutionising healthcare by incorporating cutting-edge advancements into their products and solutions, significantly enhancing patient outcomes. As population needs evolve with an increased focus on prevention and early detection of conditions, medical providers are turning to advanced technological and scientific solutions to meet these changing demands and ensure high-quality care.

In the post-Covid-19 landscape, there has been a notable rebound in patient admissions and elective surgeries, leading to a heightened demand for medical devices that support various procedures. This trend underscores the critical role of innovative medical technologies in responding to the dynamic needs of the healthcare sector.

3 Source: Statista research on global medical technology 2024-2028

Complex Industrial Technology

Data Centre demand driving organic growth

$213m Revenue FY2024

+35% Growth FY2024

Performance

- Strong growth in sales of high-speed data centre cables due to improved availability of semi-conductors and transition to latest architecture to support demand from AI applications
- Expansion of capability and cross-selling via acquisition
- Volex has a manufacturing footprint to allow the supply of components and finished goods from tariff-free locations

Opportunity

Expected Data Centre market compound annual growth over five years of 7%[4]

Impact

Drives economic growth and innovation, creating new industries and jobs. Industrial automation improves manufacturing processes, leading to increased productivity and cost savings. This diverse sector also serves transportation, aerospace and defence as well as commercial applications.

The increased requirements for cloud computing storage has created a need for ever-faster infrastructure within Data Centres to support this. We are at the forefront of this fast-moving, cutting edge technology, with a dedicated research and development team working on enhancing our product set based on customer feedback.

4 Source: Statista research on data centres 2024-2028

Off-Highway

New sector introduced in FY2024 after the acquisition of Murat Ticaret

$163m Revenue FY2024

+632% Growth FY2024

Performance

- Seven months of revenue contributed by Murat Ticaret
- Off-highway products previously sold in North America and Asia, reported under Consumer Electricals and Complex Industrial Technology, are now realigned to the new sector
- With specialist manufacturing facilities in North America, Europe and Asia, we support our customers with low volume manufacturing of complex wiring harnesses
- The acquisition of Murat Ticaret brings with it a number of high-profile customers

Opportunity

Expected commercial vehicle market compound annual growth over seven years of 7%[5]

Impact

The agriculture sector is undergoing a significant transformation due to increasing mechanisation, which compensates for labour shortages caused by urban migration. This shift enhances productivity and efficiency across agricultural operations.

Urbanisation and economic growth in emerging markets are driving the expansion of commercial vehicles. As these economies develop, demand for products increases, spurring investments in infrastructure and technology.

Furthermore, a shift toward sustainability is becoming prominent, with rising consumer demand for environmentally friendly and sustainable products. This trend is expected to drive long-term sector growth.

5 Source: Fortune Business Insights research on commercial vehicles 2022-2029

Financial review

Summary of financial results

$ million (unless otherwise stated)	**52 weeks ended 31 March 2024**	52 weeks ended 2 April 2023
Revenue	**912.8**	722.8
Gross profit	**202.8**	157.0
Gross margin	**22.2%**	21.7%
Underlying operating profit*	**89.7**	67.3
Underlying operating margin*	**9.8%**	9.3%
Statutory operating profit	**63.9**	53.8
Net finance cost	**(15.5)**	(9.1)
Underlying tax charge*	**(15.9)**	(10.7)
Underlying profit before tax*	**77.4**	59.3
Statutory profit before tax	**51.6**	45.8
Underlying diluted EPS*	**33.0c**	28.8c

* Before adjusting items and share-based payment charges.

Read more about our Financial model on page 24

Statutory results

Revenue of $912.8 million (FY2023: $722.8 million) represents year-on-year growth of 26.3%. Statutory operating profit increased by $10.1 million to $63.9 million (FY2023: $53.8 million) which is an increase of 18.8% compared to the prior year. Net finance costs were $15.5 million (FY2023: $9.1 million), resulting in a profit before tax of $51.6 million (FY2023: $45.8 million) which is an increase of 12.7%. There was a tax charge for the year of $11.4 million (FY2023: $8.4 million). Basic earnings per share were 21.8 cents (FY2023: 23.2 cents), a decrease of 6.0%.

Jon Boaden
Chief Financial Officer

Alternative performance measures

The Group makes use of underlying and other alternative performance measures in addition to the measures set out in International Financial Reporting Standards ('IFRS'). Alternative performance measures are set out in the supplementary information on pages 197 to 198. Underlying earnings measures exclude the impact of adjusting items and share-based payments, with further detail regarding the adjustments shown in note 4 in the notes to the financial statements. The Board and management team make use of alternative performance measures because they believe they provide additional information on the underlying performance of the business and help to make meaningful year-on-year comparisons.

Group revenue

Group revenue increased by 26.3% to $912.8 million (FY2023: $722.8 million) driven by strong organic growth from customer demand, project wins with both new and existing customers, and the contribution from acquisitions. Sales in currencies other than US dollars resulted in an adverse year-on-year foreign exchange impact on revenue of $2.3 million. Group organic revenue growth was 6.9%.

Organic revenue from the Electric Vehicles sector decreased by 9.6% to $123.7 million (FY2023: $138.3 million), mainly due to customers reducing buffer stock levels built up in FY2023 following supply chain stabilisation. Sales in the Consumer Electricals sector fell to $235.3 million in FY2024 (FY2023 restated: $259.6 million), with an organic decline of 7.6%, primarily because of consumer demand normalising and customers working through excess inventory levels. Medical revenues increased by 15.3% on an organic basis to $177.5 million (FY2023: $145.0 million). Revenue from Complex Industrial Technology rose to $213.4 million (FY2023 restated: $157.7 million), marking a 31.9% increase on an organic basis. Excluding data centre customers, revenues were broadly flat on an organic basis. Data Centre revenues reached $88.8 million (FY2023: $37.7 million), reflecting a 135.5% growth driven by improved availability of semiconductors and the transition to the latest architecture supporting demand from artificial intelligence applications. In FY2024, with the completion of the Murat Ticaret acquisition, we achieved immediate scale in the Off-Highway sector and revenues previously reported in other sectors were reallocated to Off-Highway. FY2024 Off-Highway revenues were $162.9 million (FY2023 restated: $22.2 million), a 39.9% increase on an organic basis.

Gross margin

The Group's gross margin increased to 22.2% from 21.7% in FY2023. This improvement was partly due to the continued deflation in the cost of key raw materials, such as PVC and copper. Most of our contracts with power cord customers allow us to pass on changes in raw material costs, affecting the gross margin percentage. While most raw material purchases are denominated in US dollars, other costs, such as labour, are paid in local currencies. Variability in certain key currencies had a beneficial impact of approximately 0.1%.

Operating profit

Underlying operating profit increased 33.3% to $89.7 million (FY2023: $67.3 million). This was favourably impacted by foreign exchange benefit on retranslation of operating expenses, the strong organic growth, cost optimisation and contribution from Murat Ticaret, which was acquired in mid-FY2024. The ratio of underlying operating expenses to revenue was consistent with the previous year, at 12.4%, and there continues to be a strong focus on cost control and continuous improvement activities. Statutory operating profit increased by 18.8% to $63.9 million (FY2023: $53.8 million), also reflecting the factors above.

The Group's underlying operating margin was maintained within the stated range of 9% to 10% at 9.8%, which was 50bps better than the 9.3% achieved in FY2023. Despite continuing headwinds from commodity and labour inflation, operating margin benefitted from acquisitions blending up the margins, vertical integration, efficiency improvement plans and cost control. The stronger dollar also helped in relation to costs such as rent, utilities and salaries paid in local currencies.

Adjusting items and share-based payments

The Group presents some significant items separately to provide clarity on the underlying performance of the business. This includes significant one-off costs, such as restructuring and acquisition related costs, the non-cash amortisation of intangible assets acquired as part of business combinations and share-based payments, as well as associated tax.

Acquisition costs of $3.8 million (FY2023: $1.3 million) were incurred in the year. As well as undertaking third-party due diligence, the Group uses its own experts and in-depth understanding of the sector to conduct a robust assessment of all acquisition targets. Acquisition costs were higher, reflecting the extensive due diligence and other advisory fees in respect of the acquisition of Murat Ticaret.

Amortisation of acquired intangibles increased to $13.4 million (FY2023: $8.9 million) due to the additional intangible assets identified as part of the Murat Ticaret acquisition.

The charge recognised through the income statement for share-based payment awards comprises $5.5 million (FY2023: $4.6 million) in respect of senior management, $nil (FY2023: $0.9 million credit where awards lapsed in the year) in respect of acquisitions and $0.8 million (FY2023: $nil) for associated payroll taxes.

Share-based payments include awards made to incentivise senior management as well as awards granted to the senior management of acquired companies. The awards made to acquired company management form an important part of the negotiation of consideration for an acquisition. They are used to reduce the cash consideration, and as an incentivisation and retention tool. In accordance with IFRS, where these awards include ongoing performance features, they are recognised in the income statement rather than as part of the cost of acquisition.

Net finance costs

Net finance costs increased to $15.5 million (FY2023: $9.1 million) mainly due to the additional utilisation of the revolving credit facility following the acquisition of Murat Ticaret at the end of August. The financing element for leases for the year was $2.7 million (FY2023: $1.7 million). The Group recognises interest income of $nil (FY2023: $0.2 million) in relation to accrued interest receivable on the 10% preference shares issued by our associate, Kepler SignalTek.

Taxation

The Group's income tax expense for the period was $11.4m (FY2023: $8.4m), representing an effective tax rate ('ETR') of 22.1% (FY2023: 18.3%). The tax expense and ETR is higher than for the prior year due to the favourable impact of the full recognition of deferred tax assets in FY2023 in a major jurisdiction, as required by International Financial Reporting Standards. The assets are principally due to the recognition of historical operating losses, unclaimed capital allowances and other temporary differences. The decision to recognise these assets is based on an assessment, in the relevant jurisdiction, of the probability of future taxable profits which will be reduced by the historical losses and allowances. As the profitability of the Group's operations has increased in recent years, this threshold has been met in certain countries.

Tax credits and charges relating to the underlying operations of the Group, including losses that have arisen through underlying activities, are reported in underlying profit after tax. The impact of deferred tax asset recognition on underlying profit after tax was $0.7 million (FY2023: $5.8 million). The recognised deferred tax assets are expected to be recovered from profits arising from our underlying operations. Tax charges and credits arising from transactions reported as adjusting items and share-based payments are reported outside of underlying profit after tax. The deferred tax assets are recovered in future periods by reducing cash tax payable and recognising a deferred tax expense in the income statement.

The underlying ETR (representing the income tax expense on profit before tax, adjusting items and share-based payments) was 20.5% (FY2023: 18.0%). The impact of tax incentives and favourable tax rate regimes contributed a 4.4% (FY2023: 1.5%) benefit to underlying ETR. This is primarily due to higher levels of R&D activity around the Group that qualify for R&D-related incentives and the 5% (FY2023: 1%) corporate income tax rate reduction in Türkiye for profits attributable to export activities combined with the acquisition of Murat Ticaret. The net favourable impact on the underlying ETR from judgements over deferred tax asset recognition across multiple territories was lower at 0.5% for the year (FY2023: 7.1%) with the significant reduction due to the full recognition of deferred tax assets in FY2023 in a major jurisdiction.

FY2024 saw the introduction of inflation accounting for tax purposes in Türkiye which helped to mitigate the volatility in the underlying ETR caused by continuing high levels of inflation and currency devaluation, which across all territories was a net favourable 0.1% impact (FY2023: 3.2% adverse). Although the conditions of the relevant taxation law have been met, on 30 April 2024 the Turkish Ministry of Finance announced the postponement of the inflation adjustment for the first fiscal quarter of 2024. It is understood that this is to make things administratively easier for taxpayers, and inflation adjustments will be made again from the second fiscal quarter 2024 onwards, but if inflation adjustments for calendar year 2024 were to be cancelled permanently by a future law change it could have a significant adverse impact on the Group's underlying ETR during FY2025.

Cash tax paid during the period was $14.9 million (FY2023: $7.9 million), representing an underlying cash ETR of 19.3% (FY2023: 13.3%). The increase was mainly caused by the acquisition of Murat Ticaret and the timing of tax payments in Türkiye, as well as the exhaustion of tax losses in a major overseas jurisdiction leading to cash tax becoming payable.

The Group operates in a number of different tax jurisdictions and is subject to periodic tax audits by local authorities in the normal course of business on a range of tax matters in relation to corporate tax and transfer pricing. As at 31 March 2024, the Group has net current tax liabilities of $16.5 million (FY2023: $13.7 million) which include $10.8 million (FY2023: $10.4 million) of provisions for tax uncertainties. There is a further $1.1 million (FY2023: $nil) of accrued interest relating to these amounts recognised in other payables.

Earnings per share

Underlying diluted earnings per share increased 14.6% to 33.0 cents (FY2023: 28.8 cents). Basic earnings per share decreased to 21.8 cents (FY2023: 23.2 cents).

The weighted average number of shares in the year was 179.9 million (FY2023: 158.7 million).

Foreign exchange

The majority of the Group's revenue is in US dollars, with sales in other currencies including euro and British pounds sterling. Most raw materials purchases are also denominated in US dollars, but other costs, such as rent, utilities and salaries are paid in local currencies. This creates a small operating profit exposure to movements in foreign exchange, some of which is hedged. In addition, foreign exchange losses from retranslation of balance sheet items and the timing between recognition and settlement of certain financial assets for the period were $2.3 million (FY2023: $0.6 million gain).

Cash flow

Operating cash flow before movements in working capital was $102.7 million (FY2023: $78.4 million). While benefiting from the strong operating performance, operating cash flow reflects the increased investment in the business. In addition, there was a small favourable working capital movement of $1.9 million, which compares to a $8.6 million adverse movement in FY2023. The reasons for the working capital movement are set out below:

- An increase in inventory to support growth leading to a cash outflow of $5.6 million (FY2023: $0.2 million cash outflow). Supply chain lead times have stabilised and incidences of component shortages have decreased compared to FY2023, resulting in a stabilised level of inventory. Inventories have increased where required due to growth in our operations and new customer projects;
- An increase in receivables leading to a cash outflow of $17.4 million (FY2023: $15.4 million cash outflow) with the increase reflecting growth of the business;
- An inflow related to payables of $24.9 million (FY2023: $7.0 million cash inflow). This was due to the growth in the business and successfully negotiated improved terms with a number of suppliers; and
- The acquisition Murat Ticaret, which is a more working capital-intensive business, has reduced working capital inflows.

Total gross capital expenditure increased to $31.6 million from $27.0 million in FY2023. In the prior year, of the $27.0 million, $18.3 million related to cash spend and the remaining $8.7 million related to new finance leases accounted for as right-of-use assets under IFRS16. During the year, the Group has invested in expanding facilities in Suzhou, China; Bydgoszcz, Poland; Tijuana, Mexico; Batam, Indonesia and Pune, India in order to increase capacity and capabilities as the Group continues to grow. We have continued with our investment in automation, vertical integration and in our high-growth sectors.

Free cash flow was $49.8 million (FY2023: $38.1 million). Free cash flow represents net cash flows before financing activities excluding the net outflow from the acquisition of subsidiaries.

Net financing inflows were $95.5 million (FY2023: outflows $31.4 million), mainly from increased borrowings and issuing new shares to part-fund the acquisition of Murat Ticaret. This also included dividend payments of $6.7 million (FY2023: $5.7 million).

Total cash expenditure on acquisitions (net of cash acquired) was $138.8 million (FY2023: $12.2 million), including $2.2 million (FY2023: $7.1 million) in respect of contingent consideration and $2.3 million (FY2023: $nil) in respect of purchase of shares of associates.

The Group is expecting to make payments of $21.6 million in FY2025 in relation to contingent consideration for acquisitions made in FY2024 and previous years.

The cash outflow associated with the settlement of awards under share-based payment arrangements was $9.3 million (FY2023: $7.2 million). New shares were issued in the year providing an inflow of $72.3 million (FY2023: $nil).

Net debt and gearing

At 31 March 2024, the Group's net debt (before operating lease liabilities) was $121.1 million and $154.0 million including operating lease liabilities. At 2 April 2023, net debt (before operating lease liabilities) was $76.4 million and $103.7 million including operating lease liabilities.

At 31 March 2024, the Group's covenant leverage was 1.0 times (2 April 2023: 1.0 times). For further details on the Group's covenants, see the section on 'Banking facilities, covenants and going concern'.

Dividend

The Board's dividend policy, while taking into account earnings cover, also takes into account other factors such as the expected underlying growth of the business, capital expenditure and other investment requirements. The strength of the Group's balance sheet and its ability to generate cash are also considered.

A final dividend of 2.8 pence per share (FY2023: 2.6 pence) will be recommended to shareholders at the Annual General Meeting, reflecting the Board's confidence and the Group's robust financial position. The cash cost of this dividend is expected to be approximately $6.4 million, assuming no take-up of the scrip dividend.

Together with an interim dividend of 1.4 pence per share paid in December 2023, this equates to a full year dividend of 4.2 pence per share (FY2023: 3.9 pence per share), an increase of 7.7%. If approved, the final dividend will be paid on 25 August 2024 to all shareholders on the register at 21 July 2024. The ex-dividend date will be 20 July 2024.

Banking facilities, covenants and going concern

As at the FY2024 year end, the Group banking facilities remained at $300 million, which are due to expire in February 2026. The facility comprises a $165 million revolving credit facility, a $75 million term loan and an additional $60 million uncommitted accordion. During FY2023, the first of two options to extend for an additional year was taken.

As at 31 March 2024, drawings under the facility were $143.6 million (FY2023: $91.5 million) with $nil drawn under the cash pool (FY2023: $nil).

Financial review continued

At the year end, the covenant leverage was 1.0x and covenant interest cover was 10.3 times, well within the covenant terms of less than 2.75x and greater than 3.0 times respectively.

The Group's financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity with the realisation of assets and the settlement of liabilities in the normal course of business. When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash and cash equivalents and the borrowing facility in place, including its terms, remaining duration and covenants.

The Directors have prepared a cash flow forecast for the period to end of September 2025, which is based on the FY2025 Board-approved budget. The Directors have performed sensitivity analysis on the cash flow forecast using a base case and downside scenario that take into account the principal risks and uncertainties set out on pages 49 to 55 of the Annual Report. The Directors have considered the potential impact of climate-related physical and transition risks as part of the going concern assessment and do not believe there to be a significant impact in the going concern period. The severe but plausible downside scenario models a 15% reduction in year-on-year revenue, equivalent to the worst result in the last 20 years, and still provides significant covenant and liquidity headroom. Subsequent to the year end, the Group has taken advantage of favourable conditions to increase and extend its credit facilities, thereby further enhancing covenant compliance and liquidity headroom.

Based on their assessment and these sensitivity scenarios, the Directors are satisfied that there are no material uncertainties regarding the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

In June 2024, the Group completed a refinancing of its banking facilities, with an eight-bank club. An enlarged $600 million facility replaced the Group's existing $300 million multicurrency revolving credit facility. The new facility has an initial four-year term, with an extension option for one additional year. It comprises a $400 million revolving credit facility and an additional $200 million uncommitted accordion. The new facility is unsecured, with improved interest margins and an improved net debt to underlying EBITDA covenant, providing additional headroom in comparison to the previous facility, affording greater flexibility to undertake organic and inorganic investment to support growth. The key terms of the facility are:

- Available until June 2028 with the option to extend for one further year;
- No scheduled amortisation or security; and
- Interest cover and net debt to underlying EBITDA leverage covenants.

Financial instruments and cash flow hedge accounting

In September 2022, an interest rate swap was entered into following market evaluation, which has enabled the Group to fix the interest rate paid on a notional value of $50 million for a three-year period.

For most products we sell to Consumer Electricals customers, the price of copper has an impact on the cost of key raw materials. This risk is minimised by passing the variability in cost through to the end customer in most cases. Where the customer contract does not provide for the pass-through of risk, the Group enters into forward contracts to mitigate the Group's exposure to copper price volatility (which has been identified by the Group as a key risk).

The forward contracts act as an economic hedge against the impact of copper price movements. They meet the hedge accounting requirements of IFRS 9 and therefore are accounted for as cash flow hedges of forecast future purchases of copper. As at 31 March 2024, a financial asset of $nil (FY2023: $nil) has been recognised in respect of the fair value of open copper contracts. This credit is retained in reserves until such time as the forecast copper consumption takes place, at which point it will be recycled through the income statement.

A charge of $0.1 million has been recognised in cost of sales for FY2023 (FY2023: $0.3 million) in respect of copper hedging contracts that closed out during the period. This charge has arisen since the average London Metal Exchange copper price in the period has been below the contracted price.

The Group also has certain foreign operations whose net assets are exposed to foreign currency translation risk. The Group's policy is to hedge this exposure through designating certain amounts of foreign currency denominated debt as a hedging instrument.

Defined benefit pension schemes

The Group's net pension deficit under IAS 19 as at 31 March 2024 was $7.1 million (FY2023: $2.6 million deficit). The increase in the pension deficit of $4.5 million is mainly due to the acquisition of Murat Ticaret during the year.

Jon Boaden
Chief Financial Officer

26 June 2024

Group Risk Management

Risk governance

The Group adopts the QCA Corporate Governance Code ('QCA code') in relation to risk governance. Under the QCA code, the Board is expected 'to ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy', including the need to determine 'the extent of exposure to the identified risks that the Company is able to bear and willing to take'. The Board has overall responsibility for the management of risk within the Group as part of its role in providing strategic oversight, with specific responsibility for reviewing the effectiveness of the Group's system of internal controls and risk management being delegated to the Audit Committee.

Given the risks and uncertainties inherent in operating within a complex, competitive and rapidly evolving global environment, it is crucial to identify, understand and manage these risks to ensure the Group's long-term success and sustainability.

Cybersecurity threats have continued to increase in volume and sophistication for all companies. The Company has previously identified cybersecurity as a high risk and this remains true this year - highlighting the ongoing challenges faced in an interconnected environment where the exchange of information, while essential to businesses, also creates significant risks. Similarly, the increased application of AI and automation through the connection of information, information technology systems and physical machinery, presents further risks for cyber-attacks to traverse between these areas.

In October 2023, our rapid response and effective planning enabled us to swiftly address the challenges following a cyber incident experienced by the Group, with minimal disruption to global production levels. Since then, we have implemented several additional mitigations, including through partnerships with technology providers and the appointment of a new Group Chief Information Officer ('CIO') who takes the lead on our information technology and cybersecurity strategies. We continue to monitor our environments closely, assess risk and evaluate the adequacy of our contingency planning to ensure powerful protection, detection and response capabilities against future threats.

Risk management process

The risk management process gives the Board assurance that risk management and related control systems in place are effective. During the year, this comprised two key elements, which are supported by other activities within our risk management framework:

- an ongoing process of assessment and review of individual Volex sites and/or entities undertaken by a combination of our Internal Audit function, the Group Finance team and the Operations teams; and
- the annual risk survey conducted centrally across the entire senior management team and Group-wide functions. Potential risks are assessed to reflect the likelihood of occurrence and the potential impact on the business were they to occur, as well as the extent to which they are being addressed and mitigated.

Group Risk Management continued

Risk heat map

The diagram opposite illustrates the relative positioning of our risks in terms of impact and likelihood, and the level of management focus on each.

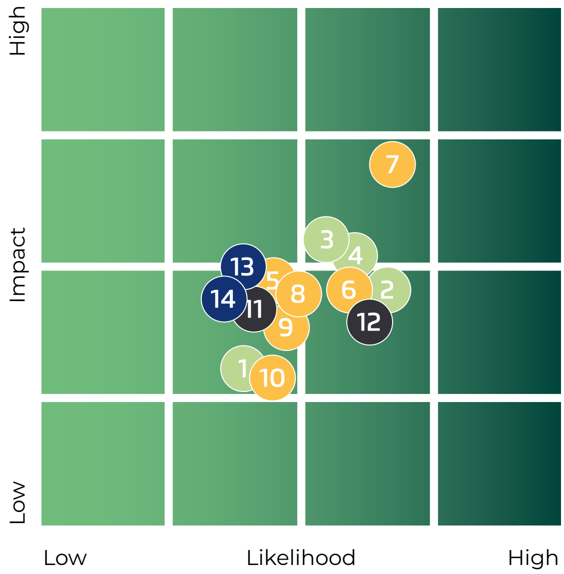
Emerging risks

The Board and management continue to remain alert to emerging risks. We consider emerging risks as part of our risk management review process and as part of the everyday management of the business. As part of the overall risk assessment process, a review is conducted to identify emerging risks, so that these can be monitored and the potential impacts can be understood and managed. Horizon scanning is integrated into our everyday management of the business to identify potential disruptions to our internal or external business environment.

This year's process highlighted an emerging risk in relation to economic isolationism and trade barriers. This could present several risks to businesses and the global economy including, for example:

- Trade barriers, such as increased tariffs and import/export restrictions which can disrupt global supply chains;
- Economic nationalism, where policies favouring domestic industries can lead to retaliation and trade wars, harming global economic stability;
- Rising protectionism could exacerbate geopolitical tensions, leading to instability and uncertainty; and
- Nationalistic sentiments may influence consumer preferences, with a potential preference for domestic products over foreign goods.

The Company's Audit Committee and Board will continue to monitor these risks closely as they develop.



1 Acquisition integration
2 Market competition
3 Customer concentration
4 Global economic conditions
5 Supply chain
6 Staffing and people
7 IT and cybersecurity
8 Product quality
9 Technological change
10 Climate and environment
11 Access to finance
12 Commodity prices and FX rates
13 Regulatory compliance
14 Financial controls

Key: Strategic Operational Financial Compliance

Principal risks

Principal risks are those that the Board believes may materially affect the future prospects or reputation of the Group, including those that could threaten its business model, future performance, solvency or liquidity. Identifying these potential risks assists in ensuring risk management procedures and internal controls exist to prevent them from occurring, or to at least mitigate their impact should they occur. Principal risks are categorised into four broad areas.

Strategic

Risks that may potentially affect the Group in delivering its strategy or achieving its strategic objectives. This would include macroeconomic risks as well as risks associated with the execution of key elements of the Group's strategy. The Group considers potential risks and mitigation strategies when developing its strategy. It is not always possible to foresee the eventual risks at the time that the strategy is defined, which may require measures to be introduced to control the risks.

Operational

Risks arising out of operational activities in areas such as sales and operations planning, procurement, warehousing, logistics and product development. These risks may need to be mitigated by various levels of management who will be required to take ownership of risk management in their area of the business.

Financial

Risks relating to the financing or financial position of the Group that may arise externally, such as financial market risk, or internally from the perspective of internal controls and processes. Financial risks can arise as a result of changes that affect the financial landscape as a whole, such as changes in the availability of funding for the business or foreign exchange movements. They can also arise from decisions taken at a Group level that can either expose the Group to financial risk or fail to adequately mitigate financial risk.

Compliance

Risks relating to compliance with applicable laws and regulations. These risks could arise as a result of a failure to follow a particular procedure or from a change in the regulatory or compliance landscape that has a material impact on the Group and its existing operations or structure. Compliance risks could have a financial implication in the form of a fine or penalty, a significant cost of compliance or the risk of reputational damage.

Key to trend

∧ Up trend ∨ Down trend > No change

Strategic risks

Risk and possible impact	Risk mitigation activities	Trend	Link to KPIs	Link to strategy
1. Strategic – Acquisition integration				
Although the Group's recent acquisitions have been of companies that complement or expand the Group's existing business, there is a risk that the synergies envisaged pre-acquisition do not materialise and that the Group's activities become too unfocused.	The Group remains committed to pursuing sequential acquisitions that add value and generate cash from day one, utilising an effective earn-out model when appropriate to incentivise success and retain senior staff in the acquired businesses. For acquisitions aimed at realising synergies, or achieving specific cost optimisation goals, programmes are implemented to ensure these benefits are realised. This may involve broader integration activities, including changes to internal structures and procedures, when such adjustments are anticipated to be beneficial.	>	B C D E	
2. Strategic – Market competition				
The Group operates in highly competitive markets and faces competition from rivals operating with lower costs and overheads, especially in the power cords market. Increased competition and pricing pressures from customers may lead to reduced sales and profit margins.	Volex has developed a successful differentiation strategy to mitigate this risk. The Group focuses on markets and customers where it can stand out through factors other than price, such as engineering expertise and quality. Continuous improvement initiatives including automation for higher volume products and increased vertical integration help maintain a competitive position. Volex's more complex products often demand specialised engineering knowledge and stringent regulatory approval, making it difficult for customers to switch suppliers. The Group conducts a programme of research and development to keep its high-speed product offerings current.	>	A	
3. Strategic – Customer concentration				
A proportion of the Group's revenue continues to be derived from a small number of large customer accounts, leading to potentially disproportionate impact if a key customer account is reduced or lost.	The diversity of customers that Volex serves has increased in recent years, primarily due to a number of important new relationships following the acquisition of businesses. In addition, Volex has been successful in growing smaller accounts. These activities reduce customer concentration risk. However, certain production sites and entities may still be vulnerable to reliance on individual customers.	>	A	

Key to KPIs

- A Annual revenue change
- B Underlying operating profit
- C Return on capital employed
- D Underlying free cash flow
- E Underlying basic EPS
- F Employee safety
- G Scope 1 and 2 carbon emissions
- H Carbon intensity

Key to Strategy

- Product development
- Revenue growth
- Operational excellence
- Investment and acquisition
- Remarkable talent

Group Risk Management continued

Risk and possible impact	Risk mitigation activities	Trend	Link to KPIs	Link to strategy
4. Strategic – Global economic conditions				
The economy has been challenged by macroeconomic factors including inflation, supply chain difficulties, the crisis in Ukraine and the lasting effects of Covid-19. There are a range of short and medium-term outcomes with regards to how the global economy could respond. In the scenario of economic contraction, this could have an impact on our sales and profitability.	Management has carefully managed the Group's response to global supply chain challenges, responding dynamically to meet customer expectations. Variability in supply and demand has created challenges both as availability of components deteriorated and since this has improved. These challenges have been addressed by communicating effectively and working closely with customers. Inflationary cost pressures have been passed through to customers, where required, protecting profitability while remaining competitive. The Group has conducted a thorough assessment of its financial position, confirming that even in a hypothetical scenario where economic conditions cause a decline in revenues, it has sufficient liquidity to continue operating as a going concern.		A B	

Operational risks

Risk and possible impact	Risk mitigation activities	Trend	Link to KPIs	Link to strategy
5. Operational – Supply chain				
The Group is in some cases dependent on single external suppliers for components and there are areas of the business where vertical integration is limited or not appropriate. Supply chains have improved significantly but risks of isolated disruption remain.	While global supply chain issues have demonstrated marked improvement, given the complex nature of the Group's supply chain, this has caused variability in demand across the different end-markets. Volex will continue its strategy of increased vertical integration and supplier diversification. As a contract manufacturer, we often rely on customers' approved vendor lists for raw materials and components, and for certain specialised products, supplier options can be limited. Individual sites and entities have taken measures to secure sufficient stock, including sourcing from alternative suppliers where possible.		B C	
6. Operational – Staffing and people				
The retention of staff in key executive roles as well as in on-the-ground operations is important to any business. The departure of senior managers as well as any increase in turnover of production staff may have a negative impact on the Group.	Competition for staff can be challenging, especially in contracting labour markets. To encourage retention, a long-term incentive plan for key senior executives is in place. Turnover rates for other roles vary significantly across Volex sites, with local market conditions leading to higher turnover at some production locations. The global HR team is concentrating on enhancing staff engagement and improving employee satisfaction throughout the Group, while also strengthening succession planning for management and key positions.		F	

Key to trend

∧ Up trend	∨ Down trend	> No change

Risk and possible impact	Risk mitigation activities	Trend	Link to KPIs	Link to strategy
7. Operational – IT and cybersecurity				
Cyber-attacks and potential data breaches are an ongoing threat to all companies, which could impact a business from a reputational, competitiveness and financial standpoint.	During the year, the Group employed a new Chief Information Officer, Luke Hull, to lead the Group's IT and cybersecurity strategies. The Group has invested in further cybersecurity measures to protect its security, data and infrastructure, and has continued to provide mandatory cybersecurity awareness training, including internal phishing tests. Investment will continue to maintain up-to-date and effective servers and hardware.	∧	C	Operational excellence
8. Operational – Product quality				
The impact on the Group of product defects or product failure not only carries immediate financial risk in terms of repair or recall costs, but longer-term damage to its reputation for quality and reliability.	\	∨	A, D, E	Product development, Revenue growth
9. Operational – Technological change				
Developments in technology and resulting changes in demand for specific products represent not only an opportunity, but also a threat. The Group's products risk becoming obsolete, while it also risks failing to take advantage of new sectors opening up.	As a contract manufacturer, Volex is driven by customer needs and designs. To mitigate associated risks, the company is increasing R&D investment, making acquisitions and enhancing its strategic marketing function. The Group's design team continues to create innovative, patentable products, maintaining Volex's strong presence in the growing high-speed Data Centre and EV markets. Volex is also diversifying its product range and entering new markets. Changes in charging technology have impacted the EV business, and there is a potential risk from the increasing use of wireless data transmission. However, maintaining a well-diversified customer portfolio and broadening our service offerings should help ensure long-term stability.	>	A	Product development, Revenue growth

Key to KPIs

A Annual revenue change	E Underlying basic EPS
B Underlying operating profit	F Employee safety
C Return on capital employed	G Scope 1 and 2 carbon emissions
D Underlying free cash flow	H Carbon intensity

Key to Strategy

- Product development
- Revenue growth
- Operational excellence
- Investment and acquisition
- Remarkable talent

Group Risk Management continued

Risk and possible impact	Risk mitigation activities	Trend	Link to KPIs	Link to strategy
10. Operational – Climate and environment				
Climate and environmental risk factors are an emerging threat to all companies and could impact a business in terms of energy supply, resource availability and climate disruption.	As a global manufacturer, Volex relies on a stable energy supply and a secure provision of resources and materials. Some of our facilities and employees are based in geographic locations where global warming may, over time, have a significant detrimental impact on the ability to operate. Our successful diversification strategy and the establishment of production capabilities across various regions have enhanced our resilience.	>	G H	

Financial risks

Risk and possible impact	Risk mitigation activities	Trend	Link to KPIs	Link to strategy
11. Financial – Access to finance				
If the Group cannot access sufficient cash, bank borrowing or equity finance, investment and acquisition plans may be adversely affected.	The Company currently maintains a strong balance sheet and, following the refinancing in June 2024, has access to a $400 million committed facility, along with an additional $200 million uncommitted accordion. The Group carefully evaluates the impact of any significant transactions during both short-term and long-term cash flow forecasting.	>	D	
12. Financial – Commodity prices and FX rates				
As a global manufacturer producing and selling around the world, the Group's supply chain can be adversely affected by movements in commodity prices and other supplier inputs. The Group is also exposed to fluctuations and changes in currency exchange rates.	Volex has effectively managed commodity price risk through strategies such as hedging and incorporating copper clauses in customer contracts. In the near to medium term, the risk of higher prices is heightened. To mitigate this, Volex will continue passing through higher copper costs.	^	B	

Key to trend

Up trend | Down trend | No change

Compliance risks

Risk and possible impact	Risk mitigation activities	Trend	Link to KPIs	Link to strategy
13. Compliance – Regulatory compliance				
The Group operates in many jurisdictions around the world, all with different standards, ethics and rules for corporate governance, employment law, environmental law and product compliance and quality. The Group also operates within an international framework of sanctions and is subject to trade import and export controls. As a Group, we need to have appropriate sanctions and export controls, as compliance is crucial to protect the reputation of the Group. Failure to adhere to local or international rules can result in severe fines, or even restrictions on the ability of the Group to operate in those jurisdictions.	Compliance across the Group is centrally overseen by the Head Office HR, Tax, and Legal functions and managed locally at Volex's regional centres, with support from professional advisers. Regular internal assessments are conducted on various aspects, including employment practices, health and safety conditions and corporate compliance. For Volex products, safety and compliance staff are engaged from the early stages of product design, working closely with customers and regulatory agencies. A trade compliance team ensures export control compliance. At the supplier level, standard agreements are in place, including confidentiality terms, adherence to a code of conduct and product warranty and liability provisions. Environmental and quality agreements are mandatory before any non-approved vendor list supplier can be selected and qualified as a Volex supplier. Policy workshops and/or training are provided to staff either in-person or online on a variety of topics, including the Group's code of conduct, health and safety, cybersecurity, anti-bribery and anti-corruption, modern slavery and human trafficking, conflict minerals and responsible sourcing and sanctions.	Up trend	F	Product development
14. Compliance – Financial controls				
With operations spread across most continents of the world, and considerable autonomy often afforded to local regional centres and entities, the risk of control breaches opens up the risk of loss through fraud or through prosecution for breach of laws and regulations.	The Group has an internal audit co-sourcing arrangement with an external provider and a number of internal audit reviews looking at financial controls have been completed during the year. Central and regional head offices exercise ongoing review and assessment of individual Volex operations. Annual participation in our anti-bribery and anti-corruption online learning course is mandatory for all relevant staff. Internal authorisation processes are reviewed periodically to ensure that they remain relevant and effective.	No change	C	Operational excellence

Key to KPIs

- A Annual revenue change
- B Underlying operating profit
- C Return on capital employed
- D Underlying free cash flow
- E Underlying basic EPS
- F Employee safety
- G Scope 1 and 2 carbon emissions
- H Carbon intensity

Key to Strategy

- Product development
- Revenue growth
- Operational excellence
- Investment and acquisition
- Remarkable talent

Committed to our ambitions to be a responsible designer and manufacturer

Sustainability is an integral part of Volex. We are proud to partner with our customers, many of whom are already at the forefront of the transition to a low-carbon economy.

At Volex, our approach is built on using data-led insight gained from the implementation of our Sustainability Reporting System to determine our improvement priorities. Our Factory Sustainability Framework engages each of our sites in the sustainability improvement agenda while ensuring we work collaboratively and in a coordinated way, to maximise the benefits of our scale. Since FY2022, we have established our approach to becoming a more sustainable company and we have aligned our improvement framework to the UN's Sustainable Development Goals. During the past year, we have deployed new policies on Environment Management and on Responsible Water Use. We have delivered improvements in a number of aspects of environmental management within our key operational locations. We remain committed to decarbonising our scope 1 and 2 emissions by 2035 and we will progressively decarbonise our scope 3 emissions and our value chain by 2050.

Management and stewardship

Our Board has overall responsibility for the governance of the business

The Safety, Environmental and Sustainability Committee provides the Board with regular updates and has delegated responsibility from the Board for these matters. In FY2024, we have continued to refine our governance structures ensuring that, as management, we have the structures in place to ensure the right priority and accountability.

Our Group Sustainability Steering Committee provides a global and strategic oversight while our regional and site-level management teams take the necessary actions to ensure that we continue to deliver progressively on the improvement programmes needed to deliver our sustainability ambitions.

Building 'Excellence in Sustainability' at a factory level

At Volex, we expect all factories to be making sustainability improvements as an integrated part of their efforts to boost operational excellence. Each of our factories is unique with differences in scope, scale and in the maturity of their operational excellence programmes. As a manufacturing organisation, we rely on site-level kaizen improvements to achieve success in everything that we do. We encourage all of our sites to develop their own improvement plans – aligned with their culture, community and local priorities. Each site produces a weekly kaizen report, which is shared with all other sites in the Group to allow them to seize these improvement opportunities. Often, these reports include safety or environmental improvements along with more traditional kaizens that improve productivity or quality. We recognise excellence in sustainability at a site level through our annual Volex Site Excellence Awards programme and we also operate a Kaizen Team Excellence Award programme to highlight and celebrate the best team kaizen in each location.

Sustainability at Volex

Sustainability is integral to our business. As a global specialist in power products and power connectivity solutions, we provide our customers with supply chain, manufacturing, assembly and testing expertise. We are proud to partner with our customers, many of whom are already at the forefront of the transition to a low-carbon economy. Through our customers, many of our products, solutions and services are helping to power the drive towards a more sustainable future in line with the UN's Sustainable Development Goals.

At Volex, we recognise that the world's climate is changing rapidly and that humanity must transition to a world which rebalances our use of carbon while matching levels of resource consumption with resource availability. In line with our obligations under the Paris Agreement, we have commenced our transition to become a net zero emissions business. While our primary focus is to reduce our greenhouse gas ('GHG') emissions, we believe that our responsibilities are broader than this and that, as a responsible, trusted and sustainable business, we must address other environmental impacts such as our use of water and the management of any waste generated within our business. We strive to grow sustainably and to build operations that embrace decarbonisation and have environmental protection in their DNA.

Our sustainability strategy

As a global manufacturer, we are dependent upon a sustainable supply of resources and energy to enable us to meet the expectations of both our customers and the end-users of our power cords, connectors and harness assemblies. We recognise that, as a global manufacturer, we have a significant responsibility to protect and preserve these natural resources and to use energy as efficiently as possible. We are committed to having a positive impact on the communities in which we operate, while providing stable and meaningful employment to our workforce and minimising the negative impacts from our operations on the natural environment.

Our products and solutions are part of a complex global value chain within which there is a significant prospect of substantial environmental emissions both in terms of purchased goods and services and emissions from upstream and downstream transportation and distribution. We have started to investigate our scope 3 emissions and to engage with our supply chain specialists around the world in the initial screening phase. We have started to systematically capture emissions from business travel and will continue to develop models for employee commuting emissions in FY2025. We recognise that at least a further 70% of our total emissions could fall within the definition of scope 3 emissions as defined by the Greenhouse Gas Protocol and we will be working to verify our scope 3 emissions over the coming years.

As a sustainable business that is growing rapidly, we know that our absolute emissions will increase year-on-year unless we can decouple our growth from the negative impacts that our operations cause to the natural environment. In FY2024, we completed the acquisition of the Murat Ticaret business, bringing nine operating locations and approximately 5,000 new colleagues into the Volex organisation. Our largest acquisition to date has increased our annual energy consumption by 7,903 MWH and our scope 1 and 2 emissions have increased by 2,259 tCO_2e. However, we are pleased to see a continued improvement in our carbon intensity. In FY2024, our carbon intensity (based on our scope 1 and 2 emissions) is 25.24 tCO_2e per $m revenues comparing favourably to 27.66 tCO_2e per $m revenues reported in FY2023. We were very pleased that our track record on improving our carbon intensity (28.3% reduction since FY2019) was one of the metrics behind our inclusion in the 2024 FT Europe's Climate Leaders listing recently published by the Financial Times.

As a combined business we can report that for FY2024, as our revenues have increased by 26%, we have successfully limited the increase in our scope 1 and 2 emissions to 15.6%. We would expect this rate of decoupling to further improve as our efforts to decarbonise the business accelerate. As a manufacturer, we recognise that the energy we consume to transform materials into our customers' products is the greatest contributing factor to our carbon emissions, making up 89% of the total reported emissions in FY2024. Electricity consumption accounts for 75% of the total energy consumed by our operations. It is our responsibility, therefore, to strive for operational excellence in our manufacturing processes to ensure that we only use the optimum amount of energy necessary to produce our finished goods. Driving quality improvements so that products are built right first time, every time, thereby eliminating the inefficiencies of correcting or processing defective parts is an integral part of this mindset and our approach to operational excellence requires a relentless focus on kaizen.

Our key challenges include sourcing energy responsibly to reduce our carbon emissions per kilowatt-hour, scaling up our use of on-site solar power generation and reducing our reliance on backup diesel generators at some of our factories. We are working to minimise waste to landfill by ensuring a right-first-time approach to our processes and ensuring that we reuse, repurpose, or recycle any operational waste that is produced.

We are proceeding to deliver against our Sustainability Strategy by creating an action framework to deliver our sustainability agenda for the future. This framework identifies three key pillars of activity that underpin our efforts to improve our performance on sustainability.

Sustainability at Volex continued

1.
Data-led insight
Through the Volex Sustainability Reporting System

2.
A bottom-up approach
Through the Volex Factory Sustainability Framework

3.
Group-wide action
Through use of our data and global scale to achieve maximum impact

Volex Sustainability Reporting System

Since FY2021, we have been enhancing our use of our sustainability reporting system. We have established a standardised set of environmental, social and governance ('ESG')-related indicators, which are applied across all of our operating locations. Many of these metrics are reported on in more detail within our sustainability supplement which we are publishing annually to support these disclosures.

Since FY2021, we have partnered with UL, utilising their UL 360 Sustainability Essentials solution as our reporting platform as this gives us the capability to capture and report on our ESG data consistently across all parts of our business. We call this platform the Volex Sustainability Reporting System ('V-SRS').

This investment helps us to deliver consistent management insight across a wide array of environmental, social and governance-related performance indicators, enabling us to efficiently calculate our global carbon emissions, whether at a site, regional or enterprise level.

Using V-SRS enables each of our sites to see their own monthly carbon emissions, as well as many other important key performance indicators, such as energy or water consumption or the amount of waste produced. All this helps our sites to monitor changes in their emissions dynamically throughout the year. This system also helps us to ensure that we can be increasingly granular and responsive in our disclosures to our external stakeholders, whether their focus is at a site, subsidiary, country or Group perspective.

Building 'Excellence in Sustainability' at a factory level

At Volex, we expect all of our factories to be driving local improvements in their businesses. Our sites vary greatly in terms of size and manufacturing process so the Volex Factory Sustainability Framework was designed to be a platform for each factory to select their own prioritised improvement actions for the year ahead. Every factory has different priorities and is at a different stage in its kaizen journey. We worked hard to engage all of our sites in the design and development of our Volex Factory Sustainability Framework.

Since FY2021, we have run a programme to recognise excellence at a site level. We call this the Volex Site Excellence Awards. This annual programme recognises the best achievements across a number of performance categories. Each winning site receives a certificate and trophy. All winning sites then take the time to hold a factory-wide celebration event involving every employee. It is extremely important for us, at Volex, to take the time 'at a site level' to recognise and celebrate our successes with every single employee. In FY2024, as our business has grown, we have decided to introduce a size categorisation to this awards programme. We have categories for both our small and large sites, creating a fairer competition and providing us with an additional opportunity to recognise excellence at a site level.

Since FY2023, we included a specific category for Sustainability. The first Site Excellence Award for Sustainability in 2023 was won by our Henggang, China team for their proactive engagement in the sustainability agenda over the year, which saw them install solar panels and reduce water consumption amongst a range of environmental improvement projects. Our Henggang, China facility has won this year's award for the second consecutive year, for their continued development of their sustainability action plan. Some of the team's actions in FY2024 include the implementation of sub-metering for water use, the introduction of waterless urinals and the adoption of digital smart water meters. Our DE-KA business gained a runner-up award in recognition of their excellent work to gain USDA certification for the use of bio-based plastics in the production of power cords.

Consistent policy deployment

At Volex, we believe in taking action collaboratively and in a coordinated way to simplify the change management complexities and eliminate duplication of effort. Since 2019, we have deployed a consistent approach to evaluating our sites' safety performance. We have implemented a common health and safety policy, performance metrics and a site safety evaluation framework to encourage the development of a consistent safety culture in all our factories.

We utilise a whistleblowing solution, in partnership with NAVEX Global, called 'Speak Up', and have deployed this globally. All reports are evaluated and the Board receives periodic updates.

In FY2024, we deployed a global policy on Environmental Management and a second policy on Responsible Water Use. We have worked together to establish a single framework for our factories to drive their sustainability actions and have implemented a common reporting system through which they manage their ESG data reporting. During FY2024, we decided that we would require all sites to achieve ISO 45001 certification and to date ten of our factories (36%), covering 51% of our global workforce, have achieved this important milestone.

During FY2024, we have started to coordinate and standardise our approach to sustainable procurement, we have revised and strengthened our Supplier Code of Conduct and reviewed regional best practices for sustainability audits within our supply chain.

In FY2024, we worked together as a global team to activate our new Environmental and Responsible Water Use policies. With the arrival of the Murat Ticaret acquisition, we paused the work on our decarbonisation plan for the business until we could assess the impact of this transformative acquisition on both our carbon footprint and wider ESG performance framework. This acquisition has impacted both negatively and in some cases, positively on our KPI performance as is described in the next few pages.

At Volex we strive to be:	Our improvement effort is focused on:	UN SDG	Metrics	FY2024	FY2023
A Sustainable Business	• Delivering year-on-year improvements in process and production efficiencies • Using our resources efficiently and maximising recycling rates across our operations	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	Carbon intensity[1] tCO_2e/$m	25.3	27.7
			Waste to landfill[2] tonnes	766.4	241.9
			Recycling rates[3]	82%	90%
			Water intensity[4]	230	265
A Responsible Business	• Ensuring all our employees are safe, healthy and engaged while at work • Ensuring that all our workers receive competitive pay and benefits • Ensuring an inclusive culture that values diversity	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	Accident rate[5]	1.28	1.24
			ISO 45001[6]	51%	61%
			Turnover[7]	2.1%	3.4%
			Absence[8]	3.7%	3.6%
			Diversity[9]	60%	54%
A Trusted Business	• Delivering products and services to our customers that provide their power and connectivity needs, helping to power life and supporting the move to a greener economy • Operating our business ethically and with integrity, ensuring a robust code of conduct is embraced by all our employees	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	% revenue from green products[10]	14%	19%
			Employees trained in equal opportunities and diversity[11]	6,984	5,642
			Employees trained in Cybersecurity[12]	1,660	1,680
			ISO 9001[13]	99%	98.9%

1 tCO_2e per $m revenue (scope 1 and 2 emissions). We include all material emission sources from within the financial control boundary and this is subject to limited assurance. In this metric we have excluded scope 3 emissions as we have limited data to date. Our carbon intensity for FY2024 including our scope 3 emissions, is 27.6tCO_2e/$m revenues. The scope of our carbon emission measurement is shown on pages 71 to 72.

2 Tonnes of waste sent to landfill. In FY2024 our disclosure covers all 28 factories (FY2023, 17 factories).

3 The percentage of the total solid waste produced that is recycled.

4 Water intensity is reported as metric tonnes of water consumed per $m revenue. All sites report water usage data.

5 Lost time accidents per million hours worked and inclusive of our temporary and agency workers. We report on, and include, all injury incidents including those involving contractors. A lost time accident is any injury incident resulting in the loss of more than 1 day of time loss after the initial date of injury. This frequency rate is equivalent to 0.2 accidents per 200,000 hours worked. This frequency rate excludes the impact of the Murat Ticaret business that employs 31% of our total workforce.

6 The percentage of our total global workforce employed at an ISO 45001 certified location. 2 further sites in Poland and Slovakia gained this certification in FY2024 however the increase in our global workforce resulting from the Murat Ticaret acquisition has caused the reduction in this percentage.

7 Our turnover rate is the number of leavers/total workforce as a percentage. We report the average monthly turnover excluding leavers where short-term fixed-term contracts expire. Our overall average monthly turnover for FY2024 is 3.7% (FY2023 3.4%).

8 Our absence percentage is the number of hours of absence as a percentage of total worked hours. We report the average monthly absence percentage excluding holiday, off-the-job training and maternity leave hours.

9 This percentage shows the proportion of the total workforce who are female based on our year-end actual workforce. Additional diversity metrics are shown on page 74.

10 The percentage of our revenue from green products, specifically EV sales. As a percentage this year this number has reduced as our revenues have grown in other product areas.

11 This is the number of employees who received training on equal opportunities and diversity in FY2024. This represents 46% of our year-end workforce.

12 Number of employees participating in our monthly Cybersecurity e-learning programme. This e-learning is applied to management and our professional workforce only. In FY2024 we added a comprehensive annual e-learning module to strengthen our Cybersecurity awareness.

13 The percentage of the total workforce employed at an ISO 9001 certified location. 83% of our workforce is employed at an ISO 14001 certified location. All certifications are available on our website.

A sustainable business

Introduction

As a global manufacturer we recognise that we have a significant responsibility to protect and preserve natural resources and to use our energy as efficiently as possible. We are committed to having a positive impact on the communities in which we operate, providing stable and meaningful employment to our workforce while ensuring that we minimise any negative impacts on the natural environment from our operations.

Climate change – responding to the challenges

At Volex, we recognise that the world's climate is changing rapidly and that humanity must transition to a world which rebalances our use of carbon while matching levels of resource demand with resource availability. We recognise the increasingly disruptive changes that are taking place to the world's climate and we are committed to playing our part in tackling climate change. Our overall objective is to reduce our carbon footprint across our value chain by delivering improvements within our own operations, across our value chain and through engagement with external stakeholders.

Materiality assessment

In FY2024, we prepared a materiality assessment which was reviewed and approved by the Board. This is published in our sustainability supplement. We identified the most important ESG issues for our business while taking into account the needs and expectations of some of our stakeholders. An example of this would be many of our customers set clear priorities for us on a range of ESG issues from decarbonisation and environmental impacts through to labour and human rights. During the year, we have received insights from a variety of external stakeholders including fund managers, analysts and other financial institutions. This assessment strengthens the transparency and accountability of our disclosures. We identified 16 topics, with workforce health and safety and labour compliance topics weighted significantly and social dialogue and waste management ranked less significantly. This assessment is reviewed at least annually.

Climate-related Financial Disclosures ('CFD')

In FY2023 we completed a comprehensive review of the risks and opportunities presented by climate change following the recommendations of the Taskforce on Climate-related Financial Disclosures ('TCFD') a year ahead of this becoming a legal requirement for Volex. In FY2024, we have completed a comprehensive analysis of climate-related risks and opportunities and this has been prepared in line with the full recommendations of the TCFD. We continue to evolve our non-financial disclosures in line with emerging recommendations and principles, ensuring we remain compliant with the reporting requirements in sections 414CA and 414CB of the Companies Act. Our full report is available on page 63.

Our roadmap to net zero

At Volex, we have committed to reducing our emissions to net zero. In the short-term, we will continue our efforts to decouple business growth from any growth in our emissions. We will produce a detailed decarbonisation roadmap, including establishing our targets in accordance with the Science Based Targets initiative. In the medium-term, we will reduce scope 1 and 2 emissions to net zero by 2035. Over the longer-term, we will bring our total scope 1, 2 and 3 emissions to net zero by 2050 (or earlier if otherwise agreed by the international community).

We have defined FY2019 as our base year for our emissions reporting as this is in line with our peer group. We will use FY2022 as the base year for a wider set of environmental and sustainability-related improvement targets as this was the first year that the business was able to produce a comprehensive environmental performance data set.

We are taking steps to reduce the carbon emissions associated with our operations. In FY2024, we have increased our use of on-site solar generation, resulting in 153 tCO_2e of emissions being avoided (compared to 80 tCO_2e in FY2023). We have expanded our use of PV-generated solar energy and other energy-efficient technologies. We delivered an 8.4% reduction in carbon intensity per $m revenue compared to the prior year and our carbon intensity has now reduced by 28% since FY2019. Our use of renewable energy (KWHs) has increased by 172% compared to the previous year. We have established energy efficiency as a key pillar within our factory sustainability framework and improvement ideas which generate energy efficiency are identified and implemented across the Group through our kaizen programme.

Environmental policy

At Volex, we are committed to conducting our business in an environmentally responsible way so as to benefit our shareholders, the environment and other stakeholders. We recognise the challenges facing the modern world from climate change and the urgent need for substantive action. During FY2024, we developed a comprehensive environmental policy that has been reviewed and approved by our Board. Our environmental policy, which is available on our website, includes 16 commitments which will focus our improvement efforts in the years ahead. We will report our progress through annual updates to this policy and through our formal disclosure processes.

Enhanced sustainability disclosures

In FY2024, we started our journey towards becoming a net zero business. In our FY2023 reporting cycle, we recognised that our stakeholders wanted greater granularity around our sustainability performance, and with a growing list of performance indicators, we decided to produce a supplemental sustainability disclosure report, which was published alongside our Annual Report and Accounts. The latest version of this supplement is available on the Volex website.

Our progress in FY2024

Emissions

Our absolute emissions (scope 1 and 2) have increased this year by 15.6% as a result of the growth of the business, which has seen our revenues increase 26.3% compared to the previous year. These emissions are driven primarily by our energy consumption for our manufacturing operations, of which 75% relates to the consumption of electricity within our factories.

Our emissions intensity reduced by 8.4% in FY2024 as we benefitted from our business expanding into less energy intensive manufacturing processes with our acquisition of the wire harness manufacturer Murat Ticaret. Our emissions intensity (scope 1 and 2) has now reduced by 28% compared to our first baseline year of FY2019. We expect to see a further reduction in emissions intensity as further sites bring online their solar PV capabilities in the coming year. Investigative work is ongoing to identify ways to reduce our use of diesel generators in those countries where a back-up power supply to the main electricity grid is required to support our operations.

Energy and efficiency improvement actions in 2024

As 75% of our energy consumption is electricity, we are committed to improving energy efficiency across the business. As part of introducing the Volex Factory Sustainability Framework, we encourage each site to adopt energy efficiency measures. This includes the adoption of LED lighting solutions and, to date, we have achieved 86% LED adoption across the Group with more than 42,000 LED bulbs now in use. We have taken action to replace older, less efficient machinery with more modern and more sustainable solutions. We have increased our energy efficiency by reducing the bar pressure within the compressed air systems in our factories. This improvement action alone delivers a number of benefits, including a reduction in energy demand from the use of our compressors, and it also reduces noise levels and reduces a number of health and safety risks. We have continued to invest in more energy-efficient equipment in our operations. We have expanded our consumption of renewable energy by 172% compared to the prior year. Our Henggang, China factory was the first of our plants to install a 100kW solar panel array to support the decarbonisation of its energy supply and our Suzhou, China plant brings online its PV capability early in FY2025. Our Zhongshan, China plant was the first of our large plants to commence the transition to a greener power supply model as they entered into a contract to purchase 25% of their electricity from a green energy supplier. We have 30 on-site EV charging points installed at our operating locations.

Water

Volex is committed to reducing the consumption of water within the business. Our objective is to ensure that this precious natural resource is used sustainably and always returned to the water system in a good condition. In FY2024, we consumed 210,337 metric tonnes of water (230mt/$m revenues) compared to 191,478 in FY2023 (265mt/$m revenues), a year-on-year improvement of 13%. Through our TCFD preparatory work we have assessed the Group's exposure to water stress. We utilised Munich Re's analytical capabilities, which are based on the World Resources Institute's Aqueduct Water Risk Atlas. Through this analysis we can see that 50% of our locations are in extremely high water stress areas and therefore our focus is on minimising water consumption.

None of our sites are high water consumers due to the nature of the manufacturing processes used within the business. Our three China-based sites account for 48% of our global water consumption. Most of our locations' water use is minimal as it is not used in our traditional manufacturing processes. Some operations, including injection moulding and extrusion operations, do require process water, but these operate with closed-loop systems. Water efficiency is one of the improvement areas in our Factory Sustainability Framework and we launched a Responsible Water Use policy across the organisation during FY2024.

Other parts of our business are at risk of excess precipitation and by applying geospatial modelling to establish current physical risks and to assess how these vary across different IPCC Representative Concentration Pathway scenarios, it is possible to identify that six of our sites in our China, Asia and Türkiye regions have medium-high precipitation stress risk exposure.

Waste

Volex is committing to reducing the quantity of waste, including hazardous waste, that is generated within the business and we are reducing our waste to landfill at several locations. In FY2024, we have included waste data from all 28 factories (17 in FY2023). This includes our Murat Ticaret factories, even though they have not yet implemented a waste management programme. As a Group we produced 5,975 tonnes of total solid waste and our recycling rate reduced from 90% in FY2023 to 82% in FY2024, reflecting the impact of this recent acquisition on our overall environmental performance. Our waste to landfill was 766 tonnes compared to the 242 tonnes that we reported in FY2023. These increases to our waste-related performance indicators reflects the combined impact of an increased number of our sites reporting their waste data and the effects of our most recent acquisition. All sites are reporting waste data and we have 17 sites operating at a 'zero waste to landfill' condition compared to the seven factories that we reported in FY2023.

Our progress in FY2024 continued

Environmental Improvement Activities

Within the Volex Factory Sustainability Framework, every site is encouraged to adopt improvement initiatives that are materially relevant to their operations and local stakeholders. There are many examples each year of how our sites respond to this challenge; our inyantra factory in Pune, India engaged in a community tree planting activity, and one of the newly acquired sites in Murat Ticaret, located in Kutahya, Türkiye, has planted 200 trees around their factory to boost local biodiversity. Other sites have championed responsible water use or commenced the implementation of solar panels to reduce their carbon emissions.

Environmental Product Sustainability

Many of our products are aligned to key ESG objectives, including those that we manufacture for electric vehicles, medical equipment, data centres, robotics and automation. In FY2024, 13.6% of Group revenues related directly to our products that support electric vehicles. From a product perspective we are compliant with the provisions of EU RoHS and EU REACH, and implement stringent controls to eliminate the use of hazardous substances. We offer products that are free from MCCP, phthalates, lead and DINP, and a range of halogen-free cables. Our product engineers are constantly assessing ways of making our products more sustainable. Our teams are constantly innovating to identify more resource-efficient ways of manufacturing our products. In our DE-KA business, their innovative use of bioplastics gained USDA approval for a bio-based power cord product.

Establishing the carbon footprint of our products and product life cycles

Increasingly, our customers are seeking our assistance with the intricacies of product Life Cycle Assessment ('LCA') and Product Carbon Footprint ('PCF'). This is of particular interest to our power cord customers and the undertaking is no small feat, particularly within the dynamic landscape of manufacturing and supply chain management. The cradle-to-grave process inherent in our operations adds layers of complexity, as each component and stage requires careful scrutiny. Our robust product designs, while ensuring quality and reliability, contribute to this complexity, with multiple components even within a single finished product. We are at the start of our journey and each assessment provides us with greater insight and a more repeatable process.

Supply chain sustainability

We challenge our businesses through our Factory Sustainability Framework to focus on improvements within our global supply chain to reduce the inherent emissions from the transportation of products both internally and in our external supply chain. Changing the sources of key materials, reviewing packaging materials and packaging solutions, becoming more vertically integrated and considering greater use of local supply possibilities are all actions that enable us to further decarbonise our supply chain. In FY2024, we have updated our Supplier Code of Conduct and commenced work on a sustainable procurement policy. Working with our global supply chain professionals, we have raised their awareness of the importance of sustainability in the supply chain and have reviewed our internal supplier audit practices to identify global best practices.

Non-financial and Sustainability Information Statement

Introduction

As a manufacturer with a global operation, supply chain and customer presence, Volex recognises the importance of understanding the current and future potential impacts of climate change on our business. We also take the responsibility that the Company holds in reducing its direct impact on the planet seriously. This year, we have again undertaken a comprehensive analysis of our climate-related risks and opportunities on our strategy, taking into consideration their financial impact and considering them under different timeframes and scenarios.

The following report covers the Board's oversight of climate-related issues; the Group's integration of climate change within our overall risk management processes; our strategies for managing climate-related risks; and relevant metrics used to measure progress towards our climate targets.

The Board notes the requirement for mandatory climate-related disclosures within the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, which this report addresses.

In setting out this report, we have referenced the full TCFD recommended disclosures as detailed in 'Recommendations of the Task Force on Climate-related Financial Disclosures' 2017, with use of additional guidance from 'Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures', 2021. Additionally, following the amendment of sections 414C, 414CA and 414CB of the Companies Act 2006, the Group has indicated, in the below table, which of the climate-related disclosures, outlined in Section 414CB, are addressed by the TCFD recommended disclosures, alongside the pages of the 2024 Annual Report and Accounts where these are located.

In 2024, the acquisition of Murat Ticaret was the primary focus and we have reported on the combined scope 1 and scope 2 emissions for the expanded Group. We decided to pause work on our Group-wide scope 3 emissions until the new business was integrated. Having successfully integrated the business, we are committed to improving the data collection required for us to report on our upstream and downstream emissions in the coming years.

Recommendation	Recommended disclosures	Page reference	CA 414CB
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Page 64	(a)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 65	(a)
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Pages 66-68	(d)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Pages 66-70	(e)
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 66	(f)
Risk Management Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Page 65	(b)
	b) Describe the organisation's processes for managing climate-related risks.	Page 66	(b)
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Pages 65-69	(c)
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 70	(h)
	b) Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pages 71-72	(h)
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Pages 70-72	(g)

Non-financial and Sustainability Information Statement continued

Governance

Board level

The Board of Directors has oversight and ultimate responsibility for Volex's sustainability strategy, targets, disclosures and reporting. The Board's responsibility includes (but is not limited to) climate-related risks and opportunities and the monitoring of Group performance towards achieving climate-related targets in line with TCFD recommendations. The Board regularly considers climate-related issues when reviewing and guiding strategy, such as inclusion of ESG factors within the due diligence processes that take place prior to acquisitions and overseeing the sign-off of major capital expenditures. Environmental due diligence was undertaken prior to the acquisition of Murat Ticaret.

The Board receives at least two updates each year at Board meetings on key sustainability and climate-related matters that impact the sectors in which the Group's businesses operate and on the specific measures that need to be implemented to drive improved climate-related performance of the businesses.

The risk management process gives the Board assurance that risk management and related control systems in place are effective. During the year this comprised two key elements, which are supported by other activities within our risk management framework: an ongoing process of assessment and review of individual Volex sites and/or entities undertaken by a combination of our Internal Audit function, the Group Finance team and the operations teams; and the annual risk survey conducted centrally across the entire senior management team and Group-wide functions. The Board delegates responsibility for driving ESG strategy, including responsibility for identifying, considering and managing climate-related risks and opportunities, to the Safety, Environment and Sustainability ('SES') Committee, whose members include the Executive Chairman, an independent Non-Executive Director and the Group's HR Director. The Committee's terms of reference are available on our website. The SES Committee reports to the Board following its biannual meetings.

The Board oversees and monitors progress against our key sustainability goals including our net zero by 2035 scope 1 and 2 emissions target.

The Board is yet to deploy a firm link between Executive remuneration and ESG indicators. However, the Board has resolved that its Remuneration Committee will review this on an annual basis.

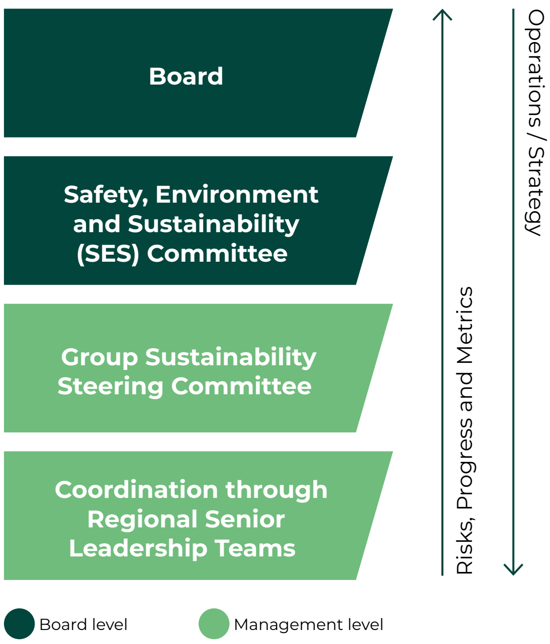
Management level

At a management level, an executive Group Sustainability Steering Committee (consisting of Lord Rothschild, Executive Chairman; John Molloy, Group Chief Operating Officer; Jon Boaden, Group Chief Financial Officer; and Alan Taylor, Group HR Director) is responsible for developing the climate agenda and driving its implementation at an operational level. The Group Sustainability Steering Committee discusses and reviews all sustainability data, performance and targets as they develop at quarterly meetings. The Committee reports to the Board-level SES Committee.

Each regional Chief Operating Officer ('COO') has responsibility for the sustainability strategy and the delivery of the improvement programmes within their locality. Site-level sustainability reviews are conducted to inform the action plans that are managed at a regional level. Every employee is kept informed of role-relevant behaviours that promote Volex's commitment to sustainability and climate resilience. All manufacturing sites submit greenhouse gas emissions data, as well as an extensive range of other sustainability-related data, to the Group on a monthly basis through the Group's Sustainability Reporting System. On a weekly basis, each factory is required to share its kaizen reports with all other locations and many of these kaizen reports include improvement actions that are delivering environmental or other efficiency-related improvements.

Each regional COO coordinates their sustainability improvement activities, and this is reported to the Group Sustainability Steering Committee, through which information is fed up to Board level via the SES Committee to be integrated into the Group's risk assessment and strategy development.

Climate governance structure



Risk Management

Identification of climate-related risks is integrated into Volex's risk management processes and considered as part of the overall Group risk management process. This risk assessment considered existing and emerging risks and all risk categories outlined in the TCFD recommendations in relation to all of Volex's operations, including our newly acquired Murat Ticaret operations, as of 31 March 2024. Climate-related risks and opportunities were also considered in the Group's upstream and downstream supply chains.

"Climate and Environment" has been identified as a Principal Risk (Operational) for Volex.

While the Board has overall responsibility for the management of risks at Volex, businesses invest in and implement appropriate systems and processes to manage their impact on the environment. The Audit Committee is delegated specific responsibility from the Board for the oversight of the risk management process. Our overall approach to Risk Management is described on pages 49 to 55.

The management of Volex's climate-related risks is integrated into the Group's overall risk management framework. All climate-related risks are assessed in the same manner as other Group risks, so that their relative significance is comparable.

Climate-related risk identification is performed both top-down: based on a strategic risk assessment at Executive and Board levels; and bottom-up: risk assessment at operational and functional levels. In practice, this means that Transition risks are identified and managed at Group level, and Physical risks, which are location specific, are identified and reported up from site level. The risk management process is comprised of two key elements, which are supported by other activities within our risk management framework:

- An ongoing process of assessment and review of individual Volex sites and/or entities undertaken by a combination of the Internal Audit function, the Group Finance team and the operations teams; and
- An annual risk survey is conducted centrally across the entire senior management team and managers within the Group-wide functions. This provides a top-down, bottom-up approach, whereby a strategic risk assessment is conducted at Executive and Board level, as well as the assessment of risks at an operational and functional level. Climate-related risk is considered within this process and included within the Principal Risk Register.

The Group's Risk Register categorises all existing and emerging risks, including climate-related risks, with the register covering the probability of the risk occurring and the degree of the potential impact.

All risks are assessed on a 5x5 matrix incorporating an assessment of the likelihood of occurrence and the potential impact on the business were they to occur, as well as the extent to which they are being addressed and mitigated. The Group defines the likelihood and financial impact as follows:

Likelihood	Impact	
5 Almost certain	5 Catastrophic	Impact or lost opportunity of >$10m
4 Likely	4 Critical	Impact or lost opportunity of $5m-$10m
3 Possible	3 Serious	Impact or lost opportunity of $3m-$5m
2 Unlikely	2 Significant	Impact or lost opportunity of $1m-$3m
1 Rare	1 Minor	Impact or lost opportunity of <$1m

The risk matrix is consolidated into four risk levels: Low (a risk score of <5), Medium (a risk score of 6-12), High (a risk score of 13-19), and Very High (a risk score of 20-25).

Risk mitigation factors for all risks, including climate-related, are included in the Risk Register and this combined view determines the approach for managing climate-related risks (e.g. mitigation, accept, or control).

Non-financial and Sustainability Information Statement continued

Strategy

Our approach to climate scenario analysis

Climate scenario analysis, assessing the physical and transition risks and opportunities that may impact the Group, was completed for the second time during FY2024, incorporating the additional sites gained through the Murat Ticaret acquisition. Potential risks were assessed within the Group's own operations and upstream/downstream in the Group's supply chain. Assessments were completed, with support from external consultants, CEN-ESG, through climate-related workshops and interviews across the business. Quantification of risks and opportunities has been completed where sufficient data is available. It has not been possible to fully quantify all risks and opportunities due to the high levels of uncertainty around climate change and availability of data. Risks and opportunities have been prioritised to determine which have a material financial impact on the organisation using both likelihood and financial impact, resulting in a combined risk register. The threshold for financial materiality is outlined on page 130 within the Independent Auditors' Report.

Our risk assessment and climate scenario analysis has shown that, in aggregate across all scenarios assessed, the overall climate risk exposure for Volex is Low, and the group is financially resilient and strategically robust to climate change. Our current understanding of climate-related risks is that any impacts on assets is limited, and risks can be accommodated within business-as-usual activity considering existing and planned mitigation strategies.

Risks are subject to ongoing refinement and quantification over time, which enables us to build a complete picture and assists with incorporating the management of any climate-related risks into the ongoing strategy. There are no effects of climate-related matters reflected in judgements and estimates applied in the financial statements as a result. Our analysis will continue to evolve as new data becomes available, both internally and externally, and we will continue to monitor our climate exposures and action plans through the Group's risk management framework.

The limitations and assumptions of scenario analysis are:

1. Scenarios may only provide high-level global and regional forecasts;
2. Not all risks are easily subject to scenario analysis;
3. Scenario analysis requires analysis of specific factors and modelling them with fixed assumptions;
4. Impacts are to be considered in the context of the current financial performance and prices;
5. Gross impacts are assumed to occur without the company responding with any mitigating actions, which may reduce the impact of risks;
6. Impacts are modelled to occur in a linear fashion when, in practice, dramatic climate-related impacts may occur suddenly after tipping points are breached; and
7. The analysis considers each risk and scenario in isolation, when in practice climate-related risks may occur in parallel as part of a wider set of potential global impacts.

Physical Risks

Volex is a global manufacturing business with an operation spanning multiple continents. As global temperatures rise, the frequency and severity of extreme weather events are likely to increase, resulting in a higher chance of disruptions to global operations and supply chain. The Munich Re Location Risk Intelligence Tool has been used to assess current and potential future chronic and acute physical climate-related risks facing our facilities. We have assessed the potential climate-related physical risks (includes the risks of floods, storms, sea level rises, drought, wildfires and precipitation stress) at all 28 of our operational locations.

Three climate scenarios were selected to provide a range of situations which may impact the Group. The scenarios are based on the IPCC's Representative Concentration Pathways ('RCP') mapped to the latest IPCC AR6 report's Shared Social Economic Pathways ('SSPs).

- **Net Zero 2050 Scenario RCP 2.6/IPCC SSP1:** which is associated with c1.5°C temperature rise from pre-industrial times by the end of the century;
- **'Middle of the Road' RCP 4.5/IPCC SSP2:** which is associated with 2-3°C temperature rise from pre-industrial times by the end of the century; and
- **'Hothouse world' RCP 8.5/IPCC SSP5:** which is associated with >4°C temperature rise from pre-industrial times by the end of the century.

Based on a combination of the likelihood of an event, the materiality of the location and the potential financial impact, we have identified two potentially significant climate-related physical risks.

Key physical risks

Risk	Damage or disruption to own operations due to flooding events	Disruption to supply chain due to flooding events
Area	Own operations (China, Vietnam, Türkiye)	Upstream and Downstream (Global)
Risk description	Flood risk is the dominant risk within seven sites identified as having extreme exposure. Projected forward, the risks intensify with increased precipitation stress.	Sea freight is a key distribution channel and climate-related events, such as disruption to ports through storm surge and sea level rise, could impact the ability to operate.
Potential financial impact	• Asset damage costs • Loss of revenue due to operational disruption • Increased insurance costs • Productivity loss	• Disruption to the supply chain impacting distribution • Productivity loss • Loss of revenue due to operational disruption
Mitigation/actions to manage risk	• Diversified production strategy - production can be switched from any disrupted sites, although noting operational and commercial constraints • Flood damage insurance cover at all manufacturing sites with limits that reflect the magnitude of risk • Materiality of financial impact of a negative event at each site decreases with Group growth • Experience also shows that in the event of a super-typhoon, impact is limited to just a few weeks to return power supplies and fix infrastructure	• Maintaining redundancy in global manufacturing capabilities allows for production to continue for all products should a single facility be materially disrupted by supply chain/distribution issues • Volex operates a very expansive supply chain, mitigating against any single supplier being impacted by physical climate-related events • Major climate-related events would likely equally affect competitors, meaning no loss of competitive advantage
Metrics used to track risk	• Number of days lost due to disruption • Revenue lost due to disruption • Cost of asset damage/replacement	• Number of days lost due to disruption • Revenue lost due to disruption
Time horizon	All time horizons	Longer term
Likelihood	3	3
Impact	1	1

Transition risks and opportunities

Volex is exposed to the risks and opportunities that result in a transition to a low-carbon economy. The speed of this transition will determine the severity and impact of climate transition risks and opportunities.

Transitional climate-related risks and opportunities were identified and assessed over three different time horizons. These horizons allowed us to consider the lifespan of our assets and infrastructure as well as any longer-term regulatory changes and to consider our near and long-term targets.

Non-financial and Sustainability Information Statement continued

Climate scenario time horizons

Term	Years	Rational
Short	2024-2025	Aligned with short-term business actions and financial planning
Medium	2026-2035	Aligned to the Group's net zero by 2035 target (scope 1 and 2)
Long	2036-2050	Aligned to the Group's net zero by 2050 target (scope 1, 2 and 3)

The following IEA climate-related models, looking forward out to 2050, were applied to assess the behaviour of climate-related transition risks and opportunities. The IEA scenarios are far more descriptive and useful for modelling more positive climate outcomes, so are appropriate for modelling transition risks.

- **Net Zero 2050 ('NZE'):** an ambitious scenario, which sets out a narrow, but achievable, pathway for the global energy sector to achieve net zero CO_2 emissions by 2050. This meets the TCFD requirement of using a "below 2°C" scenario and is included as it informs the decarbonisation pathways used by the Science Based Targets initiative ('SBTi'), which validates corporate net zero targets and ambition.
- **Stated Policies Scenario ('STEPS'):** a scenario which represents the roll forward of already announced policy measures. This scenario outlines a combination of physical and transition risk impacts as temperatures rise by around 2.5°C by 2100 from pre-industrial levels, with a 50% probability. This scenario is included as it represents a base case pathway with a trajectory implied by today's policy settings.

Based on a combination of the likelihood of an event and the potential financial impact, we have identified three potentially significant climate-related transition risks and three potentially significant climate-related transition opportunities:

Key transition risks

Risk	Carbon price in own operations	Carbon price in value chain	Failure to meet/maintain expected ESG credentials
TCFD category	Policy & Legal	Policy & Legal	Reputation
Risk description	The scope of carbon pricing is expected to expand over the medium-term and the price of carbon is expected to rise in the drive to make companies more responsible for energy use and carbon emissions. The IEA forecasts that carbon prices relevant to Volex under NZE and STEPS scenarios are projected to increase.	Volex is exposed to potential carbon pricing impacts in the value chain. It is uncertain how and when carbon prices will be imposed in the value chain and how much will be passed on to Volex. A full scope 3 carbon footprint is also required to fully understand the risk impact.	Volex has obligations to its stakeholders, such as customers and investors, to maintain and show progress against sustainability ratings and frameworks and to demonstrate progress on decarbonisation. The expected growth of the business over the next four years introduces additional challenges in terms of managing sustainability.
Area	Own operations	Upstream and downstream	Own operations
Potential financial impact	• Price of carbon related to GHG emissions in own operations. • Increased operational expenses (greatest impact on the energy intensive cable manufacturing sites). • Increasing regulations on existing products (e.g. carbon intensity) increases costs and exposes the business to litigation. • Greater costs associated with emissions reduction activities.	• Higher costs of purchased goods and services as suppliers pass on costs. • Higher costs associated with carbon tax on scope 3 emissions.	• Increased shareholder concern could lead to increased cost of capital and loss of investment. • Failure to maintain customer expectations on sustainability performance could lead to loss of trust, competitive advantage and ultimately contracts. • Failure to comply with all relevant disclosure regulations could result in fines from regulatory bodies.

Risk	Carbon price in own operations	Carbon price in value chain	Failure to meet/maintain expected ESG credentials
Mitigation/actions to manage risks	• Current and planned initiatives to reduce energy consumption and targets for decreased emissions including increased investment in clean electricity through use of RECs and PPAs. • Complete LCAs of products.	• Supplier and customer engagement. • Membership of industry stakeholder groups.	• Continuous improvement in sustainability reporting to align with external frameworks and rating agencies. • Net Zero Transition plan to be developed. • Clear communication through dedicated sustainability report that meets stakeholder requirements.
Metrics used to track risk	• Emissions (scope 1 and 2) • Profit margin	• Emissions (scope 3) • Profit margin	• Emissions (scope 1, 2 and 3) • ESG rating agency scores • Revenue • Cost of capital
Time horizon	Short/Medium	Medium	All time horizons
Likelihood	3	3	2
Impact	1	2	2

Key transition opportunities

Opportunity	Aiding the transition to a green economy through electrification	Improvements to resource efficiency	Supporting the energy transition
TCFD category	Products & Services, Markets	Resource efficiency	Energy Source, Resilience, Resource efficiency
Opportunity description	As a manufacturer of power and connectivity-related products and solutions, the business is well placed within a variety of markets to drive electrification and aid in the transition to green energy. As electrification across the economy grows, this allows Volex the opportunity of increasing its market share within this space, winning business and increasing sales. In particular, the Electric Vehicle sector is a significant and growing market that Volex will be able to benefit from.	Improving energy efficiency, reducing materials and improving recyclability of products will help reduce costs as well as mitigate against the future cost of carbon pricing.	Opportunities to reduce operating costs through transitioning to green energy and improving business resilience through generation of own renewable energy through on-site installations.
Area	Own operations	Own operations	Own operations
Potential impact on the business	• Increased revenue from the expanding Electric Vehicle market. • Increased market share in both existing and new markets. • Overall positive effect on revenue, revenue growth and profit margins.	• Reduce production costs by improving operational efficiency and recyclability of products. • Reduce capital expenditure through material efficiency.	• Reduce operating costs longer-term through transition to green energy sources. • Reduce impact of carbon pricing in own operations and reduced energy bills through generation of own renewable energy on-site.

Non-financial and Sustainability Information Statement continued

Opportunity	Aiding the transition to a green economy through electrification	Improvements to resource efficiency	Supporting the energy transition
Strategy/actions to manage opportunity	• R&D investment strategy - adapt to market and industry changes. • Strategic partnerships to access new markets and customers. • Marketing strategy. • M&A to access markets.	• Operational excellence. • Set water, waste and material efficiency targets. • Product LCAs.	• Energy, Renewable installations (e.g. LED lighting, efficient machinery etc.). • Site and building improvements (e.g. insulation). • Leak detection and repair. • Employee awareness and engagement. • Technological innovation to enable a net zero economy.
Metrics used to track opportunities	• Revenue • Revenue growth • Profit margin	• Scope 1-3 emissions • Energy consumption	• Scope 1-3 emissions • Energy consumption
Time horizon	Medium	Medium	Medium
Likelihood	5	5	4
Impact	5	2	1

Metrics and Targets

Volex discloses a wide range of metrics used for assessment of climate-related risks and opportunities, including GHG emissions (scope 1, 2 and elements of scope 3 such as Employee Commuting and Business Travel), energy consumption data, water use efficiency and waste data. See pages 71 to 72 for full data disclosure.

FY2024 was a transformational year for Volex, following the acquisition of the Murat Ticaret business. This substantial transaction added nine new manufacturing locations to the Volex portfolio and resulted in an 15.6% increase in scope 1 and 2 emissions compared to FY2023. While energy reduction initiatives and efficiency improvements continued in the existing sites throughout FY2024, the key focus for the year was to deploy our data capture processes to the new sites to enable full emissions disclosure. While this work was ongoing, the process to set absolute emissions reduction targets through the SBTi was temporarily put on hold. Now that we have a full picture of our emissions across the expanded group, we will now progress with completing a full carbon footprint assessment with the intention of setting science-based targets by the end of FY2025. We will be developing a structured roadmap or transition plan to align to our emissions target of achieving net zero by 2035 (scope 1 and 2) and net zero by 2050 (all scopes). For further information on our targets, see page 60.

Streamlined Energy & Carbon Reporting (SECR) Statement FY2024

Company information

Volex plc (the 'Company' and together with its subsidiaries the 'Group') is a public company limited by shares domiciled and incorporated in the United Kingdom under the Companies Act 2006. Its shares are listed on AIM, a market on the London Stock Exchange. The address of the registered office is given on page 200.

Quantification and reporting methodology

For our reporting on scope 1, 2 and 3 we have followed the GHG Protocol and the 2013 UK Government environmental reporting guidance as defined in The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. All operations globally have been included within this assessment. The financial boundary was reviewed and has been determined that all material emission sources have been captured within the assessment boundary. We are working towards reporting against the remainder of our scope 3 emissions. The figures relate to the required elements of each scope 3 category.

Table 1: Total Volex GHG emissions for the period 03 April 2023 – 31 March 2024* (tonnes CO_2e[1] unless stated)

* All sustainability data is reported using full calendar months. Therefore, there is a minor difference in our reporting periods.

		2024			2023		
Global GHG emissions data in metric tonnes CO_2e		**UK and offshore**	**Global (excl. UK and offshore)**	**Group Total 2024**	UK and offshore	Global (excl. UK and offshore)	Group Total 2023
Scope 1: Direct GHG emissions							
On-site diesel combustion	tCO_2e	–	211	211	–	56	56
Refrigerant gas top up consumption	tCO_2e	–	79	79	–	183	183
On-site gas combustion	tCO_2e	18	1,188	1,206	18	421	439
Company vehicle fuel	tCO_2e	–	23	23	–	41	41
Company owned vans/lorries	tCO_2e	–	23	23	–	30	30
Company owned car travel	tCO_2e	1	233	234	1	80	81
Total scope 1	tCO_2e	19	1,757	1,776	19	811	830
Scope 2: Indirect GHG emissions							
Grid electricity - non-renewable	tCO_2e	16	21,088	21,104	6	18,929	18,935
District heating	tCO_2e	–	236	236	–	235	235
Total scope 2 (location based)	tCO_2e	16	21,324	21,340	6	19,164	19,170
Total scope 1 and 2	tCO_2e	35	23,081	23,116	25	19,975	20,000
Intensity Metric: Scope 1 and 2 GHG Emissions per $m revenues[2]		0.2		25.2	0.2		27.7
Scope 3: Indirect emissions in the value chain							
Employee commuting incl. home workers	tCO_2e			n/a3			n/a
Grid electricity - non-renewable (T&D)	tCO_2e	1	1,491	1,492	1	1,270	1,271
District heating (T&D)	tCO_2e	–	12	12	–	12	12
Company hired car travel	tCO_2e	18	569	587	–	–	–
Grey fleet car travel	tCO_2e	8	84	92	–	–	–
Business travel (rail, flights, taxi)	tCO_2e	–	–	–	–	562	562
Total scope 3	tCO_2e	27	2,156	2,183	1	1,844	1,845
Total carbon emissions (adjusted)	tCO_2e	63	25,237	25,3004	26	21,819	21,845
Scope 1	kWh	103,807	8,467,776	8,571,583	102,737	3,111,482	3,214,219
Scope 2	kWh	154,538	40,534,899	40,689,437	293,606	35,185,037	35,478,643
Total Energy Consumption (scope 1+2)	kWh	258,345	49,002,675	49,261,020	396,343	38,296,519	38,692,862

Streamlined Energy & Carbon Reporting (SECR) Statement FY2024 continued

Renewables[5]		2024 UK and offshore	2024 Global (excl. UK and offshore)	Group Total 2024	2023 UK and offshore	2023 Global (excl. UK and offshore)	Group Total 2023
Grid electricity - renewable	kWh	75,614	1,128,038	1,203,652	260,803	181,252	442,055
Solar generated electricity	kWh	–	229,454	229,454	–	115,555	115,555
Grid electricity- renewable (saved emissions due to use of renewables)	tCO_2e	16	688	704	51	112	163
On-site generated emissions	tCO_2e	–	153	153	–	80	80
Total combined renewable emissions saved	tCO_2e	16	841	857	51	192	243

1 tCO_2e – tonnes of carbon dioxide equivalent emissions; this figure includes GHGs in addition to carbon dioxide.

2 Intensity ratio of gross global emissions in tonnes of CO_2e per $m revenue chosen as a common business metric for our industry sector. One acquisition was completed in the reporting year (Murat Ticaret). Emissions are recorded from day one of the acquisition as part of our integration activities. Inclusive of our reported Scope 3 emissions our carbon intensity would be 27.6 tCO_2e per $m revenue.

3 Homeworker emissions are excluded from the scope; they amount to 1% of the total emissions and so are not material to the overall results.

4 This excludes the 704 tCO_2e from our consumption of certified renewable energy.

5 Although on-site Company-owned solar power generation should be categorised in scope 1, we have presented our use of renewables and the associated emissions 'avoided' separately as they represent zero emission power.

Table 1 shows the GHG emissions for the Group, broken down by scope 1, scope 2 and some scope 3 emissions for FY2024 and FY2023. Our reported emissions increased this year by 15.6% as a result of our acquisition and revenue growth rate of 26%. Our emissions intensity has reduced by 8% for the FY2024 and 28% compared to our base year.

Emissions by region (tCO_2e)

Region	FY2024
UK	63
Americas	2,132
China	8,854
Asia Pacific	7,711
Europe	884
Türkiye	5,656
Group total emissions	25,300

Targets

We are committed to reducing our emissions (scope 1 and 2) to net zero by 2035. We have committed to setting science-based targets aligned to and verified by, the Science Based Targets initiative. We will bring our total scope 1, 2 and 3 emissions to net zero by 2050 or as otherwise agreed by the international community. During FY2025, we will produce our road map and set science-based targets. We have assessed our current progress against a FY2019 base year. Given the scale of the Murat Ticaret acquisition and its impact on the business, we will review to determine the most relevant base year going forward. For the purposes of our net zero ambitions and to demonstrate improvements made in recent years, our base year remains FY2019. We are committed to reducing the carbon emissions associated with our operations. We have delivered an 8% reduction in carbon intensity per $m revenue compared to the prior year. We have established energy efficiency as a key pillar within our factory sustainability framework and improvement ideas, generating energy efficiency, are already being identified through our Group-wide kaizen activities.

Data assurance

carbon footprint standard CO_2e Assessed Organisation

In FY2024, we engaged Carbon Footprint Ltd to undertake an independent verification of our carbon footprint assessment and supporting evidence of our scope 1, 2 and 3 emissions. A copy of their report is available on our website. Their verification was conducted in accordance with ISO 14064-3 (2019): Greenhouse gases - part 3: 'Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements.' Page 3 of the Carbon Footprint Report confirms that this provides a limited level of assurance. Page 13 of the Carbon Footprint Report confirms that Volex has established appropriate systems for the collection, aggregation and analysis of quantitative data for the determination of GHG emissions for the stated period and boundaries.

A Responsible Business

Social impact

Our Responsible Business Goal is to create an environment where our people can be at their best. This aligns with a number of the UN's SDGs specifically: 3 "Ensure healthy lives and promote well-being for all at all ages", 4 "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all", 5 "Gender equality", 8 "Decent work and economic growth", and 10 "Reduced inequalities".

Introduction

At Volex, we believe that being a responsible business starts with ensuring the health and safety and well-being of our workforce. We are committed to the continuous improvement of health and safety within our business. We have prioritised safety-related improvements as we believe that creating a safe working environment is the foundation for any manufacturer to build an engaged and stable workforce. With a great safety culture in place we can progress to develop a world-class culture that values diversity and inclusion, learning and employee engagement.

Health, safety and well-being

Our Responsible Business Goal is to improve the physical and mental health and well-being of our employees and to provide them with a safe place to work. This aligns with the UN's SDG 3 "Good health and well-being".

Our people are our most important asset and, as a manufacturing company, our primary focus is on ensuring safety in our factories.

We are committed to ensuring that all of our employees have a safe place to work. We achieve this through ensuring robust health and safety management systems and through a strategy of risk reduction and accident and injury prevention. We are committed to ensuring that employees receive all appropriate health and safety training.

Our primary KPI for safety is the number of lost time accidents, which we define as being any injury accident that results in more than one day of time loss. We are determined to reduce the number and severity of accidents in our operations.

The acquired Murat Ticaret business has a significantly weaker safety culture than our own. We have decided to exclude their safety data from our FY2024 reporting while we focus on making the necessary improvements and to establish a clear baseline for this business. In the non-Murat Ticaret business, we had 27 lost time accidents and we maintained our accident frequency rate at approximately 1.3 lost time accidents per million hours worked, but there was a slight increase on the prior year (FY2024: 1.28, FY2023: 1.24).

We have not had a fatality in our business in the period FY2020 to FY2024 inclusive. Our severity rate increased compared to previous years as a result of an increase in lost time accidents involving workers coming into contact with moving machinery.

	FY2024	FY2023
Number of fatal accidents	**0**	0
Number of lost time accidents[1]	**27**	24
Number of sites with zero lost time accidents	**12**	9
Number of all injury accidents[2]	**213**	186
Number of near miss incidents[3]	**87**	n/a
Accident frequency rate[1]	**1.28**	1.24
Days lost due to lost time accidents	**950**	717
Accident severity rate	**0.04**	0.04
Number of onsite plant safety reviews	**12**	14
Workforce (%) covered by ISO 45001[4]	**51**	61
Number of employees receiving H&S training	**8,988**	6,544

1 The lost-time accident and incident frequency data reported for FY24 excludes the Murat Ticaret business acquired during the year. This will be fully reported on in FY2025.

2 The increase in all injury accidents and near miss incidents in FY2024 is due to an increase in the number of sites reporting this data compared to FY2023.

3 In FY2024, we commenced systematic reporting of near miss incidents.

4 In FY2024, our workforce increased significantly negatively affecting the percentage coverage, 2 additional sites in Poland and Slovakia achieved this certification in FY2024.

The scope of our health and safety reporting disclosures for FY2024 covers 69% of our workforce (we have excluded the Murat Ticaret business). We include accidents or injuries affecting our contractors, temporary or agency-based workers in support of our business. Acquired businesses report incidents from day one of ownership.

We recognise that the reporting of all injury and near miss incidents remains significantly underreported in accordance with the principles of the Heinrich Safety Triangle.

The primary cause of lost time accidents has been employees injuring their fingers and hands, often when coming into contact with moving machinery. In FY2024, this represented 42% of our total lost time accidents (FY2023: 46%). We continue to focus on machinery safety making significant improvements across many sites.

From FY2026, we are requiring all of our sites to maintain a certified health and safety management system. 51% of our global workforce is currently employed in an ISO 45001 certified facility. Compliance with these management systems is ensured through an external audit process with independent assessments by companies such as TUV and Intertek. In FY2024, we trained 8,988 (85%) of employees in health and safety.

A Responsible Business

Social impact continued

Actions taken to improve health, safety and well-being

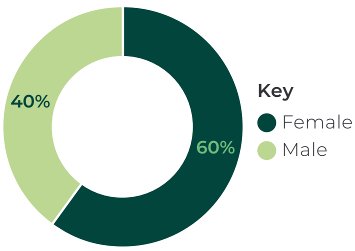
Since 2019, we have adopted a rigorous approach to reducing levels of risk across all of our factories. We have implemented our Group health and safety policy, approved by the Board, to all sites and we require all sites to follow our Group's incident reporting process ensuring that all serious incidents, including lost-time accidents, are quickly and professionally reported to management, including the Group's Chief Operating Officer.

Every lost time accident is investigated by the local management team and every incident report and corrective action plan is reviewed by our Group HR Director. Feedback on safety causation and trend information is regularly provided to the Board through the Safety, Environment and Sustainability Committee.

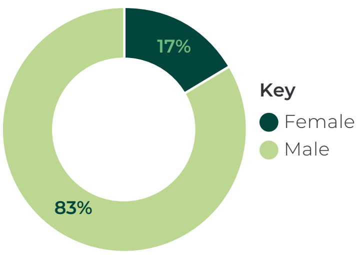
We completed 12 Plant Safety Reviews during FY2024 and these were primarily focused on the newly acquired facilities within Murat Ticaret.

Gender Diversity

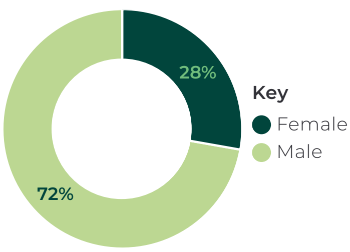
Total Workforce



The Board



Management



Diversity

We are committed to developing a diverse and inclusive workforce and to being an equal opportunity employer. These commitments, which include a commitment to non-discrimination in our recruitment and promotion processes and a commitment to a zero tolerance approach to harassment and child labour, are all enshrined within our code of conduct, which is endorsed and overseen by our Board. We believe that the ability of our employees to progress within the Company must only be linked to their efforts and abilities. Our overall workforce gender diversity is well balanced with 60% of our workforce being female and the global nature of our operations ensures a broad representation of nationalities and beliefs are present within our global workforce. Female colleagues represent 28% of our global management team, 8% of our executive team and 17% of our Board. Each year, we aim to deliver training on equal opportunities and diversity-related topics to our workforce. 6,984 employees received this training in FY2024. Some of our sites have achieved local recognition for their work to support the employment of individuals with disabilities. Our DE-KA business was one of 20 companies in the Kocaeli region in Türkiye to receive such an award in FY2023.

Talent development and performance management

Volex is committed to promoting career development and ensuring training of our workforce. All of our businesses are proactive in anticipating both short and long-term employment needs and skill requirements. All employees are encouraged to actively engage in their career development and take up the training and developmental opportunities that are available across the Group. Since 2020, we have operated a robust talent review process in the first quarter of each financial year. We work with local schools and colleges to raise awareness about engineering and manufacturing career pathways. We offer internship programmes and apprenticeships in a number of countries to develop internal pipelines of talent to support our growth ambitions. In our Americas region alone, 57 individuals gained internal promotion into senior staff and managerial positions in the year.

2,439 colleagues (15% of our total workforce) received an annual review during FY2024. For our senior 330 employees, we manage their performance with an online performance management system. First implemented in FY2021, this system ensures clarity of role, alignment of objectives, regular reviews and feedback and a consistent year-end evaluation. Our shop floor-based employees receive skills-based assessments each year, but these are local processes and are excluded from the management and staff review processes and from the numbers reported above.

Career management

Since FY2022, we have started to record our investment in training hours and spend across our business. All new employees received an induction and job-orientation programme appropriate to their role in the Company. Where job-specific qualifications and certifications (FLT certifications, firefighting and other safety-related trainings) are required, these are delivered in accordance with local requirements. In FY2024, we recorded 119,800 hours of training (9 hours per person). This training represented an investment in 'off the job training' in excess of $257,568 (FY2023: $367,000). On page 73 of this report, we state the numbers of employees receiving training on health and safety, equal opportunities and diversity, as well as core e-learning topics including cybersecurity, modern slavery, conflicts of interest and anti-bribery and anti-corruption.

Engagement within our communities

The communities in which we operate are vital to our workforce and many of our sites have continued to engage proactively with their communities, supporting a variety of important causes. Our sites get involved in many different ways, including supporting blood donation programmes, participating in charity races in support of cancer care and prevention organisations. Our sites in Irvine, California and Carignan, Canada both organised the donation of toys and clothing to local organisations engaged in support of at risk groups in their local communities. In FY2024, across the Group, we donated $40,907 (FY2023: $26,417) in cash to recognised charities.

Workforce engagement and culture

Our goal is to create a great place to work for our employees. We have adopted two key measures to assess the levels of workforce engagement. As part of our growing focus on sustainability, we provide regular updates on issues affecting workforce engagement and culture to the Board via the Safety, Environment and Sustainability Committee. In FY2022, we established a base year for a comprehensive set of performance indicators for our global workforce, including absenteeism and turnover. Absence and turnover levels are powerful indicators of our workforce culture and levels of engagement, when considered alongside other indicators such as safety incident rates or the success of our employee referral programmes. This is where colleagues recommend Volex as a great place to work to encourage their friends and colleagues to join our workforce. In FY2024, many of our sites organised workplace celebrations for a variety of occasions, including festivals, religious holidays, seasonal celebrations and global recognition events, such as International Women's Day on 8 March.

Absenteeism

Absence levels are a powerful indicator of culture and levels of employee engagement. We have established a global framework to monitor absence consistently. We use an adjusted measure for absence within the business that excludes hours of holiday, maternity leave and 'off the job' training. Total absence levels are also recorded. In FY2024, 3.7% of all worked hours (on average each month) were lost due to absence factors, including sickness, but excluding holidays, training and maternity leave. Many of our sites make substantial efforts to promote health and well-being within our workforce. At our Tijuana, Mexico site, they have a programme of calisthenics during each shift to help our employees maintain their health in the workplace and this acts as a preventative measure for ergonomic injury or absence. Many of our other sites have specific improvement programmes focusing on the improvement of ergonomics within the workplace and all sites are working to eliminate lost time accidents, which accounted for 950 days of absence in FY2024.

Employee turnover

Turnover levels are another powerful indicator of culture and provide an indication of employee engagement levels, although they can be affected by external factors, including changes to the local labour market. Our focus is to reduce voluntary employee turnover. This means where the employee decides to end their employment relationship compared to the expiry of a fixed-term employment agreement or where an employment agreement is terminated for some other substantial reason such as misconduct or a restructuring. For FY2024, total workforce turnover across the Group was 3.7% (average monthly turnover) although some sites continued to face local challenges of high turnover, particularly within their shopfloor-based roles. If the expiry of short-term or fixed-term contracts is excluded from this data, then the adjusted workforce turnover for FY2024 was 2.1%.

Employee referral programmes

We believe in the principle that our employees should be the best ambassadors of our business. We therefore encourage every site to operate an employee referral programme whereby employees can financially benefit if they refer a potential employee who then is hired and succeeds in their role. In FY2024, 9% of our new hires came through the use of employee referral programmes. This is a key area of focus for our sites and especially for those sites who do not currently have a referral programme in place.

A Trusted Business

Governance and Compliance

Introduction

Ensuring that the business operates an effective governance framework is a key challenge for us as we continue to grow. Providing clear guidance to all employees, especially those who join the Group through an acquisition, is an essential task so that we can ensure fairness and consistency around compliance and ensure that any concerns are quickly identified and corrected.

Volex Code of Conduct

We have a well-established Code of Conduct that provides a foundational framework for all sites to use to train our employees in the core principles, policies and values of our Company. It is provided to our employees in all of our core local languages. We continue to review its scope and effectiveness and it is reviewed annually by our Board of Directors.

Whistleblowing and Speak Up

We upgraded our Speak Up policy during FY2022. Our Speak Up policy framework is communicated to all employees in local languages. We have invested in the NAVEX Ethics Point system to provide an independent incident response and reporting solution that is accessible 24/7 and we have implemented this across the Group, providing access and information in 12 local languages. Reports can be made anonymously by anyone, including customers, suppliers and, of course, our employees. Reports are confidential and are handled independently by EthicsPoint, who submits the reports to nominated Volex executives. Our Speak Up policy is available on our website and contains five principles, including a commitment to non-retaliation. In FY2023, we had 18 cases and in FY2024, we have had 261 cases (of which 242 were from within our newly acquired Murat Ticaret business). All cases are reviewed by nominated Executives and the Board's Audit Committee are updated periodically.

Anti-bribery and corruption

As a Group, we prohibit any form of bribery and corruption. We have a clear policy on anti-bribery and anti-corruption, which has been reviewed and approved by the Board, covering all elements of our workforce. This policy is available on our website. Our commitment is also enshrined within the Group's Code of Conduct. Each year, all eligible employees are required to undertake comprehensive e-learning programmes on topics including anti-bribery and anti-corruption. In FY2024, 494 (78% of eligible) employees completed this training programme (FY2023: 523 employees). Eligible employees include those in sales, procurement and other management and administrative functions. The number of employees disciplined or dismissed due to non-compliance with the anti-bribery and anti-corruption policy was zero in FY2024.

Modern slavery and human rights

Within our direct operations and across our supply chain we fully support the principles for human rights established and recognised by the international community and those enshrined within the UK's Modern Slavery Act 2015. We strictly prohibit the use of forced labour. In FY2024, for the first time, we provided our employees with e-learning training focused on human trafficking and modern slavery risks within our own workforce and across our supply chain. In FY2024, 426 of eligible employees (75%) completed this training.

As a business operating within the electronics industry, we comply with the requirements of the RBA (Responsible Business Alliance) and our largest sites are regularly independently audited under this framework. Our largest plant located in Batam, Indonesia is rated as Gold and our Henggang and Zhongshan, China facilities are rated as Silver. The RBA's framework aligns to the UN's Guiding Principles on Business and Human Rights and is derived from and respects international standards, including the ILO Declaration on Fundamental Principles and Rights at Work and the UN's Universal Declaration of Human Rights. Each year we publish our annual Modern Slavery Statement. This is reviewed and approved by our Board of Directors. Our Modern Slavery Statement is available on our website.

As part of a regular RBA audit in FY2024, we were notified of a technical breach of one of the RBA requirements related to employment practices. Throughout the Group, we have a clear policy prohibiting the charging of recruitment fees to workers including all costs incurred during the hiring process, such as processing fees, visa and work permit fees, medical and other administrative fees. As part of this policy, it is routine to cover the costs of pre-employment health checks, which are mandatory in some locations where we operate. Due to a miscommunication, two employees from our facility in Henggang, China, incorrectly paid their own medical examination fees. This error was promptly identified, rectified, and our internal procedures updated to prevent any recurrence.

Cybersecurity

The Company has a robust information systems, technology and cybersecurity framework. Business Continuity Principles are in place across the Company and are subject to regular testing. In October 2023, we experienced a cyber incident resulting in unauthorised access to certain IT systems and data. During FY2024, we appointed a Group Chief Information Officer to further strengthen our management of cybersecurity and IT-related risks. We strengthened our e-learning training programmes and now require all IT-enabled users to complete monthly and annual e-learning. In FY2024, 1,660 colleagues completed the monthly bite-sized cybersecurity training and in FY2024, 1,298 (80%) of the eligible workforce completed our annual e-learning training.

Conflict minerals and responsible minerals

Volex has a dedicated policy addressing the issue of conflict minerals. We are committed to avoiding and eliminating the use of conflict minerals in our products. We ask our suppliers to ensure that the materials used in the components and products that they supply to us, including tin, tantalum, tungsten and gold, are conflict-free. We continue to strengthen our Supplier Code of Conduct and each year, we conduct systematic audits across our supply chain. Our Responsible Minerals Policy is available on our website.

Quality management

All of our sites operate ISO 9001 certification with many going further and gaining industry-specific quality management certifications, including IATF 16949, ISO 13485, TL 9000, AS 9100D. Each of these standards drives a series of independent verification audits ensuring that our quality management approach remains robust. Quality excellence is a central focus for our global Volex Excellence System, which drives the principles of manufacturing excellence across all our sites. Through a relentless focus on kaizen, all sites report on, and share, their kaizen activities on a weekly basis. We have annual programmes to encourage, celebrate and recognise site excellence both at a team and site level. Our management system reviews many aspects of our quality performance on a monthly basis, focusing both on internal and external defect rates, delivery performances and levels of customer satisfaction through our customer scorecard methodology.

Environmental management and sustainability

Volex has a dedicated policy addressing Environmental Management within our business, which was published in FY2024. Our commitment to sound environmental stewardship is enshrined within the Group's Code of Conduct, which has Board approval and oversight through the Safety, Environment and Sustainability Committee.
We are committed to minimising the impact of our business on the local environment in which we operate. In FY2023, we strengthened the alignment of our sustainability strategy to the United Nations Sustainable Development Goals to ensure that, as we develop our strategy, we are clear on how our efforts align with the wider sustainability agenda. We operate a governance structure that periodically reports into our Board, ensuring that responsibilities and accountabilities for delivering on our commitments in sustainability are properly cascaded into our regional management teams, who are best placed to drive the improvement activities within their regions.

Environmental management systems

A key element of our environmental policy is to ensure that all our factories have an environmental management system that is accredited to international standard ISO 14001:2015. 83% of our global workforce currently works in a factory which is ISO 14001 certified. Compliance is ensured through our internal audit process, together with regular external independent audit assessments.

We did not receive any environmental fines or penalties in FY2024 or FY2023.

Stakeholder Engagement

Volex is a responsible organisation that recognises the importance of fostering positive relationships with all our stakeholder groups. Our stakeholders, including customers, employees, shareholders, suppliers and the wider community, are crucial to our success. We believe that proactive and constructive engagement is essential for building long-lasting, trusting relationships with them.

Our remarkable talent

Why we engage

At Volex, our employees are a critical asset to the business and are integral to meeting our customers' expectations. Listening to their views, observations and improvement ideas is essential for ensuring our success.

How we engage

Our engagement models vary across the business, depending on the size and scale of each manufacturing facility, as well as the systems, policies and culture that is present in each location. Some of our sites are unionised and have collective bargaining processes that enhance communication and collaboration between management and workers. Other sites use employee committees or organise employee engagement surveys or suggestion schemes to encourage feedback. Our senior leadership are constantly out and about visiting sites and always engage with our employees during their visits, listening to their improvement suggestions and requests.

Outcomes of our engagement

We measure employee engagement in various ways, including the number of kaizen ideas generated by each site. We review a wide range of metrics such as absence rates, employee turnover and safety statistics to assess engagement levels.

Our customers

Why we engage

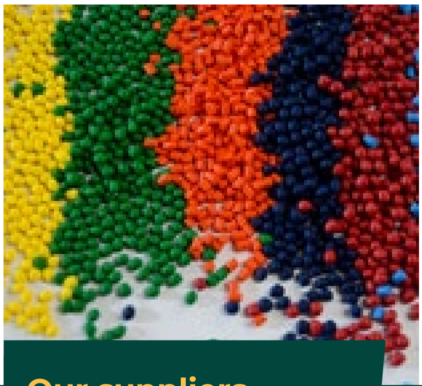
Understanding our customers' needs is a top priority. Using a continuous process of engagement with our customers ensures that we meet and exceed their expectations.

How we engage

Every site has processes in place to track and review performance against a variety of customer key performance indicators. We adapt our customer engagement according to the scale and nature of our relationship. Our largest customers have dedicated directors or key account managers supporting them and our smaller customers will have direct access to customer service, sales or programme management professionals. As a global manufacturer, we expect all business general managers to have regular engagements with their customers.

Outcomes of our engagement

Our central goal is to achieve sustainable revenue growth and to deepen our customer relationships. We thrive through our collaborative approach where we work together with our customers to meet their expectations and help them achieve their strategic goals. We are honoured to receive their visits, comments and improvement observations and we are thrilled to receive their formal commendations and awards.



Our suppliers

Why we engage

As a global manufacturer of components and assemblies that are crucial for safety or mission-critical applications, we work with many suppliers worldwide, all of whom are valued partners. We operate in a complex ecosystem of supply and demand, working together with our suppliers to deliver outstanding products and solutions to our end-use customers.

How we engage

Our global team of supply chain, procurement and logistics professionals are dedicated to building effective and sustainable supply chain capabilities. Through regular engagement, audits and close communication, we collaborate with our suppliers to ensure our supply needs are fulfilled. We remain vigilant to the wide range of potential risks that exist within our global supply chain.

Outcomes of our engagement

We measure successful supplier engagement in various ways, but our ultimate goal is to achieve stable and predictable supply that meets our customers' needs. Through revenue growth and customer commendations we demonstrate the contribution of our supply chain partners.

To achieve this, we have implemented various measures to ensure meaningful engagement with our stakeholders. Regular communication is essential and we utilise a variety of channels, including social media, surveys, meetings and events. By employing multiple communication channels, we can reach a broader audience, address issues promptly, respond to feedback and build stronger relationships.

Communities and environment

Why we engage

Each community in which we operate is important to us. We rely on their people, their resources and their support. Each community is unique, reflecting the diversity of our locations, which range from rural areas to inner-city locations and industrial parks.

How we engage

Community engagement is driven by our local teams as it must be aligned with the size, scale and location of each factory. We engage in many ways, including partnering with local schools and colleges and engaging proactively with local government or town administrations. Some of our sites organise family days that enable our employees' families to gain an insight into our business. Some sites support charitable programmes such as blood drives or donating food and supplies to community organisations. We encourage our employees to act as ambassadors for our business within the local community.

Outcomes of our engagement

The benefits of being a good corporate citizen and a valued member of our communities can be measured in many ways including in the stability and engagement of our workforce.

Our shareholders

Why we engage

Volex shares are publicly traded on AIM, with each share carrying equal value and an equal vote on any members' resolutions. The Board does not differentiate between the Company's shareholders, ensuring that all shareholders are treated equitably and their voices heard.

How we engage

The Executive Chairman, being a major shareholder, aligns his interests with those of other shareholders, promoting a unified vision for the Company's success. Our Board is accessible to shareholders, particularly during the Company's Annual General Meeting, where they are available to answer questions and address concerns. This openness fosters transparency and trust between the Board and our shareholders.

Outcomes of our engagement

Carefully listening to our shareholders helps us to prioritise the long-term, sustainable development of the business. We align remuneration policies for our key executives with the interests of our shareholders. We ensure goals are consistent with their longer-term interests. We know that engaging with shareholders helps us to identify improvement areas, enabling us to develop our business in ways that benefit all stakeholders.

Section 172(1) Statement

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to include a statement in the Strategic Report describing how they have had regard to the matters set out in sections 172(1)(a) to (f) of the Companies Act 2006. This section 172 statement explains how the Company's Directors have, as well as the interests of shareholders, also taken into account the following issues.

The likely consequences of any decision in the long term

As a global business working in high-technology sectors, the Board is always conscious of the longer-term impact of decisions and the changing context in which the Company operates. The Board met on multiple occasions across the year to ensure a close alignment around our strategy. Further details of the Company's strategy and longer-term objectives can be found in the Executive Chairman's Statement on pages 18 and 19, in the Strategy section on pages 28 to 31 and in the Chief Operating Officer's Q&A on pages 34 to 36.

The interests of the Company's employees

The Board has demonstrated its dedication to supporting and managing staff development by consistently focusing on enhancing the business's culture and capabilities. Throughout the year, the Board has remained closely involved with the business, addressing the ongoing impacts of inflation and global supply chain challenges. Discussions with Executive management have centred on growth, talent, succession planning and strategic investment in key skills and capabilities to support delivery of the strategy. Ensuring employee safety continues to be a top priority and is one of the Company's key performance indicators. Additionally, 'Talent' is one of the five main pillars of our strategy. Recent activities aimed at improving employee engagement and welfare are detailed in the Executive Chairman's Statement on pages 18 and 19, and further elaborated in the 'Social Impact' section of the Sustainability Report on pages 73 to 75. The Safety, Environmental, and Sustainability Committee Report is available on pages 102 to 104.

The need to foster the Company's business relationships with suppliers, customers and others

The Company fosters long-term relationships with numerous customers, suppliers and other business partners, including its professional advisers. Due to the nature of its business, which involves many products that require safety and other technical certifications, the Company ensures close collaboration with partners and the development of robust business relationships. More details on the Company's business relationships are available in the Strategy section on pages 28 to 31, the Chief Operating Officer's Q&A on pages 34 to 36, and the Performance and Financial Review on pages 37 to 48.

The impact of the Company's operations on the community and the environment

The Company is continuously exploring methods to manage and mitigate its impact on the community and environment, both locally and globally, as detailed in the Sustainability Report on pages 56 to 62. The Company has regularly monitored and reported its energy usage and carbon emissions, even when it was not a requirement for AIM-listed companies. The Board oversees the Executive team's sustainability initiatives, ensuring the development of science-based targets, a decarbonisation roadmap and an evidence-based action framework that aligns with the principles of our Environmental Policy, which is available on our website at https://www.volex.com/wp-content/uploads/2023/07/Volex-Environmental-Policy-and-Principles-July-2023.pdf. More information on the Company's commitment to local community engagement is available in the Social Impact section on pages 73 to 75 and Stakeholder Engagement on pages 78 and 79.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Volex Group has a clear Code of Conduct regarding its ethical and business standards, formally approved by the Board, and numerous more specific Company policies, which support and feed into that code, relating to financial matters, health and safety issues, environmental standards, employment practices, modern slavery, conflict minerals and other matters. Company policies are hosted on the Company intranet site and are communicated to new staff on entering employment. Suppliers are required to sign an equivalent document, which confirms their commitment to abide by similar standards. The Company has a compliance hotline and an independent compliance reporting system. Every year, senior management for individual production sites and cross-company areas of responsibility in all the subsidiary companies are required to make a declaration of compliance with the Code of Conduct and with other key policies, confirming their adherence to them. More details on the Company's ethical values and standards can be found in the Sustainability Report on pages 56 to 62 and in the Corporate Governance Report on pages 88 to 95.

The need to act fairly as between members of the Company

All Volex shares are publicly traded on AIM and each carries equal value and an equal vote for any members' resolutions. The Board does not make any distinction between the Company's shareholders and currently does not issue different types of shares. The Executive Chairman is a major shareholder, which helps align his interests with those of other shareholders. The Company's Executive Directors and the Senior Non-Executive Director are available to speak to shareholders and answer questions at the Company's Annual General Meeting ('AGM'). Smaller shareholders are often the most regular attendees and the most active in questioning the Board at the AGM.

Key Strategic Decision

The following is one of the key strategic decisions taken by the Board during the year, including the considerations given to stakeholder interests and impacts:

Decision: Acquisition of Murat Ticaret and Placing

In line with our strategy, during FY2024, we successfully completed the acquisition of Murat Ticaret Kablo Sanayi A.Ş. ('Murat Ticaret'), a leading manufacturer of complex wire harnesses headquartered in Türkiye for a total consideration of up to approximately €181.4 million. In order to facilitate the acquisition, the Board approved a placing and retail offer to raise gross proceeds of approximately £60 million in aggregate.

Process and Outcome: As part of the fundraising, the Board considered the need to raise capital efficiently and quickly with the desire to treat shareholders as fairly as possible. In doing so, members of the Board consulted with the Company's major institutional shareholders ahead of the placing. This consultation confirmed the Board's view that the placing was in the best interests of the shareholders, as well as the Company's wider stakeholders.

The Board supported efforts to ensure that shareholders who did not participate in the placing were given the opportunity to participate via a retail offer via the REX platform. The Board also considered the appropriate structure for the fundraising and concluded that a cashbox structure would minimise cost, time to completion, as well as exposure to market volatility, and would provide greater transaction certainty.

In its decision-making, the Board also considered the needs of its customers and concluded that the acquisition would add non-competing, complementary products to Volex's capabilities across a broad range of geographies and that the broadened service offerings would strengthen the Company's position in the market and promote its long-term sustainable success.

The Board also considered that expanding our presence in Türkiye would present our existing employees within DE-KA, and elsewhere in the Group, with additional career development opportunities.

Key Stakeholders Impacted: Shareholders, customers, employees.

The Strategic Report, as set out on pages 2 to 81, has been approved by the Board.

On behalf of the Board

Rothschild
Executive Chairman

Jon Boaden
Chief Financial Officer

26 June 2024

Governance Report

/ Governance

Case study

Governance in Action

Regional workshops to deploy our Group's Code of Conduct and key business policies.

As a global manufacturer, ensuring that our Group's core polices and Code of Conduct are fully disseminated and effectively deployed across the business is essential. During FY2024, a number of workshops were held for regional management teams on the important elements of the Group's governance framework.

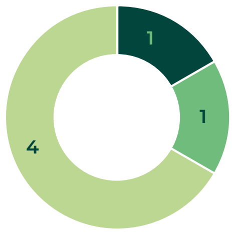
Following the completion of the acquisition of Murat Ticaret, the Group General Counsel and the Group HR Director delivered a series of workshops in person at a number of sites in Türkiye, and also virtually, to provide training on the policy and governance framework as part of integrating the Murat Ticaret business into the Volex Group. The Group General Counsel joined a regional management conference in San Luis Potosi, Mexico to deliver a policy workshop to the North American regional leadership team.

Governance at a glance

Ensuring that our Board is balanced with a diverse range of experiences and competencies is essential for us and we keep Board composition under regular review.

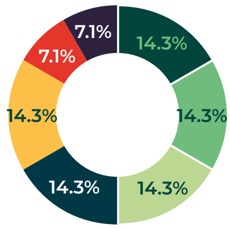
Tenure

0-3 years 3-6 years
6+ years



Composition

Executive Director
Executive Chairman
Non-Executive Directors



Focus areas

Strategy Risk
Stakeholder engagement
Finance Audit
Operations Sustainability

Highlights of stakeholder engagement

- We have expanded our kaizen, team and site excellence programmes during the year, strengthening our culture of continuous improvement
- We have invested in our processes and our people to deliver increased levels of operational excellence to delight our customers
- We have delivered a series of community engagement programmes and taken steps to improve the natural environment around some of our factories
- We continuously listen to the views of our shareholders as we shape our strategy

Actions in 2024

Key topics discussed	Outcomes
Board composition and succession planning	With the resignation of Dean Moore, the Board's Nominations Committee recommended John Wilson's appointment to the Board as a Non-Executive Director and as Chair of the Audit Committee. John (picture on page 82) was appointed to the Board with effect from 19 October 2023. On the same date, Jeffrey Jackson was appointed as a member of the Nominations Committee, and Sir Peter Westmacott was appointed Senior Non-Executive Director. In line with the Company's long-term consideration of succession planning for directors and other senior executives, and its commitment to keeping under review the leadership needs of the organisation, the Chief Financial Officer and Chief Operating Officer were invited to present to the Board in London on succession planning within the Finance and Operations teams.
Mergers and acquisitions	The acquisition of the entire issued share capital of Murat Ticaret, a leading manufacturer of complex wire harnesses headquartered in Türkiye for a total consideration of up to approximately €181.4 million, has been a central focus for the Board during the year.
Finance	Funding of the Murat Ticaret acquisition from existing and amended debt facilities, together with a successful placing and retail offer.
Cyber	The Board oversaw the Company's response to a cyber incident which resulted in unauthorised access to certain IT systems and data at some of the Group's international sites, ensuring that all sites remained operational with minimal disruption to global production levels and that any financial impact was not material.
Customer satisfaction	As a global manufacturer, our goal is zero defects and we closely follow the Company's operational excellence and customer satisfaction programmes.
Sustainability	Through the work of our Safety, Environment and Sustainability Committee we have reviewed the strategy and progress of the Company to decarbonise and improve its sustainability credentials.
People and culture	Our workforce is our most important asset and through our work across the year we have closely followed the Company's activities to improve health and safety and well-being as well as monitoring the Company's whistleblowing policy and a number of HR key performance indicators.

Board priorities for 2025

Growth	We will follow the Company's progress towards its current five-year plan and work with the management team to fulfil our growth potential.
Sustainability	We recognise our responsibilities to ensure that the Company delivers against our sustainability ambitions and we will assess their plans to achieve net zero on our scope 1 and 2 carbon emissions by 2035.
Customers	We will continue to follow the management team's operational excellence programme as we push towards our goal of zero defects.
People and culture	We will continue to challenge the management team to build a strong and resilient culture that values safety, diversity, teamwork and collaboration.

Board of Directors

The Lord Rothschild
Executive Chairman

N S

Lord Rothschild joined Volex in 2015 as a Non-Executive Director and quickly became Executive Chairman.

He has extensive experience in principal investing and corporate finance and has held a significant number of directorships over the years. Through his investment company NR Holdings Ltd, Lord Rothschild is the largest shareholder in Volex plc.

Lord Rothschild holds a degree in History from Oxford University and an MSc in Addiction Studies from King's College London. He was appointed as a Foundation Fellow of Wadham College, Oxford, in 2018.

Key areas of expertise:
Sales and marketing, strategic planning and business development in developed and emerging markets.

Jon Boaden
Chief Financial Officer

Jon Boaden joined Volex in 2019 as Deputy Chief Financial Officer. In November 2020, Jon was promoted to the role of Chief Financial Officer and was also appointed to the Board of Directors.

Jon's early career saw him hold a variety of positions within Cable and Wireless and also Vodafone. Prior to joining Volex, Jon held the roles of Group Financial Controller and Interim Chief Financial Officer for Williams Racing.

Jon has a degree in Politics from Manchester University and qualified as a Chartered Accountant with Ernst & Young in 2004.

Key areas of expertise:
Finance transformation, acquisitions and integration, raising finance, managerial finance experience with leading technology-focused organisations, strategy.

Sir Peter Westmacott
Senior Non-Executive Director

N

Sir Peter Westmacott was appointed as a Non-Executive Director on 12 November 2020.

Peter retired from the Foreign and Commonwealth Office in 2016. Over a 43-year diplomatic career Peter held a number of high profile positions including being the British Ambassador to Türkiye, France and the USA. On retiring from diplomatic service Peter has taken on a number of roles, including as an independent Non-Executive Director at We.Soda Ltd, Ciner Glass and Glasswall Holdings. He was an independent Non-Executive at EY from 2017-22 and Chair of Tikehau Capital UK from 2022-24. He is a Distinguished Ambassadorial Fellow at the Atlantic Council and a Senior Advisor to Chatham House.

Peter has a master's degree in European History and French from New College, Oxford where he is an Honorary Fellow.

Key areas of expertise:
Extensive diplomatic experience in countries and regions of strategic relevance.

Committee Membership:

- A Audit Committee
- N Nominations Committee
- R Remuneration Committee
- S Safety, Environmental and Sustainability Committee
- ■ Chair of Committee

Jeffrey Jackson
Non-Executive Director

N S R

Jeffrey Jackson was appointed as a Non-Executive Director on 30 July 2019.

Jeffrey holds a BA in Cultural Anthropology from Michigan State University and undertook post-graduate Business Studies at the University of Phoenix. He is professionally credentialled in Supply Chain, Quality and Project Management and has over 30 years' practical experience in sourcing, manufacturing and distribution operations.

Jeffrey retired from his position at Parker Aerospace in December 2022, after a career in Operations and Supply Chain Management spanning 48 years.

Key areas of expertise:
Operations and supply chain management, planning, sourcing, manufacturing and distribution operations in several market segments, including Automotive, Electronics, Aerospace and Medical devices.

Amelia Murillo
Non-Executive Director

A R

Amelia Murillo was appointed as a Non-Executive Director on 26 January 2021.

Amelia holds a BSc in Accounting from the University of Southern California and an Executive MBA from the University of California in Los Angeles. Amelia is a Certified Public Accountant and has over 20 years' practical experience in finance, administration and management consulting. Amelia took early retirement from her position as Vice President of Finance and CFO at Carlisle Fluid Technologies, following a successful business exit and transition project.

Key areas of expertise:
Managerial finance and HR experience within the interconnect industry.

John Wilson
Non-Executive Director

A

John Wilson was appointed as a Non-Executive Director on 19 October 2023.

John is a globally experienced Boardroom Director, with a strong background in the technology, components and connectivity solutions sectors. He is currently CEO of Bulgin Limited, a global leading manufacturer of sealed connectors and components, and was formerly Senior Independent Director, Chair of the Audit Committee and Chair of the Remuneration Committee of Checkit plc (previously Elektron Technology plc). He is also Independent Non-Executive Chairman of Insig AI. John has a degree in Engineering from the University of Durham.

Key areas of expertise:
Commercial strategic planning and execution, mergers and acquisitions, fast-track new product development.

The Board in Numbers

Board tenure
0-3 years
3-6 years
6+ years

Executive split
Executive Chairman
Executive Director
Non-Executive Director

Executive Chairman's Introduction

Our clearly defined strategic plan, alongside our commitment to achieving key objectives and milestones, is driving significant growth and expansion.

Guided by our Board of Directors, our management team formulates the strategies that propel our Group's success. Both the Board and management are dedicated to executing our strategy and securing the long-term growth of the business. Our Group has a proven track record of meeting its strategic objectives, including sustained increases in revenues and underlying earnings per share. For FY2025, our focus remains on delivering the goals outlined in our five-year plan and ensuring continued profitable growth.

Our Board is committed to ensuring the Group's long-term success by balancing the interests of shareholders, employees and other stakeholders. Regularly scheduled Board meetings allow us to consider diverse perspectives and leverage the extensive experience of our Board members in decision-making. As Executive Chairman, part of my role is to facilitate discussion among all Board members, ensuring everyone has the opportunity to contribute their views and opinions.

Over the past five years, we have experienced significant growth and continued to enhance our capabilities. However, diversification brings increased complexity, making strong governance more essential than ever. We are committed to maintaining high standards of corporate governance across our leadership team. We continue to adhere to the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') and comply with its provisions, with some exceptions.

Read more about our Strategic Aim on pages 28 to 31

Our executive leadership structure includes my role as Executive Chairman. Although this does not fully meet the QCA Code requirements, we recognise that there are advantages of combining these roles, such as enhancing our decision-making processes and faster implementation of new strategies. Given the ongoing progress we have made under the current leadership structure, the Board is satisfied with maintaining this leadership arrangement, believing it will continue to drive significant progress for the Group.

Our Corporate Governance Report, detailed on pages 88 to 95, explains how we manage the Group to adhere to the provisions of the QCA Code, along with broader corporate and business standards and best practices. The report also provides additional information about the activities of the Board and its various Committees throughout the year.

We believe that good corporate citizenship and social responsibility are crucial to a company's long-term success. Our clear Code of Conduct requires all Group employees to uphold these standards in every aspect of their work, from interactions with customers and clients to the treatment of co-workers. The Board sets an example for everyone by adhering to this Code themselves. We take pride in our work culture, which is reflected in our clearly defined purpose, vision and values. Details about our culture, purpose and core values are provided on pages 12 to 13.

Lord Rothschild
Executive Chairman

We typically hold our scheduled Board and Committee meetings remotely via video conference. This approach has proven to be very effective, and the use of this technology in no way hinders robust discussion and constructive decision-making. Our regular Board and Committee meetings have provided opportunities to keep the Directors appraised of the success and challenges that we have experienced during the period.

In March this year, I was delighted to invite all our Board members, our Group COO and other members of the senior management team to London for two days of highly productive Board and Committee meetings in person. We covered several important topics during the meetings, including sessions on strategy and succession planning.

During the year, there were a small number of changes to the Board's composition. Dean Moore (Senior Non-Executive Director) resigned from the Board with effect from 19 October 2023. With effect from the same date, John Wilson was appointed to the Board as a Non-Executive Director, following a careful and thorough assessment process involving a number of high-quality candidates from a wide range of backgrounds. John is a globally experienced Boardroom Director, with a strong background in the technology, components and connectivity solutions sectors. He is currently CEO of Bulgin Limited, a global leading manufacturer of sealed connectors and components and is also Independent Non-Executive Chairman of Insig AI. His previous experience includes Senior Independent Director, Chair of the Audit Committee and Chair of the Remuneration Committee of Checkit plc (previously Elektron Technology plc). John brings a wealth of complementary experience to the Board, including a demonstrable ability to implement strategies within complex organisations to enhance shareholder value and I look forward to continuing working with him.

Also with effect from 19 October 2023, Sir Peter Westmacott was appointed as Senior Non-Executive Director and Jeffrey Jackson was appointed as a member of the Nominations Committee. Following his appointment, John Wilson assumed the role of Chair of the Audit Committee.

I am confident that the Board of Directors will play an active role in shaping our strategy for future growth, including the evaluation of new investment and acquisition opportunities. These actions support our growth ambitions and enable us to achieve the ambitious targets we have set for ourselves.

Rothschild
Executive Chairman

26 June 2024

Corporate Governance Report

The Corporate Governance Report sets out how the Group's main corporate governance principles have been applied across all its companies.

Volex plc has taken the provisions of the QCA Corporate Governance Code (the "QCA Code") as its main benchmark for good corporate practice for the year ended 31 March 2024. It has adhered to those provisions other than in the highlighted instances. The Board welcomes the publication of the new QCA Code and will look to apply the updated principles over the next year to continue to adopt best practice.

The Board seeks not only to ensure that the Company can generate sustainable growth and deliver long-term value for shareholders and other stakeholders, but to establish the governance standards, values and strategic aims of the Company.

The names, biographical details and dates of appointment of the members of the Board are set out on pages 84 to 85.

The Board provides leadership on these issues and maintains a framework of controls for risk assessment and management. Specific matters are formally reserved for decision-making by the Board and its Committees to ensure a sound system of internal control and risk management.

The Executive Chairman, Lord Rothschild, is responsible for the leadership of the Company and the Board. He is jointly responsible with the Senior Non-Executive Director for creating the right Board dynamics and for ensuring that all important matters, including strategic decisions, receive adequate time and attention at Board meetings.

Jon Boaden
Chief Financial Officer

Combining the leadership of the Company with the running of the Board is not the preferred approach in the QCA Code. However, Volex continues to believe this more focused and streamlined structure is appropriate given the size of the Company, the Board's proven success in growing the business and the independent oversight and support available from the Non-Executive Directors.

The Executive Chairman, Chief Financial Officer and Chief Operating Officer are, together, responsible for the day-to-day management of the business, developing corporate strategy, advising the Board and then implementing Board decisions.

The Group General Counsel & Company Secretary, Chris Bedford, reports to the Executive Chairman and Senior Non-Executive Director on governance matters. With support from the Company's Nominated Adviser, Chris is responsible for keeping the Board up to date on all legislative, regulatory and governance developments and issues, managing the timetable of Board and Committee meetings, advising on Directors' duties and facilitating appropriate information flows between the business and the Board.

During the year, Dean Moore (Senior Non-Executive Director) resigned from the Board with effect from 19 October 2023. John Wilson was appointed to the Board as Non-Executive Director and Sir Peter Westmacott was appointed to the role of Senior Non-Executive Director, both appointments also taking effect from 19 October 2023.

The total number of Non-Executive Directors is four. This group of highly experienced individuals provides a solid foundation for our future growth. Each Non-Executive Director's appointment is reviewed every three years. Their role is to exercise independent and objective judgement, constructively challenging executive management's decisions and ensuring that the systems for business risk management and internal financial controls are robust. They are committed to dedicating the necessary time to fulfil their duties effectively.

Aligning with the QCA Code

The QCA Code provides a practical framework for corporate governance tailored for companies of our size.

QCA principle	How we comply
Establish a strategy and business model which promote long-term value for shareholders	The Board holds sessions that are focused on corporate strategy, looking at the plans for the Group in the short, medium and long-term. Read more about our Strategy on pages 28 to 31
Seek to understand and meet shareholder needs and expectations	Directors make themselves available to answer shareholder questions and have regular dialogue with investors to understand their expectations. Shareholders also have the opportunity to engage with the Directors at the financial results webcasts and the Annual General Meeting. Read more about our Board of Directors on pages 84 to 85
Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Board considers the Company's stakeholders and their needs, interests and expectations, as part of the decision-making process. Read more about our approach to Section 172 on pages 80 to 81
Embed effective risk management, considering both opportunities and threats, throughout the organisation	Risk management is very important and is considered when establishing and reviewing corporate strategy and when making key decisions. There is a process in place to ensure that risk management and related control systems are effective. Read more about Risk Management on pages 49 to 55
Maintain the Board as a well-functioning, balanced team led by the Chair	The Board works together effectively to deliver a range of perspectives as well as to form consensus in relation to important decisions. Read more about our Corporate Governance on pages 88 to 95
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	There is a broad range of skills and experience available on the Board which support constructive debates around important matters. Read more about our Board of Directors on pages 84 to 85
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Board reviews the terms of reference for its committees and considers how the committees support the activities of the Board. This year, the Board appointed a new Non-Executive Director and reviewed and updated the composition of its committees. Read more about our Board Effectiveness on pages 92 to 93 and our Nominations Committee on pages 100 to 101
Promote a corporate culture that is based on ethical values and behaviours	The Board and management advocate integrity and ethical behaviour through their words and actions. Read more about our Culture on pages 12 to 13
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	The Company establishes appropriate governance structures and these are reviewed periodically by the Board. Read more about our Governance and Compliance on pages 76 to 77
Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Company promotes communication of governance policies. Read more about our Stakeholders on pages 78 to 79

Corporate Governance Report continued

Governance structure

THE BOARD

Audit Committee	Remuneration Committee	Nominations Committee	Safety, Environmental and Sustainability Committee
Key responsibilities • Accounting policies and audit reports • Assessing the adequacy and effectiveness of internal financial controls • Monitoring anti-money laundering	**Key responsibilities** • Reviewing the pay and employment terms for the Company and the Board • Approving targets and performance-related pay schemes and all share incentive plans and pensions	**Key responsibilities** • Reviewing the size and composition of the Board • Succession planning for the Board • Oversight of the appointments process	**Key responsibilities** • Monitor and evaluate the Company's management systems governing health, safety, environmental and other labour-related risks
Read more about our Audit Committee Report on pages 96 to 99	Read more about our Remuneration Committee Report on pages 105 to 120	Read more about our Nominations Committee Report on pages 100 to 101	Read more about our Safety, Environmental and Sustainability Committee Report on pages 102 to 103

Operation of the Board

The Board is responsible for setting the Group's business objectives, oversight of risk, strategic development and effective corporate governance. It holds regular, scheduled meetings throughout the year to review the Group's financial and operational performance and to consider any other matters as appropriate, including potential merger and acquisition opportunities, risk management and shareholder feedback. When issues requiring the attention of the Board arise outside the regular schedule, the Directors will action agreement via minuted ad hoc Board calls or written resolutions.

All the Directors receive comprehensive briefing packs in advance of Board and Committee meetings. They have access to the services of external advisers and can take independent professional advice at the Company's expense if needed.

Matters reserved for the Board

The Board delegates day-to-day management of the Company to the Executive Directors who, as appropriate, delegate to executive management. However, certain matters are formally reserved for decision by the Board, including:

- Approval of the annual budget;
- Approval of the Company's objectives and setting its long-term strategy;
- Approval of material capital expenditure projects;
- Approval of acquisitions;
- Approval of half-yearly reports, trading updates, the preliminary announcement of year-end results and the Annual Report and Accounts;
- Internal control and risk management; and
- Material contracts, expenditure and Group borrowings.

Board focus in FY2024

The main focus this year was to maintain the progress made by the business in recent years and execute on the Group's five-year strategic plan announced in June 2022, while continuing to navigate the impacts of inflation and global supply chain challenges effectively. The Board has focused on ensuring the financial position of the Group is secured while also looking forward to the longer-term strategic options for the Group, including the acquisition of Murat Ticaret and identifying potential further acquisitions that could bring additional value. In particular, this year the Board:

- Oversaw the acquisition of the entire issued share capital of Murat Ticaret Kablo Sanayi A.Ş. ('Murat Ticaret'), a leading manufacturer of complex wire harnesses headquartered in Türkiye for a total consideration of up to €181 million, together with a successful placing and retail offer to raise gross proceeds of approximately £60 million in aggregate. In this regard, please see the post-transaction report at the end of this Corporate Governance Report, published in accordance with the requirements of paragraph 11 of the Pre-Emption Group's Statement of Principles published in November 2022 (the 'Statement of Principles').

- Approved the appointment of John Wilson as a new Non-Executive Director to the Board following a formal and rigorous process by the Nominations Committee to determine the best candidate for a Non-Executive Director role;
- Approved the appointment of Sir Peter Westmacott as Senior Non-Executive Director;
- Reviewed and approved appointments to the committees of the Board, including John Wilson as Chair of the Audit Committee and Jeffrey Jackson as an additional member to the Nominations Committee;
- Reviewed and discussed succession planning for the Operations and Finance teams;
- Oversaw the Group's response to global supply chain challenges, including responding dynamically to meet customers' expectations;
- Monitored inflationary cost pressures, and the Group's ability to pass through increased costs to customers to protect profitability while maintaining competitiveness;
- Approved annual budget and capital expenditure requirements for the business; and
- Oversaw the Company's response to a cyber incident which resulted in unauthorised access to certain IT systems and data at some of the Group's international sites, ensuring that all sites remained operational with minimal disruption to global production levels and that any financial impact was not material.

Attendance at meetings

The Board met for scheduled discussions six times during the year, following a timetable set at the start of the year and based around the calendar of key upcoming events for the Company. The four Board Committees met 11 times in total. The size of the Board allows it the flexibility to meet at short notice on a more ad hoc basis in response to the needs of the business, and Non-Executive Directors are also encouraged to communicate directly with Executive Directors and executive management between Board meetings.

Directors attended all meetings of the Board and of those Committees of which they are or were members during the year. Directors' attendance at the Board and Committee meetings during the financial year:

Number of meetings	Full Board (6 meetings)	Audit Committee[1] (4 meetings)	Remuneration Committee (4 meetings)	Nominations Committee (1 meeting)	Safety, Environmental and Sustainability Committee (2 meetings)
Executive Directors					
Lord Rothschild	6/6	–	–	1/1	2/2
Jon Boaden	6/6	–	–	–	–
Non-Executive Directors					
Sir Peter Westmacott	6/6	–	–	1/1	–
Amelia Murillo	6/6	4/4	4/4	–	–
Jeffrey Jackson	6/6	–	4/4	1/1	2/2
Dean Moore[2]	2/2	1/1	1/1	–	–
John Wilson[3]	4/4	3/3	–	–	–

1 Representatives from the Internal Audit function and from the Company's external auditors, PricewaterhouseCoopers LLP, usually attend meetings of the Audit Committee.

2 Dean Moore resigned from the Board with effect from 19 October 2023 and attended the maximum number of meetings possible while a director.

3 John Wilson was appointed to the Board with effect from 19 October 2023 and has attended the maximum number of meetings possible while a director.

Committees of the Board

The Board has delegated certain responsibilities to the following Committees:

- the Nominations Committee;
- the Audit Committee;
- the Remuneration Committee; and
- the Safety, Environmental and Sustainability Committee.

Each of the above Committees operates under defined terms of reference, which are available on the Company's website. To ensure independent oversight of the audit and remuneration functions, only the Company's independent Non-Executive Directors serve on those Committees. Lord Rothschild sits on both the Nominations Committee and the Safety, Environmental and Sustainability Committee, but both are chaired by a Non-Executive Director. The Company Secretary acts as secretary to each Committee, other than the Safety, Environmental and Sustainability Committee for which the Group HR Director acts as secretary.

Nominations Committee

The members of the Nominations Committee are Sir Peter Westmacott (Chair), Lord Rothschild and Jeffrey Jackson.

The Committee met once during the year.

The Committee is responsible for reviewing the size and composition of the Board – including whether the balance of Executive Directors and Non-Executive Directors continues to be appropriate – succession planning and recommending suitable candidates for membership of the Board when such posts arise. In appointing a new Board member, the Committee evaluates the balance of skills, knowledge and experience of the Board and prepares a clear description of the role and the capabilities and strengths required to fulfil a particular appointment.

Details of the Nominations Committee's activities are contained in the Nominations Committee Report on pages 100 to 101.

Audit Committee

The members of the Audit Committee are John Wilson (Chair) and Amelia Murillo.

The Committee met four times during the year.

The Committee is responsible for monitoring the integrity of the Company's financial statements, including its annual and half-yearly results, as well as for keeping the Company's internal controls under review and overseeing the relationship with the external auditors.

Details of the Committee's activities are contained in the Audit Committee Report on pages 96 to 99.

Remuneration Committee

The members of the Remuneration Committee are Amelia Murillo (Chair) and Jeffrey Jackson.

The Committee met four times during the year.

The Committee is charged with determining and agreeing the remuneration of the Executive Directors as well as recommending and monitoring the structure of remuneration for senior management and approving grants under the Company's share incentive scheme.

Details of the Committee's activities are contained in the Remuneration Committee Report on pages 105 to 120.

Safety, Environmental and Sustainability Committee

The members of the Safety, Environmental and Sustainability Committee are Jeffrey Jackson (Chair) and Lord Rothschild.

The Committee met two times during the year.

The Committee aims to ensure appropriate governance is applied to the management of health and safety within the Group. It monitors the effectiveness of controls relating to health, safety and environmental risks and monitors the overall compliance around labour-related risks within the business. The Committee also oversees the Company's sustainability activities and governance.

Details of the Committee's activities are contained in the Safety, Environmental and Sustainability Committee Report on pages 102 to 104.

Board effectiveness

Composition, independence and diversity on the Board

The Board comprises the Executive Chairman, the Chief Financial Officer and four Non-Executive Directors, such that the QCA Code requirement for at least two independent Non-Executive Directors has been met. Sir Peter Westmacott, Amelia Murillo, Jeffrey Jackson and John Wilson are considered by the Board to be independent of management, as is required by the QCA Code, and free from any business or other relationship that could materially interfere with the exercise of their judgement.

Our Board comprises of an executive leadership team with extensive commercial knowledge, supported by experienced Non-Executive Directors who bring strong governance disciplines and a valuable external perspective to our business.

The Company embraces diversity and is dedicated to encouraging inclusion. The Board membership comprises of individuals who have a wide range of diverse experience and skills and each bring a unique perspective to debate at Board level.

The Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties and be prepared to spend around 20 days per year on company business.

It is acknowledged that non-executive directors may have business interests other than those of the Company and are required to disclose to the Board any significant commitments they have outside of the Company. They must inform the Board in advance of any changes to such commitments. In certain circumstances, the agreement of the Board must be sought before a Non-Executive Director accepts further commitments which either might give rise to a conflict of interest or a conflict of any of their duties to the Company, or which might impact on the time that they are able to devote to their role at the Company.

Board Diversity

The Board recognises the importance of diversity within the Company and is dedicated to fostering it at all organisational levels. Although there is no formal board diversity policy, diversity considerations play an important role in appointment decisions. The Board intends to continue evaluating the necessity of such a policy, considering the Board's size and required skills. Additional details about our diversity efforts, including female representation in our workforce, can be found in the 'Social Impact' section of the Sustainability Report on pages 73 to 75.

Executive Directors are expected to attend all meetings of the Board, and of the Committees on which they sit, and to devote sufficient time to the Group's affairs to enable them to fulfil their duties as Directors. Details of the time commitment expected of each Non-Executive Director are included in their letters of appointment.

Election and Re-election of Directors

Directors are elected by shareholders at the first Annual General Meeting (AGM) after their appointment by the Board and, thereafter, may offer themselves up for re-election by shareholders at regular intervals and in any event at least once every three years. John Wilson will be offered for election at this year's AGM as it will be his first AGM following his appointment by the Board. Jon Boaden, Sir Peter Westmacott and Amelia Murillo will be offered for re-election this year as it will be three years since they were last elected to the Board.

Conflicts of interest

Under the Companies Act 2006, a Director must avoid a situation where a direct or indirect conflict of interest may occur and procedures are in place to manage any circumstance where a conflict may be perceived. The Company's Articles of Association prevent Directors from voting on issues where they have, or may have, a conflict of interest, other than in exceptional and specific circumstances.

Performance evaluation

The Non-Executive Directors have the opportunity to meet separately with the Executive Chairman and the Chief Financial Officer during the year to discuss Board member performance.

The Non-Executive Directors met separately with the Executive Chairman and the Chief Financial Officer at numerous points during the year and Board member performance was discussed, with any performance concerns subsequently addressed. The Board recognises that a robust performance evaluation is important to maximise Board effectiveness.

Development

All new Directors receive an induction programme tailored to their background and experience, organised by the Company Secretary and the Company's Nominated Adviser. In addition, all Directors are informed of changes to relevant legislation or regulations and receive updates and briefings on areas such as Directors' duties and corporate governance guidelines and best practice.

Individual Directors, with the support of the Company Secretary, are also expected to take responsibility for identifying their own training needs and to ensure that they are adequately informed about the Group and their responsibilities as a Director.

Accountability for financial reporting

The Board is responsible for presenting a fair, balanced and understandable assessment of the Company. The Company has a comprehensive annual budgeting process, to which all its global subsidiary entities contribute directly and which culminates in formal approval of the annual budget by the Board. Regular forecasts and updates on financial performance are presented to the Board during the year. The reasons why the Directors continue to adopt the going concern basis for preparing the financial statements are given in the Directors' Report on pages 121 to 124.

Internal controls and risk management

The Board has overall responsibility for the Group's system of internal control and risk management, which is designed to identify, evaluate and control the significant risks associated with delivering the Group's strategy with a view to safeguarding shareholders' investments and the Group's assets. The compliance hotline process, 'Speak Up', was further embedded within the business to ensure that all employees have a confidential route to report concerns in relation to ethics, conduct and compliance.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group has been in place for the year up to and including the date of approval of this report, based on a combination of:

– an ongoing process of assessment and review of individual Volex sites and/or entities undertaken by a combination of our Internal Audit function, the Group Finance team and the Operations teams; and
– the annual risk survey conducted centrally across the entire senior management team and Group-wide functions.

Read more about Volex's risk management processes and outcomes in the Risk Management section of the Strategic Report on pages 49 to 55.

Key features of the Company's system of internal controls

Key elements of the Company's system of internal controls which have operated throughout the year are:

- A system of regular reports from management setting out key performance and risk indicators;
- Rigorous short-term management and forecasting of cash flow;
- A schedule of specific, key matters reserved for decision by the Board;
- A framework for reporting and escalating matters of significance;
- Group-wide procedures, policies and standards which incorporate statements of required behaviour;
- Continuous review of operating performance and monitoring of monthly results against annual budgets and periodic forecasts;
- Risk-based reviews of sites and/or business processes, with observations and recommendations to improve controls being reported to management to ensure timely action, with oversight provided by the Audit Committee; and
- A process and policy for employees to raise concerns and regular reports to the Audit Committee of all material disclosures made, the results of investigations and actions taken.

Through its risk management process and the review of effectiveness of the system of internal controls, the Board believes the control environment is adequate for a group the size of Volex.

Relations with shareholders

The Board is responsible for effectively engaging with shareholders. The Board achieves this through regular dialogue with brokers, analysts and shareholders themselves, with the Executive Chairman and Chief Financial Officer taking a lead in those relationships.

The Board takes steps to understand the views of major shareholders of the Company, including through receiving feedback from any shareholder meetings and through analyst/broker briefings. The Board takes account of the corporate governance guidelines of institutional shareholders and their representative bodies such as the Investment Association and the Pensions and Lifetime Savings Association. The Executive Chairman and Chief Financial Officer are available to meet with major and prospective shareholders. The Non-Executive Directors are available to attend shareholder meetings as necessary.

Read more about Volex's engagement with its stakeholders in the Section 172 Statement on pages 80 to 81.

Annual General Meeting ("AGM")

The Notice of AGM will be dispatched to shareholders, together with explanatory notes or a circular on items of special business, at least 21 clear days before the meeting. Separate resolutions will be proposed on each substantive issue, including a resolution relating to the Annual Report and Accounts.

The Board welcomes questions from shareholders, and they will have the opportunity to raise issues before or after the meeting if circumstances prevent active attendance.

For each resolution, the proxy appointment forms provide shareholders with the option to direct their proxy vote either for or against the resolution, or to withhold their vote. As with last year, we will be encouraging shareholders to switch to paperless voting.

The Company will ensure that the proxy form and any announcement of the results of a vote will make it clear that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution.

All valid proxy appointments are properly recorded and counted. For each resolution, after the vote has been taken, information on the number of proxy votes for and against the resolution and the number of shares in respect of which the vote was withheld, are given at the meeting and are made available on the Company's website at www.volex.com.

Post Transaction Report – Murat Ticaret Fundraise - June 2023

In accordance with paragraph 11 of the Statement of Principles, set out below is the post-transaction report from the Company's announcement, titled "Results of Fundraising", published on 22 June 2023 in connection with a total of 21,818,181 new ordinary shares of 25 pence each in the capital of the Company (the "New Ordinary Shares") being allotted pursuant to the placing and the retail offer via the REX platform to raise gross proceeds of approximately £60 million (the "Fundraising") used to part finance the acquisition of the entire issued share capital of Murat Ticaret Kablo Sanayi A.Ş.

The Fundraising was a non-pre-emptive issue of equity securities for cash structured via a cash-box, and accordingly the Company made the following post-transaction report in its announcement of 22 June 2023 in accordance with the most recently published Statement of Principles.

Name of issuer	Volex plc
Transaction details	In aggregate, the Fundraising of 21,818,181 New Ordinary Shares represents approximately 13.7 per cent. of the Company's issued ordinary share capital. Settlement for the New Ordinary Shares and Admission are expected to take place at 08.00 a.m. on 26 June 2023.
Use of proceeds	The net proceeds of the Fundraising are to be used to part fund the acquisition of Murat Ticaret for a total consideration of up to approximately €178.1 million ($194.5 million[1]).
Quantum of proceeds	The Fundraising raised gross proceeds of approximately £60.0 million and net proceeds of approximately £58.5 million.
Discount	The Offer Price of 275 pence represents a discount of 3.8 per cent. to the closing mid-market share price on 21 June 2023.
Allocations	Soft pre-emption has been adhered to in the allocations process. Management were involved in the allocations process, which has been carried out in compliance with the MIFID II Allocation requirements. Allocations made outside of soft pre-emption were preferentially directed towards existing shareholders in excess of their pro rata, and wall-crossed accounts.
Consultation	The Joint Global Co-ordinators undertook a pre-launch wall-crossing process, including consultation with the Company's major shareholders, to the extent reasonably practicable and permitted by law.
Retail investors	The Fundraising included a retail offer of up to £3 million, via the REX platform. Retail investors who participated in the REX Retail Offer were able to do so on the same terms as all investors in the Placing. The REX Retail Offer was made available to existing shareholders in the UK. Investors had the ability to participate in the REX Retail Offer through ISAs and SIPPs, as well as General Investment Accounts (GIAs). This combination of participation routes meant that, to the extent practicable on the transaction timetable, eligible UK retail investors had the opportunity to participate in the Fundraising alongside institutional investors.

1 EUR/USD FX of 1.092 as of 21 June 2023

Jon Boaden
Chief Financial Officer

26 June 2024

Audit Committee Report

Key responsibilities

- Monitoring the financial reporting process to ensure financial statements are accurate and complete.
- Establishing and overseeing the Group's internal control and risk management systems.
- Appointing and supervising the external auditor to ensure their independence and objectivity during audits.

I am pleased to present my first Audit Committee Report to you since taking over as Chair of the Audit Committee on 19 October 2023, following Dean Moore's decision to step down from the Board. Dean was a member of the Board and chaired the Audit Committee for six and a half years and I would like to express the appreciation of the Board for Dean's significant contribution.

Read more about Risk management on pages 49 to 55

Throughout the year, the Committee has consistently reviewed financial systems, controls and published financial statements while coordinating with external auditors, PricewaterhouseCoopers LLP ('PwC'). The Committee received and discussed updates from the Group Finance team, PwC representatives and the Internal Audit function.

As the Group expands through acquisitions and investments, the Finance and Legal functions regularly review and update Company policies and procedures to ensure they remain current. The Committee will continue to oversee and coordinate these efforts, reporting and making necessary recommendations on relevant matters to the full Board.

John Wilson
Chair of the Audit Committee

Key objectives

The Committee establishes and oversees the Group's internal control and risk management systems, monitors the integrity of externally published financial information for shareholders and ensures financial statements are validated by an effective external audit.

Composition of the Audit Committee

The members of the Audit Committee were:

Committee member	Date of appointment	Date of resignation
John Wilson (Chair)	19 October 2023	
Dean Moore	18 April 2017	19 October 2023
Amelia Murillo	26 January 2021	

Appointments are for a period of three years and are extendable by no more than two additional three-year terms. The Committee must consist of at least two members, all of whom should be independent Non-Executive Directors. All current Committee members are independent Non-Executive Directors and all have the appropriate range of financial, commercial and risk-management experience to fulfil their duties. The Audit Committee Chair has recent and relevant financial experience, in line with the QCA Corporate Governance Code and Committee terms of reference. Biographical details are set out on pages 84 and 85.

Meetings

The Audit Committee met four times in the year, with the meetings and agendas linked to events in the Group's financial calendar. The Audit Committee invites the Group Chief Financial Officer, senior representatives of the external auditors, the internal audit co-source provider and other staff to attend its meetings as required. It reserves the right to request any of these individuals to withdraw for specific items of discussion.

Governance

The Audit Committee's terms of reference can be found on the Volex website.

The Committee is responsible for:

- Monitoring the integrity of the Group's financial statements and any other formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained in them;
- Reporting to the Board on the processes in place to confirm that the Annual Report and Accounts, when taken as a whole, are fair, balanced and understandable and contain the information necessary to allow shareholders to assess the Group's performance, business model and strategy;
- Reviewing and challenging, where necessary, the appropriateness of accounting policies and the manner in which they are applied across the Group;
- Reviewing the Group's internal financial controls and the Group's internal risk management systems;
- Monitoring and reviewing the effectiveness of the Group's Internal Audit function in the context of the Group's overall risk management system;
- Reviewing the Group's procedures for detecting and responding to fraud and bribery and for handling allegations made by employees with respect to financial malpractice or other forms of whistleblowing, and oversight of any and all reports on such incidents; and
- Oversight of the relationship with the external auditors, including, where appropriate, the recommendation of appointment or reappointment of the external auditors.

The Audit Committee reports its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and makes recommendations on the steps to be taken.

Main activities of the Committee during the year

Financial reporting

The primary role of the Audit Committee in financial reporting is to review, with management and external auditors (PwC), the appropriateness of the half-year and annual financial statements, focusing on key matters such as:

- The quality and acceptability of accounting policies and practices;
- The clarity of the disclosures and compliance with financial reporting standards and relevant governance reporting requirements;
- Material areas in which significant judgements or estimates have been applied or there has been discussion with PwC; and
- The processes to ensure that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders.

To aid its review, the Committee considers reports from the Chief Financial Officer, the Internal Audit function and the external auditors. Following its review of the Annual Report and Accounts, the Committee challenges management on the content to ensure the report is fair, balanced and understandable as a whole.

The Committee has reviewed the paper on the critical judgements and estimates outlined in note 2 to the financial statements on pages 146 to 147. The primary areas of judgement and estimates considered and discussed by the Committee in relation to the FY2024 financial statements and how these have been addressed are listed below.

Going concern

The Committee reviewed the Group's budget and trading position, assessed the potential impact of future disruptions, including supply chain challenges, and evaluated compliance with banking facility covenants.

The Committee has reviewed and approved the disclosures and concluded that the financial statements should continue to be prepared on a going concern basis.

Adjusting items

Management has presented a breakdown of adjusting items and explanations as to why they should be categorised as such. The Audit Committee has reviewed the disclosures and discussed this analysis with management. Details are shown in note 4 on page 149. Adjusting items during the year amounted to $19.5 million (FY2023: $9.8 million).

Inventory provisions

The Committee reviewed the level of inventory provisions in line with the Group's provisioning policy, considering stock ageing and forecasted future demand. Management regularly reviews inventory provisions, which involves using judgements and estimates. The Committee believes the current provision is reasonable.

Accounting for business combinations

The Committee reviewed the principal assumptions and judgements applied in accounting for the acquisition of Murat Ticaret. This included reviewing that the transaction was accurately and comprehensively reflected in the Company's financial statements. The Committee also reviewed the valuation of the acquired assets and liabilities, assessing the application of the relevant accounting standards (such as IFRS 3) and ensuring appropriate disclosure of the transaction's details. Areas that require the exercise of judgement, such as the valuation of intangible assets and the selection of appropriate discount rates, were discussed with management and with the external auditors.

Accounting for income and deferred taxes

The Committee reviewed the principal assumptions and judgements applied in accounting for the Group's uncertain tax positions and the recognition of deferred tax assets.

Internal control, risk and compliance

The Audit Committee is required to assist the Board in its annual assessment of the effectiveness of the Volex risk management and internal control systems. To fulfil these duties, the Committee reviewed:

- The results of the annual Certificate of Compliance exercise and survey, involving all senior personnel in the organisation;
- The reports issued during the year by Internal Audit following their risk-based review of sites and processes;
- The annual risk survey conducted among the executive team and other senior management; and
- Investigations performed in the event of whistleblowing, control breakdowns or fraud issues.

Details of our internal controls and risk management systems, including controls over the financial reporting process, can be found on page 93 to 94 in the Corporate Governance Report with our risk factors in full in the Strategic Report on pages 49 to 55.

Internal audit

The Audit Committee is responsible for ensuring the adequacy of resourcing and plans for the Internal Audit function.

To fulfil these duties, the Committee:

- Establishes the function's terms of reference, reporting lines and access to the Audit Committee;
- Approves the appointment and removal of the Internal Auditor;
- Reviews and assesses the annual internal audit plan in the context of the Group's overall risk management system; and
- Reviews promptly the internal audit reports produced from the site and process reviews and monitors management's responsiveness to the findings and recommendations included therein.

During the year, an internal audit review was conducted at the production site in India to assess key control procedures. Additionally, the internal audit team reviewed the process and approach for the ongoing implementation of the Group's new enterprise resource planning ('ERP') system. No major issues were identified, although several areas for improvement were noted and management has agreed to address them. The internal audit team also developed a Control Self-Assessment tool, now implemented across the Group, to monitor adherence to key controls and identify potential risk areas.

The Group's "Speak Up" policy contains arrangements for the Audit Committee to review all complaints in confidence.

External audit

The Audit Committee is responsible for monitoring the independence, objectivity and compliance with ethical and regulatory requirements of the external auditors. Details of the total remuneration for the auditors for the year can be found in note 8 on page 151 of the consolidated financial statements.

The auditors' independence and objectivity are safeguarded by limiting the scope and value of non-audit services they provide. The Group also prohibits hiring employees from the external auditors who have worked on the audit in the last two years for senior positions within the Group. Additionally, there is a rotation policy for the lead engagement partner, who was changed at the beginning of FY2022 as part of this policy.

Non-audit services provided by the auditors

The Audit Committee upholds a non-audit services policy outlining the types of non-audit services the external auditors can and cannot provide to the Group. This policy includes categories of services pre-approved by the Committee and those requiring specific approval before engagement, subject to de minimis thresholds.

There were no non-audit fees during the year (FY2023: $nil).

Audit tender

The Audit Committee considers the reappointment of the external auditors each year. PwC have been the Group's auditors since their appointment on 4 April 2010, following a tender process. There are no contractual obligations that restrict the Committee's choice of external auditors.

To fulfil its responsibility regarding the independence and effectiveness of the external auditors, the Audit Committee:

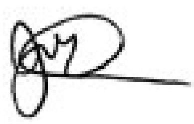
- Reviewed the external auditors' plan for the current year and agreed the scope of the audit work to be performed;
- Agreed the fees to be paid to PwC for their audit of the FY2024 financial statements and other non-audit fees;
- Reviewed a report from PwC describing their arrangements to identify, report and manage any conflicts of interest and confirming the basis of their independence;
- Assessed PwC's fulfilment of the agreed audit plan and any variations from that plan; and
- Assessed the robustness and perceptiveness of PwC in their handling of the key accounting and audit judgements.

The Audit Committee, having considered the length of PwC's audit tenure and the results of the above, continues to consider PwC to be independent and therefore has provided the Board with its recommendation that PwC be reappointed as external auditors for the 52 weeks ending 30 March 2025. This will continue to be assessed on an annual basis in light of any guidance on external audit tendering.

Summary

Based on its work throughout the year, the Audit Committee has concluded that it has fulfilled its terms of reference and ensured the independence and objectivity of the external auditors. We welcome feedback from shareholders on this report.

On behalf of the Audit Committee



John Wilson
Chair of the Audit Committee

26 June 2024

Nominations Committee Report

I am pleased to present the Nominations Committee Report for the year ended 31 March 2024.

Read more about Board of Directors on pages 84 to 85

Composition of the Nominations Committee

Committee member	Date of appointment
Sir Peter Westmacott (Chair)	18 March 2021
Lord Rothschild	2 April 2017
Jeffrey Jackson	19 October 2023

The members of the Nominations Committee are myself (as Chair), Lord Rothschild and Jeffrey Jackson. The composition of the Nominations Committee changed as follows during the year under review:

- Jeffrey Jackson joined the Committee with effect from 19 October 2023; and
- Dean Moore stepped down from the Committee with effect from his resignation from the Board on 19 October 2023.

Appointments are generally made for a period of three years. On expiry of the term, the Director may have his or her term extended for an additional period in circumstances where the Director meets the relevant membership criteria. In accordance with its terms of reference, the Committee shall consist of at least three members, including two independent Non-Executive Directors of the Board. As such, two-thirds (67%) of the current Committee are independent (myself and Jeffrey Jackson).

Sir Peter Westmacott
Chair of the Nominations Committee

Meetings

The Nominations Committee met once in the year, and all members attended that meeting. The Nominations Committee invites other staff to attend its meetings as required, although it reserves the right to request any of these individuals withdraw for specific items of discussion.

Governance

The Nominations Committee's Terms of Reference can be found on the Volex website.

The Committee's responsibilities include:

- Reviewing the Board structure, size and composition (including the skills, knowledge, experience and diversity of the Board) and making recommendations to the Board with regard to any adjustments that are deemed necessary;
- Giving full consideration to succession planning for Directors and other senior executives, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future;
- Keeping under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete in the marketplace;
- Identifying and nominating for approval of the Board candidates to fill Board vacancies (as necessary);
- Before making a Board appointment, evaluating the balance of skills, knowledge, experience and diversity on the Board and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment and the time commitment required;
- Prior to the appointment of a Director, requiring the proposed appointee to disclose (i) any other business interests that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest and (ii) any significant commitments, with an indication of the time involved;
- Reviewing the time commitment of Non-Executive Directors and, where necessary, assessing (through performance evaluation) fulfilment of their duties;

- Reviewing the results of the Board performance evaluation process that relate to the composition of the Board and succession planning; and
- Keeping under regular review any authorisations granted by the Board in connection with a Director's conflict of interest.

The Nominations Committee reports its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and makes recommendations on the steps to be taken.

Main activities of the Nominations Committee during the year

Board Structure, Size & Composition

Appointment of Non-Executive Director

During the year, the Nominations Committee undertook a search for an additional Non-Executive Director. The Committee led a formal and rigorous process to determine the best candidate for the role.

Throughout the process, the Committee considered the composition of the Board as a whole, including the skills, knowledge, experience and diversity on the Board as well as the balance of personal qualities and capabilities. After careful consideration of a number of high-quality candidates from a wide range of backgrounds, three candidates were interviewed. Candidates were identified through existing networks and it was not considered necessary to use open advertising or external consultants. Following extensive interviews, and as a result of this assessment process, the Committee concluded that John Wilson was the best candidate for the role. Following the satisfaction of necessary director information checks, the Nominations Committee formally recommended his appointment to the Board as a Non-Executive Director and as Chair of the Audit Committee. John was appointed to the Board with effect from 19 October 2023.

John brings to the Board a wealth of experience, including a demonstrable ability to implement strategies within complex organisations to enhance shareholder value. He is a globally experienced boardroom director, with a strong background in the technology, components and connectivity solutions sectors. He is currently CEO of Bulgin Limited, a global leading manufacturer of sealed connectors and components, and was formerly Senior Independent Director, Chair of the Audit Committee and Chair of the Remuneration Committee of Checkit plc (previously Elektron Technology plc). He is also Independent Non-Executive Chairman of Insig AI. John has a degree in Engineering from the University of Durham.

Committee and other Board changes

Following the resignation of Dean Moore (Senior Non-Executive Director) with effect from 19 October 2023, the Nominations Committee (of which Dean was a member), reviewed its composition and recommended to the Board that Jeffrey Jackson be appointed as a member of the Committee. The Board approved this recommendation, with effect from 19 October 2023.

On the same date, the Nominations Committee (with me abstaining from the resolution) recommended to the Board my appointment as Senior Non-Executive Director. I was delighted that this recommendation was approved by the Board.

Succession Planning

In line with the Committee's long-term consideration of succession planning for directors and other senior executives and its commitment to keeping under review the leadership needs of the organisation, the Chief Financial Officer and Chief Operating Officer were invited to present to the Board in London on succession planning within the Operations and Finance teams. There was a healthy and constructive discussion on succession planning and it is the Committee's view that the Company's succession planning is well placed should the need arise in the future.

For information on (i) board diversity and (ii) the discussions during the year on Board performance, please see pages 92 to 93.

Election and Re-election of Directors

Directors are elected by shareholders at the first Annual General Meeting (AGM) after any appointment by the Board and, thereafter, may offer themselves up for re-election by shareholders at regular intervals and in any event at least once every three years. John Wilson will be offered for election at this year's AGM as it will be his first AGM following his appointment by the Board. Jon Boaden, Sir Peter Westmacott and Amelia Murillo will be offered for re-election this year as it will be three years since they were last elected to the Board. John Wilson, Jeffrey Jackson, Sir Peter Westmacott and Amelia Murillo are each considered to be independent in accordance with the QCA Code.

Actions for the coming year

Through FY2025, the Nominations Committee will continue to monitor succession planning within the Group. It will also continue to assess the size and composition of the Board to evaluate whether this is suitable for the Group's current stage of development, containing an appropriate balance of skills, knowledge and experience.

On behalf of the Nominations Committee

Sir Peter Westmacott
Chair of the Nominations Committee

26 June 2024

Safety, Environmental and Sustainability Committee Report

Key Highlights

- Top 10 percentile rating with Ecovadis
- B rated with CDP
- Recognised as a Financial Times Europe Climate Leader 2024
- 8.4% improvement in emissions intensity (scope 1 and 2)
- 13% improvement in water use intensity

Key responsibilities

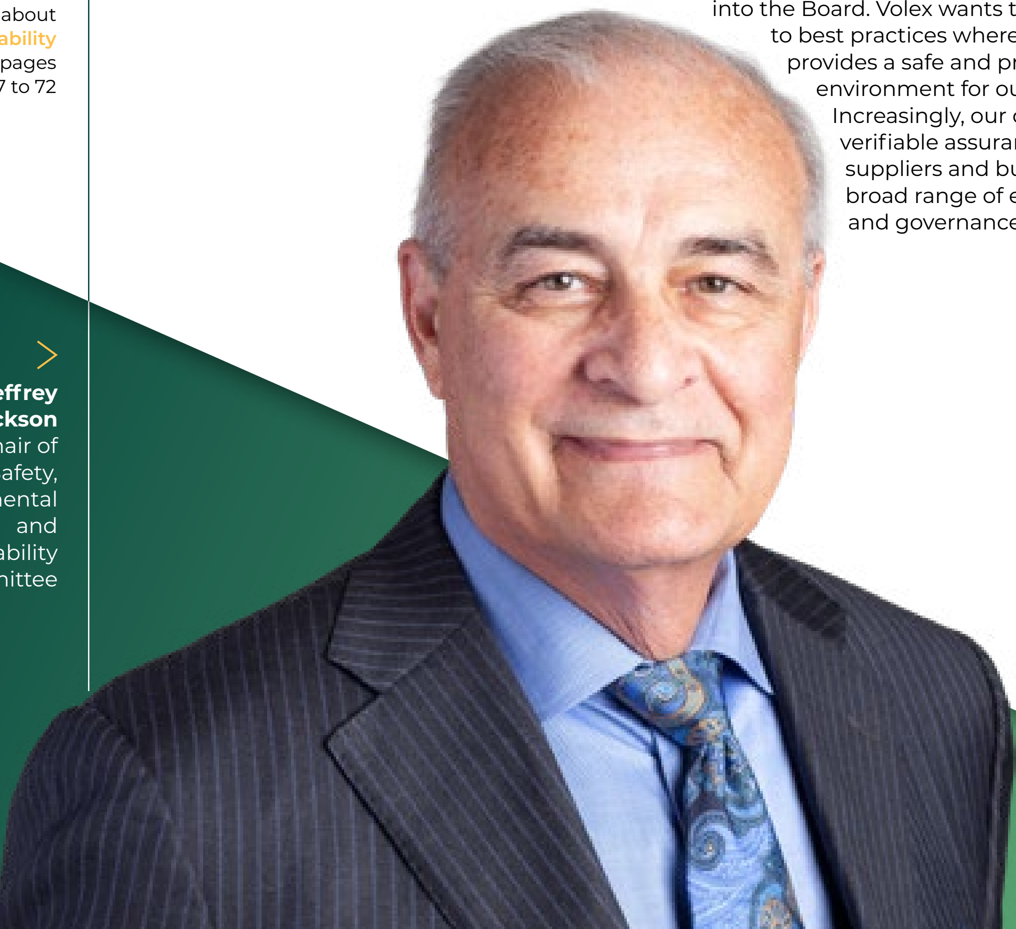
The responsibilities of the Committee are to ensure that the Board has an understanding and oversight of the:

- Materiality of sustainability-related risks to the business;
- Impact of climate-related risks to the business over the short, medium and long term;
- Extent, ambition and progress of the Company's response to the climate agenda in order to ensure compliance with the obligations under the Paris Agreement;
- Monitoring of the Company's progress against its climate-related goals, targets and metrics;
- Current performance and trend information for non-climate related sustainability performance indicators in the areas of health, safety, environment, human rights, modern slavery, diversity and inclusion and other labour-related areas across the Group;
- Effectiveness of the Group's specific and tailored policies and systems to control health, safety, environmental and labour-related risks;
- Emerging ESG and climate-related trends and international standards; and
- Financial implications (including costs and benefits) of any decision of the Committee.

I am pleased to report on the work of the Volex Safety, Environmental and Sustainability Committee. This Committee, established in 2019, aims to improve the Board's oversight of issues relating to health and safety and the wider environmental performance of the Group. In 2021, the Committee's scope was expanded to provide oversight to the broader topic of sustainability and the Committee was renamed accordingly.

Read more about Sustainability on pages 57 to 72

As a Committee, our aim is to sharpen the Group's focus on these important issues and to provide an effective channel for relevant information to feed into the Board. Volex wants to ensure it adheres to best practices wherever possible and provides a safe and productive working environment for our employees. Increasingly, our customers want verifiable assurances from their suppliers and business partners on a broad range of environmental, social and governance-related matters.



Jeffrey Jackson
Chair of the Safety, Environmental and Sustainability Committee

During the year, we have made good progress to improve our external disclosures gaining a top ten percentile rating with Ecovadis and we have also improved our CDP Climate Change score to a B rating. During the year, we published our first Supplemental Sustainability Disclosure Report for FY2023. Towards the end of FY2024, we received recognition for our efforts to decarbonise and improve our carbon intensity when the Financial Times included us in their list of Climate Leaders in Europe 2024.

The Committee is responsible for ensuring that the Board is kept up to date with emerging ESG and climate trends and relevant international standards. The Committee also ensures that the Board receives the necessary information to enable it to assess the likely material impacts of climate and sustainability-related developments to enable the Board to assess the potential risks and opportunities to our strategy and to the short, medium and long-term performance of the Company. The Committee is also responsible for ensuring that the financial implications (including costs and benefits) of any decision made by the Committee are fully considered so as to balance the needs of all stakeholders.

How the Committee spent its time

- Reviewing the TCFD findings and recommendations;
- Reviewing the safety performance across the Group especially in light of our acquisition of the Murat Ticaret organisation;
- Reviewing the progress of our post-acquisition integration activities; and
- Discussing the Group's decarbonisation and net zero ambitions.

As with the other Board Committees, the Safety, Environmental and Sustainability Committee reports its findings to the full Board, identifying any matters on which it considers that action, or improvement, is needed and makes recommendations on the steps to be taken. The Committee shall consist of at least two members, including one independent Non-Executive Director of the Board. As such, 50% of the current Committee is independent (myself).

Composition of the Safety, Environment and Sustainability Committee

The members of the Safety, Environmental and Sustainability Committee are:

Committee member	Date of appointment
Jeffrey Jackson (Chair)	15 October 2019
Lord Rothschild	15 October 2019

Meetings and activities

The Committee met formally two times (November and March) during FY2024, and received regular updates on the Group's health and safety performance from the Group HR Director. This is in line with our intention that the Committee will meet at least annually.

The main activities undertaken by the Committee during the year were:

- To review the approach being taken by the Group to improve performance in the areas of health, safety, environment and labour-related risks;
- To review the findings of a week-long independent safety review that was undertaken at two of our key sites in Türkiye. This review was the result of a recommendation by our Senior Independent Director, Sir Peter Westmacott, and was conducted by DSS+, a leading safety consultancy; and
- To monitor the Company's progress towards our decarbonisation goals.

A primary focus for the Committee this year has been to oversee the integration of the Murat Ticaret organisation. During the due diligence process, it was identified that the performance standards within this target business for safety and environmental management were significantly behind those seen in the Volex business. Through the due diligence workstreams we identified that the injury incident rates in this business were substantially higher than in the wider Volex business.

With the acquisition completed, our management team have been working hard to introduce the Volex safety standards to our new colleagues across all of our new manufacturing facilities, we have focused on tackling the fundamental weaknesses in their health and safety and environmental management systems so that we can ensure that their incident rates improve rapidly. In parallel, a great deal of effort has been undertaken to deploy our environmental policies and our sustainability reporting system across our new sites.

The integration of our newly acquired business has been the main improvement priority for our management team since the acquisition completed.

Safety, Environmental and Sustainability Committee Report continued

The Company has completed a number of important workstreams this year, which the Committee has reviewed before their review by the main Board. The noteworthy workstreams include:

- The review of our materiality assessment which was published in our Supplemental Sustainability disclosure report;
- Reviewing progress made during the integration of the Murat Ticaret business, including reviewing the findings of a week-long independent safety review of two of our key sites in Türkiye;
- Ensuring that a robust corrective action plan is implemented to improve standards of health, safety and environmental management in our newly acquired locations; and
- To oversee the development and publication of new environmental management and responsible water use policies within the Company.

Health and safety performance

As a result of our ongoing work within the newly acquired operations of Murat Ticaret we have decided to exclude their safety performance data from our lost time accident and accident frequency data for FY2024 to allow for this year's reporting to be comparable to FY2023.

At the year end we reported an accident frequency rate of 1.28 (FY2023: 1.24) lost time accidents per million hours worked. This is equivalent to 0.26 accidents per 200,000 worked hours. In the non-Murat Ticaret business we had 27 lost time accidents during the year (FY2023: 24). 42% of these were caused by employees coming into contact with moving machinery (FY2023: 45%).

The efforts of our management team remain focused on increasing standards for health, safety and environmental performance across our operations within Türkiye. With accident rates around five times our own there is significant opportunity for improvement and there are early signs of progress which we will report on, in more detail, in our FY2025 reporting.

In FY2024, 51% (FY2023: 61%) of our global workforce is working within an ISO 45001 accredited site. None of the acquired sites in the Murat Ticaret business have a certified health and safety management system. In FY2023, we decided to require all of our sites to achieve ISO 45001 accreditation by the end of FY2025. Our Poland and Slovakian factories were able to achieve this important certification during FY2024, bringing the total number of sites in the group with an independently certified health and safety management system to ten.

Environmental Performance

With our revenues growing by 26% compared to the previous year, our goal this year was to ensure that our absolute carbon emissions did not increase in line with our growth. It is pleasing to see that year-on-year our Scope 1 and Scope 2 emissions increased by only 15.6%. Increases in revenues have helped us to show improvements to our emissions intensity - a further 8.4% improvement on the previous year. We have been able to improve our emissions intensity by 28% compared to our FY2019 baseline year. Our water use intensity ratio has also improved by a further 13% with a number of our sites delivering responsible water use initiatives during FY2024. It is very pleasing to see that 83% of our workforce is employed within a site which has an independently certified environmental management system (ISO 14001).

Overall our FY2024 acquisition has negatively impacted our performance against a number of our sustainability metrics. However, every site is actively engaged in reporting their safety and environmental data and I am confident that by continuing to adopt a data-led approach, by working collaboratively and consistently across the group, that our management teams are focused on the necessary corrective actions. I am confident that in the months and years ahead we will be able to recognise excellence in health, safety and environmental management across all parts of our business.

For the coming year, I look forward to ensuring the Group maintains and further improves on its record in this regard.

On behalf of the Safety, Environmental and Sustainability Committee

Jeffrey Jackson
Chair of the Safety, Environmental and Sustainability Committee

26 June 2024

Remuneration Committee Report

Annual Statement

Overview from the Chair of the Remuneration Committee

I am pleased to introduce the Remuneration Committee Report for the year ended 31 March 2024, which includes my statement as Remuneration Committee Chair, the Directors' Remuneration Policy and the Annual Report on Remuneration for the year.

Composition of the Remuneration Committee

The members of the Remuneration Committee were:

Committee member	Date of appointment	Date of resignation
Amelia Murillo (Chair)	26 January 2021	
Dean Moore	18 April 2017	19 October 2023
Jeffrey Jackson	18 March 2021	

The Terms of Reference for the Committee (available on the Company's website) provide that the Committee must consist of at least two members, all of whom shall be independent Non-Executive Directors. Dean Moore resigned and left the Board effective 19 October 2023. Effective from this date the Committee consisted of two members, both are independent Non-Executive Directors and have the appropriate range of experience to fulfil their duties.

Appointments to the Committee are for a period of up to three years, which may be extended for two further three-year periods, provided the Director remains independent and still meets the criteria for membership of the Committee.

Overview

FY2024 was a year in which the Company continued to demonstrate its growth potential as we concluded the acquisition of the Murat Ticaret business. As with other global manufacturers, the Company still had much to contend with, including ongoing supply chain challenges and the consequential impacts of the ongoing crisis in Ukraine. Despite these external factors the business performed very well and we are pleased to report that the Company has exceeded the underlying operating profit and working capital targets for the period.

Annual bonus for FY2024

We continue to prioritise financial metrics for our Executive Directors and to incentivise them to focus on generating shareholder value. We want Volex to be a sustainable and cash-generative Group that aims to pay regular dividends. Financial measures make up 80% of the total opportunity for Executive Directors. For FY2024, we retained the focus on maintaining profitability and kept the weighting of the underlying operating profit objective for Executives at 70%. It is our view that this maintains a relentless focus on delivering profitable growth within the business. To ensure alignment through the organisation on cash generation through effective management of our working capital, we maintained the measure of 'working capital as a percentage of sales' (weighted as 10%) within the Group bonus framework.

The FY2024 targets were challenging, and the strong underlying profit performance reflects the achievements of the Group over the year. The management team was able to achieve both targets during FY2024.

Amelia Murillo
Chair of the Remuneration Committee

Read more about our staff costs on page 152

Remuneration Committee Report continued

Having reviewed this performance, the Committee determined that bonuses of 98% of salary for the Executive Chairman and 98% of salary for the Chief Financial Officer were appropriate. Bonuses may be paid fully in shares or fully in cash in circumstances where an Executive Director meets the shareholding requirements.

Base salary review during FY2024

During FY2024, the Committee completed its annual review of the compensation levels for the top 40 senior roles. This review ensures that we maintain competitive and fair remuneration practices whilst providing a mechanism for us to reflect the increased size and complexity of the Group, as well as to reflect any changes in market practices. Base salaries are reviewed taking into consideration inflationary pressures in each country. In FY2024, the salaries of the Executive Directors were reviewed and increased by 6%, which was in line with the increase applied to our UK-based employees. Following these increases, which take effect for FY2025, their salaries remain at or below the lower quartile of similarly sized UK-listed industrial businesses. During the year, the Committee reviewed the Remuneration Policy in order to ensure that it remains both appropriate in light of our strategy and effective in incentivising the delivery of our strategy and the retention of our senior talent. No significant changes were made to the remuneration policy.

Long Term Incentive Plan awards during FY2024

No new LTIP awards were made to our Executive Directors during FY2024. This is consistent with the Committee's decision that we would align LTIP awards with the successful delivery of the five-year plan so as to secure the long-term retention of our strategic talent. On 21 December 2022, Lord Rothschild and Jon Boaden, together with seven other senior executives, were granted equity awards under the LTIP. As disclosed previously, the Committee decided in 2022 to aggregate the awards from FY2023, FY2024 and FY2025 into a single up-front five-year performance share award as an alternative to awarding shares annually under the LTIP. As a condition of participation in these awards, no further awards will be made to these nine executives before FY2026.

In December 2023 the Committee approved an award of share options to 37 members of the senior management team. These awards are subject to a three-year vesting period and performance conditions.

> // Our focus is to deliver fair and competitive remuneration aligned with both business performance and the interests of our shareholders.

Bonus Policy for FY2025

In FY2025, Executive Directors will continue to have the opportunity to earn up to 100% of annual salary under the annual bonus plan. We have maintained the emphasis on quantitative financial targets.

The Remuneration Committee is continually aware and mindful of the risks associated with executive remuneration. With our remuneration policy we seek to provide a structure that encourages an acceptable level of risk-taking through key performance measures and an optimal remuneration mix.

The Committee undertakes annual third-party evaluations to ensure our reward programmes achieve the correct balance, maintain competitiveness in the market and do not encourage excessive risk-taking. The Committee has considered the risk involved in the short and long-term incentive schemes and is satisfied that the governance procedures mitigate these risks appropriately.

The Committee continues to welcome feedback from shareholders, and I hope that we can continue to receive your support in the future on the remuneration-related votes at our AGM.

On behalf of the Remuneration Committee

Amelia Murillo
Chair of the Remuneration Committee

26 June 2024

Compliance statement

The Company is listed on the Alternative Investment Market and therefore provides these remuneration disclosures on a voluntary basis. As such, the charts and tables included here are unaudited. We have incorporated some additional information based on the remuneration reporting regulations for main market-listed companies where we believe it provides additional relevant information for the users of the financial statements. The Board is committed to maintaining high standards of corporate governance and the Directors intend, so far as is practicable given the Company's size and constitution of the Board, to comply with the provisions of the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code').

Introduction

The Company's Remuneration Policy ('Policy') is designed to reinforce the Company's goals, providing effective incentives for exceptional Group and individual performance. The Committee regularly reviews the remuneration structure in place at Volex to ensure it remains aligned with our business strategy, reinforces our success and aligns reward with the creation of shareholder value. The Committee strives to ensure that shareholders' interests are served by creating an appropriate balance between fixed and performance-related pay. A considerable part of the reward package is linked to share-price performance and is delivered in shares.

Policy report

Volex's Remuneration Policy for Executive Directors

The table below sets out our Remuneration Policy.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base salary To reflect market value of the role and individual's performance and contribution.	Reviewed on an annual basis, with any adjustments taking effect from 1 April. The Committee reviews base salaries which are payable in cash, with reference to: • The individual's performance, responsibility, skills and experience; • Company performance and market conditions; • Salary levels for similar roles at relevant comparators, including companies of similar market capitalisation to Volex and companies in a similar sector; and • Wider pay levels and salary increases across the Group.	Base salary increases are applied in line with the outcome of the review, as part of which the Committee also considers average salary increases across the Group. In respect of existing Executive Directors, it is anticipated that salary increases will be applied consistently with the cost-of-living increases applied to other salaried employees employed in the same country. In exceptional circumstances (including, but not limited to, a material increase in job size or complexity) the Committee has discretion to make appropriate adjustments to salary levels to ensure they remain market competitive.	Company and individual performance are considerations in setting Executive Director base salaries
Pension To provide a market competitive pension.	Executives participate in a money purchase scheme or other scheme as may be appropriate from time to time according to the country in which they are employed.	Executive Directors receive a contribution of up to 10% of salary.	Not performance-related.

Remuneration Committee Report continued

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Benefits To provide market competitive benefits.	Benefits may include fuel costs, travel allowances, private medical insurance, critical life and death-in-service cover. Other benefits may be awarded as appropriate and include relocation and other expatriate benefits.	Benefits may vary by role and individual circumstances and are reviewed periodically. Benefits are not anticipated to exceed 10% of salary over three financial years. The Committee retains discretion to approve a higher cost in exceptional circumstances, to support a relocation, or in circumstances where factors outside of the Company's control have materially changed, such as with an increase in medical insurance premiums.	Not performance-related.
Annual bonus To incentivise delivery of the Group's annual financial and strategic goals.	Performance is measured on an annual basis for each financial year. KPIs are established at the start of the year that are directly related to and reinforce the business strategy. Stretch targets are set for each KPI; at the end of the year, the Committee determines the extent to which these were achieved. Annual bonus awards may be delivered as a mix of cash and shares which are deferred for at least one year and subject to continued employment, with the extent of deferral depending on the extent to which the shareholding guidelines have been achieved. Executives who have not achieved the shareholding guideline will receive two-thirds of any bonus above 25% of annual salary as an award of deferred Volex shares. Executives who have achieved the shareholding requirements may be paid their bonus entirely in cash or in shares. Annual bonus amounts paid and vested deferred bonus awards are subject to clawback. Malus may be applied to the in-year bonus, through either a reduction being applied or the withdrawal of the bonus, and to unvested deferred bonus awards.	The maximum bonus for Executive Directors is 100% of salary per annum. For threshold performance, 20% of the bonus is payable. Threshold performance is set just below our budgeted level for each financial indicator. For performance between threshold and maximum, the bonus payout will increase on a straight-line basis up to the maximum.	The KPIs selected and their respective weightings may vary from year to year depending on strategic priorities. Measures may include financial and non-financial metrics. Corporate measures will be weighted each year according to business priorities. These will include a metric for operating profit and other financial performance objectives that support our in-year goals. The range of performance required under each measure is calibrated with reference to Volex's internal budgets. Financial measures will make up at least 80% of the total opportunity. The Committee has discretion to adjust the formulaic bonus outcome both upwards and downwards to ensure alignment of pay with the underlying performance of the business over the financial year, and to take into account personal performance over the course of the year. Further details of performance conditions are provided in the Annual Report on Remuneration on pages 113 to 117.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
LTIP To drive performance, aid retention and align the interests of Executive Directors with shareholders.	The Committee may grant annual awards in the form of shares or nominal value options which vest after at least three years, subject to performance conditions. The award levels and performance conditions are reviewed in advance of grant to ensure they remain appropriate and the Committee has the discretion to apply additional measures. Where relative TSR performance is used as a measure, then the Committee will review the comparator group annually to ensure it remains aligned with shareholder interests. Unvested awards under the LTIP are subject to malus and vested awards are subject to clawback. LTIP awards will have a performance period of at least three years and a minimum vesting period of three years. If no entitlement has been earned at the end of the relevant performance period, the awards will lapse.	The LTIP provides for annual awards of performance shares of up to 680,000 shares for the Executive Directors, or up to 750,000 shares in exceptional circumstances. The normal annual grant will be up to 200% of salary. Under each measure, threshold performance will result in 30% of maximum vesting for that element, rising on a straight-line basis to full vesting.	Awards vest subject to continued employment and Company performance. The performance measure applied to the LTIP awards granted in December 2022 for the Executive Directors is EBIT and these are subject to a five-year performance period. Prior year awards, and awards made to other senior employees in FY2024, continue to utilise a three-year performance period and have relative Total Shareholder Return ('TSR') and cumulative adjusted operating profit as their performance metrics. Further details of performance conditions are provided in the Annual Report on Remuneration pages 113 to 117.

Notes to the policy table

Performance measurement selection

The aim of the annual bonus plan is to reward key executives over and above base salary for the achievement of critical business objectives. The bonus criteria are selected annually and are designed to encourage continuous performance improvement for the Group. Group financial performance targets relating to the annual bonus plan are set from the Company's annual budget, which is reviewed and signed off by the Board prior to the start of each financial year. Underlying operating profit is used as a key performance indicator for the annual bonus plan because it is a clear measure of the underlying financial performance of the Group.

The long-term share-based incentive plan ('LTIP') is designed to align the interests of key executives with the longer-term interests of the Company's shareholders by rewarding them for delivering sustained increases in shareholder value and financial growth. The vesting of share awards is linked to performance conditions, in particular to growth in the Company's adjusted underlying operating profit and relative total shareholder returns. EBIT, defined as our underlying earnings before interest and taxes in any financial year, was selected as the sole metric for the FY2023 awards to Executive Directors as it is the key measure of successful delivery of the five-year plan announced in June 2022. The five-year total performance period and six-year total vesting period applied to the FY2023 award for our Executive Directors fully aligns with the five-year plan and is defined with multi-year targets that end with the financial year end March/April 2027.

Typically awards made under the LTIP will contain performance measures and targets that are reviewed by the Committee ahead of each grant to ensure they are challenging but achievable. Targets are reviewed annually, based on a number of internal and external reference points and will take into consideration the strategic priorities and economic environment in any given year.

Shareholding guidelines

The Committee continues to recognise the importance of Executive Directors aligning their interests with shareholders through building up a significant shareholding in the Company. Shareholding guidelines are in place that require Executive Directors to acquire, over time, a holding equivalent to 100% of base salary. Other executive management are required to acquire a holding over time equivalent to 50% of base salary. Executives are expected to retain at least 50% of any LTIP shares acquired on vesting (net of tax) until the guideline level is achieved.

Remuneration policy for other employees

Volex's approach to annual salary reviews is consistent across the Group, with consideration given to the levels of experience and responsibility, to individual performance and to salary levels in comparable companies. The Company takes into account inflationary changes in each country. The Company utilises a globally recognised job evaluation system and each year externally benchmarks the top 40 leadership positions. The Committee reviews the recommendations that arise.

Many of our employees (excluding those who are shopfloor-based within our factories) are eligible to participate in an annual bonus scheme. The top 180 managers participate in an annual cash bonus plan that is linked directly with the Group's financial performance in the same way as it is for our Executive Directors. Typically all of these managers in the Company have a financial measure with at least a 50% weighting linked to the operating profit of either their factory or the Group. All bonuses are payable subject to the discretion of the Remuneration Committee and only become payable once the Group has achieved its underlying operating profit in any financial year. Bonus opportunity varies by organisational level, however all management bonus plans utilise a consistent framework of financial and personal objectives.

Volex's Remuneration Policy for Non-Executive Directors

The Board determines the Remuneration Policy and level of fees for the Non-Executive Directors within the limits set out in the Articles of Association. The Remuneration Committee recommends the Remuneration Policy and level of fees for the Non-Executive Directors. Non-Executive Directors are not eligible to participate in the annual bonus, LTIP or pension schemes.

The current policy for Non-Executive Directors is:

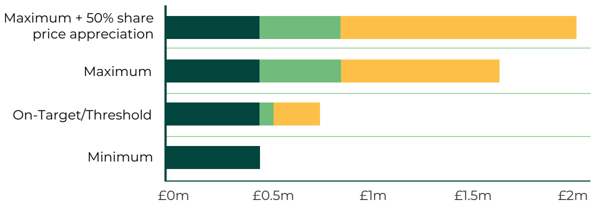
Purpose and link to strategy	Operation	Opportunity	Performance metrics
Fees To reflect market competitive rates for the role, as well as individual performance and contribution.	Non-Executive Directors receive a basic fee for their respective roles. Additional fees are paid to Non-Executive Directors for additional services, including chairing a Board Committee or supporting the Board on matters that require significant time commitment over and above that expected to fulfil their normal duties. Fees are reviewed annually with reference to information provided by remuneration surveys; the extent of the duties performed; and the size and complexity of the Company. Fee levels are benchmarked against sector comparators and FTSE-listed companies of similar size and complexity. Fees are payable in cash.	Fee increases are applied in line with the outcome of the annual review. There is no prescribed maximum fee. It is expected that increases to Non-Executive Director fee levels will be in line with salaried employees over the life of the policy. However, in the event that there is a material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil a Non-Executive Director role, the Board has discretion to make an appropriate adjustment to the fee level.	Not applicable.

Pay scenario charts

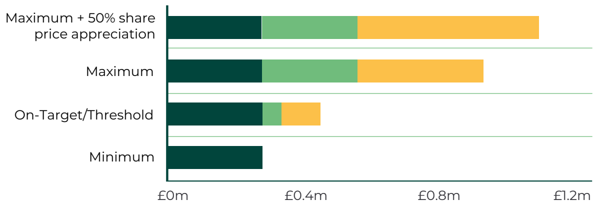
The charts below provide estimates of the potential future reward opportunity for the current Executive Directors, and the potential split between the different elements of remuneration under three different performance scenarios: 'Minimum', 'On-target/Threshold' and 'Maximum'.

Potential reward opportunities illustrated below are based on the Remuneration Policy, applied to the base salary as at 1 April 2024. For the annual bonus, the amounts illustrated are those potentially receivable in respect of performance for FY2025. For the LTIP, the award opportunities are based on the annualised value of LTIP awards granted in FY2023 which also replace the FY2024 and FY2025 awards. This approach is consistent with our remuneration policy and our rules around annual limits. It should also be noted that LTIP awards granted to the Executive Directors in FY2023 vest on the fifth and sixth anniversary of the date of grant.

Executive Chairman – Lord Rothschild



Chief Financial Officer – Jon Boaden



Fixed Annual Bonus LTIP

External appointment

In the cases of hiring or appointing a new Executive Director from outside the Company, the Committee may make use of any or all of the existing components of remuneration, as follows:

Component	Approach	Maximum value
Base salary	The base salaries of new appointees will be determined by reference to the individual's role and responsibilities, experience and skills, relevant market data, internal relativities and their current basic salary. Where new appointees have initial basic salaries set below market, any shortfall may be managed with phased increases over a period of one to two years, subject to their development in the role.	Not applicable
Pension	New appointees will be eligible to participate in the Group's defined contribution pension plan or to receive a cash allowance.	
Benefits	New appointees will be eligible to receive benefits in line with the policy.	
Annual bonus	The annual bonus described in the policy table will apply to new appointees with the relevant maximum being prorated to reflect the proportion of employment over the year. Targets for the individual element will be tailored to the Executive.	Up to 100% of salary p.a.
LTIP	New appointees will be eligible for awards under the LTIP which will normally be on the same terms as other Executive Directors, as described in the policy table.	Up to 200% of salary p.a.

In determining an appropriate remuneration package, the Remuneration Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both Volex and its shareholders. In addition to the above elements of remuneration, the Committee may consider it appropriate to grant an award under a different structure in order to facilitate the recruitment of an individual, exercising the discretion available to replace incentive arrangements forfeited on leaving a previous employer. Such 'buyout awards' would have a fair value no higher than that of the awards forfeited. In doing so, the Committee will consider relevant factors, including any performance conditions attached to these awards, the likelihood of those conditions being met and the proportion of the vesting period remaining.

Remuneration Committee Report continued

Internal promotion

In cases of appointing a new Executive Director by way of internal promotion, the Remuneration Committee will be consistent with the policy for external appointees detailed above.

Non-Executive Directors

In the case of hiring or appointing a new Non-Executive Director, the Committee will follow the Policy as set out in the table on page 119. A base fee in line with the prevailing fee schedule would be payable for Board membership, with additional fees payable for additional services, such as chairing a Board Committee or acting as a Senior Independent Director.

Service contracts

The QCA Code and guidelines issued by institutional investors recommend that notice periods of no more than one year be set for Executive Directors and that any payments to a departing Executive Director should be determined having full regard to the duty of mitigation. It is the Company's intention to meet these guidelines, and the Company policy is that Executive Directors' service contracts may be terminated by either party on not more than 12 months' notice.

The Executive Directors are employed under contracts of employment with Volex plc. The principal terms of the Executive Directors' service contracts are as follows:

			Notice period	
Executive Director	**Position**	**Effective date of contract**	**From Company**	**From Director**
Lord Rothschild	Executive Chairman	1 December 2015	6 months	6 months
Jon Boaden	Chief Financial Officer	12 November 2020	3 months	3 months

Letters of appointment are provided to the Non-Executive Directors. Non-Executive Directors have letters of appointment effective for a period of three years. Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

Directors' letters of appointment and the unexpired period of their appointments (where appropriate, after extension by re-election) are set out below:

Non-Executive Directors	Date of letter	Unexpired term as at 31 March 2024	Date of appointment	Notice period
Dean Moore[1]	18 April 2017	–	19 April 2020	3 months
Jeffrey Jackson	30 July 2019	29 months	19 August 2022	3 months
Sir Peter Westmacott	12 November 2020	7 months	12 November 2020	3 months
Amelia Murillo	26 January 2021	9 months	26 January 2021	3 months
John Wilson	19 October 2023		19 October 2023	3 months

1 Dean Moore resigned from the Board effective 19 October 2023.

Payment policy on exit and/or change of control

The Company's policy is to limit any payment made to a departing Director to contractual arrangements and to honour any pre-established commitments. As part of this process, the Committee will take into consideration the Executive Director's duty to mitigate their loss.

If employment is terminated by the Company, the departing Executive Director may have a legal entitlement (under statute or otherwise) to certain payments, which would be met. In addition, the Committee retains discretion to settle any other amounts reasonably due to the Executive Director, for example to meet the legal fees incurred by the Executive Director in connection with the termination of employment, where the Company wishes to enter into a settlement agreement (as provided for below) and the individual must seek independent legal advice.

In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including (but not limited to) settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These will be used sparingly and only entered into where the Committee believes that it is in the best interests of the Company and its shareholders to do so.

In addition to the contractual provisions regarding payment on termination set out above, the table on page 113 summarises how the awards under the annual and deferred bonus and LTIP are typically treated in different leaver scenarios and a change of control. Although the Committee retains overall discretion on determining 'good leaver' status, it typically defines a 'good leaver' in circumstances such as injury or disability, death, redundancy, retirement with the consent of the Company or any other reason as the Committee decides. Final treatment is subject to the Committee's discretion.

Event	Timing of vesting/award	Calculation of vesting/payment
Annual bonus		
'Good leaver'	Paid at the same time as continuing employees.	Eligible for an award to the extent that performance targets are satisfied and the award is prorated for the proportion of the financial year served.
'Bad leaver'	No annual bonus payable.	Not applicable.
Change of control	Generally paid immediately on the effective date of change of control, with the Committee's discretion to treat otherwise.	Eligible for an award to the extent that performance targets are satisfied up to the change of control, subject to Remuneration Committee discretion, and the award is prorated for the proportion of the financial year served to the effective date of change of control.
Deferred bonus		
'Good leaver'	Continue until the normal vesting date or earlier, at the discretion of the Committee. In the event of the death of a participant, the award would vest immediately.	Outstanding awards vest in full.
'Bad leaver'	Outstanding awards are forfeited.	Not applicable.
Change of control	Vest immediately on the effective date of change of control.	Outstanding awards vest in full.
LTIP		
'Good leaver'	Continue until the normal vesting date or earlier, at the discretion of the Committee. In the event of the death of a participant, the award would vest immediately.	Outstanding awards vest to the extent the performance conditions are satisfied at the time of vesting and the awards are prorated to reflect the length of the vesting period served, unless the Board decides otherwise. In the event of the death of a participant during the performance period, the award would vest in full.
'Bad leaver'	Outstanding awards are forfeited.	Not applicable.
Change of control	Vest immediately on the effective date of change of control.	Outstanding awards vest subject to the satisfaction of performance conditions as at the effective date of change of control, subject to Remuneration Committee discretion, and the award is prorated for the proportion of the vesting period served to the effective date of change of control unless the Board decides otherwise.

External appointments

With the approval of the Board in each case, and subject to the overriding requirements of the Group, Executive Directors may act as Non-Executive Directors to other companies and retain any fees received.

Annual Report on Remuneration

The following section provides details of how the Remuneration Policy was implemented during the year.

Remuneration Committee membership in FY2024

The Committee met four times during the year under review. Attendance by individual Committee members at meetings is below.

Committee member	Member throughout FY2024	Number of meetings attended
Dean Moore[1]	No	1/1
Amelia Murillo	Yes	4/4
Jeffrey Jackson	Yes	4/4

1 Dean Moore resigned from the Board effective 19 October 2023 and attended the maximum number of meetings possible while a director.

During the year, the Committee sought internal support from the Executive Chairman and Chief Financial Officer, who attended Committee meetings by invitation from the Chair to advise on specific questions raised by the Committee and on matters relating to the performance and remuneration of senior managers. No individuals are involved in decisions relating to their own remuneration. The Company Secretary attended each meeting as Secretary to the Committee.

Agenda during FY2024

The agenda during FY2024 included:

- Approval of the FY2023 Remuneration Committee Report;
- Review of the five-year aggregated LTIP award framework for our Executive Directors and key senior managers which is aligned with the achievement and outperformance of the Company's five-year plan announced in June 2022;
- Evaluation of share award proposals for senior managers for FY2024;
- Review of Executive Directors' shareholdings;
- Review and approval of the vesting in full for the LTIP FY2021 vesting;
- Annual employee and on-appointment LTIP awards;
- Severance packages;
- Consideration of advisory bodies' and institutional investors' current guidelines on executive compensation;
- Review and ratification of the Remuneration Policy and remuneration packages for Executive Directors and the fees payable to our Non-Executive Directors for FY2024, incorporating institutional investor feedback;
- Review and approval of modifications to the targets for the FY2024 annual bonus plan to take into consideration the impact of the Murat Ticaret acquisition;
- Evaluation of the proposal for the annual bonus plan for FY2025;
- Review of the succession planning status for the top 20 management positions; and
- Review and approval of updated Terms of Reference for the Remuneration Committee.

Advisers

In undertaking its responsibilities, the Committee seeks independent external advice as necessary. To this end, for the year under review, the Committee continued to retain the services of Mercer as the principal external advisers to the Committee. The Committee evaluates the support provided by its advisers annually and is comfortable that the Mercer team provides independent remuneration advice to the Committee and does not have any connections that may impair independence.

Fees of £89,690 (FY2023: £95,923) were paid to advisers in respect of work carried out for the year under review.

Summary of shareholder voting at the FY2023 AGM

It is the Remuneration Committee's policy to consult with major shareholders prior to any major changes to its Executive Directors' remuneration structure. The table below shows the results of the vote on the FY2023 Remuneration Report at the AGM on 27 July 2023.

	FY2023 Remuneration Report	
	Total number of votes	% of votes cast
For (including discretionary)	102,705,873	95.72%
Against	4,597,213	4.28%
Total votes cast (excluding withheld votes)[1]	107,303,086	
Votes withheld	24,964	
Total votes cast (including withheld votes)	107,328,050	

1 A withheld vote is not a vote in law and is not counted in the calculation of the proportion of votes cast for and against a resolution.

Single figure of Executive Director remuneration

The table below sets out a single figure for the total remuneration received by each Executive Director for the year ended 31 March 2024 and the prior year:

Name	Year	Salary GBP	Benefits[1] GBP	Pension[2] GBP	Annual bonus[3] GBP	LTIP GBP	Total Variable Pay GBP	Total Fixed Pay GBP	Total GBP
Lord Rothschild	**2024**	**£390,000**	**£24,755**	**£39,000**	**£382,200**	**£1,315,764**	**£1,697,964**	**£453,755**	**£2,151,719**
	2023	£341,810	£2,973	£30,568	£341,810	£1,958,400[4]	£2,300,210	£375,351	£2,675,561
Jon Boaden	**2024**	**£263,520**	**£3,162**	**£15,731**	**£258,250**	**£630,470**	**£888,720**	**£282,413**	**£1,171,133**
	2023	£244,157	£3,404	£16,996	£244,157	£202,500[4]	£446,657	£264,557	£711,214

1 Taxable value of benefits received in the year by Executives includes healthcare and life assurance.

2 Pension: Jon Boaden participates in a money purchase scheme and receives a contribution from the Company equivalent to 6% of salary. Since FY2021, Lord Rothschild has received an annual pension contribution equivalent to 10% of salary.

3 Annual bonus: The FY2024 targets were met and 98% of maximum bonuses were awarded. For FY2024, no bonus deferral has been applied as both Executive Directors have comfortably met their shareholding requirement. Lord Rothschild has been paid in shares.

4 The prior year's LTIP values have been restated to reflect the gain on vesting of the FY2020 LTIP awards for Lord Rothschild and Jon Boaden which vested on 10 September 2022 and 1 December 2022 respectively. The award for Lord Rothschild was calculated using a 288p share price. The calculation for Jon Boaden uses a 270p share price.

Name	Year	Base fee	Committee fees	Additional Fee	Benefits	Total
Dean Moore[1]	**2024**	**£32,084**	**£5,833**	**£5,833[3]**	**–**	**£43,750**
	2023	£55,000	£10,000	£10,000[2]	–	£75,000
Jeffrey Jackson	**2024**	**£55,000**	**£10,000**	**–**	**–**	**£65,000**
	2023	£55,000	£10,000	–	–	£65,000
Sir Peter Westmacott	**2024**	**£55,000**	**£10,000**	**£4,513[3]**	**–**	**£69,513**
	2023	£55,000	£10,000	–	–	£65,000
Amelia Murillo	**2024**	**£55,000**	**£10,000**	**–**	**–**	**£65,000**
	2023	£55,000	£10,000	–	–	£65,000
John Wilson[4]	**2024**	**£24,820**	**£4,513**	**–**	**–**	**£29,333**
	2023	–	–	–	–	–

1 Dean Moore resigned from the Board effective the 19 October 2023.

2 As the Senior Independent Director, Dean Moore received this additional fee as per the fee table below.

3 With effect from 19 October 2023, Sir Peter Westmacott was appointed as the Senior Independent Director after the resignation of Dean Moore and receives this additional fee as per the fee table below.

4 With effect from 19 October 2023, John Wilson was appointed to the Board.

The Non-Executive Directors are not eligible for bonuses or retirement benefits and cannot participate in any share plan operated by the Company. The base fees during the year and for FY2025 are:

	Fee[1] FY2025	FY2024
Non-Executive Director base fee	**£55,000**	£55,000
Senior Independent Director fee	**£10,000**	£10,000
Chair of Committee additional fee	**£10,000**	£10,000

1 Remuneration comprises an annual fee for acting as a Non-Executive Director of the Company. Additional fees are paid to Non-Executive Directors in respect of their service as Chair of a Board Committee.

Remuneration Committee Report continued

Incentive outcomes for the year ended 31 March 2024

Annual bonus in respect of FY2024 performance

For FY2024, the maximum bonus potential for the Executive Directors was set at 100% of basic annual salary with 70% based on achieving an operating profit target, 10% linked to a working capital target and 20% based on achieving personal objectives. Both the operating profit and working capital targets were defined to ensure the delivery of an operating margin of between 9 and 10% in line with the Group's five-year strategy. The Company delivered an improved operating margin of 9.8%, achieving the level required for a 100% achievement and also reduced its working capital as a percentage of sales by 160 basis points compared to the target.

As a result of performance against the criteria, the Committee determined that bonuses of 98% for Lord Rothschild and 98% for Jon Boaden had been earned. Both Executive Directors are currently meeting the minimum shareholding requirement. The Committee has authorised that the bonus for Jon Boaden should be paid fully in cash for FY2024 and that the bonus for Lord Rothschild should be paid fully in immediately vested shares with no deferral period applied.

LTIPs

The following LTIP awards vested on 18 December 2023.

<table>
<tr><th>Name</th><th>Date of grant</th><th>Number of shares granted</th><th>Performance conditions</th><th>Performance outcome</th><th>Multiplier performance condition</th><th>Performance outcome</th><th>Number of shares vesting</th><th>Share price on vesting</th><th>Value of awards on vesting date</th></tr>
<tr><td>Lord Rothschild</td><td>18 December 2023</td><td>240,000</td><td>50% cumulative operating profit
50% relative TSR</td><td rowspan="2">100%</td><td rowspan="2">Absolute TSR</td><td rowspan="2">167.4%</td><td>401,760</td><td rowspan="2">327.5p</td><td>£1,315,764</td></tr>
<tr><td>Jon Boaden</td><td>18 December 2023</td><td>115,000</td><td>50% cumulative operating profit
50% relative TSR</td><td>192,510</td><td>£630,470</td></tr>
</table>

These awards were granted in FY2021 and were subject to performance conditions measured over three financial years. Vesting of 50% of the award was subject to targets based on relative TSR performance and 50% based on cumulative operating profit. Performance of the Company exceeded the stretch targets for these metrics, with the Company ranked above the upper quartile in terms of relative TSR against its peers and cumulative operating profit of $166.4m compared to a stretch target of $160m. The awards were also subject to a potential multiplier based on absolute TSR performance whereby 100% growth in TSR over the three-year performance period would result in the awards being doubled, with the Company achieving a TSR of 83.7% over the three years. The Committee, having assessed the performance conditions, determined that a multiplier of 167.4% should be applied based on the TSR performance over the performance period. The resulting vested awards are subject to a two-year holding period.

Scheme interests awarded in FY2024

No awards were granted during the year under the LTIP for the Executive Directors as a result of the five-year performance share awards made in FY2023.

Non-Executive Director fees

There was no increase in the Non-Executive Director fees during FY2024. This continues to be reviewed by the Board on an annual basis. The most recent increase to the Non-Executive Director fees occurred in FY2021.

Payments for loss of office

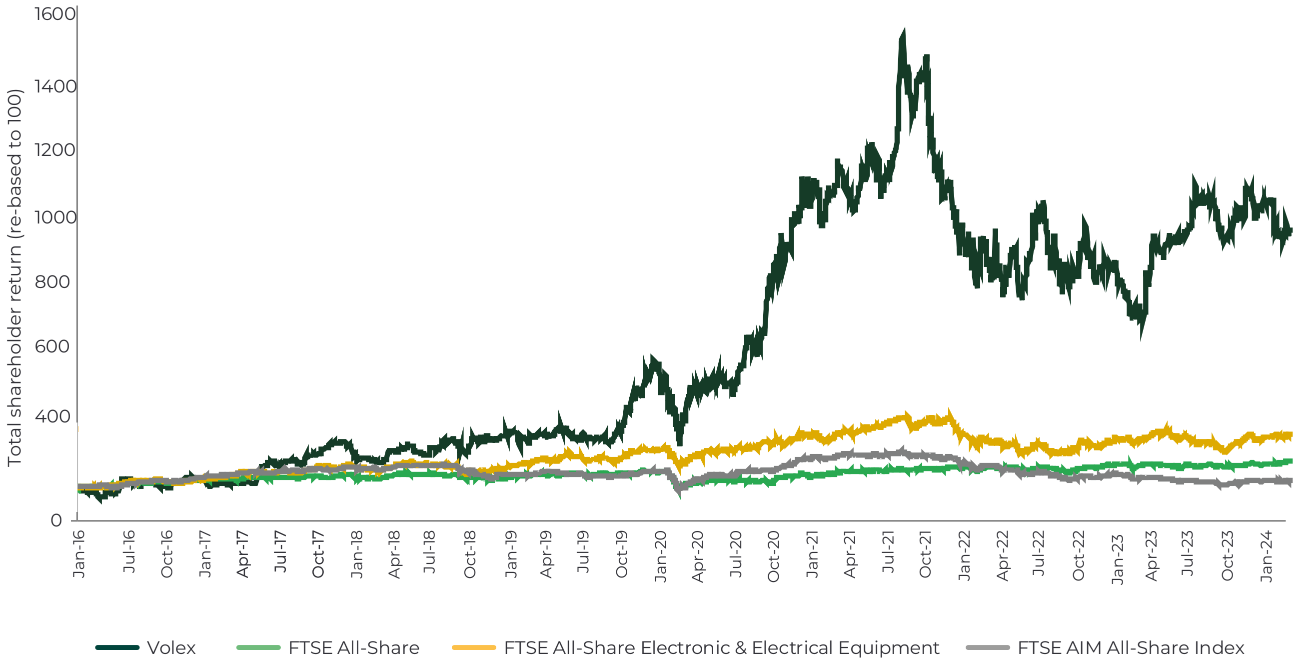
No Executive Director or PDMR lost their office during FY2024.

Payments to past Directors

No payments were made to past Directors during the year.

Eight-year TSR performance review and CEO single figure

The following graph charts the TSR of the Company and the FTSE All-Share, FTSE All-Share Electronic and Electrical Equipment and FTSE AIM All-Share indices over the eight-year period from March 2016 to March 2024. In the opinion of the Directors, these indices are the most appropriate against which the total shareholder return of Volex should be measured.



Note: TSR is calculated on a common currency basis.

The table below details the single figure remuneration for the Executive Chairman over the same period.

	2017	2018	2019	2020	2021	2022	2023	2024
Executive Chairman single figure of remuneration (£'000)	392	534	620	1,657	1,597	1,388	2,676[1]	**2,152**
Annual bonus payout (% of maximum)	50%	74%	97%	98%	98%	56%	100%	**98%**
PSP/LTIP vesting (% of maximum)	0%	0%	88%	100%	100%	100%	100%	**100%**

1 The total annual remuneration figure FY2023 for our Executive Chairman has been restated in line with our single figure remuneration disclosures on page 115.

Implementation of Executive Director Remuneration Policy for FY2025

Base salary

Market positioning of base salary is approached on an individual basis, taking account of advice received from the Committee's independent advisers on the rates of salary for similar roles in selected groups of comparable companies and the individual performance and experience of each Executive. Each role has been independently evaluated and this job evaluation reference provides the Committee with a more precise reference for assessing the competitiveness of Executive compensation, with consideration being given to base, total cash-based compensation and total direct compensation. The aim is for overall levels of remuneration to be at or around market median through base salary and bonus that is set around the lower quartile, but with long-term incentives set above median.

The Committee reviewed salaries during the year and agreed that salaries for Lord Rothschild and for Jon Boaden should be increased in line with the UK workforce average of 6%. As a result of these changes the current salaries remain at or below the lower quartile for similarly-sized engineering businesses.

	Base salary in place prior to review	Base salary effective from 1 April 2024	Percentage increase from 1 April 2024
Lord Rothschild	£390,000	£413,400	6%
Jon Boaden	£263,520	£279,331	6%

Pension

The Chief Financial Officer receives a pension contribution of 6% of salary through a salary sacrifice arrangement and, in addition, the National Insurance savings for both the employee and the employer are reinvested into the employee's monthly contribution. This is a standard arrangement for our UK-based employees. The Executive Chairman receives a pension contribution of 10% of salary.

Annual bonus

The annual bonus for FY2025 will operate on the criteria set out in the Policy. The Committee has approved a maximum annual bonus opportunity of 100% of salary for the Executive Directors. Proposed target levels have been set to be challenging relative to the FY2025 business plan and will, as for FY2024, be weighted towards financial measures and will retain an element for the achievement of personal objectives. The Committee has decided not to publish performance targets prospectively due to the information being considered commercially sensitive. As in FY2024, subject to the Directors continuing to meet the share ownership guidelines, it is intended that these will be paid in cash or fully vested shares without deferral.

LTIP

In FY2023, the Committee determined that awards in FY2023, FY2024 and FY2025 should be combined into a single award that would align the Executive Directors and a small number of senior leaders to the achievement and out-performance of the Company's five-year plan, announced in June 2022. Under this award framework, awards would vest over two successive years, commencing on the fifth anniversary of the award date, to ensure that participants remain exposed to share price movements following the vesting of awards and to support the retention of our most senior talent beyond FY2027. For our Executive Directors and other participating individuals, the performance conditions are linked solely to our EBIT performance over three measurement periods. The first measurement period runs to the financial year ending March 2025, the second measurement period runs to the financial year ending March 2026 and the third and final measurement period runs to the financial year ending March 2027, with the first vesting date being 6 December 2027 and the second vesting date being 6 December 2028.

Specific targets for future operating profit are deemed to be commercially sensitive and will not be published until such time that the Committee is confident there will be no adverse impact on the Company of such disclosure.

Non-Executive Director fees

The Board determined that there would be no change to Non-Executive Director fees for FY2025 after previously increasing them at the start of FY2022.

	FY2024 fees	FY2025 fees
Base fees		
Chairman	–	**–**
Non-Executive Director	£55,000	**£55,000**
Additional fees		
Audit Committee Chair	£10,000	**£10,000**
Remuneration Committee Chair	£10,000	**£10,000**
Nominations Committee Chair	£10,000	**£10,000**
Safety, Environmental and Sustainability Committee Chair	£10,000	**£10,000**
Senior Independent Director	£10,000	**£10,000**

Directors' interests

The table below shows the Directors' interests in shares and the extent to which Volex's shareholding guidelines are achieved.

	Number of shares held as at 31 March 2024 (or date of resignation)	Current shareholding (% salary/fees)	Shareholding[1] guideline (as % of salary)	Guideline met
Lord Rothschild[2]	46,539,426	34,368%	100%	Yes
Jon Boaden[3]	34,061	37%	100%	Yes
Dean Moore[4]	18,636	n/a	n/a	n/a
Jeffrey Jackson	12,500	n/a	n/a	n/a
Sir Peter Westmacott	7,734	n/a	n/a	n/a
Amelia Murillo	55,776	n/a	n/a	n/a
John Wilson[5]	–	n/a	n/a	n/a

1 The shareholding guidelines were approved by the Remuneration Committee in March 2014. The guidelines require the Executive Chairman and the Chief Financial Officer to acquire over time (to the extent they have not already done so) and maintain an ownership level of holdings of shares in Volex plc equal to gross basic salary. There is no time limit defined for achieving the target level. Senior Executives, as defined by the Remuneration Committee, must (unless a waiver is obtained from the Committee) retain a minimum of 50% of net shares (after statutory deductions) acquired under the relevant Employee Equity Plans until the relevant ownership level is met.

2 Lord Rothschild's shareholding is held directly and through NR Holdings Limited.

3 Jon Boaden meets the guideline requirements based on the net of tax value of the vested but unexercised share options disclosed in the table below.

4 Dean Moore resigned from the Board effective 19 October 2023.

5 John Wilson was appointed to the Board effective 19 October 2023.

Remuneration Committee Report continued

The table below shows the Executive and Non-Executive Directors' interests in shares, which includes all shares owned beneficially together with those interests in shares which have vested and are no longer subject to deferral or performance conditions and may be included as an interest in shares under Volex's shareholding guidelines, plus those shares and options over which future performance conditions remain.

			Subject to performance		
	Shares held	**Vested but unexercised**	**LTIP**	**Deferred bonus**	**Total**
Lord Rothschild	**46,539,426**	–	1,092,500	–	47,631,926
Jon Boaden	**34,061**	417,510[1]	557,500	–	1,009,071
Jeffrey Jackson	**12,500**		–	–	–
Sir Peter Westmacott	**7,734**	–	–	–	–
Amelia Murillo	**55,776**	–	–	–	–
John Wilson	**–**	–	–	–	–

1 The vested but unexercised column includes 192,510 shares for Jon Boaden that vested in December 2023 as a result of the FY2021 which included a multiplier mechanism linked to Absolute TSR. The methodology that determined these awards is set out above on page 116 of this Remuneration Report.

Directors' interests in shares and options under Volex PSP and LTIP

Details of the Directors' interests in long-term incentive schemes are set out below. Details, including an explanation of the movements during FY2024, are set out on page 116 of this Remuneration Report.

Directors' interest in shares and options under the Volex Long Term Incentive Plan (LTIP).

	Number of shares subject to options held at 2 April 2023	**Number of shares subject to LTIP options granted during FY2024**	**Number of shares subject to LTIP options exercised during FY2024**	**Number of shares from multiplier FY2024**	**Number of shares subject to option held at 31 March 2024**	**Exercise price of shares subject to LTIP options (£)**
Lord Rothschild	1,672,500	–	(1,081,760)	501,760	1,092,500	–
Jon Boaden	897,500	–	–	77,510	975,010	0–0.25

The Remuneration Committee Report was approved by the Board of Directors on 26 June 2024 and signed on its behalf by:

Amelia Murillo
Chair of the Remuneration Committee

Directors' Report

The Directors of the Company present their Annual Report and audited consolidated financial statements for the year ended 31 March 2024 in accordance with section 415 of the Companies Act 2006.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Report of the Directors have been omitted as they are included in the Strategic Report on pages 18 to 81. These matters relate to a full review of the performance of the Group for the year, current trading and future outlook. The statement by the Directors in performance of their statutory duties in accordance with section 172(1) Companies Act 2006 is provided on pages 80 to 81.

Results and dividend

Results for the year ended 31 March 2024 are set out in the Consolidated Income Statement on page 134.

The Board is recommending payment of a final dividend of 2.8 pence per share for the 52 weeks ended 31 March 2024 (FY2023: 2.6 pence). Together with the interim dividend of 1.4 pence per share paid on 10 January 2024 (FY2023: 1.3 pence), this makes a total for the year of 4.2 pence (FY2023: 3.9 pence).

Important events since the end of the financial year

In June 2024 the Group completed a refinancing of its banking facilities, with an eight-bank club. An enlarged $600 million facility replaced the Group's existing $300 million multicurrency revolving credit facility. The new facility has an initial four-year term, with an extension option for one additional year. It comprises a $400 million revolving credit facility and an additional $200 million uncommitted accordion. The new facility is unsecured, with improved interest margins and an improved net debt to underlying EBITDA covenant.

Directors

The Directors who were in office during the year and up to the date the financial statements were signed are as follows:

Executive Directors

Lord Rothschild

Jon Boaden

Non-Executive Directors

Sir Peter Westmacott

Amelia Murillo

Jeffrey Jackson

John Wilson

Dean Moore was also a Director of the Company during the financial year, until his resignation with effect from 19 October 2023.

Biographical details of the Directors currently serving on the Board and their dates of appointment are set out on pages 84 to 85.

Powers of Directors

The Directors may exercise all the powers of the Company, subject to any restrictions in the Company's Articles of Association, any relevant legislation and any directions given by the Company, by passing a special resolution at a general meeting.

In particular, the Directors may exercise all the powers of the Company to borrow money, subject to the limitation that the aggregate amount of all money borrowed by the Group and owing to persons outside the Group shall not, without the sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of the Group's capital and reserves, calculated in the manner prescribed by the Company's Articles of Association.

Appointment and replacement of Directors

The Company's approach to the appointment and replacement of Directors is governed by its Articles of Association (together with relevant legislation).

The number of Directors should be no fewer than three and no more than 15. Directors may be appointed by the Company by ordinary resolution or by the Board of Directors.

At each Annual General Meeting, all Directors who (i) were appointed by the Board since the last Annual General Meeting, (ii) held office at the time of the two preceding Annual General Meetings and who did not retire at either of them, or (iii) have held office (other than employment or executive office) for a continuous period of nine years or more, shall automatically retire.

At the meeting at which the Director retires, the members may pass an ordinary resolution to fill the office being vacated by electing the retiring Director or some other person eligible for appointment to that office. In default, the retiring Director shall be deemed to have been elected or re-elected (as the case may be) unless (i) it is expressly resolved at the meeting not to fill the vacated office or the resolution of such election or re-election is put to the meeting and lost, or (ii) such Director has given notice that he or she is unwilling to be elected or re-elected, or (iii) the procedural requirements set out in the Company's Articles of Association are contravened.

The Company may, by ordinary resolution, remove any Director before the expiration of his or her term of office.

As set out in the Company's Articles of Association, there are also circumstances where a Director will immediately cease to hold office. These circumstances include where he or she is prohibited by law from being or acting as a Director or where he or she has been made bankrupt.

Directors' indemnities and insurance

In accordance with the Companies Act 2006 and the Company's Articles of Association, the Company has purchased Directors' and Officers' Liability Insurance. This qualifying third party indemnity, in line with section 234 of the Companies Act, was in force throughout the last financial year and is currently in force at the date of this report. The Company reviews its insurance policies on an annual basis in order to satisfy itself that its level of cover remains adequate.

Directors' share interests

The number of ordinary shares of the Company in which the Directors are beneficially interested at 31 March 2024 is set out in the Remuneration Committee Report on page 119.

Articles of Association

Any amendments to the Articles of Association of the Company may be made by special resolution of the shareholders.

Share capital

Details of the Company's share capital are set out in note 23 to the financial statements. The Company's share capital consists of one class of ordinary shares which do not carry rights to fixed income. As at 31 March 2024, there were 181,617,533 ordinary shares of 25p each in issue.

A new authority to allot shares will be sought at the forthcoming Annual General Meeting.

Voting rights

Ordinary shareholders are entitled to receive notice of, and in normal circumstances to attend and speak at, general meetings. Each shareholder present in person or by proxy (or by duly authorised corporate representative) shall, on a show of hands, have one vote. On a poll, each shareholder present in person or by proxy shall have one vote for each share held.

Restrictions on transfer of shares

Other than the general provisions of the Articles of Association (and prevailing legislation) there are no specific restrictions on the size of a holding or on the transfer of the ordinary shares.

The Directors are not aware of any agreements between the Company's shareholders that may result in the restriction of the transfer of securities or on voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital.

Significant shareholders

The Company has been advised of the following notifiable direct and indirect interests in 3% or more of its issued share capital as at 31 May 2024.

Shareholder	Number of ordinary shares of 25p each	Percentage of total voting rights
NR Holdings Limited[1]	46,539,426	25.62
Investec Wealth & Investment	10,870,697	5.99
Hargreaves Lansdown, stockbrokers (EO)	9,351,580	5.15
Interactive Investor (EO)	6,547,084	3.60
abrdn	6,142,285	3.38
Herald Investment Management	5,820,760	3.20

1 The Executive Chairman, Lord Rothschild, is a beneficiary of NR Holdings Limited. The number of shares noted here also includes those he holds directly.

Authority to purchase own shares

The Company was authorised by shareholder resolution at the 2023 Annual General Meeting to purchase up to 10% of its issued share capital. No shares were purchased pursuant to this authority during the year. A resolution to renew this authority will be proposed at the forthcoming Annual General Meeting. Under this authority, any shares purchased will either be cancelled, resulting in a reduction of the Company's issued share capital, or held in treasury.

Employee share schemes

The Company does not have any employee share schemes with shares which have rights with regard to the control of the Company that are not exercisable directly by the employees.

Significant agreements/change of control

The Company is a party to a revolving credit facility in which the counterparties can determine whether or not to cancel the agreement where there has been a change of control of the Company.

Details of the Directors' service contracts can be found in the Remuneration Committee Report on pages 112 to 113.

Future developments

The development of the business is detailed in the Strategic Report on pages 18 to 81.

Research and development

The Company's research and development activities are focused on driving innovation throughout the product portfolio, to enable it to deliver new or enhanced customer-specific connection solutions. We have continued to recruit design and development expertise and pursue the development of patents where relevant.

Employees

The Company's disclosures on employee policies and involvement can be found in the Sustainability Report on pages 71 to 75.

The Company engages with its employees as a key stakeholder and employee involvement is encouraged by the Board, as common goals and awareness of the Company's strategy play a major role in delivering its strategic objectives.

The Company is an equal opportunity employer and provides training, performance evaluation and opportunities for advancement and career development. The Company recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion. Further details on how the Company communicates with its employees as a key stakeholder group and has regard to their interests can be found in the Section 172 statement on pages 80 to 81.

Relationships with suppliers, customers and other business partners

Information on the Company's management of its business relationships can be found in the Strategic Report on pages 78 to 79.

Corporate governance

The Company follows and complies with, subject to some exceptions, the provisions of the Quoted Companies Alliance's Corporate Governance Code. The Company's corporate governance practice is outlined in the Corporate Governance Report on pages 88 to 95.

Political and charitable donations

The Group regularly contributes to local communities through fundraising and charity events. The Company did not make any political donations during the year.

Energy use and emissions

The disclosures on energy use and greenhouse gas emissions are made within the Sustainability Report on pages 71 to 72.

Financial risk management

The Company's objectives and policies on financial risk management, including information on the exposure of the Company to strategic, operational, financial and compliance risks and in relation to the use of financial instruments, are set out in note 31 to the financial statements and in the Group Risk Management section on pages 49 to 55.

Overseas branches

During the year, a branch of the Company was established in Italy. Other than this, no new or additional overseas branches were established.

Directors' Report continued

Going concern statement

The Group's financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity with the realisation of assets and the settlement of liabilities in the normal course of business. When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash and cash equivalents and the borrowing facility in place, including its terms, remaining duration and covenants.

The Directors have prepared a cash flow forecast for the period to end of September 2025, which is based on the FY2025 Board-approved budget. The Directors have performed sensitivity analysis on the cash flow forecast using a base case and downside scenario that take into account the principal risks and uncertainties set out on pages 49 to 55 of the Annual Report. The Directors have considered the potential impact of climate-related physical and transition risks as part of the going concern assessment and do not believe there to be a significant impact in the going concern period. The severe but plausible downside scenario models a 15% reduction in year-on-year revenue, equivalent to the worst result in the last 20 years, and still provides significant covenant and liquidity headroom. Subsequent to the year end, the Group has taken advantage of favourable conditions to increase and extend its credit facilities, thereby further enhancing covenant compliance and liquidity headroom.

Based on their assessment and these sensitivity scenarios, the Directors are satisfied that there are no material uncertainties regarding the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. The Directors, therefore, consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Auditors and disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The above confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution seeking to reappoint them will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Company's Annual General Meeting will be held on 1 August 2024. Details of the arrangements and the resolutions to be proposed are set out in a separate Notice of Annual General Meeting.

This report was approved by the Board of Directors of Volex plc and signed on its behalf by:

Jon Boaden

Jon Boaden

Chief Financial Officer

26 June 2024

Statement of Directors' Responsibilities
in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Rothschild
Executive Chairman

Jon Boaden
Chief Financial Officer

26 June 2024

Independent Auditors' Report to the Members of Volex Plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Volex plc's Group financial statements and Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2024 and of the Group's profit and the Group's cash flows for the 52 week period then ended;
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework', and applicable law); and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2024 ; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, and the Consolidated Statement of Cash Flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to other listed entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We conducted a full scope audit of 9 components which were selected due to their size and risk characteristics.
- We conducted an audit of financial statements line items (FSLIs) on 4 components and specified audit procedures were performed on certain FSLIs at a further 1 component.
- This enabled us to obtain 75% coverage of revenue, 74% of profit before tax, adjusting items and share based payments and 72% of net assets of the Group. Desktop review procedures were performed on the remaining components.
- To ensure sufficient oversight of our component audit teams, the Group team performed a number of procedures throughout the audit which included directing the audit approach and procedures, site visits, conducting file reviews and meetings with local management and the component teams both remotely and in-person.

Key audit matters

- Accounting for business combinations (Group).
- Accounting for uncertain tax provisions (Group).
- Carrying value of investments in subsidiaries (Company).

Materiality

- Overall Group materiality: $3,483,000 (2023: $2,900,000) based on 4.5% of profit before tax, adjusting items and share based payments.
- Overall Company materiality: £2,500,000 (2023: £2,339,000) based on 1% of total assets capped at allocated component materiality.
- Performance materiality: $2,612,000 (2023: $2,175,000) (Group) and £1,875,000 (2023: £1,754,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit. The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Accounting for business combinations (Group) As disclosed in note 2 and note 35 to the financial statements, during the year the Group acquired 100% of the issued share capital of Murat Ticaret Kablo A.Ş. ('Murat Ticaret'). The transaction is considered to be a business combination under IFRS 3. The acquisition resulted in $101.9m increase in intangible assets comprising customer relationships and order backlog. Management utilised their inhouse specialism to determine the fair value of the assets and liabilities acquired. The valuation of intangible assets recognised particularly customer relationships required significant management judgements. Given the complexity around the judgements and estimates associated with valuation of intangible assets, there is a risk that the valuation may be incorrect and as such this is a key audit matter.	We focused on this area due to the complexity around judgements and estimates made in valuing these assets. We undertook the following procedures: • We have obtained and read management's fair value assessment paper. • We obtained management's fair value calculations and discounted cash flows and evaluated the key judgements and estimates made by management in determining the fair value of the identified intangible assets and the associated useful life. • We utilised our valuation specialists to evaluate the methodology as well as key assumptions such as the discount rate and terminal growth rates used in the discounted cash flow models. • We benchmarked these to external data and challenged the assumptions based on our knowledge of the Group and the industries within which the businesses operate. Based on our procedures, we found no material exceptions and overall considered management's key assumptions to be within an acceptable range. Although not part of the significant risk; • We obtained and reviewed the sale and purchase agreement. • We obtained management's fair value calculations of the consideration, including consideration for any contingent consideration and deferred consideration elements, and assessed the appropriateness of the calculations. • For the assets and liabilities acquired, we tested a selection to support documentation and recalculated estimates to gain comfort over the fair value at acquisition. There were no material differences. • We also reviewed the related disclosures in the notes to the financial statements for compliance with accounting standards and consistency with the results of our work, with no matters arising.

Independent Auditors' Report to the Members of Volex Plc continued

Key audit matter	How our audit addressed the key audit matter
Accounting for uncertain tax positions (Group) As disclosed in notes 2, 10 and 21 to the financial statements, the Group operates in a number of jurisdictions and has recognised provisions for potential tax exposures, such as transfer pricing arrangements and changing tax legislation in various individual jurisdictions within the financial statements. As at 31 March 2024, the provision for uncertain tax positions was $11.9m (2023: $10.4m).The valuation and completeness of tax positions in the financial statements requires management judgement. Given the complexity around the judgement and estimates made in arriving at the provision, there is a risk that the accounting treatment may be incorrect and as such this is a key audit matter.	We obtained management's uncertain tax provisions calculations and evaluated the key judgements and estimates made by management. • We used our tax specialists to evaluate the key assumptions made by management. • We reviewed management's future cash flow forecasts used to support the recognition of any tax benefits. • We engaged with our overseas component teams in assessing the completeness of uncertain tax positions. • We also reviewed the related disclosures in the notes to the financial statements for compliance with accounting standards and consistency with the results of our work. Based on our procedures, we found no material exceptions and overall considered management's key assumptions supporting the uncertain tax position estimates and judgments to be reasonable.
Carrying value of investments in subsidiaries (Company) Refer to note 2 and note 5 of the Company financial statements. The Company holds investments amounting to £310.6m (2023: £191.8m) at 31 March 2024. The investments consist of £238.3m (2023: £140.3m) of investments in shares and £72.3m (2023: £51.5m) of loans. Investments in subsidiaries are all stated at cost less provision for impairment while loans are carried at amortised cost. As required by IAS 36, management has assessed if there is any indication that the investments balance may be impaired at the reporting date. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The assessment of potential impairment indicators involves management judgement. No impairment indicators were identified by management at the reporting date and no impairment charge on investments has been recorded in the period ended 31 March 2024.	We obtained management's impairment assessment of the investment at the period end. We challenged management on the completeness of their assessment by comparing the items assessed with those required to be considered per the requirements of IAS 36 and our knowledge of the business. We compared the carrying value of the investments to the net assets of the underlying subsidiaries to evaluate whether the carrying values are recoverable through the underlying assets. We corroborated management's assessment to the results of the goodwill impairment review at a Group level. No inconsistencies were noted. We assessed the model used by management to calculate the impairment risk of intercompany receivables in line with IFRS 9 Financial Instruments principles. Based on the procedures performed, we noted no material issues arising from our work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by us, as the Group audit team, or through involvement of our component auditors. The Group operates across multiple countries in Asia, Europe and America. Our approach gives us sufficient coverage on all segments.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work for each reporting unit to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. We were able to perform site visits to Murat Ticaret and DE-KA (Turkey), Volex Inc (Mexico), Volex (Asia) Pte (Singapore), PT Volex Indonesia and Suzhou (China). For all the other components, we conducted our oversight of the component teams through video conferencing and remote working paper reviews and other forms of communication as considered necessary to satisfy ourselves as to the appropriateness of audit work performed by our component teams.

The Group audit team performed the work over Servatron and the head office branch of the Company, with our component auditors in Poland performing the work in respect of the significant branches of the Company for which the books and records are located in that territory. The Group audit team performed the audit of the consolidation.

We identified 9 components which, in our view, required an audit of their complete financial information, either due to their size or risk characteristics. This included the operating subsidiaries in Turkey, Republic of Ireland, Indonesia, Mexico, and Poland. An audit of certain financial statements line items (FSLIs) was performed at a further 4 components while specified audit procedures were performed on certain financial statement line items at 1 component. The above gave us coverage of 75% of revenue, 74% of profit before tax, adjusting items and share based payments, and 72% of net assets of the Group. Desktop review procedures were performed on all other components. As a whole, these procedures gave us the evidence we needed for our opinion on the Group financial statements.

The impact of climate risk on our audit

In planning our audit, we considered the potential impacts of climate change on the Group's business and financial statements. We;

- made enquiries of management to understand the extent of the potential impact of climate risk on the Group's and Company's financial statements.
- reviewed management's risk assessment and governance processes in place to address climate risk impacts.
- evaluated management's assessment of the impact of climate risk on the financial statements, including the potential impact on the underlying assumptions and estimates.
- obtained an understanding of the carbon reduction commitments made by the Group and the potential implications of these for the financial statements.
- remained alert when performing our audit procedures for any indicators of the impact of climate risk.

Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	$3,483,000 (2023: $2,900,000).	£2,500,000 (2023: £2,339,000).
How we determined it	4.5% (2023: 5%) of profit before tax, adjusting items and share based payments	1% (2023: 1%) of total assets capped at allocated component materiality.
Rationale for benchmark applied	We consider profit before tax, adjusting items and share-based payments to provide an accurate depiction of the underlying profitability of the business and to be the primary measure used by shareholders in assessing the performance of the Group.	Total assets was considered an appropriate benchmark to use due to the Company's status primarily as an investment holding company. However, this would have given a materiality level in excess of the materiality allocated to the component determined through our Group scoping exercise. Accordingly, Company materiality was capped at the Group component materiality allocation.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between $400,000 and $2,000,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to $2,612,000 (2023: $2,175,000) for the Group financial statements and £1,875,000 (202: £1,754,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above $162,500 (Group audit) (2023: $145,000) and £125,000 (company audit) (2023: £110,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing the Group and Company cash flow forecasts for the going concern period, challenging the Directors' assumptions used and verifying that these were consistent with our existing knowledge and understanding of the business, as well as with the Board-approved budget.
- Reviewing the Group and Company cash flow forecasts for both the base case and a severe but plausible downside scenario, evaluating the assumptions used, and verifying the Group's and Company's ability to maintain liquidity within the going concern period under these scenarios.
- Testing the model for mathematical accuracy and assessing the reasonableness of sensitivities performed by management.
- We read and understood the key terms of its committed debt facilities to understand the terms and tested compliance with the loan covenants.
- Assessing the adequacy of the disclosure provided in note 2 'Going Concern' of the Group and Company financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information, which includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent Auditors' Report to the Members of Volex Plc continued

Based on our understanding of the Group and industry, we identified the principal risks of non-compliance with laws and regulations related to compliance with corporate tax legislation in jurisdictions in which the Group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, risk of fraud in revenue recognition and potential management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Enquiry of Directors, management and the Company's in-house legal and compliance team around actual and potential non-compliance with laws and regulations and fraud;
- Inspection of supporting documentation where appropriate.
- Reviewing minutes of meetings of the Board of Directors
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- Challenging assumptions and judgements made by management in relation to their significant accounting judgements and estimates.
- Review of related work performed by the component audit teams, including their responses to risks related to management override of controls and to the risk of fraud in revenue recognition.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not obtained all the information and explanations we require for our audit.
- Adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us.
- Certain disclosures of directors' remuneration specified by law are not made.
- The company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Richard Porter

Richard Porter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

26 June 2024

Financials Report

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Consolidated Income Statement

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

		2024			2023		
	Notes	**Before adjusting items and share-based payments $'m**	**Adjusting items and share-based payments (Note 4) $'m**	**Total $'m**	Before adjusting items and share-based payments $'m	Adjusting items and share-based payments (Note 4) $'m	Total $'m
Revenue	3	**912.8**	**–**	**912.8**	722.8	–	722.8
Cost of sales		**(710.0)**	**–**	**(710.0)**	(565.8)	–	(565.8)
Gross profit		**202.8**	**–**	**202.8**	157.0	–	157.0
Operating expenses		**(113.1)**	**(25.8)**	**(138.9)**	(89.7)	(13.5)	(103.2)
Operating profit	7	**89.7**	**(25.8)**	**63.9**	67.3	(13.5)	53.8
Share of net profit from associates	16	**3.2**	**–**	**3.2**	1.1	–	1.1
Finance income	5	**1.3**	**–**	**1.3**	0.4	–	0.4
Finance costs	6	**(16.8)**	**–**	**(16.8)**	(9.5)	–	(9.5)
Profit before taxation		**77.4**	**(25.8)**	**51.6**	59.3	(13.5)	45.8
Taxation	10	**(15.9)**	**4.5**	**(11.4)**	(10.7)	2.3	(8.4)
Profit for the period		**61.5**	**(21.3)**	**40.2**	48.6	(11.2)	37.4
Profit is attributable to:							
Owners of the parent		**60.5**	**(21.2)**	**39.3**	48.0	(11.2)	36.8
Non-controlling interests		**1.0**	**(0.1)**	**0.9**	0.6	–	0.6
		61.5	**(21.3)**	**40.2**	48.6	(11.2)	37.4
Earnings per share (cents)							
Basic	11	**33.7**		**21.8**	30.2		23.2
Diluted	11	**33.0**		**21.4**	28.8		22.1

All activities were in respect of continuing operations.

The notes on pages 139 to 181 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

	Notes	**2024 $'m**	2023 $'m
Profit for the period		**40.2**	37.4
Items that will not be reclassified subsequently to profit or loss			
Actuarial loss on defined benefit pension schemes	30	**(0.2)**	(0.5)
Tax relating to items that will not be reclassified		**0.1**	0.1
		(0.1)	(0.4)
Items that may be reclassified subsequently to profit or loss			
Gain arising on cash flow hedges during the period		**0.1**	1.4
Exchange gain/(loss) on translation of foreign operations		**0.7**	(7.0)
Tax relating to items that may be reclassified		**(0.2)**	0.2
		0.6	(5.4)
Other comprehensive income/(expense) for the period		**0.5**	(5.8)
Total comprehensive income for the period attributable to:			
Owners of the parent		**39.9**	31.6
Non-controlling interests		**0.8**	–
		40.7	31.6

The notes on pages 139 to 181 are an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2024 (2 April 2023)

	Notes	**2024 $'m**	2023 $'m
Non-current assets			
Goodwill	12	**121.4**	82.3
Other intangible assets	13	**131.7**	41.8
Property, plant and equipment	14	**91.8**	50.1
Right-of-use assets	15	**38.4**	34.5
Interests in associates	16	**8.1**	2.6
Other receivables	18	**2.0**	1.8
Derivative financial instruments	31	**1.5**	0.9
Retirement benefit asset	30	**0.4**	–
Deferred tax assets	21	**25.9**	24.6
		421.2	238.6
Current assets			
Inventories	17	**174.3**	120.5
Trade receivables	18	**187.6**	136.2
Other receivables	18	**23.4**	15.7
Current tax assets		**1.8**	0.8
Derivative financial instruments	31	**1.0**	0.9
Cash and bank balances	28	**29.8**	22.5
		417.9	296.6
Total assets		**839.1**	535.2
Current liabilities			
Borrowings	19	**3.3**	1.8
Lease liabilities	19	**21.3**	15.6
Trade payables	20	**133.1**	84.4
Other payables	20	**101.4**	65.2
Current tax liabilities		**18.3**	14.5
Retirement benefit obligations	30	**–**	0.3
Provisions	22	**2.9**	0.9
Derivative financial instruments	31	**0.4**	–
		280.7	182.7
Net current assets		**137.2**	113.9
Non-current liabilities			
Borrowings	19	**143.1**	89.6
Lease liabilities	19	**16.1**	19.2
Other payables	20	**26.9**	1.4
Deferred tax liabilities	21	**28.2**	6.9
Retirement benefit obligations	30	**7.5**	2.3
Provisions	22	**1.0**	0.4
		222.8	119.8
Total liabilities		**503.5**	302.5
Net assets		**335.6**	232.7
Equity			
Share capital	23	**69.6**	62.7
Share premium account	23	**62.0**	60.7
Non-distributable reserve	24	**2.5**	2.5
Hedging and translation reserve		**(13.9)**	(14.6)
Own shares	24	**(4.3)**	(1.0)
Retained earnings		**211.3**	115.0
Total attributable to owners of the parent		**327.2**	225.3
Non-controlling interests	25	**8.4**	7.4
Total equity		**335.6**	232.7

The notes on pages 139 to 181 are an integral part of these financial statements. The consolidated financial statements of Volex plc (company number: 158956) were approved by the Board of Directors and authorised for issue on 26 June 2024 and signed on its behalf by:

Rothschild
Executive Chairman

Jon Boaden
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

	Notes	Share capital $'m	Share premium account $'m	Non-distributable reserves $'m	Hedging and translation reserve $'m	Own shares $'m	Retained earnings $'m	Equity attributable to owners $'m	Non-controlling interests $'m	Total equity $'m
Balance at 3 April 2022		62.5	60.9	2.5	(9.8)	(0.2)	85.2	201.1	7.4	208.5
Profit for the period		–	–	–	–	–	36.8	36.8	0.6	37. 4
Other comprehensive expense for the period		–	–	–	(4.8)	–	(0.4)	(5.2)	(0.6)	(5.8)
Total comprehensive income for the period		–	–	–	(4.8)	–	36.4	31.6	–	31.6
Own shares sold/(utilised) in the period	24	–	–	–	–	4.2	(4.2)	–	–	–
Own shares purchased in the period	24	–	–	–	–	(5.0)	–	(5.0)	–	(5.0)
Dividend paid	26	–	–	–	–	–	(7.1)	(7.1)	–	(7.1)
Scrip dividend related share issue	26	0.2	(0.2)	–	–	–	1.4	1.4	–	1.4
Credit to equity for equity-settled share-based payments		–	–	–	–	–	3.7	3.7	–	3.7
Tax effect of share options		–	–	–	–	–	(0.4)	(0.4)	–	(0.4)
Balance at 2 April 2023		**62.7**	**60.7**	**2.5**	**(14.6)**	**(1.0)**	**115.0**	**225.3**	**7.4**	**232.7**
Profit for the period		**–**	**–**	**–**	**–**	**–**	**39.3**	**39.3**	**0.9**	**40.2**
Other comprehensive income for the period		**–**	**–**	**–**	**0.7**	**–**	**(0.1)**	**0.6**	**(0.1)**	**0.5**
Total comprehensive income for the period		**–**	**–**	**–**	**0.7**	**–**	**39.2**	**39.9**	**0.8**	**40.7**
Equity raise	23	**6.7**	**1.5**	**–**	**–**	**–**	**64.1**	**72.3**	**–**	**72.3**
Business combination	35	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.2**	**0.2**
Own shares sold/(utilised) in the period	24	**–**	**–**	**–**	**–**	**5.8**	**(5.8)**	**–**	**–**	**–**
Own shares purchased in the period	24	**–**	**–**	**–**	**–**	**(9.1)**	**–**	**(9.1)**	**–**	**(9.1)**
Dividend paid	26	**–**	**–**	**–**	**–**	**–**	**(9.3)**	**(9.3)**	**–**	**(9.3)**
Scrip dividend related share issue	26	**0.2**	**(0.2)**	**–**	**–**	**–**	**2.6**	**2.6**	**–**	**2.6**
Credit to equity for equity-settled share-based payments		**–**	**–**	**–**	**–**	**–**	**4.7**	**4.7**	**–**	**4.7**
Tax effect of share options		**–**	**–**	**–**	**–**	**–**	**0.8**	**0.8**	**–**	**0.8**
Balance at 31 March 2024		**69.6**	**62.0**	**2.5**	**(13.9)**	**(4.3)**	**211.3**	**327.2**	**8.4**	**335.6**

The notes on pages 139 to 181 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

	Notes	2024 $'m	2023 $'m
Net cash generated from operating activities	28	**78.3**	55.7
Cash flow used in investing activities			
Interest received		**1.8**	0.3
Acquisition of businesses, net of cash acquired	35	**(134.3)**	(5.1)
Deferred and contingent consideration for businesses acquired	35	**(2.2)**	(7.1)
Proceeds on disposal of intangible assets, property, plant and equipment		**0.4**	0.1
Purchases of property, plant and equipment		**(27.5)**	(14.4)
Purchases of intangible assets		**(4.1)**	(3.9)
Purchase of shares in associate	33	**(2.3)**	–
Proceeds from the repayment of preference shares	16	**0.9**	0.3
Net cash used in investing activities		**(167.3)**	(29.8)
Cash flows before financing activities		**(89.0)**	25.9
Cash (used)/generated before adjusting items		**(82.0)**	28.1
Cash used in respect of adjusting items		**(7.0)**	(2.2)
Cash flow generated from financing activities			
Dividend paid	26	**(6.7)**	(5.7)
Net purchase of shares for share schemes		**(9.3)**	(7.2)
Refinancing costs paid	27	**(0.3)**	(0.5)
Proceeds on issue of shares	23	**72.3**	–
New bank loans raised	27	**129.9**	25.0
Repayment of borrowings	27	**(79.0)**	(35.3)
Outflow from factoring	27	**–**	(0.7)
Interest element of lease payments	27	**(2.7)**	(1.7)
Receipt from lease debtor		**0.2**	0.5
Capital element of lease payments	27	**(8.9)**	(5.8)
Net cash generated/(used in) from financing activities		**95.5**	(31.4)
Net increase/(decrease) in cash and cash equivalents		**6.5**	(5.5)
Cash and cash equivalents at beginning of period	28	**20.7**	25.9
Effect of foreign exchange rate changes	27	**1.6**	0.3
Cash and cash equivalents at end of period	28	**28.8**	20.7

The notes on pages 139 to 181 are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

1. Presentation of financial statements

Volex plc (the 'Company' and together with its subsidiaries the 'Group') is a company domiciled and incorporated in the United Kingdom under the Companies Act 2006 and is listed on AIM, a market on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales. The address of the registered office is given on page 200. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 02 to 81.

Financial statements are prepared for the period ending on the Sunday following the Friday that falls closest to the accounting reference date of 31 March each year.

These financial statements are presented in US dollars ('$'). The individual financial results of each Group subsidiary are maintained in its functional currency, which is determined by reference to the primary economic environment in which the subsidiary operates.

2.a) Significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of accounting

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared under the historical cost convention except for the revaluation of financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern

The Group's financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity with the realisation of assets and the settlement of liabilities in the normal course of business. When assessing the going concern status of the Group, the Directors have considered in particular its financial position, including its significant balance of cash and cash equivalents and the borrowing facility in place, including its terms, remaining duration and covenants.

The Directors have prepared a cash flow forecast for the period to the end of September 2025, which is based on the FY2025 Board-approved budget. The Directors have performed sensitivity analysis on the cash flow forecast using a base case and downside scenario that take into account the principal risks and uncertainties set out on pages 49 to 55 of the Annual Report. The Directors have considered the potential impact of climate-related physical and transition risks as part of the going concern assessment and do not believe there to be a significant impact in the going concern period. The severe but plausible downside scenario models a 15% reduction in year-on-year revenue, equivalent to the worst result in the last 20 years, and still provides significant covenant and liquidity headroom. Subsequent to the year end, the Group has taken advantage of favourable conditions to increase and extend its credit facilities, thereby further enhancing covenant compliance and liquidity headroom. See note 34 for more details.

Based on their assessment and these sensitivity scenarios, the Directors are satisfied that there are no material uncertainties regarding the Group's going concern status and that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Adoption of new and revised International Financial Reporting Standards ('IFRSs')

No new standards and interpretations issued by the IASB had a significant impact on the consolidated financial statements.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 April 2024 and not early adopted

The Group does not consider that any standard, amendment or interpretation issued by the IASB, but not yet applicable, will have a significant impact on the financial statements. Standards and interpretations issued by the IASB are only applicable if endorsed by the UK Endorsement Board.

Basis of consolidation

The consolidated financial statements of Volex plc incorporate the financial statements of the Company and entities which it controls (its subsidiaries, together 'the Group') and are drawn up to the relevant period end date. Control is achieved where the Company has the power to govern the financial and operating policies so as to be able to obtain benefits from its activities. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. All acquisition-related costs are recognised in profit or loss within adjusting items as incurred.

Notes to the Consolidated Financial Statements continued

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

2.a) Significant accounting policies continued

Business combination continued

Goodwill is measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The interest of the non-controlling shareholders in the acquiree may initially be measured either at fair value or at the non-controlling shareholders' proportion of the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed. The choice of measurement basis is made on an acquisition-by-acquisition basis.

Where the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, it is measured at its acquisition date fair value and included as part of the consideration transferred. Subsequent changes in the fair value of contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Any adjustments outside of the measurement period are taken to the income statement.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is tested annually for impairment. For the purpose of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. The impairment loss is recognised immediately in profit and loss and is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts. Goodwill arising on acquisitions prior to 31 March 1998 has been written off to reserves and has not been reinstated in the statement of financial position and will not be included in determining any subsequent profit or loss on disposal.

Interests in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in net assets of the investee after the date of acquisition.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. Where the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Distributions received from an associate reduce the carrying amount of the investment.

The Group determines, at each reporting date, whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and it recognises the amount adjacent to 'share of profit/(loss) of associates' in the income statement.

Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US dollars, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies), are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks (see financial instruments/hedge accounting); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

2.a) Significant accounting policies continued

Foreign currencies continued

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Revenue recognition

Revenue is recognised in accordance with the satisfaction of performance obligations of contracts. The majority of the Group's contracts have just one performance obligation, which is the delivery of goods, which under IFRS 15 'Revenue from contracts with customers' is recognised as a single point, on delivery or pick-up depending on the agreed terms with the customer. This is normally when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements.

Where bill-and-hold arrangements exist, control of the goods is transferred to the customer when the following conditions are met, indicating that the customer has gained control based on the surrounding facts and circumstances: (i) there is a substantive reason for the arrangement; (ii) the product is specifically identified as the customer's property; (iii) the product is prepared for delivery as per the arrangement's terms; and (iv) the Group is no longer able to use or sell the product to another customer.

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. For sales to customers where a right to return an item is granted, revenue is recognised to the extent of the consideration to which the Group ultimately expects to be entitled.

The Group considers whether there are additional commitments in contracts that have separate performance obligations to which a portion of the transaction price needs to be allocated. In addition, most customer contracts include a warranty clause for general repairs of defects that existed at the time of sale. Warranties cannot be purchased separately. These assurance-type warranties are accounted for under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

In determining the transaction price for the sale of equipment, the Group also considers the effects of the following:

- The existence of significant financing components. There are contracts where the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for those goods or services will be one year or less. The normal credit term is 60 to 90 days upon delivery;
- Consideration payable to the customer – in certain instances the Group purchases raw materials from the customer. This consideration is not treated as a reduction to revenue since the payments made are in exchange for a distinct good (the raw material) that the customer transfers to the Group; and
- Variable consideration and non-cash consideration – both of these are deemed to be immaterial for the Group.

Finance income

Interest income is accrued on a timely basis by reference to the principal outstanding and the effective interest rate applicable.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Finance costs

Finance costs comprise lease interest payable, amortised debt issue costs, interest expense on borrowings which are not capitalised and the interest expense on the defined benefit obligation. Interest on borrowings is shown within operating activities in the statement of cash flows. The interest element of lease payments is presented within financial activities.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

The Group evaluates positions taken in tax returns for transactions where the ultimate tax determination is uncertain and considers whether it is probable that a tax authority will accept the position. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2.a) Significant accounting policies continued

Taxation continued

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and any further costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land, which is not depreciated) less their residual values over their useful lives, using the straight-line method, on the following basis:

Freehold buildings and leasehold improvements	Up to 50 years or period of lease, if shorter
Plant and machinery	3 to 15 years
Assets under construction	Depreciation commences once an asset is ready for its intended use

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Intangible assets – computer software and licences

Computer software is stated at cost less accumulated depreciation and any recognised impairment loss. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and use the specific software. These costs are included in the statement of financial position within intangible assets and are amortised straight-line over their estimated useful lives, not exceeding seven years. Costs associated with maintaining computer software are recognised as an expense as incurred.

Intangible assets – patents and customer contracts and relationships

Patents are stated at cost less accumulated amortisation. Customer contracts and relationships acquired in a business combination are recognised at fair value at the acquisition date. These intangible assets are amortised on a straight-line basis over their estimated useful lives as follows:

Customer contracts	Up to 3 years
Customer relationships	5 to 15 years

Intangible assets – internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The Group is engaged in development activities, which include both general product development and specific customer development projects. An internally generated intangible asset arising from these development activities is recognised only if all of the following conditions are met:

- An asset is created that can be identified;
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives (up to 3 years). Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease.

2.a) Significant accounting policies continued

Impairment of property, plant and equipment and intangible assets excluding goodwill continued

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognised as a credit to the income statement immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leases

The Group leases various offices, buildings, vehicles and other equipment. Rental contracts are, typically, made for a period of up to five years, but may have extension options.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present-value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for termination of the lease, if the lease term reflects the Group exercising that option.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability or a revaluation of the liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Each right-of-use asset is depreciated over the shorter of its useful economic life and the lease term on a straight-line basis, unless the lease is expected to transfer ownership of the underlying asset to the Group, in which case the asset is depreciated to the end of the useful life of the asset. Payments associated with the short-term leases are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Where a vacant office is sub-leased for the remainder of the lease, the head lease and sublease are recorded as two separate contracts, applying both the lessee and lessor accounting requirements.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a standard cost methodology and adjusted for material variances such that the adjusted figure represents direct materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. A provision is made for obsolete, slow-moving or defective items, where appropriate. Provisions will be adjusted, where appropriate, to align with specific contractual terms. Supplier inventory held under consignment arrangements at manufacturing locations is recognised as inventory once the risks and rewards are transferred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value less bank overdrafts. Where a cashpool facility is operated, the right-of-offset is considered.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the consolidated income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying value is the present value of those cash flows (when the effect of the time value of money is material).

2.a) Significant accounting policies continued

Provisions continued

A restructuring provision is recognised when the Group has developed a detailed formal plan for restructuring and has raised a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

Provisions for the expected cost of warranty obligations under local sales of goods legislation are recognised at the date of sale of the relevant products, at the Directors' best estimate of the expenditure required to settle the Group's obligation.

Retirement benefits

The Group has both defined benefit and defined contribution retirement benefit schemes, including a defined benefit scheme in the UK, which is now closed to new entrants, and unfunded defined benefit schemes in Indonesia, India, Mexico and Türkiye, which provide a lump sum payment to individuals on retirement. The retirement benefit obligations recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit scheme.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting period.

Defined benefit costs are split into three categories: remeasurement; net interest expense or income; and past service cost and gains and losses on curtailments and settlements.

Remeasurement comprises actuarial gains and losses, the effect of the asset ceiling (where applicable) and the return on scheme assets (excluding interest). These costs are recognised immediately in the statement of financial position with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset and is recognised within finance costs (see note 6).

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Payments to state-managed schemes are treated as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution scheme.

Share-based payments

Certain senior employees (including executives) receive remuneration in the form of share-based payment transactions where the individuals are compensated for services they provide with consideration in the form of equity instruments.

The cost of equity-settled transactions with employees is measured with reference to the fair value of the equity instrument at the date they are granted and is recognised as an expense over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the employee becomes fully entitled to the award.

No expense is recognised for awards that do not, ultimately, vest as a result of not meeting performance or service conditions. Where all service and performance vesting conditions have been met, the awards are treated as vesting, irrespective of whether or not the market condition is satisfied, as market conditions have been reflected in the fair value of the equity instruments.

The fair value determined at the date of grant of the equity-settled share-based payments is expensed to the income statement on a straight-line basis over the vesting period, based on the estimate of the number of options that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement with a corresponding entry in equity. Within the income statement the share-based payment charge is presented separately to assist in understanding the underlying performance of the Group.

Adjusting items

Adjusting items include costs and income that are one-off in nature and significant (such as restructuring costs, impairment charges or acquisition-related costs) but also include the non-cash amortisation charge of intangible assets, which have arisen under IFRS 3 'Business Combinations'. Only those restructuring costs that result in a permanent reduction in capabilities, either to a particular geography or line of business, are treated as adjusting items.

Adjusting items are included under the statutory classification appropriate to their nature but are separately disclosed on the face of the income statement within adjusting items to assist in understanding the underlying performance of the Group.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Investments and other financial assets – classification

Financial assets within the scope of IFRS 9 'Financial Instruments' are classified as financial assets at fair value through profit or loss ('FVTPL'), financial assets at fair value through other comprehensive income ('FVOCI') and financial assets at amortised cost.

The classification of financial assets is determined on initial recognition. This takes account of the nature of the financial asset and the purpose for which it was acquired. Where an asset is classified as fair value through profit or loss ('FVTPL') it is measured at fair value. Any net gains and losses, including dividend income or interest, are recognised in finance income or finance cost in the income statement.

2.a) Significant accounting policies continued

Investments and other financial assets – classification continued

Financial assets classified as at fair value through other comprehensive income ('FVOCI') are measured at fair value. Derivatives are classed as FVOCI where the derivative is designated and effective as a hedging instrument. For investments in equity instruments, dividends are recognised when the entity's right to receive payment is established, the amount can be measured reliably and it is probable that the economic benefits will flow to the entity. Dividends are recognised in the income statement unless they represent the recovery of part of the cost of the investment, in which case they are included in other comprehensive income.

Changes in the fair value of the financial asset are recognised in other comprehensive income and are not recycled to the income statement.

Financial assets that are held with the objective of collecting contractual cash flows and, where the contractual terms of the financial asset give rise to cash flows on specified dates that represent the repayment of principal and interest, are measured, subsequently, at amortised cost.

Investments and other financial assets – recognition and measurement

Where an entity holds an investment in an equity instrument that is actively traded in an organised financial market, the fair value is determined with reference to quoted closing market bid prices at the balance sheet date. Where there is no such active market, fair value is determined using valuation techniques and models appropriate to the instrument.

Loans and receivables are measured at amortised cost using the effective interest method and taking into consideration any allowance for impairment. The calculation includes any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Trade and other receivables are recognised initially at fair value and, subsequently, measured at amortised cost using the effective interest method less any provision for impairment.

At each balance sheet date the Group undertakes an assessment as to whether a financial asset or group of financial assets is impaired.

Trade and other receivables

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. The Group assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group, therefore, continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Derivative financial instruments

The Group's activities expose it to the financial risks of changes in foreign exchange rates, interest rates and commodity prices. The Group enters into a variety of derivative financial instruments to manage its exposure to these risks. The use of financial derivatives is governed by a Group policy approved by the Board of Directors, which provides written principles on the use of financial derivatives to hedge certain risk exposures. The Group does not use derivative financial instruments for speculative purposes. Further details of derivative financial instruments are disclosed in note 31 to the financial statements.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are, subsequently, remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations.

A derivative is classified as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

2.a) Significant accounting policies continued

Hedge accounting continued

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency, interest rate and commodity risk, as either cash flow hedges or hedges of net investments in foreign operations.

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Cash flow hedge

Hedges of foreign exchange or interest rate risks on firm commitments are accounted for as cash flow hedges. Similarly, commodity derivative contracts, which are entered into to mitigate commodity price fluctuations on firm purchasing commitments, are accounted for as cash flow hedges.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Hedges of net investments in foreign operations

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the hedging and translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains and losses deferred in the hedging and translation reserve are recognised immediately in profit or loss when the foreign operation is disposed of.

2.b) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Directors consider the following to be the key judgements and estimates that have the most significant effect on the amounts recognised in the financial statements.

2.b.i) Critical judgements in applying the Group's accounting policies

In applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the consolidated financial statements.

Business combinations

Acquisitions are accounted for using the acquisition method as described in the business combinations accounting policy. Management exercises judgement in the determination of fair values for assets and liabilities acquired, including the separate identification of intangible assets, which use assumptions and estimates. The Group has developed a process to meet the requirements of IFRS 3, including the separate identification of customer relationship intangible assets based on estimated future performance, discount rates and customer attrition rates.

As part of the acquisition contingent consideration of $39.8m was recognised. The payments are dependent upon certain EBITDA targets being met post-acquisition over two one-year measurement periods. The fair value above has been based on the probable outcome of each based upon the information available at 31 March 2024. This requires estimates and judgements around both the range of potential outcomes and the probability of each potential outcome arising.

As part of the acquisition, a deferred consideration of $6.0 million was recognised. The payment, due in 2029, is tied to the fair value of two properties owned by Murat Ticaret at the time of acquisition. The Group has the option to sell these properties back to the former owners at this price in 2029. Currently, the Group is maintaining the properties at their recoverable value, anticipating their sale in 2029. A judgement has been made that the properties will be sold and not retained by the business.

Adjusting items

The Directors believe that presenting adjusting items separately provides a clearer understanding of the business performance and facilitates comparison of trading performance year on year. In determining the classification of items, management exercises significant judgement. During the period, the adjusting items identified total $19.5m (2023: $9.8m). These, primarily, comprise acquisition-related costs and amortisation of intangibles arising from business combinations. See note 4 for further details. Management sees this as a key judgement as a decision has to be made as to which income statement items fall within the criteria and, therefore, should be shown separately.

Uncertain tax provisions

As a multinational group operating in a large number of territories, there are many transactions for which the ultimate tax treatment may be uncertain. The Directors are therefore required to exercise judgement in this respect, particularly in areas such as transfer pricing and the consequences of acquisitions or restructuring. Judgements made are based on management's interpretation of country-specific tax law, guided by external experts where appropriate. The Group is subject to periodic tax audits and the final agreed tax liabilities may vary from the amounts provided. The Group typically has limited control over the timing of resolution of uncertain tax positions with tax authorities.

Inventory provisions

In determining the inventory provision, on at least a quarterly basis and at the financial year end, management applies their judgement to review provisions held against damaged, obsolete and slow-moving inventory.

Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not utilise a break clause. Extension options (or periods after break clauses) are only included in the lease term if the lease is reasonably certain to be extended (or break clause not utilised).

2.b.ii) Key sources of estimation uncertainty

The key areas where estimates and assumptions are significant to the financial statements are described below.

Acquired intangible assets

As part of the acquisition of Murat Ticaret, the Group recognised intangible assets in relation to customer relationships and order backlog, valued at $101.6 million. The key inputs to the valuation model are the revenue growth rates, customer margins, discount rate and customer retention periods, which are inherently subjective. Changes to these estimates could result in the value of the asset recognised being higher or lower, with an offsetting movement in the goodwill recognised on acquisition. The fair value adjustments are provisional and will be finalised within 12 months of the acquisition date.

Inventory provisions

Inventories are carried at the lower of cost and net realisable value, which is calculated as the estimated sales proceeds less costs of sale. Factors considered in the determination of net realisable value are the ageing, category and condition of inventories, recent inventory utilisation and forecasts of projected inventory utilisation. Changes to these estimates could result in changes to the net valuation of inventory. At 31 March 2024, the Group had net inventories of $174.3m (2023: $120.5m).

Goodwill

The carrying amount of goodwill has been tested for impairment by estimating the value in use of the cash-generating units to which it has been allocated. Note 12 outlines the significant assumptions made in performing the impairment tests.

Recognition of deferred tax assets

The Group has significant amounts of unused tax losses as set out in note 21, as well as various deductible temporary differences across several major jurisdictions. These give rise to recognised deferred tax assets (after jurisdictional offsetting) of $25.9m (2023: $24.6m). In determining the appropriate amount of deferred tax assets to recognise, the Directors first consider the reversal of deferred tax liabilities and then estimated forecast future profits. The assessment of future profits in each territory takes into account factors such as historical performance, one-off events and risk-weighted modelling. The Group uses recognition models that are based on the same underlying five-year cash flow forecasts used for goodwill impairment testing. While management are confident that full recovery of the amounts recognised is probable, the deferred tax assets in the UK of $13.5m (2023: $16.3m) are considered the most sensitive to underperformance against expectation.

Uncertain tax provisions

In measuring uncertain tax provisions, the Directors are required to estimate the effect of the uncertainty in determining the taxable profit or loss in each affected jurisdiction. Where there are a range of potential outcomes, the expected value method is used. This requires estimates and judgements around both the range of potential outcomes and the probability of each potential outcome arising. At 31 March 2024 the Group has $10.8m (2023: $10.4m) included in current tax liabilities, $1.1m (2023: $nil) included in other payables, and $2.8m (2023: $2.6m) included in deferred tax assets in respect of the estimated impact on tax liabilities and the related accrued interest, as well as recognised tax losses, giving a total net liability of $9.1m (2023: $7.8m) recognised for uncertain tax positions. To the extent that the ultimate outcome of a tax uncertainty differs from the tax that has been provided, a material adjustment could arise in a future period.

3. Segment information

Segment information is based on the information provided to the chief operating decision makers, being the Executive members of the Company's Board and the Chief Operating Officer. This is the basis on which the Group reports its primary segmental information for the period ended 31 March 2024. These segments are discussed in the Performance Review on page 38.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies on pages 139 to 147 of the Group accounts. The Group evaluates segmental information on the basis of profit or loss from operations before adjusting items, share-based payments, interest and income tax expense. The segmental results that are reported to the Executive members of the Company's Board and Chief Operating Officer include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The internal reporting provided to the Executive members of the Company's Board and the Chief Operating Officer for the purpose of resource allocation and assessment of Group performance is based upon the regional performance of where the customer is based and where the products are delivered. In addition to the operating divisions, a Central division exists to capture all of the corporate costs incurred in supporting the operations.

Unallocated central costs represent corporate costs that are not directly attributable to the manufacture and sale of the Group's products, but which support the Group in its operations. Included within this division are the costs incurred by the Executive management team and the corporate head office.

3. Segment information continued

The following is an analysis of the Group's revenues and results by reportable segment.

	52 weeks to 31 March 2024		52 weeks to 2 April 2023	
	Revenue $'m	**Profit/(loss) $'m**	Revenue $'m	Profit/(loss) $'m
North America	**372.3**	**32.8**	339.8	30.9
Asia	**185.1**	**13.9**	171.4	12.5
Europe	**355.4**	**52.9**	211.6	31.5
Unallocated Central costs	**–**	**(9.9)**	–	(7.6)
Divisional results before share-based payments and adjusting items	**912.8**	**89.7**	722.8	67.3
Adjusting items (see note 4)		**(19.5)**		(9.8)
Share-based payment charge (see note 29)		**(6.3)**		(3.7)
Operating profit		**63.9**		53.8
Share of net profit from associates		**3.2**		1.1
Finance income (see note 5)		**1.3**		0.4
Finance costs (see note 6)		**(16.8)**		(9.5)
Profit before taxation		**51.6**		45.8
Taxation (see note 10)		**(11.4)**		(8.4)
Profit after taxation		**40.2**		37.4

The adjusting items charge of $19.5m (2023: $9.8m) was split $2.8m (2023: $4.8m) to North America, $14.5m (2023: $3.7m) to Europe, a $0.2m in Asia (2023: $0.3m) and $2.0m (2023: $1.0m) to Central.

The segmental profit represents the profit earned from customers based in each region before the allocation of central operating expenses, adjusting items, share-based payments, finance income, finance costs and income tax expense. This is the measure reported to the Executive members of the Company's Board and the Chief Operating Officer for the purpose of resource allocation and assessment of performance. The divisional profits above are shown after the following charges for depreciation and amortisation of non-acquired intangibles:

Depreciation and amortisation	**2024 $'m**	2023 $'m
North America	**8.9**	6.7
Asia	**4.4**	3.4
Europe	**8.5**	4.2
Central	**0.1**	–
	21.9	14.3

3. Segment information continued

Information about major customers

One (2023: one) of the Group's customers individually accounts for more than 10% of total Group revenue. Revenue from this customer is reported in North America, is within the Electric Vehicle sector, and accounts for 11.4% (2023: 15.8%).

Geographical information

The Group's revenue from external customers and information about its non-current assets (excluding deferred tax assets) by geographical location are provided below:

	Revenue		Non-current assets	
	2024 $'m	2023 $'m	**2024 $'m**	2023 $'m
North America	**372.3**	339.8	**53.0**	51.4
Asia	**185.1**	171.4	**72.3**	59.0
Europe	**355.4**	211.6	**270.0**	103.6
	912.8	722.8	**395.3**	214.0

Revenue is attributed to countries on the basis of the geographical location of the customer and delivery of the product. Revenue and non-current assets attributable to the United Kingdom was $145.3m (2023: $133.0m) and $18.3m (2023: $18.8m) respectively.

4. Adjusting items and share-based payments

	2024 $'m	2023 $'m
Acquisition-related costs	**3.8**	1.3
Acquisition-related remuneration	**1.6**	0.9
Adjustment to fair value of contingent consideration	**(1.3)**	(1.3)
Cyber incident costs	**2.0**	–
Amortisation of acquired intangibles	**13.4**	8.9
Total adjusting items	**19.5**	9.8
Share-based payments (see note 29)	**6.3**	3.7
Total adjusting items and share-based payments before tax	**25.8**	13.5
Tax effect of adjusting items and share-based payments (see note 10)	**(4.5)**	(2.3)
Total adjusting items and share-based payments after tax	**21.3**	11.2

Adjusting items include costs that are one-off in nature and significant as well as the non-cash amortisation of acquired intangible assets. The adjusting items and share-based payments are included under the statutory classification appropriate to their nature but are separately disclosed on the face of the income statement to assist in understanding the underlying financial performance of the Group.

Acquisition-related costs of $3.8m (2022: $1.3m) consist of legal and professional fees relating to potential and completed acquisitions. The acquisition-related costs associated with acquisitions completed during the year relate to the acquisition of Murat Ticaret Kablo Sanayi A.Ş. ('Murat Ticaret') ($3.7m). The remaining acquisition costs relate to other potential acquisitions that have been, or are being, pursued.

During the prior year, the $1.3m of acquisition-related costs consisted of legal and professional fees associated with the acquisitions of Review Display Systems ('RDS') ($0.2m), Murat Ticaret ($0.6m) and inYantra Technologies Pvt Ltd ('inYantra') ($0.1m), with the remainder relating to other potential acquisitions that have been, or are being, pursued.

The adjustment to the fair value of contingent consideration relates to the final remeasurement of contingent consideration on the acquisition of De-Ka Elektroteknik Sanayi ve Ticaret Anonim Şirketi ('DE-KA').

Associated with the acquisitions, the Group has recognised certain intangible assets, including customer relationships and customer order backlogs. The amortisation of these intangibles is non-cash and totals $13.4m (2023: $8.9m) for the period. The increase from the prior year is primarily caused by the amortisation of the intangibles recognised as a result of the Murat Ticaret acquisition. This was partially offset by previously acquired customer relationships and customer order backlogs being fully amortised during the period.

In October 2023, the Group experienced a cyber incident. Costs associated with the recovery and remediation of systems were $2.0m.

Acquisition-related remuneration consists of additional payments due in relation to post-acquisition performance, to meet ongoing service conditions associated with the acquisitions of RDS and Murat Ticaret. For both acquisitions, the post-acquisition performance period is up to two years.

5. Finance income

	2024 $'m	2023 $'m
Lease interest income	–	0.1
Interest on bank deposits	**1.3**	0.1
Interest on preference shares	–	0.2
	1.3	0.4

Finance income earned on financial assets was derived from preference shares, bank deposits and the sublease of a property. No other gains or losses have been recognised in respect of receivables held at amortised cost other than those disclosed above, and impairment losses recognised in respect of trade receivables (see note 18).

6. Finance costs

	Notes	2024 $'m	2023 $'m
Interest on bank overdrafts and loans		**11.2**	6.4
Lease interest payable	27	**2.7**	1.7
Net interest expense on defined benefit obligations	30	**0.7**	0.3
Unwinding of deferred consideration		**1.4**	0.4
Other finance costs		**0.1**	–
Total interest costs		**16.1**	8.8
Amortisation of debt issue costs	27	**0.7**	0.7
Total finance costs		**16.8**	9.5

No gains or losses have been recognised on financial liabilities measured at amortised cost (including bank overdrafts and loans) other than those disclosed above.

In February 2023, the Group exercised the first of two one-year extension options. The debt issue costs being amortised in the year relate to that facility agreement.

7. Profit for the period

Profit for the period has been arrived at after (crediting)/charging:

	Notes	2024 $'m	2023 $'m
Net foreign exchange loss/(gain)		**2.3**	(0.6)
Research and development costs	7	**4.4**	5.2
Depreciation of property, plant and equipment	14	**12.3**	8.2
Depreciation of right-of-use assets	15	**7.4**	4.8
Amortisation of intangible assets	13	**15.6**	10.2
Cost of inventories recognised as an expense		**515.9**	436.3
Write-down of inventories recognised as an expense		**8.4**	2.9
Reversal of write-downs of inventories recognised in the period		**(1.6)**	–
Staff costs	9	**199.2**	140.9
Impairment loss recognised on trade receivables	18	**1.2**	0.6
Reversal of impairment losses recognised on trade receivables	18	–	(0.1)
Loss on disposal of property, plant and equipment		–	0.1

7. Profit for the period continued

Research and development costs disclosed above comprise the following:

	2024 $'m	2023 $'m
Employment costs	**2.5**	2.4
Raw materials and consultancy	**1.7**	2.7
Other	**0.2**	0.1
	4.4	5.2

In addition to the above, during the current period, $3.3m development costs were capitalised (2023: $3.7m).

Reconciliation of operating profit to underlying EBITDA (earnings before interest, tax, depreciation and amortisation, adjusting items and share-based payment charge):

	2024 $'m	2023 $'m
Operating profit	**63.9**	53.8
Add back:		
Adjusting items (note 4)	**19.5**	9.8
Share-based payment charge (note 4)	**6.3**	3.7
Underlying operating profit	**89.7**	67.3
Depreciation of property, plant and equipment (note 14)	**12.3**	8.2
Depreciation of right-of-use assets (note 15)	**7.4**	4.8
Amortisation of intangible assets not acquired in a business combination (note 13)	**2.2**	1.3
Underlying EBITDA	**111.6**	81.6

8. Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2024 $'m	2023 $'m
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	**0.8**	0.6
Fees payable to the Company's auditors and their associates for other audit services to the Group		
– the audit of the Company's subsidiaries pursuant to legislation	**0.6**	0.5
Total audit fees	**1.4**	1.1
Other non-audit services	**–**	–
Total non-audit fees	**–**	–

9. Staff costs

The average monthly number of employees (including Executive Directors) was:

	2024 No.	2023 No.
Production	**9,286**	6,271
Sales and distribution	**693**	626
Administration	**841**	536
	10,820	7,433

Their aggregate remuneration comprised:

	2024 $'m	2023 $'m
Wages and salaries	**167.7**	119.8
Social security costs	**23.1**	16.9
Share-based payment charge (note 29)	**6.3**	3.7
Other pension costs (note 30)	**2.1**	0.5
	199.2	140.9

Remuneration of key management – Directors of the parent Company	2024 $'m	2023 $'m
Short-term employee benefits	**2.3**	1.9
Social security costs	**0.9**	0.2
Post-employment benefits	**0.1**	0.1
Share-based payment charge	**2.9**	2.6
	6.2	4.8

10. Taxation

	2024			2023		
	Before adjusting items $'m	**Adjusting items and share-based payments $'m**	**Total $'m**	Before adjusting items $'m	Adjusting items and share-based payments $'m	Total $'m
Current tax – expense for the period	**(18.3)**	**1.3**	**(17.0)**	(14.7)	0.2	(14.5)
Current tax – adjustment in respect of previous periods	**(0.1)**	**–**	**(0.1)**	0.1	–	0.1
Total current tax expense	**(18.4)**	**1.3**	**(17.1)**	(14.6)	0.2	(14.4)
Deferred tax – credit for the period	**2.5**	**3.2**	**5.7**	4.5	2.1	6.6
Deferred tax – adjustment in respect of previous periods	**–**	**–**	**–**	(0.6)	–	(0.6)
Total deferred tax credit (note 21)	**2.5**	**3.2**	**5.7**	3.9	2.1	6.0
Income tax expense	**(15.9)**	**4.5**	**(11.4)**	(10.7)	2.3	(8.4)

10. Taxation continued

UK corporation tax is calculated at the standard rate of 25% (2023: 19%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group's effective tax rate for the period of 22.1% (2023: 18.3%) is lower (2023: lower) than the standard rate of corporation tax in the UK and can be reconciled to the profit before tax per the income statement as follows:

	2024			2023		
	Before adjusting items $'m	**Adjusting items and share-based payments $'m**	**Total $'m**	Before adjusting items $'m	Adjusting items and share-based payments $'m	Total $'m
Profit before tax	**77.4**	**(25.8)**	**51.6**	59.3	(13.5)	45.8
Tax at the UK corporation tax rate	**(19.4)**	**6.5**	**(12.9)**	(11.3)	2.6	(8.7)
Tax effect of:						
Expenses that are not deductible and income that is not taxable in determining taxable profit	**(1.7)**	**(0.6)**	**(2.3)**	(1.0)	(0.8)	(1.8)
Incentives and reduced rate regimes	**3.4**	**–**	**3.4**	0.9	–	0.9
Foreign exchange and inflation on entities with different tax and functional currencies	**0.1**	**–**	**0.1**	(1.9)	–	(1.9)
Adjustment in respect of previous periods	**(0.1)**	**–**	**(0.1)**	(0.5)	–	(0.5)
Changes to tax rates	**(0.2)**	**(1.2)**	**(1.4)**	(0.4)	0.1	(0.3)
Overseas tax rate differences	**1.6**	**(0.2)**	**1.4**	(0.7)	0.2	(0.5)
Current year tax losses and other items not recognised	**(0.2)**	**–**	**(0.2)**	(1.5)	–	(1.5)
Recognition of previously unrecognised deferred tax assets	**0.7**	**–**	**0.7**	5.8	0.2	6.0
Derecognition of previously recognised deferred tax assets	**(0.1)**	**–**	**(0.1)**	(0.1)	–	(0.1)
Income tax expense	**(15.9)**	**4.5**	**(11.4)**	(10.7)	2.3	(8.4)

Included in the non-deductible tax items is a net increase to the Group's estimated exposure arising from uncertain tax positions of $0.7m (2023: decrease of $0.6m).

The benefits from incentives and reduced rate regimes primarily arise from R&D and investment incentives and corporate tax rate reductions in respect of export activities.

A deferred tax credit of $0.7m (2023: $6.0m) arose due to the recognition of additional deferred tax assets, primarily relating to historical tax losses, following management's updated assessment of the probability of future taxable profits arising in certain jurisdictions (see note 21).

The income tax credit reported directly in equity of $0.8m (2023: expense of $0.4m) relates to share-based payments and consists of a current tax credit of $0.7m (2023: $0.7m) and a deferred tax credit of $0.1m (2023: expense of $1.1m).

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, implementing the OECD's Pillar Two model rules and introducing a global minimum effective tax rate of 15% for large groups for financial years beginning on or after 31 December 2023. Taxation balances are adjusted for a change in tax law if the change has been substantively enacted by the balance sheet date. However, the amendments to IAS 12 'Income Taxes' issued by the IASB provide an exemption from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law relating to Pillar Two taxes.

Based on an initial analysis of the current year financial data, most territories in which the Group operates are expected to qualify for one of the safe harbour exemptions such that top-up taxes should not apply. In territories where this is not the case there is the potential for Pillar Two taxes to apply, but these are not expected to be material. The Group continues to refine this assessment and analyse the future consequences of these rules.

11. Earnings per ordinary share

The calculation of the basic and diluted earnings per share is based on the following data:

	Notes	2024 $'m	2023 $'m
Profit for the purpose of basic and diluted earnings per share being net profit attributable to owners of the parent		**39.3**	36.8
Adjustments for:			
Adjusting items	4	**19.5**	9.8
Share-based payment charge	29	**6.3**	3.7
Tax effect of adjusting items and share-based payments	10	**(4.5)**	(2.3)
Underlying earnings		**60.6**	48.0

	2024 No. shares	2023 No. shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**179,909,482**	158,681,078
Effect of dilutive potential ordinary shares/share options	**3,421,442**	7,896,423
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**183,330,924**	166,577,501

Basic earnings per share	2024 cents	2023 cents
Basic earnings per share	**21.8**	23.2
Adjustments for:		
Adjusting items	**10.9**	6.1
Share-based payment charge	**3.5**	2.3
Tax effect of adjusting items and share-based payments	**(2.5)**	(1.4)
Underlying basic earnings per share	**33.7**	30.2

Diluted earnings per share	2024 cents	2023 cents
Diluted earnings per share	**21.4**	22.1
Adjustments for:		
Adjusting items	**10.6**	5.9
Share-based payment charge	**3.4**	2.2
Tax effect of adjusting items and share-based payments	**(2.4)**	(1.4)
Underlying diluted earnings per share	**33.0**	28.8

The underlying earnings per share has been calculated on the basis of profit before adjusting items and share-based payments, net of tax. The Directors consider that this calculation gives a better understanding of the Group's earnings per share in the current and prior periods.

12. Goodwill

	2024 $'m	2023 $'m
Cost		
At the beginning of the period	**84.6**	85.4
Business combinations (note 35)	**39.3**	1.5
Exchange differences	**(0.1)**	(2.3)
At the end of the period	**123.8**	84.6
Accumulated impairment losses		
At the beginning of the period	**2.3**	2.5
Exchange differences	**0.1**	(0.2)
At the end of the period	**2.4**	2.3
Carrying amount at the end of the period	**121.4**	82.3
Carrying amount at the beginning of the period	**82.3**	82.9

Goodwill acquired in a business combination is allocated, at acquisition, to the business units that are expected to benefit from that business combination. After recognition of impairment losses and exchange differences, the carrying amount of goodwill has been allocated to the following CGUs:

	2024 $'m	2023 $'m
DE-KA	**37.0**	37.2
GTK	**9.7**	9.5
Irvine	**3.8**	3.8
inYantra	**9.0**	9.1
Prodamex	**2.9**	2.9
Terminal & Cable ('TC')	**1.5**	1.5
Servatron	**7.6**	7.6
Silcotec	**4.0**	4.0
Murat Ticaret	**39.3**	–
MC Electronics	**1.0**	1.0
Volex Asia	**1.6**	1.6
Volex North America	**1.9**	1.9
Volex Europe	**0.4**	0.5
RDS	**1.7**	1.7
	121.4	82.3

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to individual cash-generating units or aggregated cash-generating units (together 'CGU'), which are deemed to be the smallest identifiable group of assets generating independent cash flows. Goodwill is not amortised and is retranslated each year at the prevailing rate. The Group annually tests goodwill for impairment, or more frequently, if there are indications that goodwill might be impaired. The recoverable amount of goodwill is determined from value-in-use calculations.

The key assumptions used in the value-in-use calculations are those regarding the discount rates, forecast revenue, costs growth. Management estimates discount rates using pre-tax rates based on the weighted average cost of capital for a market participant and the risks specific to the business unit. Forecast revenue is based upon forecast customer sales initiatives, new product development, marketing strategy and industry growth rates. Management has considered the impact of climate change on goodwill impairment, including the increased costs of delivering on our ESG strategy and the increased opportunity for green products, such as Electric Vehicles. Based on the information currently available, management do not believe climate change to have a material impact on the assessment of goodwill impairment.

12. Goodwill continued

The Group prepared a cash flow forecast derived from the most recently approved annual budget, which has been extrapolated over a five-year period. This assumes levels of revenue and profits based on both past performance and expectations for future market development for the CGU. Cash flows beyond the five-year period are extrapolated in perpetuity using growth rates specific to each CGU, which were within a range of 2–8% (2023: 3%) in line with long-term market expectations.

The rates used to discount the forecast cash flows for the CGUs were within a range of a pre-tax discount rate of 7.2–17.4% (2023: 10.9–13.6%). On a post-tax basis, a discount rate of 6.0–15.0% would have been applied.

There has been no goodwill impairment charge recognised in 2024 (2023: nil).

For any CGU with limited headroom, management has performed a sensitivity analysis on each key assumption (revenue growth, pre-tax discount rate and long-term growth rate), keeping all other assumptions constant. One CGU, TC, has been considered as part of the sensitivity analysis. We have disclosed the sensitivity analysis below. The results in the table show the amounts by which the related assumptions would have to vary such that the carrying value of the CGU equals their recoverable amount.

	Carrying value of CGU	Headroom	Revenue growth		Pre-tax discount rate		Long-term growth rate	
	$'m	$'m	Assumption	Sensitivity	Assumption	Sensitivity	Assumption	Sensitivity
TC	**8.6**	3.9	11.6%	(31.1%)	9.7%	+2.4%	2.1%	(3.4%)

Whilst management believes the assumptions are realistic, it is possible that an impairment charge would be identified if the key assumptions above changed significantly.

13. Other intangible assets

Group	Patents $'m	Capitalised development costs $'m	Software and licences $'m	Customer contracts and relationships $'m	Total $'m
Cost					
At 3 April 2022	1.2	5.9	4.9	65.3	77.3
Business combinations	–	–	–	1.8	1.8
Additions	–	3.7	0.2	–	3.9
Disposals	–	–	(0.2)	–	(0.2)
Exchange differences	(0.1)	(0.1)	(0.1)	(1.1)	(1.4)
At 2 April 2023	1.1	9.5	4.8	66.0	81.4
Business combinations (note 35)	**–**	**–**	**0.3**	**101.6**	**101.9**
Additions	**–**	**3.3**	**0.8**	**–**	**4.1**
Exchange differences	**0.1**	**–**	**–**	**(0.5)**	**(0.4)**
At 31 March 2024	**1.2**	**12.8**	**5.9**	**167.1**	**187.0**
Accumulated amortisation and impairment					
At 3 April 2022	1.2	3.2	3.3	22.6	30.3
Amortisation charge for the period	–	0.9	0.4	8.9	10.2
Disposals	–	–	(0.2)	–	(0.2)
Exchange differences	(0.1)	(0.1)	(0.1)	(0.4)	(0.7)
At 2 April 2023	1.1	4.0	3.4	31.1	39.6
Amortisation charge for the period	**–**	**1.6**	**0.6**	**13.4**	**15.6**
Exchange differences	**0.1**	**–**	**–**	**–**	**0.1**
At 31 March 2024	**1.2**	**5.6**	**4.0**	**44.5**	**55.3**
Carrying amount					
At 31 March 2024	**–**	**7.2**	**1.9**	**122.6**	**131.7**
At 2 April 2023	–	5.5	1.4	34.9	41.8
At 3 April 2022	–	2.7	1.6	42.7	47.0

Computer software is amortised over the estimated useful life, not exceeding five years. The amortisation charge for the period is fully expensed within operating expenses.

13. Other intangible assets continued

Customer contracts and relationships relate to customer-related intangible assets acquired as part of a business combination. They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis on the timing of projected cash flows of the contracts and relationships over their estimated useful lives. More details on business combinations are included in note 35.

Customer contracts and relationships include individually significant customer-related assets. The carrying value of these as at 31 March 2024 are:

Acquisition	Region	Customer Relationship ($'m)	Remaining Useful life (years)
DE-KA	Europe	17.9	11.9
Irvine	North America	4.2	7.0
Murat Ticaret	Europe	93.9	15.0

At the prior period end, the significant customer-related assets related to DE-KA ($19.5m), with a remaining useful economic life of 12.9 years. The net book value of customer relationships in Irvine was $4.8m with a remaining useful economic life of 8.0 years. Murat Ticaret was acquired in this period.

14. Property, plant and equipment

Group	Freehold land and buildings $'m	Leasehold improvements $'m	Plant and machinery $'m	Assets under construction $'m	Total $'m
Cost					
At 3 April 2022	8.2	15.6	60.5	4.0	88.3
Additions	0.4	1.6	7.4	6.2	15.6
Business combination	–	–	0.1	–	0.1
Disposals	–	–	(2.5)	–	(2.5)
Transferred to completed assets	–	–	4.8	(4.8)	–
Exchange differences	(0.3)	(0.1)	(0.7)	–	(1.1)
At 2 April 2023	8.3	17.1	69.6	5.4	100.4
Additions	**0.3**	**0.6**	**10.9**	**16.2**	**28.0**
Business combination (note 35)	**9.9**	**0.1**	**14.7**	**1.6**	**26.3**
Disposals	**–**	**–**	**(5.4)**	**–**	**(5.4)**
Transferred to completed assets	**0.9**	**(0.2)**	**5.3**	**(6.0)**	**–**
Exchange differences	**(0.1)**	**0.2**	**(0.1)**	**0.2**	**0.2**
At 31 March 2024	**19.3**	**17.8**	**95.0**	**17.4**	**149.5**
Accumulated depreciation and impairment					
At 3 April 2022	0.9	5.9	38.1	–	44.9
Depreciation charge for the period	0.3	1.1	6.8	–	8.2
Disposals	–	–	(2.4)	–	(2.4)
Exchange differences	–	–	(0.4)	–	(0.4)
At 2 April 2023	1.2	7.0	42.1	–	50.3
Depreciation charge for the period	**0.4**	**1.7**	**10.2**	**–**	**12.3**
Disposals	**–**	**–**	**(5.0)**	**–**	**(5.0)**
Exchange differences	**–**	**–**	**0.1**	**–**	**0.1**
At 31 March 2024	**1.6**	**8.7**	**47.4**	**–**	**57.7**
Carrying amount					
At 31 March 2024	**17.7**	**9.1**	**47.6**	**17.4**	**91.8**
At 2 April 2023	7.1	10.1	27.5	5.4	50.1
At 3 April 2022	7.3	9.7	22.4	4.0	43.4

At 31 March 2024, the Group had $2.6m (2023: $3.7m) contractual commitments for the acquisition of property, plant and equipment.

14. Property, plant and equipment continued

Of the $12.3m (2023: $8.2m) depreciation charge for the period, $11.0m (2023: $7.3m) was expensed through cost of sales and $1.3m (2023: $0.9m) was expensed through operating expenses. Depreciation of property, plant and equipment that is used in production activities is expensed through cost of sales.

15. Right-of-use assets

	Buildings $'m	Equipment $'m	Vehicles $'m	Total $'m
Cost				
At 3 April 2022	25.3	1.3	0.9	27.5
Additions	8.9	8.7	0.2	17.8
Business combination	2.0	–	0.1	2.1
Disposals and remeasurements	(0.6)	–	–	(0.6)
Exchange differences	0.1	0.1	–	0.2
At 2 April 2023	35.7	10.1	1.2	47.0
Additions	**5.4**	**–**	**1.2**	**6.6**
Business combination (note 35)	**6.3**	**0.1**	**0.2**	**6.6**
Disposals and remeasurements	**(1.9)**	**(1.1)**	**(0.3)**	**(3.3)**
Exchange differences	**1.0**	**–**	**(0.3)**	**0.7**
At 31 March 2024	**46.5**	**9.1**	**2.0**	**57.6**
Accumulated depreciation and impairment				
At 3 April 2022	6.9	0.8	0.4	8.1
Depreciation charge for the period	4.1	0.5	0.2	4.8
Disposals and remeasurements	(0.6)	–	–	(0.6)
Exchange differences	0.2	–	–	0.2
At 2 April 2023	10.6	1.3	0.6	12.5
Depreciation charge for the period	**5.6**	**1.3**	**0.5**	**7.4**
Disposals and remeasurements	**(0.3)**	**(0.7)**	**(0.2)**	**(1.2)**
Exchange differences	**0.6**	**–**	**(0.1)**	**0.5**
At 31 March 2024	**16.5**	**1.9**	**0.8**	**19.2**
Carrying amount				
At 31 March 2024	**30.0**	**7.2**	**1.2**	**38.4**
At 2 April 2023	25.1	8.8	0.6	34.5
At 3 April 2022	18.4	0.5	0.5	19.4

16. Interests in associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. The Group uses the equity method, where the Group's share of post-acquisition profits and losses are recognised in the consolidated statement of comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

	2024 $'m	2023 $'m
Investment in associates:		
Kepler SignalTek Ltd	8.1	2.6
	8.1	2.6

Kepler SignalTek Ltd

In April 2023, the Group increased its shareholding in Kepler SignalTek Ltd (a company incorporated in Hong Kong) to 35.7%. The Group paid $2.3m for the additional 8.3% of shares acquired. The company is focused on developing interconnect and finished device solutions for medical OEM customers and also provides high-performance data transmission and industrial cable assemblies from their facilities in China and Indonesia. As part of the shareholder agreement, Volex is entitled to appoint one of the three directors to the company.

Summarised financial information in respect of Kepler SignalTek Ltd is set out below. The summarised information below represents amounts before intra-group eliminations.

Summarised statement of financial position	2024 $'m	2023 $'m
Current assets	22.9	12.9
Non-current assets	2.6	2.3
Current liabilities	(7.5)	(6.0)
Non-current liabilities	–	–
Net assets	18.0	9.2

A reconciliation of the above summarised financial information to the carrying amount of the interests in the consolidated financial statements is set out below:

Reconciliation to the carrying amounts	2024 $'m	2023 $'m
Net assets of the associate	18.0	9.2
Proportion of the Group	35.7%	27.4%
Carrying amount of the Group's interest in Kepler SignalTek Ltd	6.4	2.5
Goodwill	1.7	0.1
Carrying amount	8.1	2.6

During the period, Kepler SignalTek Ltd redeemed $0.9m (2023: $0.4m) of the preference shares owned by Volex (see note 18).

Summarised statement of comprehensive income	2024 $'m	2023 $'m
Revenue	38.7	20.7
Profit for the period	9.0	4.1
Other comprehensive income for the period	(0.1)	0.1
Total comprehensive income for the period	8.9	4.2

17. Inventories

	2024 $'m	2023 $'m
Raw materials	**102.1**	71.1
Work in progress	**17.7**	7.7
Finished goods	**54.5**	41.7
	174.3	120.5

18. Trade and other receivables

Trade receivables	2024 $'m	2023 $'m
Amounts receivable for the sale of goods	**193.7**	139.2
Loss allowance	**(6.1)**	(3.0)
	187.6	136.2
Other receivables		
Other receivables	**20.6**	11.8
Net investment in sublease	**–**	0.5
Preference shares due from related parties	**0.3**	1.7
Prepayments	**4.5**	3.5
	25.4	17.5
Due for settlement within 12 months	**23.4**	15.7
Due for settlement after 12 months	**2.0**	1.8
	25.4	17.5

The carrying amounts of the trade receivables include certain receivables which are subject to a factoring arrangement. Under this arrangement, Volex has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, Volex has retained late payment and credit risk. Where there is recourse, the Group continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers that the held-to-collect business model remains appropriate for these receivables and, hence, continues measuring them at amortised cost. Where there is non-recourse, the receivable is de-recognised upon receipt of the cash.

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Other receivables comprises recoverable sales taxes, supplier deposits and other operating debtors.

One (2023: one) of the Group's customers individually accounts for more than 10% of total Group revenue. The largest customer operates in the Electric Vehicles sector and accounts for 11.4% (2023: 15.8%) of total Group revenue. Other than this customer, the Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. At 31 March 2024, the largest customer represented 12% of the net trade receivables (2023: 17%).

The average credit period taken on sales of goods is 72 days (2023: 73 days). An allowance has been made for estimated irrecoverable amounts from the sale of goods. This allowance has been determined by reference to the expected credit loss, which includes consideration of past default experience, an analysis of the counterparty's current financial position, the current economic environment and potential losses.

Included in trade receivables are receivables with a carrying value of $15.9m (2023: $16.5m) for the Group, which are past due at the reporting date for which no provision has been made as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Ageing of past due but not impaired receivables	2024 $'m	2023 $'m
0–60 days	**13.1**	14.4
60–90 days	**1.8**	1.1
90–120 days	**0.6**	0.7
120+ days	**0.4**	0.3
	15.9	16.5

18. Trade and other receivables continued

Movement in the allowance for doubtful debts	2024 $'m	2023 $'m
Balance at the beginning of the period	3.0	2.4
Amounts acquired on business combination	2.0	0.1
Amounts written off during the period	(0.1)	(0.6)
Amounts recovered during the period	–	(0.1)
Increase in allowance recognised in profit or loss	1.3	1.2
Exchange differences	(0.1)	–
Balance at the end of the period	**6.1**	3.0

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. With the exception of the one customer noted above (2023: one customer), the concentration of credit risk is limited due to the customer base being large and unrelated.

Given the current economic uncertainty associated with various global events, the Directors have considered the impact upon IFRS 9 and the Group's provision matrix. After consideration of historical loss rates, organic growth rates, the acquisition and the movement in credit scores observed for a range of customers, the expected credit loss provision has been adjusted to $6.1m (2023: $3.0m).

Ageing of impaired trade receivables	2024 $'m	2023 $'m
Current	1.3	1.1
0–60 days	0.4	0.6
60–90 days	0.1	–
90–120 days	1.2	0.2
120+ days	3.1	1.1
	6.1	3.0

19. Borrowings and lease liabilities

	2024 $'m	2023 $'m
Secured borrowings at amortised cost		
Bank overdrafts	1.0	1.8
Bank loans	145.4	89.6
Lease liabilities	37.4	34.8
Total borrowings at amortised cost	183.8	126.2
Amount due for settlement within 12 months	24.6	17.4
Amount due for settlement after 12 months	159.2	108.8
	183.8	126.2

The bank loans are secured by a floating charge over the assets of key subsidiaries of Volex plc. The overdraft is secured by a floating charge over the assets of the relevant business unit.

At 31 March 2024, unamortised debt issue costs of $1.5m (2023: $1.9m) are included within bank loans.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements (see note 15) revert to the lessor in the event of default.

The total cash outflow for leases is $11.6m (2023: $7.5m) comprising lease repayments of $8.9m (2023: $5.8m) and $2.7m (2023: $1.7m) of interest on leases. Interest on lease liabilities is shown in note 6 and the maturity of lease liabilities is shown in note 31.

19. Borrowings and lease liabilities continued

The Group has outstanding commitments under short-term and low-value leases, which fall due as follows:

	2024 $'m	2023 $'m
In less than one year	**0.7**	0.5

The weighted average interest rates paid on the Group's borrowings during the period were as follows:

	2024 %	2023 %
Bank loans and overdrafts	**5.8**	5.2

At the year end, the Group has a $240m committed facility (the 'facility') together with an additional $60m uncommitted accordion (the 'accordion'). This financing arrangement is supported by a consortium that comprises HSBC UK Bank plc, Citibank, N.A. London branch, Barclays Bank PLC, Fifth Third Bank, National Association and UniCredit Bank AG, London branch. Within the framework of the Group's banking structure, floating charges are placed on certain subsidiaries and their assets. The accordion feature provides further capacity for potential future acquisitions. This facility comprises a $165m revolving credit facility and a $75m term loan. The borrowing is secured by fixed and floating charges over the assets of certain Group companies. As at the year end, these totalled $251.0m (2023: $226.5m).

The terms of the facility require the Group to perform quarterly financial covenant calculations with respect to leverage (adjusted total debt to adjusted rolling 12-month EBITDA) and interest cover (adjusted rolling 12-month EBITDA to adjusted rolling 12-month interest). A breach of these covenants could result in cancellation of the facility. The Group was compliant with these covenants during the period and remains compliant in the period subsequent to the period end.

During the period, $0.3m of professional fees were incurred due to the exercise of $40m of the accordion, raising the committed facility from $200m to $240m. All $0.3m of this was paid to the syndicate. During the prior period, $0.5m was capitalised in relation to the exercising of the first of two one-year options. These professional fees are being charged to the income statement on a straight-line basis over the facility term.

At 31 March 2024, the facility incurred interest at a margin of 2.1% (2023: 2.1%) above the applicable rate, typically SOFR.

Also, drawn under the facilities, and not included above, are guarantees and letters of credit amounts to $0.1m (2023: $0.7m).

Drawings under the facilities were made in various currencies. Total borrowings for the Group at 31 March 2024 can be analysed by currency as follows:

	2024 $'m	2023 $'m
USD	**122.0**	91.5
EUR	**21.6**	–
TRY	**2.0**	–
MKD	**1.3**	–
	146.9	91.5
Less: debt issue costs (note 27)	**(1.5)**	(1.9)
	145.4	89.6

Undrawn borrowing facilities

At 31 March 2024, the Group had undrawn committed borrowing facilities available of $96.4m (2023: $107.8m).

20. Trade and other payables

Trade payables	2024 $'m	2023 $'m
Trade payables	**133.1**	84.4
Other payables		
Other taxes and social security	**7.9**	5.4
Other payables, accruals and deferred income	**120.4**	61.2
	128.3	66.6
Due for settlement within 12 months	**101.4**	65.2
Due for settlement after 12 months	**26.9**	1.4
	128.3	66.6

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Included in accruals and deferred income is $47.6m (2023: $3.5m) relating to deferred and contingent consideration for acquisitions.

21. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting periods.

	Tax losses $'m	Intangible assets $'m	Property, plant and equipment $'m	Share-based payments $'m	Unremitted earnings $'m	Other temporary differences[1] $'m	Total $'m
At 3 April 2022	10.2	(7.1)	0.9	2.9	(0.9)	7.6	13.6
Acquisitions	–	(0.4)	–	–	–	–	(0.4)
Credit/(expense) to income statement	5.1	1.5	(1.0)	(0.1)	(0.7)	1.2	6.0
Expense to other comprehensive income	–	–	–	–	–	(0.1)	(0.1)
Expense directly to equity	–	–	–	(1.1)	–	–	(1.1)
Exchange differences	(0.4)	0.2	–	(0.1)	–	–	(0.3)
At 2 April 2023	**14.9**	**(5.8)**	**(0.1)**	**1.6**	**(1.6)**	**8.7**	**17.7**
Acquisitions (note 35)	**–**	**(25.5)**	**(2.3)**	**–**	**(0.2)**	**1.9**	**(26.1)**
(Expense)/credit to income statement	**(1.8)**	**2.2**	**0.7**	**0.8**	**0.1**	**3.7**	**5.7**
Expense to other comprehensive income	**–**	**–**	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Credit directly to equity	**–**	**–**	**–**	**0.1**	**–**	**–**	**0.1**
Exchange differences	**0.3**	**0.1**	**–**	**–**	**–**	**–**	**0.4**
At 31 March 2024	**13.4**	**(29.0)**	**(1.7)**	**2.5**	**(1.7)**	**14.2**	**(2.3)**

1 Other temporary differences includes deferred tax assets on lease liabilities of $7.8m (2023: $6.1m) and accruals, provisions and other payables of $6.3m (2023: $3.9m), offset by deferred tax liabilities on right-of-use assets of $7.5m (2023: $6.1m). The remaining $7.6m (2023: $4.8m) includes individually immaterial amounts relating to derivative financial instruments, retirement benefit obligations, inventories, trade receivables and finance costs.

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 $'m	2023 $'m
Deferred tax assets	**25.9**	24.6
Deferred tax liabilities	**(28.2)**	(6.9)
	(2.3)	17.7

21. Deferred tax continued

At the balance sheet date, the Group had unused tax losses of $84.0m (2023: $89.2m) available for offset against future profits. No deferred tax asset has been recognised in respect of $27.4m (2023: $28.8m) of these losses.

Included in the unrecognised tax losses are losses of $11.4m (2023: $17.3m) that cannot be carried forward indefinitely. Of this amount, $7.3m (2023: $7.5m) expires during the next five accounting periods.

The carrying amount of deferred tax assets is reviewed at each reporting date and recognised to the extent that it is probable that there are sufficient taxable profits to allow all or part to be recovered. In assessing the probability of recovery, the five-year cash flow forecast that has been used for goodwill impairment testing was used as a basis for determining the probable taxable profits arising in each relevant jurisdiction. Refer to note 2.c) for the key sources of estimation uncertainty in making this assessment.

At the reporting date, a deferred tax liability of $1.7m (2023: $1.6m) has been recognised relating to the unremitted earnings of overseas subsidiaries. The temporary differences represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which those subsidiaries operate. No deferred tax liability is recognised on temporary differences of $88.2m (2023: $64.2m) on unremitted earnings of subsidiaries as the Group is able to control the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rate expected to apply in the period in which the asset is realised or the liability is settled.

22. Provisions

	Property $'m	Restructuring $'m	Other $'m	Total $'m
At 3 April 2022	0.3	0.6	1.6	2.5
Credit in the period	–	–	(0.6)	(0.6)
Utilisation of provision	–	(0.6)	(0.1)	(0.7)
Amounts acquired on business combination	0.1	–	–	0.1
Exchange differences	–	–	–	–
At 3 April 2023	0.4	–	0.9	1.3
Additional provisions in the period	**0.2**	**–**	**–**	**0.2**
Utilisation of provision	**–**	**–**	**–**	**–**
Amounts acquired on business combination (see note 35)	**0.5**	**–**	**1.9**	**2.4**
Exchange differences	**–**	**–**	**–**	**–**
At 31 March 2024	**1.1**	**–**	**2.8**	**3.9**
Current liabilities	**0.1**	**–**	**2.8**	**2.9**
Non-current liabilities	**1.0**	**–**	**–**	**1.0**

Property

As part of the acquisition of Murat Ticaret, the Group recognised a dilapidations provision of $0.6m associated with the acquired manufacturing sites.

Restructuring

During March 2022, the Group commenced the closure of its Ta Hsing factory in China with production being transferred to other sites within the Group. Following the communication to all those involved, a restructuring provision of $0.5m was made to cover the redundancy and other associated exit costs. The closure was completed in the prior year and the provision was fully utilised.

Other

The Group has a provision of $1.0m (2023: $0.9m) to cover potential costs of recall or warranty claims for products which are in the field but where a specific issue has not been reported. Other provisions include the Directors' best estimate, based upon past experience, of the Group's liability under specific product warranties and legal claims. The timing of the cash outflows with respect to these claims is uncertain. As part of the acquisition of Murat Ticaret, the Group recognised a $1.9m liability associated with employment and other claims.

23. Share capital and share premium account

	Ordinary shares of £0.25 each Number	Par value $'m	Share premium $'m	Total $'m
Allotted, called up and fully paid:				
At 3 April 2022	158,718,709	62.5	60.9	123.4
Issue of new shares – Scrip dividend[1]	388,376	0.2	(0.2)	–
At 2 April 2023	159,107,085	62.7	60.7	123.4
Issue of new shares – Scrip dividend[1]	**692,267**	**0.2**	**(0.2)**	**–**
Equity raise	**21,818,181**	**6.7**	**1.5**	**8.2**
At 31 March 2024	**181,617,533**	**69.6**	**62.0**	**131.6**

1 Shareholders were able to elect to receive ordinary shares in place of the final dividend of 2.6p per ordinary share (in relation to year ended 2 April 2023) and the interim dividend of 1.4p (in relation to the current year) under the terms of the Company's scrip dividend scheme. This resulted in the issue of 478,491 and 213,776 new fully paid ordinary shares respectively (2023: 377,615 and 10,761).

On 22 June 2023, the Group completed an equity raise to raise finances for the completion of the acquisition of Murat Ticaret. The Group issued 21,818,181 new ordinary shares of 25 pence each, comprising the 'Placing Shares' and the 'Retail Offer Shares' (together, the 'equity raise'). The shares were issued at a price of 275 pence per share, representing a discount of 3.8% to the closing share price of 286 pence per share on 21 June 2023. In aggregate, the equity raise represented gross proceeds of £60.0m ($74.0m) and net proceeds of £58.6m ($72.3m).

The 21,304,186 Placing Shares were issued for non-cash consideration by way of a 'cash box' structure. This involved a newly incorporated subsidiary of the company ('Cash Box'). This structure involved the issue of ordinary and preference shares by Cash Box to one of the brokers advising the company in respect of the equity raise. These preference and ordinary shares were subsequently acquired by the company and the preference shares were redeemed by Cash Box. The acquisition by the company of the ordinary shares in Cash Box held by the broker resulted in the company securing over 90% of the equity share capital of Cash Box. The company was therefore able to rely on Section 612 of the Companies Act 2006, which provides relief from the requirements under Section 610 of the Companies Act 2006 to create a share premium account. Therefore, no share premium was recorded in relation to the Placing Shares.

The premium over the nominal value of the Placing Shares was recognised in retained earnings. Certain Directors of the company participated in the equity raise via the Placing Shares, subscribing for (in aggregate) 5,461,088 Placing Shares.

Retail investors were able to participate in the equity raise on the same terms as institutional investors via the retail offer, which was available through a number of intermediaries. A total of 513,995 Retail Offer Shares were issued and share premium of $1.5m was recognised.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. The Company does not have any other authorised share capital.

23. Share capital and share premium account continued

Under the terms of the Group's various share schemes, the following rights to subscribe for ordinary shares are outstanding:

			Number of shares	
Date of grant	**Option price (p)**	**Exercise period**	**2024**	2023
Performance Share Plan				
31 March 2016	25	March 2019 – March 2026	**140,737**	140,737
1 December 2016	25	December 2019 – December 2026	**223,505**	223,505
1 December 2017	25	December 2020 – December 2027	**200,000**	200,000
11 December 2018	25	December 2021 – December 2028	**395,000**	545,000
24 March 2019	25	March 2022 – March 2029	**150,000**	150,000
Long Term Incentive Plan				
10 September 2019	–	September 2022 – September 2029	**1,580,000**	1,920,000
1 December 2019	–	December 2022 – December 2029	**270,000**	305,000
11 December 2020	–	December 2023 – December 2030	**566,000**	941,000
7 December 2021	–	December 2024 – December 2031	**922,925**	941,925
21 December 2022	–	December 2027 – December 2032	**1,852,500**	1,852,500
21 December 2022	–	December 2028 – December 2032	**1,852,500**	1,852,500
2 January 2023	–	December 2025 – December 2032	**414,500**	424,500
5 December 2023	–	December 2027 – December 2033	**50,000**	–
5 December 2023	–	December 2028 – December 2033	**100,000**	–
5 December 2023	–	December 2026 – December 2033	**398,400**	–
Deferred Bonus Plan				
26 August 2022	–	August 2023	**–**	68,678
			9,116,067	9,565,345

For further details of the Group's share option schemes, see note 29.

Under the FY2024 deferred share bonus plan, shares may be awarded to the executive management team in lieu of a cash bonus. These will be issued in accordance with the terms of the deferred share bonus plan.

24. Own shares and non-distributable reserves

Own shares	**2024 $'m**	2023 $'m
At the beginning of the period	**1.0**	0.2
Purchase of shares	**9.1**	5.0
Sale of shares	**(5.8)**	(4.2)
At end of the period	**4.3**	1.0

The own shares reserve represents both the cost of shares in the Company purchased in the market and the nominal share capital of shares in the Company issued to The Volex Group PLC Employees' Share Trust to satisfy future share option exercises under the Group's share option schemes (see note 29).

The number of ordinary shares held by The Volex Group PLC Employees' Share Trust at 31 March 2024 was 1,047,529 (2023: 233,978). The market value of the shares as at 31 March 2024 was $3.8m (2023: $0.6m).

Unless, and until, the Company notifies a trustee of The Volex Group PLC Employees' Share Trust, in respect to shares held in the Trust in which a beneficial interest has not vested, rights to dividends in respect to the shares held in the Trust are waived.

During the year, 1,524,813 (2023: 1,242,155) shares were utilised on the exercise of share awards. During the year, the Company purchased 2,338,364 shares (2023: 1,422,928) at a cost of $9.1m (2023: $5.0m) and issued zero new shares to the Trust (2023: nil).

In December 2013, The Volex Group PLC Employees' Share Trust sold 3,378,582 shares at £1.16 per share to the open market. The average price of shares held by the Trust at the time was £0.70 with a number of the shares having been issued by Volex plc to the Trust at nominal value. In accordance with the Accounting Standards, the difference between the sales price of £1.16 and the average share price of £0.70 was recorded as a non-distributable reserve, giving rise to the $2.5m non-distributable reserve balance.

25. Non-controlling interest

The Group has non-controlling interests due to 51% ownership of inYantra and minority interests in certain subsidiaries of Murat Ticaret. inYantra is a company incorporated in India. A 51% equity stake was acquired on 30 March 2022. Non-controlling interests hold a 49% interest. Summarised financial information in respect of inYantra is set out below. The summarised information below represents amounts before intra-group eliminations.

Summarised statement of financial position	2024 $'m	2023 $'m
Current assets	14.3	7.6
Non-current assets	14.0	13.4
Current liabilities	(9.7)	(4.6)
Non-current liabilities	(1.4)	(0.7)
Net assets	17.2	15.7
Equity attributable to non-controlling interests	8.1	7.4

Summarised statement of comprehensive income	2024 $'m	2023 $'m
Revenue	36.8	28.2
Profit for the period	1.7	1.1
Other comprehensive expense for the period	(0.1)	(1.2)
Total comprehensive expense for the period	1.6	(0.1)

Summarised cash flow	2024 $'m	2023 $'m
Net cash generated/(used) in operating activities	1.6	(1.7)
Net cash used in investing activities	(1.2)	(1.3)
Net cash generated from financing activities	0.6	–
Net increase/(decrease) in cash and cash equivalents	1.0	(3.0)

A number of subsidiaries of Murat Ticaret have non-controlling interests and their share of net assets is $0.3m, with less than $0.1m of profit for the period.

26. Dividends

Dividends	2024 Total $'m	Settled via scrip $'m	Dividend per ordinary share (p)	2023 Total $'m	Settled via scrip $'m	Dividend per ordinary share (p)
Declared during the financial period:						
Final – period ended 2 April 2023	6.1	1.8	2.6p	–	–	–
Interim – period ended 31 March 2024	3.2	0.8	1.4p	–	–	–
Final – period ended 3 April 2022	–	–	–	4.6	1.4	2.4p
Interim – period ended 2 April 2023	–	–	–	2.5	–	1.3p
	9.3	2.6		7.1	1.4	

The proposed final dividend of 2.8p per ordinary share based on the number of issued ordinary shares at 31 March 2024 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Based on shares in issue at 31 March 2024, this would equate to a final dividend of $6.4m.

27. Analysis of net debt

	Cash and cash equivalents $'m	Bank loans $'m	Factoring $'m	Lease liabilities $'m	Debt issue costs $'m	Total $'m
At 3 April 2022	25.9	(101.8)	(0.7)	(20.9)	2.2	(95.3)
Business combination	0.4	(0.7)	–	(2.1)	–	(2.4)
Cash flow	(5.9)	10.3	0.7	7.5	0.5	13.1
New leases and remeasurements	–	–	–	(17.8)	–	(17.8)
Interest	–	–	–	(1.7)	–	(1.7)
Exchange differences	0.3	0.7	–	0.2	(0.1)	1.1
Amortisation of debt issue costs	–	–	–	–	(0.7)	(0.7)
At 2 April 2023	20.7	(91.5)	–	(34.8)	1.9	(103.7)
Business combination (note 35)	**15.8**	**(4.1)**	**–**	**(6.6)**	**–**	**5.1**
Cash flow	**(9.3)**	**(50.9)**	**–**	**11.6**	**0.3**	**(48.3)**
New leases and remeasurements	**–**	**–**	**–**	**(5.1)**	**–**	**(5.1)**
Interest	**–**	**(0.2)**	**–**	**(2.7)**	**–**	**(2.9)**
Exchange differences	**1.6**	**(0.2)**	**–**	**0.2**	**–**	**1.6**
Amortisation of debt issue costs	**–**	**–**	**–**	**–**	**(0.7)**	**(0.7)**
At 31 March 2024	**28.8**	**(146.9)**	**–**	**(37.4)**	**1.5**	**(154.0)**

Debt issue costs relate to bank facility arrangement fees. In August 2023 the Group extended the facility by $40m, thereby increasing the facility to $240m. The $0.3m of costs associated with the extension request were capitalised. During the prior year, $0.5m of costs associated with a one-year extension request was capitalised.

The Group recognised a lease liability of $6.6m on the acquisition of Murat Ticaret. During the period, the Group also expanded or renewed a number of factory leases across Asia and Europe. New leases entered into during the prior period primarily relate to expansions and renewals of factory leases across multiple sites ($8.8m), and investment in surface mount technology in North America ($8.7m).

28. Notes to the statement of cash flows

	2024 $'m	2023 $'m
Profit for the period	**40.2**	37.4
Adjustments for:		
Finance income (note 5)	**(1.3)**	(0.4)
Finance costs (note 6)	**16.8**	9.5
Income tax expense (note 10)	**11.4**	8.4
Share of net profit from associates	**(3.2)**	(1.1)
Depreciation of property, plant and equipment (note 14)	**12.3**	8.2
Depreciation of right-of-use assets (note 15)	**7.4**	4.8
Amortisation of intangible assets (note 13)	**15.6**	10.2
Loss on disposal of property, plant and equipment	**–**	0.1
Share-based payment charge (note 29)	**6.3**	3.7
Contingent consideration adjustments (note 4)	**(1.3)**	(1.3)
Decrease in provisions	**(1.5)**	(1.1)
Operating cash flow before movement in working capital	**102.7**	78.4
Increase in inventories	**(5.6)**	(0.2)
Increase in receivables	**(17.4)**	(15.4)
Increase in payables	**24.9**	7.0
Movement in working capital	**1.9**	(8.6)
Cash generated from operations	**104.6**	69.8
Cash generated from operations before adjusting operating items	**111.6**	72.0
Cash used by adjusting operating items	**(7.0)**	(2.2)
Taxation paid	**(14.9)**	(7.9)
Interest paid	**(11.4)**	(6.2)
Net cash generated from operating activities	**78.3**	55.7

Cash and cash equivalents

	2024 $'m	2023 $'m
Cash and bank balances	**29.8**	22.5
Bank overdrafts	**(1.0)**	(1.8)
	28.8	20.7

Cash and cash equivalents comprise cash held by the Group and bank overdrafts. The carrying amount of these assets approximates their fair value. Included within cash and cash equivalents is $nil (2023: $0.1m) held in trust, which can only be used for Volex employees.

29. Share-based payments

The Group has four equity-settled share-based payment arrangements in operation.

Long Term Incentive Plan ('LTIP')

The LTIP is a discretionary long-term incentive scheme for Executive Directors and senior managers. It provides for the award of nominal value options, which vest after at least three years, subject to performance conditions. Options issued under the LTIP are exercisable between three and ten years from the date of grant, subject to the continued employment of the participant and achievement of performance targets. All awards under the LTIP are nil cost. Full details of how the scheme operates are explained on page 116 of the Remuneration Committee Report.

Performance Share Plan ('PSP')

The PSP scheme was replaced by the Long Term Incentive Plan ('LTIP') during 2020. The PSP is a discretionary long-term incentive scheme for Executive Directors and senior managers. It provides for the award of nominal value options which vest after at least three years, subject to performance conditions. Options issued under the PSP are exercisable between three and ten years from the date of grant, subject to the continued employment of the participant and achievement of performance targets. All awards under the PSP have an exercise price of 25p, which is equivalent to the nominal value of the underlying ordinary shares.

Deferred Bonus Plan ('DBP')

The DBP was for the executive management team. A percentage of any cash bonus was deferred to shares and held in trust for a period, which was determined by the Remuneration Committee. The percentage of any cash bonus to be deferred was at the discretion of the Remuneration Committee. The only vesting condition was continuing employment.

Acquisition Retention Awards ('ARA')

The ARA were used to incentivise and retain key employees in acquired businesses who are deemed to deliver a significant contribution to the integration of the acquired business into the Group and have an important role in the continuing success of the acquired business. These awards have vesting periods that are determined by the specific circumstances of the acquisition and vest based on continued employment as well as performance measures that relate to the performance of the Group or the acquired business. Awards consist of shares or the right to acquire shares for a nominal value.

Details of the share awards outstanding and the weighted average exercise price of those awards are as follows:

	PSP Number	LTIP Number	DBP Number	ARA Number	Total Number	Weighted average exercise price (p)
Outstanding at 3 April 2022	2,065,103	4,712,925	97,011	966,666	7,841,705	6
Exercisable at the 3 April 2022	2,065,103	–	–	–	2,065,103	25
Outstanding at 4 April 2022	2,065,103	4,712,925	97,011	966,666	7,841,705	6
Granted during the period	–	4,395,361	68,678	–	4,464,039	–
Exercised during the period	(555,000)	(833,361)	(97,011)	–	(1,485,372)	(9)
Lapsed during the period	(250,861)	(37,500)	–	(966,666)	(1,255,027)	–
Outstanding at 2 April 2023	**1,259,242**	**8,237,425**	**68,678**	**–**	**9,565,345**	**3**
Exercisable at the 2 April 2023	**1,259,242**	**2,225,000**	**–**	**–**	**3,484,242**	**9**
Outstanding at 3 April 2023	**1,259,242**	**8,237,425**	**68,678**	**–**	**9,565,345**	**3**
Granted during the period	**–**	**548,400**	**147,581**	**–**	**695,981**	**–**
Exercised during the period	**(150,000)**	**(730,000)**	**(216,259)**	**–**	**(1,096,259)**	**(3)**
Lapsed during the period	**–**	**(49,000)**	**–**	**–**	**(49,000)**	**–**
Outstanding at 31 March 2024	**1,109,242**	**8,006,825**	**–**	**–**	**9,116,067**	**3**
Exercisable at the 31 March 2024	**1,109,242**	**2,416,000**	**–**	**–**	**3,525,242**	**8**

Included within the LTIP awards are 1,947,420 (2023: 3,097,500) options awarded to Directors and senior leadership, which are subject to an additional multiplier effect, whereby the awards can double depending upon the performance of the Volex share price relative to peers. Full details of how the scheme operates are explained on page 116 of the Remuneration Committee Report. Of the share awards that lapsed during the period, 49,000 (2023: 288,361) lapsed in respect of leavers and nil (2023: 966,666) lapsed due to failure to meet performance conditions.

The weighted average share price at the date of exercise of options exercised during the period was £3.10 (2023: £2.16).

The awards outstanding at 31 March 2024 had a weighted average remaining contractual life of seven years (2023: seven years).

Of the 9,116,067 awards outstanding at 31 March 2024, 1,109,242 had an exercise price of £0.25 and 8,006,825 had an exercise price of £nil.

29. Share-based payments continued

Of the 9,565,345 awards outstanding at 2 April 2023, 1,259,242 had an exercise price of £0.25 and 8,306,103 had an exercise price of £nil.

The aggregate of the estimated fair values of the options granted during the period was $2.5m (2023: $11.5m).

Of the awards granted during the period, 147,581 were deferred bonus plan awards with an exercise price of £nil, a service period of one year and no performance conditions. The remaining 548,400 awards were LTIP awards with a £nil exercise price with a service period of three, five or six years with performance conditions based on the business performance linked and total shareholder return.

The fair value of awards granted in the period was calculated at the date of grant using a Monte Carlo binomial model or a Black–Scholes model, depending on the vesting criteria of each award. Market-based performance conditions are taken into account in the calculation of the fair values. Valuation model inputs were as follows:

	2024 LTIP	2023 LTIP
Weighted average share price	**£2.79**	£2.60
Weighted average exercise price	**£nil**	£nil
Expected volatility	**46%**	49%
Expected life (years)	**3.7**	5
Risk-free rate	**4.2%**	3.2%
Expected dividends	**1.3%**	1.4%

Expected volatility was determined with reference to the historical volatility of the Group's share price over the previous three years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

During the period, the total expense recognised for share-based payment arrangements was as follows:

	2024 $'m	2023 $'m
LTIP	**5.0**	4.2
DBP	**0.5**	0.4
ARA	**–**	(0.9)
Share-based payment charge	**5.5**	3.7
Employers' tax charge in relation to share awards	**0.8**	–
	6.3	3.7

30. Retirement benefit obligations

Defined contribution schemes

The Group operates a number of defined contribution pension schemes. Contributions to the defined contribution schemes are charged to the income statement as they fall due. The Group has no further obligations once the contributions have been made.

The total cost charged to the Group's income statement in the period was $1.1m (2023: $0.5m).

Defined benefit schemes

The Group operates defined benefit pension plans in a number of countries. The majority of benefit payments are from trustee-administered funds; however, there are also a number of unfunded plans where the group meets the benefit payment obligation as it falls due.

Amounts recognised in statement of financial position	Present value of obligation $'m	Fair value of scheme assets $'m	Total $'m
At 3 April 2022	(20.9)	17.5	(3.4)
Current service cost	(0.3)	–	(0.3)
Past service cost	0.2	–	0.2
Interest (expense)/income	(0.8)	0.5	(0.3)
Total amount recognised in income statement	(0.9)	0.5	(0.4)
Losses on assets in excess of interest	–	(4.0)	(4.0)
Experience gains on liabilities	(0.3)	–	(0.3)
Losses due to changes in financial assumptions	3.8	–	3.8
Total amount recognised in other comprehensive income	3.5	(4.0)	(0.5)
Exchange differences	1.2	(1.2)	–
Contributions from the sponsoring company	–	1.0	1.0
Benefits paid	1.1	(1.0)	0.1
At 2 April 2023	(16.0)	12.8	(3.2)
Current service cost	**(0.8)**	**–**	**(0.8)**
Termination cost	**(0.2)**	**–**	**(0.2)**
Interest (expense)/income	**(1.4)**	**0.7**	**(0.7)**
Total amount recognised in income statement	**(2.4)**	**0.7**	**(1.7)**
Losses on assets in excess of interest	**–**	**(0.5)**	**(0.5)**
Experience gains on liabilities	**(1.6)**	**–**	**(1.6)**
Losses due to changes in financial assumptions	**1.6**	**–**	**1.6**
Losses due to changes in demographic assumptions	**0.3**	**–**	**0.3**
Total amount recognised in other comprehensive income	**0.3**	**(0.5)**	**(0.2)**
Exchange differences	**0.9**	**0.2**	**1.1**
Contributions from the sponsoring company	**–**	**1.0**	**1.0**
Benefits paid	**1.6**	**(0.9)**	**0.7**
Acquired in business combination (see note 35)	**(4.8)**	**–**	**(4.8)**
At 31 March 2024	**(20.4)**	**13.3**	**(7.1)**

Volex Executive Pension Scheme

Volex plc (the 'Company') operates a defined benefit pension arrangement called the Volex Executive Pension Scheme (the 'Scheme'). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process, the Company must agree with the Trustees of the Scheme the contributions to be paid to meet the Statutory Funding Objective. The future contributions required to meet the Statutory Funding Objective do not currently affect the balance sheet of the Scheme in these financial statements.

30. Retirement benefit obligations continued

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 July 2022 and the next valuation of the Scheme is due as at 31 July 2025. In the event that the valuation reveals a larger deficit than expected, the Company may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

In accordance with the Schedule of Contributions dated September 2020 the Company has agreed to pay contributions of £0.8m p.a. (payable in quarterly instalments) over the period to 31 January 2026.

At the period end, the Scheme was in surplus. The Group has an unconditional right to any surplus arising in the Scheme, hence that surplus has been recognised in full. The Scheme does not have an asset ceiling.

The Scheme is managed by a Trustee Company, the Board of which is appointed in part by the Company and in part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustee delegates some of these functions to their professional advisers where appropriate.

The Scheme exposes the Company to a number of risks:

- Investment risk. The Scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide the real returns over the long-term, the short-term volatility can cause additional funding to be required if the deficit increases.
- Interest rate risk. The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- Inflation risk. A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short term could lead to deficits emerging.
- Mortality risk. In the event that members live longer than assumed deficits may emerge in the Scheme.

There were no plan amendments, curtailments or settlements during the period.

The key assumptions utilised are:

	Valuation at	
	2024	2023
Discount rate	**4.8%**	4.7%
Future pension increases	**2.9%**	3.0%
Inflation assumption (RPI)	**3.6%**	3.6%
Inflation assumption (CPI)	**3.1%**	3.1%

The following mortality assumptions have been made:

	2024 Years	2023 Years
Future life expectancy for a pensioner currently aged 65		
– Male	**22.1**	22.6
– Female	**23.8**	24.2
Future life expectancy at age 65 for a non-pensioner currently aged 55		
– Male	**22.5**	23.1
– Female	**24.4**	24.9

30. Retirement benefit obligations continued

Significant actuarial assumptions for the determination of the defined benefit obligations are the discount rate, inflation and life expectancy. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, assuming that all other assumptions are held constant:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	($0.6m)/$0.6m
Inflation	Increase/decrease by 0.5%	$0.3m/($0.3m)
Life expectancy	Increase/decrease by 1 year	$0.5m/($0.4m)

In reality, one might expect interrelationships between the assumptions, especially between discount rate and inflation. The above analysis does not take the effect of these interrelationships into account.

The Group has contributed $1.0m to the UK-defined benefit pension plan in the period ended 31 March 2024 (2023: $1.0m). The average duration of the Scheme's defined benefit obligation is approximately 10 years (2023: 10 years). The actual return on scheme assets for the period was a gain of $0.2m (2023: loss of $3.5m).

The estimated amount of contributions expected to be paid to the Scheme during the 52 weeks to 30 March 2025 is $1.0m (2023: $1.0m).

Assets

Asset category	2024 $'m	2023 $'m
Target return assets[1]	7.3	7.5
Corporate Bonds[2]	1.5	0.7
Liability Driven Investments[1]	4.0	3.9
Cash	0.5	0.7
Total	13.3	12.8

1 Targeted return and LDI – Dynamic Diversified Growth Fund and the Liability Driven Investment fund are pooled investment vehicles whereby the Scheme purchases units in that fund, which are not quoted. The funds invest in a variety of assets including quoted/listed stocks and shares and bonds, which are valued by the investment manager using the latest available prices. The Scheme itself is not directly the owner of these underlying assets.

2 Corporate bonds – This is also a pooled investment vehicle whereby the Scheme purchases units of the fund, which are not quoted. The fund invests in UK investment grade corporate bonds with maturities in excess of 10 years. The fund is valued by the investment manager using the latest available prices and is benchmarked against the iBoxx Sterling Non-Gilts Over 10 Year Index. The Scheme itself is not directly the owner of these underlying assets.

None of the fair values of the assets shown above include any of the Company's own financial instruments or any property occupied, or other assets used by the Company (2023: nil).

Pension schemes

The following table shows a breakdown of the defined benefit obligation and plan assets by country:

	2024					2023				
	UK $'m	Türkiye $'m	Indonesia $'m	Other $'m	Total $'m	UK $'m	Türkiye $'m	Indonesia $'m	Other $'m	Total $'m
Fair value of scheme assets	13.3	–	–	–	13.3	12.8	–	–	–	12.8
Present value of defined benefit obligations	(12.9)	(5.3)	(0.9)	(1.3)	(20.4)	(13.1)	(1.3)	(0.8)	(0.8)	(16.0)
	0.4	(5.3)	(0.9)	(1.3)	(7.1)	(0.3)	(1.3)	(0.8)	(0.8)	(3.2)
Current liabilities	–	–	–	–	–	(0.3)	–	–	–	(0.3)
Non-current asset/(liabilities)	0.4	(5.3)	(0.9)	(1.3)	(7.1)	–	(1.3)	(0.8)	(0.8)	(2.9)

The Group operates unfunded defined benefit schemes in Türkiye, Indonesia, Mexico and India. During the prior year, $0.6m of liability associated with Mexican operations was presented within other creditors.

Following the acquisition of Murat Ticaret in the period, an additional liability of $4.8m was recognised.

31. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to the owners of the parent, comprising issued capital, reserves and retained earnings as contained in the statement of changes in equity.

The Board reviews the capital structure on a regular basis, including facility headroom, forecast working capital and capital expenditure requirements.

The Group has a $240 million committed facility, together with an additional $60 million uncommitted accordion. The facility comprises a $165 million revolving credit facility ('RCF') and a $75 million term loan. As at 31 March 2024, the term loans of $75m were fully drawn and $68.6m (2023: $16.5m) was also utilised under the revolving credit facility. The Group also operates a cashpool facility, which is denominated in a variety of currencies. As at 31 March 2024, there was a $1.0m overdraft (2023: $1.7m). The average combined utilisation of the cashpool during the period was $0.3m (2023: $2.5m).

Included in note 19 is a description of undrawn facilities as at the reporting date.

The terms of the RCF require the Group to perform quarterly financial covenant calculations with respect to leverage (adjusted total debt to adjusted rolling 12-month EBITDA) and interest cover (adjusted rolling 12-month EBITDA to adjusted rolling 12-month interest). Breach of these covenants could result in cancellation of the facility. The Group was compliant with these covenants during the year and has continued to operate within these covenants in the period from 31 March 2024 to the date of issue of these financial statements.

The Board is, therefore, confident that the combination of the above facility and the cash on hand at the end of the year provides adequate liquidity headroom for the successful execution of the Group's operations.

The Group is not subject to externally imposed capital requirements.

Financial instruments

The Group's principal financial instruments comprise bank borrowings and overdrafts, cash and short-term deposits, trade and other receivables and trade and other payables. The Group also enters into derivative transactions, principally forward copper contracts to manage the commodity price risk arising from its operations and forward currency contracts to manage the currency risks. Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments that are carried in the financial statements. Except as detailed below, the Directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost approximate their fair values.

	Book value 2024 $'m	Book value 2023 $'m	**Fair value 2024 $'m**	Fair value 2023 $'m
Financial assets – loans and receivables				
Cash	**29.8**	22.5	**29.8**	22.5
Trade and other receivables	**193.8**	136.2	**193.8**	136.2
Financial liabilities – amortised cost				
Interest-bearing loans and borrowings	**(146.4)**	(91.4)	**(147.9)**	(93.3)
Lease liabilities	**(37.4)**	(34.8)	**(37.4)**	(34.8)
Trade and other payables	**(222.1)**	(107.6)	**(222.1)**	(107.6)
Financial derivatives for which hedge accounting has been applied				
Derivative financial instruments	**2.1**	1.8	**2.1**	1.8
Financial derivatives for which hedge accounting has not been applied				
Derivative financial instruments	**–**	–	**–**	–

The fair values of the financial derivatives above are categorised within Level 2 of the fair value hierarchy on the basis that their fair value has been calculated by management using inputs that are observable in active markets that are related to the individual asset or liability. Included within trade and other payables is contingent consideration, which is categorised as Level 3 using inputs that are not based on observable market data.

Notes to the Consolidated Financial Statements continued

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

31. Financial instruments continued

Financial risk management

Activities related to financing, monitoring and managing the financial risks relating to the operations of the Group are co-ordinated centrally. These risks include market risk (interest rate risk, currency risk and commodity price risk), credit risk and liquidity risk.

The Group seeks to minimise these risks by using derivative financial instruments to hedge these risk exposures and external borrowings denominated in currencies that match the net asset currency profile of the Group. The Board reviews and agrees policies for managing these risks and they are summarised below. The Group also monitors the market price risk arising from all financial instruments. It is, and has been throughout the periods under review, the Group's policy that no trading in financial instruments shall be undertaken.

Market risk

The Group's activities expose it, primarily, to the financial risks of changes in interest rates, foreign currency exchange rates and copper commodity prices.

Interest rate risk

The Group's interest rate risk arises, principally, from borrowings issued at variable rates, which expose the Group to cash flow interest rate risk. The Group holds 10% cumulative preference shares with its associate, Kepler SignalTek Ltd. The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

2024	Within 1 year $'m	1–2 years $'m	2–3 years $'m	3–4 years $'m	4–5 years $'m	More than 5 years $'m	Total $'m
Fixed rate							
Trade and other receivables	**0.3**	**–**	**–**	**–**	**–**	**–**	**0.3**
Bank loans and borrowings	**(2.3)**	**(0.8)**	**(50.2)**[1]	**–**	**–**	**–**	**(53.3)**
Floating rate							
Cash assets	**29.8**	**–**	**–**	**–**	**–**	**–**	**29.8**
Bank loans and borrowings	**(1.0)**	**–**	**(93.6)**	**–**	**–**	**–**	**(94.6)**

1 The Group facility expires in February 2026. The $50m interest rate swap expires in September 2025.

2023	Within 1 year $'m	1–2 years $'m	2–3 years $'m	3–4 years $'m	4–5 years $'m	More than 5 years $'m	Total $'m
Fixed rate							
Trade and other receivables	1.7	–	–	–	–	–	1.7
Bank loans and borrowings	–	–	(50.0)	–	–	–	(50.0)
Floating rate							
Cash assets	22.5	–	–	–	–	–	22.5
Bank loans and borrowings	(1.8)	–	(41.5)	–	–	–	(43.3)

Interest rate and sensitivity

The Group manages its exposure to interest rate risk by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Management regularly reviews the interest rate risk exposure. The Group is exposed to floating rate interest on its RCF borrowings at a margin of 2.1% (2023: 2.1%) above SOFR (2023: SOFR). In September 2022, an interest rate swap was entered into following market evaluation, which has enabled the Group to fix the interest rate paid on a notional value of $50m.

Had interest rates moved 1% in the period, and all other variables were held constant, including the impact of the interest rate swap, Group profit before tax would have moved by $1.1m (2023: $0.8m). A 1% interest rate sensitivity test has been performed since this represents the Directors' assessment of a reasonably possible change in interest rates.

31. Financial instruments continued

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the euro, Chinese renminbi and pound sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group's policy is to hedge its related translation exposures through the designation of certain amounts of its foreign currency denominated debt as a hedging instrument.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2024 $'m	2023 $'m	**2024 $'m**	2023 $'m
US dollar	**202.8**	136.3	**101.9**	93.0
Euro	**61.5**	25.5	**57.3**	35.6
Chinese renminbi	**33.2**	19.7	**17.6**	19.9
Pound sterling	**53.8**	4.5	**7.9**	6.3
Indian rupee	**7.6**	5.1	**7.9**	3.2
Turkish Lira	**3.1**	0.2	**29.4**	4.9
Other	**8.9**	9.8	**4.7**	11.5

Foreign currency sensitivity

The following table details the Group's sensitivity to a 10% increase and decrease in US dollar against the relevant foreign currencies. The 10% rate used represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes both external loans and loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A 10% change in foreign exchange rate sensitivity test has been performed since this represents the Directors' assessment of a reasonably possible change in foreign exchange rates.

	Pound sterling impact		Euro impact		Chinese renminbi impact	
	2024 $'m	2023 $'m	**2024 $'m**	2023 $'m	**2024 $'m**	2023 $'m
10% depreciation of US dollar against foreign currency						
(i) Profit before tax	**(4.5)**	(2.0)	**(0.2)**	(0.3)	**(2.1)**	(1.1)
(ii) Equity*	**13.6**	2.8	**5.9**	1.0	**–**	–
10% appreciation of US dollar against foreign currency						
(i) Profit before tax	**3.7**	1.6	**0.2**	0.2	**1.7**	1.0
(ii) Equity*	**(11.1)**	(2.3)	**(4.8)**	(0.8)	**–**	–

(i) The main exposure impacting profit before tax is on pound sterling monetary liabilities in the Group at the reporting date.
(ii) This is mainly attributable to changes in the carrying value of intercompany loans for which settlement is not planned and external borrowing designated as a hedging instrument.

* Excludes any deferred tax impact.

31. Financial instruments continued

Copper commodity price risk

Copper price volatility is the single largest commodity price exposure facing the Group. Many of the Group's products, in particular power cords used to manufacture the Group's power products, are manufactured from components that contain significant amounts of copper. Where possible, the Group will pass on copper price movements to its customers. In order to mitigate the remaining volatility associated with copper, the Group has entered into arrangements with its key suppliers to purchase copper. Coupled with these purchases, the Group has entered into a number of contracts with financial institutions, which are linked to the average copper price as published by the London Metal Exchange ('LME'). These contracts have been deemed cash flow hedges of forecast future copper purchases. At the reporting date, the open copper contracts are as follows:

	2024		2023	
Copper cash flow hedges **Contracted copper price**	**Contracted volume (MT)**	**Fair value $'m**	Contracted volume (MT)	Fair value $'m
$7,000–$7,500	**–**	**–**	125	0.1
$7,500–$8,000	**315**	**0.1**	40	–
$8,000–$8,500	**19**	**–**	392	–
$8,500–$9,000	**55**	**–**	–	–
$9,000–$9,500	**–**	**–**	100	–
	389	**0.1**	657	0.1

All contracts expire within 12 months of 31 March 2024.

Liquidity risk

The Group manages liquidity risk by maintaining adequate banking facilities, regular monitoring of forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 19 is a description of undrawn facilities as at the reporting date.

The following table analyses the Group's financial liabilities into relevant maturity groupings to show the timing of cash flows associated with the financial liabilities from the reporting date to the contracted maturity date. The amounts disclosed represent the contracted undiscounted cash flows (based on the earliest date on which the Group may be required to pay).

2024	**Carrying amount $'m**	**Contractual cash flows $'m**	**Within 1 year $'m**	**1–2 years $'m**	**2–5 years $'m**	**More than 5 years $'m**
Non-derivative financial liabilities						
Trade and other payables	**(222.1)**	**(222.1)**	**(195.3)**	**(20.4)**	**(0.3)**	**(6.1)**
Bank overdrafts and loans	**(146.4)**	**(147.9)**	**(3.6)**	**(0.5)**	**(143.8)**	**–**
Lease liabilities	**(37.4)**	**(50.3)**	**(20.5)**	**(13.9)**	**(12.4)**	**(3.5)**
Derivative financial liabilities						
Derivative financial instruments	**(0.4)**	**(0.4)**	**(0.4)**	**–**	**–**	**–**

2023	Carrying amount $'m	Contractual cash flows $'m	Within 1 year $'m	1–2 years $'m	2–5 years $'m	More than 5 years $'m
Non-derivative financial liabilities						
Trade and other payables	(107.6)	(107.6)	(107.1)	(0.3)	(0.1)	(0.1)
Bank overdrafts and loans	(91.4)	(93.3)	(1.8)	–	(91.5)	–
Lease liabilities	(34.8)	(37.6)	(16.7)	(6.6)	(10.8)	(3.5)
Derivative financial liabilities						
Derivative financial instruments	–	–	–	–	–	–

31. Financial instruments continued

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Bank and cash balances comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value. The credit risk on these assets is limited because the counterparties are predominantly financial institutions with investment-grade credit ratings assigned by international credit rating agencies.

The Group's credit risk is, therefore, primarily attributable to its trade receivables. The Group's customers are predominantly large blue-chip OEMs, contract equipment manufacturers and distributors. The Group regularly reviews the creditworthiness of significant customers and credit references are sought for major new customers where relevant. The Board recognises that credit risk is a feature of all businesses, especially international businesses. However, it believes that all reasonable steps to mitigate any loss are taken.

The net amount of trade receivables reflects the maximum credit exposure to the Group. No other guarantees or security have been given. For further information on the credit risk associated with trade and other receivables, see note 18.

32. Contingent liabilities

As a global Group, subsidiary companies, in the normal course of business, engage in significant levels of cross-border trading. The customs, duties and sales tax regulations associated with these transactions are complex and often subject to interpretation. While the Group places considerable emphasis on compliance with such regulations, including appropriate use of external legal advisers, full compliance with all customs, duty and sales, tax regulations cannot be guaranteed.

Through the normal course of business, the Group provides manufacturing warranties to its customers and assurances that its products meet the required safety and testing standards. When the Group is notified that there is a fault with one of its products, the Group will provide a rigorous review of the defective product and its associated manufacturing process and, if found at fault and contractually liable, will provide for costs associated with recall and repair as well as rectify the manufacturing process or seek recompense from its supplier. The Group holds a provision to cover potential costs of recall or warranty claims for products which are in the field but where a specific issue has not been reported.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other Group companies, the Company considers these to be insurance arrangements and treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee. At the period end, there were no outstanding guarantees (2023: none).

33. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this section of the note.

The Group's other related party transactions were the remuneration of key management personnel (refer to note 9). Details of Directors' remuneration for the period are provided in the Remuneration Committee Report on page 115. As explained in note 16, during the period, the Group paid $2.3m for an additional 8.3% of equity in Kepler SignalTek Ltd, increasing the shareholding to 35.7%. During the period, $0.9m of preference shares were repaid (2023: $0.4m). The Group accrued financial income of $nil on the preference shares (2023: $0.2m), with $0.5m cash received (2023: nil). The balance due from the associate as at the period end date was $0.3m (2023: $1.7m).

The Group also has a 43% interest in Volex-Jem Co. Ltd. The Group did not transact with the entity during the current or prior periods. The balance due to the associate as at the period end date was $0.1m (2023: $0.1m).

34. Events after the balance sheet date

In June 2024 the Group completed a refinancing of its banking facilities, with an eight-bank club. An enlarged $600 million facility replaced the Group's existing $300 million multicurrency revolving credit facility. The new facility has an initial four-year term, with an extension option for one additional year. It comprises a $400 million revolving credit facility and an additional $200 million uncommitted accordion. The new facility is unsecured, with improved interest margins and an improved net debt to underlying EBITDA covenant.

35. Business combinations

Murat Ticaret Kablo A.Ş.

On 31 August 2023, the Group completed the acquisition of 100% of the share capital of Murat Ticaret Kablo A.Ş. ('Murat Ticaret') a leading manufacturer of complex wire harnesses, headquartered in Türkiye. Murat Ticaret has a number of subsidiaries which have minority interests. The acquisition expands the Group presence in the off-highway sector with operations on three continents and nine manufacturing sites.

The purchase has been accounted for as a business combination. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Provisional fair value of consideration transferred	$'m
Initial consideration	150.2
Deferred consideration	6.0
Contingent consideration	39.8
Total purchase consideration	**196.0**

Initial consideration includes initial cash of $150.1m and an estimated working capital adjustment payable of $0.1m. Deferred consideration is the fair value of a €7.5m payment due in 2029.

The contingent consideration is dependent upon certain EBITDA targets being met post-acquisition over two one-year measurement periods. The fair value above has been based on the probable outcome of each based upon the information available at 31 March 2024. The maximum undiscounted contingent consideration payment across the two periods is $43.1m (€40m).

In addition to these payments, a further $2.0m is payable upon certain service conditions being met over a two year period. In accordance with IFRS 3, this is accounted for as remuneration rather than deferred or contingent considerations due to the ongoing service conditions. An expense of $0.7m has been recorded in adjusting items related to this post-acquisition performance.

An exercise has been conducted to assess the provisional fair values of assets acquired and liabilities assumed. This exercise identified customer relationships and order backlog intangible assets. Property, plant and equipment were uplifted following an external valuation. The provisional fair value amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	Provisional Fair Value $'m
Identifiable intangible assets	101.9
Property, plant and equipment	26.3
Right-of-use asset	6.6
Inventories	47.4
Trade receivables	39.7
Cash	15.8
Other debtors and creditors	(9.3)
Trade payables	(27.5)
Provisions	(2.4)
Retirement benefit obligations	(4.8)
Loans	(4.1)
Lease liabilities	(6.6)
Deferred taxes	(26.1)
Total identifiable assets	**156.9**
Less non-controlling interest	(0.2)
Goodwill	39.3
Consideration	**196.0**

35. Business combinations continued

The fair value adjustments are provisional and will be finalised within 12 months of the acquisition date. Any resulting changes in the fair values will have an impact on the acquisition accounting and will result in a reallocation between assets and goodwill and a possible adjustment to the amortisation charge shown in the income statement. The non-controlling interest has been initially measured at fair value.

The provisional goodwill balance recognised above includes certain intangible assets that cannot be separately identified and measured due to their nature. This includes control over the acquired business, the skills and experience of the assembled workforce and the anticipated synergies arising on integration. None of the goodwill recognised is expected to be deductible for income tax purposes.

In FY2024, the Murat Ticaret businesses contributed $132.4m to Group revenue, $20.6m to adjusted operating profit and $10.5m to operating profit. Associated acquisition-related costs of $3.7m, acquisition-related remuneration of $0.7m and intangible asset amortisation of $7.4m have all been expensed as adjusting items in the period.

If these entities had been acquired at the beginning of the year, they would have contributed revenues of $216.7m and operating profit of $24.6m to the results of the Group.

Net cash outflows in respect of acquisitions comprises:

Net cash outflow on acquisitions	$'m
Cash consideration	
– Murat Ticaret	150.1
Total cash consideration	**150.1**
Less: cash and cash equivalents acquired	
– Murat Ticaret	(15.8)
Net cash outflow for Murat Ticaret	**134.3**
Payment of deferred consideration	
– DE-KA	2.2
Total cash outflow	**136.5**

Company Statement of Financial Position

As at 31 March 2024 (2 April 2023)

	Notes	Company 2024 £'m	2023 £'m
Non-current assets			
Other intangible assets	4	**0.2**	0.1
Right-of-use assets		**–**	0.1
Investments	5	**310.6**	191.8
Derivative financial instruments		**1.2**	0.7
Retirement benefit asset	11	**0.3**	–
Deferred tax asset	10	**8.0**	10.2
		320.3	202.9
Current assets			
Inventories	6	**3.1**	4.5
Trade receivables	7	**11.4**	14.8
Other receivables	7	**45.9**	11.0
Derivative financial instruments		**1.2**	0.7
Cash and bank balances		**1.1**	0.1
		62.7	31.1
Total assets		**383.0**	234.0
Current liabilities			
Borrowings		**–**	1.7
Trade payables	9	**0.2**	0.3
Other payables	9	**50.5**	24.0
Lease liability		**–**	0.1
Derivative financial instruments		**0.9**	–
Retirement benefit obligation	11	**–**	0.3
		51.6	26.4
Net current assets		**11.1**	4.7
Non-current liabilities			
Borrowings	8	**112.5**	72.5
Other payables	9	**26.9**	2.8
		139.4	75.3
Total liabilities		**191.0**	101.7
Net assets		**192.0**	132.3
Equity attributable to owners of the parent			
Share capital	13	**45.4**	39.8
Share premium account	13	**45.2**	44.2
Hedging and translation reserve		**(2.7)**	(2.7)
Merger reserve		**8.2**	8.2
Retained earnings		**95.9**	42.8
Total equity		**192.0**	132.3

The notes on pages 184 to 196 are an integral part of these financial statements. The profit after tax for the period of the Company amounted to £2.0m (2023: £9.8m). The financial statements of Volex plc (company number: 158956) were approved by the Board of Directors and authorised for issue on 26 June 2024. They were signed on its behalf by:

Rothschild
Executive Chairman

Jon Boaden
Chief Financial Officer

Company Statement of Changes in Equity

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

	Notes	Share capital £'m	Share premium account £'m	Hedging and translation reserve £'m	Merger reserve £'m	Retained earnings £'m	Total equity £'m
Balance at 3 April 2022		39.7	44.3	(3.4)	8.2	35.9	124.7
Profit for the period		–	–	–	–	9.8	9.8
Other comprehensive income for the period		–	–	0.7	–	–	0.7
Total comprehensive income for the period		–	–	0.7	–	9.8	10.5
Dividend paid	14	–	–	–	–	(5.9)	(5.9)
Scrip dividend related share issue	14	0.1	(0.1)	–	–	1.2	1.2
Credit to equity for equity-settled share-based payments		–	–	–	–	1.9	1.9
Tax effect of share options		–	–	–	–	(0.1)	(0.1)
Balance at 2 April 2023		39.8	44.2	(2.7)	8.2	42.8	132.3
Profit for the period		**–**	**–**	**–**	**–**	**2.0**	**2.0**
Other comprehensive expense for the period		**–**	**–**	**–**	**–**	**(0.2)**	**(0.2)**
Total comprehensive income for the period		**–**	**–**	**–**	**–**	**1.8**	**1.8**
Equity raise	13	**5.4**	**1.2**	**–**	**–**	**51.9**	**58.5**
Dividend paid	14	**–**	**–**	**–**	**–**	**(7.2)**	**(7.2)**
Scrip dividend related share issue	14	**0.2**	**(0.2)**	**–**	**–**	**2.0**	**2.0**
Credit to equity for equity-settled share-based payments		**–**	**–**	**–**	**–**	**4.0**	**4.0**
Tax effect of share options		**–**	**–**	**–**	**–**	**0.6**	**0.6**
Balance at 31 March 2024		**45.4**	**45.2**	**(2.7)**	**8.2**	**95.9**	**192.0**

Notes to the Company Financial Statements

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

1. General information

Volex plc (the 'Company') is a company domiciled and incorporated in the United Kingdom under the Companies Act 2006 and is listed on AIM, a market on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales. The address of the registered office is given on page 200.

The principal activities of the Company are the manufacture and sale of power and data cables, and to act as the ultimate holding company of the Volex Group.

2. Significant accounting policies

2.1 Basis of preparation

The significant accounting policies applied in the presentation of these individual financial statements are set out below. These policies have been applied consistently to all the periods presented, unless otherwise stated.

The parent company financial statements are presented in pound sterling, which is also the functional currency of the Company.

The separate financial statements of the Company are drawn up in accordance with the Companies Act 2006 and Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). The Company will continue to prepare its financial statements in accordance with FRS 101 on an ongoing basis until such time as it notifies shareholders of any change to its chosen accounting framework.

The Company financial statements have been prepared using the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities and in accordance with the UK Companies Act 2006.

The following exemptions available under FRS 101 have been applied:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based Payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7 'Financial Instruments: Disclosures';
- Paragraph 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).

The following paragraphs of IAS 1 'Presentation of financial statements':

  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B–D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134–136 (capital management disclosures).

- IAS 7 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group; and
- Paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 to not present the parent Company statement of comprehensive income (and separate income statement). The profit for the parent Company for the period was £2.0m (2023: £9.8m).

There have been no new or amended accounting standards or interpretations adopted during the year that have a significant impact on the financial statements.

2.2 Going concern

The Company's financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. Refer to note 2 of the Group financial statements on page 139 for further information on the going concern assessment.

2.3 Revenue recognition

Revenue is recognised in accordance with the satisfaction of performance obligations of contracts. The majority of the Company's contracts have just one performance obligation, which is the delivery of goods, which under IFRS 15 'Revenue from contracts with customers' is recognised at a single point, on delivery or pick-up depending on the agreed terms with the customer.

This is normally when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that it is the principal in its revenue arrangements. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. The Company's revenues are derived from Europe.

2. Significant accounting policies continued

2.4 Investments

Investments are stated at cost and reviewed for impairment if there are indicators that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying amount cannot be recovered, either by selling the asset or by continuing to hold the asset and benefiting from the net present value of the future cash flows of the investment. Where subsidiary undertakings incur charges for share-based payments in respect of share options and awards granted by the Company, a capital contribution in the same amount is recognised as an investment in subsidiary undertakings with a corresponding credit to shareholders' equity.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Cost includes the original purchase price of the asset and any further costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land, which is not depreciated) less their residual values over their useful lives, using the straight-line method on the following basis:

Freehold and long leasehold buildings	Up to 50 years or period of lease, if shorter
Plant and machinery	3 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

2.6 Intangible assets – computer software and licences

Computer software is stated at cost less accumulated depreciation and any recognised impairment loss. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and use the specific software. These costs are included in the statement of financial position within intangible assets and are amortised straight-line over their estimated useful lives of between three and seven years. Costs associated with maintaining computer software are recognised as an expense as incurred.

2.7 Leases

Upon commencement of a lease, a right-of-use asset and corresponding liability are recognised. The liability is, initially, measured at the present value of the future lease payments for the lease term. The depreciation of the right-of-use asset and interest on the lease liability will be recognised in the income statement over the lease term. Leases with terms less than 12 months or deemed low value are not capitalised.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a standard cost methodology and adjusted for material variances such that the adjusted figure represents direct materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. A provision is made for obsolete, slow moving or defective items where appropriate.

2.9 Trade and other receivables

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses. The Company assesses, on a forward-looking basis, the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities. Where a cashpool facility is operated, the right-of-offset is considered.

2.11 Borrowings

Interest-bearing loans and overdrafts are recognised, initially, at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are measured at amortised cost, using the effective interest rate method.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised, initially, at fair value and, subsequently, measured at amortised cost using the effective interest method.

2.13 Derivative financial instruments

Derivatives are, initially, recognised at fair value on the date a derivative contract is entered into and are, subsequently, remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative is classified as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Further details of derivative financial instruments are disclosed in note 31 to the consolidated financial statements.

2. Significant accounting policies continued

2.14 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted, by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method.

Deferred tax liabilities are, generally, recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all, or part, of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.15 Share-based payment transactions

Certain senior employees within the Group (including Executives) receive remuneration in the form of share-based payment transactions where the individuals are compensated for services they provide with consideration in the form of equity instruments. The parent Company settles the award by delivering its own equity instruments to the employees of the subsidiary.

The cost of equity-settled transactions with employees is measured with reference to the fair value of the equity instrument at the date they are granted and for employees of the Company is recognised as an expense over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the employee becomes fully entitled to the award.

No expense is recognised for awards that do not ultimately vest as a result of not meeting performance or service conditions. Where all service and performance vesting conditions have been met, the awards are treated as vesting, irrespective of whether or not the market condition is satisfied, as market conditions have been reflected in the fair value of the equity instruments.

The fair value determined at the date of grant of the equity-settled share-based payments is expensed to the income statement on a straight-line basis over the vesting period, based on the estimate of the number of options that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

The fair value of the Company's employee services received in exchange for the grant of the options is recognised as an expense. The fair value of share-based payments in respect of employees of Group subsidiaries is recharged to those subsidiary undertakings on exercise of the awards. In the Company financial statements, the amount recoverable from subsidiaries is reported as a capital contribution increasing the Company's investment in the employing subsidiary. A credit is recognised directly in shareholders' funds for both Company and subsidiary employees.

2. Significant accounting policies continued

2.16 Retirement benefits

The Company has both defined benefit and defined contribution retirement benefit schemes, the former of which is now closed to new entrants. The retirement benefit obligation recognised in the Company statement of financial position represents the deficit or surplus in the Company's defined benefit scheme. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting period.

Defined benefit costs are split into three categories:

- Remeasurement;
- Net interest expense or income; and
- Past service cost and gains and losses on curtailments and settlements.

Remeasurement comprises actuarial gains and losses, the effect of the asset ceiling (where applicable) and the return on scheme assets (excluding interest). These costs are recognised immediately in the statement of financial position with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset and is recognised within finance costs. As the defined benefit scheme is now closed, no service cost is incurred.

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

2.18 Merger reserve

The merger reserve was derived from acquisitions made under old UK GAAP prior to the transition to IFRS.

2.19 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.20 Critical accounting judgements and key sources of estimation uncertainty

The preparation of Company financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Company financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key area of judgement that has the most significant effect on the amounts recognised in the financial statements is the review for impairment of the carrying amount of investments in the Company's subsidiaries.

3. Staff costs

The average monthly number of employees (including Executive Directors) was:

	2024 Number	2023 Number
Sales and distribution	**3**	3
Administration	**18**	17
	21	20

Their aggregate remuneration comprised:

	2024 £'m	2023 £'m
Wages and salaries	**4.3**	4.1
Social security costs	**0.5**	0.4
Other pension costs (note 11)	**0.2**	0.1
	5.0	4.6

Directors' remuneration for the year totalled £5.1m (2023: £1.5m). The remuneration of the highest paid Director is £4.3m (2023: £0.7m). Employer contributions of £0.1m (2023: £0.1m) were made to defined contribution personal pension schemes in respect of the Directors. Further details of Directors' remuneration, share options, pension contributions, pension entitlements, fees for consulting services and interests for the period are provided in the Remuneration Committee Report on page 115 and form part of the financial statements.

4. Other intangible assets

	Software and licences 2024 £'m	Software and licences 2023 £'m
Cost		
At the beginning of the period	**1.8**	1.7
Additions	**0.1**	0.1
At the end of the period	**1.9**	1.8
Accumulated amortisation		
At the beginning of the period	**1.7**	1.7
Amortisation charge for the period	**–**	–
At the end of the period	**1.7**	1.7
Carrying amount at the end of the period	**0.2**	0.1
Carrying amount at the beginning of the period	**0.1**	–

5. Investments

The Company's fixed asset investments comprise investments in wholly owned subsidiary undertakings and long-term loans as follows:

	Shares £'m	Loans £'m	Total £'m
Cost			
At 3 April 2022	146.1	63.6	209.7
Additions	10.0	17.0	27.0
Capital contribution	0.9	–	0.9
Repayment	(0.4)	(30.0)	(30.4)
Exchange differences	–	2.9	2.9
At 2 April 2023	**156.6**	**53.5**	**210.1**
Additions	**253.4**	**33.7**	**287.1**
Capital contribution	**1.6**	**–**	**1.6**
Repayment	**(0.3)**	**(11.5)**	**(11.8)**
Disposal	**(156.7)**	**(0.2)**	**(156.9)**
Exchange differences	**–**	**(1.2)**	**(1.2)**
At 31 March 2024	**254.6**	**74.3**	**328.9**
Accumulated depreciation and impairment			
At 3 April 2022	16.3	2.1	18.4
Exchange differences	–	(0.1)	(0.1)
At 2 April 2023	**16.3**	**2.0**	**18.3**
Disposal	**–**	**(0.2)**	**(0.2)**
Exchange differences	**–**	**0.2**	**0.2**
At 31 March 2024	**16.3**	**2.0**	**18.3**
Carrying amount			
At 31 March 2024	**238.3**	**72.3**	**310.6**
At 2 April 2023	**140.3**	**51.5**	**191.8**
At 3 April 2022	129.8	61.5	191.3

In the United Kingdom, the Company includes two operational branches, Volex Powercords Europe and Volex Europe Cable Assemblies. Details of the Company's subsidiary undertakings are set out in note 17 'Related undertakings'. Investments in subsidiaries are all stated at cost less provision for impairment.

During the period, the Company subscribed to £96.7m of share capital in a newly incorporated entity, Volex Kablo Ticaret Anonim Sirketi ('Volex Kablo'). On 31 August 2023, the Company acquired Murat Ticaret Kablo A.Ş. ('Murat Ticaret') for consideration of £156.7m. On the 25 September 2023, Murat Ticaret was sold to Volex Kablo, which was subsequently merged with Murat Ticaret.

During the prior period, the Group subscribed to share capital in Volex Group Holdings Ltd (£10.0m) to support the subsidiary's acquisition of inYantra, which completed in March 2022.

The capital contribution of £1.6m (2023: £0.9m) is in respect of the fair value of equity-settled share-based payment transactions during the period with employees of Group subsidiary companies which will be recharged to the employing subsidiaries when the awards are exercised. A corresponding increase to shareholders' funds was recognised.

All loans are carried at amortised cost. Interest is charged at either a fixed rate or linked to publicly available benchmarks. In the 52 weeks to 31 March 2024, the Company's loans receivable accrued interest. Repayments were received from GTK (Holdco) Ltd, Volex Holdings Inc, Volex Inc and Volex Group Holdings during the period.

During the period, the Company received no dividends (2023: £2.3m from GTK (Holdco) Ltd).

6. Inventories

	2024 £'m	2023 £'m
Finished goods	**3.1**	4.5
	3.1	4.5

7. Trade and other receivables

Trade receivables	2024 £'m	2023 £'m
Amounts receivable for the sale of goods	**11.5**	14.9
Loss allowance	**(0.1)**	(0.1)
	11.4	14.8
Other receivables		
Amounts due from Group undertakings	**44.8**	10.4
Other debtors	**0.6**	0.1
Prepayments	**0.5**	0.5
	45.9	11.0
Due for settlement within 12 months	**45.9**	11.0
Due for settlement after 12 months	**–**	–
	45.9	11.0

Amounts due from Group undertakings are unsecured, non-interest bearing and repayable on demand.

8. Borrowings and lease liability

	2024 £'m	2023 £'m
Secured borrowings at amortised cost		
Bank loans	**112.5**	72.5
Lease liability	**–**	0.1
Total borrowings at amortised cost	**112.5**	72.6
Amount due for settlement within 12 months	**–**	0.1
Amount due for settlement after 12 months	**112.5**	72.5
	112.5	72.6

At 31 March 2024, debt issue costs of £1.2m were included within the total bank loan balance shown above (2023: £1.5m). Full details of the bank loans are disclosed in note 19 'Borrowings and lease liabilities' of the consolidated financial statements.

9. Trade and other payables

	2024 £'m	2023 £'m
Trade payables	**0.2**	0.3
Other payables		
Amounts owed to Group undertakings	**36.0**	17.3
Other taxes and social security	**0.2**	0.1
Other payables, accruals and deferred income	**41.2**	9.4
	77.4	26.8
Due for settlement within 12 months	**50.5**	24.0
Due for settlement after 12 months	**26.9**	2.8
	77.4	26.8

Amounts owed to Group undertakings are unsecured and repayable on demand. Interest linked to a margin and publicly available benchmarks is charged on certain amounts owed to Group undertakings. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Included in accruals and deferred income is £37.3m relating to contingent consideration for acquisitions. Included in accruals and deferred income in the prior period was £2.8m relating to deferred and contingent consideration for acquisitions.

10. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Company and movements thereon during the reporting period.

	Tax losses £'m	Property, plant and equipment £'m	Share-based payments £'m	Other temporary differences[1] £'m	Total £'m
At 3 April 2022	5.6	1.0	1.0	0.4	8.0
Credit/(expense) to income statement	2.4	0.3	0.2	(0.3)	2.6
Expense to other comprehensive income	–	–	–	(0.2)	(0.2)
Expense directly to equity	–	–	(0.2)	–	(0.2)
At 2 April 2023	**8.0**	**1.3**	**1.0**	**(0.1)**	**10.2**
(Expense)/credit to income statement	**(2.2)**	**(0.3)**	**0.4**	**(0.2)**	**(2.3)**
Credit directly to equity	**–**	**–**	**0.1**	**–**	**0.1**
At 31 March 2024	**5.8**	**1.0**	**1.5**	**(0.3)**	**8.0**

1 Other temporary differences includes deferred tax liabilities on derivative financial instruments (£0.3m) and retirement benefit assets (£0.1m), offset by deferred tax assets on accruals and other payables (£0.1m) (2023: £0.2m liability, £0.1m asset and £nil, respectively).

At the reporting date, the Company had unused tax losses of £23.3m (2023: £32.0m) available for offset against future profits. The losses may be carried forward indefinitely.

The carrying amount of deferred tax assets is reviewed at each reporting date and recognised to the extent that it is probable that there are sufficient taxable profits to allow all, or part, to be recovered. Deferred tax assets have been recognised based on future forecast taxable profits. Deferred tax assets and liabilities are measured at the tax rate expected to apply in the period in which the asset is realised or the liability is settled.

Notes to the Company Financial Statements continued

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

11. Retirement benefit obligation

Defined benefit scheme

The Company operates a defined benefit pension arrangement called the Volex Executive Pension Scheme (the 'Scheme'). The Scheme provides benefits based on final salary and length of service upon retirement, leaving service or death.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process, the Company must agree, with the Trustees of the Scheme, the contributions to be paid to meet the Statutory Funding Objective. The future contributions required to meet the Statutory Funding Objective do not currently affect the balance sheet of the Scheme in these financial statements.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 July 2022 and the next valuation of the Scheme is due as at 31 July 2025. In the event that the valuation reveals a larger deficit than expected, the Company may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

In accordance with the Schedule of Contributions dated September 2020, the Company has agreed to pay contributions of £0.8m p.a. (payable in quarterly instalments) until 31 January 2026.

Further details of the Scheme and assumptions associated with the actuarial valuation are provided in note 30 to the Group financial statements.

Defined contribution scheme

The Company operates a Group personal pension plan for employees and pays contributions to administered pension insurance plans. Contributions to the defined contribution schemes are charged to the income statement as they fall due. The Group has no further obligations once the contributions have been made. The total cost charged to the Company's income statement in the period was £0.2m (2023: £0.1m).

12. Share-based payments

The Company currently uses a number of equity-settled share plans to grant options and shares to the Directors and employees of its subsidiaries. Full details of share-based payments, share option schemes and share plans are disclosed in note 29 'Share-based payments' to the consolidated financial statements.

13. Share capital

	Ordinary shares of £0.25 each Number	Par value £'m	Share premium £'m	Total £'m
Allotted, called up and fully paid:				
At 3 April 2022	158,718,709	39.7	44.3	84.0
Issue of new shares – Scrip dividend (i)	388,376	0.1	(0.1)	–
At 2 April 2023	159,107,085	39.8	44.2	84.0
Issue of new shares – Scrip dividend (i)	**692,267**	**0.2**	**(0.2)**	**–**
Equity raise	**21,818,181**	**5.4**	**1.2**	**6.6**
At 31 March 2024	**181,617,533**	**45.4**	**45.2**	**90.6**

(i) Shareholders were able to elect to receive ordinary shares in place of the final dividend of 2.6p per ordinary share (in relation to year ended 2 April 2023) and the interim dividend of 1.4p (in relation to the current year) under the terms of the Company's scrip dividend scheme. This resulted in the issue of 478,491 and 213,776 new fully paid ordinary shares respectively (2023: 377,615 and 10,761).

Details of the equity raise are set out in note 23 of the Group consolidated financial statements. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

The Company does not have any other authorised share capital.

Under the FY2024 deferred share bonus plan, shares may be awarded to the executive management team in lieu of a cash bonus. These will be issued in accordance with the terms of the deferred share bonus plan.

14. Equity dividend

Dividends paid and received are included in the Company financial statements in the period in which the related dividends are actually paid or received, or, in respect of the Company's final dividend for the period, approved by shareholders.

Dividends	**2024 Total £'m**	**Settled via scrip £'m**	**Dividend per ordinary share (p)**	2023 Total £'m	Settled via scrip £'m	Dividend per ordinary share (p)
Declared during the financial period:						
Final – period ended 2 April 2023	**4.7**	**1.4**	**2.6p**	–	–	–
Interim – period ended 31 March 2024	**2.5**	**0.6**	**1.4p**	–	–	–
Final – period ended 3 April 2022	**–**	**–**	**–**	3.8	1.2	2.4p
Interim – period ended 2 April 2023	**–**	**–**	**–**	2.1	–	1.3p
	7.2	**2.0**		5.9	1.2	

The proposed final dividend of 2.8p per ordinary share based on the number of issued ordinary shares at 31 March 2024 is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Based on shares in issue at 31 March 2024, this would equate to a final dividend of £5.1m.

The Group's consolidated reserves set out on page 137 do not reflect the profits available for distribution in the Group.

15. Other matters

The auditors' remuneration for the current period in respect of audit services was £0.6m (2023: £0.5m) and £nil for non-audit services performed (2023: £nil).

16. Related party transactions

For full details of transactions and arrangements with key management personnel (Directors of the Company), see note 9 of the consolidated financial statements.

17. Related undertakings

Volex Powercords Europe, Volex Europe Cable Assemblies and Volex plc Italian branch are trading divisions of Volex plc. In accordance with Section 409 of the Companies Act 2006, the subsidiaries owned at 31 March 2024 are disclosed below. Unless otherwise stated the following subsidiary entities are either wholly, or partly, owned directly by the plc and/or through other Group companies. For the two associates, ownership is shared between a local Volex subsidiary and the relevant partner.

Name of entity	Footnote	Country of incorporation	Address	Percentage owned by plc
Directly held				
Volex Pte Ltd	2	Singapore	37A Tampines Street 92, #08–01, Singapore 528886	100%
Volex Holdings Inc	2	USA	511 E San Ysidro Blvd # 509, San Ysidro CA 92173, USA	100%
Terminal & Cable TC Inc	1	Canada	300 – 50 O'Connor Street, Ottawa ON K1P 6L2, Canada	100%
Volex Group Holdings Ltd	2	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	100%
GTK (Holdco) Ltd	2	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	100%
Volex Poland Sp z.o.o.	1	Poland	Przemyslowa 8, 85–758, Bydgoszcz, Kuyavian–Pomeranian Voivodeship, Poland	99%
Volex Germany GmbH	3	Germany	Zu den Mühlen 19, 35390 Gießen, Germany	100%
Volex Sweden AB	3	Sweden	C/O Servando Bolag AB, Johan Fredrik Stahl, Box 5814, 102 48 Stockholm, Sweden	100%
Volex International Korea LLC	3	South Korea	6th Floor, 100 Toegye-ro, Hoehyun-dong 2-ga, State Tower Namsan, Jung-gu, Seoul, South Korea	100%
Volex do Brasil Ltda	3	Brazil	Rod. Geraldo Scavone 2.080, Unidade 13 A 16, Jacarei, 12305–490, Brazil	99%
Volex (No.4) Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%

Notes to the Company Financial Statements continued

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

17. Related undertakings continued

Name of entity	Footnote	Country of incorporation	Address	Percentage owned by plc
Volex (No.3) Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	50%
Volex (No.2) Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	50%
Volex (No.1) Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Cable Products Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	50%
Pencon Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	50%
Volex Executive Pension Scheme Trustee Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	67%
Volex Electrical Products Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	90%
Volex Group Pension Scheme Trustee Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Ward and Goldstone Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Volex Interconnect Products Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Volex Electronics Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Ionix Development Company Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Pendle Connectors Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Mayor (UK) Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Volex Interconnect Systems Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ, England	99%
Volex Europe (No.1) Ltd	3	Ireland	Carraroe Industrial Estate, Carraroe, Co Galway, H91WR82, Ireland	100%
Murat Ticaret Kablo Sanayi A.Ş.	1	Türkiye	Kocasinan Merkez Mah. Mimarsinan Cad. Oto San.Sitesi, A Blok No:14/3 Bahçelievler İstanbul, Türkiye	100%

1 Manufacture and/or sale of power and data cables.
2 Holding company.
3 Dormant company.

17. Related undertakings continued

Name of entity	Footnote	Country of incorporation	Address	Percentage owned by Group companies
Indirectly held				
G.T.K. (U.K.) Ltd	1	UK	Unit C2 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ. England	100%
GTK Ltd	3	UK	Unit C2 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ. England	100%
GSRG Holdings Limited	2	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ. England	100%
Review Display Systems Limited	1	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ. England	100%
Review Display Systems Inc	1	USA	790 N Milwaukee Street, Suite 300 Milwaukee, WI 53202-3712 USA	100%
IQRF UK Limited	1	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ. England	100%
De-Ka Elektroteknik Sanayi ve Ticaret Anonim Şirketi	1	Türkiye	Akse Mah. Fevzi Çakmak Cad. No: 140 Çayırova, Kocaeli, Türkiye	100%
Volex (No.5) Ltd	3	UK	Unit C1 Antura, Bond Close, Basingstoke, Hampshire, RG24 8PZ. England	100%
GTK Electronics GmbH	1	Germany	Romberg 25b, 51381 Leverkusen, Germany	100%
GTK RO S.r.l	1	Romania	Str. Fantana Popova, Nr. 36, Et.1, Cod Postal, 200319, Craiova, Dolj, Romania	100%
Silcotec Europe (SK) s.r.o	1	Slovakia	Družstevná 14, Komárno, 945 05, Slovakia	100%
Silcotec Europe Ltd	1	Ireland	Carraroe Industrial Estate, Carraroe, Co Galway, H91WR82, Ireland	100%
Volex Inc	1	USA	511 E San Ysidro Blvd # 509, San Ysidro CA 92173, USA	100%
MC Electronics LLC	1	USA	9571 Pan American Drive, El Paso, TX 79927, USA	100%
Servatron Inc.	1	USA	12825 Mirabeau Parkway, Suite 104, Spokane Valley, WA 99216–1617, USA	100%
Irvine Electronics LLC	1	USA	1601 Alton Parkway, Suite A, Irvine CA 92606, USA	100%
Volex (Asia) Pte Ltd	1	Singapore	37A Tampines Street 92, #08–01, Singapore 528886	100%
PT Volex Indonesia	1	Indonesia	Kawasan Industri Sekupang, Batam, Kepulauan Riau, Indonesia 29428	100%
PT Volex Cable Assembly	3	Indonesia	EJIP Industrial Park, Plot 8M-1, A-B Lemahabang, Bekasi 17550, Jakarta, Indonesia	100%
Volex Cable Assemblies (Phils) Inc	1	Philippines	Galaxy Building km 60.7 Maharlika Highway, Sto Thomas Batangas, Philippines	100%
Volex Japan KK	1	Japan	9th floor Kannai Tosei Building II, Sumiyoshi–cho 4–45–1, Naka–Ku, Yokohama–shi, Kangawa, Japan	100%
Volex (Taiwan) Co. Ltd	1	Taiwan	4F, No 1223, Zhongzheng Road, Taoyuan District, Taoyuan City 330, Taiwan	100%
Volex (Thailand) Co. Ltd	1	Thailand	No. 99/349, Chaengwattana Road, Thungsong–Hong, Laksi, Bangkok 10210, Thailand	100%
Volex Cable Assembly (Vietnam) Co Ltd	1	Vietnam	Plot D–5B, Thanglong Industrial Park, Vong La Commune, Dong Anh District, Hanoi, Vietnam	100%
Volex Cable Assemblies Sdn Bhd	1	Malaysia	B–03–13A, Empire Soho, Empire Subang, Jalan SS16/1, SS16, 47500, Subang Jaya, Selangor, Malaysia	100%

Notes to the Company Financial Statements continued

For the 52 weeks ended 31 March 2024 (52 weeks ended 2 April 2023)

17. Related undertakings continued

Name of entity	Footnote	Country of incorporation	Address	Percentage owned by Group companies
inYantra Technologies Pvt Ltd	1	India	GAT NO. 208-210, 221, 224 & Others, Shindewadi, Shirval – 412801, India	51%
Volex Interconnect (India) Pvt Ltd	1	India	Level 9, Olympia Teknos Park, No. 28 Sidco Industrial Estate, Guindy, Chennai, Tamil Nadu, 600 032, India	100%
Volex Cables (HK) Ltd	1	Hong Kong	Unit 5805, 58/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong	100%
Ta Hsing Industries Ltd	1	Hong Kong	Unit 5805, 58/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong	100%
Shenzhen Ta Hsing Wire and Cable Ltd	1	China	5 Horizontal Lane, Yuan Hu Road, Zhang Bei Community, Long Cheng Street, Long Gang District, Shenzhen City, Guang Dong, China	100%
Volex Interconnect Systems (Suzhou) Co. Ltd	1	China	Building 3, Fumin Phase 3, No.818 Wushong Road, Guoxiang Street, Wuzhong Economic Development Zone, Suzhou, Jiangsu Province 215124, China	100%
Volex Cable Assembly (Shenzhen) Co. Ltd	1	China	No. 6279, Longgang Avenue, Longgang District, Shenzhen City, China	100%
Volex Cable Assembly (Zhongshan) Co. Ltd	1	China	2 Xingda Street, Torch High–tech Ind Dvpt Zone, Zhongshan, 528437, China	100%
Prodamex SA de CV	1	Mexico	Carretera a Zacatecas Km 12.5 Nave 5, Parque Industrial Pueblo Viejo, Mexquitic de Carmona, SLP CP 78480, Mexico	100%
Volex de Mexico SA de CV	1	Mexico	Av 32 Sur, No 8950 Interior G/1,D,E,F, Parque Industrial La Mesa, Fraccionamiento Rubio, Tijuana; Baja California Mexico, CP 22116, Mexico	100%
The Volex Group PLC Employees' Share Trust	4	Guernsey	St. Peter's House, Le Bordage, St. Peter Port, GY1 1BR, Guernsey	100%
Kablo Ucu Sanayi ve Ticaret A.Ş.	1	Türkiye	Kocasinan Belediye Sanayi Sitesi, Bahçelievler İstanbul, Türkiye	93%
Akü Başi Sanayi ve Ticaret Ltd. Şti.	1	Türkiye	Kocasinan Belediye Sanayi Sitesi, Bahçelievler/ İstanbul, Türkiye	55%
Murat Wiring Systems North America Inc	1	USA	2277 Devon Avenue, Elk Grove Village, IL 60007 USA	95%
Murat Wiring Systems GmbH	1	Germany	Kampstraße 4 38442 Wolfsburg, Germany	100%
Murat Wiring Systems Makedonija Dooel Skopje	1	North Macedonia	Technological Industrial Development Zone Skopje 2 1041 Ilinden, North Macedonia	100%
Componentes, Cables, Arneses Y Servicios Industriales, S.A. de C.V.	1	Mexico	Av. Estados Unidos No.10, Int. 9, 10, 11 y 12 El Paraiso El Marques, Queretaro, 76248 Mexico	99%
Murat Wiring Systems De Mexico, S. de R.L. de C.V.	1	Mexico	Carretera Agua Fria #499 AF2 AMB Agua Fria Industrial Park Apodaca, Nuevo Leon, C.P.66620 RFC, Mexico	100%
Interests in associates				
Kepler SignalTek Ltd	1	Hong Kong	Unit 912 9/F Two Harbourfront 22 Tak Fung Street Hunghom KL, Hong Kong	36%
Volex-Jem Co Ltd	2	Taiwan	19F.-13, No. 79, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 22101, Taiwan	43%

1 Manufacture and/or sale of power and data cables.
2 Holding company.
3 Dormant company.
4 Employees' Share Trust

Alternative Performance Measures

The Group makes use of underlying and other alternative performance measures in addition to the measures set out in International Financial Reporting Standards.

Underlying operating profit and underlying EBITDA

Underlying operating profit is defined as operating profit excluding adjusting items and share-based payments. Underlying EBITDA is defined as underlying operating profit adjusted for depreciation and amortisation. The Group uses underlying operating profit and underlying EBITDA to present meaningful year-on-year comparisons. The reconciliation between operating profit and underlying operating profit and underlying EBITDA is presented in note 7.

Underlying basic earnings per share and underlying diluted earnings per share

Underlying basic earnings per share is defined by the profit attributable to the owners of the parent company, excluding adjusting items, divided by the weighted average number of shares in issue during the year. Underlying diluted earnings per share adjusts the basic earnings per share by the effect of dilutive potential share options as at the period end date. Both metrics are reconciled to statutory measures in note 11.

Organic growth

As the group has undertaken twelve acquisitions in the past six years, management uses organic revenue growth so that meaningful year-on-year comparisons can be made.

Organic revenue growth is calculated using constant exchange rates by taking the total reported revenue (excluding the impact of acquisitions and disposals) divided by the preceding financial year's revenue at the current year's exchange rates.

	Electric Vehicles $'m	Consumer Electricals $'m	Medical $'m	Complex Industrial Technology $'m	Off-Highway $'m	Total $'m
2023 revenue	**138.3**	**261.8**	**145.0**	**177.7**	**–**	**722.8**
Restatement*	–	(2.2)	–	(20.0)	22.2	–
2023 revenue restated	**138.3**	**259.6**	**145.0**	**157.7**	**22.2**	**722.8**
FX impact	(1.4)	(5.0)	3.7	0.8	(0.4)	(2.3)
2023 revenue at 2024 FX rates	**136.9**	**254.6**	**148.7**	**158.5**	**21.8**	**720.5**
Organic growth	(13.2)	(19.3)	22.7	50.5	8.7	49.4
Organic growth %	(9.6)%	(7.6)%	15.3%	31.9%	39.9%	6.9%
Acquisitions	–	–	6.1	4.4	132.4	142.9
2024 revenue	**123.7**	**235.3**	**177.5**	**213.4**	**162.9**	**912.8**

* Upon acquisition of Murat Ticaret we gained scale in the Off-Highway market, allowing us to launch a new fifth market sector. Previously, we reported sales to Off-Highway customers from our sites in North America and Asia within Consumer Electricals and Complex Industrial Technology. This has been restated to ensure comparability going forwards.

Alternative Performance Measures continued

Leverage and interest cover covenants

At the year end, the Group had a $240m committed facility together with an additional $60m uncommitted accordion, which has since been refinanced to an increased $400m committed facility, with an additional $200m uncommitted accordion.

The terms of the RCF require the Group to perform quarterly financial covenant calculations with respect to leverage (net debt (before operating leases) to covenant EBITDA) and interest cover (covenant EBITDA to covenant interest). Breach of these covenants could result in cancellation of the facility. Net debt (before operating leases) in the financial statements is defined as net debt excluding lease liabilities but including pre-IFRS 16 finance leases. Covenant EBITDA is defined as underlying EBITDA adjusted for depreciation of right-of-use assets.

	Note	**2024 $'m**	2023 $'m
Net debt	27	**(154.0)**	(103.7)
Lease liabilities	27	**37.4**	34.8
Finance leases		**(4.5)**	(7.5)
Net debt (before operating lease liabilities)		**(121.1)**	(76.4)
Underlying EBITDA	7	**111.6**	81.6
Depreciation of right-of-use assets	7	**(7.4)**	(4.8)
Prorated acquired EBITDA		**15.5**	–
Covenant EBITDA		**119.7**	76.8
Interest on bank overdrafts and loans	6	**11.2**	6.4
Interest on finance leases		**0.4**	0.4
Covenant interest		**11.6**	6.8
Leverage		**1.0x**	1.0x
Interest cover		**10.3**	11.0

Free cash flow and underlying free cash flow

Free cash flow and underlying free cash flow are used where they allow for year-on-year comparisons to be made by excluding cost of acquisitions and adjusting items which vary year-to-year.

Free cash flow is defined as the net cash flow before financing activities excluding the net outflow from the acquisition of subsidiaries.

Underlying free cash flow is the net cash before financing activities and excluding costs of acquisition, adjusting items and share-based payments.

	Note	**2024 $'m**	2023 $'m
Cash flow before financing activities		**(89.0)**	25.9
Less: Acquisition of businesses, net of cash acquired	35	**134.3**	5.1
Less: Contingent consideration for businesses acquired		**2.2**	7.1
Less: Purchase of shares in associate	33	**2.3**	–
Free cash flow		**49.8**	38.1
Less: Cash utilised in respect of adjusting items		**7.0**	2.2
Underlying free cash flow		**56.8**	40.3

Five Year Summary

Results	Unaudited IFRS 2024 $'m	Unaudited IFRS 2023 $'m	Unaudited IFRS 2022 $'m	Unaudited IFRS 2021 $'m	Unaudited IFRS 2020 $'m
Revenue – total Group	912.8	722.8	614.6	443.3	391.4
Gross profit – total Group	202.8	157.0	125.8	103.9	90.7
Operating expenses – total Group	(138.9)	(103.2)	(84.8)	(73.2)	(73.6)
Underlying operating profit(i) – total Group	89.7	67.3	56.2	42.9	31.6
Adjusting items	(19.5)	(9.8)	(10.8)	(5.6)	(5.8)
Share-based payment charge	(6.3)	(3.7)	(4.4)	(6.6)	(8.7)
Profit on ordinary activities before taxation	51.6	45.8	36.2	29.4	15.9
Depreciation and amortisation (excluding intangible assets acquired in a business combination)	21.9	14.3	9.9	7.9	6.5

	Cents	Cents	Cents	Cents	Cents
Basic underlying earnings per share – total Group(ii)	33.7	30.2	26.9	32.1	18.2
Basic earnings per share – total Group	21.8	23.2	19.3	25.5	9.9

Statement of financial position	$'m	$'m	$'m	$'m	$'m
Non-current assets	421.2	238.6	216.9	185.3	84.7
Net debt (before operating lease liabilities)(iii)	(121.1)	(76.4)	(74.4)	(7.3)	31.6
Other assets and liabilities	35.5	70.5	66.0	6.0	14.2
Net assets	335.6	232.7	208.5	184.0	130.5
Gearing	36%	33%	36%	4%	–

(i) Defined as operating profit before adjusting items and share-based payments.
(ii) Defined as earnings per share before share-based payments and adjusting items, net of tax.
(iii) Following the adoption of IFRS 16 on 1 April 2019 this calculation excludes the lease liability.

Shareholder Information

Provisional Financial Calendar

FY2025

Interim Results announced w/c 11 November 2024
Period end 30 March 2025
Final Results announced w/c 16 June 2025

Registered Office and Advisers

Registered Office

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RG24 8PZ

www.volex.com

Registered number

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WC2N 6RH

Bankers

HSBC Bank plc

Citibank, N.A. London branch

Barclays Bank plc

Fifth Third Bank, National Association

UniCredit Bank AG, London Branch

Nominated Adviser and Joint Broker

Peel Hunt LLP

Joint Broker

HSBC Bank plc

Solicitors

Travers Smith LLP

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