



Interim Statement

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Hardide PLC
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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Hardide plc
("Hardide", "the Group" or "the Company")

Interim Statement for the six months ended 31 March 2026

Hardide plc (AIM: HDD), the provider of advanced surface coating technology, announces its interim results for the period ended 31 March 2026 ("H1 2026" or the "Period").

Financial Summary

Six months ended 31 March:

£m	H1 2026	H1 2025	Change
Revenue	4.8	2.8	+2.0 (+71%)
Gross margin %	65%	54%	+ 11 ppts
EBITDA	1.6	0.4	+1.2 (+321%)
Operating Profit	1.3	-	+1.3
Operating margin %	26.8%	-	+26.8 ppts
Basic earnings per share (p)	1.6	(0.1)	+1.7
Cash balance at 31 March	1.5	1.0	+0.5

H1 Trading and Financial Highlights

- Record first half performance, delivering strong revenue growth, significant margin expansion and a material improvement in profitability.
- Revenue increased by 71% to £4.8m (H1 2025: £2.8m), driven by sustained new business momentum, including major contract wins with a leading North American energy customer.
- Strong margin expansion with operating margins of 26.8% and return on capital employed of 45.2% (H1 2025: both Nil), reflecting improved capacity utilisation across the Group and continued operational efficiency gains.
- Positive earnings per share, underpinned by improved profitability.
- Strong cash generation, with cash balances growing to £1.5m at 31 March 2026, despite ongoing investment in working capital to support growth.

Outlook

- H2 revenues will benefit from the recently announced additional £1.8m energy sector order, the new aerospace contract announced in December 2024 going into production, and the first order for industrial turbine blades since 2022.
- Macroeconomic cost pressures continue to be closely monitored and have been largely offset through targeted pricing actions and operational efficiencies, with process gas supplies for the remainder of the year now secured at known costs.
- The Group remains well positioned to deliver full year performance in line with its recently upgraded expectations and is on track to exceed its strategic milestone of doubling revenues from the FY24 baseline ahead of the original timeframe.

Matt Hamblin, Chief Executive, said:

"I am delighted to report a record first half performance, with strong revenue growth and a meaningful improvement in profitability driven by a combination of new contract wins and better capacity utilisation across the Group. This bears testament to the hard work and achievements of the Hardide teams in both the UK and USA.

Order intake and trading momentum remain encouraging as we head into H2 2026, including further orders from our major North American customer, providing good visibility into the second half. With modest working capital requirements and significant existing capacity, the business continues to generate cash and remains well capitalised to support its growth plans. We have taken proactive steps to mitigate volatility in our input costs through a combination of pricing measures and operational efficiencies, alongside securing supply for the remainder of the year.

Looking ahead, the Board remains confident in the Group's prospects, with a growing pipeline of work, strong customer demand and a scalable operational platform to support further growth."

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Notes to editors:

www.hardide.com

Hardide develops, manufactures and applies advanced technology tungsten carbide/tungsten metal matrix coatings to a wide range of engineering components. Its patented technology is unique in combining in one material, a mix of toughness and resistance to abrasion, erosion and corrosion; together with the ability to coat accurately interior surfaces and complex geometries. The material is proven to offer dramatic improvements in component life, particularly when applied to components that operate in very aggressive environments. This results in cost savings through reduced downtime and increased operational efficiency as well as a reduced carbon footprint. Customers include leading companies operating in the energy sectors, valve and pump manufacturing, industrial gas turbine, precision engineering and aerospace industries.

Performance Overview

I am pleased to report Hardide delivered a record performance in the first half of 2026.

Revenues increased by 71% to £4.8m on the prior period (H1 2025: £2.8m), driven by numerous **new work wins**, including from a major new North American customer in the energy sector.

Gross margins improved to 65% (H1 2025: 54%), reflecting higher capacity utilisation across the Group's US and UK facilities and continued operational efficiencies.

We continued to invest selectively in the team to support growth in North America and the UK, whilst maintaining focused cost discipline, driving a significant increase in EBITDA to £1.6m (H1 2025: £0.4m), enabling the Group to deliver operating profit of £1.3m and positive operating margin expansion to 26.8% (H1 2025: break-even).

Basic earnings per share were 1.6 pence, compared with a loss of 0.1 pence in H1 2025, reflecting the significant improvement in profitability.

The business generated net cash of £0.7m in the period, despite £0.6m of additional investment in working capital to support growth, increasing gross cash balance to £1.5m at 31 March 2026 (30 September 2025: £0.8m).

Commercial and operational review

The Group's revenues analysed by end use market were as follows:

£m	H1 2026 (£m)	H1 2025 (£m)	% change	H1 2026 % total	H1 2025 % total
Energy	3.1	1.2	144%	64%	44%
Industrial	0.9	0.6	66%	19%	20%
Aerospace	0.8	1.0	(17%)	17%	36%
Total	4.8	2.8	+71%	100%	100%

The principal driver of revenue growth was additional orders secured in the energy sector, particularly from the major new customer in North America. Underlying production revenues increased by 25% in the first half, demonstrating continued growth across the core business, excluding the contribution from the new North American customer and prior period aerospace development revenues.

The strong growth in the energy sector was driven by increased demand across the customer portfolio, alongside the new orders from the major new customer.

Industrial revenues increased in absolute terms and remained broadly stable as a proportion of Group revenues, with demand from major customers recovering from softer demand in the earlier part of the prior year.

Aerospace revenues were lower, reflecting the non-repeat of significant development revenues recognised in the prior period in relation to the cargo door coating contract, alongside a later transition of this work into production during the current financial year due to external delays.

Operations

Hardide's operational teams both in the UK and USA responded very well to the increased activity arising from new business won in the period. Not only were significant increases in output delivered, but efficiency improvements were also realised, including improved reactor loadings and process gas usage.

Planning and design work has been completed to enable the infrastructure at our Martinsville, USA plant to be upgraded, which will enable further operational capacity to be added to support growing demand and maintain efficiency gains. As previously announced, the project is expected to complete later this year at a capital cost of £0.7m.

Technical and Engineering

The focus of work for the technical and engineering teams in the period was on developing solutions demanded by customers and potential customers, including thinner coatings for certain applications. In addition, support was given to the operations teams to achieve improved reactor loadings. Work is ongoing to seek to reduce cycle times and improve relative outputs from investments in new capacity.

Operational Capacity

The upgrade to infrastructure at Martinsville, together with the improvements we are making to operational efficiency, should enable us to increase our operational capacity to around £20m of revenue per annum without significant further investment. Capacity could be further increased by adding coating reactors to our two operational sites. Each coating reactor has a capital cost of circa £1.3m. We are working on and testing design improvements intended to realise significant improvements in the output of future coating reactors, with the aim of improving the ratio of annual revenue to capital cost for each new reactor from 1-2 times to 3-4 times. This should enhance Hardide's incremental returns on capital over time as the business grows.

Business development

Growth focus remains in two primary areas. Firstly coating as a service, working with customers on existing and new applications in traditional markets. Traction here remains very strong with the production launch of the aerospace cargo door project with at least one additional Hardide coated part number to be added to the project scope in the second half of the financial year. Work with our North American energy sector customer has increased during the first half with order cover extended as previously announced. One additional part number has also been awarded to Hardide with initial production volumes due to commence in the second half. The overall volume of the new part number is significantly less than existing business but it demonstrates growing confidence in our capabilities and strengthens our platform of base business from which to further build. Testing of Hardide continues with our Middle East customers, we anticipate a 3 - 6 months delay based on recent global events but remain positive these opportunities will mature into full production in the fullness of time. In the US, development projects with two additional energy sector customers have matured into low volume repeat production again further strengthening our base load. Finally, we have secured our first development orders in our Additional Services value stream for our electroless nickel plating offering.

The second area of focus is our solutions business, where we work with customers to develop unique chemical vapour deposition ("CVD") coating solutions for their engineering problems. In this sector we continue to deploy our market pull digital marketing strategy. Over the past six months, we have seen a significant increase in engagement through these activities with the commercial and engineering teams working with customers on technical and commercial qualification. We remain market agnostic, with new opportunities being developed in Industrial and Semi-Conductor sectors with customer testing and evaluation ongoing on a significant number of projects.

Financial review

Income statement

The Group's income statement for the period can be summarised as follows:

£m	H1 2026	H1 2025	Change
Revenue	4.8	2.8	+2.0
Gross margin	3.1	1.5	+1.6
<i>Gross margin %</i>	<i>65%</i>	<i>54%</i>	<i>+11 ppts</i>
Overheads	(1.5)	(1.1)	(0.4)
EBITDA	1.6	0.4	+1.2
Depreciation	(0.3)	(0.4)	+0.1
Operating Profit / (Loss)	1.3	-	+1.3
Operating margin %	26.8%	-	+26.8 ppts
Financing costs	(0.1)	(0.1)	-
Profit / (loss) before & after tax	1.2	(0.1)	+1.3

Basic earnings / (loss) per share (p)	1.6	(0.1)	+1.7
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Return on capital invested (%)*	45.2%	-	+45.2 ppts
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* Defined as annualised operating profit divided by average capital invested for the period.

A commentary on the Group's financial results can be found in the Performance Overview section above.

Due to cumulative prior years' tax losses amounting to some £15m, Hardide does not expect to incur a corporation tax charge in the current financial year.

Return on capital invested has now risen to a level well above the group's estimated weighted average cost of capital, with improvements in profitability far exceeding the growth in the capital base.

Cash flow

The Group's cash flow statement for the period is summarised below:

£m	H1 2026	H1 2025	Change
EBITDA	1.6	0.4	1.2
Change in working capital	(0.6)	0.1	(0.7)
Capital expenditure	(0.1)	(0.1)	-
Debt & lease repayments	(0.2)	(0.1)	(0.1)
Net cash flow	0.7	0.3	0.4

Net cash generated in the period was £0.7m enabling the group's cash balance to increase from £0.8m at 30 September 2025 to £1.5m at 31 March 2026. This compared with a net cash inflow in the first half of the prior financial year of £0.3m.

The improved cash flow performance in the current period was driven by significantly higher EBITDA, which was partly offset by investment in working capital to support revenue growth.

Balance sheet

The evolution of the Group's balance sheet since the last financial year end is summarised in the table below:

£m	31 March 2026	30 September 2025	Change
Property, plant & equipment	3.5	3.5	-
Right of use assets	1.3	1.4	(0.1)
Working capital	1.1	0.6	+0.5
Capital invested	5.9	5.5	+0.4
Cash	1.5	0.8	+0.7
Loans	(0.4)	(0.5)	+0.1
Lease liabilities	(1.8)	(1.9)	+0.1
Shareholders' funds	5.2	3.9	+1.3

The Group's capital invested and shareholders' funds increased as the group generated both profit and cash and invested further in working capital to support growth.

Financing

The interim financial statements have been prepared on a going concern basis, with no material uncertainties to this assessment identified from the Board's review of the Group's latest financial plans and sensitivity analyses. This Group's strong trading performance, improving profitability and sustained cash generation, alongside its modest working capital requirements, mean it is well placed with existing resources to support its growth plans.

Proposed capital reduction, and capital allocation priorities

In the coming weeks, Hardide intends to formally announce its plans to seek shareholder and Court approval for a proposed capital reduction, under which approximately £20.9m of the Company's capital reserves would be converted into revenue reserves. This will eliminate the current deficit in Hardide plc's revenue reserves, caused by historical trading losses, and restore distributable reserves at the parent company level.

The capital reduction will therefore provide the Board with future flexibility to use distributable reserves as appropriate, for example to satisfy the exercise of executive share options through market-based share purchases without the need to issue new shares, thereby avoiding dilution of existing shareholders for this purpose.

Notwithstanding the above, the Board currently expects that profit and cash generated from trading will be used primarily to support the future growth of the business, and the Directors do not intend to recommend the payment of dividends for the time being.

Current Trading

Recent trading and order intake have continued to be strong, supported by the additional £1.8m sales order received from our large energy sector customer, for delivery during this financial year.

The Board continues to monitor events in the Middle East closely. As announced in April, Hardide has experienced increases in the cost of tungsten gas, the principal raw material used in its coating process, reflecting higher demand from the defence sector alongside constraints in supply from China. As previously disclosed, energy costs remain modest at approximately 3% of Group revenues, with around 50% fixed through to the end of 2026.

Hardide has now secured supplies of tungsten gas at known costs, covering the Group's anticipated needs for the remainder of the financial year. The total additional input costs over the second half of the financial year are now expected to be managed within the £0.7m previously estimated in April. This is being mitigated through a combination of selling price surcharges and internal operational efficiencies.

Outlook

The group continues to trade strongly and, supported by recent order intake and actions taken to mitigate input cost pressures, the Board expects Hardide to deliver full year performance in line with its recently upgraded expectations.

Hardide also remains on track to deliver its initial strategic milestone of doubling revenues, significantly faster than originally expected, from the original base line level set in 2024.

Beyond that, the Board believes that Hardide is well positioned to drive further significant profitable growth from the ongoing commercialisation of its unique surface treatment technology.

Matt Hamblin
Chief Executive
21 May 2026

Income Statement

£ 000		6 months to 31 March 2026 (unaudited)	6 months to 31 March 2025 (unaudited)	Year to 30 September 2025 (audited)
Revenue	2	4,789	2,801	6,030
Cost of Sales		(1,667)	(1,302)	(2,574)
Gross profit		3,122	1,499	3,456
Administrative expenses		(1,481)	(1,109)	(2,435)
EBITDA		1,641	390	1,021
Depreciation		(358)	(385)	(761)
Operating profit	2	1,283	5	260
Finance income		4	3	6
Finance costs		(61)	(73)	(141)
Profit / (loss) on ordinary activities before tax		1,226	(65)	125
Tax		-	-	53
Profit / (loss) on ordinary activities after tax		1,226	(65)	178
Basic earnings per share	3	1.6p	(0.1)p	0.2p
Diluted earnings per share	3	1.5p	(0.1)p	0.2p

Consolidated Statement of Changes in Equity

£ 000

	6 months to 31 March 2026 (unaudited)	6 months to 31 March 2025 (unaudited)	Year to 30 September 2025 (audited)
Total equity at start of period	3,879	3,659	3,659
Profit / (loss) for the period	1,226	(65)	178
Issue of new shares	-	20	20
Share options	27	17	25
Exchange differences on translation of foreign operation	33	19	(3)
Total equity at end of period	5,165	3,650	3,879

Consolidated Statement of Financial Position

£ 000		31 March 2026 (unaudited)	31 March 2025 (unaudited)	30 September 2025 (audited)
Assets				
Non-current assets				
Property, plant & equipment		3,458	3,762	3,516
Right of Use Assets		1,285	1,422	1,369
Total non-current assets		4,743	5,184	4,885
Current assets				
Inventories		298	186	173
Trade and other receivables		1,878	627	1,405
Other current financial assets		302	312	324
Cash and cash equivalents		1,493	992	827
Total current assets		3,971	2,117	2,729
Total assets	2	8,714	7,301	7,614
Liabilities				
Current liabilities				
Trade and other payables		1,237	959	1,235
Financial liabilities - loans		133	198	168
Financial liabilities - deferred income		16	17	15
Financial liabilities - leases		230	199	231
Total current liabilities		1,616	1,373	1,649
Net current assets		2,355	744	1,080
Non-current liabilities				
Financial liabilities - loans		252	391	309
Financial liabilities - deferred income		27	43	34
Financial liabilities - leases		1,604	1,794	1,693
Provision for dilapidations		50	50	50
Total non-current liabilities		1,933	2,278	2,086
Total liabilities	2	3,549	3,651	3,735
Net assets		5,165	3,650	3,879
Equity attributable to equity holders of the parent				
Share capital		3,153	3,153	3,153
Share premium		19,193	19,193	19,193
Capital reserve		1,707	1,707	1,707
Retained earnings		(18,575)	(20,079)	(19,828)
Translation reserve		(313)	(324)	(346)
Total equity		5,165	3,650	3,879

Consolidated Statement of Cash Flows

£ 000	6 months to 31 March 2026 (unaudited)	6 months to 31 March 2025 (unaudited)	Year to 30 September 2025 (audited)
Cash flows from operating activities			
Operating profit	1,283	5	260
Depreciation - owned assets	246	273	538
Depreciation - right of use assets	112	112	223
Share option charge	27	17	25
(Increase) / decrease in inventories	(125)	(19)	(6)
Decrease / (increase) in receivables	(516)	383	(355)
(Decrease) / increase in payables	(50)	(213)	63
Cash generated from operations	977	558	748
Finance income	4	3	6
Finance costs	(61)	(73)	(141)
Tax received	65	49	50
Net cash generated from operating activities	985	537	663
Cash flows from investing activities			
Purchase of intangibles, property, plant, equipment	(146)	(8)	(69)
Net cash used in investing activities	(146)	(8)	(69)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	-	-	20
Loans repaid	(94)	(141)	(236)
Repayment of leases	(114)	(117)	(233)
Net cash (used in) / generated from financing activities	(208)	(258)	(449)
Effect of exchange rate fluctuations	35	21	(18)
Net increase in cash and cash equivalents	666	292	127
Cash and cash equivalents at the beginning of the period	827	700	700
Cash and cash equivalents at the end of the period	1,493	992	827

Notes

1. Basis of preparation of financial information

While the financial information included in these interim financial results for the half year ended 31 March 2026 has been prepared in accordance with the recognition and measurement principles of international accounting standards in conformity with the requirements of Companies Act 2006, this announcement does not contain sufficient information to comply with IFRSs.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 2025, which were prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under these standards.

The financial information set out above does not constitute the Company's statutory accounts as defined by section 434 of the UK Companies Act 2006. A copy of the statutory accounts for Hardide plc for the year ended 30 September 2025 has been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified. Their reports for the year ended 30 September 2025 did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial information presents the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

2. Segmental information

Under IFRS8, operating segments are defined as a component of the entity (a) that engages in business activities from which it may earn revenues and incur expenses (b) whose operating results are regularly reviewed and (c) for which discrete financial information is available. The Group management is organised into UK and USA operation and Corporate central functions, and this factor identifies the Group's reportable segments.

<i>6 months ended 31 March 2026</i>	UK operation £000	US operation £000	Corporate £000	Total £000
External revenue	2,382	2,407	-	4,789
Reportable segment operating profit / (loss)	693	1,303	(713)	1,283
Segment assets	5,075	2,766	873	8,714
Segment liabilities	2,137	1,215	197	3,549

<i>6 months ended 31 March 2025</i>	UK operation £000	US operation £000	Corporate £000	Total £000
External revenue	2,313	488	-	2,801
Reportable segment operating profit / (loss)	519	(40)	(474)	5
Segment assets	5,588	1,549	164	7,301
Segment liabilities	2,292	1,165	194	3,651
<i>12 months ended 30 September 2025</i>	UK operation £000	US operation £000	Corporate £000	Total £000
External revenue	4,581	1,449	-	6,030
Reportable segment operating profit / (loss)	592	338	(670)	260
Segment assets	5,461	1,978	175	7,614
Segment liabilities	2,399	1,148	188	3,735

The Group currently has a single business product, so no secondary analysis is presented. Revenue from external customers is attributed according to their country of domicile. Turnover by geographical destination is as follows:

	UK £000	Europe £000	N America £000	Rest of World £000	Total £000
External sales					
6 months to 31 March 2026	1,142	385	2,635	627	4,789
6 months to 31 March 2025	1,019	712	455	615	2,801
12 months to 30 September 2025	2,309	1,048	1,681	992	6,030

3. Earnings per share

	31 March 2026 £000	31 March 2025 £000	30 September 2025 £000
Profit / (loss) on ordinary activities after tax	1,226	(65)	178
Earnings per ordinary share:			
Weighted average number of ordinary shares in issue	78,812,749	78,642,936	78,737,808
Dilutive effect of potential ordinary shares	7,145,410	-	4,950,362
Basic earnings per share	1.6p	(0.1)p	0.2p
Fully diluted earnings per share	1.5p	(0.1)p	0.2p

As net losses were recorded in the equivalent prior period, the potentially dilutive share options are anti-dilutive for the purposes of the loss per share calculation and their effect is therefore not considered.

4. Going concern

The interim financial statements have been prepared on a going concern basis after assessing the principal risks and considering the impact of various downside scenarios to the Group's base case financial plans, including latest sales expectations and profit forecasts. The Board continues to monitor energy costs and broader cost pressures and is mindful of the wider macroeconomic backdrop.

5. Debt maturity

<i>Loans</i>	31 March 2026 £000	31 March 2025 £000	30 September 2025 £000
Total loans	385	589	477

Maturity analysis:

Within 1 year	133	198	168
1 to 2 years	85	134	103
2 to 3 years	80	87	85
3 to 4 years	38	82	54
4 to 5 years	41	39	39
5+ years	8	49	28

Right of use lease liabilities

	31 March 2026 £000	31 March 2025 £000	30 September 2025 £000
Total lease liabilities	1,834	1,993	1,924
Maturity analysis:			
Within 1 year	230	199	231
1 to 2 years	204	196	207
2 to 3 years	218	201	205
3 to 4 years	227	213	218
4 to 5 years	237	226	229
5+ years	718	958	834

6. Risk Review

The Board believes that the review of business risks set out on pages 18 to 22 of Hardide's 2025 Annual Report remains relevant to the second half of the current financial year, except that supply chain risks, including volatility of input costs, have now become relatively more significant as described in the section above on second half trading.

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