RESEARCH SNAPSHOT

Renishaw plc

LSE: RSW

Renishaw supplies precision measuring equipment, position sensors and metal 3D printers for manufacturing and research.

RESEARCH QUESTION

Can the recovery in precision-manufacturing demand become durable profit and cash growth through the cycle?

CLASSIFICATION CONFIDENCE

Moderate

Research Rating:

B Credible Research Opportunity

Share price

£56.90

29 Sep 2026 close

Market capitalisation

£4.142bn

Indicative · calculated

SUPPORTING EVIDENCE

FY2026 revenue and profit recovered; Position Measurement led growth. Cash and deposits of £291.0m support financial resilience. [S01]

PRINCIPAL CONSTRAINT

Economic durability: seminconductor demand and recent margin gains need confirmation beyond the current upcycle.

FY2026 revenue · statutory
£815.8m

FY2026 NPAT · statutory
£119.0m

FY2026 FCF · after net capex
£66.1m



Illustrative precision-measurement application.

Sources: company filings, trade data. Market cap uses 72,788,543 issued shares. FY2026 includes employment cost drivers. FCF includes acquisitions, leases and dividends. [S01,S08]

Forward Earnings & Expectations

GBP m unless stated	FY25 A	FY26 A	FY27 F (C)	FY28 F (C)	FY29 F
Revenue	713.0	815.8	922.6	987.5	—
YoY change (%)	—	+14.4%	+13.1%	+7.0%	—
EBITDA*	148.0	195.3	230.0	252.2	—
YoY change (%)	—	+31.9%	N/C	+9.7%	—
NPAT†	83.8	119.0	163.0	177.2	—
YoY change (%)	—	+42.0%	N/C	+8.7%	—
EPS (p)†	115.2	163.5	224.1	243.5	—
YoY change (%)	—	+41.9%	N/C	+8.7%	—
P/E at 29 Sep 2026 (x)	49.4	34.8	N/C	N/C	—
FCF†	96.2	66.1	86.4	123.8	—
YoY change (%)	—	-31.3%	N/C	+43.3%	—

Revenue (GBP m)



Qualified external sales estimates; FY29 unavailable.

EBITDA* (GBP m)



Not directly comparable: actual adjusted / forecast basis unresolved.

NPAT† (GBP m)



Not directly comparable: actual statutory / forecast basis unresolved.

A actual (blue-grey); F external forecast **(gold); C** analyst/consensus. Latest interim: H1 FY2026 revenue £365.6m, NPAT £36.3m; six months to 31 Dec 2025, superseded by FY2026. [S01,S05,S09]
*Actual EBITDA is adjusted operating profit plus depreciation, amortisation and impairment. †Forecast profit/EPS/FCF definitions remain unresolved: not directly comparable to actuals. N/C = not comparable; N/M = not meaningful; — = unavailable or no prior comparison. Forecast P/E is N/C.
Retrieved 30 Sep 2026. FY27–28 accepted with qualifications; FY29 not verified. Metric/year analyst counts and model revision dates unavailable. Forecast-to-forecast growth is arithmetic within one provider series, not organic growth. Forward earnings coverage is incomplete and should be interpreted with the qualifications shown. No Ohr forecast has been created.
Sources: S01 FY2026 results; S09 MarketScreener annual estimates, retrieved 30 Sep 2026. EPS shown in pence; £56.90 price from S08. Historical columns use this same snapshot price.

BUSINESS OVERVIEW

Business Model & Segment Economics

What the company does

Renishaw makes precision measuring equipment, position sensors and metal 3D printers for machine builders, manufacturers and research users. Customers use them to control machines, check parts, produce metal components and analyse materials. Manufacturing is concentrated in the UK, with major operations in Ireland and India, supported by sales and service operations across Asia-Pacific, Europe and the Americas. Revenue mainly comes from equipment and installation; repairs, servicing, training and software provide aftermarket sales. Aftermarket revenue is not a disclosed recurring-subscription measure.

Share price:	Shares on issue:	Market capitalisation:	Market-data date:
£56.90	72.79m	£4.142bn	29 Sep 2026

Indicative capitalisation = £56.90 × 72,788,543 issued shares at 30 Jun 2026. Share count includes employee-trust shares and is not the EPS weighted average. [S01,S08]



Illustrative precision-measurement application.

FY2026 · GBP m	Revenue	Adj. operating profit	Adj. margin
Industrial Metrology	447.4	76.7	17.1%
Position Measurement	260.9	71.5	27.4%
Specialised Technologies	107.4	4.7	4.4%

Competitive position

Precision engineering, machine integration and service support provide a credible customer proposition. Switching friction is plausible, but retention, market share and sustained pricing premiums are not independently quantified. Chinese "good-enough" competition is a stated constraint. [S01,S07]

Revenue concentration and recurrence

FY2026 Asia-Pacific sales were £381.9m, including China £220.1m. No single customer exceeded 10% of revenue. Goods, equipment and installation contributed £739.4m; aftermarket £76.4m. Aftermarket includes repairs, training and software licences as well as maintenance: it is not all recurring revenue. [S01]

SOURCES: S01 note2 and revenue-recognition policy; S06–S07 products and footprint; S08 closing price. Adjusted profit excludes specified items. FY2025 segments were recast. ST revenue uses S01 note2 (£107.393m); S06 shows £107.5m. Do not extend this segment history backwards.

Growth Drivers & Market Expectations

Precision positioning for semiconductor equipment

FY2026 Position Measurement revenue £260.9m; adjusted operating margin 27.4%.

Mechanism: More demanding positioning requirements in semiconductor equipment; company reports strong encoder demand. Optical and magnetic encoders, customer engineering and precision manufacturing capacity.

Transmission: Machine-builder volumes and product mix; not a recurring software assumption. Higher volumes spread fixed costs; cash depends on inventory and collections. Stable shares support per-share capture if earnings persist.

Observed: Segment revenue rose 26%; adjusted profit rose 53% in FY2026 (issuer rounded disclosures).

Test: Next interim segment revenue, margin and working-capital release; no specific order forecast.

Constraint: Semiconductor capital spending is cyclical; Chinese good-enough competitors pressure pricing. [S01,S06]

Factory measurement systems and software

FY2026 Industrial Metrology revenue £447.4m; adjusted margin 17.1%, versus 17.5% in FY2025.

Mechanism: Factories seek in-process measurement and faster quality checks. Equator-X500 measurement platform, MODUS software and established machine-tool probing relationships.

Transmission: System adoption and attachment of software/services to installed equipment. Higher system/software mix could support profit, but project delivery, selling cost and cash collection determine capture.

Observed: Systems/software grew; sensor sales broadly flat. Group aftermarket £76.4m is not all recurring.

Test: System/software revenue commentary, segment margin and service mix in next results.

Constraint: Segment margin fell despite revenue growth; launch claims do not establish retention or pricing power. [S01,S06,S07]

Metal additive manufacturing in aerospace and defence

FY2026 Specialised Technologies revenue £107.4m; adjusted operating profit £4.7m after FY2025 loss £9.9m.

Mechanism: Aerospace and defence manufacturers seek metal-part production capability. Metal additive manufacturing systems, TEMPUS productivity technology and LIBERTAS machine-control software.

Transmission: Repeat multi-machine orders and product adoption; contribution unquantified. System volumes can absorb fixed costs; installation and collections determine cash and earnings per share.

Observed: Company reports repeat multi-machine orders; segment sales grew 43%, including other specialised businesses.

Test: Sustained segment profitability, additive order conversion and disposal disclosures.

Constraint: Segment margin only 4.4%; drug-delivery closure and planned remaining neurological-business sale complicate mix. [S01,S06]

Observed: FY2026 PM profit expansion and ST return to profit. Next evidence: segment margins, order conversion and working-capital cash release. Product launches are not completed financial outcomes.

Externaal revenue growth: FY2027 +13.1%; FY2028 +7.0% [S09]. Management's 20% adjusted operating-margin target is through-cycle, not a dated forecast [S06,S07].

Growth transmission remains conditional. Do not add overlapping hypothetical contributions or extrapolate the upcycle. Company explanations and repeat-order claims are distinguished from reported financial outcomes. Sources: S01,S06,S07,S09.

Cash Flow, Balance Sheet & Capital Allocation

FY2026 cash bridge · GBP m	Amount
Statutory NPAT	119.0
Non-cash / other adjustments	62.4
Working-capital movement	−31.3
Pension contributions	−2.9
Cash tax	−36.7
Operating cash flow	**110.5**
Net cash capex	−44.4
FCF after net capex	**66.1**

30 Jun 2026 · GBP m	Amount
Cash and bank deposits	291.0
Borrowings: current / non-current	0.7 / 1.3
Lease liabilities: current / non-current	4.3 / 7.2
Joint-venture amounts payable	15.9
Net cash, excluding leases / JV balances	**289.0**
Net cash after leases; before JV balances	**277.4**

Capital expenditure

FY2026 cash investment: PPE £38.3m, development £9.9m, other intangibles £0.1m; less £3.9m disposal proceeds gives £44.4m net cash capex. Individual rounded components differ from the total by £0.1m. FY2027 PPE additions guidance: £65m–£75m (G). not cash capex. [S01,S06] Maintenance/growth split unavailable.

Cash quality and returns

Working capital absorbed £31.3m. Adjusted cash conversion: 79.1%, including exceptional cash adjustments; not OCF/EBITDA. ROIC: 17.5% versus restated 13.2%; revised definition, not an incremental-project return. No assumed working-capital release. [S01]

Capital allocation

FY2026 regular dividend: 82p, including proposed 65.2p final. A 70p special dividend was announced; payment on 3 Dec 2026 reduces cash after the balance-sheet date. No hypothetical disposal proceeds included. [S01]

Per-share capture

72,788,543 issued shares at 30 Jun 2026, unchanged year-on-year. Share-based expense £0.5m; employee-trust purchases £1.0m. Award balances are separate from ordinary shares. [S01]



Illustrative precision-manufacturing application.

Sources: S01 consolidated cash flow/balance sheet and APM notes; S06 slide11. Cash bridge uses unrounded values internally. Net cash excludes restricted classifications only as stated; bank deposits are not undrawn facilities. No exact maturity dates inferred.

Management, Governance & Ownership

Board of directors

Current director [S10]	Role		Ordinary shares*
Sir David Grant	Chair	Apr2012	— reported nil
Will Lee	Chief Executive	Aug2016	14,130
John Shipsey	Chief Financial Officer	Apr2026	Unavailable
Juliette Stacey	Senior Independent Director	Jan2022	— reported nil
Catherine Glickman	Independent non-executive	Aug2018	675
Stephen Wilson	Independent non-executive	Jun2022	1,500
Prof Dame Karen Holford	Independent non-executive	Sep2023	— reported nil
John (Daniel John) Deer	Founder / non-executive	Jul1974	12,076,790 (historical)
Richard McMurtry	Non-executive	Jul2024	13,242
Camille Deer	Non-executive	Sep2025	Unavailable

*Dated baseline: 30 Jun 2025 [S02], not current totals. "— reported nil" reproduces that disclosure; "Unavailable" is not zero. Later appointments and family transfers prevent a current roll-forward. Appointment dates and individual source records are in the supporting register.

Major shareholding notifications

Notified holder	Shares	%
Deltam [Nov 2025]	36,575,098	50.25
BlackRock*	3,578,133	4.92
Capital Research*	3,465,738	4.76
Standard Life*	3,631,612	4.99

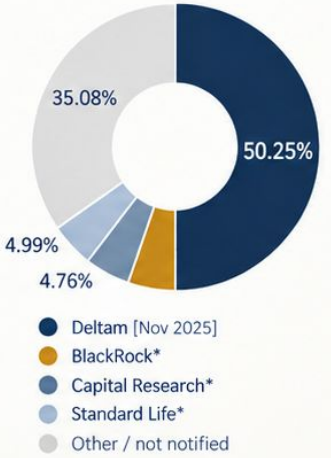
*Latest notifications reported in Sep 2025 annual report; not current register balances. Deltam's family vehicle overlaps former direct family interests. Do not add them or infer beneficial owners behind institutions. [S02,S12,S13]

Top 20: DATA UNAVAILABLE

No complete ranked, dated 20-holder register located in examined filings, issuer pages and holder searches through 30 Sep 2026. The available notifications above are not a Top 20 list.

Shareholding composition

% of ordinary shares (notified holdings)



Director incentives

Will Lee: 14,324 unvested deferred shares at 30 Jun 2025. October 2025; 15,205 vested, 7,172 sold, 8,033 retained; a separate 10,544-share service-based award vests in Oct 2028. These events are not a reconciled current rights balance. [S02,S14,S15]

Latest director-related transactions

29 Sep 2026: Daniel John Deer disposed of 7,050 shares; joint Deer holders 50,000; a bare trust 1,821,111, all at nil consideration. Philip John Deer, associated with director Camille Deer, received 739,080. Do not double-count paired transfers or call these market sales. [S11]

Sources: S10 current board; S02 remunenration/ownership pp99,102–103; S11 RNS8144W; S12 RNS3411J; S13 RNS0777J; S14 RNS3750F; S15 deferred awards. John Deer is Daniel John Deer. Secretary Kasim Hussain is not a director.

Research Synthesis

RESEARCH RATING

B | Credible Research Opportunity

CLASSIFICATION CONFIDENCE

Moderate

Economic durability: semiconductor demand and recent margin gains need confirmation beyond the current upcycle.

RESEARCH PROFILE	Quality With Expectations Risk
SECONDARY PROFILE	Confirmed Earnings Inflection
RE-RATING STATE	Emerging
RESEARCH STATE	Active investigation
RESEARCH PRIORITY	Normal



Why this rating

A credible positive case combines recovered profit, precision-product demand and a cash-rich balance sheet. Cyclical dependence and weaker cash conversion leave material unresolved limitations.

Why not one rating higher

B+ is not established: persistence beyond the equipment upcycle remains unproven, while working capital absorbs cash and the observed earnings multiple requires continuing delivery.

Evidence that could strengthen the classification

Sustained PM profitability alongside IM margin recovery and better cash conversion, supported by comparable post-results forecasts.

Evidence that could weaken the classification

Renewed demand/margin deterioration or prolonged cash absorption that undermines the durability and per-share recovery case.

Next evidence: segment margins and working-capital movement in the next interim results, plus original post-results forecast EPS definitions. Formal risk-gate assessment was not supplied; this report uses the documented company-research risk review.

Evidence: S01 financial/segment recovery and cash; S03–S04 cycle history; S08 observed-price multiple; S09 forecast qualifications. Research classification is not a Buy/Hold/Sell recommendation, target price or promised return.