

15 March 2022

Hargreaves Services plc
("Hargreaves" or the "Group")

Improved trading from German JV

HRMS future years' profitability expected to be at least 30% greater than current market expectations

Hargreaves Services plc (AIM: HSP), a diversified group delivering services to the industrial and property sectors, announces further improvements to its expected trading results for the current financial year ending 31 May 2022, due to the continuing strong performance of its German Joint Venture, Hargreaves Raw Materials Services GmbH ("HRMS").

The Board notes that results within both the HRMS materials trading business and its subsidiary DK Recycling und Roheisen GmbH ("DK") are exceeding expectations. Current commodity prices, specifically pig iron and zinc, are continuing to have a positive benefit on the results of both businesses. The Board is now confident that HRMS has sufficient visibility for the remainder of the current financial year to expect its contribution to Hargreaves' results in the second half to exceed that recorded in the first half.

While it is not possible to predict how long these favourable market conditions will prevail, the Board now expects some beneficial impact to continue into the first half of the year financial ending 31 May 2023. Additionally, as a result of operational improvements at DK, future profitability from HRMS is expected to be at least 30% greater than current market expectations, even if current levels of commodity pricing are not sustained.

HRMS continues to deploy cash generated to fund working capital required to support current high levels of activity.

The remainder of the Group's businesses continue to trade in line with market expectations.

Commenting on HRMS' improved trading performance, Roger McDowell, the Chairman of Hargreaves, said: *"Whilst current market conditions are contributing to very strong HRMS results, I am particularly pleased to see the underlying improvements that the management team has implemented at DK, providing a reliable platform for sustainable future profitability."*

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About Hargreaves Services plc (www.hsgplc.co.uk)

Hargreaves Services plc is a diversified group delivering services to the industrial and property sectors, supporting key industries within the UK and South East Asia. The Company's three business segments are Services, Hargreaves Land and an investment in a German joint venture, Hargreaves Raw Materials Services GmbH ("HRMS"). Services provides critical support to many core industries including Energy, Environmental, UK Infrastructure and certain manufacturing industries through the provision of materials handling, mechanical and electrical contracting services, logistics and major earthworks. Hargreaves Land is focused on the sustainable development of brownfield sites for both residential and commercial purposes. HRMS trades in specialist commodity markets and owns DK Recycling, a specialist recycler of steel waste material. Hargreaves is headquartered in County Durham and has operational centres across the UK, as well as in Hong Kong and a joint venture in Duisburg, Germany.