



9 June 2022

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

Pre-Close Trading Update and Notification of Preliminary Results

Hargreaves Services plc (AIM: HSP), a diversified group delivering services to the industrial and property sectors, provides the following update on trading ahead of reporting its preliminary results for the year ended 31 May 2022.

The Board expects to report results ahead of market expectations, due to the continued strong performance of the Group's Joint Venture in Germany ("HRMS"). As noted in the statement released on 3 May 2022, commodity prices, including zinc and pig iron, have maintained their high level, which has led to an expectation that HRMS' contribution to the Hargreaves results for the year ended 31 May 2022 will now be £3.5m after tax greater than prior consensus estimates.

The Board anticipates reporting strong results in each of its business segments. Revenue will be lower than the prior year due to the cessation of its coal activities, Profit before Tax ("PBT") is expected to be higher. This improvement on the prior year PBT is anticipated due to increased contributions from the Services and HRMS businesses.

At the end of the financial year, the Group had no bank debt and held cash of £14.0m (31 May 2021: £28.3m). The reduction in cash is due to the provision of an additional short term loan of £15m to HRMS to assist with their trading capacity. The Board has decided to continue to provide this additional funding to HRMS whilst current favourable market conditions prevail. The only non-bank debt held by the Group, excluding its joint ventures, relates to leasing debt related to specific fixed assets. The total leasing debt at the year-end was approximately £18.1m (31 May 2021: £11.8m). The increase is a result of the investment in the plant required for the HS2 contract within Services.

Notification of Preliminary Results

The Board expects to report its preliminary results for the Financial Year on Wednesday 27 July 2022. Details of the analyst meeting to accompany the results will be provided in due course.

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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.