The Weir Group PLC reports its Full Year results for the year ending 31 December 2020.

Highly resilient 2020 performance; new medium-term performance goals set

- **Taking care of our people, customers and communities**
  - 23% improvement in Total Incident Rate[1]; full adoption of Covid-safe working practices
  - Fully delivered for customers and supported our communities throughout the pandemic
- **Continuing Operations: Strong execution despite impact of the pandemic on activity**
  - Market improvement continued in Q4 with orders[4] +14% sequentially; good start to 2021
  - Full year revenues[4] -1% with aftermarket -6% reflecting disrupted ore production
  - Maintained operating profits[4] and margins; c.£40m savings offsetting mix and Covid impact
- **Transformation into a premium mining technology business**
  - Completed sale of Oil & Gas division; £209m non-cash fair value impairment charge
  - c.80% of revenues now from attractive mining markets
  - Strengthened the Balance Sheet; pro forma Net Debt/EBITDA[5] of 1.7x
- **New medium-term performance goals and capital allocation policy**
  - Growing revenues at mid-to-high single-digit through the cycle
  - +150bps Group margin expansion by 2023
  - Delivering on sustainability strategy commitments
  - Capital allocation policy will target 0.5x-1.5x leverage and future 33% dividend pay-out ratio

	2020	2019	As reported	Constant currency[4]
Continuing Operations[3]				
Orders[4]	£1,860m	£2,139m	n/a	-13%
Revenue	£1,965m	£2,050m	-4%	-1%
Adjusted operating profit[2]	£305m	£315m	-3%	0%
Adjusted operating margin[2]	15.5%	15.4%	+10bps	+20bps
Adjusted profit before tax[2]	£255m	£269m	-5%	n/a
Statutory profit before tax	£184m	£189m	-3%	n/a
Adjusted earnings per share[2]	74.4p	78.1p	-5%	n/a
Total Group				
Statutory loss after tax	(£149m)	(£379m)	+61%	n/a
Loss per share	(57.6p)	(146.4p)	+61%	n/a
Operating cash flow[2]	£372m	£408m	-9%	n/a
Dividend per share	-	16.5p[6]	-100%	n/a
Net debt[7]	£1,051m	£1,157m	+£106m	n/a

See footnotes on page 6

Jon Stanton, Weir Group Chief Executive Officer said:

"The Group delivered a highly resilient performance in what was an extraordinary year. This is a reflection of the fundamental strength of the business and its culture, together with the magnificent achievements of the people within the Weir global family. As we enter the Group's 150th year, Weir has been transformed into a premium mining technology provider that will help its customers become more sustainable and efficient and deliver the essential resources demanded by demographic trends and the fight against climate change. The Group is now positioned to benefit from these powerful long-term structural growth themes for many years to come.

We've had a good start to 2021 and we expect to deliver growth in full year constant currency profits subject to any further disruption from the ongoing Covid-19 pandemic. More broadly, underlying conditions are favourable and with the strong platform we've created we're confident of outperforming our markets over the next three years and delivering sustainable long-term profitable growth."

A management presentation via webcast will begin at 0800 (GMT) on 2 March 2021 at www.investors.weir, with a recording made available later.

CHIEF EXECUTIVE OFFICER'S REVIEW

2020 was a year of strong execution across the Group and we completed our transformation into a premium mining technology business. We delivered a highly resilient performance in extraordinary circumstances while also making significant strategic progress, providing a strong platform for continued long-term growth. I would like to thank my Weir colleagues for their commitment and hard work and our many other stakeholders who have supported the business in the past year.

The Group is now in its 150th year, having been founded in 1871 by two Scottish engineers, James and George Weir. The brothers had a passion for seeing things differently and solving the big challenges of the day through innovative engineering. That culture, and the business they created, has never been more relevant. In this review I will discuss how we responded to the Covid-19 pandemic, the performance of the Group in 2020, the benefits of creating a premium mining technology business and how we'll maximise value for all stakeholders, including setting out new medium-term performance goals.

Covid-19: Protecting our people, customers and communities

Our response to the unprecedented challenge of Covid-19 was based on our core values, which start with safety first. In 2020, we achieved a 23% reduction in our Total Incident Rate[1] (TIR) to 0.37. In both March and November there were no recordable incidents across our global operations, the first time this has been achieved in the Group's recorded history and proof that our ambition of becoming a zero-harm workplace is within reach. This performance benefited from our safety culture and our highly devolved operating model where decisions are made as locally as possible, within a clear strategic governance framework. These were both key components in our response to the Covid-19 pandemic, helping us to adapt quickly and effectively to protect our people and fully serve our customers. In times of uncertainty communication is critical and by having a regular dialogue throughout the business we were able to reassure and share knowledge across the organisation, generating record employee engagement and strengthening our culture even further.

Our Covid mitigation actions included requiring everyone who was able to work from home to do so, adapting our manufacturing and service facilities to support infection control procedures, and prioritising mental health through local initiatives and our employee assistance programmes. However, like every community, the Weir Group family has been directly impacted by the pandemic and where people have contracted the virus we have been there to support them and their families. Our teams have also played their part in helping local communities. This included joining the efforts to supply personal protective equipment to health authorities, providing financial support to those areas where social programmes are either limited or unavailable, and accelerating payments to smaller, local suppliers.

2020: A highly resilient performance

The Group's performance during the Covid-19 pandemic has also reaffirmed the fundamental strength of the business. We maintained operating profits from continuing operations despite the negative impact of the pandemic on market activity that included ore production falling by an estimated 15% in Q2 and a significant decline in infrastructure market demand due to construction shutdowns. In response, we took early action to reduce costs with c.£40m in continuing operations savings for the full year while also investing in those areas that will fuel future growth including expanding our service network and investing in innovation. New products included the next generation of Cavex® hydrocyclones that offer 30% more throughput alongside reduced water and energy consumption. We won the first order for the new ToolTek™ system that significantly improves operator safety in the pit. We also installed the first pilot Terraflowing® plant which is designed to cost-effectively reduce water in tailings, enabling this waste product to be safely stored or repurposed. The Group also delivered a 13% reduction in CO_2e emissions from our operations as a proportion of revenues ($tCO_2e/£m$), making good progress towards a 30% reduction by 2024 and a 50% cut by 2030. It was also pleasing to see the Group upgraded to an A- by the climate rating agency CDP, recognising our leadership and commitment to best practice particularly in governance, disclosure and emissions reduction initiatives.

Revenues were broadly stable supported by the delivery of the majority of the original equipment for the record c.£100m Iron Bridge Project order for our High Pressure Grinding Rolls (HPGR) technology, which eliminate water use and reduces energy consumption by up to 40%. We also won a £95m order to provide HPGR aftermarket service to the project, where production is expected to begin in 2022-23. This demonstrates the long-term value of focusing on smarter, more efficient and sustainable solutions. And despite Covid-19 related mine site access issues our Integrated Solutions strategy also delivered £159m in additional orders, up 3% on the prior year. In addition, ESCO's Nemisys® solution continued to gain share in mining attachments. As the second half progressed, we saw a gradual improvement in order trends across mining and infrastructure markets and our longer-term project pipeline has continued to strengthen, reflecting the positive structural trends underpinning future demand in our markets.

Creating a premium mining technology business

When I became CEO in 2016, we made mining our first priority for capital allocation. Since then we have acquired ESCO, a leading provider of highly engineered mining technology, and sold the Flow Control division. The next milestone in our strategic transformation was the sale of our Oil & Gas division which, despite an extremely tough market backdrop, was successfully achieved when the business joined Caterpillar Inc, at the beginning of February 2021. The sale, for a total enterprise value of $405m subject to customary working capital and debt-like adjustments, maximised value for stakeholders and provided an excellent home for the division's employees.

Our decision to primarily focus on mining reflects the positive prospects for the industry, the strength of our market-leading positions, and the resilience of our aftermarket-focused business model. Today, we are a premium mining technology business with a clear purpose – to enable the sustainable and efficient delivery of essential natural resources – and a strategy that will deliver long-term sustainable growth.

Maximising long-term structural growth opportunities

Our decision to focus on mining is based on a combination of supportive macro trends that will underpin the sustainable growth of the market in the decades ahead. These include:

- The need for more natural resources to support population growth, urbanisation and rising living standards;
- Increased demand for metals such as copper, the Group's largest commodity exposure, that enable the electrification of energy and transport networks that is critical to decarbonisation;
- The requirement for a technology transformation in mining to meet stakeholder requirements including making operations 'Net Zero' of CO_2 emissions and reducing water consumption; and,
- Ongoing ore grade declines that mean more material needs to be excavated and processed supporting aftermarket demand.

A robust business model: high barriers to entry and c.75% of revenues from resilient aftermarket

To maximise value from our markets the Group has a highly resilient business model that provides significant barriers to entry and delivers consistent profitable growth through the cycle. It starts with providing highly engineered technology that leverages our materials science and foundry capability. This builds a large installed base of original equipment that is mission-critical to customers' ongoing production. Our products are focused on abrasive applications, such as hard rock extraction and processing, that generate ongoing demand for higher-margin spares and services, which represent around 75% of revenues. This best-in-class aftermarket model is supported by a comprehensive global service network that covers every major mining region in the world and means the Group has an aftermarket-retention rate of more than 90%. The embedded nature of our solutions, alongside the disproportionately large cost of unplanned downtime for customers, builds long-term relationships that in many cases span decades. This combination provides Weir with a sustainable competitive advantage that is reflected in the long-term aftermarket sales performance of Minerals, our largest division, which delivered a 7% revenue CAGR in the last decade.

Making mining operations, smarter, more efficient and sustainable

The need for mining to undergo a technology transformation to reduce its energy, water and waste provides a significant commercial opportunity for the Group. To improve productivity while meeting Net Zero commitments miners will need to work in partnership with their supply chain to develop innovations that make their operations smarter, more efficient and sustainable. This is Weir's sweet spot and is the focus for our research and development activity. To assess the scale of energy consumption in mining the Group commissioned independent research that estimates the industry consumes c.3.5% of the world's total final energy, with comminution, or the grinding and crushing of rock, one of the most energy-intensive process in a typical mine. This is an area where Weir can make a significant impact through our Enduron® HPGR technology that is up to 40% more energy efficient than traditional ball mills. To illustrate the scale of the difference our technology can make, we estimate the CO_2e emissions savings for our customers from our installed base of HPGRs, and those on our order book, to be three times the total emissions generated by the Group's continuing operations in 2020. Creating sustainable solutions is a key component of our sustainability roadmap, which was created in consultation with stakeholders, and also includes a commitment to zero-harm Weir operations, nurturing our unique culture, and as indicated earlier, cutting our Scope 1 & 2 CO_2e emissions in half by 2030.

Winning through 'We are Weir': New medium-term performance goals

To maximise the Group's potential, we have refreshed our performance goals to support execution of our strategy between 2021-2023. These are based on the distinctive competencies that differentiate Weir - People, Customers, Technology and Performance - and form the basis of our 'We are Weir' strategic framework.

	Medium-term KPIs	**2020 Benchmark (Continuing operations)**
People	Improving TIR[1]	• TIR of 0.41
	Increasing Employee Net Promotor Score	• eNPS of +42
Customers	Growing ahead of our markets through the cycle	• Ore production[8] c.-3%; Minerals AM revenues[4] -2% • Machine utilisation -13%; ESCO revenues[4] -13%
Technology	Increase R&D as a percentage of revenues	• R&D: 1.6% of revenues
	Growth in sustainable solutions	• Integrated Solutions orders +3%
Performance	Operating margin[2] progression	• Operating margin[2] of 15.5%
	Expansion in ROCE	• ROCE of 12.5%
	30% reduction in CO_2e emissions by 2024	• 13% reduction to tCO_2e/£m to 75.7

People: Improve TIR and eNPS

We're making good progress towards becoming a zero-harm workplace with a 77% reduction in TIR since 2012, when we first introduced the measure. That makes us one of the safest industrial businesses in the world, but we need to go further and will measure progress through continuous improvement in our TIR. At Weir, we believe that beyond the obvious imperative of "safe start, safe finish, safe home" a deeply embedded safety culture is a key indicator of organisational effectiveness. Alongside a safe workplace we also want to ensure that we have access to a broad range of talent and that colleagues choose Weir to do the best work of their lives. Our employees tell us they want Weir to be more inclusive and diverse and we are committed to achieving this. Excellent communication throughout the organisation is one of our real strengths and we will continue to prioritise engagement and seek to improve our employee Net Promotor Score (eNPS) further, targeting top quartile performance against an external benchmark.

Customers: Growing ahead of our markets through the cycle

The growth prospects for our markets are attractive and underpinned by structural trends but we believe the distinctive value we offer will enable us to grow ahead of the anticipated 3% annual growth in ore production. We expect to deliver mid-to-high single-digit annual growth through the cycle supported by our organic initiatives. These include:

- Working in partnership with customers, building on the success of our Integrated Solutions strategy that provides productivity upgrades, greenfield sub-systems and increased service level agreements;
- Extending our geographic reach including delivering revenue synergies between Minerals and ESCO, globalising ESCO's infrastructure offering and expanding our service network to capture aftermarket opportunities in high growth areas such as Russia, China, Central Asia and APAC;
- Expansion of our product range, leveraging our materials and hydraulic expertise into adjacent markets and increasing our digital capability to improve customer experience; and
- Driving further market penetration of more sustainable solutions including new 'Scope 4' solutions that help customers meet their environmental objectives.

Technology: R&D as a percentage of revenues and growing sustainable solutions

Increasing long-term demand and the need for a social licence to operate will drive a technology transformation in mining in the years ahead. This will require radical change in an industry that has traditionally been slow to adopt new technologies due to the significant upfront costs of new mines and the high price of downtime once an operation is running. To meet future environmental and productivity targets, however, will require increased innovation which provides a significant commercial opportunity for engineering partners like Weir. To reflect this, we are focusing our research and development investment in making mining operations smarter, more efficient and sustainable. This is the lens through which we will measure progress building on our current offering which includes HPGRs and the development of products such as Terraflowing® and hydro-hoisting which have the potential to significantly improve waste safety, management and reduce CO_2e.

Performance: Operating margin progression and lower CO_2e

And as we grow, we will stay focused on delivering attractive returns through the cycle. In 2020, our continuing Group operating margin[2] was 15.5% but through a combination of increased volumes and operational and functional efficiencies we are targeting a 150bps expansion by 2023, assuming a broadly stable mix of higher margin aftermarket and lower margin original equipment. We've already made good progress with a more than 500bps improvement in ESCO margins since we acquired the business in 2018 but we see further opportunities to leverage our global platform and streamline functions to support future progress. We will also deliver on our commitment to reduce emissions from our operations by 30% by 2024, principally through energy efficiency at our main foundries and increasing the proportion of power supplied from renewable sources. This will all be supported by a disciplined capital allocation policy that is set out in the Financial Review.

Dividend

As our markets continue to recover from Covid-19 disruption and to support further deleveraging the Board has decided not to recommend payment of a final dividend. Future dividend payments will be aligned to the Group's new capital allocation policy, which is detailed in the Financial Review, and includes a target to pay out 33% of adjusted EPS through the cycle. Resumption of the dividend will depend on a combination of factors including market outlook and leverage.

Board changes

As previously announced Srinivasan Venkatakrishnan and Ben Magara joined the Board as Non-Executive Directors on 19 January 2021.

Segmental analysis

Continuing operations[3] £m	Minerals	ESCO	Unallocated expenses	Total	Total OE	Total AM
Orders (constant currency)						
2020	1,392	468	n/a	**1,860**	405	1,455
2019	1,586	553	n/a	**2,139**	556	1,583
Variance:						
- Constant currency	-12%	-15%		**-13%**	-27%	-8%
Revenue						
2020	1,469	496	n/a	**1,965**	491	1,474
2019 (as reported)	1,478	572	n/a	**2,050**	427	1,623
Variance:						
- As reported	-1%	-13%		**-4%**	15%	-9%
- Constant currency	4%	-13%		**-1%**	19%	-6%
Adjusted operating profit[2]						
2020	260	81	(36)	**305**		
2019 (as reported)	270	83	(38)	**315**		
Variance:						
- As reported	-4%	-3%	-7%	**-3%**		
- Constant currency	0%	-2%	-7%	**0%**		
Adjusted operating margin[2]						
2020	17.7%	16.3%	n/a	**15.5%**		
2019 (as reported)	18.3%	14.5%	n/a	**15.4%**		
Variance:						
- As reported	-60bps	+180bps		**+10bps**		
- Constant currency	-70bps	+180bps		**+20bps**		

Notes:
The Group financial highlights and divisional financial reviews include a mixture of GAAP measures and those which have been derived from our reported results in order to provide a useful basis for measuring our operational performance. Adjusted results are for continuing operations before adjusting items as presented in the Consolidated Income Statement. Details of other alternative performance measures are provided in note 1 of the Audited Results contained in this press release.

1 As measured by Total Incident Rate (TIR) which represents the rate of any incident that causes an employee, visitor, contractor, or anyone working on behalf of Weir to require off-site medical treatment per 200,000 hours worked. Group TIR 0.37, Continuing operations 0.41.
2 Profit figures before adjusting items. Statutory operating profit was £234m (2019: £236m). Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Net cash generated from operating activities was £273m (2019: £264m). Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.
3 Continuing operations excludes the Oil & Gas division which was sold in February 2021 and the Flow Control division which was sold in June 2019.
4 2019 restated at 2020 average exchange rates.
5 Pro forma figures for 2020 are for comparative purposes and are based on Oil & Gas being excluded from EBITDA and net debt adjusted to reflect estimated net disposal proceeds, which are subject to customary working capital and debt-like adjustments.
6 The proposed final 2019 dividend of 30.45p was withdrawn by the board in response to the Covid-19 pandemic. The 16.5p represents the 2019 interim dividend that was paid in November of that year.
7 Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.
8 Weir-weighted commodity exposure: source McKinsey 2021.

DIVISIONAL REVIEW

Minerals

Minerals is a global leader in the provision of mill circuit technology and services as well as the market leader in slurry-handling equipment and associated aftermarket support for abrasive high-wear applications. Its differentiated highly engineered solutions are used in mining, infrastructure, and general industrial markets around the world.

2020 Summary

- Robust aftermarket revenues[1] (-2%); Q4 strongest quarter of 2020
- Margin[2] of 17.7% (-70bps[1]) reflecting higher original equipment mix and Covid impact
- Project pipeline continues to strengthen, particularly for more sustainable solutions

2020 Market Review

Commodity prices for copper, iron ore and gold all reached multi-year highs supported by a mix of stimulus spending in China, supply constraints and political uncertainty. This was a strong recovery from their lows in the second quarter and supported the gradual improvement in activity in the second half. Slower decision making as a result of restrictions on face-to-face meetings and mine access constraints impacted original equipment demand while aftermarket was more robust with ore production estimated to have reduced by c.3% in 2020 compared to the prior year. Aftermarket demand was particularly strong in South America, Russia and Central Asia with activity in Peru, Africa, North America and South East Asia impacted by a number of mine shutdowns through the year. Thermal coal markets were more challenging given reduced global power consumption while oil sands demand remained relatively resilient.

2020 Operating Review

The division benefited from its broad exposure to attractive commodities such as copper, gold and iron ore, the geographic diversity of its customer base, and its regional operating model with manufacturing and service facilities in every major mining region. This meant it was able to fully capture opportunities in a challenging market and continually service customer demand despite some temporary Covid-19 related shutdowns to individual Weir plants.

This performance was achieved while also making significant strategic progress that included:

- Improving safety with TIR reduced by 7% to 0.25;
- Establishing a new super centre in Turkey to capture growth opportunities in Central Asia and North Africa, and opening a new service centre in Panama to support a major copper development;
- Successfully delivering the majority of the Iron Bridge HPGR OE contract and winning a £95m award to provide ongoing aftermarket and service support;
- Commercialising the new Cavex® 2 hydrocyclone that offers up to 30% more capacity while lowering energy and water consumption; and
- Delivering £30m in cost savings principally from lower expenditure on travel and variable compensation.

2020 Financial Review

Constant currency £m	H1[1]	H2	2020	2019[1]	Variance
Orders OE	187	190	377	529	-29%
Orders AM	535	480	1,015	1,057	-4%
Orders Total	**722**	**670**	**1,392**	**1,586**	**-12%**
Revenue OE	171	290	461	386	19%
Revenue AM	481	527	1,008	1,032	-2%
Revenue Total	**652**	**817**	**1,469**	**1,418**	**4%**
Adjusted operating profit[2]	**112**	**148**	**260**	**260**	**0%**
Adjusted operating margin[2]	17.2%	18.1%	17.7%	18.4%	-70bps
Operating cash flow[2]	153	130	283	295	-4%
Book-to-bill	1.11	0.82	0.95	1.12	

1 2019 and 2020 H1 restated at 2020 average exchange rates except for operating cash flow.

2 Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.

Orders decreased by 12% on a constant currency basis to £1,392m (2019: £1,586m) with a book-to-bill of 0.95. Original equipment orders fell 29%, with underlying orders down 11% excluding the record c.£100m Iron Bridge order in 2019. The rest of the decline was driven by Covid-19 related project delays, but we did see sequential improvement in Q4, which was also the strongest quarter of the year. Aftermarket orders were down 4% broadly reflecting the disruption to mining operations from Covid-19 and a tough prior year comparative but were also up sequentially in Q4. Aftermarket orders represented 73% of total orders (2019: 67%). Mining applications accounted for 84% of the total (2019: 83%).

Revenue was 4% higher on a constant currency basis at £1,469m (2019: £1,418m), as the weaker order trends were more than offset by the c.£80m benefit from the first deliveries to the Iron Bridge project. As a result, original equipment sales accounted for 31% (2019: 27%) of divisional revenues and were 19% up on the prior year. Aftermarket revenues were down 2%, broadly reflecting order trends for the year, but up sequentially in Q4.

Adjusted operating profit[2] was stable on a constant currency basis at £260m (2019: £260m). The underlying revenue increase was offset by the mix impact of the Iron Bridge order, with the delivery of £30m of savings from temporary reductions to travel, restricted discretionary spend and workforce reductions broadly offset by incremental costs and overhead under-recoveries largely due to Covid-19 disruptions to our operations.

Adjusted operating margin[2] on a constant currency basis reduced by 70bps to 17.7% (2019: 18.4%) driven by the negative mix impact of the Iron Bridge order.

Operating cash flow[2] decreased by 4% to £283m (2019: £295m) with good improvement in underlying working capital offset by the unwind of prior year advance payments on the Iron Bridge OE order.

2021 Market Outlook

Market fundamentals in mining remain positive. There is significant near-term focus on maximising production given the strength of commodity prices, which should support the continued improvement in aftermarket trends. Likewise, the need for supply expansion and deferral of smaller projects in 2020 has strengthened demand for original equipment as reflected in the size of our project pipeline. At this time we are cautiously optimistic of making progress in 2021 but the extent to which positive market sentiment translates into orders and revenues in the near term will depend on the shape of the economic recovery and the level of ongoing Covid-related disruption to both customers and our own operations.

ESCO

ESCO is a global leader in the provision of Ground Engaging Tools (G.E.T.) for large mining machines. Its highly engineered technology improves productivity through extended wear life, increased safety and reduced energy consumption. The division also applies its differentiated technology to infrastructure markets including construction, dredging, sand and aggregates.

2020 Summary

- Record safety performance with 34% reduction in TIR to 1.05
- 13% reduction in revenues[1] driven by temporary Covid-19 mine shutdowns and lower mining machine utilisation; Infrastructure more challenging and impacted by destocking
- Margins up 180bps supported by £9m cost savings programme

2020 Market Review

The division saw similar mining trends to Minerals with ore production volumes falling in the second quarter, impacting machine utilisation before gradually improving through the second half of the year although remaining below pre-Covid levels. In North America, the division's biggest market, iron ore demand was impacted by the closure of automotive plants, while coal remained challenging and oil sands was relatively resilient. In Central and South America there were also a number of temporary mine shutdowns due to Covid-19 restrictions. As expected, infrastructure demand reflected lower construction activity in North America and Europe and destocking by some distributors as they reduced safety inventories.

2020 Operating Review

While Covid-19 led to a number of temporary disruptions to the division's facilities, ESCO maintained its ability to fully meet demand supported by recent investment in safety and productivity upgrades. This was achieved while also making significant strategic progress which included:

- Achieving a record safety performance reducing TIR by 34% to 1.05 and achieving three consecutive months with no recordable incidents for the first time in the history of the business;
- Improved customer responsiveness with significantly reduced lead times, benefiting from prior investment in foundry operations;
- First orders for ToolTek™ which improves mine safety by enabling remote G.E.T. change-outs;
- Strong progress in upgrading customers to the latest generation Nemisys® system, which provides lower total cost of ownership and emissions;
- 50% increase in mining attachments sales, despite customers reducing capital budgets;
- Delivering 180bps margin improvement supported by early action to reduce costs by £9m principally from lower expenditure on travel and variable compensation; and
- Good progress, despite Covid-19 restrictions, in delivering revenue synergies including expanding sales in Africa, Central America and Australia.

2020 Financial Review

Constant currency £m	H1[1]	H2	2020	2019[1]	Variance
Orders OE	13	15	28	27	2%
Orders AM	230	210	440	526	-16%
Orders Total	**243**	**225**	**468**	**553**	**-15%**
Revenue OE	14	16	30	25	20%
Revenue AM	239	227	466	544	-14%
Revenue Total	**253**	**243**	**496**	**569**	**-13%**
Adjusted operating profit[2]	**41**	**40**	**81**	**83**	**-2%**
Adjusted operating margin[2]	16.1%	16.6%	16.3%	14.5%	+180bps
Operating cash flow[2]	49	51	100	109	-8%
Book-to-bill	0.96	0.93	0.94	0.97	

1 2019 and 2020 H1 restated at 2020 average exchange rates except for operating cash flow.

2 Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items and income tax paid. Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.

Orders decreased 15% on a constant currency basis to £468m (2019: £553m), reflecting Covid-19 disruptions in certain mines, destocking by distributors as our lead times reduced, and shutdowns in North America and European infrastructure markets, most significantly impacting Q2 and Q3. Conditions started to gradually improve in Q4. Aftermarket represented 94% of orders in line with ESCO’s position as a provider of highly engineered consumables used in abrasive operating environments.

Revenue, which saw less of an impact from destocking, decreased 13% on a constant currency basis to £496m (2019: £569m) with core G.E.T., more robust, down 11%. Mining applications represented 68% of revenues, infrastructure was 28% and other industrial markets represented 4%.

Adjusted operating profit[2] decreased by 2% to £81m (2019: £83m), with the impact of significantly lower revenues almost entirely offset by the delivery of the final acquisition cost synergies, efficiency improvements from our foundry investments and the delivery of £9m of Covid-related cost mitigation actions.

Adjusted operating margin[2] of 16.3% was up 180bps on a constant currency basis (2019: 14.5%), reflecting the final cost synergies and additional Covid-19 cost mitigation actions offsetting the reduction in volumes. These additional actions included restricted travel, discretionary spend and workforce reductions that totalled £9m of which two-thirds is expected to be temporary. With relatively modest incremental Covid-19 costs or under-recoveries there was a one-off margin benefit of around 60bps.

Operating cash flow[2] reduced by 8% to £100m (2019: £109m) with good progress on receivables offset by lower payables.

2021 Market Outlook

The outlook for ESCO's mining end markets is consistent with that of the Minerals division. Infrastructure markets have seen a greater impact from Covid-19 disruptions but started to improve in the second half of 2020. At this time we are cautiously optimistic of making progress in 2021 but the extent to which positive market sentiment translates into orders and revenues in the near term will depend on the shape of the economic recovery and the level of ongoing Covid-related disruption to both customers and our own operations.

Discontinued operations: Oil & Gas and Flow Control

Weir Oil & Gas was previously reported as an individual reporting segment, the division was classified as held for sale from 5 October 2020 and was sold on 1 February 2021. Weir Flow Control was previously reported as an individual reporting segment, the division was classified as held for sale from 19 April 2018 and was sold on 28 June 2019.

Constant currency £m	Oil & Gas	2020	Oil & Gas[1]	Flow Control[1]	2019[1]
Orders Total	**306**	**306**	**584**	**196**	**780**
Revenue Total	**314**	**314**	**608**	**150**	**758**
Adjusted operating (loss)/profit[2]	**(21)**	**(21)**	**37**	**(3)**	**34**
Adjusted operating margin[2]	-6.6%	-6.6%	6.0%	-1.9%	4.4%
Operating cash flow[2]	13	13	43	(29)	14

1 2019 restated at 2020 average exchange rates except for operating cash flow.

2 Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items and income tax paid. Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.

Oil & Gas

Upstream oil and gas markets were significantly impacted in the first half of the year by the ending of the Saudi Arabia/Russia production agreement and the impact of the Covid-19 pandemic. This led to a steep reduction in capital spending by North American E&P producers, with the US land rig count falling c.70% from peak to trough, with frack activity seeing even more of an impact. The division took decisive action to right-size the business and protect financial performance in these extreme market conditions including a £36m cost saving programme.

Constant currency £m	H1[1]	H2	2020	2019[1]	Variance
Orders OE	46	45	91	168	-46%
Orders AM	122	93	215	416	-48%
Orders Total	**168**	**138**	**306**	**584**	**-48%**
Revenue OE	57	42	99	180	-45%
Revenue AM	124	91	215	428	-50%
Revenue Total	**181**	**133**	**314**	**608**	**-48%**
Adjusted operating (loss)/profit[2]	**(4)**	**(17)**	**(21)**	**37**	**-157%**
Adjusted operating margin[2]	-2.2%	-12.6%	-6.6%	6.0%	-1260bps
Operating cash flow[2]	5	8	13	43	-70%
Book-to-bill	0.92	1.04	0.97	0.96	

1 2019 and 2020 H1 restated at H2 2020 average exchange rates except for operating cash flow.

2 Profit figures before adjusting items. Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.

Orders of £306m (2019: £584m) were down 48% on a constant currency basis, reflecting market conditions and a further significant reduction in refurbishment and replacement activity in North America.

Revenue reduced by 48% on a constant currency basis to £314m (2019: £608m) in line with order trends.

Adjusted operating loss[2] including joint ventures was £21m (2019: profit £37m). The decrease was driven by significantly lower activity levels and volumes in upstream North American markets and reduced operating leverage.

GROUP FINANCIAL REVIEW

Continuing operations order input at £1,860m decreased 13% on a constant currency basis. This was mainly driven by the non-repeat of the c.£100m Iron Bridge order received in Minerals in 2019, the impact of Covid-19 on ESCO's infrastructure markets, and to a more modest extent, core mining aftermarket in both Minerals and ESCO, especially in the second and third quarters. As conditions improved later in the year orders increased 14% sequentially from Q3 to Q4. Excluding the Iron Bridge effect, orders were down 9% and the core Minerals aftermarket was down only 4%. Aftermarket represented 78% of orders in the year, slightly higher than 2019.

Continuing operations revenue at £1,965m decreased 1% on a constant currency basis, benefiting from c.£80m of revenues recognised on the Iron Bridge order, excluding which revenue was 5% lower reflecting the resilience of our mining businesses. Minerals aftermarket revenues were down only 2% with the 14% reduction in ESCO reflected its greater exposure to infrastructure markets. Aftermarket represented 75% of revenues, down from 79% in the prior year due to the impact of the Iron Bridge OE order shipping in the period. Reported revenues reduced 4%, driven by a foreign exchange translation headwind of £63m.

Adjusted operating profit[1] from continuing operations at £305m was in line with the prior year on a constant currency basis, with a foreign currency translation headwind resulting in a £10m reduction on a reported basis (2019: £315m). Profits were supported by delivery of the c.£40m cost saving programme in response to Covid-19, of which roughly two-thirds related to temporary cost savings including variable compensation and travel. In Minerals, these savings were largely offset by one-off costs related to Covid-19 including overhead under-recoveries in part due to temporary mandated shutdowns of manufacturing facilities. With the benefit of the additional Iron Bridge revenues offsetting lower aftermarket revenues, operating profit was flat in Minerals, albeit operating margins were 70bps lower at 17.7%, due to the higher OE mix effect. In ESCO, while profits were impacted by lower volumes, margins increased 180bps to 16.3% benefiting from the final acquisition cost synergies and Covid-19 cost savings, with no significant related costs being incurred. Continuing operations operating margins at 15.5% were 20bps higher than the prior year on a constant currency basis. Unallocated costs decreased £2m to £36m reflecting initial actions to right-size certain functions as well as lower travel and variable compensation.

Statutory operating profit for the year of £234m was £2m lower than the prior year due to the reduction in adjusted operating profit of £10m offset by a £8m reduction in adjusting items.

Continuing operations net finance costs were £50m (2019: £46m), with the increase mainly due to additional arrangement and commitment fees following the successful refinancing of the Group's revolving credit facility and term loan during the year.

Continuing operations adjusted profit before tax[1] was 5% lower at £255m (2019: £269m) due to translational foreign exchange headwinds and higher net finance costs as described above. The statutory continuing operations profit before tax, including adjusting items as described below, reduced 3% to £184m (2019: £189m).

Continuing operations adjusted tax charge for the year of £62m (2019: £66m) represents an adjusted effective tax rate of 24.3% (2019: 24.5%). In terms of cash tax, the Group paid £63m compared to £90m in 2019. The reduction is due to a combination of extended phasing of payments permitted during Covid in certain territories, and overall tax losses arising in the United States.

Continuing operations adjusting items include intangibles amortisation which decreased to £39m (2019: £47m), exceptional items which reduced to £19m (2019: £33m) and other adjusting items totalling £12m (2019: £nil).

Intangibles amortisation relates to assets recognised via acquisition and ongoing multi-year investment activities. Following the completion of certain multi-year activities, £5m of amortisation has been included within adjusted operating profit in the year.

The main exceptional items relate to Covid-19 and Oil & Gas restructuring, ESCO integration-related costs and the South African Broad-based Black Economic Empowerment (B-BBEE) transaction.

Due to the unprecedented Covid-19 pandemic, specific one-off and/or short-term measures were taken to protect the Group's ability to generate future cash flows, ensure the health and safety of the workforce and manage supply chain issues enabling us to continue to meet customer needs. This resulted in exceptional costs of £10m which are deemed to be non-recurring in nature and as a direct result of the Covid-19 pandemic, including £9m of severance costs across the Minerals and ESCO divisions. The continued deep downturn in oil and gas markets, exacerbated by Covid-19, resulted in further steps to right-size certain central functions to protect short-term cash generation, leading to £2m of severance costs.

Other exceptional costs included a £4m charge, primarily a non-cash IFRS 2 share based payment, related to the completion of a B-BBEE ownership transaction by the Group's subsidiary, Weir Minerals South Africa (Pty) Ltd, and, £3m (2019: £11m) of costs to complete the integration of ESCO into the Group following its acquisition in July 2018.

The cash impact of the current year exceptional income statement charge of £19m is expected to be £16m, with £13m already incurred in the year.

Other adjusting items mainly relates the Group's legacy US asbestos-related exposures. Certain of the Group's US-based subsidiaries are co-defendants in lawsuits pending in the United States in which plaintiffs are claiming damages arising from alleged exposure to products previously manufactured which contained asbestos. At the end of 2020, there were 1,586 asbestos-related claims outstanding in the US (2019: 1,551). Following completion of our planned triennial actuarial review of estimated future indemnity and defence costs in December 2020, we have recognised a US asbestos-related provision of £65m (2019: £44m) in line with the actuarial decay model and the projected claims. The Group has insurance cover in place for claims with a pre-1981 date of first exposure and, as a result, recognises an insurance asset of £52m (2019: £43m). The net result is a £12m liability (2019: £1m). A charge of £12m has been recognised as an adjusting item in the year.

Discontinued operations showed a statutory loss for the year of £288m (2019: loss £524m). The adjusted result was a loss of £27m (2019: profit £22m).

On 5 October 2020, the Group announced the proposed sale of the Oil & Gas division to Caterpillar Inc. and, in line with IFRS 5 'Non-current assets held for sale and discontinued operations', the Group has classified the division as held for sale and a discontinued operation. The 2019 comparative period includes the results of the Flow Control division which was disposed of on 28 June 2019 (2019: adjusted operating loss of £3m).

Oil & Gas orders of £306m (2019: £584m) were down 48% on a constant currency basis, reflecting challenging market conditions and a further significant reduction in refurbishment and replacement activity in North America. Revenue reduced by 48% on a constant currency basis to £314m (2019: £608m) in line with order trends and adjusted operating loss including joint ventures was £21m (2019: profit £37m). The decrease was driven by significantly lower activity levels and volumes in upstream North American markets and reduced operating leverage. Net finance costs of £3m, primarily related to lease interest, and a tax charge of £3m, led to an adjusted loss after tax of £27m.

Adjusting items in the year totalled £261m after a tax charge of £27m. The balance includes intangible amortisation of £9m and exceptional items of £225m, which primarily relate to an impairment charge of £209m to reflect the write down of carrying value of the division to estimated fair value less costs to sell, onerous purchase contracts of £4m and disposal costs of £11m.

The sale of the Oil & Gas division to Caterpillar Inc. was completed on 1 February 2021, for an enterprise value of $405m, subject to customary working capital and debt-like adjustments. Since the initial announcement on 5 October 2020, the Group's joint venture partner in Saudi Arabia-based Arabian Metals Company (AMCO) has exercised its pre-emption right, as set out in the Class 1 Circular published on 3 November 2020, to purchase Weir's 49% stake in AMCO. Therefore, the cash proceeds from the sale of the division, subject to customary working capital and debt-like adjustments, will be split between $375m received from Caterpillar Inc. and $30m to be received on completion of the sale of AMCO, which is expected to occur in the first half of 2021.

Statutory loss after tax for the year was (£149m) compared to (£379m) in the prior year with the continuing operations profits being offset by the loss from discontinued operations as the Oil & Gas division was impaired to a value in line with the agreed sale proceeds reflecting fair value less costs to sell.

Adjusted earnings per share[1] from continuing operations decreased by 5% to 74.4p (2019: 78.1p) in line with the reduction in profits. Reported loss per share, including adjusting items and the loss from discontinued operations was (57.6p), (2019: (146.4p)).

Cash flow and net debt
Operating cash flow[1] decreased by £36m to £372m in the year (2019: £408m), mainly driven by adverse working capital cash flows in the continuing Group of £30m. This reflects the unwind of prior year advance payments on the Iron Bridge OE order and the decision to reduce the use of invoice discounting facilities to £7m (2019: £22m). Working capital as a percentage of sales increased from 21.7% to 22.9% on a continuing operations basis.

Operating cash flows[1] in discontinued operations remained flat year-on-year, with the impact of the continued downturn in the oil and gas market resulting in an adverse cash flow of £29m offset by the cash flows in 2019 which related to the former Flow Control division.

After additional pension contributions of £11m, exceptional and other adjusting cash items and income tax payments, net cash generated from operating activities was £273m (2019: £264m).

Free cash flow (refer to note 1 of the Audited Results) from total operations increased by £89m to an inflow of £132m (2019: £43m), before cash exceptional and other adjusting items of £24m (2019: £41m). The increase reflects a reduction in tax paid of £27m as described above, reduced capital expenditure of £30m as spend was limited during Covid uncertainty, and reduced outflow on derivative financial instruments of £67m, offsetting the £36m decrease in cash from operating activities noted above.

Total Group exceptional and other adjusting cash items of £24m includes £8m in relation to discontinued operations, with the balance primarily relating to restructuring and rationalisation actions and ESCO integration costs.

The above movements plus proceeds from the B-BBEE transaction of £5m, offset by the final payment in January 2020 in respect of the Flow Control disposal of £5m, combined with an adverse translational foreign exchange movement of £3m, resulted in a reported decrease in net debt of £106m to £1,051m (2019: £1,157m). This includes £179m (2019: £185m) in respect of leases. Net debt to EBITDA on a lender covenant basis was 2.7 times (December 2019: 2.4 times) compared to a covenant level of 3.5 times. On a pro forma[2] basis, excluding the Oil & Gas division, the net debt to EBITDA was 1.7 times.

The Group completed the refinancing of its US$950m Revolving Credit Facility (RCF) and a new £200m term loan in June 2020, extending maturity dates out to June 2023 and March 2022 respectively, with the option to extend the US$950m RCF for up to a further two years. Covenant terms remain unchanged under the new arrangements. The Group had c.£575m of immediately available committed facilities and cash balances at 31 December 2020, with a further c.£80m in uncommitted facilities available.

Pensions
The defined benefit pension deficit across the Group's legacy UK and North American schemes increased to £161m (2019: £139m) primarily due to lower discount rates as corporate bond yields reduced in the year, offset by asset gains.

Capital allocation
As noted above as we look to the future, we expect to deliver above market growth and progressive margin development through the cycle. This will be achieved within a disciplined financial framework with net debt to EBITDA normally between 0.5x to 1.5x, but able to go up to 2x for an acquisition at the right time in the cycle. The future dividend pay-out ratio will be 33% of net adjusted earnings. We believe that this provides us with the financial strength necessary to be a leader in cyclical markets while retaining sufficient capital flexibility to invest in the exciting growth opportunities we see ahead.

Notes:
1 Profit figures before adjusting items. Statutory operating profit was £234m (2019: £236m). Operating cash flow (cash generated from operations) excludes additional pension contributions, exceptional and other adjusting cash items, and income tax paid. Net cash generated from operating activities was £273m (2019: £264m). Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.
2 Pro forma figures for 2020 are for comparative purposes and are based on Oil & Gas being excluded from EBITDA and net debt adjusted to reflect estimated net disposal proceeds, which are subject to customary working capital and debt-like adjustments.

Appendix 1 – 2020 continuing operations[1] quarterly order trends (constant currency)

Reported growth

Division	Q1	Q2	Q3	Q4	FY20
Original Equipment	-13%	-9%	-57%	-18%	**-29%**
Aftermarket	-1%	-6%	-5%	-3%	**-4%**
Minerals	**-5%**	**-7%**	**-27%**	**-8%**	**-12%**
Original Equipment	25%	16%	-23%	6%	**2%**
Aftermarket	-8%	-28%	-24%	-2%	**-16%**
ESCO	**-7%**	**-26%**	**-24%**	**-2%**	**-15%**
Original Equipment	-11%	-8%	-55%	-17%	**-27%**
Aftermarket	-4%	-13%	-12%	-3%	**-8%**
Continuing Ops	**-5%**	**-12%**	**-26%**	**-7%**	**-13%**
Book-to-bill	1.10	1.03	0.82	0.87	**0.95**

Appendix 2 – Foreign Exchange (FX) rates and continuing operations[1] profit exposure

	2020 average FX rates	2019 average FX rates	Percentage of FY 2020 operating profits[2]
US Dollar	1.28	1.28	53%
Australian Dollar	1.86	1.84	7%
Canadian Dollar	1.72	1.69	17%
Euro	1.13	1.14	13%
Chilean Peso	1,015.14	897.37	14%
Chinese Yuan	8.86	8.81	2%
Indian Rupee	95.12	89.81	2%
South African Rand	21.06	18.43	1%
Brazilian Real	6.61	5.03	2%
Russian Rouble	92.76	82.53	2%

1 Continuing operations excludes the Oil & Gas division which was sold on 1 February 2021 and the Flow Control division which was sold on 28 June 2019.
2 Profit figures before adjusting items. Refer to note 1 of the Audited Results contained in this press release for further details of alternative performance measures.

This information includes 'forward-looking statements'. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding The Weir Group PLC's ("the Group") financial position, business strategy, plans (including development plans and objectives relating to the Group's products and services) and objectives of management for future operations, are forward-looking statements. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this document. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past business and financial performance cannot be relied on as an indication of future performance.

AUDITED RESULTS

Consolidated Income Statement
for the year ended 31 December 2020

		Year ended 31 December 2020			Restated (note 1) Year ended 31 December 2019		
	Notes	Adjusted results £m	Adjusting items (note 4) £m	Statutory results £m	Adjusted results £m	Adjusting items (note 4) £m	Statutory results £m
Continuing operations							
Revenue	2	1,964.7	-	1,964.7	2,049.8	-	2,049.8
Continuing operations							
Operating profit before share of results of joint ventures		303.8	(71.1)	232.7	313.8	(79.6)	234.2
Share of results of joint ventures		1.6	-	1.6	1.5	-	1.5
Operating profit		305.4	(71.1)	234.3	315.3	(79.6)	235.7
Finance costs		(53.8)	-	(53.8)	(50.3)	-	(50.3)
Finance income		3.8	-	3.8	4.0	-	4.0
Profit before tax from continuing operations		255.4	(71.1)	184.3	269.0	(79.6)	189.4
Tax (expense) credit	5	(62.1)	16.4	(45.7)	(65.8)	21.0	(44.8)
Profit for the year from continuing operations		193.3	(54.7)	138.6	203.2	(58.6)	144.6
(Loss) profit for the year from discontinued	6	(26.6)	(261.4)	(288.0)	21.6	(545.6)	(524.0)
Profit (loss) for the year		166.7	(316.1)	(149.4)	224.8	(604.2)	(379.4)
Attributable to:							
Equity holders of the Company		166.5	(316.1)	(149.6)	224.3	(604.2)	(379.9)
Non-controlling interests		0.2	-	0.2	0.5	-	0.5
		166.7	(316.1)	(149.4)	224.8	(604.2)	(379.4)
(Loss) earnings per share	7						
Basic - total operations				(57.6p)			(146.4p)
Basic - continuing operations		74.4p		53.3p	78.1p		55.5p
Diluted - total operations				(57.6p)			(146.4p)
Diluted - continuing operations		73.8p		52.9p	77.6p		55.2p

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2020

	Year ended 31 December 2020 £m	Restated (note 1) Year ended 31 December 2019 £m
Loss for the year	**(149.4)**	(379.4)
Other comprehensive (expense) income		
Losses taken to equity on cash flow hedges	**(1.1)**	(1.3)
Exchange losses on translation of foreign operations	**(34.2)**	(105.3)
Reclassification of foreign currency translation reserve on discontinued operations	**-**	(20.5)
Exchange gains (losses) on net investment hedges	**6.5**	(2.4)
Reclassification adjustments on cash flow hedges	**1.9**	0.7
Tax relating to other comprehensive expense (income) to be reclassified in subsequent periods	**0.1**	(0.2)
Items that are or may be reclassified to profit or loss in subsequent periods	**(26.8)**	(129.0)
Remeasurements on defined benefit plans	**(34.5)**	(5.2)
Remeasurements on other benefit plans	**0.2**	(0.1)
Tax relating to other comprehensive expense not to be reclassified in subsequent periods	**6.5**	0.8
Items that will not be reclassified to profit or loss in subsequent periods	**(27.8)**	(4.5)
Net other comprehensive expense	**(54.6)**	(133.5)
Total net comprehensive expense for the year	**(204.0)**	(512.9)
Attributable to:		
Equity holders of the Company	**(205.2)**	(513.2)
Non-controlling interests	**1.2**	0.3
	(204.0)	(512.9)
Total net comprehensive income (expense) for the year attributable to equity holders of the		
Continuing operations	**79.4**	70.6
Discontinued operations	**(284.6)**	(583.8)
	(205.2)	(513.2)

Consolidated Balance Sheet
at 31 December 2020

	Notes	31 December 2020 £m	31 December 2019 £m
ASSETS			
Non-current assets			
Property, plant & equipment		**449.5**	571.2
Intangible assets		**1,262.7**	1,573.0
Investments in joint ventures		**15.0**	36.6
Deferred tax assets		**54.9**	61.2
Other receivables		**84.6**	77.1
Derivative financial instruments	13	**0.1**	4.4
Total non-current assets		**1,866.8**	2,323.5
Current assets			
Inventories		**443.6**	642.9
Trade & other receivables		**420.2**	557.9
Derivative financial instruments	13	**16.0**	16.5
Income tax receivable		**29.4**	37.6
Cash & short-term deposits		**351.7**	273.8
Assets held for sale	6	**427.6**	-
Total current assets		**1,688.5**	1,528.7
Total assets		**3,555.3**	3,852.2
LIABILITIES			
Current liabilities			
Interest-bearing loans & borrowings		**26.5**	534.1
Trade & other payables		**413.9**	589.6
Derivative financial instruments	13	**18.9**	24.8
Income tax payable		**14.6**	22.6
Provisions		**29.2**	42.2
Liabilities held for sale	6	**143.3**	-
Total current liabilities		**646.4**	1,213.3
Non-current liabilities			
Interest-bearing loans & borrowings		**1,332.6**	896.2
Other payables		**0.3**	-
Derivative financial instruments	13	**-**	0.3
Provisions		**76.1**	61.3
Deferred tax liabilities		**21.4**	29.0
Retirement benefit plan deficits	12	**160.8**	138.7
Total non-current liabilities		**1,591.2**	1,125.5
Total liabilities		**2,237.6**	2,338.8
NET ASSETS		**1,317.7**	1,513.4
CAPITAL & RESERVES			
Share capital		**32.5**	32.5
Share premium		**582.3**	582.3
Merger reserve		**332.6**	332.6
Treasury shares		**(6.8)**	(0.5)
Capital redemption reserve		**0.5**	0.5
Foreign currency translation reserve		**(55.4)**	(26.7)
Hedge accounting reserve		**1.6**	0.7
Retained earnings		**419.1**	590.6
Shareholders' equity		**1,306.4**	1,512.0
Non-controlling interests		**11.3**	1.4
TOTAL EQUITY		**1,317.7**	1,513.4

The financial statements were approved by the Board of Directors and authorised for issue on 2 March 2021.

Jon Stanton
Director

John Heasley
Director

Consolidated Cash Flow Statement

for the year ended 31 December 2020

	Notes	Year ended 31 December 2020 £m	Year ended 31 December 2019 £m
Total operations			
Cash flows from operating activities	14		
Cash generated from operations		**372.2**	407.6
Additional pension contributions paid		**(11.3)**	(12.9)
Exceptional and other adjusting cash items		**(24.1)**	(41.0)
Income tax paid		**(63.4)**	(90.2)
Net cash generated from operating activities		**273.4**	263.5
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	14	**-**	(0.1)
Investment in joint ventures		**0.1**	-
Purchases of property, plant & equipment		**(59.9)**	(93.3)
Purchases of intangible assets		**(19.0)**	(23.3)
Other proceeds from sale of property, plant & equipment and intangible assets		**4.3**	12.3
Disposals of discontinued operations, net of cash disposed and disposal costs	14	**(6.8)**	244.7
Interest received		**2.2**	2.7
Dividends received from joint ventures		**8.3**	3.5
Net cash (used in) generated from investing activities		**(70.8)**	146.5
Cash flows from financing activities			
Proceeds from borrowings		**1,467.2**	1,673.7
Repayments of borrowings		**(1,455.8)**	(1,782.8)
Lease payments		**(43.4)**	(44.3)
Settlement of derivative financial instruments		**5.1**	(62.2)
Interest paid		**(52.7)**	(47.3)
Net proceeds from changes in non-controlling interests		**5.1**	-
Dividends paid to equity holders of the Company	8	**-**	(121.7)
Purchase of shares for employee share plans		**(10.9)**	(10.0)
Net cash used in financing activities		**(85.4)**	(394.6)
Net increase in cash & cash equivalents		**117.2**	15.4
Cash & cash equivalents at the beginning of the year		**272.1**	277.2
Foreign currency translation differences		**(15.2)**	(20.5)
Cash & cash equivalents at the end of the year	14	**374.1**	272.1

The cash flows from discontinued operations included above are disclosed separately in note 6.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2020

	Share capital £m	Share premium £m	Merger reserve £m	Treasury shares £m	Capital redemption reserve £m	Foreign currency translation reserve £m	Hedge accounting reserve £m	Retained earnings £m	Attributable to equity holders of the Company £m	Non-controlling interests £m	Total equity £m
At 31 December 2018	32.5	582.3	332.6	(2.1)	0.5	101.3	1.5	1,095.0	2,143.6	5.3	2,148.9
(Loss) profit for the year	-	-	-	-	-	-	-	(379.9)	(379.9)	0.5	(379.4)
Losses taken to equity on cash flow hedges	-	-	-	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Exchange losses on translation of foreign operations	-	-	-	-	-	(105.1)	-	-	(105.1)	(0.2)	(105.3)
Reclassification of exchange gains on discontinued operations	-	-	-	-	-	(20.5)	-	-	(20.5)	-	(20.5)
Exchange losses on net investment hedges	-	-	-	-	-	(2.4)	-	-	(2.4)	-	(2.4)
Reclassification adjustments on cash flow hedges	-	-	-	-	-	-	0.7	-	0.7	-	0.7
Remeasurements on defined benefit plans	-	-	-	-	-	-	-	(5.2)	(5.2)	-	(5.2)
Remeasurements on other benefit plans	-	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Tax relating to other comprehensive (expense) income	-	-	-	-	-	-	(0.2)	0.8	0.6	-	0.6
Total net comprehensive (expense) income for the year	-	-	-	-	-	(128.0)	(0.8)	(384.4)	(513.2)	0.3	(512.9)
Cost of share-based payments inclusive of tax credit	-	-	-	-	-	-	-	13.3	13.3	-	13.3
Dividends	-	-	-	-	-	-	-	(121.7)	(121.7)	-	(121.7)
Purchase of shares for employee share plans	-	-	-	(10.0)	-	-	-	-	(10.0)	-	(10.0)
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	(4.2)	(4.2)
Exercise of share-based payments	-	-	-	11.6	-	-	-	(11.6)	-	-	-
At 31 December 2019	**32.5**	**582.3**	**332.6**	**(0.5)**	**0.5**	**(26.7)**	**0.7**	**590.6**	**1,512.0**	**1.4**	**1,513.4**
(Loss) profit for the year	-	-	-	-	-	-	-	**(149.6)**	**(149.6)**	**0.2**	**(149.4)**
Losses taken to equity on cash flow hedges	-	-	-	-	-	-	**(1.1)**	-	**(1.1)**	-	**(1.1)**
Exchange (losses) gains on translation of foreign operations	-	-	-	-	-	**(35.2)**	-	-	**(35.2)**	**1.0**	**(34.2)**
Exchange gains on net investment hedges	-	-	-	-	-	**6.5**	-	-	**6.5**	-	**6.5**
Reclassification adjustments on cash flow hedges	-	-	-	-	-	-	**1.9**	-	**1.9**	-	**1.9**
Remeasurements on defined benefit plans	-	-	-	-	-	-	-	**(34.5)**	**(34.5)**	-	**(34.5)**
Remeasurements on other benefit plans	-	-	-	-	-	-	-	**0.2**	**0.2**	-	**0.2**
Tax relating to other comprehensive expense	-	-	-	-	-	-	**0.1**	**6.5**	**6.6**	-	**6.6**

Consolidated Statement of Changes in Equity (continued)

Total net comprehensive (expense) income for the year	-	-	-	-	-	(28.7)	0.9	(177.4)	(205.2)	1.2	(204.0)
Cost of share-based payments inclusive of tax credit	-	-	-	-	-	-	-	10.5	10.5	-	10.5
Purchase of shares for employee share plans	-	-	-	(10.9)	-	-	-	-	(10.9)	-	(10.9)
Notional proceeds of increase of non-controlling interests	-	-	-	-	-	-	-	-	-	3.6	3.6
Proceeds of increase of non-controlling interests	-	-	-	-	-	-	-	-	-	5.4	5.4
Proceeds from decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(0.3)	(0.3)
Exercise of share-based payments	-	-	-	4.6	-	-	-	(4.6)	-	-	-
At 31 December 2020	32.5	582.3	332.6	(6.8)	0.5	(55.4)	1.6	419.1	1,306.4	11.3	1,317.7

Notes to the Audited Results

1. Accounting policies

Basis of preparation

The audited results for the year ended 31 December 2020 ("2020") have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The financial information set out in the audited results does not constitute the Group's statutory financial statements for the year ended 31 December 2020 within the meaning of section 434 of the Companies Act 2006 and has been extracted from the full financial statements for the year ended 31 December 2020.

Statutory financial statements for the year ended 31 December 2019 ("2019"), which received an unqualified audit report, have been delivered to the Registrar of Companies. The reports of the auditors on the financial statements for the year ended 31 December 2019 and for the year ended 31 December 2020 were unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006. The financial statements for the period ended 31 December 2020 will be delivered to the Registrar of Companies and made available to all Shareholders in due course.

These financial statements are presented in Sterling. All values are rounded to the nearest 0.1 million pounds (£m) except where otherwise indicated.

The accounting policies which follow are consistent with those of the previous period with the exception of the following standards, amendments and interpretations which are effective for the year ended 31 December 2020:

i) Definition of Material – amendments to IAS 1 and IAS 8;
ii) Definition of a Business – amendments to IFRS 3;
iii) Amendment to IFRS 9, IAS 39 and IFRS 7 regarding interest rate benchmark reform;
iv) Revised Conceptual Framework for Financial Reporting; and
v) Covid-19 related rent concessions – amendment to IFRS 16.

The amendments listed above are not considered to have a material impact on the Consolidated Financial Statements of the Group. The Group has applied the practical expedient to all rent concessions that meet the conditions in paragraph 46B of the IFRS 16 amendment issued on 28 May 2020. The amount recognised in operating profit for the reporting period to reflect changes in lease payments that arise from rent concessions is a credit of £0.2m.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Prior period restatements

On 5 October 2020 the Group announced an agreement had been entered into to sell the Oil & Gas Division and, in line with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the Group has classified the Division as held for sale. Previously disclosed as an individual segment, the Division is now reported as a discontinued operation. This has resulted in a restatement of the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and related notes for the year ended 31 December 2019. See note 6 for Discontinued Operations results.

Adjusting items

In order to provide the users of the Consolidated Financial Statements with a more relevant presentation of the Group's underlying performance, statutory results for each year has been analysed between:

i) Adjusted results; and
ii) the effect of adjusting items.

This reflects a change from the previous year which disclosed results before exceptional items & intangibles amortisation and separately disclosed the effect of exceptional items & intangibles amortisation.

1. Accounting policies (continued)

The principal adjusting items are summarised below. These specific items are presented on the face of the Consolidated Income Statement, along with the related adjusting items taxation, to provide greater clarity and a better understanding of the impact of these items on the Group's financial performance. In doing so, it also facilitates greater comparison of the Group's underlying results with prior years and assessment of trends in financial performance. This split is consistent with how underlying business performance is measured internally.

i) Intangibles amortisation

Intangibles amortisation is expensed in line with the other intangible assets policy, with separate disclosure provided to allow visibility of the impact of both:

a) intangible assets recognised via acquisition, which primarily relate to items which would not normally be capitalised unless identified as part of an acquisition opening balance sheet. The ongoing costs associated with these assets are expensed.

b) ongoing multi-year investment activities, which currently include our IT transformation strategy and IoT product development as part of the Group's Industry 4.0 adoption and digitisation strategy.

During the year, amortisation of £5.0m is included within adjusted operating profit in relation to assets, which in 2020, are no longer part of ongoing multi-year investment activities. In the prior year these assets met the criteria for amortisation to be included as an adjusting item.

ii) Exceptional items

Exceptional are items of income and expense which, because of the nature, size and/or infrequency of the events giving rise to them, merit separate presentation. Exceptional items may include but are not restricted to: profits or losses arising on disposal or closure of businesses; the cost of significant business restructuring; significant impairments of intangible or tangible assets; adjustments to the fair value of acquisition-related items such as contingent consideration and inventory; and other items deemed exceptional due to their significance, size or nature. The change in presentation has had no impact on exceptional items recognised in the prior year, with 2019 balances being restated to reflect the split between continuing and discontinued operations.

iii) Other adjusting items

Other adjusting items are those which do not relate to the Group's current ongoing trading and, due to their nature, are treated as adjusting items. For example these may include, but are not restricted to, movements in the provision for asbestos-related claims or the associated insurance assets, which relate to the Flow Control Division that was sold in 2019 but the provision remains with the Group and is in run-off, or past service costs related to pension liabilities. There is no impact on the 2019 results from this change in presentation.

Further analysis of the items included in the column 'Adjusting items' in the Consolidated Income Statement is provided in notes 3 and 4 to the financial statements.

Use of estimates and judgements

The Group's significant accounting policies are set out below. The preparation of the Consolidated Financial Statements, in conformity with IFRS, requires management to make judgements that affect the application of accounting policies and estimates that impact the reported amounts of assets, liabilities, income and expense.

Management bases these judgements on a combination of past experience, professional expert advice and other evidence that is relevant to each individual circumstance. Actual results may differ from these judgements and the resulting estimates which are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

Areas requiring significant judgement in the current year and on a recurring basis are presented to the Audit Committee.

1. Accounting policies (continued)

The areas where management considers critical judgements and estimates to be required, which are areas more likely to be materially adjusted due to estimates and assumptions turning out to be wrong, are those in respect of the following:

i) Retirement benefits (estimate)

The assumptions underlying the valuation of retirement benefit assets and liabilities include discount rates, inflation rates and mortality assumptions which are based on actuarial advice. Changes in these assumptions could have a material impact on the measurement of the Group's retirement benefit obligations.

ii) Provisions (judgement/estimate)

Management judgement is used to determine when a provision is recognised, taking into account the commercial drivers which gave rise to them, the Group's previous experience of similar obligations and the progress of any associated legal proceedings. The calculation of provisions typically involves management estimates of associated cash flows and discount rates. The key provision which currently requires a greater degree of management judgement and estimate is the US asbestos provision and associated insurance asset, details of which are included in note 10.

iii) Taxation (estimate)

The level of current and deferred tax recognised in the financial statements is dependent on subjective judgements as to the interpretation of complex international tax regulations and, in some cases, the outcome of decisions by tax authorities in various jurisdictions around the world, together with the ability of the Group to utilise tax attributes within the limits imposed by the relevant tax legislation.

The Group faces a variety of tax risks which result from operating in a complex global environment, including the ongoing reform of both international and domestic tax rules in some of the Group's larger markets and the challenge to fulfil ongoing tax compliance filing and transfer pricing obligations given the scale and diversity of the Group's global operations.

The Group makes provision for open tax issues where it is probable that an exposure will arise including, in a number of jurisdictions, ongoing tax audits and uncertain tax positions including transfer pricing which are by nature complex and can take a number of years to resolve. In all cases, provisions are based on management's interpretation of tax law in each country, as supported where appropriate by discussion and analysis undertaken by the Group's external advisers, and reflect the single best estimate of the likely outcome or expected value for each liability. Provisions for uncertain tax positions are included in current tax liabilities and total £18.6m at 31 December 2020.

The Group believes it has made adequate provision for the outcome or the expected value for each liability although it is possible that amounts ultimately paid will be different from the amounts provided, but not materially within the next 12 months.

Tax disclosures are provided in note 5.

iv) Discontinued operations (estimate)

IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' requires entities to measure discontinued operations at the lower of the carrying amount and fair value less costs to sell. Prior to completion of the sale on 1 February 2021 and subsequent completion accounts process, which will include finalisation of customary working capital and debt-like items, management were required to apply certain estimates about possible outcomes of the sale process and estimate both the fair value and costs of disposal. This exercise was completed as at 31 December 2020 based on the latest developments in the Oil & Gas sale process. This resulted in an impairment of £209.2m being recognised in relation to goodwill, intangible assets and inventory. When the disposal is recognised in the 2021 financial statements a gain or loss may arise since final proceeds are subject to finalisation of customary working capital and debt-like items and the conclusion of the completion accounts process. At this time the foreign currency translation reserve will also be recycled to the income statement and reflected in the gain or loss on disposal. The disclosure in relation to discontinued operations is provided in note 6.

1. Accounting policies (continued)

Alternative performance measures

The financial statements are prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which we believe distort period-on-period comparisons. These are considered alternative performance measures. This information, along with comparable GAAP measurements, is useful to investors in providing a basis for measuring our operational performance. Our management uses these financial measures, along with the most directly comparable GAAP financial measures, in evaluating our performance and value creation. Alternative performance measures should not be considered in isolation from, or as a substitute for, financial information in compliance with GAAP. Alternative performance measures as reported by the Group may not be comparable with similarly titled amounts reported by other companies.

Below we set out our definitions of alternative performance measures and provide reconciliations to relevant GAAP measures.

Adjusted results and adjusting items

The Consolidated Income Statement presents Statutory results, which are provided on a GAAP basis, and Adjusted results (non GAAP), which are management's primary area of focus when reviewing the performance of the business. Adjusting items represent the difference between Statutory results and Adjusted results and are defined within the accounting policies section above. The accounting policy for Adjusting items should be read in conjunction with this note. Details of each adjusting item is provided in note 4. We consider this presentation to be helpful as it allows greater comparability of the underlying performance of the business from year to year.

We have made the following changes to our reconciliation from GAAP to non GAAP measures, as summarised below:

1. Our non GAAP Income Statement measures are now referred to as 'Adjusted' rather than 'before exceptional items and intangibles amortisation', for example, Adjusted operating profit and Adjusted profit before tax. This change in presentation follows the recognition of £5.0m of intangible assets amortisation, on assets which are no longer part of ongoing multi-year investment activities, being included within our non GAAP measure. Until this year, no intangible assets amortisation was reflected in our non GAAP results on the basis it was all considered to relate to multi-year investment activities.

2. Within Adjusting items, we have introduced the category of Other adjusting items alongside Amortisation related to acquisition related intangible assets and ongoing multi-year investment activities and Exceptional items. Other Adjusting items are those which do not relate to the Group's current ongoing trading, but due to their nature, may result in a recurring adjustment and, as a result, are not considered to meet the definition of exceptional. These items include adjustments to the Group's asbestos-related liabilities and assets and past service costs associated with retirement benefit obligations. Details of these items are included in note 4.

Operating cash flow (cash generated from operations)

Operating cash flow excludes additional pension contributions, exceptional and other adjusting cash items and income tax paid. This reflects our view of the underlying cash generation of the business. A reconciliation to the GAAP measure 'Net cash generated from operating activities' is provided in the Consolidated Cash Flow Statement.

Free cash flow

Free cash flow (FCF) is a non-GAAP measure, defined as operating cash flow (cash generated from operations), adjusted for income taxes, net capital expenditures, lease payments, net interest payments, dividends received from joint ventures, settlement of derivatives, purchase of shares for employee share awards and pension contributions. Following the withdrawal of dividends payments in the year dividends paid have been removed from the definition of FCF and the prior year has been restated accordingly. FCF reflects an additional way of viewing our liquidity that we believe is useful to investors as it represents cash flows that could be used for repayment of debt, dividends, exceptional and other adjusting items, or to fund our strategic initiatives, including acquisitions, if any.

1. Accounting policies (continued)

The reconciliation of operating cash flows (cash generated from operations) to FCF is as follows.

	2020 £m	Restated (note 1) 2019 £m
Operating cash flow (cash generated from operations)	**372.2**	407.6
Income tax paid	**(63.4)**	(90.2)
Net capital expenditure from purchase & disposal of property, plant & equipment and intangibles	**(74.6)**	(104.3)
Lease payments	**(43.4)**	(44.3)
Net interest paid	**(50.5)**	(44.6)
Dividends received from joint ventures	**8.3**	3.5
Settlement of derivative financial instruments	**5.1**	(62.2)
Purchase of shares for employee share plans	**(10.9)**	(10.0)
Additional pension contributions paid	**(11.3)**	(12.9)
Free cash flow	**131.5**	42.6

Working capital as a percentage of sales

Working capital includes inventories, trade & other receivables, trade & other payables and derivative financial instruments as included in the Consolidated Balance Sheet, adjusted to exclude insurance contract assets totalling £91.0m and £9.5m of interest accruals. This working capital measure reflects the figure used by management to monitor the performance of the business and is divided by revenue, as included in the Consolidated Income Statement, to arrive at working capital as a percentage of sales.

EBITDA

EBITDA is operating profit from continuing operations, before exceptional items, other adjusting items, intangibles amortisation, and excluding depreciation of owned assets and right-of-use assets. EBITDA is used in conjunction with other GAAP and non-GAAP financial measures to assess our operating performance. A reconciliation of EBITDA to the closest equivalent GAAP measure, operating profit, is provided.

	2020 £m	Restated (note 1) 2019 £m
Continuing operations		
Operating profit	**234.3**	235.7
Adjusted for:		
Exceptional and other adjusting items (note 4)	**31.8**	32.9
Adjusting amortisation (note 4)	**39.3**	46.7
Adjusted operating profit	**305.4**	315.3
Non-adjusting amortisation	**5.0**	-
Adjusted Earnings before interest, tax and amortisation (EBITA)	**310.4**	315.3
Depreciation of owned property, plant & equipment	**43.2**	41.6
Depreciation of right-of-use property, plant & equipment	**29.0**	27.3
Adjusted Earnings before interest, tax, depreciation and amortisation (EBITDA)	**382.6**	384.2

Net debt

Net debt is a common measure used by management and investors when monitoring the capital management of the Group and is the basis for covenant reporting. A reconciliation of net debt to cash & short-term deposits, interest-bearing loans and borrowings is provided in note 14.

2. Segment information

Following the announcement during the year of the Group's intention to sell the Oil & Gas Division, the Group has classified the Division as a discontinued operation. On 5 October 2020 the Group announced an agreement had been entered into to sell the Division, as disclosed in note 6. Prior comparatives in Minerals have been restated to reflect transactions between the segments. Continuing operations includes two operating Divisions: Minerals and ESCO. These two Divisions are organised and managed separately based on the key markets served and each is treated as an operating segment and a reportable segment under IFRS 8. The operating and reportable segments were determined based on the reports reviewed by the Chief Executive Officer which are used to make operational decisions.

The Minerals segment is the global leader in the provision of slurry handling equipment and associated aftermarket support for abrasive high-wear applications used in the mining and oil sands markets. The ESCO segment is the world's leading provider of ground engaging tools for surface mining and infrastructure.

The Chief Executive Officer assesses the performance of the operating segments based on operating profit from continuing operations before exceptional and other adjusting items (including impairments) ('segment result'). Finance income and expenditure and associated interest-bearing liabilities and derivative financial instruments are not allocated to segments as all treasury activity is managed centrally by the Group treasury function. The amounts provided to the Chief Executive Officer with respect to assets and liabilities are measured in a manner consistent with that of the financial statements. The assets are allocated based on the operations of the segment and the physical location of the asset. The liabilities are allocated based on the operations of the segment.

Transfer prices between business segments are set on an arm's length basis, in a manner similar to transactions with third parties.

2. Segment information (continued)

The segment information for the reportable segments for 2020 and 2019 is disclosed below. Information for Oil & Gas is included in note 6.

	Minerals		ESCO		Total continuing operations	
		Restated (note 1)				Restated (note 1)
	2020 £m	2019 £m	**2020 £m**	2019 £m	**2020 £m**	2019 £m
Revenue						
Sales to external customers	**1,469.2**	1,477.8	**495.5**	572.0	**1,964.7**	2,049.8
Inter-segment sales	**0.1**	-	**0.9**	0.5	**1.0**	0.5
Segment revenue	**1,469.3**	1,477.8	**496.4**	572.5	**1,965.7**	2,050.3
Eliminations					**(1.0)**	(0.5)
					1,964.7	2,049.8
Sales to external customers - 2019 at 2020 average exchange rates						
Sales to external customers	**1,469.2**	1,418.4	**495.5**	568.6	**1,964.7**	1,987.0
Segment result						
Segment result before share of results of joint ventures	**259.9**	270.3	**79.4**	81.6	**339.3**	351.9
Share of results of joint ventures	**-**	-	**1.6**	1.5	**1.6**	1.5
Segment result	**259.9**	270.3	**81.0**	83.1	**340.9**	353.4
Unallocated expenses					**(35.5)**	(38.1)
Adjusted operating profit					**305.4**	315.3
Adjusting items					**(71.1)**	(79.6)
Net finance costs					**(50.0)**	(46.3)
Profit before tax from continuing operations					**184.3**	189.4
Segment result - 2019 at 2020 average exchange rates						
Segment result before share of results of joint ventures	**259.9**	260.4	**79.4**	81.2	**339.3**	341.6
Share of results of joint ventures	**-**	-	**1.6**	1.4	**1.6**	1.4
Segment result	**259.9**	260.4	**81.0**	82.6	**340.9**	343.0
Unallocated expenses					**(35.5)**	(38.1)
Adjusted operating profit					**305.4**	304.9

Revenues from any single external customer do not exceed 10% of Group revenue.

2. Segment information (continued)

	Minerals		ESCO		Discontinued		Total Group	
						Restated (note 1)		Restated (note 1)
	2020 £m	2019 £m	**2020 £m**	2019 £m	**2020 £m**	2019 £m	**2020 £m**	2019 £m
Assets & liabilities								
Intangible assets	**576.2**	579.5	**664.2**	700.9	**-**	268.0	**1,240.4**	1,548.4
Property, plant & equipment	**311.7**	293.5	**124.0**	122.2	**-**	137.5	**435.7**	553.2
Working capital assets	**678.7**	701.1	**191.0**	217.0	**-**	297.8	**869.7**	1,215.9
	1,566.6	1,574.1	**979.2**	1,040.1	**-**	703.3	**2,545.8**	3,317.5
Investments in joint ventures	**-**	-	**15.0**	15.2	**-**	21.4	**15.0**	36.6
Segment assets held for sale	**-**	-	**-**	-	**427.6**	-	**427.6**	-
Segment assets	**1,566.6**	1,574.1	**994.2**	1,055.3	**427.6**	724.7	**2,988.4**	3,354.1
Unallocated assets							**566.9**	498.1
Total assets							**3,555.3**	3,852.2
Working capital liabilities	**365.2**	408.2	**83.4**	87.8	**-**	133.5	**448.6**	629.5
Segment liabilities held for sale	**-**	-	**-**	-	**143.3**	-	**143.3**	-
Segment liabilities	**365.2**	408.2	**83.4**	87.8	**143.3**	133.5	**591.9**	629.5
Unallocated liabilities							**1,645.7**	1,709.3
Total liabilities							**2,237.6**	2,338.8
Other segment information - total Group								
Segment additions to non-current assets	**71.0**	85.5	**22.1**	28.6	**6.6**	48.9	**99.7**	163.0
Unallocated additions to non-current assets							**6.9**	7.5
Total additions to non-current assets							**106.6**	170.5
Other segment information - total Group								
Segment depreciation & amortisation	**66.1**	63.4	**37.2**	37.1	**31.6**	67.6	**134.9**	168.1
Segment impairment of property, plant & equipment	**(0.4)**	1.9	**-**	-	**(1.4)**	28.6	**(1.8)**	30.5
Segment impairment of intangible assets	**-**	6.3	**-**	-	**176.1**	472.9	**176.1**	479.2
Unallocated depreciation & amortisation							**13.2**	15.0
Total depreciation, amortisation & impairment							**322.4**	692.8

The assets and liabilities balances include right-of-use assets and lease liabilities.

Unallocated assets are continuing operations and primarily comprise cash and short-term deposits, asbestos-related insurance asset, Trust Owned Life Insurance policy investments, derivative financial instruments, income tax receivable, deferred tax assets and elimination of intercompany as well as those assets which are used for general head office purposes. Unallocated liabilities are continuing operations and primarily comprise interest-bearing loans and borrowings and related interest accruals, derivative financial instruments, income tax payable, provisions, deferred tax liabilities, elimination of intercompany and retirement benefit deficits as well as liabilities relating to general head office activities. Segment additions to non-current assets include right-of-use assets.

2. Segment information (continued)

Geographical information

Geographical information in respect of revenue and non-current assets for 2020 and 2019 is disclosed below. Revenues are allocated based on the location to which the product is shipped. Assets are allocated based on the location of the assets and operations. Non-current assets consist of property, plant & equipment, intangible assets and investments in joint ventures.

Year ended 31 December 2020	UK £m	US £m	Canada £m	Asia Pacific £m	Australia £m	South America £m	Middle East & Africa £m	Europe & FSU £m	Total £m
Revenue from continuing									
Sales to external customers	**15.8**	**296.0**	**274.6**	**227.3**	**348.0**	**415.6**	**218.0**	**169.4**	**1,964.7**
Non-current assets	**332.5**	**749.3**	**61.8**	**138.8**	**210.1**	**82.6**	**98.1**	**54.0**	**1,727.2**

Restated (note 1) Year ended 31 December 2019	UK £m	US £m	Canada £m	Asia Pacific £m	Australia £m	South America £m	Middle East & Africa £m	Europe & FSU £m	Total £m
Revenue from continuing									
Sales to external customers	19.8	360.0	313.0	246.9	260.4	440.4	240.1	169.2	2,049.8
Non-current assets	341.1	1,145.3	70.8	198.4	181.1	91.9	106.3	45.9	2,180.8

The following disclosures are given in relation to continuing operations.

	2020 £m	Restated (note 1) 2019 £m
An analysis of the Group's revenue is as follows:		
Original equipment	**444.3**	371.1
Aftermarket parts	**1,358.1**	1,491.9
Sales of goods	**1,802.4**	1,863.0
Provision of services - Aftermarket	**116.0**	131.0
Construction contracts – Original equipment	**46.3**	55.8
Revenue	**1,964.7**	2,049.8

	Minerals		ESCO		Total continuing operations	
	2020 £m	Restated (note 1) 2019 £m	2020 £m	2019 £m	2020 £m	Restated (note 1) 2019 £m
Timing of revenue recognition						
At a point in time	**1,382.1**	1,373.5	**490.1**	560.4	**1,872.2**	1,933.9
Over time	**87.2**	104.3	**6.3**	12.1	**93.5**	116.4
Segment revenue	**1,469.3**	1,477.8	**496.4**	572.5	**1,965.7**	2,050.3
Eliminations					**(1.0)**	(0.5)
					1,964.7	2,049.8

3. Revenues & expenses

The following disclosures are given in relation to continuing operations.

	Year ended 31 December 2020			Restated (note 1) Year ended 31 December 2019		
	Adjusted results £m	Adjusting items £m	Statutory results £m	Adjusted results £m	Adjusting items £m	Statutory results £m
A reconciliation of revenue to operating profit is as follows:						
Revenue	**1,964.7**	**-**	**1,964.7**	2,049.8	-	2,049.8
Cost of sales	**(1,263.6)**	**(8.2)**	**(1,271.8)**	(1,300.1)	(23.7)	(1,323.8)
Gross profit	**701.1**	**(8.2)**	**692.9**	749.7	(23.7)	726.0
Other operating income	**7.5**	**-**	**7.5**	10.4	-	10.4
Selling & distribution costs	**(203.5)**	**(5.8)**	**(209.3)**	(233.5)	(1.5)	(235.0)
Administrative expenses	**(201.3)**	**(57.1)**	**(258.4)**	(212.8)	(54.4)	(267.2)
Share of results of joint ventures	**1.6**	**-**	**1.6**	1.5	-	1.5
Operating profit	**305.4**	**(71.1)**	**234.3**	315.3	(79.6)	235.7

Details of adjusting items are provided in note 4.

4. Adjusting items

	2020 £m	Restated (note 1) 2019 £m
Recognised in arriving at operating profit from continuing operations		
Intangibles amortisation	**(39.3)**	(46.7)
Exceptional items		
ESCO acquisition and integration related costs	**(3.3)**	(10.7)
Covid-19 restructuring and other costs	**(9.7)**	-
Other restructuring and rationalisation charges	**(2.0)**	(16.2)
Black Economic Empowerment transaction	**(4.4)**	-
Intangibles impairment	**-**	(6.3)
Legal claims	**-**	0.3
	(19.4)	(32.9)
Other adjusting items		
Asbestos-related provision (note 10)	**(11.8)**	-
Pension equalisation	**(0.6)**	-
	(12.4)	-
Total adjusting items	**(71.1)**	(79.6)
Recognised in arriving at operating profit from discontinued operations		
Intangibles amortisation	**(9.1)**	(31.6)
Exceptional items		
Impairment - Fair value adjustment	**(209.2)**	-
Oil & Gas North America impairment - intangibles and goodwill	**-**	(472.9)
Oil & Gas North America impairment - tangible assets	**-**	(73.3)
Onerous purchase contracts	**(3.8)**	-
Disposal related costs	**(11.4)**	-
Covid-19 restructuring and other costs	**(0.7)**	-
Other restructuring and rationalisation charges	**(0.2)**	(15.0)
Legacy product warranty	**-**	(2.3)
	(225.3)	(563.5)
Total adjusting items (note 6)	**(234.4)**	**(595.1)**

4. Adjusting items (continued)

Continuing operations

Intangibles amortisation

Intangibles amortisation of £39.3m relates to acquisition assets and ongoing multi-year investment activities as outlined in the accounting policy in note 1.

Exceptional items

Included in exceptional items is £3.3m of costs associated with the integration of ESCO into the Group following its acquisition in July 2018. The majority of these costs relate to project staff and restructuring. The integration activities and associated costs completed by 31 December 2020.

Due to the unprecedented Covid-19 pandemic, specific one-off and/or short-term measures have been taken to protect the Group’s ability to generate future cash flows, ensure the immediate health and safety of the workforce and manage supply chain issues enabling us to continue to meet customer needs. Where specific costs have been deemed to be non-recurring in nature and as a direct result of the Covid-19 pandemic, these have been treated as exceptional items in line with the Group’s accounting policy. Of the £9.7m recognised to date, £8.2m relates to severance costs across the Minerals Division and £0.7m in the ESCO Division. The remaining £0.8m relates to incremental costs such as one-off site decontaminations, additional freight costs for existing customer orders and employee support costs. The impact of under-recoveries from mandated or voluntary site shutdowns, as well as costs for items such as disposable face masks and increased routine cleaning, have not been treated as exceptional items and are included within adjusted results. This reflects the fact these are considered "sunk costs" or of a consumable and/or recurring nature for at least the immediate to medium-term future as the pandemic continues.

The continued deep downturn in oil and gas markets in the year, exacerbated by Covid-19, has resulted in further steps to right-size certain central functions to protect short-term cash generation. This resulted in £2.2m restructuring and rationalisation costs in Head Office, primarily related to severance due to a reduction in headcount. In addition, £0.2m additional costs were incurred by Minerals for the final adjustments for the exit of the sand and aggregates comminution market in North America completed in the year, offset by a credit of £0.4m in Minerals relating to prior year unutilised owned property disposal costs.

The Black Economic Empowerment transaction is a one-off charge for the completion of a Broad-based Black Economic Empowerment ("B-BBEE") ownership transaction by the Group’s subsidiary, Weir Minerals South Africa (Pty) Ltd (WMSA) with Medu Capital (Pty) Ltd ("Medu Capital"). The transaction will result in WMSA being '25%+1' Black-owned (as defined in the Broad-Based Black Economic Empowerment Act 53 of 2003). The business will continue to be fully consolidated in the Group's financial statements. This ownership structure better reflects the demographics of South Africa and reiterates Weir's long-term commitment to the country and to the communities in which we operate. It will also differentiate WMSA from many of its competitors as one of the few '25%+1' empowered mining technology companies in South Africa.

The consideration from Medu Capital includes a payment of £5.4m received on 23 April 2020 for 40% of the ‘25%+1’ shareholding, with the remaining 60% covered by a notional loan served by declared dividends over a maximum period of eight years. Full entitlement to the shares (economic and voting rights) is achieved on full settlement of the notional loan. The exceptional charge of £4.4m includes £3.6m non-cash IFRS 2 charge representing the fair value of the remaining 60% shareholding with £0.8m incurred for consultancy and legal fees required to complete the transaction.

The prior year to December included costs of £10.7m associated with the integration of ESCO. Restructuring costs for Minerals totalled £17.8m with a partial offset of £1.6m of credits in Minerals relating to prior year unutilised provisions and a property disposal. The restructuring charge included £2.0m associated with political and social events in South America and £15.8m following withdrawal from the lower margin sand and aggregates comminution market in North America.

The intangibles impairment charge of £6.3m in Minerals was for the full write-down of customer relationships asset value which also related to the North American sand and aggregates market exit. The legal claim credit of £0.3m was in relation to the successful resolution of a legal claim associated with legacy Trio issues.

4. Adjusting items (continued)

Other adjusting items

A charge of £11.8m has been recorded following the completion of the planned triennial actuarial review of the US asbestos-related claims, which relate to legacy Group products. Further details of this review are included in note 10.

Following the most recent Lloyds judgement in November 2020 in relation to guaranteed minimum pension (GMP) inequality, a charge of £0.6m for GMP equalisation has been booked which follows the £6.3m charge initially recognised in 2018.

Discontinued operations

Intangibles amortisation

Intangibles amortisation of £9.1m relates to acquisition assets and ongoing multi-year investment activities outlined in the accounting policy in note 1.

Exceptional items

An adjustment of £209.2m has been made to the carrying value of the Oil & Gas Division to reflect the fair value less costs to sell of the Division, in line with IFRS 5. This reflects the estimated proceeds from the disposal which completed on 1 February 2021, and remains subject to customary debt-like items and working capital adjustments. This fair value adjustment includes £49.5m of intangible assets, £126.6m goodwill and £33.1m inventory.

As part of the disposal process, settlement agreements were reached with certain suppliers for onerous purchase contracts, resulting in a provision of £3.8m. This included settlement payments made in January and a provision of 40% against inventory yet to be delivered.

Disposal costs associated with the sale of the Oil & Gas Division total £11.4m primarily relating to advisory and consultancy fees.

Covid-19 related costs within Oil & Gas of £0.7m relate solely to incremental costs, incurred mainly in the Middle East, for one-off site decontaminations, additional freight costs for existing customer orders and employee support costs.

As noted above, the continued deep downturn in oil and gas markets in the year resulted in restructuring and rationalisation costs of £3.0m within the Oil & Gas Division, primarily relating to severance with a reduction in headcount. This is offset by £2.8m of credit balances: £1.1m gain on sale of a property written off as an exceptional item in the prior year, £1.0m credit for the final adjustments in relation to the liquidation of the EPIX joint venture and £0.7m relating to prior year unutilised provisions.

Prior year exceptional items include a charge of £546.2m for the impairment to the Oil & Gas North American Cash Generating Unit (CGU) which was made up of write-downs to inventory of £48.6m, property, plant & equipment of £24.7m, brand names of £39.7m, customer relationships of £144.3m, purchased software of £0.9m, and goodwill of £288.0m. Restructuring charges of £15.0m include £0.4m for Flow Control impairment of inventory due to restructuring as well as £14.6m for Oil & Gas restructuring costs for North America to reduce the workforce and impair £3.9m of property, plant & equipment associated with site closures. An additional inventory provision of £2.3m was incurred to reflect the final closing inventory provision to the 2018 Oil & Gas legacy product warranty issue.

5. Income tax expense

	2020 £m	Restated (note 1) 2019 £m
Continuing Group - UK	**(2.9)**	0.1
Continuing Group - Overseas	**(42.8)**	(44.9)
Income tax expense in the Consolidated Income Statement for continuing operations	**(45.7)**	(44.8)

The total income tax (expense) credit for continuing operations is disclosed in the Consolidated Income Statement as follows.

Tax expense – adjusted continuing operations	**(62.1)**	(65.8)
– exceptional and other adjusting items	**8.0**	8.1
– adjusting intangibles amortisation and impairment	**8.4**	12.9
Income tax expense in the Consolidated Income Statement for continuing operations	**(45.7)**	(44.8)

The income tax expense included in the Continuing Group's share of results of joint ventures is as follows:

Joint ventures	**(0.5)**	(0.4)

On 25 April 2019 the European Commission (EC) released its full decision in relation to its State Aid investigation into the Group Financing Exemption (GFE) included within the UK's controlled foreign company (CFC) legislation. While it is narrower than the original concerns raised and confirms that the CFC legislation as amended with effect from 1 January 2019 is compliant with EU State Aid rules, the decision concludes that, up to 31 December 2018, aspects of the legislation constitute State Aid. In common with other international groups, the Group has benefited from the GFE contained within the CFC legislation and had previously estimated the maximum contingent liability, excluding interest, to be approximately £19m. The UK Government, together with a number of affected taxpayers, including the Group, have lodged annulment applications with the General Court of the European Union in response to this decision.

HMRC have subsequently confirmed that they do not consider the Group has been a beneficiary of State Aid, and accordingly there is no longer a contingent liability and no payment is anticipated to be made.

6. Discontinued operations

On 5 October 2020 the Group announced an agreement had been entered into to sell the Oil & Gas Division and, in line with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the Group classified the Division as held for sale and its results are reported in discontinued operations. On 1 February 2021, the Group completed the sale to Caterpillar Inc., subject to customary working capital and debt-like adjustments. Refer to note 18 for details of the consideration. The Oil & Gas Division provides products and service solutions to upstream, production, transportation and related industries.

Previously reported as an individual reporting segment, the Division is now reported as a discontinued operation. In compliance with IFRS 5, the results for the year ended 31 December 2020 for the Division are disclosed within one line in the income statement, with the comparative period also restated. In the balance sheet, the assets and liabilities of the Division, in the current period only, are reported as current assets/liabilities held for sale. As a discontinued operation, the Division is measured at the lower of its carrying amount and fair value less costs to sell. In order to reflect this an impairment of £209.2m in relation to goodwill, intangible assets and inventory was recognised in the year. When the sale of the disposal group occurs, a gain or loss may arise. At the time of disposal the foreign currency translation reserve will be recycled to the income statement and included in the gain or loss on disposal.

The Group disposed of the Flow Control Division on 28 June 2019 for an enterprise value of £275.0m and a net consideration of £263.4m, after customary working capital and debt-like adjustments. In January 2020 the Group paid £4.5m to First Reserve and wrote off £0.2m receivable from First Reserve to reflect the final consideration of £258.7m determined as part of the agreed completion accounts process.

Financial information relating to discontinued operations is set out in the table below. The 2019 discontinued operations income statement has been restated to include the results of the Oil & Gas Division.

Financial performance and cash flow information for discontinued operations

	Year ended 31 December 2020			Restated (note 1) Year ended 31 December 2019		
	Adjusted results	**Adjusting items (note 4)**	**Statutory results**	Adjusted results	Adjusting items (note 4)	Statutory results
	£m	**£m**	**£m**	£m	£m	£m
Revenue	**314.3**	**-**	**314.3**	762.1	-	762.1
Operating (loss) profit before share of results of joint ventures	**(24.5)**	**(234.4)**	**(258.9)**	29.2	(595.1)	(565.9)
Share of results of joint ventures	**3.9**	**-**	**3.9**	4.7	-	4.7
Operating (loss) profit	**(20.6)**	**(234.4)**	**(255.0)**	33.9	(595.1)	(561.2)
Finance costs	**(3.3)**	**-**	**(3.3)**	(4.1)	-	(4.1)
Finance income	**0.3**	**-**	**0.3**	0.3	-	0.3
(Loss) profit before tax from discontinued operations	**(23.6)**	**(234.4)**	**(258.0)**	30.1	(595.1)	(565.0)
Tax (expense) credit	**(3.0)**	**(27.0)**	**(30.0)**	(8.5)	71.2	62.7
(Loss) profit after tax from discontinued operations	**(26.6)**	**(261.4)**	**(288.0)**	21.6	(523.9)	(502.3)
Loss on sale of the subsidiaries after income tax (see below)	**-**	**-**	**-**	-	(21.7)	(21.7)
(Loss) profit for the year from discontinued operations	**(26.6)**	**(261.4)**	**(288.0)**	21.6	(545.6)	(524.0)
Reclassification of foreign currency translation reserve	**-**	**-**	**-**	(20.5)	-	(20.5)
Other comprehensive expense from discontinued operations	**-**	**-**	**-**	(0.2)	-	(0.2)
Net other comprehensive expense from discontinued operations	**-**	**-**	**-**	(20.7)	-	(20.7)

6. Discontinued operations (continued)

Loss per share

Loss per share from discontinued operations was as follows.

	2020 pence	2019 pence
Basic	**(110.9)**	(201.9)
Diluted	**(110.9)**	(201.9)

These loss per share figures were derived by dividing the net loss attributable to equity holders of the Company from discontinued operations by the weighted average number of ordinary shares, for both basic and diluted amounts, shown in note 7.

	Year ended 31 December 2020 £m	Restated (note 1) Year ended 31 December 2019 £m
Cash flows from operating activities	**20.3**	(16.2)
Cash flows from investing activities	**3.8**	(14.1)
Cash flows from financing activities	**(18.5)**	(20.3)
Net increase (decrease) in cash & cash equivalents from discontinued operations	**5.6**	(50.6)

Assets & liabilities held for sale - Oil & Gas Division

The following table details the assets and liabilities classified as held for sale in the Consolidated Balance Sheet.

	Notes	31 December 2020 £m
ASSETS		
Property, plant & equipment		**117.3**
Intangible assets		**82.0**
Investments in joint ventures		**17.9**
Deferred tax assets		**7.5**
Inventories		**110.1**
Trade & other receivables		**67.3**
Income tax receivable		**2.5**
Cash & short-term deposits	14	**23.0**
Assets held for sale		**427.6**
LIABILITIES		
Interest-bearing loans & borrowings	14	**67.0**
Trade & other payables		**50.2**
Derivative financial instruments	13	**0.1**
Income tax payable		**14.7**
Provisions	10	**11.2**
Deferred tax liabilities		**0.1**
Liabilities held for sale		**143.3**
NET ASSETS		**284.3**

6. Discontinued operations (continued)

Details of the sale of the Flow Control subsidiaries

	Year ended 31 December 2019 £m
Consideration received	
Cash received	263.4
Completion accounts settlement	(4.7)
Total disposal consideration	258.7
Carrying amount of net assets sold	(270.1)
Costs of disposal	(17.1)
Loss on sale before income tax and reclassification of foreign currency translation reserve	(28.5)
Reclassification of foreign currency translation reserve	20.5
Loss on sale before income tax	(8.0)
Income tax charge	(13.7)
Loss on sale after income tax	(21.7)

The carrying amount of assets and liabilities as at the date of sale were as follows.

	Year ended 31 December 2019 £m
Property, plant & equipment	95.7
Intangible assets	98.4
Inventories	79.1
Trade & other receivables	150.7
Cash & short-term deposits	2.1
Trade & other payables	(140.5)
Provisions	(14.9)
Net assets	270.6
Non-controlling interest	(0.5)
Net assets attributable to Equity holders of the Company	270.1

7. (Loss) earnings per share

Basic (loss) earnings per share amounts are calculated by dividing net (loss) profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted (loss) earnings per share is calculated by dividing the net (loss) profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of dilutive share awards.

The following reflects the earnings and share data used in the calculation of (loss) earnings per share.

	2020	Restated (note 1) 2019
(Loss) profit attributable to equity holders of the Company		
Total operations* (£m)	**(149.6)**	(379.9)
Continuing operations** (£m)	**138.4**	144.1
Continuing operations before adjusting items** (£m)	**193.1**	202.7
Weighted average share capital		
Basic (loss) earnings per share (number of shares, million)	**259.5**	259.5
Diluted (loss) earnings per share (number of shares, million)	**261.7**	261.2

The difference between the weighted average share capital for the purposes of the basic and the diluted (loss) earnings per share calculations is analysed as follows.

	2020 Shares million	2019 Shares million
Weighted average number of ordinary shares for basic (loss) earnings per share	**259.5**	259.5
Effect of dilution: employee share awards	**2.2**	1.7
Adjusted weighted average number of ordinary shares for diluted (loss) earnings per share	**261.7**	261.2

The (loss) profit attributable to equity holders of the Company used in the calculation of both basic and diluted (loss) earnings per share from continuing operations before adjusting items is calculated as follows.

	2020 £m	Restated (note 1) 2019 £m
Net profit attributable to equity holders from continuing operations**	**138.4**	144.1
Adjusting items net of tax	**54.7**	58.6
Net profit attributable to equity holders from continuing operations before adjusting items	**193.1**	202.7

	2020 pence	Restated (note 1) 2019 pence
Basic (loss) earnings per share:		
Total operations*	**(57.6)**	(146.4)
Continuing operations**	**53.3**	55.5
Continuing operations before adjusting items**	**74.4**	78.1
Diluted (loss) earnings per share:		
Total operations*	**(57.6)**	(146.4)
Continuing operations**	**52.9**	55.2
Continuing operations before adjusting items**	**73.8**	77.6

*Adjusted for a profit of £0.2m (2019: profit of £0.5m) in respect of non-controlling interests for total operations.

**Adjusted for a profit of £0.2m (2019: profit of £0.5m) in respect of non-controlling interests for continuing operations.

There have been 350,896 share awards (2019: nil) exercised between the reporting date and the date of signing of these financial statements. These were settled out of existing shares held in trust.

Loss per share from discontinued operations is disclosed in note 6.

8. Dividends paid & proposed

	2020 £m	2019 £m
Declared & paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2019: 0.00p (2018: 30.45p)	-	78.9
Interim dividend for 2020: 0.00p (2019: 16.50p)	-	42.8
	-	121.7
Proposed for approval by Shareholders at the Annual General Meeting		
Final dividend for 2020: 0.00p (2019: 0.00p)	-	-

In response to the Covid-19 pandemic, on 25 March 2020, the Board took the decision to withdraw the proposal to pay the final 2019 dividend as part of wider cash preservation actions taken by the Group. The Board did not propose an interim or final dividend for 2020.

9. Property, plant & equipment and intangible assets

	2020 £m	2019 £m
Additions of property, plant & equipment and intangible assets – total Group		
– owned land & buildings	**7.3**	5.6
– owned plant & equipment	**54.1**	86.9
– right-of-use land & buildings	**19.8**	34.4
– right-of-use plant & equipment	**7.8**	12.5
– intangible assets	**17.6**	23.7
	106.6	163.1

The above additions relate to the normal course of business and do not include any additions made by way of business combinations.

10. Provisions

	Warranties & contract claims £m	Asbestos-related £m	Employee-related £m	Exceptional rationalisation £m	Other £m	Total £m
At 31 December 2019	**13.5**	**47.6**	**17.8**	**12.8**	**11.8**	**103.5**
Additions	**9.7**	**30.1**	**11.5**	**27.6**	**2.1**	**81.0**
Utilised	**(13.1)**	**(7.3)**	**(13.0)**	**(26.7)**	**(1.8)**	**(61.9)**
Unutilised	**(1.0)**	**(0.1)**	-	**(0.7)**	**(1.4)**	**(3.2)**
Transferred to liabilities held for sale (note 6)	**(2.6)**	-	**(3.9)**	**(4.4)**	**(0.3)**	**(11.2)**
Exchange adjustment	-	**(2.6)**	**0.1**	**(0.1)**	**(0.3)**	**(2.9)**
At 31 December 2020	**6.5**	**67.7**	**12.5**	**8.5**	**10.1**	**105.3**
Current 2020	**6.1**	**7.7**	**6.8**	**7.7**	**0.9**	**29.2**
Non-current 2020	**0.4**	**60.0**	**5.7**	**0.8**	**9.2**	**76.1**
At 31 December 2020	**6.5**	**67.7**	**12.5**	**8.5**	**10.1**	**105.3**
Current 2019	12.4	7.2	7.7	12.0	2.9	42.2
Non-current 2019	1.1	40.4	10.1	0.8	8.9	61.3
At 31 December 2019	13.5	47.6	17.8	12.8	11.8	103.5

The impact of discounting is not material for any category of provision.

10. Provisions (continued)

Warranties & contract claims

Provision has been made in respect of actual warranty claims on goods sold and services provided, and allowance has been made for potential warranty claims based on past experience for goods and services sold with a warranty guarantee. At 31 December 2020, the warranties portion of the provision totalled £5.7m for continuing operations. The majority of these costs relate to claims which fall due within one year of the balance sheet date and it is expected that all costs related to such claims will have been incurred within five years of the balance sheet date.

Provision has been made in respect of sales contracts entered into for the sale of goods in the normal course of business where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received from the contracts. Provision is made immediately when it becomes apparent that expected costs will exceed the expected benefits of the contract. At 31 December 2020, the contract claims element of the provision was £0.8m, all of which is expected to be incurred within one year of the balance sheet date.

Asbestos-related claims

	2020 £m	2019 £m
US asbestos-related provision – pre-1981 date of first exposure	**61.4**	43.4
US asbestos-related provision – post-1981 date of first exposure	**3.1**	1.0
US asbestos-related provision – total	**64.5**	44.4
UK asbestos-related provision	**3.2**	3.2
Total asbestos-related provision	**67.7**	47.6

US asbestos-related provision

Certain of the Group's US-based subsidiaries are co-defendants in lawsuits pending in the US in which plaintiffs are claiming damages arising from alleged exposure to products previously manufactured which contained asbestos. The dates of alleged exposure currently range from the 1950s to the 1980s.

The Group has historically held comprehensive insurance cover for cases of this nature and continues to do so for claims with a date of first exposure (dofe) pre-1981. The expiration of one of the Group's insurance policies in 2019 resulted in no further insurance cover for claims with a post-1981 dofe. All claims are directly administered by National Coordinating Counsel on behalf of the Group's insurers who also meet associated defence costs. The insurers, their legal advisers and in-house counsel agree and execute the defence strategy between them.

A summary of the Group's US asbestos-related claim activity is shown in the table below.

Number of open claims	2020 Number	2019 Number
Opening	**1,551**	1,383
New	**528**	683
Dismissed	**(309)**	(361)
Settled	**(184)**	(154)
Closing	**1,586**	1,551

A review of both the Group's expected liability for US asbestos-related diseases and the adequacy of the Group's insurance policies to meet future settlement and defence costs was completed in conjunction with external advisers in 2020 as part of our planned triennial actuarial update. This review is based on an industry standard epidemiological decay model, and Weir's claims settlement history. The 2020 review reflected higher levels of claims, particularly relating to the 1970s and 1980s, and a longer dofe period, but lower settlement values than the previous review conducted in 2017.

10. Provisions (continued)

The actuarial model incorporates claims, with a dofe pre and post 1981, primarily relating to lung cancer and mesothelioma and includes estimates relating to:

- the number of future claims received;
- settlement rates by disease type;
- mean settlement values by disease type;
- ratio of defence costs to indemnity value; and
- the profile of associated cash flows through to 2049.

The actuarial model provides a range of potential liability based on levels of probability from 10% to 90%, which, on an undiscounted basis, equates to £53m-£133m. The mean actuarial estimate of £91m represents the expected undiscounted value over the range of reasonably possible outcomes. The provision in the financial statements is based on the mean actuarial estimate which is then adjusted to reflect discounting and restricting our estimate to ten years of future claims.

	2020	2019
Period of future claims provided	**10 years**	10 years
Discount rate	**2.1%**	3.0%

The period over which the provision can be reliably estimated is judged to be ten years due to the inherent uncertainty resulting from the changing nature of the US litigation environment detailed below, and cognisant of the broad range of probability levels included within the actuarial model. While claims may extend past ten years and may result in a further outflow of economic benefits, the directors do not believe any obligation which may arise beyond ten years can be reliably measured at this time. The effect of extending the claims period by a further ten years is included in the sensitivities below. The discount rate is set based on the yield available at the balance sheet date denominated in the same currency, and with a term broadly consistent to that of the liabilities being provided for, with sensitivities to the discount rate also included below.

Confirmation was also received from external advisers of the insurance asset available and the estimated defence costs which would be met by the insurer. Based on the profile of claims in the actuarial model, external advisors expect the insurance cover and associated limits currently in place to be sufficient to meet settlement and associated costs until c.2029. Therefore, no cash flows to or from the Group, related to claims with an exposure date pre-1981, are expected until that time. Claims with an exposure date post-1981 are estimated to incur cash outflows of less than £0.4m per annum and are not insured currently or in the future.

The table below represents the Directors' best estimate of the future liability and corresponding insurance asset.

US asbestos-related provision	**2020 £m**	2019 £m
Gross provision	**72.7**	50.6
Effect of discounting	**(8.2)**	(6.2)
Discounted US asbestos-related provision	**64.5**	44.4
Insurance asset	**52.4**	43.4
Net US asbestos-related liability	**12.1**	1.0

The net provision and insurance asset are as follows.

	2020 £m	2019 £m
Provisions – current	**7.2**	7.1
Provisions – non-current	**57.3**	37.3
Trade & other receivables	**7.2**	7.0
Long-term receivables	**45.2**	36.4

10. Provisions (continued)

There remains inherent uncertainty associated with estimating future costs in respect of asbestos-related diseases. Actuarial estimates of future indemnity and defence costs associated with asbestos-related diseases are subject to significantly greater uncertainty than actuarial estimates for other types of exposures. This uncertainty results from factors that are unique to the asbestos claims litigation and settlement process including but not limited to:

i) the possibility of future state or federal legislation applying to claims for asbestos-related diseases;
ii) the ability of the plaintiff's bar to develop and sustain new legal theory and/or develop new populations of claimants;
iii) changes in focus of the plaintiff's bar;
iv) changes in the Group's defence strategy; and
v) changes in the financial condition of other co-defendants in suits naming the Group and affiliated businesses.

As a result, there can be no guarantee that the assumptions used to estimate the provision will result in an accurate prediction of the actual costs that may be incurred. Sensitivity analysis reflecting reasonably probable scenarios has been conducted. The results of this analysis are shown below.

Estimated impact on the discounted US asbestos-related provision of	2020 £m
Increasing the number of projected future settled claims by 10%	**5.6**
Increasing the estimated settlement value by 10%	**6.2**
Increasing the basis of provision by ten years	**5.5**
Decreasing the discount rate by 50bps	**1.8**

Application of these sensitivities, on an individual basis, would not lead to a material change in the provision.

The Group's US subsidiaries have been effective in managing the asbestos litigation, in part, because the Group has access to historical project documents and other business records going back more than 50 years, allowing it to defend itself by determining if legacy products were present at the location of the alleged asbestos exposure and, if so, the timing and extent of their presence. In addition, the Group has consistently and vigorously defended claims that are without merit.

UK asbestos-related provision

In the UK, there are outstanding asbestos-related claims which are not the subject of insurance cover. The extent of the UK asbestos exposure involves a series of legacy employer's liability claims which all relate to former UK operations and employment periods in the 1950s to 1970s. In 1989 the Group's employer's liability insurer (Chester Street Employers Association Ltd) was placed into run-off which effectively generated an uninsured liability exposure for all future long-tail disease claims with an exposure period pre-dating 1 January 1972. All claims with a disease exposure post 1 January 1972 are fully compensated via the Government-established Financial Services Compensation Scheme. Any settlement to a former employee whose service period straddles 1972 is calculated on a pro rata basis. The Group provides for these claims based on management's best estimate of the likely costs given past experience of the volume and cost of similar claims brought against the Group.

The UK provision was reviewed and adjusted accordingly for claims experience in the year, resulting in a provision of £3.2m (2019: £3.2m).

Employee-related

Employee-related provisions arise from legal obligations in a number of territories in which the Group operate, the majority of which relate to compensation associated with periods of service. A large proportion of the provision is for long service leave. The outflow is generally dependent upon the timing of employees' period of leave with the calculation of the majority of the provision being based on criteria determined by the various jurisdictions.

10. Provisions (continued)

Exceptional rationalisation

The exceptional rationalisation provision relates to exceptional charges included within note 4 where the cost is based on a reliable estimate of the obligation.

The opening balance of £12.8m relates to restructuring costs booked in prior periods. The utilised balance includes £8.7m of cash settlements in 2020 and £1.5m of non-cash settlements, with £0.7m unutilised relating to Oil & Gas restructuring costs. The closing balance includes £1.9m for onerous contract provisions in Minerals with £0.8m classified as non-current.

Additions in the year, related to continuing operations total £19.8m. This includes £9.7m in Minerals for Covid-19 restructuring and other costs, plus legal and consultancy fees related to the Black Economic Empowerment transaction in South Africa. In ESCO additions of £4.2m relate to Covid-19 restructuring and other costs along with final integration charges. The remaining balance includes £1.8m related to Central restructuring and £4.1m for Oil & Gas disposal costs where work streams were committed. In the year £13.1m was cash settled, with the closing balance of £6.6m related to severance costs in Minerals and Oil & Gas disposal costs.

Discontinued operations included additions in the year of £7.8m relating to restructuring and other costs, onerous purchase contracts and Covid-19 incremental charges, with £3.4m being cash settled in the year. The closing balance, which is expected to settle within 12 months, was transferred was transferred to liabilities held for sale and included provisions for onerous purchase contracts and final restructuring and rationalisation costs.

Other

Other provisions include environmental obligations, penalties, duties due, legal claims and other exposures across the Group. These balances typically include estimates based on multiple sources of information and reports from third-party advisers. The timing of outflows is difficult to predict as many of these will ultimately rely on legal resolutions and the expected conclusion is based on information currently available. Where certain outcomes are unknown, a range of possible scenarios is calculated, with the most likely being reflected in the provision.

11. Interest-bearing loans & borrowings

The Group utilises a number of sources of funding including private placement debt, revolving credit facility, term loan, issuance of Euro commercial paper and uncommitted facilities.

In June 2020, the Group completed the refinancing of its US$950m Revolving Credit Facility (RCF) which was due to expire in September 2021. This has been replaced with a US$950m RCF with a syndicate of 12 global banks and will mature in June 2023 with the option to extend for up to a further two years. The Group's £300m term loan facility was also replaced, previously maturing in December 2020, and refinanced as a £200m facility to mature in March 2022. Both the RCF and term loan now include a link to the Group's sustainability goals and the covenant terms remain unchanged.

In February 2020, the Group entered into a new loan facility under the Bank of England's Covid Corporate Financing Facility (CCFF). The total available amount under the facility is £300m of which £nil was drawn as at 31 December 2020 and is due to mature in May 2021.

At 31 December 2020, £468.8m (2019: £158.3m) was drawn under the US$950m multi-currency revolving credit facility and is net of unamortised issue costs of £5.1m (2019: £nil).

At 31 December 2020, £198.9m (2019: £299.6m) was drawn under the £200m term loan facility and is net of unamortised issue costs of £1.1m (2019: £0.4m).

At 31 December 2020, a total of £nil (2019: £190.5m) was outstanding under the Group's US$1bn commercial paper programme.

At 31 December 2020, a total of £578.4m (2019: £595.1m) was outstanding under private placement which is net of total unamortised issue costs of £0.3m (2019: £0.5m).

12. Pensions & other post-employment benefit plans

	2020 £m	2019 £m
Net liability	**160.8**	138.7

The defined benefit pension deficit across the Group's legacy UK and North American schemes increased to £160.8m (2019: £138.7m) primarily due to lower discount rates as corporate bond yields reduced in the year, offset by asset gains.

13. Derivative financial instruments

The Group enters into derivative financial instruments in the normal course of business in order to hedge its exposure to foreign exchange risk. Derivatives are only used for economic hedging purposes and no speculative positions are taken. Derivatives are recognised as held for trading and at fair value through profit and loss unless they are designated in IFRS 9 compliant hedge relationships.

The table below summarises the types of derivative financial instrument included within each balance sheet category.

	2020 £m	2019 £m
Included in non-current assets		
Cross currency swaps designated as net investment hedges	-	4.1
Other forward foreign currency contracts	**0.1**	0.3
	0.1	4.4
Included in current assets		
Forward foreign currency contracts designated as cash flow hedges	**0.2**	0.3
Forward foreign currency contracts designated as net investment hedges	**4.3**	1.5
Other forward foreign currency contracts	**11.5**	14.7
	16.0	16.5
Included in current liabilities		
Forward foreign currency contracts designated as cash flow hedges	-	(10.3)
Forward foreign currency contracts designated as net investment hedges	**(0.1)**	(0.6)
Cross currency swaps designated as net investment hedges	**(0.9)**	-
Other forward foreign currency contracts	**(17.9)**	(13.9)
	(18.9)	(24.8)
Included in non-current liabilities		
Other forward foreign currency contracts	-	(0.3)
	-	(0.3)
Net derivative financial liabilities - continuing operations	**(2.8)**	(4.2)
Net derivative financial liabilities held for sale	**(0.1)**	-
Net derivative financial liabilities - total Group	**(2.9)**	(4.2)

14. Additional cash flow information

	Notes	2020 £m	Restated (note 1) £m
Total operations			
Net cash generated from operations			
Operating profit - continuing operations		**234.3**	235.7
Operating loss - discontinued operations	6	**(255.0)**	(561.2)
Operating loss - total operations		**(20.7)**	(325.5)
Exceptional and other adjusting items	4	**257.1**	596.4
Amortisation of intangible assets		**53.4**	78.3
Share of results of joint ventures		**(5.5)**	(6.2)
Depreciation of property, plant & equipment		**52.8**	62.4
Depreciation of right-of-use assets		**41.9**	42.4
Impairment of property, plant & equipment		**0.2**	-
Grants received		**(0.4)**	(1.1)
Gains on disposal of property, plant & equipment		**(0.3)**	(2.0)
Funding of pension & post-retirement costs		**(2.6)**	(4.9)
Employee share schemes		**9.3**	12.9
Transactional foreign exchange		**14.5**	12.1
Decrease in provisions		**(7.6)**	(1.8)
Cash generated from operations before working capital cash flows		**392.1**	463.0
Decrease (increase) in inventories		**44.2**	(36.8)
Decrease in trade & other receivables & construction contracts		**130.0**	64.5
Decrease in trade & other payables & construction contracts		**(194.1)**	(83.1)
Cash generated from operations before exceptional cash items		**372.2**	407.6
Additional pension contributions paid		**(11.3)**	(12.9)
Exceptional and other adjusting cash items		**(24.1)**	(41.0)
Income tax paid		**(63.4)**	(90.2)
Net cash generated from operating activities		**273.4**	263.5

Cash flows from discontinued operations included above are disclosed separately in note 6.

Exceptional and other adjusting items are detailed in note 4.

The employee-related provision and associated insurance asset in relation to US asbestos-related claims with an exposure date pre-1981 disclosed in note 10 will not result in any cash flows either to or from the Group and therefore they have been excluded from the table above.

14. Additional cash flow information (continued)

The following tables summarise the cash flows arising on acquisitions and disposals.

	2020 £m	2019 £m
Acquisitions of subsidiaries		
Acquisition of subsidiaries - cash paid	-	(0.1)
Total cash outflow relating to acquisitions	-	(0.1)
Net cash inflow (outflow) arising on disposals		
Consideration received net of costs paid & cash disposed of	-	244.6
Pre-disposal costs incurred to date - Oil & Gas Division	**(2.1)**	-
Prior period disposals - settlement of final costs and final completion adjustment	**(4.7)**	0.1
Total cash (outflow) inflow relating to disposals	**(6.8)**	244.7

Cash and cash equivalents comprise the following.

	2020 £m	2019 £m
Cash & cash equivalents comprise the following		
Cash & short-term deposits	**351.7**	273.8
Bank overdrafts & short-term borrowings	**(0.6)**	(1.7)
Cash & short-term deposits held for sale (note 6)	**23.0**	-
	374.1	272.1

The following tables summarise the net debt position.

	2020 £m	2019 £m
Net debt comprises the following		
Cash & short-term deposits	**351.7**	273.8
Current interest-bearing loans & borrowings	**(26.5)**	(534.1)
Non-current interest-bearing loans & borrowings	**(1,332.6)**	(896.2)
Assets and liabilities held for sale (note 6)	**(44.0)**	-
	(1,051.4)	(1,156.5)

14. Additional cash flow information (continued)

Reconciliation of financing cash flows to movement in net debt

	Opening balance at 31 December 2019 £m	Cash movements £m	Additions £m	Disposals £m	FX £m	Non-cash movements £m	Closing balance at 31 December 2020 £m	Transferred to assets/ liabilities held for sale £m	Total continuing operations £m
Cash & cash equivalents	272.1	117.2	-	-	(15.2)	-	374.1	23.0	351.1
Third-party loans	(1,244.5)	(19.2)	-	-	11.1	-	(1,252.6)	-	(1,252.6)
Leases	(185.0)	43.4	(39.6)	-	1.2	0.6	(179.4)	(67.0)	(112.4)
Unamortised issue costs	0.9	7.8	-	-	-	(2.2)	6.5	-	6.5
Amounts included in gross debt	(1,428.6)	32.0	(39.6)	-	12.3	(1.6)	(1,425.5)	(67.0)	(1,358.5)
Amounts included in net debt	(1,156.5)	149.2	(39.6)	-	(2.9)	(1.6)	(1,051.4)	(44.0)	(1,007.4)
Financing derivatives	(3.8)	(5.1)	-	-	-	6.4	(2.5)	-	(2.5)
Total financing liabilities*	(1,432.4)	26.9	(39.6)	-	12.3	4.8	(1,428.0)	(67.0)	(1,361.0)

	Opening balance at 31 December 2018 £m	Cash movements £m	Additions** £m	Disposals £m	FX £m	Non-cash movements £m	Closing balance at 31 December 2019 £m	Transferred to assets/ liabilities held for sale £m	Total continuing operations £m
Cash & cash equivalents	277.2	15.4	-	-	(20.5)	-	272.1	-	272.1
Third-party loans	(1,402.1)	108.3	-	-	49.3	-	(1,244.5)	-	(1,244.5)
Leases	(2.5)	44.3	(244.7)	11.8	5.9	0.2	(185.0)	-	(185.0)
Unamortised issue costs	0.9	0.8	-	-	-	(0.8)	0.9	-	0.9
Amounts included in gross debt	(1,403.7)	153.4	(244.7)	11.8	55.2	(0.6)	(1,428.6)	-	(1,428.6)
Amounts included in net debt	(1,126.5)	168.8	(244.7)	11.8	34.7	(0.6)	(1,156.5)	-	(1,156.5)
Financing derivatives	(18.3)	62.2	-	-	-	(47.7)	(3.8)	-	(3.8)
Contingent consideration	(0.2)	0.1	-	-	0.1	-	-	-	-
Other liabilities relating to financing activities	(18.5)	62.3	-	-	0.1	(47.7)	(3.8)	-	(3.8)
Total financing liabilities*	(1,422.2)	215.7	(244.7)	11.8	55.3	(48.3)	(1,432.4)	-	(1,432.4)

* Total financing liabilities comprise gross debt plus other liabilities relating to financing activities.

**Additions in the year include the transition impact of IFRS 16 'Leases' in the opening balance sheet, totalling £194.1m.

15. Related party disclosure

The following table provides the total amount of significant transactions which have been entered into by the Group with related parties for the relevant financial year and outstanding balances at the year end.

Related party		Sales to related parties - goods £m	Sales to related parties - services £m	Purchases from related parties - goods £m	Purchases from related parties - services £m	Amounts owed to related parties £m
Joint ventures	**2020**	**5.9**	**0.1**	**19.3**	**0.3**	**-**
	2019	9.6	0.2	21.4	0.8	-
Group pension plans	**2020**	**-**	**-**	**-**	**-**	**5.9**
	2019	-	-	-	-	6.1

16. Legal claims

The Company and certain subsidiaries are, from time to time, parties to legal proceedings and claims which arise in the normal course of business. Provisions have been made where the Directors have assessed that a cash outflow is probable. All other claims are believed to be remote or are not yet ripe.

17. Exchange rates

The principal exchange rates applied in the preparation of these financial statements were as follows.

	2020	2019
Average rate (per £)		
US Dollar	**1.28**	1.28
Australian Dollar	**1.86**	1.84
Euro	**1.13**	1.14
Canadian Dollar	**1.72**	1.69
United Arab Emirates Dirham	**4.72**	4.69
Chilean Peso	**1,015.14**	897.37
South African Rand	**21.06**	18.43
Brazilian Real	**6.61**	5.03
Russian Rouble	**92.76**	82.53
Chinese Yuan	**8.86**	8.81
Indian Rupee	**95.12**	89.81
Closing rate (per £)		
US Dollar	**1.37**	1.33
Australian Dollar	**1.77**	1.89
Euro	**1.12**	1.18
Canadian Dollar	**1.74**	1.72
United Arab Emirates Dirham	**5.01**	4.87
Chilean Peso	**970.26**	994.76
South African Rand	**20.04**	18.54
Brazilian Real	**7.10**	5.33
Russian Rouble	**101.33**	82.29
Chinese Yuan	**8.92**	9.24
Indian Rupee	**99.76**	94.49

17. Exchange rates (continued)

The Group's operating profit from continuing operations before adjusting items was denominated in the following currencies.

	2020 £m	Restated (note 1) 2019 £m
US Dollar	**161.5**	175.5
Canadian Dollar	**52.8**	55.1
Chilean Peso	**42.3**	43.2
Euro	**40.4**	34.2
Australian Dollar	**20.3**	30.1
Chinese Yuan	**7.5**	(2.7)
Indian Rupee	**7.3**	8.9
Brazilian Real	**6.3**	6.2
Russian Rouble	**4.8**	9.9
South African Rand	**3.2**	4.1
UK Sterling	**(48.6)**	(45.9)
Other	**7.6**	(3.3)
Operating profit before adjusting items from continuing operations	**305.4**	315.3

18. Events after the balance sheet

On 1 February 2021, the Group completed the sale of its Oil & Gas Division to Caterpillar Inc.

The sale, for an enterprise value of $405m, subject to customary debt-like items and working capital adjustments, was first announced on 5 October 2020 and approved by Weir Shareholders on 23 November 2020.

Since then, the Group's joint venture partner based in Saudi Arabia - Arabian Metals Company (AMCO) has exercised its pre-emption right, as set out in the Class 1 Circular published on 3 November 2020, to purchase Weir's 49% stake in AMCO. Therefore, the cash proceeds from the sale of the Division will be split between $375m received from Caterpillar Inc. and $30m to be received on completion of the sale of AMCO, which is expected to occur in the first half of 2021.