Company Number: 00025526

# THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

## Report for the half-year ended 30 November 2025

*(unaudited)*

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# THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

## Unaudited Results for the Half Year Ended 30 November 2025

The Henderson Smaller Companies Investment Trust plc announces its financial results for the half year ended 30 November 2025.

- NAV total return[1] rose by 5.0%
- Share price total return[2] rose by 4.5%
- Interim dividend[3] of 7.5p maintained
- The Company repurchased 8.9m shares, enhancing NAV by 1.0%
- Cassie Herlihy joined the Fund Management team, with 8 years of financial industry experience managing UK small caps

### INVESTMENT OBJECTIVE

The Company aims to maximise shareholders' total returns (capital and income) by investing in smaller companies that are quoted in the United Kingdom.

### TOTAL RETURN PERFORMANCE TO 30 NOVEMBER 2025 (including dividends reinvested)

| | **6 months %** | 1 year % | 3 years % | 5 years % | 10 years % |
|---|---|---|---|---|---|
| NAV[1] | **5.0** | 3.5 | 12.5 | 6.4 | 65.3 |
| Benchmark[4] | **7.4** | 11.9 | 33.2 | 43.9 | 82.2 |
| Average sector NAV[5] | **4.8** | 6.0 | 23.5 | 35.8 | 84.1 |
| Share price[2] | **4.5** | 8.3 | 15.1 | 1.9 | 69.6 |
| AIC sector share price[6] | **6.5** | 8.5 | 25.9 | 36.1 | 76.5 |
| FTSE All-Share Index | **11.8** | 20.0 | 41.3 | 76.8 | 115.9 |

Sources: Morningstar Direct, Janus Henderson, LSEG Datastream

1 Net asset value ("NAV") per ordinary share total return with income reinvested
2 Share price total return using mid-market closing price
3 Interim dividend of 7.5p (30 November 2024: 7.5p) to be paid to shareholders on 27 March 2026
4 Deutsche Numis Smaller Companies Index (excluding investment companies) total return
5 Average NAV total return of the Association of Investment Companies ("AIC") UK Smaller Companies sector
6 Average share price total return of the AIC UK Smaller Companies sector

### FINANCIAL SUMMARY

| | **(Unaudited) 30 November 2025** | **(Unaudited) 30 November 2024** | **(Audited) 31 May 2025** |
|---|---|---|---|
| Net assets | **£566.9m** | £703.3m | £634.3m |
| NAV per ordinary share | **951.6p** | 947.1p | 926.2p |
| Share price per ordinary share | **858.0p** | 819.0p | 841.0p |
| Total return per ordinary share | **35.96p** | (36.91p) | (61.24p) |
| Revenue return per ordinary share | **12.59p** | 13.05p | 27.89p |
| Dividend per ordinary share* | **[7.5p]** | 7.5p | 28.0p |
| Gearing | **13.9%** | 11.5% | 10.2% |

*Note: November figures show the interim dividend in each respective year. May figures show the final dividend for the 12 months.

## INTERIM MANAGEMENT REPORT

## CHAIR'S STATEMENT

### Dear Shareholder

Markets generally rallied worldwide over the period under review as investors took comfort from an improvement in the global backdrop. Trade relations became less strained following the reversal of some previously announced tariffs, while interest rate cuts in both the UK and the US further supported confidence.

Closer to home, UK shares faced some headwinds as uncertainty built ahead of the Government's November 2025 Budget. However, once the details were published, the measures proved less restrictive than many had feared, helping to calm concerns in gilt markets; this more settled environment should provide a supportive backdrop for UK small-cap equities.

Despite these UK domestic headwinds, our portfolio posted positive returns during the period under review. However, the Board recognises that the Company's performance remains behind its benchmark. During the half year, refinements to the investment process were implemented to strengthen stock selection while maintaining the Company's core investment philosophy. The fund management team has made tangible progress in increasing conviction and reducing the number of holdings in the portfolio and this has helped to improve performance during the period under review.

In November we were delighted to welcome Cassie Herlihy to the fund management team; Cassie will work with Indri van Hien and longstanding team member Shiv Sedani to further the evolution of the investment process, whilst ensuring that the core philosophy of investing in growth at the right price remains.

### Performance

During the six months to 30 November 2025, the Company's net asset value ("NAV") total return increased by 5.0%, compared with a 7.4% rise in the Deutsche Numis Smaller Companies ex-Investment Companies Index and 4.8% for the AIC UK Smaller Companies sector average NAV.

The Company's share price total return rose by 4.5% over the same period, reflecting improved sentiment despite discount pressures.

### Dividend and earnings

The Board is pleased to declare an interim dividend of 7.5p per share (30 November 2024: 7.5p). The dividend will be paid on 27 March 2026 to shareholders on the register at 13 March 2026. The shares will be quoted ex-dividend on 12 March 2026.

The Board remains committed to maintaining the Company's longstanding record of dividend growth, underpinning its status as an AIC Dividend Hero. Barring any unforeseen developments, the Board's intention is to recommend an increased final dividend.

### Share rating, buybacks and discount

The Company's shares traded at a relatively stable discount to NAV during the period, moving from 9.2% on 31 May 2025 to 9.8% on 30 November 2025, narrower than the AIC UK Smaller Companies sector average discount of 14.8%.

The Board monitors the discount closely and undertakes buybacks when it believes this is in shareholders' best interests. In challenging market conditions, discounts across the sector have widened significantly. The Board considered the prevailing discount an opportunity to enhance shareholder value and therefore continued its active buyback programme.

During the six months under review, the Company repurchased 8,913,840 shares, representing 12.0% of share capital, all of which were placed in Treasury. These buybacks enhanced NAV by approximately 1.0%.

Since the period end and up to 23 January 2026, a further 1,702,497 shares, representing 2.3% of share capital, have been repurchased.

### General meeting to renew share buyback authority

The Board is convening a general meeting at 9.30 am on Wednesday, 4 March 2026 to seek shareholder approval to renew the Company's authority to buy back up to 14.99% of the Company's issued share capital (excluding Treasury shares). Of the authority to repurchase 9,389,123 shares granted at the last AGM, the Company has repurchased 4,764,278 as at 23 January 2026, representing 8.2% of issued share capital (excluding Treasury shares).

The Board is asking for a new share buyback authority for the following reasons:

- over half the current buyback authority granted at the 2025 AGM has been used;
- renewing the share buyback authority now will ensure the Company remains able to buy back shares;
- buying back shares below NAV is part of the Company's approach to discount management and it enhances the NAV for shareholders; and
- the Board will only use the authority when it believes it benefits shareholders.

Accordingly, the Company has today published a Circular setting out further details of the proposal to renew the share buyback authority. The Circular includes the notice of meeting to convene a general meeting at which the appropriate shareholder authority will be sought.

**Fund Manager and Board changes**

As already announced, Neil Hermon retired from the asset management industry during the period. The Board appointed Cassie Herlihy as Deputy Fund Manager, supporting Indri van Hien, who continues to lead the team. Cassie joins us from Gresham House, where she was part of an investment team managing multiple portfolios focused on UK small caps. She has eight years of financial industry experience.

On governance, Victoria Sant retired from the Board following the AGM on 7 October 2025 after nine years of dedicated service. Following her departure, the Board now comprises five members.

**Continuation vote**

At the AGM in October 2025, shareholders voted overwhelmingly in favour of the continuation of the Company, with 95% of votes cast supporting the resolution. This strong endorsement reflects confidence in the Company's strategy and the advantages of the investment trust structure, including the ability to employ gearing to enhance returns and the flexibility to smooth dividend payments over time.

**Outlook**

While we must acknowledge that the recent UK Budget was a missed opportunity for the Government to advance its growth agenda, it has however brought much needed clarity for all stakeholders. UK consumers continue to see real wage increases, corporates are benefitting from falling (but still restrictive) interest rates and both groups are sitting on strong balance sheets. Confidence is the catalyst needed to drive investment, hiring and spending decisions, and we are hopeful that this rebuilds in the wake of the budget.

Amid persistent geopolitical challenges, US and European interest rates continue to fall, coupled with further fiscal stimulus. However, we remain cautious on inflation and overheating risks, reinforcing the growing emphasis on portfolio diversification.

In navigating these challenging conditions, the Company's portfolio continues to have a quality bias and holds companies with robust business models that are able to forge their own paths. These companies are soundly financed and are being run by management teams whose incentives are aligned with our own. The attractive valuations in this part of the market are well-documented. These claims are validated by continued in-bound merger and acquisition ("M&A") activity and ongoing share buyback programmes being sanctioned by boards.

Over the long term, the Company seeks to capture the well-established small-cap premium: that is, the long-term outperformance of small caps over large caps driven by factors such as higher growth prospects and higher alpha-generating opportunities in this under-researched part of the market. Whilst the small-cap factor has proved elusive in the UK over the last 10 years, with budget uncertainty now resolved and relative stability restored in gilt markets, we are optimistic about investor attention returning to company fundamentals and technical pressure caused by outflows abating. The recent reform of the UK Listing Rules suggests there is movement aimed at coaxing companies back to the UK market, but more could always be done.

While much market commentary is focused on US asset bubbles, we are reminded of the compelling opportunities UK smaller companies offer, bringing diversification and growth potential to portfolios. We believe UK smaller companies continue to deliver exciting growth opportunities to long-term investors, and remain confident in the ability of our Fund Managers to draw on their consistent and disciplined investment approach to generate significant long-term value.

**Penny Freer**
**Chair of the Board**
**27 January 2026**

## FUND MANAGER'S REPORT

### Market review – six months to 30 November 2025

The broad UK equity market rose over the period. Markets were buoyed by the considerable easing of global trade tensions following the reciprocal tariffs announced by the US on 'Liberation Day' in April alongside easing monetary policy in both the UK and US. During the period under review, the US Federal Reserve cut the base rate three times whilst the Bank of England cut once, taking rates to 3.75%-4.0% and 4% respectively.

In the UK, intense speculation in the run up to a seasonally later-than-usual Autumn Statement caused volatility in sterling and long-dated UK gilt yields. Both business and consumer confidence were undermined during the noisy run up which will have had an adverse impact on GDP growth in the short term. The Government's second Budget included some significantly back-end-loaded tax rises to fund the higher-than-expected fiscal headroom and increased spending in welfare and public services, a move which sought to appease both parliamentary back-benchers and the gilt markets. Initial conclusions from economists are that the Budget appears to have short-term deflationary impulses but a neutral impact on longer-term forecasts. UK 10-year gilt yields fell in the period under review and sterling depreciated against the US dollar.

Oil prices trended lower in the period as OPEC announced production hikes despite a weakening backdrop for demand. Gold and commodity prices rallied as geopolitical tensions persisted.

In this environment, and continuing the trend which has overshadowed the performance of UK smaller companies in recent years, smaller companies underperformed their larger counterparts, with the Deutsche Numis Smaller Companies ex Investment Companies Index up 7.4% against a rise in the FTSE All-Share Index of 11.8%.

### Fund performance

The Company has delivered positive absolute returns in the period but has underperformed its benchmark. The share price rose by 4.5% and NAV by 5.0% on a total return basis. This compared with the Deutsche Numis Smaller Companies ex-Investment Companies Index rise of 7.4% in total return terms. The underperformance was attributable to negative contributions from stock selection and expenses, whilst gearing and the ongoing share buyback have been positive contributors to performance. The negative contribution from stock selection reflects the strong performance of certain benchmark stocks that fall outside our investment criteria, which focuses on growth businesses with high-quality fundamentals trading at reasonable valuations and meeting liquidity requirements. In addition, there were a small number of company-specific issues in stocks we did own which impacted performance; we continue to monitor and adjust our exposure to these stocks to reflect our analysis of and conviction in their future prospects.

### Gearing

Gearing started the period at 10.2% and ended at 13.9%, underlining our confidence in the outlook for our portfolio. Debt facilities are a combination of £30m unsecured loan notes at an interest rate of 3.33%, £20m unsecured loan notes at 2.77% and £70m short-term bank borrowings**.** As the net asset value rose in the period, the use of gearing was a positive contributor to performance.

### Attribution analysis

The following tables show the top five contributors to, and detractors from, the Company's relative performance. Some of the stocks are included in the benchmark index but not held by the Company. These have an effect on relative performance.

| Top five contributors | 6-month return % | Relative contribution % |
|---|---|---|
| Balfour Beatty | +41.7 | +1.0 |
| Just Group | +43.9 | +0.5 |
| Wizz Air* | -26.8 | +0.4 |
| WH Smith* | -33.8 | +0.4 |
| Breedon* | -27.0 | +0.3 |

| Top five detractors | 6-month return % | Relative contribution % |
|---|---|---|
| Goodwin* | +196.7 | -0.6 |
| SolGold* | +318.0 | -0.4 |
| Gamma Communications | -19.8 | -0.4 |
| Softcat | -17.3 | -0.4 |
| Ceres Power* | +409.6 | -0.4 |

* In benchmark index but not held by the Company.

**Principal contributors**
**Balfour Beatty** is an international construction, support services and infrastructure investor group. **Just Group** is a provider of pension risk transfer services and individual annuities. **Wizz Air** is an Eastern European-based low-cost airline operator. **WH Smith** is a global convenience store operator, with retail outlets located in airports and railway stations. **Breedon** is a construction and materials company with operations in the UK and US.

**Principal detractors**
**Goodwin** is a global engineering group specialising in mechanical and refractory engineering. **SolGold** is a gold and copper exploration company. **Gamma Communications** is a B2B telecommunications provider operating in the UK and Europe. **Softcat** is a value-added reseller of IT infrastructure in the UK. **Ceres Power** is a clean-energy technology company specialising in green hydrogen.

**Portfolio activity**
Our approach is to consider our investments as long term in nature and to avoid unnecessary turnover. The focus has been on adding stocks to the portfolio that have good growth prospects, sound financial characteristics and strong management, at a valuation level that does not reflect these strengths. Likewise, we have been employing strong sell disciplines to dispose of stocks that fail to meet these criteria.

During the period, we added to a number of positions in our portfolio and increased exposure to those stocks which we feel have further catalysts to drive strong performance.

New additions to the portfolio include: **CVS,** a veterinary services provider operating in the UK and Australia; **Elementis,** a global speciality chemical company; **Mitie,** a facilities management and specialist support services business; **SSP Group,** a leading global operator of food and beverage outlets in travel hubs; and **Tatton Asset Management,** a managed portfolio services provider to independent financial advisers in the UK.

In addition, we added to our existing positions in: **Genus**, a leading global porcine and bovine genetics supplier; **Oxford Biomedica**, a contract development and manufacturing organisation specialising in viral vector development for cell and gene therapies; and **Chemring**, a UK-based provider of defence technology products and services.

To balance the additions to our portfolio, we have disposed of positions in companies where a reassessment of the investment thesis indicated weaker prospects with a diminished return potential or where the valuation had become extended, including holdings in **Cohort, Domino's Pizza, Eurocell, Genuit, Grainger, Impax Asset Management, Keller** and **Tribal.**

**Market outlook**
There was little positive to say about how the Government handled the run up to the November Budget and the destruction in corporate and consumer confidence that ensued. However, we are encouraged by the material uplift in fiscal headroom that the Budget has delivered and the relative calm that the gilt market has shown in its wake. Furthermore, tax-raising measures were not as punitive as expected and the inflationary impulses that the 2024 Budget delivered were nowhere to be seen. As the noise abates and short-term uncertainty is removed, there is good reason to believe that confidence can rebuild.

The Government faces the unenviable challenge of reviving economic growth while walking a fiscal tightrope. The building blocks are in place (resetting of the UK's trading relationship with Europe, deregulation of financial services and planning reform) and there are signs that the Government understands the need to get the private sector back onside and attract foreign investment. Political pressure and the Government's inability to put growth at the heart of new policy have hampered tangible progress so far. After two heavy-handed tax-raising budgets, the Government remains deeply unpopular and we are alive to the possibility of a change in leadership after the local elections this May.

Sticky inflation, which remains above target in both the US and UK, continues to drive uncertainty around the timing of when rates will be cut further and the speed of their descent. However, softening labour market data in the UK should encourage a dovish tilt from the Bank of England. Furthermore, the continued prospect of the monetary easing cycle after a period of restrictive rates is likely to support global equity markets and slowly allow valuation multiples to normalise.

Geopolitics are set to remain challenging. Conflicts in Ukraine and the Middle East are struggling to reach stable resolutions and heightened tensions between China and the US persist. These themes are not new and corporate management teams are becoming accustomed to supply chain upheaval. We take comfort in this and the strong balance sheets of both corporates and consumers, noting that they are intrinsically healthier than they were ahead of the Global Financial Crisis in 2008-2009.

After a lost decade in UK smaller companies, starting with uncertainty about the EU referendum vote, we see good reasons why fortunes could change, and history will show that small caps perform best after periods of economic dislocation. UK small-cap valuations remain attractive and sit well below long-term averages while earnings forecasts are beginning to stabilise after a sharp adjustment in economic activity following the step change in higher interest rates seen in the last three years. Valuations also remain markedly depressed versus other developed markets, even on a sector-adjusted basis. The persistent in-bound M&A activity the market is experiencing suggests that many market players are already taking notice. We are also seeing an increasing number of companies buying back stock in recognition of the deep undervaluation of their own equity. Finally, there have been some green shoots in the initial public offering ("IPO") market, potentially signalling that confidence in the UK equity market is slowly rebuilding.

We acknowledge the uncertainty around economic conditions, but we have confidence that our long-standing investment process will yield a well-diversified portfolio of companies on attractive multiples that can deliver cash-generative growth. The investable universe continues to offer compelling opportunities; with high-quality businesses whose valuations have been distorted by broader market weakness rather than company-specific issues. In the UK, many companies continue to trade at significant discounts to historical levels and international peers. However, just because something is cheap does not make it a sound investment. This is a stockpicker's market and our enhanced investment processes and disciplined bottom-up stockpicking approach enable us to cut through market noise, avoid value traps, and focus on businesses aligned with long-term growth themes, where management teams have clear self-help levers to drive profitable growth despite macro headwinds. We remain confident in our ability to create long-term value through a consistent, rigorous investment process that has delivered so powerfully over time.

**Indriatti van Hien, Fund Manager**
**Cassie Herlihy, Deputy Fund Manager**
**27 January 2026**

**PRINCIPAL RISKS AND UNCERTAINTIES**
The principal risks and uncertainties associated with the Company's business fall broadly under the following categories:

• investment activity and strategy;
• legal and regulatory;
• operational; and
• financial instruments and the management of risk.

Detailed information on these risks is given in the Strategic Report and in the Notes to the Financial Statements in the Company's Annual Report for the year ended 31 May 2025.

In the view of the Board, these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

**DIRECTORS' RESPONSIBILITY STATEMENT**
The directors confirm that, to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting;

- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7R (indication of important events during the first six months and description of the principal risks and uncertainties for the remaining six months of the year); and

- the Interim Management Report includes a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.8R (disclosure of related-party transactions and changes therein).

**On behalf of the Board**
**Penny Freer**
**Chair of the Board**
**27 January 2026**

**INVESTMENT PORTFOLIO**
at 30 November 2025

| Rank | Company | Principal activities | Valuation £'000 | Portfolio % |
|---|---|---|---|---|
| 1 | Balfour Beatty | International contractor | 22,204 | 3.44 |
| 2 | Bellway | Housebuilder | 22,152 | 3.43 |
| 3 | Paragon Banking | Buy-to-let mortgage provider | 19,625 | 3.04 |
| 4 | OSB Group | Buy-to-let mortgage provider | 19,197 | 2.98 |
| 5 | Just Group | Enhanced annuity provider | 18,359 | 2.84 |
| 6 | Mitchells & Butlers | Hospitality operator | 17,436 | 2.70 |
| 7 | JTC | Fund administrator | 16,150 | 2.50 |
| 8 | Serco | Outsourcing services | 15,827 | 2.45 |
| 9 | SigmaRoc* | Aggregates supplier | 13,620 | 2.11 |
| 10 | Oxford Instruments | Advanced instrumentation equipment | 13,313 | 2.06 |
| | **10 largest investments** | | **177,883** | **27.55** |
| 11 | Volution | Producer of ventilation products | 13,109 | 2.03 |
| 12 | Vesuvius | Ceramic engineering | 12,502 | 1.94 |
| 13 | IntegraFin | Investment platform | 12,043 | 1.87 |
| 14 | Morgan Sindall | Diversified building contractor | 11,781 | 1.82 |
| 15 | Chemring | Defence products & services | 11,111 | 1.72 |
| 16 | Rathbones | Private client wealth manager | 10,686 | 1.66 |
| 17 | Everplay* | Games software developer | 10,255 | 1.59 |
| 18 | Genus | Animal genetics products & services | 9,501 | 1.47 |
| 19 | Wickes | DIY retailer | 8,977 | 1.39 |
| 20 | Renishaw | Precision measuring & calibration equipment | 8,783 | 1.36 |
| | **20 largest investments** | | **286,631** | **44.40** |
| 21 | Bodycote | Engineering group | 8,496 | 1.32 |
| 22 | Savills | Property transactional consulting services | 8,320 | 1.29 |
| 23 | Softcat | Software reseller | 8,315 | 1.29 |
| 24 | GB Group | Data intelligence services | 8,224 | 1.27 |
| 25 | Computacenter | IT reseller | 8,131 | 1.26 |
| 26 | Serica Energy* | Oil and gas exploration & production | 7,951 | 1.23 |
| 27 | Watches of Switzerland | Luxury watch retailer | 7,877 | 1.22 |
| 28 | Hollywood Bowl | 10 pin bowling operator | 7,754 | 1.20 |
| 29 | AJ Bell | Investment platform | 7,657 | 1.19 |
| 30 | Clarkson | Shipping services | 7,627 | 1.18 |
| | **30 largest investments** | | **366,983** | **56.85** |
| 31 | Workspace | Real estate investment & services | 7,620 | 1.18 |
| 32 | Harworth | Urban regeneration & property investment | 7,448 | 1.15 |
| 33 | Hill & Smith | Fabricated metal products | 7,356 | 1.14 |
| 34 | QinetiQ | Defence services | 7,171 | 1.11 |
| 35 | Avon Technologies | Defence products | 7,113 | 1.10 |
| 36 | SSP | Operator of food & beverage outlets | 7,056 | 1.09 |

| Rank | Company | Principal activities | Valuation £'000 | Portfolio % |
|---|---|---|---|---|
| 37 | Currys | Electronics retailer | 6,831 | 1.06 |
| 38 | Telecom Plus | Provider of consumer services | 6,827 | 1.06 |
| 39 | Moonpig | Online card & gift retailer | 6,530 | 1.01 |
| 40 | Luceco | Electrical products | 6,440 | 1.00 |
| | **40 largest investments** | | **437,375** | **67.75** |
| 41 | Alfa Financial Software | Leasing software | 6,216 | 0.96 |
| 42 | Oxford Biomedica | Gene & cell therapy | 6,062 | 0.94 |
| 43 | MONY | Price comparison website | 5,938 | 0.92 |
| 44 | DFS | Furniture retailer | 5,884 | 0.91 |
| 45 | Foresight | Specialist fund manager | 5,816 | 0.90 |
| 46 | Pagegroup | Recruitment company | 5,770 | 0.90 |
| 47 | Baltic Classifieds | Online classifieds platform | 5,616 | 0.87 |
| 48 | Bytes Technology | Software reseller | 5,509 | 0.85 |
| 49 | ZIGUP | Commercial vehicle hire | 5,371 | 0.83 |
| 50 | Hunting | Oil equipment & services | 5,350 | 0.83 |
| | **50 largest investments** | | **494,907** | **76.66** |
| | **Remaining 42 investments** | | **150,667** | **23.34** |
| | **Total investments** | | **645,574** | **100.00** |

* Quoted on the Alternative Investment Market ("AIM")

## STATEMENT OF COMPREHENSIVE INCOME

| | **(Unaudited) Half year ended 30 November 2025** | | | (Unaudited) Half year ended 30 November 2024 | | | (Audited) Year ended 31 May 2025 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Revenue return £'000** | **Capital return £'000** | **Total return £'000** | Revenue return £'000 | Capital return £'000 | Total return £'000 | Revenue return £'000 | Capital return £'000 | Total return £'000 |
| Investment income | **9,263** | **-** | **9,263** | 10,987 | - | 10,987 | 22,912 | - | 22,912 |
| Other income | **55** | **-** | **55** | 82 | - | 82 | 168 | - | 168 |
| Gains/(losses) on investments held at fair value through profit or loss | **-** | **16,885** | **16,885** | - | (34,806) | (34,806) | - | (61,211) | (61,211) |
| Currency losses | **-** | **-** | **-** | - | (3) | (3) | - | (3) | (3) |
| **Total income/(loss)** | **9,318** | **16,885** | **26,203** | 11,069 | (34,809) | (23,740) | 23,080 | (61,214) | (38,134) |
| **Expenses** | | | | | | | | | |
| Management fees (note 3) | **(321)** | **(749)** | **(1,070)** | (371) | (865) | (1,236) | (719) | (1,677) | (2,396) |
| Other expenses | **(429)** | **-** | **(429)** | (351) | - | (351) | (761) | - | (761) |
| **Profit/(loss) before finance costs and taxation** | **8,568** | **16,136** | **24,704** | 10,347 | (35,674) | (25,327) | 21,600 | (62,891) | (41,291) |
| Finance costs | **(500)** | **(1,167)** | **(1,667)** | (637) | (1,485) | (2,122) | (1,110) | (2,591) | (3,701) |
| **Profit/(loss) before taxation** | **8,068** | **14,969** | **23,037** | 9,710 | (37,159) | (27,449) | 20,490 | (65,482) | (44,992) |
| Taxation | **-** | **-** | **-** | (6) | - | (6) | (2) | - | (2) |
| **Profit/(loss) for the period and total comprehensive income** | **8,068** | **14,969** | **23,037** | 9,704 | (37,159) | (27,455) | 20,488 | (65,482) | (44,994) |
| **Earnings/(loss) per ordinary share** (note 4) | **12.59p** | **23.37p** | **35.96p** | 13.05p | (49.96p) | (36.91p) | 27.89p | (89.13p) | (61.24p) |

The total columns of this statement represent the Statement of Comprehensive Income, prepared in accordance with UK adopted International Accounting Standards, in conformity with the requirements of the Companies Act 2006.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The profit attributable to shareholders for the period disclosed above represents the Company's total comprehensive income. The Company does not have any other comprehensive income.

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**

| **Half year ended 30 November 2025 (unaudited)** | **Share capital £'000** | **Capital redemption reserve £'000** | **Capital reserves £'000** | **Revenue reserve £'000** | **Total equity £'000** |
|---|---|---|---|---|---|
| **Total equity at 1 June 2025** | **18,597** | **26,824** | **568,767** | **20,136** | **634,324** |
| Total comprehensive income: Profit for the period | **-** | **-** | **14,969** | **8,068** | **23,037** |
| Buyback of shares to Treasury | **-** | **-** | **(77,296)** | **-** | **(77,296)** |
| Transactions with owners, recorded directly to equity: | | | | | |
| Ordinary dividend paid | **-** | **-** | **-** | **(13,159)** | **(13,159)** |
| **Total equity at 30 November 2025** | **18,597** | **26,824** | **506,440** | **15,045** | **566,906** |

| Half year ended 30 November 2024 (unaudited) | Share capital £'000 | Capital redemption reserve £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total equity £'000 |
|---|---|---|---|---|---|
| Total equity at 1 June 2024 | 18,627 | 26,794 | 682,267 | 19,652 | 747,340 |
| Total comprehensive income: (Loss)/profit for the period | - | - | (37,159) | 9,704 | (27,455) |
| Buyback of shares for cancellation | (30) | 30 | (1,057) | - | (1,057) |
| Buyback of shares to Treasury | - | - | (1,001) | - | (1,001) |
| Transactions with owners, recorded directly to equity: | | | | | |
| Ordinary dividend paid | - | - | - | (14,505) | (14,505) |
| Total equity at 30 November 2024 | 18,597 | 26,824 | 643,050 | 14,851 | 703,322 |

| Year ended 31 May 2025 (audited) | Share capital £'000 | Capital redemption reserve £'000 | Capital reserves £'000 | Revenue reserve £'000 | Total equity £'000 |
|---|---|---|---|---|---|
| Total equity at 1 June 2024 | 18,627 | 26,794 | 682,267 | 19,652 | 747,340 |
| Total comprehensive income: (Loss)/profit for the year | - | - | (65,482) | 20,488 | (44,994) |
| Buyback of shares for cancellation | (30) | 30 | (1,057) | - | (1,057) |
| Buyback of shares to Treasury | - | - | (46,961) | - | (46,961) |
| Transactions with owners, recorded directly to equity: | | | | | |
| Ordinary dividend paid | - | - | - | (20,004) | (20,004) |
| Total equity at 31 May 2025 | 18,597 | 26,824 | 568,767 | 20,136 | 634,324 |

The accompanying notes are an integral part of these financial statements.

**BALANCE SHEET**

| | **(Unaudited) Half year ended 30 November 2025 £'000** | (Unaudited) Half year ended 30 November 2024 £'000 | (Audited) Year ended 31 May 2025 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Investments held at fair value through profit or loss | **645,574** | 784,549 | 698,722 |
| **Current assets** | | | |
| Securities sold for future settlement | **1,838** | 1,378 | 2,542 |
| Prepayments and accrued income | **1,380** | 1,720 | 3,641 |
| Cash and cash equivalents | **4,628** | 2,420 | 1,181 |
| | **7,846** | 5,518 | 7,364 |
| **Total assets** | **653,420** | 790,067 | 706,086 |
| **Current liabilities** | | | |
| Securities purchased for future settlement | **(635)** | (395) | (1,004) |
| Accruals and deferred income | **(867)** | (974) | (830) |
| Bank loans | **(35,211)** | (35,588) | (20,133) |
| | **(36,713)** | (36,957) | (21,967) |
| **Total assets less current liabilities** | **616,707** | 753,110 | 684,119 |
| **Non-current liabilities** | **(49,801)** | (49,788) | (49,795) |
| **Net assets** | **566,906** | 703,322 | 634,324 |
| **Equity attributable to equity shareholders** | | | |
| Called-up share capital (note 6) | **18,597** | 18,597 | 18,597 |
| Capital redemption reserve | **26,824** | 26,824 | 26,824 |
| Retained earnings: | | | |
| Capital reserves (note 7) | **506,440** | 643,050 | 568,767 |
| Revenue reserve | **15,045** | 14,851 | 20,136 |
| **Total equity** | **566,906** | 703,322 | 634,324 |
| **Net asset value per ordinary share** (note 8) | **951.6p** | 947.1p | 926.2p |

The accompanying notes are an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

| | **(Unaudited) Half year ended 30 November 2025 £'000** | (Unaudited) Half year ended 30 November 2024 £'000 | (Audited) Year ended 31 May 2025 £'000 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit/(loss) before taxation | **23,037** | (27,449) | (44,992) |
| Add back interest payable | **1,667** | 2,122 | 3,701 |
| (Profit)/loss on investments held at fair value through profit or loss | **(16,885)** | 34,806 | 61,211 |
| Losses on foreign currency | **-** | 3 | 3 |
| Purchases of investments | **(44,097)** | (70,968) | (115,189) |
| Sales of investments | **114,130** | 84,980 | 188,624 |
| (Increase)/decrease in receivables | **(22)** | 2 | (10) |
| Decrease/(increase) in amounts due from brokers | **703** | (1,378) | (2,542) |
| Decrease in accrued income | **2,284** | 10,036 | 8,132 |
| (Decrease)/increase in payables | **(21)** | 55 | 64 |
| Increase/(decrease) in amounts due to brokers | **30** | (184) | 26 |
| **Net cash inflow from operating activities before interest** | **80,826** | 32,025 | 99,028 |
| Interest paid | **(1,603)** | (2,132) | (3,859) |
| **Net cash inflow from operating activities** | **79,223** | 29,893 | 95,169 |
| **Financing activities** | | | |
| Buyback of ordinary shares | **(77,695)** | (2,058) | (47,619) |
| Equity dividends paid | **(13,159)** | (14,505) | (20,004) |
| Drawdown/(repayment) of bank loans | **15,078** | (20,156) | (35,611) |
| **Net cash outflow from financing activities** | **(75,776)** | (36,719) | (103,234) |
| **Increase/(decrease) in cash and cash equivalents** | **3,447** | (6,829) | (8,065) |
| Exchange movements | **-** | (3) | (3) |
| Cash and cash equivalents at the start of the period | **1,181** | 9,249 | 9,249 |
| **Cash and cash equivalents at the period end** | **4,628** | 2,420 | 1,181 |

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. **Accounting policies – basis of preparation**

The Henderson Smaller Companies Investment Trust plc (the "Company") is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. These condensed financial statements comprise the unaudited results of the Company for the half year ended 30 November 2025. They have been prepared on a going concern basis and in accordance with UK adopted International Accounting Standards and with the Statement of Recommended Practice for Investment Trusts ("SORP") dated July 2022 issued by the Association of Investment Companies, where the SORP is consistent with the requirements of UK adopted International Accounting Standards. For the period under review the Company's accounting policies have not varied from those described in the Annual Report for the year ended 31 May 2025. These financial statements have not been audited or reviewed by the Company's auditor.

2. **Going concern**

The assets of the Company consist of securities that are readily realisable and, accordingly, the directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. In coming to this conclusion, the directors have also considered the continued macroeconomic and geopolitical uncertainty, the nature of the Company's covenants, the strength of the Company's distributable reserves and the liquidity of the portfolio.

The directors have concluded that the Company is able to meet its financial obligations, including repayment of the bank loans and borrowings, as they fall due, for a period of at least twelve months from the date of issuance. Having assessed these factors, the principal risks and other matters discussed in connection with the Viability Statement in the Annual Report for the year ended 31 May 2025, the directors confirm that the financial statements have been prepared on a going concern basis.

The Company's shareholders are asked every three years to vote for the continuation of the Company. The last continuation vote took place at the AGM on 7 October 2025 and was passed with 95% of votes cast in favour of continuation. The next continuation vote will take place at the AGM in 2028.

3. **Expenses**

Expenses, finance costs and taxation include provision for a performance fee when the relevant criteria have been met. There was no performance fee provision for the six months to 30 November 2025 (30 November 2024: £nil; 31 May 2025: £nil). Any provision for a performance fee is charged 100% to capital. The actual performance fee, if any, payable to Janus Henderson for the year to 31 May 2026 will depend on outperformance over the full financial year, subject to a cap on the total fees paid to Janus Henderson of 0.9% of the average value of the net assets of the Company during the year. No performance fee is payable if on the last day of the accounting year the Company's share price or NAV is lower than the share price and NAV at the preceding year end. Details of the performance fee arrangements are set out in the Annual Report for the year ended 31 May 2025.

4. **Earnings per ordinary share**

The earnings per ordinary share figure is based on the net profit for the half year ended 30 November 2025 of £23,037,000 (half year ended 30 November 2024: net loss of £27,455,000; year ended 31 May 2025: net loss of £44,994,000) and on 64,062,857 (half year ended 30 November 2024: 74,385,402; year ended 31 May 2025: 73,469,728) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below.

| | **(Unaudited) 30 November 2025 £'000** | (Unaudited) 30 November 2024 £'000 | (Audited) 31 May 2025 £'000 |
|---|---|---|---|
| Net revenue profit | **8,068** | 9,704 | 20,488 |
| Net capital profit/(loss) | **14,969** | (37,159) | (65,482) |
| Net total profit/(loss) | **23,037** | (27,455) | (44,994) |
| Weighted average number of ordinary shares in issue during the period | **64,062,857** | 74,385,402 | 73,469,728 |
| | **Pence** | Pence | Pence |
| Revenue earnings per ordinary share | **12.59** | 13.05 | 27.89 |
| Capital profit/(loss) per ordinary share | **23.37** | (49.96) | (89.13) |
| Total profit/(loss) per ordinary share | **35.96** | (36.91) | (61.24) |

The Company has no securities in issue that could dilute the return per ordinary share. Therefore the basic and diluted earnings per ordinary share are the same.

5. **Dividends**

The Board has declared an interim dividend of 7.5p (30 November 2024: 7.5p) to be paid on 27 March 2026 to shareholders on the register at the close of business on 13 March 2026. The ex-dividend date will be 12 March 2026. No provision has been made for the interim dividend in these condensed financial statements.

The final dividend of 20.5p per ordinary share, paid on 13 October 2025, in respect of the year ended 31 May 2025, has been recognised as a distribution in the period.

6. **Share capital**

At 30 November 2025 there were 59,574,134 ordinary shares in issue (30 November 2024: 74,262,965; 31 May 2025: 68,487,974), excluding 14,810,997 ordinary shares held in Treasury. During the half year ended 30 November 2025 the Company bought back 8,913,840 of its own issued shares to be held in Treasury (half year ended 30 November 2024: 120,000 bought back for cancellation and 122,166 to be held in Treasury; year ended 31 May 2025: 120,000 for cancellation and 5,897,157 to be held in Treasury). Since the period end and as at 23 January 2026, a further 1,702,497 shares have been bought back to be held in Treasury.

7. **Capital reserves**

Capital reserves include the capital reserve arising on investments sold of £412,735,000 (30 November 2024: £561,389,000; 31 May 2025: £477,661,000) and the capital reserve arising on revaluation of investments held of £93,705,000 (30 November 2024: £81,661,000; 31 May 2025: £91,106,000).

The Company's capital reserve arising on investments sold (i.e. realised capital profits) and revenue reserve may be distributed by way of a dividend.

8. **Net asset value ("NAV") per ordinary share**

The NAV per ordinary share is based on the net assets attributable to the equity shareholders of £566,906,000 (30 November 2024: £703,322,000; 31 May 2025: £634,324,000) and on 59,574,134 (30 November 2024: 74,262,965; 31 May 2025: 68,487,974) ordinary shares, being the number of ordinary shares in issue at the period end, excluding shares held in Treasury.

9. **Transaction costs**

Purchase transaction costs for the half year ended 30 November 2025 were £224,000 (half year ended 30 November 2024: £254,000; year ended 31 May 2025: £451,000). These comprise mainly stamp duty and commission. Sale transaction costs for the half year ended 30 November 2025 were £49,000 (half year ended 30 November 2024: £36,000; year ended 31 May 2025: £84,000).

10. **Financial instruments**

The investments are held at fair value through profit or loss. All the net current liabilities are held in the Balance Sheet at a reasonable approximation of fair value. At 30 November 2025 the fair value of the Preference Stock was £4,000 (30 November 2024: £4,000; 31 May 2025: £4,000). The fair value of the Preference Stock is estimated using the prices quoted on the exchange on which the investment trades. The Preference Stock is carried in the Balance Sheet at par.

The unsecured loan notes are carried in the Balance Sheet at par less the issue costs which are amortised over the life of the notes. In order to comply with fair value accounting disclosures only, the fair value of the unsecured loan notes has been estimated to be £35,569,000 (30 November 2024: £36,340,000; 31 May 2025: £34,913,000) and is categorised as Level 3 in the fair value hierarchy as described below. However, for the purpose of the daily NAV announcements, the unsecured loan notes are valued at par in the fair value NAV because they are not traded, and the directors have assessed that par value is the most appropriate value to be applied for this purpose.

The fair value of the unsecured loan notes is calculated using a discount rate which reflects the yield of a UK Gilt of similar maturity plus a suitable credit spread.

**Fair value hierarchy**

The table below sets out the fair value measurements using the IFRS 13 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset, as follows:

Level 1: valued using quoted prices in active markets for identical assets.
Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices.
Level 3: valued by reference to valuation techniques using inputs that are not based on observable market data.

| **As at 30 November 2025** | **Level 1 £'000** | **Level 2 £'000** | **Level 3 £'000** | **Total £'000** |
|---|---|---|---|---|
| **Equity investments** | **645,574** | **-** | **-** | **645,574** |
| | **645,574** | **-** | **-** | **645,574** |

| As at 30 November 2024 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|---|---|---|---|---|
| Equity investments | 784,549 | - | - | 784,549 |
| | 784,549 | - | - | 784,549 |

| As at 31 May 2025 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|---|---|---|---|---|
| Equity investments | 698,722 | - | - | 698,722 |
| | 698,722 | - | - | 698,722 |

The valuation techniques used by the Company are explained in the accounting policies note 1(c) of the Annual Report for the year ended 31 May 2025.

11. **Related-party transactions**

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position of the Company during the period. Details of related-party transactions are in the Annual Report for the year ended 31 May 2025.

12. **Comparative information**

The financial information contained in this half-year financial report does not constitute statutory accounts as defined in s434 Companies Act 2006. The financial information for the half years ended 30 November 2025 and 30 November 2024 has not been audited.

The information for the year ended 31 May 2025 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The report of the auditor on those accounts was unqualified and contained no statement under either s498(2) or s498(3) Companies Act 2006.

13. **General information**

The Henderson Smaller Companies Investment Trust plc is registered in England and Wales.

Company Number: 00025526
Registered Office: 201 Bishopsgate, London EC2M 3AE
London Stock Exchange (TIDM) Code: HSL
ISIN: GB0009065060
SEDOL: 0906506
Global Intermediary Identification Number (GIIN): WZD8S7.99999.SL.826
Legal Entity Identifier (LEI): 213800NE2NCQ67M2M998

*Directors and Corporate Secretary*

The directors of the Company are Penny Freer (Chair of the Board), Kevin Carter (Senior Independent Director), Alexandra Mackesy (Chair of the Audit and Risk Committee), Yen Mei Lim and Michael Warren. The Corporate Secretary is Janus Henderson Secretarial Services UK Limited, represented by Johana Woodruff, FCG.

*Website*

Details of the Company's share price and NAV, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.hendersonsmallercompanies.com.

14. **Financial report for the half year ended 30 November 2025**

The half-year report will shortly be available on the Company's website at www.hendersonsmallercompanies.com. An abbreviated version, the 'Update', will also be available shortly on the Company's website and on the NSM and is being circulated to shareholders in February 2026. Both documents will also be available from the Corporate Secretary at the Company's registered office, 201 Bishopsgate, London, EC2M 3AE.

15. **General meeting**

The Company has today published a circular (the "**Circular**") setting out further details of the proposal to renew the Company's share buyback authority. The Circular also includes the notice of meeting to convene a general meeting (the "**General Meeting**") at which the appropriate shareholder authority will be sought. The General Meeting will be held at 9.30 am on Wednesday, 4 March 2026 at 201 Bishopsgate, London, EC2M 3AE. Shareholders present in person or by proxy will be able to participate in the vote.

The Circular has been submitted to the National Storage Mechanism ("**NSM**") and will shortly be available for inspection at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism. The Circular is also available on the Company's website, www.hendersonsmallercompanies.com.

For further information please contact:

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