



Nichols plc

INTERIM REPORT 2025

Contents

Highlights	2
Executive Review	4
Consolidated Income Statement	8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Cash Flows	11
Consolidated Statement of Changes in Equity	12
Notes to the Financial Statements	13





2025 Interim Results

NICHOLS PLC IS AN INTERNATIONAL SOFT DRINKS BUSINESS WITH SALES GLOBALLY.

The Group is home to the iconic Vimto brand which is popular in the UK and around the world, particularly in the Middle East and Africa. Other brands in its portfolio include Levi Roots, Sunkist, Starslush, ICEE and SLUSH PUPPIE.

VISIT US ONLINE

You can find more and stay up to date on our website
www.nicholsplc.co.uk



Highlights

GROUP REVENUE

£85.5m

+1.8%

H1 2024: £84.0m

CASH AND CASH EQUIVALENTS

£61.6m

-£8.7m

H1 2024: £70.3m

FREE CASH FLOW¹ (FCF)

£14.2m

+£5.2m

H1 2024: £9.0m

ADJUSTED EBITDA²

£14.3m

+1.1%

H1 2024: £14.1m

EBITDA³

£11.2m

(2.0%)

H1 2024: £11.4m

RETURN ON CAPITAL EMPLOYED⁴

22.7%

(60bps)

H1 2024: 23.3%

ADJUSTED OPERATING PROFIT⁵

£13.6m

+4.1%

H1 2024: £13.1m

OPERATING PROFIT

£10.4m

+0.3%

H1 2024: £10.4m

ADJUSTED RETURN ON CAPITAL EMPLOYED⁶

30.4%

+330bps

H1 2024: 27.1%

ADJUSTED PROFIT BEFORE TAX (PBT)⁵

£14.6m

+0.8%

H1 2024: £14.5m

PROFIT BEFORE TAX (PBT)

£11.4m

(3.3%)

H1 2024: £11.8m

EARNINGS PER SHARE (BASIC)

23.33p

(4.0%)

H1 2024: 24.29p

ADJUSTED PBT MARGIN⁵

17.1%

(20bps)

H1 2024: 17.3%

PBT MARGIN

13.4%

(70bps)

H1 2024: 14.1%

ADJUSTED EARNINGS PER SHARE (BASIC)⁵

29.90p

+0.1%

H1 2024: 29.87p

ADJUSTED OPERATING PROFIT MARGIN⁵

15.9%

+30bps

H1 2024: 15.6%

OPERATING PROFIT MARGIN

12.2%

(20bps)

H1 2024: 12.4%

INTERIM ORDINARY DIVIDEND PER SHARE

15.0p

+0.7%

H1 2024: 14.9p

1. Free cash flow is the net increase in cash and cash equivalents before acquisition funding and dividends.
2. Adjusted EBITDA is the adjusted profit before tax, interest, depreciation and amortisation.
3. EBITDA is the profit before tax, interest, depreciation and amortisation.
4. Return on capital employed is the operating profit divided by the average period-end capital employed.
5. Excluding exceptional items.
6. Adjusted return on capital employed is the operating profit (excluding exceptional items) divided by the average period-end capital employed.

FINANCIAL HIGHLIGHTS

- Group revenue +1.8% at £85.5m (H1 2024: £84.0m)
 - UK Packaged sales increased by +3.7% to £47.0m (H1 2024: £45.4m) with encouraging volume growth from core products and innovation
 - In line with expectations, International sales were down -2.5% at £19.5m (H1 2024: £20.0m) due to the shift to the margin enhancing concentrate model in Africa and phasing of Middle East shipments given earlier timing of Ramadan. Strong progress continues in Africa delivering +16.9% revenue growth (H1 2024: -10.1%)
 - Out of Home +1.9% at £19.0m (H1 2024: £18.6m) in line with expectations. Further simplification of our operating model and profit focus led to the exit from Starslush business
- Gross margin maintained at 44.1% (H1 2024: 44.0%)
 - Gross profit increased by £0.7m reflecting UK and International volume growth
 - UK margin stable following increased promotional spend on new product innovation including Wonderfuel
 - International margin increased with further implementation of concentrate model in West Africa
- Adjusted operating profit growth of +4.1% to £13.6m (H1 2024: £13.1m)
 - Improved revenue and gross profit
 - Continued focus on cost and investment in operations and supply chain
 - Adjusted operating profit margin increased to 15.9% (H1 2024: 15.6%)
- Adjusted profit before tax growth of +0.8% to £14.6m (H1 2024: £14.5m)
 - Improved operating profit and lower interest income
 - Adjusted profit before tax margin of 17.1% (H1 2024: 17.3%)
- Exceptional costs of £3.2m (H1 2024: £2.7m)
 - Further investment in the Group's business change programme and new ERP system
- Strong net cash and cash equivalents at £61.6m (H1 2024: £70.3m, 31 December 2024: £53.7m)
 - Free cash flow of £14.2m (H1 2024: £9.0m) driven by lower working capital requirements
 - Reduced net interest income of £1.0m (H1 2024: £1.4m) following £20m special dividend paid in H2 2024
 - Robust balance sheet allows for ongoing delivery against stated growth objectives and capital allocation priorities
 - Interim dividend of 15.0p (H1 2024: 14.9p with additional special dividend of 54.8p per share)

STRATEGIC HIGHLIGHTS

UK Packaged

- Market share growth in the UK driven by both Ready to Drink (RTD) and Energy categories
- Encouraging volume growth from both core business and new product innovation

International Packaged

- Continued strong growth in Africa driven by additional investment and implementation of higher-margin concentrate model
- Product innovation continues in Middle East to grow share in established markets
- Malaysia launch supporting strategic geographic expansion plan

Out of Home (OoH)

- Further simplification of model with planned exit from Starslush brand
- Maintained profitability, with OoH performance continuing to support the Group's overall growth strategy

Operations

- Successful launch of SAP ERP system to improve the efficiency and effectiveness of Group operations
- Further investment in supply chain in line with strategic growth ambitions



Andrew Milne

Chief Executive Officer

Delivering PERFORMANCE

“We are pleased to have delivered further progress against our growth strategy in the first half of the year. Our UK Packaged business performed well, driven by distribution gains and exciting product innovation, including our new functional squash, Wonderfuel. In Africa, the strategic transition to a concentrate model remains on track and continues to drive higher-margin growth. The Group also expanded its footprint across several other key international markets, including Malaysia where Vimto is now listed across all major retailers nationwide. Internally, we successfully launched our new ERP system, a key milestone in our business transformation programme, and are now focused on realising the benefits of this investment in supporting our long-term growth ambitions. I would like to thank all our teams for their dedication in delivering this important project while maintaining strong momentum across our growth initiatives.

Leveraging the strength of our brand portfolio, our geographically diverse business model, and a robust balance sheet, we remain confident that Nichols is well-positioned to deliver growth in line with our strategy and medium-term financial objectives.”

I am pleased to report another period of encouraging strategic progress for Nichols in the first half of 2025, resulting in profit growth in line with the Board's expectations. This outcome has been enabled by our focused growth plan and continued product innovation which has offset the continuing backdrop of economic uncertainty and volatility across several of our markets. On behalf of the Board, I would like to thank all our people and our partners for their contributions during the period.

In the first six months of the year, we made considerable progress against a number of the key components of our growth strategy, aimed at supporting the delivery of our medium-term financial ambitions as outlined at 2024's Capital Markets Day. In our Packaged business we continued to develop our International footprint, particularly in Africa where the rollout of our concentrate model to additional markets is driving improved margin growth. Our UK business continued to grow, both in our core products and through innovations such as Wonderfuel and Energy. In Out of Home, the changes made to simplify our business model continue to support the overall profitable growth of the Group.

Internally our new ERP system, a major part of our business change programme, was successfully launched. This has been a key area of focus across the business for the past two years. We are now focused on realising the benefits of this investment in supporting our growth plan.

SUMMARY FINANCIAL PERFORMANCE

Group revenue increased by 1.8% to £85.5m (H1 2024: £84.0m), predominantly as a result of higher volumes in all three of our routes to market.

Gross margins were maintained despite increased promotional activity in the UK linked to new product innovation during the period.

Adjusted operating profit increased by 4.1% to £13.6m (H1 2024: £13.1m) with a higher level of absolute gross profit offsetting increases in distribution and administrative expenses. Our adjusted operating margin increased from 15.6% to 15.9% as we progressed our plans to deliver shareholder value by creating a higher-margin business.

Adjusted profit before tax rose by 0.8% to £14.6m, with interest income £0.4m lower at £1.0m (H1 2024: £1.4m) as interest rates reduced on a lower average cash balance compared with the prior period after the payment of last year's £20m special dividend in H2 2024.

Adjusted profit before tax margins were broadly in line with H1 2024 at 17.1% (H1 2024: 17.3%) with the slight decrease being attributable to lower interest income. The Group's medium-term ambition, as set out in our 2024 Capital Markets Day, is the delivery of a profit before tax margin of 20%.

After net exceptional costs of £3.2m in relation to our business and systems change project, operating profit was £10.4 and profit before tax was £11.4m (H1 2024: £11.8m).

Adjusted earnings per share ('adjusted EPS') was maintained at 29.90p (H1 2024: 29.87p). Earnings per share were 23.33p (H1 2024: 24.29p). The estimated tax rate for the period increased from 24.8% in the first half of 2024 to 25.3%.

We have continued our record of strong cash generation during the first half of the year with cash generated from operating activities increasing to £17.6m (H1 2024: £11.2m), principally as a result of lower working capital utilisation in the period. Capital expenditure in the period was £0.2m (H1 2024: £0.1m). Net cash and cash equivalents increased by £7.9m (H1 2024: £3.3m) to £61.6m as at 30 June 2025 (H1 2024: £70.3m, FY 2024: £53.7m).

Adjusted return on capital grew to 30.4% (H1 2024: 27.1%) principally as a result of higher Adjusted operating profit, but also reflecting improved balance sheet efficiency following 2024's special dividend payment.

DIVIDEND AND CAPITAL ALLOCATION

In 2024 we confirmed our dividend and capital allocation policy, balancing forward investment into organic growth opportunities and the maintenance of a strong balance sheet with the distribution of surplus cash and generation of strong returns to investors. We have maintained a distribution policy of paying an ordinary dividend with cover of approximately 2.0x the adjusted earnings of the Group together with the return of surplus cash to shareholders. This policy has been maintained at the first half year and we are pleased to declare an ordinary dividend of 15.0p per ordinary share (H1 2024: 14.9p), to be paid on 12 September 2025 with a record date of 8 August 2025 and an ex-dividend date of 7 August 2025.

STRATEGY

We have made further progress in the implementation of the growth strategy outlined at our Capital Markets Day in November 2024. This strategy is focused on accelerating growth in our core Packaged business both in the UK and internationally through continued innovation, increased distribution, geographic expansion and brand investment. At the same time, we are focused on driving bottom line value from our Out of Home business.

Alongside our prioritisation of delivering organic growth initiatives, we will continue to selectively appraise M&A opportunities that provide the Group with exposure to growth categories that complement our existing business and strategic priorities.

Across the Group's diversified business model, we remain focused on delivering exceptional products to consumers and a best-in-class service to our customers.

BUSINESS PERFORMANCE

Packaged Business – Total

Overall sales in Packaged increased by 1.8% to £66.5m (H1 2024: £65.4m). Operating profit increased by £0.5m to £19.3m (H1 2024: £18.8m) with additional contribution from International after further investment in sales and marketing resource and a further contribution from the UK where we continue to support our revenue growth with promotional spend. Operating margins in Packaged increased to 29.1% (H1 2024: 28.7%).

International Packaged

We are pleased with the performance of our International Packaged business, which continues to be a primary growth driver within our overall strategic plan. In the first half year the initiatives we have implemented to develop our African business model have continued to deliver strong returns. Our aim remains to create a broader-based and high-margin International business over the medium term and we have made important progress towards this during 2025 to date. Overall International, revenue was £19.5m (H1 2024: £20.0m).

African revenue increased by 16.9% to £13.7m (H1 2024: £11.8m). On a like-for-like basis, after adjusting for the effect of the shift towards concentrate from finished product sales, underlying growth was even stronger. The first stage of the planned move to local manufacture in Senegal was completed during 2024 and we continue to see progress in the second phase of this project, which we expect to come online in the next two years. We have invested in marketing resource and expenditure in West Africa to support this strategic move.

As expected, revenue in the Middle East reduced in the first half year following a high level of product shipments to the region in 2024 in anticipation of an earlier 2025 Ramadan season. Sales in H1 2025 were £1.6m (H1 2024: £3.5m). We currently anticipate sales in H2 2025 will be broadly similar to H2 2024.

Revenues across the Rest of the World, including Europe, North America and the Far East, were £4.1m (H1 2024: £4.8m). We expect to deliver a strong sales performance in H2.

UK Packaged (UKP)

Revenue in UKP increased by 3.7% to £47.0m (H1 2024: £45.4m), with increased volume, up 5.0%, from both new product launches and our core business, reflecting particular success in our target categories of Energy and Ready to Drink products.

In line with our focus on new product innovation, we successfully launched our Wonderfuel product, a new 'functional' squash fortified with vitamins and minerals, in March with dedicated multichannel promotions. This, alongside growth in our core product range and through wider distribution gains, has played an important role in supporting our UK growth.

Out of Home

Following strong trading progress in 2024 from the Out of Home business, we are pleased to have maintained our performance in the first half of 2025 with overall growth in revenue and a further simplification of our operating model allowing additional focus on profit generation. We have now exited our remaining Starslush customers, leaving our Slush business focused on the ICEE product in cinema outlets only. We expect to make further progress in the second half of the year.

Revenue in the first half of the year increased by 1.9% to £19.0m (H1 2024: £18.6m), with operating profit increasing slightly in the period at £3.1m (H1 2024: £3.0m) reflecting a change in the mix of our sales and some one-off costs. Operating margins in the period increased from 15.9% to 16.5%.

Central overheads

Group central overheads increased to £8.8m (H1 2024: £8.7m) with additional investment in IT support and operational personnel balanced by a reduction in other cost areas. This figure also includes increased staff costs in the second quarter reflecting higher rates of national insurance.

We are pleased with the progress of our major business change programme. This project, combining both the implementation of a new SAP ERP system and a substantial organisational re-design to improve the efficiency and effectiveness of our operations, will provide a platform for us to achieve our medium and long-term strategic and financial ambitions.

BOARD SUCCESSION

The search process for a new Chief Financial Officer is well underway. The Board expects to confirm the appointment of the successful candidate in due course.

John Gittins, currently Non-Executive Director and Chair of the Audit Committee, will retire from the Board today following the completion of ten years of service to the Group. We would like to place on record our sincere thanks to John for his work and for his support over that time, covering a period of substantial change within the business. We wish John well in his continuing career.

John will be succeeded as Audit Committee Chair by Alan Williams, who was appointed to the Board in March 2025.

OUTLOOK

In the first half of 2025 Nichols has delivered another pleasing performance in line with the Board's expectations and the strategic plans and medium-term financial ambitions articulated at our Capital Markets Day in November 2024. We have grown volumes in our UK and International Packaged businesses through increasing distribution and product innovation, and we continue to benefit from improved profitability and focus in Out of Home.

The Board is mindful of continued economic uncertainty both in the UK and wider export markets, including lower levels of business confidence, the potential impact of renewed inflation and changes to taxation. However, we are confident that we operate a robust, well diversified business and that the progress we have made in the implementation of our strategy provides us with confidence in the future.

We anticipate that the business will continue to perform well in the second half of the year and expect to report full-year revenue and adjusted profit before tax¹ in line with current market expectations².



Andrew Milne
CHIEF EXECUTIVE OFFICER

1. Excluding exceptional items.
2. FY 2025 expectations refers to Group-compiled market consensus for FY 2025 adjusted PBT of £33.1m at 30 July 2025.



Consolidated Income Statement

Half year to 30 June 2025

	Unaudited Half year to 30 June 2025 £'000	Unaudited Half year to 30 June 2024 £'000	Audited Year ended 31 December 2024 £'000
Continuing operations			
Revenue	85,488	83,976	172,809
Cost of sales	(47,788)	(47,021)	(93,855)
Gross profit	37,700	36,955	78,954
Distribution expenses	(5,502)	(5,171)	(10,214)
Administrative expenses	(21,783)	(21,402)	(47,249)
Operating profit	10,415	10,382	21,491
Finance income	1,037	1,458	2,660
Finance expenses	(39)	(37)	(117)
Profit before taxation	11,413	11,803	24,034
Taxation	(2,887)	(2,927)	(6,196)
Profit for the period	8,526	8,876	17,838
Earnings per share (basic)	23.33p	24.29p	48.84p
Earnings per share (diluted)	23.31p	24.28p	48.81p
Adjusted for exceptional items			
Operating profit	10,415	10,382	21,491
Exceptional items	3,214	2,713	7,370
Adjusted operating profit	13,629	13,095	28,861
Profit before taxation	11,413	11,803	24,034
Exceptional items	3,214	2,713	7,370
Adjusted profit before taxation	14,627	14,516	31,404
Adjusted earnings per share (basic)	29.90p	29.87p	64.02p
Adjusted earnings per share (diluted)	29.87p	29.86p	63.98p

Consolidated Statement of Comprehensive Income

Half year to 30 June 2025

	Unaudited Half year to 30 June 2025 £'000	Unaudited Half year to 30 June 2024 £'000	Audited Year ended 31 December 2024 £'000
Profit for the financial period	8,526	8,876	17,838
Items that will not be classified subsequently to profit or loss:			
Re-measurement of net defined benefit liability	174	(360)	(434)
Deferred taxation on pension obligations and employee benefits	(44)	90	95
Other comprehensive income/(expense) for the period	130	(270)	(339)
Total comprehensive income for the period	8,656	8,606	17,499

Consolidated Statement of Financial Position

As at 30 June 2025

	Unaudited 30 June 2025 £'000	Unaudited 30 June 2024 £'000	Audited 31 December 2024 £'000
Assets			
Non-current assets			
Property, plant and equipment	8,596	8,773	8,743
Intangibles	137	215	175
Pension surplus	3,939	3,715	3,721
Total non-current assets	12,672	12,703	12,639
Current assets			
Inventories	9,858	10,491	9,322
Trade and other receivables	44,828	42,205	44,340
Corporation tax receivable	679	–	–
Cash and cash equivalents	61,586	75,973	55,185
Total current assets	116,951	128,669	108,847
Total assets	129,623	141,372	121,486
Liabilities			
Current liabilities			
Borrowings	–	5,682	1,512
Trade and other payables	40,142	32,899	33,271
Corporation tax payable	–	74	243
Total current liabilities	40,142	38,655	35,026
Non-current liabilities			
Other payables	1,680	1,801	1,672
Deferred tax liabilities	787	626	743
Total non-current liabilities	2,467	2,427	2,415
Total liabilities	42,609	41,082	37,441
Net assets	87,014	100,290	84,045
Equity			
Share capital	3,697	3,697	3,697
Share premium reserve	3,255	3,255	3,255
Capital redemption reserve	1,209	1,209	1,209
Other reserves	3,030	2,151	2,471
Retained earnings	75,823	89,978	73,413
Total equity	87,014	100,290	84,045

Consolidated Statement of Cash Flows

Half year to 30 June 2025

	Unaudited Half year to 30 June 2025		Unaudited Half year to 30 June 2024		Audited Year ended 31 December 2024	
	£'000	£'000	£'000	£'000	£'000	£'000
Cash flows from operating activities						
Profit for the financial period		8,526		8,876		17,838
Adjustments for:						
Depreciation and amortisation		711		975		1,909
(Profit)/loss on sale of property, plant and equipment		(55)		56		52
Finance income		(939)		(1,458)		(2,480)
Finance expense		39		37		117
Tax expense recognised in the income statement		2,887		2,927		6,196
(Increase)/decrease in inventories		(536)		(1,682)		(513)
Increase in trade and other receivables		(273)		(405)		(2,984)
Increase/(decrease) in trade and other payables		7,286		1,971		2,549
Charge for share-based payments		-		-		272
Change in pension obligations		(44)		(61)		39
Fair value gain on derivative financial instruments		(47)		(30)		37
		9,029		2,330		5,194
Cash generated from operating activities		17,555		11,206		23,032
Tax paid		(3,813)		(3,171)		(6,131)
Net cash generated from operating activities		13,742		8,035		16,901
Cash flows from investing activities						
Finance income		939		1,458		2,480
Acquisition of property, plant and equipment		(174)		(146)		(851)
Proceeds from sale of property, plant and equipment		225		15		18
Net cash from investing activities		990		1,327		1,647
Cash flows from financing activities						
Payment of lease liabilities		(573)		(409)		(755)
Dividends paid		(6,246)		(5,692)		(31,153)
Net cash used in financing activities		(6,819)		(6,101)		(31,908)
Net increase/(decrease) in cash and cash equivalents		7,913		3,261		(13,360)
Exchange gain on cash and cash equivalents		-		-		3
Cash and cash equivalents at start of period		53,673		67,030		67,030
Cash and cash equivalents at end of period		61,586		70,291		53,673

Consolidated Statement of Changes in Equity

Half year to 30 June 2025

	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024	3,697	3,255	1,209	1,845	87,336	97,342
Dividends	-	-	-	-	(5,692)	(5,692)
Movement in ESOT	-	-	-	4	-	4
Share option exercise	-	-	-	-	(272)	(272)
Credit to equity for equity-settled share-based payments	-	-	-	302	-	302
Transactions with owners	-	-	-	306	(5,964)	(5,658)
Profit for the period	-	-	-	-	8,876	8,876
Other comprehensive income	-	-	-	-	(270)	(270)
Total comprehensive income	-	-	-	-	8,606	8,606
At 30 June 2024	3,697	3,255	1,209	2,151	89,978	100,290

	Called up share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2025	3,697	3,255	1,209	2,471	73,413	84,045
Dividends	-	-	-	-	(6,246)	(6,246)
Movement in ESOT	-	-	-	(4)	-	(4)
Share option exercise	-	-	-	-	-	-
Credit to equity for equity-settled share-based payments	-	-	-	563	-	563
Transactions with owners	-	-	-	559	(6,246)	(5,687)
Profit for the period	-	-	-	-	8,526	8,526
Other comprehensive expense	-	-	-	-	130	130
Total comprehensive income	-	-	-	-	8,656	8,656
At 30 June 2025	3,697	3,255	1,209	3,030	75,823	87,014

Treasury shares used for share option exercises are held within retained earnings.

Notes to the Financial Statements

Half year to 30 June 2025

1. BASIS OF PREPARATION

The financial information set out in this Interim Report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2024, prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, have been filed with the Registrar of Companies. The Auditor's Report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements for the half year reporting period ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. The Interim Report has not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The interim financial statements were authorised for issue by the Board of Directors on 30 July 2025.

2. GOING CONCERN

In assessing the appropriateness of adopting the going concern basis in preparing the Interim Report and financial statements, the Directors have considered the current financial position of the Group and its principal risks and uncertainties. The review performed considers severe but plausible downside scenarios that could reasonably arise within the period.

Our modelling has sensitised the impacts of continued economic uncertainty both in the UK and wider export markets, including lower levels of business confidence, the potential impact of renewed inflation and changes to taxation. Alternative scenarios, including the potential impact of key principal risks from a financial and operational perspective, have been modelled with the resulting implications considered. In all cases, the business model remained robust. The Group's diversified business model and strong balance sheet provide resilience against these factors and the other principal risks that the Group is exposed to. At 30 June 2025, the Group had cash and cash equivalents of £61.6m with no external bank borrowings.

On the basis of these reviews, the Directors consider the Group has adequate resources to continue in operational existence for the foreseeable future (being at least one year following the date of approval of this Interim Report and financial statements) and, accordingly, consider it appropriate to adopt the going concern basis in preparing the financial statements.

3. SEGMENTAL REPORTING

The Board, as the entity's chief operating decision maker, analyses the Group's internal reports to enable an assessment of performance and allocation of resources. The operating segments are based on these reports.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment performance is evaluated based on adjusted operating profit (excluding exceptional items), finance income and exceptional items. This is the measure reported to the Board for the purpose of resource allocation and assessment of segment performance.

Notes to the Financial Statements continued

Half year to 30 June 2025

3. SEGMENTAL REPORTING continued

Half year to 30 June 2025	Revenue £'000	Adjusted operating profit £'000	Net finance income £'000	Adjusted profit before tax £'000	Exceptional items £'000	Profit before tax £'000
Packaged						
UK	47,045					
Middle East	1,623					
Africa	13,735					
Rest of World	4,106					
Total Packaged	66,509	19,341				
Out of Home	18,979	3,129				
Total segments	85,488	22,470				
Central ¹	–	(8,841)				
Total Group	85,488	13,629	998	14,627	(3,214)	11,413

Half year to 30 June 2024	Revenue £'000	Adjusted operating profit £'000	Net finance income £'000	Adjusted profit before tax £'000	Exceptional items £'000	Profit before tax £'000
Packaged						
UK	45,386					
Middle East	3,466					
Africa	11,754					
Rest of World	4,752					
Total Packaged	65,358	18,779				
Out of Home	18,618	2,964				
Total segments	83,976	21,743				
Central ¹	–	(8,648)				
Total Group	83,976	13,095	1,421	14,516	(2,713)	11,803

1. Central includes the Group's central and corporate costs, which relate to salaries and head office overheads such as rent and rates, insurance and IT maintenance as well as the costs associated with the Board and Executive Leadership Team, governance and Listed Company costs.

Year ended 31 December 2024	Revenue £'000	Adjusted operating profit £'000	Net finance income £'000	Adjusted profit before tax £'000	Exceptional items £'000	Profit before tax £'000
Packaged						
UK	89,222					
Middle East	14,213					
Africa	20,793					
Rest of World	8,593					
Total Packaged	132,821	40,626				
Out of Home	39,988	6,835				
Total segments	172,809	47,461				
Central ¹	–	(18,600)				
Total Group	172,809	28,861	2,543	31,404	(7,370)	24,034

1. Central includes the Group's central and corporate costs, which relate to salaries and head office overheads such as rent and rates, insurance and IT maintenance as well as the costs associated with the Board and Executive Leadership Team, governance and Listed Company costs.

A geographical split of revenue is provided below:

	Half year to 30 June 2025 £'000	Half year to 30 June 2024 £'000	Year ended 31 December 2024 £'000
Geographical split of revenue			
Middle East	1,623	3,466	14,213
Africa	13,735	11,754	20,793
Rest of World	4,278	4,852	8,950
Total exports	19,636	20,072	43,956
United Kingdom	65,852	63,904	128,853
Total revenue	85,488	83,976	172,809

4. EXCEPTIONAL ITEMS

	Half year to 30 June 2025 £'000	Half year to 30 June 2024 £'000	Year ended 31 December 2024 £'000
Business change programme and systems development	3,214	2,733	7,603
Out of Home strategic review and restructuring	–	179	(34)
Historic incentive scheme	–	(199)	(199)
	3,214	2,713	7,370

The Group incurred £3.2m of exceptional costs during the period (H1 2024: £2.7m).

Business change programme and systems development

The Group successfully launched its new enterprise resource planning (ERP) system in Q1. This project, combining both the implementation of a new SAP ERP system and a substantial organisational re-design to improve the efficiency and effectiveness of our operations, will provide a platform for us to achieve our long-term ambitions. Costs of £3.2m were incurred in the period. Further investment in the Group's business change programme and systems development will continue in H2.

Historic incentive scheme

In 2022 the Group settled with HMRC a £4.3m tax and interest charge relating to an historic incentive scheme and has continued to recover debts from current and previous employees who had indemnified the Company. The Group's provisions relating to the recovery of these amounts remains unchanged from the year end.

Out of Home strategic review and restructuring

The strategic review into the Group's OoH business, which commenced in 2022, concluded in the previous year. A net credit of under £0.1m was realised in the previous year as the project concluded.

Due to the one-off nature of these charges, the Board is treating these items as exceptional costs and their impact has been removed in all adjusted measures throughout this report.

5. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit after tax for the period of the Group by the weighted average number of ordinary shares in issue during the period. The weighted average number of ordinary shares is calculated by adjusting the shares in issue at the beginning of the period by the number of shares bought back or issued during the period multiplied by a time-weighting factor. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue assuming the conversion of all potentially dilutive ordinary shares.

The earnings per share calculations for the period are set out in the table below:

	Earnings £'000	Weighted average number of shares	Earnings per share
30 June 2025			
Basic earnings per share	8,526	36,539,402	23.33p
Dilutive effect of share options		41,035	
Diluted earnings per share	8,526	36,580,437	23.31p

Adjusted earnings per share before exceptional items has been presented in addition to the earnings per share as defined in IAS 33 Earnings per Share since, in the opinion of the Directors, this provides shareholders with a more meaningful representation of the earnings derived from the Group's operations. It can be reconciled from the basic earnings per share as follows:

	Earnings £'000	Weighted average number of shares	Earnings per share
30 June 2025			
Basic earnings per share	8,526	36,539,402	23.33p
Exceptional items after taxation	2,401		
Adjusted basic earnings per share	10,927	36,539,402	29.90p
Diluted effect of share options		41,035	
Adjusted diluted earnings per share	10,927	36,580,437	29.87p

Notes to the Financial Statements continued

Half year to 30 June 2025

6. NON-CURRENT ASSETS

	Property, plant and equipment £'000	Intangibles £'000
Cost		
At 1 January 2025	27,162	9,998
Additions	696	-
Disposals	(537)	-
At 30 June 2025	27,321	9,998
Depreciation and amortisation		
At 1 January 2025	18,419	9,823
Charge for the period	673	38
On disposals	(367)	-
At 30 June 2025	18,725	9,861
Net book value		
At 1 January 2025	8,743	175
At 30 June 2025	8,596	137

7. DEFINED BENEFIT PENSION SCHEME

The Group operates a defined benefit plan in the UK. A full actuarial valuation was carried out on 5 April 2023 and updated at 30 June 2025 by an independent qualified actuary.

A summary of the pension surplus position is provided below:

	£'000
Pension surplus	
At 1 January 2025	3,721
Current service cost	(5)
Scheme administrative expenses	(61)
Net interest income	98
Actuarial gains	174
Contributions by employer	12
At 30 June 2025	3,939

8. DIVIDENDS

Dividend cover is broadly 2x adjusted earnings of the Group. As a result, the interim dividend for 2025 will be 15.0p per share, to be paid on 12 September 2025 with a record date of 8 August 2025. The ex-dividend date will be 7 August 2025.

CAUTIONARY STATEMENT

This Interim Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Interim Report should not be relied on by any other party or for any other purpose.

