Trifast plc

Tuesday, 19 November 2024

TRIFAST PLC

(Trifast, Group or Company)

Leading international specialist in the design, engineering, manufacture, and distribution of high-quality industrial fastenings and Category 'C' components principally to major global assembly industries

HALF-YEARLY FINANCIAL REPORT

Unaudited results for the six months ended 30 September 2024

"Self-help benefits of "Recover, Rebuild and Resilience" strategy driving improved margins and cash generation against a challenging market backdrop"

Iain Percival, Chief Executive Officer

Summary of our strategic progress to date

- We are seeing positive change and demonstrating operational and financial resilience and strategy execution
- Margin management – we have intensified our focus through mandated direction, pricing and procurement policy launches and the implementation of contract matrix, and sales and negotiation training
- Focussed growth – we have centred decision making and activities around the customer with a refreshed growth focus
- Operational efficiency – we have introduced new metrics and targets and have commenced a review to optimise our supply chain and to standardise our distribution centres. We aspire to do the basics well and improve operational and technology infrastructure to power future growth
- Organisational effectiveness – we are committed to building a stronger safety culture and have made significant progress on our organisation change towards "One TR", and
- We remain confident in the delivery of our mid-term margin and returns ambitions

Key half-year financials

Six months ended 30 September

Underlying measures	CER[2] HY2025	CER[2] change	AER[2] HY2025	AER[2] change	AER HY2024
Revenue	**£116.0m**	**(1.4)%**	**£113.9m**	**(3.2)%**	£117.6m
Gross profit %	**27.4%**	**169bps**	**27.4%**	**169bps**	25.7%
Underlying operating profit (UOP)[1]	**£7.2m**	**9.4%**	**£6.9m**	**3.9%**	£6.6m
Underlying operating profit %[1]	**6.2%**	**61bps**	**6.0%**	**40bps**	5.6%
Underlying profit before tax[1]	**£5.0m**	**29.6%**	**£4.6m**	**20.3%**	£3.9m
Underlying diluted earnings per share[1]			**2.94p**	**34.9%**	2.18p
Adjusted net debt[3]			**£15.4m**	**£(12.4)m**	£27.8m
Return on capital employed (ROCE)[1]			**6.3%**	**71bps**	5.6%
Interim dividend			**0.60p**		0.60p
GAAP measures					
Operating profit			**£3.8m**	**(19.8)%**	£4.7m
Operating profit %			**3.3%**	**(70)bps**	4.0%
Profit before tax			**£1.6m**	**(20.8)%**	£2.0m
Diluted earnings per share			**0.99p**	**(13.9%)**	1.15p

1. Before separately disclosed items (see notes 2, 6 and 7)
2. "CER" being Constant Exchange Rate, calculated by translating the HY2025 figures by the average HY2024 exchange rate and "AER" being Actual Exchange Rate
3. Adjusted net debt is presented excluding the impact of IFRS16 Leases as this is how the calculation is performed for the purposes of the Group's banking facilities. Including right-of-use liabilities, net debt would increase by £(18.5)m to £(33.9)m (HY2024: net debt would increase by £(20.0)m to £(47.8)m).

Operational highlights

169 bps improvement on gross margins

- Pricing and sourcing improvement more than offset volume reduction
- Organisation change (strengthened Engineering, Commercial and Procurement functions) completed and benefits delivering

61bps improvement on EBIT margin

- Effective overhead cost management mitigating inflationary headwinds
- On track to achieve c.£3m savings from operational improvement programme

Small decline in revenue, reflecting:

- Decision to exit low margin customers, and
- Lower volumes in a number of sectors due to challenging market headwinds

£12.4m improvement in net debt position with leverage now < 1.0

Pipeline wins reflect new focused growth strategy supported by capability build in sales and engineering:

- 95% of pipeline wins are aligned with our strategic markets: Automotive, Smart Infrastructure, and Medical Equipment
- Accelerated growth in North America driven by new customers in Smart Infrastructure

Other

- Chinese Joint Venture Chai Yi fully operational and contributing positively to our China profitability
- Exciting green energy project on track for our Italy manufacturing facility

Presentation of HY2025 results

1 The Group will be holding a presentation in person and virtual to analysts today at 10.00am (UK time) at the offices of Peel Hunt (7th Floor), 100 Liverpool Street, London EC2M 2AT Further details can be obtained by contacting TooleyStreet Communications – details are shown below. Investor enquiries can also be made via, Peel Hunt LLP's corporate access team.

2 The Company will also be presenting the HY2025 results via the Investor Meet Company platform today (19 November) at 11.30am (UK time). CEO Iain Percival and CFO Kate Ferguson will host this 'live' event.

To register for the session, you may follow this link: https://www.investormeetcompany.com/trifast-plc/register-investor

Investors who already follow Trifast on the IMC platform will automatically be invited to join the event. The webcast will be available on the Trifast website in due course.

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Editors' notes

About Trifast

Founded in 1973, Trifast is a leading international specialist in the design, engineering, manufacture, and distribution of high-quality industrial fastenings and Category 'C' components principally to major global assembly industries. As an international business we can provide customer support from across key regions in the UK & Ireland, Asia, Europe, and North America. In addition to our service locations, we operate several manufacturing facilities focused on high volume cold forged fasteners and special parts. We have also established Engineering & innovation centres to support R&D and customer collaboration across the world.

The Group supplies to customers in c.70 countries across a wide range of industries, including Automotive, Smart Infrastructure, Medical Equipment, distributors and other. As a full-service provider to multinational OEMs and Tier 1 companies spanning several sectors, we deliver comprehensive support to our customers across every requirement, from concept design through to technical engineering consultancy, manufacturing, supply management and global logistics.

We have defined a clear purpose and vision:
To sustainably drive our customers' success by simplifying their fastener supply chain and supporting them in their technical requirements through our world-class engineering and manufacturing capabilities.

For more information, visit:
TRIFAST PLC TRI Stock | London Stock Exchange
website: www.trifast.com
LinkedIn: www.linkedin.com/company/tr-fastenings
X: www.x.com/trfastenings
Facebook: www.facebook.com/trfastenings

Note: Trifast, TR and TR Fastenings are registered trademarks of the Company. **LEI number:** 213800WFIVE6RWK3CR22

Electronic communications

The Company is not proposing to bulk print and distribute hard copies of this half-yearly financial report for the six months ended 30 September 2024. Copies can be requested via Companysecretariat@trifast.com, or by writing to, The Company Secretary, Trifast plc, Registered Office: National distribution centre, Reedswood Park Road, Walsall, WS2 8DQ

News updates, Regulatory News and Financial statements, can also be viewed and downloaded from the Group's website, www.trifast.com.

Forward-looking statements

This announcement contains certain forward-looking statements. These reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.

Trifast plc

TRIFAST PLC
HALF-YEARLY FINANCIAL REPORT (HY2025)
Unaudited results for the six months ended 30 September 2024

BUSINESS REVIEW

Unless stated otherwise, current year comparisons with prior year are calculated at constant currency (CER) and where we refer to 'underlying,' this is defined as being before separately disclosed items (see note 2). CER calculations have been calculated by translating the HY2025 figures by the average HY2024 exchange rate.

Key financials

Underlying measures	CER[2] HY2025	CER[2] change	AER[2] HY2025	AER[2] change	AER HY2024
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Group performance

Revenue reduced year-on-year 1.4% to £116m, with persistent market headwinds in a number of sectors leading to reductions in Europe and UK & Ireland. North America and Asia however reported revenue growth, ahead of expectations, reflecting more supportive local market conditions and benefitting from the contribution from the Group's refreshed commercial focus.

We are pleased to report an improvement in gross profit margin of 169 bps and the highest margin at 27.4% reported since 2020 as we drive pricing and sourcing improvements as part of our journey to recover, rebuild and become resilient.

The £1.0m improvement in gross profit, £0.9m overhead savings offset by exchange loss movement of £1.3m (exchange loss of £0.5m in HY2025 as compared to exchange gain of £0.8m in HY2024) resulted in a £0.6m improvement in underlying operating profit to £7.2m (HY2024: £6.6m). Overhead costs have been actively managed, with productivity savings in part mitigating ongoing inflation and strategic capability investments.

We remain on track to achieve the phased cost savings in FY25 of c.£3m from our operational improvement programme which included 10% reduction on non-operating headcount and the consolidation of the UK facilities in the National distribution centre in the West Midlands.

Underlying profit before tax has also increased to £5.0m (HY2024: £3.9m) due to the improvement in underlying Operating profit and also a c.£0.5m reduction in net finance costs as a result of lower average borrowings.

We continue to reduce our net debt, with pre IFRS 16 net debt of c.£15.4m at 30 September 2024 (HY2024: £27.8m). This represents a reduction of £12.4m in the past year, leaving an unutilised £78.1m on the Group's £120.0m banking facilities and leverage of c. 0.9x (HY2024: 1.6x), providing the Group with strengthened financial position and capacity to invest in support of its strategic objectives.

Our working capital focus contributing to the reduction in net debt included a material reduction in overdue debt and overall receivables balance. Our inventory balance increased compared to last year primarily due to increase in inventory in Asia to support regional increase in business, while reductions in other regions aligned with our inventory reduction targets to improve working capital management.

Capital expenditure reduced to £1.1m (HY2024: £2.2m) mainly due to the completion of the Atlas project.

Profit before tax decreased by £0.4m to £1.6m primarily due to higher one-off separately disclosed items and includes: acquired intangible amortisation £0.9m, impairment of a customer receivable on administration £1.0m, restructuring costs and transformation costs £1.4m.

Regional performance

Region		CER HY2025	AER HY2024	CER Change	AER HY2025	AER Change
UK & Ireland	Sales	36.7	39.3	(6.7)%	36.7	(6.7)%
	UOP	1.5	1.6	(4.9)%	1.5	(5.3)%
	UOP%	4.1%	4.0%	10bps	4.1%	10bps
Europe	Sales	40.8	44.8	(9.0)%	39.8	(11.2)%
	UOP	3.5	3.6	(3.1)%	3.4	(7.0)%
	UOP%	8.6%	8.0%	60bps	8.4%	40bps
North America	Sales	16.7	14.0	19.7%	16.3	16.8%
	UOP	1.7	0.6	204.7%	1.7	194.6%
	UOP%	10.3%	4.1%	620bps	10.2%	610bps
Asia	Sales	28.0	26.5	5.6%	27.1	2.4%
	UOP	4.7	4.3	9.1%	4.5	5.3%
	UOP%	16.8%	16.3%	50bps	16.7%	40bps
Central	Sales	(6.15)	(6.97)	(11.8)%	(6.0)	(14.2%)
	UOP (Central costs)	(4.2)	(3.5)	21.2%	(4.2)	21.2%

Note 1 - Regional sales include intercompany

Note 2 – Central sales relate to intercompany eliminations

UK & Ireland

Revenue declined 6.7% to £36.7m (HY2025: £39.3m), with reduced demand mainly in the Automotive sector contrasted with growth in Smart Infrastructure revenue as a result of data centre roll outs, driven by global investment in Artificial Intelligence (AI). Distribution demand reduced further in the period with continued overstocking in customers' supply chain. During the half year, we concluded the transfer of our UK distribution business to Germany and handed back some under-performing business which has also reduced our revenue although it has enabled us to maintain our UOP / EBIT margin at 4.1% (HY2024: 4.0%).

Europe

Revenue decreased 9.0% to 40.8m (HY2025: 44.8m), primarily due to challenges in the distribution and Automotive sectors. Master distributors, particularly in Germany, also faced reduced OEM demand and aggressive pricing competition. The Automotive sector experienced delays with new programmes and reduced demand, driven by uncertainties surrounding the transition to hybrid and full EV from traditional powertrains. There are signs of recovery in the Smart Infrastructure sector, especially in Hungary, along with promising new business opportunities supported by a strong pipeline. Investment in our European manufacturing facility in Italy continues to support our 'Europe for Europe' strategy. UOP/EBIT margins improved by 60 bps to 8.6% (HY2024: 8.0%) as a result of enhanced margin management.

North America
North America revenue increased to £16.7m (HY205: £14.0m) with Smart Infrastructure emerging as the fastest-growing sector at 26.3%. This growth is driven by new business wins and strong demand for specialised engineering products from our Asian operations, underscoring the importance of engineering and manufacturing in our value proposition. The Automotive sector also performed well, with a 13.6% increase in revenue, largely attributed to significant growth from a key vehicle programme. Overall, UOP/EBIT margins improved materially to 10.3%, up from 4.1%, reflecting our effective margin management and strategic market positioning.

Asia
Revenue increased to £28.0m (HY2024: £26.5m), largely driven by gains in the home appliances sector, although this was partially offset by lower demand from distribution customers selling into European and North American markets. Automotive also saw some reduction due to weakened consumer confidence particularly in China and Malaysia. UOP margins were 16.8% compared to 16.3% in HY2024, thanks to targeted margin management initiatives across key sectors.

Central costs
Central reported a UOP/EBIT loss of £4.2m (HY2024: £3.5m), driven by higher accruals as we incentivise staff to achieve our strategic initiatives.

Net financing costs (AER)
Net financing costs have reduced to £2.2m (HY2024: £2.8m) mostly due to lower interest rates applied to our Revolving credit facility (RCF) and UKEF – Export Development Guarantee facility (EDG) drawdowns and our reduction of net debt through working capital and cash management initiatives.

Taxation (AER)
The decrease in the underlying effective tax rate (UETR) to 14.5% (HY2024: 23.7%) and the effective tax rate (ETR) to 14.5% (HY2024: 21.5%) was principally due to the utilisation of brought forward losses in the UK region that have not previously been provided for.

Earnings per share (AER)
The increase in underlying profit before tax and the decrease in our UETR, has increased the underlying diluted EPS by 34.9% to 2.94p (HY2024: 2.18p). The diluted earnings per share reduced 0.99p (HY2024: 1.15p) due to higher one-off separately disclosed items resulting in lower profit before tax as compared to HY2024 offset by the impact of reduced ETR.

Dividend
The Company has declared an interim dividend of 0.60p (HY2024: 0.60p) which will be paid on 10 April 2025 to members on the register as at 7 March 2025. We continue to consider that an appropriate level of dividend cover is in the range of 3.0x to 4.0x.

Return on Capital Employed (AER)
As at 30 September 2024, the Group's shareholders' equity decreased to £121.8m (FY2024: £124.2m). The £2.4m reduction reflects the impact of the profit for the period of £1.3m, a dividend charge of £(2.4)m, a net movement in share-based payments of £(0.4)m and a foreign exchange reserve loss of £(0.9)m (most notably sterling strengthening against Singapore Dollar, Taiwan Dollar, Renminbi, United States Dollar and Euro).

Over this lower asset base and higher underlying EBIT during the period, our ROCE has increased to 6.3% (FY2024: 5.6%).

Adjusted net debt (AER)
The Group's adjusted net debt has decreased by £5.6m to £15.4m (FY2024: £21.0m).

Working capital management continues to be a focus, with a £3.8m reduction in receivables in HY2025. Capital expenditure in the period amounted to £1.1m. Interest paid was £2.0m (excluding IFRS16 interest) due to lower interest rates and average loan balance during the period.

Including the impact of IFRS16 Leases, the Group's net debt position decreased by £5.5m to £33.9m (FY2024: £39.4m). IFRS16 Leases were £18.5m (FY2024: £18.4m).

Other key balance sheet movements
Right-of-use assets, Property, plant and equipment and intangibles have decreased to £69.4m (FY2024: £71.8m) as a result of the depreciation and amortisation charge during the period, off set by additions and the effects of movement on foreign exchange during the period.

Trade and other receivables decreased by £3.8m to £55.2m (FY2024: £59.0m) due to lower sales and improved collections. This, combined with the increase in our trade and other creditors has seen working capital as a % of sales decrease to 39.4% (FY2024: 40.8%).

Other interest-bearing loans and borrowings reduced £1.4m to £40.4m (FY2024: £41.8m), net of unamortised loan arrangement fees.

Trade and other payables increased £3.8m to £40.0m (FY2024: £36.2m), principally due to higher accruals for bonus and supplier accruals for goods received prior to the period end.

Provisions reduced by £1.0m to £3.0m (FY2024: £4.0m) principally on account of the utilisation of the restructuring and related charges provisions during HY2025.

People

The Board would like to acknowledge and thank the teams around the globe who, in challenging times, continue to work in partnership with commitment and focus to deliver the quality of service and supply that our customers expect.

Outlook

Global macro-economic and geopolitical uncertainties remain volatile, resulting in trading conditions being variable across sectors and visibility limited at this stage. It is encouraging to report that our self-help plans are mitigating some of this risk and we are also seeing benefits feeding through from our **"Recover, Rebuild and Resilience** strategy.

As we progress through the remainder of this financial year, we expect our 'RRR' strategy to continue to make an incremental contribution to our performance, whilst productivity and cost saving actions and additional operational and commercial initiatives being implemented in H2 in line with strategic roadmap are all expected to deliver further margin benefits as we move forward.

In summary:

- Trifast is making good progress with its strategic operational roadmap
- We have a strong business, backed by a solid balance sheet and cash generation
- H2 inventory reduction historically better than H1 and we are committed to our plans to further reduce inventory levels while maintaining customer service and response and our focus on debt reduction
- We remain on track to deliver results for the year ending 31 March 2025 in line with expectations, and
- We remain confident in the delivery of our mid-term margin and returns ambitions.

RISKS AND UNCERTAINTIES

The Directors do not consider that the principal risks and uncertainties of the Group have changed since the publication in July 2024 of the Group's Annual Report for the year ended 31 March 2024. No system can fully eliminate risk and therefore the understanding of operational risk is central to the management process within the Group. We continue to review and analyse both existing and emerging risks and work with our business teams to understand the impact of internal and external changes, and the risks and opportunities that they present. This work is supported by the development of our internal audit function and reviewed by the Audit & Risk Committee meetings chaired by our Senior Independent Non-Executive Director.

A copy of the Group's Annual Report for the year ended 31 March 2024 can be found on the website www.trifast.com

As with all businesses, the Group faces risks, with some not wholly within its control, which could have a material impact on the Group, and may affect its performance with actual results becoming materially different from both forecast and historic results. The macroeconomic climate is still under pressure, and we continue to remain vigilant for any indications that could adversely impact expected results going forward.

The long-term success of the Group depends on the ongoing review, assessment, and management of the key business risks it faces.

Trifast plc — responsibility statement

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority; and
- the interim management report includes a fair review of the information required by:

a. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Iain Percival	**Kate Ferguson**
Chief Executive Officer	**Chief Financial Officer**
18 November 2024	18 November 2024

Condensed consolidated interim income statement

Unaudited results for the six months ended 30 September 2024

	Notes	**Six months ended 30 September 2024 £000**	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Continuing operations				
Revenue	3, 9	**113,896**	117,625	233,671
Cost of sales		**(82,687)**	(87,365)	(174,404)
Gross profit		**31,209**	30,260	59,267
Other operating income		**260**	497	721
Distribution expenses		**(3,751)**	(3,483)	(6,633)
Administrative expenses before separately disclosed items		**(20,852)**	(20,666)	(41,321)
Acquired intangible amortisation	2	**(867)**	(893)	(1,780)
Project Atlas	2	**-**	(500)	(2,079)
Restructuring and transformation cost	2	**(1,435)**	(477)	(1,491)
Impairment of goodwill	2	**-**	-	(1,964)
Impairment of customer receivable on administration	2	**(1,007)**	-	-
Profit on disposal of a subsidiary	2	**243**	-	
Total administrative expenses		**(23,918)**	(22,536)	(48,635)
Share of loss of joint venture accounted for using the equity method		**-**	-	(90)
Operating profit		**3,800**	4,738	4,630
Financial income		**147**	60	269
Financial expenses		**(2,376)**	(2,814)	(5,688)
Net financing costs	3	**(2,229)**	(2,754)	(5,419)
Profit / (loss) before tax	3	**1,571**	1,984	(789)
Taxation	4	**(228)**	(426)	(3,651)
Profit / (loss) for the period (attributable to equity shareholders of the Parent Company)		**1,343**	1,558	(4,440)
Earnings / (loss) per share				
Basic	6	**0.99p**	1.15p	(3.29)p
Diluted	6	**0.99p**	1.15p	(3.29)p

Condensed consolidated interim statement of comprehensive income

Unaudited results for the six months ended 30 September 2024

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Profit/(loss) for the period	**1,343**	1,558	(4,440)
Other comprehensive (expense)/income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(1,706)**	(2,372)	(5,075)
Gain/(loss) on a hedge of a net investment taken to equity	**806**	466	889
Other comprehensive (expense)/income recognised for the period	**(900)**	(1,906)	(4,186)
Total comprehensive (expense)/income recognised for the period (attributable to equity shareholders of the parent company)	**443**	(348)	(8,626)

Condensed consolidated interim statement of changes in equity

Unaudited results for the six months ended 30 September 2024

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2024	**6,806**	**22,537**	**16,328**	**(2,194)**	**10,496**	**70,205**	**124,178**
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	-	**1,343**	**1,343**
Other comprehensive expense for the period	-	-	-	-	**(900)**	-	**(900)**
Total comprehensive income / (expense) for the period	-	-	-	-	**(900)**	**1,343**	**443**
Transactions with owners, recorded directly in equity:							
Share-based payment transactions (net of tax)	-	-	-	-	-	**(380)**	**(380)**
Movement in own shares held	-	-	-	**155**	-	**(155)**	-
Dividends (note 5)	-	-	-	-	-	**(2,426)**	**(2,426)**
Total transactions with owners	-	-	-	**155**	-	**(2,961)**	**(2,806)**
Balance at 30 September 2024	**6,806**	**22,537**	**16,328**	**(2,039)**	**9,596**	**68,587**	**121,815**

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2023	**6,805**	**22,530**	**16,328**	**(3,017)**	**14,682**	**78,561**	**135,889**
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	-	**1,558**	**1,558**
Other comprehensive expense for the period	-	-	-	-	**(1,906)**	-	**(1,906)**
Total comprehensive income / expense for the period	-	-	-	-	**(1,906)**	**1,558**	**(348)**
Transactions with owners, recorded directly in equity:							
Share-based payment transactions (net of tax)	-	-	-	-	-	**(602)**	**(602)**
Movement in own shares held	-	-	-	**698**	-	**(698)**	-
Dividends (note 5)	-	-	-	-	-	**(3,026)**	**(3,026)**
Total transactions with owners	-	-	-	**698**	-	**(4,326)**	**(3,628)**
Balance at 30 September 2023	**6,805**	**22,530**	**16,328**	**(2,319)**	**12,776**	**75,793**	**131,913**

Condensed consolidated interim statement of financial position

Unaudited results for the six months ended 30 September 2024

	Notes	**30 September 2024 £000**	30 September 2023 £000	31 March 2024 £000
Non-current assets				
Property, plant, and equipment		**18,356**	18,734	19,070
Right-of-use assets		**16,401**	18,457	16,450
Intangible assets		**34,653**	39,327	36,275
Investment in joint venture		**157**	159	159
Deferred tax assets		**4,192**	4,456	4,256
Total non-current assets		**73,759**	81,133	76,210
Current assets				
Inventories		**74,497**	83,399	73,403
Trade and other receivables		**55,223**	57,858	59,039
Assets classified as held for sale		**-**	2,130	623
Cash and cash equivalents	7	**25,072**	32,026	20,884
Total current assets		**154,792**	175,413	153,949
Total assets	3	**228,551**	256,546	230,159
Current liabilities				
Trade and other payables		**40,004**	37,223	36,218
Right-of-use liabilities	7	**3,661**	3,592	3,392
Provisions		**1,421**	1,499	2,432
Tax payable		**420**	481	2,167
Dividends payable		**1,618**	2,020	-
Liabilities classified as held for sale		**-**	-	348
Total current liabilities		**47,124**	44,815	44,557
Non-current liabilities				
Other interest-bearing loans and borrowings	7, 12	**40,432**	59,856	41,848
Right-of-use liabilities	7	**14,880**	16,433	15,031
Provisions		**1,543**	1,546	1,548
Deferred tax liabilities		**2,102**	1,983	2,105
Other Payables		**655**	-	892
Total non-current liabilities		**59,612**	79,818	61,424
Total liabilities	3	**106,736**	124,633	105,981
Net assets		**121,815**	131,913	124,178
Equity				
Share capital		**6,806**	6,805	6,806
Share premium		**22,537**	22,530	22,537
Merger reserve		**16,328**	16,328	16,328
Own shares held	8	**(2,039)**	(2,319)	(2,194)
Translation reserve		**9,596**	12,776	10,496
Retained earnings		**68,587**	75,793	70,205
Total equity		**121,815**	131,913	124,178

Condensed consolidated interim statement of cash flows

Unaudited results for the six months ended 30 September 2024

	Notes	**Six months ended 30 September 2024 £000**	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Cash flows from operating activities				
Profit / (loss) for the period		**1,343**	1,558	(4,440)
Adjustments for:				
Depreciation, amortisation, and impairment		**2,786**	2,671	5,616
Right-of-use asset amortisation		**1,727**	2,002	4,068
Unrealised foreign currency loss/(gain)		**60**	32	(248)
Financial income		**(147)**	(60)	(269)
Financial expense (excluding right-of-use liabilities)		**1,970**	2,488	4,893
Right-of-use liabilities' financial expense		**406**	326	796
Profit on assets classified as held for sale		**-**	-	(2,014)
Loss / (gain) on sale of property, plant & equipment, intangibles		**9**	(9)	(59)
Equity settled share-based payment transactions		**(380)**	(656)	(101)
Impairment of intangible assets		**-**	-	1,476
Gain on termination of right-of-use liabilities and expense on lease back		**-**	-	(454)
Impairment of right-of-use assets and property, plant, and equipment on restructuring		**-**	-	1,330
Gain on disposal of a subsidiary		**(243)**	-	-
Taxation charge		**228**	426	3,651
Operating cash inflow before changes in working capital and provisions		**7,759**	8,778	14,245
Change in trade and other receivables		**2,647**	2,342	(4)
Change in inventories		**(2,344)**	6,537	14,977
Change in trade and other payables		**4,001**	1,496	3,593
Change in provisions		**(1,040)**	(1,206)	(900)
Cash generated / (used) in operations		**11,023**	17,947	31,911
Tax paid		**(1,591)**	(1,686)	(3,335)
Net cash generated / (used) in operating activities		**9,432**	16,261	28,576
Cash flows from investing activities				
Proceeds from sale of property, plant & equipment		**175**	1,028	91
Proceeds from sale of assets classified as held for sale		**-**	-	4,144
Proceeds from disposal of a subsidiary	2	**699**	-	-
Interest received		**157**	60	265
Investment in joint venture		**-**	(159)	(162)
Acquisition of property, plant and equipment, and intangibles		**(1,124)**	(1,748)	(4,573)
Net cash used in investing activities		**(93)**	(819)	(235)
Cash flows from financing activities				
Net proceeds from the issue of share capital		**-**	-	8
Repayments of borrowings		**-**	(98,962)	(116,500)
Proceeds from borrowings		**-**	91,414	91,414
Repayment of right-of-use liabilities		**(1,571)**	(1,846)	(3,362)
Dividends paid		**(809)**	(1,006)	(3,026)
Interest and charges paid		**(2,430)**	(4,208)	(6,702)
Net cash used in financing activities		**(4,810)**	(14,608)	(38,168)
Net change in cash and cash equivalents		**4,529**	834	(9,827)
Cash and cash equivalents at 1 April		**20,884**	31,798	31,798
Effect of exchange rate fluctuations on cash held		**(342)**	(606)	(1,087)
Cash and cash equivalents at end of period	7	**25,071**	32,026	20,884

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority and UK-adopted International Accounting Standard ("IAS") 34: Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at, and for, the year ended 31 March 2024. The annual financial statements of the Group are prepared in accordance with UK adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

This statement does not comprise full financial statements within the meaning of Section 495 and 496 of the Companies Act 2006. The statement is unaudited.

The comparative figures for the financial year ended 31 March 2024 are not the Company's statutory accounts for that financial year and have been extracted from the full Annual Report and Accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The Report of the Auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their Report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies set out in the full Annual Report and Accounts for the year ended 31 March 2024, except the following amendments which apply for the first time in HY2025, but, they do not have a material impact on these condensed consolidated interim financial statements.

The following amendments are effective for accounting periods beginning on or after 1 January 2024:

- IAS 1 Presentation of Financial Statements (Amendment – Classification of liabilities as current or non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current liabilities with covenants)
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosure (Amendment – Supplier Finance Arrangements)
- IFRS 16 Leases (Amendment – Lease Liability in a Sale and Leaseback)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the accompanying Business Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described in the same report. In addition, note 26 to the Group's previously published financial statements for the year ended 31 March 2024 includes the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Current trading and forecasts show that the Group will continue to generate positive EBITDA and generate cash. The banking facilities and covenants (leverage and interest cover) that are in place provide appropriate headroom against forecasts based on the current outlook. There are some headwinds in the global economic environment including the elevated interest rate environment, however should there be adverse factors beyond expectation including further increases in interest rates, the Directors are confident given the low levels of leverage within the business and the expectation that this will reduce further that these would be mitigated. As such the Directors do not consider there to be material uncertainties relating to events or conditions that may be relevant to the next 12 months from signing of the half-yearly financial report, which cast doubt on the going concern status. This is also the case after performing sensitivity analysis, reverse stress testing scenarios to break point for the covenants and understanding what this would equate to either increasing net debt or reducing EBITDA. Thus, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and hence they continue to adopt the going concern basis of accounting in preparing the half-yearly financial report.

Estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions take account of the circumstances and facts at the period end, historical experience of similar situations and other factors that are believed to be reasonable and relevant, the results which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty include those disclosed in the consolidated financial statements for the year ended 31 March 2024.

A key judgement made by management in the previous year's relates to Project Atlas costs meeting the capitalisation criteria under IAS 38 Intangible Assets, also considering the March 2021 IFRS IC agenda decision update on 'Configuration and customisation costs in a cloud computing arrangement', allowing directly attributable costs to be capitalised. No significant judgment applied in the current period as Project Atlas is now complete.

1. Basis of preparation......*continued*

No other key judgements have been made, other than those involving estimations. The key sources of estimation uncertainty are inventory valuation and recoverability of goodwill.

The methodology for calculating the inventory provision has remained consistent with year end. Inventories are stated at the lower of cost and net realisable value with a provision being made for obsolete and slow-moving items. Initially, management makes a judgement on whether an item of inventory should be classified as standard or customer specific. This classification then largely determines when a provision is recognised. Management then estimates the net realisable value of the stock for each individual classification. In most circumstances, a provision is made earlier for customer specific stock (compared to standard) because it generally carries a greater risk of becoming obsolete or slow moving given the fastenings are designed specifically for an individual customer.

The key sensitivity to the carrying amount of customer-specific inventory relates to the future demand levels for specific products stocked for individual customers. In the event that an individual customer's demand for products specific to them unexpectedly reduced, the Company might be required to increase the inventory provision. Although one customer taking such action is unlikely to result in a material adjustment, multiple customers taking such action over a short timescale could result in a material adjustment. The range of outcomes includes a write-off of the carrying amount at 30 September 2024, to a write back of the customer-specific inventory provision at period end (HY2025: £6.2m; HY2024: £6.2m; FY2024: £6.9m).

The carrying amount of goodwill as at 30 September 2024, was £22.3m (HY2024: £22.8m; FY2024: £22.5m). In the 31 March 2024 consolidated financial statements, an impairment of the non-current assets of £1.9m was identified for TR Hungary CGU. For the remaining CGUs, an impairment assessment was conducted, and no indicators of impairment were identified as of 30 September 2024.

2. Underlying profit before tax and separately disclosed items

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Underlying profit before tax	**4,637**	3,854	6,525
Separately disclosed items within administrative expenses:			
Acquired intangible amortisation	**(867)**	(893)	(1,780)
Project Atlas	**-**	(500)	(2,079)
Restructuring and transformation cost	**(1,435)**	(477)	(1,491)
Impairment of Goodwill	**-**	-	(1,964)
Impairment of customer receivable on administration	**(1,007)**	-	-
Profit on disposal of a subsidiary	**243**	**-**	**-**
Profit /(loss) before tax	**1,571**	**1,984**	(789)

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Underlying EBITDA	**10,512**	10,388	19,848
Separately disclosed items within administrative expenses:			
Project Atlas	**-**	(500)	(2,079)
Restructuring and transformation cost	**(1,435)**	(477)	(1,491)
Impairment of Goodwill	**-**	**-**	(1,964)
Impairment of customer receivable on administration	**(1,007)**	**-**	-
Profit on disposal of a subsidiary	**243**	**-**	**-**
EBITDA	**8,313**	9,411	14,314
Acquired intangible amortisation	**(867)**	(893)	(1,780)
Depreciation (including right-of-use depreciation) and non-acquired amortisation	**(3,646)**	(3,780)	(7,904)
Operating profit	**3,800**	4,738	4,630

Consistent with prior periods, management feel it is appropriate to remove separately disclosed items as included above to allow the reader of the accounts to understand the underlying trading performance of the Group. Management use judgement in assessing which items, due to their size or incidence, should be disclosed as separately disclosed items. This is consistent with the way financial information

2. Underlying profit before tax and separately disclosed items......*continued*

is presented to the Board. Further reconciliations of underlying measures to IFRS measures and the cash flow impact of separately disclosed items can be found in note 7.

Event driven items

Project Atlas is now complete and hence, no charge in the current period. Project Atlas was a multi-year investment into our IT infrastructure and underlying business processes. We had excluded these costs (primarily relating to training and project team costs) in the previous years from our underlying results, to reflect the unusual scale and one-off nature of this project.

Restructuring and transformation costs of £1.4m are charges incurred in relation the Key strategic initiatives (margin management, operational efficiencies, focussed growth and organisation effectiveness) initiated at the beginning of the year in line with the new strategy. Includes primarily costs for transformation activities, redundancies, and other costs related to the key strategic initiatives. The charges of £0.5m in HY2024 relates to professional fees and other related costs incurred for setting up the National distribution centre (NDC) in the Midlands. We have excluded these costs from our underlying results, to reflect the size and one-off nature of these costs consistent with the Group's policy on separately disclosed items.

On 27 June 2024, one of our customers entered into bankruptcy proceedings. Given the administration status of the customer, the debtor balance of £1.0m as on the date the customer went into administration was impaired. The management is closely monitoring the situation and will take appropriate actions to mitigate any potential financial impact on the Group. The amount has been disclosed as separately disclosed due to it being material in size and one-off in nature.

Profit on disposal of subsidiary of £0.2m is for the sale of TR Norge AS to Otto Olsen on 3 April 2024. Otto Olsen will provide a solid and stable base for the TR Norge A/S team and enable customers to continue to be supported by a locally aligned business. The subsidiary was disposed for a sales consideration (net of direct costs) of £0.7m which adjusted for net assets of TR Norge AS of £0.4m and recycling the cumulative translation reserve loss of £0.1m resulted in profit of £0.2m.

Recurring items

Acquired intangible amortisation has remained in line with HY2024. Intangible amortisation relating to acquisitions has been separately disclosed so as to present the trading performance of the respective entities with a charge on a comparable basis.

3. Geographical operating segments

The Group is comprised of the following main geographical operating segments:

- UK & Ireland
- Europe: includes Norway, Sweden, Germany, Hungary, Ireland, Italy, Holland, Spain, and Poland
- USA: includes USA and Mexico
- Asia: includes Malaysia, China, Singapore, Taiwan, Thailand, Philippines, and India

In presenting information on the basis of geographical operating segments, segment revenue, segment underlying operating profit and segment assets are based on the geographical location of our entities across the world and are consolidated into the four distinct geographical regions, which the Executive Leadership Team (the 'ELT') uses to monitor and assess the Group. Interest is reported on a net basis rather than gross as this is how it is presented to the Chief Operating Decision Maker (the ELT).

Ireland, for HY2024, was reported and reviewed as part of Europe. However, for HY2025 it is now reported and reviewed as part of UK & Ireland segment. Hence, for the disclosure for HY2025 below, Ireland is reported as part of the UK segment and HY2024 numbers are restated to include Ireland within the UK.

Segment revenue and results under the primary reporting format for the six months ended 30 September 2024 and 2023 are disclosed in the table below:

3. Geographical operating segments*......continued*

September 2024	UK & Ireland £000	Europe £000	USA £000	Asia £000	Central costs, assets and liabilities £000	Total £000)
Revenue*						
Revenue from external customers	35,046	39,054	16,276	23,520	-	113,896
Inter segment revenue	1,613	727	35	3,604	-	5,979
Total revenue	**36,659**	**39,781**	**16,311**	**27,124**	**-**	**119,875**
Underlying operating profit (see note 7)	**1,505**	**3,355**	**1,669**	**4,541**	**(4,204)**	**6,866**
Net financing costs	84	(486)	(447)	248	(1,628)	(2,229)
Underlying profit before tax	**1,589**	**2,869**	**1,222**	**4,789**	**(5,832)**	**4,637**
Separately disclosed items (see note 2)	(359)	(1,515)	(210)	(18)	(964)	(3,066)
Profit before tax	**1,230**	**1,354**	**1,012**	**4,771**	**(6,796)**	**1,571**
Specific disclosure items						
Depreciation and amortisation	(1,237)	(1,695)	(390)	(773)	(418)	**(4,513)**
Assets and liabilities						
Non-current asset additions	506	1,912	86	312	194	**3,010**
Non-current assets^	23,375	14,815	4,517	20,058	6,802	**69,567**
Segment assets	70,825	66,946	22,874	57,049	10,857	**228,551**
Segment liabilities	(19,953)	(18,999)	(3,502)	(11,586)	(52,696)	**(106,736)**

September 2023	UK & Ireland £000 (restated)	Europe £000 (restated)	USA £000	Asia £000	Central costs, assets and liabilities £000	Total £000 (restated)
Revenue*						
Revenue from external customers	37,001	43,935	13,884	22,805	-	117,625
Inter segment revenue	2,333	878	78	3,682	-	6,971
Total revenue	**39,334**	**44,813**	**13,962**	**26,487**	**-**	**124,596**
Underlying operating profit (see note 7)	**1,590**	**3,607**	**567**	**4,313**	**(3,469)**	**6,608**
Net financing costs	(243)	(450)	(504)	152	(1,709)	(2,754)
Underlying profit before tax	**1,347**	**3,157**	**63**	**4,465**	**(5,178)**	**3,854**
Separately disclosed items (see note 2)	(599)	(563)	(194)	(9)	(505)	(1,870)
Profit before tax	**748**	**2,594**	**(131)**	**4,456**	**(5,683)**	**1,984**
Specific disclosure items						
Depreciation and amortisation	(1,204)	(1,842)	(420)	(845)	(362)	**(4,673)**
Assets and liabilities						
Non-current asset additions	6,623	825	160	200	172	**7,980**
Non-current assets^	22,862	18,375	5,675	21,733	8,052	**76,677**
Segment assets	74,328	80,378	27,096	60,494	14,250	**256,546**
Segment liabilities	(27,217)	(17,877)	(3,956)	(12,123)	(63,460)	**(124,633)**

* Revenue is derived from the manufacture and logistical supply of industrial fasteners and category 'C' components.
^ Non-current assets exclude financial instruments and deferred tax.

4. Taxation

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Current tax on income for the period			
UK tax	**-**	-	10
Foreign tax	**271**	259	2,964
Deferred tax income for the period	**(44)**	12	488
Adjustments in respect of prior years	**1**	155	189
	228	426	3,651

4. Taxation......*continued*

The decrease in the underlying effective tax rate (UETR) to 14.5% (HY2024: 23.7%) and the effective tax rate (ETR) to 14.5% (HY2024: 21.5%) was mainly due to the utilisation of brought forward losses in the UK region that have not been previously provided for.

Remaining in line with FY2024, the Deferred tax asset was £4.2m (FY2024: £4.3m) and Deferred tax liability £2.1m (FY2024: £2.1m).

5. Dividends

The dividend payable of £1.6m represents the final dividend for the year ended 31 March 2024 which was approved by Shareholders at the AGM on 10 September 2024 and paid on 11 October 2024 to members on the Register on 13 September 2024. The Company paid an HY2024 interim dividend of 0.60p (HY2023: 0.75p) on 11 April 2024 totalling £0.8m to Shareholders on the register as at 15 March 2024. The Company has declared an HY2024 interim dividend of 0.60p (HY2024: 0.60p) which will be paid on 10 April 2025 to Shareholders on the Register as at 7 March 2025.

6. Earnings per share

The calculation of earnings per 5 pence ordinary share is based on profit for the period after taxation and the weighted average number of shares in the period of 134,967,813 (net of own shares held) (HY2024: 134,930,615, FY2024: 134,959,632).

The calculation of the fully diluted earnings per 5 pence ordinary share is based on profit for the period after taxation. In accordance with IAS 33 the weighted average number of shares in the period has been adjusted to take account of the effects of all dilutive potential ordinary shares (net of own shares held). The number of shares used in the calculation amount to 134,967,813 (HY2024: 134,930,615 FY2023: 134,959,632). There is no potential dilutive effect of share options as the share options have not yet vested and conditions have not been met at the balance sheet.

The underlying diluted earnings per share, which in the Directors' opinion best reflects the underlying performance of the Group, is detailed below:

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Profit/(loss) after tax for the period	**1,343**	1,558	(4,440)
Separately disclosed items (see note 2)	**3,066**	1,870	7,314
Tax charge on adjusted items above	**(444)**	(488)	(692)
Underlying profit after tax	**3,965**	2,940	2,182
Basic EPS	**0.99p**	1.15p	(3.29)p
Diluted EPS	**0.99p**	1.15p	(3.29)p
Underlying diluted EPS	**2.94p**	2.18p	1.62p

7. Alternative performance measure (APM)

The half-yearly financial report includes both IFRS measures and APM's, the latter of which are considered by management to better allow the readers of the accounts to understand the underlying performance of the Group. A number of these APM's are used by management to measure the KPI's of the business (see the Business Review) and are therefore aligned to the Group's strategic aims. They are also used at Board level to monitor financial performance throughout the year.

The APM's used in the half-yearly financial report (including the basis of calculation, assumptions, use and relevance) are detailed in note 2 (underlying profit before tax, EBITDA, and underlying EBITDA) and below.

- **Underlying figures**

  The Group believes that underlying measures provide additional guidance to statutory measures to help understand the underlying trading performance of the business during the financial period. The term 'underlying' is not defined under Adopted IFRS. It is a measure that is used by management to assess the underlying performance of the business internally and is not intended to be a substitute measure for Adopted IFRSs' GAAP measures.

  It should be noted that the definitions of underlying items being used in these financial statements are those used by the Group and may not be comparable with the term 'underlying' as defined by other companies within the same sector or elsewhere.

  Explanations for the items removed from the underlying figures are provided in note 2.

- **Constant exchange rate (CER) figures**

  These are used in the Business Review and give the readers a better understanding of the performance of the Group, regions, and entities from a trading perspective. They have been calculated by translating the HY2025 income statement results (of subsidiaries whose presentation currency is not sterling) using HY2024 average exchange rates to provide a comparison which removes the

7. Alternative performance measure (APM)*......continued*

foreign currency translational impact. The impact of translational gains and losses made on non-functional currency net assets held around the Group have not been removed.

- **Underlying diluted EPS**
  A key measure for the Group to understand the underlying earnings per share. The calculation is disclosed in note 6.

- **Underlying profit before tax**
  A key measure for the Group, as it is one of the measures used to set the Directors' variable remuneration, as disclosed in the Directors' remuneration report. The calculation has been disclosed in note 2.

- **Underlying operating margin/EBIT margin**
  Underlying operating margin is used in the financial review to give the reader an understanding of the performance of the Group and regions. It is calculated by dividing underlying operating profit (see return on capital employed (ROCE) section for reconciliation to operating profit) by revenue in the year.

- **Return on capital employed (ROCE)**
  ROCE employed is a key metric used by investors to understand how efficient the Group is with its capital employed. The calculation is a rolling 12-month underlying EBIT divided by average capital employed (net assets + gross debt) over this period, multiplied by 100%. Underlying EBIT has been reconciled to operating profit below.

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2023 £000
Underlying EBIT/Underlying operating profit	**6,866**	6,608	11,944
Separately disclosed items within administrative expenses (See note 2)	**(3,066)**	(1,870)	(7,314)
Operating profit	**3,800**	4,738	4,630

- **Underlying cash conversion as a percentage of underlying EBITDA**
  This is another key metric used by investors to understand how effective the Group was at converting profit into cash. Since the underlying cash conversion is compared to underlying EBITDA, which has removed the impact of separately disclosed items (see note 2), the impact of these have also been removed from the underlying cash conversion. The adjustments made to arrive at underlying cash conversion from cash generated from operations are detailed below. To reconcile operating profit to underlying EBITDA, see note 2.

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Underlying cash conversion	**12,541**	20,155	34,344
Project Atlas costs paid (accrued in previous year)	**-**	(536)	815
Restructuring and related charges	**(2,217)**	(1,672)	(5,262)
Profit on disposal of assets classified as held for sale	**-**	-	2,014
Profit on disposal of sale of subsidiary	**699**	-	-
Cash generated in operations	**11,024**	17,947	31,911

- **Underlying effective tax rate**
  This is used in the underlying diluted EPS calculation. It removes the tax impact of separately disclosed items in the year to arrive at a tax rate based on the underlying profit before tax.

	Six months ended 30 September 2024			Six months ended 30 September 2023		
	Profit impact £000	**Tax impact £000**	**ETR %**	**Profit impact £000**	**Tax impact £000**	**ETR %**
Profit before tax	**1,571**	**228**	**14.5%**	1,984	(426)	21.5%
Separately disclosed items	**3,066**	**444**	**14.5%**	1,870	(488)	26.1%
Underlying profit before tax	**4,637**	**672**	**14.5%**	3,854	(914)	23.7%

7. Alternative performance measure (APM)......*continued*

- **Adjusted net debt and adjusted net debt to Underlying EBITDA ratio**
  This removes the impact of IFRS16 from both net debt and Underlying EBITDA and IFRS 2 Share-based Payments from underlying EBITDA to better reflect the banking facility covenant calculations. Other adjustments are made to meet the calculations specified in the facility agreement. Underlying EBITDA is reconciled to operating profit in note 2.

	At 30 September 2024 £000	At 30 September 2023 £000	At 31 March 2024 £000
Net cash and cash equivalents	**25,071**	32,026	20,884
Debt due within one year	**(3,661)**	(3,592)	(3,392)
Debt due after one year	**(55,312)**	(76,289)	(56,879)
Gross debt	**(58,973)**	(79,881)	(60,271)
Net debt	**(33,902)**	(47,855)	(39,387)
Right-of-use lease liabilities	**18,541**	20,025	18,423
Adjusted net debt	**(15,361)**	(27,830)	(20,964)

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Underlying EBITDA	**10,512**	10,388	19,848
IFRS2 share-based payment charge and other related costs	**(347)**	(645)	(101)
Operating lease rentals	**(2,165)**	(2,337)	(4,447)
Adjusted underlying EBITDA	**8,000**	7,406	15,300

- **Adjusted interest cover**
  This is adjusted EBITDA to adjusted net interest to better reflect the banking facility covenant calculations, removing the impact of IFRS 16 Leases. Underlying EBITDA has IFRS 16 Leases and IFRS 2 Share-based payments removed above and is reconciled to operating profit in note 2.

	Six months ended 30 September 2024 £000	Six months ended 30 September 2023 £000	Year ended 31 March 2024 £000
Net Interest	**(2,229)**	(2,754)	(5,419)
Right-of-use liability interest	**406**	326	796
Adjusted net interest	**(1,823)**	(2,428)	(4,623)

- **Working capital as a percentage of revenue**
  This is calculated as current assets excluding cash, less current liabilities excluding debt like items as a percentage of Group revenue. It is a KPI for the Group as it remains a key focus to ensure efficient allocation of capital on the balance sheet to improve quality of earnings and reduce the additional investment needed to support organic growth.

8. Own shares held

The own shares held reserve comprises the cost of the Company's shares held by the Group. At 30 September 2024, the Group held 1,275,237 of the Company's shares (HY2024: 1,452,696; FY2024: 1,373,663).

9. Financial instruments

There is no significant difference between the fair values and the carrying values shown in the balance sheet.

10. IFRS2 Share-based payments

During the period, a gain of £0.4m (HY2024: gain of £0.6m) was recognised in relation to IFRS2 Share-based payments due to the reversal of the cumulative charge relating to the 2022 Board, Executive Committee and Senior Manager LTIP shares as the non-market performance conditions are unlikely to be met.

11. Related parties

Transactions between subsidiaries of the Group, are not disclosed in this note as they have been eliminated on consolidation.

For the Executive Directors and the remaining key management personnel in the period, there is no significant change in the components of the compensation that would materially affect that disclosed in the Director's remuneration report and note 28 of the consolidated financial statements for the year ended 31 March 2024. Kate Ferguson (Chief Financial Officer) was appointed to the Board with effect from 10 September 2024.

In the period, there were share options granted to key management personnel totalling 9,430,800 (HY2024: Nil). There were lapses related to key management personnel LTIP share options totalling 230,808 (HY2024: 132,407).

12. Other interest-bearing loans and borrowings

On 2 May 2024, the Group agreed to amend the interest cover covenant in the Revolving Credit Facility (RCF) and UK Export Finance (UKEF) Export Development Guarantee (EDG) term loan facilities agreements. This applies from the 30 June 2024 quarterly covenant calculation as follows:

1. Each relevant period from 30 June 2024, ending on 30 September 2025: 3.25x
2. Each relevant period from 31 December 2025, ending on 30 September 2026: 3.50x
3. Each relevant period from 31 December 2026, thereafter: 4.00x

On 3 July 2024, KBC Bank NV (KBC) became a lender to the RCF agreement following a transfer of a commitment from an existing lender. The facility commitment remained at £70.0m. This commitment will support the Group's treasury strategy and plans in Eastern Europe.

Further details can be found in notes 26 and 29 of the Group's Annual report for the year ended 31 March 2024.