6 August 2024

SIG plc
Results for the six months to 30 June 2024

SIG plc ("SIG", "the Group" or "the Company") today announces its half year results for the six months ended 30 June 2024 ("H1 2024" or "the period").

	H1 2024	H1 2023
Revenue	**£1,316.8m**	£1,423.4m
LFL[1] sales growth	**(6.8)%**	(0.2)%
Gross margin	**24.7%**	25.6%
Underlying[2] operating profit	**£11.7m**	£32.7m
Underlying[2] operating margin	**0.9%**	2.3%
Underlying[2] (loss)/profit before tax	**£(6.6)m**	£15.0m
Underlying[2] (loss)/earnings per share	**(0.8)p**	0.6p
Net debt	**£476.6m**	£468.8m
Net debt (pre-IFRS 16)	**£178.6m**	£176.2m

Statutory results	**H1 2024**	H1 2023
Revenue	**£1,316.8m**	£1,423.4m
Operating profit	**£7.1m**	£30.0m
(Loss)/profit before tax	**£(11.3)m**	£12.2m
Total (loss)/profit after tax	**£(14.2)m**	£4.7m
Basic (loss)/earnings per share	**(1.2)p**	0.4p

Financial highlights

- Group revenue of £1,317m, representing a like-for-like[1] ("LFL") revenue decline of 6.8% versus prior year, reflecting:
  - Prolonged challenging trading conditions in our larger businesses, leading to lower volumes
  - Pricing also down, partly due to modest net input cost deflation
- Group underlying operating profit of £11.7m at an operating margin of 0.9%, with effective cost actions mitigating in part the impact of lower sales
- Disciplined cash management; net debt of £477m post-IFRS 16 and £179m pre-IFRS 16, both only marginally up vs prior half year

Operational highlights

- LFL revenue performance reflects challenging conditions in UK Interiors, France and Germany, while Poland and Ireland delivered growth against a stronger local backdrop
- All businesses continue to perform well relative to their markets, most notably in Germany and UK Roofing
- Operating margins impacted by the operational gearing effect of reduced volumes and pricing year-on-year
- Further permanent cost restructuring actions taken in H1 2024 driving reductions in central and operating company overheads, now totalling £15m in annualised savings since H2 2023 (£6m year-over-year saving in H1 2024); total underlying savings in operating costs in the period of £24m vs the prior year, before inflation
- Continuing progress in all geographies in H1 in improving underlying operational effectiveness and efficiency, and in execution of strategic initiatives expected to drive improved performance over the medium-term

Outlook

- The Group's outlook for FY 2024 remains in line with the recent update published on 24 June:
  - FY 2024 underlying operating profit expected to be in the range of £20m-£30m

  - Increasing benefits from productivity and cost initiatives underpin continued expectation of a slightly stronger second half
  - The extent of this H2 improvement is subject to the evolution of demand conditions, particularly given market uncertainties in France and Germany, and recognising the sensitivity of operating profit to relatively small movements in sales
- The Board remains confident in achieving the Group's operating margin target of 5% in the medium-term

Commenting, Gavin Slark, Chief Executive Officer, said:

"Our results in the first half reflect the prolonged challenging market conditions we are currently facing across most of our European businesses. In light of these conditions, we took further actions to reduce our permanent cost base in the half, which will benefit us in the future.

During the period, we also made further progress on our strategic initiatives to improve our underlying operations and to position us to capture additional growth when markets improve. This has included the launch of a new omnichannel and e-commerce platform for our business in Germany, with France to follow, both of which will enhance future profitability as well as customer experience and convenience. Across all of our operations we are implementing a range of initiatives under our 'GEMS' strategy, which will lead to a higher-value sales mix and will support delivery of our 5% operating margin target. The operational gearing in our business model applies equally strongly in conditions of rising demand, and, accordingly, the Board believes the Group remains well positioned to benefit from the market recovery when it occurs."

Notes

1. Like-for-like ("LFL") is defined as the growth/(decline) in sales per working day in constant currency excluding any current and prior year acquisitions and disposals. Sales are not adjusted for branch openings or closures.
2. Underlying represents the results before Other items. Other items relate to the amortisation of acquired intangibles, net restructuring costs, costs related to acquisitions, cloud based ERP implementation costs and other specific items. Other items have been disclosed separately in order to give an indication of the underlying earnings of the Group.

A live presentation and Q&A session, hosted by Gavin Slark, CEO, and Ian Ashton, CFO, will take place at 10.15am UK time today at the offices of FTI Consulting. The presentation and Q&A session will be webcast live, and a recording of both will be available after the event.

Please click the link below to join the webinar:
https://storm-virtual-uk.zoom.us/s/85286554999

Webinar ID: 852 8655 4999

Or One tap mobile:
+442080806592,,85286554999# United Kingdom
+443300885830,,85286554999# United Kingdom
Or join by phone:
United Kingdom: +44 208 080 6592 or +44 330 088 5830 or +44 131 460 1196 or +44 203 481 5237 or +44 203 481 5240 or +44 203 901 7895 or +44 208 080 6591
International numbers available: https://storm-virtual-uk.zoom.us/u/kcnQYmdLHQ

Enquiries		
SIG plc		**+44 (0) 114 285 6300**
Gavin Slark	Chief Executive Officer	
Ian Ashton	Chief Financial Officer	
Sarah Ogilvie	Head of Investor Relations	
FTI Consulting	Richard Mountain	**+44 (0) 20 3727 1340**

About

SIG plc is a leading pan-European supplier of specialist building products to trade customers across the UK, France, Germany, Ireland, Benelux and Poland. With leading market positions in specialist insulation, interiors and exteriors products, as well as a growing position in construction accessories and other specialisms, SIG facilitates one-stop access to an extensive product range, provides expert technical advice and coordinates often complex delivery requirements. For suppliers, SIG offers a channel through which products can be brought to a highly fragmented market of smaller customers and sites that are of insufficient scale to supply direct. SIG employs more than 7,000 employees across Europe and is listed on the London Stock Exchange (SHI). For more information, please visit the Company's website, www.sigplc.com.

Trading overview

Group LFL revenue was 7% down year-on-year in the period, with volumes and pricing having a broadly equal effect.

Reported Group revenue was also 7% lower in the period, with a negligible impact in aggregate from movements in exchange rates and working days.

1 January to 30 June 2024 **Revenue**	**LFL growth**	***£m***
UK Interiors	(14)%	250
UK Roofing	(2)%	182
UK Specialist Markets	(7)%	121
UK	(9)%	553
France Interiors	(7)%	105
France Roofing	(11)%	215
Germany	(3)%	220
Poland	3%	119
Benelux	(12)%	54
Ireland	9%	50
EU	(5)%	763
Group	**(7)%**	**1,317**

Market conditions were challenging through H1 across our larger EU based businesses (58% of revenue) and in the UK (42% of revenue). This included prolonged weak demand in France, where product volumes to new build construction projects were weaker in both residential and commercial. Demand was also weak in Germany, including in commercial new build, the larger element of our business in Germany.

In the UK, our Interiors business experienced lower volumes and weaker market demand. Its LFL decline included a 3% reduction in sales from strategic branch closures, a part of our restructuring initiatives that will help drive profitability in the near and longer term. Increased price competition in drylining has also been a factor. UK Roofing also experienced weaker revenue but has continued to trade with good momentum relative to the market and is benefiting from increasingly strong execution, allied with selective investment in sales and marketing. Specialist Markets experienced weaker demand for Performance Technology and Building Solutions while demand for Construction Accessories has been somewhat more resilient.

Volumes and market conditions are stabilising in Poland and Ireland, both of which are further through the cycle than our other markets. This, combined with strong execution by our teams, means they have both reported positive sales growth and more robust profitability. Our Benelux business continues its gradual recovery in underlying performance after some years of underperformance, although as elsewhere a very weak market backdrop held back sales in the period.

All the businesses have made progress on driving operational improvements and efficiencies, as well as stronger customer service, as detailed below under Strategic Progress. We will continue to focus on cost discipline and on ensuring that we have the appropriate level of cost and infrastructure across the Group.

Strategic progress

During H1 2024 the Group has progressed actions to improve its operational performance towards our medium-term target of a 5% operating profit margin. While market conditions create a near-term headwind to margin progression, we are taking actions in four strategic areas to improve the way we operate now, to better position our business to win as markets recover and to take advantage of long-term growth trends in the industry.

Grow

We are focused on delivering above-market growth in all of our businesses.

In H1 2024, our LFL growth rates in our largest operating companies continued to show good performance relative to the market.

In the UK, our Roofing business continues to trade with good momentum against the wider market, and is benefiting from investments made in the customer service experience in our branches, sales, marketing and branch merchandising. Growth rates in the Interiors business reflect the decline in market volumes, with drylining most challenging. However, adjusting for the 3% revenue impact from branch closures, data from our suppliers regarding overall market volumes indicates that we have performed robustly relative to the market in Interiors in the period.

In France, both businesses delivered a LFL performance that we believe was ahead of the local market. In Germany, the LFL growth achieved was notably stronger than the wider market and reflects the business's continued momentum following turnaround actions, including reinvestment in sales and branch employee engagement, over the last three years.

Execute

We are focused on strengthening our operational execution and margin across our geographies.

During H1 2024 we took further restructuring actions, in addition to those started in H2 2023, to reduce our permanent cost base to mitigate the impact of lower volumes on profitability. These actions have included reducing the number of roles in the business by approximately 250 year-over-year, with the focus on reducing Group and operating company central overheads. Outside formal restructuring initiatives, we have also reduced headcount, including in branches, through the non-replacement of leavers. Some of the latter may be temporary reductions, depending on when and to what extent volumes return, and others will be permanent.

In H1 2024 we also decided to close a number of branches that were either consistently underperforming or were in locations we can either service more effectively from another branch or which have seen shifts in local market growth dynamics. In total we closed seven branches in H1, with another three in progress. These closures have been in the UK, France, and Germany.

These restructuring actions, together with those commenced in H2 2023, are expected to generate £15m in annualised cost savings, with the majority of these benefiting 2024. £10m of these annualised savings are as previously announced, with a further £5m identified in H1 2024. Of the expected year-over-year impact in FY 2024 of c£12m, around £6m benefited H1. The one-off cost to deliver these £15m restructuring savings will be £12m-£13m, with £6m cash spent to date, including c£3m in H1 2024, which followed a similar amount in H2 2023.

Along with other initiatives, notably the rigorous management of normal headcount churn as referenced above, operating costs dropped by £19m over the prior year in the period. After adjusting for inflation of £7m and a small amount of FX, underlying savings in operating costs were £24m in the period.

Modernise

We are acting to modernise our operations to increase efficiency and productivity.

We have made good progress in H1 in expanding our customer-facing e-commerce platforms. Germany completed the development of their new omnichannel sales model and new e-commerce platform. A pilot site went live in April with good initial usage and with customer feedback incorporated into the final development. The full launch is on track for Q3 2024. In France a new e-commerce site for France Interiors is also in development and being progressed towards a targeted launch in Q1 2025. As in Germany, this platform will also leverage our successful e-commerce experience in Poland.

Both platforms will allow us to provide a more seamless and convenient customer experience, by allowing them to purchase from SIG through the channel most convenient for them - anywhere, anytime. We expect both platforms, once fully established, to increase revenue through greater share of wallet from existing customers, and within that to also increase private label sales per customer, with these sales typically being higher margin. There is also greater cost efficiency to the SIG sales teams in serving customers through an omnichannel model.

Specialise

We will accelerate growth in the more specialist and higher return businesses within our portfolio.

In H1 2024 our UK Specialist Markets business has developed a number of innovative new products in our performance materials manufacturing and fabricating businesses. These new products target future market demand for greater fire protection in high rise and other buildings, following changes under the UK Building Safety Act. Our performance materials business launched 10 new products in the period and has a further pipeline of over 60 products planned for launch in due course.

In UK Roofing, the business has continued sales development activities to support our new solar product offering launched last year. This has been rolled out nationwide, and our sales team are now able to sell solar products alongside our core roofing ranges. We continue to develop customer support materials and tools to help our roofing customers capture the growing demand for solar as an adjacent but complementary market to our traditional flat and pitched roofing business.

In France, our Roofing business has also continued with business development activities across the branch network to support the launch of solar products, for which we anticipate long-term growth in demand. In H1 this included a new dedicated warehouse for solar product storage and a dedicated key account sales team for solar products.

The French RE2020 regulation supports long-term demand for building products that help building decarbonisation. In H1 2024, we added three new suppliers of bio-based products as we continue to evolve our offering to be ready to capture demand driven by this long-term trend when market conditions improve.

FINANCIAL REVIEW

Revenue

Group revenue of £1,316.8m (H1 2023: £1,423.4m) was 7% lower on a reported basis, including negligible impact in aggregate from movements in exchange rates and working days. LFL revenue was hence also 7% down year-on-year in the period, with declines in pricing and volumes having a broadly equal effect. Pricing was down in all markets, and volumes in the majority.

Profit

Underlying and statutory gross profit decreased 11.0% to £324.6m (H1 2023: £364.8m) with a reduced gross profit margin of 24.7% (H1 2023: 25.6%). The reduction in gross margin was due primarily to increased pricing pressure in the current difficult demand environment.

The Group's underlying operating costs were down 5.8% to £312.9m (H1 2023: £332.1m). The decrease was primarily due to operating cost initiatives, including those from restructuring actions taken from H2 2023 onwards, and partly due to lower volumes, with these two factors partially offset by the impact of inflation on operating costs, with the biggest impact of the latter being on wages and salaries.

As a result, Group underlying operating profit was £11.7m (H1 2023: £32.7m), at an operating margin of 0.9% (H1 2023: 2.3%). Reported operating profit was £7.1m (H1 2023: £30.0m) after Other items of £4.6m (H1 2023: £2.7m), which are set out further below.

Segmental analysis

UK

	Revenue H1 2024 £m	Revenue restated[1] H1 2023 £m	LFL sales H1 2024	Underlying operating (loss)/profit H1 2024 £m	Underlying operating profit restated[1] H1 2023 £m
UK Interiors	250.4	290.1	(14)%	(1.2)	2.4
UK Roofing	182.1	184.1	(2)%	4.9	4.5
UK Specialist Markets	120.9	128.5	(7)%	2.3	5.7
UK	**553.4**	**602.7**	**(9)%**	**6.0**	**12.6**

1. The H1 2023 segmental information has been restated in order to present on a consistent basis with the current period, see Note 1 for further details.

Following a change in the UK management structure announced in November 2023, we now report three segments in the UK, with the Specialist Markets businesses separated out from the Interiors and Roofing businesses under which they were reported previously.

Reported revenue in UK Interiors, a specialist insulation and interiors distribution business, decreased by 14% to £250.4m (H1 2023: £290.1m). LFL revenue was down 14% year-on-year with the impact of a declining market and a headwind from input price deflation. This included a 3% reduction in LFL sales due to strategic branch closures, part of our restructuring initiatives to improve profitability. The decline in revenue, together with pricing pressure, partially offset by operating cost reductions, resulted in an operating loss of £1.2m (H1 2023: £2.4m profit).

Reported revenue in UK Roofing, a specialist roofing merchant, decreased slightly to £182.1m (H1 2023: £184.1m), with LFL revenue down 2%. This was largely due to deflation in certain materials while volumes were broadly flat. A small reduction in gross margin, offset by operating cost reductions, resulted in operating profit of £4.9m (H1 2023: £4.5m).

Reported revenue in our UK Specialist Markets decreased by 6% to £120.9m (H1 2023: £128.5m). LFL revenue declined 7%, driven by a softer market, and by input price deflation in steel, which is a bigger element of these businesses than elsewhere in the Group. These factors, coupled with operating cost inflation, resulted in a reduction in operating profit to £2.3m (H1 2023: £5.7m).

France

	Revenue H1 2024 £m	Revenue H1 2023 £m	LFL sales H1 2024	Underlying operating profit H1 2024 £m	Underlying operating profit H1 2023 £m
France Interiors	105.1	116.4	(7)%	3.6	6.4
France Roofing	214.9	249.7	(11)%	4.9	12.1
France	**320.0**	**366.1**	**(9)%**	**8.5**	**18.5**

France Interiors, a structural insulation and interiors business trading as LiTT, saw revenue decrease by 10% to £105.1m (H1 2023: £116.4m), and by 7% on a LFL basis. This was driven by lower demand and volumes together with input price deflation, as opposed to the price inflation seen in H1 2023. The revenue decline, coupled with increased margin pressure, resulted in a £2.8m decrease in operating profit to £3.6m (H1 2023: £6.4m).

Revenue in France Roofing, a specialist roofing business trading as Larivière, decreased 14% to £214.9m (H1 2023: £249.7m), and by 11% on a LFL basis. Demand and volumes were lower due to continued softening of the new build market and input price deflation. The decrease in revenue and reduced gross margin was partially offset by reduced operating costs, resulting in an operating profit decrease of £7.2m to £4.9m (H1 2023: £12.1m).

Germany

	Revenue H1 2024 £m	Revenue H1 2023 £m	LFL sales H1 2024	Underlying operating profit H1 2024 £m	Underlying operating profit H1 2023 £m
Germany	**219.9**	**234.8**	**(3)%**	**3.0**	**9.6**

Revenue in wego/vti, our specialist interiors, flooring and insulation distribution business in Germany, decreased by 6% to £219.9m (H1 2023: £234.8m). LFL revenue was down 3% year-on-year, largely driven by deflation, with broadly stable volumes. Gross margin also declined due to increased price competition, resulting in lower operating profit of £3.0m (H1 2023: £9.6m).

Poland

	Revenue H1 2024 £m	Revenue H1 2023 £m	LFL sales H1 2024	Underlying operating profit H1 2024 £m	Underlying operating profit H1 2023 £m
Poland	**118.7**	**110.2**	**3%**	**2.6**	**2.7**

In our Polish business, a market leading distributor of insulation and interiors products, revenue increased to £118.7m (H1 2023: £110.2m), representing a 3% increase on a LFL basis. Residential building activity improved year-on-year along with further improvements in our market position. This was offset by operating cost inflation, resulted in a slightly lower operating profit of £2.6m (H1 2023: £2.7m).

Benelux

	Revenue H1 2024 £m	Revenue H1 2023 £m	LFL sales H1 2024	Underlying operating (loss) H1 2024 £m	Underlying operating (loss) H1 2023 £m
Benelux	**54.4**	**62.1**	**(12)%**	**(2.4)**	**(1.6)**

Revenue from the Group's business in Benelux decreased by 12% to £54.4m (H1 2023: £62.1m) with LFL revenue also down 12%. This reflected continued market decline, and alongside this gross margin has declined due to strong price competition, only being partially offset by operating cost savings. The first half performance resulted in an operating loss of £2.4m (H1 2023: £1.6m loss).

Ireland

	Revenue H1 2024 £m	Revenue H1 2023 £m	LFL sales H1 2024	Underlying operating profit H1 2024 £m	Underlying operating profit H1 2023 £m
Ireland	**50.4**	**47.5**	**9%**	**1.3**	**0.5**

Our business in Ireland comprises a specialist distributor of interiors and exteriors, and three separate specialist contracting businesses offering office furnishing, industrial coatings and kitchen/bathroom fit out. Revenue in total increased by 6% to £50.4m (H1 2023: £47.5m), and by 9% on a LFL basis, as a result of commercial initiatives to improve market share combined with a slightly healthier market backdrop than the prior year. Operating profit improved as a result by £0.8m to £1.3m (H1 2023: £0.5m).

Reconciliation of underlying to statutory result

Other items, being items excluded from underlying results, during the period amounted to £4.7m (H1 2023: £2.8m) on a pre-tax basis and are summarised in the table below:

	H1 2024 £m	H1 2023 £m
Underlying (loss)/profit before tax	(6.6)	15.0
Other items – impacting (loss)/profit before tax:		
Amortisation of acquired intangibles	(1.1)	(1.6)
Net restructuring costs	(2.8)	-
Costs related to acquisitions	(0.2)	(1.4)
Cloud based ERP implementation costs	(0.4)	(1.3)
Onerous contract costs	-	(0.2)
Other specific items	(0.1)	1.8
Non-underlying finance costs	(0.1)	(0.1)
Total Other items	**(4.7)**	**(2.8)**
Statutory (loss)/profit before tax	**(11.3)**	**12.2**

Other items are disclosed separately in order to provide a better indication of the underlying earnings of the Group.

Taxation

Tax for the six month period ended 30 June 2024 is determined based on applying full year estimates of the annual effective tax rate for individual jurisdictions to the underlying profit/loss before tax for the six month period. This results in an effective “negative tax rate” of 47.0% on the underlying loss before tax (30 June 2023: 53.3%; 31 December 2023: 74.7%; both positive rates on underlying profits before tax). Tax losses cannot be surrendered or utilised cross border, and the Group is therefore subject to tax in some countries and not in others. Tax losses in the UK and Benelux businesses are not currently recognised as deferred tax assets, which impacts the overall and underlying effective tax rate. The relative proportions of these losses compared to the total Group underlying (loss)/profit before tax is higher for the six months to 30 June 2024 compared to prior periods, and the Group has incurred an overall underlying loss before tax for the current period, resulting in the abnormal effective tax rate.

Pensions

The Group operates a number of pension schemes, four of which provide defined benefits based upon pensionable salary. The UK scheme has assets held in a separate trustee administered fund, and three are overseas book reserve schemes. The UK defined benefit pension scheme obligation is calculated on a year to date basis, using the latest triennial valuation as at 31 December 2022 which was concluded at the end of March 2024.

The IAS 19 valuation conducted as at 31 December 2023 has been updated to reflect current market conditions, and as a result an actuarial gain of £1.5m has been recognised within the Condensed consolidated statement of comprehensive income. The total net pension liability in relation to defined benefit schemes at 30 June 2024 is £16.4m (30 June 2023: £21.0m; 31 December 2023: £20.3m), including an £8.9m deficit (30 June 2023: £13.5m; 31 December 2023: £12.7m) in the UK scheme. The movement in the period relates principally to an actuarial gain of £1.5m together with the recognition of the scheduled annual contribution into the UK scheme of £2.5m.

Financial position

Overall, the net assets of the Group decreased by £13.4m to £215.1m from £228.5m at 31 December 2023, with a cash position at the period end of £100.7m (30 June 2023: £106.3m; 31 December 2023: £132.2m) and net debt (post-IFRS 16) of £476.6m (30 June 2023: £468.8m; 31 December 2023: £458.0m). Net debt on a pre-IFRS 16 basis was £178.6m (30 June 2023: £176.2m, 31 December 2023: £154.0m).

The movement in post-IFRS 16 net debt is due mainly to the movement in cash noted below. A reduction in net lease liabilities of £6.8m and a favourable currency movement of £6.2m on bond debt improved the net debt position. The movement in pre-IFRS net debt is not affected by the movement on leases.

Cash flow

	H1 2024 £m	H1 2023 £m
Underlying operating profit	11.7	32.7
Add back: Depreciation	39.1	37.8
Add back: Amortisation	0.8	1.2
Underlying EBITDA	**51.6**	**71.7**
Increase in working capital	(8.0)	(27.5)
Repayment of lease liabilities	(33.6)	(31.8)
Capital expenditure	(7.9)	(5.7)
Cash exceptional items	(3.6)	(2.8)
Other	(2.0)	1.6
Operating cash flow	**(3.5)**	**5.5**
Interest and financing	(17.8)	(17.1)
Tax	(0.6)	(8.7)
Free cash flow[1]	**(21.9)**	**(20.3)**
Payments related to previous acquisitions	(6.6)	(0.5)
Investment in financial assets	-	(1.0)
Repayment of debt	(0.4)	(0.4)
Total cash flow	**(28.9)**	**(22.2)**
Cash and cash equivalents at beginning of the period	132.2	130.1
Effect of foreign exchange rate changes	(2.6)	(1.6)
Cash and cash equivalents at end of the period	**100.7**	**106.3**

1. Free cash flow represents the cash available after supporting operations, including capex and the repayment of lease liabilities, and before acquisitions and any movements in funding.

During the period, the Group reported a free cash outflow of £21.9m (H1 2023: £20.3m outflow). This was a result of the lower underlying operating profit and higher capex being offset by continued discipline in working capital. Capex during the period was £7.9m (H1 2023: £5.7m). “Other” included the add back of non-cash P&L items, provision movements of £4.3m, and proceeds on sale of property, plant and equipment of £1.2m.

The key factors driving the working capital result in the period were the usual sales seasonality and lower volumes year-on-year.

Financing and funding

The Group’s debt funding comprises €300m of 5.25% fixed rate secured notes and an RCF of £90m. These mature and expire in November 2026 and May 2026 respectively. The secured notes are subject to incurrence-based covenants only, and the RCF has a leverage maintenance covenant set at 4.75x which only applies if the facility is over 40% drawn at a quarter end reporting date. The RCF was undrawn at 30 June 2024 and remains undrawn. The Board is evaluating, and will continue to evaluate, its options for the optimal refinancing of these facilities ahead of their maturity dates.

The Group’s liquidity position remained robust throughout H1 2024, and at the end of the period stood at £191m, consisting of cash of £101m and the £90m undrawn RCF noted above. On the basis of current forecasts the Group is expected to remain in compliance with all banking covenants throughout the going concern forecast period to 30 September 2025.

	H1 2024 £m	H1 2023 £m
Cash and cash equivalents at end of the period	**100.7**	106.3
Undrawn RCF at end of the period	**90.0**	90.0
Liquidity	**190.7**	196.3
Post-IFRS 16 net debt	**476.6**	468.8
Pre-IFRS 16 net debt	**178.6**	176.2
Post-IFRS 16 leverage	**4.3x**	3.2x
Pre-IFRS 16 leverage	**5.8x**	2.4x

Dividend

No interim dividend will be paid for 2024. However, continued successful execution of the strategy will return the Group to sustainable, profitable growth and cash generation, especially once construction markets start to recover to more normal levels, supporting a range of capital allocation priorities. The Board reiterates its commitment to reinstating a dividend, appropriately covered by underlying earnings, once it is appropriate to do so.

Responsibility Statement

We confirm to the best of our knowledge that:

(a) the condensed interim set of financial statements has been prepared in accordance with UK adopted IAS 34 "Interim Financial Reporting";

(b) the Interim Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the Interim Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Gavin Slark	Ian Ashton
Director	Director
05 August 2024	05 August 2024

Cautionary statement

This Interim Report is prepared for and addressed only to the Company's Shareholders as a whole and to no other person. The Company, its Directors, employees, agents or advisors do not accept or assume responsibility to any other person to whom this Interim Report is shown or into whose hands it may come and such responsibility or liability is expressly disclaimed.

This Interim Report contains forward-looking statements that are subject to risk factors including the economic and business circumstances occurring from time to time in countries and markets in which the Group operates and risk factors associated with the building and construction sectors. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward-looking statements. No assurance can be given that the forward-looking statements in this Interim Report will be realised. Statements about the Directors' expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Group's control. Actual results could differ materially from the Group's current expectations.

It is believed that the expectations set out in these forward-looking statements are reasonable but they may be affected by a wide range of variables which could cause actual results or trends to differ materially, including but not limited to, market conditions, competitors and margin management, commercial relationships, fluctuations in product pricing, changes in foreign exchange and interest rates, government legislation, availability of funding, working capital and cash management, IT infrastructure and cyber security and availability and quality of key resources.

The Company's Shareholders are cautioned not to place undue reliance on the forward-looking statements. This Interim Report has not been audited or otherwise independently verified. The information contained in this Interim Report has been prepared on the basis of the knowledge and information available to Directors at the date of its preparation and the Company does not undertake any obligation to update or revise this Interim Report during the financial year ahead.

Condensed Consolidated Income Statement
For the six months ended 30 June 2024 (unaudited)

		Six months ended 30 June 2024			Six months ended 30 June 2023			Year ended 31 December 2023		
		Underlying[1]	**Other items[2]**	**Total**	Underlying[1]	Other items[2]	Total	Underlying[1]	Other items[2]	Total
	Note	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m	£m
Revenue	2	**1,316.8**	**-**	**1,316.8**	1,423.4	-	1,423.4	2,761.2	-	2,761.2
Cost of sales		**(992.2)**	**-**	**(992.2)**	(1,058.6)	-	(1,058.6)	(2,061.6)	-	(2,061.6)
Gross profit		**324.6**	**-**	**324.6**	364.8	-	364.8	699.6	-	699.6
Other operating expenses		**(309.4)**	**(4.6)**	**(314.0)**	(327.2)	(3.8)	(331.0)	(640.6)	(50.2)	(690.8)
Impairment losses on financial assets		**(3.5)**	**-**	**(3.5)**	(4.9)	1.1	(3.8)	(9.6)	1.1	(8.5)
Gain on disposal of property		**-**	**-**	**-**	-	-	-	3.7	-	3.7
Operating profit	2	**11.7**	**(4.6)**	**7.1**	32.7	(2.7)	30.0	53.1	(49.1)	4.0
Finance income	4	**1.7**	**-**	**1.7**	1.4	-	1.4	2.2	-	2.2
Finance costs	4	**(20.0)**	**(0.1)**	**(20.1)**	(19.1)	(0.1)	(19.2)	(37.9)	(0.2)	(38.1)
(Loss)/profit before tax		**(6.6)**	**(4.7)**	**(11.3)**	15.0	(2.8)	12.2	17.4	(49.3)	(31.9)
Income tax (expense)/credit	5	**(3.1)**	**0.2**	**(2.9)**	(8.0)	0.5	(7.5)	(13.0)	1.5	(11.5)
(Loss)/profit after tax		**(9.7)**	**(4.5)**	**(14.2)**	7.0	(2.3)	4.7	4.4	(47.8)	(43.4)
Attributable to:										
Equity holders of the Company		**(9.7)**	**(4.5)**	**(14.2)**	7.0	(2.3)	4.7	4.4	(47.8)	(43.4)
(Loss)/earnings per share										
Basic	6			**(1.2)p**			0.4p			(3.8)p
Diluted	6			**(1.2)p**			0.4p			(3.8)p

[1] Underlying represents the results before Other items.
[2] Other items have been disclosed separately in order to give an indication of the underlying earnings of the Group. Further details are disclosed in Note 3.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2024 (unaudited)

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£m	£m	£m
(Loss)/profit after tax	**(14.2)**	4.7	(43.4)
Items that will not subsequently be reclassified to the Consolidated Income Statement:			
Remeasurement of defined benefit pension liability (Note 12)	**1.5**	0.1	1.1
Deferred tax movement associated with remeasurement of defined benefit pension liability	**-**	-	(0.1)
	1.5	0.1	1.0
Items that may subsequently be reclassified to the Consolidated Income Statement:			
Exchange difference on retranslation of foreign currency goodwill and intangibles	**(1.1)**	(1.5)	(1.1)
Exchange difference on retranslation of foreign currency net investments (excluding goodwill and intangibles)	**(6.9)**	(6.3)	(2.8)
Exchange and fair value movements associated with borrowings and derivative financial instruments	**6.2**	8.3	5.8
Gains and losses on cash flow hedges	**(0.8)**	(1.7)	(1.1)
Transfer to profit and loss on cash flow hedges	**0.6**	(1.0)	(1.5)
	(2.0)	(2.2)	(0.7)
Other comprehensive (expense)/income	**(0.5)**	(2.1)	0.3
Total comprehensive (expense)/income	**(14.7)**	2.6	(43.1)
Attributable to:			
Equity holders of the Company	**(14.7)**	2.6	(43.1)

Condensed Consolidated Balance Sheet
As at 30 June 2024 (unaudited)

	Note	**30 June 2024 £m**	30 June 2023 £m	31 December 2023 £m
Non-current assets				
Property, plant and equipment		**65.3**	66.6	65.4
Right-of-use assets		**256.5**	277.1	263.1
Goodwill		**130.1**	133.3	131.2
Intangible assets		**13.6**	20.0	15.3
Lease receivables		**2.0**	2.7	2.2
Deferred tax assets		**4.0**	4.8	4.4
Non-current financial assets	10	**0.2**	0.2	0.2
		471.7	504.7	481.8
Current assets				
Inventories		**269.0**	290.4	259.1
Lease receivables		**0.7**	1.0	1.1
Trade and other receivables		**440.9**	488.1	389.1
Current tax assets		**1.8**	1.9	3.6
Current financial assets	10	**-**	1.3	-
Cash at bank and on hand		**100.7**	106.3	132.2
		813.1	889.0	785.1
Total assets		**1,284.8**	1,393.7	1,266.9
Current liabilities				
Trade and other payables		**436.5**	483.1	385.8
Lease liabilities		**64.2**	60.6	64.9
Interest-bearing loans and borrowings		**0.8**	0.8	0.8
Deferred consideration		**1.8**	0.2	1.8
Derivative financial instruments	10	**1.2**	1.0	1.0
Current tax liabilities		**7.0**	6.9	6.9
Provisions		**7.6**	7.3	7.9
		519.1	559.9	469.1
Non-current liabilities				
Lease liabilities		**258.2**	257.8	264.9
Interest-bearing loans and borrowings		**253.7**	257.7	260.0
Deferred consideration		**-**	1.8	-
Derivative financial instruments	10	**0.1**	0.2	0.1
Other payables		**2.8**	3.1	3.0
Retirement benefit obligations	12	**16.4**	21.0	20.3
Provisions		**19.4**	19.1	21.0
		550.6	560.7	569.3
Total liabilities		**1,069.7**	1,120.6	1,038.4
Net assets		**215.1**	273.1	228.5
Capital and reserves				
Called up share capital	11	**118.2**	118.2	118.2
Treasury shares		**(8.9)**	(16.4)	(11.6)
Capital redemption reserve		**0.3**	0.3	0.3
Share option reserve		**6.2**	11.3	7.6
Hedging and translation reserves		**1.8**	2.3	3.8
Cost of hedging reserve		**0.1**	0.1	0.1
Merger reserve		**92.5**	92.5	92.5
Retained profits		**4.9**	64.8	17.6
Attributable to equity holders of the Company		**215.1**	273.1	228.5
Total equity		**215.1**	273.1	228.5

Condensed Consolidated Cash Flow Statement
For the six months ended 30 June 2024 (unaudited)

	Note	**Six months ended 30 June 2024 £m**	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Net cash flow from operating activities				
Cash generated from operating activities	8	**33.6**	42.2	128.4
Income tax paid		**(0.6)**	(8.7)	(14.0)
Net cash generated from operating activities		**33.0**	33.5	114.4
Cash flows from investing activities				
Finance income received		**1.7**	1.4	2.2
Purchase of property, plant and equipment and computer software		**(7.8)**	(5.7)	(15.7)
Initial direct costs of right-of-use assets		**(0.1)**	-	(0.1)
Proceeds from sale of property, plant and equipment		**1.2**	0.8	5.6
Settlement of amounts payable for previous purchases of businesses	7	**(2.6)**	(0.5)	(0.7)
Investment in financial assets		**-**	(1.0)	-
Net cash used in investing activities		**(7.6)**	(5.0)	(8.7)
Cash flows from financing activities				
Finance costs paid		**(19.5)**	(18.5)	(36.9)
Repayment of lease liabilities		**(33.6)**	(31.8)	(63.6)
Repayment of borrowings		**(0.4)**	(0.4)	(0.8)
Acquisition of treasury shares		**(0.8)**	-	(1.7)
Net cash used in financing activities		**(54.3)**	(50.7)	(103.0)
(Decrease)/increase in cash and cash equivalents in the period	9	**(28.9)**	(22.2)	2.7
Cash and cash equivalents at beginning of the period		**132.2**	130.1	130.1
Effect of foreign exchange rate changes		**(2.6)**	(1.6)	(0.6)
Cash and cash equivalents at end of the period		**100.7**	106.3	132.2

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 (unaudited)

For the six months ended 30 June 2024	Called up share capital £m	Treasury shares reserve £m	Capital redemption reserve £m	Share option reserve £m	Hedging and translation reserves £m	Cost of hedging reserve £m	Merger reserve £m	Retained profits £m	Total £m
At 1 January 2024	**118.2**	**(11.6)**	**0.3**	**7.6**	**3.8**	**0.1**	**92.5**	**17.6**	**228.5**
Loss after tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(14.2)**	**(14.2)**
Other comprehensive (expense)/income	**-**	**-**	**-**	**-**	**(2.0)**	**-**	**-**	**1.5**	**(0.5)**
Total comprehensive expense	**-**	**-**	**-**	**-**	**(2.0)**	**-**	**-**	**(12.7)**	**(14.7)**
Purchase of treasury shares	**-**	**(0.8)**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.8)**
Credit to share option reserve	**-**	**-**	**-**	**2.1**	**-**	**-**	**-**	**-**	**2.1**
Settlement of share options	**-**	**3.5**	**-**	**(3.5)**	**-**	**-**	**-**	**-**	**-**
At 30 June 2024	**118.2**	**(8.9)**	**0.3**	**6.2**	**1.8**	**0.1**	**92.5**	**4.9**	**215.1**

For the six months ended 30 June 2023	Called up share capital £m	Treasury shares reserve £m	Capital redemption reserve £m	Share option reserve £m	Hedging and translation reserves £m	Cost of hedging reserve £m	Merger reserve £m	Retained profits £m	Total £m
At 1 January 2023	118.2	(16.4)	0.3	8.6	4.5	0.1	92.5	60.0	267.8
Profit after tax	-	-	-	-	-	-	-	4.7	4.7
Other comprehensive (expense)/income	-	-	-	-	(2.2)	-	-	0.1	(2.1)
Total comprehensive (expense)/income	-	-	-	-	(2.2)	-	-	4.8	2.6
Credit to share option reserve	-	-	-	2.7	-	-	-	-	2.7
At 30 June 2023	118.2	(16.4)	0.3	11.3	2.3	0.1	92.5	64.8	273.1

Condensed Consolidated Statement of Changes in Equity (continued)
For the six months ended 30 June 2024 (unaudited)

For the year ended 31 December 2023	Called up share capital £m	Treasury shares reserve £m	Capital redemption reserve £m	Share option reserve £m	Hedging and translation reserves £m	Cost of hedging reserve £m	Merger reserve £m	Retained profits £m	Total £m
At 1 January 2023	118.2	(16.4)	0.3	8.6	4.5	0.1	92.5	60.0	267.8
Loss after tax	-	-	-	-	-	-	-	(43.4)	(43.4)
Other comprehensive (expense)/income	-	-	-	-	(0.7)	-	-	1.0	0.3
Total comprehensive expense	-	-	-	-	(0.7)	-	-	(42.4)	(43.1)
Purchase of treasury shares	-	(1.7)	-	-	-	-	-	-	(1.7)
Credit to share option reserve	-	-	-	5.5	-	-	-	-	5.5
Settlement of share options	-	6.5	-	(6.5)	-	-	-	-	-
At 31 December 2023	118.2	(11.6)	0.3	7.6	3.8	0.1	92.5	17.6	228.5

The share option reserve represents the cumulative equity-settled share option charge under IFRS 2 "Share-based payment" less the value of any share options that have been exercised.

The hedging and translation reserves represent movements in the Condensed Consolidated Balance Sheet as a result of movements in exchange rates and movements in the fair value of cash flow hedges which are reflected in equity through other comprehensive income.

Notes to the Condensed Interim Financial Statements

1. Basis of preparation of Condensed Interim Financial Statements

The Condensed Interim Financial Statements were approved by the Board of Directors on 5 August 2024.

The Group's Condensed Interim Financial Statements have been prepared in accordance with UK adopted IAS 34 "Interim Financial Reporting" and the accounting policies included in the Annual Report and Accounts for the year ended 31 December 2023, which have been applied consistently throughout the current and preceding periods.

The Condensed Interim Financial Statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The interim results to 30 June 2024 and 30 June 2023 have been subject to an Interim Review in accordance with ISRE 2410 by the Company's Auditor.

The financial information for the full preceding year is based on the audited statutory accounts for the financial year ended 31 December 2023 prepared in accordance with UK adopted international accounting standards. Those accounts have been delivered to the Registrar of Companies. The Auditor's Report was (i) unqualified, (ii) included no matters to which the auditor drew attention by way of emphasis without modifying their report and (iii) did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006 in relation to the financial statements.

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may subsequently differ from those estimates. The areas of critical accounting judgements and key sources of estimation uncertainty set out on page 144 to 145 of the 2023 Annual Report and Accounts are considered to continue and be consistently applied. In relation to the impairment of goodwill and non-current assets, as a result of the prevailing market conditions in 2024, the level of headroom for a number of cash generating units has reduced compared to 31 December 2023. Due to the reduction in revenue and operating profit noted in UK Interiors in the period, the recoverable amount has been determined based on fair value less costs of disposal as this is now higher than value in use, and on the basis of this assessment no further impairment is required at 30 June 2024. The key assumption used in the determination of fair value less costs of disposal is the fair value of the right-of-use assets. This has been determined based on third party external valuations of a number of properties, considering the market rental value that could be obtained form subleasing the properties and taking into account current market conditions together with the location and condition of the properties.

Disclosure restatement – segmental reporting

Reported operating segments for the UK were changed during the second half of 2023 to align with changes in the UK leadership structure, as explained in the 2023 Annual Report and Accounts, and the segmental reporting disclosure for the full year 2023 was updated to reflect the way in which information is reported to the Chief Operating Decision Maker ("CODM"). The prior year comparatives for 30 June 2023 have been restated to be consistent with the 2023 full year and the current period presentation.

The UK Exteriors and France Exteriors segments have also been renamed UK Roofing and France Roofing respectively in the current period.

Going concern

The Directors have considered the Group's forecasts which support the view that the Group will be able to continue to operate within its banking facilities and comply with its banking covenants for the going concern period to 30 September 2025. The Group has committed facilities in place to November 2026 (secured notes) and a revolving credit facility (RCF) until May 2026. The secured notes are subject to incurrence based covenants only, and the RCF has a leverage maintenance covenant which is only effective if the facility is over 40% drawn (i.e. £36m) at a quarter end reporting date. The RCF was undrawn as at 30 June 2024 and has remained undrawn subsequent to the period end.

The Directors have considered the principal risks and uncertainties that could potentially impact the Group's ability to fund its future activities and adhere to its banking covenants, including:

- prolonged challenging trading conditions in our larger businesses, leading to lower volumes;
- pricing pressure on sales and modest net input cost deflation; and
- current economic and political uncertainties, potentially further impacting market demand.

The forecasts on which the going concern assessment is based have been subject to sensitivity analysis and stress testing to assess the impact of the above risks and the Directors have also reviewed mitigating actions that could be taken. The base forecasts have recently been downgraded from original budget and medium-term plan expectations to reflect the continued softness in the building and construction market and the downside cycle currently being experienced. Under a further

Going concern (continued)

plausible downside scenario, factoring in a further 1.5% reduction in revenue and a resulting 17% reduction in underlying operating profit from the base forecast for the period to 30 September 2025, the analysis shows that sufficient cash would be available without triggering a covenant breach. Reverse stress testing has also been performed, which shows that the Group could withstand up to a 10% reduction in revenue from the base forecasts for the period to 30 September 2025, before triggering a covenant breach if the RCF was 40% drawn at a relevant quarter end (and assuming a £40m minimum cash position is maintained across the Group to meet short term working capital requirements). Further cash phasing mitigations would also be available to avoid this situation, for example delaying capital expenditure projects or changing the timing of payments to manage the cash low points in the monthly working capital cycle.

The Directors have considered the impact of climate related matters on the going concern assessment and this is not expected to have a significant impact on the Group's going concern assessment to 30 September 2025.

On consideration of the above the Directors believe that the Group has adequate resources to continue in operational existence for the forecast period to 30 September 2025 and the Directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the 2024 Interim Financial Statements.

New standards, interpretations and amendments adopted by the Group

Several amendments apply for the first time in 2024 but do not have an impact on the Interim Condensed Consolidated Financial Statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Condensed Interim Financial Statements

2. Revenue and segmental information

In accordance with IFRS 8 "Operating Segments", the Group identifies its reportable operating segments based on the way in which financial information is reviewed and business performance is assessed by the CODM. Reportable operating segments are grouped on a geographical basis.

Six months ended 30 June 2024	**UK Interiors £m**	**UK Roofing £m**	**UK Specialist Markets £m**	**UK Total £m**	**France Interiors £m**	**France Roofing £m**	**France Total £m**	**Germany £m**	**Benelux £m**	**Ireland £m**	**Poland £m**	**Eliminations £m**	**Total Group £m**
Type of product													
Interiors	250.4	-	86.9	**337.3**	105.1	-	**105.1**	219.9	54.4	29.5	118.7	-	**864.9**
Exteriors	-	182.1	34.0	**216.1**	-	214.9	**214.9**	-	-	20.9	-	-	**451.9**
Inter-segment revenue	3.4	0.4	7.2	**11.0**	0.1	5.0	**5.1**	-	-	0.1	-	(16.2)	**-**
Total underlying and statutory revenue	**253.8**	**182.5**	**128.1**	**564.4**	**105.2**	**219.9**	**325.1**	**219.9**	**54.4**	**50.5**	**118.7**	**(16.2)**	**1,316.8**
Nature of revenue													
Goods for resale (recognised at point in time)	253.8	182.5	128.1	**564.4**	105.2	219.9	**325.1**	219.9	54.4	47.2	118.7	(16.2)	**1,313.5**
Construction contracts (recognised over time)	-	-	-	**-**	-	-	**-**	-	-	3.3	-	-	**3.3**
Total underlying and statutory revenue	**253.8**	**182.5**	**128.1**	**564.4**	**105.2**	**219.9**	**325.1**	**219.9**	**54.4**	**50.5**	**118.7**	**(16.2)**	**1,316.8**
Segment result before Other items	**(1.2)**	**4.9**	**2.3**	**6.0**	**3.6**	**4.9**	**8.5**	**3.0**	**(2.4)**	**1.3**	**2.6**	**-**	**19.0**
Parent company costs													**(7.3)**
Underlying operating profit													**11.7**
Other items (Note 3)													**(4.6)**
Operating profit													**7.1**
Net finance costs before Other items													**(18.3)**
Non-underlying finance costs													**(0.1)**
Loss before tax													**(11.3)**
Income tax expense													**(2.9)**
Loss for the period													**(14.2)**

Notes to the Condensed Interim Financial Statements

2. Revenue and segmental information (continued)

Six months ended 30 June 2023 (Restated)[1]	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Eliminations £m	Total Group £m
Type of product													
Interiors	290.1	-	91.5	**381.6**	116.4	-	**116.4**	234.8	62.1	30.5	110.2	-	**935.6**
Exteriors	-	184.1	37.0	**221.1**	-	249.7	**249.7**	-	-	17.0	-	-	**487.8**
Inter-segment revenue	3.3	0.6	9.4	**13.3**	-	7.7	**7.7**	-	-	-	-	(21.0)	**-**
Total underlying and statutory revenue	**293.4**	**184.7**	**137.9**	**616.0**	**116.4**	**257.4**	**373.8**	**234.8**	**62.1**	**47.5**	**110.2**	**(21.0)**	**1,423.4**
Nature of revenue													
Goods for resale (recognised at point in time)	293.4	184.7	137.9	**616.0**	116.4	257.4	**373.8**	234.8	62.1	44.9	110.2	(21.0)	**1,420.8**
Construction contracts (recognised over time)	-	-	-	**-**	-	-	**-**	-	-	2.6	-	-	**2.6**
Total underlying and statutory revenue	**293.4**	**184.7**	**137.9**	**616.0**	**116.4**	**257.4**	**373.8**	**234.8**	**62.1**	**47.5**	**110.2**	**(21.0)**	**1,423.4**
Segment result before Other items	**2.4**	**4.5**	**5.7**	**12.6**	**6.4**	**12.1**	**18.5**	**9.6**	**(1.6)**	**0.5**	**2.7**	**-**	**42.3**
Parent company costs													**(9.6)**
Underlying operating profit													**32.7**
Other items (Note 3)													**(2.7)**
Operating profit													**30.0**
Net finance costs before Other items													**(17.7)**
Non-underlying finance costs													**(0.1)**
Profit before tax													**12.2**
Income tax expense													**(7.5)**
Profit for the period													**4.7**

[1] The interim results to 30 June 2023 have been restated in order to present on a consistent basis with the current period and the year ended 31 December 2023. See Note 1 for further details.

Notes to the Condensed Interim Financial Statements

2. Revenue and segmental information (continued)

2023	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Eliminations £m	Total Group £m
Type of product													
Interiors	556.5	-	173.9	**730.4**	218.9	-	**218.9**	462.1	116.9	54.5	237.9	-	**1,820.7**
Exteriors	-	369.4	73.7	**443.1**	-	458.0	**458.0**	-	-	39.4	-	-	**940.5**
Inter-segment revenue	7.2	1.0	18.4	**26.6**	0.1	13.3	**13.4**	-	-	0.2	-	(40.2)	**-**
Total underlying and statutory revenue	**563.7**	**370.4**	**266.0**	**1,200.1**	**219.0**	**471.3**	**690.3**	**462.1**	**116.9**	**94.1**	**237.9**	**(40.2)**	**2,761.2**
Nature of revenue													
Goods for resale (recognised at point in time)	563.7	370.4	266.0	**1,200.1**	219.0	471.3	**690.3**	462.1	116.9	88.5	237.9	(40.2)	**2,755.6**
Construction contracts (recognised over time)	-	-	-	**-**	-	-	**-**	-	-	5.6	-	-	**5.6**
Total underlying and statutory revenue	**563.7**	**370.4**	**266.0**	**1,200.1**	**219.0**	**471.3**	**690.3**	**462.1**	**116.9**	**94.1**	**237.9**	**(40.2)**	**2,761.2**
Segment result before Other items	**(1.6)**	**10.6**	**10.3**	**19.3**	**10.4**	**19.3**	**29.7**	**15.6**	**(3.0)**	**1.4**	**7.1**	**-**	**70.1**
Parent company costs													**(17.0)**
Underlying operating profit													**53.1**
Other items (Note 3)													**(49.1)**
Operating profit													**4.0**
Net finance costs before Other items													**(35.7)**
Non-underlying finance costs													**(0.2)**
Loss before tax													**(31.9)**
Income tax expense													**(11.5)**
Loss for the year													**(43.4)**

Notes to the Condensed Interim Financial Statements

3. Other items

(Loss)/profit after tax includes the following Other items which have been disclosed in a separate column within the Condensed Consolidated Income Statement in order to provide a better indication of the underlying earnings of the Group:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Amortisation of acquired intangibles	**(1.1)**	(1.6)	(2.8)
Impairment charges	**-**	-	(33.8)
Net restructuring costs	**(2.8)**	-	(8.0)
Costs related to acquisitions	**(0.2)**	(1.4)	(3.2)
Onerous contract costs	**-**	(0.2)	(0.2)
Cloud based ERP implementation costs	**(0.4)**	(1.3)	(2.2)
Other specific items[1]	**(0.1)**	1.8	1.1
Impact on operating profit	**(4.6)**	(2.7)	(49.1)
Non-underlying finance costs	**(0.1)**	(0.1)	(0.2)
Impact on (loss)/profit before tax	**(4.7)**	(2.8)	(49.3)
Income tax credit on Other items	**0.2**	0.5	1.5
Impact on (loss)/profit after tax	**(4.5)**	(2.3)	(47.8)

[1] Other specific items in the current year relates to an investment property which is no longer in use by the Group. Amounts in the previous periods to 30 June 2023 and 31 December 2023 related to the reversal of the provision for lease receivables, the reversal of onerous lease provisions and impairment of right-of-use assets in relation to a branch which was reopened, offset by additional impairment of the investment property no longer in use by the Group.

4. Finance income and finance costs

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Finance income			
Interest on bank deposits	**1.7**	1.4	2.2
Total finance income	**1.7**	1.4	2.2
Finance costs			
On bank loans, overdrafts and other associated items[1]	**1.8**	2.7	3.6
On senior secured notes[2]	**6.9**	6.9	14.1
On obligations under lease contracts	**11.0**	9.2	19.4
Net finance charge on defined benefit schemes	**0.3**	0.3	0.8
Total interest expense before Other items	**20.0**	19.1	37.9
Non-underlying finance costs	**0.1**	0.1	0.2
Total finance costs	**20.1**	19.2	38.1
Net finance costs	**18.4**	17.8	35.9

[1] Other associated items includes the amortisation of arrangement fees of £0.1m (30 June 2023: £0.1m; 31 December 2023: £0.2m).

[2] Included within finance costs on the senior secured notes is the amortisation of arrangement fees of £0.3m (30 June 2023: £0.3m; 31 December 2023: £0.5m).

Notes to the Condensed Interim Financial Statements

5. Income tax

The income tax expense comprises:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Total income tax expense for the period	**2.9**	7.5	11.5

Tax for the six month period ended 30 June 2024 is determined based on applying full year estimates of the annual effective tax rate for individual jurisdictions to the underlying (loss)/profit before tax for the six month period. This results in an effective negative tax rate of 47.0% on the underlying loss before tax (30 June 2023: 53.3%; 31 December 2023: 74.7%; both positive rates on the underlying profits before tax).

Tax losses cannot be surrendered or utilised cross border, and the Group is therefore subject to tax in some countries and not in others. Tax losses in the UK and Benelux businesses are not currently recognised as deferred tax assets, which impacts the overall and underlying effective tax rate. The relative proportions of these losses compared to the total Group underlying (loss)/profit before tax is higher for the six months to 30 June 2024 compared to prior periods, and the Group has incurred an overall underlying loss before tax for the current period, resulting in the negative underlying effective tax rate.

6. (Loss)/earnings per share

The calculations of (loss)/earnings per share are based on the following (losses)/profits and numbers of shares:

	Basic and diluted		
	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
(Loss)/profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**(14.2)**	4.7	(43.4)
Add back:			
Other items (see Note 3)	**4.5**	2.3	47.8
(Loss)/profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share before Other items	**(9.7)**	7.0	4.4

	Weighted average number of shares		
	Six months ended 30 June 2024 Number	Six months ended 30 June 2023 Number	Year ended 31 December 2023 Number
For basic (loss)/earnings per share	**1,157,919,923**	1,147,679,200	1,148,348,913
Effect of dilution from share options	-	42,844,844	-
Adjusted for the effect of dilution	**1,157,919,923**	1,190,524,044	1,148,348,913

Share options are considered antidilutive in the current period and for the year ended 31 December 2023 as their conversion into ordinary shares would decrease the loss per share. The calculation of diluted (loss)/earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on (loss)/earnings per share.

	Earnings per share		
	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
(Loss)/earnings per share			
Basic (loss)/earnings per share	**(1.2)p**	0.4p	(3.8)p
Diluted (loss)/earnings per share	**(1.2)p**	0.4p	(3.8)p
(Loss)/earnings per share before Other items[1]			
Basic and diluted (loss)/earnings per share before Other items	**(0.8)p**	0.6p	0.4p

[1] (Loss)/earnings per share before Other items (also referred to as underlying (loss)/earnings per share) has been disclosed in order to present the underlying performance of the Group.

Notes to the Condensed Interim Financial Statements

7. Acquisitions

There were no acquisitions during the six months to 30 June 2024 or in the year ended 31 December 2023.

Deferred consideration

A reconciliation of the movement in deferred consideration is provided below:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Liability at 1 January	**1.8**	2.5	2.5
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	**-**	(0.5)	(0.7)
Liability at the end of the period	**1.8**	2.0	1.8
Included in current liabilities	**1.8**	0.2	1.8
Included in non-current liabilities	**-**	1.8	-
Total	**1.8**	2.0	1.8

Contingent consideration

A reconciliation of the movement in the fair value measurement of contingent consideration is provided below:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Liability at 1 January	**3.1**	3.0	3.0
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	**(2.6)**	-	-
Unrealised fair value changes recognised in profit or loss	**-**	-	0.1
Liability at the end of the period	**0.5**	3.0	3.1
Included in current liabilities (within other payables)	**0.5**	3.0	3.1
Total	**0.5**	3.0	3.1

Consideration dependent on vendors remaining within the business

Amounts which may be paid to vendors of recent acquisitions who are employed by the Group and are contingent upon the vendors remaining within the business are, as required by IFRS 3 'Business Combinations', treated as remuneration and charged to the consolidated income statement as earned. A reconciliation of the movement in amounts accrued is as follows:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Liability at 1 January	**4.0**	1.2	1.2
New amounts accrued	**-**	1.4	2.8
Amounts paid relating to previous acquisitions (included within cash flows from operating activities)	**(4.0)**	-	-
Liability at the end of the period	**-**	2.6	4.0
Included in current liabilities (within other payables)	**-**	2.6	4.0
Total	**-**	2.6	4.0

Notes to the Condensed Interim Financial Statements

8. Reconciliation of (loss)/profit before tax to cash generated from operating activities

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
(Loss)/profit before tax	**(11.3)**	12.2	(31.9)
Net finance costs	**18.4**	17.8	35.9
Depreciation of property, plant and equipment	**6.3**	6.5	12.7
Depreciation of right-of-use assets	**32.8**	31.3	63.9
Amortisation of computer software	**0.8**	1.2	2.4
Amortisation of acquired intangibles	**1.1**	1.6	2.8
Impairment of property, plant and equipment	**0.4**	0.2	4.4
Impairment of goodwill	**-**	-	2.6
Impairment of acquired intangibles and computer software	**-**	-	2.5
Impairment/(reversal of impairment) of right-of-use assets	**0.7**	(0.3)	26.2
Reversal of impairment of lease receivable	**-**	(1.1)	(1.1)
Gain on lease transactions	**-**	(0.9)	(1.1)
Gain on disposal of property, plant and equipment	**(0.6)**	(0.4)	(4.3)
Share-based payments	**2.1**	2.7	5.5
Net foreign exchange differences	**(0.3)**	-	-
Decrease in provisions	**(4.3)**	(2.5)	(0.2)
Working capital movements	**(12.5)**	(26.1)	8.1
Cash generated from operating activities	**33.6**	42.2	128.4

Included within the cash generated from operating activities is a defined benefit pension scheme employer's contribution of £2.5m (30 June 2023 and 31 December 2023: £2.5m).

9. Reconciliation of net cash flow to movements in net debt

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
(Decrease)/increase in cash and cash equivalents in the period	**(28.9)**	(22.2)	2.7
Cash flow from decrease in debt[1]	**44.9**	43.0	84.5
Increase in net debt resulting from cash flows	**16.0**	20.8	87.2
Non-cash movement in lease liabilities and lease receivables	**(41.4)**	(53.7)	(105.8)
Other non-cash items[2]	**(0.5)**	(2.8)	(3.3)
Exchange differences	**7.3**	10.9	7.9
Increase in net debt in the period	**(18.6)**	(24.8)	(14.0)
Net debt at beginning of period	**(458.0)**	(444.0)	(444.0)
Net debt at end of the period	**(476.6)**	(468.8)	(458.0)

[1] Including interest element of lease payments.
[2] Other non-cash items include the fair value movement of debt recognised in the period which does not give rise to a cash inflow or outflow.

Notes to the Condensed Interim Financial Statements

9. Reconciliation of net cash flow to movements in net debt (continued)

Net debt is defined as follows:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Non-current assets:			
Lease receivables	**2.0**	2.7	2.2
Current assets:			
Derivative financial instruments	**-**	0.3	-
Lease receivables	**0.7**	1.0	1.1
Cash at bank and on hand	**100.7**	106.3	132.2
Other current financial assets	**-**	1.0	-
Current liabilities:			
Lease liabilities	**(64.2)**	(60.6)	(64.9)
Interest bearing loans and borrowings	**(0.8)**	(0.8)	(0.8)
Deferred consideration	**(1.8)**	(0.2)	(1.8)
Derivative financial instruments	**(1.2)**	(1.0)	(1.0)
Non-current liabilities:			
Lease liabilities	**(258.2)**	(257.8)	(264.9)
Interest-bearing loans and borrowings	**(253.7)**	(257.7)	(260.0)
Deferred consideration	**-**	(1.8)	-
Derivative financial instruments	**(0.1)**	(0.2)	(0.1)
Net debt	**(476.6)**	(468.8)	(458.0)

Of the cash at bank and on hand of £100.7m, £0.6m is required to be held to cover bank guarantees issued to third parties and is therefore restricted for use by the Group.

Analysis of movements in net debt:

	At 31 December 2023 £m	**Cash flows £m**	**Non-cash items[1] £m**	**Exchange differences £m**	**At 30 June 2024 £m**
Cash at bank and on hand	132.2	(28.9)	-	(2.6)	**100.7**
Lease receivables	3.3	(0.7)	0.1	-	**2.7**
	135.5	(29.6)	0.1	(2.6)	**103.4**
Liabilities arising from financing activities					
Debts due within one year	(3.6)	0.4	(0.6)	-	**(3.8)**
Debts due after one year	(260.1)	6.7	(6.6)	6.2	**(253.8)**
Lease liabilities	(329.8)	45.3	(41.6)	3.7	**(322.4)**
	(593.5)	52.4	(48.8)	9.9	**(580.0)**
Net debt	**(458.0)**	**22.8**	**(48.7)**	**7.3**	**(476.6)**

[1] Non-cash items include the fair value movement of debt recognised in the year which does not give rise to a cash inflow or outflow, movements between debts due within one year and after one year, interest charges accrued and other non-cash movements in relation to lease liabilities and lease receivables.

Notes to the Condensed Interim Financial Statements

10. Financial instruments fair value disclosures

At the balance sheet date the Group held the following financial instruments at fair value:

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Financial assets			
Unquoted equity investment	**0.2**	0.2	0.2
Derivative financial instruments	**-**	0.3	-
Other current financial assets	**-**	1.0	-
	0.2	1.5	0.2
Financial liabilities			
Derivative financial instruments	**1.3**	1.2	1.1
Contingent consideration (included within other payables)	**0.5**	3.0	3.1
	1.8	4.2	4.2

The derivative financial instruments above all have fair values which are calculated by reference to observable inputs (i.e. classified as level 2 in the fair value hierarchy). The fair values of these derivative financial instruments, adjusted for credit risk, are calculated by discounting the associated future cash flows to net present values using appropriate market rates prevailing at the balance sheet date. The fair value of the contingent consideration is measured using level 3 inputs and the discounting of forecast future cash flows.

The carrying value of financial assets and liabilities that are recorded at amortised cost in the accounts is approximately equal to their fair value.

11. Called up share capital

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Authorised			
1,390,000,000 ordinary shares of 10p each (30 June and 31 December 2023: 1,390,000,000)	**139.0**	139.0	139.0
Allotted, called up and fully paid:			
1,181,556,977 ordinary shares of 10p each (30 June and 31 December 2023: 1,181,556,977)	**118.2**	118.2	118.2

The Company has one class of ordinary share which carries no right to fixed income. The Company did not allot any shares during the period (30 June 2023 and 31 December 2023: nil).

12. Retirement benefit schemes

Defined benefit schemes

The Group operates a number of pension schemes, four of which provide defined benefits based upon pensionable salary. One of these schemes has assets held in a separate trustee administered fund, and three are overseas book reserve schemes. The UK defined benefit pension scheme obligation is calculated on a year to date basis, using the latest triennial valuation as at 31 December 2022 which was concluded at the end of March 2024.

The IAS 19 valuation conducted as at 31 December 2023 has been updated to reflect current market conditions, and as a result an actuarial gain of £1.5m has been recognised within the Condensed Consolidated Statement of Comprehensive Income. The total net pension liability in relation to defined benefit schemes at 30 June 2024 is £16.4m (30 June 2023: £21.0m; 31 December 2023: £20.3m), including £8.9m deficit (30 June 2023: £13.5m; 31 December 2023: £12.7m) in the UK scheme. The movement in the period relates principally to the actuarial gain of £1.5m together with the recognition of the scheduled annual contribution in the UK of £2.5m.

Notes to the Condensed Interim Financial Statements

13. Interim dividend

No interim dividend is declared for the period (30 June 2023 and 31 December 2023: nil). In accordance with IAS 10 "Events After the Balance Sheet Date", dividends declared after the balance sheet date are not recognised as a liability in the financial statements. There was no final dividend for the year ended 31 December 2023.

14. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and have therefore not been disclosed. In the period to 30 June 2024, the Group incurred expenses of £0.2m (30 June 2023: £0.2m; 31 December 2023: £0.3m) on behalf of the SIG plc Retirement Benefits Plan, the UK defined benefit pension scheme.

The Group has not identified any other related party transactions in the six month period to 30 June 2024.

15. Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties which could have a material impact upon the Group's performance over the remaining six months of the 2024 financial year remain consistent with those set out in the Strategic Report on pages 60 to 63 of the Group's 2023 Annual Report and Accounts, plus the addition of a further risk in relation to refinancing (see below) . These risks and uncertainties include, but are not limited to:

(1) cyber security;
(2) health and safety;
(3) macroeconomic uncertainty;
(4) attract, recruit and retain our people;
(5) data quality and governance;
(6) environmental, social and governance;
(7) mergers and acquisitions;
(8) legal or regulatory compliance;
(9) modernisation;
(10) change management; and
(11) refinancing.

In relation to refinancing, the Group will look to refinance its current facilities, being the £90m RCF due in May 2026 and €300m secured notes due in November 2026, ahead of the maturity dates. Due to current lending market conditions, as compared to those that pertained at the time of the last refinancing, there is a high risk that new financing arrangements will lead to increased costs of financing.

The primary risks affecting the Group's performance for the remaining six months of the year are the risks arising from macro-economic uncertainty and the prolonged challenging trading conditions in the markets in which the Group's larger businesses operate. SIG's diverse market sectors are affected by macroeconomic factors which limit visibility and therefore render the short to medium-term outlook difficult to predict. The "Outlook" section of the trading review details the current assessment of the markets in which the Group operates.

16. Contingent liabilities

As at the balance sheet date, the Group had outstanding obligations under customer guarantees, claims, standby letters of credit and discounted bills of up to £12.6m (30 June 2023: £13.3m; 31 December 2023: £12.5m). Of this amount, £5.9m (30 June 2023: £6.1m; 31 December 2023: £6.1m) relates to a standby letter of credit issued by HSBC Bank plc in respect of the Group's insurance arrangements.

As part of the disposal of Building Plastics in 2017 a guarantee was provided to the landlord of the leasehold properties transferred with the business covering rentals over the remaining term of the leases in the event that the acquiring company enters into administration before the end of the lease term. The maximum liability that could arise from this would be approximately £0.6m based on the remaining future rent commitment at 30 June 2024. No provision has been made in these financial statements as it is not considered likely that any loss will be incurred in connection with this.

17. Seasonality

The Group’s operations are not normally affected by significant seasonal variations between the first and second halves of the calendar year. In 2023, the period to 30 June accounted for 51.6% of the Group's underlying annual revenue. The "Outlook" section of the trading review details the current assessment of the expected second half performance for 2024.

Non-statutory information

The Group uses a variety of alternative performance measures, which are non-IFRS, to describe the Group's performance. The Group considers these performance measures to provide useful historical financial information to help investors evaluate the underlying performance of the business. Alternative performance measures are not a substitute for or superior to statutory IFRS measures.

These measures, as shown below, are used to improve the comparability of information between reporting periods and geographical units, and to adjust for Other items. This also reflects how the business is managed and measured on a day-to-day basis. Measures presented are aligned with the key performance measures used in the business.

a) Net debt

Net debt is a key metric for the Group, and monitoring it is an important element of treasury risk management for the Group. Net debt excluding the impact of IFRS 16 is no longer relevant for financial covenant purposes but is still monitored for comparative purposes.

	30 June 2024 **£m**	30 June 2023 £m	31 December 2023 £m
Reported net debt	**476.6**	468.8	458.0
Lease liabilities recognised in accordance with IFRS 16	**(300.7)**	(296.3)	(307.3)
Lease receivables recognised in accordance with IFRS 16	**2.7**	3.7	3.3
Net debt excluding impact of IFRS 16	**178.6**	176.2	154.0

b) Leverage

Leverage is one of the covenants applicable to the Revolving Credit Facility and is used as a key performance metric for the Group. It is calculated as net debt divided by the last twelve months underlying EBITDA.

	Twelve months ended 30 June 2024 **£m**	Twelve months ended 30 June 2023 £m
Underlying operating profit	**32.1**	70.4
Add back:		
Depreciation of right-of-use assets and property, plant and equipment	**77.9**	75.0
Amortisation of computer software	**2.0**	2.7
Underlying EBITDA	**112.0**	148.1
Reported net debt	**476.6**	468.8
Leverage	**4.3x**	3.2x

Non-statutory information (continued)

b) Leverage (continued)

Leverage excluding the impact of IFRS 16 is as follows:

	Twelve months ended 30 June 2024 £m	Twelve months ended 30 June 2023 £m
Underlying operating profit	**32.1**	70.4
Impact of IFRS 16	**(17.1)**	(11.6)
Underlying operating profit excluding impact of IFRS 16	**15.0**	58.8
Add back:		
Depreciation excluding impact of IFRS 16	**13.6**	13.0
Amortisation of computer software	**2.0**	2.7
Underlying EBITDA excluding the impact of IFRS 16	**30.6**	74.5
Net debt excluding the impact of IFRS 16	**178.6**	176.2
Leverage excluding the impact of IFRS 16	**5.8x**	2.4x

c) Operating margin

This is used to enhance understanding and comparability of the underlying financial performance of the Group and is calculated as underlying operating profit as a percentage of underlying revenue.

	30 June 2024 £m	30 June 2023 £m	31 December 2023 £m
Underlying revenue	**1,316.8**	1,423.4	2,761.2
Underlying operating profit	**11.7**	32.7	53.1
Operating margin	**0.9%**	2.3%	1.9%

d) Free cash flow

Free cash flow represents the cash available after supporting operations, including capital expenditure and the repayment of lease liabilities, and before acquisitions and any movements in funding. Operating cash flow represents free cash flow before interest, financing, costs of refinancing and tax. These measures are used to enhance understanding and comparability of the cash generation of the Group.

	Six months ended 30 June 2024 £m	Six months ended 30 June 2023 £m	Year ended 31 December 2023 £m
Decrease in cash and cash equivalents in the period	**(28.9)**	(22.2)	2.7
Add back:			
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	**2.6**	0.5	0.7
Amounts paid relating to previous acquisitions (included within cash flow from operating activities)	**4.0**	-	-
Investment in financial assets	**-**	1.0	-
Repayment of borrowings	**0.4**	0.4	0.8
Free cash flow	**(21.9)**	(20.3)	4.2
Add back:			
Finance costs paid	**19.5**	18.5	36.9
Finance income received	**(1.7)**	(1.4)	(2.2)
Tax paid	**0.6**	8.7	14.0
Operating cash flow	**(3.5)**	5.5	52.9

Non-statutory information (continued)

e) Like-for-like sales

Like-for-like sales is calculated on a constant currency basis and represents the growth in the Group's sales per working day excluding any acquisitions or disposals completed or agreed in the current and prior year. Revenue is not adjusted for branch openings and closures. This measure shows how the Group has developed its revenue for comparable business relative to the prior period. As such it is a key measure of the growth of the Group during the year. Underlying revenue is revenue from continuing operations excluding non-core businesses.

	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m	Benelux £m	Ireland £m	Poland £m	Total Group £m
Statutory and underlying revenue for the period to 30 June 2024	253.8	182.5	128.1	**564.4**	105.2	219.9	**325.1**	219.9	54.4	50.5	118.7	**1,333.0**
Less intersegment revenue	(3.4)	(0.4)	(7.2)	**(11.0)**	(0.1)	(5.0)	**(5.1)**	-	-	(0.1)	-	**(16.2)**
External revenue	**250.4**	**182.1**	**120.9**	**553.4**	**105.1**	**214.9**	**320.0**	**219.9**	**54.4**	**50.4**	**118.7**	**1,316.8**
Statutory and underlying revenue for the period to 30 June 2023 (Restated)[1]	293.4	184.7	137.9	616.0	116.4	257.4	373.8	234.8	62.1	47.5	110.2	1,444.4
Less intersegment revenue	(3.3)	(0.6)	(9.4)	(13.3)	-	(7.7)	(7.7)	-	-	-	-	(21.0)
External revenue	290.1	184.1	128.5	602.7	116.4	249.7	366.1	234.8	62.1	47.5	110.2	1,423.4
% change year on year:												
Statutory and underlying revenue	(13.7)%	(1.1)%	(5.9)%	**(8.2)%**	(9.7)%	(13.9)%	**(12.6)%**	(6.3)%	(12.4)%	6.1%	7.7%	**(7.5)%**
Impact of currency	-	-	-	**-**	2.1%	1.9%	**2.0%**	2.2%	2.0%	2.4%	(4.7)%	**0.7%**
Impact of working days	(0.7)%	(0.8)%	(0.8)%	**(0.7)%**	0.7%	1.4%	**1.2%**	0.6%	(1.4)%	0.1%	-	**-**
Like-for-like sales	**(14.4)%**	**(1.9)%**	**(6.7)%**	**(8.9)%**	**(6.9)%**	**(10.6)%**	**(9.4)%**	**(3.5)%**	**(11.8)%**	**8.6%**	**3.0%**	**(6.8)%**

[1] The interim results to 30 June 2023 have been restated in order to present the segmental disclosure on a consistent basis with the current period and the year ended 31 December 2023. See Note 1 for further details.

f) Other non-statutory measures

In addition to the alternative performance measures noted above, the Group also uses underlying (loss)/earnings per share (as set out in Note 6) and underlying net finance costs (as set out in Note 4).

INDEPENDENT REVIEW REPORT TO SIG PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity, and the related explanatory notes 1 to 17. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group will be prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
Birmingham
5 August 2024