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SIG PLC
08 August 2023

8 August 2023

SIG plc
Results for the six months to 30 June 2023

SIG plc ("SIG", "the Group" or "the Company") today announces its half year results for the six months ended 30 June 2023 ("H1 2023" or "the period").

	H1 2023	H1 2022
Revenue	**£1,423.4m**	£1,358.5m
LFL[1] sales growth	**(0.2)%**	21.2%
Gross margin	**25.6%**	26.2%
Underlying[2] operating profit	**£32.7m**	£42.5m
Underlying[2] operating margin	**2.3%**	3.1%
Underlying[2] profit before tax	**£15.0m**	£28.9m
Underlying[2] earnings per share	**0.6p**	1.6p
Net debt	**£468.8m**	£431.8m
Net debt (pre-IFRS 16)	**£176.2m**	£164.4m
Statutory results	**H1 2023**	H1 2022
Revenue	**£1,423.4m**	£1,358.5m
Operating profit	**£30.0m**	£39.8m
Profit before tax	**£12.2m**	£26.2m
Total profit after tax	**£4.7m**	£15.9m
Basic earnings per share	**0.4p**	1.4p

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, impairment charges, costs related to acquisitions, cloud computing configuration and customisation costs and other specific items.

Financial highlights

- Group revenue of £1,423m, representing flat like-for-like[1] ("LFL") revenue versus prior year, reflecting volume declines offset by input price inflation:
    - Weaker trading conditions across all geographies
    - Inflation tailwinds moderated as expected
- Group underlying operating profit of £33m with operating margin of 2.3%
- Disciplined cash management; net debt of £468.8m post-IFRS 16 and £176.2m pre-IFRS 16

Operational highlights

- Resilient LFL revenue performance by our largest Operating Companies in challenging markets, with UK Interiors up 4% and France Exteriors up 2%
- Margins temporarily impacted by challenging market conditions and higher than normal operating cost inflation, but resilient in France at c5%, and Germany and UK Interiors improving margins year-over-year
- Continuing progress in all geographies in improving underlying operational performance in H1, with initiatives focusing on delivering an improved operating margin in near and medium term
- Strategic actions taken over last three years mean that the Group is in a strong position, operationally and financially, to navigate current markets

Outlook

- Market conditions expected to remain challenging across the Group's geographic end markets in the second half, alongside further moderation in price inflation
- Second half expected to see greater benefit from productivity initiatives, and the Group's full year underlying operating profit is expected to be in line with the Board's recently revised guidance

- Strong positive free cash flow expected in H2 as seasonal working capital unwinds and working capital discipline continues to deliver benefits
- Board remains confident in improving the Group's operating margin to 5% in the medium term

The Group will hold a Capital Markets presentation in London on 23 November 2023, including an update on strategy from CEO Gavin Slark, who joined the company in February 2023. Further details for investors and analysts will follow in due course.

Commenting, Gavin Slark, Chief Executive Officer, said:

"Our performance in the first half reflects the challenging market conditions we are currently facing, with the Group's LFL revenue growth flat year-on-year. Despite these conditions, I'm very pleased with the progress we are making on many fronts to improve the business, notably with the initiatives across our Operating Companies to improve our ability to drive higher levels of profitable growth when market conditions recover. In the first half these initiatives reflected a continuing focus on our people, our branches, and our productivity, creating a platform that will allow us to capture and maximise the significant opportunities I see for the medium term.

"Looking ahead, while we expect market conditions in the second half to remain difficult, we remain confident the business will grasp the opportunities it has to continue to improve its underlying operational performance. This will, in turn, deliver higher levels of profitability as we drive towards our medium-term margin target of 5%. The Group is financially and commercially well placed to drive meaningful shareholder value in the medium and long term."

A live presentation and Q&A session, hosted by Gavin Slark, CEO, and Ian Ashton, CFO, will take place at 10am 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 webcast:
https://storm-virtual-uk.zoom.us/webinar/register/WN_-iDt31dySo211Se2E8fbkA

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Webinar ID: 826 4249 1049
International numbers available: https://storm-virtual-uk.zoom.us/u/kefpNlaAp6

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OPERATIONAL REVIEW

Strategic progress

We operate across six European geographies with a total branch network of c440 sites and over 7,000 people.

During the first half of 2023, we have continued with a number of internal programmes across these geographies focused on improving our Group operating margin to 5% in the medium term. While market conditions have provided a near-term headwind to margin improvement, the initial effects of these initiatives have partially offset the negative impact in the period of demand weakness and operating cost inflation. We will continue to prioritise these initiatives in the second half and, as we manage through the economic cycle, we expect further benefits from the focus on branch performance, on efficiency and productivity, and on our high levels of employee engagement.

In the UK our Exteriors business has continued its programme of upgrading and refreshing its branches and retail counters, and launched new branch and employee recognition schemes in H1 to continue to support and drive performance. The business also continued to expand its solar category offering. In the UK Interiors business, we have been embedding new IT tools to support branch sales and margin, continuing initiatives to develop product mix into higher margin categories, and working to further improve employee engagement. The UK Interiors margin has continued to improve, increasing by 0.6% over H1 2022, despite the demand backdrop, and this reflects the progress made with initiatives such as these as well as the changes that have taken place over the last two years. We are confident that this business will continue to deliver further margin improvement over time, especially when demand normalises.

In France, Larivière, our specialist roofing business, has made good progress on product category expansion to support medium term margin improvement. In H1, Larivière expanded products in own-brand lines in slate and our Irondel range of products, and expanded its solar product offering. In LiTT, our French Interiors business, we have continued to focus on performance management across the branch network and sales execution along with employee engagement. Over the past two years we have upgraded the branch network across LiTT, including opening new branches and making some strategic branch relocations to capture growth in new areas. In the period we also focused on driving up sales and performance at these new and refreshed locations.

In Germany, we have continued to focus on branch performance and operational productivity metrics, as well as further developing our product mix in technical insulation and flooring. In our smaller Operating Companies (Ireland, Poland and Benelux) strategic development initiatives have included new higher margin category sourcing in Ireland, and in Poland the further development of operational productivity tools and a continued focus on maintaining very strong employee engagement. In Benelux our new Managing Director starts in October and we are confident he will build on recent early progress and reinvigorate that business.

Trading overview

Group LFL revenue was flat year-on-year in the period, with the continued positive tailwind from input price inflation being offset by lower volumes. The overall impact of inflation added an estimated 9% to Group revenue growth in the period. As expected, the year-on-year impact of price inflation moderated during H1 compared to the impact during 2022, as we annualise some of the significant prior year price increases.

Reported Group revenue was 5% higher in the period, including 3% from acquisitions, together with 2% in aggregate from movements in exchange rates and working days.

1 January to 30 June 2023 Revenue	**LFL growth**	***£m***
UK Interiors	4%	382
UK Exteriors	(2)%	221
UK	1%	603
France Interiors	1%	116
France Exteriors	2%	250
Germany	0%	235
Poland	(9)%	110
Benelux	7%	62
Ireland	(18)%	47
EU	(1)%	820
Group	**0%**	**1,423**

Market conditions were challenging through H1 across both our EU based businesses (58% of revenue) and in the UK (42% of revenue). This included a softening in demand in France in the last two months of the period, when product volumes to new-build construction projects were weaker in both residential and commercial. Despite that, we reported positive sales growth in both of our French businesses. Demand was also notably

Despite that, we reported positive sales growth in both of our French businesses. Demand was also notably weaker in Germany in May and June, which was caused by softness in new-build markets. This has included commercial new-build, the majority of our end-market in Germany.

In the UK, our Interiors business experienced weaker market demand, most notably in residential new-build, but continued to improve its competitive position. The business also services the commercial and public building sectors, which were slightly less impacted than residential. UK Exteriors also experienced weaker volumes, but was also up against particularly strong comparators, notably in its Building Solutions business.

Volumes and market conditions were notably weaker in Poland and Ireland over the period as a whole, with both also coming up against especially strong prior year comparators. Our Benelux business continued the gradual recovery of market share lost over previous years.

Whilst we remain focused on ensuring the Group is positioned to capture the long-term growth opportunities across our markets, in the first half we have also ensured we are operating as efficiently as possible during the current period of market weakness. We will continue to focus on cost discipline and on ensuring that we have the appropriate level of cost and investment in place, in the right areas.

Outlook

As previously reported in our Trading Update on 5 July 2023, we expect weak and uncertain demand conditions throughout the rest of the year, along with a continued, but further moderating, revenue tailwind from input price inflation.

We continue to expect the second half to benefit from ongoing productivity initiatives and an expected profit of around £3m on one specific property move. The Group's full year underlying operating profit is therefore expected to be in line with the Board's recently revised guidance.

Across the remainder of the year and beyond, we will continue to progress the strategic and operational initiatives which underpin our ambition for the Group.

As a European market leader in the supply of specialist insulation, and with 80% of the Group's sales covering insulation and the wider building envelope, we are well-positioned to benefit from long-term structural growth drivers, notably sustainable construction and decarbonisation of buildings. We also remain confident in our ability to further grow our market positions, and to improve our profitability when market conditions recover. The Board remains confident in our growth path to 5% operating margin in the medium term.

FINANCIAL REVIEW

Revenue

Group revenue of £1,423m (H1 2022: £1,359m) was 5% higher on a reported basis, including 3% from acquisitions, 2% from movements on exchange rates and only a marginal impact from differences in numbers of working days. LFL revenue was flat year-on-year in the period, with the pass through of product price inflation being offset by volume declines in the majority of our key markets. We estimate the impact of inflation on revenue growth for the half year was approximately 9%, with this impact reducing during the period.

Profit

Underlying and statutory gross profit increased 2.6% to £364.8m (H1 2022: £355.7m) with a resilient gross profit margin of 25.6% (H1 2022: 26.2%). The slight reduction in gross margin was due partly to strong comparatives, especially in our UK Exteriors business, and also pricing pressure in the current difficult demand environment. We are confident the businesses are managing these dynamics effectively.

The Group's underlying operating costs were £332.1m (H1 2022: £313.2m). The increase was primarily due to the impact of inflation on operating costs, with the biggest impact being on wages and salaries, and property and energy costs.

As a result, Group underlying operating profit was £32.7m (H1 2022: £42.5m), at an operating margin of 2.3% (H1 2022: 3.1%). Reported operating profit was £30.0m (H1 2022: £39.8m) after Other items of £2.7m (H1 2022: £2.7m), which are set out further below.

Segmental analysis

UK

	Underlying revenue H1 2023 £m	Underlying revenue H1 2022 £m	LFL sales H1 2023	Underlying operating profit H1 2023 £m	Underlying operating profit H1 2022 £m
UK Interiors	381.6	331.9	4%	6.6	3.8
UK Exteriors	221.1	224.0	(2)%	6.0	11.1
UK	**602.7**	**555.9**	**1%**	**12.6**	**14.9**

Reported revenue in UK Interiors, a specialist insulation and interiors distribution business, increased by 15% to £381.6m (H1 2022: £331.9m). This included 10% from the acquisition of Miers in 2022, as well as a 1% impact from working days. LFL revenue grew 4% supported by a strengthened market position and from input price inflation. The higher revenue drove an operating profit of £6.6m for the half year (H1 2022: £3.8m) with the business benefiting from driving higher sales through the existing branch network capacity.

Reported revenue in UK Exteriors, a specialist roofing merchant, which also includes our Building Solutions business, declined by 1%, with LFL revenue down 2% to £221.1m (H1 2022: £224.0m). This was due mainly to reduced demand in the RMI market, though still benefiting from purchase price inflation. The decrease in revenue, together with a reduction in gross margin, partly due to high prior year comparators, and operating cost inflation, resulted in a reduction in operating profit to £6.0m (H1 2022: £11.1m).

France

	Underlying revenue H1 2023 £m	Underlying revenue H1 2022 £m	LFL sales H1 2023	Underlying operating profit H1 2023 £m	Underlying operating profit H1 2022 £m
France Interiors	116.4	111.2	1%	6.4	7.4
France Exteriors	249.7	239.8	2%	12.1	15.3
France	**366.1**	**351.0**	**1%**	**18.5**	**22.7**

France Interiors, a structural insulation and interiors business trading as LiTT, saw reported revenue increase by 5% to £116.4m (H1 2022: £111.2m), and by 1% on a LFL basis. This was driven by continued input price inflation pass through. Revenue growth was offset by increased margin pressure and higher operating costs and these resulted in a £1.0m decrease in operating profit to £6.4m (H1 2022: £7.4m).

Reported revenue in France Exteriors, a specialist roofing business trading as Larivière, increased 4% to £249.7m (H1 2022: £239.8m), and by 2% on a LFL basis. Revenue benefited from pass through of input price inflation, while demand and volumes were lower due to reduction in consumer spending following interest rate increases, as well as softening of the new build market. The increase in revenue was offset by a reduction in some supplier rebates due to lower volumes and increased operating costs due to inflation, resulting in an operating profit decrease of £3.2m to £12.1m (H1 2022: £15.3m). During H2 the Larivière business will move into a new leased headquarters in Angers, which will better support the needs of the business going forward. We have owned the existing office building in Angers for many years, and the sale of it will result in an expected profit on disposal in H2 of around £3m.

Germany

	Underlying revenue H1 2023 £m	Underlying revenue H1 2022 £m	LFL sales H1 2023	Underlying operating profit H1 2023 £m	Underlying operating profit H1 2022 £m
Germany	**234.8**	**224.5**	**0%**	**9.6**	**8.3**

Reported revenue in WeGo/VTi, our specialist insulation and interiors distribution business in Germany, increased by 5% to £234.8m (H1 2022: £224.5m). This included a 1% impact from the acquisition of Thermodämm in 2022. LFL revenue was flat year-on-year, with pass through of input price inflation wholly offset by a decline in volumes, reflecting weaker market conditions, particularly in new build. Good margin management resulted in an improved operating profit of £9.6m (H1 2022: £8.3m).

Poland

	Underlying revenue H1 2023 £m	Underlying revenue H1 2022 £m	LFL sales H1 2023	Underlying operating profit H1 2023 £m	Underlying operating profit H1 2022 £m
Poland	**110.2**	**115.1**	**(9)%**	**2.7**	**5.9**

In our Polish business, a market leading distributor of insulation and interiors, revenue decreased to £110.2m (H1 2022: £115.1m), representing a 9% decline on a LFL basis, due to weaker building activity overall and some modest input price deflation. This, together with operating cost inflation, resulted in an operating profit of £2.7m (H1 2022: £5.9m).

Benelux

	Underlying revenue H1 2023 £m	Underlying revenue H1 2022 £m	LFL sales H1 2023	Underlying operating (loss) H1 2023 £m	Underlying operating (loss) H1 2022 £m
Benelux	**62.1**	**56.1**	**7%**	**(1.6)**	**(1.7)**

Reported revenue from the Group's business in Benelux increased by 11% to £62.1m (H1 2022: £56.1m) with LFL revenue up 7%. Revenue benefited from increased volumes as the business recovered some market share from prior years' losses, while the turnaround of the business remains in progress as operational issues are tackled. Despite recent market share recovery, it continues to trade with lower market share than it had previously. The first half performance resulted in an operating loss of £1.6m (H1 2022: £1.7m loss).

Ireland

	Underlying revenue H1 2023 £m	Underlying revenue H1 2022 £m	LFL sales H1 2023	Underlying operating profit H1 2023 £m	Underlying operating profit H1 2022 £m
Ireland	**47.5**	**55.9**	**(18)%**	**0.5**	**3.0**

Our business in Ireland is a specialist distributor of interiors and exteriors, as well as a specialist contractor for office furnishing, industrial coatings and kitchen/bathroom fit out. Reported revenue decreased by 15% to £47.5m (H1 2022: £55.9m), and by 18% on a LFL basis as a result of softening demand in the Irish market, which was greater than we had anticipated. Operating profit reduced as a result by £2.5m to £0.5m (H1 2022: £3.0m), reflecting the lower revenue, combined with operating cost inflation.

Reconciliation of underlying to statutory result

Other items, being items excluded from underlying results, during the period amounted to £2.8m (H1 2022: £2.7m) on a pre-tax basis and are summarised in the table below:

	H1 2023 £m	H1 2022 £m
Underlying profit before tax	15.0	28.9
Other items - impacting profit before tax:		
Amortisation of acquired intangibles	(1.6)	(2.4)
Costs related to acquisitions	(1.4)	(0.2)
Cloud computing configuration and customisation costs	(1.3)	(0.8)
Onerous contract costs	(0.2)	-
Other specific items	1.8	0.7
Non-underlying finance costs	(0.1)	-
Total Other items	**(2.8)**	**(2.7)**
Statutory profit before tax	**12.2**	**26.2**

Other items are disclosed separately in order to provide a better indication of the underlying earnings of the Group. Further details are provided in Note 4 of the Interim Financial Statements.

Taxation

Tax for the six month period ended 30 June 2023 is determined based on applying full year estimates of the annual effective tax rate for individual jurisdictions to the underlying profit before tax for the six month period. This results in a tax charge of 53.3% on underlying profit before tax (30 June 2022: 36.3%; 31 December 2022: 27.9%).

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 effective tax rate. The relative proportions of these losses compared to the total Group underlying profit before tax is also higher for H1 2023 compared to prior periods, and the combination of these factors has led to the increase in the overall average effective tax rate in the current period.

Pensions

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 2019.

The IAS 19 valuation conducted as at 31 December 2022 has been updated to reflect current market conditions, and as a result an actuarial gain of £0.1m 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 2023 is £21.0m (30 June 2022: £8.1m; 31 December 2022: £23.0m), including £13.5m deficit in the UK scheme. The movement in the period relates principally to the actuarial gain of £0.1m together with the scheduled annual contribution in the UK of £2.5m.

Financial position

Overall, the net assets of the Group increased by £5.3m to £273.1m from £267.8m at 31 December 2022, with a cash position at the period end of £106.3m (30 June 2022: £113.2m; 31 December 2022: £130.1m) and net debt (post-IFRS 16) of £468.8m (30 June 2022: £431.8m; 31 December 2022: £444.0m). Net debt on a pre-IFRS 16 basis was £176.2m (30 June 2022: £164.4m, 31 December 2022: £160.3m).

The movement in post-IFRS 16 net debt is due mainly to the movement in cash noted below. An increase in net lease liabilities and receivables of £8.3m due to lease renewals and extensions mainly in the UK and Germany, is offset by a favourable currency movement of £8.2m on bond debt. The movement in pre-IFRS net debt is not affected by the movement on leases.

Cash flow

	H1 2023 £m	H1 2022 £m
Underlying operating profit	32.7	42.5
Add back: Depreciation	37.8	36.0
Add back: Amortisation	1.2	1.7
Underlying EBITDA	**71.7**	**80.2**
Increase in working capital	(27.5)	(42.0)
Repayment of lease liabilities	(31.8)	(31.1)
Capital expenditure	(5.7)	(6.9)
Cash exceptionals	(2.8)	(6.6)
Other	1.6	(2.4)
Operating cash flow	**5.5**	**(8.8)**
Interest and financing	(17.1)	(13.9)
Tax	(8.7)	(8.7)
Free cash flow[1]	**(20.3)**	**(31.4)**
Acquisitions	(0.5)	(0.9)
Investment in financial assets	(1.0)	-
Repayment of debt	(0.4)	(0.2)
Total cash flow	**(22.2)**	**(32.5)**
Cash and cash equivalents at beginning of the period	130.1	145.1
Effect of foreign exchange rate changes	(1.6)	0.6
Cash and cash equivalents at end of the period	**106.3**	**113.2**

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 an improved free cash outflow of £20.3m (H1 2022: £31.4m outflow) on a year-on-year basis. This improvement was a result of the lower underlying operating profit in the period being more than offset by a lower seasonal movement in working capital, a result of continued discipline in working capital and cash management. Capex during the period was £5.7m (H1 2022: £6.9m). "Other" included the add back of non-cash P&L items and provision movements of £0.8m, and proceeds on sale of property, plant and equipment of £0.8m.

property, plant and equipment of £0.8m.

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

Financing and funding

The Group's debt funding comprises €300m of 5.25% fixed rate senior 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 2023. The Group's liquidity position remained robust throughout H1 2023, and at the end of the period stood at £196m, consisting of cash of £106m 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 forecast period to 30 September 2024.

Dividend

No interim dividend will be paid for 2023. However, continued successful execution of the strategy, including sensible investment where appropriate, will return the Group to sustainable, profitable growth and cash generation, 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
07 August 2023	07 August 2023

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.

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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 2023 (unaudited)

		Six months ended 30 June 2023			Six months ended 30 June 2022		
		Underlying[1]	**Other items[2]**	**Total**	Underlying[1]	Other items[2]	Total
	Note	**£m**	**£m**	**£m**	£m	£m	£m
Revenue	2	**1,423.4**	**-**	**1,423.4**	1,358.5	-	1,358.5
Cost of sales		**(1,058.6)**	**-**	**(1,058.6)**	(1,002.8)	-	(1,002.8)
Gross profit		**364.8**	**-**	**364.8**	355.7	-	355.7
Other operating expenses		**(327.2)**	**(3.8)**	**(331.0)**	(306.1)	(2.7)	(308.8)
Impairment losses on financial assets[3]		**(4.9)**	**1.1**	**(3.8)**	(7.1)	-	(7.1)
Operating profit/(loss)	3	**32.7**	**(2.7)**	**30.0**	42.5	(2.7)	39.8
Finance income	5	**1.4**	**-**	**1.4**	0.5	-	0.5
Finance costs	5	**(19.1)**	**(0.1)**	**(19.2)**	(14.1)	-	(14.1)
Profit/(loss) before tax		**15.0**	**(2.8)**	**12.2**	28.9	(2.7)	26.2
Income tax (expense)/credit	6	**(8.0)**	**0.5**	**(7.5)**	(10.5)	0.2	(10.3)
Profit/(loss) after tax		**7.0**	**(2.3)**	**4.7**	18.4	(2.5)	15.9
Attributable to:							
Equity holders of the Company		**7.0**	**(2.3)**	**4.7**	18.4	(2.5)	15.9
Earnings per share							
Basic	7			**0.4p**			1.4p
Diluted	7			**0.4p**			1.3p

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 4.

3 Impairment losses on financial assets (trade receivables and lease receivables), as determined in accordance with IFRS 9 Financial Instruments, previously included in other operating expenses in the period ended 30 June 2022, are shown separately, and the prior year comparative for the period ended 30 June 2022 has been updated to present on a consistent basis.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023 (unaudited)

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Profit after tax	**4.7**	15.9	15.5
Items that will not subsequently be reclassified to the Consolidated Income Statement:			
Remeasurement of defined benefit pension liability (Note 13)	**0.1**	0.6	(14.3)
Deferred tax movement associated with remeasurement of defined benefit pension liability	**-**	-	(0.5)
	0.1	0.6	(14.8)
Items that may subsequently be reclassified to the Consolidated Income Statement:			
Exchange difference on retranslation of foreign currency goodwill and intangibles	**(1.5)**	1.3	2.7
Exchange difference on retranslation of foreign currency net investments (excluding goodwill and intangibles)	**(6.3)**	3.4	11.5
Exchange and fair value movements associated with borrowings and derivative financial instruments	**8.3**	(6.1)	(13.9)
Gains and losses on cash flow hedges	**(1.7)**	1.7	1.6
Transfer to profit and loss on cash flow hedges	**(1.0)**	-	0.2
	(2.2)	0.3	2.1
Other comprehensive (expense)/income	**(2.1)**	0.9	(12.7)
Total comprehensive income	**2.6**	16.8	2.8
Attributable to:			
Equity holders of the Company	**2.6**	16.8	2.8

Condensed Consolidated Balance Sheet

As at 30 June 2023 (unaudited)

	Note	30 June 2023 £m	30 June 2022 £m	31 December 2022 Restated[1] £m
Non-current assets				
Property, plant and equipment		**66.6**	68.4	68.8
Right-of-use assets		**277.1**	258.5	265.9
Goodwill		**133.3**	121.2	134.8
Intangible assets		**20.0**	12.9	22.8
Lease receivables		**2.7**	1.4	1.2
Deferred tax assets		**4.8**	4.0	3.3
Non-current financial assets	11	**0.2**	0.2	0.4
Retirement benefit surplus	13	**-**	0.9	-
		504.7	467.5	497.2
Current assets				
Inventories		**290.4**	277.7	270.6
Lease receivables		**1.0**	0.1	0.1
Trade and other receivables		**488.1**	490.1	432.6
Current tax assets		**1.9**	0.6	0.9
Current financial assets	11	**1.3**	1.4	1.6
Cash at bank and on hand		**106.3**	113.2	130.1
		889.0	883.1	835.9
Total assets		**1,393.7**	1,350.6	1,333.1
Current liabilities				
Trade and other payables		**483.1**	475.3	425.0
Lease liabilities		**60.6**	54.3	56.5
Interest-bearing loans and borrowings		**0.8**	-	0.8
Deferred consideration		**0.2**	1.0	0.7
Other financial liabilities		**-**	0.8	-
Derivative financial instruments	11	**1.0**	-	-
Current tax liabilities		**6.9**	5.9	5.8
Provisions		**7.3**	13.6	9.6
		559.9	550.9	498.4
Non-current liabilities				
Lease liabilities		**257.8**	236.0	251.2
Interest-bearing loans and borrowings		**257.7**	256.0	266.1
Deferred consideration		**1.8**	-	1.8
Derivative financial instruments	11	**0.2**	-	0.1
Other payables		**3.1**	3.8	7.4
Retirement benefit obligations	13	**21.0**	9.0	23.0
Provisions		**19.1**	15.4	17.3
		560.7	520.2	566.9
Total liabilities		**1,120.6**	1,071.1	1,065.3
Net assets		**273.1**	279.5	267.8
Capital and reserves				

Called up share capital	12	**118.2**	118.2	118.2
Treasury shares		**(16.4)**	(16.4)	(16.4)
Capital redemption reserve		**0.3**	0.3	0.3
Share option reserve		**11.3**	6.3	8.6
Hedging and translation reserves		**2.3**	2.7	4.5
Cost of hedging reserve		**0.1**	0.1	0.1
Merger reserve		**92.5**	92.5	92.5
Retained profits		**64.8**	75.8	60.0
Attributable to equity holders of the Company		**273.1**	279.5	267.8
Total equity		**273.1**	279.5	267.8

[1] The Condensed Consolidated Balance Sheet at 31 December 2022 has been restated as a result of the finalisation of the acquisition accounting fair values, as explained in Note 1.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2023 (unaudited)

	Note	**Six months ended 30 June 2023 £m**	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Net cash flow from operating activities				
Cash generated from operating activities	9	**42.2**	32.7	132.3
Income tax paid		**(8.7)**	(8.7)	(14.3)
Net cash generated from operating activities		**33.5**	24.0	118.0
Cash flows from investing activities				
Finance income received		**1.4**	0.5	1.3
Purchase of property, plant and equipment and computer software		**(5.7)**	(6.9)	(14.5)
Initial direct costs of right-of-use assets		**-**	-	(0.8)
Proceeds from sale of property, plant and equipment		**0.8**	0.5	0.8
Net cash flow on the purchase of businesses		**-**	-	(26.0)
Settlement of amounts payable for previous purchases of businesses	8	**(0.5)**	(0.9)	(1.3)
Investment in financial assets		**(1.0)**	-	(0.2)
Net cash used in investing activities		**(5.0)**	(6.8)	(40.7)
Cash flows from financing activities				
Finance costs paid		**(18.5)**	(14.4)	(30.1)
Repayment of lease liabilities		**(31.8)**	(31.1)	(60.1)
Repayment of borrowings		**(0.4)**	(0.2)	(1.4)
Acquisition of treasury shares		**-**	(4.0)	(4.0)
Net cash used in financing activities		**(50.7)**	(49.7)	(95.6)
Decrease in cash and cash equivalents in the period	10	**(22.2)**	(32.5)	(18.3)
Cash and cash equivalents at beginning of the period		**130.1**	145.1	145.1
Effect of foreign exchange rate changes		**(1.6)**	0.6	3.3
Cash and cash equivalents at end of the period		**106.3**	113.2	130.1

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023 (unaudited)

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**	**M re**
At 1 January 2023	**118.2**	**(16.4)**	**0.3**	**8.6**	**4.5**	**0.1**	
Profit after tax	**-**	**-**	**-**	**-**	**-**	**-**	
Other comprehensive (expense)/income	**-**	**-**	**-**	**-**	**(2.2)**	**-**	
Total comprehensive (expense)/income	**-**	**-**	**-**	**-**	**(2.2)**	**-**	
Credit to share option reserve	**-**	**-**	**-**	**2.7**	**-**	**-**	
At 30 June 2023	**118.2**	**(16.4)**	**0.3**	**11.3**	**2.3**	**0.1**	

	Called up	**Treasury**	**Capital**	**Share**	**Hedging and**	**Cost of**

For the six months ended 30 June 2022	share capital £m	shares reserve £m	redemption reserve £m	option reserve £m	translation reserves £m	hedging reserve £m	M re
At 1 January 2022	118.2	(12.5)	0.3	4.4	2.4	0.1	
Profit after tax	-	-	-	-	-	-	
Other comprehensive income	-	-	-	-	0.3	-	
Total comprehensive income	-	-	-	-	0.3	-	
Purchase of treasury shares	-	(4.0)	-	-	-	-	
Credit to share option reserve	-	-	-	2.0	-	-	
Settlement of share options	-	0.1	-	(0.1)	-	-	
At 30 June 2022	118.2	(16.4)	0.3	6.3	2.7	0.1	

For the year ended 31 December 2022	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	M re
At 1 January 2022	118.2	(12.5)	0.3	4.4	2.4	0.1	
Profit after tax	-	-	-	-	-	-	
Other comprehensive income/(expense)	-	-	-	-	2.1	-	
Total comprehensive income	-	-	-	-	2.1	-	
Purchase of treasury shares	-	(4.0)	-	-	-	-	
Credit to share option reserve	-	-	-	4.4	-	-	
Settlement of share options	-	0.1	-	(0.2)	-	-	
At 31 December 2022	118.2	(16.4)	0.3	8.6	4.5	0.1	

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 taken directly to reserves.

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 7 August 2023.

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 2022, 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 2023 and 30 June 2022 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 2022 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 149 to 150 of the 2022 Annual Report and Accounts are considered to continue and be consistently applied.

Restatement of 2022 Consolidated Balance Sheet

The fair values of the identifiable assets and liabilities acquired in relation to the acquisition of Miers Construction Products Limited in 2022 have been finalised during the period. This resulted in a decrease in the current tax asset of £0.3m, an increase in the current tax liability of £0.3m and a corresponding increase in the goodwill recognised of £0.6m (see Note 8). This has been accounted for retrospectively and the Condensed Consolidated Balance Sheet at 31 December 2022 has been restated to reflect this. This had no impact on profit or loss, cash flows or net assets for the year ended or as at 31 December 2022.

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 period to 30 September 2024. The Group has committed facilities in place to November 2026 (senior secured notes) and a revolving credit facility (RCF) until May 2026. The senior 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 at a quarter end reporting date. The RCF was undrawn as at 30 June 2023.

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:

- High levels of inflation, and current economic and political uncertainties, potentially impacting market demand;
- Potentially recessionary conditions in the coming year; and
- Material shortages impacting our ability to meet demand and hence having an impact on forecast sales.

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. Under a scenario including a combination of the above, resulting in a 66% reduction in underlying operating profit from the base forecast for the going concern period, the analysis shows that sufficient cash would be available without triggering a covenant breach.

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 2024.

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 2024 and the Directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the 2023 Condensed Interim Financial Statements.

New standards, interpretations and amendments adopted by the Group

Several amendments apply for the first time in 2023 but do not have an impact on the Condensed Interim Financial Statements of the Group. The Group has adopted the Amendments to IAS12 "International Tax Reform: Pillar Two Model Rules" issued in May 2023 and has applied the temporary mandatory exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. Revenue from contracts with customers

The Group's revenue is analysed by type and nature as follows:

Six months ended 30 June 2023	UK Interiors £m	UK Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Type of product								
Interiors	381.6	-	**381.6**	116.4	-	**116.4**	234.8	62.1
Exteriors	-	221.1	**221.1**	-	249.7	**249.7**	-	-
Inter-segment revenue[1]	3.3	1.1	**4.4**	-	7.7	**7.7**	-	-
Total underlying and statutory revenue	**384.9**	**222.2**	**607.1**	**116.4**	**257.4**	**373.8**	**234.8**	**62.1**
Nature of revenue								
Goods for resale (recognised at point in time)	384.9	222.2	**607.1**	116.4	257.4	**373.8**	234.8	62.1
Construction contracts (recognised over time)	-	-	**-**	-	-	**-**	-	-
Total	**384.9**	**222.2**	**607.1**	**116.4**	**257.4**	**373.8**	**234.8**	**62.1**

[1] Inter-segment revenue is charged at the prevailing market rates.

Six months ended 30 June 2022	UK Interiors £m	UK Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Type of product								
Interiors	331.9	-	331.9	111.2	-	111.2	224.5	56.1
Exteriors	-	224.0	224.0	-	239.8	239.8	-	-
Inter-segment revenue[1]	3.0	1.7	4.7	0.1	3.9	4.0	-	-
Total underlying and statutory revenue	334.9	225.7	560.6	111.3	243.7	355.0	224.5	56.1
Nature of revenue								
Goods for resale (recognised at point in time)	334.9	225.7	560.6	111.3	243.7	355.0	224.5	56.1
Construction contracts (recognised over time)	-	-	-	-	-	-	-	-
Total	334.9	225.7	560.6	111.3	243.7	355.0	224.5	56.1

[1] Inter-segment revenue is charged at the prevailing market rates.

Year ended 31 December 2022	UK Interiors £m	UK Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Type of product								
Interiors	702.6	-	702.6	218.4	-	218.4	457.8	115.9
Exteriors	-	445.2	445.2	-	465.6	465.6	-	-
Inter-segment revenue[1]	5.5	2.7	8.2	0.1	9.7	9.8	0.1	-
Total underlying and statutory revenue	708.1	447.9	1,156.0	218.5	475.3	693.8	457.9	115.9
Nature of revenue								
Goods for resale (recognised at point in time)	708.1	447.9	1,156.0	218.5	475.3	693.8	457.9	115.9
Construction contracts (recognised over time)	-	-	-	-	-	-	-	-
Total	708.1	447.9	1,156.0	218.5	475.3	693.8	457.9	115.9

[1] Inter-segment revenue is charged at the prevailing market rates.

3. 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 Chief Operating Decision Maker (CODM). Reportable operating segments are grouped on a geographical basis.

Six months ended 30 June 2023	UK Interiors £m	UK Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Revenue								
Underlying and statutory revenue	381.6	221.1	**602.7**	116.4	249.7	**366.1**	234.8	62.1
Inter-segment revenue[1]	3.3	1.1	**4.4**	-	7.7	**7.7**	-	-
Total revenue	384.9	222.2	**607.1**	116.4	257.4	**373.8**	234.8	62.1
Segment result before Other items	**6.6**	**6.0**	**12.6**	**6.4**	**12.1**	**18.5**	**9.6**	**(1.6)**
Amortisation of acquired								

intangibles	(1.2)	(0.3)	**(1.5)**	-	-	**-**	(0.1)	-
Acquisition costs	(1.4)	-	**(1.4)**	-	-	**-**	-	-
Cloud computing configuration and customisation costs	-	-	**-**	-	(0.3)	**(0.3)**	-	(1.0)
Other specific items	0.8	0.3	**1.1**	-	(0.1)	**(0.1)**	-	0.8
Segment operating profit/(loss)	**4.8**	**6.0**	**10.8**	**6.4**	**11.7**	**18.1**	**9.5**	**(1.8)**
Parent company costs								
Parent company Other items[2]								
Operating profit								
Net finance costs before Other items								
Non-underlying finance costs								
Profit before tax								
Income tax expense								
Profit for the period								

[1] Inter-segment revenue is charged at the prevailing market rates.

[2] Parent company Other items relates to onerous contract costs. See Note 4 for further details.

Six months ended 30 June 2022	**UK Interiors £m**	**UK Exteriors £m**	**UK Total £m**	**France Interiors £m**	**France Exteriors £m**	**France Total £m**	**Germany £m**	**Benelux £m**
Revenue								
Underlying and statutory revenue	331.9	224.0	555.9	111.2	239.8	351.0	224.5	56.1
Inter-segment revenue[1]	3.0	1.7	4.7	0.1	3.9	4.0	-	-
Total revenue	334.9	225.7	560.6	111.3	243.7	355.0	224.5	56.1
Result								
Segment result before Other items	3.8	11.1	14.9	7.4	15.3	22.7	8.3	(1.7)
Amortisation of acquired intangibles	(0.4)	(1.8)	(2.2)	-	(0.2)	(0.2)	-	-
Acquisition costs	(0.2)	-	(0.2)	-	-	-	-	-
Cloud computing configuration and customisation costs	-	-	-	-	(0.8)	(0.8)	-	-
Other specific items	0.3	0.2	0.5	-	-	-	-	-
Segment operating profit/(loss)	3.5	9.5	13.0	7.4	14.3	21.7	8.3	(1.7)
Parent company costs								
Parent company Other items[2]								
Operating profit								
Net finance costs								
Profit before tax								
Income tax expense								
Profit for the period								

[1] Inter-segment revenue is charged at the prevailing market rates.

[2] Parent company Other items relates to other specific items £0.2m (credit), included within the total other specific items of £0.7m discussed in more detail in Note 4.

Year ended 31 December 2022	**UK Interiors £m**	**UK Exteriors £m**	**UK Total £m**	**France Interiors £m**	**France Exteriors £m**	**France Total £m**	**Germany £m**	**Benelux £m**
Revenue								
Underlying and statutory revenue	702.6	445.2	1,147.8	218.4	465.6	684.0	457.8	115.9
Inter-segment revenue[1]	5.5	2.7	8.2	0.1	9.7	9.8	0.1	-
Total revenue	708.1	447.9	1,156.0	218.5	475.3	693.8	457.9	115.9
Segment result before Other items	14.3	18.4	32.7	12.2	23.6	35.8	16.8	(3.0)
Amortisation of acquired intangibles	(1.4)	(3.2)	(4.6)	-	(0.2)	(0.2)	0.1	-
Impairment charges	-	-	-	-	-	-	-	(15.8)
Acquisition costs	(2.2)	-	(2.2)	(0.2)	-	(0.2)	(0.1)	-
Cloud computing configuration and customisation costs	-	-	-	(2.0)	-	(2.0)	-	(0.7)
Net restructuring costs	-	-	-	-	-	-	-	(0.4)
Other specific items	1.0	-	1.0	-	-	-	-	-
Segment operating profit/(loss)	11.7	15.2	26.9	10.0	23.4	33.4	16.8	(19.9)
Parent company costs								
Parent company Other items[2]								
Operating profit								
Net finance costs before Other items								
Non-underlying finance costs								
Profit before tax								
Income tax expense								
Profit for the period								

[1] Inter-segment revenue is charged at the prevailing market rates.

[2] Parent Company Other items include costs associated with refinancing £0.4m, offset by credits relating to onerous contracts £1.2m and other specific items £0.3m. See Note 4 for further details.

30 June 2023	UK Interiors £m	UK Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Assets								
Segment assets	**327.2**	**293.9**	**621.1**	**81.1**	**266.8**	**347.9**	**161.4**	**47.1**
Unallocated assets:								
Property, plant and equipment								
Derivative financial instruments								
Cash and cash equivalents								
Other assets								
Consolidated total assets								
Liabilities								
Segment liabilities	**280.7**	**143.1**	**423.8**	**75.8**	**158.3**	**234.1**	**95.1**	**25.6**
Unallocated liabilities:								
Interest-bearing loans and borrowings								
Derivative financial instruments								
Other liabilities								
Consolidated total liabilities								

30 June 2022	UK Interiors £m	UK Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Assets								
Segment assets	268.2	272.5	540.7	82.2	251.3	333.5	159.4	65.5
Unallocated assets:								
Property, plant and equipment								
Derivative financial instruments								
Cash and cash equivalents								
Other assets								
Consolidated total assets								
Liabilities								
Segment liabilities	243.9	132.2	376.1	69.9	151.0	220.9	91.3	28.1
Unallocated liabilities:								
Interest-bearing loans and borrowings								
Other liabilities								
Consolidated total liabilities								

31 December 2022	UK Interiors £m	UK Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Assets								
Segment assets	287.7	271.9	559.6	81.4	255.2	336.6	150.8	46.7
Unallocated assets:								
Property, plant and equipment								
Derivative financial instruments								
Cash and cash equivalents								
Other assets								
Consolidated total assets								
Liabilities								
Segment liabilities	244.2	128.2	372.4	74.4	160.2	234.6	84.3	25.2
Unallocated liabilities:								
Interest-bearing loans and borrowings								
Derivative financial instruments								
Other liabilities								
Consolidated total liabilities								

4. Other items

Profit/(loss) 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 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Amortisation of acquired intangibles	**(1.6)**	(2.4)	(4.7)
Impairment charges	**-**	-	(15.8)
Costs related to acquisitions (Note 8)	**(1.4)**	(0.2)	(2.5)
Cloud computing configuration and customisation costs	**(1.3)**	(0.8)	(2.7)
Onerous contract costs	**(0.2)**	-	1.2
Costs associated with refinancing	**-**	-	(0.4)
Net restructuring costs	**-**	-	(0.4)
Other specific items[1]	**1.8**	0.7	1.3
Impact on operating profit/(loss)	**(2.7)**	(2.7)	(24.0)
Non-underlying finance costs	**(0.1)**	-	(0.1)
Impact on profit/(loss) before tax	**(2.8)**	(2.7)	(24.1)
Income tax credit on Other items	**0.5**	0.2	2.4
Impact on profit/(loss) after tax	**(2.3)**	(2.5)	(21.7)

[1] Other specific items principally relates to the reversal of impairment of lease receivables (£1.1m) and gains on the sublease and termination of property leases which were previously impaired (£0.8m). Amounts in the previous periods to 30 June 2022 and 31 December 2022 related principally to the settlement and/or release of certain historic provisions, including amounts relating to businesses divested in previous years, and provision for impairment of lease receivables.

5. Finance income and finance costs

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Finance income			
Interest on bank deposits	**1.4**	0.5	1.3
	1.4	0.5	1.3
Finance costs			
On bank loans, overdrafts and other associated items[1]	**2.7**	1.0	2.6
On senior secured notes[2]	**6.9**	6.9	14.0
On obligations under lease contracts	**9.2**	6.2	13.3
Net finance charge on defined benefit schemes	**0.3**	-	-
Total interest expense before Other items	**19.1**	14.1	29.9
Non-underlying finance costs	**0.1**	-	0.1
Total finance costs	**19.2**	14.1	30.0
Net finance costs	**17.8**	13.6	28.7

[1] Other associated items includes the amortisation of arrangement fees of £0.1m (30 June 2022: £0.1m; 31 December 2022: £0.1m).

[2] Included within finance costs on the senior secured notes is the amortisation of arrangement fees of £0.3m (30 June 2022: £0.3m; 31 December 2022: £0.5m).

6. Income tax

The income tax expense comprises:

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Total income tax expense for the period	**7.5**	10.3	12.0

Tax for the six month period ended 30 June 2023 is determined based on applying full year estimates of the annual effective tax rate for individual jurisdictions to the underlying profit before tax for the six month period. This results in a tax charge of 53.3% on underlying profit before tax (30 June 2022: 36.3%; 31 December 2022: 27.9%).

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 effective tax rate. The relative proportions of these losses compared to the total Group underlying profit before tax is also higher for the six months to 30 June 2023 compared to prior periods, and the combination of these factors has led to the increase in the overall average effective tax rate in the current period.

7. Earnings per share

The calculations of earnings per share are based on the following profits and numbers of shares:

	Basic and diluted		
	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	**4.7**	15.9	15.5
Add back:			
Other items (see Note 4)	**2.3**	2.5	21.7
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share before other items	**7.0**	18.4	37.2

	Weighted average number of shares		
	Six months ended 30 June 2023 Number	Six months ended 30 June 2022 Number	Year ended 31 December 2022 Number
For basic and diluted earnings per share	**1,147,679,200**	1,151,936,602	1,149,776,931
Effect of dilution from share options	**42,844,844**	31,375,439	33,638,307
Adjusted for the effect of dilution	**1,190,524,044**	1,183,312,041	1,183,415,238

	Earnings per share		
	Six months ended 30 June 2023	Six months ended 30 June 2022	Year ended 31 December 2022
Earnings per share			
Basic earnings per share	**0.4p**	1.4p	1.3p
Diluted earnings per share	**0.4p**	1.3p	1.3p
Earnings per share before Other items[1]			
Basic and diluted earnings per share before Other items	**0.6p**	1.6p	3.2p

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

8. Acquisitions

There were no acquisitions during the six months to 30 June 2023. In the second half of the prior year the Group acquired Thermodämm GmbH ("Thermodämm") and Miers Construction Products Limited ("Miers").

Thermodämm is a distributor of interiors and insulation products and is allocated to the Germany segment. It was acquired for total consideration of £3.6m.

Miers is a distributor of specialist construction materials and is allocated to the UK Interiors segment. It was acquired for total consideration of £31.2m, comprising £26.9m cash paid on completion, £1.8m deferred and payable in July 2024 and up to £2.6m contingent consideration. The contingent consideration is payable dependent on future performance of the business based on adjusted EBITDA exceeding an EBITDA threshold, as defined in the sale and purchase agreement, for the financial year to 31 December 2023. The range of contingent consideration payable is therefore £nil to £2.6m, with £2.5m recognised at the date of acquisition and at 30 June 2023 on the basis of current forecasts and fair value calculation. This is included within other payables in current liabilities on the Condensed Consolidated Balance Sheet at 30 June 2023. The liability is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss. A further amount of up to £4.0m is also payable in 2024 dependant on the future performance of the business for the financial year to 31 December 2023 and dependent on the vendors remaining within the business. This is therefore treated as remuneration and is being charged to the Condensed Consolidated Income Statement as earned. £1.2m was recognised and included within other payables at 31 December 2022, with a further £1.4m recognised in the six months to 30 June 2023.

Analysis of cash flows on acquisition

	Year ended 31 December 2022		
	Miers £m	Thermodämm £m	**Total £m**
Consideration paid (included in cash flows from investing activities)	(26.9)	(3.4)	**(30.3)**
Net cash acquired with the subsidiary			

Net cash acquired with the subsidiary (included in cash flows from investing activities)	4.1	0.2	**4.3**
Total net cash flow included in cash flows from investing activities	(22.8)	(3.2)	**(26.0)**
Transaction costs (included in cash flows from operating activities)	(0.8)	(0.1)	**(0.9)**
Net cash flow on acquisition	(23.6)	(3.3)	**(26.9)**

The fair values of the identifiable assets and liabilities of the acquisitions at the date of acquisition have been finalised during the period. This resulted in a decrease in the current tax asset of £0.3m, an increase in the current tax liability of £0.3m and a corresponding increase in the goodwill recognised of £0.6m in relation to the Miers acquisition. The final balances on acquisition are as follows:

	Year ended 31 December 2022 Restated Miers £m	Year ended 31 December 2022 Thermodämm £m	**Year ended 31 December 2022 Restated Total £m**
Assets			
Intangible assets (customer relationships)	12.0	1.7	**13.7**
Property, plant and equipment	0.8	0.2	**1.0**
Right-of-use asset	2.7	0.6	**3.3**
Cash and cash equivalents	4.1	0.2	**4.3**
Trade and other receivables	13.0	0.3	**13.3**
Inventories	7.3	0.6	**7.9**
	39.9	3.6	**43.5**
Liabilities			
Trade and other payables	(12.2)	(0.6)	**(12.8)**
Provisions	(1.1)	-	**(1.1)**
Current tax liability	(0.3)	-	**(0.3)**
Deferred tax liability	(3.0)	(0.7)	**(3.7)**
Bank loan	(3.2)	-	**(3.2)**
Lease liability	(2.7)	(0.7)	**(3.4)**
	(22.5)	(2.0)	**(24.5)**
Total identifiable net assets at fair value	17.4	1.6	**19.0**
Goodwill arising on acquisition	13.8	2.0	**15.8**
Purchase consideration transferred	31.2	3.6	**34.8**

Deferred consideration

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

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Liability at 1 January	**2.5**	1.8	1.8
Liability arising on acquisitions in the year	**-**	-	2.0
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	**(0.5)**	(0.9)	(1.3)
Liability at the end of the period	**2.0**	1.0	2.5
Included in current liabilities	**0.2**	1.0	0.7
Included in non-current liabilities	**1.8**	-	1.8
Total	**2.0**	1.0	2.5

Contingent consideration

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

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Liability at 1 January	**3.0**	0.5	0.5
Liability arising on acquisitions in the year	**-**	-	2.5
Liability at the end of the period	**3.0**	0.5	3.0
Included in current liabilities	**3.0**	-	0.5
Included in non-current liabilities	**-**	0.5	2.5
Total	**3.0**	0.5	3.0

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 IFRS3 '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 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Liability at 1 January	**1.2**	0.6	0.6
New amounts accrued	**1.4**	0.2	1.4
Amounts paid (included within cash flows from operating activities)	**-**	(0.8)	(0.8)
Liability at the end of the period	**2.6**	-	1.2
Included in current liabilities	**2.6**	-	-
Included in non-current liabilities	**-**	-	1.2
Total	**2.6**	-	1.2

9. Reconciliation of operating profit to cash generated from operating activities

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Profit before tax	**12.2**	26.2	27.5
Net finance costs	**17.8**	13.6	28.7
Depreciation of property, plant and equipment	**6.5**	6.1	12.6
Depreciation of right-of-use assets	**31.3**	29.9	60.6
Amortisation of computer software	**1.2**	1.7	3.2
Amortisation of acquired intangibles	**1.6**	2.4	4.7
Impairment of property, plant and equipment	**0.2**	-	2.5
Impairment of goodwill	**-**	-	3.6
(Reversal of impairment)/impairment of right-of-use asset	**(0.3)**	-	9.7
(Reversal of impairment)/impairment of lease receivable	**(1.1)**	2.0	2.0
Gain on lease transactions	**(0.9)**	-	-
Profit on sale of property, plant and equipment	**(0.4)**	(0.2)	(0.4)
Share-based payments	**2.7**	2.0	4.4
Net foreign exchange differences	**-**	(0.3)	(1.0)
Decrease in provisions	**(2.5)**	(7.3)	(11.4)
Working capital movements	**(26.1)**	(43.4)	(14.4)
Cash generated from operating activities	**42.2**	32.7	132.3

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

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Decrease in cash and cash equivalents in the period	**(22.2)**	(32.5)	(18.3)
Net cash outflow from repayment of leases and other debt[1]	**43.0**	38.4	76.1
Decrease in net debt resulting from cash flows	**20.8**	5.9	57.8
Deferred consideration added on acquisitions	**-**	-	(2.0)
Debt added on acquisitions	**-**	-	(6.6)
Non-cash movement in lease liabilities and lease receivables	**(53.7)**	(65.7)	(111.3)
Other non-cash items[2]	**(2.8)**	1.5	1.4
Exchange differences	**10.9**	(8.5)	(18.3)
Increase in net debt in the period	**(24.8)**	(66.8)	(79.0)
Net debt at beginning of period	**(444.0)**	(365.0)	(365.0)
Net debt at end of the period	**(468.8)**	(431.8)	(444.0)

[1] Including interest element of lease payments.

[2] Other 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.

Net debt is defined as follows:

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Non-current assets:			
Derivative financial instruments	**-**	0.2	0.2
Lease receivables	**2.7**	1.4	1.2
Current assets:			
Derivative financial instruments	**0.3**	1.4	1.6
Lease receivables	**1.0**	0.1	0.1
Other current financial assets	**1.0**	-	-
Cash at bank and on hand	**106.3**	113.2	130.1
Current liabilities:			
Lease liabilities	**(60.6)**	(54.3)	(56.5)

Lease liabilities	**(60.6)**	(54.3)	(56.5)
Interest bearing loans and borrowings	**(0.8)**	-	(0.8)
Deferred consideration	**(0.2)**	(1.0)	(0.7)
Other financial liabilities	**-**	(0.8)	-
Derivative financial instruments	**(1.0)**	-	-
Non-current liabilities:			
Lease liabilities	**(257.8)**	(236.0)	(251.2)
Interest-bearing loans and borrowings	**(257.7)**	(256.0)	(266.1)
Deferred consideration	**(1.8)**	-	(1.8)
Derivative financial instruments	**(0.2)**	-	(0.1)
	(468.8)	(431.8)	(444.0)

Analysis of movements in net debt:

	At 31 December 2022 £m	Cash flows	Non-cash items[1] £m	Exchange differences £m	At 30 June 2023 £m
Cash at bank and on hand	130.1	(22.2)	-	(1.6)	**106.3**
Lease receivables	1.3	(0.2)	2.6	-	**3.7**
Other current financial assets	-	1.0	-	-	**1.0**
	131.4	(21.4)	2.6	(1.6)	**111.0**
Liabilities arising from financing activities					
Financial assets - derivative financial instruments	1.8	-	(1.5)	-	**0.3**
Debts due within one year	(1.5)	0.9	(1.4)	-	**(2.0)**
Debts due after one year	(268.0)	-	0.1	8.2	**(259.7)**
Lease liabilities	(307.7)	41.3	(56.3)	4.3	**(318.4)**
	(575.4)	42.2	(59.1)	12.5	**(579.8)**
Net debt	**(444.0)**	**20.8**	**(56.5)**	**10.9**	**(468.8)**

[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, and non-cash movements in relation to lease liabilities and lease receivables.

11. 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 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Financial assets			
Unquoted equity investment	**0.2**	-	0.2
Derivative financial instruments	**0.3**	1.6	1.8
Other current financial assets	**1.0**	-	-
	1.5	1.6	2.0
Financial liabilities			
Derivative financial instruments	**1.2**	-	0.1
Contingent consideration (included within other payables)	**3.0**	0.5	3.0
	4.2	0.5	3.1

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.

12. Called up share capital

	Six months ended 30 June 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Authorised			
1,390,000,000 ordinary shares of 10p each (30 June and 31 December 2022: 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 2022: 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 2022 and 31 December 2022: nil).

13. 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 2019.

The IAS 19 valuation conducted as at 31 December 2022 has been updated to reflect current market conditions, and as a result an actuarial gain of £0.1m 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 2023 is £21.0m (30 June 2022: £8.1m; 31 December 2022: £23.0m), including £13.5m deficit in the UK scheme. The movement in the period relates principally to the actuarial gain of £0.1m together with the scheduled annual contribution in the UK of £2.5m.

14. Interim dividend

No interim dividend is declared for the period (30 June 2022 and 31 December 2022: £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 2022.

15. 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 2023, the Group incurred expenses of £0.2m (30 June 2022: £0.2m; 31 December 2022: £0.2m) 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 2023.

16. 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 2023 financial year remain consistent with those set out in the Strategic Report on pages 56 to 61 of the Group's 2022 Annual Report and Accounts. These risks and uncertainties include, but are not limited to:

(1) cyber security;
(2) health and safety;
(3) macroeconomic uncertainty;
(4) ability to 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) digitalisation; and
(10) change management.

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 impact of continued high inflation rates on the level of market demand in the markets in which SIG operates. 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 "Group outlook" section of the Trading Review details the current assessment of the markets in which the Group operates.

17. Contingent liabilities

Legal claim:
At 31 December 2022 the Group disclosed a contingent liability in relation to legal proceedings being brought against two of the Group's subsidiaries in Benelux. The claim has been settled subsequent to the period end date and the contingent liability no longer exists.

Other:
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 £13.3m (30 June 2022: £10.5m; 31 December 2022: £11.7m). Of this amount, £6.1m (30 June 2022: £4.7m; 31 December 2022: £5.2m) 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 £0.7m based on the remaining future rent commitment at 30 June 2023. 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.

18. Seasonality

The Group's operations are not normally affected by significant seasonal variations between the first and second halves of the calendar year. In 2022, the period to 30 June accounted for 49.5% of the Group's underlying annual revenue. The "Outlook" section of the Operational Review details the current assessment of the expected second half performance for 2023.

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.

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 2023 **£m**	30 June 2022 £m	31 December 2022 £m
Reported net debt	**468.8**	431.8	444.0
Lease liabilities recognised in accordance with IFRS 16	**(296.3)**	(268.1)	(285.0)
Lease receivables recognised in accordance with IFRS 16	**3.7**	1.5	1.3
Other financial liabilities recognised in accordance with IFRS 16	**-**	(0.8)	-
Net debt excluding impact of IFRS 16	**176.2**	164.4	160.3

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 2023 £m	Twelve months ended 30 June 2022 £m
Underlying operating profit	**70.4**	70.0
Add back:		
Depreciation of right-of-use assets and property, plant and equipment	**75.0**	71.2
Amortisation of computer software	**2.7**	3.2
Underlying EBITDA	**148.1**	144.4
Reported net debt	**468.8**	431.8
Leverage	**3.2x**	3.0x

Leverage excluding the impact of IFRS 16 is as follows:

	Twelve months ended 30 June 2023 £m	Twelve months ended 30 June 2022 £m
Underlying operating profit	**70.4**	70.0
Impact of IFRS 16	**(11.6)**	(4.8)
Underlying operating profit excluding impact of IFRS 16	**58.8**	65.2
Add back:		
Depreciation excluding impact of IFRS 16	**13.0**	11.1
Amortisation of computer software	**2.7**	3.2
Underlying EBITDA	**74.5**	79.5
Net debt excluding the impact of IFRS 16	**176.2**	164.4
Leverage excluding the impact of IFRS 16	**2.4x**	2.1x

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 2023 £m	30 June 2022 £m	31 December 2022 £m
Underlying revenue	**1,423.4**	1,358.5	2,744.5
Underlying operating profit	**32.7**	42.5	80.2
Operating margin	**2.3%**	3.1%	2.9%

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 2023 £m	Six months ended 30 June 2022 £m	Year ended 31 December 2022 £m
Decrease in cash and cash equivalents in the year	**(22.2)**	(32.5)	(18.3)
Add back:			
Net cash flow on the purchase of businesses	**-**	-	26.0
Settlement of amounts payable for previous purchases of businesses	**0.5**	0.9	1.3
Investment in financial assets	**1.0**	-	0.2
Repayment of borrowings	**0.4**	0.2	1.4
Free cash flow	**(20.3)**	(31.4)	10.6
Add back:			
Finance costs paid	**18.5**	14.4	30.1
Finance income received	**(1.4)**	(0.5)	(1.3)
Other refinancing cash costs[1]	**-**	-	1.1
Tax paid	**8.7**	8.7	14.3
Operating cash flow	**5.5**	(8.8)	54.8

[1] Includes costs accrued in the prior year and paid in the current period.

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 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 Exteriors £m	UK Total £m	France Interiors £m	France Exteriors £m	France Total £m	Germany £m	Benelux £m
Statutory and underlying revenue for the period to 30 June 2023	381.6	221.1	**602.7**	116.4	249.7	**366.1**	234.8	62.1
Statutory and underlying revenue for the period to 30 June 2022	331.9	224.0	**555.9**	111.2	239.8	**351.0**	224.5	56.1
% change year on year:								
Statutory and underlying revenue	15.0%	(1.3)%	**8.4%**	4.7%	4.1%	**4.3%**	4.6%	10.5%
Impact of currency	-	-	-	(3.4)%	(3.3)%	**(3.3)%**	(3.4)%	(3.5)%
Impact of acquisitions	(10.2)%	-	**(6.1)%**	-	-	**-**	(1.3)%	-
Impact of working days	(0.9)%	(0.8)%	**(0.8)%**	-	0.8%	**0.5%**	-	-
Like-for-like sales	3.9%	(2.1)%	**1.5%**	1.3%	1.6%	**1.5%**	(0.1)%	7.0%

f) Other non-statutory measures

In addition to the alternative performance measures noted above, the Group also uses underlying EPS (as set out in Note 7) and underlying net finance costs (as set out in Note 5).

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 2023 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 18. 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 2023 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" issued by the Auditing Practices Board. 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
7 August 2023

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