RNS Number : 7137F
Videndum PLC
26 September 2024

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26 September 2024

Videndum plc

2024 Interim Results

Videndum plc ("the Company" or "the Group"), the international provider of premium branded hardware products and software solutions to the content creation market, announces its results for the half year ended 30 June 2024.

Results	**H1 2024**	**H2 2023[2]**	**H1 2023[1]**
Continuing operations[1]			
Revenue	£153.3m	£141.9m	£165.0m
Adjusted operating profit/(loss)*	£11.0m	£(2.9)m	£16.2m
*Adjusted operating margin**	*7.2%*	(2.0)%	9.8%
Adjusted profit/(loss) before tax*	£6.9m	£(9.3)m	£11.1m
Adjusted basic earnings/(loss) per share*	5.7p	(9.3)p	18.7p
Free cash flow*	£15.1m	£(20.3)m	£(3.5)m
Net debt*	£117.3m	£128.5m	£216.1m
Statutory results from continuing and discontinued operations[1]			
Revenue	£154.9m	£145.1m	£169.9m
Operating loss	£(9.2)m	£(20.9)m	£(44.3)m
Operating margin	*(5.9)%*	*(14.4)%*	*(26.1)%*
Loss before tax	£(13.4)m	£(29.7)m	£(50.0)m
Loss per share	(13.6)p	(57.5)p	(100.0)p

H1 2024 Financial summary

- Videndum's first half revenue was broadly in line with its expectations and the Group maintained its focus on tightly controlling costs, capex and working capital
- Revenue from continuing operations 7% lower than H1 2023, 8% higher than H2 2023, reflecting:
  - Some post-strike recovery in the cine and scripted TV market[2], however the recovery is taking longer than anticipated
  - Continued challenging macroeconomic environment affecting the consumer and independent content creator ("ICC") segments
- Adjusted operating profit* of £11.0 million
  - Adjusted operating profit* up £13.9 million vs H2 2023
  - Adjusted operating expenses* tightly controlled for the last 18 months despite inflationary pressures (-17% lower in H1 2024 than in H1 2022)
- £117.3 million net debt at 30 June 2024, reduced from £128.5 million at 31 December 2023
  - 165% cash conversion*
  - H1 2024 leverage of 3.3x due to depressed EBITDA. The Group renegotiated its committed Revolving Credit Facility ("RCF") with its lending banks. The facility has been extended, reduced in quantum, and its lending covenants improved

Current trading and outlook

- Cine and scripted TV market shows continued signs of post-strike improvement with commissioning of new productions starting to ramp up. However, the recovery is taking longer than anticipated
- Macroeconomic environment affecting the consumer and ICC segments remains challenging, although there is continued strong demand for new premium Compact System Cameras
- Broadcast TV segment second half performance will benefit, as expected, from the successful delivery of the Summer 2024 Olympic Games contract and the forthcoming US Presidential election
- Despite signs of a pickup in cine and scripted TV productions, and growth in the premium camera market, the Group, along with other companies in our sectors, has yet to see the anticipated improvement in orders. As a result, we now expect FY 2024 to be below our previous expectations
- The Company is implementing a strategic cost-saving programme, projected to deliver at least £10 million in additional permanent savings in FY 2025
- The Board expects the cine and scripted TV market to return to higher levels of demand during 2025, and for our ICC segment to start to benefit from the increase in premium camera sales
- Videndum remains well positioned in attractive markets with good medium-term prospects

Commenting, Stephen Bird, Group Chief Executive, said:

"Although market conditions in the first half remained challenging for Videndum, we saw signs of improvement with some post-strike recovery in the cine and scripted TV market. There was continued strong demand for new premium Compact System Cameras however, the macroeconomic environment affecting the consumer and ICC segments remained challenging. Given this backdrop, the Group maintained its relentless focus on managing costs tightly as well as controlling capex and working capital. The Company has returned to being cash generative with a continued reduction in net debt.

"Despite signs of a pickup in cine and scripted TV productions, and growth in the premium camera market, the Group, along with other companies in our sectors, has yet to see the anticipated improvement in orders. As a result,

we now expect FY 2024 to be below our previous expectations. The Company is implementing a strategic cost-saving programme which is projected to deliver at least £10 million in additional permanent savings in FY 2025.

"The Board expects the Group to benefit from increased revenue as the cine and scripted TV market returns to a more normalised level during 2025, and our ICC segment starts to see the pickup from the attachment of our products to recently sold cameras. Videndum remains well positioned in attractive markets with good medium-term prospects."

Notes

1 Armon was held for sale at 30 June 2024 and reported as discontinued operations. H1 2023 has been re-presented to ensure comparability including reporting the operation at Syrp (the Media Solutions' motion controls R&D centre in New Zealand), which was wound down in H2 2023, in discontinued operations. Results of discontinued operations can be found in notes 2 and 13 to the condensed financial statements. 2023 also includes Lightstream in discontinued operations, which was sold on 2 October 2023.
For H2 2023, the Group has re-classified legal expenses of £0.5 million from other administrative expenses to adjusting operating expenses*. There is no impact on the Group's net assets.

2 The Writers' Guild of America ("WGA") was on strike from 2 May to 27 September 2023 and the Screen Actors Guild and the American Federation of Television and Radio Artists ("SAG-AFTRA") were on strike from 14 July to 9 November 2023. WGA's contract was ratified on 9 October 2023 and SAG-AFTRA's contract was ratified on 5 December 2023, ending the strikes.

3 H1 2024 average exchange rates: £1 = 1.26, £1 = €1.17, €1 = 1.08, £1 = ¥192

4 H1 2023 average exchange rates: £1 = 1.23, £1 = €1.14, €1 = 1.08, £1 = ¥166

This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of Videndum plc is Jon Bolton, Group Company Secretary.

** In addition to statutory reporting, Videndum plc reports alternative performance measures from continuing operations ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS"). The Group uses these APMs to aid the comparability of information between reporting periods and Divisions, by adjusting for certain items which impact upon IFRS measures and excluding discontinued operations, to aid the user in understanding the activity taking place across the Group's businesses. APMs are used by the Directors and management for performance analysis, planning, reporting and incentive purposes. A summary of APMs used and their closest equivalent statutory measures is given in the Glossary.*

For more information please contact:

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Stephen Bird, Group Chief Executive
Andrea Rigamonti, Group Chief Financial Officer

A video webcast and Q&A for Analysts and Investors will be held today, starting at 08:30am UK time. The presentation slides are available on our website.

Users can pre-register to access the webcast and slides using the following link:

https://videndum.com/investors/results-reports-and-presentations/

Notes to Editors:

Videndum is a leading global provider of premium branded hardware products and software solutions to the content creation market. We are organised in three Divisions: Videndum Media Solutions, Videndum Production Solutions and Videndum Creative Solutions.

Videndum's customers include broadcasters, film studios, production and rental companies, photographers, independent content creators ("ICC"), professional musicians and enterprises. Our product portfolio includes camera supports, video transmission systems and monitors, live streaming solutions, smartphone accessories, robotic camera systems, prompters, LED lighting, mobile power, carrying solutions, backgrounds, audio capture, and noise reduction equipment.

We employ around 1,600 people across the world in ten different countries. Videndum plc is listed on the London Stock Exchange, ticker: VID.

More information can be found at: https://videndum.com/

LEI number: 2138007H5DQ4X8YOCF14

H1 2024 management and financial overview

As expected, market conditions remained challenging in the first half of 2024, however we saw some signs of improvement, with some post-strike recovery in the cine and scripted TV market (c.30% of Group revenue exposed to cine and scripted TV market[1]). The macroeconomic environment affecting the consumer and ICC segments (together c.40-50% of Group revenue[1]) remained challenging, although there was significantly less destocking than in H1 2023.

Against this backdrop, we continued to take robust actions. The Group maintained its focus on managing costs tightly, and controlling capital expenditure and working capital. Adjusted operating expenses* have remained flat for the last 18 months, running 17% lower than in H1 2022. Property, Plant and Equipment ("PP&E") capex has remained at a low level (aside from expenditure for the Olympics).

The Group renegotiated its committed RCF with its lending banks during the second quarter of 2024. The facility has been extended by six months to 14 August 2026, the total committed facility has been reduced by £50 million to £150 million, and its lending covenants improved as follows: June 2024 (leverage[2] of 4.25x and interest cover[3] of 1.5x); September 2024 (interest cover[3] of 2.25x); December 2024 (interest cover[3] of 3.0x); interest cover[3] to 3.5x thereafter and quarterly test dates to continue.

Through this period, we have been careful to largely protect R&D investment to enable the Group to continue to develop market-leading products to maximise its future growth potential.

Income and expense

The numbers below are presented on a continuing basis (unless otherwise stated).

	Adjusted*			Statutory from continuing and discontinued operations	
	H1 2024	H2 2023	H1 2023	H1 2024	H1 2023
Revenue	£153.3m	£141.9m	£165.0m	£154.9m	£169.9m
Operating profit/(loss)	£11.0m	£(3.9)m	£16.2m	£(9.3)m	£(44.3)m

Operating profit/(loss)	£11.0m	£(2.9)m	£16.2m	£(9.2)m	£(44.3)m
Profit/(loss) before tax	£6.9m	£(9.3)m	£11.1m	£(13.4)m	£(50.0)m
Earnings/(loss) per share	5.7p	(9.3)p	18.7p	(13.6)p	(100.0)p

The headwinds mentioned above had slightly more impact than those experienced in H1 2023. This resulted in Group revenue from continuing operations decreasing by 7% compared to H1 2023.

We estimate that the revenue impact of the declining consumer and ICC market was c.£7 million, and c.£11 million from the supressed cine and scripted TV market. These effects were largely offset by c.£12 million less destocking than that seen in H1 2023. The remaining c.£6 million decline was mainly due to adverse FX compared to H1 2023.

While revenue from the cine and scripted TV market was lower than in H1 2023, it was significantly up on H2 2023. This followed the conclusion of the writers' and actors' strikes at the end of 2023 and productions restarting. Although the consumer and ICC market continued to decline, it was at a lower rate than that experienced in 2023. As a result, total revenue in H1 2024 was 8% higher than H2 2023.

Adjusted gross margin* fell slightly from 41.6% in H1 2023 to 40.7% in H1 2024 due to the lower revenue. Adjusted operating expenses* decreased by £0.5 million to £52.3 million (H1 2023: £52.8 million) and have run at this level for the past 18 months (H2 2023: £52.7 million). This reflects self-help actions taken to reduce discretionary costs in the short-term, including the state support scheme La Cassa Integrazione Guadagni Ordinaria ("CIGO") in Italy, and benefits from the restructuring projects actioned at the end of 2022 and in H1 2023. Adjusted operating expenses* were -17% lower than those in H1 2022 (£63.1 million) but are expected to return in a phased and controlled manner as trading conditions improve.

Adjusted operating profit* included a £0.3 million adverse foreign exchange effect after hedging, compared to H1 2023. The impact on H2 2024 adjusted operating profit* from a one cent stronger/weaker US Dollar/Euro is expected to be an increase/decrease of approximately £0.1 million and £nil million respectively. At current spot rates (24 September: £1 = 1.34, £1 = €1.20) there is expected to be a £0.9 million adverse impact on H2 2024 versus H2 2023.

Adjusted net finance expense* of £4.1 million was £1.0 million lower than in H1 2023. This was driven by lower borrowings, following the equity raise at the end of 2023 and despite higher interest rates on borrowings. In H2 2024, an average of c.50% of our borrowings will be fixed through swaps at an average rate of c.4% (including margin). These swaps are due to mature in September 2025 (40.0 million) and January 2025 (£37.0 million). Our floating debt currently has an average interest rate of c.7% (including margin). Net finance expense also includes interest on the lease liabilities, income from the accounting surplus of the defined benefit pension scheme, amortisation of loan fees, and net currency translation gains or losses.

Adjusted profit before tax* was £6.9 million, £4.2 million lower than H1 2023. Adjusted operating profit* and adjusted profit before tax* were down 32% and 38% respectively on H1 2023.

Statutory loss before tax from continuing and discontinued operations of £13.4 million (H1 2023: £50.0 million loss) includes adjusting items from continuing operations of £17.7 million (H1 2023: £6.9 million) and a £2.6 million loss from discontinued operations after adjusting items (H1 2023: £54.2 million loss). The adjusting items from continuing operations primarily relate to the impairment of assets (£15.3 million of the £17.7 million).

The Group's effective tax rate ("ETR") on adjusted profit before tax* was 22% (H1 2023: 21%). Statutory ETR from continuing and discontinued operations was a 4% credit on the £13.4 million loss (H1 2023: 7% credit on the £50.0 million loss before tax).

Adjusted basic earnings per share* was 5.7 pence (H1 2023: 18.7 pence). Statutory basic loss per share from continuing and discontinued operations was 13.6 pence (H1 2023: 100.0 pence loss per share).

Cash flow and net debt

Cash generated from operating activities was £22.7 million (H1 2023: £11.5 million) and net cash from operating activities was £19.1 million (H1 2023: £0.5 million).

Free cash flow* was £18.6 million higher than in H1 2023, reflecting higher cash conversion*, and lower interest, tax and restructuring costs. Cash conversion* was 165%, and cumulatively across the three years to 30 June 2024 has been 94%.

£m	H1 2024	H1 2023	Variance
Statutory operating loss from continuing and discontinued operations	**(9.2)**	(44.3)	52.1
Add back discontinued operations statutory operating loss	**2.5**	54.0	(51.5)
Add back adjusting items from continuing operations	**17.7**	6.5	(3.7)
Adjusted operating profit*	**11.0**	**16.2**	**(5.2)**
Depreciation(1)	**9.8**	10.3	(0.5)
Adjusted trade working capital (inc)/dec*	**4.4**	2.6	1.8
Adjusted non-trade working capital (inc)/dec*	**(0.7)**	(6.9)	6.2
Adjusted provisions inc/(dec)*	**(0.4)**	(0.1)	(0.3)
Capital expenditure(2)	**(7.4)**	(7.7)	0.3
Other(3)	**1.5**	0.7	0.8
Adjusted operating cash flow*	**18.2**	**15.1**	**3.1**
*Cash conversion**	***165%***	*93%*	*+72%pts*
Interest and tax paid	**(3.6)**	(11.0)	7.4
Earnout and retention bonuses	**(1.2)**	(3.7)	2.5
Restructuring, integration costs and sale of property	**1.8**	(3.3)	5.1
Transaction costs	**(0.1)**	(0.6)	0.5
Free cash flow*	**15.1**	**(3.5)**	**18.6**

(1) Includes depreciation, amortisation of software and capitalised development costs
(2) Purchase of Property, Plant & Equipment ("PP&E") and capitalisation of software and development costs
(3) Includes share-based payments charge (excluding retention) and other reconciling items to get to the adjusted operating cash flow*
Net cash from operating activities of £19.1 million (H1 2023: £0.5 million) comprises £15.1 million free cash flow from continuing operations* (H1 2023: -£3.5 million) plus £7.4 million capital expenditure from continuing operations (H1 2023: £7.7 million) less £2.5 million from sale of PP&E and software from continuing operations (H1 2023: £0.1 million) plus net cash from operating activities from discontinued operations of -£0.9 million (H1 2023: -£3.6 million)

Adjusted trade working capital* decreased by £4.4 million in H1 2024 (H1 2023: £2.6 million decrease). Inventory increased by £0.8 million in H1 2024 (H1 2023: increased by £1.2 million). Trade receivables increased by £5.2 million and trade payables increased by £10.4 million. These reflected the higher level of trading in H1 2024 compared to H2 2023.

Capital expenditure included:

- £3.0 million of PP&E (£1.7 million excluding the Olympics) compared with £1.9 million in H1 2023. This reflected continued actions to limit non-essential spend, with PP&E £1.5 million lower, excluding the Olympics, than in H1 2022 (£3.2 million);
- £4.2 million capitalisation of development costs (H1 2023: £5.5 million) and £0.2 million capitalisation of software (H1 2023: £0.3 million). Gross R&D was lower than in H1 2023. The percentage of revenue (6.3%) was flat year-on-year (H1 2023: 6.3%).

£m	H1 2024	H1 2023	Variance
Gross R&D	**9.7**	10.4	(0.7)
Capitalised	**(4.2)**	(5.5)	1.3
Amortisation	**3.1**	2.7	0.4
P&L Impact	**8.6**	7.6	1.0

Interest and tax paid decreased by £7.4 million compared to H1 2023, mainly due to timing of tax payments and refunds, as well as lower interest costs.

Earnout and retention bonuses relate to AUDIX, Savage and Quasar. £2.5 million was received for the sale of a property in the Production Solutions Division.

December 2023 closing net debt* (£m)	**(128.5)**
Free cash flow from continuing operations*	15.1
Free cash flow from discontinued operations	(2.3)
Upfront loan fees, net of amortisation	0.5
Dividends paid	-
Employee incentive shares	(0.1)
Acquisitions/disposals	-
Net lease additions	(0.8)
FX	(1.2)
June 2024 closing net debt* (£m)	**(117.3)**

Net debt* at 30 June 2024 of £117.3 million was £11.2 million lower than at 31 December 2023 (£128.5 million). There was a £1.2 million unfavourable impact from FX, primarily from the translation of our US dollar debt, following the strengthening of the US dollar against Sterling across H1 2024.

On 28 June 2024, the Group renegotiated its RCF with its lending banks by extending its termination to 14 August 2026 and reducing its committed facility by £50 million to £150 million. This reflects the lower level of borrowings that the Group is operating with after the equity raise in December 2023. As part of this renegotiation, the Group also agreed the improvements to its covenants.

At 30 June 2024, leverage[2] was 3.3x (31 December 2023: 3.3x) and interest cover[3] was 1.9x (31 December 2023: 2.0x).

Liquidity at 30 June 2024 totalled £63.9 million, comprising £47.2 million unutilised RCF (total facility of £150 million which matures in August 2026) and £55.4 million of cash less £38.7 million utilised overdraft.

ROCE* of 2.8%[4] was lower than the prior year (31 December 2023: 4.5%), which mainly reflects the lower adjusted operating profit* in H1 2024 compared to H1 2023.

Material uncertainty

The Board has conducted a thorough evaluation of the going concern basis of accounting and has modelled both a base case and a severe but plausible downside scenario. A breach of the Group's loan covenants within 12 months from the approval of these financial statements is not forecast under the base case but is forecast under the severe but plausible scenario, as well as limited covenant headroom for the remainder of 2024. Consequently, the Board has concluded that while the Group has a reasonable expectation of its ability to renegotiate the terms of the RCF if required, take other actions to avoid a breach of covenants or to obtain a waiver, these financial projections do indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The Board implemented mitigating actions during the first half of 2024 to offset the challenging trading conditions and has successfully renegotiated the covenants in the past. The Board continues to employ similar robust measures which include cost reduction activities, particularly but not limited to discretionary costs; cash saving measures; and renegotiating its RCF covenants. As a result of the continuing challenging trading conditions, the Group has developed a set of actions to be delivered during the second half of 2024 and in early 2025 that will reduce costs permanently in comparison to those included in the forecasts. Further detail on the assessment of going concern can be found within note 1 to the condensed financial statements.

Adjusting items from continuing operations

Adjusting items from continuing operations in H1 2024 primarily relate to the impairment of assets, which reflects the impairment of goodwill allocated to the Media Solutions Division. Trading conditions have been challenging for the last two years and, given the diminished visibility regarding the speed of recovery, there is a resulting impairment of some of the goodwill accumulated from historic acquisitions.

£m	H1 2024	H1 2023
Amortisation of intangible assets that are acquired in a business combination	**(1.8)**	(2.0)
Acquisition related charges	**(0.1)**	(0.4)
Integration, restructuring, and other costs	**(0.5)**	(2.3)
Impairment of assets	**(15.3)**	(1.8)
Finance expense - amortisation of loan fees on borrowings for acquisitions	**-**	(0.4)
Adjusting items	**(17.7)**	**(6.9)**

Discontinued operations

The Group is focusing more tightly on high-end professional content creation, where it has high market share, sales channel expertise and more compelling growth opportunities. Consequently, in 2023 the Board decided to exit loss-making operations in non-core markets, specifically medical and gaming, to concentrate R&D investment on the content creation market. As a result, whilst the Creative Solutions Division as a whole remains core going forward, Amimon was held for sale at 30 June 2024 and Lightstream was sold on 2 October 2023. Both are reported as

Amimon was held for sale at 30 June 2024 and Lightstream was sold on 2 October 2023. Both are reported as discontinued operations. In addition, we wound down Syrp (the Media Solutions' motion controls R&D centre in New Zealand) in H2 2023, which is also reported within discontinued operations. H1 2024 financials predominantly relate to Amimon but do include some final operating expenses for Syrp.

£m	H1 2024	H1 2023
Revenue	**1.6**	4.9
Adjusted loss before tax*	**(1.3)**	(4.0)
Adjusting items	**(1.3)**	(50.2)
Statutory loss before tax	**(2.6)**	(54.2)

Revenue decreased significantly due to the sale of Lightstream (revenue in H1 2023 but not in H1 2024) and tough trading conditions for Amimon.

Adjusting items of £1.3 million (H1 2023: £50.2 million) mainly reflects a £1.2 million impairment of assets (H1 2023: £46.9 million across Amimon, Lightstream and Syrp).

Notes

1 Management estimates of pre-strikes revenue by market

2 Leverage is calculated as net debt before arrangement fees and after leases of discontinued operations, divided by covenant EBITDA for the applicable 12-month period (being adjusted EBITDA*, before share-based payment charges, and after interest on employee benefits, interest related net currency translation gains, and the amortisation of loan arrangement fees); see Glossary for further detail.

3 Interest cover is calculated as covenant EBITA for the applicable 12-month period (being adjusted EBITDA* less depreciation of PP&E) divided by adjusted net finance expense* (before interest on employee benefits and FX movements, and the amortisation of arrangement fees); see Glossary for further detail.

4 Return on capital employed ("ROCE") is calculated as adjusted operating profit* for the last twelve months divided by the average total assets (excluding non-trading assets of defined benefit pension and deferred tax), current liabilities (excluding current interest-bearing loans and borrowings), and non-current lease liabilities.

Divisions

Videndum's purpose is to "enable our customers to capture and share exceptional content", and this is what guides us. We focus on the professional end of the content creation market, operating in defensible niches where our premium brands have strong share.

There is growing appetite for high quality content, and we expect demand for, and investment in, original content to remain strong (e.g. live news, broadcast sport, reality and scripted TV shows, films, digital visual content for e-commerce and vlogging, etc).

The Group is well positioned at the heart of this market and our strategic priorities remain unchanged. However, we are focusing more tightly on our core markets, particularly for high-end, professional and B2B content creation, where we see the greatest growth potential, and exiting non-core markets. Our long-term strategy is to invest in areas where we can grow organically, while improving our margins and, over the longer-term, to grow through M&A.

Media Solutions

The Media Solutions Division designs, manufactures and distributes premium branded equipment for photographic and video cameras, and smartphones. It provides dedicated solutions to professional and amateur photographers and videographers, independent content creators, vloggers/influencers, enterprises, governments and professional musicians. These include camera supports (tripods and heads), smartphone and vlogging accessories, lighting supports and controls, LED lights, audio capture and noise reduction equipment, carrying solutions and backgrounds. Media Solutions represents c.50% of Group revenue.

	Adjusted*			Statutory from continuing and discontinued operations	
Media Solutions	**H1 2024**	**H2 2023**	**H1 2023**	**H1 2024**	**H1 2023**
External revenue	£73.1m	£71.4m	£82.3m	£73.1m	£82.3m
Operating profit/(loss)	£6.4m	£0.9m	£10.5m	£(11.4)m	£5.7m
Operating margin	8.8%	1.3%	12.8%	(15.6)%	6.9%

** For Media Solutions, before adjusting items of £17.3 million (H1 2023: £3.7 million) and operating loss from discontinued operations of £0.5 million (H1 2023: £1.1 million loss)*

Market conditions continued to be tough for Media Solutions, with demand in the consumer and ICC segments (together c.75%) declining, albeit at a lower rate than that seen in 2023. This was offset by significantly less destocking in H1 2024 than there was in H1 2023 such that sell-in to retailers was broadly flat year-on-year. Media Solutions' revenue was 11% lower than in H1 2023, driven by lower revenue for cine and scripted TV products following a strong H1 2023 before the strikes began. Media Solutions' revenue was slightly higher than H2 2023, with the cine and scripted TV market returning to some extent post-strikes.

Actions continued to be taken to minimise discretionary spend and CIGO continued to be applied at the Feltre factory, which allowed us to flex manufacturing output to reduce inventory. As a result, adjusted operating expenses* were 6% lower than in H1 2023 and 17% lower than in H1 2022. The Division also benefitted from the 2023 restructuring actions.

Adjusted operating margin* was 8.8% (H1 2023: 12.8%) reflecting operating leverage on the revenue decline and a £0.7 million charge relating to an inventory provision for JOBY. This was partly mitigated by the lower adjusted operating expenses*.

Statutory operating loss was £11.4 million (H1 2023: £5.7 million profit) which reflects £17.3 million of adjusting items from continuing operations (H1 2023: £3.7 million) and a £0.5 million loss from discontinued operations (H1 2023: £1.1 million loss).

Production Solutions

The Production Solutions Division designs, manufactures and distributes premium branded and technically advanced products and solutions for broadcasters, film and video production companies, independent content creators and enterprises. Products include video fluid heads, tripods, LED lighting, batteries, prompters and robotic camera systems. It also supplies premium services including equipment rental and technical solutions. Production Solutions represents c.30% of Group revenue.

	Adjusted*			Statutory	
Production Solutions	**H1 2024**	**H2 2023**	**H1 2023**	**H1 2024**	**H1 2023**
External revenue	£46.7m	£49.5m	£51.7m	£46.7m	£51.7m
Operating profit	£5.9m	£5.3m	£7.3m	£5.5m	£4.6m
Operating margin	12.6%	10.7%	14.1%	11.8%	8.9%

** For Production Solutions, before adjusting items of £0.4 million (H1 2023: £2.7 million).*

Production Solutions' revenue was 10% lower than in H1 2023. Conditions remained challenging both in the cine and scripted TV market, and for ICCs. In the broadcast market, robotic sales were up c.50% compared to H1 2023, driven by the Vinten VEGA Robotics Control System, launched in 2023, which can also be automated with AI-driven talent tracking. However, this was offset by slightly lower performance in our broadcast manual supports and lighting products. Revenue was lower than in H2 2023, mainly due to the challenges in the ICC market. Anton/Bauer's Salt-E Dog, the sustainable portable power solution based on sodium technology, won awards at both the 2024 National Association of Broadcasters Show in Las Vegas and the Royal Television Society Awards, however revenue was constricted by the challenging market conditions.

Costs continued to be controlled tightly, with adjusted operating expenses* having remained broadly flat across the last 18 months, and 9% lower than in H1 2022. The adjusted operating margin* was down to 12.6% (H1 2023: 14.1%).

Statutory operating profit was £5.5 million (H1 2023: £4.6 million) reflecting £0.4 million of adjusting items (H1 2023: £2.7 million).

Creative Solutions

The Creative Solutions Division develops, manufactures and distributes premium branded products and solutions for film and video production companies, independent content creators, enterprises and broadcasters. Products include wired and wireless video transmission systems, lens control systems, monitors and camera accessories for the cine, scripted TV and live production segments. Creative Solutions represents c.20% of Group revenue.

	Adjusted*			Statutory from continuing and discontinued operations	
Creative Solutions	**H1 2024**	**H2 2023**	**H1 2023**	**H1 2024**	**H1 2023**
External revenue	£33.5m	£21.0m	£31.0m	£35.1m	£35.9m
Operating profit/(loss)	£4.8m	£(2.9)m	£3.7m	£2.8m	£(49.3)m
Operating margin	14.3%	(13.8)%	11.9%	8.0%	(137.3)%

** For Creative Solutions, before adjusting items from continuing operations of £nil million (H1 2023: £0.1 million) and operating loss from discontinued operations of £2.0 million (H1 2023: £52.9 million loss)*

The writers' and actors' strikes had the largest effect on Creative Solutions in 2023, where the majority of products are used in cine and scripted TV. This Division has therefore seen the largest rebound effect, although the market is still operating at a suppressed level. Live production revenue has been broadly flat over the last 18 months despite challenging market conditions. Creative Solutions' revenue was 8% ahead of H1 2023 and 60% up on H2 2023.

Adjusting operating expenses* were 2% lower than in H1 2023 and 18% lower than in H1 2022. This reflected the restructuring actions announced at the end of 2022 and limiting discretionary spend.

Adjusted operating margin* was up to 14.3% (H1 2023: 11.9%) reflecting operating leverage on the higher revenue.

Statutory operating profit was £2.8 million (H1 2023: £49.3 million loss), which reflects £nil of adjusting items from continuing operations (H1 2023: £0.1 million) and a £2.0 million loss from discontinued operations (H1 2023: £52.9 million loss).

Corporate costs

Corporate costs include charges relating to Long Term Incentive Plan ("LTIP") and Restricted Share Plan ("RSP") used to incentivise and retain employees across the Group. They also include payroll and bonus costs for the Executive Directors and head office team, professional fees, property costs, and travel costs.

	Adjusted*			Statutory	
Corporate costs	**H1 2024**	**H2 2023**	**H1 2023**	**H1 2024**	**H1 2023**
Operating (loss)	£(6.1)m	£(6.2)m	£(5.3)m	£(6.1)m	£(5.3)m

** For corporate costs, before adjusting items of £nil million (H1 2023: £nil million).*

Corporate costs were higher than those in H1 2023 mainly due to the non-repeat of reversal of certain LTIP charges in H1 2023. Costs were broadly flat compared to H2 2023.

Dividend

The Board recognises the importance of dividends to the Group's shareholders and intends to resume payment of a progressive and sustainable dividend when appropriate to do so. Note, the amendments to the RCF preclude the Board from declaring a dividend until delivery of the 31 March 2025 covenant test.

Responsibility

ESG Strategy

Despite the market challenges faced in H1 2024, the Group has continued to progress with our ESG programme which is focused on seven key pillars across four areas:

Environment: Reduce carbon emissions; Reduce packaging and waste; Embed sustainability into our product life cycle

Our people: Continue to prioritise health and safety; Improve diversity and inclusion

Responsible practices: Formalise the integrity of our entire supply chain

Giving back: Positively impact the communities in which we operate

Environment and climate initiatives, and 2024 priorities

The Group continues to work towards net zero by 2035 for Scopes 1 and 2, and 2045 for Scope 3. In 2024, we aim to further develop energy and emissions' reduction initiatives, integrate sustainability into our product lifecycles and refine data collection methods. Data collection will focus on Categories 1 (Purchased Goods and Services), 4 (Upstream transportation and distribution) and 9 (Downstream Transportation and Distribution). We plan to consolidate the Group's standalone 2024 ESG and TCFD reports to enhance accessibility for stakeholders. The combined sustainability report will be available in H1 2025.

Climate change

We recognise our duty to work towards mitigating climate change. We conduct annual climate scenario analyses for our main sites, key suppliers and supply routes, modelling the effects of climate change across three different warming scenarios. To discuss the mitigation measures for each risk, various stakeholders within the business participated in the Group's Climate Transition Risk Management Workshop in July 2024. Our Head of Group Risk Assurance will annually review climate-risk exposure against business risk level tolerances.

Risks and Uncertainties

Videndum is exposed to a number of risk factors which may affect its performance. The Group has a well-established framework for reviewing and assessing these risks on a regular basis, and has put in place appropriate processes and procedures to mitigate against them. However, no system of control or mitigation can completely eliminate all risks.

The principal risks and uncertainties that may affect our performance are set out in the 2023 Annual Report and in summary are around:

- Demand for Videndum's products
- Cost pressure
- Dependence on key suppliers (including component shortages)
- Dependence on key customers
- People (including health and safety)
- Laws and regulations
- Reputation of the Group
- Treasury
- Business continuity including cyber security
- Climate change
- Restructuring and disposals
- Acquisitions

At half-year, the Group continued to report that a material uncertainty over going concern still existed, therefore this contributes to certain risks remaining elevated.

The "Treasury" risk remains high as it encompasses risks relating to going concern, funding, cash management and foreign exchange. While borrowings have reduced significantly since June 2023 because of the equity raise, we expect interest charges to remain high throughout 2024, and in 2025 due to fixed rate borrowing coming to an end. In addition, the Group needs to comply with RCF lending covenants at quarterly testing periods; failure to meet those could result in the lending syndicate requesting immediate repayment of the Group's RCF drawings, which would impact the Group's ability to continue as a going concern. The Group is closely monitoring headroom against these covenants and has identified further cost reduction opportunities.

The "Treasury" risk is also heightened as a result of increased pressure on cash management, in particular the additional challenges in managing inventory levels due to demand being less than planned. In addition, the Trustee of the UK Defined Benefit scheme may seek from the Group an increased payment into the defined benefit scheme due to concerns about long term funding in the context of going concern material uncertainty.

The risk relating to "Demand for Videndum's products" is stable overall. The Group's overall performance has improved since the second half of 2023, due to some post-strike recovery in the cine and scripted TV market. In addition, the Group's H2 2024 performance will benefit from the Olympics and the US Presidential election. Although the macroeconomic environment remains challenging, we believe the long-term fundamentals for the content creation industry remain strong.

The risk related to "Dependence on Key Suppliers" is high due to Videndum's reliance on a small number of suppliers available to produce certain critical components such as wireless modules, semi-conductors and bespoke glass panels for use in monitors. It is currently exacerbated by geopolitical issues, including trade disputes with China. We continue to seek alternative providers and where necessary, purchase buffer stock to mitigate the risk of supply chain disruption.

Overall "Cost pressure" has eased since the end of 2022, in particular the cost of energy and commodities, and the affordability of critical components.

"People" risk is higher due to the increased pressure linked to restructuring initiatives and measures to contain costs given pressures on the business, including short time working. This may affect morale and lead to greater employee turnover. Headcount freezes are placing higher demands on people, leading to increased dissatisfaction, as well as no bonuses, significantly reduced variable incentive payments, and salary increase freezes. During the first half of 2024, some Divisions experienced greater attrition rates for certain key roles, with some employees in key engineering positions leaving Videndum.

"Cyber" risk remains elevated in view of the high number of cyber security breaches and ransomware activity affecting the corporate sector. We continue to focus on strengthening our cyber security defences and have increased budgets allocated to security. We keep our framework under review.

The risk relating to "restructuring and disposals" continues to be high given the planned disposal of the Amimon medical business and the need to continue to control costs.

The likelihood of any acquisition is very low in the short term, so the risk is correspondingly low. This risk is offset by the possibility that central bank rates will start to fall.

Forward-looking statements

This announcement contains forward-looking statements with respect to the financial condition, performance, position, strategy, results and plans of the Group based on management's current expectations or beliefs as well as assumptions about future events. These forward-looking statements are not guarantees of future performance. Undue reliance should not be placed on forward-looking statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. The Company undertakes no obligation to publicly revise or update any forward-looking statements or adjust them for future events or developments. Nothing in this announcement should be construed as a profit forecast.

The information in this announcement does not constitute an offer to sell or an invitation to buy shares in the Company in any jurisdiction or an invitation or inducement to engage in any other investment activities. The release or publication of this announcement in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

This announcement contains brands and products that are protected in accordance with applicable trademark and patent laws by virtue of their registration.

Going concern

These financial statements have been prepared on a going concern basis. The Board has considered the future cash flows over a period of 12 months from the approval date of these financial statements and believes that available liquidity will be sufficient to enable the Group to meet its liabilities as they fall due.

The Board has conducted a thorough evaluation of the going concern basis of accounting and has modelled both a base case and a severe but plausible downside scenario. A breach of the Group's loan covenants within 12 months from the approval of these financial statements is not forecast under the base case but is forecast under the severe but plausible scenario.

Consequently, the Board has concluded that while the Group has a reasonable expectation of its ability to renegotiate the terms of the RCF, take other actions to avoid a breach of covenants or to obtain a waiver, these projections do indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Full detail can be found within note 1 to the condensed financial statements.

For and on behalf of the Board

Stephen Bird Group Chief Executive	Andrea Rigamonti Group Chief Financial Officer

Statement of Directors' responsibilities

The Directors confirm that these condensed consolidated financial statements ("Financial Statements") have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the Videndum plc website is the responsibility of the Directors; the work carried out by the authors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the Financial Statements since they were initially presented on the website.

The Directors of Videndum plc are listed in the Videndum plc annual report for 31 December 2023, with the exception of the following changes in the period: Ian McHoul, Tete Soto and Erika Schraner ceased to be Directors at the conclusion of the Company's Annual General Meeting on 19th May 2024. Polly Williams was appointed to the board as Non-executive, Chair of the Audit Committee and a member of the Remuneration and Nominations Committees on 1 July 2024. Stephen Harris was appointed to the Board in November 2023 but took the helm of Chairman of the Board on 1 May 2024. A list of current Directors is maintained on the Videndum plc website: www.videndum.com.

By order of the board

Independent review report to Videndum plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Videndum plc's condensed consolidated interim financial statements (the "interim financial statements") in the 2024 Interim Results of Videndum plc for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 30 June 2024;
- the Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2024 Interim Results of Videndum plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. 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.

We have read the other information contained in the 2024 Interim Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Material uncertainty related to going concern

In forming our conclusion on the interim financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the interim financial statements concerning the group's ability to continue as a going concern.

Note 1 to the interim financial statements highlights the challenging trading conditions, in particular the post-strike recovery in the cine and scripted TV market that is taking longer than anticipated, and the challenging macroeconomic environment affecting consumers and independent content creators.

In assessing going concern, the board has considered the forecast of cash flows over a period of 12 months from the approval date of the interim financial statements, in order to assess both the ongoing liquidity of the group and its ability to meet its lending covenants. The severe but plausible downside scenario reflects the sensitivities in terms of timeline and pace of recovery of the group's performance from the strikes and worse than expected trading conditions. The financial projections under the severe but plausible scenario indicate that a breach of the Group's loan covenants is forecast towards the end of the going concern period, i.e. within 12 months from the approval of these interim financial statements, and there is limited covenant headroom for the remainder of 2024 should the current trading levels, which are close to the severe but plausible downside scenario, continue.

These conditions, along with the other matters explained in note 1 to the interim financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The interim financial statements do not include the adjustments that would result if the group were unable to continue as a going concern.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately applied the going concern basis of accounting in the preparation of the interim financial statements.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The 2024 Interim Results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the 2024 Interim Results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the 2024 Interim Results, including the interim financial statements, the directors are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the 2024 Interim Results based on our review. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
25 September 2024

Condensed Consolidated Statement of Profit or Loss

For the half year ended 30 June 2024

		Half year to 30 June 2024	Half year to 30 June 2023(1)	Year to 31 December 2023(2)
		Unaudited	Unaudited	Audited
	Notes	**£m**	£m	£m
Continuing operations				
Revenue	2	**153.3**	165.0	306.9
Cost of sales		**(91.0)**	(96.9)	(193.0)
Other Income				
Other income		**-**	0.4	0.7
Gross profit		**62.3**	68.5	114.6
Other income		**0.9**	-	-
Operating expenses	3	**(69.9)**	(58.8)	(119.3)
Operating (loss)/profit		**(6.7)**	9.7	(4.7)
Comprising				
- Adjusted operating profit		**11.0**	16.2	13.3
- Adjusting items in operating (loss)/profit	4	**(17.7)**	(6.5)	(18.0)

	Note			
Finance income		**1.1**	2.7	2.4
Finance expense		**(5.2)**	(8.2)	(16.5)
Net finance expense	5	**(4.1)**	(5.5)	(14.1)
(Loss)/profit before tax		**(10.8)**	4.2	(18.8)
Comprising				
- Adjusted profit before tax		**6.9**	11.1	1.8
- Adjusting items in (loss)/profit before tax	4	**(17.7)**	(6.9)	(20.6)
Taxation	6	**0.6**	(0.7)	6.7
(Loss)/profit for the period from continuing operations		**(10.2)**	3.5	(12.1)
Loss for the period from discontinued operations	14	**(2.6)**	(50.0)	(66.0)
Loss for the period attributable to owners of the parent		**(12.8)**	(46.5)	(78.1)

(1) Half year to 30 June 2023 has been re-presented to present Syrp Limited ("Syrp"), which is part of the Media Solutions Division, as a discontinued operation separately from continuing operations. On 31 December 2023 the Syrp business based in New Zealand was closed. See note 14 "Discontinued operations and non-current assets classified as held for sale".

(2) See note 3 "Operating expenses" for details of change to adjusting items in the comparative amounts.

Earnings per share from continuing operations				
Basic earnings per share	7	**(10.8)p**	7.5p	(24.4)p
Diluted earnings per share	7	**(10.8)p**	7.4p	(24.4)p
Earnings per share from total operations				
Basic earnings per share	7	**(13.6)p**	(100.0)p	(157.5)p
Diluted earnings per share	7	**(13.6)p**	(100.0)p	(157.5)p
Average exchange rates				
Euro		**1.17**	1.14	1.15
US		**1.26**	1.23	1.24

Condensed Consolidated Statement of Comprehensive Income

For the half year ended 30 June 2024

	Half year to 30 June 2024	Half year to 30 June 2023	Year to 31 December 2023
	Unaudited	Unaudited	Audited
	£m	£m	£m
Loss for the period	**(12.8)**	(46.5)	(78.1)
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit schemes	**-**	0.8	0.1
Tax	**-**	(0.2)	-
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences on foreign currency subsidiaries	**(1.1)**	(14.0)	(12.2)
Net investment hedges - net (loss)/gain	**(0.8)**	2.4	-
Fair value of cash flow hedges reclassified to the profit or loss	**(2.2)**	(2.0)	(4.2)
Effective portion of changes in fair value of cash flow hedges	**1.1**	2.9	2.9
Tax associated with changes in cash flow hedges	**0.3**	(0.2)	0.3
Other comprehensive loss, net of tax	**(2.7)**	(10.3)	(13.1)
Total comprehensive loss for the period attributable to owners of the parent	**(15.5)**	(56.8)	(91.2)

Condensed Consolidated Balance Sheet

As at 30 June 2024

	Notes	**30 June 2024** **Unaudited** **£m**	30 June 2023 Unaudited £m	31 December 2023 Audited £m
Assets				
Non-current assets				
Intangible assets	8	**137.1**	155.8	152.6
Property, plant and equipment		**53.2**	60.2	56.4
Employee benefit asset	9	**4.2**	4.7	4.2
Trade and other receivables		**4.2**	5.0	5.2
Derivative financial instruments	11	**0.2**	3.6	2.3
Non-current tax assets	6	**3.2**	3.1	3.1
Deferred tax assets	6	**55.6**	43.7	55.4
		257.7	276.1	279.2
Current assets				
Inventories		**94.7**	102.0	94.5
Contract assets		**1.9**	2.4	1.8
Trade receivables		**40.0**	42.4	35.2
Other receivables		**13.8**	9.5	12.1
Derivative financial instruments	11	**2.8**	2.8	1.8
Current tax assets		**3.3**	5.3	5.7
Cash and cash equivalents	10	**55.4**	17.9	8.7
		211.9	182.3	159.8
Assets of the disposal group classified as held for sale	14	**9.0**	22.6	12.3
Total assets		**478.6**	481.0	451.3
Liabilities				
Current liabilities				
Bank overdrafts	10	**38.7**	4.3	4.0
Interest-bearing loans and borrowings	10	**0.1**	30.7	0.2
Lease liabilities	10	**7.9**	5.7	5.6
Contract liabilities		**5.9**	1.7	2.1
Trade payables		**30.2**	34.2	20.0
Other payables		**19.5**	20.1	22.8
Derivative financial instruments	11	**-**	0.1	0.1
Current tax liabilities		**6.5**	13.8	7.8
Provisions		**2.9**	3.5	3.1
		111.7	114.1	65.7
Non-current liabilities				
Interest-bearing loans and borrowings	10	**101.9**	162.8	99.0
Lease liabilities	10	**24.1**	30.5	28.4
Other payables		**0.9**	0.8	1.2
Employee benefit liabilities		**2.6**	2.7	2.9
Provisions		**0.7**	0.8	0.8
Deferred tax liabilities		**9.8**	7.2	11.2
		140.0	204.8	143.5
Liabilities of the disposal group classified as held for sale	14	**3.9**	6.5	4.6
Total liabilities		**255.6**	325.4	213.8

Net assets		**223.0**	155.6	237.5
Equity				
Share capital	12	**18.9**	9.4	18.9
Share premium		**133.7**	24.4	133.7
Translation reserve		**(14.9)**	(12.4)	(13.0)
Capital redemption reserve		**1.6**	1.6	1.6
Cash flow hedging reserve		**2.1**	4.6	2.9
Retained earnings		**81.6**	128.0	93.4
Total equity		**223.0**	155.6	237.5
Balance Sheet exchange rates				
Euro		**1.18**	1.17	1.15
US		**1.26**	1.27	1.27

Consolidated Statement of Changes in Equity

For the half year ended 30 June 2024 (Unaudited)

	Share capital	Share premium	Translation reserve	Capital redemption reserve	Cash flow hedging reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2024	**18.9**	**133.7**	**(13.0)**	**1.6**	**2.9**	**93.4**	**237.5**
Loss for the period -	**-**	**-**	**-**	**-**	**-**	**(12.8)**	**(12.8)**
Other comprehensive loss for the period	**-**	**-**	**(1.9)**	**-**	**(0.8)**	**-**	**(2.7)**
Total comprehensive loss for the period	**-**	**-**	**(1.9)**	**-**	**(0.8)**	**(12.8)**	**(15.5)**
Contributions by and distributions to owners							
Own shares purchased	**-**	**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Share-based payment charge, net of tax	**-**	**-**	**-**	**-**	**-**	**1.1**	**1.1**
Balance at 30 June 2024	**18.9**	**133.7**	**(14.9)**	**1.6**	**2.1**	**81.6**	**223.0**

	Share capital	Share premium	Translation reserve	Capital redemption reserve	Cash flow hedging reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2023	9.4	24.3	(0.8)	1.6	3.9	185.3	223.7
Loss for the period	-	-	-	-	-	(46.5)	(46.5)
Other comprehensive (loss)/income for the period	-	-	(11.6)	-	0.7	0.6	(10.3)
Total comprehensive (loss)/income for the period	-	-	(11.6)	-	0.7	(45.9)	(56.8)
Contributions by and distributions to owners							
Dividends paid	-	-	-	-	-	(11.6)	(11.6)
Own shares purchased	-	-	-	-	-	(1.6)	(1.6)
Own shares sold	-	-	-	-	-	1.1	1.1
New shares issued	-	0.1	-	-	-	-	0.1

New shares issued	-	0.1	-	-	-	-	0.1
Share-based payment charge, net of tax	-	-	-	-	-	0.7	0.7
Balance at 30 June 2023	9.4	24.4	(12.4)	1.6	4.6	128.0	155.6

Condensed Consolidated Statement of Cash Flows

For the half year ended 30 June 2024

	Notes	**Half year to 30 June 2024** **Unaudited £m**	Half year to 30 June 2023 Unaudited £m	Year to 31 December 2023 Audited £m
Cash flows from operating activities				
Loss for the period		**(12.8)**	(46.5)	(78.1)
Adjustments for:				
Net finance expense		**4.2**	5.7	14.5
Taxation		**(0.6)**	(3.5)	(2.6)
Depreciation		**6.3**	7.5	14.4
Impairment of intangible and fixed assets	4	**16.4**	48.6	53.8
Amortisation of intangible assets		**5.3**	8.7	14.0
Net loss on disposal of property, plant and equipment and software		**-**	0.2	0.3
Fair value (gains)/losses on derivative financial instruments		**(0.1)**	(0.3)	(0.2)
Foreign exchange losses		**0.4**	-	-
Share-based payment charge		**1.1**	1.2	1.5
Earnout charges and retention bonuses		**0.1**	0.7	1.7
Loss on disposal of business before tax		**-**	-	1.0
Cash generated from operating activities before change in working capital, including provisions		**20.3**	22.3	20.3
(Increase)/decrease in inventories		**(0.8)**	(0.8)	7.6
(Increase)/decrease in trade receivables		**(4.2)**	7.9	16.3
(Increase)/decrease in other receivables and contract assets		**(2.2)**	2.4	0.7
Increase/(decrease) in trade payables		**10.1**	(5.5)	(20.5)
Decrease in other payables and contract liabilities		**-**	(13.1)	(12.3)
Decrease in provisions		**(0.5)**	(1.7)	(2.3)
Cash generated from operating activities		**22.7**	11.5	9.8
Interest paid		**(4.9)**	(6.2)	(15.4)
Tax received/(paid)		**1.3**	(4.8)	(10.5)
Net cash from/(used in) operating activities		**19.1**	0.5	(16.1)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment and software		**2.5**	0.1	0.2
Purchase of property, plant and equipment		**(3.0)**	(2.0)	(4.8)
Purchase of software and payment of development costs		**(5.6)**	(7.5)	(13.7)
Acquisition of businesses, net of cash acquired		**-**	(1.6)	(1.6)
Disposal of business		**-**	-	(0.9)
Net cash used in investing activities		**(6.1)**	(11.0)	(20.8)
Cash flows from financing activities				
Proceeds from the issue of shares, net of costs		**-**	0.1	118.1
Proceeds from the sale of own shares		**-**	1.1	1.2
Own shares purchased		**(0.1)**	(1.6)	(3.7)
Principal lease repayments	10	**(2.9)**	(3.5)	(6.7)
Repayment of interest-bearing loans and borrowings	10	**(96.4)**	(62.8)	(313.9)
Proceeds from interest-bearing loans and borrowings	10	**98.9**	85.7	240.0
Dividends paid		**-**	(11.6)	(11.6)
Net cash (outflow)/inflow from financing activities		**(0.5)**	7.4	23.4
Increase/(decrease) in cash and cash equivalents		**12.5**	(3.1)	(13.5)
Cash and cash equivalents at 1 January		**4.7**	15.8	15.8
Effect of exchange rate fluctuations on cash held		**(0.5)**	0.9	2.4
Cash and cash equivalents at the end of the period	10	**16.7**	13.6	4.7

1 Accounting policies

Reporting entity

Videndum plc (the "Company") is a public company limited by shares incorporated in the United Kingdom under the Companies Act. The Company is registered in England and Wales and its registered address is Bridge House, Heron Square, Richmond TW9 1EN, United Kingdom. These condensed consolidated interim financial statements ("Financial Statements") as at and for the half year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

These Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 were approved by the board of Directors on 22 April 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These Financial Statements have been reviewed, not audited and were approved by the Board of Directors on 25 September 2024.

Basis of preparation and statement of compliance

The half year Financial Statements covers the six month period ended 30 June 2024 and has been prepared in accordance with in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. This Financial Statements comprises the unaudited financial information for the half years ended 30 June 2024 and 2023. The half year financial information has been prepared applying consistent accounting policies to those applied by the Group for the year ended 31 December 2023. The application of the accounting policies is expected to be applicable for the year ending 31 December 2024, which will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards.

The preparation of 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 differ from these estimates.

In preparing these Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 December 2023.

Other income has been disclosed below gross profit for the half year ended 30 June 2024 to ensure a more appropriate presentation. The comparatives have not been restated.

Goodwill

The goodwill recognised by the Group has all arisen as a result of acquisitions and is stated at cost less any accumulated impairment losses. Goodwill is allocated on acquisition to cash-generating unit ("CGU"), or groups of CGUs, which are anticipated to benefit from the combination. The CGUs are assessed to be the three segments of the Group. Goodwill is not subject to amortisation but is tested for impairment annually or if there is an indicator triggering the impairment assessment. Impairment is determined by assessing the recoverable amount of the CGU to which the goodwill is allocated. This estimate of recoverable amount is determined at each assessment date. The estimate of recoverable amount requires significant assumptions to be made and is based on a number of factors such as the near-term business outlook for the segment, including both its operating profit and operating cash flow performance. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the statement of profit or loss. All acquisitions that have occurred since 1 January 2010 are accounted for by applying the acquisition method.

Goodwill on these acquisitions represents the excess of the fair value of the acquisition consideration over the fair value of the identifiable net assets acquired, all measured at the acquisition date. Subsequent adjustments to the fair values of net assets acquired can be made within 12 months of the acquisition date where original fair values were determined provisionally. These adjustments are accounted for from the date of acquisition.

Critical estimates:

- *Impairment of discontinued operations*

Non-current assets held of sale are measured at the lower of carrying amount and fair value less costs to sell. There was estimation and assumptions applied by management in determining the recoverable amount of these assets.

- *Inventory*

Provisions are required to write down slow-moving, excess and obsolete inventory to its net realisable value. Management assessed the level of inventory provisioning by category and judgements and estimates were made in determining if a provision was required and at what level. The key estimates relate to supply chains and their lead times, future selling price, anticipated future sales of products over particular time periods, the susceptibility of the underlying product to obsolescence and current year trading performance. The anticipated level of future sales is determined primarily based on actual sales over a specified historic reference period, which has been enhanced to a period of between six and 24 months, which is determined by management and is deemed appropriate to the type of inventory.

- *Pension benefits*

The actuarial valuations associated with the pension schemes involve making assumptions about discount rates and life expectancy. All assumptions are reviewed at each reporting date.

- *Tax*

The Group is subject to income taxes in a number of jurisdictions. Management is required to make estimates in determining the provisions for income taxes and deferred tax assets and liabilities recognised in the Financial Statements. Tax benefits are recognised to the extent that it is probable that sufficient taxable income will be available in the future against which temporary differences and unused tax losses can be utilised. The most significant estimates made are in relation to the recognition of deferred tax assets arising from carried forward tax losses. The recovery of those losses is dependent on the future profitability of Group entities based in the jurisdictions with those carried forward tax losses, most significantly in the United States. The assumptions used in the measurement of the deferred tax assets are consistent with those as disclosed in Note 8 "Intangible assets" in relation to the impairment tests of CGUs containing goodwill.

- *Impairment of goodwill*

The impairment of goodwill involves making assumptions. The most critical assumptions include determination of the discount rates and terminal growth rates. All assumptions are reviewed at each reporting date. Further details about the assumptions used and sensitivities are set out in note 8 "Intangible assets".

Judgements:

- *Development costs*

The Group capitalises development costs which meet the criteria under IAS 38 "Intangible Assets" within Intangible assets. The Group makes significant judgements in the application of IAS 38, particularly in relation to its requirements regarding the technical feasibility of completing the asset and the Group's ability to sell and generate future economic benefits from the intangible asset.

- *Going concern assessment*

There were material judgements made by the Board to determine if the Group is a going concern and the material uncertainty surrounding it. These judgements are disclosed under "going concern" in note 1 "Accounting policies". The key judgements surrounding the material uncertainty relate to the length of time it takes to recover from the strikes and the recovery from the broader macroeconomic challenges faced by the Group.

- *Asset held for sale and discontinued operations*

The critical judgement is in relation to determining if the assets held for sale meet the criteria to be classified as a discontinued operation under IFRS 5 "Non-current assets held for sale and discontinued operations", particularly if they represent either a separate major line of business or a geographical area of operations. Management has deemed that these requirements have been met. See note 14 "Discontinued operations and non-current assets classified as held for sale".

- *Alternative performance measures ("APMs")*

In reporting financial information, the Group presents APMs which are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS measures, provide stakeholders with additional helpful information and enable an alternative comparison of performance over time. Note 15 "Glossary of Alternative Performance Measures ("APMs")" provides a comprehensive list of APMs that the Group uses, including an explanation of how they are calculated, why they are used and how they can be reconciled to an IFRS measure where relevant.

- *Tax*

In relation to tax, these include the interpretation and application of existing legislation. The Group's key judgement relates to the application of tax law in relation to the EU State Aid Investigation. Details in relation to this judgement are set out in Note 6 "Taxation".

Impact of adoption of new accounting standards

In the current period, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts in these Group's Financial Statements.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants;
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements; and
- Amendments to IFRS 16: Lease liability in sale and leaseback

New standards and interpretations not yet adopted

Amended standards and interpretations not yet effective are not expected to have a significant impact on the Group's Financial Statements. At the date of authorisation of these Financial Statements, the Group has not applied any new or revised IFRS Accounting Standards that have been issued but are not yet effective. The standard applicable to the Group is shown below:

- Amendments to IAS 21: Lack of Exchangeability (effective 1 January 2025)
- IFRS 18: Presentation and disclosure in financial statements' (effective 1 January 2027)
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

Going concern

These Financial Statements have been prepared on a going concern basis. The Board has considered the future cash flow forecasts over a period of 12 months from the approval date of these Financial Statements and believes that available liquidity will be sufficient to enable the Group to meet its liabilities as they fall due.

In the first half of 2024, the Group continued to be impacted by:

- The post-strike recovery in the cine and scripted TV market taking longer than anticipated.
- The challenging macroeconomic environment affecting consumers and independent content creators.

The Board has conducted a thorough evaluation of the going concern assumption and has modelled both a base case and a severe but plausible downside scenario that reflects the above factors.

Background and context

2023 was an exceptionally challenging year for the Group, suffering from the prolonged adverse impacts of three major headwinds. These headwinds were (1) the weakened macroeconomic environment, (2) destocking of inventory by retailer customers and distribution partners, and (3) the US Writers' and Actors' strikes (together "the strikes").

Whilst the strikes ended by December 2023, during the first half of 2024 the Group continued to be impacted by (1) the post-strike recovery in the cine and scripted TV market taking longer than anticipated and (2) the continued challenging macroeconomic environment affecting consumers and independent content creators.

The challenges in the cine and scripted TV market during the period were compounded by the threats of additional strikes, albeit unlikely to materialise, from the two remaining set of US unions which had to agree new contracts with the Alliance of Motion Picture and Television Producers ("AMPTP") by the end of July. These were, namely the International Alliance of Theatrical Stage Employees ("IATSE") union and the Teamster and Hollywood Basic Crafts unions. Both sets of unions had ratified contracts by the beginning of August, bringing a close to remaining concern in this market of new potential strike actions. However, the threat of the strikes had resulted in many US productions being put on hold until the contracts were ratified.

Against this challenging backdrop, the Group took significant mitigating actions, including agreeing covenant amendments with its lending banks, and continued cost reduction and cash conservation plans.

Borrowing facilities and financial position at 30 June 2024

The Group has a committed Multicurrency Revolving Credit Facility ("RCF") with a syndicate of five banks (see note 10 "Analysis of net debt") who have provided strong support. This was evidenced during 2023 and in the first half of 2024, as the Group continued to navigate through the current set of adverse headwinds.

On 28 June 2024, the Group renegotiated its RCF with its lending banks. It extended the termination date to 14 August 2026 and reduced its committed facility by £50 million to £150 million, reflecting the lower level of borrowings that the Group is operating with after the equity raise in December 2023.

As part of this renegotiation, the Group also agreed with its lending banks amendments to its covenants as follows:

- June 2024 (leverage (net debt: EBITDA) < 4.25x and interest cover (EBITA:net interest) > 1.5x),
- September 2024 (interest cover > 2.25x),
- December 2024 (interest cover > 3.0x),
- interest cover > 3.5x thereafter, and quarterly test dates to continue.

All other covenants remain unchanged. These amendments to the RCF preclude the Board from declaring a dividend and restrict factoring to £15 million until delivery of the 31 March 2025 covenant test.

At 30 June 2024, liquidity (cash headroom) was £63.9 million (31 December 2023: £105.3 million; 30 June 2023: £62.9 million), comprising £47.2 million unutilised RCF and £55.4 million of cash with £38.7 million utilised overdraft.

At 30 June 2024, covenant ratios were 3.3x for net debt: EBITDA and 1.9x for EBITA:net interest (31 December 2023: 3.3x and 2.0x; 30 June 2023: 2.9x and 5.9x respectively), See Note 15 "Glossary of Alternative Performance Measures ("APMs")" for definitions and computations.

Base case

The Board is continuing to monitor the Group's ability to meet its lending covenants. As part of the Board's consideration of the appropriateness of adopting the going concern basis of accounting in preparing the Financial Statements, a range of scenarios have been modelled over the 12 month period following their signing of the Financial Statements. For this, the Board has considered base case projections and a plausible downside scenario.

The base case follows the Board-approved forecast for 2024 and forecast assumptions for 2025. These acknowledge the challenges and opportunities being faced by the Group and assume a recovery in the cine and scripted TV segment during the second half of 2024. They also assume that the ICC/consumer segment will continue to deteriorate, albeit at a lower rate than in 2023.

The most material judgements for the forecast relate to how long it will take for the Group's financial performance to recover from the strikes and how much worse the macroeconomic environment might be in 2024 and 2025 vs 2023. The judgements and sensitivities are expanded on in further detail below. The base case does not forecast a breach of covenants.

The lowest point of liquidity in the period to September 2025 is expected to be £55 million at October 2024, with liquidity steadily improving thereafter.

Severe but plausible downside assessment

In acknowledging the challenges faced in H1 2024, the Board has also modelled a severe but plausible downside scenario.

In this scenario, the Board has considered:

- A lower-than-expected recovery in the cine and scripted TV market (to around 70% of pre-strike levels against 75% in the base case);
- The financial impact of worse than expected trading conditions for the Group's consumer and ICC products with the market remaining at -15% compared to the same period last year for the rest of 2024 and improving at a slower pace against the base case; and
- Significantly reduced market share gains.

In the severe but plausible downside model these assumptions translate to an overall revenue increase of 4% for the going concern period against an expected increase of 17% modelled in the base case scenario.

No additional mitigation beyond the self-help actions (i.e., cost reduction activities, particularly for discretionary costs; and cash-saving measures) are considered in this scenario.

The material judgements considered are:

- Estimating the recovery from the strikes, both in terms of the length of the recovery and the quantum thereof, which is at a slower pace than the base case;
- Trading conditions, in particular the impact of the macroeconomic environment, being worse than expected in the base case (and ability to enter new markets or gain market share); and

- Continuing self-help actions that would partly offset the effects of the above.

Considering the above assumptions and judgements, the severe but plausible scenario foresees a covenant breach towards the end of the going concern period. As would be the case in any covenant breach, the banking syndicate could withdraw their funding to the Group.

The Board, in light of its experience, past practice and performance, and historical evidence and current trading, considers that (a) it remains challenging to determine the length of time it will take to recover from the strikes, and (b) there is limited forecasting visibility supportable by externally sourced market evidence.

The Board also note that current trading levels are close to the severe but plausible downside and as a result, whilst no breach is forecasted for the third and fourth quarters of 2024, there is limited covenant headroom should these trading levels continue. Nevertheless, the Board is proactively managing the options available to the Group to mitigate the risk related to a covenant breach and deliver measures as set out in the "Mitigation plans" below.

Material uncertainty

As a result of the financial projections under the severe but plausible scenario, a breach of the Group's loan covenant is forecasted within 12 months from the approval of these Financial Statements, as well as limited covenant headroom for the remainder of 2024.

Consequently, the Board has concluded that while the Group has a reasonable expectation of its ability to renegotiate the terms of the RCF if required, take other actions to avoid a breach of covenants or to obtain a waiver, these financial projections do indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Mitigation plans

The Board implemented mitigating actions during the first half of 2024 to offset the challenging trading conditions and successfully renegotiated the covenants in the past. The Board continues to employ similar robust measures which include cost reduction activities, particularly but not limited to discretionary costs; cash saving measures; and renegotiating its RCF covenants.

As a result of the continuing challenging trading conditions, the Group has developed an additional set of actions to be delivered during the second half of 2024 and in early 2025. These will significantly reduce fixed costs in comparison to those included in the forecasts set out above. Notwithstanding the material uncertainty, the Board has, on balance of the available evidence and modelled scenarios, concluded that there is a reasonable prospect that improvements in the Group's performance, along with mitigating actions, will be achieved and it is appropriate to adopt the going concern basis of accounting in preparing the Financial Statements.

2 Segment reporting

The Group has three reportable segments which are reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision Maker on a regular basis to assist in making decisions on capital allocated to each segment and to assess performance. The Lightstream and Amimon businesses, part of the Creative Solutions Division and the Syrp business, part of the Media Solutions Division, have been classified as discontinued operations. Their performance in this period and comparative periods are therefore part of discontinued operations as presented in note 14 "Discontinued operations and non-current assets classified as held for sale" and are excluded from segmental performances below.

	For the half year to 30 June								
	Media Solutions		**Production Solutions**		**Creative Solutions**		**Corporate and unallocated**		**Total Cor operat**
	2024	2023(2)	**2024**	2023	**2024**	2023	**2024**	**2023**	2024
	£m	£m	**£m**	£m	**£m**	£m	**£m**	**£m**	**£m**
Analysis of revenue from external customers, by location of customer									
United Kingdom	**5.5**	6.9	**6.0**	5.7	**2.8**	1.8	**-**	-	**14.3**
The rest of Europe	**24.1**	26.8	**9.1**	11.8	**4.1**	4.0	**-**	-	**37.3**
North America	**27.6**	29.9	**23.2**	24.8	**22.3**	20.9	**-**	-	**73.1**
Asia Pacific	**12.8**	15.5	**5.8**	7.2	**3.8**	3.8	**-**	-	**22.4**
The rest of the World	**3.1**	3.2	**2.6**	2.2	**0.5**	0.5	**-**	-	**6.2**
Total revenue from external customers	**73.1**	82.3	**46.7**	51.7	**33.5**	31.0	**-**	-	**153.3**
Inter-segment revenue (1)	**0.2**	0.1	**1.0**	0.3	**0.1**	-	**(1.3)**	(0.4)	**-**
Total revenue	**73.3**	82.4	**47.7**	52.0	**33.6**	31.0	**(1.3)**	(0.4)	**153.3**
Adjusted operating profit/(loss)	**6.4**	10.5	**5.9**	7.3	**4.8**	3.7	**(6.1)**	(5.3)	**11.0**
Amortisation of intangible assets that are acquired in a business combination	**(1.8)**	(1.9)	**-**	(0.1)	**-**	-	**-**	-	**(1.8)**
Impairment of assets	**(15.3)**	(0.1)	**-**	(1.7)	**-**	-	**-**	-	**(15.3)**
Acquisition related charges	**-**	(0.3)	**(0.1)**	(0.1)	**-**	-	**-**	-	**(0.1)**
Integration and restructuring costs	**(0.2)**	(1.4)	**(0.3)**	(0.8)	**-**	(0.1)	**-**	-	**(0.5)**

Operating (loss)/profit	**(10.9) (10.9)**	6.8	**5.5**	4.6	**4.8**	3.6	**(6.1)**	(5.3)	**(6.7)**
Net finance expense									**(4.1)**
(Loss)/profit before tax									**(10.8)**
Taxation									**0.6**
(Loss)/profit for the period									**(10.2)**
Segment assets	**180.5**	217.7	**118.9**	112.5	**45.2**	46.2	**7.5**	12.0	**352.1**
Unallocated assets									
Cash and cash equivalents							**55.4**	17.9	**55.4**
Non-current tax assets							**3.2**	3.1	**3.2**
Current tax assets							**3.3**	5.3	**3.3**
Deferred tax assets							**55.6**	43.7	**55.6**
Total assets									**469.6 430.9**
Segment liabilities	**48.7**	50.9	**29.9**	31.2	**11.1**	13.8	**5.0**	4.2	**94.7**
Interest-bearing loans and borrowings	**0.5**	0.6	**-**	-	**-**	-	**101.5**	192.9	**102.0**
Unallocated liabilities									
Bank overdrafts							**38.7**	4.3	**38.7**
Current tax liabilities							**6.5**	13.8	**6.5**
Deferred tax liabilities							**9.8**	7.2	**9.8**
Total liabilities									**251.7 213.0**

(1) Inter-segment pricing is determined on an arm's length basis. These are eliminated in the corporate and unallocated column.

(2) Half year to 30 June 2023 has been re-presented to present Syrp Limited ("Syrp"), which is part of the Media Solutions Division, as a discontinued operation separately from the continuing operations. On 31 December 2023 the Syrp business based in New Zealand was closed. See note 14 "Discontinued operations and non-current assets classified as held for sale".

The £2.5 million (2023: £54.0 million) operating loss of discontinued operations comprises £0.5 million (2023: £1.1 million) in Media Solutions Division and £2.0 million (2023: £52.9 million) in Creative Solutions Division. The Group's operations are located in several geographic locations and sell products and services to external customers around the world.

3 Operating expenses

	Half year to 30 June 2024	Half year to 30 June 2023	Year to 31 December 2023(1)
	£m	£m	£m
Analysis of operating expenses			
- Adjusting items in operating (loss)/profit	**17.7**	6.5	18.0
- Adjusting items in cost of sales	**(0.1)**	(0.5)	(4.2)
- Adjusting items in operating expenses	**17.6**	6.0	13.8
- Other administrative expenses	**24.0**	24.1	49.3
Adjusting items and administrative expenses	**41.6**	30.1	63.1
Marketing, selling and distribution costs	**19.7**	21.1	41.3
Research, development and engineering costs	**8.6**	7.6	14.9
Total operating expenses from continuing operations	**69.9**	58.8	119.3
- Adjusting items in operating expenses	**1.2**	50.0	54.2
- Other administrative expenses	**0.6**	1.8	2.6
Adjusting items and administrative expenses	**1.8**	51.8	56.8
Marketing, selling and distribution costs	**0.4**	1.0	1.7
Research, development and engineering costs	**1.4**	3.6	5.6
Total operating expense from discontinued operations	**3.6**	56.4	64.1

(1) For the half year period ended 30 June 2024, resulting from an application of accounting policy choice, the Group has presented £0.3 million legal expenses relating to the Quasar acquisition as an adjusting item. The comparative figures for the year ended 31 December 2023 have been restated accordingly in the condensed consolidated statement of profit or loss and related notes for an amount of £0.5 million (30 June 2023: £nil). There is no impact on the Group's net assets.

4 Adjusting items

The Group presents alternative performance measures ("APMs") in addition to its statutory results.

APMs used by the Group and, where relevant, a reconciliation to statutory measures is set out in note 15 "Glossary of Alternative Performance Measures ("APMs")" to these Financial Statements. The Group's key performance measures, such as adjusted operating profit, exclude adjusting items.

	Half year to 30 June 2024	Half year to 30 June 2023	Year to 31 December 2023[1]
	£m	£m	£m
Continuing operations			
Amortisation of intangible assets that are acquired in a business combination	**(1.8)**	(2.0)	(4.0)
Impairment of assets [2]	**(15.3)**	(1.8)	(7.3)
Acquisition related charges	**(0.1)**	(0.4)	(1.3)
Integration and restructuring costs	**(0.5)**	(2.3)	(5.4)
Adjusting items in operating (loss)/profit from continuing operations	**(17.7)**	(6.5)	(18.0)
Finance expense - amortisation of loan fees on borrowings for acquisitions and other financing activities	**-**	(0.4)	(2.6)
Adjusting items in (loss)/profit before tax from continuing operations	**(17.7)**	(6.9)	(20.6)

	Half year to 30 June 2024	Half year to 30 June 2023	Year to 31 December 2023
Discontinued operations	**£m**	£m	£m
Amortisation of intangible assets that are acquired in a business combination	**-**	(2.2)	(2.2)
Impairment of assets[3]	**(1.2)**	(46.9)	(50.2)
Acquisition related charges	**-**	(0.9)	(1.4)
Integration and restructuring costs	**-**	-	(0.4)
Adjusting items in operating loss from discontinued operations	**(1.2)**	(50.0)	(54.2)
Finance expense - unwind of discount on liabilities and other interest	**(0.1)**	(0.2)	(0.3)
Adjusting items in loss before tax from discontinued operations	**(1.3)**	(50.2)	(54.5)

(1) See note 3 "Operating expenses" for details of changes to the comparative amounts.

(2) Impairment of assets of £15.3 million (30 June 2023: £1.8 million; 31 December 2023: £7.3 million) comprises impairment of goodwill of £14.9 million (30 June 2023 and 31 December 2023: £nil), other fixed assets of £0.3 million (30 June 2023: £1.7 million; 31 December 2023: £3.6 million) and inventory write-off of £0.1 million (30 June 2023: £0.1 million; 31 December 2023: £3.7 million).

(3) Impairment of assets of £1.2 million (30 June 2023: £46.9 million; 31 December 2023: £50.2 million) comprises impairment of goodwill of £nil (30 June 2023: £25.9 million; 31 December 2023: £26.8 million) and other intangible assets of £1.2 million (30 June 2023: £21.0 million; 31 December 2023: £23.4 million).

See note 7 "Earnings per share" for the above, net of tax.

5 Net finance expense

	Half year to 30 June 2024	Half year to 30 June 2023	Year to 31 December 2023
	£m	£m	£m
Finance income			
Net currency translation gains	**0.6**	0.8	2.0

Fair value gain on interest rate swaps designated as cash flow hedges (1)	**-**	1.7	-
Other interest income	**0.4**	0.1	0.2
Interest income on net defined benefit pension scheme	**0.1**	0.1	0.2
	1.1	2.7	2.4
Finance expense			
Interest expense on interest-bearing loans and borrowings(2) (1)	**(5.1)**	(7.3)	(16.3)
Fair value gain on interest rate swaps designated as cash flow hedges (1)	**0.8**	-	3.0
Interest expense on net defined benefit pension scheme	**-**	-	(0.1)
Interest expense on lease liabilities	**(0.7)**	(0.8)	(1.5)
Other interest expense (3)	**(0.2)**	(0.1)	(1.6)
	(5.2)	(8.2)	(16.5)
Net finance expense from continuing operations	**(4.1)**	(5.5)	(14.1)

Finance expense			
Net currency translation losses	**-**	-	(0.1)
Unwind of discount on liabilities and other interest	**(0.1)**	(0.2)	(0.3)
Finance expense from discontinued operations	**(0.1)**	(0.2)	(0.4)

(1) For the half year ended 30 June 2024 and for the year ended 31 December 2023 the fair value gain on interest rate swaps designated as cash flow hedges was presented within Finance expense together with the related hedged item, while for the half year ended 30 June 2023 this was presented gross within Finance income.

(2) Interest expense on interest-bearing loans and borrowings of £5.1 million (2023: £7.3 million) from continuing operations relates to interest expense of £4.8 million (2023: £6.7 million); amortisation of loan fees £0.3 million (2023: £0.3 million); and an adjusting amount of £nil (2023: £0.3 million) relating to loan fees on borrowings for acquisitions. See note 4 "Adjusting items".

(3) Other interest expense of £0.2 million (2023: £0.1 million) from continuing operations includes an adjusting amount of £nil (2023: £0.1 million) relating to other financing activities, not relating to underlying trading. See note 4 "Adjusting items".

6 Taxation

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the Financial Statements may differ from management's estimate of the effective tax rate for the annual financial statements.

	Half year to 30 June 2024	Half year to 30 June 2023	Year to 31 December 2023
	£m	£m	£m
The total taxation charge/(credit) in the Profit or loss is analysed as follows:			
Continuing operations			
Current tax	**1.0**	1.4	1.0
Deferred tax	**(1.6)**	(0.7)	(7.7)
	(0.6)	0.7	(6.7)
Discontinued operations			
Current tax	**-**	-	(0.6)
Deferred tax	**-**	(4.2)	4.7
	-	(4.2)	4.1
Continuing and discontinued operations			
Current tax	**1.0**	1.4	0.4
Deferred tax	**(1.6)**	(4.9)	(3.0)
	(0.6)	(3.5)	(2.6)

Adjusting items

Continuing operations

Current tax	**(0.1)**	(0.5)	(1.8)
Deferred tax	**(2.0)**	(1.2)	(2.0)
	(2.1)	(1.7)	(3.8)
Discontinued operations			
Current tax	**-**	-	(0.4)
Deferred tax	**-**	(3.6)	(5.2)
	-	(3.6)	(5.6)
Continuing and discontinued operations			
Current tax	**(0.1)**	(0.5)	(2.2)
Deferred tax	**(2.0)**	(4.8)	(7.2)
	(2.1)	(5.3)	(9.4)
Before adjusting items			
Continuing operations			
Current tax	**1.1**	1.9	2.8
Deferred tax	**0.4**	0.5	(5.7)
	1.5	2.4	(2.9)
Discontinued operations			
Current tax	**-**	-	(0.2)
Deferred tax	**-**	(0.6)	9.9
	-	(0.6)	9.7
Continuing and discontinued operations			
Current tax	**1.1**	1.9	2.6
Deferred tax	**0.4**	(0.1)	4.2
	1.5	1.8	6.8

EU State Aid investigation

In October 2017, the European Commission (EC) opened a State Aid investigation into the Group Financing Exemption in the UK controlled foreign company ("CFC") rules (an exemption introduced into the UK tax legislation in 2013). In common with other UK-based international companies whose intra-group finance arrangements are in line with current controlled foreign company rules, the Group is affected by this decision.

In June 2019, the UK government submitted an appeal to the EU Commission against its decision. In common with a number of other affected taxpayers, the Group filed its own annulment application.

In 2021 the Group received a Charging Notice and Interest Charging Notice from HMRC, and accordingly paid £3.0 million. The Group considered it probable that its appeal against the Charging Notice and/or its annulment application against the European Commission's ("EC") State Aid decision would be successful and as such recorded a non-current asset in relation to the payment on the basis that it would ultimately be refunded.

It was considered possible, however, that the appeal and/or annulment might be unsuccessful which would result in a liability contingent on the outcome.

In 2022, the General Court of the European Union upheld the EC's original decision to the Court of Justice of the European Union ("CJEU"). The applicants in both of the lead cases making applications for annulment of which the Group's own annulment application stood behind appealed against this judgement.

On 11 April 2024, the Advocate General delivered an independent, but non-binding, Opinion on the case, stating that the CJEU should set aside the judgement of the General Court and annul the EC's decision which found that the UK provided State Aid to certain multinational groups between 2013 and 2018. On 19 September 2024, the European Court of Justice annulled the EC's original decision. This judgement is now final. Management remains of the view that it is probable that its appeal and/or its annulment application will be successful based on the technical facts of the case.

The non-current tax asset at 30 June 2024 is £3.2 million which represents the £3.0 million described above plus £0.2 million interest receivable.

Deferred Tax Assets

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilised in the relevant jurisdictions. As of 30 June 2024, the Group has recognised deferred tax assets of £55.6 million (30 June 2023: £43.7 million; 31 December 2023: £55.4 million)

7 Earnings per ordinary share

Earnings per share ("EPS") is the amount of post-tax profit/(loss) attributable to each share.

Basic EPS is calculated on the profit for the period divided by the weighted average number of ordinary shares in issue during the period.

Diluted EPS is calculated on the profit/(loss) for the period divided by the weighted average number of ordinary shares in issue during the period but adjusted for the effects of dilutive share options.

The adjusted EPS measure is calculated based on adjusted profit/(loss) and is used by management to set performance targets for employee incentives and to assess performance of the businesses.

set performance targets for employee incentives and to assess performance of the businesses.

The calculation of basic, diluted and adjusted EPS is set out below:

	Half year 30 June 2024	Half year to 30 June 2023
	£m	£m
(Loss)/profit for the financial period from continuing operations	**(10.2)**	3.5
Add back adjusting items:		
Amortisation of intangible assets that are acquired in a business combination, net of tax	**1.4**	1.5
Impairment of fixed assets, net of tax	**13.8**	1.4
Acquisition related charges, net of tax	**0.1**	0.2
Integration and restructuring costs, net of tax	**0.3**	1.8
Finance expense - amortisation of loan fees on borrowings for acquisitions and other interest, net of tax	**-**	0.3
Add back adjusting items from continuing operations, net of tax:	**15.6**	5.2
Adjusted profit after tax from continuing operations	**5.4**	8.7
Loss for the financial period from discontinued operations		
Add back adjusting items, all net of tax:	**(2.6)**	(50.0)
Amortisation of intangible assets that are acquired in a business combination, net of tax	**-**	1.8
Impairment of intangible assets, net of tax	**1.2**	43.9
Acquisition related charges, net of tax	**-**	0.7
Finance expense - unwind of discount on liabilities and other interest and other interest, net of tax	**0.1**	0.2
Add back adjusting items from discontinued operations, all net of tax	**1.3**	46.6
Adjusted loss after tax from discontinued operations	**(1.3)**	(3.4)
Loss for the financial period	**(12.8)**	(46.5)
Adjusted profit after tax	**4.1**	5.3

	Weighted average number of shares '000		Adjusted earnings per share		Earnings per share	
	Half year to 30 June		Half year to 30 June		Half year to 30 June	
	2024	2023	**2024**	2023	**2024**	2023
	Number	Number	**pence**	pence	**pence**	pence
From continuing operations(1)						
Basic	**94,191**	46,485	**5.7**	18.7	**(10.8)**	7.5
Dilutive potential ordinary shares	**261**	1,006	**(0.1)**	(0.4)	**-**	(0.1)
Diluted	**94,452**	47,491	**5.6**	18.3	**(10.8)**	7.4
From discontinued operations						
Basic	**94,191**	46,485	**(1.4)**	(7.3)	**(2.8)**	(107.5)
Dilutive potential ordinary shares	**-**	-	**-**	-	**-**	-
Diluted	**94,191**	46,485	**(1.4)**	(7.3)	**(2.8)**	(107.5)
From total operations (2)						
Basic	**94,191**	46,485	**4.3**	11.4	**(13.6)**	(100.0)
Dilutive potential ordinary shares	**261**	1,006	**(0.1)**	(0.2)	**-**	-
Diluted	**94,452**	47,491	**4.2**	11.2	**(13.6)**	(100.0)

(1) 261,000 potential ordinary shares are antidilutive for half year to 30 June 2024 statutory earnings per share.

(2) 261,000 (2023: 1,006,000) potential ordinary shares are antidilutive for statutory earnings per share.

8 Intangible assets

Intangible assets comprise of goodwill, acquired intangibles, software and capitalised development costs.

Impairment tests for CGUs or groups of CGUs containing goodwill

In accordance with the requirements of IAS 36 "Impairment of Assets", goodwill is allocated to the CGUs, assessed to be the three segments of the Group, which are expected to benefit from the acquisition and are identified by the way goodwill is monitored for impairment. The Group's total consolidated goodwill of £80.1 million at 30 June 2024 (31 December 2023: £94.8 million) is allocated to: Media Solutions: £37.9 million (31 December 2023: £52.7 million); Production Solutions: £31.2 million (31 December 2023: £31.1 million); and Creative Solutions: £11.0 million (31 December 2023: £11.0 million).

Goodwill allocated to each CGU is assessed for impairment annually and if there is a specific indicator of impairment. At the half year, trading levels indicated an impairment trigger event. As a result, an impairment test was performed to assess the recoverable amount compared to each CGUs carrying value. The recoverable value of the CGU has been assessed with reference to the higher of fair value less costs of disposal and the value in use (VIU) methodology which is then compared to the carrying value of the net assets within the CGU. The VIU was performed over a projected period of five years together with a terminal value. This reflects the projected cash flows of each CGU based on the actual operating results, the most recent Board approved budget, the strategy, and management projections.

The key assumptions on which the value in use calculations are based relate to (i) business performance over the next five years, (ii) terminal growth rates beyond 2029; and (iii) discount rates applied.

(i) Business performance over the next five years - Forecast sales growth rates are based on past experience and take into account current and future market conditions and opportunities, and strategic decisions made in respect of each CGU. Operating profits are forecast based on historical experience of operating margins adjusted for the impact of changes in product costs, cost-saving initiatives already implemented, approved or committed to at the balance sheet date and any new product launches. Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts the cash conversion rate based on historical experience.

(ii) Terminal growth rates beyond 2029 - These are based on management's assessment of the outlook for overall market growth for all CGUs.

(iii) Discount rates applied - The pre-tax discount rates were measured based on the interest rate of 30-year government bonds issued in the relevant market, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the CGU. Growth rates for 2028 and 2029 were assumed to be 4.0% and 2.0% for Media Solutions, 8.0% and (1.0%) for Production Solutions and 4.0% and 2.0% for Creative Solutions respectively. The growth rates used for the impairment test as at 31 December 2023 for the 2027 and 2028 years were 4.0% and 2.0% for Media Solutions, 1.0% and 5.0% for Production Solutions and 8.0% and 4.0% for Creative Solutions respectively. Growth rates for the period beyond 2029 were assumed to be 2.0% for all CGUs. The pre-tax discount rates applied to discount the pre-tax cash flows were 15.0% (2023: 15.0%) for Media Solutions; 14.0% (2023: 14.0%) for Production Solutions; and 16.0% (2023: 16.0%) for Creative Solutions.

Outcome of the impairment review

Our 30 June 2024 impairment assessment concluded that there is headroom in the Production Solutions and Creative Solutions CGUs, consistent with 31 December 2023. The carrying value of the Media Solutions CGU exceeded its value in use by £14.9 million (2023: £nil). An impairment charge equivalent to this amount has been recognised in the condensed consolidated statement of profit or loss.

Other sensitivities

No reasonable change to estimates results in an impairment for Production Solutions or Creative Solutions.

The table below shows the sensitivity of the £14.9m impairment recognised to reasonable possible changes in key assumptions in relation to Media Solutions.

	Scenario 1 (+/-20bps)	**Scenario 2 (+/-50bps)**
Discount rate	£2.8m/(£2.9m)	£6.7m/(£7.4m)
Terminal growth rate	(£2.3m)/£2.2m	(£5.8m)/£5.3m

9 Employee benefit asset

The Group has employee benefit schemes in the UK, Italy, Germany, Japan and France. In the UK it is a defined benefit scheme which was closed to future accruals with effect from 31 July 2010.

The UK defined benefit scheme is in an actuarial surplus position of £4.2 million at 30 June 2024 (30 June 2023: £4.7 million; 31 December 2023: £4.2 million) measured on an IAS 19 "Employee Benefits" basis). The surplus has been recognised on the basis that the Group has an unconditional right to a refund, assuming the gradual settlement of Scheme liabilities over time until all members have left the Scheme.

10 Analysis of net debt

The table below analyses the Group's components of net debt and their movements in the period:

	Interest bearing loans and borrowings (1) £m	Leases £m	Liabilities from financing sub-total £m	Cash and cash equivalents(2) £m	Half year to 30 June 2024 from continuing operations £m	Leases from discontinued operations £m	Half year to 30 June 2024 from total operations £m
Opening at 1 January 2024	**(99.2)**	**(34.0)**	**(133.2)**	**4.7**	**(128.5)**	**(0.3)**	**(128.8)**
Other cash flows	**-**	**-**	**-**	**12.9**	**12.9**	**-**	**12.9**
Repayments	**96.4**	**2.7**	**99.1**	**(99.3)**	**(0.2)**	**0.2**	**-**
Borrowings	**(98.9)**	**-**	**(98.9)**	**98.9**	**-**	**-**	**-**
Leases entered into during the	**-**	**(0.9)**	**(0.9)**	**-**	**(0.9)**	**-**	**(0.9)**

period							
Leases - early termination	**-**	**0.1**	**0.1**	**-**	**0.1**	**-**	**0.1**
Fees incurred	**0.8**	**-**	**0.8**	**-**	**0.8**	**-**	**0.8**
Amortisation of fees	**(0.3)**	**-**	**(0.3)**	**-**	**(0.3)**	**-**	**(0.3)**
Foreign exchange differences	**(0.8)**	**0.1**	**(0.7)**	**(0.5)**	**(1.2)**	**-**	**(1.2)**
Closing at 30 June 2024	**(102.0)**	**(32.0)**	**(134.0)**	**16.7**	**(117.3)**	**(0.1)**	**(117.4)**

	Interest bearing loans and borrowings (1)	Leases	Liabilities from financing sub-total	Cash and cash equivalents(2)	Year to 31 December 2023 from continuing operations	Leases from discontinued operations	Year to 31 December 2023 from total operations
	£m	£m	£m	£m	£m	£m	£m
Opening at 1 January 2023	(174.5)	(34.1)	(208.6)	15.8	(192.8)	(0.7)	(193.5)
Reclassify from continued to discontinued (3)	-	0.3	0.3	-	0.3	(0.3)	-
Other cash flows	-	-	-	67.1	67.1	-	67.1
Repayments	313.9	6.3	320.2	(320.6)	(0.4)	0.4	-
Borrowings	(240.0)	-	(240.0)	240.0	-	-	-
Leases entered into during the year	-	(7.6)	(7.6)	-	(7.6)	(0.1)	(7.7)
Leases - early termination	-	0.1	0.1	-	0.1	0.3	0.4
Fees incurred	0.3	-	0.3	-	0.3	-	0.3
Amortisation of fees	(1.3)	-	(1.3)	-	(1.3)	-	(1.3)
Foreign currency	2.4	1.0	3.4	2.4	5.8	0.1	5.9
Closing at 31 December 2023	(99.2)	(34.0)	(133.2)	4.7	(128.5)	(0.3)	(128.8)

	Interest bearing loans and borrowings(1)	Leases	Liabilities from financing sub-total	Cash and cash equivalents (2)	Half year to 30 June 2023 from continuing operations	Leases from discontinued operations	Half year to 30 June 2023 from total operations
	£m	£m	£m	£m	£m	£m	£m
Opening at 1 January 2023	(174.5)	(34.1)	(208.6)	15.8	(192.8)	(0.7)	(193.5)
Other cash flows	-	-	-	(22.5)	(22.5)	-	(22.5)
Repayments	62.8	3.3	66.1	(66.3)	(0.2)	0.2	-
Borrowings	(85.7)	-	(85.7)	85.7	-	-	-
Leases entered into during the period	-	(6.8)	(6.8)	-	(6.8)	-	(6.8)
Leases - early termination	-	0.1	0.1	-	0.1	-	0.1
Fees incurred	-	-	-	-	-	-	-
Amortisation of fees	(0.6)	-	(0.6)	-	(0.6)	-	(0.6)
Foreign exchange differences	4.5	1.3	5.8	0.9	6.7	-	6.7
Closing at 30 June 2023	(193.5)	(36.2)	(229.7)	13.6	(216.1)	(0.5)	(216.6)

(1) Interest bearing loans and borrowings are stated after deduction of unamortised loan fees and loan transaction costs of £1.3 million (31 December 2023: £0.8 million, 30 June 2023: £1.1 million).

(2) Cash and cash equivalents include bank overdrafts of £38.7 million (30 June 2023: £4.3 million, 31 December 2023: £4.0 million).

(3) On 31 December 2023, the Syrp business which is part of the Media Solutions Division based in New Zealand was closed. Therefore, the finance lease of £0.3 million was reclassified from continuing to discontinued operations at the beginning 2023, on 1 January 2023. See note 14 "Discontinued operations and non-current assets classified as held for sale".

On 14 February 2020, the Group signed a new £165.0 million five-year with one optional one-year extension multi-currency RCF with a syndicate of five banks. The one-year extension was agreed with the syndicate banks in January 2022 (four banks) and in July 2023 (fifth bank), increasing the RCF maturity to 14 February 2026. In December 2022, a £35.0 million accordion was agreed with four syndicate banks, resulting in the total commitments increasing to £200.0 million. In June 2024, the facility was extended by six months taking the maturity to 14 August 2026 and reduced by £50.0 million, taking the overall committed facilities to £150.0 million.

During the second half of 2023 and in June 2024, the Group renegotiated and agreed with its lending banks revised covenants for the RCF. The applicable covenant limit at each test date is set out below:

Test date	Net debt: EBITDA (1) not higher than	EBITA: net interest (1) not lower than
June 2023	3.25x	4.00x
December 2023	4.25x	1.25x
March 2024	4.25x	1.50x
June 2024	4.25x	1.50x
September 2024	3.75x	2.25x
December 2024	3.25x	3.00x
March 2025, onwards (2)	3.25x	3.50x

(1) See note 15 "Glossary of Alternative Performance Measures ("APMs")" for the definition and determination of these items.

(2) Quarterly test dates to continue beyond March 2025.

Restrictions apply up to March 2025 whereby dividends and acquisitions are not permitted without lender consent and the non-recourse factoring facility is capped to £15.0 million utilisation.

The Group was utilising 69% of the RCF as at 30 June 2024 (51% as at 31 December 2023; 78% as at 30 June 2023).

Under the terms of the RCF the Group expects to and has the discretion to roll over the obligation for at least 12 months from the Balance Sheet date, and as a result, these amounts are reported as non-current liabilities in the condensed consolidated balance sheet. On 22 January 2021, the Group received a €0.7 million (£0.6 million) fixed rate loan from the Italian Government in response to COVID-19. The loan amortises bi-annually from June 2024 and will be fully repaid by December 2027. As at June 2024, the outstanding balance was €0.6 million (£0.5 million).

On 14 November 2021, the Group signed a US 53.0 million (£43.8 million) three-year (expiry 14 November 2024) amortising Term Loan with a syndicate of four banks to facilitate the acquisition of Savage. Following the payment of 25% of the original amount during 2022 and 20% in June 2023, the outstanding balance of US 29.1 million (£23.3 million) was pre-paid on 11 December 2023 and the facility cancelled. On 7 January 2022, the Group signed a US 47.0 million (£38.8 million) three-year (maturity 7 January 2025) amortising Term Loan with a syndicate of four banks to facilitate the acquisition of AUDIX. Following the payment of 25% of the original amount during 2022 and 20% in June 2023, the outstanding balance of US 25.9 million (£20.7 million) was pre-paid on 11 December 2023 and the facility cancelled.

On 25 January 2024, the group entered into a new operating cash pooling arrangement with HSBC which caused a change in presentation under IAS 32, accordingly the balances are presented gross at 30 June 2024, while under the previous arrangement with the same bank they were presented net as they met the criteria to be disclosed net under IAS32. As at 30 June 2024, the £38.7 million gross overdraft is offset against £41.7 million of the gross cash of £55.4 million, creating a net cash pool of £3.0 million. Under the arrangement, the offset is allowed for net overdraft utilisation and interest calculation purposes. The Group's net cash position as at 30 June 2024 is £16.7 million (30 June 2023: £13.6 million; 31 December 2023: £4.7 million).

The Group has a £3.4 million un-committed bank overdraft facility, and a £5.0 million committed bank overdraft facility which is carved out of the £150.0 million RCF when in use. As at 30 June 2024, £nil overdrafts (30 June 2023: £4.3 million; 31 December 2023: £4.0 million) of the total £9.3 million facilities were in use on a net basis, and £38.7 million (30 June 2023: £24.3 million; 31 December 2023: £39.9 million) bank overdrafts were in use on a gross basis.

11 Derivative financial instruments

The fair value of forward exchange contracts and interest rate swap contracts is determined by estimating the market value of that contract at the reporting date. Derivatives are presented as current or non-current based on their contracted maturity dates.

Forward exchange contracts

The following table shows the forward exchange contracts in place at the Balance Sheet date. These contracts mature in the next eighteen months, therefore the cash flows and resulting effect on the statement of profit or loss are expected to occur within the next eighteen months.

	Currency	**Nominal amounts as at 30 June 2024 millions**	**Weighted average exchange rate of contracts**	Nominal amounts as at 30 June 2023 millions	Weighted average exchange rate of contracts
Forward exchange contracts (buy/sell)					
GBP/USD forward exchange contracts	USD	11.0	1.20	18.3	1.20
EUR/USD forward exchange contracts	USD	19.7	1.06	41.1	1.04
GBP/EUR forward exchange contracts	EUR	19.6	1.13	7.6	1.14
GBP/JPY forward exchange contracts	JPY	402.6	170.4	144.0	154.0
EUR/JPY forward exchange contracts	JPY	820.0	151.3	263.0	137.0
CHF/GBP forward exchange contracts	CHF	-	-	0.5	1.11

During the period ended 30 June 2024 a net gain of £1.5 million (2023: £0.4 million net gain) relating to forward exchange contracts was reclassified to the statement of profit or loss, to match the crystallisation of the hedged forecast cash flows which affects the statement of profit or loss.

Interest rate swaps

The following table shows the interest rate swap contracts in place at the Balance Sheet date. The interest is payable quarterly on 31 March, 30 June, 30 September and 31 December.

	Currency	**Nominal amounts as at 30 June 2024 millions**	**Weighted average fixed rate[1]**	**Maturity**	Nominal amounts as at 30 June 2023 millions
Interest rate swap contracts					
USD Interest rate swaps float (SOFR) to fix	USD	40.0	5.18%	Sep-24	35.0
GBP Interest rate swaps float (SOFR) to fix	GBP	37.0	1.01%	Jan-25	47.0
USD Interest rate swaps float (SONIA) to fix	USD	-	1.01%	Sep-23	55.0

(1) In addition to these fixed rates, the margin relating to the interest swapped of the underlying RCF or the term loans continues to apply.

In September 2023 the Group entered into new 40.0 million and 35.0 million floating-to-fixed interest rate swaps to replace the maturing 35.0 million and 55.0 million swaps. As at 30 June 2024, a total of £68.6 million (June 2023: £117.8 million) remain in place following the early closures of the 35.0 million (£27.5 million) and £10.0 million swaps in December 2023, due to the underlying debt repayment following the equity raise. Swaps cover 67% of the variable loan principal outstanding (30 June 2023: 61%).

During the period ended 30 June 2024 a net gain of £0.8 million (30 June 2023: net gain of £1.7 million) relating to interest rate swaps was reclassified to the Profit or Loss, to match the crystallisation of the hedged forecast cash flows which affects the statement of profit or loss.

Fair value hierarchy

The carrying values of the Group's financial instruments approximate their fair values.

The Group's financial instruments measured at fair value are Level 2.

12 Share capital

Share capital as at 30 June 2024 amounted to £18.9 million (30 June 2023: £9.4 million; 31 December 2023: £18.9 million).

13 Subsequent events

Apart from an update on the EU state aid investigation disclosed in note 6 "Taxation", there were no events after the Balance Sheet date that require disclosure.

14 Discontinued operations and non-current assets classified as held for sale

Discontinued operations

In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of the Amimon business, which is part of the Creative Solutions Division, and the Syrp business, which is part of the Media Solutions Division are classified as a disposal group held for sale. Discontinued operations are businesses that have been sold, abandoned, or which are held for sale and contribute to a separate major line of business or geographical area of operations. The Lightstream and Amimon businesses, part of the Creative Solutions Division, and the Syrp business, part of the Media Solutions business, are all classified as discontinued operations.

As at 30 June 2023 Lightstream and Amimon were classified as assets held for sale and discontinued operations. On 2 October 2023 the Group sold its Lightstream business based in the US. As at 30 June 2024 Amimon is classified as an asset held for sale and a discontinued operation.

On 31 December 2023 the Syrp business based in New Zealand was abandoned. Half year to 30 June 2023 has been re-presented to present Syrp Limited ("Syrp"), which is part of the Media Solutions Division, as a discontinued operation separately from the continuing operations.

The table below shows the results of the discontinued operations which are included in the condensed consolidated statement of profit or loss, condensed consolidated statement of cash flows and condensed consolidated balance sheet respectively.

a) **Statement of Profit or loss - discontinued operations**

	Notes	**Half year to 30 June 2024**	Half year to 30 June 2023 [1]	Year to 31 December 2023
		£m	£m	£m
Revenue		**1.6**	4.9	8.1
Expenses		**(4.1)**	(58.9)	(68.6)
Operating loss		**(2.5)**	(54.0)	(60.5)
Comprising				
- Adjusted operating loss		**(1.3)**	(4.0)	(6.3)
- Adjusting items in operating loss	4	**(1.2)**	(50.0)	(54.2)
Finance expense		**(0.1)**	(0.2)	(0.4)
Loss before tax		**(2.6)**	(54.2)	(60.9)
Comprising				

	Note			
- Adjusted loss before tax		**(1.3)**	(4.0)	(6.4)
- Adjusting items in loss before tax	4	**(1.3)**	(50.2)	(54.5)
Taxation		**-**	4.2	(4.1)
Loss after tax from discontinued operations		**(2.6)**	(50.0)	(65.0)
Loss on disposal of discontinued operation after tax		**-**	-	(1.0)
Loss after tax from discontinued operations attributable to owners of parent		**(2.6)**	(50.0)	(66.0)

(1) Half year to 30 June 2023 has been re-presented to present Syrp Limited ("Syrp") as a discontinued operation separately from continuing operations.

b) Statement of Cash Flows - discontinued operations

	Half year to 30 June 2024	Half year to 30 June 2023 restated(2)	Year to 31 December 2023
	£m	£m	£m
Net cash used in operating activities	**(0.9)**	(3.6)	(7.3)
Net cash used in investing activities	**(1.2)**	(1.7)	(4.1)
Net cash outflow from financing activities (2)	**(0.2)**	(0.4)	(0.4)
Net cash used in discontinued operations	**(2.3)**	(5.7)	(11.8)
Loss on disposal of discontinued operation after tax	**-**	-	(1.0)
Add back share-based payment charge	**-**	-	0.1
Disposal of business in cash flow	**-**	-	(0.9)

(2) The 30 June 2023 "Net cash used in operating activities", "Net cash used in investing activities" and "Net cash outflow from financing activities" have been restated to align with the requirements for Statement of Cash Flows per IAS 1. This is consistent with 30 June 2024 and 31 December 2023.

c) Effect of the disposal group on the Group condensed consolidated balance sheet

	Half year to 30 June 2024	Half year to 30 June 2023	Year to 31 December 2023
	£m	£m	£m
Assets of the disposal group classified as held for sale			
Intangible assets	**5.5**	5.4	5.5
Property, plant and equipment	**1.1**	3.6	3.6
Deferred tax assets	**-**	8.9	-
Inventories	**1.2**	1.6	1.0
Contact assets	**0.2**	-	0.2
Trade and other receivables	**0.5**	2.6	1.5
Other non-current receivables	**0.5**	0.5	0.5
	9.0	22.6	12.3
Liabilities of the disposal group classified as held for sale			
Lease liabilities	**(0.1)**	(0.5)	(0.3)
Contract liabilities	**(0.3)**	(0.4)	(0.3)
Trade payables	**(0.4)**	(1.4)	(0.8)

Trade payables	**(0.4)**	(1.4)	(0.8)
Other payables	**(1.7)**	(2.6)	(1.6)
Current provisions	**(0.5)**	(0.5)	(0.6)
Non-current provisions	**(0.9)**	(1.1)	(1.0)
	(3.9)	(6.5)	(4.6)

15 Glossary on Alternative Performance Measures ("APMs")

<table>
<tr><td colspan="3">The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information and enable an alternative comparison of performance over time.

The Group uses APMs to aid the comparability of information between reporting periods and Divisions, by adjusting for certain items which impact upon IFRS measures, to aid the user in understanding the activity taking place across the Group's businesses. APMs are used by the Directors and Management for performance analysis, planning, reporting and incentive purposes. Where relevant, further information on specific APMs is provided in each section below.</td></tr>
<tr><th>APM</th><th>Closest equivalent IFRS measure</th><th>Definition & Purpose</th></tr>
<tr><th colspan="3">Profit or loss measures from continuing operations</th></tr>
<tr><td>Adjusted gross profit</td><td>Gross profit</td><td>Calculated as gross profit before adjusting items. The table below shows a reconciliation:
See note 4 "Adjusting items".
<table>
<tr><th></th><th>Half year to 30 June 2024 £m</th><th>Half year to 30 June 2023 £m</th><th>Year to 31 December 2023 £m</th></tr>
<tr><td>Gross profit</td><td>62.3</td><td>68.5</td><td>114.6</td></tr>
<tr><td>Other income</td><td>-</td><td>(0.4)</td><td>(0.7)</td></tr>
<tr><td>Adjusting items in cost of sales</td><td>0.1</td><td>0.5</td><td>4.2</td></tr>
<tr><td>Adjusted gross profit</td><td>62.4</td><td>68.6</td><td>118.1</td></tr>
</table></td></tr>
<tr><td>Adjusted gross profit margin</td><td>None</td><td>Calculated as adjusted gross profit divided by revenue.</td></tr>
<tr><td>Adjusted operating profit</td><td>(Loss)/profit before tax</td><td>Calculated as (loss)/profit before tax, before net finance expense, and before adjusting items. This is a key management incentive metric.

Adjusting items include non-cash charges such as amortisation of intangible assets that are acquired in a business combination, and effect of fair valuation of acquired inventory and property, plant and equipment. Cash charges include items such as transaction costs, earnout, retention and deferred payments, and significant costs relating to the integration of acquired businesses.

The table below shows a reconciliation:
See note 4 "Adjusting items".
<table>
<tr><th></th><th>Half year to 30 June 2024 £m</th><th>Half year to 30 June 2023 £m</th><th>Year to 31 December 2023 £m</th></tr>
<tr><td>(Loss)/Profit before tax</td><td>(10.8)</td><td>4.2</td><td>(18.8)</td></tr>
<tr><td>Net finance expense</td><td>4.1</td><td>5.5</td><td>14.1</td></tr>
<tr><td>Adjusting items in operating profit</td><td>17.7</td><td>6.5</td><td>18.0</td></tr>
<tr><td>Adjusted operating profit</td><td>11.0</td><td>16.2</td><td>13.3</td></tr>
</table></td></tr>
<tr><td>Adjusted operating profit margin</td><td>None</td><td>Calculated as adjusted operating profit divided by revenue. Progression in adjusted operating margin is an indicator of the Group's operating efficiency.</td></tr>
<tr><td>Adjusted operating expenses</td><td>Operating expenses</td><td>Calculated as operating expenses before adjusting items.

The table below shows a reconciliation:
See note 3 "Operating expenses".
<table>
<tr><th></th><th>Half year to 30 June 2024 £m</th><th>Half year to 30 June 2023 £m</th><th>Year to 31 December 2023 £m</th></tr>
<tr><td>Operating expenses</td><td>69.9</td><td>58.8</td><td>119.3</td></tr>
<tr><td>Adjusting items in operating expenses</td><td>(17.6)</td><td>(6.0)</td><td>(13.8)</td></tr>
<tr><td>Adjusted operating expenses</td><td>52.3</td><td>52.8</td><td>105.5</td></tr>
</table></td></tr>
<tr><td>Adjusted net finance income/(expense)</td><td>None</td><td>Calculated as finance expense, less finance income, and less amortisation of loan fees and loan transaction costs on borrowings for acquisitions and other interest.
The table below shows a reconciliation:
<table>
<tr><th></th><th>Half year to 30 June 2024 £m</th><th>Half year to 30 June 2023 £m</th><th>Year to 31 December 2023 £m</th></tr>
<tr><td>Finance expense</td><td>(5.2)</td><td>(8.2)</td><td>(16.5)</td></tr>
<tr><td>Adjusting finance expense - amortisation of loan fees and loan transaction costs on borrowings for acquisitions and other interest</td><td>-</td><td>0.4</td><td>2.6</td></tr>
</table></td></tr>
</table>

Finance income	**1.1**	2.7	2.4
Adjusted net finance expense	**(4.1)**	(5.1)	(11.5)

Adjusted profit before tax	(Loss)/Profit before tax	Calculated as profit before tax, before adjusting item. This is a key management incentive metric. See condensed consolidated statement of profit or loss for a reconciliation.
Adjusted profit after tax	(Loss)/Profit after tax	Calculated as profit after tax before adjusting items. See condensed consolidated statement of profit or loss for a reconciliation.
Adjusted basic earnings per share	Basic earnings per share	Calculated as adjusted profit after tax divided by the weighted average number of ordinary shares outstanding during the period. This is a key management incentive metric. See note 7 "Earnings per share" for a reconciliation.

Cash Flow measures from continuing operations

Free cash flow	Net cash from operating activities	Net cash from operating activities after proceeds from the sale of property, plant and equipment and software, purchase of property, plant and equipment, and capitalisation of software and development costs. This measure reflects the cash generated in the period that is available to invest in accordance with the Group's capital allocation policy. See "adjusted operating cash flow" below for a reconciliation.
Adjusted operating cash flow	Net cash from operating activities	Free cash flow before payment of interest, tax, restructuring and integration costs, and transaction costs relating to the acquisition of businesses. This is a measure of the cash generation and working capital efficiency of the Group's operations. Adjusted operating cash flow as a percentage of adjusted operating profit is a key management incentive metric.

	Half year to 30 June 2024 £m	Half year to 30 June 2023 £m	Year to 31 December 2023 £m
(Loss)/profit for the period from continuing operations	**(10.2)**	3.5	(12.1)
Add back:			
Taxation and net finance expense	**3.5**	6.2	7.4
Adjusting items	**17.7**	6.5	18.0
Adjusted operating profit	**11.0**	16.2	13.3
Depreciation excluding effect of fair valuation of property, plant and equipment (1)	**6.3**	7.1	14.0
Amortisation of purchased software and payment of development costs	**3.5**	3.2	6.5
Decrease/(increase) in adjusted trade working capital (2)	**4.4**	2.6	(1.1)
Increase in adjusted non-trade working capital (2)	**(0.7)**	(6.9)	(6.8)
Decrease in adjusted provisions (2)	**(0.4)**	(0.1)	-
Other:			
- Net loss on disposal of property, plant and equipment and software	**-**	0.2	0.2
- Fair value gains on derivative financial instruments	**(0.1)**	(0.3)	(0.2)
- Foreign exchange losses	**0.5**	(0.1)	(0.3)
- Share-based payment charges	**1.1**	0.8	1.0
- Proceeds from sale of property, plant and equipment and software	**2.5**	0.1	0.3
- Add back proceeds from property held for sale previously	**(2.5)**	-	-
- Purchase of property, plant and equipment	**(3.0)**	(1.9)	(4.6)
- Purchase of software and payment of development costs	**(4.4)**	(5.8)	(10.7)
Adjusted operating cash flow	**18.2**	15.1	11.6
Interest paid	**(4.9)**	(6.2)	(15.3)
Tax received/(paid)	**1.3**	(4.8)	(10.4)
Proceeds from property held for sale previously	**2.5**	-	-
Payments relating to:			
Restructuring and integration costs	**(0.7)**	(3.3)	(6.4)
Proceeds from sale of impaired inventory	**-**	-	1.1
Retention bonuses	**(1.2)**	(3.7)	(3.6)
Transaction and other costs relating to acquisitions	**(0.1)**	(0.6)	(0.8)
Free cash flow	**15.1**	(3.5)	(23.8)
Proceeds from sale of property, plant and equipment and software	**(2.5)**	(0.1)	(0.3)
Purchase of property, plant and equipment	**3.0**	1.9	4.6
Purchase of software and payment of development costs	**4.4**	5.8	10.7
Net cash from operating activities	**20.0**	4.1	(8.8)

(1) Depreciation on property, plant and equipment is £6.3 million (2023: £7.1 million), of which £2.7 million (2023: £3.1 million) relates to right-of-use property, plant and equipment.

(2) See "Adjusted trade working capital movement", "Adjusted non-trade working capital movement" and "Adjusted provision movement" below for a reconciliation.

Decrease/(increase)	None	The decrease/(increase) in adjusted trade working capital includes movements in inventories,

Decrease/(increase) in adjusted trade working capital	None	The decrease/(increase) in adjusted trade working capital includes movements in inventories, trade receivables and trade payables, excluding movements relating to adjusting items.

	Half year to 30 June 2024 £m	Half year to 30 June 2023 £m	Year to 31 December 2023 £m
(Increase)/decrease in inventories	**(0.7)**	(1.0)	6.9
(Increase)/decrease in trade receivables	**(5.2)**	9.7	17.1
Increase/(decrease) in trade payables	**10.4**	(5.9)	(20.2)
Decrease in trade working capital	**4.5**	2.8	3.8
Deduct inflows from adjusting charges:			
- Effect of fair valuation of acquired inventory	**-**	(0.1)	(0.1)
- Impairment of inventory	**(0.1)**	(0.1)	(3.7)
- Proceeds from the sale of impaired inventory	**-**	-	(1.1)
Decrease/(increase) in adjusted trade working capital	**4.4**	2.6	(1.1)

Decrease/(increase) in adjusted non-trade working capital	None	The decrease/(increase) in adjusted non-trade working capital includes movements in other receivables, other payables and contract assets/liabilities, excluding movements relating to adjusting items.

	Half year to 30 June 2024 £m	Half year to 30 June 2023 £m	Year to 31 December 2023 £m
(Increase)/decrease in other receivables and contract assets	**(2.2)**	2.5	0.5
Decrease in other payables and contract liabilities	**(0.1)**	(13.3)	(10.9)
Increase in non-trade working capital	**(2.3)**	(10.8)	(10.4)
Deduct inflows from adjusting charges:			
Adjustments for integration, restructuring and other costs, transaction costs relating to acquisition of businesses, and retention bonuses	**1.6**	3.9	3.6
Increase in adjusted non-trade working capital	**(0.7)**	(6.9)	(6.8)

Decrease in adjusted provisions	Decrease in provisions	The adjusted provisions movement excludes movements relating to adjusting items.

	Half year to 30 June 2024 £m	Half year to 30 June 2023 £m	Year to 31 December 2023 £m
Decrease in provisions	**(0.3)**	(1.5)	(1.9)
Adjustments for integration , restructuring and other costs	**(0.1)**	1.4	1.9
Decrease in adjusted provision	**(0.4)**	(0.1)	-

Other measures from continuing operations

Return on capital employed (ROCE)	None	ROCE is calculated as annual adjusted operating profit for the last 12 months divided by the average total assets (excluding defined benefit pension asset and deferred tax assets)), current liabilities (excluding current interest-bearing loans and borrowings), and non-current lease liabilities. The average is based on the opening and closing position of the 12 month applicable period.

	12 months ended 30 June 2024 £m
Adjusted operating profit for the last 12 months	**8.1**
Capital employed at the beginning of the 12 month period	**299.7**
Capital employed at the end of the 12 month period	**277.1**
Average capital employed	**288.4**
Adjusted ROCE %	**2.8%**

Dropthrough	None	Dropthrough is the change in adjusted operating profit as a percentage of the change in revenue.
Organic revenue	None	Organic revenue is revenue from existing business, and not from new mergers and acquisitions.
Organic adjusted operating profit	None	Organic adjusted operating profit is adjusted operating profit from existing business, and not from new mergers and acquisitions.
Organic growth	None	Organic growth is the growth achieved year-on-year from existing business, and not from new mergers and acquisitions.
Constant currency	None	Constant currency variances are derived by calculating the current year amounts at the applicable prior year foreign currency exchange rates, excluding the effects of hedging in both years. Revenue growth is presented on a constant currency basis as this best represents the impact of volume and pricing on revenue growth.
Organic revenue at constant currency	None	Calculated as organic revenue at constant currency.

<table>
<tr><td>constant currency</td><td></td><td>
The table below shows a reconciliation:

See condensed consolidated statement of profit or loss for a reconciliation.
See "Organic revenue", "Organic growth" and "Constant currency" above for definitions.
<table>
<tr><th></th><th>Half year to 30 June 2024 £m</th></tr>
<tr><td>Half year to 30 June 2023 organic revenue</td><td>165.0</td></tr>
<tr><td>Half year to 30 June 2024 organic revenue</td><td>153.3</td></tr>
<tr><td>Exclude effects of foreign currency exchange rates:</td><td></td></tr>
<tr><td>Translational effects</td><td>4.7</td></tr>
<tr><td>Transactional effects</td><td>(1.0)</td></tr>
<tr><td>2024 organic revenue at constant currency</td><td>157.0</td></tr>
<tr><td>Organic growth at constant currency %</td><td>(5%)</td></tr>
</table>
</td></tr>
<tr><td>Cash conversion</td><td>None</td><td>Calculated as adjusted operating cash flow divided by adjusted operating profit. This is a key management incentive metric and is a measure used within the Group's incentive plans.</td></tr>
<tr><td>Organic adjusted operating profit at constant currency</td><td>None</td><td>
Calculated as organic adjusted profit at constant currency.

The table below shows a reconciliation:

See condensed consolidated statement of profit or loss for a reconciliation.
See "Adjusted operating profit" above for definitions.
See "Organic adjusted operating profit", "Organic growth" and "Constant currency" above for definitions.
<table>
<tr><th></th><th>Half year to 30 June 2024 £m</th></tr>
<tr><td>Half year to 30 June 2023 organic adjusted operating profit</td><td>16.2</td></tr>
<tr><td>2024 organic adjusted operating profit (1)</td><td>11.0</td></tr>
<tr><td>Exclude effects of foreign currency exchange rates:</td><td></td></tr>
<tr><td>Translational effects</td><td>0.1</td></tr>
<tr><td>Transactional effects</td><td>0.2</td></tr>
<tr><td>2024 organic adjusted operating profit at constant currency</td><td>11.3</td></tr>
<tr><td>Organic growth at constant currency %</td><td>(30%)</td></tr>
</table>
(1) See "Adjusted operating profit" above for a reconciliation.
</td></tr>
<tr><td>Adjusted EBITDA</td><td>None</td><td>
Calculated as adjusted operating profit for the last 12 months before depreciation of tangible fixed assets and amortisation of intangibles (other than those already excluded from adjusted operating profit).

The table below shows a reconciliation:
<table>
<tr><th></th><th>12 months ended 30 June 2024 £m</th></tr>
<tr><td>Adjusted operating profit for the last 12 months</td><td>8.1</td></tr>
<tr><td>Add back depreciation excluding effect of fair valuation of property, plant and equipment</td><td>13.2</td></tr>
<tr><td>Add back amortisation of purchased software and payment of development costs</td><td>6.8</td></tr>
<tr><td>Adjusted EBITDA</td><td>28.1</td></tr>
</table>
</td></tr>
<tr><td>Covenant EBITDA</td><td>None</td><td>
Calculated as adjusted EBITDA for the last 12 months before share based payment charge, and after interest income/(expense) unrelated to gross borrowings
The table below shows a reconciliation:
<table>
<tr><th></th><th>12 months ended 30 June 2024 £m</th></tr>
<tr><td>Adjusted EBITDA for the last 12 months</td><td>28.1</td></tr>
<tr><td>Add back share based payment charge</td><td>1.3</td></tr>
<tr><td>Add back material items of an unusual nature</td><td>5.3</td></tr>
<tr><td>Add interest income unrelated to gross borrowings (1)</td><td>1.3</td></tr>
<tr><td>Covenant EBITDA</td><td>36.0</td></tr>
</table>
(1) See "Interest income/(expense) unrelated to gross borrowings" below for a reconciliation.
</td></tr>
<tr><td>Covenant EBITA</td><td>None</td><td>
Calculated as Covenant EBITDA for the last 12 months less depreciation of tangible fixed assets and amortisation of intangibles (other than those already excluded from adjusted operating profit).

The table below shows a reconciliation:
</td></tr>
</table>

			12 months ended 30 June 2024 £m		
		Covenant EBITDA for the last 12 months	**36.0**		
		Less depreciation excluding effect of fair valuation of property, plant and equipment	**(13.2)**		
		Covenant EBITA	**22.8**		
Interest income/(expense) unrelated to gross borrowings	None	This is currency translation gains/(losses), other interest income/(expense), interest income/(expense) on net defined benefit pension scheme, and loan fees on borrowings, excluding those on borrowings for acquisitions, and other financing initiatives.			
			12 months ended 30 June 2024 £m	**12 months ended 30 June 2023 £m**	**12 months ended 31 December 2023 £m**
		Net currency translation gains	**1.8**	2.4	2.0
		Other interest income	**0.5**	0.1	0.2
		Interest income on net defined benefit pension scheme	**0.2**	0.1	0.2
		Interest expense on net defined benefit pension scheme	**(0.1)**	-	(0.1)
		Other interest expense	**(1.7)**	-	(1.6)
		Loan fees on borrowings	**(1.6)**	(1.2)	(1.9)
		Less loan fees on borrowings for acquisitions and other financing initiatives	**2.2**	0.7	2.6
		Interest income unrelated to gross borrowings	**1.3**	2.1	1.4
Covenant net interest	None	Calculated as adjusted net finance income/(expense)(1) for the last 12 months less interest income/(expense) unrelated to gross borrowings (1)			
			12 months ended 30 June 2023 £m	**12 months ended 30 June 2023 £m**	**12 months ended 31 December 2023 £m**
		Adjusted net finance expense for the last 12 months	**(10.5)**	(8.1)	(11.5)
		Less interest income unrelated to gross borrowings	**(1.3)**	(2.1)	(1.4)
		Covenant net interest	**(11.8)**	(10.2)	(12.9)
		(1) See "Adjusted net finance income/(expense)" and "Interest income/(expense) unrelated to gross borrowings" above for a reconciliation.			
Net debt	None	See note 10 "Analysis of Net debt" for an explanation of the balances included in net debt, along with a breakdown of the amounts.			
Covenant net debt	None	Calculated as Net debt including lease liabilities from discontinued operations, before unamortised loan fees on borrowings.			
			Half year to 30 June 2023 £m	**Half year to 30 June 2023 £m**	**Year to 31 December 2023 £m**
		Net debt from continuing operations	**117.3**	216.1	128.5
		Add back lease liabilities from discontinued operations	**0.1**	0.5	0.3
		Add back unamortised loan fees on borrowings	**1.3**	1.1	0.8
		Covenant net debt	**118.7**	217.7	129.6

END

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