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Cropper(James) PLC
20 November 2024

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20 November 2024

James Cropper plc

("James Cropper", the "Company" or the "Group")

Interim Results

James Cropper plc (AIM: CRPR), the Advanced Materials and Paper & Packaging group, announces its unaudited results for the six months ended 30 September 2024 ('H1 FY25').

Financial headlines

- Group revenue of £49.9m, +7% against the challenging H2 FY24 but 11.7% below the same period last year (H1 FY24: £56.5m) when fuel cell revenue in Advanced Materials was at an elevated level and prior to supply chain disruption across Paper & Packaging.
- Adjusted operating profit of £0.4m, up £1.4m against H2 FY24 but £2.6m below the same period last year (H1 FY24: £3.0m), due to lower revenue and rising input prices in the Paper & Packaging businesses, partly offset by margin growth in the Advanced Materials business and strong overhead cost control across the Group.
- Adjusted[1] loss before tax of £0.2m (H1 FY24: adjusted[1] profit before tax £2.4m)
- Statutory loss before tax of £0.6m (H1 FY24: profit before tax of £2.4m).
- Loss per share of 5.1p (FY24 H1: earnings per share 19.4p).
- No interim dividend proposed (H1 FY24: 3.0 pence per share).
- Improved net debt of £13.1m (H1 FY24: £13.3m), down from £15.5m at the year-end with continued careful control of working capital and capital expenditure of £0.6m (H1 FY24: £1.4m).

Operational headlines

Advanced Materials

- The Advanced Materials business experienced good momentum. The business benefitted from a strong recovery in aerospace and defence demand and maintained a robust gross margin performance, due to resilient pricing and productivity initiatives.
- Within the Energy Solutions segment, the hydrogen fuel cell market remained subdued, but the PEM electrolyser business showed encouraging signs of recovery.
- The reshaped leadership team in Advanced Materials is reinforcing the focus on growth markets and leveraging our excellent customer proposition to maintain strong margins.

Paper & Packaging

- The core paper business recovered well in H1 FY25 against H2 FY24 with key markets returning to normalised patterns and pricing being supported by strong customer relationships.
- The luxury packaging market remained challenging due to the slowdown in China and reduced demand being experienced by some luxury brand customers.
- Sales of Colourform moulded fibre products were impacted by the ongoing weakness in the luxury packaging market, particularly the wines & spirits sector.
- Paper & Packaging input prices remained high through H1 FY25, partly mitigated by rigorous cost control disciplines and sourcing efficiencies.
- Volume-based business development is being accelerated to counter the market softness but will have an impact on overall Group margins.

Current trading and outlook

- Advanced Materials H1 FY25 revenue growth momentum is expected to continue through H2 based on forecast customer projects, with the outlook in aerospace, defence, construction and hydrogen PEM electrolyser remaining strong.
- Challenging conditions remain in the Paper & Packaging business due to the ongoing fragility in the luxury packaging sector and customers in the photographic board sector recently forecasting reduced revenues for the remainder of FY25.
- As a result of the prolonged weakness in Paper & Packaging market conditions, the Board now expects that the Group's results for FY25 will be below its prior expectations, with full year revenue and adjusted[1] profit before tax expected to be broadly at the same level as the Group's FY24 reported results.
- Robust cost controls embedded across the Group are providing a level of mitigation for the lower demand in the Paper & Packaging division and maximising working capital efficiency.
- Strong cash management disciplines have resulted in an improved net debt position reported for H1 FY25.
- Both businesses continue to focus on accelerating growth opportunities in new markets and the Board's performance expectations for the Group in the medium term remain unchanged.
- David Stirling will join the Group in January 2025 and succeed Steve Adams as Chief Executive Officer following a short handover period.

Commenting on the half year results, James Cropper CEO Steve Adams said:

"Although trading was challenging in the first half of the financial year, the Group was able to achieve sequential growth in revenue and profit with clear signs of recovery across most segments of the business.

"The Advanced Materials business continues to benefit from its focus on end-markets with strong secular growth trends, and it is demonstrating traction in its growth strategy with an expanding portfolio of opportunities in new technologies and markets. The Paper & Packaging business has seen slower recovery due to ongoing global market softness in some of its key sectors. Tight cost control and mitigation efforts are in place to defend margins especially whilst input costs continue to fluctuate.

"Our teams have worked diligently to maintain value through new business development activities.

preserving and strengthening our existing customer relationships through enhanced collaboration and partnership, and remaining steadfast in our focus to leverage our capabilities through new product and technology development, underpinned by our strong brand presence.

"The fact that our direct customer base remains stable and intact, and that we are seeing positive trends in various end markets, gives us confidence that the Group is positioned for growth once end market conditions stabilise and improve.

"As announced in October, I retire from the Board in early 2025 after seven years on the Group Board. I very much look forward to supporting my successor David Stirling in achieving a smooth transition and am confident that the Group will thrive under his leadership."

Notes

[1] Excludes the impact of IAS 19 in respect of the Group's defined benefit pension scheme and exceptional items (per note 8).

ENDS

Enquiries:

James Cropper plc
Steve Adams, CEO
Andrew Goody, CFO
Tel: +44 (0)1539 722 002

Shore Capital - Nominated Adviser and Broker
Daniel Bush, David Coaten, Henry Willcocks, Lucy Bowden
Tel: +44 (0)207 408 4090

Burson Buchanan - Financial PR
Chris Lane, Charles Ryland, Jamie Hooper, Verity Parker
jamescropper@buchanancomms.co.uk
Tel: +44 (0) 207 466 5000

Notes for editors:

James Cropper is a market leader in Advanced Materials and Paper & Packaging, centred around four market audiences: Energy Solutions, Composite Solutions, Luxury Packaging and Creative Papers.

A purpose-led business, built upon six generations of the Cropper family, James Cropper has a 600+ international workforce and an operational reach in over 50 countries.

Established in 1845, the Group manufactures creative papers, luxury packaging and advanced materials incorporating pioneering non-wovens and electrochemical coatings.

James Cropper is a specialist provider of niche solutions tailored to a unique customer specification, ranging from substrates and components in hydrogen electrolysis and fuel cells to bespoke colours and textures in paper and moulded fibre packaging designed to replace single use plastics.

The Group operates across multiple markets from luxury retail to renewable energy. It is renowned globally for service, capability, pioneering and multi award-winning commitment to the highest standards of sustainability.

James Cropper's goal is to be operationally net zero by 2030 and to reduce carbon through its entire supply chain to net zero by 2050.

Group overview

In H1 FY25, both of the Group's businesses saw a revenue recovery against the challenging H2 FY24, with Advanced Materials and Paper & Packaging revenues each up 7% in H1 FY25 against H2 FY24, albeit the revenue run rate was below the same period last year (Group revenue -11.7% against H1 FY24).

Group adjusted operating profit in the period was £0.4m (H1 FY24: £3.0m). This was up £1.4m against H2 FY24, but £2.6m below the same period last year due to lower revenue and rising input prices in the Paper & Packaging businesses, partly offset by margin growth in the Advanced Materials business and strong overhead cost control across the Group.

The Group continues to maintain strong relationships with its direct customer base, with a growing emphasis on collaboration. Our customer proposition across both divisions remains compelling and is driving new opportunities, supported by our new brand positioning.

Strong cash management disciplines have been applied to control capital expenditure, working capital and overheads and the Group remains comfortably in compliance with its bank covenants, with an improved net debt position compared to both the end of FY24 and the end of H1 FY24.

Capital expenditure for the full year is likely to be lower than previous guidance, as a result of the deferral of our decarbonisation activities whilst we explore different business models, and deferral of all non-essential capital expenditure. Investment in new capabilities and capacity in our electrolyser operations has continued, in preparation for the expected upturn in production of electrolyser stacks.

Advanced Materials

Advanced Materials has seen solid 'half-on-half' revenue growth in H1 FY25 (against H2 FY24), which is expected to continue in H2 FY25. The core industrial materials markets remain robust, and our strong product capability has enabled some margin growth.

The hydrogen fuel cell sector remains subdued due to uncertainty over future green technology pathways, but indications are for an improving outlook with strong partnerships and collaboration on next generation Gas Diffusion Layers (GDL) and Micro Porous Layers (MPL) for a broader base of application areas beyond automotive.

Our PEM electrolyser customers have strengthened their order book over the last few months, which is expected to benefit performance through the second half of the current financial year. As with fuel cell, strong partnerships are in place and business development and trials are currently ongoing with most major PEM electrolyser OEMs. The business recently launched its advanced coating technology under the brand name Resillion™ which has generated significant interest and enquiries from major OEMs. We remain well positioned to take advantage of expected growth in this sector over the medium term.

We continue to focus on the development of advanced non-wovens for new battery technologies as well as products for new composite solutions and application replication into advanced air mobility platforms in aerospace.

We have recently also repositioned and rebranded the Advanced Materials product portfolio which segments and positions products by market and value proposition, ensuring there is better understanding of the scope of products and their applications in various industries.

Paper & Packaging

Our Paper & Packaging business saw a revenue recovery during H1 FY25 with an easing of supply chain destocking and growth in our core paper merchant business. However, luxury packaging markets have remained subdued and demand from the photographic board sector has weakened since the start of H2 FY25. Sales of Colourform moulded fibre products, have been significantly impacted by weakness in the global wines & spirits sector, where an expected recovery in that market has yet to materialise.

Innovation into technical papers forms an important part of the transition away from reliance on some declining segments of more traditional markets into higher added value growth sectors, where our unique capabilities and fibre expertise can create differentiated solutions.

Operational improvements are continuing with concentration on building agility through operator cross-training, waste reduction activities and improved production scheduling.

Our formed fibre offer continues to attract considerable attention, this year winning prestigious Pentawards and other accolades for sustainable innovation and design. Our project pipeline is continuing to expand, but investment decisions are taking longer to come to fruition due to the softness in end-market demand.

Outlook

Revenue momentum is expected to continue through H2 in Advanced Materials based on forecast customer projects. The outlook in aerospace, defence, industrial, automotive, battery and hydrogen PEM electrolyser remains strong through enhanced collaboration and partnerships and continued technology development.

Challenges remain in Paper & Packaging, with ongoing weakness in luxury goods end markets, primarily due to the slowdown in demand from China, together with reduced revenue expectations in the photographic display boards sector. This has meant that the Group's Paper & Packaging division entered H2 FY25 with less momentum than previously forecast and the Group experienced similar trading conditions in October. Volume-based business development is being accelerated to counter the market softness, but this lower margin business will have an impact on overall Group margins.

Whilst margin gains in Advanced Materials and cost savings will mitigate some of the impact of the Paper & Packaging weakness, the Group's results for FY25 are now expected to be below the Board's prior expectations. Full year Group revenue and adjusted profit before tax are expected to be broadly at the same level as the Group's FY24 reported results. The Board's performance expectations for the Group in the medium term remain unchanged.

Strong cost control and cash management disciplines are increasingly embedded in the business and will continue to provide some mitigation moving forward. The Board has confidence in the resilience of the Group's balance sheet, with H1 FY25 net debt showing an improvement against the closing positions for both FY24 and H1 FY24, and that the Group will continue to operate within its amended banking facility covenants.

As announced on 29 October 2024, David Stirling will be appointed to succeed Steve Adams as Chief Executive Officer in early 2025. David brings extensive leadership, commercial, operational and technical experience and is well placed to ensure the Group truly meets its potential in the coming years.

Financial Statements Summary

Income statement summary	**Half-year to 28 September 2024**	Half-year to 30 September 2023	Full-year to 30 March 2024
	£'000	£'000	£'000
Revenue			
Paper & Packaging division	33,185	37,504	68,465
Advanced Materials division	16,727	18,995	34,503
	49,912	56,499	102,968
Adjusted operating profit *	439	3,048	1,977
Adjusted net interest	(654)	(645)	(1,219)
Adjusted (loss) /profit before tax *	**(215)**	2,403	758
IAS19 pension adjustments			
Net current service charge against operating profits	36	202	6
Finance costs charged against interest	(427)	(386)	(753)
	(606)	2,219	11
Exceptional items (note 8)	-	340	(5,010)
Exceptional finance costs (note 8)		[illegible]	[illegible]

Exceptional finance costs (note 8)	-	(131)	(262)
(Loss) / Profit before tax	**(606)**	2,428	**(5,261)**

* excludes the impact of IAS 19 and exceptional items (per note 8)

Balance sheet summary	**Half-year to 28 September 2024**	Half-year to 30 September 2023	Full-year to 30 March 2024
	£'000	£'000	£'000
Non-pension assets - excluding cash	70,627	80,952	72,416
Non-pension liabilities - excluding borrowings	(19,993)	(21,636)	(18,342)
	50,634	59,316	54,074
Net IAS19 pension deficit (after deferred tax)	(12,251)	(12,153)	(12,970)
	38,383	47,163	41,104
Net borrowings	(13,120)	(13,312)	(15,537)
Equity shareholders' funds	25,263	33,851	25,567
Gearing % - before IAS19 deficit	35%	29%	38%
Gearing % - after IAS19 deficit	52%	39%	61%
Capital expenditure £'000	604	1,399	3,770

UN-AUDITED CONSOLIDATED INCOME STATEMENT

	26 week period to 28 September 2024	**26 week period to 30 September 2023**	**52 week period to 30 March 2024**
	£'000	**£'000**	**£'000**
Revenue	49,912	56,499	102,968
Provision for impairment reversal / (loss)	94	(116)	130
Other income	55	1,471	1,970
Changes in inventories	1,194	(134)	(2,604)
Raw materials and consumables used	(19,318)	(19,882)	(34,785)
Energy costs	(3,011)	(3,866)	(7,130)
Employee benefit costs	(16,376)	(17,845)	(34,547)
Depreciation and amortisation	(2,297)	(2,289)	(4,619)
Impairment of property, plant and equipment	-	-	(4,427)
Write-off of assets on restructuring	-	-	(469)
Other expenses	(9,778)	(10,248)	(19,514)
Operating profit / (loss)	475	3,590	(3,027)
Interest payable and similar charges	(1,082)	(1,162)	(2,234)
Interest receivable and similar income	1	-	-
(Loss) / profit before taxation	(606)	2,428	**(5,261)**
Taxation	118	(570)	1,264
(Loss) / profit for the period	(488)	1,858	**(3,997)**
(Loss) / earnings - basic and diluted	(5.1)p	19.4p	(41.8)p

UN-AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Loss) / profit for the period	(488)	1,858	(3,997)
Items that are or may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	(160)	(80)	(196)
Cash flow hedges - effective portion of changes in fair value	(255)	256	(258)
Cash flow hedges - cost of hedging	68	60	109
Items that will never be reclassified to profit or loss			
Retirement benefit liabilities - actuarial gains /			

(losses)	708	(411)	(1,787)
Deferred tax (charge) / credit on actuarial gains / losses on retirement benefit liabilities	(177)	103	447
Other comprehensive income / (expense) for the period	185	(72)	(1,685)
Total comprehensive (expense) / income for the period attributable to equity holders of the Company	(304)	1,786	**(5,682)**

UN-AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	28 September 2024	**30 September 2023**	**30 March 2024**
	£'000	**£'000**	**£'000**
Assets			
Intangible assets	1,098	1,441	1,210
Goodwill	1,264	1,264	1,264
Property, plant and equipment	26,376	32,191	27,667
Right of use assets	5,563	6,302	6,028
Other financial asset	218	657	341
Deferred tax assets	5,160	4,215	5,400
Total non-current assets	39,679	46,070	**41,910**
Inventories	17,028	18,166	15,796
Trade and other receivables	16,611	20,520	17,723
Provision for impairment	(419)	(759)	(513)
Other financial assets	344	644	478
Cash and cash equivalents	10,529	12,348	9,211
Current tax assets	1,467	362	1,345
Total current assets	45,560	51,281	**44,040**
Total assets	85,239	97,351	**85,950**
Liabilities			
Trade and other payables	17,221	16,678	15,570
Loans and borrowings	3,144	1,306	1,610
Total current liabilities	20,365	17,984	**17,180**
Long-term borrowings	20,505	24,354	23,138
Retirement benefit liabilities	16,334	16,204	17,293
Contingent consideration on business acquisition	-	1,554	-
Deferred tax liabilities	2,772	3,404	2,772
Total non-current liabilities	39,611	45,516	**43,203**
Total liabilities	59,976	63,500	**60,383**
Equity			
Share capital	2,389	2,389	2,389
Share premium	1,588	1,588	1,588
Reserve for own shares	(1,407)	(1,407)	(1,407)
Translation reserve	419	695	579
Cash flow hedging reserve	527	1,296	782
Cost of hedging reserve	(178)	(295)	(246)
Retained earnings	21,925	29,585	21,882
Total shareholders' equity	25,263	33,851	**25,567**
Total equity and liabilities	85,239	97,351	**85,950**

UN-AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	26 week period to 28 September	**26 week period to 30 September**	**52 week period to 30 March**

	2024	2023	2024
	£'000	£'000	£'000
Cash flows from operating activities			
(Loss) / profit for the period	(488)	1,858	(3,997)
Adjustments for:			
Tax (credit) / expense	(118)	570	(1,264)
Depreciation and amortisation	2,297	2,289	4,619
Impairment of property, plant and equipment	-	-	4,427
Write-off of assets on restructuring	-	-	469
Earn out adjustment on contingent consideration on business acquisition	-	-	(422)
Net IAS 19 pension adjustments within Statement of comprehensive income	(36)	(202)	(6)
Past service pension deficit payments	(642)	(531)	(1,381)
Foreign exchange differences	318	(205)	(40)
Loss / (profit) on disposal of property, plant and equipment	-	174	(40)
Net interest expense	1,082	1,162	2,234
Share based payments	-	-	(152)
Changes in working capital:			
(Increase) / decrease in inventories	(1,260)	171	2,352
Decrease in trade and other receivables	824	4,318	6,110
Increase / (decrease) in trade and other payables	1,798	(4,495)	(5,576)
Tax received / (paid)	59	(28)	(163)
Net cash generated from operating activities	**3,834**	**5,081**	**7,170**
Cash flows from investing activities			
Purchase of intangible assets	-	(5)	(965)
Purchases of property, plant and equipment	(604)	(1,394)	(3,220)
Proceeds on disposal of intangible assets	-	-	120
Contingent consideration on business acquisition paid	-	-	(250)
Net cash used in investing activities	(604)	(1,399)	**(4,315)**
Cash flows from financing activities			
Proceeds from issue of loans	-	2,000	2,000
Repayment of borrowings	(232)	(201)	(429)
Repayment of lease liabilities	(656)	(668)	(1,449)
Interest received	-	-	-
Interest paid	(619)	(481)	(941)
Dividends paid to shareholders	-	-	(664)
Net cash (used in) / generated from financing activities	(1,507)	650	**(1,483)**
Net increase in cash and cash equivalents	1,723	4,332	**1,372**
Effect of exchange rate fluctuations on cash held	(405)	337	160
Net increase in cash and cash equivalents	1,318	4,669	**1,532**
Cash and cash equivalents at the start of the period	9,211	7,679	7,679
Cash and cash equivalents at the end of the period	10,529	12,348	**9,211**
Cash and cash equivalents consists of:			
Cash at bank and in hand	10,529	12,348	**9,211**

UN-AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Translation reserve	Reserve for own shares	Cash flow hedging Reserve	Cost of hedging reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30 March 2024	**2,389**	**1,588**	**579**	**(1,407)**	**782**	**(246)**	**21,882**	**25,567**
Comprehensive expense for the period	-	-	-	-	-	-	(488)	(488)
Total other comprehensive								

income	-	-	(160)	-	(255)	68	531	184
Total contributions by and distributions to owners of the Group	-	-	-	-	-	-	-	-
At 28 September 2024	**2,389**	**1,588**	**419**	**(1,407)**	**527**	**(178)**	**21,925**	**25,263**

	Share capital	Share premium	Translation reserve	Reserve for own shares	Cash flow hedging Reserve	Cost of hedging reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2023	**2,389**	**1,588**	**775**	**(1,407)**	**1,040**	**(355)**	**28,035**	**32,065**
Comprehensive income for the period	-	-	-	-	-	-	1,858	1,858
Total other comprehensive income	-	-	(80)	-	256	60	(308)	(72)
Total contributions by and distributions to owners of the Group	-	-	-	-	-	-	-	-
At 30 September 2023	**2,389**	**1,588**	**695**	**(1,407)**	**1,296**	**(295)**	**29,585**	**33,851**

NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR STATEMENTS

1. Basis of preparation

James Cropper Plc (the Company) is a public limited company incorporated and domiciled in the United Kingdom and listed on the Alternative Investment Market (AIM) market of the London Stock Exchange. The condensed consolidated half year financial statements of the Company for the twenty six weeks ended 28 September 2024, which have not been audited or reviewed, comprise the Company and its subsidiaries (together referred to as the Group).

Basis of preparation
The condensed consolidated financial statements for the 26-week periods ending 28 September 2024 and 30 September 2023 are unaudited and were approved by the Directors on 19 November 2024. They do not constitute statutory accounts as defined in s434 of the Companies Act 2006. The financial statements for the year ended 30 March 2024 were prepared in accordance with UK adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and have been delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified and did not draw attention to any matters by way of emphasis of matter. The Group's financial statements consolidate the financial statements of James Cropper Plc and its subsidiaries.

Applicable standards
These unaudited consolidated interim financial statements have been prepared in accordance with international accounting standards as adopted by the UK, under the historical cost convention except for the revaluation of certain financial instruments to fair value. They have not been prepared in accordance with IAS 34, the application of which is not required to the interim financial statements of companies trading on the Alternative Investment Market (AIM companies).

The consolidated financial statements of the Group for the 52-week period ended 30 March 2024 are available upon request from the Company's registered office: Burneside Mills, Kendal, Cumbria, LA9 6PZ or at www.jamescropper.com.

The half year financial information is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Going concern
The Directors, at the time of approving these interim statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from this reporting date.

For the interim going concern review, the Board has reviewed the Group's financial forecasts for the 18-month period ending 31 March 2026 against which a number of downside scenarios were modelled to assess headroom against facilities and impacts on bank covenants, which showed adequate headroom and no covenant breaches.

Following this review the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Significant accounting policies
The accounting policies applied by the Group in these condensed consolidated financial statements are the

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the 52-week period ended 30 March 2024.

2. Accounting estimates and judgements

The preparation of half year 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 expenses. Actual results may differ from these estimates.

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 applied to the consolidated financial statements as at and for the 52-week period ended 30 March 2024.

3. Risks and uncertainties

The principal risks and uncertainties which may have the largest impact on performance in the second half of the year are the same as disclosed in the 2024 Annual Report on pages 39 - 43. The principal and emerging risks set out in the 2024 Annual Report were:

- Principal risks: health and safety; people; fire; defined benefit pension scheme; market growth; security of supply; IT systems and network security; energy price volatility; legal and regulatory compliance;
- Emerging risks: extreme weather events; climate policy; net zero emissions, raw material availability.

The Board considers that all principal risks and uncertainties set out in the 2024 annual report have not changed and remain relevant for the second half of the financial year.

4. Alternative performance measures

The Company uses alternative performance measures to allow users of the financial statements to gain a clearer understanding of the underlying performance of the business.

Profit before tax represents the Group's overall performance, however it contains significant non-operational items relating to IAS 19 that the directors believe make year-on-year comparison of performance challenging.

Measures used to evaluate business performance are 'Adjusted operating profit' (operating profit excluding the impact of IAS 19 and exceptional items) and 'Adjusted profit before tax' (profit before tax excluding the impact of IAS 19 and exceptional items). The alternative performance measures are reconciled in note 9.

The adjustment, which we refer to in these accounts as the "IAS 19 impact" represents the difference between the pension charge as calculated under IAS 19 and the cash contributions for the current service cost only as determined by the latest triennial valuation. The Directors consider that the adjusted pension charge better reflects the actual pension costs for ongoing service compared to the IAS 19 charge. This adjustment is made internally when we assess performance and is also used in the profit and earnings per share targets used in management incentive schemes.

5. Earnings per share

	Six months ended 28 September 2024	**Six months ended 30 September 2023**	**Year ended 30 March 2024**
(Loss) / earnings per share - basic and diluted	(5.1)p	19.4p	(41.8)p
(Loss) / profit for the period (£'000)	(488)	1,858	(3,997)
Weighted average number of shares - basic and diluted	9,554,803	9,554,803	9,554,803

6. Dividends

The Directors are not proposing an interim dividend (H1 FY24: 3.0p).

7. Retirement benefit obligations

	26 week period ended 28 September 2024	**26 week period ended 30 September 2023**	**52 week period ended 30 March 2024**
	£'000	**£'000**	**£'000**
Obligation brought forward	(17,293)	(16,140)	(16,140)
Expense recognised in the income statement	(561)	(563)	(1,181)
Contributions paid to the schemes	812	910	1,815
Actuarial gains / (losses) recognised in Other Comprehensive Income	708	(411)	(1,787)

Obligation carried forward	(16,334)	(16,204)	(17,293)

8. Exceptional items

	26 week period ended 28 September 2024	26 week period ended 30 September 2023	52 week period ended 30 March 2024
	£'000	£'000	£'000
Included in operating (loss)/profit:			
Restructuring costs	-	1,064	2,309
earn-out adjustment on contingent consideration on business acquisition	-	-	(422)
Impairment of property, plant and equipment	-	-	4,427
Flood settlement costs	-	-	100
Legal settlement	-	(1,404)	(1,404)
Exceptional items excluding finance costs	-	(340)	5,010
Included in finance costs:			
Unwind of discount on earn-out provision	-	131	262
Exceptional items	**-**	**(209)**	**5,272**

9. Alternative performance measures

	26 week period ended 28 September 2024	26 week period ended 30 September 2023	52 week period ended 30 March 2024
	£'000	£'000	£'000
Adjusted operating profit	439	3,048	1,977
Net IAS 19 pension adjustments - current service costs	36	202	6
Exceptional items	-	340	(5,010)
Operating profit / (loss)	**475**	**3,590**	**(3,027)**

	26 week period ended 28 September 2024	26 week period ended 30 September 2023	52 week period ended 30 March 2024
	£'000	£'000	£'000
Adjusted (loss) / profit before tax	(215)	2,403	758
Net IAS 19 pension adjustments			
- current service costs	36	202	6
- finance costs	(427)	(386)	(753)
Exceptional items	-	209	(5,272)
(Loss) / profit before tax	**(606)**	**2,428**	**(5,261)**

10. Related parties

There have been no significant changes in the nature of related party transactions in the period ended 28 September 2024 from that disclosed in the 2024 annual report.

Statement of Directors' responsibilities
The Directors confirm that these condensed consolidated interim financial statements have not been prepared in accordance with IAS 34 as adopted by the UK 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:

(i) An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(ii) 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 Directors of James Cropper Plc are detailed on our Group website www.jamescropper.com

Forward-looking statements

Sections of this half-yearly financial report may contain forward-looking statements with respect to the Group's plans and expectations relating to its future performance, results, strategic initiatives, objectives and financial position, including liquidity and capital resources. These forward-looking statements are not guarantees of future performance. By their very nature, all forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future and are or may be beyond the Group's control. Accordingly, the Group's actual results and financial condition may differ materially from those expressed or implied in any forward-looking statements. Forward-looking statements in this half-yearly financial report are current only as of the date on which such statements are made. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this announcement shall be construed as a profit forecast.

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