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Victoria PLC
26 November 2024

Victoria PLC
('Victoria' or the 'Company', or the 'Group')

Half-year Report
for the six months ended 28 September 2024

Continuing to position the business for recovery
with lower fixed costs, higher operational gearing, and increased market share

Victoria PLC (LSE: VCP), the international designers, manufacturers and distributors of innovative flooring announces its half-year report for the six months ended 28 September 2024, in line with the numbers announced in the trading update of 15 October.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

Continuing operations[1]	**26 weeks ended 28 September 2024**	26 weeks ended 30 September 2023
Underlying revenue	**£568.8m**	£624.6m
Underlying EBITDA[2]	**£50.2m**	£92.7m
Underlying EBITDA (Pre IFRS-16)	**£34.6m**	£77.8m
Underlying operating profit[2]	**£7.7m**	£51.8m
Statutory operating (loss) / profit	**(£140.8m)**	£18.8m
Underlying (loss) / profit before tax[2]	**(£13.6m)**	£31.5m
Statutory net loss after tax	**(£141.7m)**	(£18.9m)
Underlying free cash flow[3]	**(£12.7m)**	£29.1m
Net debt[4]	**£658.2m**	£695.6m
Net debt / EBITDA[5]	**6.2x**	3.9x
Earnings / (loss) per share		
- Basic	**(124.58p)**	(16.43p)
- Diluted adjusted[2]	**(5.01p)**	13.77p

[1] *The Group sold its B3 Ceramics Danismanlik ("Graniser") business on 18 November 2024 and this has been classified as a discontinued operation. The financial highlights above exclude the contribution of Graniser in both the current and prior year period.*

[2] *Underlying performance is stated before exceptional and non-underlying items. In addition, underlying profit before tax and adjusted EPS are stated before non-underlying items within finance costs.*

[3] *Underlying free cash flow represents cash flow after interest, tax and replacement capital expenditure, but before investment in growth, financing activities and exceptional items.*

[4] *Net debt shown before IFRS16 right-of-use lease liabilities, preferred equity, bond issue premia and the deduction of prepaid finance costs.*

[5] *Leverage shown consistent with the measure used by our lending banks.*

Outlook

•	Flooring is a staple product required in every building which has a very long growth trend and an assured replacement cycle and the Board believe demand will rebound as markets experience a more favourable interest rate environment.
•	Despite market conditions Victoria has improved its competitive differentiation and gained market share in key markets.
•	£12 million has been permanently removed from our fixed cost base during the period and a further £20 million per annum of savings is being executed, such that the impact on FY2026 earnings will be circa £32 million in total. The challenging trading environment has masked the financial impacts of these changes, but they have minimised Victoria's fixed costs whilst materially improved our operational leverage.
•	Careful management of integration projects and cost savings to maintain unchanged access to production capacity, allowing Victoria to rapidly increase output to meet future demand more efficiently.
•	The Board believe thatdemand normalisation should deliver a volume uplift from current levels of more than 20%, with each 5% increase expected to drive a greater than £25 million increase in Victoria's earnings.

Geoff Wilding, Executive Chairman of Victoria PLC commented: "The long-term prospects for Victoria, continue to be exciting and we believe we have a clear path to return to mid-high teen EBITDA margins.

In the short term, even with subdued demand profits should begin to recover with the effects of the 'self-help' work undertaken to improve efficiency and take market share.

In the medium term, as demand normalises, we are confident Victoria's revenue will recover and with the higher operational leverage now inherent in the business due to the integration projects and cost initiatives management have executed this year (and which are ongoing), we anticipate earnings increasing sharply with mid-high teen margins achievable."

Investor presentation
Geoff Wilding, Executive Chairman, Philippe Hamers, Group Chief Executive and Brian Morgan, Group Chief Financial Officer will provide a live presentation relating to the half-year report via the Investor Meet Company platform today (Tuesday 26 November 2024) at 13:30 GMT.

The presentation is open to all existing and potential shareholders. Investors can sign up to Investor Meet Company for free to attend the presentation here.

Investors who already follow Victoria PLC on the Investor Meet Company platform will automatically be invited.

The results presentation will be made available on the Company's website on the day of results here.

For more information contact:

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About Victoria PLC (www.victoriaplc.com)

Established in 1895 and listed since 1963 and on AIM since 2013 (VCP.L), Victoria PLC, is an international manufacturer and distributor of innovative flooring products. The Company, which is headquartered in Worcester, UK, designs, manufactures and distributes a range of carpet, flooring underlay, ceramic tiles, LVT (luxury vinyl tile), artificial grass and flooring accessories.

Victoria has operations in the UK, Spain, Italy, Belgium, the Netherlands, Germany, Turkey, the USA, and Australia and employs approximately 5,600 people across more than 30 sites. Victoria is Europe's largest carpet manufacturer and the second largest in Australia, as well as the largest manufacturer of underlay in both regions.

The Company's strategy is designed to create value for its shareholders and is focused on consistently increasing earnings and cash flow per share via acquisitions and sustainable organic growth.

CHAIRMAN & CHIEF EXECUTIVE'S LETTER TO SHAREHOLDERS

H1, Financial Year[1]	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
Revenue	£568.8	£624.6m	£771.5m	£489.0 m	£305.5m	£312.9m
EBITDA	£50.2m	£92.7m	£100.1m	£84.5m	£52.4m	£58.5m
Margin	*8.8%*	*14.8%*	*13.0%*	*17.3%*	*17.2%*	*18.7%*

The flooring industry continues to experience the longest period of subdued (albeit now appearing to be stabilising) consumer demand in a generation as a result of macroeconomic pressures. We are confident the factors that have been impacting demand are transitory, and at some point, the headwinds the industry has experienced for the last two years will turn into tailwinds and the Board is encouraged by recent positive data in Victoria's end markets. For example, a key driver of demand is housing transactions and in the last quarter increased mortgage approvals, rising house prices, and lower interest rates have been reported in our key markets and these are all precursors to increased transactions and consequently flooring demand as consumers refresh their property before placing it on the market or refurbish their new home. Similarly, as incomes have caught up with inflation alongside lower mortgage expenses, consumer discretionary spending is also likely to increase, which also drives flooring sales. Weak consumer demand for flooring has historically always resulted in revenue deferred, not revenue forgone - the threadbare rug or stained carpet reluctantly tolerated during economic hard times is immediately replaced when a recovery in discretionary spending power allows.

Nevertheless, Victoria is seizing the opportunity that the current environment provides to become more efficient and grow market share. Primarily the improved efficiency will come from the integration of recent acquisitions, but much opportunity also exists to reduce costs when every expense item is forensically examined for savings. As a result, we will be well positioned for the recovery when it arrives with lower fixed costs, higher operational gearing, and increased market share.

OPERATIONAL REPORT BY DIVISION

UK & Europe Soft Flooring

	H1 FY25[1]	H1 FY24[1]
Volumes	60.3 million sqm	61.1 million sqm
Revenue	£284.8 million	£318.6 million
EBITDA	*£25.5 million*	*£43.2 million*
Margin	8.9%	13.6%

Soft demand across almost all its markets impacted revenue and margins in the UK & Europe Soft Flooring division although we are confident we have been successful at improving our market position in the UK. For example, the predominant component of our UK business is the delivery of 'cut lengths' (i.e. carpet cut to size for a specific consumer order), and in the last 90 days the rolling four-week average order intake is c.15% above the same period last year in what we know remains a soft market.

Earnings in this division were particularly impacted by the performance of Balta, the Group's Belgium-headquartered rug manufacturer and distributor. Government mandated labour cost inflation combined with below forecast volume and pressure on selling prices compressed margins during the period. However, these factors are being mitigated through transference of capacity to the Group's modern Turkish factory in Usak alongside very material reductions in FTE. A reduction of more than 700 FTE in Belgium has been achieved to date with further savings underway that are expected to lower costs by an additional £10 million per annum (approximately half these annual savings will be seen in H2 FY2025, with the balance delivered to impact FY2026) without any loss of production capacity.

Other initiatives to reduce costs and/or grow market share executed during the period included:

- Integration of our UK distribution businesses was completed in September with immediate savings totalling circa £5 million per annum. This will therefore benefit H2 FY2025, but the full year effect will be seen in FY2026.
- Operational integration of our two underlay businesses, which included the closure of one plant in Scotland and (post the H1 balance sheet date) an upgrade of the Haslingden manufacturing plant is expected to provide annual savings of more than £4 million - £1 million of which will benefit H2 FY2025, with the full impact in FY2026.
- During the period Victoria expanded its Alliance logistics platform into Northern Ireland and the Republic of Ireland - allowing us to provide the same level of service to retailers in these important markets as it does in the UK. Alliance continues to be a key differentiator, separating Victoria from the continental carpet suppliers by meaningfully enhancing our service proposition. Retailers place great value on fast, on-time delivery as it allows them to reduce their inventory levels and warehouse overheads.

UK & Europe Ceramic Tiles

	H1 FY25[1]	H1 FY24[1]
Volumes	17.4 million sqm	18.3 million sqm
Revenue	£151.4 million	£166.5 million
EBITDA	£19.5 million	£36.1 million
Margin	*12.9%*	*21.7%*

Continued soft demand alongside competition from cheaper imported product has maintained pressure on volumes and selling prices and this is reflected in earnings for the period.

Aggressive action is being taken to mitigate the effects of low demand and increased competition, whilst ensuring the business preserves its production capacity:

- Installation of a new, ultra-efficient production line in Spain. This will take about 12 months to complete but work is underway and the first stage will be delivered in mid-FY2026, which will positively impact earnings and cash flow that year. However, the full benefit will be seen in the following year and is expected to improve earnings by £16-19 million, based on current market conditions.
- Full integration of the ceramics production facilities to enhance efficiency by allocating specific tile formats to the optimal plant, irrespective of geographic location, as noted in the Group's 2024 full year results.
- Post the H1 balance sheet date Victoria sold the Turkish ceramic tile manufacturer, Graniser, in a €36.8 million transaction that will provide Victoria's ceramic tiles business continued access to cost-effective tiles whilst contributing towards the deleveraging of the Group's balance sheet by reducing leverage by approximately 0.5 times.

Australia

	H1 FY25[1]	H1 FY24[1]
Volumes	11.4 million sqm	11.3 million sqm
Revenue	£54.7 million	£54.0 million
EBITDA	£7.2 million	£6.9 million
Margin	*13.2%*	*12.8%*

The Australian management have been able to achieve a very solid result, despite similar softness in demand that has been experienced in other markets.

It is worth reminding shareholders that, despite being 10,000 miles from the majority of Victoria's businesses and enjoying few of the synergy benefits our other operations do, the Australian division consistently generates between 35-40% return on capital employed.

North America

	H1 FY25[1]	H1 FY24[1]
Volumes	3.4 million sqm	3.5 million sqm
Revenue	£77.9 million	£85.5 million
EBITDA	£2.4 million	£9.6 million
Margin	*3.1%*	*11.2%*

Victoria's US strategy has been to acquire good brands and*distribution* (not manufacturing) businesses, which sell the same categories of product as the Group manufactures or sells in Europe. Management had expected demand to recover during FY2025 and had positioned the business accordingly, but with US mortgage rates remaining close to 7% and housing transactions sitting at 25-year lows (both key drivers of flooring sales), demand remained subdued.

Therefore, we are taking the necessary actions to restore profitability in what remains a challenging market:

- Restructuring actions to reduce SG&A by approximately7.5 million per annum, including a reduction in corporate and warehouse personnel, as well as other controllable expenses.

- Commercial excellence initiatives to improve profitability including minimum order quantity policies, improved inventory positioning, and pricing enhancements to achieve improved gross margin performance and reduce transportation spend.

- Cost cuts at our partner factories to improve landed product costs in several key products.

- Across the board price increases to offset the increase in COGS due to higher sea freight expenses.

The full impact of these actions is expected to impact earnings by February of 2025.

[1] *FY25 and FY24 performance is stated on a continuing and underlying basis: excluding discontinued operations; and before exceptional and non-underlying items.*

CASHFLOW & LIQUIDITY

Net operating cash flow before interest, tax and exceptional items was £31.7 million for the half year ended 28 September. Importantly, after three consecutive years of cash being absorbed in working capital, there was a decrease of £2.1 million in H1 FY2025. This must - and will - continue to improve with specific plans being executed by all managers.

Victoria continued to maintain a strong liquidity position and the Group finished the period with cash and undrawn credit lines in excess of £200 million.

During the year the Company has completed the sale of a property in Belgium for €39.7 million and (post the H1 balance sheet date) realised €36.8 million from the sale of Graniser, which reduced leverage by 0.5 times.

OUTLOOK

It is easy, almost inevitable, during challenging periods for investors and management to focus almost entirely on the short term, but I think it is useful to maintain awareness of the long-term prospects for Victoria, which continues to be exciting:

- Flooring is a staple product required in every building and has a very long growth trend and an assured replacement cycle. Macro-economic drivers will influence spending for periods, but underlying factors (continually ageing housing stock with interiors requiring repair and renovation, higher household formation, broad housing shortages, increasingly style-conscious consumers, and new construction) inexorably increase demand over time and, as has happened in previous cycles, we believe demand will rebound as our markets experience a more favourable interest rate environment.

- It is important to remember that our competitors are experiencing the same market conditions and, as we have executed on our integration projects, we have been able to improve our competitive differentiation and gain market share in key markets. This gain has been camouflaged by the temporary fall in the size of the market and pricing pressures, but it is no less real for that.

- £12 million has been permanently removed from our fixed cost base during the period and more than £35 million in the last 18 months. (A further £20 million of annual savings are being executed). The challenging trading environment has masked the financial impacts of these changes, but they have minimised Victoria's fixed costs whilst materially improved our operational leverage.

- We have been extremely careful with all the integration projects and cost savings to maintain unchanged access to production capacity. Consequently, Victoria will be able to rapidly increase output to meet the anticipated future demand - and will meet it more efficiently than it ever has done in the past.

- In calendar 2023, flooring volume across Victoria's key markets was estimated to be some 20% below the levels of 2019 (which were broadly in line with the 25-year average growth rate). Simple reversion to the mean therefore suggests demand normalisation should deliver a volume uplift from current levels of more than 20%. Whilst the Group's FY2025 financial outlook is largely based on current demand, it is interesting to note the potential impact normalising demand could have on the business as each 5% increase in volume is expected to drive a greater than £25 million increase in Victoria's earnings.

In the short term, even with subdued demand profits should begin to recover with the effects of the 'self-help' work undertaken to improve efficiency and take market share.

In the medium term, as demand normalises, we are confident Victoria's revenue will recover and with the higher operational leverage now inherent in the business due to the integration projects and cost initiatives management have executed this year (and which are ongoing), we believe we have a clear path to return to mid-high teen EBITDA margins.

Geoff Wilding
Executive Chairman

Philippe Hamers
Group Chief Executive

Condensed Consolidated Income Statement

For the 26 weeks ended 28 September 2024 (unaudited)

		26 weeks ended 28 September 2024			26 weeks ended 30 September 2023 (Restated)*		
		Underlying performance	**Non-underlying items**	**Reported numbers**	Underlying performance	Non-underlying items	Reported numbers
	Notes	**£m**	**£m**	**£m**	£m	£m	£m
Continuing operations							

Revenue		3	**568.8**	**0.7**	**569.5**	624.6	1.6	626
Cost of sales			**(389.1)**	**(10.9)**	**(400.0)**	(401.7)	(11.3)	(413.
Gross profit			**179.7**	**(10.2)**	**169.5**	222.9	(9.7)	213
Distribution and administrative expenses			**(175.3)**	**(138.3)**	**(313.6)**	(174.4)	(23.3)	(197.
Other operating income			**3.3**	**-**	**3.3**	3.3	-	3
Operating profit / (loss)		3	**7.7**	**(148.5)**	**(140.8)**	51.8	(33.0)	18
Comprising:								
Operating profit before non-underlying and exceptional items			**7.7**	**-**	**7.7**	51.8	-	51
Amortisation of acquired intangibles		4	**-**	**(18.4)**	**(18.4)**	-	(19.4)	(19.
Other non-underlying items		4	**-**	**(5.6)**	**(5.6)**	-	(5.7)	(5.
Exceptional impairment charge		4	**-**	**(120.0)**	**(120.0)**	-	-	
Other exceptional items		4	**-**	**(4.5)**	**(4.5)**	-	(7.9)	(7.
Finance costs		4	**(21.3)**	**(5.7)**	**(27.0)**	(20.3)	(17.2)	(37.
Comprising:								
Interest on loans and notes			**(16.2)**	**-**	**(16.2)**	(15.8)	-	(15.
Amortisation of prepaid finance costs for loans and notes			**(1.3)**	**-**	**(1.3)**	(1.3)	-	(1.
Unwinding of discount on right-of-use lease liabilities			**(3.7)**	**-**	**(3.7)**	(3.2)	-	(3.
Preferred equity items		4	**-**	**(3.3)**	**(3.3)**	-	(14.0)	(14.
Other finance items		4	**(0.1)**	**(2.4)**	**(2.5)**	-	(3.2)	(3.
(Loss) / profit before tax			**(13.6)**	**(154.2)**	**(167.8)**	31.5	(50.2)	(18.
Taxation credit / (charge)		5	**1.9**	**24.2**	**26.1**	(8.3)	8.1	(0.
(Loss) / profit from continuing operations for the period			**(11.7)**	**(130.0)**	**(141.7)**	23.2	(42.1)	(18.
Discontinued operations								
Loss from discontinued operations for the period		8	**(5.2)**	**(25.7)**	**(30.9)**	(0.5)	(3.1)	(3.
Total (loss) / profit for the period			**(16.9)**	**(155.7)**	**(172.6)**	22.7	(45.2)	(22.
Loss per share from continuing operations - pence	basic	6			**(124.58)**			(16.4
	diluted	6			**(124.58)**			(16.4
Loss per share from total operations - pence	basic	6			**(151.74)**			(19.6
	diluted	6			**(151.74)**			(19.6

*See note 8 for further details surrounding discontinued operations.

Condensed Consolidated Statement of Comprehensive Income

For the 26 weeks ended 28 September 2024 (unaudited)

	26 weeks ended 28 September 2024	26 weeks ended 30 September 2023	52 weeks ended 30 March 2024 (audited)
	£m	£m	£m
Loss for the period	**(172.6)**	(22.5)	(108.0)
Other comprehensive (expense) / income			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit pension scheme	**(0.1)**	(0.7)	(1.9)
Items that will not be reclassified to profit or loss	**(0.1)**	(0.7)	(1.9)
Items that may be reclassified subsequently to profit or loss:			

Hyperinflation foreign exchange adjustments	**18.1**	9.9	(9.0)
Retranslation of overseas subsidiaries	**(4.1)**	(24.1)	(21.8)
Items that may be reclassified subsequently to profit or loss	**14.0**	(14.2)	(30.8)
Other comprehensive income / (loss)	**13.9**	(14.9)	(32.7)
Total comprehensive expense for the period attributable to the owners of the parent	**(158.7)**	(37.4)	(140.7)

Condensed Consolidated Balance Sheet

As at 28 September 2024 (unaudited)

	28 September 2024	30 September 2023 (Restated)	30 March 2024 (audited)
	£m	£m	£m
Non-current assets			
Goodwill	**101.1**	172.5	102.6
Intangible assets other than goodwill	**149.1**	281.4	250.7
Property, plant and equipment	**356.8**	456.2	447.8
Right-of-use lease assets	**168.9**	152.8	157.2
Investment property	**0.2**	0.2	0.2
Investments	**3.4**	-	-
Trade and other non-current receivables	**0.9**	-	-
Deferred tax assets	**10.1**	2.0	7.9
Total non-current assets	**790.5**	1,065.1	966.4
Current assets			
Inventories	**317.0**	372.8	326.1
Trade and other receivables	**214.8**	243.4	238.1
Current tax assets	**3.8**	10.6	4.1
Cash and cash equivalents	**92.9**	92.7	94.8
Assets classified as held for sale	**43.5**	25.8	-
Total current assets	**672.0**	745.3	663.1
Total assets	**1,462.5**	1,810.4	1,629.5
Current liabilities			
Trade and other current payables	**(308.0)**	(346.3)	(320.3)
Current tax liabilities	**(9.6)**	(11.2)	(4.7)
Obligations under right-of-use leases - current	**(33.5)**	(27.2)	(31.2)
Other financial liabilities	**(81.5)**	(62.4)	(94.3)
Provisions	**(13.1)**	(12.3)	(12.1)
Liabilities classified as held for sale	**(33.1)**	-	-
Total current liabilities	**(478.8)**	(459.4)	(462.6)
Non-current liabilities			
Trade and other non-current payables	**(6.2)**	(7.4)	(7.2)
Obligations under right-of-use leases - non-current	**(157.1)**	(136.5)	(136.5)
Other non-current financial liabilities	**(659.6)**	(716.0)	(672.7)
Preferred equity	**(284.6)**	(269.2)	(274.2)
Preferred equity - contractually-linked warrants	**(5.3)**	(26.0)	(12.4)
Deferred tax liabilities	**(26.2)**	(84.1)	(56.7)
Retirement benefit obligations	**(5.2)**	(8.1)	(8.4)
Provisions	**(19.7)**	(20.9)	(21.0)
Total non-current liabilities	**(1,163.9)**	(1,268.2)	(1,189.1)
Total liabilities	**(1,642.7)**	(1,727.6)	(1,651.7)
Net (liabilities) /assets	**(180.2)**	82.8	(22.2)
Equity			
Share capital	**6.3**	6.3	6.3
Retained earnings	**(201.2)**	62.5	(27.4)
Foreign exchange reserve	**(24.9)**	(23.1)	(20.8)
Hyperinflation foreign exchange reserve	**25.6**	26.4	7.5
Other reserves	**14.0**	10.7	12.2
Total equity	**(180.2)**	82.8	(22.2)

Condensed Consolidated Statement of Changes in Equity

For the 26 weeks ended 28 September 2024 (unaudited)

	Share capital	Retained earnings	Foreign exchange reserve	Hyperinflation foreign exchange reserve	Other reserves	Total equity
	£m	£m	£m	£m	£m	£m
At 1 Apr 2023	6.3	85.7	1.0	16.5	9.5	119.0
Loss for the period to 30 Mar 2024	-	(108.0)	-	-	-	(108.0)
Other comprehensive income for the period	-	(1.9)	-	-	-	(1.9)
Retranslation of overseas subsidiaries	-	-	(21.8)	(9.0)	-	(30.8)
Total comprehensive loss	-	(109.9)	(21.8)	(9.0)	-	(140.7)
Buy back of ordinary shares	-	(3.2)	-	-	-	(3.2)
Share-based payment charge	-	-	-	-	2.7	2.7
Transactions with owners	-	(3.2)	-	-	2.7	(0.5)
At 30 Mar 2024	6.3	(27.4)	(20.8)	7.5	12.2	(22.2)
Loss for the period to 28 Sep 2024	-	(172.6)	-	-	-	(172.6)
Other comprehensive expense for the period	-	(0.1)	-	-	-	(0.1)
Retranslation of overseas subsidiaries	-	-	(4.1)	18.1	-	14.0
Total comprehensive loss	-	(172.7)	(4.1)	18.1	-	(158.7)
Buy back of ordinary shares	-	(1.1)	-	-	-	(1.1)
Share-based payment charge	-	-	-	-	1.8	1.8
Transactions with owners	-	(1.1)	-	-	1.8	0.7
At 28 Sep 2024	**6.3**	**(201.2)**	**(24.9)**	**25.6**	**14.0**	**(180.2)**
At 1 Apr 2023	6.3	85.7	1.0	16.5	9.5	119.0
Loss for the period to 30 Sep 2023	-	(22.5)	-	-	-	(22.5)
Other comprehensive expense for the period	-	(0.7)	-	-	-	(0.7)
Retranslation of overseas subsidiaries	-	-	(24.1)	9.9	-	(14.2)
Total comprehensive loss	-	(23.2)	(24.1)	9.9	-	(37.4)
Share-based payment charge	-	-	-	-	1.2	1.2
Transactions with owners	-	-	-	-	1.2	1.2
At 30 Sep 2023	**6.3**	**62.5**	**(23.1)**	**26.4**	**10.7**	**82.8**

Condensed Consolidated Statements of Cash Flows

For the 26 weeks ended 28 September 2024 (unaudited)

	26 weeks ended 28 September 2024	26 weeks ended 30 September 2023	52 weeks ended 30 March 2024 (audited)
		(Restated)	(Restated)
	£m	£m	£m
Cashflow from operating activities			
Operating (loss) / profit	**(140.8)**	18.8	(64.8)
Adjustments for:			
Depreciation and amortisation of IT software	**48.4**	44.7	94.0
Amortisation of acquired intangibles	**18.1**	19.9	40.0
Hyperinflation impact	**(1.8)**	(5.0)	(13.2)
Acquisition-related performance plan (credit) / charge	**(0.1)**	5.3	6.7
Acquisition-related performance plan (earn-out) payment	**(1.9)**	(9.5)	(10.8)
Amortisation of government grants	**(1.2)**	(0.4)	(0.9)
Profit / (loss) on disposal of investments and property, plant and equipment	**3.3**	(0.7)	(2.1)
Working capital provision charge	**(0.4)**	(0.1)	(0.5)
Impairment charge	**120.0**	-	72.5
Share incentive plan charge	**1.8**	1.2	2.7
Defined benefit pension	**-**	(0.4)	0.1

Net cash flow from operating activities before movements in working capital, tax and interest payments	**45.4**	73.8	123.7
Change in inventories	**(18.7)**	(21.6)	14.1
Change in trade and other receivables	**8.3**	17.1	23.3
Change in trade and other payables	**12.5**	(16.2)	(48.3)
Change in provisions	**(2.4)**	(12.0)	(11.7)
Cash generated by continuing operations before tax and interest payments	**45.1**	41.1	101.1
Interest paid on loans and notes	**(17.1)**	(13.1)	(29.7)
Interest relating to right-of-use lease assets	**(4.1)**	(3.3)	(6.6)
Income taxes paid	**-**	1.0	(2.3)
Net cash flow from discontinued operations	**(14.8)**	(3.6)	(8.2)
Net cash inflow from operating activities	**9.1**	22.1	54.3
Investing activities			
Purchases of property, plant and equipment	**(33.7)**	(27.2)	(57.8)
Purchases of intangible assets	**(0.6)**	(1.2)	(4.0)
Proceeds on disposal of property, plant and equipment	**1.2**	2.0	28.5
Deferred consideration and earn-out payments	**(1.0)**	(1.0)	(4.1)
Proceeds on disposal of real estate via sale and leaseback	**30.4**	-	-
Proceeds on disposal of business, net of cash	**1.2**	-	-
Investing activities cashflow from discontinued operations	**(0.4)**	(0.4)	(0.7)
Net cash used in investing activities	**(2.9)**	(27.8)	(38.1)
Financing activities			
Proceeds from debt	**46.4**	53.8	36.7
Repayment of debt	**(57.7)**	(24.6)	(33.4)
Buy back of ordinary shares	**(1.1)**	-	(3.2)
Payments under right-of-use lease obligations	**(14.8)**	(12.8)	(28.2)
Cashflow from other financing activities	**-**	0.2	0.9
Financing activities cashflow from discontinued operations	**16.3**	5.6	10.2
Net cash (used) / generated in financing activities	**(10.9)**	22.2	(17.0)
Net decrease in cash and cash equivalents	**(4.7)**	16.5	(0.8)
Cash and cash equivalents at beginning of period	**87.2**	90.4	90.4
Effect of foreign exchange rate changes	**(1.0)**	(1.3)	(2.4)
Cash and cash equivalents at end of period	**81.5**	105.6	87.2
Comprising:			
Cash and cash equivalents	**95.0**	105.8	94.8
Bank overdrafts	**(13.5)**	(0.2)	(7.6)
	81.5	105.6	87.2

Discontinued operations			
Net cash (outflow) / inflow from operating activities	**(14.8)**	(3.6)	(8.2)
Net cash used in investing activities	**(0.4)**	(0.4)	(0.7)
Net cash generated in financing activities	**16.3**	5.6	10.2
Net decrease in cash and cash equivalents	**1.1**	1.6	1.3
Cash and cash equivalents at beginning of period	**1.3**	0.9	0.9
Effect of foreign exchange rate changes	**(0.3)**	(0.6)	(0.9)
Cash and cash equivalents at end of period	**2.1**	1.9	1.3

Cash and cash equivalents presented above will differ to the balance sheet due to the reclassification of assets held for sale in the current year and specific bank overdrafts reclassified to financing activities within the cashflow statement.

Notes

1. General information

These condensed consolidated financial statements for the 26 weeks ended 28 September 2024 have not been audited or reviewed by the Auditor. They were approved by the Board of Directors on 25 November 2024.

The information for the 52 weeks ended 30 March 2024 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies.

The Auditor's report on those accounts was unmodified and did not include a reference to any matter to which the Auditor drew attention by way of emphasis without qualifying the report and did not contain statements under Section 498(2) or 498(3) of the Companies Act 2006.

2. Basis of preparation and accounting policies

These condensed consolidated financial statements should be read in conjunction with the Group's financial statements for

These condensed consolidated financial statements should be read in conjunction with the Group's financial statements for the 52 weeks ended 30 March 2024, which were prepared in accordance with UK-adopted International Financial Reporting Standards.

These interim financial statements have been prepared following AIM Rule 18 and on a consistent basis and in accordance with the accounting policies set out in the Group's Annual Report and Financial Statements for the 52 weeks ended 30 March 2024.

Having reviewed the Group's projections and taking account of reasonably possible changes in trading performance, the Directors believe they have reasonable grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements of the Group.

Hyperinflation accounting

The inflation rate used by the Group is the official rate published by the Turkish Statistical Institute, TurkStat. The movement in the publicly available official price index for the 26 weeks ended 28 September 2024 was 18% (26 weeks ended 30 September 2023: 33%).

Non-underlying items

Non-underlying items are material non-trading income and costs and non-underlying finance costs as defined by the Directors. In line with IAS 1 para 85, the non-underlying items are disclosed separately in the Consolidated Income Statement given, in the opinion of the Directors, such presentation is relevant to an understanding of the Group's financial performance.

Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to trade.

Profit or loss from discontinued operations, including prior year components, are presented as a single movement in the statement of comprehensive income. This amount is comprised of the post-tax profit or loss from discontinued operations and the post-tax gain or loss resulting from the disposal.

Balance sheet restatement at 30 September 2023

Consistent with the March FY24 year end, a prior period restatement has been made to reclassify rebate accruals (£9.3m), previously included within accruals, to be offset against trade receivables and similarly rebate accruals that were previously netted off against trade receivables have been included within accruals, in accordance with the Group accounting policy.

A prior period restatement has been made to reclassify provisions (£7.8m), which were previously included within other liabilities, to the appropriate provisions category.

In addition, consistent with March FY24 year end, a prior period restatement has been made to recognise inventory in transit (£4.3m) not previously recognised, impacting balance sheet only.

3. Segmental information

The Group is organised into four operating segments: soft flooring products in UK & Europe; ceramic tiles in UK & Europe; flooring products in Australia; and flooring products in North America. The Executive Board (which is collectively the Chief Operating Decision Maker) regularly reviews financial information for each of these operating segments in order to assess their performance and make decisions around strategy and resource allocation at this level.

The UK & Europe Soft Flooring segment comprises legal entities primarily in the UK, Republic of Ireland, the Netherlands and Belgium (including manufacturing entities in Turkey and a distribution entity in North America), whose operations involve the manufacture and distribution of carpets, rugs, flooring underlay, artificial grass, LVT, and associated accessories. The UK & Europe Ceramic Tiles segment comprises legal entities primarily in Spain, Turkey, Italy, UK and France, whose operations involve the manufacture and distribution of wall and floor ceramic tiles. The Australia segment comprises legal entities in Australia, whose operations involve the manufacture and distribution of carpets, flooring underlay and LVT. The North America segment comprises legal entities in the USA, whose operations involve the distribution of hard flooring, LVT and ceramic tiles.

Whilst additional information has been provided in the operational review on sub-segment activities, discrete financial information on these activities is not regularly reported to the CODM for assessing performance or allocating resources.

No operating segments have been aggregated into reportable segments.

Both underlying operating profit and reported operating profit are reported to the Executive Board on a segmental basis.

Transactions between the reportable segments are made on an arm length's basis. The reportable segments exclude the results of non-revenue generating holding companies, including Victoria PLC. These entities' results have been included as unallocated central expenses in the tables below.

Income statement

26 weeks ended 28 September 2024 | 26 weeks end

	26 weeks ended 28 September 2024						26 weeks end		
	UK & Europe Soft Flooring	**UK & Europe Ceramic Tiles**	**Australia**	**North America**	**Unallocated central expenses**	**Total**	UK & Europe Soft Flooring	UK & Europe Ceramic Tiles	Au
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	£m	£m	
Income statement									
Revenue	**285.5**	**151.4**	**54.7**	**77.9**	**-**	**569.5**	320.2	166.5	
Underlying operating profit / (loss)	**2.7**	**5.8**	**4.5**	**(0.5)**	**(4.8)**	**7.7**	20.7	22.8	
Non-underlying operating items	**(4.9)**	**(10.0)**	**(0.8)**	**(2.1)**	**(6.2)**	**(24.0)**	(7.1)	(11.6)	
Exceptional operating items	**(24.2)**	**(78.8)**	**-**	**(0.4)**	**(21.1)**	**(124.5)**	(6.8)	-	
Operating (loss) /profit	**(26.4)**	**(83.0)**	**3.7**	**(3.0)**	**(32.1)**	**(140.8)**	6.8	11.2	
Underlying net finance costs						**(21.3)**			
Non-underlying net finance costs						**(5.7)**			
Loss before tax						**(167.8)**			
Tax credit / (charge)						**26.1**			
Loss after tax from continuing operations						**(141.7)**			
Loss from discontinued operations						**(30.9)**			
Loss for the period						**(172.6)**			

Other segmental information

	26 weeks ended 28 September 2024						26 weeks		
	UK & Europe Soft Flooring	**UK & Europe Ceramic Tiles**	**Australia**	**North America**	**Unallocated central expenses**	**Total**	UK & Europe Soft Flooring	UK & Europe Ceramic Tiles	Austr
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	£m	£m	
Depreciation of tangible fixed assets and IT software amortisation	**(18.1)**	**(10.7)**	**(1.4)**	**(1.8)**	**(0.1)**	**(32.1)**	(17.1)	(11.2)	
Depreciation of right-of-use lease assets	**(10.2)**	**(3.2)**	**(1.3)**	**(1.1)**	**(0.3)**	**(16.1)**	(9.6)	(2.4)	
Amortisation of acquired intangibles	**(5.1)**	**(9.9)**	**(0.8)**	**(2.2)**	**(0.4)**	**(18.4)**	(5.7)	(10.3)	
	(33.4)	**(23.8)**	**(3.5)**	**(5.1)**	**(0.8)**	**(66.6)**	(32.4)	(23.9)	

	26 weeks ended 28 September 2024						26 weeks		
	UK & Europe Soft Flooring	**UK & Europe Ceramic Tiles**	**Australia**	**North America**	**Central**	**Total**	UK & Europe Soft Flooring	UK & Europe Ceramic Tiles	Austra
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	£m	£m	
Intangible additions	**0.3**	**0.3**	**-**	**-**	**-**	**0.6**	0.7	0.4	
Property, plant and equipment additions	**19.5**	**10.5**	**1.6**	**2.2**	**-**	**33.8**	20.0	14.4	
Right-of-use additions	**20.0**	**6.6**	**0.2**	**-**	**-**	**26.8**	0.3	-	
Total capital additions	**39.8**	**17.4**	**1.8**	**2.2**	**-**	**61.2**	21.0	14.8	

4. Exceptional and non-underlying items

	26 weeks ended 28 September 2024	26 weeks ended 30 September 2023 (Restated)
	£m	£m
Exceptional items		

Exceptional items

(a)	Acquisition and disposal related costs	**(0.3)**	(0.7)
(b)	Reorganisation and other costs	**(0.3)**	(7.2)
(c)	Gain on disposal of fixed assets and investments	**2.9**	-
(d)	Loss on disposal of subsidiaries	**(6.8)**	-
(e)	Asset impairment	**(120.0)**	-
		(124.5)	(7.9)

		26 weeks ended 28 September 2024	26 weeks ended 30 September 2023 (Restated)
Non-underlying operating items		**£m**	£m
(f)	Acquisition-related performance plans	**0.1**	(5.3)
(g)	Non-cash share incentive plan charge	**(1.8)**	(1.2)
(h)	Amortisation of acquired intangibles (excluding hyperinflation)	**(18.4)**	(19.4)
(i)	Depreciation of fair value uplift to acquisition property, plant and machinery	**(3.3)**	(2.7)
(j)	Hyperinflation depreciation adjustment	**(2.3)**	(1.6)
(k)	Hyperinflation amortisation adjustment	**-**	-
(l)	Hyperinflation monetary gain	**6.4**	10.7
(m)	Other hyperinflation adjustments (excluding depreciation and monetary gain)	**(4.7)**	(5.6)
		(24.0)	(25.1)
Total		**(148.5)**	(33.0)

(a) One-off third-party professional fees in connection with prospecting and completing specific acquisitions and disposals during the period.

(b) In the prior year, the Group made a significant investment decision in restructuring the Rugs and UK broadloom businesses of Balta which represents the majority of the £7.2 million, with small reorganisation and integration projects around the Group contributing to the current year £0.3 million.

(c) Gain relating to the sale and leaseback of a property in Belgium, whereby under IFRS 16, the majority of the gain on the disposal has been presented within the carrying value of the right of use asset.

(d) Non-cash charge relating to the loss on disposal of Hanover Flooring during the period.

(e) Exceptional impairment charge in the 'UK & Europe - Soft flooring (Rugs)' CGU, where the estimated recoverable amount of the CGU was below the carrying value of assets by £40 million due to the weak demand environment. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£15.5m) and tangible fixed assets (£24.5m). Further weaker demand in the European ceramics industry has resulted in an impairment in the 'UK & Europe - Ceramic Tiles (Spain)' CGU where the carrying value of assets exceeded the recoverable amount of the CGU by £80 million. As no goodwill attaches to this CGU, the impairment charge was applied against intangible fixed assets (£50.3m) and tangible fixed assets (£29.7m). While no impairment charge was taken against other CGUs in the period, a reasonably probable change to key assumptions within the recoverable value calculation, forecast revenue growth and operating margins, could give rise to an impairment being due on other CGUs.

(f) Credit / (charge) relating to the accrual of expected liability under acquisition-related performance plans.

(g) Non-cash, IFRS2 share-based payment charge in relation to the long-term management incentive plans.

(h) Amortisation of intangible assets, primarily brands and customer relationships, recognised on consolidation as a result of business combinations.

(i) Cost of sales depreciation charge reflecting the IFRS 3 fair value adjustment on buildings and plant and machinery acquired on new business acquisitions, given this is not representative of the underlying performance of those businesses.

(j,k,l,m) Impact of hyperinflation indexation in the period, see accounting policies. The hyperinflation impact in the period on revenue was £0.7m (2023: £1.5m income), cost of sales was £7.5m charge (2023: £8.5m (charge)) and admin expenses was £6.3m income (FY23: £10.4m income).

Finance costs

		26 weeks ended 28 September 2024	26 weeks ended 30 September 2023 (Restated)
		£m	£m
Non-underlying finance items			
(a)	Finance items related to preferred equity	**(3.3)**	(14.0)
(b)	Unwinding of present value of deferred and contingent earn-out liabilities	**(0.1)**	(0.3)
(c)	Fair value adjustment to deferred consideration and contingent earnout	**0.8**	-

Acquisitions related	**0.7**	(0.3)
(d) Amortisation inception derivative	**0.6**	0.6
(e) Mark to market adjustments and gains on foreign exchange forward contracts	**(2.0)**	1.4
(f) Translation difference on foreign currency loans and cash	**(1.5)**	(3.3)
(g) Hyperinflation - finance portion	**(0.2)**	(1.6)
Other non-underlying	**(3.1)**	(2.9)
		-
	(5.7)	(17.2)

(a) The net impact of items relating to preferred equity issued to Koch Equity Development during the current and prior periods.

(b) Current period non-cash costs relating to the unwind of present value discounts applied to deferred consideration and contingent earn-outs on historical business acquisitions. Deferred consideration is measured at amortised cost, while contingent consideration is measured under IFRS 9 / 13 at fair value. Both are discounted for the time value of money.

(c) Fair value reduction to contingent liability resulting in a change to the expected earnout due, resulting in a credit.

(d) Attached to the senior notes is an early repayment option which, on inception, was recognised as an embedded derivative asset at a fair value of £4.3m. The value of the senior debt liabilities recognised were increased by a corresponding amount at initial recognition, which then reduces to par at maturity using an effective interest rate method. A credit of £0.6m was recognised in the period (2023: £0.6m).

(e) Non-cash fair value adjustments on foreign exchange forward contracts.

(f) Net impact of exchange rate movements on third party and intercompany loans.

(g) Other finance cost/income impact of hyperinflation.

5. Taxation

The statutory tax credit on continuing operations of £26.1m (year ended 30 March 2024: tax credit of £21.2m, comparative six month period: tax charge of £0.2m) which represents an overall effective corporation tax rate of 15.6%. This compares to 18.1% for the year ended 30 March 2024 and a -1.1% rate for the comparative six-month period in the prior year.

The statutory tax credit on continuing operations of £26.1m is comprised of: a tax credit of £1.9m in respect of underlying activity and a tax credit of £24.2m in respect of non-underlying activity. The tax credit in respect of discontinued operations is £1.8m.

The tax credit in respect of underlying activity equates to an effective tax rate of 14% compared to 26.3% for the comparative six month period in the prior year and 3.53% for the year ended 30 March 2024. The rate of 14% has been calculated using a combination of full year tax rate projections applied to adjusted profit before tax for the period ended 30 September 2024 plus the performance of specific tax calculations by territory where this is considered by management to be more appropriate. This underlying tax rate also includes the expected impact of the OECD Inclusive Framework agreement for a global minimum corporate income tax rate of 15%, although the impact on Victoria's results expects to be minimal.

The tax effect of non-underlying and discontinued items has been based on the applicable rates of tax applying to these items arising in the period ended 28 September 2024.

6. Earnings per share

The calculation of the basic, adjusted and diluted earnings / loss per share is based on the following data:

	26 weeks ended 28 September 2024		26 weeks ended 30 September 2023	
	Basic	**Adjusted**	Basic	Adjusted
			(Restated)	(Restated)
	£m	**£m**	£m	£m
Loss attributable to ordinary equity holders of the parent entity	**(141.7)**	**(141.7)**	(18.9)	(18.9)
Exceptional and non-underlying items:				
Exceptional items	**-**	**124.5**	-	7.9
Non-underlying items	**-**	**29.7**	-	42.3
Tax effect on adjusted items where applicable	**-**	**(24.2)**	-	(8.1)
(Loss) / earnings for the purpose of basic and adjusted earnings per share from continuing operations	**(141.7)**	**(11.7)**	(18.9)	23.2
Loss attributable to ordinary equity holders of the parent entity from discontinued operations	**(30.9)**	**(5.2)**	(3.6)	(0.5)
(Loss) / earnings for the purpose of basic and adjusted earnings per share	**(172.6)**	**(16.9)**	(22.5)	22.7

Weighted average number of shares

	26 weeks ended 28 September 2024	26 weeks ended 30 September 2023
	Number of shares	Number of shares

	(000's)	(000's)
Weighted average number of shares for the purpose of basic and adjusted earnings per share	**113,745**	115,010
Effect of dilutive potential ordinary shares:		
Share options and warrants	**1,384**	1,768
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**115,129**	116,778
Preferred equity and contractually-linked warrants	**118,394**	51,682
Weighted average number of ordinary shares for the purposes of diluted adjusted earnings per share	**233,523**	168,460

The potential dilutive effect of the share options has been calculated in accordance with IAS 33 using the average share price in the period.

The Group's earnings / loss per share are as follows:

	26 weeks ended 28 September 2024	26 weeks ended 30 September 2023
	Pence	Pence
Earnings / loss per share from continuing operations		
Basic loss per share	**(124.58)**	(16.43)
Diluted loss per share	**(124.58)**	(16.43)
Basic adjusted earnings / (loss) per share	**(10.29)**	20.17
Diluted adjusted earnings / (loss) per share	**(5.01)**	13.77
Loss per share from discontinued operations		
Basic loss per share	**(27.17)**	(3.15)
Diluted loss per share	**(27.17)**	(3.15)
Earnings / loss per share		
Basic loss per share	**(151.74)**	(19.61)
Diluted loss per share	**(151.74)**	(19.61)
Basic adjusted earnings / (loss) per share	**(14.86)**	19.75
Diluted adjusted earnings / (loss) per share	**(7.24)**	13.48

Diluted earnings per share for the period is not adjusted for the impact of the potential future conversion of preferred equity due to this instrument having an anti-dilutive effect, whereby the positive impact of adding back the associated financial costs to earnings outweighs the dilutive impact of conversion/exercise. Diluted adjusted earnings per share does take into account the impact of this instrument as shown in the table above setting out the weighted average number of shares. Due to the loss incurred in the year, in calculating the diluted loss per share, the share options, warrants and preferred equity are considered to be non-dilutive.

7. Rates of exchange

	26 weeks ended 28 September 2024		26 weeks ended 30 September 2023		52 weeks ended 30 March 2024	
	Average	**Period end**	Average	Period end	Average	Period end
Australia - AUD	**1.9259**	**1.9347**	1.9110	1.8975	1.9134	1.9369
Europe - EUR	**1.1812**	**1.1969**	1.1567	1.1528	1.1594	1.1690
United States - USD	**1.2872**	**1.3371**	1.2560	1.2197	1.2577	1.2626
Turkey - TRY	**42.6819**	**45.6780**	30.8810	33.4357	34.4101	40.8163

8. Discontinued operations and assets available for sale

Discontinued operations

By the 28 September 2024, the Group committed to a plan to dispose of B3 Ceramics Danismanlik ("Graniser") following the negative impact of recent instability in several of its key markets. Graniser is a specific business segment within the UK & Europe - Ceramic Tiles (Spain / Turkey CGU).

As a result, the operations of Graniser have been classified as discontinued operations in accordance with IFRS 5. The results of the discontinued operations for the period ended 28 September 2024 are summarised below:

	26 weeks ended 28 September 2024			26 weeks ended 30 September 2023			52 weeks ended 30 March 2024 (audited)		
	Underlying performance	**Non-underlying items**	**Reported numbers**	Underlying performance	Non-underlying items	Reported numbers	Underlying performance	Non-underlying items	Reported numbers
Income statement - Graniser	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m	£m
Revenue	**10.6**	**0.8**	**11.4**	18.8	3.5	22.3	30.1	8.8	38.9
Cost of sales	**(10.9)**	**(3.2)**	**(14.1)**	(14.6)	(5.5)	(20.1)	(26.9)	(17.0)	(43.9)
Gross profit	**(0.3)**	**(2.4)**	**(2.7)**	4.2	(2.0)	2.2	3.2	(8.2)	(5.0)

Distribution and administrative expenses	**(2.1)**	**(21.1)**	**(23.2)**	(1.7)	13.7	12.0	(2.7)	20.6	17.9
Other operating income	**-**	**-**	**-**	-	-	-	0.1	-	0.1
Operating profit / (loss)	**(2.4)**	**(23.5)**	**(25.9)**	2.5	11.7	14.2	0.6	12.4	13.0
Finance costs	**(4.4)**	**(2.4)**	**(6.8)**	(2.3)	(12.4)	(14.7)	(4.6)	(22.4)	(27.0)
Profit / (loss) before tax	**(6.8)**	**(25.9)**	**(32.7)**	0.2	(0.7)	(0.5)	(4.0)	(10.0)	(14.0)
Taxation (charge) / credit	**1.6**	**0.2**	**1.8**	(0.7)	(2.4)	(3.1)	3.6	(1.9)	1.7
Loss from discontinued operations for the period	**(5.2)**	**(25.7)**	**(30.9)**	(0.5)	(3.1)	(3.6)	(0.4)	(11.9)	(12.3)

Assets Held for Sale

As of 28 September 2024, the Group classified certain assets as held for sale, as the criteria for classification under IFRS 5 had been met. These assets relate to B3 Ceramics Danismanlik ("Graniser") which is a specific business segment within the UK & Europe - Ceramic Tiles (Spain / Turkey CGU).

The carrying amount of the assets and liabilities held for sale are as follows:

	28 September 2024
	£m
Property, plant and equipment	**13.4**
Right-of-use lease assets	**2.5**
Inventories	**16.7**
Trade and other receivables	**8.8**
Cash and cash equivalents	**2.1**
Assets classified as held for sale	**43.5**
Trade and other current payables	**(9.5)**
Obligations under right-of-use leases - current	**(0.7)**
Other financial liabilities	**(17.8)**
Obligations under right-of-use leases - non-current	**(1.8)**
Retirement benefit obligations	**(3.3)**
Liabilities classified as held for sale	**(33.1)**

The assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell. As of 28 September 2024, an impairment loss of £26.6m has been recognised in exceptional non-underlying administrative expenses to reflect the reduction in fair value.

Subsequent to the reporting period, on 18 November 2024, the Group completed the sale of the Graniser discontinued operation to Mr Hasan Akgün. Total consideration paid by Mr Hasan Akgün was €36.8 million (£30.9m[1]) paid as €10.0 million (£8.4 m[1]) cash on completion, plus the assumption of €26.8 million (c. £22.5m[1]) of net debt.

All obligations and liabilities associated with the discontinued operation have been transferred to the buyer as part of the transaction.

There were no other post balance sheet events.

[1] *Converted to GBP at a rate of 1.19 GBP/EUR.*

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