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Marlowe PLC
05 December 2024

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

5 December 2024

Marlowe plc

Interim results for the six months to 30 September 2024

Marlowe is now focussed on the highly attractive and regulated business-critical service markets across its Testing, Inspection & Certification businesses and has delivered performance in line with expectations

All integration programmes and restructuring investments now concluded in line with market guidance and no further restructuring investments expected in the second half of the year

Marlowe plc ("**Marlowe**", the "**Group**" or the "**Company**"), a leading testing, certification and inspection service provider, announces its interim results for the six months ended 30 September 2024 ("**HY25**").

On 3 June 2024, the Group announced the completion of the sale of certain Governance, Risk & Compliance ("**GRC**") software and services assets ("**Divestment**") for an Enterprise Value of £430 million in cash. Subsequently, on 12 September 2024, the Group announced the demerger of its Occupational Health division ("**Demerger**") and subsequent registration as a separate public limited company under the name Optima Health plc.

Marlowe's continuing operations since 23 September 2024 now comprise the Testing, Inspection & Certification ("**TIC**") division on which the Group's forward strategy is focussed.

Financial performance

ADJUSTED RESULTS - CONTINUING OPERATIONS	HY25	HY24	Change
Revenue	£151.7m	£146.3m	+4%
Adjusted EBITDA[1,2]	£15.3m	£15.4m	(1)%
Adjusted EBITDA margin[1,2]	*10.1%*	*10.5%*	*(40)bps*
Adjusted operating profit[2]	£9.0m	£9.7m	(7)%
Adjusted earnings/(loss) per share - basic[2]	6.4p	5.4p	+19%
Net cash/(debt) (excluding lease liabilities)	£30.8m	£(192.7)m	

STATUTORY RESULTS - CONTINUING OPERATIONS	HY25	HY24
Revenue	£151.7m	£146.3m
Operating profit/(loss)[3]	£3.4m	£(5.9)m
Profit/(loss) before tax[3]	£2.4m	£(8.7)m
Earnings/(loss) per share - basic[3]	2.5p	(9.3)p

STATUTORY RESULTS - GROUP	HY25	HY24
Revenue	£220.4m	£251.3m
Operating loss[3]	£(0.9)m	-
Profit/(loss) before tax[3]	£161.7m	£(8.9)m
Earnings/(Loss) per share - basic[3]	174.4p	(9.6)p
Net cash/(debt)	£9.2m	£(219.4)m

[1] Earnings before interest, taxes, depreciation and amortisation ("EBITDA")

[2] Explanation of non-IFRS measures are contained within the Financial Review and note 2 and 3

[3] Further details shown in consolidated statement of comprehensive income

STRATEGY AND TRADING PERFORMANCE - CONTINUING OPERATIONS

A leading TIC service provider

- Marlowe's forward-looking strategy is to focus on the highly regulated business-critical service markets across TIC with strong recurring revenues based on non-discretionary customer spend and underpinned by regulatory and insurance requirements
- Following completion of the Demerger, the primary focus in the near term remains on driving margin enhancement and organic growth
- The TIC service markets do however remain highly fragmented, and bolt-on acquisitions continue to present an attractive route to delivering additional shareholder value
- The Group's TIC division is expected to deliver approximately £325 million of revenue and adjusted EBTIDA in the region of £40 million for the 12-month period to 30 September 2025, Head Office costs are expected to be £4 million over that 12-month period

Strategic review creating significant shareholder value

- Following the strategic review announced in November 2023, the Company completed the Divestment on 3 June 2024 for an enterprise value of £430 million
- The Group has since returned an aggregate of approximately £200 million to shareholders, with £150.3 million via a special dividend, equating to £1.55 per ordinary share, paid on 5 July 2024 and good progress made on the share buyback programme which commenced on the same day, returning a further £51.0 million to shareholders as at 2 December 2024
- In addition to the Divestment, the Group subsequently completed the Demerger of its Occupational Health activities ("OH") on 23 September 2024, creating a separate public limited company under the name Optima Health plc
- Marlowe's Board will continue to execute the delivery of the Group's strategy while regularly evaluating ways to further maximise shareholder value

FINANCIAL REVIEW - CONTINUING OPERATIONS

- **Revenue from continuing operations up 4% to £151.7 million**
  - Organic growth of 3%[1] reflecting mid-single digit growth in Fire Safety & Security and low single digit growth in Water & Air Hygiene
- **Adjusted EBITDA from continuing operations was £15.3 million (HY24: £15.4 million)**
  - Adjusted EBITDA margins decreased 40bps to 10.1% (HY24: 10.5%)
  - Whilst the Group achieved good margin enhancement in its Fire Safety & Security business, there were margin decreases in our Water & Air Hygiene business as a result of the implementation of operational processes that will deliver in the longer term
  - Head office costs during the period were £2.8 million (HY24: £2.6 million) and the Group aims to reduce this further
  - Divisional adjusted EBITDA margins are expected to improve, and the Board has a medium-term target of 15% as we focus on operational efficiencies and revenue mix
- **Statutory operating profit from continuing operations was £3.4 million** (HY24 Statutory operating loss of £(5.9) million) as a result of the significant reduction in adjusting items including restructuring and acquisition costs

FINANCIAL REVIEW - THE GROUP

- **Group revenue, including discontinued operations, decreased 12% to £220.4 million** reflecting the Divestment and the Demerger in the period
- **Statutory profit before tax of £161.7 million (HY24: loss before tax of £8.9 million)**
  - The increase in the period primarily reflects the £165.9 million profit on the Divestment
  - Total finance costs of £3.3 million (HY24: £8.9 million) comprises the utilisation of the prior debt facility for the first two months of the period, which was fully settled following the Divestment, and IFRS 16 lease interest largely residing in the continuing operations
- **Statutory earnings per share of 174.4 pence** (HY24: loss per share 9.6 pence)
- **Strong balance sheet**
  - Net cash (excluding leases) at 30 September 2024 was £30.8 million (30 September 2023 net debt (excluding leases) of £192.7 million). The movement reflects the £430 million Divestment, settlement of the old debt facility, payment of the £150.3 million special dividend and the good progress made on the share buyback programme in the period
  - The Group generated £6.4 million of cash from both discontinued and continuing operations in the period before interest and tax (HY24 of £16.7 million). This is after £14.2 million of costs relating to the Divestment, the Demerger and restructuring
  -
- **Successful execution of integration programme**
  - Finalised integration programmes with all costs associated with restructuring investments now concluded in line with market guidance

CURRENT TRADING AND OUTLOOK

- The Board remains focussed on ensuring the forward-looking strategy maximises shareholder value
- Marlowe operates in highly attractive and regulated business-critical service markets across TIC
- No further restructuring costs expected in the second half of the year

- We have continued to make good progress with the ongoing share buyback programme. Since the 30 September 2024 we have returned an additional £10.0 million to shareholders acquiring 2.9 million ordinary shares as at 4 December 2024. The Group has now returned an aggregate £51.0 million to shareholder as part of this programme

- The recently announced UK Autumn Budget 2024 is likely to have an impact on margins in the near term, but we are confident we can mitigate these additional costs in the medium term through pricing and operational efficiencies

- The primary focus continues to be on driving organic growth while improving margins and delivering attractive free cash flow

Lord Ashcroft, Interim Non-Executive Chair, commented:

"The Group has undergone significant change in the period to focus on the attractive TIC market, having completed the Divestment of certain GRC software and service assets for £430 million in June and subsequently demerging its Occupational Health division in September 2024."

"Marlowe's business now consists of the market leading compliance service TIC division which comprise the Fire Safety & Security and Water & Air Hygiene businesses. The Group has a strong balance sheet and is well positioned to drive organic growth, margin enhancement and strong cash generation."

"Marlowe has today published an interim results presentation which has been made available on the Marlowe plc website."

For further information:

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BUSINESS REVIEW

This has been a significant period of change for Marlowe. In November 2023, we announced a review of the Group's structure as it had become clear that the operational activities of the Group had diversified into sectors with varying operational and financial characteristics.

Following the announcement of the strategic review we received an offer for a number of our GRC software and service assets. Consequently, in February 2024, we announced a binding agreement for these assets for an enterprise value of £430 million, a valuation that represented the 121% of Marlowe's market capitalisation on the day prior to the announcement.

On 3 June 2024 we announced the completion of the Divestment and the intention to return of up to £225 million of proceeds to shareholders, comprising a £150 million special dividend and a share buyback programme of up to £75 million. During the period we retired the Group's debt facility and on 5 July 2024 returned £150.3 million via a special dividend, which equated to £1.55 per ordinary share, and initiated the share buyback programme.

Moreover, on 12 September 2024, the Group announced the demerger of its Occupational Health division to be registered as a separate public limited company under the name Optima Health plc. The Demerger will allow Marlowe, as a market-leading TIC business and Optima Health, as the UK's leading provider of technology enabled corporate health and wellbeing solutions, as two distinct listed entities and will enable each to fully focus on their respective end markets and future strategic objectives.

The continuing TIC operations comprise the Fire Safety & Security and the Water & Air Hygiene businesses. These operations are focussed on ensuring the safety and compliance of customers' business premises in accordance with relevant regulation and legislation and serve approximately 27,000 customers across the UK. The TIC sector was the first market Marlowe entered and where it made its original acquisitions in 2016. This sector continues to display the same attractive structural growth drivers which are underpinned by regulation, legislation and high levels of recurring income.

We continue to see significant opportunity for further organic growth as we look ahead supplemented by selective acquisitions. In the near term we are focussed on driving organic revenues, improving margins and delivering attractive free cash flow. We have a refocused strategy and are well positioned to capitalise on the attractive TIC service markets we serve.

Financial results - continuing operations

The Group performed in line with expectations for the six months ended 30 September 2024. Revenue from continuing operations grew 4% to £151.7 million benefiting from 3% organic growth and a small contribution from acquisitions made at the start of prior period.

Adjusted EBITDA, in a period of significant integration focus and transformation was £15.3 million (HY24: £15.4 million). Adjusted EBITDA margins in TIC decreased to 11.9% (HY24: 12.3%) as a result of a period of operational change in our main Water & Air Hygiene business where we have focussed on putting in place operational processes that will deliver in the longer term, so we are well positioned to successfully drive margins. This margin reduction was partially offset by good margin enhancement in our Fire Safety & Security business as we successfully transitioned work from subcontractors to in-house fee-earners and benefit from our integration investments. We expect our TIC division to deliver adjusted EBITDA margin improvements with a medium-term target of 15% as we focus on delivering operational efficiencies and improving revenue mix.

Statutory profit before tax for the Group was £161.7 million (HY24 loss before tax: £8.9 million), with the improvement resulting from the profit on the Divestment in the period and a reduction in adjusting items.

The continuing businesses of Fire Safety & Security and Water & Air Hygiene are both highly cash generative and free cash flow is a key metric that both the Board and management are focussed on. The Group, including discontinued operations, generated £6.4 million of cash from operations after £14.2 million of acquisition and restructuring costs as we have focussed on finalising integration programmes.

Attractive and resilient business model

The compliance markets we serve are underpinned by regulation and are therefore predominantly non-discretionary to our customers and are required throughout the economic cycle. An estimated 75% of our revenues are recurring with customers typically contracted on 3-to-5-year agreements, providing us with secure and highly visible revenue streams.

Both of our markets have structural growth characteristics and benefit from onerous and evolving regulations with increasing enforcement action from regulators. Compliance spending continues to grow at attractive rates from the increasing focus on health & safety and growing insurance requirements.

Since entering the TIC markets in 2016, Marlowe has built significant scale and expanded its range of services. This growth has become a key differentiator, enabling us to deliver services across all UK postcodes and address the needs of complex and larger multi-site customers. Currently, 90% of our 27,000-strong customer base comprises organisations with complex or multi-site operations, a segment that smaller and mid-sized competitors are unable to serve effectively.

Our customer profile aligns with broader trends in the professionalisation of procurement. Smaller sites are increasingly being consolidated under multi-site operations, often managed by centralised procurement teams and property management firms. These organisations place a heightened focus on compliance, regulatory adherence and insurance requirements and this focus positions Marlowe well to be a provider of choice.

Strong balance sheet and disciplined approach to capital allocation

Adjusted net cash (excluding leases) was £30.8 million as at 30 September 2024 from an adjusted net debt position of £176.6 million as at 31 March 2024. This follows the £430 million Divestment, settlement of the old debt facility, the return of capital via £150.3 million special dividend and £41.0 million via the share buyback programme in the period. This was supplemented by good cash generation in the period.

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility ("RCF") of £50 million with an uncommitted accordion facility of £50 million, and these facilities are currently undrawn.

The Board anticipates that the Group's strong cash generation will be used either to return further capital to shareholders or, when appropriate, invest in bolt-on acquisition opportunities across TIC.

Strengthening and integrating

We have made significant operational progress on continuing operations in the period and restructuring activity and associated costs have now concluded. We have built the clear market leader in Water & Air Hygiene and are a top 3 player in Fire Safety & Security. During the period, we placed a significant focus on finalising restructuring costs and invested £2.1 million (HY24: £4.1 million) into restructuring, below of our £5 million target.

Marlowe's primary focus in the near term remains on driving operational efficiency and organic growth across these integrated platforms within the highly attractive and defensive TIC markets while driving strong cash conversion.

Outlook

The second half of the year has started in line with the Board's expectations, and we continue to see strong demand for our TIC services. The Group is focused on driving margin enhancement and expects to deliver high single digit adjusted EBITDA growth.

The recently announced UK Autumn Budget 2024 is expected to put a temporarily pressure on margins through the delay in recovering the increase in National Insurance costs and we are expecting some impact on project lead times through greater customer hesitancy. We are confident that through pricing and operational efficiency we will be able to mitigate this impact and continue to aim to expand margins in medium term.

Looking forward, the Group's TIC division is expected to deliver £325 million of revenue and adjusted EBTIDA in the region of £40 million for the 12 month period to 30 September 2025. Head office costs are expected to be £4 million. In the absence of any future acquisitions, the Group expects no further restructuring costs.

The Board retains the flexibility to use the remaining net cash proceeds from the Divestment alongside the Group's strong cash generation to return further return capital or to pursue carefully selected bolt-on acquisitions where appropriate.

TESTING, INSPECTION AND CERTIFICATION

Revenue increased 4%, reflecting organic growth of 3% in the period and a small contribution from acquisitions made at the start HY24. Adjusted EBITDA was £18.0 million resulting in margins decreasing by 40 basis points.

Fire Safety & Security, which represents nearly half of divisional revenues, delivered mid-single digit organic growth and high single digit organic EBITDA growth.

The primary fire installation and service business, representing around two thirds of the subdivision's revenues, delivered good organic growth with rising productivity, reaching a revenue per day per fee-earner of up to £700. Growth was also driven by the kitchen fire suppression business where our innovative interlock solution is helping businesses meet new regulatory requirements. Although performance in the passive fire segment was weaker, we have addressed this by appointing the new leadership and implementing structural changes that position us well in this growing market.

During the period, we undertook a review of key contracts supported by the strong emphasis placed on improving our data analytics to optimise customer profitability. This shift away from historical less profitable contracts has led to some short-term revenue impact, but it has been a key driver in achieving strong EBITDA margin growth by some short-term revenue impact, but it has been a key driver in achieving strong EBITDA margin growth by redeploying our fee-earners to higher-margin opportunities.

Restructuring costs in the period amounted to £1.2 million, as we finalised the integration of acquisitions completed in the prior year. While some recently acquired businesses posed initial challenges, we have taken decisive steps to address these and are confident in recovery in the second half. Subcontractor usage, which was a focus area in FY24, has now normalised, contributing further to margin improvement.

Our investment in employee training via Marlowe Academy has been a success, evidenced by improved retention and reduced dependency on external talent. Trainee hires are able to serve customers within 14 weeks, allowing our experienced engineers to focus on more complex jobs, driving efficiency, customer service and EBITDA growth. We continue to benefit from strong customer retention rates, with compliance rates at a best in class 98% (FY24), first time fix rates increasing to 78% and a zero tolerance focus on customer compliance backlog. Specific sector development strategies over the past two years on critical national infrastructure has resulted in a record project install order book that has more than double in the last 18 months.

The second half of the year has started well, with organic growth expected to continue in the mid-single digits, supported by margin enhancements. Our new scheduling system, set for FY26 rollout, is designed to further improve revenue per fee-earner per day, operation efficiency and customer response KPIs. While the recently announced UK Autumn budget will affect near-term margins, we are confident in our ability to mitigate these costs through efficiencies and pricing in the medium term.

The **Water & Air Hygiene** sub-division, accounting for just over half of the division's revenues, delivered mid-single-digit organic revenue growth, however EBITDA margins contracted.

The primary water business, which accounts for approximately 40% of sub-divisional revenue, remains a key focus for the divisional management team. We are actively aligning key systems and processes within this segment to enhance performance. While these efforts have temporarily impacted margins in the period, we are now showing improvements and are confident that the actions taken will unlock significant opportunities for margin improvement through enhanced operational and process efficiencies. Additionally, the Air business, which represents approximately 5% of divisional revenues, experienced a decline due to employee attrition caused by competitive industry dynamics earlier in the year. These challenges have since stabilised.

The environmental engineering business, which specialises in designing and installing wastewater equipment for sewage and industrial wastewater and represents around 20% of sub-divisional revenues, performed strongly and delivered high-teens revenue growth. This performance reflects our strong market reputation and our ability to swiftly meet customer needs through our extensive expertise.

The remaining elements of our Water and Air business consist of our training, asbestos and chemicals businesses. Our training business, while a smaller contributor to revenues, posted mid-teens organic growth. This growth highlights our increased emphasis on offering training services to both external engineers and existing customer as we leverage our best-in-class training facilities. The asbestos business performed in line with expectations, and the chemical business remained largely level as we manage commodity pricing well in a changing market.

The Water & Air Hygiene sub-division has undergone a significant transformation. This sub-division is now unified under the lead brand Marlowe Environmental Services which has allowed us to market our broad range of services more effectively and has been well received by customers, suppliers and our people. Our integration efforts in this business have resulted in advanced governance and improved learning & development enabling us to address skills shortages in the market more effectively. Driven by the success of the Fire, Safety & Security trainee programme, we are replicating this initiative with Water & Air Hygiene. We have seen a significant step change in employee engagement and are starting to see a positive impact on retention.

Restructuring costs, as with Fire Safety & Security, have now ceased. During the period we incurred £0.9 million of restructuring costs. Over the past six years, these investments have established us as the clear UK market leader in this sector whilst maintaining best in class (98%) compliance rates on national level. We are well positioned to continue to unlock additional customer spend through an expanded multi-product and service offering. Additionally, improved data capture is driving more effective cross-selling opportunities between Water & Air Hygiene and the Fire Safety & Security division.

The second half of the year has begun in line with expectations, with mid-single-digit organic growth anticipated, supported by margin enhancements. However, the Autumn 2024 Budget is expected to put a temporary pressure on margins and we are expecting some impact on project lead times within our engineering business. We are confident that medium-term mitigation strategies, including pricing and operational improvements, will offset these challenges and drive margin expansion.

FINANCIAL REVIEW

Overview

Revenue decreased 12% in period to £220.4 million (HY24: £251.3 million) as a result of the Divestment which completed in the period.

Statutory profit before tax was £161.7 million (HY24 loss before tax: £8.9 million) largely reflecting the £165.9 million profit recognised from the Divestment. The profit recognised from the Divestment is not subject to corporation tax due to substantial shareholder exemption with the exception of IMSM which was acquired within 12 months of the binding agreement for the assets. Statutory basic earnings per share was 174.4 pence (HY24 loss per share of 9.6 pence).

Acquisition and disposal costs increased to £10.8 million (HY24: £5.5 million) reflecting both the Divestment and Demerger that took place in the period. These costs are one-off in nature and will not continue into the second half. Finance costs decreased to £3.3 million (HY24: £8.9 million) and reflects the utilisation of the previous debt facility for the first two months of the period before repaying in full and retiring the facility. This has since been replaced with a £50 million RCF which is currently undrawn. Other adjusting items in the first half of the year included the amortisation of acquired intangibles, share-based payments and other non-trading items.

Following the Divestment in the first half of FY25 and the Demerger of the Occupational Health division, our financial results for the first half of FY24 have been restated to classify these businesses as discontinued operations. The rest of this report is therefore mainly focused on our continuing operations which comprise the TIC division and head office costs.

Revenue from continuing operations increased by 4% to £151.7 million (HY24: £146.3 million), with a statutory operating profit of £3.4 million compared to a statutory operating loss of £5.9 million in the comparable prior period. Adjusted EBITDA from continuing operations was £15.3 million (HY24: £15.4 million), reflecting the impact of operational changes in our water business that affected margins. However, this was offset by strong growth in our Fire, Safety & Security segment, driven by the benefits of recent integration investments.

Non-IFRS measures

IFRS measures ensure that the financial statements contain all the information and disclosures required by all accounting standards and regulatory obligations that apply to the Group. The financial statements also include measures which are not defined by generally accepted accounting principles such as IFRS. We believe this information, along with comparable IFRS measures, is useful as it provides investors with a basis for measuring the performance of the Group on an underlying basis. The Board and our managers use these financial measures to evaluate our operating performance. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. Similarly, non-IFRS measures as reported by us may not be comparable with similar measures reported by other companies.

Due to the nature of acquisitions, costs associated with those acquisitions, subsequent integration costs and the non-cash element of certain charges, the Directors believe that adjusted measures provide shareholders with a useful representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group.

A reconciliation between statutory operating profit and EBITDA is shown below:

Continuing operations	HY25 £'m	HY24 £'m
Operating profit/(loss)	**3.4**	**(5.9)**
Amortisation of acquisition intangibles	3.1	3.1
Depreciation and amortisation of non-acquisition intangibles	6.3	5.7
EBITDA	**12.8**	**2.9**

A reconciliation between adjusted and statutory performance measure for the continuing operations is shown below:

Six months ended 30 September 2024 Continuing operations	Profit before tax £'m	Operating profit £'m	EBITDA £'m
Statutory reported	**2.4**	**3.4**	**12.8**
Restructuring costs	2.1	2.1	2.1
Amortisation of acquired intangibles	3.1	3.1	-
Share-based payments (excluding SAYE schemes)	0.4	0.4	0.4
Adjusted reported	**8.0**	**9.0**	**15.3**

Six months ended 30 September 2023 Continuing operations	(Loss)/profit before tax £'m	Operating profit £'m	EBITDA £'m
Statutory reported	**(8.7)**	**(5.9)**	**2.9**
Acquisition and disposal costs (including strategic review costs)	4.4	4.4	4.4
Restructuring costs	4.1	4.1	4.1
Amortisation of acquired intangibles	3.1	3.1	-
Share-based payments (excluding SAYE schemes)	0.8	0.8	0.8
Fair value losses in contingent consideration and acquisition related incentive schemes	3.2	3.2	3.2
Adjusted reported	**6.9**	**9.7**	**15.4**

Adjusting items

There were no acquisition and disposal costs (including strategic review costs) in the period for continuing operations as the Group did not undertake any acquisitions. The prior period costs of £4.4 million were the costs associated with the Strategic Review and the four bolt-on acquisitions that took place at the start of HY24.

Restructuring costs, being the costs associated with the integration of acquisitions, have been a key component of delivering shareholder value by increasing future returns made on acquired businesses. Restructuring costs for the period for continuing operations were £2.1 million (HY24: £4.1 million) reflecting the finalisation of restructuring investment. In the absence of any future acquisitions, we do not anticipate any further restructuring costs.

Amortisation of acquired intangible assets for the period was £3.1 million (HY24: £3.1 million). Non-cash share-based payment charge for the period was £0.4 million (HY24: £0.8 million) and largely relates to the charge for executive share-based plans.

Certain long term incentive schemes for platform businesses have been established to incentivise key members of our platform acquisition's senior management to create shareholder value through the successful acquisition, restructuring and integration of businesses in their chosen service sectors. These schemes have similar characteristics to earn out structures in place within the Group and have a similar purpose. As such, these schemes are considered to be part of the investing activities of the group and are not-recurring in nature.

Further details on the items considered when arriving at adjusted performance measures can be found in Note 3.

Earnings per share

Basic adjusted earnings per share are calculated as adjusted profit for the continuing operations for the year less a standard tax charge divided by the weighted average number of shares in issue in the year. Basic earnings per share reflect the actual tax charge.

Earnings per share* (EPS) - Continuing Operations	HY25	HY24
Basic adjusted earnings per share	6.4p	5.4p
Basic earnings/(loss) per share	2.5p	(9.3)p

*Refer to note 5

Weighted average number of shares in issue was 93,172,661 (HY24: 96,072,077) with the reduction reflecting the ongoing share buyback programme where the Company purchased 8,946,087 in the period. Following the cancellation of the shares repurchased, Marlowe had 88,004,519 ordinary shares of 50 pence each in issue as at 30 September 2024.

Interest

Finance costs for the continuing operations amounted to £1.0 million in the period (HY24: £2.8 million). This reflects the apportioned interest relating to the utilisation of the previous debt facility at the start of the reporting year which has since been retired and interest costs from lease liabilities.

Taxation

UK Corporation Tax is calculated at 25% of the estimated assessable profit for the year.

Statement of financial position

The Group maintains a strong balance sheet with net assets as at 30 September 2024 of £214.6 million (30 September 2023: £438.3 million). At the same date total assets were £306.9 million (30 September 2023: £893.2 million), and total liabilities were £92.3 million (30 September 2023: £454.9 million). Total assets primarily consist of intangible assets of £150.8 million and trade and other receivable of £83.7 million. Total liabilities include trade payable of £59.7 million and deferred tax liabilities of £9.7 million which largely relate to intangible assets.

Cash flow, **net debt and financing**

The primary net debt movements in the period reflects the completion of the Divestment and the return of capital to shareholders.

	HY25 £m
Cash generated from Group operations before interest, tax, disposal and restructuring costs	**20.6**
Disposal costs	(10.8)
Restructuring costs	(3.4)
Cash generated from Group operations before interest and tax	**6.4**
Lease repayments	(5.8)
Net finance costs	(3.4)
Tax	(4.8)
Net capex	(4.3)
Net Divestment proceeds (net of cash)	410.5
Proceeds from share issuance	0.3
Dividend	(150.3)
Share repurchases (inc. costs associated with repurchases)	(41.2)
-Movement in net debt	**207.4**
Opening net debt (excluding leases)	**(176.6)**
Closing net cash (excluding leases)	**30.8**

During the period, Marlowe generated £20.6 million of cash from operations before restructuring costs of £3.4 million and disposal costs of £10.8 million which largely relate to the costs of the Divestment and Demerger in the period.

The Group had £5.8 million of lease expenses which largely relate to continuing operations. Net capital expenditure totalled £4.3 million of which £1.8 million relates to the continuing operations.

In the period the Group repaid its old debt facility following the proceeds received on the completion of the Divestment. The Group then returned £150.3 million to shareholders via a dividend and subsequently £41.0 million via the share buyback programme[2] in the period.

Net cash as at 30 September 2024, including inter alia £21.6 million of lease liabilities, amounted to £9.2 million (31 March 2024 net debt £203.2 million). Adjusted net cash (excluding lease liabilities) was £30.8 million (31 March 2024 net debt £176.6 million). Since the period end, the Group has returned a further £10.0 million to shareholders via the share buyback programme, as of 4 December 2024.

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility ("RCF") of £50 million with an uncommitted accordion facility of £50 million, these facilities are currently undrawn.

Key Performance Indicators ('KPIs')

The Group uses many different KPIs at an operational level which are specific to the business and provide information to management. The Board uses KPIs that focus on the financial performance of the Group such as revenue, adjusted EBITDA, adjusted EPS and net cash generated from operations.

Unaudited consolidated statement of comprehensive income

For the period ended 30 September 2024

		Unaudited six months ended 30 September 2024			Unaudited six months ended 30 September 2023		
	Note	Continuing operations	Discontinued operations	Total	Continuing Operations	Discontinued operations	Total
		£'m	£'m	£'m	£'m	£'m	£'m
Revenue	2	151.7	68.7	**220.4**	146.3	105.0	**251.3**
Cost of sales		(91.7)	(41.6)	**(133.3)**	(89.2)	(54.4)	**(143.6)**
Gross profit		**60.0**	**27.1**	**87.1**	**57.1**	**50.6**	**107.7**
Administrative expenses excluding acquisition and other costs		(51.0)	(15.9)	**(66.9)**	(47.4)	(27.3)	**(74.7)**
Acquisition and disposal costs (including strategic review)	3	-	(10.8)	**(10.8)**	(4.4)	(1.1)	**(5.5)**
Restructuring costs	3	(2.1)	(1.3)	**(3.4)**	(4.1)	(5.3)	**(9.4)**
Amortisation of acquired intangibles	3	(3.1)	(3.4)	**(6.5)**	(3.1)	(9.7)	**(12.8)**
Share based payments (excluding SAYE schemes) and legacy long-term incentives	3	(0.4)	-	**(0.4)**	(0.8)	-	**(0.8)**
Fair value losses in contingent consideration and acquisition related incentive schemes	3	-	-	**-**	(3.2)	(1.3)	**(4.5)**
Total administrative expenses		**(56.6)**	**(31.4)**	**(88.0)**	**(63.0)**	**(44.7)**	**(107.7)**
Operating profit/(loss)		**3.4**	**(4.3)**	**(0.9)**	**(5.9)**	**5.9**	**-**
Finance costs		(1.0)	(2.3)	**(3.3)**	(2.8)	(6.1)	**(8.9)**
Profit on disposal of discontinued operations		-	165.9	**165.9**	-	-	-
Profit/(loss) before tax		**2.4**	**159.3**	**161.7**	**(8.7)**	**(0.2)**	**(8.9)**
Income tax credit/(charge)	4	(0.1)	0.9	**0.8**	(0.2)	(0.1)	**(0.3)**
Profit/(loss) for the year		**2.3**	**160.2**	**162.5**	**(8.9)**	**(0.3)**	**(9.2)**
Other comprehensive income							
Total comprehensive profit /(loss) for the year		**2.3**	**160.2**	**162.5**	**(8.9)**	**(0.3)**	**(9.2)**
Attributable to owners of the parent		**2.3**	**160.2**	**162.5**	**(8.9)**	**(0.3)**	**(9.2)**
Profit/(loss) per share attributable to owners of the parent (pence)							
Total							
Basic	5	**2.5p**		**174.4p**	**(9.3)p**		**(9.6)p**
Diluted	5	**2.5p**		**173.8p**	**(9.3)p**		**(9.6)p**

Unaudited consolidated statement of comprehensive income

	Note	Continuing operations £'m	Discontinued operations £'m	Total £'m
		Audited year ended 31 March 2024		
Revenue	2	**292.3**	**210.9**	**503.2**
Cost of sales		(176.9)	(108.6)	**(285.5)**
Gross profit		**115.4**	**102.3**	**217.7**
Administrative expenses excluding acquisition and other costs		(96.9)	(55.4)	**(152.3)**
Acquisition and disposal costs (including strategic review)	3	(5.1)	(2.7)	**(7.8)**
Restructuring costs	3	(8.3)	(9.9)	**(18.2)**
Amortisation of acquired intangibles	3	(6.3)	(19.3)	**(25.6)**
Share based payments (excluding SAYE schemes) and legacy long-term incentives	3	0.8	-	**0.8**
Fair value losses in contingent consideration and acquisition related incentive schemes	3	(2.8)	(2.2)	**(5.0)**
Total administrative expenses		**(118.6)**	**(89.5)**	**(208.1)**
Operating profit/(loss)		**(3.2)**	**12.8**	**9.6**
Finance costs		(5.9)	(12.7)	**(18.6)**
Exceptional finance costs		(0.1)	(1.8)	**(1.9)**
Total finance costs		**(6.0)**	**(14.5)**	**(20.5)**
Loss before tax		**(9.2)**	**(1.7)**	**(10.9)**
Income tax credit/(charge)	4	3.4	(2.7)	**0.7**
Loss for the year		**(5.8)**	**(4.4)**	**(10.2)**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive loss for the year		**(5.8)**	**(4.4)**	**(10.2)**
Attributable to owners of the parent		**(5.8)**	**(4.4)**	**(10.2)**
Loss per share attributable to owners of the parent (pence)				
Total				
Basic	5	**(6.0)p**		**(10.6)p**
Diluted	5	**(6.0)p**		**(10.6)p**

Unaudited consolidated statement of changes in equity

For the six months ended 30 September 2024

	Share capital £m	Share premium £m	Merger reserve £m	Capital Redemption reserve £m	Other reserves £m	Retained earnings/(deficit) £m	Total equity £m
Balance at 1 April 2023	47.9	384.8	9.9	-	4.6	(3.9)	443.3
Loss for the period	-	-	-	-	-	(9.2)	(9.2)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**(9.2)**	**(9.2)**
Transaction with owners							
Share-based payments	-	-	-	-	1.2	-	1.2
Issue of shares during the year	0.3	0.1	2.6	-	-	-	3.0
Cancellation of share premium	-	(384.9)	-	-	-	384.9	-
	0.3	**(384.8)**	**2.6**	**-**	**1.2**	**384.9**	**4.2**
Balance at 30 September 2023 (unaudited)	**48.2**	**-**	**12.5**	**-**	**5.8**	**371.8**	**438.3**
Balance at 1 October 2023	48.2	-	12.5	-	5.8	371.8	438.3
Loss for the period						(1.0)	(1.0)
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**(1.0)**	**(1.0)**
Transaction with owners							
Share-based payments	-	-	-	-	(1.3)	-	(1.3)
Issue of shares during the year	0.2	1.3	-	-	-	-	1.5
	0.2	**1.3**	**-**	**-**	**(1.3)**	**-**	**0.2**
Balance at 31 March 2024	**48.4**	**1.3**	**12.5**	**-**	**4.5**	**370.8**	**437.5**

Balance at 1 April 2024	48.4	1.3	12.5	-	4.5	370.8	437.5
Profit for the period	-	-	-	-	-	162.5	162.5
Total comprehensive profit for the period	**-**	**-**	**-**	**-**	**-**	**162.5**	**162.5**
Transaction with owners							
Share-based payments	-	-	-	-	0.7	-	0.7
Issue of shares during the period	0.1	0.2	-	-	-	-	0.3
Purchase and cancellation of own shares	(4.5)	(0.2)	-	4.5	-	(41.2)	(41.4)
Cash dividend paid to shareholders	-	-	-	-	-	(150.3)	(150.3)
Distribution of discontinued operations	-	-	-	-	-	(194.7)	(194.7)
	(4.4)	**-**	**-**	**4.5**	**0.7**	**(386.2)**	**(385.5)**
Balance at 30 September 2024 (unaudited)	**44.0**	**1.3**	**12.5**	**4.5**	**5.2**	**147.1**	**214.6**

Unaudited consolidated statement of financial position

As at 30 September 2024

	Notes	Unaudited six months ended 30 September 2024 £'m	Unaudited six months ended 30 September 2023 £'m	Audited year ended 31 March 2024 £'m
ASSETS				
Non-current assets				
Intangible assets	7	150.8	667.4	343.2
Property, plant and equipment		8.0	13.1	10.1
Right of use assets		19.9	25.7	25.4
Trade and other receivables		-	2.1	-
Deferred tax asset		4.4	4.4	4.4
Total non-current assets		**183.1**	**712.7**	**383.1**
Current assets				
Inventories		9.1	9.9	9.7
Trade and other receivables	8	83.7	132.0	98.0
Cash and cash equivalents	9	30.8	36.3	-
Current tax asset		0.2	2.3	1.3
Assets classified as held for sale		-	-	398.2
Total current assets		**123.8**	**180.5**	**507.2**
Total assets		**306.9**	**893.2**	**890.3**
LIABILITIES				
Current liabilities				
Trade and other payables		(59.7)	(129.4)	(83.5)
Financial liabilities - bank overdrafts	9	-	-	(25.8)
Financial liabilities - borrowings	9	-	-	(206.0)
Financial liabilities - lease liabilities	9	(12.5)	(9.4)	(9.4)
Provisions		(1.1)	(1.6)	(1.2)
Liabilities directly associated with assets classified as held for sale		-	-	(82.3)
		(73.3)	**(140.4)**	**(408.2)**
Non-current liabilities				
Trade and other payables		-	(12.2)	(0.7)
Financial liabilities - borrowings	9	-	(229.0)	-
Financial liabilities - lease liabilities	9	(9.1)	(17.3)	(16.9)
Deferred tax liabilities		(9.7)	(54.7)	(26.0)
Provisions		(0.2)	(1.3)	(1.0)
		(19.0)	**(314.5)**	**(44.6)**
Total liabilities		**(92.3)**	**(454.9)**	**(452.8)**
Net assets		**214.6**	**438.3**	**437.5**

Unaudited consolidated statement of financial position

As at 30 September 2024

	Notes	Unaudited six months ended 30 September 2024 £'m	Unaudited six months ended 30 September 2023 £'m	Audited year ended 31 March 2024 £'m
EQUITY				
Share capital		44.0	48.2	48.4
Share premium account		1.3	-	1.3
Merger relief reserve		12.5	12.5	12.5
Capital Redemption Reserve		4.5	-	-
Other reserves		5.2	5.8	4.5
Retained earnings		147.1	371.8	370.8
Equity attributable to owners of parent		**214.6**	**438.3**	**437.5**

Unaudited consolidated statement of cash flows

For the six months ended 30 September 2024

	Notes	Unaudited six months ended 30 September 2024 £'m	Unaudited six months ended 30 September 2023 £'m	Audited year ended 31 March 2024 £'m
Net cash generated from operating activities before interest and tax	**11**	**6.4**	**16.7**	**57.8**
Net finance costs		(3.4)	(8.3)	(17.8)
Income taxes paid		(4.8)	(1.0)	(2.0)
Net cash (used in)/generated from operating activities		**(1.8)**	**7.4**	**38.0**
Cash flows from investing activities				
Purchases of property, plant and equipment and non-acquisition intangibles		(5.0)	(7.3)	(14.4)
Disposal of property, plant and equipment		0.7	0.4	1.4
Consideration received		-	-	4.3
Purchase of subsidiary undertakings net of cash acquired		-	(26.3)	(31.7)
Disposal of discontinued operations		465.7	-	-
Cash flows generated/(used in) investing activities		**461.4**	**(33.2)**	**(40.4)**
Cash flows from financing activities				
Proceeds from share issues		0.3	-	1.5
Utilisation of debt facility		3.0	42.0	51.3
Repayment of debt facility		(209.0)	(4.0)	(36.3)
Settlement of contingent consideration		-	-	(2.5)
Repayment of debt upon purchase of subsidiary undertaking		-	(0.4)	(0.5)
Lease repayments		(5.8)	(5.7)	(11.9)
Dividend		(150.3)	-	-
Share buybacks		(41.2)	-	-
Net cash (used in)/generated from financing activities		**(403.0)**	**31.9**	**1.6**
Net increase/(decrease) in cash and cash equivalents		56.6	6.1	(0.8)
Cash and cash equivalents at start of period		(25.8)	30.2	30.2
Cash and cash equivalents from discontinued operations		-	-	(55.2)
Cash and cash equivalents at the end of period		**30.8**	**36.3**	**(25.8)**
Cash and cash equivalents shown above comprise:				
Cash at bank		30.8	36.3	-
Bank overdrafts		-	-	(25.8)

Notes to the financial information for the year ended 30 September 2024

1. Basis of Preparation

Basis of preparation

Basis of preparation

The unaudited consolidated interim financial information of the Group for the six months ended 30 September 2024 was approved by the Board of Directors and authorised for issue on 4 December 2024. The disclosed figures are not statutory accounts in terms of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2024, on which the auditors gave an audit report which was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies. The annual financial statements of the Group are prepared in accordance with applicable law and UK-adopted International Accounting Standards (UK-IAS).

The comparative figures for the financial year ended 31 March 2024 and the six months ended 30 September 2023 are consistent with the Group's annual financial statements and interim financial statements respectively.

The consolidated interim financial results are presented in pounds sterling and, unless stated otherwise, shown in pounds million to one decimal place.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance, financial position, its cash flows, liquidity position, principal risks and uncertainties affecting the business are set out in the Business Review.

The Group meets its day-to-day working capital requirements through cash generation and its financing facilities.

On 24 June 2024, a new financing facility was put in place allowing the Group to draw up to a maximum of £100 million subject to certain covenants. To date there have been no drawdowns against the facility. Given that the underlying business is cash generating and having considered FY25 budgets and FY26 forecasts, the Directors are comfortable that the Group has adequate resources to meet its ongoing financing requirements.

Details of the Group's borrowing facilities are given in note 9. The Group's budget for 2025 and forecasts for 2026, show that the Group should be able to operate within the level of its new facility and comply with the relevant covenants.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the approval date of this report and accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements. In making this assessment, the Directors have considered the financing arrangements available to the Group and the Group's cashflow forecasts, taking into account significant but plausible downside trading scenarios.

Accounting policies

This interim report has been prepared in accordance with the recognition and measurement requirements of UK adopted International Accounting Standards (IAS) but does not include all the disclosures that would be required under IAS. The accounting policies adopted in the interim financial statements are consistent with those adopted in the last annual report for financial year ended 31 March 2024 and those applicable for the year ending 31 March 2025.

Critical accounting estimates and judgements continue to be applied to the identification of separable intangibles on acquisition and rate of customer attrition, acquisition and other costs, valuation of separable intangibles on acquisition, impairment of non-financial assets, impairment of trade receivables and recoverability of amounts due from contract assets.

2. Segmental analysis

The Group has been organised into one main reporting segment, Testing, Inspection & Certification ("TIC"). At each reporting date, the Group reviews its reporting segments to determine if the segment disclosure continues to be appropriate.

As described in the business review, the Board announced in February 2024 that it had entered into a binding agreement for the sale of certain of the GRC software and services assets. This included all assets from the Worknest, Health and Safety compliance and Elogbooks operating segments. The disposal completed on 31 May 2024 and the disposal group assets were classified as held for sale at 31 March 2024 and trading results classified as discontinued operations.

Additionally, and as described in the business review, the Board announced in September 2024 the demerger of its Occupational Health divisions from Marlowe to form Optima Health plc as an independent company. The demerger completed on the 26 September 2024 and the demerged group assets and trading results were classified as discontinued operations.

During the year, there has not been a significant change to the underlying nature of the retained business. However, the disposal and demerger noted above has resulted in a change to the reportable segments with TIC being the only operating segment continuing. Other than this, the results and economic characteristics of the business remains consistent with the prior year and therefore continuing to disclose the reportable segment consistently is appropriate for six-month period ending 30 September 2024.

Services per segment operate as described in the Business Review and the judgments taken in aggregating the operating segment are disclosed in note 2. The key profit measures are revenue, adjusted EBITDA and adjusted profit before tax and are shown before acquisition and disposal costs (including strategic review costs), amortisation of acquired intangibles, share based payments (excluding SAYE schemes) and fair value gains/losses in contingent consideration.

The vast majority of trading of the Group is undertaken within the United Kingdom. Segment assets include intangibles, property, plant and equipment, inventories, receivables and cash. Central assets include deferred tax and head office assets. Segment liabilities comprise operating liabilities. Central liabilities include deferred tax, corporate borrowings and head office liabilities. Capital expenditure comprises additions to application software, property, plant and equipment. Segment assets and liabilities are allocated between segments on an actual basis.

Unaudited continuing operations for six-month period ended

	30 September 2024	30 September 2023
	Head	Head

Continuing operations	TIC £'m	Head Office £'m	Total £'m	TIC £'m	Head Office £'m	Total £'m
Revenue	158.0	-	**158.0**	150.6	-	**150.6**
Inter-segment elimination	(6.3)	-	**(6.3)**	(4.3)	-	**(4.3)**
Revenue from external customers	151.7	-	**151.7**	146.3	-	**146.3**
Segment adjusted operating profit/(loss)	11.8	(2.8)	**9.0**	12.3	(2.6)	**9.7**
Acquisition and disposal costs (including strategic review costs)			-			(4.4)
Restructuring costs			(2.1)			(4.1)
Amortisation of acquired intangibles			(3.1)			(3.1)
Share based payments (excluding SAYE schemes) and legacy long-term incentives			(0.4)			(0.8)
Fair value losses n contingent consideration and acquisition related incentive schemes			-			(3.2)
Operating profit/(loss)			**3.4**			**(5.9)**
Finance costs			(1.0)			(2.8)
Profit/(loss) before tax			**2.4**			**(8.7)**
Tax charge			(0.1)			(0.2)
Profit/(loss) after tax			**2.3**			**(8.9)**
Segment assets	276.9	30.0	**306.9**	275.2	480.0	**755.2**
Segment liabilities	(91.6)	(0.7)	**(92.3)**	(75.6)	(271.7)	**(347.3)**
Capital expenditure	(1.8)	-	**(1.8)**	(1.9)	-	**(1.9)**
Depreciation and amortisation	(6.3)	(3.1)	**(9.4)**	(5.7)	(3.4)	**(9.1)**

Audited continuing operations year ended 31 March 2024

	31 March 2024		
Continuing operations	**TIC £'m**	**Head Office £'m**	**Total £'m**
Revenue	303.7	-	**303.7**
Inter-segment elimination	(11.4)	-	**(11.4)**
Revenue from external customers	292.3	-	**292.3**
Segment adjusted operating profit/(loss)	23.2	(4.7)	**18.5**
Acquisition and disposal costs (including strategic review costs)			(5.1)
Restructuring costs			(8.3)
Amortisation of acquired intangibles			(6.3)
Share based payments (excluding SAYE schemes) and legacy long-term incentives			0.8
Fair value losses in contingent consideration and acquisition related incentive schemes			(2.8)
Operating loss			**(3.2)**
Finance costs			(5.9)
Exceptional finance costs			(0.1)
Loss before tax			**(9.2)**
Tax credit			3.4
Loss after tax			**(5.8)**
Segment assets	89.3	379.4	**468.7**
Segment liabilities	(79.6)	(266.1)	**(345.7)**
Capital expenditure	(3.8)	-	**(3.8)**
Depreciation and amortisation	(12.0)	(6.6)	**(18.6)**

Discontinued operations

Discontinued operations	Unaudited six months ended 30 September 2024 £'m	Unaudited six months ended 30 September 2023 £'m	Audited year ended 31 March 2024 £'m
Revenue	**69.5**	**106.5**	**214.9**
Inter-segment elimination	(0.8)	(1.5)	(4.0)
Revenue from external customers	**68.7**	**105.0**	**210.9**
Segment adjusted operating profit	**11.2**	**23.3**	**46.9**
Acquisition and disposal costs (including strategic review costs)	(10.8)	(1.1)	(2.7)

Restructuring costs	(1.3)	(5.3)	(9.9)
Amortisation of acquired intangibles	(3.4)	(9.7)	(19.3)
Fair value losses in contingent consideration and acquisition related incentive schemes	-	(1.3)	(2.2)
Operating (loss)/profit	**(4.3)**	**5.9**	**12.8**
Finance costs	(2.3)	(6.1)	(12.7)
Exceptional finance costs	-	-	(1.8)
Profit on disposal of discontinued operations	165.9	-	-
Profit/(loss) before tax	**159.3**	**(0.2)**	**(1.7)**
Tax credit/(charge)	0.9	(0.1)	(2.7)
Profit/(loss) after tax	**160.2**	**(0.3)**	**(4.4)**
Segment assets	**-**	**138.0**	**421.6**
Segment liabilities	**-**	**(107.6)**	**(107.1)**
Capital expenditure	**(3.2)**	**(5.4)**	**(10.7)**
Depreciation and amortisation	**(6.2)**	**(13.7)**	**(27.9)**

The revenue from external customers was derived from the Group's principal activities primarily in the UK (where the Company is domiciled).

Reconciliation of segment adjusted operating profit to adjusted EBITDA

Unaudited continuing operations for six-month period ended

	30 September 2024			30 September 2023		
	TIC	Head Office	Total	TIC	Head Office	Total
Continuing operations	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**	**£'m**
Segment adjusted operating profit/(loss)	11.8	(2.8)	9.0	12.3	(2.6)	9.7
Depreciation and amortisation of non-acquisition intangibles	6.2	0.1	6.3	5.7	-	5.7
Adjusted EBITDA	18.0	(2.7)	15.3	18.0	(2.6)	15.4

Audited continuing operations year ended 31 March 2024

	31 March 2024		
	TIC	Head Office	Total
Continuing operations	**£'m**	**£'m**	**£'m**
Segment adjusted operating profit/(loss)	23.2	(4.7)	18.5
Depreciation and amortisation of non-acquisition intangibles	12.0	0.4	12.4
Adjusted EBITDA	35.2	(4.3)	30.9

Discontinued operations

	Unaudited six months ended 30 September 2024	Unaudited six months ended 30 September 2023	Audited year ended 31 March 2024
Discontinued operations	**£'m**	**£'m**	**£'m**
Segment adjusted operating profit	11.2	23.3	46.9
Depreciation and amortisation of non-acquisition intangibles	2.7	4.2	8.5
Adjusted EBITDA	**13.9**	**27.5**	**55.4**

The above tables reconcile segment adjusted operating profit/(loss) to adjusted EBITDA, which excludes separately disclosed acquisition and other costs, to the standard profit measure under IFRS (Operating Profit). This is the Group's Alternative Profit Measure used when discussing the performance of the Group. The Directors believe that adjusted EBITDA and operating profit is the most appropriate approach for ascertaining the underlying trading performance and trends as it reflects the measures used internally by senior management for all discussions of performance and also reflects the starting profit measure when calculating the Group's banking covenants.

Adjusted EBITDA is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute, or superior to, IFRS measurements of profit.

Major customers

For the six month period ended 30 September 2024, no customers (30 September 2023: nil) individually accounted for more than 10% of the Group's total revenue.

3. Adjusting items

Due to the nature of acquisition and other costs in relation to each acquisition and the non-cash element of certain charges, the Directors believe that adjusted operating profit, adjusted EBITDA and adjusted measures of profit before tax and earnings per share provide shareholders with a more appropriate representation of the underlying earnings derived from the Group's business and a more comparable view of the year-on-year underlying financial performance of the Group. The adjusting items shown on the consolidated statement of comprehensive income and the rationale behind the Director's view that these should be included as adjusting items are detailed below:

Adjusting item	**Rationale**
Acquisition and disposal costs (including strategic review costs)	Acquisition and disposal costs (including strategic review costs) totalled £10.8 million during the period (HY24: £5.5 million). These costs included the disposal of certain GRC software and service assets, as well as expenses associated with the demerger of the Group's Occupational Health assets, completed in the first half of the year. The strategic review, conducted in the prior period (HY24), resulted in costs such as professional fees, legal fees, and staff-related expenses. These costs are non-recurring and not considered to be reflective of the underlying trading performance.
Restructuring costs	Restructuring costs, being the costs associated with the integration of acquisitions, remain a key component of delivering shareholder value by increasing returns made on acquired businesses. Restructuring costs for the six-month period ending 30 September 2024 were £3.4 million (HY24: £9.4 million) reflecting the integration programmes within period. No further restructuring expenses are anticipated in the second half of the year. Restructuring costs primarily consisted of: • The cost of duplicated staff roles and other duplicated operational costs during the integration and restructuring period; • The redundancy cost of implementing the post completion staff structures; and • IT costs associated with the integration and transfer to Group IT systems, including costs of third party software used in the delivery of customer contracts where there is a programme to transition such software to one of the Group's existing platforms.
Amortisation of acquired intangibles	The amortisation charge is primarily in relation to acquired intangible assets resulting from fair value adjustments under IFRS 3. Given the overall size of the amortisation charge and it being non-cash in nature, this cost is adjusted for in deriving the Group's alternative performance measures. In accordance with IFRS 5, no amortisation was recorded for the GRC software and service assets during the period, as these assets were classified as held for sale. For transparency, we note that the Group does not similarly adjust for the related revenue and results generated from its business combinations in its alternative profit measures.
Share-based payments (excluding SAYE schemes) and legacy long-term incentives	Charges associated with share-based payment schemes (excluding SAYE schemes which remain are classed as administrative expenses) and legacy long-term incentives have been included as adjusting items. Although share-based compensation is an important aspect of the compensation of our employees and executives, management believes it is useful to exclude share-based compensation expenses from adjusted profit measures to better understand the long-term performance of our underlying business. Share-based compensation expenses are non-cash charges and are determined using several factors, including expectations surrounding future performance, employee forfeiture rates and, for employee payroll-related tax items, the share price. As a result, these charges are not reflective of the value ultimately received from the awards.
Fair value losses in contingent consideration and acquisition related incentive schemes	Movements in contingent consideration are considered to be part of the investing activities of the Group and are therefore not considered to be reflective of the underlying trading performance. Further, share based compensation expenses are not reflective of the value ultimately received by the recipients of the awards. In addition, certain legacy long terms incentives are considered to be part of the investing activities of the Group and non-recurring in nature.
Exceptional finance costs	Exceptional finance costs relate to the non-cash unwinding of the discount applied to contingent consideration to reflect the time value of money. Therefore, it is not considered part of the underlying trading of the Group.

4. Taxation

The underlying tax charge is based on the expected tax rate (25%) for the year ending 31 March 2025 applied to taxable trading profits for the period. The tax rate applied to the comparative periods ending 30 September 2023 and 31 March 2024 was 25%.

5. Earnings per ordinary share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company (Marlowe plc) as the numerator, i.e. no adjustments to profit were necessary in 2024 or 2023.

	Unaudited six months ended 30 September 2024	**Unaudited six months ended 30 September 2023**	**Audited year ended 31 March 2024**
Group			
Profit/(loss) after tax for the period	£162.5m	£(9.2)m	£(10.2)m
Basic earnings/(loss) per share	174.4p	(9.6)p	(10.6)p
Fully diluted earnings/(loss) per share	173.8p	(9.6)p	(10.6)p
Continuing			
Profit/(loss) after tax for the period	£2.3m	£(8.9)m	£(5.8)m
Basic earnings/(loss) per share	2.5p	(9.3)p	(6.0)p
Fully diluted earnings/(loss) per share	2.5p	(9.3)p	(6.0)p

Fully diluted earnings/(loss) per share	2.5p	(9.3)p	(6.0)p

Weighted average number of shares in issue	**93,172,661**	**96,072,077**	**96,418,045**
Potential dilution of share options	299,833	-	-
Weighted average fully diluted number of shares in issue	**93,472,494**	**96,072,077**	**96,418,045**

Potential dilution of share options (31 March 2024: 579,564, 30 September 2023: 1,111,486) were excluded from the diluted weighted-average number of ordinary shares calculation for the continuing operations because their effect would have been anti-dilutive.

Adjusted earnings per share

The Directors believe that the adjusted earnings per share provide a more appropriate representation of the underlying earnings derived from the Group's business. The adjusting items are shown in the table below:

Group	**Unaudited six months ended 30 September 2024**	**Unaudited six months ended 30 September 2023**	**Audited year ended 31 March 2024**
Profit/(loss) before tax for the period	**161.7**	**(8.9)**	**(10.9)**
Adjustments:			
Acquisition and disposal costs (including strategic review costs)	10.8	5.5	7.8
Restructuring costs	3.4	9.4	18.2
Amortisation of acquired intangibles	6.5	12.8	25.6
Share-based payments (excluding SAYE schemes)	0.4	0.8	(0.8)
Fair value losses in contingent consideration and acquisition related incentive schemes	-	4.5	5.0
Exceptional finance costs	-	-	1.9
Divestment of discontinued operations	(165.9)	-	-
Adjusted profit before tax for the period	**16.9**	**24.1**	**46.8**

Continuing operations	**Unaudited six months ended 30 September 2024**	**Unaudited six months ended 30 September 2023**	**Unaudited year ended 31 March 2024**
Profit/(loss) before tax for the period	**2.4**	**(8.7)**	**(9.2)**
Adjustments:			
Acquisition and disposal costs (including strategic review costs)	-	4.4	5.1
Restructuring costs	2.1	4.1	8.3
Amortisation of acquired intangibles	3.1	3.1	6.3
Share-based payments (excluding SAYE schemes)	0.4	0.8	(0.8)
Fair value losses in contingent consideration and acquisition related incentive schemes	-	3.2	2.8
Exceptional finance costs	-	-	0.1
Adjusted profit before tax for the period	**8.0**	**6.9**	**12.6**

The adjusted earnings per share, based on weighted average number of shares in issue during the year, is calculated below:

Group	**Unaudited six months ended 30 September 2024**	**Unaudited six months ended 30 September 2023**	**Audited year ended 31 March 2024**
Adjusted profit before tax (£'m)	**16.9**	**24.1**	**46.8**
Tax at 25%	(4.2)	(6.0)	(11.7)
Adjusted profit after taxation (£'m)	**12.7**	**18.1**	**35.1**
Adjusted basic earnings per share (pence)	**13.6**	**18.8**	**36.4**
Adjusted fully diluted earnings per share (pence)	**13.6**	**18.8**	**36.4**

Continuing operations	**Unaudited six months ended 30 September 2024**	**Unaudited six months ended 30 September 2023**	**Unaudited year ended 31 March 2024**

Continuing operations	2024	2023	2024
Adjusted profit before tax (£'m)	**8.0**	**6.9**	**12.6**
Tax at 25%	(2.0)	(1.7)	(3.1)
Adjusted profit after taxation (£'m)	**6.0**	**5.2**	**9.5**
Adjusted basic earnings per share (pence)	**6.4**	**5.4**	**9.9**
Adjusted fully diluted earnings per share (pence)	**6.4**	**5.4**	**9.9**

6. Dividends

On 3rd June 2024, the Company declared a special dividend in respect of the current year. The dividend of £1.55 per Marlowe ordinary share amounted to £150.3 million and was paid on 5 July 2024.

In September 2024, Marlowe Plc declared a non-cash dividend in the form of all of the shares held in its subsidiary, Optima Health PLC, to its shareholders. The dividend was measured at the carrying value of the subsidiary (£194.7m).

7. Intangible assets

	Goodwill £'m	Customer relationships £'m	Applications software £'m	Content database £'m	Trade name £'m	Total £'m
Cost						
1 April 2023	424.7	204.7	57.9	8.0	6.1	701.4
Acquired with subsidiary	18.5	14.5	-	0.3	-	33.3
Additions	-	-	5.0	-	-	5.0
Disposals	-	-	(0.3)	-	-	(0.3)
30 September 2023	443.2	219.2	62.6	8.3	6.1	739.4
1 October 2023	443.2	219.2	62.6	8.3	6.1	739.4
Acquired with subsidiary	3.8	(3.7)	-	(0.3)	0.8	0.6
Additions	-	-	5.7	-	-	5.7
Disposals	-	-	(0.3)	-	-	(0.3)
Reclassified as held for sale	(210.5)	(98.5)	(33.9)	(8.0)	(1.8)	(352.7)
31 March 2024	236.5	117.0	34.1	-	5.1	392.7
1 April 2024	236.5	117.0	34.1	-	5.1	392.7
Acquired with subsidiary	-	-	-	-	-	-
Additions	-	-	0.6	-	-	0.6
Disposals	(118.8)	(60.3)	(30.9)	-	(5.1)	(215.0)
30 September 2024	117.7	56.7	3.8	-	-	178.2
Accumulated amortisation and impairment						
1 April 2023	-	42.4	12.2	1.9	0.8	57.3
Charge for the period	-	9.7	4.2	0.7	0.3	14.9
Disposals	-	-	(0.2)	-	-	(0.2)
30 September 2023	-	52.1	16.2	2.6	1.1	72.0
1 October 2023	-	52.1	16.2	2.6	1.1	72.0
Charge for the period	-	9.9	4.5	0.6	0.4	15.4
Disposals	-	-	(0.4)	-	-	(0.4)
Reclassified as held for sale	-	(27.2)	(6.6)	(3.2)	(0.4)	(37.4)
31 March 2024	-	34.8	13.6	-	1.1	49.5
1 April 2024	-	34.8	13.6	-	1.1	49.5
Charge for the period	-	5.4	1.9	-	0.3	7.6
Disposals	-	(13.7)	(14.6)	-	(1.4)	(29.7)
30 September 2024	-	26.5	0.9	-	-	27.4
Carrying amount						
30 September 2023	443.2	167.1	46.4	5.7	5.0	667.4
31 March 2024	236.5	82.2	20.5	-	4.0	343.2
30 September 2024	117.7	30.2	2.9	-	-	150.8

8. Trade and other receivables

	Unaudited six months ended 30 September	Unaudited six months ended 30 September	Audited year ended 31 March

	September 2024 £'m	September 2023 £'m	31 March 2024 £'m
Current			
Trade receivables	55.0	81.4	69.2
Less: provision for impairment of trade receivables	(0.4)	(1.8)	(2.1)
Trade receivables - net	54.6	79.6	67.1
Other receivables	1.3	4.6	1.0
Contract assets	3.2	5.3	3.1
Accrued income	16.8	29.5	20.9
Prepayments	7.8	12.3	5.9
Contingent consideration receivable in less than one year	-	0.7	-
	83.7	132.0	98.0
Non-current			
Contingent consideration receivable in more than one year	-	2.1	-
	-	2.1	-

Contingent consideration represented the divestment of non-core activities within the Group's Air Quality business following the sale of Ductclean (UK) Limited in March 2020 for a consideration of up to £7.0 million and additional amounts receivable on projects concluded before the transaction. These were financial assets classified as measured at fair value through profit or loss. As at 31 March 2024, the contingent consideration amounted to £nil as a settlement agreement was made with the counterparty to settle the outstanding amount of contingent consideration.

9. Net debt and borrowing facilities

	Unaudited six months ended 30 September 2024 £'m	Unaudited six months ended 30 September 2023 £'m	Audited year ended 31 March 2024 £'m
Continuing Operations:			
Cash at bank and in hand	30.8	36.3	-
Bank overdrafts due within one year	-	-	(25.8)
Bank loans due within one year	-	-	(206.0)
Bank loans due after one year	-	(229.0)	-
Leases due within one year	(12.5)	(9.4)	(9.4)
Leases due after one year	(9.1)	(17.3)	(16.9)
Net cash/ (debt) for continuing operations	**9.2**	**(219.4)**	**(258.1)**
Discontinued Operations:			
Cash at bank and in hand	-	-	55.2
Leases due within one year	-	-	(0.1)
Leases due after one year	-	-	(0.2)
Net cash/ (debt) for total Group	**9.2**	**(219.4)**	**(203.2)**

Borrowing facilities

At 31 March 2024, the Group had a £180 million revolving credit facility and an additional accordion facility of £60 million with HSBC UK Bank plc, National Westminster Bank plc, Citibank, N.A., Credit Industriel et Commercial, Fifth Third Bank, and The Governor and Company of the Bank of Ireland which was due to expire on 9 February 2025. £206 million of the total facility was drawn as at 31 March 2024. All of the Group's borrowings were in sterling.

Following the disposal of the GRC business this facility was repaid in full on 5 June 2024 and fully extinguished.

On 24 June 2024, the Group entered into a new unsecured 3-year Revolving Credit Facility (RCF) for £50 million with Barclays Bank PLC and HSBC UK Bank plc. The RCF includes two 1-year extension options and an uncommitted accordion facility of £50 million.

10. Called up share capital and share premium

Called up share capital

The issued ordinary share capital is as follows:

	Allotted, issued and fully paid £'m	Number of ordinary shares
1 April 2023	**47.9**	**95,882,065**
Share Options ("SAYE 2020")		597,609
Share-based consideration for IMSM acquisition		2,217
30 September 2023	**48.2**	**96,481,891**
Share Options ("SAYE 2020")		325,827
31 March 2024	**48.4**	**96,807,718**
Share Options ("SAYE 2020")		49,913
Marlowe plc Long Term Incentive Plan 2019		92,975
Cancellation of ordinary shares		(8,946,087)
30 September 2024	**44.0**	**88,004,519**

Share premium

In year ending 31 March 2024, the Company gained shareholder and court approval to release £384.9 million from the share premium account to retained earnings.

11. Cash generated from operations

	Unaudited six months ended 30 September 2024 £'m	Unaudited six months ended 30 September 2023 £'m	Audited year ended 31 March 2024 £'m
Profit/(Loss) before tax	**161.7**	**(8.9)**	**(10.9)**
Depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of non-acquisition intangibles	9.0	10.0	20.9
Amortisation of acquired intangibles	6.5	12.8	25.6
Loss on sale of fixed assets	-	-	(0.2)
Share based payments (excluding SAYE schemes)	0.4	0.8	(0.8)
Fair value losses in contingent consideration and acquisition related incentive schemes	-	3.2	5.0
Gain recognised on disposal of discontinued operations	(165.9)	-	
Net finance costs	3.3	8.9	20.5
Decrease/(increase) in inventories	0.4	(0.2)	-
Increase in trade and other receivables	(8.3)	(10.2)	(1.2)
(Decrease)/increase in trade and other payables	(0.7)	0.3	(1.1)
Cash generated from operations	**6.4**	**16.7**	**57.8**

12. Related party transactions

There were no related party transactions during the current or prior period.

13. Post balance sheet events

Since the 30 September 2024, as at 4 December 2024, Marlowe has purchased a further 2,945,529 ordinary shares for a consideration of £10.0 million at a volume weighted average price of 339.50 pence per ordinary share.

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[1] *Based on an adjusted prior year comparable of £147.5m which includes performance of acquisitions made in the prior period*

[2] *Costs associated with repurchase of shares in the period amounted to £0.2 million*