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SIG PLC
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5 March 2025

SIG plc

Full year results for the year ended 31 December 2024

SIG plc ("SIG", "the Group" or "the Company") today announces its results for the full year ended 31 December 2024 ("FY24" or "the year").

	2024	2023
Underlying revenue	**£2,611.8m**	£2,761.2m
LFL[2] sales	**(4)%**	(2)%
Gross margin	**24.5%**	25.3%
Underlying[1] operating profit	**£25.1m**	£53.1m
Underlying[1] operating margin	**1.0%**	1.9%
Underlying[1] (loss)/profit before tax	**£(14.3)m**	£17.4m
Underlying[1] (loss)/earnings per share	**(1.7)p**	0.4p
Net debt	**£497.3m**	£458.0m

Statutory results	**2024**	**2023**
Revenue	**£2,611.8m**	£2,761.2m
Operating (loss)/profit	**£(3.8)m**	£4.0m
Loss before tax	**£(44.8)m**	£(31.9)m
Total loss after tax	**£(48.6)m**	£(43.4)m
Basic loss per share	**(4.2)p**	(3.8)p

Financial highlights

- FY24 results reflect a robust performance in the face of ongoing challenging market conditions, supported by extensive cost and restructuring actions
- Full year Group like-for-like[2] ("LFL") sales down 4%, with revenues of £2.61bn (2023: £2.76bn)
  - Sequential improvement in H2 LFL sales performance to (2)%, vs (6)% in H1
- Underlying[1] operating profit of £25.1m, in line with expectations
- Good progress on strategic actions to benefit medium and longer term profitability, with efficiencies and productivity gains mitigating much of the near-term impact of lower volumes and operating cost inflation
  - £32m reduction in reported year over year operating expenses, and £42m reduction before inflation and FX
- Underlying[1] loss before tax of £14.3m; statutory loss before tax of £44.8m, reflecting £30.5m of Other items, including £13.4m restructuring costs, £5.3m refinancing costs and a £7.3m non-cash impairment in the UK Interiors business
- Operating cash inflow[3] of £4m and free cash outflow[3] of £39m, reflecting lower profitability
- Successful refinancing of €300m Bond and £90m RCF in October 2024 extended debt maturies to 2029 and ensured ongoing robust liquidity
- Year-end net debt of £497m (2023: £458m), including £321m (2023: £327m) of net lease liabilities; year-end cash balances of £87m (2023: £132m) along with undrawn RCF of £90m

Operational and strategic highlights

- UK Roofing LFL sales growth rate increased in H2 to 5% from (2)% in H1, despite UK market weakness
- Ireland LFL sales growth acceleration to 17% in H2 from 9% in H1, with 170bps FY margin improvement from operating leverage as volumes recover
- French and German businesses continued to face the most subdued market conditions, but growing ahead

of markets through differentiated offering and continued strong execution

- Headcount reduction of 430 across the Group within the year, including closure of 17 underperforming branches, with an acceleration of restructuring actions in UK Interiors and Benelux in Q4
- Good progress on Group wide 'GEMS' strategy (Grow, Execute, Modernise, Specialise), with modernisation initiatives including new e-commerce customer sales platform launched in Germany, and specialisation including expansion of specialist markets product ranges and contracts in UK

Commenting, Gavin Slark, Chief Executive Officer, said:

"The Group's 2024 results reflect a robust trading performance in challenging markets. We continued to experience lower volumes from weak end-markets across the UK and EU, but we have used this period to reshape our operations, through cost reduction and restructing actions, and to create better performing businesses across the Group. This will help to significantly improve our future profitability when markets recover.

"We also maintained a keen focus on our customers and delivering great service. I am proud of the energy and resilience our people have continued to demonstrate in this tough environment. Across all our operations we are implementing a range of initiatives under our 'GEMS' strategy, which will lead to a higher-value sales mix, continually stronger commercial execution, and more efficient operations, all of which will support delivery of our 5% medium-term operating margin target.

"The operational gearing in our business model applies equally strongly in conditions of rising demand, and, accordingly, the Board believes the Group remains very well positioned to benefit from the market recovery when it occurs."

Notes

1. Underlying represents the results before Other items. Other items relate to the amortisation of acquired intangibles, impairment charges, net restructuring costs, cloud based ERP implementation costs, costs associated with refinancing and other specific items.

2. Like-for-like is defined as sales per working day in constant currency, excluding completed acquisitions and disposals, and adjusted to exclude the net impact of branch closures and openings. The latter adjustment for branch changes was incorporated for the first time in our January trading statement, and the previously reported H1 numbers restated accordingly. The change had an impact of 1% on Group LFL growth rates in both H1 and H2.

3. Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments, and financing transactions. Operating cash flow represents free cash flow before interest and financing and tax.

An Investor and Analyst presentation will be available onwww.sigplc.com from 7:15am UK time today. A live presentation of the results followed by Q&A, hosted by Gavin Slark, CEO, and Ian Ashton, CFO, will take place at 10:00am UK time today.

Please click the link below to join the webinar:

https://storm-virtual-uk.zoom.us/webinar/register/WN_kCVdaS1XT02LnnKVd8G1XA

Webinar ID: 869 3075 2496

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About

SIG plcis a leading pan-European supplier of specialist building products to trade customers across the UK, France, Germany, Ireland, Benelux and Poland. With leading market positions in specialist insulation, interiors and roofing products, as well as a growing position in construction accessories, SIG facilitates one-stop access to an extensive product range, provides expert technical advice and coordinates often complex delivery requirements. For suppliers, SIG offers a channel through which products can be brought to a highly fragmented market of smaller customers and sites that are of insufficient scale to supply direct. SIG employs approximately 6,700 employees across Europe and is listed on the London Stock Exchange (SHI). For more information, please visit the Company's website, www.sigplc.com.

Trading overview

Reported Group revenues were 5% lower in the year, including a 1% negative impact from exchange rates that was offset by a similar size benefit from the number of working days. There was also a 1% impact on reported revenue from branch closures during the year. These closures had the biggest impact in UK Interiors, reducing that business's full year reported sales by 3%.

Group LFL revenues, which are now adjusted to exclude the impact of branch closures and openings, declined 4% compared to prior year. Selling price deflation (including net input cost deflation) had a negative 3% impact on the year overall, being 3% in H1 and 2% in H2. Volumes were down 3% in H1, and flat in H2, reflecting softer H2 prior year comparatives but also some stabilisation of absolute volumes in the latter part of the year. Whilst weak demand has continued to be a factor in the majority of the Group's markets, reflecting the ongoing softness in the European building and construction sector, LFL performance improved sequentially in H2 as expected, and in Q4 compared to Q3.

LFL sales growth 2024 vs 2023	**H1**	**H2**	**FY**	***FY24 sales***
				£m
UK Interiors	(13)%	(6)%	(10)%	495
UK Roofing	(2)%	5%	2%	381
UK Specialist Markets	(7)%	(2)%	(5)%	238
UK	**(8)%**	**(1)%**	**(5)%**	**1,114**
France Interiors	(7)%	(7)%	(7)%	200
France Roofing	(11)%	(5)%	(8)%	410
Germany	(3)%	(1)%	(2)%	439
Poland	3%	(7)%	(2)%	241
Benelux	(12)%	(4)%	(8)%	104
Ireland	9%	17%	13%	104
EU	**(5)%**	**(3)%**	**(4)%**	**1,498**
Group	**(6)%**	**(2)%**	**(4)%**	**2,612**

In the UK Interiors business a new Managing Director with extensive industry experience has been in place since 1 October 2024, and he has already accelerated the strategic and operational changes that were underway to enable that business to sustainably improve its operating margin. The business also delivered a robust performance against the market in FY24, especially in H2. In UK Roofing we have positive momentum and delivered a notably strong set of results, driven by excellent commercial execution. In the UK Specialist Markets business, revenue was affected by weaker demand in the agricultural and commercial warehousing sectors, but there was more resilience in our construction accessories business.

In France, both businesses continue to execute effectively on their strategic plans and to manage well through a very subdued market. Larivière, our roofing business in France, was impacted by the weak French construction market with the rate of decline reducing in H2 as the business lapped the weaker prior year comparator. Larivière has increased its sales focus on larger customers and higher value products alongside its core ranges. LiTT, our interiors business in France, has experienced weaker demand and volume as well as market pressure on price, with notable weakness in new residential projects. Despite this, the business has market pressure on price, with notable weakness in new residential projects. Despite this, the business has grown its market position in 2024 with a continued strong focus on commercial initatives.

The German business continued its robust recovery of the last three years, performing extremely well in what is also a very challenging current market.

Poland's growth in H1 softened to a decline in the second half due to an unexpectedly weaker Q3, and with year on year weakness in the commercial project market in particular, but has stabilised since.

Benelux executed a significant restructuring in its Netherlands business in Q4, closing a number of branches, to narrow its focus to higher value categories in interiors and technical insulation. This is a key step on their way to an improved margin and positive cash generation.

Ireland delivered stronger results in 2024, partly due to market recovery after a very soft 2023, but also thanks to strong commercial execution across all our businesses, including the three specialist contracting businesses, which cover office fit-out, kitchen and bathroom fit-out, and industrial infrastructure painting. Ireland's operating margin improved 170 bps year over year due to the positive impact of operating leverage.

Strategic progress

Our vision is to be the best provider of specialist construction and insulation products in Europe. As an enabler of this, we have a core objective to improve our operating performance, and we are focused on four key pillars to drive our performance over the medium-term to our 5% operating profit margin target. These pillars are to Grow, Execute, Modernise and Specialise (GEMS). Key areas of strategic progress in 2024 can be summarised as follows:

Grow

Despite continued market contraction in 2024, we kept our focus on delivering great service, having the right products in the right place at the right time, coupled with excellent logistics and hence being the 'best' in the eyes of our customers.

Our 2024 LFL sales growth rates in our largest operating companies continued to show good performance relative to the local markets. Notably, in the United Kingdom, our UK Roofing business continued to trade with robust momentum against the wider market and continues to benefit from investments made in sales and marketing, notably the customer service experience in our branches.

Our German business has also significantly outperformed its local market. In February 2025, we hosted a major trade show in Frankfurt, the first of its kind in the German market in our space, bringing together over 1,500 representatives of our customers and suppliers under one roof. This event was an excellent example of industry leadership in action and an example of why our German business is performing so strongly.

Execute

We are committed to improving execution in all facets of our business in order to deliver consistent and profitable growth.

During 2024, we took further restructuring actions to reduce our permanent cost base to mitigate the impact of lower volumes on profitability. These measures, together with those commenced in the second half of 2023, are expected to generate £37m in annualised cost savings, and a £25m profit benefit including the overall impact of branch closures.

We have also reduced headcount by around 430 over the course of 2024. This included approximately 290 from restructuring.

We closed 17 branches that were either consistently underperforming, had seen a negative change in local market growth dynamics or were in locations which we believe we can service more effectively from another branch.

As outlined further above, we also accelerated restructuring actions in Benelux and UK Interiors in Q4 to improve their performance and profitability.

Modernise

The progressive modernisation and digitalisation of our operations creates an important opportunity for the Group to increase overall profitability and efficiency.

In 2024 we expanded our customer facing e-commerce platforms, with a new omnichannel sales model and e-commerce platform launching in Germany in August.

In France, an e-commerce platform for France Interiors is also being progressed, towards a targeted launch later in 2025. In both we are developing these platforms by leveraging our successful e-commerce experience later in 2025. In both we are developing these platforms by leveraging our successful e-commerce experience in Poland.

Both platforms will allow us to provide a more seamless and convenient customer experience, by allowing them to purchase from SIG through the channel most convenient for them anywhere, anytime.

Specialise

We aim to accelerate our growth in more specialist, higher margin opportunities.

In 2024 our UK Specialist Markets business developed a number of innovative new products in our performance materials manufacturing and fabricating businesses. Some of these new products will target future market demand for even greater fire protection in high rise and other buildings, following changes under the UK Building Safety Act.

More broadly, our performance materials business has already launched a number of new products during the year, and has a strong product development pipeline. The launches have been supported by new training modules to support the specification of our new products earlier in the building design process.

Sustainability

Growing sustainably as a responsible business is another of our key objectives. During 2024 we made good progress on a number of our long-term targets.

One of our targets is to reach zero SIG waste to landfill by the end of the 2025 financial year. In 2024, we further improved our rate of diversion of waste to landfill, reaching 96%, an improvement from 94% in 2023. On carbon, our net zero emissions fell by 6% in the year, and have decreased by 18% against our 2021 baseline.

The significant driver of our carbon emissions remains our fleet, which we rely on to deliver our products. We continue to make progress towards our long-term reduction targets, although progress will not always be in a straight line each year as it is also influenced by market-driven changes in delivery volumes and by the rate at which commercially viable new low-carbon HGV technologies are brought to market.

Our safety performance also improved in 2024, with a good reduction in our Lost Time Injury Frequency Rate ('LTIFR') to 8.0 from 8.4 in 2023, driven by our ongoing safety programme to keep 'Everyone Safe, Every Day'.

Our employee engagement levels also remained broadly stable, with an employee engagement net promoter score of +9 (2023: +14), remaining positive despite the actions we have taken to reduce headcount and costs. This engagement is reflected in the strong commitment our colleagues have shown in managing, in a very agile way, through these difficult markets.

Balance Sheet

In October 2024 the Group successfully refinanced its €300m bond and £90m RCF facility, which extended debt maturities to 2029 and provides ongoing robust liquidity. Further details are set out in the Financial Review. The Group's balance sheet was impacted by the lower underlying operating profit, resulting from weaker market demand, which led to a free cash outflow of £39m, resulting in year end cash balances of £87.4m (2023: £132.2m). The movement in cash balances in the year reflects the free cash outflow, together with unfavourable currency movements and deferred acquisition costs, partially offset by the small net proceeds of the bond refinancing. The Group's revolving credit facility ("RCF") of £90m was undrawn throughout 2024, and remains undrawn at the date of this report.

Year-end net debt was £497.3m (2023: £458.0m). Combined with the lower profitability in the year, this resulted in year-end leverage of 4.7x (2023: 3.5x). A small increase in net lease liabilities and an increase in bond debt including accrued interest was more than offset by a favourable currency movement on the bond debt and lease liabilities.

Dividend

No dividend will be paid for 2024. The Board reiterates its commitment to return to paying a dividend, appropriately covered by underlying earnings, when it is prudent to do so. Continued successful strategic execution, including sensible investment where appropriate, will deliver sustainable, profitable growth and cash generation as markets recover, allowing the Board to consider a range of capital allocation options.

Outlook

The Group continues to expect softness in market conditions in 2025 and, to the extent there is a recovery, that it is more likely to drive demand in the second half of the year. Trading trends in early 2025 have been largely as we would have expected, and LFL sales for the first two months of the year were flat on prior year.

During this period of market weakness we will continue to focus on our execution, manage near-term margin pressure and strengthen our operating platform. Alongside ongoing targeted investment to support our strategic growth enablers, the benefits from productivity and cost initiatives will contribute incrementally as the year progresses.

The operational gearing in our business model applies equally strongly in conditions of rising demand, and, accordingly, the Board believes the Group remains very well positioned to benefit from the market recovery when it occurs. This also underpins our continued belief that the Group will deliver its targeted 5% operating margin in the medium-term.

FINANCIAL REVIEW

The Group managed effectively the impact of challenging market conditions during 2024. The impact of declining volumes and falling prices were mitigated by extensive cost reduction, including ongoing restructuring and productivity initiatives. These actions also position the business to deliver a step-up in profitability when markets return to growth. The Group has maintained robust liquidity, and successfully refinanced its €300m bond and £90m RCF in October 2024, with these facilities now maturing in 2029.

Revenue

Group revenue of £2,611.8m (2023: £2,761.2m) was 5% lower on a reported basis, including a negative 1% impact from foreign exchange rates, a 1% increase from differences in the number of working days and a net 1% negative impact from branch closures and openings. LFL revenues, which are now adjusted to exclude the impact of branch closures and openings, reduced by 4% year-on-year. Within this 4%, the impact of sales price deflation was approximately 3%, about two thirds of which was related to input cost deflation, and there was a decline in volumes of approximately 1%.

Operating costs and profit

Gross profit decreased 8.5% to £640.0m (2023: £699.6m) with a gross profit margin of 24.5% (2023: 25.3%). The reduction in gross margin reflects greater than normal pricing pressure as a result of the weak demand environment. The businesses continue to manage these dynamics effectively and were able to offset the volume weakness in part through mix benefits.

The Group's underlying operating costs decreased by 4.9% to £614.9m (2023: £646.5m). The decrease was primarily due to operating cost initiatives, including restructuring actions taken from H2 2023 onwards, and partly due to lower volumes. These benefits were partially offset by operating cost inflation, with the biggest impact being on wages and salaries. The movement in year over year operating costs was also affected by a one-off £3.7m profit recorded in 2023 from the sale of the former French Roofing head office building in Angers.

The Group's underlying operating profit decreased to £25.1m (2023: £53.1m), at an operating margin of 1.0% (2023: 1.9%). Reported operating loss was £3.8m (2023: £4.0m profit) after Other items of £28.9m (2023: £49.1m). Other items includes £13.4m restructuring costs, £3.9m refinancing costs and a £7.3m non-cash impairment in the UK Interiors business.

Segmental analysis

UK

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating (loss)/profit 2024 £m	Underlying operating (loss)/profit 2023 £m
UK Interiors	495.0	556.5	(10)%	(3.5)	(1.6)
UK Roofing	380.6	369.4	2%	13.2	10.6
UK Specialist Markets	238.1	247.6	(5)%	4.8	10.3
UK	**1,113.7**	**1,173.5**	**(5)%**	**14.5**	**19.3**

Revenue in UK Interiors, a specialist insulation and interiors distribution business, decreased to £495.0m (2023: £556.5m). Revenue was 11% lower year-on-year due to the impact of a decline in market volumes and input price deflation in a very competitive market. The drop in sales included a c3% reduction related to branch closures within a wider programme of strategic initiatives that are underway to transform the performance and profitability of this business over the medium-term. LFL revenue declined 10%. The H1 LFL decline of 12% reduced to an H2 decline of 6%, reflecting a softening in comparables as well as a stabilisation decline of 13% reduced to an H2 decline of 6%, reflecting a softening in comparables as well as a stabilisation in absolute volumes in H2. The decline in revenue, together with pricing pressure affecting gross margin, partially offset by operating cost reductions, resulted in an underlying operating loss of £3.5m (2023: £1.6m).

Revenue in UK Roofing, a specialist roofing merchant, increased by 3% to £380.6m (2023: £369.4m), with LFL revenue up 2%. This was driven by a strong sales performance relative to a weak UK market, as a result of the business's early successful execution of its multi-year programme of business development and growth initiatives. In particular, H2 LFL growth of 5% reflected a robust outperformance of its market as well as the lapping of a weaker prior year comparative. Full year volume growth was only partially offset by a small purchase price deflation headwind. A small reduction in gross margin due to pricing dynamics was offset by operating cost reduction, and resulted in improved underlying operating profit of £13.2m (2023: £10.6m).

Revenue in UK Specialist Markets decreased to £238.1m (2023: £247.6m). LFL revenue declined 5%, driven by a softer market, and by input price deflation in steel, which is a bigger element of these businesses than elsewhere in the Group. H1 LFL revenue decline of 7% eased to a decline of 2% in H2, due to a stabilisation in market conditions and the effect of weaker prior year comparables. These factors, coupled with operating cost inflation, resulted in a reduction in underlying operating profit to £4.8m (2023: £10.3m).

France

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
France Interiors	200.4	218.9	(7)%	6.2	10.4
France Roofing	410.1	458.0	(8)%	8.0	19.3
France	**610.5**	**676.9**	**(8)%**	**14.2**	**29.7**

France Interiors, a structural insulation and interiors business trading as LiTT, saw reported revenue decrease by 8% to £200.4m (2023: £218.9m), and by 7% on a LFL basis, with the rate of decline steady between H1 and H2. This was driven by lower market demand and volumes together with input price deflation, as opposed to the price inflation seen in 2023. The revenue decline, coupled with increased margin pressure, was partially mitigated by various actions to reduce operating costs, and resulted in a £4.2m decrease in underlying operating profit to £6.2m (2023: £10.4m).

Revenue in France Roofing, a specialist roofing business trading as Larivière, decreased by 10% to £410.1m (2023: £458.0m), and by 8% on a LFL basis, including a small impact of strategic branch closures made during the year. Demand and volumes were lower for the year due to continued softening of the residential new-build market and input price deflation. The H1 LFL revenue decline of 11% eased to a decline of 5% as the business lapped the weak H2 comparator in the prior year, and as volumes saw some stablisation. The decrease in revenue and reduced gross margin was partially offset by reduced operating costs, resulting in an underlying operating profit decrease of £11.3m to £8.0m (2023: £19.3m). The year on year change in underlying operating profit includes the one-off operating profit benefit in H2 2023 of £3.7m from the sale of the business's former headquarters in Angers.

Germany

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
Germany	**438.5**	462.1	**(2)%**	**4.7**	15.6

Revenue in Wego/Vti, our specialist insulation and interiors distribution business in Germany, decreased by 5% to £438.5m (2023: £462.1m), including a small impact from closures of underperforming branches. LFL revenue decreased 2%, with deflation being offset by marginal volume growth, the latter despite weaker market conditions in the very subdued German construction market. H2 was slightly better than H1 due to the lapping of softer prior year comparators. Despite the headline LFL decline and consequential impact on profitability, the business continued to demonstrate very positive momentum and execution on strategic initiatives during the year, as set our earlier in this report. Gross margin also declined due to increased price competition, whilst operating costs increased, with restructuring partially offsetting inflation. This resulted in reduced underlying operating profit of £4.7m (2023: £15.6m).

Poland

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
Poland	**241.4**	237.9	**(2)%**	**4.6**	7.1

In our Polish business, a market-leading distributor of insulation and interiors, revenue increased to £241.4m (2023: £237.9m), including a c1% increase due to two new branches. LFL sales decreased by 2%. LFL growth shifted from 3% growth in H1 to a 7% decline in H2, as the H1 benefit of government housing stimulus slowed and macroeconomic factors saw a sequential weakening in construction market demand. This was more marked in Q3, and Q4 saw some stablisation. The full year decline was primarily driven by input price deflation, with underlying volumes growing. Together with operating cost inflation, partially offset by gross margin improvement, this resulted in a reduction in underlying operating profit to £4.6m (2023: £7.1m).

Benelux

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating (loss) 2024 £m	Underlying operating (loss) 2023 £m
Benelux	**103.6**	116.9	**(8)%**	**(4.5)**	(3.0)

Reported revenue from the Group's business in Benelux decreased to £103.6m (2023: £116.9m) with a c1% impact from the strategic decision to close seven branches in late H2. LFL revenue was down 8%, with the H1 LFL decline of 12% improving to a decline of 4% in H2. The revenue decline resulted from continued market softness, albeit this saw some stabilisation due to lapping of weak comparables in H2. The profit impact of this was only partially offset by operating cost savings, resulting in an underlying operating loss of £4.5m (2023: £3.0m).

Ireland

	Revenue 2024 £m	Revenue 2023 £m	LFL sales vs 2023	Underlying operating profit 2024 £m	Underlying operating profit 2023 £m
Ireland	**104.1**	93.9	**13%**	**3.3**	1.4

Our operations in Ireland comprise a specialist distributor of interiors and exteriors, and three separate specialist contracting businesses offering office fit-out, industrial infrastructure coatings services and kitchen/bathroom interiors fit-out. Reported revenue increased by 11% to £104.1m (2023: £93.9m), and by 13% on a LFL basis. This was partially a result of improved market conditions after a very weak 2023, but also due to good execution of commercial initiatives to improve profitable market share. Underlying operating profit increased as a result to £3.3m (2023: £1.4m).

Reconciliation of underlying to statutory result

Other items, being items excluded from underlying results, amounted to £30.5m for the year (2023: £49.3m) on a pre-tax basis. The key comparable changes in Other items year-on-year are the higher prior year impairment charge in 2023, the one-off costs of refinancing in 2024, and higher restructuring costs in 2024. The numbers for both years are summarised in the table below:

	2024 £m	2023 £m
Underlying (loss)/profit before tax	(14.3)	17.4
Other items - impacting profit before tax:		
Amortisation of acquired intangibles	(2.1)	(2.8)
Impairment charges	(7.3)	(33.8)
Cloud based ERP implementation costs	(1.0)	(2.2)
Costs associated with acquisitions	-	(3.2)
Net restructuring costs	(13.4)	(8.0)
Onerous contract costs	-	(0.2)
Costs associated with refinancing	(3.9)	-
Other specific items	(1.2)	1.1
Non-underlying finance costs	(1.6)	(0.2)
Total Other items	**(30.5)**	**(49.3)**
Statutory loss before tax	**(44.8)**	**(31.9)**

Other items are disclosed separately in order to provide a better indication of the underlying earnings of the Group. Further details of other items in 2024 are as follows:

- Impairment charges in the year relate to right-of-use asset impairment in the UK Interiors business.
- Net restructuring costs in the year comprise £6.5m redundancy and related staff costs and £6.9m branch closure costs, including £2.9m impairment of right-of-use assets and tangible fixed assets, all related to restructuring across the Group.
- Costs associated with refinancing in the year relate to the new €300m bond issuance and the extension of the RCF. These consist of £3.9m of transaction costs, and also a £1.4m write-off of unamortised fees, included within non-underlying finance costs in the above table, relating to the prior refinancing in 2021.
- Cloud based ERP implementation costs relate to project configuration and customisation costs associated with strategic cloud computing arrangements, which are expensed, rather than being capitalised as intangible assets.
- Other specific items comprises the estimated impact of a property lease dispute, including impairment of right-of-use and fixed assets of £0.7m, and costs relating to an investment property no longer in use by the Group.

Taxation

Taxation

The effective tax rate for the Group on the total loss before tax of £44.8m (2023: £31.9m loss) is a "negative tax rate" of 8.5% (2023: negative 36.1%).

The tax charge for the year of £3.8m is related to taxable profits made in the majority of our EU markets. Tax losses in the UK and Benelux, which cannot be surrendered or utilised cross border, are not currently recognised as deferred tax assets, and this impacts the effective tax rate. Due to a reduction of the profit before tax in the overseas operating companies and the ongoing losses in the UK, the Group has generated an overall loss before tax which, alongside the positive P&L tax charge in the overseas operating companies, has resulted in the negative effective tax rate.

In accordance with UK legislation, the Group publishes an annual tax strategy, which is available on our website (www.sigplc.com).

Pensions

The Group operates a number of pension schemes, four of which provide defined benefits based upon pensionable salary. One of these schemes, in the UK, has assets held in a separate trustee administered fund, and three are overseas book reserve schemes. The largest defined benefit pension scheme is the UK scheme, which was closed to further accrual in 2016.

The Group's total pension charge for the year, including amounts charged to interest after Other items, was £8.3m (2023: £8.9m), of which a charge of £1.1m (2023: £1.4m) related to defined benefit pension schemes and £7.2m (2023: £7.5m) related to defined contribution schemes.

The total net liability in relation to defined benefit pension schemes at 31 December 2024 was £18.2m (2023: £20.3m). The latest triennial actuarial valuation of the UK scheme was as at 31 December 2022 and was concluded in March 2024. The scheme remains well funded.

Financial position

Overall, the net assets of the Group decreased by £48.7m to £179.8m (2023: £228.5m), with a cash position at year end of £87.4m (2023: £132.2m) and net debt of £497.3m (2023: £458.0m), which includes net lease liabilities of £321.4m (2023: £326.5m).

The movement in net debt mainly reflects the movement in cash noted below. A small constant currency increase in net lease liabilities, more than offset by a favourable currency movement, resulted in net lease liabilities reducing by £5.1m.

Cash flow

	2024 £m	2023 £m
Underlying operating profit	**25.1**	53.1
Add back: Depreciation	78.9	76.6
Add back: Amortisation	1.2	2.4
Underlying EBITDA	**105.2**	132.1
(Increase)/decrease in working capital	(6.6)	2.8
Repayment of lease liabilities	(67.5)	(63.6)
Capital expenditure	(16.1)	(15.8)
Other	2.2	3.8
Operating cash flow pre exceptional cash items[1]	**17.2**	59.3
Cash exceptional items	(13.0)	(6.4)
Operating cash flow[1]	**4.2**	52.9
Interest and financing	(34.8)	(34.7)
Tax	(8.0)	(14.0)
Free cash flow[1]	**(38.6)**	4.2
Acquisitions and investments	(8.4)	(0.7)
Drawdown/(repayment) of debt	7.3	(0.8)
Total cash flow	**(39.7)**	2.7
Cash and cash equivalents at beginning of the year[2]	132.2	130.1
Effect of foreign exchange rate changes	(5.1)	(0.6)
Cash and cash equivalents at end of the year[2]	**87.4**	132.2

1. *Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments, and financing transactions. Operating cash flow represents free cash flow before interest and financing and tax.*
2. *Cash and cash equivalents at 31 December 2024 comprise cash at bank and on hand of £87.4m (2023: £132.2m) less bank overdrafts of £nil (2023: £nil).*

During the period, the Group delivered £17.2m of operating cash flow before exceptional cash spend, which represents a 68% conversion of the underlying operating profit. Post exceptional cash the conversion was 18%. The lower profit in the year was the key driver of lower year on year operating cash flow, coupled with slightly higher lease repayments and capex. Working capital at the end of the year remained broadly in line with the previous year. The Group reported a free cash outflow of £38.6m (2023: £4.2m inflow). This decline versus the prior year resulted from the lower operating cash flow.

Capex during the period was £16.1m (2023: £15.8m).

Cash exceptional items are those that are related to "Other items" in the Consolidated income statement, and include restructuring costs and refinancing costs. "Other" in the cash flow includes payments to the Employee Benefit Trust to fund share plans of £0.8m (2023: £1.7m), £2.5m payment to the defined benefit pension scheme in the UK, add back of non-cash P&L items, provision movements, and proceeds on sale of property, plant and equipment.

Financing and funding

The Group's debt funding comprises €300m of 9.75% and €13.5m of 5.25% fixed rate secured notes, maturing in October 2029 and November 2026 respectively, and an RCF of £90m which matures in April 2029. The 9.75% notes were issued in October 2024 through a refinancing of the Group's previous bond and RCF, which were both due to mature in 2026. The new secured notes are subject to incurrence-based covenants only. The RCF has a leverage maintenance covenant set at 6.5x for 2025, 5.5x for 2026, and 5.0x thereafter, all of which only apply if the facility is over 40% drawn at a quarter end reporting date. The RCF was undrawn throughout 2024, and remains undrawn at the date of this report.

The Group's liquidity position remained robust throughout 2024, and at the end of the period stood at £177m, consisting of cash of £87m and the £90m undrawn RCF noted above.

	2024 £m	2023 £m
Cash and cash equivalents at end of the year	**87.4**	132.2
Undrawn RCF at end of the year	**90.0**	90.0
Liquidity	**177.4**	222.2
Net debt	**497.3**	458.0
Leverage	**4.7x**	3.5x

Directors' responsibility statement on the Annual Report

The responsibility statement below has been prepared in connection with the Company's full Annual Report for the year ended 31 December 2024. Certain parts solely thereof are not included within this announcement.

We confirm that to the best of our knowledge:

(a) the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;

(b) the Strategic report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

(c) the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 4 March 2025 and signed on its behalf by:

By order of the Board

Gavin Slark Director 4 March 2025	Ian Ashton Director 4 March 2025

Cautionary statement

The securities of the Group have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or transferred, directly or indirectly, in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any relevant state or other jurisdiction of the United States. There has been and will be no public offering of the securities of the Group in the United States.

This announcement has been prepared to provide the Company's shareholders with a fair review of the business of the Group and a description of the principal risks and uncertainties facing it. It may not be relied upon by anyone, including the Company's shareholders, for any other purpose.

This announcement contains forward-looking statements that are subject to risk factors including the economic and business circumstances occurring from time to time in countries and markets in which the Group operates and risk factors associated with the building and construction sectors. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions because they relate to events and/or depend on circumstances that may or may not occur in the future and could cause actual results and outcomes to differ materially from those expressed in or implied by the forward-looking statements. No assurance can be given that the forward-looking statements in this announcement will be realised. Statements about the Directors' expectations, beliefs, hopes, plans, intentions and strategies are inherently subject to change and they are based on expectations and assumptions as to future events, circumstances and other factors which are in some cases outside the Group's control. Actual results could differ materially from the Group's current expectations.

It is believed that the expectations set out in these forward-looking statements are reasonable but they may be affected by a wide range of variables, which could cause actual results or trends to differ materially, including but not limited to, changes in risks associated with the level of market demand, fluctuations in product pricing and changes in foreign exchange and interest rates.

The Company's shareholders are cautioned not to place undue reliance on the forward-looking statements. This announcement has not been audited or otherwise independently verified. The information contained in this announcement has been prepared on the basis of the knowledge and information available to Directors at the date of its preparation and the Company does not undertake any obligation to update or revise this announcement during the financial year ahead.

Consolidated income statement

For the year ended 31 December 2024

	Note	**Underlying[1] 2024 £m**	**Other items[1] 2024 £m**	**Total 2024 £m**	Underlying[1] 2023 £m	Other items[1] 2023 £m	Total 2023 £m
Revenue	2	**2,611.8**	**-**	**2,611.8**	2,761.2	-	2,761.2
Cost of sales		**(1,971.8)**	**-**	**(1,971.8)**	(2,061.6)	-	(2,061.6)
Gross profit		**640.0**	**-**	**640.0**	699.6	-	699.6
Other operating expenses	3	**(609.1)**	**(28.9)**	**(638.0)**	(640.6)	(50.2)	(690.8)
Impairment (losses)/gains on financial assets	3	**(5.8)**	**-**	**(5.8)**	(9.6)	1.1	(8.5)
Gain on disposal of property	3	**-**	**-**	**-**	3.7	-	3.7
Operating profit/(loss)		**25.1**	**(28.9)**	**(3.8)**	53.1	(49.1)	4.0
Finance income	4	**2.7**	**-**	**2.7**	2.2	-	2.2
Finance costs	4	**(42.1)**	**(1.6)**	**(43.7)**	(37.9)	(0.2)	(38.1)
(Loss)/profit before tax		**(14.3)**	**(30.5)**	**(44.8)**	17.4	(49.3)	(31.9)
Income tax (expense)/credit	5	**(5.4)**	**1.6**	**(3.8)**	(13.0)	1.5	(11.5)
(Loss)/profit after tax		**(19.7)**	**(28.9)**	**(48.6)**	4.4	(47.8)	(43.4)
Attributable to:							
Equity holders of the Company		**(19.7)**	**(28.9)**	**(48.6)**	4.4	(47.8)	(43.4)
Loss per share							
Basic	6			**(4.2)p**			(3.8)p
Diluted	6			**(4.2)p**			(3.8)p

[1] Underlying represents the results before Other items. Other items have been disclosed separately in order to give an indication of the underlying earnings of the Group. Further details are disclosed in Note 3.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	2024 £m	2023 £m
Loss after tax for the year	**(48.6)**	(43.4)
Items that will not subsequently be reclassified to the Consolidated income statement:		
Remeasurement of defined benefit pension liability	**(0.2)**	1.1
Deferred tax movement associated with remeasurement of defined benefit pension liability	**-**	(0.1)
	(0.2)	1.0
Items that may subsequently be reclassified to the Consolidated income statement:		
Exchange difference on retranslation of foreign currency goodwill and intangibles	**(2.2)**	(1.1)
Exchange difference on retranslation of foreign currency net investments (excluding goodwill and intangibles)	**(13.1)**	(2.8)
Exchange and fair value movements associated with borrowings and derivative financial instruments	**12.3**	5.8
Losses and gains on cash flow hedges	**(1.1)**	(1.1)
Transfer to profit and loss on cash flow hedges	**1.0**	(1.5)
	(3.1)	(0.7)
Other comprehensive (expense)/income	**(3.3)**	0.3
Total comprehensive expense	**(51.9)**	(43.1)
Attributable to:		
Equity holders of the Company	**(51.9)**	(43.1)

Consolidated balance sheet

As at 31 December 2024

	2024 £m	2023 £m
Non-current assets		
Property, plant and equipment	**64.9**	65.4
Right-of-use assets	**250.3**	263.1
Goodwill	**129.0**	131.2
Intangible assets	**12.5**	15.3
Lease receivables	**1.9**	2.2
Deferred tax assets	**4.6**	4.4
Non-current financial assets	**0.3**	0.2
	463.5	481.8
Current assets		
Inventories	**253.8**	259.1
Lease receivables	**0.3**	1.1
Trade and other receivables	**370.8**	389.1
Current tax assets	**2.3**	3.6
Current financial assets	**0.1**	-
Cash at bank and on hand	**87.4**	132.2
	714.7	785.1
Total assets	**1,178.2**	1,266.9
Current liabilities		
Trade and other payables	**358.6**	385.8
Lease liabilities	**64.9**	64.9
Interest-bearing loans and borrowings	**5.2**	0.8
Deferred consideration	**-**	1.8
Derivative financial instruments	**1.3**	1.0
Current tax liabilities	**1.7**	6.9
Provisions	**7.6**	7.9
	439.3	469.1
Non-current liabilities		
Lease liabilities	**258.7**	264.9
Interest-bearing loans and borrowings	**256.9**	260.0
Derivative financial instruments	**0.1**	0.1
Other payables	**2.8**	3.0
Retirement benefit obligations	**18.2**	20.3
Provisions	**22.4**	21.0
	559.1	569.3
Total liabilities	**998.4**	1,038.4
Net assets	**179.8**	228.5
Capital and reserves		
Called up share capital	**118.2**	118.2
Treasury shares reserve	**(8.6)**	(11.6)
Capital redemption reserve	**0.3**	0.3
Share option reserve	**7.8**	7.6
Hedging and translation reserves	**0.7**	3.8
Cost of hedging reserve	**0.1**	0.1
Merger reserve	**92.5**	92.5
Retained (losses)/profits	**(31.2)**	17.6
Attributable to equity holders of the Company	**179.8**	228.5

Total equity	**179.8**	228.5

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Called up share capital £m	Treasury shares reserve £m	Capital redemption reserve £m	Share option reserve £m	Hedging and translation reserves £m	Cost of hedging reserve £m
As at 1 January 2023	118.2	(16.4)	0.3	8.6	4.5	0.1
Loss after tax	-	-	-	-	-	-
Other comprehensive (expense)/income	-	-	-	-	(0.7)	-
Total comprehensive expense	-	-	-	-	(0.7)	-
Purchase of treasury shares	-	(1.7)	-	-	-	-
Credit to share option reserve	-	-	-	5.5	-	-
Settlement of share options	-	6.5	-	(6.5)	-	-
As at 31 December 2023	**118.2**	**(11.6)**	**0.3**	**7.6**	**3.8**	**0.1**
Loss after tax	**-**	**-**	**-**	**-**	**-**	**-**
Other comprehensive expense	**-**	**-**	**-**	**-**	**(3.1)**	**-**
Total comprehensive expense	**-**	**-**	**-**	**-**	**(3.1)**	**-**
Purchase of treasury shares	**-**	**(0.9)**	**-**	**-**	**-**	**-**
Credit to share option reserve	**-**	**-**	**-**	**4.1**	**-**	**-**
Settlement of share options	**-**	**3.9**	**-**	**(3.9)**	**-**	**-**
As at 31 December 2024	**118.2**	**(8.6)**	**0.3**	**7.8**	**0.7**	**0.1**

The share option reserve represents the cumulative equity-settled share option charge under IFRS 2 "Share-based payment" less the value of any share options that have been exercised.

The hedging and translation reserves represent movements in the Consolidated balance sheet as a result of movements in exchange rates and movements in the fair value of cash flow hedges which are reflected in equity through Other comprehensive income.

Treasury shares relate to shares purchased by the SIG Employee Benefit Trust to satisfy awards made under the Group's share plans which are not vested and beneficially owned by employees.

The merger reserve represents the premium on ordinary shares issued in a previous year through the use of a cash box structure.

Consolidated cash flow statement

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Net cash flow from operating activities			
Cash generated from operating activities	8	**83.5**	128.4

Income tax paid		(8.0)	(14.0)
Net cash generated from operating activities		**75.5**	114.4
Cash flows from investing activities			
Finance income received		**2.7**	2.2
Purchase of property, plant and equipment and computer software		**(16.1)**	(15.7)
Initial direct costs of right-of-use assets		**(0.6)**	(0.1)
Proceeds from sale of property, plant and equipment		**1.8**	5.6
Settlement of amounts payable for previous purchases of businesses		**(4.4)**	(0.7)
Net cash flow from investing activities		**(16.6)**	(8.7)
Cash flows from financing activities			
Finance costs paid		**(37.5)**	(36.9)
Repayment of lease liabilities		**(67.5)**	(63.6)
Repayment of borrowings		**(239.7)**	(0.8)
Proceeds from borrowings		**247.0**	-
Acquisition of treasury shares		**(0.9)**	(1.7)
Net cash flow from financing activities		**(98.6)**	(103.0)
(Decrease)/increase in cash and cash equivalents in the year	9	**(39.7)**	2.7
Cash and cash equivalents at beginning of the year[1]		**132.2**	130.1
Effect of foreign exchange rate changes		**(5.1)**	(0.6)
Cash and cash equivalents at end of the year[1]		**87.4**	132.2

[1] Cash and cash equivalents comprise cash at bank and on hand of £87.4m (2023: £132.2m) less bank overdrafts of £nil (2023: £nil)

1. Basis of preparation

The Group's financial information has been prepared in accordance with the recognition and measurement requirements of UK adopted international accounting standards. It has been prepared on a basis consistent with that adopted in the previous year. The Financial statements have been prepared under the historical cost convention except for derivative financial instruments and unquoted investments which are stated at their fair value.

Whilst the financial information included in this Preliminary Results Announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The Preliminary Results Announcement does not constitute the Company's statutory accounts for the years ended 31 December 2024 and 31 December 2023 within the meaning of Section 435 of the Companies Act 2006 but is derived from those statutory accounts.

The Group's statutory accounts for the year ended 31 December 2023 have been filed with the Registrar of Companies, and those for 2024 will be delivered following the Company's Annual General Meeting. The Auditor has reported on the statutory accounts for 2024 and 2023. Their report for 2024 and 2023 was (i) unqualified, (ii) included no matters to which the auditor drew attention by way of emphasis and (iii) did not contain statements under Sections 498 (2) or 498 (3) of the Companies Act 2006 in relation to the financial statements.

Going concern

The Group closely monitors its funding position throughout the year, including monitoring compliance with covenants and available facilities to ensure it has sufficient headroom to fund operations.

The Group's financing facilities comprise €300m fixed rate secured notes, due October 2029, €13.5m fixed rate secured notes, due November 2026, and a £90m Revolving Credit Facility (RCF) that expires in April 2029. One of the trading businesses also has a £1.3m bank loan repayable over the period to June 2026. The secured notes are subject to incurrence-based covenants only, and the RCF has a leverage maintenance covenant which is only effective if the facility is over 40% (i.e. £36m) drawn at a quarter end reporting date. The RCF was undrawn at 31 December 2024 and has remained undrawn subsequent to the year end.

The Group has significant available liquidity and on the basis of current forecasts is expected to remain in compliance with all banking covenants throughout the forecast period to 31 March 2026 ("the going concern period").

The Directors have considered the Group's forecasts which support the view that the Group will be able to continue to operate within its banking facilities and comply with its banking covenants. The Directors have considered the following principal risks and uncertainties that could potentially impact the Group's ability to fund its future activities and adhere to its banking covenants, including:

- prolonged challenging trading conditions in the Group's larger businesses, leading to lower volumes;
- pricing pressure on sales and modest net input cost deflation; and
- current economic and political uncertainties, potentially further impacting market demand.

The forecasts on which the going concern assessment is based have been subject to sensitivity analysis and stress testing to assess the impact of the above risks and the Directors have also reviewed mitigating actions that could be taken. Following two years of market-driven downturn, with a LFL revenue decline of 2% in 2023 and 4% in 2024, and continued market uncertainty, a severe but plausible downside scenario has been modelled, which factors in a 2.5% reduction in revenue, a reduction in gross margin and a resulting 32% reduction in underlying operating profit from the base forecast for the 12 months to 31 March 2026. Certain mitigations are also included, for example delaying non-essential capital expenditure. Under this scenario the analysis shows that sufficient cash would be available without triggering a covenant breach, as the RCF is not expected to be drawn above the £36m at a relevant quarter end date, and furthermore the leverage covenant would also be below the required threshold. Reverse stress testing has also been performed, which shows that the Group could withstand up to an 11% reduction in revenue from the base forecasts for the nine months to the forecast liquidity low point of 30 September 2025, or up to 13% reduction for the 12 months to 31 March 2026, before triggering a covenant breach. Up to £90m RCF is available to meet working capital requirements during the month, providing this is reduced to £36m before the quarter end date if the leverage covenant is expected to be breached. Further cash phasing mitigations would also be available to avoid the requirement to draw over £36m at a quarter end date if required.

The Directors have considered the impact of climate-related matters on the going concern assessment and this is not expected to have a significant impact on the Group's going concern assessment to 31 March 2026.

On consideration of the above, the Directors believe that the Group has adequate resources to continue in operational existence for the forecast period to 31 March 2026 and the Directors therefore consider it is appropriate to adopt the going concern basis in preparing the 2024 Consolidated financial statements.

New standards, interpretations and amendments adopted

The Group has adopted the following new standards, amendments and interpretations which apply for the first time in 2024:

- Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IFRS 16: Lease liability in sale and leaseback
- Amendments to IAS 7 and IFRS 7: Supplier finance arrangements

As a result of the adoption of the amendments to IAS 7 and IFRS 7, the Group has provided new disclosures relating to liabilities under supplier finance arrangements in the Consolidated financial statements. The other amendments have not had a material impact on the Financial statements of the Group.

2. Revenue and segmental information

In accordance with IFRS 8 "Operating Segments", the Group identifies its reportable operating segments based on the way in which financial information is reviewed and business performance is assessed by the CODM. Reportable operating segments are grouped on a geographical basis.

	UK Interiors	UK Roofing	UK Specialist Markets	Total UK	France Interiors	France Roofing	Total France	Germany

2024	£m	£m	£m	£m	£m	£m	£m	£m
Type of product								
Interiors	495.0	-	170.0	**665.0**	200.4	-	**200.4**	438.5
Exteriors	-	380.6	68.1	**448.7**	-	410.1	**410.1**	-
Inter-segment revenue	4.1	1.1	15.2	**20.4**	0.1	11.8	**11.9**	-
Total underlying and statutory revenue	**499.1**	**381.7**	**253.3**	**1,134.1**	**200.5**	**421.9**	**622.4**	**438.5**
Nature of revenue								
Goods for resale (recognised at point in time)	499.1	381.7	253.3	**1,134.1**	200.5	421.9	**622.4**	438.5
Construction contracts (recognised over time)	-	-	-	**-**	-	-	**-**	-
Total underlying and statutory revenue	**499.1**	**381.7**	**253.3**	**1,134.1**	**200.5**	**421.9**	**622.4**	**438.5**
Segment result before Other items	**(3.5)**	**13.2**	**4.8**	**14.5**	**6.2**	**8.0**	**14.2**	**4.7**
Parent company costs								
Underlying operating profit								
Other items (Note 3)								
Operating loss								
Net finance costs before Other items								
Non-underlying finance costs								
Loss before tax								
Income tax expense								
Loss for the year								

2023	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m
Type of product								
Interiors	556.5	-	173.9	730.4	218.9	-	218.9	462.1
Exteriors	-	369.4	73.7	443.1	-	458.0	458.0	-
Inter-segment revenue	7.2	1.0	18.4	26.6	0.1	13.3	13.4	-
Total underlying and statutory revenue	563.7	370.4	266.0	1,200.1	219.0	471.3	690.3	462.1
Nature of revenue								
Goods for resale (recognised at point in time)	563.7	370.4	266.0	1,200.1	219.0	471.3	690.3	462.1
Construction contracts (recognised over time)	-	-	-	-	-	-	-	-
Total underlying and statutory revenue	563.7	370.4	266.0	1,200.1	219.0	471.3	690.3	462.1
Segment result before Other items	(1.6)	10.6	10.3	19.3	10.4	19.3	29.7	15.6
Parent company costs								
Underlying operating profit								
Other items (Note 3)								
Operating profit								
Net finance costs before Other items								
Non-underlying finance costs								
Loss before tax								
Income tax expense								
Loss for the year								

Other segment information

2024	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m
Depreciation and amortisation of fixed assets, right-of-use assets and computer software	11.7	12.9	6.3	**30.9**	8.0	13.2	**21.2**	17.0

2023	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m
Depreciation and amortisation of fixed assets, right-of-use assets and computer software	15.5	12.4	5.1	33.0	7.4	12.6	20.0	15.9
Profit on sale of property	-	-	-	-	-	3.7	3.7	-

Geographic information

The Group's non-current operating assets (including property, plant and equipment, right-of-use assets, goodwill and intangible assets but excluding lease receivables, deferred tax and derivative financial instruments) by geographical location are as follows:

	2024 **£m**	2023 £m
United Kingdom	**225.0**	240.0
Ireland	**14.6**	16.1
France	**129.1**	136.4
Germany	**60.0**	56.6
Poland	**21.0**	16.7
Benelux	**7.0**	9.2
Total	**456.7**	475.0

3. Other operating expenses

a) Analysis of operating expenses

	2024			2023		
	Before Other items **£m**	**Other items** **£m**	**Total** **£m**	Before Other items £m	Other items £m	Total £m
Other operating expenses:						
Distribution costs	**316.1**	**10.3**	**326.4**	320.9	4.3	325.2
Selling and marketing costs	**172.5**	**1.1**	**173.6**	179.8	2.6	182.4
Management, administrative and central costs	**120.5**	**17.5**	**138.0**	139.9	43.3	183.2
Total other operating expenses	**609.1**	**28.9**	**638.0**	640.6	50.2	690.8
Impairment losses/(gains) on financial assets	**5.8**	**-**	**5.8**	9.6	(1.1)	8.5
Gain on disposal of property	**-**	**-**	**-**	(3.7)	-	(3.7)
Total net operating expenses	**614.9**	**28.9**	**643.8**	646.5	49.1	695.6

b) Other items

(Loss)/profit after tax includes the following Other items which have been disclosed in a separate column within the Consolidated income statement in order to provide a better indication of the underlying earnings of the Group:

	2024			2023		
	Other items **£m**	**Tax impact** **£m**	**Tax impact** **%**	Other items £m	Tax impact £m	Tax impact %
Amortisation of acquired intangibles	**(2.1)**	**0.1**	**4.8%**	(2.8)	0.1	3.6%
Impairment charges[1]	**(7.3)**	**-**	**-**	(33.8)	-	-
Net restructuring costs[2]	**(13.4)**	**1.0**	**7.5%**	(8.0)	1.2	15.0%
Costs related to acquisitions	**-**	**-**	**-**	(3.2)	0.1	3.1%
Cloud based ERP implementation costs[3]	**(1.0)**	**0.2**	**20.0%**	(2.2)	0.1	4.5%
Onerous contract costs[4]	**-**	**-**	**-**	(0.2)	-	-
Costs associated with refinancing[5]	**(3.9)**	**-**	**-**	-	-	-
Other specific items[6]	**(1.2)**	**0.3**	**25.0%**	1.1	-	-
Impact on operating profit	**(28.9)**	**1.6**	**5.5%**	(49.1)	1.5	3.1%
Non-underlying finance costs[7]	**(1.6)**	**-**	**-**	(0.2)	-	-
Impact on (loss)/profit before tax	**(30.5)**	**1.6**	**5.2%**	(49.3)	1.5	3.0%

[1] Impairment charges in the current year relate to right-of-use asset impairment in the UK Interiors CGU. Impairment charges in the prior year related to the UK Interiors CGU and comprised £2.6m relating to goodwill, £2.2m customer relationships, £3.6m tangible fixed assets and £25.4m right-of-use assets.

tangible fixed assets and £25.4m right-of-use assets.

[2] Net restructuring costs in the year comprise £6.5m (2023: £6.7m) redundancy and related staff costs and £6.9m (2023: £2.4m) other branch closure costs, including £2.9m (2023: £1.6m) impairment of right-of-use assets, tangible fixed assets and software costs, all related to restructuring across the Group. Costs in the prior year were also offset by £1.1m gain on the sublease and termination of property leases previously impaired.

[3] Cloud based ERP implementation costs relate to costs incurred on strategic projects which are expensed as incurred rather than being capitalised as intangible assets.

[4] Onerous contract costs in the prior year related to the final settlement of provisions recognised in previous years for licence fee commitments where no future economic benefit was expected to be obtained.

[5] Costs associated with refinancing relates to legal and professional fees incurred in connection with the refinancing of the Group's debt arrangements in the year.

[6] Other specific items in the current year comprises the estimated impact of a property lease dispute, including impairment of right-of-use and fixed assets of £0.7m, and costs relating to an investment property no longer in use by the Group. In the prior year, other specific items comprised £1.1m reversal of provision for lease receivables, the reversal of onerous lease provisions and impairment of right-of-use assets in relation to a branch which was reopened, offset by additional impairment of the investment property which is no longer in use by the Group.

[7] Non-underlying finance costs in the current year includes £1.4m write-off of arrangement fees in relation to the previous debt arrangements and £0.2m (2023: £0.2m) relating to the investment property referred to above.

The total impact of the above amounts on the Consolidated cash flow statement is a cash outflow of £17.1m (2023: £6.4m), including costs accrued in the prior year and paid in the current year.

4. Finance income and finance costs

	2024 £m	2023 £m
Finance income		
Interest on bank deposits	**2.7**	2.2
Total finance income	**2.7**	2.2
Finance costs		
On bank loans, overdrafts and other associated items[1]	**3.5**	3.6
On secured notes[2]	**15.9**	14.1
On obligations under lease contracts	**22.1**	19.4
Net finance charge on defined benefit pension schemes	**0.6**	0.8
Total finance costs before Other items	**42.1**	37.9
Non-underlying finance costs[3]	**1.6**	0.2
Total finance costs	**43.7**	38.1
Net finance costs	**41.0**	35.9

[1] Other associated items includes the amortisation of arrangement fees of £0.2m (2023: £0.2m).

[2] Included within finance costs on the secured notes is the amortisation of arrangement fees of £0.5m (2023: £0.5m).

[3] See Note 3 for further details on non-underlying finance costs.

5. Income tax

The income tax expense comprises:

		2024 £m	2023 £m
Current tax			
UK & Ireland corporation tax	- Charge for the year	**0.5**	0.1
	- Adjustments in respect of previous years	**(0.1)**	(0.1)
		0.4	-
Mainland Europe corporation tax	- Charge for the year	**3.7**	12.2
	- Adjustments in respect of previous years	**0.1**	0.5
		3.8	12.7
Total current tax		**4.2**	12.7
Deferred tax			
Origination and reversal of deductible temporary differences		**(0.7)**	(0.7)
Adjustments in respect of previous years		**0.3**	(0.4)
Effect of change in rate		**-**	(0.1)
Total deferred tax		**(0.4)**	(1.2)
Total income tax expense		**3.8**	11.5

As the Group's profits and losses are earned across a number of tax jurisdictions an aggregated income tax reconciliation is disclosed, reflecting the applicable rates for the countries in which the Group operates.

The total tax charge for the year differs from the expected tax using a weighted average tax rate which reflects the applicable statutory corporate tax rates on the accounting profits/losses in the countries in which the Group operates. The differences are explained in the following aggregated reconciliation of the income tax expense:

	2024		2023	
	£m	**%**	£m	%
Loss before tax	**(44.8)**		(31.9)	
Expected tax (credit)/charge	**(11.8)**	**26.3%**	(6.6)	20.7%
Factors affecting the income tax expense for the year:				
Expenses not deductible for tax purposes[1]	**3.8**	**(8.5)%**	2.8	(8.8)%
Non-taxable income	**(0.4)**	**0.9%**	(0.5)	1.6%
Impairment and disposal charges not deductible for tax purposes[2]	**-**	**-**	0.6	(1.9)%
Deductible temporary differences not recognised for deferred tax purposes[3]	**11.9**	**(26.5)%**	15.3	(48.0)%
Other adjustments in respect of previous years	**0.3**	**(0.7)%**	-	-
Effect of change in rate on deferred tax	**-**	**-**	(0.1)	0.3%
Total income tax expense	**3.8**	**(8.5)%**	11.5	(36.1)%

[1] The majority of the Group's expenses that are not deductible for tax purposes are mainly in relation to share based payments, business entertainment, non-qualifying depreciation and other disallowable expenditure in the current year. The expenses not deductible for tax purposes in the prior year also included acquisition related costs and non-qualifying depreciation.

[2] During the year the Group incurred impairment charges of £nil (2023: £4.2m) in relation to goodwill and other non-current assets which are not deductible for tax purposes.

[3] Deductible temporary differences not recognised for deferred tax purposes mainly relate to losses in the UK and Benelux and interest restricted under the UK corporate interest restriction rules which are not recognised as deferred tax assets.

The effective tax rate for the Group on the total loss before tax of £44.8m (2023: £31.9m loss) is negative 8.5% (2023: negative 36.1%). The tax impact of Other items is shown in Note 3. The tax charge for the year of £3.8m (2023: £11.5m) is related to taxable profits made in the majority of the EU businesses. Tax losses in the UK and Benelux, which cannot be surrendered or utilised cross border, are not currently recognised as deferred tax assets, and this impacts the overall effective tax rate. Due to a reduction in the profit before tax of the overseas operating companies and the ongoing losses in the UK, the Group has generated an overall loss before tax, which alongside the positive tax charge in the overseas operating companies, has resulted in the negative effective tax rate.

Factors that will affect the Group's future total tax charge as a percentage of underlying profits are:

- the mix of profits and losses between the tax jurisdictions in which the Group operates;
- the impact of non-deductible expenditure and non-taxable income;
- agreement of open tax computations with the respective tax authorities; and
- the recognition or utilisation (with corresponding reduction in cash tax payments) of unrecognised deferred tax assets.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation is effective for the Group's financial year beginning 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and based on an assessment of the rules, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15% or one of the other transitional safe harbour reliefs are available. Management is not currently aware of any circumstances under which this might change and therefore the Group does not expect additional liabilities to arise as a result of Pillar Two top-up taxes.

In addition to the amounts charged to the Consolidated income statement, the following amounts in relation to taxes have been recognised in the Consolidated statement of comprehensive income:

	2024	2023
	£m	£m
Deferred tax movement associated with remeasurement of defined benefit pension liabilities[1]	**-**	(0.1)
Exchange rate movements	**(0.1)**	0.1

Total	**(0.1)**	-

[1] This item will not subsequently be reclassified to the Consolidated income statement.

6. (Loss)/earnings per share

The calculations of (loss)/earnings per share are based on the following (losses)/profits and numbers of shares:

	Basic and diluted	
	2024	2023
	£m	£m
Loss attributable to ordinary equity holders of the parent for basic and diluted loss per share	**(48.6)**	(43.4)
Add back:		
Other items (see Note 3)	**28.9**	47.8
(Loss)/profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share before Other items	**(19.7)**	4.4

	Weighted average number of shares	
	2024	2023
	Number	Number
For basic (loss)/earnings per share	**1,159,276,035**	1,148,348,913
Effect of dilution from share options	**-**	-
Adjusted for the effect of dilution	**1,159,276,035**	1,148,348,913

Share options are considered antidilutive in the current year as their conversion into ordinary shares would decrease the loss per share. The calculation of diluted (loss)/earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on (loss)/earnings per share.

The weighted average number of shares excludes those held by the SIG Employee Benefit Trust which are not vested and beneficially owned by employees.

	(Loss)/earnings per share	
	2024	2023
(Loss)/earnings per share		
Basic and diluted loss per share	**(4.2)p**	(3.8)p
Earnings per share before Other items[1]		
Basic and diluted (loss)/earnings per share before Other items	**(1.7)p**	0.4p

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

7. Acquisitions

The Group has not made any business acquisitions during the current or prior year. Certain amounts of deferred and contingent consideration in relation to previous acquisitions remained payable at 31 December 2023 and 2024, and a reconciliation of the movement in each of these balances during the year is shown below.

Deferred consideration

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

	2024	2023
	£m	£m
Liability at 1 January	**1.8**	2.5
Amounts paid relating to previous acquisitions (included in cash flows from investing activities)	**(1.8)**	(0.7)
Liability at 31 December	**-**	1.8
Included in current liabilities	-	1.8
Total	**-**	1.8

Contingent consideration

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

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

	2024 £m	2023 £m
Liability at 1 January	**3.1**	3.0
Amounts paid relating to previous acquisitions (included within cash flow from investing activities)	**(2.6)**	-
Unrealised fair value changes recognised in profit or loss	**-**	0.1
Liability at 31 December	**0.5**	3.1
Included in current liabilities (within accruals and other payables)	**0.5**	3.1
Total	**0.5**	3.1

Consideration dependent on vendors remaining within the business

Amounts which may be paid to vendors of recent acquisitions who are employed by the Group and are contingent upon the vendors remaining within the business are, as required by IFRS 3 "Business Combinations", treated as remuneration and charged to the Consolidated income statement as earned. A reconciliation of the movement in amounts accrued is as follows:

	2024 £m	2023 £m
Liability at 1 January	**4.0**	1.2
New amounts accrued	**-**	2.8
Amounts paid (included within cash flow from operating activities)	**(4.0)**	-
Liability at 31 December	**-**	4.0
Included in current liabilities (within accruals and other payables)	**-**	4.0
Total	**-**	4.0

8. Reconciliation of loss before tax to cash generated from operating activities

	2024 £m	2023 £m
Loss before tax	**(44.8)**	(31.9)
Net finance costs	**41.0**	35.9
Depreciation of property, plant and equipment	**12.5**	12.7
Depreciation of right-of-use assets	**66.4**	63.9
Amortisation of computer software	**1.2**	2.4
Amortisation of acquired intangibles	**2.1**	2.8
Impairment of property, plant and equipment	**1.2**	4.4
Impairment of goodwill	**-**	2.6
Impairment of acquired intangibles and computer software	**-**	2.5
Impairment of right-of-use assets	**9.8**	26.2
Reversal of impairment of lease receivables	**-**	(1.1)
Gain on lease transactions	**-**	(1.1)
Gain on disposal of property, plant and equipment	**(1.0)**	(4.3)
Share-based payment expense	**4.1**	5.5
Net foreign exchange differences	**(0.2)**	-
Decrease in provisions	**(1.2)**	(0.2)
Working capital movements:		
- (Increase)/decrease in inventories	**(1.5)**	9.2
- Decrease in receivables	**10.1**	45.2
- Decrease in payables	**(16.2)**	(46.3)
Cash generated from operating activities	**83.5**	128.4

Included within the cash generated from operating activities is a defined benefit pension scheme employer's contribution of £2.5m (2023: £2.5m)

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

	2024 £m	2023 £m
(Decrease)/increase in cash and cash equivalents in the year	**(39.7)**	2.7
Net cash outflow from repayment of leases and other debt[1]	**95.3**	84.5
Decrease in net debt resulting from cash flows	**55.6**	87.2
Non-cash movement in lease liabilities and lease receivables	**(92.0)**	(105.8)
Non-cash items[2]	**(17.5)**	(3.3)
Exchange differences	**14.6**	7.9
Increase in net debt in the year	**(39.3)**	(14.0)
Net debt at 1 January	**(458.0)**	(444.0)
Net debt at 31 December	**(497.3)**	(458.0)

[1] Including interest element of lease payments.

[2] Other non-cash items relates to the fair value movement of debt and derivative financial instruments recognised in the year which does not give rise to a cash inflow or outflow.

Net debt is defined as follows:

	2024 £m	2023 £m
Non-current assets:		
Derivative financial instruments	**0.1**	-
Lease receivables	**1.9**	2.2
Current assets:		
Derivative financial instruments	**0.1**	-
Lease receivables	**0.3**	1.1
Cash at bank and on hand	**87.4**	132.2
Current liabilities:		
Lease liabilities	**(64.9)**	(64.9)
Interest-bearing loans and borrowings	**(5.2)**	(0.8)
Deferred consideration	**-**	(1.8)
Derivative financial instruments	**(1.3)**	(1.0)
Non-current liabilities:		
Lease liabilities	**(258.7)**	(264.9)
Interest-bearing loans and borrowings	**(256.9)**	(260.0)
Derivative financial instruments	**(0.1)**	(0.1)
Net debt	**(497.3)**	(458.0)

Of the cash at bank and on hand of £87.4m (2023: £132.2m), £0.6m (2023: £1.0m) is required to be held to cover bank guarantees issued to third parties and is therefore restricted for use by the Group.

Analysis of movements in net debt:

	At 31 December 2023 £m	Cash flows £m	Non-cash items[1] £m	Exchange differences £m	At 31 December 2024 £m
Cash at bank and on hand	132.2	**(39.7)**	**-**	**(5.1)**	**87.4**
Lease receivables	3.3	**(1.2)**	**0.1**	**-**	**2.2**
	135.5	**(40.9)**	**0.1**	**(5.1)**	**89.6**
Liabilities arising from financing activities					
Financial assets - derivative financial instruments	-	**-**	**0.2**	**-**	**0.2**
Debts due within one year	(3.6)	**2.6**	**(5.5)**	**-**	**(6.5)**
Debts due after one year	(260.1)	**3.0**	**(12.2)**	**12.3**	**(257.0)**
Lease liabilities	(329.8)	**90.9**	**(92.1)**	**7.4**	**(323.6)**
	(593.5)	**96.5**	**(109.6)**	**19.7**	**(586.9)**
Net debt	(458.0)	**55.6**	**(109.5)**	**14.6**	**(497.3)**

[1] Non-cash items include the fair value movement of debt recognised in the year which does not give rise to a cash inflow or outflow, movements between debts due within one year and after one year, and non-cash movements in lease liabilities.

10. Dividends

No interim dividend was paid for the year ended 31 December 2024 and no final dividend is proposed. No interim or final dividend was proposed or paid for the year ended 31 December 2023. No dividends have been paid between 31 December 2024 and the date of signing the Financial statements.

11. Provisions

	Onerous leases £m	Leasehold dilapidations £m	Other amounts £m	Total £m
At 1 January 2024	0.3	25.7	2.9	**28.9**
Unused amounts reversed in the period	-	(1.0)	(0.5)	**(1.5)**
Utilised	(0.5)	(2.1)	(1.3)	**(3.9)**
New provisions	0.8	3.4	2.5	**6.7**
Exchange differences	-	(0.1)	(0.1)	**(0.2)**
At 31 December 2024	**0.6**	**25.9**	**3.5**	**30.0**

	2024 £m	2023 £m
Included in current liabilities	**7.6**	7.9
Included in non-current liabilities	**22.4**	21.0
Total	**30.0**	28.9

Onerous leases

In accordance with IFRS 16, the future rental payments due over the remaining term of existing lease contracts is included in the lease liability, with the right-of-use asset impaired to reflect the future cost not covered through sublease income. The remaining onerous lease provision relates to other non-rental costs due over the remaining lease term based on expected value of costs to be incurred and assumptions regarding subletting. The balance at 31 December 2024 is payable over the relevant lease terms, the longest unexpired term being 17 years to 2041.

Leasehold dilapidations

This provision relates to contractual obligations to reinstate leasehold properties to their original state of repair. The provision is calculated based on both the estimated liability to rectify or reinstate leasehold improvements and modifications carried out on the inception of the lease (recognised on inception with corresponding fixed asset) and the liability to rectify general wear and tear which is recognised as incurred over the life of the lease. The costs will be incurred both at the end of the leases (reinstatement) and during the lease term (wear and tear).

Other amounts

Other amounts relate principally to claims and warranty provisions based on expected value and past experience and provisions for restructuring costs based on expected value but where the amount and timing are uncertain. The transfer of economic benefit is expected to be made between one and four years' time.

12. Contingent liabilities

As at the balance sheet date, the Group had outstanding obligations under customer guarantees, claims, standby letters of credit and discounted bills of up to £10.8m (2023: £12.5m). Of this amount, £4.3m (2023: £6.1m) relates to a standby letter of credit issued by HSBC Bank plc in respect of the Group's insurance arrangements.

As part of the disposal of the Building Plastics business in 2017 a guarantee was provided to the landlord of the leasehold properties transferred with the business covering rentals over the remaining term of the leases in the event that the acquiring company enters into administration before the end of the lease term. The maximum liability that could arise from this would be approximately £0.5m (2023: £0.6m) based on the remaining future rent commitment at 31 December 2024. No provision has been made in these financial statements as it is not considered likely that any loss will be incurred in connection with this.

13. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and have therefore not been disclosed.

In 2024, SIG incurred expenses of £0.6m (2023: £0.3m) on behalf of the SIG plc Retirement Benefits Plan, the UK defined benefit pension scheme.

Remuneration of key management personnel

The total remuneration of key management personnel of the Group, being the Executive Leadership Team members and the Non-Executive Directors, is set out below in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures".

	2024	2023
	£m	£m
Short-term employment benefits	**7.2**	6.7
Termination and post-employment benefits	**-**	0.3
IFRS 2 share-based payment expense	**2.9**	4.6
	10.1	11.6

Principal risks and uncertainties

The Board, supported by the Audit Committee, sets the strategy for the Group and ensures the associated risks are effectively identified and managed through the implementation of the risk management and control frameworks.

The Group employs a three lines model to provide a simple and effective way to enhance risk and control management processes and ensure roles and responsibilities are clear. The Board maintains oversight to ensure risk management and control activities carried out by the three lines are proportionate to the perceived degree of risk and its own risk appetite across the Group.

To identify our risks, we focus on our strategic objectives and consider what might stop us achieving our plan within our strategic planning period. The approach combines a top-down strategic Group-level view and a bottom-up operational view of the risks at operating company level. Meetings are held with our operating company leadership teams to identify the risks within their operations. These are consolidated and, in conjunction with a series of discussions held with Executive Leadership Team and Non-Executive Directors, provide the inputs to identify and validate our principal risks.

The Board regularly monitors the Group risk register, which includes the ten principal risks to the Group set out below. These risks, if they materialise, could have a significant impact on the Group's ability to meet its strategic objectives.

Risk	**Mitigations**
Cyber security: Internal or external cyber attacks could result in system disruption or sensitive date being compromised In the context of widespread dependency on increasingly complex digital systems, growing cyber threats are outpacing societies' ability to effectively prevent and manage them. These risks are also exacerbated by a combination of the increasing interconnectedness and interdependencies of our technology platforms and ecosystems, as illustrated by the widespread business disruption caused by the 'Crowdstrike' IT outage in the summer of 2024, an increasing willingness of nation states to engage in asymmetric cyber warfare to achieve geopolitical aims and the relative ease with which new artificial intelligence (AI) and machine learning (ML) technologies can be utlised for adversarial purposes. For example Generative AI is making cyberattacks more sophisticated through more believable social engineering, automated phishing attacks and adaptive malware. There is a risk that we lack the capabilities to effectively prevent, monitor, respond to, or recover from, suspected cyber-attacks on our IT infrastructure. Such attacks may result in a loss of data or disruption to IT services which may have a significant impact on our ability to operate and comply with data protection and privacy laws (e.g. GDPR), and may have a detrimental effect on our reputation.	Cyber security continues to receive Board and Executive Leadership Team focus with an emphasis on ensuring that appropriate technologies are deployed across IT infrastructure to manage cyber threats. Regular and independent reviews are performed to assess the nature of potential cyber threats, security processes and initiatives. They also ensure that we implement appropriate tools and processes to better identify and remediate new and emerging cyber risks and vulnerabilities. Cyber-incident response protocols are in place to support our ability to effectively respond to and recover from a cyber threat or incident and ongoing cyber training campaigns and initiatives ensure employees are alert to the nature and consequences of cyber-attacks. Cyber policies are regularly reviewed and updated to ensure they reflect the nature of risks and threats and we continue to invest in our business resilience and continuity management capabilities and arrangements.
Health & Safety: Danger of incident or accident, resulting in injury or loss of life to employees, customers, or the general public There is a risk that poor organisational arrangements or behavioural culture with regards to health & safety causes harm to individuals and may result in enforcement action, penalties, reputational damage, or adverse press coverage.	The Group Health, Safety and Environment Director is a member of the Executive Leadership Team and provides strategic leadership for all health, safety and environmental matters. Local health and safety managers in each of our businesses provide local leadership and support, monitor and report our performance and key metrics, and implement actions and initiatives. A compliance standards framework is in place to ensure the adequacy of local health and safety standards and arrangements, with assurance provided through a programme of compliance audits performed by suitably trained and experienced health and safety professionals.
Macro-economic uncertainty: Macro-economic volatility may impact the Group's ability to accurately forecast and to meet internal and external expectations Geo-political and macroeconomic events can lead to a decline in general economic activity and, or including, a decline in construction industry activity. While there are some indicators of a modest fiscal recovery in 2025, market conditions are set to remain challenging, particularly in France and Germany, which may continue to see political instability in 2025. This is in addition to the existing and ongoing turbulence and volatility caused by conflicts in other regions, such as Ukraine. Inflation remains uncertain and its effect on monetary policy, higher interest rates and the costs of living will remain a cause of uncertainty and possible volatility for the immediate future across our end markets. This volatility has the potential to impact customer demand, and create financial and operational pressure, while adding costs to our operations and making planning and forecasting more difficult.	The Group's geographical diversity across Europe, serving customers across residential, commercial, industrial and infrastructural sectors, combined with our broad portfolio of categories, product offerings and specialisms, all serve to reduce the impact of changes in a specific territory or market. Industry-based KPIs, monitored monthly at a Group and operating company level, help to ensure that warnings and indicators of risks and opportunities are identified early, and appropriate mitigation strategies implemented. We continue to assess inflationary and other fiscal pressures and impacts on product pricing and will continue to work with our suppliers to identify opportunities to ensure ongoing supply chain resilience.
Attract, recruit and retain our people: Failure to attract and retain people with the right skills, drive and capability to reshape and grow the business SIG's ability to deliver its objectives and to compete effectively is, in part, dependent on its ability to recruit and retain colleagues with the necessary skills, experience and	We continue to invest in learning and development programmes to ensure both vocational and technical training needs are met whilst retaining an agile workforce. Our apprenticeships and training academies help develop the near and long-term skills of our employees. We regularly review our organisational structures and

Risk	Mitigations
ability to deliver expected performance levels. A combination of medium-term structural labour and vocational skills shortages in the construction sector, exacerbated by increased employee concerns regarding the performance and stability of the construction sector, has the potential to negatively impact SIG's ability to attract, recruit and retain staff across the full spectrum of disciplines.	accountabilities, and ensure our structures optimise employee motivation and engagement. Employee engagement is monitored through an annual survey and a Workforce Engagement programme run by the Board. Ongoing enhancements to pay and conditions, including market benchmarking, broadening variable remuneration elements and retention and succession planning also helps to mitigate this risk. Our businesses have also introduced programmes to support employee health and wellbeing. This includes training for all employees on keeping themselves and their colleagues safe and well.
Data quality and governance: Poor data quality could impact our financial management, fact-based decision making, business efficiency, and credibility with customers There is a risk that we lack the necessary quality of systems and processes to ensure sufficient granularity, completeness, and accuracy of vendor, product and pricing master data. This has the potential to impact our ability to deliver a digital customer experience, provide enhanced product and customer analytics or insight and comply with both existing and new regulatory requirements.	Product and customer data quality remains a focus area for our operating companies, who continue to monitor, assess and upgrade their product data requirements, capabilities and governance considering ongoing changes in business needs and regulation. During 2024, we continued to enhance our data management and governance capabilities though the ongoing development of new product information systems across our UK and French businesses. We also continue to maintain, and where necessary, upgrade our ERP systems where relevant to ensure these systems support the required data quality and governance required.
Environmental, social and governance (ESG): Reputational impacts from poor environmental, social and governance arrangements and performance Public and commercial consciousness, driven in part by ongoing regulatory pressures, continues to evolve on a wide range of environmental, social and governance issues, including climate change, employee wellbeing and how an organisation contributes to society. While SIG has a long and rich heritage in helping the construction industry deliver energy efficient solutions and products, risks remain in terms of how we deliver our ESG agenda. This is particularly the case in how we ensure we achieve our stated aims with regards to climate change and decarbonisation. These risks include the cost and complexity of compliance, the challenges presented by the decarbonisation of our vehicle fleet and estate and how we engage with the wider industry to reduce product and supply-chain carbon impacts.	Our ESG commitments include a focus on health and safety leadership, reaching net zero carbon, sending zero SIG waste to landfill, partnering to reduce carbon and waste across the supply chain, and becoming an employer of choice in our industry. These commitments will be supported by verified data to ensure that progress in achieving these aims and ambitions is monitored and subject to appropriate rigour. To do this, we have enhanced our sustainability reporting and budgeting processes (particularly in relation to carbon emissions and waste) to ensure that we are able to effectively track both the progress and financial impacts of commitments. We have also ensured we are able to monitor new an emerging ESG legislation and implement the appropriate management arrangements, systems and processes, particularly with regards to the ensuring compliance with new legislation implemented in the EU, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD). As regards employee wellbeing, each of our businesses has introduced programmes and initiatives to support employees, underpinned by a Group-wide employee health and wellbeing policy and training for all employees to understand their responsibilities to keep themselves and their colleagues safe and well.
Mergers and acquisitions: Inability to successfully execute, integrate and leverage merger and acquisition opportunities Where necessary, we may from time to time acquire new businesses. Such decisions are based on detailed plans that assess the value creation opportunity for the Group. By their nature, there is an inherent risk that we fail to manage the execution and integration risks which may result in delays or additional costs and impact the future value and revenues generated.	We have appropriate M&A resource across the organisation, and utilise external advisors where necessary for the effective identification and prioritisation of acquisition opportunities. Resource is also available in the organisation to ensure that transactions are subject to the necessary pre and post-acquisition and integration activities and processes. Clear accountability and authority limits for the initiation and approval of M&A activity are defined in the Group Delegation of Authority.
Legal or regulatory compliance: Failing to comply with or breaching legal or regulatory requirements The Group's operations are subject to an increasing and evolving range of regulatory and other requirements in the markets in which it operates. A major corporate failure resulting from a non-compliance with legislative, regulatory or other requirements would impact our brand and reputation, could expose us to significant operational disruption or result in enforcement action or penalties.	Our Group General Counsel is a member of the Executive Leadership Team and is supported by appropriately skilled in-house legal and company secretarial resource at Group and operating company level, with further support provided by an approved panel of external lawyers and advisors. Policies and procedures are in place to ensure compliance with legal and regulatory frameworks, including health and safety, environmental, ethical, fraud, data protection and product safety. The Group's internal controls function ensures that appropriate and effective controls are in place against material financial misstatement, errors, omissions or fraud. Our Code of Conduct is available on our website and forms part of our employee induction programme. E-learning tools are also deployed across the organisation to ensure employees are aware of, and understand, their obligations. A whistleblowing hotline, managed and facilitated by an independent third party, is in place throughout the Group. All calls are followed up and investigated fully with all findings reported to the Board.
Modernisation: Failure to deliver the digital capabilities necessary to support improved efficiency and productivity or to remain competitive in the marketplace Increased technological innovation and change has accelerated the increasing role digitalisation will have in the construction materials supply chain. We continue to seek opportunities to ensure we can deliver digital solutions to enable a more efficient, integrated, and frictionless	We continue to evaluate new technologies and make investments in the digital workplace to ensure that we maintain a competitive digital proposition. Across our markets each operating company is responsible for ensuring that it has an appropriate technology roadmap to identify how it implements the necessary technologies and ways of working to ensure that it can maximise digital opportunities in terms of enhancing the customer

Risk	Mitigations
experience for our colleagues, customers and suppliers.	experience and optimising transactional, fulfilment or process efficiencies.
This risk may be exacerbated by legacy systems and technologies which are heavily customised, require significant system maintenance to prevent outages and lack the functionality to allow their integration into a more modern digital infrastructure.	During 2024 we have invested in a new ERP system for our Polish business.
Change management: Inability to change and grow the organisation as planned in order to meet growth targets The Group is committed to improving its operating performance, with a strategy, key actions and progress on these. This will inevitably require changes to organisational structures, roles, and ways of working, supported by investments to modernise existing and implement new IT systems. There is a risk that these initiatives, allied to the impacts of challenging market conditions for our business and employees, results in 'change fatigue' and either future changes are not implemented as planned, or the benefits are not realised.	Operating companies continue to manage change portfolios through programme management governance committees. Increased monitoring has been implemented, particularly regarding progress against growth initiatives, in line with our strategy. Monitoring of business growth metrics and early warning indicators or trends continues as part of business reviews at both the management and Board level. Our ongoing employee engagement surveys continue to facilitate the early identification of change impact in terms of our employees, and action plans are implemented and monitored accordingly.

Non-statutory information

The Group uses a number of alternative performance measures, which are non-IFRS, to describe the Group's performance. The Group considers these performance measures to provide useful historical financial information to help investors evaluate the underlying performance of the business. Alternative performance measures are not a substitute for or superior to statutory IFRS measures.

These measures, as shown below, are used to improve the comparability of information between reporting periods and geographical units and to adjust for Other items (as explained in further detail within the Accounting policies). This also reflects how the business is managed and measured on a day-to-day basis. Measures presented are aligned with the key performance measures used in the business and as included in the Strategic report.

a) Leverage

Leverage is the financial covenant applicable to the RCF and is used as a key performance metric for the Group. It is calculated as net debt divided by the last twelve months underlying EBITDA.

	2024 **£m**	2023 £m
Underlying operating profit	**25.1**	53.1
Add back:		
Depreciation of right-of-use assets and property, plant and equipment	**78.9**	76.6
Amortisation of computer software	**1.2**	2.4
Underlying EBITDA	**105.2**	132.1
Reported net debt	**497.3**	458.0
Leverage	**4.7x**	3.5x

b) Operating margin

This is used to enhance understanding and comparability of the underlying financial performance of the Group and is calculated as underlying operating profit as a percentage of underlying revenue.

	2024 **£m**	2023 £m
Underlying revenue	**2,611.8**	2,761.2
Underlying operating profit	**25.1**	53.1
Operating margin	**1.0%**	1.9%

c) Like-for-like sales

Like-for-like sales is calculated on a constant currency basis and represents the growth in the Group's sales per working day, excluding any acquisitions or disposals completed or agreed in the current and prior year, and adjusted to exclude the net impact of branch closures or openings. This measure shows how the Group has developed its revenue for comparable business relative to the prior period. As such it is a key measure of the growth of the Group during the year. Underlying revenue is revenue from continuing operations excluding non-core businesses.

	UK Interiors £m	UK Roofing £m	UK Specialist Markets £m	UK Total £m	France Interiors £m	France Roofing £m	France Total £m	Germany £m
Statutory and underlying revenue 2024	499.1	381.7	253.3	**1,134.1**	200.5	421.9	**622.4**	438.5
Less inter-segment revenue	(4.1)	(1.1)	(15.2)	**(20.4)**	(0.1)	(11.8)	**(11.9)**	-
External revenue	**495.0**	**380.6**	**238.1**	**1,113.7**	**200.4**	**410.1**	**610.5**	**438.5**
Statutory and underlying revenue 2023	563.7	370.4	266.0	1,200.1	219.0	471.3	690.3	462.1
Less inter-segment revenue	(7.2)	(1.0)	(18.4)	(26.6)	(0.1)	(13.3)	(13.4)	-
External revenue	556.5	369.4	247.6	1,173.5	218.9	458.0	676.9	462.1
% change year on year:								
Underlying revenue	(11.1)%	3.0%	(3.8)%	**(5.1)%**	(8.5)%	(10.5)%	**(9.8)%**	(5.1)%
Impact of currency	-	-	-	**-**	2.5%	2.5%	**2.5%**	2.6%
Impact of branch changes	2.6%	(0.1)%	-	**1.3%**	(0.3)%	0.3%	**0.1%**	0.2%
Impact of working days	(1.1)%	(1.2)%	(1.1)%	**(1.1)%**	(0.7)%	(0.4)%	**(0.5)%**	-
Like-for-like sales	**(9.6)%**	**1.7%**	**(4.9)%**	**(4.9)%**	**(7.0)%**	**(8.1)%**	**(7.7)%**	**(2.3)%**

d) Free cash flow

Free cash flow is defined as all cash flows excluding M&A transactions, dividend payments and financing transactions. Operating cash flow represents free cash flow before interest and financing and tax. These measures are used to enhance understanding and comparability of the cash generation of the Group.

	2024 £m	2023 £m
Increase/(decrease) in cash and cash equivalents in the year	**(39.7)**	2.7
Add back:		
Settlement of amounts payable for previous purchases of businesses (included within cash flows from investing activities)	**4.4**	0.7
Settlement of amounts payable for previous purchases of businesses (included within cash flows from operating activities)	**4.0**	-
Repayment of borrowings	**239.7**	0.8
Proceeds from borrowings	**(247.0)**	-
Free cash flow	**(38.6)**	4.2
Add back:		
Finance costs paid	**37.5**	36.9
Finance income received	**(2.7)**	(2.2)
Tax paid	**8.0**	14.0
Operating cash flow	**4.2**	52.9

e) Other non-statutory measures

In addition to the alternative performance measures noted above, the Group also uses underlying EPS (as set out in Note 6), underlying net finance costs (as set out in Note 4) and average trade working capital to sales ratio. Average trade working capital to sales ratio is calculated as the average trade working capital each month end (net inventory, gross trade creditors, net trade receivables and supplier rebates receivable) divided by underlying revenue.