

18 March 2025

**H&T Group PLC**

("H&T" or "the Group" or "the Company" or "the business")

**PRELIMINARY RESULTS**

**FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024**

*Strong second half performance, delivering record profits and strong growth in line with expectations*

H&T Group plc (AIM:HAT), the UK's largest pawnbroker and a leading retailer of high quality new and pre-owned jewellery and watches, is pleased to announce its preliminary results for the twelve months ended 31 December 2024 ("the period" or "the year"), in what was a record year for H&T.

The Group has produced a strong set of results, with profit before tax up 10% year on year. H&T is the largest pawnbroker in the UK and continues to grow its market share. There are limited alternatives for individuals who need to borrow small sums of money for a short term, and the pawnbroking service offered by H&T is a simple and transparent way to do so. In addition, the Company is seeing more business owners using its service for working capital purposes, which is reflected in an increase in the number of larger loans granted.

The Group remains committed to investing in the store estate as a means of attracting and serving more customers. We have refurbished 48 stores this financial year and we have increased the store estate to 285 stores. This is building significant embedded value in the business, which supports future earnings potential.

**Highlights**

- Profit before tax of £29.1m (2023: £26.4m), up 10% year on year as the core pawnbroking business continued its sustained growth and contribution to profit. Profit after tax of £22.2m (2023: £21.1m), up 5% year on year.
- Growth in the pledge book of 26%, ending the year at a capital value of £127m (2023: £101m) and carrying value (inclusive of accrued interest and net of IFRS 9 provision) of £158m (2023: £129m), following a particularly strong trading performance in Q4 2024. This included record levels of new customers borrowing from us for the first time.
- Net revenue generated by the pledge book, inclusive of pawnbroking scrap revenue, up 5% to £77.8m (2023: £74.2m). Revenue lags the growth in capital value of the pledge book, which will benefit the 2025 financial year.
- Retail jewellery and watch sales of £61.8m (2023: £48.6m), up 27% year on year, with gross profit of £19.3m (2023: £14.4m), up 34%.
- Foreign currency profits of £7.0m (2023: £6.3m), up 11% year on year, with transaction volumes up 10%.
- Balance sheet remains strong, with a net asset value of £192m (2023: £177m), up 8% year on year. Net asset value per share of 441.9p (2023: 409.0p). The Group ended the year with a net debt position of £54m (2023: £32m) with the increase largely due to the growth of the pledge book.
- Post tax return on average monthly equity (RoE) of 12.2% (2023: 12.6%), post tax return on average monthly tangible equity (RoTE) of 15.1% (2023: 15.1%).
- Diluted earnings per share of 50.9p (2023: 48.5p), up 5% year on year.
- Proposed final dividend of 11p giving a full year dividend of 18p (2023: 17p), up 6% year on year and in line with our stated progressive dividend policy, subject to maintaining cover of at least two times.
- As previously advised, we are changing our financial year end to September, starting in 2025. Prior year comparatives are provided in this announcement to assist shareholders with the transition.

**Outlook**

- Current trading is in line with management expectations across all products. As expected, the pledge book has grown slightly since year end to c. £128m which underpins future growth.
- Demand for our core pawnbroking service is expected to remain strong in the year ahead, as the need for small sum, short term lending continues to grow given macroeconomic conditions, continued lack of supply of small-sum credit and we focus on raising the profile of our business in the communities we serve.

- We will continue to invest in the store estate. There are opportunities to expand the geographic coverage of our store network, through opening new stores and acquiring existing independent stores which meet our investment criteria. Our refresh programme for existing stores will continue, with an ongoing programme of c.50 store refreshes per annum. We have a network of 285 stores, of which 258 are more than five years old and are considered "core stores", with a further 10 stores which will be more than three years old by the end of 2025 and which will increasingly contribute to Group growth.
- The Group remains committed to delivering a target post tax RoE of mid-teens through-the-cycle. We carefully balance our growth prospects with our dividend policy and our cautious appetite for gearing.

**Chris Gillespie, H&T chief executive, said:**

*"The Group has made significant progress in 2024, delivering record profits and strong growth.*

*Demand for our core pawnbroking product continues to grow, with particularly strong lending demand in the final ten weeks of the year, providing a sound base for future growth.*

*Retail sales in the key fourth quarter peak trading period, which included both the Diwali and Christmas festivities, were in line with management expectations with product margins showing an improvement. It is notable that our retail jewellery customers continue to favour items at lower price points than has historically been the case. This has resulted in increased demand for our range of lower priced, new jewellery items.*

*At H&T, customer service is at the heart of everything we do. We provide our customers with a modern, welcoming and trustworthy place to transact. I cannot thank our people enough for their hard work and wholehearted commitment to customer service.*

*With ongoing investment in scale, service quality, and the continuous improvement and efficiency of the customer journey, combined with the broader macroeconomic backdrop, we believe the Group is well-positioned for significant growth in the medium term. This applies across our product offering, in particular the core pawnbroking product"*

Financial Highlights (£m unless stated)	2024	2023	Increase
Profit before tax	£29.1m	£26.4m	10%
Diluted EPS (p)	50.9p	48.5p	5%
Dividends per share (p)	18.0p	17.0p	6%
Net assets	£192m	£177m	8%
<b>Key Performance Indicators</b>			
Pledge book carrying value	£158m	£129m	22%
Pledge book capital value	£127m	£101m	26%
Net Pawnbroking revenue, inclusive of scrap margin	£77.8m	£74.2m	5%
Retail sales	£61.8m	£48.6m	27%
<i>online sales</i>	22%	20%	
<i>new jewellery sales</i>	23%	25%	
<i>gross margin</i>	31%	30%	
Foreign exchange gross profit	£7.0m	£6.3m	11%
Number of stores	285	278	

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## **About H&T Group plc**

H&T is the UK's largest pawnbroker, a leading retailer of high quality new and pre-owned jewellery and pre-owned watches and provides a range of financial products tailored for a customer base which has limited access to, or is excluded from, the traditional banking sector. These products include Pawnbroking, Retail and Foreign Currency.

## **Chairman's Report**

Throughout the year we have continued to reinforce our position as the UK's leading pawnbroker, making good progress on our strategic objectives and delivering another year of record growth. I would like to extend my gratitude to the entire team for yet another year of hard work - their knowledge, dedication and enthusiasm is what drives the business forward and makes us a key part of the communities we serve, and the wider financial ecosystem.

## **The Year in Review**

We are proud to be the largest player in the UK marketplace, and in the last twelve months, we have continued to expand and strengthen our foundations for continued growth in the years ahead. A key pillar of our strategy is to grow the business in a responsible and sustainable manner, and I am pleased that we have continued to do that.

Demand for our core pawnbroking product has continued to grow with record levels of new customers. The capital value of the pledge book increased ahead of management expectations to £127m with particularly strong growth in the last quarter of the year. A key part of our strategy is to grow our support for the business community, and we took a step forward in this strategy at the beginning of the year with the acquisition of Maxcroft, who are focused on this market. Larger loans now make up over 18% of our pledge book.

We added eight new stores with one closure in 2024, to take the total number of stores to 285 (2023: 278). One store was relocated, and we have continued with the planned store refresh and refit programme, with 48 stores completed in 2024.

FY2024 was a record year for retail, with the value and quality of our offering shining through. This is an important part of the business, and we see substantial potential for further growth going forward, aided by innovation in our product mix and insights provided by phase 1 of our bespoke core technology platform, EVO.

The implementation of EVO across our store network has already seen improvements to the way we work. Perhaps the most valuable contributions it has brought to the business have been the improved and more efficient in-store customer journey, along with the enhanced gathering of data which will help us focus our lending and collections activities to further improve the quality of the pledge book. EVO is a significant milestone for H&T, with the data opening doors to new opportunities which will ultimately result in more customers in our stores and improved profitability.

It is gratifying that H&T is a business that has become such a key part of so many communities across the country. We have worked hard over many years to become a trusted institution and a valued part of so many people's lives. We are proud of the communities that we serve, and the strong relationships that our staff have with our customers.

We are a regulated business, and we work hard to ensure we meet our obligations to our customers, treating them with respect, and providing them with a fair, transparent and efficient service. Our customer service team based in Liverpool is dedicated to providing individual support to those customers who are vulnerable or may have difficulty in being able to redeem their pledged items. This is illustrated by the low level of complaints received about our pawnbroking service that are referred to the Financial Ombudsman Service (FOS), and the low proportion that are then upheld.

In the year, James Thornton retired from the Board after almost twelve years. I'd like to thank James for his commitment to the business over so many years, and I wish him all the best for the future. He was succeeded as Senior Independent Director by Toni Wood who was originally appointed to the Board in May 2022. Toni has already made a significant impact on the Group, and her expertise in retail, FMCG and e-commerce will continue to be of great value to the Company.

Subject to shareholder approval, a final dividend of 11.0p (2023: 10.5p) per ordinary share will be paid on 27 June 2025 to those shareholders on the register at close of business on 30 May 2025. This brings the full year dividend to 18.0p (2023: 17.0p), a 6% increase. This reflects the Board's confidence in the future prospects of the business, whilst being mindful of the need to continue to invest in the growth of the pledge book, and capital investment in technology and the store estate. The dividend remains in line with our progressive

dividend policy and maintains a coverage ratio of at least two times that of earnings.

## Outlook

We look ahead with confidence that we will achieve another year of strong growth in our pledge book and retail activities. We will widen the range of new jewellery we stock which we expect to drive further sales growth. The increased use of data analytics, using the information captured via EVO, will enable us to focus further on dynamic performance improvement, cost management and maximising the contribution made by each store.

The modernisation of our existing store estate remains a focus, and we will continue to invest selectively to elevate both customer and staff experience. Inevitably, rising business rates, Employers' National Insurance contributions and minimum wage increases will put pressure on the profitability of some parts of our store estate and we will be actively reviewing future store profitability as leases come up for renewal.

We believe that demand for our core pawnbroking service will remain strong in the year ahead, with the need for small sum, short term lending continuing to grow as macroeconomic conditions continue to affect our customers' disposable incomes.

Our excellent market position as the largest player in the UK provides a strong foundation for growth. We have a clear strategy, a strong investment case, a motivated team, and solid foundations for further growth. The Board is confident in the prospects of the Group both for the current financial year and the future.

## Chief Executive's Review

The past year saw encouraging progress, culminating in a strong finish to trading in the fourth quarter, driven by the growth of the pledge book. This performance was achieved at a time when our customers continue to navigate high prices, elevated interest rates, and consequently, squeezed disposable incomes.

The positive underlying demand for H&T's products and the strong second half performance, has enabled the Group to deliver revenue growth across the business, and profit before tax up 10% to £29.1m (2023: £26.4m), in-line with market expectations.

Our stores, and our exceptional people, are at the centre of our philosophy and strategy. We added 8 new stores during 2024, including the acquisition of the Maxcroft business in Q1, with the Group's store estate ending the year at 285 locations (2023: 278). Opportunities remain to expand the geographic coverage of our store network, both through the opening of our own stores and through allocating capital towards acquiring existing independent stores, where the investment returns are increasingly attractive relative to new openings.

As previously disclosed, the increase in Employers' National Insurance rates from April 2025 will increase our employment costs by c.£2m per annum. This is through the combined impact of lowering the earnings threshold at which employers start paying National Insurance contributions, and the increase in the rate of those contributions. We have put plans in place to mitigate some of the impact and will continue to explore options to drive further cost savings through the year.

The additional funding facilities put in place over the past year will enable us to continue to fund further growth in the pledge book, maintain our investment in enhancing our store estate and technology platforms and selectively look at opportunities to acquire stores.

As previously advised, we are changing our financial year end to September, starting in 2025. Prior year comparatives are provided in this announcement to assist shareholders with the transition.

The Group provides a range of products and services, often used by customers in combination, such as money transfer alongside foreign currency or jewellery purchases later pledged for pawnbroking loans. Our strategy prioritises increasing store footfall and fostering long-term customer relationships through exceptional levels of service. By enhancing the in-store experience and utilising data insights, we aim to drive cross-selling of additional products, attract more customers, and encourage greater customer engagement with our pawnbroking service over time.

Looking ahead, we anticipate a positive near-term trading environment for H&T. Although inflation has eased from peak levels, the real cost of living for consumers remains high, and interest rates are likely to stay elevated for an extended period. Additionally, we expect unemployment levels to rise during 2025 within our core customer base. This is expected to continue to support demand for our core pawnbroking service, with a high gold price assisting both retail and gold purchase volumes. Given these factors and strong pledge book growth in Q4 of 2024, we believe we have a sound base for the delivery of future growth.

## Review of Operations

### Pawnbroking

Demand for pawnbroking continues to grow across all regions, supported in part by broader macroeconomic factors. Rising living costs, along with higher rent and mortgage payments, have placed pressure on customers' disposable incomes, increasing the need for short-term borrowing. At the same time, the availability of small-sum, short-term credit remains constrained. These market dynamics have created a significant growth opportunity for the pawnbroking sector, and as the UK market leader, H&T is well-positioned to continue to capitalise on this trend.

The pledge book grew strongly in the second half of the year, with particularly strong lending demand in the final ten weeks of the year. The capital value of the pawnbroking pledge book, excluding accrued interest and IFRS 9 provisions, grew ahead of management expectations to £127m as at 31 December 2024 (December 2023: £101m). This capital value includes the Maxcroft pledge book of £6m, up 9% since acquisition in Q1 2024.

As at 31 December 2024, the carrying value of the pledge book, including accrued interest and after IFRS 9 provision, amounted to £158m (December 2023: £129m).

Aggregate lending for the year increased by 14% to £296m (2023: £260m) including record levels of new customers borrowing from us for the first time. In the year, 12% of loans were to new borrowers, with new customer volumes particularly strong in the second half of the year.

The total number of stores increased by 7 to 285 in the year, with pledge book growth delivered across the store estate. It remains the case that growth in the c.70 stores acquired in 2019 is at a faster rate than for the store estate as a whole. This highlights the ongoing opportunity to acquire existing independent stores in key locations where we can implement our marketing, technology and financing know-how to drive growth. Since 2021, we have opened or acquired 34 new stores. All of these stores, with two exceptions, are performing at or above planned levels. Stores that have been open for more than five years, of which there are 258, are considered "core stores" and are collectively responsible for the highest proportion of Group growth and profitability. In addition, a further 10 stores will be more than three years old by the end of 2025 and are increasingly contributing to Group growth and profits.

As previously reported, we saw a marked increase in early redemptions in the spring months of the year. This impact was in respect of the timing of customer redemptions and had no impact on overall redemption rates. Customers chose to repay their pledge loans earlier than would ordinarily be the case, resulting in a c.15% increase in the normal monthly flow of redemptions during the months of March, April and May. This adversely affected the yield generated by the pledge book. Our core planning assumption is that this repeats in 2025, and in subsequent years.

In February 2024 we acquired from Maxcroft, their pledge book of c.£5.5m in capital value. The underlying nature of the acquired pledge book's collateral items is aligned with that of H&T's existing pawnbroking business and consists primarily of gold, jewellery, and watches, with a similar asset mix. At the date of acquisition, the mean value of the acquired pledge loans was £4,063, significantly larger than that of H&T, with the majority of customers utilising the service for working capital purposes in their businesses. The Maxcroft pledge book redemption rates and yield are broadly in line with higher value loans in H&T's current pledge book.

Maxcroft traded in-line with expectations for the 10 months of ownership, with the pledge book growing by 9% as at December 2024. We continue to believe that the acquisition provides us with an opportunity to expand our reach into a different customer segment, leveraging some of the acquired know-how to drive growth in the volume of larger value pawnbroking loans across the group.

Loans of £5,000 or more tend to be used for business purposes and currently represent 18% (2023: 13%) of the pledge book by value and c.2% by customer numbers.

The strong demand seen in Q4 2024 included a number of customers seeking to borrow slightly more than recent averages. Accordingly, the median loan size has increased as at 31 December to £245 (2023: £201). Mean loan sizes continued to increase to £460 (December 2023: £428).

Loan duration across the business was consistent at 97 days (2023: 97 days), continuing the recent trend of customers generally repaying their loans more quickly than historic averages. Redemption rates throughout the year were consistent at 85% (2023: 85%). Loan to Value ratios continue to average c.65% (2023: c.65%).

Action was taken in mid-2023 to reduce the risk profile of lending against certain high-value watch brands, where price volatility was apparent. As a result, the value of lending against watches reduced in the first half of 2024 as planned, both in respect of stock and flow. At the year end, the proportion of the pledge book secured on watches was 13% (2023: 14%), with watch lending representing 12% of full year lending flow (2023: 15%). With the return of better predictability in pre-owned watch prices, we now believe it is appropriate to cautiously increase activity in this asset class once again.

The Group implemented an increase in lending interest rates in mid-2024, which will increase the gross yield on the pledge book over time. This has necessitated a review of the input assumptions within the Group's IFRS 9 impairment model, particularly in respect of the calculated effective interest rate ("EIR"). As a result of this review, together with the strong growth seen in the pledge book in Q4 2024, the provision held under IFRS 9 has increased by £4.7m (2023: decrease £6m) to £10.5m (2023: £5.8m). This represents coverage of 6.2% (December 2023: 4.3%). The net yield generated by the pledge book, inclusive of pawnbroking scrap profit, was 71% (2023: 78%), having been adversely impacted by higher redemptions in Q2, increased IFRS 9 provision requirements and the very strong growth in the pledge book in Q4. In the latter case, time on book in the financial year was not significant and generated only modest revenue, whilst increased IFRS 9 provisions to reflect the growth were required.

For the first time, segmental revenues and profits for pawnbroking include pawnbroking scrap. Pawnbroking scrap margins are earned as a direct consequence of our pawnbroking activities and solely represent the disposition of the collateral held as security on unredeemed pawnbroking pledges. As the pledge book grows and matures, the volume of items released for retail sale or scrap rises commensurately. Gross profit grew to £9.5m (2023: £4.7m), at a gross margin of 27% (2023: 17%). This has been included and will continue to be included in future periods, as part of pawnbroking revenue and profit.

	2024	2023	Change %
	£'m	£'m	
Pawnbroking	£102.3m	£90.4m	13%
Pawnbroking scrap	£9.5m	£4.7m	102%
Pawnbroking total revenue	£111.8m	£95.1m	18%
Less IFRS 9 provision movement	(£4.7m)	£6.0m	(178%)
Less Impairment	(£29.3m)	(£26.9m)	9%
Pawnbroking income	£77.8m	£74.2m	5%
Pledge book carrying value - note 1	£158m	£129m	22%
Average pledge book carrying value - note 2	£135m	£114m	18%
Risk adjusted margin on carry value - note 3	58%	65%	
Pledge book capital value - note 4	£127m	£101m	26%
Average pledge book capital value - note 2	£109m	£95m	15%
Risk adjusted margin on capital value - note 3	71%	78%	
Notes:			
1. Includes accrued interest and IFRS 9 impairment charge			
2. Based on rolling monthly average			
3. After impact of higher redemptions in the spring, increased IFRS 9 provisions and Q4 growth in the pledge book			
4. Excludes accrued interest and before IFRS 9 impairment charge			

### Retail

H&T is a leading retailer of high-quality new and pre-owned jewellery and pre-owned watches, via its physical store network and increasingly, online.

Retail sales increased by 27% to £61.8m (2023: £48.6m). Retail gross profit grew 34% to £19.3m (2023: £14.4m) with an overall gross margin of 31% (2023: 30%).

Pleasingly, we saw strong performances in the periods leading up to Diwali and Christmas, both of which occurred in Q4. We achieved this growth alongside a continued preference by customers towards lower priced items, often choosing to purchase new rather than pre-owned items because of their generally lower relative price point. Better understanding this trend is enabling us to increasingly optimise our in-store jewellery offering, and we are running a trial of some stores selling primarily new jewellery. This is being tested in almost half of the store network. New jewellery is easier to merchandise, sell online and requires less processing time centrally at the jewellery centre.

Sales of new products represented 23% (2023: 25%) of full-year sales by value, and 57% of full year sales by volume (2023: 55%). Sales of pre-owned items represented 77% (2023: 75%) of full-year sales by value, and 43% of full year sales by volume (2023: 45%).

Sales of both new and pre-owned coins and gold bars were particularly strong in the latter months of the year, encouraged by the high gold price. This has continued into 2025. Sales of pre-owned watches have been encouragingly robust, with a return to lower price volatility than was experienced in 2023. Swiss Time Services, which was acquired in 2022, is now integrated into H&T's watch offering, which is benefitting the wider Group significantly. During the year, Swiss Time Services was awarded an exclusive contract to provide accredited repairs by a high-profile watch brand.

Online originated sales increased by 36% to £13.3m (2023: £9.8m). This represents 22% (2023: 20%) of total sales by value. We successfully implemented a new H&T retail website in the first half of 2024, which has significantly modernised, simplified and enhanced customers' online experience.

### Foreign Currency

Demand for overseas travel remained strong despite challenging economic conditions for customers.

Gross profit increased by 11% to £7.0m in 2024 (2023: £6.3m), driven by a 10% increase in transaction volumes compared to the prior year. Average margins on currency sales are c.3%, and on purchases c.10%. Whilst UK travellers continue to make increasing use of cashless payments when travelling overseas, our customers often choose to take physical foreign currency which we believe will continue for the foreseeable future. The average store transaction value increased slightly year on year, to £405 (2023: £386). Click-and-collect transaction values continue to significantly exceed store-based transactions, averaging £757 (2023: £685), albeit at lower margins.

Overall, the growth of this product, which often represents the first transaction with customers who are new to H&T, was achieved through increased focus and a number of initiatives implemented in 2023 and early 2024. These included the expansion of online click-and-collect services, a broader range of currencies being stocked in stores, and improved marketing and promotion, including the deployment of some of the learnings following the Maxcroft acquisition.

### Gold Purchasing

Gross profit earned from the scrapping of purchased items was £14.8m (2023: £8.6m). Margins were significantly higher at 27% (2023: 20%), supported by a strong gold price. Transaction volumes were broadly flat year on year. The average gold price per troy ounce during the period was £1,739 (2023: £1,550).

### Other Services

#### *Money Transfer*

Money transfer activity drives significant footfall to our store estate and represents an opportunity for colleagues to bring customers' attention to our wider service offering. Profit in the year was £1.0m (2023: £1.1m). Customer numbers remained broadly consistent year on year. However, it remains the case that customers are transacting less often, and are sending or receiving lower amounts, reflecting challenging personal circumstances for individuals.

#### *Cheque Cashing*

H&T is one of the very few retail locations continuing to offer cheque cashing services, outside of high-street banks. The use of cheques in the wider economy continues to decline. Profits earned in the period were £0.8m (2023: £1.1m).

#### *Personal Lending*

The Group no longer offers an unsecured lending product. Lending volumes reduced significantly after Q4 2019, and all lending ceased in early 2022. The unsecured loan book has since continued to receive repayments, and corresponding impairment provisions have been released. The outstanding net book remained at £0.1m (2023: £0.1m) with profits earned reducing to £0.4m (2023: £0.9m) as the underlying book repays.

## **2025 Business Focus and Outlook**

With ongoing investment in scale, service quality, and the continuous improvement and efficiency of the customer journey, combined with the broader macroeconomic backdrop, we believe the Group is well-positioned for significant growth in the medium term. This applies across our core product offering. Our focus is to ensure that the Group is well positioned to take advantage of these growth opportunities. Our priorities are:

### Store Estate

We believe that our stores, and our outstanding people, are and will remain at the heart of our business. There are opportunities to expand the geographic coverage of our store network, whether that be through opening new stores or acquiring existing independent stores. We are investing both in new store openings and in refreshing existing stores and we will continue with the planned store refresh programme, with an ongoing programme of c.50 store refreshes per annum.

We added 8 new stores during 2024, including the Maxcroft acquisition, with one store relocation and one store closure. As at the end of December 2024, the Group's store estate stood at 285 (2023: 278). This was within the range of our expectation at the start of the year.

We will continue to expand the store estate in a controlled, measured and sustainable way. However, due to upward cost pressures, which are primarily employee related costs, we are being more cautious towards opening new stores and anticipate a slower pace of store openings in 2025. In the short term, we will prioritise opportunities to acquire existing independent stores. We will only acquire stores that align with our strategy and desired location, and which meet our investment hurdles.

#### Digital Strategy and Customer Journey

Our bespoke core technology platform, EVO, is fully operational across our store network, with an ongoing plan of functionality enhancements. Phase two of the EVO programme is now underway. EVO will be implemented across the broader business over the next three years.

EVO is enhancing the in-store customer journey and improving operational efficiency for our teams, whilst providing us with richer customer data. The improvements delivered through the EVO programme, supported by investment in the Group's data analytics capabilities, are enabling more effective and targeted marketing communications and merchandising, along with improving our lending and collections activities.

We are also focused on enhancing and modernising our online presence. The customer-facing website is undergoing continuous upgrades, following the consolidation of the est1897 website into the H&T website in 2023. This consolidation marked the start of an ongoing process of evolution aimed at modernising functionality, design, and overall user experience. Our strategy is to make it easier for customers to engage with us through their preferred channels.

#### Effectively managing our cost base

Like all businesses, H&T is experiencing the impact of cost inflation, particularly with regards to employee related costs, both in respect of ourselves and key suppliers. We are mindful of the impact of these economic factors on all our stakeholders. H&T is primarily a fixed cost business and achieving operating efficiencies will remain a key management focus.

We have rewarded our employees with increases in basic pay, and with bonuses intended to recognise their hard work, delivery and contribution throughout 2024. Employee related costs for 2024 rose as anticipated by 9% and will continue to rise at a rate above that of headline inflation, primarily as a result of government decisions taken in respect of national living wage and employment related taxes. Ensuring that our people are appropriately remunerated will remain a priority for the Group.

The increase in Employers' National Insurance rates announced by the UK Government in its Budget on 30 October 2024 will impact our business from April 2025. We estimate the combined impact of lowering the earnings threshold at which employers start paying National Insurance contributions, and the increase in the rate of those contributions, will increase our employment costs by c.£2m per annum. We have put plans in place to mitigate the impact of these cost increases and are also closely monitoring any potential pass-on costs from our partners and suppliers.

Since April 2022, National Living Wage has risen significantly, which along with the recent increase in Employers' National Insurance contributions, has resulted in us carefully considering our planning assumptions around staffing levels and the pace of new store openings. Whilst we remain fully committed to ensuring we always provide exceptional customer service, we will be slowing recruitment in the year ahead to manage costs effectively.

#### More customers, using more of our services

The Group offers a diverse range of products and services designed to meet the specific needs of its customer base. Many customers engage with multiple services and product offerings; for example, a money transfer customer may also purchase foreign currency for travel, or a piece of retail jewellery purchased from H&T might later be pledged as collateral for a pawnbroking loan.

Our strategy focuses on driving footfall into our stores and, through the exceptional service provided by our store colleagues, building long-term customer relationships that often span many years and multiple products. Over time, this strategy aims to attract more new customers, increase the frequency with which they use our pawnbroking services, and leverage both the in-store experience and enhanced data insights to encourage cross-selling of our additional products.

#### Funding our Growth

To capitalise on the growth opportunity presented to the Group in the medium term, in February 2024 we agreed additional financing of £25m to support the growth of the business, from PGIM (previously Pricoa Private Capital), the private capital arm of PGIM, Inc., the global investment management business of Prudential Financial, Inc. This facility is in addition to financing facilities provided by our longstanding bankers, Lloyds Bank plc, and by Allica Bank Limited.

The support of these banks and capital providers helps finance the growth ambitions of the business. In the year ahead we expect to invest in further growth in the pledge book, maintain our investment in enhancing our store estate and technology platforms and selectively look at opportunities to acquire independent stores.

#### Macroeconomic Environment

Looking ahead, we anticipate a positive near-term trading environment for H&T. Although inflation has eased from peak levels, the real cost of living for consumers remains high, and interest rates are likely to stay elevated for an extended period. Additionally, we expect unemployment levels to rise during 2025 within our core customer base. Given these factors and strong pledge book growth in Q4 of 2024, we believe we have a sound base for the delivery of future growth.

#### Pledge Book

We anticipate continued strong demand for our core pawnbroking product as the impact of inflation on the consumer increases the need for small sum, short term loans at a time when supply of credit is more constrained than has been the case for many years. We are also seeing increased demand from customers who are business owners using the pawnbroking service for working capital purposes, and who often find themselves excluded by mainstream financial institutions.

## Retail

H&T is a leading retailer of high quality pre-owned jewellery and pre-owned watches. We also offer our customers an expanding range of new jewellery items. Demand has remained robust through 2024 and has continued into 2025. We believe that there are clear reasons for the strength of this demand.

- The growing attractiveness of buying pre-owned products, and the environmental and sustainability benefits this brings.
- A recent change of preference by some customers to purchase new rather than pre-owned items because of the generally lower price point.
- Customers view our retail items as good value for money, and also as a store of value which can be sold or used as collateral for a future pledge loan if their circumstances change.

We believe that these dynamics are likely to continue, notwithstanding the challenges of broader macroeconomic pressures felt by our customers. Better understanding this trend is enabling us to increasingly optimise our in-store new jewellery strategy and we are trialling the sale of exclusively new jewellery items in selected stores. The Group is responding by focussing on ensuring that we have the right mix of items for sale both in terms of price and in mix of new and pre-owned.

## Foreign Currency

We expect demand for foreign exchange services to remain resilient. Whilst UK travellers continue to make increasing use of cashless payments when travelling overseas, our customers often choose to take physical foreign currency which we believe will continue for the foreseeable future.

## CHIEF FINANCIAL OFFICER'S REVIEW

### Change of accounting reference date ("Year End")

The Board has made the decision to change the Group's financial year end from 31 December to 30 September, with effect from September 2025, as previously communicated. This will result in financial performance being more evenly spread across the two half year reporting periods. Comparative unaudited figures for the twelve months to 30 September 2024, to establish the base for the new accounting reference dates, are summarised on pages 23-24 of this announcement.

For the 2025 financial year, being the first financial year with the new year end, statutory audited results covering the nine-month period to 30 September 2025 are expected to be published in January 2026. Simultaneously, the Group will publish unaudited comparative results for the twelve months to 30 September 2025. Given that there will be no interim financial reporting in this first year of transition, the Group will publish a trading update in July 2025, covering the first six months of the calendar year to 30 June 2025.

For future financial years, the reporting cycle will comprise six months interim reporting to March, which we expect to publish in May, and full year reporting to September, which we expect to publish in January.

A reporting calendar will be published on the Group's investor relations website at <https://handt.co.uk/pages/investor-relations>.

The expected future dividend timetable for the year end September 2025 is shown in the table below:

	Interim Dividend	Final Dividend
<b>9 month Statutory Year 2025</b>		
Period	3 months to March 2025	6 months to September 2025
Payment Date	August 2025	April 2026

## Financial Results

### Gross Profit

Reported gross profit increased to £155.4m (2023: £127.2m), up 22% year on year as sustained demand for H&T's core product offerings delivered revenue growth.

The Group delivered profit before tax of £29.1m (2023: £26.4m), up 10% year on year and profit after tax of £22.2m (2023: £21.1m), up 5% year on year.

Illustrated in the table below, the pawnbroking and retail segments continue to be the core contributors to the Group's performance, supported by growing demand for our foreign currency service and over the counter gold purchase. Gold purchase margins are benefiting from current elevated gold prices with volumes broadly flat.

	12 months ended 31 December 2024	12 months ended 31 December 2023	% Change
	£'m	£'m	
<b>Gross profit:</b>			
Pawnbroking	102.3	90.4	13%
Pawnbroking scrap	9.5	4.7	102%

Pawnbroking total	111.8	95.1	18%
Retail	19.3	14.4	34%
Gold purchasing	14.8	8.6	72%
Foreign exchange	7.0	6.3	11%
Other services	2.5	2.8	-11%
<b>Total gross profit</b>	<b>155.4</b>	<b>127.2</b>	<b>22%</b>
<b>Less IFRS 9 impairment charge:</b>			
Pawnbroking IFRS 9 provision movement	(4.7)	6.0	-178%
Pawnbroking	(29.3)	(26.9)	9%
Personal loans	0.7	0.6	17%
<b>Income from Operations</b>	<b>122.1</b>	<b>106.9</b>	<b>14%</b>

Pawnbroking is the Group's core product offering, with income from operations (after IFRS 9 impairment charge) growing by 5% to £77.8m (2023: £74.2m). Pawnbroking income is strongly correlated to the timing of growth in the underlying pledge book, the distribution of individual pledge loan values within the portfolio and the impairment charge required to be raised in line with International Financial Reporting Standard (IFRS) 9.

The risk adjusted yield earned on the pledge book, which now includes pawnbroking scrap income with prior years restated, is 71% (2023 restated to include Pawnbroking scrap profit: 78%), having been impacted by the following:

- **Very strong growth in the Pledge Book in Q4:**The strong growth in the pledge book achieved in Q4 provides a sound base for future growth. However, 2024 revenues reflect limited benefit from this growth, as it occurred late in the year and therefore, time on book was not significant.
- **Higher redemptions:** Customers chose to repay their pledge loans earlier than would ordinarily be the case, during the spring months of 2024, resulting in a c.15% increase in the normal monthly flow of redemptions during the months of March, April and May 2024. These higher levels of redemptions reduced the capital value of the pledge book, and correspondingly reduced the yield earned on the book during the year.
- **Increased IFRS 9 provisions:**The Group implemented an increase in lending interest rates in mid-2024, which will increase the gross yield on the pledge book over time. This has necessitated a review of the input assumptions within the Group's IFRS 9 impairment model, particularly in respect of the calculated effective interest rate ("EIR"). As a result of this review, and the strong growth seen in the pledge book in Q4 2024, the provision held under IFRS 9 has increased by £4.7m (2023: decrease of £6.0m) to £10.5m (2023: £5.8m)
- **Uncollected interest:** The IFRS 9 impairment charge includes uncollected interest on pledge loans that have reached the point of forfeit, and the IFRS 9 expected credit loss provision charge. This charge increased in line with the growth in the underlying pledge book, to £29.3m (2023: £26.9m). Uncollected pledge book interest on loans that have reached the point of forfeit, is recovered through the disposal of the collateral item, either through pawnbroking scrap or retail activities. Pawnbroking scrap profits are now incorporated into the segmental performance of pawnbroking, with prior periods restated to present an appropriate comparison.

#### Recognition and Measurement of Financial Assets: Pledge Book IFRS 9 provision requirements

International Financial Reporting Standard, IFRS 9, is issued by the International Accounting Standards Board (IASB) to govern the recognition, measurement, and disclosure of financial instruments. This requires the Group to classify, measure and recognise expected credit losses on its financial assets, from the point of initial recognition of the pawnbroking loan made to the customer.

For the pawnbroking pledge book, the Group is exposed to credit risk through customers defaulting on their loans, with the key mitigation to this risk being the requirement for all customers to provide security (the pledge item) to H&T for safe keeping, at the point they enter into the pawnbroking contract. This security (the pledge item) acts to minimise the credit risk as a customer pledge becomes the property of H&T on the default of the pawnbroking loan.

IFRS 9 requires that the Group measures loss allowances for financial assets, specifically the pledge book, using the expected credit loss model. The Group's expected credit loss model compares the carrying value of pledge loans (being the principal loan value plus interest accrued at the effective interest rate for each pawnbroking loan) to the expected recoveries through redemption and the realisable value of the underlying collateral (the pledge).

A detailed and comprehensive review of the key estimates considered in the Group's IFRS 9 impairment model is concluded annually. This review focuses on the key estimates captured in the IFRS 9 expected credit loss model, which are:

- Redemption rates: this captures both the rate at which, and timing of when, customers redeem their pledge loans.
- Forfeit profile: this is the time taken to realise the underlying value of the collateral (the pledge) for loans which ultimately forfeit. Pledge loans are considered to be in default when they reach the end of their contractual period of 6 months, and from this point value can be realised through normal redemption, or through forfeit.
- Expected realisation value of collateral: this is the realisable value of the collateral (the pledge), and this security significantly reduces the credit risk. In the event of forfeiture, these collateral items (the pledge), can be either sold as retail items or scrapped by H&T to settle the outstanding carrying value (principal plus accrued interest) of the pledge loan. If sold as retail items, the realisable value is the retail price at which these items are sold, through the Group's store estate or on-line. If scrapped, the realisable value is the prevailing trade price of the underlying metals, precious stones or watches. The Group estimates that the current fair value of the security held (the pledge item) is in excess of the current pledge book value.

The review further considers the effective interest rate ("EIR") applied in determining the value of the expected future credit losses, also noting the impact of any changes in the key assumptions noted above. We are satisfied that the recognition and measurement of the pledge book fairly represents the minimal exposure to credit risk, given the current fair value of the security held (the pledge item) is in excess of the pledge book value.

### Profit Before Tax

The Group delivered profit before tax of £29.1m (2023: £26.4m), up 10% year on year and profit after tax of £22.2m (2023: £21.1m), up 5% year on year.

	12 months ended 31 December 2024	12 months ended 31 December 2023	% Change
	£'m	£'m	
<b>Income from Operations</b>	<b>122.1</b>	<b>106.9</b>	<b>14%</b>
Operating expenses:	(86.6)	(77.4)	12%
<i>other direct costs</i>	(59.2)	(53.2)	11%
<i>administrative expenses</i>	(27.4)	(24.2)	13%
Investment revenues	0.1	0.1	0%
Finance costs	(6.5)	(3.2)	103%
<b>Profit before taxation</b>	<b>29.1</b>	<b>26.4</b>	<b>10%</b>

### Operating Expenses

Operating expenses, being direct and administrative expenses, increased to £86.6m (2023: £77.4m), up 12% year on year. Within this, employee related costs rose by 9% and represent approximately 58% (2023: 58%) of total costs. The Group is primarily a fixed cost business, with continued ongoing close control of costs to achieve operating efficiencies remaining a priority of the Group.

Ensuring that our employees are appropriately rewarded remains a priority for the Group. Employee related costs for 2025 will continue to rise at a rate above that of headline inflation, primarily as a result of decisions taken by the UK government in respect of National Living Wage and Employers' National Insurance contributions.

We continue to be able to negotiate improved leasehold occupancy terms upon lease renewal and the Group fixed its energy costs in 2024 until December 2026, on improved terms relative to the previous fixed rate contract.

The Group employed 1,678 people (2023: 1,625) at 31 December 2024, being 1,453 FTE (2023: 1,410), with the increase in headcount supporting the growth in store estate and in key support functions.

### Taxation

The corporation taxation charge for the year was £6.8m (2023: £5.3m). Corporation tax rates increased from 1 April 2023, from 19% to 25%. The Group has an effective tax rate of 24% (2023: 20%). These effective tax rates are lower than the standard rate of tax due the additional tax relief from the use of the super-deduction allowance for investment in plant and machinery for three years from 1 April 2021, giving rise to a net credit relating to prior years. The timing difference between tax relief on the group's investment in its capital programme versus the timing of the accounting recognition of this expenditure, along with other timing differences, results in deferred taxation. As tax relief has been accelerated, a deferred tax liability arises for the year and this is provided at 25%, being the tax rate at which the liability is expected to reverse.

### Balance Sheet

	31 December 2024	31 December 2023	% Change
	£'m	£'m	
Pledge book capital value of loans	126.8	101.3	25%
Accrued interest	42.0	33.4	26%
IFRS 9 impairment provision	(10.5)	(5.8)	81%
Net carrying value of pledge book	158.3	128.9	23%
Inventories	40.6	40.7	0%
Goodwill	27.3	21.9	25%
Property, plant and equipment	15.8	15.7	1%
Intangible assets	9.5	7.6	25%
Net debt	(54.4)	(31.6)	72%
Other net assets/(liabilities)	(5.0)	(5.8)	-14%
<b>Net assets</b>	<b>192.1</b>	<b>177.4</b>	<b>8%</b>

The Group's net asset value increased to £192m (2023: £177m). The balance sheet is underpinned by the inherent value, expressed at cost, of precious metals and watches in the form of collateral for the pledge book and in inventory, as well as cash balances.

The Group ended the year with a net debt position of £54.4m (2023: £31.6m), primarily funding investment in working capital through growing the pledge book (including the acquisition of the Maxcroft pledge book), the store estate, both new and existing stores and investment in technology and data capabilities. Cash on hand at the end of December amounted to £15m (2023: £11m).

Non-current assets grew to £70m (2023: £65m) with the investment of capital expenditure, particularly in respect of the Group's store estate, both existing and new stores, of £3.3m (2023: £2.7m) and continued strategic investment in the Group's technology capabilities and platform of £2.8m (2023: £1.6m). These costs have been capitalised in line with accounting standard, IAS 38. To date £6.9m (2023: £2.9m) of technology costs incurred in the development of EVO have been capitalised. Further costs are

expected to be capitalised as further phases of development are undertaken over a further three years.

#### Pledge Book

With sustained demand, the pledge book capital value, excluding accrued interest and IFRS 9 provisions, grew by 26% to £127m (December 2023: £101m) at 31 December 2024, while the carrying value of the pledge book, including interest accrued and after IFRS 9 provisions, was £158m (December 2023: £129m), up 22%. The provision held under IFRS 9 has increased by £4.7m (2023: decrease £6m) to £10.5m (2023: £5.8m). This represents coverage of 6.2% (December 2023: 4.3%). This increase is in part a result of an increase in lending interest rates, which will increase the gross yield on the pledge book over time. This has necessitated a review of the input assumptions within the Group's IFRS 9 impairment model, particularly in respect of the calculated effective interest rate ("EIR"). Primarily as a result of this review, together with the strong growth seen in the pledge book in Q4 2024, the provision held under IFRS 9 has increased.

The fair value of the collateral held in support of the pledge book at 31 December is estimated to be £229m (2023: £184m).

#### Inventory

The value of inventory held was unchanged at £41m (2023: £41m) and is valued at the lower of cost or net realisable value. Of this total inventory, £26m was available for retail sale in the stores (2023: £29m). For inventory arising from unredeemed pledge loans upon default, this cost represents the value of the pledge loan plus overheads. The net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Relative to these measures, the Group considers the value of inventory to be conservatively stated.

The collateral (the pledge item) which protects the Group from credit risk in the event of default of pledge book loans, comprises 98% (2023: 99%) gold, jewellery items and watches. The value of the majority of these items is correlated to the prevailing gold price and they are conservatively valued as the Group applies conservative lending policies when providing pawnbroking pledge loans. Lending rates do not track the gold price movement in the short term. Considering the combination of these factors, the Group considers the value of the collateral (the pledge item) to be conservatively stated.

#### Asset Carrying Value Review

The Group performs an annual review of the expected earnings of acquired stores and considers whether the associated goodwill and other property, plant and equipment values require an impairment as required by accounting standards. The Group has also considered whether its right-of-use assets (property leases) are fairly valued.

#### Share Capital

The Group has a total of 43,987,934 (2023: 43,987,934) shares in issue.

As at 31 December 2024, the Group operated a single share award scheme, the Performance Share Plan "PSP". The charge to the income statement for the year for this scheme was £0.3m (2023: £0.2m).

Awards that can be granted under this current PSP scheme total a maximum of 4,398,793 shares (2023: 4,398,793 shares), being 10% of the issued share capital of the Group as defined in the Articles of Association. Under the 2022 PSP scheme, which references a December 2024 performance end date, a total of 195,770 shares are expected to vest.

#### Cash Flow

	31 December 2024	31 December 2023
	£'m	£'m
Operating cash inflows	46.8	39.1
Working capital	(22.3)	(33.4)
Taxation paid	(6.8)	(6.0)
Capital investment	(7.3)	(8.6)
Interest and finance costs paid	(6.0)	(2.6)
Dividend paid	(7.6)	(7.2)
Payment of leases	(7.1)	(6.9)
Acquisitions	(12.5)	(3.2)
<b>Net cash utilised</b>	<b>(22.8)</b>	<b>(28.8)</b>

As expected, we continued to invest available cash resources in growing the core pawnbroking business of the Group, with £23m (2023: £29m) invested in growing working capital, primarily the pledge book, and £7.3m (2023: £8.6m) invested in capital expenditure, firstly in the store estate, both new stores and existing stores, and secondly in our technology platforms.

Taxation and dividend payments were made of £6.8m (2023: £6.0m) and £7.6m (2023: £7.2m) respectively, whilst interest paid on loan facilities was £6.0m (2023: £3.5m), reflecting increased use of financial facilities available to the Group along with rising interest rates.

#### **Financing Facilities**

During the year, the Group made use of an additional £26.1m of its available funding facilities, with gross borrowings at 31 December 2024 of £69.1m (2023: £43.0m). The Group's net debt position at 31 December 2024, amounted to £54.4m (2023: £31.6m) as the growing business was funded through the increasing use of the Group's available funding facilities. Cash in hand and held within the store estate increased to £15m (2023: £11m).

During the course of the year, we further diversified and enhanced the Group's funding arrangements with £25m of additional term financing from PGIM Private Capital (previously Pricoa Private Capital). This additional financing brings the total funding facilities available to HFT to £95m, with all funding ranking pari

additional financing brings the total funding facilities available to H&I to £85m, with all lenders ranking *Pari Passu* and the financial covenants aligned.

Financial covenants are summarised in the table below and all are comfortably met.

Financial Covenant	Ratio	31 December 2024	31 December 2023
Total Net Debt to EBITDA	2.5x	1.4x	0.9x
Interest Cover Ratio	4x	7.6x	18.4x
Fixed Cover Charge Ratio	1.5x	3.5x	14.8x
Asset Cover Ratio	3x	3.7x	5.4x

### Return on Equity

The Group had average net asset value over the course of the year of £183m (2023: £168m) and reported profit after tax of £22.2m (2023: £21.1m), representing a post-tax return on equity (RoE) using monthly averages, of 12.2% (2023: 12.6%) and a post tax return on monthly average tangible equity (RoTE) of 15.1% (2023: 15.1%). The Group targets to achieve a sustainable post-tax ROE % in the mid-teens, through the cycle, and is committed to achieving this objective.

### Going Concern

The Board has assessed the impact of appropriate scenarios and believes that it has sufficient committed funding facilities available to meet the anticipated needs of the Business. The Group has prepared the financial statements on a going concern basis.

### Share Price and EPS

The closing share price at 31 December 2024 was 355p (2023: 432p).

Basic earnings per share was 51.1p (2023: 48.7p), up 5% year-on-year after the impact of the increase in the rate of corporation tax from 19% to 25% from 1st April 2023. Diluted earnings per share was 50.9p (2023: 48.5p). Net asset value per share was 441.9p (2023: 409.0p), up 8% on prior year.

### Change of accounting reference date ("Year End")

The Board has made the decision to change the Group's financial year end from 31 December to 30 September, with effect from September 2025, as previously communicated. This will result in financial performance being more evenly spread across the two half year reporting periods. Comparative unaudited figures for the twelve months to September 2024 are summarised below:

### Revenue and Income Statement

	30 September 2024 Unaudited £'m	31 December 2024 Audited £'m
<i>Pawnbroking</i>	97.7	102.3
<i>Pawnbroking scrap</i>	32.2	35.3
<b>Pawnbroking total</b>	<b>129.9</b>	<b>137.6</b>
Retail	58.6	61.8
Gold purchasing	44.1	54.8
Foreign exchange	7.8	8.0
Other services	3.4	3.2
<b>Revenue</b>	<b>243.8</b>	<b>265.4</b>
<i>Pawnbroking</i>	97.7	102.3
<i>Pawnbroking scrap</i>	7.4	9.5
<b>Pawnbroking total</b>	<b>105.1</b>	<b>111.8</b>
Retail	18.7	19.3
Gold purchasing	10.5	14.8
Foreign exchange	6.8	7.0
Other services	2.4	2.5
<b>Gross profit</b>	<b>143.5</b>	<b>155.4</b>
Less IFRS 9 impairment charge:		
Pawnbroking	(26.3)	(34.0)
Personal loans	0.6	0.7
<b>Income from operations</b>	<b>117.8</b>	<b>122.1</b>
Less Operating expenses:		
Other direct costs	(57.9)	(59.2)
Administrative costs	(26.2)	(27.4)
<b>Operating Profit</b>	<b>33.7</b>	<b>35.5</b>
Finance costs	(6.0)	(6.4)
<b>Profit before tax</b>	<b>27.7</b>	<b>29.1</b>

Tax charge on profit	(6.9)	(6.9)
<b>Profit after tax</b>	<b>20.8</b>	<b>22.2</b>

Key Performance Indicators	30 September 2024	31 December 2024
	Unaudited	Audited
Number of stores	282	285
Capital value pledge book	£111m	£127m
Carrying value pledge book	£138m	£158m
Monthly average capital value pledge book	£104m	£109m
Risk adjusted margin on capital value	76%	71%
Monthly average carrying value pledge book	£129m	£135m
Risk adjusted margin on carrying value	61%	58%
Diluted EPS (p)	47.6p	50.9p

#### GROUP BALANCE SHEET

	30 September 2024	31 December 2024
	Unaudited	Audited
	£'000	£'000
<b>Non-current assets</b>		
Goodwill	27.2	27.3
Other intangible assets	8.9	9.5
Property, plant and equipment	15.8	15.8
Right-of-use assets	17.7	17.9
	<u>69.6</u>	<u>70.5</u>
<b>Current assets</b>		
Inventories	51.9	40.6
Trade and other receivables	146.0	164.9
Cash and cash equivalents	21.1	14.6
	<u>219.0</u>	<u>220.1</u>
<b>Total assets</b>	<b>288.6</b>	<b>290.6</b>
<b>Current liabilities</b>		
Trade and other payables	(9.4)	(7.7)
Lease liability	(5.4)	(5.3)
	<u>(14.8)</u>	<u>(13.0)</u>
<b>Net current assets</b>	<b>204.2</b>	<b>207.1</b>
<b>Non-current liabilities</b>		
Borrowings	(74.5)	(69.1)
Lease liabilities	(14.3)	(14.5)
Deferred tax liabilities	(0.4)	(1.5)
Long term provisions	(0.4)	(0.4)
	<u>(89.6)</u>	<u>(85.5)</u>
<b>Total liabilities</b>	<b>(104.4)</b>	<b>(98.5)</b>
<b>Net assets</b>	<b>184.2</b>	<b>192.1</b>
<b>EQUITY</b>		
Share capital	2.2	2.2
Share premium account	50.2	49.7
Retained earnings	131.8	140.2
<b>Total equity attributable to equity holders</b>	<b>184.2</b>	<b>192.1</b>

Diane Giddy

Chief Financial Officer

#### CONSOLIDATED GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
Note	£'000	£'000

Continuing operations:			
Revenue	2	265,373	220,775
Cost of sales		(109,983)	(93,539)
<b>Gross profit</b>	<b>2</b>	<b>155,390</b>	<b>127,236</b>
Impairment charges	2	(33,332)	(20,298)
<b>Income from operations</b>	<b>2</b>	<b>122,058</b>	<b>106,938</b>
Other direct expenses		(59,171)	(53,223)
Administrative expenses		(27,384)	(24,204)
<b>Operating profit</b>		<b>35,503</b>	<b>29,511</b>
Investment revenues		82	82
Finance costs	3	(6,528)	(3,233)
<b>Profit before taxation</b>		<b>29,057</b>	<b>26,360</b>
Tax charge on profit	4	(6,829)	(5,277)
<b>Profit for the financial year and total comprehensive income</b>		<b>22,228</b>	<b>21,083</b>
<b>Earnings per share from continuing operations</b>			
		<b>Pence</b>	<b>Pence</b>
Basic	5	51.17	48.74
Diluted	5	50.94	48.49

All profit for the period is attributable to equity shareholders.

**CONSOLIDATED  
GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital	Share premium account	Employee Benefit Trust shares reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2023	2,193	49,423	(34)	112,537	164,119
Profit for the year	-	-	-	21,083	21,083
<b>Total comprehensive income</b>	-	-	-	<b>21,083</b>	<b>21,083</b>
Issue of share capital	6	300	-	(306)	-
Share option movement	-	-	3	(679)	(676)
Dividends	-	-	-	(7,156)	(7,156)
<b>At 31 December 2023</b>	<b>2,199</b>	<b>49,723</b>	<b>(31)</b>	<b>125,479</b>	<b>177,370</b>
At 1 January 2024	2,199	49,723	(31)	125,479	177,370
Profit for the year	-	-	-	22,228	22,228
<b>Total comprehensive income</b>	-	-	-	<b>22,228</b>	<b>22,228</b>
Settlement of share-based payments	-	-	6	-	6
Deferred tax on share-based payments	-	-	-	(39)	(39)
Share-based payment charge	-	-	-	283	283
Employee Benefit Trust	-	-	-	(107)	(107)
Dividends	-	-	-	(7,609)	(7,609)
<b>At 31 December 2024</b>	<b>2,199</b>	<b>49,723</b>	<b>(25)</b>	<b>140,235</b>	<b>192,132</b>

**CONSOLIDATED  
GROUP BALANCE SHEET  
AS AT 31 DECEMBER 2024**

	31 December 2024	31 December 2023
Note	£'000	£'000
<b>Non-current assets</b>		
Goodwill	27,310	21,851
Other intangible assets	9,504	7,618
Property, plant and equipment	15,780	15,686
Right-of-use assets	17,901	19,581
	<b>70,495</b>	<b>64,736</b>
<b>Current assets</b>		
Trade receivables	12,500	12,711

Inventories		40,582	40,711
Trade and other receivables		164,792	135,271
Current tax recoverable		137	-
Cash and cash equivalents		14,654	11,387
		220,165	187,369
<b>Total assets</b>		<b>290,660</b>	<b>252,105</b>
<b>Current liabilities</b>			
Trade and other payables		(7,700)	(7,955)
Lease liability		(5,338)	(3,965)
Current tax liability		-	(858)
		(13,038)	(12,778)
<b>Net current assets</b>		<b>207,127</b>	<b>174,591</b>
<b>Non-current liabilities</b>			
Borrowings		(69,100)	(43,000)
Lease liabilities		(14,445)	(18,002)
Deferred tax liabilities		(1,520)	(508)
Long term provisions		(425)	(447)
		(85,490)	(61,957)
<b>Total liabilities</b>		<b>(98,528)</b>	<b>(74,735)</b>
<b>Net assets</b>		<b>192,132</b>	<b>177,370</b>
<b>EQUITY</b>			
Share capital	8	2,199	2,199
Share premium account		49,723	49,723
Employee Benefit Trust share reserve		(25)	(31)
Retained earnings		140,235	125,479
<b>Total equity attributable to equity holders</b>		<b>192,132</b>	<b>177,370</b>

The financial statements of H&T Plc, registered number 05188117, were approved by the Board of Directors on 17 March 2025 and authorised for issue on 18 March 2025.

They were signed on its behalf by:

CD Gillespie

Chief Executive Officer

#### GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	£'000	As restated* £'000
<b>Net cash from operating activities</b>	6	11,857	(3,509)
<b>Investing activities</b>			
Interest received		82	82
Purchases of intangible assets		(2,840)	(1,554)
Purchases of property, plant and equipment		(4,444)	(7,045)
Acquisition of trade and assets of businesses		(12,491)	(3,155)
<b>Net cash used in investing activities</b>		<b>(19,693)</b>	<b>(11,672)</b>
<b>Financing activities</b>			
Dividends paid		(7,609)	(7,156)
Payment of lease liabilities		(6,219)	(6,046)
Increase in borrowings		26,100	28,000
Debt restructuring costs		(1,062)	(490)
Employee Benefit Trust		(107)	31
<b>Net cash from financing activities</b>		<b>11,103</b>	<b>14,339</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,267</b>	<b>(842)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>11,387</b>	<b>12,229</b>
<b>Cash and cash equivalents at end of the period</b>		<b>14,654</b>	<b>11,387</b>

\* The restatement of the 2023 figures is explained in note 6.

**Notes to the Preliminary Announcement  
For the year ended 31 December 2024**

**1. Finance information and significant accounting policies**

The financial information has been abridged from the audited financial statements for the year ended 31 December 2024.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with the International Financial Reporting Standards ('IFRS') accounting policies adopted by the Group and set out in the annual report and accounts for the year ended 31 December 2024, this announcement does not itself contain sufficient information to comply with IFRS. The Group will be publishing full financial statements that comply with IFRS in April 2025.

The financial information set out above does not constitute the statutory accounts for the purposes of section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2023 is based on the statutory accounts filed with the Registrar of Companies and those for 2024 will be filed with the Registrar in due course. The auditors have reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services and interest income provided in the normal course of business, net of discounts, VAT, and other sales-related taxes.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and be reliably measured.

The Group recognises revenue from the following major sources:

- Pawnbroking, or Pawn Service Charge (PSC);
- Retail jewellery sales;
- Pawnbroking scrap and gold purchasing;
- Foreign exchange income; and
- Income from other services

**Pawnbroking, or Pawn Service Charge (PSC)**

PSC comprises contractual interest earned on pledge loans, plus auction profit or loss, less any auction commissions payable and less surplus payable to the customer. Revenue is recognised over time in relation to the interest accrued by reference to the principal outstanding and the effective interest rate applicable as governed by IFRS 9.

**Retail jewellery sales**

Jewellery inventory is sourced from unredeemed pawn loans, newly purchased items and inventory refurbished from the Group's gold purchasing operation. For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the store. Payment of the transaction price is due immediately at the point the customer purchases the goods. Under the Group's standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset, and a corresponding adjustment to cost of sales.

The Group uses its accumulated historical experience to estimate the number of returns. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent and immaterial level of returns over previous years; as a proportion of sales, 2024 returns were 7.5% (2023: 7.3%)

**Pawnbroking scrap and gold purchasing**

Scrap revenue comprises proceeds from gold scrap sales, jewellery items and watches. Revenue is recognised when control of the goods has transferred, being at the point the smelter purchases the relevant metals, or the items are sold or auctioned.

**Foreign exchange**

The foreign exchange currency service where the Group earns a margin when selling or buying foreign currencies.

**Other services**

Other services comprise revenues from third party cheque cashing, money transfer income, watch repairs, income from the Group's former unsecured lending activities (ceased in April 2022) and other income. Commission receivable on cheque cashing and other income is recognised at the time of the transaction as this is when control of the goods has transferred. Repair income is recognised when the repair has been completed. The Group recognises interest income arising on secured and unsecured lending within trading revenue rather than investment revenue on the basis that this represents most accurately the business activities of the Group.

**Gross profit**

Gross profit is stated after charging inventory, pledge and other services' provisions and direct costs of inventory items sold or scrapped in the year, before loan and pawnbroking impairments.

#### **Impairment charges**

Impairment charges comprise a charge for interest earned on pawnbroking loans that ultimately forfeit, net of the movement in the IFRS 9 provision.

#### **Operating expenses**

Operating expenses comprise all expenses associated with the operation of the various stores and collection centre of the Group, including premises expenses, such as rent, rates, utilities and insurance, all staff costs and staff related costs for the relevant employees, and the administrative expenses and overheads of the Group.

#### **Inventory stock provisions**

Where necessary provision is made for obsolete, slow moving, damaged goods or inventory shrinkage. The provision for obsolete, slow moving, and damaged inventory represents the difference between the cost of the inventory and its net realisable value. The inventory shrinkage provision is based on an estimate of the inventory missing at the reporting date using historical shrinkage experience.

## **2. Operating segments**

For reporting purposes, the Group is currently organised into five segments - pawnbroking (being pawnbroking and pawnbroking scrap), retail, gold purchasing, foreign exchange and other services. Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the chief operating decision-makers. The Board of Directors are responsible for allocating resources and assessing performance of the operating segments and has been identified as the steering committee that makes strategic decisions.

The principal activities by segment are as follows:

#### **Pawnbroking:**

Pawnbroking is a loan secured against a collateral (the pledge). In the case of the Group, over 98% (2023: 99%) of the collateral against which amounts are lent comprises precious metals (predominantly gold), diamonds and watches. The pawnbroking contract is a six-month credit agreement bearing a monthly interest rate of between 2% and 10.49%. The contract is governed by the terms of the Consumer Credit Act 2008. If the customer does not redeem the goods by repaying the secured loan before the end of the contract, the Group is required to dispose of the goods either through public auctions if the value of the pledge is over £75 (disposal proceeds being reported in this segment) or, if the value of the pledge is £75 or under, through public auctions or the retail or pawnbroking scrap activities of the Group.

Pawnbroking scrap comprises all other proceeds from gold scrap sales of the Group's inventory assets other than those reported within gold purchasing. The items are either damaged beyond repair, are slow moving or surplus to the Group's requirements, and are smelted and sold at the current gold spot price less a small commission.

#### **Retail:**

The Group's retail proposition is primarily gold, jewellery and watches, and the majority of the retail sales are forfeited items from the pawnbroking pledge book or refurbished items from the Group's gold purchasing operations. The retail offering is complemented with an amount of new or second-hand jewellery purchased from third parties by the Group.

#### **Gold purchasing:**

Jewellery is bought direct from customers through all of the Group's stores. The transaction is simple with the store agreeing a price with the customer and purchasing the goods for cash on the spot. Gold purchasing revenues comprise proceeds from scrap sales on goods sourced from the Group's purchasing operations.

#### **Foreign exchange:**

The foreign exchange currency service where the Group earns a margin when selling or buying foreign currencies.

#### **Other services:**

This segment comprises:

- Third party cheque encashment which is the provision of cash in exchange for a cheque payable to our customer for a commission fee based on the face value of the cheque.
- Money Transfer commission earned on the Group's money transfer service.
- Watch repair services provided by Group company, Swiss Time Services Limited
- Personal loans income from the Group's former unsecured lending activities which ceased in April 2022. Personal loan revenues are stated at amortised cost after taking into consideration an assessment on a forward-looking basis of expected credit losses.

Cheque cashing is subject to bad debt risk which is reflected in the commissions and fees applied.

Further details on each activity are included in the Chief Executive's review.

Segment information about these businesses is presented below:

	2024 £'000	2023 £'000
<b>Revenue</b>		
<i>Pawnbroking</i>	102,314	90,412
<i>Pawnbroking scrap</i>	35,268	27,908
<b>Pawnbroking total</b>	<b>137,582</b>	<b>118,320</b>
Retail	61,782	48,584
Gold purchasing	54,824	42,811
Foreign exchange	7,983	7,136
Other services	3,202	3,924
<b>External and total revenue</b>	<b>265,373</b>	<b>220,775</b>
<b>Gross profit</b>		
<i>Pawnbroking</i>	102,314	90,412
<i>Pawnbroking scrap</i>	9,463	4,695
<b>Pawnbroking total</b>	<b>111,777</b>	<b>95,107</b>
Retail	19,320	14,417
Gold purchasing	14,781	8,577
Foreign exchange	7,040	6,276
Other services	2,472	2,859
<b>Gross profit</b>	<b>155,390</b>	<b>127,236</b>
<b>Impairment charges</b>	<b>(33,332)</b>	<b>(20,298)</b>
<b>Income from operations</b>		
<i>Pawnbroking</i>	68,335	69,482
<i>Pawnbroking scrap</i>	9,463	4,695
<b>Pawnbroking total</b>	<b>77,798</b>	<b>74,177</b>
Retail*	19,320	14,417
Gold purchasing	14,781	8,577
Foreign exchange	7,040	6,276
Other services	3,119	3,491
<b>Income from operations</b>	<b>122,058</b>	<b>106,938</b>
Other direct expenses excluding impairment**	(59,171)	(53,223)
Administrative expenses	(27,384)	(24,204)
<b>Operating profit</b>	<b>35,503</b>	<b>29,511</b>
Interest receivable	82	82
Financing costs	(6,528)	(3,233)
<b>Profit before taxation</b>	<b>29,057</b>	<b>26,360</b>
Tax charge on profit	(6,829)	(5,277)
<b>Profit for the period and total comprehensive income</b>	<b>22,228</b>	<b>21,083</b>

\* includes retail of forfeited pledge items

\*\* The Group cannot meaningfully allocate this information by segment due to all the segments operating from the same stores and the assets in use being common to all segments

#### Geographical segments

The Group's revenue from external customers by geographical location is detailed below:

	2024 £'000	2023 £'000
United Kingdom	263,218	217,388
Other	2,155	3,387
<b>Total revenue</b>	<b>265,373</b>	<b>220,775</b>

The Group's non-current assets are located entirely in the United Kingdom. Accordingly, no further geographical segment analysis is presented.

### 3. Financing costs

	2024 £'000	2023 £'000
Interest on bank loans	5,210	3,176

interest on bank loans	5,219	4,110
Other interest	3	4
Interest expense on the lease liability	907	945
Amortisation of debt issue cost	399	108
<b>Total interest expense</b>	<b>6,528</b>	<b>3,233</b>

#### 4. Tax charge on profit

The Group recognised an effective tax rate of 23.5% (2023: 20.0%). This is lower than the standard blended UK statutory rate for the year of 25% primarily due to adjustments relating to previous periods.

##### a. Tax on profit on ordinary activities

	2024 £'000	2023 £'000
<b>Current tax</b>		
UK corporation tax charge at 25% (2023: 23.5%)	6,530	6,195
Adjustments in respect of prior periods	(674)	(338)
<b>Total current tax charge</b>	<b>5,856</b>	<b>5,857</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	809	(300)
Adjustments in respect of prior periods	164	(202)
Effect of changes in tax rates	-	(78)
<b>Total deferred tax charge</b>	<b>973</b>	<b>(580)</b>
<b>Tax on profit on ordinary activities</b>	<b>6,829</b>	<b>5,277</b>

##### b. Factors affecting the tax charge for the year

	2024 £'000	2023 £'000
<b>Profit before taxation</b>	<b>29,057</b>	<b>26,360</b>
Tax on profit on ordinary activities at standard CT rate of 25% (2023: 23.5%)	7,264	6,195
Effects of:		
Expenses not deductible for tax purposes	1	6
Fixed asset differences	122	(43)
Other differences	(51)	(277)
Adjustments to tax charge in respect of previous periods	(674)	(736)
Adjustments to tax charge in respect of previous periods - deferred tax	167	202
Remeasurement of deferred tax for changes in tax rates	-	(70)
<b>Total current tax charge</b>	<b>6,829</b>	<b>5,277</b>

In addition to the amount charged to the income statement and in accordance with IAS 12, the excess of current and deferred tax over and above the relative related cumulative remuneration expense under IFRS 2 has been recognised directly in equity. The amount taken to equity in the current period was a debit of £39,000 (2023: debit of £398,000).

#### 5. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. With respect to the Group these represent share options and conditional shares granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year.

Reconciliations of the earnings per ordinary share and weighted average number of shares used in the calculations are set out below:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Earnings £'000	Weighted average number of shares	Per-share amount pence	Earnings £'000	Weighted average number of shares	Per-share amount pence
<b>Earnings per share: basic</b>	22,228	43,440,536	51.17	21,083	43,253,136	48.7
<b>Effect of dilutive securities</b>						
Options and conditional shares	-	195,770	(0.23)	-	223,629	(0.2)
<b>Earnings per share: diluted</b>	22,228	43,636,306	50.94	21,083	43,476,765	48.5

## 6. Notes to the Cash Flow Statement

	2024	2023
	£'000	As restated* £'000
<b>Profit for the year</b>	22,228	21,083
<b>Adjustments for:</b>		
Investment revenues	(82)	(82)
Financing costs	6,528	3,233
Decrease in provisions	(22)	(1,699)
Income tax expense	6,829	5,277
Depreciation of property, plant and equipment	4,277	4,171
Depreciation of right-of-use assets	5,755	5,769
Amortisation of intangible assets	954	915
Right-of-use asset impairment	(38)	(57)
Share based payment expense	283	215
Loss on disposal of property, plant and equipment	74	233
Loss on disposal of right-of-use assets	-	1
<b>Operating cash inflows before movements in working capital</b>	<b>46,786</b>	<b>39,059</b>
Decrease/(Increase) in inventories	895	(5,079)
Decrease/(Increase) in receivables	(22,594)	(29,347)
(Decrease)/Increase in payables	(577)	930
<b>Cash generated from operations</b>	<b>24,510</b>	<b>5,563</b>
Tax paid	(6,841)	(5,957)
Interest paid on loan facility	(4,905)	(2,169)
Interest paid on lease liability	(907)	(946)
<b>Net cash from operating activities</b>	<b>11,857</b>	<b>(3,509)</b>

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

\*The Group has reclassified payments made in respect of lease liabilities and debt restructuring costs for 2023. There has been no impact on the Group Statement of Comprehensive Income.

## 7. Earnings before interest, tax, depreciation and amortisation ("EBITDA")

EBITDA is a non-IFRS measure defined as earnings before interest, taxation, depreciation, and amortisation. It is calculated by adding back depreciation and amortisation to the operating profit as follows:

2024	2023
£'000	£'000

	2024	2023
<b>Operating profit</b>	<b>35,503</b>	<b>29,511</b>
(i) Depreciation of the right-of-use assets	5,755	5,769
(ii) Depreciation and amortisation-other	5,231	3,418
(iii) Impairment of the right-of-use assets	(38)	(57)
<b>EBITDA</b>	<b>46,451</b>	<b>38,641</b>

The Board considers EBITDA to be a key performance measure as the Group's borrowing facility includes a number of loan covenants based on EBITDA.

#### 8. Share Capital

	2024	2023
<b>Issued, authorised and fully paid:</b>		
Ordinary shares of £0.05 each £'000	2,199	2,199
Number of shares	43,987,934	43,987,934

The Group has one class of ordinary shares which carry no right to fixed income.

No share capital has been issued in 2024. During 2023, the Group issued share capital amounting to £6,873 with the creation of £300,000 associated share premium. The shares were issued to satisfy share option awards that vested during the year and were at £nil consideration.

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