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THG PLC
29 April 2025

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THG PLC

Preliminary FY 2024 results and first quarter trading statement

A transformative year, marked by further strategic progress and operational resilience and balance sheet deleveraging

Key headlines:

- *FY 2024 pre-demerger revenue £1,880.2m (+1.1% YoY)*
- *FY 2024 adjusted EBITDA in-line with guidance and consensus*
- *Group continuing Q1 2025 revenue of £371.4m (-6.1% CCY), like-for-like revenue c.-3%. A return to growth in THG Nutrition supporting full year guidance*
- *THG Ingenuity demerger completed, FTSE 250 index constituent, long term capital structure refinanced to December 2029*
- *FY 2025 guidance unchanged*

THG PLC ("THG" or the "Group"), announces its preliminary results for the financial year ended 31 December 2024 ("FY 2024") and first quarter trading statement for the period ended 31 March 2025 ("Q1 2025").

Q1 2025 Group trading performance

£m	Q1 2025	CCY[1] change	YoY[2] Change
THG Beauty	223.6	-9.8%	-10.0%
THG Nutrition	147.8	+0.1%	-2.0%
Group (continuing) revenue	**371.4**	**-6.1%**[3]	**-7.0%**
Discontinued revenue	4.2	-79.9%	-79.9%
Total revenue	375.6	-8.0%	-10.6%

Matthew Moulding, CEO of THG commented:
"2024 was a big year of change and evolution for THG, the highlight of which was the demerger of the Group's technology division, THG Ingenuity at the end of the year. Following on from the demerger, we immediately undertook the early refinancing of the Group's debt, reducing gearing and putting in place long-term facilities to the end of 2029, alongside entering the FTSE 250.

"We are now fully focused on THG Beauty and THG Nutrition, and I'm incredibly proud of the progress each business has made. Following extensive efficiency drives, incorporating both automation and AI, THG has become a much leaner, fitter Group that has shown strong resilience in the face of record whey commodity pricing that placed temporary pressure on Nutrition margins. A strong performance across our Beauty business, delivering ahead of its medium-term adjusted EBITDA margin target, helped the Group to deliver a pre-demerger adjusted EBITDA margin ahead of 2023 despite the transitory headwinds in Nutrition.

"Both our businesses have undertaken extensive model changes over the past 24 months. Beauty has focused on more profitable markets and building loyalty schemes, while Myprotein has pressed ahead in undertaking a successful rebrand, underpinning rapid growth across global offline retail and licensing.

"In the first quarter of this year, THG Beauty was up against a comparative period including an early Easter which is a key

trading event, and an extra day's trading. However, in its home UK and US markets, Beauty retail is trading resiliently, with a strong selection of new brand launches planned throughout the year. It's also been especially pleasing to see Nutrition momentum improving throughout the quarter with February and March back in growth.

"With a capex light and efficient cost base, we are well positioned to return to sustainable growth and cash generation, whilst developing market share."

FY 2024 Group trading performance

£m	FY 2024	FY 2023	YoY Growth	CCY Change
THG Beauty	1,108.5	1,073.3	+3.3%	+4.6%
THG Nutrition	579.8	657.9	-11.9%	-8.7%
Post-demerger revenue	**1,688.3**	**1,731.2**	**-2.5%**	-0.4%
THG Ingenuity (external)	191.9	165.5	+16.0%	+16.4%
Pre-demerger revenue	1,880.2	1,896.7	-0.9%	+1.1%
Discontinued categories revenue	63.1	148.6	-57.5%	-56.8%
Total revenue	1,943.3	2,045.4	-5.0%	-3.1%
Post-demerger adjusted EBITDA[4]	**92.1**	**111.3**	**-17.2%**	
Post-demerger adjusted EBITDA %	5.5%	6.4%	-90bps	
Adjusted EBITDA - THG Ingenuity	31.0	11.0	+182.4%	
Pre-demerger adjusted EBITDA[5]	123.1	122.3	+0.7%	
Pre-demerger adjusted EBITDA %	6.5%	6.4%	+10bps	
Adjusted EBITDA from discontinued categories	(8.7)	(8.2)	-6.9%	
Adjusted EBITDA	114.4	114.1	+0.3%	
Adjusted EBITDA %	5.9%	5.6%	30bps	
Adjusted items - cash	24.6	10.4	-136.5%	
Adjusted items - non-cash	99.9	21.2	-371.2%	
Operating loss	(147.9)	(39.2)	-277.3%	
Net debt	**(215.3)**[6]	**(218.2)**		

All comparative figures are continuing CCY unless otherwise stated,all numbers and tables subject to rounding. Post-demerger and pre-demerger definitions are included within the Chief Financial Officer's Review.

FY 2025 outlook and guidance

- Following the completion of the demerger of THG Ingenuity, THG is a global, cash generative, health and wellness consumer brands group comprising THG Beauty and THG Nutrition.
- We maintain our Group revenue growth expectations of mid-single digit for the year, given continued confidence in underlying trading and prestige beauty demand across our home markets.
- THG Nutrition sales are back in growth in Q1 2025 underpinned by February and March performance. Offline through retail and licensing is delivering another very strong performance, building upon the excellent prior year in this channel. Furthermore, the online channel continues to be encouraging, with a return to growth in UK customers (+5%), and average selling prices ("ASPs") recovering to pre-rebrand levels.
- The development and success of the omnichannel strategy has placed record numbers of Myprotein products in customers hands during the quarter, delivering wider brand awareness with Myprotein the most 'top-of-mind' sports nutrition brand (YouGov) in the UK[7]. Notably, the offline product ranges have a much-reduced exposure to whey, supporting revenue and margin opportunities.
- As anticipated, new global volumes of high-concentrate whey protein entered the market during the first quarter, supporting a more normalised commodity market outlook. A positive impact to margins is expected in H2 2025 and beyond.
- We continue to monitor the changes to US trade policy and reciprocal actions. Whilst our exposure to tariffs across the Group is expected to be less than £1.0m pre mitigating actions, market uncertainty and the impact on consumer demand factors may influence the second half of the year.
- The impact of national insurance and minimum wage increases will be offset by in-year savings and further opportunities for operational efficiencies presented by the demerger.
- As previously indicated, capital expenditure will reduce to c.£20m p.a., with cash lease payments reducing to c. £22m pa. Cash adjusting items will be temporarily elevated at c.£15m incorporating costs relating to the

demerger.

- Over the medium term, revenue growth of mid to high-single digit is anticipated, with Group adjusted EBITDA margins progressing to historical levels of c.9.0%.

FY 2024 segmental summary

£m	THG Beauty	THG Nutrition	Central	Post-demerger
Total revenue	1,108.5	579.8	-	**1,688.3**
Adjusted EBITDA	79.8	34.5	(22.2)	**92.1**
Adjusted EBITDA margin	7.2%	6.0%	-	**5.5%**

FY 2023 segmental summary

£m	THG Beauty	THG Nutrition	Central	Post-demerger
Total revenue	1,073.3	657.9	-	**1,731.2**
Adjusted EBITDA	44.1	88.9	(21.8)	**111.3**
Adjusted EBITDA margin	4.1%	13.5%	-	**6.4%**

FY 2024 financial highlights

- Post-demerger Group revenue of £1,688.3m[[8]], representing a reduction of 0.4%. The result was driven by a strong revenue performance within THG Beauty of +4.6%, offsetting a decrease in THG Nutrition of -8.7%. The decrease in THG Nutrition was primarily due to a one-off reduction in ASPs, driven by elevated online promotional activity to clear legacy branded stock during the rebrand.
- **THG Beauty**
  - THG Beauty delivered on strategy with revenue growth in home markets (UK and US) and margin accretion which contributed to a 310bps improvement in adjusted EBITDA margin to 7.2%, an over achievement of our medium-term EBITDA guidance of >.6.0%.
  - Following a further strategic review in the year to exit loss making discontinued categories, within own brand beauty, the decision was also taken to withdraw from cosmetics and masstige to focus on growth opportunities in prestige skincare, spa and specialist products. Subsequently, THG Beauty saw a strong retail and own brand performance throughout the year with the strategic pivot towards higher-margin sales now complete.
- **THG Nutrition**
  - THG Nutrition has effectively expanded its omnichannel approach, leveraging reach from its rebrand to target both online and offline channels, enabling more customers to buy Myprotein products than ever before.
  - Revenue decline was driven by online only, with offline B2B retail and licensing growth key to growing the total customer base with products available in over 20,000 retail stores globally.
  - Through the rebrand and the omnichannel strategy, Myprotein now addresses a much wider consumer audience than ever before, including across the food-to-go (convenience), dairy, frozen food, caffeine and baked goods sectors, through both its own product and licensing partners such as Müller, Iceland, Jimmy's Coffee and Bakeaway. Category leading brands partner uniquely with Myprotein due to its global reach.
  - Challenges in the Asia market relating to FX movements continued to weigh on trading performance. To defend margins, promotional activity was reduced whilst currency movements and high commodity prices stabilise. Growth excluding Asia on a 3 year basis was resilient at +17.4%.
  - Adjusted EBITDA margin decreased to 6.0% (FY 2023: 13.5%) principally as a result of the challenging sales performance, compounded by FX and the record high input whey prices.
- Adjusted distribution costs as a percentage of revenue continued to decrease to 12.8% (-150bps) driven by basket economics and territory mix (higher UK participation), warehouse operational efficiencies and an increase in offline revenues.
- Increased administrative costs as a percentage of revenue reflects the investment in marketing throughout the year offsetting a managed reduction in salary and overhead costs. The Group continues to develop and deploy learnings from an evolved marketing measurement framework including media mix modelling and brand tracking, which focuses on the short and long term effects of pricing, promotion and marketing investment. This strategy is enabling the Group to balance investment with our longer term goals of sustainable revenue and active customer growth, alongside brand awareness.
- The Group recorded an adjusted EBITDA of £92.1m (FY 2023: £111.3m), or £123.1m on a continuing basis pre the demerger of THG Ingenuity (FY 2023: £122.3m) with margins of 5.5% and 6.5% respectively.

- Group operating loss of £147.9m (FY 2023: £39.2m), including the impact of non-cash adjusting items totalling £99.9m (FY 2023: £21.2m). These items are one-off, non-cash in nature with losses on disposal of discontinued categories including impairment of associated assets and onerous contracts.

- Post-demerger capital expenditure was £21.1m (pre-demerger £101.3m) and finance cost and lease repayments were £57.4m (pre-demerger £83.2m) leading to neutral free cash generation (£0.4m).

- With the support of our banking partners, in March 2025 we secured long-term debt facilities including a €445m Term Loan B and £150m undrawn RCF until December 2029 and May 2029 respectively.

Q1 2025 Group trading performance

- Continuing revenue of £371.4m (-6.1%) with challenging comps in THG Beauty and a return to growth in THG Nutrition. The impact of an extra days trading in the prior period, Easter timing and territory pullback in THG Beauty had an approximate impact of c.300bps on Group YoY performance.

- The Group continues to focus on improving the quality rather than absolute number of its active customers, and has tailored its investment towards a more efficient blend of brand, digital and social marketing with positive earlier indicators on lifetime value and brand perception. Further increasing app participation is a critical part of this strategy to improve the profitability and sustainability of the customer base. Q1 2025 online revenue participation from apps increased to 34% (Q1 2024: 24%).

- Following the transfer to the equity shares (commercial companies) category in January 2025, THG PLC was admitted to the FTSE 250 index in March as part of the FTSE Russell quarterly review.

THG Beauty Q1 2025 highlights

- On a 2 year basis THG Beauty growth was +2.7%, increasing by a further c.360bps on an adjusted basis when factoring in the impact of de-prioritised European and Asian territories, which materially reduced revenue and active customers.

- Exit momentum is stronger with UK retail showing month-on-month improvement. Key home markets (UK and US) now account for c.82% (Q1 2024: c.79%) of online beauty retail revenue. We continue to monitor the indirect impact of tariffs on US consumers.

- Retail performance has also been impacted by weaker trading across the industry of several hugely popular 'trending brands'. We continue to refresh the brand curation with new launches including Beauty of Joseon, Fenty Beauty and Dr Barbara Sturm.

- The Lookfantastic UK loyalty programme (LF Beauty+) grew further (now over 3.0m members), with loyalty customers typically purchasing more frequently, with an overall higher spend per account (c.+34% vs non-loyalty in Q1 2025). Loyalty and customer retention is further supported by a refined Premier Delivery service to encourage spend per account growth.

- Average order values and conversion rates via Apps continue to increase (vs other channels). There remains significant opportunities to enhance spend and acquire new customers through improved functionality to deliver a highly personalised experience.

THG Nutrition Q1 2025 highlights

- Encouraging start to the year, with month-on-month sales improvement throughout the quarter. The recovery in ASPs to pre rebrand levels has been achieved whilst supporting a competitive and sustainable pricing structure.

- Momentum demonstrated in categories outside of the core protein range, especially in activewear, vitamins, bars and snacks. Myvitamins.com delivered a record quarter of growth for 3 years at +59.2%. Myvitamins customer demographics differ vastly to those of Myprotein with c.79% female, c.68% over the age of 34, and a larger proportion holding Lookfantastic accounts.

- Global active customers stable with the year-end (LTM 6.1m), with UK new customers in growth (+5%).

- Japan remains an important region for the business nonetheless our ability to trade to target levels of revenue and profitability have been constrained in recent years by the FX impact on price competitiveness and margins. Our strategy to market is being refined to higher-margin channels and products, which whilst impacting growth in the near-term, should have a more meaningful contribution to margin recovery.

- Strong intake in US retail orders with additional listings secured with regional and national speciality retailers including GNC and Vitamin Shoppe. Total US doors presence expected to exceed 6,000 by year end.

- New partnership agreement established in South Korea with SG Safety Corporation, a subsidiary of leading Korean conglomerate CJ Group, as part of a broader, multi-faceted deal. The partnership enables category coverage across both offline and new online channels and will extend Myprotein into fast moving categories such as convenience, RTD, and meal replacements.

Analyst and investor conference call

THG will today host a conference call and webcast for analysts and investors at 9.00am (UK time) via the following links:

To register for the webcast, please use the below link:

https://stream.brrmedia.co.uk/broadcast/6807b882c26db800122270e6

To ask questions, you must dial in via conference line using the below details:
· UK dial in: +44 (0) 33 0551 0200
· Password: THG - FY Results

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Notes to editors

THG PLC is a global e-commerce group headquartered in Manchester, UK, operating through two leading consumer businesses: THG Beauty and THG Nutrition.

THG Beauty operates prominent online platforms including Lookfantastic, Dermstore and Cult Beauty, offering a valued route to market for over 1,300 third-party brands, alongside a specialist portfolio of owned brands.

THG Nutrition, led by Myprotein, the world's largest online sports nutrition brand, spans multiple health and wellness categories, delivering its products both directly to consumers and through strategic offline partnerships worldwide.

Cautionary Statement

Certain statements included within this announcement may constitute "forward-looking statements" in respect of the group's operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as "anticipates", "aims", "due", "could", "may", "will", "should", "expects", "believes", "intends", "plans", "potential", "targets", "goal" or "estimates". By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Company. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Statements in this announcement reflect the knowledge and information available at the time of its preparation.

Appendix

Quarterly results

£m	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
THG Beauty	222.1	254.0	244.1	353.1	1,073.3	248.4	261.3	250.1	348.6	1,108.5	223.6
THG Nutrition	165.7	171.0	154.8	166.4	657.9	150.8	149.0	134.5	145.4	579.8	147.8
Post-demerger revenue	**387.8**	**425.0**	**398.9**	**519.5**	**1,731.2**	**399.2**	**410.4**	**384.6**	**494.1**	**1,688.3**	**371.4**
THG Ingenuity (external)	38.2	38.5	41.0	47.8	165.5	39.7	46.2	47.1	58.9	191.9	-
Pre-demerger revenue	**426.0**	**463.5**	**440.0**	**567.3**	**1,896.7**	**438.9**	**456.6**	**431.7**	**552.9**	**1,880.2**	**-**
Discontinued revenue	43.4	36.4	27.2	41.7	148.6	21.0	17.5	11.1	13.5	63.1	4.2
Total revenue	**469.4**	**499.9**	**467.2**	**609.0**	**2,045.4**	**459.9**	**474.0**	**442.8**	**566.4**	**1,943.3**	**375.6**
THG Ingenuity (internal)	122.3	126.5	117.4	153.6	519.9	112.6	113.0	98.9	138.3	462.9	-
THG Ingenuity (total)	160.5	165.0	158.5	201.4	685.4	152.3	159.2	146.0	197.3	654.8	-

Quarterly results CCY growth

£m	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
THG Beauty	-14.3%	-9.6%	+0.0%	+2.0%	-5.1%	+13.6%	+3.5%	+3.2%	+0.8%	+4.6%	-9.8%
THG Nutrition	+3.8%	+2.0%	-1.4%	-4.0%	+0.0%	-5.8%	-9.2%	-10.5%	-9.5%	-8.7%	+0.1%
Post-demerger revenue	**-7.4%**	**-5.3%**	**-0.6%**	**+0.0%**	**-3.2%**	**+5.4%**	**-1.5%**	**-2.1%**	**-2.5%**	**-0.4%**	**-6.1%**
THG Ingenuity (external)	-10.9%	-7.8%	-1.0%	+9.3%	-2.5%	+5.8%	+21.0%	+15.2%	+22.0%	+16.4%	-
Pre-demerger revenue	**-7.8%**	**-5.5%**	**-0.6%**	**+0.7%**	**-3.2%**	**+5.5%**	**+0.4%**	**-0.4%**	**-0.4%**	**+1.1%**	**-**
Discontinued revenue	-33.1%	-44.4%	-56.7%	-48.0%	-45.6%	-50.5%	-51.5%	-58.6%	-66.9%	-56.8%	-79.9%
Total revenue	**-11.1%**	**-10.1%**	**-7.6%**	**-5.4%**	**-8.5%**	**+0.2%**	**-3.4%**	**-3.9%**	**-5.0%**	**-3.1%**	**-8.0%**
THG Ingenuity (internal)	-15.5%	-17.1%	-10.5%	-9.0%	-13.0%	-8.0%	-10.6%	-13.5%	-11.7%	-11.0%	-

(internal)											
THG Ingenuity (total)	-14.4%	-15.1%	-8.2%	-5.3%	-10.7%	-4.7%	-3.3%	-6.1%	-3.8%	-4.4%	-

Quarterly reported growth rate

£m	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025
THG Beauty	-10.1%	-8.0%	-1.2%	+1.9%	-3.9%	+11.8%	+2.9%	+2.5%	-1.3%	+3.3%	-10.0%
THG Nutrition	+5.7%	+1.8%	-3.8%	-6.0%	-0.7%	-9.0%	-12.8%	-13.1%	-12.6%	-11.9%	-2.0%
Post-demerger revenue	**-3.9%**	**-4.3%**	**-2.2%**	**-0.8%**	**-2.7%**	**+2.9%**	**-3.4%**	**-3.6%**	**-4.9%**	**-2.5%**	**-7.0%**
THG Ingenuity (external)	-9.4%	-7.6%	-2.5%	+7.1%	-2.9%	+4.1%	+20.0%	+14.7%	+22.9%	+16.0%	-
Pre -demerger revenue	**-4.4%**	**-4.6%**	**-2.2%**	**-0.2%**	**-2.7%**	**+3.0%**	**-1.5%**	**-1.9%**	**-2.6%**	**-0.9%**	**-**
Discontinued revenue	-36.1%	-47.7%	-58.8%	-51.4%	-48.6%	-51.6%	-52.0%	-59.0%	-67.5%	-57.5%	-79.9%
Total revenue	**-8.6%**	**-10.0%**	**-9.5%**	**-6.9%**	**-8.7%**	**-2.0%**	**-5.2%**	**-5.2%**	**-7.1%**	**-5.0%**	**-10.6%**
THG Ingenuity (internal)	-15.5%	-17.1%	-10.5%	-9.0%	-13.0%	-8.0%	-10.6%	-15.7%	-10.0%	-11.0%	-
THG Ingenuity (total)	-14.1%	-15.1%	-8.6%	-5.7%	-10.8%	-5.1%	-3.5%	-7.9%	-2.2%	-4.5%	-

Chief Executive Officer's Statement

As we reflect on the last year, I am incredibly proud of what we have achieved together as an organisation. This year has been transformative, marked by strategic milestones, operational resilience and financial progress with revenue diversification and cash generation improvements. I want to take this opportunity to celebrate our successes, address the challenges and share the rationale behind key decisions we made.

- We started the year successfully integrating pre-eminent skincare brand Biossance into our own brand Beauty portfolio. Our prestige beauty brands are now stocked in over 4,500 stores worldwide, and are renowned for their innovative ingredient technology and wellness expertise.
- We celebrated 20 years in business - an incredible achievement when we reflect on our journey and how our brands have evolved. Whilst certain pressures have abated, new challenges and areas of uncertainty have emerged. As a business we remain on the front foot to adapt to preserve our financial health and take advantage of new growth opportunities.
- Throughout 2024, we delivered robust financial discipline, with our focus on operating efficiencies and investing in markets where we have a right to win driving these outcomes. We delivered a consistent Adjusted EBITDA year on year despite the challenging economic conditions.
- Our strategy to simplify and streamline operations led to the sale of our luxury goods websites, and certain beauty own brands. Our resources within THG Beauty are now prioritised on those categories and markets which provide us with more optimal returns aligned to our financial priorities, demonstrated by the Adjusted EBITDA margin for the year being ahead of our medium-term target.
- It was a transitional year for THG Nutrition, characterised by a period of strategic realignment and investment. Whilst this inevitably resulted in challenges as we contested with rising costs, Myprotein is now positioned as a leader in quality and value across multiple health and wellness categories. A long-term partnership with dairy category leader Müller is testament to the profile of brands we are now standing alongside.
- At the start of the year our group was made up of three leading businesses and collectively we took the decision to demerge THG Ingenuity after substantial stakeholder engagement.
- Following the completion of the FCA listing regime review, we took the appropriate steps to transfer to the ESCC category. We welcomed the output to simplify the listing regime, and entered the FTSE 250 index in March 2025.
- Our final milestone was to secure a long-term capital structure relevant for the business size and growth profile. We have materially reduced gross debt whilst retaining suitable liquidity to continue investing in our brands to support their growth potential.

THG Beauty: Target Adjusted EBITDA margin achieved

Within our Beauty business the strategy of focusing on higher margin sales and reducing order volumes that do not deliver target profitability continued, driving exceptional Adjusted EBITDA margin progress. This performance underscores our leadership position in the market and commitment to progressing stakeholder value, including with our brand partners.

THG Nutrition: A transitional year, omnichannel paving the way forward

2024 marked a transitional year for THG Nutrition characterised by the rebrand. More consumers globally are now buying Myprotein products than ever before, following the temporary reduction in online customers during the year. This success has been underpinned by the retail sales value growth through offline retail and licensing revenues.

Whilst the business reported a decline in total revenue, this was largely driven by the clearance of old brand product online at lower price points. We are pleased to see it progressing back into growth in 2025, supported by new product launches and strengthened customer engagement both online and across multiple retail locations. This resurgence highlights the strength of our diversified portfolio and our ability to adapt and innovate in response to evolving consumer demands.

Strategic partnerships

Partnerships have played a key role in our success this year. By collaborating with industry leaders and innovative organisations, we have enhanced our capabilities and expanded our reach. These alliances have enabled us to access new markets, accelerate product development and strengthen our value proposition across key sectors. Strategic licensing partnerships underline the reach of the Myprotein brand, and highlight the growth opportunities in licensed brand extensions. As we look ahead, we remain committed to fostering these relationships and building new ones that will further our brand and create long-term value.

The demerger of THG Ingenuity

This year also saw the pivotal decision to demerge THG Ingenuity. This step represents a significant milestone in our journey to enhance focus, improve cash generation and unlock value. By establishing THG Ingenuity as an independent entity, we have enabled it to pursue its growth ambitions with greater agility. At the same time, this allows us to dedicate our resources to our core business areas. The demerger reflects our commitment to delivering operational excellence, streamlining our priorities and creating greater transparency for stakeholders. We are confident this move will drive long-term success for both THG Ingenuity and the Group.

Overcoming challenges

While challenges, including the rebrand transition, commodity pricing and consumer spend pressures, tested our resilience, our team's ability to adapt and respond effectively has been instrumental in sustaining our progress. These efforts have further strengthened our financial foundation, underpinned by high quality repeat revenues and channel diversification.

Looking ahead

As we enter the second quarter we are excited and thoughtful about the road ahead. Our strategic priorities remain clear: to drive sustainable, profitable growth, deepen customer relationships, and lead with innovation. The beauty and nutrition businesses will remain central to our strategy, as we continue to build on their strong performance and potential. We are also committed to supporting Ingenuity through leveraging its market leading services as it embarks on its independent journey. This partnership gives our brands and customers a best in-class ecommerce experience, with value and advancing performance at the core.

In closing, I want to extend my thanks to our employees, whose dedication and passion are the driving forces behind our achievements. I'm impressed by the Group's agility and resilience during a year of significant change, and I would like to thank everyone involved at THG for their immense efforts during a transformative year for the business.

Chief Financial Officer's Review

Overview of FY 2024 result

A keen focus on cash management against the backdrop of a challenging economic environment, with the completion of the demerger of THG Ingenuity further accelerating gross deleveraging.

THG Beauty delivered on strategy with growth in core markets and Adjusted EBITDA margins above medium-term guidance driven by the focus on more profitable sales.

Reduction in revenue following completion of portfolio management within THG Beauty to exit loss making discontinued categories driven by the focus on cash.

THG Nutrition had a challenging online performance alongside record high whey prices impacting the FY 2024 result. Following the major global rebrand, decisive action was taken to reposition THG Nutrition for a return to sustainable revenue growth and margin recovery.

£550m of cash and available facilities at year end (ahead of demerger - with £89.0m of cash leaving the Group with THG Ingenuity), providing excellent liquidity and setting a solid foundation for THG's future as a cash-generative consumer brands Group.

Post year end, successful completion of debt refinancing to 2029.

Total Group overview[9]

2024[1] £m	THG Beauty	THG Nutrition	Central	**Post demerger**	THG Ingenuity[2]	Inter-group elimination	**Pre demerger**	Discontinued categories	**Total FY 2023**
External revenue	1,108.5	579.8	-	**1,688.3**	191.9	-	**1,880.2**	63.1	**1,943.3**
Internal revenue	-	-	-	**-**	462.9	(462.9)	**-**	-	**-**

Total revenue	1,108.5	579.8	-	**1,688.3**	654.8	(462.9)	**1,880.2**	63.1	**1,943.3**
Adjusted EBITDA	79.8	34.5	(22.2)	**92.1**	31.0	-	**123.1**	(8.7)	**114.4**
Margin	7.2%	6.0%	-	**5.5%**	4.7%	-	**6.5%**	(13.8%)	**5.9%**

2023 £m	THG Beauty	THG Nutrition	Central	**Post demerger**	THG Ingenuity	Inter-group elimination	**Pre demerger**	Discontinued categories	**Total FY 2023**
External revenue	1,073.3	657.9	-	**1,731.2**	165.5	-	**1,896.7**	148.6	**2,045.4**
Internal revenue	-	-	-	**-**	519.9	(519.9)	**-**	-	**-**
Total revenue	1,073.3	657.9	-	**1,731.2**	685.4	-	**1,896.7**	148.6	**2,045.4**
Adjusted EBITDA	44.1	88.9	(21.8)	**111.3**	11.0	-	**122.3**	(8.2)	**114.1**
Margin	4.1%	13.5%	-	**6.4%**	1.6%	-	**6.4%**	(5.5%)	**5.6%**

1. This report includes a number of non-GAAP measures and alternative performance measures. Adjusted results are consistent with how business performance is measured internally and presented to aid comparability of performance. See more information within the glossary and reconciliations to statutory measures within this report.

2. Following the completion of the demerger, we have concluded that THG Ingenuity meets the criteria of being classified as a discontinued operation (IFRS 5: Non-current Assets Held for Sale and Discontinued Operations). See note 9 for more information. FY 2023 has been restated to reflect certain leased assets and operational activities of THG Experience within THG Ingenuity which had previously been reported within THG Beauty.

Reconciliation to statutory revenue

	2024 **£m**	2023 £m
THG Beauty	**1,108.5**	1,073.3
THG Nutrition	**579.8**	657.9
Post-demerger revenue	**1,688.3**	1,731.2
THG Ingenuity (external)	**191.9**	165.5
Pre-demerger revenue	**1,880.2**	1,896.7
Discontinued categories	**63.1**	148.6
THG Ingenuity (external) - classified as discontinued operations for statutory presentation	**(191.9)**	(165.5)
Statutory continuing revenue	**1,751.4**	1,879.9

The demerger completed on 2 January 2025. Therefore, the results of THG PLC for FY 2024 include THG Beauty, THG Nutrition and THG Ingenuity, reflecting performance prior to the demerger.

The segmental reporting and categories in this report (and the table above) are summarised as follows:

Post-demerger - this represents the streamlined Group moving forward, comprising THG Beauty and THG Nutrition, net of central costs and excluding THG Ingenuity and discontinued categories, and will constitute the underlying results of THG PLC reported from FY 2025.

Pre-demerger - includes THG Beauty, THG Nutrition and THG Ingenuity as have previously been reported in prior years (excluding discontinued categories); following the completion of the demerger, THG Ingenuity is now a private company and its results will not be reported within the results of THG PLC after FY 2024.

Discontinued categories - as part of our focus on continually improving the business and responding to the economic backdrop, several non core brands and product offerings identified as loss-making or non-cash generative were exited across FY 2023 and FY 2024 improving the margin potential of the business. These categories have been removed from the post-demerger and pre demerger result as an adjusted performance measure to provide a comparable basis going forwards.

Headlines

- Post-demerger Group revenue of £1,688.3m (2023: £1,731.2m) and Adjusted EBITDA of £92.1m (2023: £111.3m) with a margin of 5.5% (2023: 6.4%). Revenue reduction of 2.5% driven by a revenue performance within THG Beauty of +3.3%, offset by a decrease in THG Nutrition of -11.9%. Significant 310bps improvement in THG Beauty margin reflecting the continued prioritisation of more profitable sales and exiting loss-making and low-margin territories and brands, partially offsetting the challenging trading environment for THG Nutrition, most notably the record high whey prices.
- Pre-demerger Group revenue of £1,880.2m (2023: £1,896.7m) and Adjusted EBITDA of £123.1m (2023: £122.3m) with a margin of 6.5% (2023: 6.4%) with both metrics remaining broadly stable.
- THG Beauty result driven by strong performance driven by the UK (with 53% of revenue generated outside of the UK). THG Nutrition by contrast experienced a more challenging year, primarily as a result of weaker online sales, a result of the rebrand and lower than expected Asia performance.
- Operating loss of £147.9m (2023: £39.2m) increased due to the combination of the weaker performance in THG Nutrition combined with increased costs recognised within adjusting items in the year. These costs primarily relate to the decision made to exit loss making categories which led to one-off costs for impairment of related assets and an inventory provision and the clearance of old brand stock following the rebrand within THG Nutrition.

THG Beauty

Standout adjusted EBITDA performance from THG Beauty

Revenue increased by +3.3% to £1,108.5m (2023: £1,073.3m) driven by retail and own brand performance. Revenue increased in core territories of the UK and US, offset by strategic reductions in sales across Europe and Asia to ensure a focus on higher margin customers.

Drivers were skincare, cosmetics and fragrance, with fragrance proving in high demand throughout the year.

Adjusted EBITDA delivered of £79.8m (2023: £44.1m). Adjusted EBITDA margin of 7.2% (2023: 4.1%) has almost doubled YoY following a return to revenue growth, the positive impact of the strategy to focus on higher-margin sales and the normalisation of manufacturing profitability.

THG Nutrition

Continued evolution of strategy following a challenging year

THG Nutrition reported revenue of £579.8m (2023: 657.9m) being a -11.9% decrease. Whilst the business reported a revenue decline, this has been primarily driven by the one-time average selling price reduction of 11.0% due to clearance on old brand product online. Good momentum is being seen in categories outside of core protein powders, especially in activewear, vitamins, and bars and snacks alongside the offline market.

Adjusted EBITDA margin of 6.0% (2023: 13.5%) was principally as a result of the challenging sales performance, heavily influenced by the record high input whey prices, persistent weakness of the Japanese Yen and increased promotional activity to clear old brand stock following the rebrand. The strategy continues to evolve with continued growth in our activity to clear old brand stock following the rebrand. The strategy continues to evolve with continued growth in our offline business comprising manufacturing, retail and licensing, enabled by the rebrand.

Central costs
Central costs relate primarily to the PLC Board remuneration, insurance, professional services fees, Group finance, M&A and governance costs that are not recharged to the businesses as they principally relate to the operations of the PLC holding company. The costs remained largely consistent with FY 2023.

Geographical review of revenue
The following table provides an analysis of revenue by region (by customer location):

	2024 £'000	2023 £'000	Movement
UK	**795.1**	773.1	+2.8%
USA	**336.6**	306.3	+9.9%
Europe	**357.9**	377.0	-5.1%
Rest of the world	**198.7**	274.8	-27.7%
Post-demerger revenue	**1,688.3**	1,731.2	

The UK continues to be the largest market for the Group with 47.1% (2023: 44.7%) of revenue generated within the UK. The UK is the biggest market for the Group in both THG Beauty and THG Nutrition.

The USA is a growing market for the Group with 19.9% of revenue (2023: 17.7%). Dermstore is our primary beauty fascia in the US and sells over £170m annually, whilst roughly half of THG Beauty manufacturing sales are generated in the US from our New Jersey labs facility.

Europe and the rest of the world both saw sales decline year on year in 2024 driven by both the prioritisation of higher margin sales in THG Beauty which lead to a conscious pull back on some sales activity in Europe and Asia, and the exchange rate on the Japanese Yen which adversely impacted on our ability to compete in THG Nutrition in Japan, which is one of Myprotein's biggest markets.

Discontinued
Discontinued operations - THG Ingenuity
Total revenue of £654.8m (2023: £685.4m), a decrease of -4.5%. This is due to the reduction in internal revenue of 11.0%, partially offset by the increase in external revenue of 16.0%.

The investments made across the THG Ingenuity offering over a number of years, alongside advancing strategic priorities, have positioned THG Ingenuity for success as a standalone private company. This, combined with the ongoing focus on higher-value and higher-margin clients, has started to deliver, particularly across fulfilment services. This enabled THG Ingenuity to deliver Adjusted EBITDA of £31.0m (2023: £11.0m) with a margin of 4.7% (2023: 1.6%), an increase of 310bps YoY.

Internal revenue of £462.9m (2023: £519.9m) relates to services provided to the wider THG Group, including platform infrastructure and services, warehouse fulfilment, courier services and marketing services. Internal revenue declined due to the Group exiting loss-making categories and territories along with lower D2C sales in THG Nutrition, which in turn has generated lower volumes for THG Ingenuity.

Discontinued categories
During 2023, the Group announced its intention to simplify and streamline its operations, undertaking a strategic review of loss making categories and territories. Given the size and complexity of the Group, this exercise has continued during 2024, leaving the continuing Group in a streamlined, strong market position, driving positive cash flow.

Several small, non-core brands and product offerings were exited during FY 2024. These brands generated £63.1m of revenue (FY 2023: £148.6m) and contributed an Adjusted EBITDA loss of £8.7m (FY 2023: £8.2m). These losses will not continue into FY 2025.
The prior year discontinued categories have been restated to include consistent categories disclosed in FY 2024 to provide a like for-like comparison. (See note 2 within the financial statements.)

Group financial review
Statutory results

	Year ended 31 December 2024 £m	Year ended 31 December 2023 (restated)[1] £m
Continuing operations		
Revenue	**1,751.4**	1,879.9
Cost of sales	**(1,057.8)**	(1,082.5)
Gross profit	**693.6**	797.4
Distribution costs	**(231.0)**	(277.3)
Administrative costs	**(610.5)**	(559.4)
Operating loss	**(147.9)**	(39.2)
Finance income	**9.0**	12.9
Finance costs	**(63.6)**	(65.9)
Loss before tax	**(202.4)**	(92.3)
Income tax credit/(charge)	**21.9**	(15.7)
Loss for the financial year from continuing operations	**(180.6)**	(108.0)
Discontinued operations		
Loss for the financial year, net of tax	**(145.6)**	(140.4)
Loss for the financial year	**(326.1)**	(248.4)

1. *Restated for the impact of THG Ingenuity being classified as a discontinued operation.*

Adjusted profit measures with reconciliation to statutory result
Management have presented alternative performance measures to provide stakeholders with additional helpful information on the performance of the business. These alternative performance measures are consistent with how the business performance is monitored and reported through internal Management reporting to the Board. To ensure that stakeholders can reconcile this to the statutory information presented, the below table has been included:

	Year ended 31 December 2024					
	Management adjusted view £m	**Adjusted items £m**	**Amortisation and depreciation £m**	**Discontinued categories £m**	**Share based payments £m**	**Statutory £m**
Revenue	**1,688.3**	**-**	**-**	**63.1**	**-**	**1,751.4**

Cost of sales	**(983.4)**	**(33.6)**	**(0.4)**	**(40.4)**	**-**	**(1,057.8)**
Gross profit	**704.9**	**(33.6)**	**(0.4)**	**22.7**	**-**	**693.6**
Distribution costs	**(216.9)**	**(1.3)**	**(0.2)**	**(12.6)**	**-**	**(231.0)**
Administrative costs	**(395.8)**	**(89.6)**	**(89.6)**	**(18.9)**	**(16.6)**	**(610.5)**
Operating profit/(loss)	**92.2**	**(124.5)**	**(90.2)**	**(8.8)**	**(16.6)**	**(147.9)**

Year ended 31 December 2023

	Management adjusted view £m	Adjusted items £m	Amortisation and depreciation £m	Discontinued categories £m	Share based payments £m	Statutory £m
Revenue	1,731.3	-	-	148.6	-	1,879.9
Cost of sales	(975.9)	(15.3)	(0.5)	(90.8)	-	(1,082.5)
Gross profit	755.4	(15.3)	(0.5)	57.8	-	797.4
Distribution costs	(246.7)	(2.2)	(0.2)	(28.2)	-	(277.3)
Administrative costs	(397.3)	(14.2)	(93.3)	(37.9)	(16.7)	(559.4)
Operating profit/(loss)	111.3	(31.6)	(94.0)	(8.2)	(16.7)	(39.2)

Revenue
Group statutory continuing revenue decreased by -6.8% to £1,751.4m (2023: £1,879.9m). This performance reflects the decrease in THG Nutrition revenue of -11.9%, offset by a +3.3% increase in THG Beauty revenue plus discontinued categories. Detailed analysis is included earlier in this report.

Gross profit
Adjusted gross profit was £704.9m (2023: £755.4m) equating to an adjusted margin of 41.8% (2023: 43.6%), a reduction of 190bps compared to 2023.

The reduction YoY has been driven by the decrease in the THG Nutrition margin, largely discounting to clear old stock following the rebrand rollout. Within THG Nutrition, the challenging top-line performance was compounded by higher YoY input costs, primarily whey. The Japanese yen has been particularly challenging in 2024, peaking at 207Y/£ vs c.181Y/£ at the same point last year, and 135Y/£ at IPO (a c.47% devaluation since IPO in September 2020). This has all but eliminated profitability in Myprotein's second largest market and we have had to reduce promotional activity as a result, impacting Myprotein's competitiveness within the region.

Gross profit has strengthened in THG Beauty through online retail sales growth (principally Lookfantastic, Cult Beauty and Dermstore) as previous actions to prioritise higher-margin sales and promotional strategies have come to fruition.

Gross profit on a statutory basis totalled £693.6m (2023: £797.4m) delivering a decreased margin of 39.6% (2023: 42.4%). In addition to the above, the statutory position was also impacted by the increase in adjusted items, the loss on disposal of luxury websites, an outcome of the strategic review and inventory provisions post rebrand.

Distribution costs
Pleasingly, adjusted distribution costs of £216.9m (2023: £246.7m) equate to 12.8% (2023: 14.2%) of revenue. This significant improvement of 140bps is a result of the exit of those operations that generated lower profits, which were generally those sales to territories further from our distribution network (which consequently had a higher distribution cost). Distribution costs also benefited from improving AOVs in THG Beauty as well as a higher beauty mix, with THG Beauty distribution costs are lower than THG Nutrition as a percentage of sales.

Distribution costs on a statutory basis further reduced as a percentage of sales by 160bps compared to 2023, culminating in a cost of £231.0m (2023: £277.3m), being 13.2% (2023: 14.8%) of revenue aided by lower adjusted items than in the prior year.

Administration costs
Adjusted administrative costs as a percentage of revenue totalled 23.4% of revenue (2023: 22.9%). During H2 2024, the Group focused on cost rationalisation to right-size the cost base of the business post demerger; this resulted in reductions across administrative costs where the benefit will annualise in FY 2025, albeit these will be offset by the national insurance and national minimum wage changes outlined by the government in the autumn of 2024. Following the exit of the discontinued categories, further cost reductions have also been implemented. While administrative costs reduced on an absolute basis, driven by cost savings which more than offset inflationary pressures, the percentage to sales increased YoY, owing to the challenging top-line sales performance in THG Nutrition.

Administrative costs on a statutory basis totalled £610.5m (2023: £559.4m), increasing due to the increase in adjusted items as explained later in this report.

Adjusted EBITDA and Adjusted EBITDA margin

Reconciliation from operating loss to Adjusted EBITDA	**Year ended 31 December 2024 £m**	Year ended 31 December 2023 £m
Operating loss	**(147.9)**	(39.2)
Adjustments for:		
Amortisation	**19.9**	21.0
Amortisation of acquired intangibles	**45.5**	49.0
Depreciation	**24.8**	24.1
Adjusted items - cash	**24.6**	10.4
Adjusted items - non-cash	**42.4**	21.2
Adjusted items - non-cash impairment	**57.5**	-
Share-based payments	**16.6**	16.7
EBITDA from discontinued categories	**8.7**	8.2
Adjusted EBITDA (post-demerger)	**92.1**	111.4
Adjusted EBITDA (post-demerger) %	**5.5%**	6.4%
EBITDA from discontinued operations (THG Ingenuity)	**31.0**	11.0
Adjusted EBITDA (pre-demerger)	**123.1**	122.3
Adjusted EBITDA (pre-demerger) %	**6.5%**	6.4%

Depreciation and amortisation
Statutory depreciation and amortisation costs were £24.8m and £65.4m respectively (2023: £24.1m and £70.0m). Included within amortisation is £45.5m (2023: £49.0m) of amortisation on acquired intangibles (see below).

Depreciation remained largely consistent, reflective of the current asset base.

Amortisation on acquired intangibles £45.5m (2023: £49.0m)

When an acquisition is made, the accounting standards (IFRS 3: Business Combinations) require that an exercise is undertaken to value any brands, trade names or other intellectual property (such as customer lists). Following recognition of these assets, they are amortised over a period of 2-20 years.

Given the number of significant acquisitions made in recent years, primarily within THG Beauty, we consider this amount should be viewed separately to other amortisation totalling £19.9m (2023: £21.0m) to ensure comparability to those who undertook fewer or no acquisitions. This is a non-cash cost.

Other amortisation, outside of amortisation on acquired intangibles remained largely consistent YoY.

Operating profit/(loss)

Adjusted operating profit totals £92.2m (2023: £111.3m). The reduction YoY is a result of the above-mentioned factors. The actions taken to exit loss-making categories and territories and an anticipated improvement in consumer spending are expected to increase the operating profit position in the medium term, alongside an improvement in the THG Nutrition D2C sales performance.

The Group incurred an operating loss in the year of £147.9m (2023: £39.2m). This is primarily driven by adjusted items increasing by £92.9m in FY 2024, being the one-off costs associated with losses on disposal of discontinued categories including impairment of associated assets, onerous contracts and costs related to the completion of the Myprotein rebrand which will not recur.

Finance costs net of finance income

Finance costs net of finance income have remained stable at £54.5m (2023: £53.0m) driven principally by higher interest rates, which have been caused by the higher interest rate environment. Were it not for the comprehensive hedging programme in place, this increase would have been more material. The inherent cost increase is offset by a reduction in interest expense following the partial repayment of bank borrowings in H2 2023.

Loss before tax and tax rate

Reported loss before tax was £202.4m (2023: £92.3m). The effective tax rate is -0.9% (2023: 1.4%), based on a total tax credit of £21.9m (2023: tax charge £15.7m). The effective tax rate differs from the average statutory rate of 25.0% (2023: 23.5%). This is primarily due to amounts not recognised and a write down of previously recognised deferred tax assets. These items have both arisen as part of the demerger and reflect the split between continuing and discontinued operations leading to a change in profile for tax losses and deferred tax recognition.

Earnings per share

Loss per share on continuing operations was £(0.13) per share (2023: £(0.08) per share).

Statutory cash flow statement

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Pre-demerger Adjusted EBITDA	**123.1**	122.3
Adjusted EBITDA - discontinued categories	**(8.7)**	(8.2)
Working capital movements	**22.0**	48.2
Tax paid	**(0.6)**	(5.4)
Adjusted items	**(39.3)**	(15.0)
Net cash generated from operating activities	**96.5**	141.8
Purchase of property, plant and equipment	**(31.7)**	(46.3)
Purchase of intangible assets	**(69.6)**	(79.4)
Proceeds from sale of non-core freehold assets	**-**	55.5
Finance costs and lease repayments	**(83.2)**	(84.0)
Free cash flow	**(88.0)**	(12.4)
Acquisition of subsidiaries net of cash acquired	**-**	(20.3)
Repayments of bank borrowings	**(23.8)**	(25.0)
Share placing, net of directly attributable costs	**93.3**	-
Net decrease in cash and cash equivalents	**(18.6)**	(57.6)
Cash and cash equivalents at the beginning of the year	**416.2**	473.8
Cash held for distribution (THG Ingenuity)	**(89.0)**	-
Cash and cash equivalents at the end of the year	**308.6**	416.2

Free cash flow for the total Group was an outflow of £88.0m (2023: outflow of £12.4m). This includes £101.3m (2023: £125.7m) of capital expenditure, cash adjusting item payments of £39.3m (2023: £15.0m) and finance costs and lease repayments totalling £83.2m (2023: £84.0m).

There was a decrease in cash and cash equivalents for the year of £18.6m (2023: £57.6m) driven by the above cash outflows which were partially offset by the equity raise which completed in October 2024 raising proceeds net of costs of £93.3m (£89.0m of cash left the Group with THG Ingenuity). The Group ended the period with c.£550m cash and available facilities at the end of the year, ahead of demerger, being cash and cash equivalents of £397.6m (including £89.0m within THG Ingenuity) (2023: £416.2m) and the undrawn RCF totalling £150m.

There has been a reduction in the cash spend of £24.4m on capital expenditure in 2024, consistent with the large scale investment projects completing in the year. Finance costs and lease repayments remained consistent YoY.

Cash flows in respect of adjusting items largely relate to the demerger and onerous contracts which are not expected to recur.

Repayments of the Term Loan A facility in the year totalled £23.8m (2023: £25.0m). Loans and other borrowings at 2024 were £604.6m (2023: £650.0m). Details of the post year end refinancing are included on the following page.

Post-demerger cash flow - for illustrative purposes

The table below details the cash flows for the year for THG Beauty and THG Nutrition only to show the cash flows for the Group excluding THG Ingenuity; this has been prepared consistently with the information published in the circular previously released to the market.

	2024 £m	2023 £m
Post-demerger Adjusted EBITDA	**92.1**	111.3
Adjusted EBITDA - discontinued categories	**(8.7)**	(8.2)
Working capital movements	**[illegible]**	[illegible]

Working capital movements	**17.9**	75.3
Tax paid	**(1.3)**	(5.1)
Adjusted items	**(21.2)**	(11.3)
Net cash generated from operating activities	**78.8**	162.0
Purchase of property, plant and equipment	**(7.5)**	(12.5)
Purchase of intangible assets	**(13.6)**	(20.9)
Proceeds from sale of non-core freehold assets	**-**	8.5
Finance costs and lease repayments[1]	**(57.4)**	(56.9)
Free cash flow[2]	**0.4**	80.2
Acquisition of subsidiaries net of cash acquired	**-**	(16.4)
Repayments of bank borrowings	**(23.8)**	(25.0)
Share placing, net of directly attributable costs	**93.3**	-
Net increase in cash and cash equivalents	**79.8**	38.8

2. *Lease repayments include expected outflows for subleases entered into on 2 January 2025. This is a per annum cash cost of c.£10m.*
3. *Free cash flow is defined as cash flow before the impact of acquisitions, bank borrowings and share placings.*

On a post-demerger basis, free cash flow is neutral with an inflow of £0.4m (2023: inflow of £80.2m) and a net increase in cash and cash equivalents of £79.8m (2023: £38.8m). Excluding one-off cash adjusted items, a cash inflow of £21.6m would have been generated.

In the prior year there was a one-off working capital inflow of £75.3m as inventory levels normalised. In FY 2024, the inflow of £17.9m was lower than anticipated due to a delay in a VAT payment of over £20m received in January 2025.

The post-demerger cash flows differ to the pre-demerger basis as a result of reduced capital expenditure totalling £21.1m (2023: £33.4m), lower cash adjusting items to exclude those relating to THG Ingenuity and lower finance costs and lease repayments given many of the Group's leases relate to THG Ingenuity.

Repayments of bank borrowings and share placing proceeds remain the same on a pre and post-demerger basis.

Adjusted items

In order to understand the underlying performance of the Group, certain costs included within cost of sales, distribution, administrative and finance costs have been classified as adjusted items.

The largest category of costs included within adjusted items are those relating to loss on discontinued categories of £24.7m (2023: £10.5m) along with the impairment of its associated brands and other intangibles of £57.5m (2023: £nil) as the Group progressed its strategic review of loss-making non-core brands and product offerings.

For full details on each category of adjusted item see note 4 to the financial statements.

Balance sheet

Cash and cash equivalents and net cash before lease liabilities

	2024 £m	2023 £m
Loans and other borrowings	**(604.6)**	(650.0)
Lease liabilities[1]	**(41.4)**	(345.0)
Cash and cash equivalents	**308.6**	416.2
Sub-total	**(337.3)**	(578.9)
Adjustments:		
Retranslate debt balance at swap rate where hedged by foreign exchange derivatives	**(8.3)**	15.7
Net debt	**(345.6)**	(563.2)
Net debt before lease liabilities - post demerger	**(304.3)**	n/a
Net debt before lease liabilities - pre demerger[2]	**(215.3)**	(218.2)

1. *Following completion of the demerger, subleases were entered into by THG PLC generating c.£80m of new lease liabilities, therefore we expect the lease liabilities of THG PLC to increase in FY 2025 reflecting the subleases.*
2. *Being the net debt less lease liabilities - post demerger of £304.3m plus the £89.0m of cash that was included within the held for distribution group.*

At 31 December 2024, the Group held £397.6m in cash and cash equivalents (2023: £416.2m) split between cash of £308.6m within the post-demerger Group and £89.0m included within the held for distribution group (within THG Ingenuity and which left the Group following the demerger).

At the year end, the Group held a €600m Term Loan B due to mature in December 2026 and a £109m Term Loan A facility maturing in Q4 2025. The undrawn RCF totalled £150m.

Post year end, on 4 April 2025, the Group announced the completion of its debt refinancing to 2029. As part of a plan to delever, the refinancing reduced the Term Loan B from €600m to €445m with maturity extended by three years to December 2029. The Term Loan A was partially repaid with a final stub of £35m maturing in Q4 2025. The undrawn RCF totals £150m. The reduction in facilities was partially funded by an equity raise on 28 March 2025, with gross proceeds of £95.4m. The demerger of THG Ingenuity will materially reduce the cash outflows of THG PLC with substantial reductions in lease commitments (of c. £20m cash saving per annum) and capex requirements, which in turn means that the Group requires smaller banking facilities.

Net debt before lease liabilities on a pre-demerger basis was consistent year on year at £215.3m (2023: £218.2m). The small decrease is driven by net impact of the equity placing less cash spent on repayment of borrowings, lease repayments, finance costs and cash adjusting items.

Non-current assets

Property, plant and equipment totalled £64.9m (2023: £273.2m) with £177.0m being held for distribution to THG Ingenuity. Intangible assets totalled £958.3m (2023: £1,207.4m) with £149.5m being held for distribution. Decreases in the year are driven by the depreciation and amortisation charge (see earlier). Following the demerger, the capital expenditure is expected to reduce significantly given the previous additional costs were primarily in respect of the platform which belongs to THG Ingenuity.

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Note	**2024 Total £'000**	2023 (restated[1]) Total £'000

Continuing operations			
Revenue	2	**1,751,404**	1,879,866
Cost of sales		**(1,057,809)**	(1,082,493)
Gross profit		**693,595**	797,373
Distribution costs		**(230,957)**	(277,255)
Administrative costs		**(610,533)**	(559,350)
Operating loss	3	**(147,895)**	(39,232)
Finance income	6	**9,049**	12,878
Finance costs	6	**(63,554)**	(65,898)
Loss before taxation		**(202,400)**	(92,252)
Income tax credit/(charge)		**21,867**	(15,710)
Loss for the financial year from continuing operations		**(180,533)**	(107,962)
Discontinued operations			
Loss for the financial year from discontinued operations, net of tax	9	**(145,607)**	(140,410)
Loss for the financial year		**(326,140)**	(248,372)
Other comprehensive income/(expense)			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations, net of tax		**12,175**	(46,255)
Net loss in cash flow hedges		**(7,941)**	(5,220)
Total comprehensive expense for the financial year		**(321,906)**	(299,847)
Basic and diluted loss per share continuing operations (£)	16	**(0.13)**	(0.08)
Basic and diluted loss per share discontinued operations (£)	16	**(0.11)**	(0.11)
Basic and diluted loss per share (£)	16	**(0.24)**	(0.19)

Adjusted EBITDA

	Note	**2024 Total £'000**	2023 (restated) Total £'000
Operating loss		**(147,895)**	(39,232)
Adjustments for:			
Amortisation	7	**19,880**	21,005
Amortisation of acquired intangibles	7	**45,506**	48,953
Depreciation	3	**24,824**	24,059
Adjusted items - cash	4	**24,547**	10,445
Adjusted items - non-cash	4	**42,440**	21,162
Adjusted items - non-cash impairment	4	**57,466**	-
Share-based payments	5	**16,579**	16,723
EBITDA on discontinued categories		**8,739**	8,143
Post-demerger Adjusted EBITDA[2]		**92,086**	111,258

The comprehensive expense is 100% attributable to the owners of the parent company.

1. *Restated for discontinued operations, refer to note 9 for further detail.*
2. *Post-demerger Adjusted EBITDA is defined as operating profit before depreciation, amortisation, share-based payments, adjusted items and discontinued categories.*

Consolidated statement of financial position
as at 31 December 2024

	Note	**31 December 2024 £'000**	31 December 2023 £'000
Non-current assets			
Intangible assets	7	**958,322**	1,207,383
Property, plant and equipment	8	**64,890**	273,171
Right-of-use assets	15	**29,327**	303,635
Investments		**-**	1,400
Other financial assets		**4,590**	7,999
Deferred tax asset		**4,072**	-
		1,061,201	1,793,588
Current assets			
Assets held for distribution	9	**762,369**	-
Inventories	10	**265,371**	297,143
Trade and other receivables	11	**147,272**	271,782
Other financial assets		**727**	1,915
Cash and cash equivalents	12	**308,622**	416,162
		1,484,361	987,002
Total assets		**2,545,562**	2,780,590
Equity			
Ordinary Shares		**8,219**	7,072
Share premium		**2,117,148**	2,024,824
Merger reserve		**615**	615
Capital redemption reserve		**523**	523
Hedging reserve		**(36,134)**	(20,020)
Cost of hedging reserve		**33,456**	25,283
FX reserve		**27,779**	15,604
Retained earnings		**(1,845,779)**	(1,032,234)
		305,827	1,021,667
Non-current liabilities			
Borrowings	14	**491,782**	621,011
Other financial liabilities		**35,705**	-

Lease liabilities	15	**31,077**	301,440
Provisions		**11,911**	22,130
Deferred tax liability		**63,701**	55,698
		634,176	1,000,279
Current liabilities			
Liabilities held for distribution	9	**589,672**	-
Contract liability		**15,650**	22,864
Trade and other payables	13	**342,527**	638,350
Borrowings	14	**112,785**	29,026
Current tax liability		**3,568**	1,266
Lease liabilities	15	**10,293**	43,537
Provisions		**6,469**	3,838
Other financial liabilities		**23,264**	19,763
Dividend liability	9	**501,331**	-
		1,605,559	758,644
Total liabilities		**2,239,735**	1,758,923
Total equity and liabilities		**2,545,562**	2,780,590

Consolidated statement of changes in equity
for the year ended 31 December 2024

	Note	Ordinary Shares £'000	Share premium £'000	Merger reserve £'000	Capital redemption reserve £'000	FX reserve £'000	Hedging reserve £'000	Cost of hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		**6,903**	**2,024,452**	**615**	**523**	**61,859**	**(6,221)**	**16,704**	**(803,096)**	**1,301,739**
Loss for the year		-	-	-	-	-	-	-	(248,372)	(248,372)
Other comprehensive expense:										
Impact of foreign exchange		-	-	-	-	(46,255)	-	-	-	(46,255)
Movement on hedging instruments		-	-	-	-	-	(13,799)	8,579	-	(5,220)
Total comprehensive (expense)/income for the year		-	-	-	-	(46,255)	(13,799)	8,579	(248,372)	(299,847)
Issue of Ordinary Share capital		169	372	-	-	-	-	-	-	541
Share-based payments	5	-	-	-	-	-	-	-	16,723	16,723
Deferred tax in equity		-	-	-	-	-	-	-	2,511	2,511
Balance at 31 December 2023		**7,072**	**2,024,824**	**615**	**523**	**15,604**	**(20,020)**	**25,283**	**(1,032,234)**	**1,021,667**
Balance at 1 January 2024		**7,072**	**2,024,824**	**615**	**523**	**15,604**	**(20,020)**	**25,283**	**(1,032,234)**	**1,021,667**
Loss for the year		-	-	-	-	-	-	-	(326,140)	(326,140)
Other comprehensive income:										
Impact of foreign exchange		-	-	-	-	12,175	-	-	-	12,175
Movement on hedging instruments		-	-	-	-	-	(16,114)	8,173	-	(7,941)
Total comprehensive (expense)/income for the year		-	-	-	-	12,175	(16,114)	8,173	(326,140)	(321,906)
Issue of Ordinary Share capital		1,147	92,324	-	-	-	-	-	-	93,471
Share-based payments	5	-	-	-	-	-	-	-	16,579	16,579
Deferred tax in equity		-	-	-	-	-	-	-	(2,653)	(2,653)
Dividend in specie	9	-	-	-	-	-	-	-	(501,331)	(501,331)
Balance at 31 December 2024		**8,219**	**2,117,148**	**615**	**523**	**27,779**	**(36,134)**	**33,456**	**(1,845,779)**	**305,827**

Consolidated statement of cash flows
for the year ended 31 December 2024

	Note	**2024 £'000**	2023 £'000
Cash flows from operating activities before adjusted cash flows			
Cash generated from operations		**136,412**	162,258
Income tax paid		**(621)**	(5,411)
Net cash generated from operating activities before adjusted cash flows		**135,791**	156,847
Cash flows relating to adjusted items		**(39,328)**	(15,040)
Net cash generated from operating activities		**96,463**	141,807
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired		**(23)**	(20,259)
Proceeds from sale of non-core freehold assets		**-**	55,450
Purchase of property, plant and equipment		**(31,709)**	(46,289)
Purchase of intangible assets		**(69,571)**	(79,369)
Interest received	6	**9,190**	13,329
Net cash used in investing activities		**(92,113)**	(77,138)
Cash flows from financing activities			
Proceeds from issuance of Ordinary Shares net of fees		**93,319**	-
Interest paid		**(44,954)**	(47,803)
Repayment of lease liabilities	15	**(47,476)**	(49,487)
Repayment of bank borrowings and loan fees		**(23,800)**	(25,000)
Net cash flow from financing activities		**(22,911)**	(122,290)
Net decrease in cash and cash equivalents		**(18,561)**	(57,621)
Cash and cash equivalents at the beginning of the year		**416,162**	473,783
Cash and cash equivalents at the end of the year (including cash held in disposal groups)	12	**397,601**	416,162
Cash and cash equivalents held in disposal group presented as held for distribution at the end of the year	9	**88,979**	-

distribution at the end of the year

Cash and cash equivalents at the end of the year	**308,622**	416,162

Notes to the consolidated financial statements

1. Basis of Preparation

a. General information

THG PLC (company number 06539496) is a public company limited by shares and incorporated in England and Wales. It has a standard listing on the London Stock Exchange and is the holding company of the Group. The address of its registered office is Icon 1 7-9 Sunbank Lane, Ringway, Altrincham, United Kingdom, WA15 0AF. The Company is the parent and the ultimate parent of the Group, the financial statements comprises the results of the Company and its subsidiaries ("the Group"). The financial period presented here is for the 12 months ending 31 December 2024, and a prior period comparative of the 12 months ending 31 December 2023.

b. Basis of preparation

The consolidated financial statements, have been prepared in accordance with UK-adopted international accounting standards ("IFRS") and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared on the historical cost basis, except for derivatives which are held at fair value.

The financial information included in this preliminary statement of results does not constitute statutory accounts within the meaning of section 435 of the Companies Act (the "Act"). These Condensed Consolidated Financial Statements of THG PLC and its subsidiaries apply the same accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2022, which were prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board and were also prepared in accordance with IFRS adopted by the European Union ('EU'), the Companies Act 2006 and Article 4 of the EU IAS Regulations.

The statutory accounts for the 12 months ending 31 December 2024 were approved by the Board of Directors on 28 April 2025. The Auditors of the Group made a report thereon under Chapter 3 or part 16 of the Act. This report was unqualified and does not contain a statement under sections 498 (2) or (3) of the Act.

The statutory accounts for the 12 months ending 31 December 2023 have been delivered to the registrar of Companies, and the Independent Auditors of the Group made a report thereon under Chapter 3 or part 16 of the Act. This report was unqualified and does not contain a statement under sections 498 (2) or (3) of the Act.

The financial statements are presented in pounds sterling, rounded to the nearest hundred thousand unless otherwise stated. The Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements of the Group.

The accounting policies adopted by the Group in the current year are consistent with those adopted during the year ended 31 December 2023.

There have been no new or amended accounting standards or interpretations adopted during the year that have had a significant impact on the Group's financial statements.

The Group is currently reviewing the likely impact of IFRS 18 on its statutory reporting as well as any potential impact from the amendments to IFRS 9 and IFRS 7 in relation to credit and debit card payments made by customers which are receivable from banks and clear the bank shortly after the transaction takes place. There are no other standards, interpretations or amendments to IFRS that have been issued but are not yet effective that are expected to have a material impact on the Group's financial statements.

2. Segmental reporting and revenue

The Directors have assessed the criteria and considerations under IFRS 8 Operating Segments in order to identify operating segments within the Group. For the year to 31 December 2023, the Group's activities were divided into the following segments: THG Beauty, THG Nutrition, THG Ingenuity and Discontinued categories.

In 2024, following successful completion of the demerger of THG Ingenuity on 2 January 2025, the THG Ingenuity segment has been recognised in line with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Refer to note 9 for further detail. On this basis, the Directors have concluded that for 2024, the Group has three operating segments: THG Beauty, THG Nutrition and Discontinued categories. The prior year segmental analysis has been re-presented to provide a like-for-like comparison.

The following table describes the main activities for each reportable operating segment:

Segment	Activities
THG Beauty	A digital-first brand owner, retailer and manufacturer in the prestige beauty market, with a portfolio of own brands across skincare, haircare and cosmetics. Through its retail websites, including Lookfantastic, Dermstore and Cult Beauty, it is a route to market globally for third-party premium brands.
THG Nutrition	A group of digital-first nutrition brands, which includes the world's largest online sports nutrition brand Myprotein and its family of brands (Myvegan, Myvitamins, MP Activewear and MyPRO), with a vertically integrated business model supported by global THG production facilities.
Discontinued categories	Discontinued categories are, as previously reported, certain loss-making categories and territories within THG Beauty and THG Nutrition which following the ongoing strategic review, has led to the successful exit. These exits do not meet the criteria under IFRS 5 Discontinued Operations at the balance sheet date, as these categories and territories are not a major component of the Group as defined by the accounting standard; however, management report the financial results of these categories separately in their reporting to the chief operating decision-maker ("CODM"); as such, the result has also been shown in the same format within this note.

Central costs relate primarily to the PLC Board remuneration, professional services fees, Group finance, M&A, risk (insurance) and governance costs that are not recharged to the divisions as they principally relate to the operations of the PLC holding company.

The CODM is the executive Board directors, who make key operating decisions for the business. The CODM receives daily financial information at the combined Group level, along with monthly information at a business level, and uses this information to allocate resources, make operating decisions and monitor the performance of each of the businesses.

The measure of the Group's profit or loss used by THG's management team is Adjusted EBITDA comprising operating loss adjusted for interest, tax, depreciation, amortisation, shared-based payments and adjusted items. This is reconciled to the nearest IFRS measure (loss before tax) in the below table.

FY 2024

2024	THG Beauty £'000	THG Nutrition £'000	Central PLC £'000	Post demerger £'000	Discontinued Categories £'000	**Continuing Operations £'000**
External revenue	1,108,497	579,780	-	1,688,277	63,127	**1,751,404**
Internal revenue	-	-	-	-	-	**-**
Total revenue	1,108,497	579,780	-	1,688,277	63,127	**1,751,404**
Adjusted EBITDA	79,785	34,538	(22,237)	92,086	(8,739)	**83,347**
Margin %	7.2%	6.0%	-	5.5%	(13.8%)	**4.8%**
Depreciation	-	-	-	-	-	**(24,824)**
Amortisation	-	-	-	-	-	**(65,386)**
Share-based payments	-	-	-	-	-	**(16,579)**
Adjusted items	-	-	-	-	-	**(124,453)**
Operating loss	-	-	-	-	-	**(147,895)**
Finance income	-	-	-	-	-	**9,049**
Finance costs	-	-	-	-	-	**(63,554)**
Loss before taxation	-	-	-	-	-	**(202,400)**

Segment assets and liabilities are not disclosed because they are not regularly reported or reviewed by the Board.

2023	THG Beauty £'000	THG Nutrition £'000	Central PLC £'000	Post demerger £'000	Discontinued categories £'000	FY 2023 Continuing Operations £'000
External revenue	1,073,304	657,911	-	1,731,215	148,651	1,879,866
Internal revenue	-	-	-	-	-	-
Total revenue	1,073,304	657,911	-	1,731,215	148,651	1,879,866
Adjusted EBITDA	44,086	88,929	(21,757)	111,258	(8,143)	103,115
Margin %	4.1%	13.5%	-	6.4%	(5.5%)	5.5%
Depreciation	-	-	-	-	-	(24,059)
Amortisation	-	-	-	-	-	(69,958)
Share-based payments	-	-	-	-	-	(16,723)
Adjusted items	-	-	-	-	-	(31,607)
Operating loss	-	-	-	-	-	(39,232)
Finance income	-	-	-	-	-	12,878
Finance costs	-	-	-	-	-	(65,898)
Loss before taxation	-	-	-	-	-	(92,252)

The segmental result for 2023 has been restated for the following:

- THG Beauty: THG Luxury was previously included in the THG Beauty segment consistent with management reporting. As it was sold during the year, it is now reported within discontinued categories. There is no change to the previously reported total revenue, Adjusted EBITDA, operating loss or loss before taxation.

The Group has provided an analysis of external continuing revenue by region (by destination):

	2024 £'000	2023 (restated[1]) £'000
UK	**820,517**	841,943
USA	**362,874**	343,052
Europe	**362,489**	401,910
Rest of the world	**205,524**	292,961
	1,751,404	1,879,866

1. *Restated for discontinued operations (refer to note 9).*

The Group's non-current assets by geography are as follows:

	2024 £'000	2023 £'000
UK	**624,541**	1,189,386
Europe	**42,270**	120,459
Rest of the world	**385,728**	475,744
	1,052,539	1,785,589

3. Operating loss

	Note	**2024 £'000**	2023 (restated[1]) £'000
Operating loss has been arrived at after charging/(crediting):			
Adjusted items - cash	4	**24,547**	10,445
Adjusted items - non-cash	4	**42,440**	21,162
Adjusted items - non-cash impairment	4	**57,466**	-
Employee costs		**142,253**	123,770
Share-based payments	5	**16,579**	16,723
Depreciation on fixed assets	8	**13,092**	14,258
Depreciation on right-of-use assets	15	**11,732**	9,801
Amortisation	7	**19,880**	21,005
Amortisation of acquired intangibles	7	**45,506**	48,953
Net foreign exchange gain		**(37)**	(201)

1. *Restated for discontinued operations (refer to note 9).*

4. Adjusted items

These are items which are material in nature and include, but are not limited to, costs relating to acquisitions, disposals and significant events or programmes, some of which span multiple years. These items are excluded from Adjusted EBITDA as management believe their inclusion distorts the underlying trading performance. This is consistent with the way that financial performance is measured by management and reported to the Board.

	2024 £'000	2023 (restated[1]) £'000
Within cost of sales		

Loss on disposal of discontinued and the exiting of loss-making categories	**24,742**	10,465
Inventory provision following strategic review and commercial rebrand	**8,820**	4,786
	33,562	15,251
Within distribution costs		
Transportation, delivery and fulfilment costs	**1,268**	1,846
Commissioning - new facilities	**-**	342
	1,268	2,188
Within administrative costs		
Impairment of assets - THG Experience	**14,854**	-
Impairment of assets - discontinued categories	**57,466**	-
Loss on property portfolio restructure	**528**	6,788
Loss on disposal of (or exit from) discontinued and loss-making categories	**259**	4,498
Other costs following the outcome of strategic review	**172**	152
Restructuring costs	**5,582**	2,184
Acquisitions - restructuring and integration	**3,047**	346
Onerous contracts	**7,075**	-
Other legal and professional costs	**640**	200
	89,623	14,168
Total adjusted items before tax	**124,453**	31,607
Tax impact	**(5,095)**	(1,868)
Total adjusted items	**119,358**	29,739
Cash adjusting items before tax[2]	**24,547**	10,445

1. *Restated for discontinued operations (refer to note 9).*
2. *Cash adjusting items before tax total £24.5m (2023: £10.5m) reflecting the total cash before tax expected to be paid.*

Impairment of assets - THG Experience
The decision to pause refurbishment work on an asset within THG Experience has led to an impairment charge in the year of £14.9m, this also includes the expected cost of returning the property at the end of the term.

Impairment of assets - discontinued categories
Following the decision to discontinue certain beauty brands an impairment has been charged totalling £57.5m against affected assets.

Loss on disposal of discontinued and the exiting of loss-making categories
Consistent with the Group's ongoing commitment to simplify and streamline operations as part of the strategic review of loss making categories and territories, several actions concluded in 2024. This includes the sale of its portfolio of luxury goods websites (previously THG Luxury) along with some non-core brands and product offerings across THG Beauty and THG Nutrition. This has resulted in an inventory provision adjustment within cost of sales and asset impairments within administrative costs to reflect the recoverable value. These costs are deemed to be one-off losses to enable and complete the exit of loss-making areas of the business. Associated income in respect of costs arising for discontinued categories has been set out in note 2. FY 2023 reflects costs of the same nature following the sale of THG OnDemand in July 2023 and commencement of the strategic review.

Inventory provision following strategic review and commercial rebrand
In H2 2023, Myprotein initiated a comprehensive global rebrand, reflecting a pivotal change in strategy aimed at broadening the accessibility of its products. The Group's commitment to sustainability, notably reducing waste, underpinned this phased rebrand which spanned several months. This allowed for the trade through of old brand packaging and drove minimal disposal of stock. Where possible, stock was sold through in line with this strategy; however, for items that could not be sold, primarily clothing, a one-off stock provision has been recognised for discontinued or obsolete items as part of adjusting items, as these costs are not indicative of the Group's underlying trade as discounts and marketing expenses associated with the clearance of associated stock would typically not be incurred and are not expected to recur in 2025. The comparative position reflects the strategic review in 2023 for THG Beauty manufacturing, where efficiencies were identified that would support long-term cost savings. Consistent with this, a one-off provision was recognised in the prior year in respect of inventory that is no longer required to drive forward the operations.

Transportation, delivery and fulfilment costs
The conflict in Israel has resulted in pressures across the international network and travel routes, with increased costs being experienced as the war continues, which are not fully passed on to customers. The Group continues to insulate the customer from the full impact of these rising costs, with the residual expense therefore being over and above those incurred through the normal course of business. The Group was severely impacted by high surcharges from suppliers in respect of travel routes travelling through and into Asia during the Covid-19 pandemic and extended lockdown periods. The supplier surcharge has not recurred in 2024.

Commissioning - new facilities
Consistent with its strategic priorities, including warehouse optimisation, the Group completed the commissioning of its campus at Manchester Airport, UK ("Icon") in 2023. The warehouse is now fully operational and no further costs were incurred in 2024.

Loss on property portfolio restructure
Following a Group review of properties held within its portfolio, leased properties no longer in use have been sold or repurposed. Where vacated properties are retained, unavoidable costs relating to these sites are incurred over the remaining life of the lease and will continue to be classified as adjusted items.

Other costs following the outcome of strategic review
As part of the strategic review the Group has consolidated acquired warehouses into the existing THG network. The costs that have been incurred as part of this process include costs associated with the dual running of facilities and other third-party costs such as rent and utilities. All costs recognised within adjusted items are from the point of management's decision to exit the acquired warehouse. These costs are considered to be one-off costs and are incremental to the ongoing trading of the Group. The majority of these costs have now been incurred.

Restructuring costs
Consistent with the strategic review, the Group continues to explore and implement corporate restructuring and evolve its internal operations where sustainable alternatives are identified. The costs incurred are attributable to employee-related severance as part of specific operational restructuring projects as efficiencies are implemented across the business. During 2024, given the nature of the programmes, additional costs in respect of salary costs for employees within consultation periods and dual running costs were also included within adjusted items. The costs of the restructuring programme were offset by the annualised saving within 6 months. These projects, and the costs attached, are expected to be completed within a 12 month period.

Acquisitions - restructuring and integration
Costs incurred relate to the integration of Biossance into the existing THG network which was acquired in December 2023. The nature of these costs is consistent with those set out under other costs following the outcome of strategic review but

The nature of these costs is consistent with those set out under other costs following the outcome of strategic review but have been incurred from the point of initial acquisition. Given the nature of these costs, it is not unusual for these to span more than one accounting period depending on the date of acquisition and the time required for the integration to be completed. It is expected that the costs will reduce in 2025.

Onerous contracts
The Group entered into a sponsorship agreement in 2023 with Williams racing which has not delivered the expected commercial returns, as such, this has been identified as an onerous contract. Under the terms of the sponsorship agreement, the Group is contractually obligated to incur annual fees and termination costs. Notice of termination has been provided, and the contract will be exited at the earliest available opportunity; 31 December 2025. The total cost recognised within adjusting items includes the costs incurred from 1 January 2024 plus any unavoidable committed costs to 31 December 2025.

Additionally, the unavoidable costs committed to an aborted implementation of a Human Resources enterprise reporting platform (ERP) have also been recognised as an onerous contract. The Group classifies these expenses as adjusted items, as they do not represent costs incurred in the normal course of business.

Other legal and professional costs
The Group incurs legal and professional costs that are non-recurring, one-off in nature and not related to trading activities. These costs are included as adjusted items and can include, but are not limited to, legal costs for one-off matters and other fees associated with investor activities. The legal and professional costs incurred during 2024 relate to the transfer to ESCC category of the Official List.

5. Share-based payments
Overview
The Group operates a share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense in the Statement of Comprehensive Income with the corresponding increase to equity.

Previously issued plans
Senior leadership plan
Under the senior leadership plan (SLT Plan), share options of the parent are granted to senior executives of the Company, including members of key management personnel. The awards vest in three equal tranches, annually on 31 December over the three years from grant date. Performance conditions and targets linked to ESG are attached to a small proportion of the awards to a small number of participants. The fair value of the share options is the market price of the underlying shares on the grant date. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these options. The Group accounts for the SLT as an equity-settled plan.

Employee plan
Under the employee plan, the Group, at its discretion, may grant share options of the parent to employees other than senior executives. The option awards will vest in three equal tranches annually on 31 December over the three years from grant date, provided participants remain in continued employments with the Company at each date. A small number of shares vested in full on 31 December following issue. The fair value of the share options is the market price of the underlying shares on the grant date.

The contractual term of the share options is three years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards. The Group accounts for the employee plan as an equity settled plan.

Plans issued in the year
A total of 33,574,120 shares were issued in the 12 months to 31 December 2024. The shares issued during the year are as follows:

- On 7 March 2024 a total of 3,685,598 options were granted with 737,120 of these shares only vesting if targets linked to ESG are met. The remainder of the shares vest in three equal tranches and are subject to performance based targets.

- On 15 March 2024 a total of 22,146,794 options were granted. The vesting conditions are as follows:
  - 20,376,943 awards that vest in three equal tranches, with the first being 31 December following the date of grant. The second and third tranches for each separate grant will vest on 31 December in the following two years respectively;
  - 1,680,852 awards, 560,284 of which vested on grant date, with the second tranche vesting on 31 December 2024. The third tranche will vest on 31 December 2025;
  - 88,999 awards that vested on 31 December 2024.

- On 1 August 2024 a total of 3,653,846 options were granted with 730,769 of these shares only vesting if targets linked to ESG are met. The vesting criteria is the same as that of the shares issued on 7 March 2024.

- On 30 August a total of 4,087,882 options were granted. The vesting conditions are as follows:
  - 2,196,973 awards with 137,311 of these shares only vesting if targets linked to ESG are met. The remainder of the shares vest in three equal tranches and are subject to performance based targets.
  - 1,890,909 awards with 1/24th vesting at the end of each month from September 2024.

	2024 £'000	2023 £'000
Expense arising from equity-settled share-based payment transactions	**16,579**	16,723

The following table shows the shares granted and outstanding at the beginning and end of the year:

	2024 Number of shares	**2024 Weighted average exercise price**	2023 Number of shares	2023 Weighted average exercise price
As at 1 January	**68,718,060**	**£0.04**	41,796,012	£0.06
Granted during the year	**33,574,120**	**£0.02**	35,529,824	£0.01
Forfeited during the year	**(3,854,758)**	**£0.00**	(5,324,678)	£0.00
Exercised during the year	**(9,982,528)**	**£0.00**	(3,283,098)	£0.00
As at 31 December	**88,454,894**	**£0.04**	68,718,060	£0.03
Exercisable as at 31 December	**6,072,570**	**£0.00**	19,975,803	£0.00

The key inputs to calculate the charge are the share price at the date of grant and an assumption around those not remaining in continued employment, spread across the vesting period. Achievement of performance conditions has been considered where appropriate. The range of exercise prices are £0.00 to £0.16, and the weighted average remaining contractual life is 8.3 years. The weighted average share price at date of exercise of shares exercised during the year was contractual life is [illegible] years. The weighted average share price at date of exercise of shares exercised during the year was £0.60.

6. Finance income and cost

	2024 £'000	2023 (restated[1]) £'000
Finance income		
Bank interest receivable	**9,049**	12,878
Finance costs		
Bank interest payable and charges	**61,968**	64,672
Interest on lease liabilities	**1,586**	1,226
	63,554	65,898

1. *Restated for discontinued operations (refer to Note 9).*

7. Intangible assets

	Goodwill £'000	Platform development costs £'000	Intellectual property £'000	Brands £'000	New product development £'000	Total £'000
Cost or valuation						
At 1 January 2023	**790,977**	**268,249**	**223,972**	**640,756**	**13,213**	**1,937,167**
Transfers	-	-	(1,627)	103	1,524	-
Additions	-	60,775	19,988	83	798	81,644
Business combinations	2,318	-	1,816	4,329	-	8,463
Currency translation	(18,901)	(199)	(8,730)	(17,606)	(8)	(45,444)
Disposals	(1,175)	(31,226)	(24,078)	(376)	(310)	(57,165)
At 31 December 2023	**773,219**	**297,599**	**211,341**	**627,289**	**15,217**	**1,924,665**
At 1 January 2024	**773,219**	**297,599**	**211,341**	**627,289**	**15,217**	**1,924,665**
Transfers	-	(1,278)	137	-	528	(613)
Additions	-	50,046	14,474	591	3,043	68,154
Currency translation	1,266	19	1,663	1,941	(12)	4,877
Disposals	(439)	(18,285)	(21,119)	(1,499)	(15)	(41,357)
Transfers to assets held for distribution	(86,896)	(324,782)	(33,343)	(14,913)	(4,893)	(464,827)
At 31 December 2024	**687,150**	**3,319**	**173,153**	**613,409**	**13,868**	**1,490,899**
Accumulated amortisation						
At 1 January 2023	**304,632**	**168,332**	**95,323**	**87,953**	**5,165**	**661,405**
Transfers	-	97	(130)	33	-	-
Amortisation	-	38,520	26,893	52,474	1,485	119,372
Impairment loss	-	240	-	-	-	240
Currency translation	(1,651)	766	(5,418)	(2,437)	(2)	(8,742)
Disposals	-	(30,853)	(23,468)	(362)	(310)	(54,993)
At 31 December 2023	**302,981**	**177,102**	**93,200**	**137,661**	**6,338**	**717,282**
At 1 January 2024	**302,981**	**177,102**	**93,200**	**137,661**	**6,338**	**717,282**
Amortisation	-	43,725	29,555	36,661	2,558	112,499
Currency translation	392	(4)	1,086	370	(14)	1,830
Reclassification	-	-	15,468	(15,468)	-	-
Disposals	(428)	(17,684)	(19,762)	(2,099)	(15)	(39,988)
Impairment loss (net)	40,521	-	-	15,770	-	56,291
Transfers to assets held for distribution	(85,483)	(199,925)	(24,620)	(3,235)	(2,074)	(315,337)
At 31 December 2024	**257,983**	**3,214**	**94,927**	**169,660**	**6,793**	**532,577**
Net book value						
At 1 January 2023	486,345	99,917	128,649	552,803	8,048	1,275,762
At 31 December 2023	470,238	120,497	118,141	489,628	8,879	1,207,383
At 31 December 2024	**429,167**	**105**	**78,226**	**443,749**	**7,075**	**958,322**

The reclassification line relates to the reclass of amortisation charges between appropriate intangible asset categories.

The impairment charge has been explained within note 4 and the CFO Report.

8. Property, plant and equipment

	Motor vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment and software £'000	Leasehold freehold improvements and buildings £'000	Total £'000
Cost						
At 1 January 2023	**2,317**	**143,100**	**141,393**	**118,719**	**123,719**	**529,248**
Additions	111	11,209	6,707	12,224	2,829	33,080
Business combinations	-	-	8	11	19	38
Transfers	-	5,430	(37,869)	3,009	29,430	-
Currency translation differences	-	(302)	743	(532)	(515)	(606)
Disposals	(165)	(6,474)	(4,117)	(281)	(45,875)	(56,912)
At 31 December 2023	**2,263**	**152,963**	**106,865**	**133,150**	**109,607**	**504,848**
At 1 January 2024	**2,263**	**152,963**	**106,865**	**133,150**	**109,607**	**504,848**
Additions	137	11,935	8,712	7,053	2,474	30,311
Transfers	39	1,878	(3,698)	2,289	1,041	1,549
Currency translation differences	-	(332)	(783)	142	(33)	(1,006)
Disposals	(116)	(2,349)	(1,345)	(780)	(874)	(5,464)
Transfer to assets held for distribution	(1,893)	(109,492)	(83,062)	(124,692)	(42,431)	(361,570)
At 31 December 2024	**430**	**54,603**	**26,689**	**17,162**	**69,784**	**168,668**

Accumulated depreciation

Accumulated depreciation						
At 1 January 2023	**1,587**	**43,103**	**36,399**	**54,881**	**33,237**	**169,207**
Depreciation (note 3)	340	14,494	13,489	21,310	6,058	55,691
Impairment loss	-	1,064	987	115	10,950	13,116
Currency translation differences	-	(342)	232	(581)	(187)	(878)
Disposals	(170)	(1,949)	(51)	(257)	(3,032)	(5,459)
At 31 December 2023	**1,757**	**56,370**	**51,056**	**75,468**	**47,026**	**231,677**
At 1 January 2024	**1,757**	**56,370**	**51,056**	**75,468**	**47,026**	**231,677**
Depreciation (note 3)	178	17,857	13,984	18,134	4,155	54,308
Transfers	-	8	(8)	-	-	-
Impairment loss	-	7,328	-	-	155	7,483
Currency translation differences	-	(92)	(224)	100	(50)	(266)
Disposals	-	(2,347)	(1,212)	(780)	(494)	(4,833)
Transfer to asset held for distribution	(1,773)	(47,492)	(42,213)	(83,675)	(9,438)	(184,591)
At 31 December 2024	**162**	**31,632**	**21,383**	**9,247**	**41,354**	**103,778**
Net book value						
At 1 January 2023	730	99,997	104,994	63,838	90,482	360,041
At 31 December 2023	506	96,593	55,809	57,682	62,581	273,171
At 31 December 2024	**268**	**22,971**	**5,306**	**7,915**	**28,430**	**64,890**

9. Discontinued operations

On 17 September 2024, the Group announced its intention to demerge THG Ingenuity from THG PLC into an independent private company. Shareholder approval was obtained on 27 December 2024 and, therefore, the Group believed that it was highly probable that the transaction would complete within 12 months from the date of the announcement. Therefore, THG Ingenuity was classified as a disposal group held for distribution and discontinued operations from that date. Upon demerger, THG Ingenuity included THG Experience, which had previously been reported as part of the THG Beauty segment. The demerger successfully completed on 2 January 2025.

The results of THG Ingenuity for the year are presented below:

	2024	2023
	£'000	£'000
Total revenue	**654,768**	685,383
Internal revenue[1]	**(462,858)**	(519,871)
External revenue	**191,910**	165,512
Cost of sales	**(142,392)**	(122,595)
Gross profit	**49,518**	42,917
Administrative costs	**(155,949)**	(171,414)
Other operating expense	**-**	(17,664)
Operating loss	**(106,431)**	(146,161)
Finance income	**141**	451
Finance costs	**(14,550)**	(14,002)
Loss before taxation	**(120,840)**	(159,712)
Income tax (charge)/credit	**(24,767)**	19,302
Loss for the financial year	**(145,607)**	(140,410)

1. *Internal revenue is eliminated at Group level in the current year but will be recognised as external revenue within THG Ingenuity from the next financial year, following the demerger on 2 January 2025.*

THG Ingenuity - Adjusted EBITDA

	Notes	**2024** **£'000**	2023 £'000
Operating loss		**(106,431)**	(146,161)
Adjustments for:			
Amortisation	7	**44,703**	47,824
Amortisation of acquired intangibles	7	**2,411**	1,590
Depreciation	8,15	**68,407**	71,054
Adjusted items - cash	A	**19,211**	5,346
Adjusted items - non-cash	a	**2,736**	13,674
Other operating expense - non-cash loss on disposal of freehold assets		**-**	17,664
Adjusted EBITDA		**31,037**	10,991

a. THG Ingenuity - Adjusted items

	2024	2023
	£'000	£'000
Within administrative costs		
Transportation, delivery and fulfilment costs	**160**	609
Commissioning - new facilities	**273**	2,263
Restructuring costs	**10,694**	524
Loss on property portfolio restructure	**956**	12,433
Loss on disposal of (or exit from) discontinued and loss-making categories	**-**	1,504
Other costs following the outcome of strategic review	**932**	1,329
Acquisitions - restructuring and integration	**1,064**	358
Onerous contracts	**7,868**	-
Total adjusted items before tax	**21,947**	19,020
Tax impact	**(2,574)**	(1,140)
Total adjusted items	**19,373**	17,880
Cash adjusting items before tax	**19,211**	5,346

Transportation, delivery and fulfilment costs

The conflict in Israel has resulted in pressures across the international network and travel routes, with increased costs being experienced as the war continues, which are not fully passed on to customers. The Group continues to insulate the customer from the full impact of these rising costs, with the residual expense therefore being over and above those incurred through the normal course of business.

Commissioning - new facilities

Consistent with strategic priorities, the Group has completed its commissioning of its campus in New Jersey, US. The 2024 costs relate to the final stages of commissioning that were required to enable the warehouse to be fully operational and work at optimised levels. No further costs are expected to be incurred.

Restructuring costs
Consistent with the strategic review, the Group continues to explore and implement corporate restructuring and evolve its internal operations where sustainable alternatives are identified. As part of this, the costs incurred are attributable to employee related severance as part of specific operational restructuring projects as efficiencies are implemented across the business. During 2024, given the nature of the programmes, additional costs in respect of salary costs for employees within consultation periods and dual running costs were also included within adjusted items.

Additionally, costs were incurred in executing the demerger of THG Ingenuity, which left the Group on 2 January 2025. These projects, and the costs attached, are expected to be completed within a 12-month period.

Loss on property portfolio restructure
Following a Group review of properties held within its portfolio, leased properties no longer in use have been sold or repurposed. Where vacated properties are retained, unavoidable costs relating to these sites are incurred over the remaining life of the lease and will continue to be classified as adjusted items.

Loss on disposal of discontinued and the exiting of loss-making categories
The comparative position reflects adjustments following the sale of THG OnDemand in July 2023.

Other costs following the outcome of strategic review
As part of the strategic review the Group has consolidated acquired warehouses into the existing THG network. The costs that have been incurred as part of this process, include:

- Those incurred to relocate the stock across the fulfilment network.
- Restructuring costs associated with the dual running of facilities, severance payments and other third-party costs such as rent and utilities.

All costs recognised within adjusted items are from the point of management's decision to exit the acquired warehouse. These costs are considered to be one-off costs and are incremental to the ongoing trading of the Group. The majority of these costs have now been incurred.

Acquisitions - restructuring and integration
The costs during the year relate to pre-acquisition settlement costs that arose before the acquisition of a subsidiary and has been classified as an adjusted item as they relate to legacy matters predating the Group's ownership. These costs are considered non-recurring in nature and do not form part of the Group's underlying operating performance. The settlement was finalised in 2024 and no further related costs are expected to be incurred in 2025.

The 2023 costs are in relation to the integration of City AM that was acquired in July 2023.

Onerous contracts
The Group entered into a sponsorship agreement in 2023 with Williams racing which has not delivered the expected commercial returns, as such, this has been identified as an onerous contract. Under the terms of the sponsorship agreement, the Group is contractually obligated to incur annual fees and termination costs. Notice of termination has been provided, and the contract will be exited at the earliest available opportunity; 31 December 2025. The total cost recognised within adjusting items includes the costs incurred from 1 January 2024 plus any unavoidable committed costs to 31 December 2025.

The major classes of assets and liabilities classified as held for distribution as at 31 December are as follows:

	31 December 2024 £'000
Assets	
Intangible assets	**149,490**
Property, plant and equipment	**176,979**
Right-of-use assets	**232,222**
Investments	**1,400**
Deferred tax asset	**2,705**
Inventories	**8,370**
Trade and other receivables	**101,924**
Other financial assets	**300**
Cash and cash equivalents	**88,979**
Total assets held for distribution	**762,369**
Liabilities	
Lease liabilities	**267,929**
Provisions	**21,795**
Deferred tax liability	**503**
Contract liability	**12,236**
Current tax liability	**219**
Trade and other payables	**286,990**
Total liabilities held for distribution	**589,672**
Net assets directly associated with distribution group	**172,697**
Amounts included in reserves directly associated with disposal group	**(3,155)**

The net cash flows incurred by discontinued operations were as follows:

	2024 £'000	2023 £'000
Operating	**18,113**	(20,201)
Investing	**(80,290)**	(49,257)
Financing	**(35,785)**	(27,099)
Net cash outflow	**(97,962)**	(96,557)

b. THG Ingenuity - Related party transactions
The amounts recognised within the major classes of assets and liabilities classified as held for distribution in relation to the leases with Propco for discontinued operations in the year are as follows:

	2024 £'000
Right-of-use asset	**18,784**
Lease liability	**23,920**

The amounts recognised within the results of THG Ingenuity in relation to the leases with Propco for discontinued

The amounts recognised within the results of THG Ingenuity, in relation to the leases with Propco for discontinued operations in the year are as follows:

	2024	2023
	£'000	£'000
Depreciation arising on right-of-use assets	**7,117**	7,780
Expense recognised in financing costs	**5,274**	6,145
Impairment arising on property plant and equipment	**-**	9,663

The table below gives further detail around the leases in place for discontinued operations:

Number of properties	Residual lease term date divestment	**2024** **Rent** **£'000**
10	0-4 years	**8,383**
2	18-24 years	**1,700**
12		**10,083**

Fair value assessment of dividend liability

Under IFRIC 17 'Distributions of Non-cash Assets to Owners', a liability to pay a non-cash dividend is measured at the fair value of the assets and liabilities to be distributed when the dividend is appropriately authorised and it is no longer at the entity's discretion. The assets and liabilities to be distributed are the THG Ingenuity business.

The dividend liability was considered to be appropriately authorised on 27 December 2024 following shareholder approval and has been recognised within the statement of financial position at 31 December 2024. The settlement of the dividend liability took place on the date of the demerger on 2 January 2025.

The resulting gain on demerger will therefore be recognised within the FY 2025 financial statements. This gain is calculated as the difference between the fair value and the book value of the attributable net assets. As this is a material, non-recurring transaction, it will be recognised within adjusted items.

We have determined the fair value of the THG Ingenuity business by considering the requirements within IFRS 13 'Fair value measurement'. We concluded that there was not an observable market price available for the stand-alone THG Ingenuity business on the basis that it was part of a larger listed Group prior to demerger and became a private limited company post-demerger.

The uncertainties over future cashflows meant that this was best achieved by considering the underlying assets and liabilities as a basis for then comparing to similar market transactions and valuations. Therefore, the fair value of THG Ingenuity has instead been derived using a combination of the valuation techniques outlined in IFRS 13 being; the market approach, the cost approach and the income approach. The measurement of the dividend liability is a level 3 fair value measurement. The material assets and liabilities which were valued to assess the overall value of the business are as follows:

Asset/ liability	**Method**	**Key assumptions**	**Hierarchy**
Intangible assets	Primarily relating to the capitalised platform development costs Valued on a replacement cost basis (using the cost approach)	• Total hours and number of developers to rebuild the platform • Rates per hour	Level 3 If the total hours to or number of developers to rebuild the platform, or the rate per hour increased / decreased by +5% / -5% the fair value would change by +/- c.£17m respectively.
Property, plant and equipment	Primarily relating to fit-out of fulfilment centres including specialist automation equipment. Valued on a market approach	• Benchmarking of cost to similar fit outs and specialist equipment • Condition and location of assets • Useful economic lives	Level 2
Right-of-use assets	Valued on a market approach	• Market rents for similar properties	Level 2
Working capital assets and liabilities	Valued on a line by line basis	• Recoverability of trade and other receivables • Net realisable value of inventories • Completeness of trade and other payables • Cash and cash equivalents were considered to be carried at their fair value given the nature of the balance	Level 2

In determining the fair value, significant judgement exists in relation to the valuation techniques used and significant estimation exists in relation to the key inputs into the models. Therefore, a fair value range was calculated. This range is sensitive to changes made to the key inputs described above.

When concluding on an appropriate fair value within that range we considered the valuation derived in the context of alternative data sources, such as relevant multiples on revenue and earnings. This resulted in the following transaction values:

	£'000
Fair value of THG Ingenuity	501,331
Carrying value of net assets and liabilities distributed (note 9)	172,697
Intercompany receivable due from THG plc[1]	121,457
Gain to be recognised on 2 January 2025 within THG PLC	**207,177**

1. *The carrying value of the net assets and liabilities held for distribution excludes intergroup balances that are eliminated on consolidation. The carrying value of assets distributed as part of the THG Ingenuity business will also include £121m of intergroup receivables.*

It is important to highlight that this fair value has been prepared on a different basis to the valuation of THG Ingenuity reported in the Shareholder Circular. The valuation reported in the Board-approved Shareholder Circular was based on a pro-rata of the market capitalisation of the listed Group, resulting in an £88 million valuation. This valuation is not an observable market price and as such, was not in line with the requirements of IFRS 13. These two valuations are prepared on different bases and therefore are not comparable.

10. Inventories

	2024 £'000	2023 £'000
Goods held for resale	**200,533**	225,600
Raw materials	**60,301**	67,427
Goods in transit	**4,537**	4,116
	265,371	297,143

Goods in transit relate to goods whose control is still to be transferred to the customers as of the reporting date. The cost of inventories recognised as an expense and included in cost of sales amounted to £1,017.1m (2023: £1,015.5m). The value of inventories written down and recognised as an expense in the statement of comprehensive income in the year was £38.5m (2023: £20.4m) including adjusted items. Within goods held for resale is a £1.3m (2023: £2.4m) right to recover asset which represents the carrying value of inventory expected to be received back from customers as returns.

11. Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	**34,578**	110,912
Less: loss allowance	**(1,122)**	(2,056)
Net trade receivables	**33,456**	108,856
Prepayments	**13,253**	28,483
Accrued income	**22,875**	36,428
Other taxation and social security	**40,374**	59,185
Other receivables	**37,314**	38,830
	147,272	271,782

Trade and other receivables are principally denominated in sterling.

12. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash and cash equivalents	**308,622**	416,162

Cash and cash equivalents of £89.0m that left the Group on demerger have been classified as held for distribution at 31 December 2024. See note 9 for more information.

Cash and cash equivalents includes amounts receivable of £1.8m (2023: £3.5m) from banks and £9.9m (2023: £16.7m) from payment providers, for credit and debit card transactions. Such amounts clear the bank shortly after the transaction takes place.

13. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**246,035**	368,855
Accruals	**69,007**	182,922
Other taxation and social security	**27,485**	82,351
Government grants	**-**	2,343
Contingent consideration on acquisitions	**-**	1,879
	342,527	638,350

14. Interest-bearing loans and borrowings

	2024 £'000	2023 £'000
Current		
Bank borrowings	**112,785**	29,026
Lease liabilities	**10,293**	43,537
	123,078	72,563
Non-current		
Bank borrowings	**491,782**	621,011
Lease liabilities	**31,077**	301,440
	522,859	922,451

Bank borrowings relate predominantly to the seven-year euro term loan B, undrawn five-year revolving credit facility and an incremental facility. The revolving credit facility is provided by Barclays, HSBC, Santander, Citibank, NatWest and JPM. The term loan B carried an interest rate of 4.50% plus EURIBOR and the revolving credit facility's interest rate is SONIA. This loan is provided by the Group's existing lenders and carries a base rate of Daily RFR (SONIA). The floating element of the term loan B is hedged by interest rate derivatives. Management note that EURIBOR is being reformed as a benchmark rate and are in dialogue with its lending and hedging partners to minimise the impact on the Group as transition occurs. If interest rates moved by 100bps, the Group's loss before tax would be c.£5.1m higher/lower (2023: c.£7.3m) and the subsequent move on the derivative valuation would cause equity to be c.£7.3m higher/lower (2023: c.£15.5m) as a result of the same move. Post year end, the Group refinanced its facilities.

Net debt consists of loans and lease liabilities, less cash and cash equivalents. For the purpose of the Group's net debt calculation, loans that are denominated in foreign currency are translated at the effective hedged rate where applicable. Net debt is an alternative performance measure and is not defined under IFRS. A reconciliation to the most directly comparable IFRS measure is included below:

	2024 £'000	2023 £'000
Loans and other borrowings	**(604,567)**	(650,037)
Lease liabilities	**(41,370)**	(344,977)
Cash and cash equivalents	**308,622**	416,162
Sub-total	**(337,315)**	(578,852)
Adjustments:		
Retranslate debt balance at swap rate where hedged by foreign exchange derivatives	**(8,306)**	15,653
Net debt	**(345,621)**	(563,199)

Net debt before lease liabilities	**(304,251)**	(218,222)

15. Leases

Set out below are the carrying amounts of the right-of-use assets recognised and movements during the period:

	Motor vehicles £'000	Plant and machinery £'000	Land and buildings £'000	Total £'000
As at 1 January 2023	**210**	**164**	**293,935**	**294,309**
Additions	1,920	(3)	59,475	61,392
Depreciation (note 3)	(568)	(45)	(38,809)	(39,422)
Lease modifications	98	-	(10,377)	(10,279)
Currency translation differences	(4)	(3)	(2,358)	(2,365)
As at 31 December 2023	**1,656**	**113**	**301,866**	**303,635**
As at 1 January 2024	**1,656**	**113**	**301,866**	**303,635**
Additions	-	-	25,057	25,057
Depreciation (note 3)	(614)	(45)	(38,263)	(38,922)
Lease modifications	(3)	-	(18,531)	(18,534)
Disposals	-	-	(213)	(213)
Transfers	-	-	(950)	(950)
Currency translation differences	(4)	(1)	(1,147)	(1,152)
Impairment	-	-	(7,372)	(7,372)
Transfer to assets held for distribution	(807)	(35)	(231,380)	(232,222)
As at 31 December 2024	**228**	**32**	**29,067**	**29,327**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024 £'000	2023 £'000
As at 1 January	**344,977**	334,376
Additions	**15,950**	56,708
Accretion of interest	**15,867**	14,641
Payments	**(47,476)**	(49,487)
Lease modifications	**(17,864)**	(8,864)
Disposals	**(213)**	-
Currency translation differences	**(1,942)**	(2,397)
Transfer to liabilities held for distribution	**(267,929)**	-
As at 31 December	**41,370**	344,977
Current	**10,293**	43,537
Non-current	**31,077**	301,440

The Group had total cash outflows for leases of £47.5m in 2024 (2023: £49.5m).

The following are the amounts recognised in the year in the consolidated statement of comprehensive income:

	2024 £'000	2023 (Restated)[1] £'000
Depreciation expense on right-of-use assets	**11,732**	9,801
Interest expense on lease liabilities	**1,558**	1,226
	13,290	11,027

1. *Restated for discontinued operations (refer to note 9).*

16. Earnings per share

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2024	2023 (Restated)[1]
Loss for the financial year - continuing operations (£'000)	**(180,533)**	(107,962)
Loss for the financial year - discontinued operations (£'000)	**(145,607)**	(140,410)
Total loss for the financial year (£'000)	**(326,140)**	(248,372)
Weighted average number of Ordinary Shares for basic EPS	**1,368,632,773**	1,296,925,602
Basic and diluted EPS (£'s)	**(0.24)**	(0.19)
Basic and diluted EPS - continuing operations (£'s)	**(0.13)**	(0.08)
Basic and diluted EPS - discontinued operations (£'s)	**(0.11)**	(0.11)

1. *Restated for discontinued operations (refer to note 9).*

In 2024, if the impact of impairment charges in the year was removed, the Basic and Diluted EPS would have been £(0.19).

The basic loss per share has been calculated by dividing the loss attributable to the Group by the weighted average number of Ordinary Shares in issue. Earnings per share has been calculated with respect to total loss for the year for the Group, including both continuing and discontinued operations (see note 9).

The diluted loss per share has been calculated by adjusting the weighted average number of shares for the effects of the D, E, F and G Shares assuming full vesting of all potentially dilutive shares.

Basic and diluted earnings per share are equal since the effect of all potentially dilutive shares outstanding was anti-dilutive.

17. Related Party Transactions

The Directors' interests in the Ordinary Share capital of the Company at the balance sheet date are detailed below:

	£ per share	**Ordinary Shares 2024 Number**	Ordinary Shares 2023 Number
M J Moulding	0.005	**269,702,708**	249,294,545
M J Moulding	1.000	**360**	360
J A Gallemore	0.005	**4,216,826**	4,216,826
J A Gallemore	1.000	**3,174**	3,174
D Sanders	0.005	**487,487**	21,926
C Allen	0.005	**2,942,000**	2,400,000
G Kent	0.005	**53,600**	-

D Moore	0.005	**53,143**	-
S Farr	0.005	**171,743**	67,397
H Jones	0.005	**134,084**	-
I McDonald[1]	0.005	**2,691,419**	2,505,943
		280,456,544	258,510,171

1. *I McDonald stepped down from the Board on 31 March 2024.*

In addition to the shareholdings noted above, the Directors had the following interests in vested shares issued under previous incentive arrangements at the balance sheet date. These shares carry no voting rights.

	Date of award	**2024 Subscription/ exercise price £**	2023 Subscription/ exercise price £	**2024 Number**	2023 Number
M J Moulding	Dec-19	**0.23**	0.23	**43,641,266**	43,641,266
M J Moulding	Aug-20	**0.33**	0.33	**20,197,808**	20,197,808
M J Moulding	Aug-20	**0.28**	0.28	**7,733,792**	7,733,792
J A Gallemore	Dec-19	**0.23**	0.23	**185,476**	185,476
J A Gallemore	Aug-20	**0.33**	0.33	**2,666,963**	2,666,963
J A Gallemore	Aug-20	**0.28**	0.28	**4,000,537**	4,000,537
I McDonald[1]	Dec-19	**0.23**	0.23	**-**	185,476
				78,425,842	78,611,318

1. *I McDonald stepped down from the Board on 31 March 2024.*

Details of unvested awards granted to the Directors under the 2024 LTIP scheme are provided in the Directors' Remuneration Report.

In 2024, the Group has provided interest free loans to the Directors of £0.6m (2023: none) for them to subscribe for shares as part of the employee benefit scheme which remain outstanding at the balance sheet date. A further £0.3m of interest-free loans provided in previous years for the same purpose also remains outstanding at the balance sheet date.

The Group has in place an agreement on commercial terms with Moulding Capital Limited to provide property, facilities and project management services to the entity and its subsidiaries. This agreement generated £235,382 (2023: £307,720) for the Group, recognised within administrative expenses.

Prior to the IPO which took place in September 2020, THG divested the Propco Group, an entity now wholly owned by the Group's CEO. The Propco Group owns property assets occupied and utilised by THG and its operating businesses.

The amounts recognised on the Group's balance sheet in relation to the leases with Propco for continuing operations in the year are as follows:

	2024 £'000	2023 £'000
Right-of-use asset	**12,742**	154,682
Lease liability	**24,025**	174,457

The amounts recognised on the Group's statement of comprehensive income in relation to the leases with Propco for continuing operations in the year are as follows:

	2024 £'000	2023 £'000
Depreciation arising on right-of-use assets	**2,764**	2,286
Expense recognised in financing costs	**991**	1,052
Impairment arising on property, plant and equipment	**7,372**	-

The table below gives further detail around the leases in place for continuing operations:

Number of properties	Residual lease term date divestment	**FY 2024 Rent £'000**
5	0-4 years	**470**
10	9-10 years	**1,770**
1	18-24 years	**650**
16		**2,890**

Refer to Note 9 for further details on related parties in relation to discontinued operations.

[1] *CCY defined as constant currency basis*

[2] *YoY defined as year-on-year statutory sales growth*

[3] *Lfl revenue (c.-3%) is adjusted for Easter, leap year phasing and for Beauty territories where the model has been substantially changed (Asia and Europe)*

[4] *The non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation, share-based payments, adjusting items and discontinued categories in respect of THG Beauty and THG Nutrition net of central costs.*

[5] *The non-GAAP measure which is defined as Earnings Before Interest, Taxes, Depreciation, Amortisation, share-based payments, adjusting items and discontinued categories in respect of THG Beauty, THG Nutrition and THG Ingenuity net of central costs.*

[6]

[6] *Including £89.0m of cash held for distribution to THG Ingenuity.*

[7] *YouGov Brand Tracking, February 2025. Almost 1 in 4 UK consumers in our target audience spontaneously name Myprotein when asked to name a sports nutrition brand.*

Myprotein is the most preferred brand among 12 UK sports nutrition brands measured.

[8] *Excluding discontinued categories*

[9] All numbers and tables subject to rounding throughout this report.