

7 May 2025

ANDREWS SYKES GROUP PLC
 ("Andrews Sykes" or "the Company" or "the Group")

Final Results
for the year ended 31 December 2024

Summary of Results

	Year ended 31 December 2024	Year ended 31 December 2023
	£000	£000
Revenue from continuing operations	75,942	78,747
Adjusted EBITDA* from continuing operations	30,933	30,622
Operating profit	23,187	22,737
Profit after tax for the financial period	16,798	17,758
Net cash inflow from operating activities	20,323	24,946
Net funds	7,152	4,570
Cash and cash equivalents	23,181	19,967
Total interim, special and final dividends paid	10,841	35,743
	(pence)	(pence)
Basic earnings per share	40.13	42.24
Interim, special and final dividends paid per share	25.90	85.30
Proposed final dividend per share	14.00	14.00

* Earnings before interest, taxation, depreciation, profit on the sale of plant and equipment and amortisation

Enquiries

Andrews Sykes Group plc
 Carl Webb, Group Managing Director
 Ian Poole, Group Finance Director and Company
 Secretary

T: +44 (0)1902 328 700

Houlihan Lokey UK Limited (Nominated Advisor)
 Tim Richardson

T: +44 (0)20 7484 4040

Overview and outlook

Andrews Sykes' trading remained strong during 2024 and we are pleased to report that the Group as a whole has again delivered a record level of operating profitability. We are thankful for and proud of our team members who have made this possible by continuing to provide our customers with an essential 24 hour service offering.

2024 was not without its challenges, with revenue opportunities being constrained by the unseasonably cool summer weather experienced in the UK and across much of Europe. However, our long-standing commitment to tight cost control and leveraging our strong relationships with customers have allowed us to not only maintain but increase our operating profitability over the previous year.

The Group continued to develop its relationships with key customers throughout the UK and Europe which has underpinned the strong results reported. These key accounts provide a consistent revenue stream. Whilst turnover is down in the second half of the year as compared to the prior year, mainly due to reduced revenue opportunities presented by poor summer temperatures, the focus on our key accounts means the Group has still produced operating profit growth despite reporting a lower revenue.

During the year we have been working on plans to enter the Saudi Arabian market which is currently experiencing a well publicised construction boom in an effort to diversify the Saudi Arabian economy. We are delighted to announce that a new subsidiary incorporated in Saudi Arabia opened in early 2025 and will be managed by our UAE management team who have done such a good job in turning around our existing business in the Middle East. This market represents a significant growth opportunity in 2025 and beyond.

Our new German subsidiary, Klimamieten AS Gmbh, has experienced a difficult first year with limited revenue generated so far; undoubtedly impacted by the wider stagnant German economic situation. We remain hopeful of future growth in this large market.

We remain encouraged by how our highly experienced management team has consistently adapted the business to overcome market and operational issues and take advantage of new revenue opportunities.

Positive trading momentum has continued into the current year, with overall performance in the year to date in line with the Board's expectations. The Group is confident in its core markets, its revenues and its profits.

2024 trading summary

The Group's revenue for the year ended 31 December 2024 was £75.9 million, a decrease of £2.8 million, or 3.6%, compared with last year. Of this £2.8 million decrease, £1.5 million was a result of the previously taken decision to cease operating within the French market. A further £0.9 million decrease was as a result of stronger Sterling exchange rates versus the Euro and the Dirham. Excluding these two factors, underlying turnover was down year on year just £0.4 million or 0.5%. Despite this decrease in revenue, through careful cost management and commercial negotiations for the early exit of previously vacated lease properties, operating profit has increased by 2.0%, or £0.5 million, from £22.7 million last year to £23.2 million in the year under review. Turnover for the second half of the year was down 5.9%, or £2.3 million, on the corresponding period last year and reflects the cooler weather experienced across the UK and Europe over the summer months in 2024 which limited revenue opportunities in comfort cooling.

Decreasing interest rates in the UK and Europe over 2024 contributed to decreased returns on cash reserves which, coupled with an increased interest charge from the increased value of right-of-use lease obligations, has meant net finance income decreasing from £0.9 million last year to a net nil in the current year. Profit before taxation was £23.2 million (2023: £23.6 million) and profit after taxation was £16.8 million (2023: £17.8 million).

The Group has reported a decrease in the basic earnings per share of 2.11p, or 5.0%, from 42.24p in 2023 to 40.13p in 2024. This is mainly attributable to the above decrease in the Group's net finance income and increased tax charges.

The Group continues to generate strong net cash inflows. Net cash inflow from operating activities was £20.3 million compared with £24.9 million last year.

Cost control, cash generation and working capital management continue to be priorities for the Group, with stocks maintained at the same level as last year. Capital expenditure is concentrated on assets with strong returns; in total £5.5 million was invested in the hire fleet this year. In addition, the Group invested a further £1.1 million in property, plant and equipment. These actions will ensure that the Group's infrastructure and revenue generating assets are sufficient to support future growth and profitability. Hire fleet utilisation, condition and availability continue to be the subjects of management focus.

Operating performance

The following table splits the results between the first and second half years:

	Turnover £'000	Operating profit £'000
1st half 2024	38,387	9,726
1st half 2023	38,843	9,713
2nd half 2024	37,555	13,461
2nd half 2023	39,904	13,024
Total 2024	75,942	23,187
Total 2023	78,747	22,737

The above table reflects the continued progress of the business, with second half profitability being improved on £2.3 million lower revenue.

The turnover of our main business segment in the UK decreased from £44.4m last year to £43.1m with operating profit increasing from £15.0m to £15.4m. This result was reflective of the poor summer weather experienced with the UK having the lowest average summer temperature since 2015, mitigated by commercial successes in the early lease exit from previously vacated properties. Air conditioning hire was down £2.8m or 33.9% on the prior year. Pump hire continues to grow with revenues at record levels for the seventh year in a row and 2.0% higher than 2023.

Our European businesses also recorded decreases in turnover, from £26.7 million last year to £23.6 million, and operating profit decreasing from £8.7 million to £8.2 million in 2024. £1.5 million of the revenue reduction was a result of ceasing our loss making French operations. Northern Europe in particular was impacted by the same cooler summer temperatures as seen in the UK and has been reflected in decreased chiller and air conditioning hire revenues. Each of our European subsidiaries reported lower turnover levels during 2024. Stronger Sterling exchange rates also negatively impacting our European subsidiaries reported revenues by £0.7 million as compared to 2023.

The turnover of our hire and sales business in the Middle East has increased from £5.6 million last year to £7.7 million, and operating profit increased from £0.4 million to £1.1 million in the year under review. This result marks a strong turnaround driven by the new local management who were installed during the summer of last year. The increased operating profit is reflective of the increased revenue allied with expected credit losses remaining under control, with a charge of £0.1 million in 2024 compared to £0.2 million in 2023. It is pleasing that as the year progressed core hire revenues increased, with revenues in the second half of the year 11.8% up on the first half of the year. Management are

confident of this trend continuing.

Our fixed installation and maintenance business in the UK saw a decrease in turnover from £2.1m to £1.6m and returned a small operating profit, an increase of £0.1 million from the small operating loss reported in 2023.

Central overheads were £1.5 million in the year compared with £1.3 million in 2023.

Profit for the financial year

Profit before tax was £23.2 million this year compared with £23.6 million last year; a decrease of £0.4 million. This is largely attributable to the £0.5 million increase in operating profit offset by net interest income reducing by £0.9 million due to lower interest receivable and higher interest charged on right-of-use lease obligations.

Tax charges increased from £5.8 million in 2023 to £6.4 million this year. The overall effective tax rate increased from 24.7% in 2023 to 27.6% this year, primarily driven by the introduction of corporation tax for the first time in the United Arab Emirates and the full year impact of the increase in UK corporation tax from 19% to 25% in April 2023. A detailed reconciliation of the theoretical corporation tax charge based on the accounts profit multiplied by the applicable tax rate and the actual tax charge is given in note 10 to the consolidated financial statements. Profit for the financial year was £16.8 million compared with £17.8 million last year.

Defined benefit pension scheme

As reported last year, the Company has successfully de-risked its defined benefit scheme by completing a buy-in deal. This transaction means that future liabilities are fully de-risked and the Company will not be required to contribute significant cash payments into the pension scheme to fund adverse liability movements. As such no cash contributions into the scheme were made during 2024. The defined benefit pension scheme surplus after the application of an asset restriction has increased from £1.6m as at 31 December 2023 to £1.8m at the year end primarily as a result of UK tax legislation introduced in April 2024 reducing the asset restriction charge levied on the defined benefit pensions scheme surplus.

Equity dividends

The Company paid two dividends during the year. On 21 June 2024, a final dividend for the year ended 31 December 2023 of 14.00 pence per ordinary share was paid. This was followed on 1 November 2024 by an interim dividend for 2024 of 11.90 pence per ordinary share. Therefore, during 2024, a total of £10.8 million in cash dividends was returned to our ordinary shareholders.

The Board has decided to propose a final dividend of 14.0 pence per ordinary share. If approved at the forthcoming Annual General Meeting, this dividend, which in total amounts to £5.9 million, will be paid on 20 June 2025 to shareholders on the register as at 23 May 2025.

Share buybacks

As at 6 May 2025, there remained an outstanding general authority for the directors to purchase 5,232,343 ordinary shares, which was granted at last year's Annual General Meeting.

The Board believes that it is in the best interests of shareholders to have this authority in order that market purchases may be made in the right circumstances if the necessary funds are available. Accordingly, at the next Annual General Meeting, shareholders will be asked to vote in favour of a resolution to renew the general authority to make market purchases of up to 12.5% of the ordinary share capital in issue.

Net funds

Net funds increased by £2.6 million from £4.6 million at 31 December 2023 to £7.2 million at 31 December 2024. Net funds include cash and cash equivalents of £23.2 million (2023: £20.0 million) less right-of-use lease obligations of £16.0 million (2023: £15.4 million).

JJ Murray

Executive Chairman

6 May 2025

Consolidated Income Statement

for the year ended 31 December 2024

	Year ended 31 December 2024	Year ended 31 December 2023
	£000	£000
Revenue	75,942	78,747
Cost of sales	(26,743)	(27,017)
Gross profit	49,199	51,730
Distribution costs	(11,335)	(11,451)
Administrative expenses	(14,909)	(16,583)
Decrease/ (increase) in credit loss provision	232	(959)
Operating profit	23,187	22,737
Adjusted EBITDA*	30,933	30,622
Depreciation	(5,968)	(6,002)
Depreciation of right-of-use assets	(2,929)	(2,814)
Profit on the sale of plant and equipment and right-of-use assets	1,151	931
Operating profit	23,187	22,737

Finance income	1,060	1,618
Finance costs	(1,060)	(759)
Profit before tax	23,187	23,596
Tax expense	(6,389)	(5,838)
Profit for the period from continuing operations attributable to equity holders of the Parent Company	16,798	17,758
Earnings per share from continuing operations:		
Basic and diluted	40.13p	42.24p
Dividend per equity share paid during the period	25.90p	85.30p
Proposed dividend per equity share	14.00p	14.00p

* Earnings before interest, taxation, depreciation, profit on sale of plant and equipment and amortisation.

Consolidated Statement of Comprehensive Total Income

for the year ended 31 December 2024

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Profit for the period	16,798	17,758
Other comprehensive income		
Currency translation differences on foreign currency operations	(464)	(421)
Net other comprehensive expense that may be reclassified to profit and loss	(464)	(421)
Re-measurement of defined benefit pension assets and liabilities	(49)	(5,988)
Related asset restriction	275	2,012
Net other comprehensive income/ (expense) that will not be reclassified to profit and loss	226	(3,976)
Other comprehensive expense for the period net of tax	(238)	(4,397)
Total comprehensive income for the period attributable to equity holders of the Parent Company	16,560	13,361

Consolidated Balance Sheet

At 31 December 2024

	31 December 2024 £000	31 December 2023 £000
Non-current assets		
Property, plant and equipment	19,403	19,344
Right-of-use assets	14,874	13,959
Deferred tax assets	-	126
Defined benefit pension scheme surplus	1,786	1,618
	36,063	35,047
Current assets		
Stocks	2,394	2,405
Trade and other receivables	17,888	19,251

Current tax assets	769	904
Cash and cash equivalents	23,181	19,967
	44,232	42,527
Total assets	80,295	77,574
Current liabilities		
Trade and other payables	(15,865)	(17,858)
Current tax liabilities	(471)	(950)
Right-of-use lease obligations	(2,556)	(2,429)
	(18,892)	(21,237)
Non-current liabilities		
Deferred tax liabilities	(185)	-
Right-of-use lease obligations	(13,473)	(12,968)
Provisions	(1,560)	(2,903)
	(15,218)	(15,871)
Total liabilities	34,110	37,108
Net Assets	46,185	40,466
Equity		
Called up share capital	419	419
Share premium	13	13
Retained earnings	42,231	36,048
Translation reserve	3,273	3,737
Other reserve	249	249
Total equity	46,185	40,466

Consolidated Cash Flow Statement
for the year ended 31 December 2024

	Year ended 31 December 2024 £000	Year ended 31 December 2023 £000
Operating activities		
Profit for the period	16,798	17,758
Adjustments for:		
Tax charge	6,389	5,838
Finance costs	1,060	759
Finance income	(1,060)	(1,618)
Profit on disposal of plant and equipment and right-of-use assets	(1,151)	(931)
Depreciation of property, plant and equipment	5,968	6,002
Depreciation and impairment of right-of-use assets	2,929	2,814
Difference between pension contributions paid and amounts recognised in the Income Statement	166	147
Increase in inventories	(1,196)	(550)
Decrease in receivables	901	41
(Decrease)/ increase in payables	(1,541)	1,289
Movement in provisions	(1,310)	221
Cash generated from continuing operations	27,953	31,770
Interest paid	(1,015)	(759)
Corporation tax paid	(6,615)	(6,065)
Net cash inflow from operating activities	20,323	24,946
Investing activities		
Disposal of property, plant and equipment	1,162	1,145
Purchase of property, plant and equipment	(5,387)	(4,060)
Cash on deposit with greater than three month maturity	-	16,700
Interest received	952	1,202
Net cash (outflow)/ inflow from investing activities	(3,273)	14,987
Financing activities		
Capital repayments for right-of-use lease obligations	(2,920)	(2,759)
Equity dividends paid	(10,841)	(35,743)
Share repurchase	-	(1,863)
Net cash outflow from financing activities	(13,761)	(40,365)
Net increase/ (decrease) in cash and cash equivalents	3,289	(432)

Cash and cash equivalents at the start of the period	19,967	20,518
Effect of foreign exchange rate changes	(75)	(119)
Cash and cash equivalents at the end of the period	23,181	19,967

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Share capital	Share premium	Translation reserve	Capital redemption reserve	UAE legal reserve	Netherlands capital reserve	Retained earnings	Attributable to equity holders of the parent
	£000	£000	£000	£000	£000	£000	£000	£000
At 31 December 2022	421	13	4,158	159	79	9	59,872	64,711
Profit for the period	-	-	-	-	-	-	17,758	17,758
Other comprehensive expense for the period net of tax	-	-	(421)	-	-	-	(3,976)	(4,397)
Total comprehensive income/ (expense)	-	-	(421)	-	-	-	13,782	13,361
Dividends paid	-	-	-	-	-	-	(35,743)	(35,743)
Share repurchase	(2)	-	-	2	-	-	(1,863)	(1,863)
Total of transactions with shareholders	(2)	-	-	2	-	-	(37,606)	(37,606)
At 31 December 2023	419	13	3,737	161	79	9	36,048	40,466
Profit for the period	-	-	-	-	-	-	16,798	16,798
Other comprehensive (expense)/ income for the period net of tax	-	-	(464)	-	-	-	226	(238)
Total comprehensive (expense)/ Income	-	-	(464)	-	-	-	17,024	16,560
Dividends paid	-	-	-	-	-	-	(10,841)	(10,841)
Total of transactions with shareholders	-	-	-	-	-	-	(10,841)	(10,841)
At 31 December 2024	419	13	3,273	161	79	9	42,231	46,185

Notes to the Interim Financial statements

1 Basis of preparation

Whilst the information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. Therefore the financial information set out above does not constitute the company's financial statements for the 12 months ended 31 December 2024 or 31 December 2023 but it is derived from those financial statements.

2 Going concern

The directors are required to consider the application of the going concern concept when approving financial statements. The principal element required to meet the test is sufficient liquidity for a period from the end of the year until at least 12 months subsequent to the date of approving the accounts. Management has prepared a detailed "bottom-up" budget including profit and loss and cash flow for the financial year ending 31 December 2025 and has extrapolated this forward until the end of May 2026 in order to form a view of an expected trading and cash position for the required period. This base level forecast fully incorporates management's expectations around the performance of the group and was prepared on a cautiously realistic basis. This forecast takes into account specific factors relevant in each of our businesses. These 2025 forecasts have been reviewed and approved by the Board.

Whilst profitability and cash flow performance to the end of March 2025 has been close to expectation, in order to further assess the company's ability to continue to trade as a going concern, management have performed an exercise to assess a reasonable but plausible downside scenario and the impact of this on profit and cash. For the purposes of the cash forecast, only the below assumptions have been incorporated into this forecast:

- Normal level of dividends will be maintained during the 12 months subsequent to the date of approving the accounts;
- No new external funding sought;
- Hire turnover and product sales reduced by 18% versus budget- a variance level seen across any individual product class for 2025 and 2024 actual results versus budgets;
- All overheads continue at the base forecast level apart from overtime and commission and repairs and marketing, which are reduced by 5% and travel costs reduced by 2.5%;
- All current vacancies are filled immediately; and
- Capital expenditure is reduced by 5%.

The above factors have all been reflected in the forecast for the period ending 12 months subsequent to the date of approving the accounts. The board consider this scenario to be extremely unlikely. The headline numbers at a group level would be:

- Group turnover for the 12 months ending 31 December 2025 is forecast to be adverse to the 31 December 2024 figures. Operating profit is below the profit for 2024.
- Closing net funds as at the end of May 2026 are forecast to be comparable to the level reported at 31 December 2024.

Under this reasonable but plausible downside scenario, the group has sufficient net funds throughout 2025 and up to the end of May 2026, to continue to operate as a going concern.

A final sensitivity analysis was performed in order to assess by how much group turnover could fall before further external financing would need to be sought. Under this scenario it was assumed that:

- Capital expenditure falls proportionately to turnover;
- Temporary staff are removed from the group; and
- Various overheads decrease proportionately with turnover.

Given these assumptions, and for modelling purposes only, assuming dividends are maintained at normal levels, group turnover could fall to below £40 million on an annualised basis without any liquidity concerns. Due to the level of confidence the Board has in the future trading performance of the group, this scenario is considered highly unlikely to occur.

The group has considerable financial resources and a wide operational base. Based on the detailed forecast prepared by management, the Board has a reasonable expectation that the group has adequate resources and management experience to continue to trade for the foreseeable future even in the reasonable but plausible downside scenario identified by the group. Management have also considered the risks previously identified around climate change and their potential impact on the forecasts produced and have not identified any significant risks that impact the going concern assumption. Accordingly, the Board continues to adopt the going concern basis when preparing this Annual Report and Financial Statements.

3 International Financial Reporting Standards (IFRS) adopted for the first time in 2024

There were no new standards or amendments to standards adopted for the first time this year that had a material impact on the results of the group. The prior year comparatives have not been restated for any changes in accounting policies that were required due to the adoption of new standards this year.

4 Distribution of Annual Report and Financial Statements

The group expects to distribute copies of the full Annual Report and Financial Statements that comply with IFRSs by 23 May 2025 following which copies will be available either from the registered office of the company; Unit 601 Access 10 Business Park, Bentley Road South, Wednesbury, WS10 8LQ; or from the company's website; www.andrews-sykes.com. The Annual Report and Financial Statements for the 12 months ended 31 December 2023 have been delivered to the Registrar of Companies and those for the 12 months ended 31 December 2024 will be filed at Companies House following the company's Annual General Meeting. The auditor has reported on those financial statements; the report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain details of any matters on which they are required to report by exception.

5 Date of Annual General Meeting

The group's Annual General Meeting will be held at 3.00 p.m. on Tuesday, 17 June 2025 at Unit 5, Peninsular Park Road, London, SE7 7TZ.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR UPUUGAUPAGQQ