RNS Number : 8689Y
Lords Group Trading PLC
11 September 2025

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Lords Group Trading plc

('Lords', the 'Company' or the 'Group')

Interim Results

'Strong growth in Merchanting and continued strategic progress'

Lords (AIM:LORD), a leading distributor of building materials in the UK, today announces its unaudited Interim Results for the six months ended 30 June 2025 ('H1 2025' or the 'Period').

H1 2025 Highlights

- Group revenue up 8.4% to £232.1m (H1 2024: £214.2m) and like-for-like[1] revenue up 7.0%
  - Merchanting division continues to grow with revenue up 12.6% to £117.7m (H1 2024: £104.6m) and divisional Adjusted EBITDA[2] up 8.6% to £8.2m
  - Plumbing and Heating ('P&H') grew revenue by 2.4% to £112.2m (H1 2024: £109.6m) and delivered divisional Adjusted EBITDA[2] of £3.9m (H1 2024: £4.2m, before the benefit of £0.8m from CHMM[3] which subsequently reversed in H2 2024)
- Acquisition of the UK's largest online-only retailer of construction products, Construction Materials Online ('CMO'), in June 2025 for a cash consideration of £1.8m
- Completed sale and leaseback of four trading sites in April 2025 for gross proceeds of £13.1m to provide additional liquidity to leverage growth opportunities as the market recovers
- Strategic progress continues with three new Merchanting branches opened in 2025 to date
- Group Adjusted EBITDA[2] in line with pre-CHMM[3] H1 2024 at £12.1m (H1 2024: £12.6m)
- Net debt reduced by £15.4m to £20.9m (30 June 2024: £36.3m) since June 2024
- Interim dividend maintained at 0.32 pence per share (H1 2024: 0.32 pence per share)

	H1 2025	H1 2024	Change
Revenue	**£232.1m**	£214.2m	+8.4%
Adjusted EBITDA[2]	**£12.1m**	£12.6m	(3.9)%
Adjusted EBITDA margin	**5.2%**	5.9%	(70)bps
Adjusted operating profit	**£6.2m**	£7.1m	(12.7)%
Adjusted diluted earnings per share	**1.35p**	1.57p	(14.0)%
Dividend per share	**0.32p**	0.32p	-
Operating profit	**£3.7m**	£4.5m	(17.4)%
Diluted earnings per share	**0.14p**	0.39p	(64.1)%
Net debt [4]	**£20.9m**	£36.3m	+42.3%

Percentages are based on underlying, not rounded, figures.

[1] *Like-for-like sales is a measure of growth in sales, adjusted for new, divested and acquired locations such that the periods over which the sales are being compared are consistent.*

[2] *Adjusted EBITDA is EBITDA (defined as earnings before interest, tax, depreciation, amortisation and impairment charges) inclusive of property gains and losses but excluding exceptional items, and share-based payments.*

inclusive of property gains and losses but excluding exceptional items, and share-based payments.

3 CHMM is the Clean Heat Market Mechanism which was introduced in January 2024 and subsequently withdrawn which resulted in a benefit of £0.8m to Adjusted EBITDA in H1 2024 which reversed in H2 2024.

4 Net debt excluding leases.

5 Company compiled consensus expectations of Adjusted EBITDA for the year ended 31 December 2025 as at the date of this announcement show an average of £24.8m and a range between £24.7m and £25.1m.

Shanker Patel, Chief Executive Officer of Lords, commented:

"The Group has demonstrated strong revenue growth in the first half of 2025 as we continue to increase market share, despite a highly competitive RMI market in the South-East and the recent UK interest rate reductions not yet boosting consumer confidence.

"The strategic acquisition of the leading online-only retailer, CMO, the opening of three additional Merchanting branches and the strengthening of the Group's balance sheet through £13.1m of property disposals during the period ensure that the Group is well-positioned for a future recovery in the market. Ahead of this, we will continue to focus on operational excellence, customer service, and working capital management. Additionally, we will carefully consider further opportunities to increase the Group's market share both organically and through selective, value-added acquisitions.

"Whilst trading in the second half of 2025 to date has not seen any sustained improvement in the RMI market, and with the seasonally significant trading period ahead, performance continues in line with market expectations[5] for full year Group Adjusted EBITDA."

- Ends -

FOR FURTHER ENQUIRIES:

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Notes to editors:

Lords is a specialist distributor of building, plumbing, heating and DIY goods. The Group principally sells to local tradesmen, small to medium sized plumbing and heating merchants, construction companies and retails directly to the general public. The Group operates through the following three divisions:

- **Merchanting:** supplies building materials and DIY goods through its network of merchant businesses and online platform capabilities. It operates both in the 'light side' (Building Materials and Timber) and 'heavy side' (Civils and Landscaping), through 32 locations in the UK.

- **Plumbing and Heating:** a specialist distributor in the UK of plumbing and heating products to a UK network of independent merchants, installers and the general public. The division offers its customers an attractive proposition through a multi-channel offering, operating in 16 locations enabling nationwide next-day delivery service.

- **Digital:** CMO Superstores provides an online route to market from nine specialist websites for construction and plumbing & heating customers.

Lords was established 40 years ago as a family business with its first retail unit in Gerrards Cross, Buckinghamshire. Since then, the Group has grown to a business operating from 48 sites.

Chief Executive Officer's Review

On behalf of the Board, I am pleased to report the Group's unaudited Interim Results for the six months ended 30 June 2025.

Overview

The Group further increased its market share and delivered strong revenue growth of 8.4% in the first half of 2025, despite there being no substantive improvement in the Repairs, Maintenance and Improvement ('RMI') market, which represents approximately 80% of our activities. During the period, Lords has continued to drive long term growth through margin accretive organic initiatives, adding new products and new locations, and through selective and strategically significant acquisitions.

In January 2025, we increased our George Lines brand to five locations, with a new branch opening near Maidstone, Kent. In May 2025, we opened a combined Lords Builders Merchants and Advance Roofing branch following the opportunity to take over a site in Bicester and we expanded our Dry Lining and Insulation brand, AW Lumb, to three branches with a new two-and-a-half-acre site in Mansfield.

The Group has completed two strategic acquisitions in the last 12 months. Ultimate Renewables focusses on the design and delivery of renewable energy solutions in the plumbing and heating sector. On 6 June 2025, following a pre-pack administration, Lords acquired part of the formerly AIM listed business, CMO Group Limited ('CMO'), the UK's largest online-only retailer of construction products. Lords acquired the construction materials and plumbing activities while CMO's tiles business was simultaneously sold to a third party. The intellectual property and nine specialist websites acquired broadens our customers' route to market by increasing our digital capabilities, and with CMO's business model, provides the opportunity to leverage our stakeholder relationships and logistical infrastructure.

We also completed a sale and leaseback programme in the last 12 months realising c. £17m of proceeds which significantly enhanced the Group's balance sheet strength and also supports our strategy of scaling the business through organic growth and selective acquisitions.

Results

Revenue in the first half of 2025 increased by 8.4% to £232.1m (H1 2024: £214.2m). Like-for-like ('LFL') revenue, which adjusts for branches or businesses not part of the Group in the whole of the current or comparator period, was 7.0% ahead.

Gross profit increased but margins were slightly lower, partly due to product mix and partly due to the continuing challenging RMI market. Despite inflationary pressures in relation to employment costs, property and transport, overheads remained tightly controlled as we invested in new branches and businesses. Adjusted earnings before interest, tax, depreciation and amortisation ('Adjusted EBITDA') for the first half of 2025 was £12.1m (H1 2024: £12.6m). However, the first half of 2024 benefitted by c. £0.8m from the Clean Heat Market Mechanism ('CHMM') which reversed in the second half of 2024 due to delays in Government regulations. Adjusting for the positive effects of the CHMM in H1 2024, Adjusted EBITDA was £0.3m ahead of H1 2024.

Merchanting

Merchanting has performed well since the fourth quarter of 2024, delivering double digit LFL revenue growth. Our businesses more closely aligned to new build, such as Civils and Dry Lining, have performed particularly well. In the first half of 2025, revenue increased by 12.6% to £117.7m (H1 2024: £104.6m).

LFL revenue in the first half of 2025 increased by 11.5% with strong performance from AW Lumb, Advance Roofing and Hevey, Northampton. New branches added £2.4m of revenue to H1 2025.

Gross profit increased by 5.7% to £30.4m (H1 2024: £28.7m) and despite increased overheads due to new branch openings and additional costs of employment, Adjusted EBITDA increased by 8.6% to £8.2m (2024: £7.6m).

As reported previously, Steve Durdant-Hollamby joined as Chief Operating Officer of Merchanting in November 2024 to strengthen the management team and his experience in major building material companies spanning across merchanting and manufacturing has already begun to benefit the division.

Plumbing and Heating

Plumbing and Heating ('P&H') revenue increased by 2.4% to £112.2m (H1 2024: £109.6m) with LFL revenue 2.8% ahead. As previously reported, ahead of boiler price increases on 1 April 2024, our wholesale business, APP, experienced strong volumes in the first quarter, particularly in March, which was followed by destocking in the second quarter. Overall, APP increased boiler volumes by 6.8% in H1 2025 and maintained market share at c. 11%.

As reported last year, the introduction in January 2024 of CHMM and subsequent withdrawal a few months later, given the timing of claims and adjustments, the H1 2024 result benefitted by c. £0.8m which reversed in the second half. Adjusted EBITDA in H1 2024 would have been £4.2m excluding CHMM, which is £0.3m higher than H1 2025 at £3.9m (H1 2024: £5.0m).

Mr Central Heating, our digitally led P&H trade counter business, experienced a more challenging six months with revenue 13% lower than H1 2024. We have sought to address this by strengthening the management of this brand in the second half. Our spares and trade counters business, DH&P, performed well and increased LFL sales by 4.6% in the period. Ultimate Renewables has performed in line with expectations since joining the Group in October 2024 and revenue in renewables was 57% ahead of H1 2024.

On 2 September 2025, Matthew Webber joined the Group as Chief Operating Officer for our P&H division. Matthew brings a wealth of experience with over 20 years in the Heating, Ventilation, and Air Conditioning systems ('HVAC') sector. His background spans both supplier/manufacturer roles and merchant businesses, with a strong emphasis on the plumbing and heating industry. His leadership experience and industry insight will be instrumental in shaping the next phase of growth for our P&H division.

Neil Lake will transition into the role of Group Business Development Director, where he will work with our Group Operating Board in driving continued growth and innovation across Lords. Neil has played a key role in leading our P&H division since joining the Group through the acquisition of DH&P and will continue to maintain significant influence within the P&H division, supporting Matthew in his new role.

Digital

On 6 June 2025, Lords acquired the trade, assets and intellectual property of CMO for a consideration of £1.8m, inclusive of a property valued at £1.2m. The acquisition was part of a pre-pack administration process where the construction materials and plumbing and heating businesses were acquired by Lords and CMO's tiles business was sold to a third party.

Originally formed in 2008, CMO was a disruptor to the traditional building materials market, with the majority of its sales being dispatched directly from the supplier, reducing the stock availability requirement from traditional local merchants. CMO's experience in web-based sales and their intellectual property, combined with Lords distribution network broadens our customer base and channels to market. We welcome our new CMO colleagues to the Group and look forward to continue working closely together in the coming months.

Prior to its acquisition, CMO was operating in a highly leveraged environment which caused credit insurers to reduce their exposure leading to greater challenges to deliver customers' orders and higher insurers to reduce their exposure leading to greater challenges to deliver customers' orders and higher levels of refunds where web orders could not be delivered. The CMO team have worked diligently since joining the Group on product availability and lead times from suppliers to increase revenue and reduce refunds.

In the three weeks post-acquisition, CMO made a small loss but is expected to contribute positively in the second half as it aims to recover weekly revenue to levels achieved prior to supply chain challenges, it begins to leverage off Lords' product range and procurement capability and establishes an efficient cost model for medium term growth.

Strategic developments

In the last 12 months, we have continued to drive accretive organic growth, through new branch openings and new product lines, particularly in Plumbing and Heating. We have completed two small but highly strategic acquisitions and significantly improved our balance sheet, converting c. £17.0m of property into cash.

We continue to believe that there is a significant consolidation opportunity to combine independent merchants and distributors within the fragmented UK building supplies sector where Lords has less than 1% market share. With CMO joining the Group, we now have over 1,000 colleagues, who deliver excellent customer service and have worked hard to deliver operational efficiencies to offset the operating cost pressures that all UK businesses have faced in 2025.

Outlook

The Group has demonstrated strong revenue growth in the first half of 2025 as we continue to increase market share, despite a highly competitive RMI market in the South-East and the recent UK interest rate reductions not yet boosting consumer confidence.

The strategic acquisition of the leading online-only retailer, CMO, the opening of three additional Merchanting branches and the strengthening of the Group's balance sheet through £13.1m of property disposals during the period ensure that the Group is well-positioned for a future recovery in the market. Ahead of this, we will continue to focus on operational excellence, customer service, and working capital management. Additionally, we will carefully consider further opportunities to increase the Group's market share both organically and through selective, value-added acquisitions.

Whilst trading in the second half of 2025 to date has not seen any sustained improvement in the RMI market, and with the seasonally significant trading period ahead, performance continues in line with market expectations for full year Group Adjusted EBITDA.

Shanker Patel
Chief Executive Officer
11 September 2025

Financial Review

The Group has made significant progress with the support of its stakeholders over the last 12 months to continue to drive growth, tightly manage costs and working capital, complete two strategically important acquisitions and significantly reduce its net debt with the sale and leaseback of five operating properties.

Financial performance

In the first half of 2025, the Group delivered an 8.4% increase in revenue to £232.1million (H1 2024: £214.2m). Gross profit increased by 3.6% to £44.8m (H1 2024: £43.2m) and gross margin was 90 basis points lower at 19.3% (H1 2024: 20.2%), mainly due to product mix as volumes of lower margin products increased. Operating expenses increased by £2.0m to £34.4m (H1 2024: £32.4m) but £1.2m of the increase relates to businesses acquired and new branches, leaving a £0.8m like-for-like change.

In line with our FY 2024 results, we have re-presented our income statement in H1 2024 to align our disclosure with listed peers in the sector and separately show property gains of £1.7m (H1 2024: £1.7m) on the face of the income statement. In H1 2025, the property gain relates to the sale and leaseback of four operating properties for gross proceeds of £13.1m and in H1 2024, the Group received a lease surrender premium in relation to Merchanting's Park Royal site.

Adjusted EBITDA was £12.1m (H1 2024: £12.6m). In the first half of 2024, our Plumbing and Heating division received c. £0.8m of benefit from the introduction and subsequent reversal of the CHMM, which reversed in the second half of 2024. Adjusted EBITDA in H1 2025 was marginally ahead of pre-CHMM H1 2024.

Divisional performance

Merchanting	**H1 2025**	H1 2024	% change
Revenue (£m)	**117.7**	104.6	+12.6%
Gross profit (£m)	**30.4**	28.7	+5.7%
Adjusted EBITDA before property gains	**6.5**	5.9	+11.2%
Adjusted EBITDA (£m)	**8.2**	7.6	+8.6%
Adjusted EBITDA margin (%)	**7.0%**	7.3%	(30)bps

Merchanting performed strongly in the first half of 2025 with revenue 12.6% ahead of H1 2024, gross profit up 5.7% and Adjusted EBITDA up 8.6%. Adjusted EBITDA margin was slightly lower at 7.0% as the majority of revenue growth was from our lower margin Civils and Dry Lining brands.

Plumbing and Heating	**H1 2025**	H1 2024	% change
Revenue (£m)	**112.2**	109.6	+2.4%
Gross profit (£m)	**13.9**	14.5	(3.8)%
Adjusted EBITDA (£m)	**3.9**	5.0	(21.0)%
Adjusted EBITDA margin (%)	**3.5%**	4.5%	(100)bps

Revenue increased in Plumbing and Heating by 2.4% to £112.2m (H1 2024: £109.6m) as boiler volumes increased by 6.8%. Our wholesale revenue increased by 11% in the period but plumbing merchanting was weaker, which resulted in gross margin decreasing by 80 basis points. Overheads were tightly controlled and 1.1% higher on an LFL basis after adjusting for businesses acquired.

Adjusted EBITDA was £3.9m (H1 2024: £5.0m) but as mentioned above, H1 2024 included c. £0.8m of profit from CHMM that reversed in the second half as claims were settled following the market disruption.

Digital revenues were £2.2m in H1 2025 representing the period since CMO was acquired on 6 June 2025. As expected, the business made a small loss as it addressed supply chain issues under its previous ownership structure.

Operating profit, profit before tax and earnings per share

Adjusted operating profit was £6.2m (H1 2024: £7.1m) and is after an increase of £0.4m in depreciation and amortisation from right-of-use assets following the sale and leasebacks. Adjusting items of £2.5m (H1 2024: £2.6m) were similar to H1 2024 and mainly relate to amortisation of acquired intangible assets and business acquisition costs.

Net finance costs were 7.4% lower at £3.1m (H1 2024: £3.4m) as net borrowings excluding leases reduced and base rates were lower, partly offset by increased lease interest following the property sale and leasebacks.

Adjusted profit before tax was £3.1m (H1 2024: £3.7m) and after adjusting items, statutory profit before tax for the period was £0.6m (H1 2024: £1.1m). Adjusted diluted earnings per share was 1.35 pence per share (H1 2024: 1.57 pence per share) with the prior year benefiting from CHMM in the first half, which reversed in H2 2024. Statutory diluted earnings per share was 0.14 pence per share (H1 2024: 0.39 pence per share).

Tax

Income tax in the first half of 2025 was a charge of £0.2m (H1 2024: £0.4m) reflecting an effective tax rate of 28.4% (H1 2024: 32.0%).

Dividend

The Board is recommending an unchanged interim dividend of 0.32 pence per ordinary share (H1 2024: 0.32 pence per ordinary share), which will be paid on 10 October 2025 to shareholders on the register at the close of business on 18 September 2025. The Company's ordinary shares will therefore be marked ex-dividend on 19 September 2025.

Cash flow

In the last 12 months, the Group has reduced net debt, excluding leases, by £15.4m to £20.9m (30 June 2024: £36.3m). Operating cash conversion, the ratio of operating cash flow (excluding property proceeds) to Adjusted operating profit was 97% in the 12 months ended 30 June 2025.

In the first half of 2025, cash generated from operations increased by £4.3m to £9.7m (H1 2024: £5.4m) as the typically seasonal outflow in working capital was limited to £0.2m (H1 2024: £6.7m) with strong working capital management leading to improvements in debtor and creditor days.

The net inflow from investing activities was £9.9m (H1 2024: outflow of £3.0m) which comprised inflows of £13.8m (H1 2024: £0.2m) from the sale and leasebacks, interest and a business disposal, net of outflows on current and prior year acquisitions of £2.5m (H1 2024: £0.6m). Capital expenditure of £1.5m (H1 2024: £2.6m) largely related to new branches established in Maidstone, Bicester and Mansfield.

Debt financing and liquidity

The Group has syndicated banking facilities comprising a £50.0m revolving credit facility ('RCF'), committed until 5 April 2027 and a £25.0m receivables financing facility. Due to its substantial headroom the Group reduced the RCF from £75.0m to £50.0m in the first half of the year. At 30 June 2025 headroom was £37.3m (H1 2024: £47.5m) within its debt facilities at the period end, and the Group had further accessible cash of £16.6m (H1 2024: £11.9m).

Balance sheet

Summary balance sheet	**30 June 2025 £m**	30 June 2024 £m
Tangible assets	**9.0**	20.5
Working capital	**39.5**	41.7
Operating capital employed	**48.5**	62.2
Deferred consideration	**(1.4)**	(2.8)
Other net assets	**89.9**	74.7
Leases	**(67.2)**	(47.7)
Net debt	**(20.9)**	(36.3)
Net assets	**48.9**	50.1

Working capital at 30 June 2025 was £2.2m lower than prior period comparator at £39.5m (30 June 2024: £41.7m) and the ratio of working capital to sales was 8.7% at 30 June 2025 compared to 9.0% at 31 December 2024. The reduction reflects the continued focus on inventory optimisation across the Group and improved collection of receivables.

Net assets increased by £1.3m to £48.9m (30 June 2024: £50.1m) since 31 December 2024. Property, plant and equipment has reduced from £20.5m at 30 June 2024 to £9.0m reflecting the sale and leaseback of freehold properties, which is offset by an increase in right-of-use assets leaving non-current assets similar to prior year at £108.0m (30 June 2024: £108.2m). Lease liabilities in respect of right-of-use assets were £67.2m (30 June 2024: £47.7m). Deferred consideration of £1.4m at the period end (30 June 2024: £2.8m) mainly relates to AW Lumb acquired in March 2022.

Stuart Kilpatrick

Chief Financial Officer
11 September 2025

Consolidated statement of comprehensive income
For the six months ended 30 June 2025

	Note	**30 June 2025 (unaudited) £'000**	30 June 2024 (unaudited) re-presented* £'000	31 December 2024 (audited) £'000
Revenue		**232,109**	214,150	436,684
Cost of sales		**(187,322)**	(170,929)	(351,452)
Gross profit		**44,787**	43,221	85,232
Operating expenses		**(34,424)**	(32,378)	(64,640)
Adjusted EBITDA before property gains		**10,363**	10,843	20,592
Property gains		**1,714**	1,722	1,812
Adjusted EBITDA	16	**12,077**	12,565	22,404
Depreciation and amortisation		**(5,888)**	(5,478)	(12,007)
Adjusted operating profit	16	**6,189**	7,087	10,397
Adjusting items	6	**(2,480)**	(2,599)	(6,112)
Operating profit		**3,709**	4,488	4,285
Finance income		**276**	142	320
Finance expense	7	**(3,407)**	(3,523)	(7,214)
Profit / (loss) before taxation		**578**	1,107	(2,609)
Taxation	8	**(164)**	(355)	824
Profit / (loss) for the period		**414**	752	(1,785)
Attributable to:				
Owners of the parent company		**237**	651	(1,970)
Non-controlling interests		**177**	101	185
		414	752	(1,785)
Earnings per share				
Basic earnings per share (pence)	9	**0.14**	0.39	(1.19)
Diluted earnings per share (pence)	9	**0.14**	0.39	(1.19)

The results for the period arise solely from continuing activities.

The condensed consolidated financial statements should be read in conjunction with the accompanying notes.

** - In line with our FY 2024 results, we have re-presented our income statement for H1 2024 to align our disclosure with listed peers in the sector and separately show property gains of £1.7m on the face of the income statement.*

Consolidated statement of financial position
As at 30 June 2025

	Note	**30 June 2025 (unaudited) £'000**	30 June 2024 (unaudited) £'000	31 December 2024 (audited) £'000
Non-current assets				
Intangible assets	10	**43,219**	44,845	44,284
Property, plant and equipment	11	**9,021**	20,479	14,081
Right-of-use assets	12	**55,337**	42,510	52,654
Other receivables		**243**	192	236
Investments		**130**	180	130
		107,950	108,206	111,385
Current assets				
Inventories		**48,093**	47,323	49,252
Trade and other receivables		**71,238**	69,195	76,215
Cash and cash equivalents		**16,631**	11,881	10,312
		135,962	128,399	135,779
Total assets		**243,912**	236,605	247,164
Current liabilities				

Trade and other payables		**(81,990)**	(79,649)	(88,238)
Borrowings	13	**(17,261)**	(9,851)	(11,946)
Lease liabilities	14	**(8,414)**	(7,663)	(8,310)
Current tax liabilities		**(892)**	(568)	-
		(108,557)	(97,731)	(108,494)
Non-current liabilities				
Trade and other payables		**(343)**	(2,638)	(1,540)
Borrowings	13	**(19,764)**	(37,686)	(30,119)
Lease liabilities	14	**(58,779)**	(40,010)	(51,732)
Other provisions		**(1,917)**	(1,427)	(1,581)
Deferred tax		**(5,665)**	(7,019)	(6,082)
		(86,468)	(88,780)	(91,054)
Total liabilities		**(195,025)**	(186,511)	(199,548)
Net assets		**48,887**	50,094	47,616
Equity				
Share capital		**831**	829	829
Share premium		**28,530**	28,412	28,412
Merger reserve		**(9,980)**	(9,980)	(9,980)
Share-based payment reserve		**1,849**	1,127	1,459
Retained earnings		**25,662**	27,976	25,078
Equity attributable to owners of the parent company		**46,892**	48,364	45,798
Non-controlling interests		**1,995**	1,730	1,818
Total equity		**48,887**	50,094	47,616

Consolidated statement of changes in equity
For the six months ended 30 June 2025

	Called up share capital £'000	Share premium £'000	Merger reserve £'000	Share based payments reserve £'000	Retained earnings £'000	Equity a to parer
As at 1 January 2025	829	28,412	(9,980)	1,459	25,078	
Profit for the financial period and total comprehensive income	-	-	-	-	237	
Share-based payments	-	-	-	390	-	
Share capital issued	2	118	-	-	-	
Put and call options over non-controlling interests	-	-	-	-	347	
As at 30 June 2025 (unaudited)	**831**	**28,530**	**(9,980)**	**1,849**	**25,662**	

	Called up share capital £'000	Share premium £'000	Merger reserve £'000	Share based payments reserve £'000	Retained earnings £'000	Equity a to parer
As at 1 January 2024	828	28,293	(9,980)	1,009	29,386	
Profit for the financial period and total comprehensive income	-	-	-	-	651	
Share-based payments	-	-	-	303	-	
Exercise of share-based-payments	-	-	-	(185)	185	
Share capital issued	1	119	-	-	-	
Put and call options over non-controlling interests	-	-	-	-	(44)	
Dividends paid	-	-	-	-	(2,202)	
As at 30 June 2024 (unaudited)	829	28,412	(9,980)	1,127	27,976	

	Called up share capital	Share premium	Merger reserve	Share based payments reserve	Retained earnings	Equity a to paren

	£'000	£'000	£'000	£'000	£'000
As at 1 January 2024	828	28,293	(9,980)	1,009	29,386
(Loss)/profit for the financial period and total comprehensive (expense)/income	-	-	-	-	(1,970)
Share-based payments	-	-	-	753	-
Exercise of share-based-payments	-	-	-	(303)	303
Share capital issued	1	119	-	-	-
Put and call options over non-controlling interests	-	-	-	-	92
Acquisition of non-controlling interests	-	-	-	-	-
Dividends paid	-	-	-	-	(2,733)
As at 31 December 2024 (audited)	829	28,412	(9,980)	1,459	25,078

Consolidated statement of cash flows

For the six months ended 30 June 2025

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000	31 December 2024 (audited) £'000
Cash flows from operating activities			
Profit/(loss) before taxation	**578**	1,107	(2,609)
Adjusted for:			
Depreciation of property, plant and equipment	**1,051**	1,195	2,321
Amortisation of intangible assets	**1,907**	1,814	3,667
Amortisation of right-of-use assets	**4,608**	4,283	9,355
Impairment of right-of-use assets	-	-	1,463
Profit on disposal of property, plant and equipment	**(1,680)**	-	(285)
Profit on sale of business	-	-	(385)
Share-based payments	**390**	301	753
Finance income	**(276)**	(142)	(320)
Finance expense	**3,407**	3,523	7,214
Operating cash flows before movements in working capital	**9,985**	12,081	21,174
Decrease in inventories	**1,800**	1,969	184
Decrease in trade and other receivables	**5,299**	11,984	5,908
Decrease in trade and other payables	**(7,339)**	(20,611)	(9,933)
Cash generated by operations	**9,745**	5,423	17,333
Corporation tax (paid) / received	**(132)**	127	(521)
Net cash inflow from operating activities	**9,613**	5,550	16,812
Cash flows from investing activities			
Purchase of intangible assets	**(230)**	(454)	(1,150)
Business acquisitions (net of cash acquired)	**(1,975)**	-	(607)
Deferred consideration paid	**(480)**	(550)	(716)
Purchase of property, plant and equipment	**(1,225)**	(2,184)	(2,802)
Proceeds on disposal of property, plant and equipment	**12,832**	58	3,909
Cash received on sale of business	**685**	-	
Interest received	**276**	142	320
Net cash inflow / (outflow) from investing activities	**9,883**	(2,988)	(1,046)
Cash flows from financing activities			
Principal paid on lease liabilities	**(4,765)**	(3,753)	(8,381)
Interest paid on lease liabilities	**(1,665)**	(1,325)	(2,761)
Dividends	-	(2,202)	(2,733)
Purchase of non-controlling interest of Hevey	-	(1,063)	(1,594)
Proceeds from borrowings	**36,900**	20,891	33,648
Repayment of borrowings	**(41,940)**	(21,100)	(39,405)
Bank interest paid	**(1,270)**	(1,548)	(3,210)
Interest paid on invoice discounting facilities	**(437)**	(392)	(829)
Net cash outflow from financing activities	**(13,177)**	(10,492)	(25,265)
Net increase / (decrease) in cash and cash equivalents	**6,319**	(7,930)	(9,499)
Cash and cash equivalents at the beginning of the period	**10,312**	19,811	19,811
Cash and cash equivalents at the end of the period	**16,631**	11,881	10,312

Notes to the financial statements
For the six months ended 30 June 2025

1. General information
Lords Group Trading plc ('Lords', the 'Company' or the 'Group') is a public limited company incorporated in England and Wales. The registered office is 2nd Floor, 12-15 Hanger Green, London W5 3EL. Lords is a specialist distributor of building, plumbing, heating and DIY goods. The Group principally sells to local tradesmen, small to medium sized plumbing and heating merchants, construction companies and retails directly to the general public.

2 Basis of preparation
These condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted for use in the United Kingdom. They do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's most recent audited consolidated financial statements for the year ended 31 December 2024 (the "Annual Financial Statements") which have been prepared in accordance with UK-adopted International Accounting Standards. The Annual Financial Statements constitute statutory accounts as defined in section 434 of the Companies Act 2006 and a copy of these statutory accounts has been delivered to the Registrar of Companies. The auditor's report on the Annual Financial Statements was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024 and the corresponding interim reporting period.

These condensed consolidated interim financial statements have been prepared on a going concern basis and under the historical cost convention.

These interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the Company. These interim financial statements have been approved by the Board of Directors.

3.Accounting policies

Going concern
The Group is well funded with strong support from stakeholders. The Group operates strong cash flow management and forecasting enabling cash receipts and payments to be balanced in accordance with trading levels. The Board of Directors has completed a rigorous review of the Group's going concern assessment and its cash flow liquidity which included:

- The Group's cash flow forecasts and revenue projections for all subsidiaries;
- Reasonably possible changes in trading performance, including a number of downside scenarios;
- Reviewing the committed facilities available to the Group and the covenants thereon; and
- Reviewing the Group's policy towards liquidity and cash flow management.

The Group has banking facilities of £75.0m available to it until 5 April 2027 and on 30 June 2025 had headroom against the facilities of £37.3m and cash of £16.6m.

After reviewing the Group's forecasts and risk assessments and making other enquiries, the Board has formed the judgement at the time of approving the interim financial statements that there is a reasonable expectation that the Group and its subsidiaries have adequate resources to continue in operational existence until at least 5 April 2027.

Taxation
Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. Critical accounting judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial information in compliance with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the financial information are reasonable.

Key accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the condensed consolidated interim financial statements, the Board considers both quantitative and qualitative factors in forming its judgements, and related disclosures, and are mindful of the need to best serve the interests of its stakeholders and to avoid unnecessary clutter borne of the disclosure of immaterial items. In making this assessment the Board considers the nature of each item, as well as its size, in assessing whether any disclosure omissions or misstatements could influence the decisions of users of the condensed consolidated interim financial statements.

4.1 Key accounting judgements

Assessment of who has the risk and reward of ownership of non-controlling interests with put and call options
A key area of judgement applied in the preparation of these financial statements is determining whether the risk and rewards of ownership reside with the non-controlling interests or the Group when an acquisition has put and call options.

Where the pricing is at a variable price, the Group assesses the risks and rewards reside with the non-controlling interests. This is because the exposure to any increase or decrease in the value of the business resides with the non-controlling interest, as they will either retain the investment indefinitely (if neither party exercises) or they can recover the fair value of the business through the exercise price.

Where the exercise price is a fixed amount (or an amount that varies only for the passage of time), then the risks and rewards reside with the Group. This is because once the put and call become exercisable, one party will be incentivised to exit because they benefit from doing so.

4.2 Key accounting estimates and assumptions
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Inventories
The Group carries significant levels of inventory and key judgements are made by management in estimating the level of provisioning required for slow-moving inventory. Provision estimates are forward looking and are formed using a combination of factors including historical experience, management's knowledge of the industry, Group discounting and sales pricing. Management uses a number of internally generated reports to monitor and continually reassess the adequacy and accuracy of the inventory provision.

In arriving at their conclusion, the Directors consider inventory ageing and turn analysis.

Impairment of goodwill, intangible assets, tangible assets and right-of-use assets

Under IAS 36, at the end of each reporting period the Group is required to assess whether there is any indication that an asset may be impaired. For impairment testing purposes, the Group has determined that each branch is a separate cash-generating unit ('CGU') on the basis that each branch has distinct assets at each location which are able to generate cash inflows. No indicators of impairment have been found to exist as at 30 June 2025.

5. Segmental analysis

The Group operates through the following three divisions:

- **Merchanting**: supplies building materials and DIY goods through its network of merchant businesses and online platform capabilities. It operates both in the 'light side' (Building Materials and Timber) and 'heavy side' (Civils and Landscaping), through 32 locations in the UK.

- **Plumbing and Heating**: a specialist distributor in the UK of heating and plumbing products to a UK network of independent merchants, installers and the general public. The division offers its customers an attractive proposition through a multi-channel offering. The division operates over 16 locations enabling nationwide next day delivery service.

- **Digital**: CMO Superstores provides an online route to market from nine specialist websites for construction and plumbing & heating customers.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the Operating segments, has been identified as the Board of Directors of the Group. The Group will provide information to the CODM on the basis of products and services; being the sale and distribution of plumbing and heating goods, the sale and distribution of all other merchanting services and digital sales.

All of the Group's revenue was generated from the sale of goods in the UK for both periods. No one customer makes up 10% or more of revenue in any period.

Six months to 30 June 2025	**Plumbing and Heating £'000**	**Merchanting £'000**	**Digital £'000**	**Total £'000**
Revenue	112,194	117,692	2,223	232,109
Gross profit	13,945	30,365	477	44,787
Operating expenses	(10,008)	(23,846)	(570)	(34,424)
Adjusted EBITDA before property gains	3,937	6,519	(93)	10,363
Property gains	-	1,714	-	1,714
Adjusted EBITDA	3,937	8,233	(93)	12,077
Depreciation and amortisation	(1,737)	(4,151)	-	(5,888)
Adjusted operating profit	2,200	4,082	(93)	6,189
Adjusting items	(945)	(1,535)	-	(2,480)
Operating profit	1,255	2,547	(93)	3,709
Finance income				276
Finance costs				(3,407)
Profit before taxation				578
Taxation				(164)
Profit for the period				414
Additions to non-current assets	94	8,825	35	8,954

Six months to 30 June 2024	**Plumbing and Heating £'000**	**Merchanting £'000**	**Total £'000**
Revenue	109,596	104,554	214,150
Gross profit	14,492	28,729	43,221
Operating expenses	(9,511)	(22,867)	(32,378)
Adjusted EBITDA before property gains	4,981	5,862	10,843
Property gains	-	1,722	1,722

Property gains		1,722	1,722
Adjusted EBITDA	4,981	7,584	12,565
Depreciation and amortisation	(1,600)	(3,878)	(5,478)
Adjusted operating profit	3,381	3,706	7,087
Adjusting items	(808)	(1,791)	(2,599)
Operating profit	2,573	1,915	4,488
Finance income			142
Finance costs			(3,523)
Profit before taxation			1,107
Taxation			(355)
Profit for the period			752
Additions to non-current assets	1,452	2,102	3,554

Year to 31 December 2024	**Plumbing and Heating £'000**	**Merchanting £'000**	**Total £'000**
Revenue	222,385	214,299	436,684
Gross profit	27,916	57,316	85,232
Operating expenses	(19,891)	(44,749)	(64,640)
Adjusted EBITDA before property gains	8,025	12,567	20,592
Property gains	-	1,812	1,812
Adjusted EBITDA	8,025	14,379	22,404
Depreciation and amortisation	(3,356)	(8,651)	(12,007)
Adjusted operating profit	4,669	5,728	10,397
Adjusting items	(1,396)	(4,716)	(6,112)
Operating profit	3,273	1,012	4,285
Finance income			320
Finance costs			(7,214)
Profit before taxation			(2,609)
Taxation			824
Profit for the period			(1,785)
Additions to non-current assets	4,968	13,943	18,911

6. Adjusting items

Adjusting items include share-based payments, exceptional items that are unlikely to recur or are outside normal business trading and items relating to business acquisitions, including the amortisation of acquired intangible assets.

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000	31 December 2024 (audited) £'000
Share-based payments	**390**	301	753
Restructuring	**-**	305	826
Profit on disposal of business	**-**	-	(385)
Costs of business combinations	**412**	179	119
Adjusting items within EBITDA	**802**	785	1,313
Amortisation of acquired intangible assets	**1,678**	1,814	3,336
Impairment of right of use assets	**-**	-	1,463
Adjusting items within operating profit	**2,480**	2,599	6,112
Unwind of deferred consideration and put/call options	**46**	-	248
Adjusting items within profit before taxation	**2,526**	2,599	6,360
Tax on adjusting items	**(515)**	(650)	(1,310)
Adjusting items after tax	**2,011**	1,949	5,050

Adjusting items in the first half of 2025 largely relate to business combinations with £1.7m (H1 2024: £1.8m) in relation to amortisation of acquired intangibles, £0.4m of costs in relation to current and prior year acquisitions or deferred consideration. Share-based payments amounted to £0.4m (H1 2024: £0.3m).

7. Finance expense

	30 June 2025 (unaudited)	30 June 2024 (unaudited)	31 December 2024 (audited)

	(unaudited)	(unaudited)	(audited)
	£'000	£'000	£'000
Bank loans and overdrafts	**1,255**	1,719	3,313
Invoice discounting facilities	**437**	392	829
Unwinding of deferred consideration and put/call options	**16**	54	248
Interest on dilapidation provision	**34**	33	64
Lease liabilities	**1,665**	1,325	2,760
	3,407	3,523	7,214

8. Taxation

Income tax in the first half of 2025 was a charge of £0.2m (H1 2024: £0.4m) representing an effective tax rate of 28.4% (H1 2024: 32.0%).

9. Earnings per share

	30 June 2025 (unaudited)	30 June 2024 (unaudited)	31 December 2024 (audited)
Earnings attributable to the equity holders of the parent (£'000)	**237**	651	(1,970)
Basic earnings per share from continuing activities (pence)	**0.14**	0.39	(1.19)
Diluted earnings per share from continuing activities (pence)	**0.14**	0.39	(1.19)
Weighted average number of shares	**166,093,657**	165,641,697	165,763,977
Dilutive share options	**918,935**	472,046	813,859
Diluted weighted average number of shares	**167,012,592**	166,113,743	166,577,836

Adjusted earnings per share have been calculated using earnings attributable to shareholders of the parent company, Lords Group Trading plc, adjusted for the after-tax effect of adjusting items (see note 6).

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000	31 December 2024 (audited) £'000
Earnings attributable to the equity holders of the parent (£'000)	**237**	651	(1,970)
Add back:			
Adjusting items	**2,011**	1,949	5,050
Adjusted earnings	**2,248**	2,600	3,080
Adjusted basic earnings per share			
Earnings from continuing activities (pence)	**1.35**	1.57	1.85
Adjusted diluted earnings per share			
Earnings from continuing activities (pence)	**1.35**	1.57	1.85

10. Intangible assets

	Software £'000	**Customer relationships £'000**	**Trade names £'000**	**Goodwill £'000**	**Total £'000**
Six months ended 30 June 2025 (unaudited)					
Opening net book value	2,423	20,562	2,269	19,030	44,284
Additions	230	-	-	-	230
Disposals	(8)	-	-	-	(8)
Acquired through business combinations	-	113	-	507	620
Amortisation charge	(229)	(1,506)	(172)	-	(1,907)
Closing net book value	**2,416**	**19,169**	**2,097**	**19,537**	**43,219**
At 30 June 2025					
Cost	3,805	34,835	3,741	19,537	61,918
Accumulated amortisation and impairment	(1,389)	(15,666)	(1,644)	-	(18,699)
Net book value	**2,416**	**19,169**	**2,097**	**19,537**	**43,219**

Six months ended 30 June 2024 (unaudited)					
Opening net book value	1,604	23,550	2,617	18,434	46,205
Additions	454	-	-	-	454
Amortisation charge	(160)	(1,481)	(173)	-	(1,814)
Closing net book value	1,898	22,069	2,444	18,434	44,845
At 30 June 2024					
Cost	2,897	34,722	3,741	18,434	59,794
Accumulated amortisation and impairment	(999)	(12,653)	(1,297)	-	(14,949)
Net book value	1,898	22,069	2,444	18,434	44,845
Year ended 31 December 2024 (audited)					
Opening net book value	1,604	23,550	2,617	18,434	46,205
Additions	1,150	-	-	-	1,150
Acquired through business combinations	-	-	-	596	596
Amortisation charge	(331)	(2,988)	(348)	-	(3,667)
Closing net book value	2,423	20,562	2,269	19,030	44,284
At 31 December 2024					
Cost	3,593	34,722	3,741	19,030	61,086
Accumulated amortisation and impairment	(1,170)	(14,160)	(1,472)	-	(16,802)
Net book value	2,423	20,562	2,269	19,030	44,284

11. Property, plant and equipment

	Land and buildings £'000	Land and building leasehold improvements £'000	Plant and Equipment £'000	Total £'000
Six months ended 30 June 2025 (unaudited)				
Opening net book value	6,504	4,107	3,470	14,081
Additions	4	874	359	1,237
Acquired through business combinations	-	1,200	50	1,250
Disposals	(6,464)	-	(32)	(6,496)
Depreciation charge	(44)	(334)	(673)	(1,051)
Closing net book value	**-**	**5,847**	**3,174**	**9,021**
At 30 June 2025				
Cost	-	11,029	10,820	21,849
Accumulated depreciation and impairment	-	(5,182)	(7,646)	(12,828)
Net book value	**-**	**5,847**	**3,174**	**9,021**
Six months ended 30 June 2024 (unaudited)				
Opening net book value	12,975	3,064	4,194	20,233
Additions	-	724	775	1,499
Disposals	-	-	(58)	(58)
Depreciation charge	(125)	(421)	(649)	(1,195)
Closing net book value	12,850	3,367	4,262	20,479
At 30 June 2024				
Cost	13,539	8,195	10,632	32,366
Accumulated depreciation and impairment	(689)	(4,828)	(6,370)	(11,887)
Net book value	12,850	3,367	4,262	20,479

	Land and buildings £'000	Land and building leasehold improvements £'000	Plant and Equipment £'000	Total £'000
Year ended 31 December 2024 (audited)				
Opening net book value	12,975	3,064	4,194	20,233
Additions	21	1,100	1,431	2,552
Reclassification	(20)	761	(741)	-
Disposals	(6,311)	(10)	(89)	(6,410)
Acquired through business combinations	-	10	17	27
Depreciation charge	(161)	(818)	(1,342)	(2,321)
Closing net book value	6,504	4,107	3,470	14,081
At 31 December 2024				
Cost	7,076	8,955	10,474	26,505
Accumulated depreciation and impairment	(572)	(4,848)	(7,004)	(12,424)
Net book value	6,504	4,107	3,470	14,081

12. Right-of-use-assets

	Leasehold property £'000	Plant and equipment £'000	Total £'000
Six months ended 30 June 2025 (unaudited)			
Opening net book value	42,996	9,658	52,654
Additions	7,437	60	7,497
Amortisation charge	(2,940)	(1,668)	(4,608)
Disposals	(206)	-	(206)
Closing net book value	**47,287**	**8,050**	**55,337**
At 30 June 2025			
Cost	73,528	17,880	91,408
Accumulated amortisation and impairment	(26,241)	(9,830)	(36,071)
Net book value	**47,287**	**8,050**	**55,337**
Six months ended 30 June 2024 (unaudited)			
Opening net book value	39,252	8,112	47,364
Additions	360	1,241	1,601
Lease modifications	(2,172)	-	(2,172)
Amortisation charge	(2,405)	(1,878)	(4,283)
Closing net book value	35,035	7,475	42,510
At 30 June 2024			
Cost	53,575	14,645	68,220
Accumulated amortisation and impairment	(18,540)	(7,170)	(25,710)
Net book value	35,035	7,475	42,510
Year ended 31 December 2024 (audited)			
Opening net book value	39,252	8,112	47,364
Additions	7,675	6,684	14,359
Acquired through business combinations	134	93	227
Lease modifications	2,519	(997)	1,522
Impairment	(1,463)	-	(1,463)
Amortisation charge	(5,121)	(4,234)	(9,355)
Closing net book value	42,996	9,658	52,654
At 31 December 2024			
Cost	67,357	18,550	85,907
Accumulated amortisation and impairment	(24,361)	(8,892)	(33,253)
Net book value	42,996	9,658	52,654

13. Cash and borrowings

	30 June 2025 (unaudited) £'000	30 June 2024 (unaudited) £'000	31 December 2024 (audited) £'000
Current			
Bank loans	**17,261**	9,851	11,946
Non-current			
Bank loans	**19,764**	37,686	30,119
Total borrowings	**37,025**	47,537	42,065
Cash at bank	**(16,631)**	(11,881)	(10,312)
Capitalised debt costs	**547**	664	605
	20,941	36,320	32,358

The Group has available banking facilities totalling £75.0m, consisting of:

- An invoice financing facility of £25.0m attracting an interest rate of UK base rate + 1.4%.
- A revolving credit facility committed until 5 April 2027 of £50.0m attracting an interest rate of SONIA + margin with fixed tiers between 2.00% and 2.80% based on leverage.

14. Lease liabilities

	£'000
At 1 January 2025	60,042
Additions	12,156
Lease modifications	(240)
Interest expense	1,665
Lease payments	(6,430)

At 30 June 2025 (unaudited)	**67,193**

At 1 January 2024	51,768
Additions	1,689
Lease modifications	(2,031)
Interest expense	1,325
Lease payments	(5,078)
At 30 June 2024 (unaudited)	47,673

At 1 January 2024	51,768
Additions	15,205
Acquired through business combination	219
Lease modifications	1,231
Interest expense	2,761
Lease payments	(11,142)
At 31 December 2024 (audited)	60,042

15. Dividends

A final dividend for the year ended 31 December 2024 of £864,281 was paid to shareholders on 4 July 2025. An interim dividend for 2025 of 0.32 pence per share will be paid on 10 October 2025 to shareholders on the register at the close of business on 18 September 2025.

16. Alternative Performance Measures

Income Statement

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Operating profit	**3,709**	4,488	4,285
Depreciation and amortisation	**7,566**	7,292	15,343
Impairment charge	-	-	1,463
EBITDA	**11,275**	11,780	21,091
Exceptional items	**412**	484	560
Share-based payments	**390**	301	753
Adjusted EBITDA	**12,077**	12,565	22,404
Less: Property gains	**(1,714)**	(1,722)	(1,812)
Adjusted EBITDA excluding property gains	**10,363**	10,843	20,592

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Operating profit	**3,709**	4,488	4,285
Amortisation of acquired intangible assets	**1,678**	1,814	3,336
Impairment charge	-	-	1,463
Exceptional items	**412**	484	560
Share-based payments	**390**	301	753
Adjusted operating profit	**6,189**	7,087	10,397

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Profit/(loss) before tax	**578**	1,107	(2,609)
Exceptional items	**412**	484	560
Share-based payments	**390**	301	753
Impairment charge	-	-	1,463
Amortisation of intangible assets	**1,678**	1,814	3,336
Unwind of deferred consideration and put/call options	**46**	-	248
Adjusted profit before tax	**3,104**	3,706	3,751

Balance Sheet and Cash Flow

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000

	£'000	£'000	£'000
Short-term borrowings	**(17,216)**	(9,851)	(11,946)
Long-term borrowings	**(19,764)**	(37,686)	(30,119)
Cash and cash equivalents	**16,631**	11,881	10,312
Less: Capitalised debt costs	**(547)**	(664)	(605)
Net debt	**(20,941)**	(36,320)	(32,358)

Operating cash conversion	**30 June 2025 £'000**	30 June 2024 £'000	31 December 2024 £'000
Net cash generated by operating activities	**9,613**	5,550	16,812
Exceptional items	**412**	484	560
Adjusted cash generated by operating activities	**10,025**	6,034	17,732
Adjusted EBITDA	**12,077**	12,565	22,404
Working capital movement	**(240)**	(6,658)	(3,841)
Net capital expenditure	**11,377**	(2,580)	(43)
Lease payments	**(6,430)**	(5,078)	(11,142)
Operating cash flow	**16,784**	(1,751)	7,378
Net tax and interest paid	**(1,563)**	(1,671)	(4,240)
Free cash flow	**15,221**	(3,422)	3,138
Adjusted operating profit	**6,189**	7,087	10,397
Operating cash conversion	**271.2%**	-	71.0%

17. Post balance sheet events

On 31 July 2025, the Group purchased the non-controlling interest in Condell for total consideration of £140,099.

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