Tuesday 4 February 2025

The Alumasc Group plc
Interim results
Strong momentum continuing, driven by organic and inorganic growth

Alumasc (ALU.L) (the 'Company' or the 'Group'), the sustainable building products, systems and solutions Group is pleased to announce its results for the six months ended 31 December 2024.

Record H1 performance demonstrates the strength of the business model and progress against strategic initiatives

- Group revenue up by 20% to £57.4m (H1 FY24: £47.8m), with organic growth in all three divisions
  - Strong performance in Water Management, with revenues up 34% to £29.6m (H1 FY24: £22.0m) on increased export sales, including accelerated deliveries to Hong Kong airport project
  - ARP Group ('ARP'), acquired in December 2023, contributed £5.7m to Water Management revenue, while developing cross-selling and purchasing synergies
  - Building Envelope division grew robustly, with revenues up 8% to £20.2m (H1 FY24: £18.7m)
  - Housebuilding Products revenue grew 6% to £7.5m (H1 FY24: £7.1m)
- Underlying* profit before tax grew strongly, up 19% to a record £7.5m (H1 FY24: £6.3m), with organic growth in all three divisions
- Statutory profit before tax of £6.5m (H1 FY24: £5.6m)
- Group underlying* operating margin of 14.1% (H1 FY24: 14.1%)
  - Water Management 15.8% (H1 FY24: 16.0%)
  - Building Envelope 12.5% (H1 FY24: 12.8%)
  - Housebuilding Products 25.0% (H1 FY24: 24.5%)
- Progress towards 15-20% medium term underlying* operating margin target expected in H2, with efficiencies from strategic decision to move manufacturing of access covers to Halstead and further ARP synergies
- Expect minimal impact from increases in Employers' National Insurance and National Living Wage, with an estimated annual cost increase of around £0.6m from April 2025
- Increased interim dividend per share: 3.50p (H1 FY24: 3.45p)
- Strong balance sheet and cash generation to support investment plans, with net bank debt reduced to £4.6m (December 2023: £7.4m; June 2024: £7.2m) due to 127% cash conversion of underlying profit
- Further improvements in defined benefit pension scheme funding position ahead of March 2025 triennial review – IAS 19 surplus of £3.3m (December 2023: £4.8m deficit; June 2024: £0.8m surplus) and scheme approaching self sufficiency

Outlook

- The Group is well-positioned to continue to outperform the UK general construction market through revenue growth initiatives, product innovation and customer service, while investing selectively in overseas markets to drive export growth
- With its long-standing focus on sustainability, Alumasc is strategically positioned to capitalise on the shift toward sustainable construction and green buildings, through both its internal actions and product portfolio development

The Board continues to remain confident both in the Group achieving its expectations for the year to June 2025, and in the significant opportunities available over the medium and longer term.

Commenting on the interim results, Paul Hooper, Chief Executive of Alumasc said:

"We are pleased to report a record first half, driven by both organic and inorganic growth. Group revenue grew by 20% compared to the prior period, which is a particularly impressive result given the challenging market environment.

All three divisions have demonstrated continued growth in revenue, highlighting the resilience of our business model. This performance reflects execution of, and focus on, our four strategic pillars: accelerating organic revenue growth; enhancing efficiency and margins; advancing sustainable products; and making value-enhancing investments.

We've also made significant progress in expanding our presence in export markets, which should benefit future periods' revenues and profits. We are particularly excited about the performance of ARP Group, who have exceeded expectations since joining the Group in December 2023. We are confident that we will continue to see synergies and efficiencies come through in the second half.

We remain confident in both the quality of our businesses and in our capacity to deliver our ambitious growth plans, supported by our strong positions in higher growth sustainability-driven markets, and have a clear line of sight to delivery of significant shareholder value."

** a reconciliation of underlying to statutory profit is provided in note 4.*

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REVIEW OF INTERIM RESULTS

Group Performance Summary

We are pleased to report strong Group financial results for the six months ended 31 December 2024. Group revenue was £57.4m (H1 FY24: £47.8m), 20% ahead of the prior period, and underlying* profit before tax grew by 19% to a record £7.5m (H1 FY24: £6.3m).

Organic revenue growth – excluding the contribution from ARP, acquired in late December 2023 – was 8%. This included 43% growth in export revenues, driven by faster-than-expected call-offs from the significant project at Chek Lap Kok airport in Hong Kong as well as the recent investments in overseas sales capability. Domestic revenues grew by 3% in the period, an encouraging performance given the challenging market conditions, in which overall new UK activity was estimated** to have declined by 5% in 2024 and UK newbuild housing work by 7%.

This performance further demonstrates the resilience of the business model and was once again underpinned by progress against our strategic initiatives: continuing to build our position as a market leader in sustainable building materials, accelerating organic growth and driving margin improvement, and continuing to invest in our future growth while making value-accretive acquisitions. All of this positions the Group well for when its commercial markets fully recover.

** a reconciliation of underlying to statutory profit is provided in note 4*
*** Experian UK Construction Forecast, Winter 2024*

Operational Review

It is very pleasing to report that once again all three divisions grew revenue and operating profit over the prior period.

Water Management

	H1 FY25	H1 FY24
Revenue	£29.6m	£22.0m
Underlying* operating profit	£4.7m	£3.5m
Underlying* operating margin	15.8%	16.0%
Operating profit	£3.8m	£3.2m

** prior to restructuring costs of £0.7m (H1 FY24: £0.3m) and amortisation of acquired intangible assets of £0.2m (H1 FY24: £nil)*

Water Management grew its revenue by £7.6m (34%), underpinned by 8.5% organic growth and a £5.7m contribution from ARP. The division broadly maintained its operating margin despite a difficult UK market background, and its underlying operating profit grew by £1.2m (34%), with 11% organic growth and 23% from ARP. This represents a positive and encouraging performance for the Water Management division.

Organic growth was driven by very strong export revenues of £7.6m, 42% ahead of the prior period (H1 FY24: £5.4m). While faster-than-expected call-offs of Gatic access covers from the concourse and apron project works at Chek Lap Kok airport in Hong Kong were a significant contributor, there were also notable orders from Changi Airport (Singapore), Rijeka Port (Croatia) and Oxagon Port T2 at Neom (Saudi Arabia). The benefit of the division's recent investment in overseas sales resource is becoming evident, with a growing pipeline of opportunities, and several orders from new geographical territories are expected to crystallise in the coming months.

Excluding the contribution from ARP, UK revenues were resilient and only marginally behind the prior period at £16.3m (H1 FY24: £16.6m). The first shipments of the new Halstead-manufactured access covers were made in the period, to Heathrow Airport. These are manufactured to much more exacting tolerances than previously achievable and were very well received by the customer. We were very pleased with the performance of ARP, acquired in December 2023. It has exceeded expectations to date, with all targets achieved, and the full amount of the final £750,000 earnout was paid to its former owners in January 2025.

As previously announced, the decision was taken to close our Dover facility at the end of December, to concentrate manufacturing of our Gatic access covers into the recently upgraded facility based at our site in Halstead, Essex. With the new equipment in place and manufacturing having already commenced, precision engineered products are achievable combined with an anticipated annual saving of circa £800k p.a. We would like to take the opportunity to recognise the fantastic attitude and loyalty of the Dover workforce, who remained hard working, committed and professional and enabled an efficient transfer of the manufacturing operations.

These efficiencies, together with purchasing synergies from the ARP acquisition, are expected to be realised in the second half of the year, helping to support the division's growth and margin ambitions in the face of persistently tough market conditions.

Building Envelope

	H1 FY25	H1 FY24
Revenue	£20.2m	£18.7m
Underlying* operating profit	£2.5m	£2.4m
Underlying* operating margin	12.5%	12.8%
Operating profit	£2.5m	£2.4m

** no adjustments in H1 FY25 or H1 FY24*

The Building Envelope division grew revenues by 8% in the first half year to £20.2m. The business continues to focus on expanding its product ranges into the metal roofing and standing seam markets, whilst improving its sustainability offer to satisfy the growing demand for higher environmental performance levels and rigorous compliance testing. Further developments in cold liquid systems continue to enhance the division's product range, as does the increasing demand for non-combustible insulation offers.

This strategy has improved the division's traction with larger projects, along with new overseas opportunities, particularly in the data centre markets. Additional sales staff have been employed to increase our coverage. The division's trainee programme, started some years ago, continues to develop young talent within the industry and will help underpin our future growth ambitions.

Despite some training and testing costs required to comply with the Building Safety Act 2022, the Building Envelope division's underlying operating profit came in 6% ahead of the prior year. With the investments made in technical sales capability and delivering more sustainable solutions, the business is well placed to continue to outperform the prevailing market.

Housebuilding Products

	H1 FY25	H1 FY24
Revenue	£7.5m	£7.1m
Underlying* operating profit	£1.9m	£1.7m
Underlying* operating margin	25.0%	24.5%
Operating profit	£1.9m	£1.7m

** no adjustments in H1 FY25 or H1 FY24*

The housebuilding market remained challenging in the period, with subdued demand conditions, elevated borrowing costs and weak consumer confidence.

Against this market backdrop, our Housebuilding Products company Timloc continued to grow both its revenues (+6%) and its underlying operating profit (+8%). New product introductions took further market share, underpinned by Timloc's industry-leading next day service and low carriage-paid order values. Further new product introductions are planned for the second half of the year which should support future sales revenue growth.

Continued focus and investment in automation, energy efficient moulding machines and rigorous cost controls, have all contributed to the achievement of a record underlying operating margin of 25.0%.

Timloc's focus on sustainability including the introduction of its first environmental product declarations (EPDs) leaves it well positioned to support the housebuilders' drive to build lower carbon homes and meet the current underlying demand for new houses when market conditions improve.

Strategic Overview

The Group's performance reflects further progress on delivering the Group's strategy:

- Accelerating sales growth
- Driving margin improvement
- Championing sustainable building products
- Value-enhancing investment

The Group has continued to progress its long-term strategy to deliver profitable growth through leveraging its strong strategic positions in sustainable building products, and to outperform the UK construction market while continuing development of export markets. The Group's outperformance compared to the UK construction market and the growth in its exports revenue is testament to that. Exports continued to grow, and accounted for 14% of total Group revenue in the six months to December 2024 (H1 FY24: 12%).

The Group's strong margins are as a result of our range of environmental solutions and market-leading customer service, supported by disciplined cost management and a relentless focus on efficiency. Further operating margin growth towards our targeted 15-20% range will be assisted in the second half by purchasing synergies from the ARP acquisition and efficiencies arising from the relocation of Gatic access covers manufacturing to the Halstead facility.

Alumasc is also in a very strong position to benefit from the move towards sustainable construction and green buildings: both from its own actions; and through the development of its portfolio of products to manage energy consumption in buildings, and to improve climate resilience within the built environment through effective water management systems. Many internal initiatives have also been taken to act in an environmentally sustainable manner, including the sourcing of electricity from renewable sources for 100% of the Group's supply.

The Group has continued to invest in organic value-enhancing opportunities, including improving sales coverage in Building Envelope, expanding the overseas sales team in Water Management, and further enhancing efficiency and new product development capability in Housebuilding Products.

Cash flow and net debt

£m	**H1 FY25**	**H1 FY24**
Underlying operating profit	8.1	6.7
Depreciation/underlying amortisation	1.5	1.5
Share-based payments	0.2	0.1
Working capital inflow	1.1	1.7
Underlying operating cash flow	**10.9**	**10.0**
Pension deficit funding	(0.6)	(0.6)
Cash generated by underlying operating activities	**10.3**	**9.4**
Operating cash conversion	*127%*	*140%*
Non-underlying cash flows	(0.5)	(0.5)
Cash generated by operating activities	**9.8**	**8.9**
Capital expenditure	(2.0)	(1.5)
Interest	(0.6)	(0.3)
Tax	(1.2)	(1.7)
Lease principal repaid	(0.4)	(0.5)
Other cash flows	(0.2)	(0.1)
Free cash flow	**5.4**	**4.8**
Acquisition of businesses	-	(6.5)
Purchase of own shares	(0.1)	(0.4)
Dividend payments	(2.6)	(2.5)
Decrease/(increase) in net bank debt	**2.7**	**(4.6)**

£m	**December 2024**	**December 2023**
Net bank debt	4.6	7.4
Lease liabilities	5.3	4.8
Total (IFRS 16) net debt	9.9	12.2

The Group's underlying operating cash flow was £10.9m, 9% higher than H1 FY24, after a £1.1m inflow from working capital (H1 FY24: £1.7m inflow). Average trade working capital as a percentage of sales for the period was 14.8% (H1 FY24: 16.7%), as strong working capital management mitigated the pressure caused by higher sales volumes and some extended lead times arising from the ongoing Red Sea crisis.

After pension deficit funding of £0.6m (H1 FY24: £0.6m), cash generated by underlying operating activities was £10.3m (H1 FY24: £9.4m), representing 127% (H1 FY24: 140%) of underlying operating profit, against a Group target of at least 100%.

Cash generated from operating activities was £9.8m (H1 FY24: £8.9m), after non-underlying cash flows of £0.5m (H1 FY24: £0.5m). A further £0.3m of non-underlying cashflows are expected be incurred in the second half of FY25 to complete the closure of the Water Management facility in Dover. These non-underlying costs are expected to be offset by the planned sale of the freehold Dover land and buildings, for which marketing has commenced.

Capital expenditure of £2.0m (H1 FY24: £1.5m) was 133% (H1 FY24: 100%) of depreciation. This included £0.4m of investments to complete the access cover manufacturing facility at our site in Halstead, Essex, along with £0.7m of spend at Timloc to support its efficiency and innovation activities.

Interest payments were £0.6m (H1 FY24: £0.3m), higher due to the increased debt following the acquisition of ARP in December 2023, and tax payments were £1.2m (H1 FY24: £1.7m), reflecting catch-up payments in H1 FY24 in respect of prior year liabilities.

The Group's free cash flow – cash generated for acquisitions, funding returns to shareholders or for reducing debt – was £5.4m, a 10% increase on H1 FY24 (£4.8m).

After a £2.6m (H1 FY24: £2.5m) outflow to pay the prior year's final dividend, own share purchases of £0.1m (H1 FY24: £0.4m) to fulfil the vesting of employee share options and, in the prior period, a net £6.5m outflow on the acquisition of ARP, the Group's net bank debt reduced by £2.7m (H1 FY24: increased by £4.6m).

Net bank debt at December 2024 was £4.6m (December 2023: £7.4m), representing gearing of 0.3x (H1 FY24: 0.5x), comfortably within our bank covenant of less than 2.5x.

Pension deficit and net assets

The Group's IAS 19 pension surplus at December 2024 was £3.3m (December 2023: £4.8m deficit; June 2024: £0.8m surplus), an increase of £2.5m since June 2024 due to higher bond yields reducing liabilities, investment gains on the scheme's growth assets, and the Group's deficit repair contributions. The scheme is now approaching a self-sufficient position – where the scheme can follow a low-risk investment strategy with minimum ongoing Group support – and the Group is continuing its de-risking and funding dialogue with the scheme's trustees ahead of the next triennial review in March 2025.

Group net assets increased to £37.4m (December 2023: £26.3m, June 2024: £33.5m), primarily as a result of the retained profits after dividend distributions and actuarial gains on the pension asset.

Interim Dividend

The Board has declared an increased interim dividend of 3.50p (H1 FY24: 3.45p) per ordinary share, payable on 8 April 2025 to shareholders on the register on 21 February 2025.

Outlook

As commented on in the trade and financial press, UK construction industry conditions remain challenging, with the timing of a broad-based recovery uncertain in the short-term. Although there are some positive signs emerging, the Group will continue to focus on outperforming underlying markets through its strong alignment with long term environmental growth drivers in construction, product innovation and customer service, and will continue to invest in selected overseas markets to drive export growth.

While the increases in Employers' National Insurance and National Living Wage, announced in the October 2024 Budget, are expected to add an annualised c.£0.6m to costs from April 2025, the Group has demonstrated its ability over recent years to maintain revenue growth, mitigate cost increases and grow margins through structural cost reductions and efficiency gains and, where necessary, pricing adjustments. Consequently, the Board does not expect these to have a significant impact on the Group's profitability.

The Board continues to remain confident both in the Group achieving its expectations for the year to June 2025, and in the significant opportunity available to the Group over the medium and longer term.

Paul Hooper, Chief Executive **Simon Dray, Group Finance Director**

4 February 2025

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the half year to 31 December 2024

		Half year to 31 December 2024			Half year to 31 December 2023			Year to 30 June 2024
	Notes	Underlying (Unaudited) £'000	Non-underlying (Unaudited) £'000	Total (Unaudited) £'000	Underlying (Unaudited) £'000	Non-underlying (Unaudited) £'000	Total (Unaudited) £'000	Total (Audited) £'000
Revenue	5	57,356	-	57,356	47,812	-	47,812	100,724
Cost of sales		(35,777)	-	(35,777)	(29,864)	-	(29,864)	(62,444)
Gross profit		21,579	-	21,579	17,948	-	17,948	38,280
Net operating expenses								
Net operating expenses before non-underlying items		(13,471)	-	(13,471)	(11,211)	-	(11,211)	(24,043)
Non-underlying items	4	-	(902)	(902)	-	(584)	(584)	(1,041)
Net operating expenses		(13,471)	(902)	(14,373)	(11,211)	(584)	(11,795)	(25,084)
Operating profit	4, 5	8,108	(902)	7,206	6,737	(584)	6,153	13,196
Net finance costs	6	(629)	(50)	(679)	(460)	(104)	(564)	(1,461)
Profit before taxation	4	7,479	(952)	6,527	6,277	(688)	5,589	11,735
Tax expense	7	(1,787)	156	(1,631)	(1,594)	109	(1,485)	(2,987)
Profit/(loss) for the period		5,692	(796)	4,896	4,683	(579)	4,104	8,748
Other comprehensive income:								
Items that will not be reclassified to profit or loss:								
Actuarial gain/(loss) on defined benefit pensions, net of tax				1,472			(739)	3,083
Items that are or may be reclassified subsequently to profit or loss:								
Effective portion of changes in fair value of cash flow hedges, net of tax				44			(46)	(38)
Exchange differences on retranslation of foreign operations				21			(31)	(30)
				65			(77)	(68)
Other comprehensive gain/(loss) for the period, net of tax				1,537			(816)	3,015
Total comprehensive profit for the period, net of tax				6,433			3,288	11,763
Earnings per share:				Pence			Pence	Pence
Basic earnings per share	10			13.6			11.4	24.3
Diluted earnings per share	10			13.3			11.3	24.1

Reconciliations of underlying to statutory profit and earnings per share are provided in notes 4 and 10 respectively.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
at 31 December 2024

	Notes	**31 December 2024 (Unaudited) £'000**	31 December 2023 (Unaudited) £'000	30 June 2024 (Audited) £'000
Assets				
Non-current assets				
Property, plant and equipment – owned assets		**16,328**	14,584	15,670
Property, plant and equipment – right of use assets		**5,125**	4,517	5,569
Goodwill		**12,678**	13,493	12,678
Other intangible assets		**6,430**	5,292	6,621
Employee benefit asset		**3,308**	-	794
Deferred tax assets		**-**	1,203	-
		43,869	39,089	41,332
Current assets				
Inventories		**12,950**	12,952	13,153
Trade and other receivables		**18,817**	18,350	21,518
Cash at bank	**11**	**6,581**	7,186	6,410
		38,348	38,488	41,081
Total assets		**82,217**	77,577	82,413
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings	**11**	**(11,157)**	(14,556)	(13,662)
Lease liability	**11**	**(4,320)**	(3,979)	(4,769)
Employee benefit obligations		**-**	(4,812)	-
Provisions		**(1,946)**	(1,503)	(1,880)
Deferred tax liabilities		**(4,709)**	(2,865)	(3,772)
		(22,132)	(27,715)	(24,083)
Current liabilities				
Trade and other payables		**(19,025)**	(18,154)	(21,519)
Lease liability	**11**	**(976)**	(836)	(1,078)
Provisions		**(318)**	(776)	(307)
Corporation tax payable		**(1,593)**	(1,005)	(1,052)
Deferred consideration		**(750)**	(2,700)	(755)
Derivative financial liabilities		**(22)**	(91)	(81)
		(22,684)	(23,562)	(24,792)
Total liabilities		**(44,816)**	(51,277)	(48,875)
Net assets		**37,401**	26,300	33,538
Equity				
Share capital		**4,517**	4,517	4,517
Share premium		**445**	445	445
Capital reserve – own shares		**(183)**	(378)	(321)
Hedging reserve		**(16)**	(68)	(60)
Foreign currency reserve		**189**	167	168
Profit and loss account reserve		**32,449**	21,617	28,789
Total equity		**37,401**	26,300	33,538

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
for the half year to 31 December 2024

	Notes	**Half year to 31 December 2024 (Unaudited) £'000**	Half year to 31 December 2023 (Unaudited) £'000	Year to 30 June 2024 (Audited) £'000
Operating activities				
Operating profit		**7,206**	6,153	13,196
Adjustments for:				
Depreciation		**1,436**	1,319	2,663
Amortisation		**332**	124	478
Loss on disposal of property, plant and equipment		**2**	15	4
Decrease/(increase) in inventories		**203**	127	(199)
Decrease in receivables		**3,266**	4,334	610
(Decrease)/increase in trade and other payables		**(2,327)**	(2,728)	470
Movement in provisions		**76**	14	(78)
Cash contributions to retirement benefit schemes		**(600)**	(600)	(1,200)
Share based payments		**150**	138	251
Cash generated by operating activities		**9,744**	8,896	16,195
Tax paid		**(1,224)**	(1,674)	(2,073)
Net cash inflow from operating activities		**8,520**	7,222	14,122
Investing activities				
Purchase of property, plant and equipment		**(1,935)**	(1,274)	(3,131)
Payments to acquire intangible fixed assets		**(141)**	(243)	(505)
Proceeds from sales of property, plant and equipment		**4**	-	8
Acquisition of subsidiary		**(5)**	(8,679)	(10,730)
Cash acquired on acquisition of subsidiary		**-**	2,223	2,223
Net cash outflow from investing activities		**(2,077)**	(7,973)	(12,135)
Financing activities				
Bank interest paid		**(492)**	(269)	(909)
Equity dividends paid		**(2,625)**	(2,482)	(3,724)
(Repayment)/draw down of amounts borrowed		**(2,500)**	5,700	4,700
Refinancing costs		**(79)**	(78)	(78)
Principal paid on lease liabilities		**(436)**	(419)	(837)
Interest paid on lease liabilities		**(66)**	(88)	(176)
Purchase of own shares		**(272)**	(480)	(647)
Exercise of share options		**177**	89	129
Net cash (outflow)/inflow from financing activities		**(6,293)**	1,973	(1,542)
Net increase in cash at bank and bank overdrafts		**150**	1,222	445
Net cash at bank and bank overdrafts brought forward		**6,410**	5,995	5,995
Net increase in cash at bank and bank overdrafts		**150**	1,222	445
Effect of foreign exchange rate changes		**21**	(31)	(30)
Net cash at bank and bank overdrafts carried forward	**11**	**6,581**	7,186	6,410

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year to 31 December 2024

	Share capital £'000	Share premium £'000	Capital reserve - own shares £'000	Hedging reserve £'000	Foreign currency reserve £'000	Profit and loss account reserve £'000	Total £'000
At 1 July 2024	**4,517**	**445**	**(321)**	**(60)**	**168**	**28,789**	**33,538**
Profit for the period	-	-	-	-	-	**4,896**	**4,896**
Exchange differences on retranslation of foreign operations	-	-	-	-	**21**	-	**21**
Net gain on cash flow hedges	-	-	-	**59**	-	-	**59**
Tax on derivative financial liability	-	-	-	**(15)**	-	-	**(15)**
Share based payments	-	-	-	-	-	**150**	**150**
Actuarial gain on defined benefit pension schemes, net of tax	-	-	-	-	-	**1,472**	**1,472**
Acquisition of own shares	-	-	**(273)**	-	-	-	**(273)**
Own shares used to satisfy exercise of share awards	-	-	**411**	-	-	-	**411**
Exercise of share-based incentives	-	-	-	-	-	**(233)**	**(233)**
Dividends	-	-	-	-	-	**(2,625)**	**(2,625)**
At 31 December 2024	**4,517**	**445**	**(183)**	**(16)**	**189**	**32,449**	**37,401**

	Share capital £'000	Share premium £'000	Capital reserve - own shares £'000	Hedging reserve £'000	Foreign currency reserve £'000	Profit and loss account reserve £'000	Total £'000
At 1 July 2023	4,517	445	(577)	(22)	198	21,186	25,747
Profit for the period	-	-	-	-	-	4,104	4,104
Exchange differences on retranslation of foreign operations	-	-	-	-	(31)	-	(31)
Net loss on cash flow hedges	-	-	-	(61)	-	-	(61)
Tax on derivative financial liability	-	-	-	15	-	-	15
Share based payments	-	-	-	-	-	138	138
Actuarial loss on defined benefit pension schemes, net of tax	-	-	-	-	-	(739)	(739)
Acquisition of own shares	-	-	(480)	-	-	-	(480)
Own shares used to satisfy exercise of share awards	-	-	679	-	-	-	679
Exercise of share-based incentives	-	-	-	-	-	(590)	(590)
Dividends	-	-	-	-	-	(2,482)	(2,482)
At 31 December 2023	4,517	445	(378)	(68)	167	21,617	26,300

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half year to 31 December 2024

1. Basis of preparation

The condensed consolidated interim financial statements of The Alumasc Group plc and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006 that are effective at 31 December 2024.

The condensed consolidated interim financial statements have been prepared using the accounting policies set out in the statutory accounts for the financial year to 30 June 2024 and in accordance with AIM Rule 18, and the same accounting policies will be adopted in the 2025 annual financial statements.

The consolidated financial statements of the Group as at and for the year ended 30 June 2024 are available on request from the Company's registered office at Burton Latimer, Kettering, Northants, NN15 5JP or on the website www.alumasc.co.uk.

The comparative figures for the financial year ended 30 June 2024 are not the Company's statutory accounts for that financial year but have been extracted from those accounts. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements for the half year ended 31 December 2024 are not statutory accounts and have been neither audited nor reviewed by the Group's auditors. They do not contain all of the information required for full financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2024.

These condensed consolidated interim financial statements were approved by the Board of Directors on 4 February 2025.

The Group performed ahead of the Base Case trading scenario modelled as part of the 30 June 2024 year end Going Concern review, and also ahead of the stress testing performed. On the basis of the Group's financing facilities and current financial plans and sensitivity analyses, the Board is satisfied that the Group has adequate resources to continue in operational existence for twelve months from the date of signing this report and accordingly continues to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

2. Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2024, namely the valuation of defined benefit pension obligations and the valuation of the Group's acquired goodwill.

During the six months ended 31 December 2024, management reassessed and updated its estimates in respect of retirement benefit obligations based on market data available at 31 December 2024. The resulting impact was a £2.0 million pre-tax actuarial gain, calculated using IAS 19 conventions, recognised in the six month period to 31 December 2024.

3. Risks and uncertainties

A summary of the Group's principal risks and uncertainties was provided on pages 47 to 50 of Alumasc's Report and Accounts for the year ended 30 June 2024. The Board considers these risks and uncertainties remain relevant to the current financial year.

Specific risks and uncertainties relating to the Group's performance in the second half year are:

- Inflation and interest rates, and their impact on the Group's construction markets;
- Prolonged periods of bad weather which may impact the Group's construction markets; and
- Potential impacts on customer demand or our supply chain from the current global geopolitical environment.

4. Underlying to statutory profit reconciliation

Profit before tax	**Half year to 31 December 2024 £'000**	Half year to 31 December 2023 £'000	Year to 30 June 2024 £'000
Underlying profit before tax	**7,479**	6,277	12,971
Acquired intangible asset amortisation	**(212)**	(35)	(239)
IAS 19 net pension scheme finance costs	**(50)**	(104)	(195)
Acquisition costs	**-**	(259)	(349)
Restructuring costs	**(690)**	(290)	(453)
Reported profit before tax	**6,527**	5,589	11,735

Operating profit	**Half year to 31 December 2024 £'000**	Half year to 31 December 2023 £'000	Year to 30 June 2024 £'000
Underlying operating profit	**8,108**	6,737	14,237
Acquired intangible asset amortisation	**(212)**	(35)	(239)
Acquisition costs	**-**	(259)	(349)
Restructuring costs	**(690)**	(290)	(453)
Reported operating profit	**7,206**	6,153	13,196

The Group reports underlying profit and underlying earnings in addition to the financial information presented under IFRS. The Board believes that underlying profit and underlying earnings provide additional and consistent measures of underlying performance by removing items that are not closely related to the Group's day-to-day trading activities and which would typically be excluded in assessing the value of the business.

Underlying profit and underlying earnings are used by the Board for internal performance analysis, planning and employee compensation arrangements, and are not defined terms under IFRS, and may therefore not be comparable with similarly titled measures reported by other companies. They are therefore not intended to be a substitute for, or superior to, IFRS measures of profit and earnings.

In the presentation of underlying profits, management disclose the amortisation of acquired intangible assets and IAS 19 pension costs consistently as non-underlying items because they are material non-cash and non-trading items that would typically be excluded in assessing the value of the business.

In addition, management has presented the following specific items that arose in H1 FY25 and H1 FY24 as non-underlying as they are non-recurring items that are judged to be significant enough to affect the understanding of the year-on-year evolution of the underlying trading performance of the business:

- One-off restructuring costs of £690,000 (H1 FY24: £290,000), representing the costs of a restructuring of the Water Management division including the planned closure of the division's site in Dover and relocation of its activities to the division's site in Halstead, and a restructuring of the division's sales and commercial teams. A further £0.1m is expected to be incurred in the second half of FY25 to complete the project.

- Acquisition expenses of £nil (H1 FY24: £259,000), related to professional fees incurred primarily in connection with the acquisition of ARP Group, which completed in December 2023.

Impact on cashflow

Of the £952,000 (H1 FY24: £688,000) non-underlying items recognised, £499,000 (H1 FY24: £549,000) were settled in cash. £191,000 (H1 FY24: £nil) is due to be paid in the second half of the financial year, and £262,000 (H1 FY24: £139,000) relates to non-cash amortisation of acquired intangible assets and IAS 19 pension costs.

5. Segmental analysis

In accordance with IFRS 8 Operating Segments, the segmental analysis below follows the Group's internal management reporting structure.

Revenue	**Half year to 31 December 2024 £'000**	Half year to 31 December 2023 £'000	Year to 30 June 2024 £'000
Water Management	**29,583**	22,027	48,316
Building Envelope	**20,239**	18,680	37,602
Housebuilding Products	**7,534**	7,105	14,806
Group revenue	**57,356**	47,812	100,724

Operating profit	**Half year to 31 December 2024 £'000**	Half year to 31 December 2023 £'000	Year to 30 June 2024 £'000
Water Management	**4,684**	3,521	7,628
Building Envelope	**2,530**	2,384	4,627
Housebuilding Products	**1,887**	1,741	3,750
Unallocated central costs	**(993)**	(909)	(1,768)
Underlying operating profit	**8,108**	6,737	14,237
Non-underlying items	**(902)**	(584)	(1,041)
Operating profit	**7,206**	6,153	13,196

Sales to external customers by geographical segment

	United Kingdom £'000	**Europe £'000**	**North America £'000**	**Middle East £'000**	**Far East £'000**	**Rest of World £'000**	**Total £'000**
Half year to 31 December 2024	**49,271**	**1,746**	**7**	**232**	**5,813**	**287**	**57,356**
Half year to 31 December 2023	42,154	1,453	10	401	3,197	597	47,812

6. Net finance costs

		Half year to 31 December 2024 £'000	Half year to 31 December 2023 £'000	Year to 30 June 2024 £'000
Finance costs	- Bank overdrafts	**5**	14	16
	- Revolving credit facility	**558**	358	1,074
	- Interest on lease liabilities	**66**	88	176
		629	460	1,266
	- IAS 19 net pension scheme finance costs	**50**	104	195
		679	564	1,461

7. Tax expense

	Half year to 31 December 2024	Half year to 31 December 2023	Year to 30 June 2024
	£'000	£'000	£'000
Current tax:			
UK corporation tax	**1,048**	729	2,062
Overseas tax	**148**	138	200
Amounts under-provided in previous years	**-**	-	(199)
Total current tax	**1,196**	867	2,063
Deferred tax:			
Origination and reversal of temporary differences	**435**	618	639
Amounts over-provided in previous years	**-**	-	285
Total deferred tax	**435**	618	924
Total tax expense	**1,631**	1,485	2,987
Deferred tax recognised in other comprehensive income:			
Actuarial gains/(losses) on pension schemes	**491**	(246)	1,029
Cash flow hedge	**15**	(15)	(12)
Tax charged/(credited) to other comprehensive income	**506**	(261)	1,017
Total tax charge in the consolidated statement of comprehensive income	**2,137**	1,224	4,004

8. Dividends

The Directors have approved an interim dividend per share of 3.50 pence (FY24 interim dividend: 3.45 pence) which will be paid on 8 April 2025 to shareholders on the register at the close of business on 21 February 2025. The cash cost of the dividend is expected to be £1,248,000. As the dividend was approved after the statement of financial position date, it has not been accrued in the interim consolidated financial statements. A final dividend per share of 7.30 pence in respect of the 2023/24 financial year was paid at a cash cost of £2,625,000 during the six months to 31 December 2024.

9. Share Based Payments

During the period the Group awarded 195,000 options (H1 FY24: 210,000) under the Executive Share Option Scheme ("ESOS"). These options have an exercise price of 307.0 pence and require certain criteria to be fulfilled before vesting. 79,445 existing options were exercised during the period (H1 FY24: 90,000) and 17,868 options lapsed (H1 FY24: nil).

Total awards granted under the Group's Long Term Incentive Plans ("LTIP") amounted to 189,006 (H1 FY24: 316,472). LTIP awards have no exercise price but are dependent on certain vesting criteria being met. 118,119 existing LTIP awards were exercised during the period (H1 FY24: 130,251) and 95,901 existing LTIP awards lapsed (H1 FY24: 53,691).

10. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period, after allowing for the exercise of outstanding share options. The following sets out the income and share data used in the basic and diluted earnings per share calculations:

	Half year to 31 December 2024	Half year to 31 December 2023	Year to 30 June 2024
	£'000	£'000	£'000
Net profit attributable to equity holders	**4,896**	4,104	8,748
	000s	000s	000s
Basic weighted average number of shares	**35,996**	35,942	35,964
Dilutive potential ordinary shares – employee share options	**725**	292	296
Diluted weighted average number of shares	**36,721**	36,234	36,260

	Half year to 31 December 2024	Half year to 31 December 2023	Year to 30 June 2024
	Pence	Pence	Pence
Basic earnings per share	**13.6**	11.4	24.3
Diluted earnings per share	**13.3**	11.3	24.1

Calculation of underlying earnings per share:

	Half year to 31 December 2024	Half year to 31 December 2023	Year to 30 June 2024
	£'000	£'000	£'000
Reported profit before taxation	**6,527**	5,589	11,735
Acquired intangible asset amortisation	**212**	35	239
IAS 19 net pension scheme finance costs	**50**	104	195
Restructuring & legal costs	**690**	290	453
Acquisition costs	**-**	259	349
Underlying profit before taxation	**7,479**	6,277	12,971
Tax at underlying Group tax rate of 23.9% (2023/24 first half year: 25.4%; full year: 25.5%)	**(1,787)**	(1,594)	(3,308)
Underlying earnings	**5,692**	4,683	9,663
Weighted average number of shares	**35,996**	35,942	35,964
Basic underlying earnings per share	**15.8p**	13.0p	26.9p
Diluted underlying earnings per share	**15.5p**	12.9p	26.6p

11. Movement in borrowings

	Cash at bank /bank overdrafts £'000	**Bank loans £'000**	**Net bank cash/(debt) £'000**	**Lease liabilities £'000**	**Total borrowings £'000**
At 1 July 2024	**6,410**	**(13,662)**	**(7,252)**	**(5,847)**	**(13,099)**
Cash flow movements	**150**	**2,579**	**2,729**	**436**	**3,165**
Non-cash movements	**-**	**(74)**	**(74)**	**115**	**41**
Effect of foreign exchange rates	**21**	**-**	**21**	**-**	**21**
At 31 December 2024	**6,581**	**(11,157)**	**(4,576)**	**(5,296)**	**(9,872)**

	Cash at bank /bank overdrafts £'000	Bank loans £'000	Net bank cash/(debt) £'000	Lease liabilities £'000	Total borrowings £'000
At 1 July 2023	5,995	(8,848)	(2,853)	(5,234)	(8,087)
Cash flow movements	1,222	(5,622)	(4,400)	419	(3,981)
Non-cash movements	-	(86)	(86)	-	(86)
Effect of foreign exchange rates	(31)	-	(31)	-	(31)
At 31 December 2023	7,186	(14,556)	(7,370)	(4,815)	(12,185)

12. Related party disclosure

The Group has a related party relationship with its Directors and with its UK pension schemes. There has been no material change in the nature of the related party transactions described in note 29 of Alumasc’s Report and Accounts for the year ended 30 June 2024.