26 November 2024

Brickability Group PLC

("Brickability" or the "Group")

Interim Results for the six months ended 30 September 2024

Brickability Group PLC (AIM: BRCK), leading distributor and provider of specialist products and services to the UK construction industry, today announces its unaudited interim results for the six months ended 30 September 2024 ("H1 FY25").

H1 FY25 Financial Summary

	H1 FY25 £m	H1 FY24 £m	% Change
Revenue	**330.9**	324.8	1.9
Adjusted results (1) (2) (3)			
Gross profit	**63.0**	55.0	14.5
Gross profit margin	***19.0%***	*16.9%*	*210bps*
Adjusted EBITDA	**27.9**	25.6	9.0
Adjusted EBITDA margin	***8.4%***	*7.9%*	*50bps*
Adjusted profit before tax	**21.9**	21.8	0.5
Adjusted EPS	**5.03p**	5.30p	(5.1)
Net debt (4)	**56.3**	30.9	82.2
Interim dividend - declared	**1.12p**	1.07p	4.7
Statutory results (5)			
Profit before tax	**7.0**	16.0	(56.3)
EPS	**1.33p**	3.78p	(64.8)

Half year highlights

- Resilient, in line performance despite sustained macroeconomic conditions, with revenue growth of 1.9% or a like-for-like (LFL)(6) reduction of 7.4%
- Improvement in Adjusted EBITDA margin of 50 bps validating the benefits of the recent strategic and structurally higher margin acquisitions
- Strong revenue performance in the Contracting and Distribution divisions, driven by a doubling of sales of solar PV in Upowa, highlighting the benefit of the Group's diversification strategy
- FY24 full-service specialist cladding installation and remediation contracting acquisitions of Topek and TSL are performing well and trading in line with the pre-acquisition investment case
- Streamlined senior leadership team, focused on growth and operational outperformance
- Investment underway in IT systems upgrades and process efficiencies
- Increase in the interim dividend reflects the performance in the first half and the Board's confidence in the longer-term outlook for the Group

Outlook

- Trading for the first six weeks of the second half is in line with the Board's expectations
- New build housing market remains soft heading into the new calendar year
- Medium-term housing market fundamentals are strong, with a structural housing deficit and the new Government's commitment to 1.5 million new homes during this parliament
- Recent increased order intake is encouraging, particularly within the Bricks and Building Materials division
- Profitability is expected to be first half weighted due to phasing of project work in the Contracting division, and the Board is confident in achieving market expectations for the full year(7)

Frank Hanna, Chief Executive Officer, commented:

"This has been a positive half for the business, and I view the future with cautious optimism. Enquiry levels are picking up, the order intake is encouraging, and importantly, well represented across each of our four divisions. We remain confident in a recovery of the new build housing market, and Brickability is well positioned to significantly benefit when it happens.

"Having now been in the business for six months I've been able to take a detailed look at the Group. My initial impressions remain intact, this is a great business with a strategy of diversification, providing high quality specialist products and services for our customers. The Group has significantly evolved from predominantly being a brick distributor, and is now a diversified group of scale with strong foundations. My focus has been on improving the fundamentals of the business, ensuring through cycle resilience whilst retaining the entrepreneurialism spirit at our core, and I look forward to the future with confidence in our ability to deliver excellent results when market growth returns."

(1) Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and other items (See Financial Review and note 5).
(2) Adjusted profit before tax is statutory profit before tax excluding other items.
(3) Adjusted EPS is adjusted profit after tax (statutory profit after tax before other items) divided by the weighted average number of shares in the year.
(4) Bank borrowings, excluding arrangement fees, less cash.
(5) Statutory measures derived from accounting under IFRS.
(6) Like-for-like ("LFL") revenue is a measure of growth in sales, adjusted for the impact of acquisitions.
(7) The Company considers market expectations for FY25 to be revenue of £630m and Adjusted EBITDA of £47m.

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About Brickability

Brickability Group PLC is a leading distributor and provider of specialist products and services to the UK construction industry. The business comprises four divisions: Bricks and Building Materials, Importing, Distribution and Contracting. With an agile, de-centralised, capital-light business model, supported by a strong balance sheet, Brickability leverages the skills of its people company-wide to effectively service the complex and evolving needs of the construction industry.

Founded in 1985, the Group has grown organically through product diversification and geographic expansion, as well as through the acquisition of specialist businesses that support its long-term strategy for growth. Today, the Group encompasses a diverse portfolio of market-leading brands and a dedicated team of over 800 skilled and experienced personnel, led by a management team with deep-rooted knowledge and experience in the UK and European construction industries.

The Group is committed to building better communities throughout the supply chain and supporting the delivery of sustainable developments that enhance the built environment for future generations, while delivering continuous value for shareholders.

Interim Report for the six months ended 30 September 2024

Chairman's Statement

Overview

I am pleased to report our financial results for the six months ended 30 September 2024. These results continue to validate our strategy of diversification, which is focused on creating a resilient, broad based and added-value speciality products distribution and services business with multiple growth opportunities. As a result of strong operational execution, we have been able to deliver an increase in H1 FY25 in revenue, gross margin and Adjusted EBITDA.

Of particular note in the first half within the Distribution division, we have seen a doubling of sales at Upowa, our renewable energy business, which provides products and services including solar panels, battery storage and renewable heating. Specialist solar PV systems for new build homes are the major contributor to Upowa's sales growth, driven by revisions to Part L of the Building Regulations, which cover mandatory energy efficiency requirements. Part L is now applicable to all new housing starts, underlining the UK's structural shift to sustainable development.

Within the Contracting division, we have also enjoyed a strong first half at our specialist cladding and fire remediation business where revenue on a LFL basis has increased by approximately 9%. The momentum in this business, which comprises our recent Topek and TSL acquisitions, is a result of the urgent requirement for remediation of unsafe cladding, a significant market where demand for our services will persist for many years.

The growth drivers behind these higher margin revenue streams are distinct from our traditional brick import and distribution activities, the performance of which is closely correlated to new housing starts.

Our financial results for H1 FY25 were resilient, through a period in which the new build housing and residential and commercial RMI markets remained subdued, and underlines the valuable contribution from our diversified revenue streams. Group revenues grew to £330.9 million (H1 FY24: £324.8 million) and Adjusted EBITDA increased to £27.9 million (H1 FY24: £25.6 million). Group revenues on a LFL basis were 7.4% lower, which demonstrates the important contribution from recent acquisitions.

Whilst the new build housing, residential and commercial RMI markets remain challenging, we are seeing early indications of recovery, for example, in brick order intakes, roofing orders and other product enquiries. As the market improves, we continue to view the Group's brick sourcing and distribution activities as exciting, owing to our differentiated position in the UK brick market. Our network of premium European manufacturers ensures we are able to offer a market leading breadth of brick types including clay bricks, which are favoured by planners, developers and homeowners in parts of the UK such as the Southeast.

There is structural demand in the UK for imported clay stock bricks as current UK production is mainly focused on wire-cut manufactured bricks. Additionally, UK wire-cut brick manufacture has finite capacity increasing the requirement for imports. Once new build housing is in recovery, and UK brick demand exceeds manufacturing capacity, the brick market will become more reliant on imported bricks once again, particularly whilst UK manufacturing capacity remains below historic norms. We are ideally positioned to satisfy that demand owing to the strength of our established relationships with brickmakers across Europe.

The mid to long-term fundamentals of the UK housing market remain robust, with the historical under supply of housing evidenced through the Government's commitment to 1.5 million homes under its parliament, presenting a significant potential for growth within the housebuilding supply chain. We are encouraged by the improving interest rate environment, a slowing inflation trend, and by initiatives from the Government to support both private sector and social housing.

Acquisitions

The Board's acquisition strategy complements the Group's organic growth initiatives and remains focused on diversifying product offering, services and geographic reach. Our most recent acquisitions were TSL in January 2024 and Topek in October 2023. Both of these acquisitions, in the complementary high growth verticals of cladding remediation, are trading well and in line with the pre-acquisition investment case. Both businesses have contributed meaningfully in the period, and represent a conscious effort to drive the Group's blended margin.

Whilst the current focus is on de-gearing the balance sheet, the Group continues to evaluate potential acquisition opportunities with a particular emphasis on focused growth in our existing four divisions.

Since the IPO in August 2019, our acquisition strategy has brought together a family of specialist businesses focused on providing a range of services to our customers, and on scaling the Group. We are currently progressing a systems and data project aimed at standardising business processes to improve efficiency and analytics, and to create a platform for the integration of future acquisitions. We look forward to providing further updates on this project in due course, which we believe will deliver multiple benefits for Brickability going forward.

Board and Environmental, Social and Governance

Frank Hanna joined the Group as Chief Executive Officer on 15 April 2024, bringing considerable industry and management expertise to help lead Brickability on the next stage of its growth journey. I would like to record my thanks to Frank for his valuable input to date. I would also like to thank all colleagues within Brickability for their commitment and hard work throughout the first half.

Our environmental, social and governance strategy is at the heart of our business and we are committed to making continued progress across all three areas. During the first half we have laid out plans to deepen our Scope 3 reporting, initiate energy-saving trials and conduct a materiality assessment with customers to keep our ESG strategy aligned with the evolving market. It is also gratifying that as a business we have supported over 80 youth sports clubs nationwide over the last few months through our Charitable Foundation.

Dividend

The Board is pleased to declare an increase in the interim dividend to 1.12 pence per share (H1 FY24: 1.07 pence), in line with the Group's progressive dividend policy, which reflects the performance of the business in the half year and the Board's confidence in the future.

Outlook

The third quarter of FY25 has started positively for the Group, and whilst wider sector headwinds prevail, we are benefiting from diversification and remain confident of meeting market expectations for the current financial year. Enquiries and order intake are gaining momentum, and together with a well-balanced forward order book, favourable operational gearing within the business and an improving macroeconomic outlook, the Board is increasingly positive about the near, medium- and long-term prospects for the Group.

John Richards
Chairman
26 November 2024

Chief Executive's Review

Introduction

Since joining Brickability as CEO in April this year, I have been hugely impressed by the unique nature of the Group within the wider specialist construction materials sector and by our potential to grow organically, through cyclical recovery and through targeted strategic acquisitions.

We are differentiated by our ability to source and supply added-value building products for the total building envelope, and are set apart by the specialism in everything we do. We have a pivotal role, sitting between building product manufacturers and brand owners, and the construction industry customers whom we provide with sourcing, procurement and advisory expertise leading to strong and long standing relationships.

What is clear is that Brickability adds value to our customers through our specialised support and procurement in a construction industry with increasingly complex and demanding regulatory, planning and sustainability requirements.

My initial review of the Group has enabled me to focus on two vital aspects of the business: people and processes. We now have a streamlined Senior Leadership Team to drive the Group forward. We are investing in, and enhancing our IT, through improving systems and processes to create a robust platform for future growth. This will help identify and allow us to deliver on organic growth opportunities, and will provide a stronger platform from which to quickly integrate and generate value from future acquisitions.

A strong commercial and customer-focused culture is at the heart of our business, which has been a significant characteristic of the businesses acquired since IPO. It is important to retain this culture throughout the organisation, however, we are taking the opportunity to consolidate some of the back office systems to improve the efficiency of the Group and enhance the quality of management information alongside our internal Health & Safety and sustainability infrastructure.

Brickability is a cash generative, margin-focused, capital-light business and we are benefiting from a strategy of diversification, with bricks currently representing less than half of Group sales. In particular, our recently acquired specialist fire remediation and cladding business and our Upowa renewable energy business are both high-margin businesses operating in end markets of structural growth, resulting in a more resilient through cycle Group.

It is well documented that house builders, which represent approximately half of our customer base, are at trough output, but we are encouraged by the momentum in our order book, the improving interest rate environment and by the Government's target of constructing 1.5 million homes over the parliament.

Not only are we well placed for a recovery in end markets, but the specific role that the Group plays in moving construction towards a more sustainable future will be a significant driver of future growth. We are a business with strong ESG credentials. Environmental sustainability and social value are hallmarks of our portfolio of products and services, underlining our corporate commitment to Building Better Communities.

Group financial results

It is pleasing to report that Brickability's strategy to diversify revenues across four divisions, with a focus on margin growth has been reflected in the first half results. Against a backdrop of wider market challenges, with UK housebuilding largely on hold, whilst interest rates have been elevated for a significant period of time, the Group has performed in line with the Board's expectations during the first half of the year.

Revenue increased, on a reported basis, by 1.9% (H1 FY24: -7.9%), reflecting the impact of the strategic acquisitions made in FY24 and the growth in our Distribution division. On a LFL basis, revenues were down 7.4%, a much lower rate of contraction versus the prior year comparative (H1 FY24: -14.4%).

Gross profit of £63.0m (H1 FY24: £55.0m) has grown by £8.0m, or 14.5% over the period. Gross Profit margin at 19.0% (H1 FY24: 16.9%) has increased by 210 basis points, reflecting the impact of the specialist cladding and fire remediation acquisitions. These in turn have also positively impacted Group Adjusted EBITDA margin which, compared with the prior period, has grown by 50 basis points to 8.4%.

Divisional Update

Bricks and Building Materials Division

This division incorporates the sale of superior quality building materials to all sectors of the construction industry including national house builders, developers, contractors, general builders and retail to members of the public. From the beginning of the financial year, the E. T. Clay business unit moved into the division from Importing which better reflects the nature of the business.

In line with our expectations and reflecting the anticipated softness in the housing market, revenues decreased 9.4% to £219.9m (H1 FY24: £242.6m), during the period. The Adjusted EBITDA margins across products fell 80 basis points, which was largely a result of exposure to bricks, with the average selling price 8% lower than last year.

The market for UK brick despatches was at a similar level to the comparative period last year. Divisional volumes were down around 5% reflecting the challenging trading conditions, particularly in businesses with higher exposure to premium brick sales, such as the private housebuilding and the merchant sector. Trading with social housing-led developers has been more resilient.

Primarily as a result of the softness in bricks, the first half saw a greater proportion of revenues generated from the cladding supply and timber businesses. The performance of our cladding supply business was resilient although trading has to some extent been impacted by project delays, in part due to the Building Safety Act ('BSA'). Timber revenue was broadly flat when compared to the comparative period, with volume growth from our UK stock sites broadly outweighing the average selling price reductions of 4%.

To support growth of our timber and cladding supply businesses, our new central London showroom in Clerkenwell continues to progress well with an official launch expected before the end of the financial year in March. This is a further investment in the specification sector with the new facility over three times the size of the previous one and it will showcase all the products in the Taylor Maxwell and SBS portfolios.

Importing Division

This division is primarily responsible for strategic importing of building products, the majority of which are on an exclusive basis to the UK market, to complement traditional and contemporary architecture.

As anticipated, the division's revenue was impacted by the lower levels of activity in the UK market for imported bricks and roof tiles, falling by 10.6% to £35.6m (H1 FY24: £39.8m) during the period. Imported brick volumes fell by around 7% whilst the average selling price was 11% lower than last year, impacting Adjusted EBITDA margin, which fell 270 basis points.

Trading conditions remain challenging with high exposure to the merchant sector as well as private housebuilding but it remains our expectation that the performance and profitability of the division will improve as the overall brick market gathers pace alongside the capacity constraints of domestic manufacture.

Distribution Division

This division focuses on the sale and distribution of a wide range of products, including windows, doors, radiators and associated parts and accessories.

Revenue in the first half grew by 1.5% to £33.7m (H1 FY24: £33.2m) driven by a doubling of revenue from our solar business, Upowa. However, the weaker activity in the housing market has significantly impacted sales in almost all of the other businesses in the division. This impact has driven an adverse variance in business unit profit mix together with negative operational leverage leading to a fall of 320 basis points in Adjusted EBITDA margin.

In addition to the significant growth in solar panel installations, the division continues to expand its sales of other energy efficient solutions such as electric radiators, hot water heat pump cylinders, and underfloor heating.

Contracting Division

This division provides cladding, fire remediation, flooring and roofing installation services within the residential construction sector and commercial sector.

Revenue in the first half grew by 128.3% to £53.5m but was down 4.7% on a LFL basis during the period. Revenue growth was driven by the inclusion of Topek and TSL, the specialist cladding and fire remediation acquisitions within the division. As expected, the softness in the housing market seen over the last two years is now being reflected in the results of the roofing businesses in the division.

Overall, the inclusion of Topek and TSL, structurally higher margin business has significantly increased the divisional Adjusted EBITDA margin, up 880 basis points to 24.6% from 15.8% in the prior period.

Continental Tile Joint Venture

As noted in September's AGM statement, the Board has decided against issuing a further loan to its German tile manufacturing joint venture, allowing the Group to focus on other investment opportunities and capital allocation priorities, which are expected to generate better returns for shareholders. The factory is expected to cease operations in the coming weeks. Whilst various options for the sale of the business and its assets are being evaluated, the Group has recognised the full impairment of the loans to the joint venture of £5.3m, which has been treated as a non-cash one-off exceptional item.

Summary

There has been positive progress in H1 FY25 as we use current markets as an opportunity to enhance the fitness of the business ahead of a market recovery. It is our belief that greater attention to process will help drive efficiencies and facilitate profitable future growth and this will be an important area of focus for the Group as we move forward. We already operate a capital-light model, and with the operational leverage of the Group, an improvement in end markets will benefit near-term profitability and deliver strong returns for shareholders.

Whilst interest rates may take time to come down sufficiently to boost the housing market, and we remain cautious, inorganic growth will continue to be a driver of Brickability's expansion and the Group continues to evaluate its M&A pipeline where there are a number of earnings enhancing opportunities.

Against a softer market backdrop, the results show the benefits of product diversification with revenue and Adjusted EBITDA growth. The business remains committed to growing in a sustainable manner, the Board's outlook for the 2025 full year remain unchanged, and is consistent with market expectations.

We look to the future with cautious optimism and are cognisant of the Government's commitment to new housing starts in the UK, the requirement for more energy efficient and low carbon home, as well the recent Budget stating that up to £22.4bn would be spent to rectify dangerous cladding, all of which are significant tailwinds for Brickability.

Frank Hanna
Chief Executive
26 November 2024

Financial Review

Revenue

The Group delivered revenue of £330.9 million in the first 6 months of FY25 (H1 FY24: £324.8 million, an increase of 1.9% or £6.1 million. Group LFL revenue decrease was 7.4% when compared to H1 FY24.

Revenue by division is analysed as follows:

	H1 FY25 £'000	H1 FY24 £'000	% Change	LFL % Change
Bricks and Building Materials	**219,936**	242,632	(9.4)%	(9.4)%
Importing	**35,560**	39,782	(10.6)%	(10.6)%
Distribution	**33,717**	33,227	1.5%	1.5%
Contracting	**53,470**	23,421	128.3%	(4.7)%
Group eliminations	**(11,754)**	(14,222)	(17.4)%	(17.4)%
Total	**330,929**	324,840	1.9%	(7.4)%

Gross Profit

Gross profit for the first 6 months of FY25 increased to £63.0 million (H1 FY24: £55.0 million). Gross profit margin has increased by 210 basis points to 19.0% (H1 FY24: 16.9%) driven by the impact of the two acquisitions in the second half of FY24.

Adjusted EBITDA

Adjusted EBITDA for the first 6 months of FY25 increased by 9.2% to £27.9 million (H1 FY24: £25.6 million). Adjusted EBITDA as a percentage of revenue has increased to 8.4% (H1 FY24: 7.9%), due to the acquisitions completed in FY24 as noted above.

Adjusted EBITDA by division is analysed as follows:

	H1 FY25 £'000	H1 FY25 EBITDA as % Revenue	H1 FY24 £'000	H1 FY24 EBITDA as % Revenue
Bricks and Building Materials	**11,228**	**5.1%**	14,321	5.9%
Importing	**2,784**	**7.8%**	4,188	10.5%
Distribution	**4,198**	**12.5%**	5,229	15.7%
Contracting	**13,178**	**24.6%**	3,690	15.8%
Central	**(3,473)**	**-**	(1,861)	-
Total	**27,915**	**8.4%**	25,567	7.9%

Statutory And Adjusted Profit

Statutory profit before tax of £7.0 million (H1 FY24: £16.0 million) includes other items of £15.0 million (H1 FY24: £5.8 million), which are not considered to be part of the Group's underlying trading operations. These are analysed as follows:

	H1 FY25 £'000	H1 FY24 £'000
Statutory profit before tax	**6,951**	**15,970**
Acquisition costs	-	23
IT transformation costs	103	-
Earn-out consideration classified as remuneration under IFRS 3	310	2,695
Share-based payment expense	536	830
Amortisation of acquired intangible assets	6,720	4,315
Impairment of loan to joint venture	5,318	-
Unwinding of discount on contingent consideration	1,861	832
Share of post-tax profit of equity accounted associates	(15)	(97)
Fair value losses/(gains) on contingent consideration	130	(2,815)
Total other items before tax	**14,963**	**5,783**
Adjusted profit before tax	**21,914**	**21,753**
Depreciation and amortisation	3,216	2,606
Finance income	(249)	(208)
Finance expense	3,034	1,416
Adjusted EBITDA	**27,915**	**25,567**

During the period, the Group recognised an impairment of £5.3 million (H1 FY24: £nil) of the loan to its joint venture, following the joint venture company appointing administrators. Further details are outlined in note 10. The impairment is considered to be one-off in nature and over and above the Group's typical level of impairment recognised from its ongoing operations. Accordingly, the impairment has been included within other items and excluded from Adjusted profit before tax.

Earnings per share

Basic EPS was 0.92 pence per share (H1 FY24: 3.78 pence), while adjusted basic EPS was 5.03 pence per share (H1 FY24: 5.30 pence). Adjusted EPS is an underlying EPS, based on the adjusted profit as noted above.

Dividends

The Board has declared an interim dividend of 1.12 pence per share (H1 FY24: 1.07 pence) to shareholders on the register as at 24 January 2025. The ex-dividend date and payment date for the dividend will be 23 January 2025 and 20 February 2025 respectively.

Cash flow and net debt

In the first six months of FY25, the Group generated operating cash flows before movements in working capital of £26.3 million (H1 FY24: £22.6 million). The increase of £3.7 million is predominately driven by increases in Group revenue and profit margins as noted above. Cash generated from operations increased to £19.3 million (H1 FY24: £3.4 million). The working capital outflow of £7.1 million (H1 FY24: £19.3 million) has decreased largely due to reduced activity in the Bricks and Building Materials division in the first 6 months of FY25 as compared to the first 6 months of FY24.

At 30 September 2024, the net debt position was £56.3 million compared to £30.9 million at 30 September 2023, and has decreased from £56.5 million at 31 March 2024. The main components of the movement in net debt for the first 6 months of FY25 are: movements in working capital of £7.1 million ((H1 FY24: £19.3 million), corporation tax paid of £5.5 million (H1 FY24: £5.0 million), property, plant and equipment sale proceeds of £2.9 million (H1 FY24: £0.0 million), interest paid of £3.5 million (H1 FY24: £1.8 million), payment of deferred consideration, in relation to previous acquisitions, of £3.1 million (H1 FY24: £4.7 million) and dividends paid of £7.3m (H1 FY24: £6.5m). The Group is expected to remain cash generative into the future.

Bank facilities

The Group refinanced in October 2023 to a £100 million RCF on a club basis with HSBC and Barclays for an initial term of 3 years, with an option to extend for another year and then another option to extend for a further year. The level of the facility reduces over the term of the facility to £80m. At H1 FY25, the RCF facility had reduced to £96m and the Group had utilised £59.5 million of the facility.

Mike Gant
Chief Financial Officer
26 November 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 30 September 2024 (unaudited)

	Notes	**6 months ended 30 Sept 2024 £'000**	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Revenue		**330,929**	324,840	594,076
Cost of sales		**(267,968)**	(269,861)	(488,240)
Gross profit		**62,961**	54,979	105,836
Other operating income		**203**	720	1,197
Administrative expenses		**(45,576)**	(40,187)	(83,997)
Comprising:				
Depreciation and amortisation		**(9,936)**	(6,921)	(15,905)
Other administrative expenses		**(35,640)**	(33,266)	(68,092)
Impairment losses on financial assets		**(5,876)**	(414)	(1,643)
Finance income		**249**	208	584
Finance expense		**(4,895)**	(2,248)	(6,956)
Share of post-tax profit of equity accounted associates		**15**	97	71
Fair value (losses)/gains		**(130)**	2,815	6,352
Profit before tax		**6,951**	15,970	21,444
Tax expense		**(2,697)**	(4,631)	(6,080)
Profit for the period		**4,254**	11,339	15,364
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit pension schemes		**-**	(17)	(16)
Deferred tax on remeasurement of defined benefit pension schemes		**-**	6	4
Other comprehensive loss for the period		**-**	(11)	(12)
Total comprehensive income		**4,254**	11,328	15,352
Profit/(loss) for the year attributable to:				
Equity holders of the parent		**4,262**	11,336	15,367
Non-controlling interests		**(8)**	3	(3)
		4,254	11,339	15,364
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent		**4,262**	11,325	15,355
Non-controlling interests		**(8)**	3	(3)
		4,254	11,328	15,352

Earnings per share

Basic earnings per share	7	**1.33 p**	3.78 p	5.06 p
Diluted earnings per share	7	**1.31 p**	3.70 p	4.96 p
Adjusted basic earnings per share	7	**5.03 p**	5.30 p	8.66 p
Adjusted diluted earnings per share	7	**4.94 p**	5.20 p	8.49 p

Adjusted profit

Adjusted profit excludes those items that are not considered to be directly attributable to the Group's underlying trading operations or for which separate disclosure would assist in understanding the Group's performance in the period. It can be reconciled to statutory profit after tax as follows:

	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Profit for the period	**4,254**	11,339	15,364
Acquisition costs	**-**	23	828
Re-financing costs	**-**	-	111
IT transformation costs	**103**	-	295
Earn-out consideration classified as remuneration under IFRS 3	**310**	2,695	4,944
Share-based payment expense (including employer NI)	**536**	830	1,456
Amortisation and impairment of acquired intangible assets	**6,720**	4,315	10,233
Impairment of loan to joint venture	**5,318**	-	-
Unwinding of discount on contingent consideration	**1,861**	832	2,418
Share of post-tax profit of equity accounted associates	**(15)**	(97)	(71)
Fair value losses/(gains) on contingent consideration	**130**	(2,815)	(6,352)
Tax on adjusting items	**(3,123)**	(1,196)	(2,913)
Adjusted profit for the period	**16,094**	15,926	26,313
Depreciation and amortisation	**3,216**	2,606	5,672
Finance income	**(249)**	(208)	(584)
Finance expense	**3.034**	1,416	4,538
Tax expense	**5,820**	5,827	8,993
Adjusted EBITDA	**27,915**	25,567	44,932

Adjusted EBITDA reflects earnings before interest, tax, depreciation, amortisation and other items. A reconciliation between Adjusted EBITDA and statutory profit before tax is included in note 5.

Condensed Consolidated Balance Sheet
Six months ended 30 September 2024 (unaudited)

	Notes	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) (Restated) £'000
Non-current assets				
Property, plant and equipment		**23,914**	28,457	26,859
Right of use assets		**19,898**	17,240	21,483
Intangible assets		**219,482**	148,769	226,405
Investments in equity accounted associates		**319**	391	335
Investments in equity accounted joint ventures	10	**-**	-	-
Trade and other receivables		**1,638**	6,456	7,123
Total non-current assets		**265,251**	201,313	282,205
Current assets				
Inventories		**31,628**	34,347	29,842
Trade and other receivables		**120,061**	116,357	112,804
Employee benefits		**390**	523	390
Contract assets		**8,971**	-	6,532
Current income tax assets		**2,996**	953	1,865
Cash and cash equivalents		**15,949**	22,920	15,581
		179,995	175,100	167,014
Assets classified as held for sale	12	**2,639**	-	2,555
Total current assets		**182,634**	175,100	169,569
Total assets		**447,885**	376,413	451,774
Current liabilities				
Trade and other payables		**(125,097)**	(101,487)	(117,533)
Loans and borrowings	11	**(12,702)**	(15,836)	(8,620)
Lease liabilities		**(3,897)**	(3,234)	(3,907)
Total current liabilities		**(141,696)**	(120,557)	(130,060)
Non-current liabilities				
Trade and other payables		**(18,817)**	(6,188)	(24,078)
Loans and borrowings	11	**(59,028)**	(37,880)	(62,911)
Lease liabilities		**(13,692)**	(11,685)	(15,137)
Provisions		**(2,158)**	(1,967)	(2,904)
Deferred tax liabilities		**(23,071)**	(17,222)	(24,806)
Total non-current liabilities		**(116,766)**	(74,942)	(129,836)
Total liabilities		**(258,462)**	(195,499)	(259,896)
Net assets		**189,423**	180,914	191,878

Equity			
Called up share capital	**3,206**	3,003	3,195
Share premium account	**102,965**	102,851	102,908
Capital redemption reserve	**2**	2	2
Share-based payment reserve	**5,396**	4,169	4,864
Merger reserve	**20,548**	11,146	20,548
Retained earnings	**57,448**	59,871	60,495
Equity attributable to equity holders of the parent	**189,565**	181,042	192,012
Non-controlling interests	**(142)**	(128)	(134)
Total equity	**189,423**	180,914	191,878

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 September 2024 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption £'000	Share-based payments £'000	Merger reserve £'000	Retained Earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total £'000
At 1 April 2023	**3,003**	**102,847**	**2**	**3,509**	**11,146**	**55,002**	**175,509**	**(131)**	**175,378**
Profit for the six months to 30 September 2023	-	-	-	-	-	11,336	11,336	3	11,339
Other comprehensive income for the six months to 30 September 2023	-	-	-	-	-	(11)	(11)	-	(11)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**11,325**	**11,325**	**3**	**11,328**
Dividends paid	-	-	-	-	-	(6,456)	(6,456)	-	(6,456)
Issue of shares on exercise of share options	-	4	-	-	-	-	4	-	4
Equity settled share-based payments	-	-	-	839	-	-	839	-	839
Deferred tax on share-based payment transactions	-	-	-	(179)	-	-	(179)	-	(179)
Total contributions by and distributions to owners	**-**	**4**	**-**	**660**	**-**	**(6,456)**	**(5,792)**	**-**	**(5,792)**
At 30 September 2023	**3,003**	**102,851**	**2**	**4,169**	**11,146**	**59,871**	**181,042**	**(128)**	**180,914**
Profit for the six months to 31 March 2024	-	-	-	-	-	4,031	4,031	(6)	4,025
Other comprehensive income for the six months to 31 March 2024	-	-	-	-	-	(1)	(1)	-	(1)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**4,030**	**4,030**	**(6)**	**4,024**
Dividends paid	-	-	-	-	-	(3,406)	(3,406)	-	(3,406)
Issue of consideration shares	171	-	-	-	9,402	-	9,573	-	9,573
Issue of shares on exercise of share options	21	57	-	-	-	-	78	-	78
Equity settled share-based payments	-	-	-	497	-	-	497	-	497
Deferred tax on share-based payment transactions	-	-	-	100	-	-	100	-	100
Current tax on share-based payment transactions	-	-	-	98	-	-	98	-	98
Total contributions by and distributions to owners	**192**	**57**	**-**	**695**	**9,402**	**(3,406)**	**6,940**	**-**	**6,940**
At 31 March 2024	**3,195**	**102,908**	**2**	**4,864**	**20,548**	**60,495**	**192,012**	**(134)**	**191,878**

At 1 April 2024	**3,195**	**102,908**	**2**	**4,864**	**20,548**	**60,495**	**192,012**	**(134)**	**191,878**
Profit for the six months to 30 September 2024	-	-	-	-	-	4,262	4,262	(8)	4,254
Other comprehensive income for the six months to 30 September 2024	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**4,262**	**4,262**	**(8)**	**4,254**
Dividends paid	-	-	-	-	-	(7,309)	(7,309)	-	(7,309)
Issue of shares on exercise of share options	11	57	-	-	-	-	68	-	68
Equity settled share-based payments	-	-	-	443	-	-	443	-	443
Deferred tax on share-based payment transactions	-	-	-	41	-	-	41	-	41
Current tax on share-based payment transactions	-	-	-	48	-	-	48	-	48
Total contributions by and distributions to owners	**11**	**57**	**-**	**532**	**-**	**(7,309)**	**(6,709)**	**-**	**(6,709)**
At 30 September 2024	**3,206**	**102,965**	**2**	**5,396**	**20,548**	**57,448**	**189,565**	**(142)**	**189,423**

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 September 2024 (unaudited)

	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Operating activities			
Profit for the period	**4,254**	11,339	15,364
Adjustments for:			
Depreciation of property, plant and equipment	**788**	715	1,736
Depreciation of right of use assets	**2,226**	1,847	3,901
Amortisation of intangible assets	**6,922**	4,359	10,268
Gain on disposal of property, plant & equipment and right of use assets	**(273)**	(41)	(131)
Foreign exchange (gains)/losses	**(73)**	147	(64)
Share-based payments expense	**450**	830	1,292
Other operating income	**-**	(60)	(1,066)
Share of post-tax profit in equity accounted associates	**(15)**	(97)	(71)
Impairment of loan to joint venture	**5,318**	-	-
Fair value changes in contingent consideration	**130**	(2,815)	(6,352)
Movements in provisions	**(746)**	(397)	8
Finance income	**(249)**	(208)	(584)
Finance expense	**4,895**	2,248	6,956
Acquisition costs	**-**	23	939
Income tax expense	**2,697**	4,631	6,080
Pension charge in excess of contributions paid	**-**	121	267
Operating cash flows before movements in working capital	**26,324**	22,642	38,543
Changes in working capital:			
(Increase)/decrease in inventories	**(1,786)**	(1,183)	3,323
(Increase)/decrease in trade and other receivables	**(9,380)**	8,263	14,404
Increase/(decrease) in trade and other payables	**4,099**	(26,338)	(20,861)
Cash generated from operations	**19,257**	3,384	35,409
Payment of acquisition expenses	**-**	(23)	(828)
Interest received	**178**	41	557
Income taxes paid	**(5,473)**	(5,042)	(8,581)
Net cash generated from/(used in) operating activities	**13,962**	(1,640)	26,557

Investing activities			
Purchase of property, plant and equipment	**(532)**	(4,402)	(6,144)
Proceeds from sale of property, plant and equipment	**2,880**	47	193
Purchase of right of use assets	**(23)**	(16)	(38)
Proceeds from sale of right of use assets	**34**	-	-
Purchase of intangible assets	**-**	(124)	(325)
Acquisition of subsidiaries, net of cash acquired	**-**	(550)	(42,787)
Loan to joint venture	**(191)**	(1,719)	(2,056)
Proceeds from sale of other investments	**-**	188	188
Dividends received from associates	**30**	30	60
Net cash generated from/(used in) investing activities	**2,198**	(6,546)	(50,909)
Financing activities			
Equity dividends paid	**(7,309)**	(6,456)	(9,862)
Proceeds from issue of ordinary shares net of share issue costs	**68**	4	82
Payment of financing costs	**-**	-	(111)
Proceeds from bank borrowings	**103,000**	60,000	262,500
Repayment of bank borrowings	**(107,000)**	(39,000)	(216,351)
Payment of lease liabilities	**(2,051)**	(1,737)	(3,623)
Payment of deferred and contingent consideration	**(3,080)**	(4,744)	(5,240)
Interest paid	**(3,526)**	(1,754)	(4,304)
Payment of transaction costs relating to loans and borrowings	**-**	-	(700)
Net cash (used in)/generated from financing activities	**(19,898)**	6,313	22,391
Net decrease in cash and cash equivalents	**(3,738)**	(1,873)	(1,961)
Cash and cash equivalents at beginning of period	**6,961**	9,021	9,021
Effect of changes in foreign exchange rates	**24**	(64)	(99)
Cash and cash equivalents at end of period	**3,247**	7,084	6,961

Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended 30 September 2024 (unaudited)

1. General Information

Brickability Group PLC (the 'Company' or the 'Group') is a public company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 (registration number 11123804) and registered in England and Wales. The registered office address is c/o Brickability Limited, South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG.

Copies of the Interim Report may be obtained from the Investors section of the Company's website at www.brickabilitygroupplc.com.

2. Basis of Preparation

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 March 2024. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding changes in the Group's financial position and performance since the last annual financial statements.

The Annual Report and Accounts for the year ended 31 March 2024 was audited and has been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Accounts for the year ended 31 March 2024 was not qualified and did not contain statements under s498(2) or (3) of the Companies Act 2006.

The financial information for the six months ended 30 September 2024 and 30 September 2023 is unaudited and has not been reviewed by the Company's auditors.

The condensed consolidated interim financial statements are presented in pounds sterling, which is the functional currency of the Group. Amounts are rounded to the nearest thousand, unless otherwise stated.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis in preparing these interim financial statements.

3. Significant Accounting Policies

The Group has applied the same accounting policies in these interim financial statements as in its 2024 annual financial statements. New standards effective from 1 January 2024 are outlined in the 2024 annual financial statements. The application of these standards has not had a material impact on the amounts reported in either the current or prior reporting periods.

There have been no other significant amendments or new standards introduced during the period that would have a material impact on the amounts reported.

4. Use of judgements and estimates

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty for the interim financial statements are the same as those described in the 2024 annual financial statements.

5. Segmental analysis

The Group has four reportable divisions as follows:

- Bricks and Building Materials - incorporates the sale of superior quality building materials to all sectors of the construction industry including national house builders, developers, contractors, general builders and retail to members of the public;
- Importing - primarily responsible for strategic importing of building products, the majority of which are on an exclusive basis to the UK market, to complement traditional and contemporary architecture;
- Distribution - focuses on the sale and distribution of a wide range of products, including windows, doors, radiators and associated parts and accessories; and
- Contracting – provides cladding, fire remediation, flooring and roofing construction services, primarily within the residential construction sector.

Revenues and profits are reported in the same manner as that reported internally to the Board, as the Group’s Chief Operating Decision-Maker (CODM). Segment performance is evaluated based on Adjusted EBITDA, without allocation of depreciation and amortisation, finance expenses and income, impairment losses, fair value movements or the share of results of associates and joint ventures.

During the period, the Group changed the segment within which the results of E. T. Clay Products Limited are reported. From 1 April 2024, the results have been reported within the Bricks and Building Materials division rather than the Importing division as management believes this better reflects the nature of the business. The segmental analysis for the previously reported periods has therefore been re-presented for comparison purposes.

	6 months ended 30 September 2024					
	Bricks and Building Materials £'000	Importing £'000	Distribution £'000	Contracting £'000	Unallocated and group eliminations £'000	Consolidated £'000
Revenue from sale of goods	217,482	21,913	25,201	-	-	264,596
Revenue from rendering of services	-	4,940	7,941	53,452	-	66,333
Total external revenue	**217,482**	**26,853**	**33,142**	**53,452**	**-**	**330,929**
Total internal revenue	**2,454**	**8,707**	**575**	**18**	**(11,754)**	**-**
Total revenue	**219,936**	**35,560**	**33,717**	**53,470**	**(11,754)**	**330,929**
Adjusted EBITDA	**11,228**	**2,784**	**4,198**	**13,178**	**(3,473)**	**27,915**
Depreciation and amortisation					(9,936)	(9,936)
Acquisition and re-financing costs					-	-
IT transformation costs					(103)	(103)
Earn out consideration classified as remuneration under IFRS 3					(310)	(310)
Share-based payment expense					(536)	(536)
Finance income					249	249
Finance expense					(4,895)	(4,895)
Impairment of loan to joint venture					(5,318)	(5,318)
Share of results of associates					15	15
Fair value gains and losses					(130)	(130)
Group profit before tax	**11,228**	**2,784**	**4,198**	**13,178**	**(24,437)**	**6,951**

	6 months ended 30 September 2023 (Re-presented)					
	Bricks and Building Materials £'000	Importing £'000	Distribution £'000	Contracting £'000	Unallocated and group eliminations £'000	Consolidated £'000
Revenue from sale of goods	239,372	24,884	28,866	-	-	293,122
Revenue from rendering of services	-	4,363	3,934	23,421	-	31,718
Total external revenue	**239,372**	**29,247**	**32,800**	**23,421**	**-**	**324,840**
Total internal revenue	**3,260**	**10,535**	**427**	**-**	**(14,222)**	**-**
Total revenue	**242,632**	**39,782**	**33,227**	**23,421**	**(14,222)**	**324,840**
Adjusted EBITDA	**14,321**	**4,188**	**5,229**	**3,690**	**(1,861)**	**25,567**
Depreciation and amortisation					(6,921)	(6,921)
Acquisition and re-financing costs					(23)	(23)
Earn out consideration classified as remuneration under IFRS 3					(2,695)	(2,695)
Share-based payment expense					(830)	(830)
Finance income					208	208
Finance expense					(2,248)	(2,248)
Share of results of associates					97	97
Fair value gains and losses					2,815	2,815
Group profit before tax	**14,321**	**4,188**	**5,229**	**3,690**	**(11,458)**	**15,970**

	Year ended 31 March 2024 (Re-presented)					
	Bricks and Building Materials £'000	Importing £'000	Distribution £'000	Contracting £'000	Unallocated and group eliminations £'000	Consolidated £'000
Revenue from sale of goods	421,396	44,676	52,413	-	-	518,485
Revenue from rendering of services	-	8,191	9,230	58,170	-	75,591
Total external revenue	**421,396**	**52,867**	**61,643**	**58,170**	**-**	**594,076**
Total internal revenue	**6,273**	**17,487**	**1,072**	**3**	**(24,835)**	**-**
Total revenue	**427,669**	**70,354**	**62,715**	**58,173**	**(24,835)**	**594,076**
Adjusted EBITDA	**25,259**	**7,058**	**7,567**	**10,070**	**(5,022)**	**44,932**
Depreciation and amortisation					(15,905)	(15,905)
Acquisition and re-financing costs					(939)	(939)
IT transformation costs					(295)	(295)
Earn out consideration classified as remuneration under IFRS 3					(4,944)	(4,944)
Share-based payment expense					(1,456)	(1,456)
Finance income					584	584
Finance expense					(6,956)	(6,956)
Share of results of associates					71	71
Fair value gains and losses					6,352	6,352
Group profit before tax	**25,259**	**7,058**	**7,567**	**10,070**	**(28,510)**	**21,444**

	6 months ended 30 September 2024					
	Bricks and Building Materials £'000	Importing £'000	Distribution £'000	Contracting £'000	Central £'000	Consolidated £'000
Non-current segment assets	78,287	17,317	51,143	109,050	9,135	264,932
Current segment assets	103,633	15,803	30,369	30,993	1,836	182,634
Total segment assets	**181,920**	**33,120**	**81,512**	**140,043**	**10,971**	**447,566**
Unallocated assets:						
Investment in associates						319
Investment in joint ventures						-
Group assets						**447,885**
Total segment liabilities	**(80,557)**	**(15,236)**	**(21,558)**	**(13,602)**	**(45,410)**	**(176,363)**
Loans and borrowings (excluding leases and overdrafts)						(59,028)
Deferred tax liabilities						(23,071)
Group liabilities						**(258,462)**

	6 months ended 30 September 2023 (Re-presented)					
	Bricks and Building Materials £'000	Importing £'000	Distribution £'000	Contracting £'000	Central £'000	Consolidated £'000
Non-current segment assets	82,615	19,579	55,823	29,230	13,675	200,922
Current segment assets	110,261	18,242	28,903	13,503	4,191	175,100
Total segment assets	**192,876**	**37,821**	**84,726**	**42,733**	**17,866**	**376,022**
Unallocated assets:						
Investment in associates						391
Investment in joint ventures						-
Group assets						**376,413**
Total segment liabilities	**(79,449)**	**(11,661)**	**(17,868)**	**(4,960)**	**(26,459)**	**(140,397)**
Loans and borrowings (excluding leases and overdrafts)						(37,880)
Deferred tax liabilities						(17,222)
Group liabilities						**(195,499)**

	Year ended 31 March 2024 (Re-presented)					
	Bricks and Building Materials £'000	Importing £'000	Distribution £'000	Contracting £'000	Central £'000	Consolidated £'000
Non-current segment assets	80,409	17,318	56,045	114,092	14,006	281,870
Current segment assets	95,026	16,646	27,776	28,050	2,071	169,569
Total segment assets	**175,435**	**33,964**	**83,821**	**142,142**	**16,077**	**451,439**
Unallocated assets:						
Investment in associates						335
Investment in joint ventures						-
Group assets						**451,774**
Total segment liabilities	**(81,830)**	**(15,105)**	**(18,551)**	**(10,094)**	**(46,599)**	**(172,179)**
Loans and borrowings (excluding leases and overdrafts)						(62,911)
Deferred tax liabilities						(24,806)
Group liabilities						**(259,896)**

6. Dividends

	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 March 2024 of 2.28p per share	**7,309**		
(30 Sept 2023: for the year ended 31 March 2023 of 2.15p per share)		**6,456**	
(31 March 2024: for the year ended 31 March 2023 of 2.15p per share)			6,456
Interim dividend for the year ended 31 March 2025	**-**	**-**	3,406
(31 March 2024: for the year ended 31 March 2023 of 1.07p per share)			
Total dividends paid during the period	**7,309**	**6,456**	9,862

The Directors have declared that an interim dividend of 1.12p per ordinary share be paid for the year ended 31 March 2025. This dividend has not been included as a liability in these interim financial statements.

7. Earnings per share

Earnings per share (EPS) is calculated by dividing the profit for the year, attributable to ordinary equity holders of the parent, by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year, attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share is based on the following data:

	6 months ended 30 September 2024			6 months ended 30 September 2023		
	Earnings £'000	Weighted average number of shares	Earnings per share (p)	Earnings £'000	Weighted average number of shares	Earnings per share (p)
Basic earnings per share	**4,262**	**320,183,217**	**1.33**	11,336	300,289,736	3.78
Effect of dilutive securities						
Employee share options	**-**	**5,965,108**		-	5,971,423	-
Diluted earnings per share	**4,262**	**326,148,325**	**1.31**	11,336	306,261,159	3.70

	Year ended 31 March 2024 (Audited)		
	Earnings £'000	Weighted average number of shares	Earnings per share (p)
Basic earnings per share	15,367	303,814,191	5.06
Effect of dilutive securities			
Employee share options	-	6,157,200	-
Diluted earnings per share	15,367	309,971,391	4.96

Adjusted earnings per share and adjusted diluted earnings per share, based on the adjusted profit attributable to the equity holders of the parent (adjusted profit for the period add non-controlling interest share of loss), is based on the following data:

	6 months ended 30 September 2024			6 months ended 30 September 2023		
	Earnings £'000	Weighted average number of shares	Earnings per share (p)	Earnings £'000	Weighted average number of shares	Earnings per share (p)
Adjusted basic earnings per share	**16,102**	**320,183,217**	**5.03**	15,923	300,289,736	5.30
Effect of dilutive securities						
Employee share options	**-**	**5,965,108**		-	5,971,423	-
Adjusted diluted earnings per share	**16,102**	**326,148,325**	**4.94**	15,923	306,261,159	5.20

	Year ended 31 March 2024 (Audited)		
	Earnings £'000	Weighted average number of shares	Earnings per share (p)
Adjusted basic earnings per share	26,316	303,814,191	8.66
Effect of dilutive securities			
Employee share options	-	6,157,200	-
Adjusted diluted earnings per share	26,316	309,971,391	8.49

8. Business combinations

Business combinations completed in prior periods

Group Topek Holdings Limited and Topek Limited ("Topek") and TSL Assets Limited and Topek Southern Limited ("TSL")

The Group acquired 100% of the share capital and voting rights in Topek and TSL on 10 October 2023 and 19 January 2024 respectively. Since the reporting of the Group results to 31 March 2024, further information has been identified in respect of income tax receivables that have been recovered and are subsequently payable to the former shareholders under the SPA. As the additional information was identified during the measurement period following acquisition, and relates to an obligation that existed at the acquisition date, an adjustment has been made retrospectively.

The results for the year ended 31 March 2024 have therefore been restated to reflect the additional consideration payable to the sellers. The overall impact has been an increase to goodwill at 31 March 2024 of £677,000, an increase in current income tax assets of £58,000, and a corresponding increase of £735,000 in the deferred consideration liability within current trade and other payables. There has been no impact on the reported profits for the year ended 31 March 2024.

A prior period restatement would usually require the presentation of a third balance sheet at 1 April 2023. However, as the restatement of the previously stated fair values would have no impact on the balance sheet at that date, it is not considered that this would provide additional useful information. As such a third consolidated balance sheet has not been included within these interim financial statements.

Contingent consideration

The Group has entered into contingent consideration arrangements in purchasing several subsidiaries. Final amounts payable under these agreements are all subject to future performance and the acquired business achieving pre-determined EBITDA targets, over the three years following acquisition, with the exception of HBS NE Limited (trading as Upowa) which is over five years.

The fair value of all contingent consideration is based on a discounting cash flow model, applying a discount rate of between 1.7% and 23.6% to the expected future cash flows.

Summarised below are the fair values of the contingent consideration at both acquisition and reporting date, the potential undiscounted amount payable and the discount rates applied within the discounting cash flow models, for each acquisition where contingent consideration arrangements remain in place.

Company acquired	Discount rate	Fair value at acquisition £'000	Fair value at 30 September 2024 £'000	Undiscounted amount payable 30 September 2024 £'000	Fair value at 30 September 2023 £'000	Undiscounted amount payable 30 September 2023 £'000
Bathroom Barn Limited	1.7%	231	**-**	**-**	73	74
Taylor Maxwell Group (2017) Limited	4.1%	-	**293**	**293**	333	340
SBS Cladding Limited	4.1%	1,845	**-**	**-**	782	800
Leadcraft Limited	10.4%	722	**96**	**96**	957	1,066
HBS NE Limited	16.1% - 23.6%	10,069	**1,557**	**2,309**	4,285	6,998
Beacon Roofing Limited	13.0%	1,365	**603**	**682**	1,643	1,962
E. T. Clay Products Limited	16.0%	1,043	**-**	**-**	-	-
Heritage Clay Tiles Limited	20.0%	82	**-**	**-**	-	-
Group Topek Holdings Limited	12.5%	12,134	**13,644**	**15,866**	-	-
TSL Assets Limited	12.9%	12,319	**13,461**	**16,533**	-	-
Total		39,810	**29,654**	**35,779**	8,073	11,240

The potential undiscounted amount payable in respect of E. T. Clay Products Limited and Heritage Clay Tiles Limited ranges from £nil to £3,480,000, the amount payable for Group Topek Holdings Limited ranges from £nil to £17,700,00, and the amount payable for TSL Assets Limited ranges from £nil to £20,700,000. It is not possible to determine a range of outcomes for other acquisitions as the arrangements do not contain a maximum payable.

Changes in the range of outcomes are due to amounts paid or payable being determined during the year as milestones within the performance period are met.

The acquisition of Modular Clay Products Ltd is subject to further payments depending on future performance over the three years following acquisition. Based on current interpretation guidance concerning contingent payments to employees under IFRS 3, the earn-out amounts payable are recognised in profit or loss over the earn-out period as remuneration costs. This is due to the inclusion of a 'good leaver' clause in the share purchase agreement, under which the earn-out consideration payment is forfeited. It is not possible to determine a range for these future payments as the agreement does not contain a maximum payable The earn-out consideration is therefore deemed to effectively be contingent on the continued employment of the seller. A charge of £310,000 has been recognised in the period ended 30 September 2024 (H1 FY24: £528,000) in respect of this earn-out consideration, presented within other administrative expenses.

Company acquired	Fair value at 31 March 2024 £'000	Additions through business combinations £'000	Finance expense £'000	Fair value (gain)/loss £'000	Settlement £'000	Fair value at 30 September 2024 £'000
Taylor Maxwell Group (2017) Limited	293	-	-	-	-	**293**
SBS Cladding Limited	797	-	3	-	(800)	**-**
Leadcraft Limited	922	-	33	21	(880)	**96**
HBS NE Limited	1,417	-	159	(19)	-	**1,557**
Beacon Roofing Limited	1,578	-	99	31	(1,105)	**603**
Group Topek Holdings Limited	12,870	-	781	(7)	-	**13,644**
TSL Assets Limited	12,571	-	786	104	-	**13,461**
Total	30,448	-	1,861	130	(2,785)	**29,654**

A sensitivity in respect of the inputs into the discounted cash flow model, determining the contingent consideration, is outlined in note 9.

9. Financial instruments

Fair values

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis at 30 September and 31 March are shown below:

Financial instrument	Valuation technique	Significant Unobservable inputs	Range/ estimate	Sensitivity of the input to fair value
Contingent Consideration in a business combination (note 8)	Present value of future cash flows	Assumed probability-Adjusted EBITDA of acquired entities.	Sept 2024: £293,000 – £27,665,000 Sept 2023: £362,000 – £17,702,000 March 2024: £293,000 – £27,500,000	The higher the Adjusted EBITDA, the higher the fair value. If forecast EBITDA was 10% higher, while all other variables remained constant, the fair value of the overall contingent consideration liability would increase by £2,527,000 (2023: £830,000). A 10% decrease in EBITDA would result in a decrease in the liability of £2,993,000 (2023: £762,000). (March 2024: increase of £2,424,000 and decrease of £3,430,000)
		Discount rate	Sept 2024: 4.1% - 23.6% Sept 2023: 1.7% - 23.6% March 2024: 4.1% - 23.6%	The higher the discount rate, the lower the fair value. If the discount rate applied was 2% higher, while all other variables remained constant, the fair value of the overall contingent consideration liability would decrease by £733,000 (2023: £232,000). A 2% decrease in the rate would result in an increase in the liability of £772,000 (2023: £245,000). (March 2024: decrease of £982,000 and increase of £1,042,000)

Reconciliation of level 3 fair value measurements of financial instruments

Contingent consideration liability	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
At 1 April	**30,448**	14,093	14,093
Additions through business combinations	**-**	-	24,453
Finance expense charged to profit or loss	**1,861**	822	2,410
Settlement	**(2,785)**	(4,027)	(4,156)
Fair value losses/(gains) recognised in profit or loss	**130**	(2,815)	(6,352)
At 30 September/ 31 March	**29,654**	8,073	30,448

10. Joint ventures

The Group owns 50% of the share capital in Schermbecker Building Products GmbH, a tile manufacturer in Germany. The joint venture's performance has been below that initially expected due to ongoing delays in becoming fully operational as a result of increased gas prices in Europe, delays in obtaining necessary plant and equipment to facilitate tile production and continued economic volatility resulting in lower demand.

The Group granted loans to the joint venture, in the current and previous reporting periods, amounting to a total of €6,225,000. On 25 July 2024, the Board decided to not provide further funding to the joint venture in the form of an additional loan facility. On 13 August 2024 the board of directors of the joint venture subsequently determined that it was unable to fund its operations, and administrators were appointed to the company.

An assessment has therefore been made for the recoverable amount of the loan balance, concluding full provision of the loan balance to be appropriate due to the ongoing uncertainty in the administration process. The position will continue to be assessed. An impairment loss of £5,318,000 was recognised in the period.

11. Loans and borrowings

	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Current loans and borrowings at 1 April	**8,620**	12,624	12,624
Non-current loans and borrowings at 1 April	**62,911**	16,800	16,800
Total loans and borrowings at 1 April	**71,531**	29,424	29,424
Issue of bank loans	**103,000**	60,000	262,500
Repayment of bank loans	**(107,000)**	(39,000)	(216,351)
Movement in overdraft facility	**4,082**	3,212	(4,003)
Other movements*	**117**	80	(39)
Loans and borrowings at 30 September/ 31 March	**71,730**	53,716	71,531
Analysed as:			
Current loans and borrowings	**12,702**	15,836	8,620
Non-current loans and borrowings	**59,028**	37,880	62,911
Loans and borrowings at 30 September/ 31 March	**71,730**	53,716	71,531

*Other movements relate to interest accrued, arrangement fees incurred and the amortisation of those fees.

The Directors consider that the carrying amount of loans and borrowings approximates to their fair value. Non-current bank loans comprise a principal loan value of £59,500,000 (2023: £38,000,000, March 2024: £63,500,000) less arrangement fees of £472,000 (2023: £120,000, March 2024: £589,000), which are amortised over the term of the loan.

At 30 September 2024, the Group had a revolving credit facility of £96,000,000, including an ancillary carve out of a £5,000,000 overdraft. The revolving facility bears interest at a variable rate based on the SONIA. At the reporting date, interest was charged at a rate of 2.15% above the adjusted SONIA interest rate benchmark.

The Group also has a notional pool agreement, whereby certain cash balances within the Group are entitled to be offset, providing the overall overdrawn balance does not exceed the £5,000,000 facility limit.

12. Assets classified as held for sale

In May 2024 the Board announced its intention to dispose of a property used within U Plastics and began marketing the property. The decision was taken to close the branch in Sutton Coldfield with a view to saving fixed costs associated with the branch whilst servicing the customer base from other existing branches, thus maximising profitability and reducing sales overlap with nearby geographical regions.

At the period end, the Group had committed to selling the property, initiated the process to find a buyer and the sale is expected to be completed with 12 months. Accordingly, the property and associated fixtures and fittings were considered to be available for immediate sale and reclassified as held for sale with the Condensed Consolidated Balance Sheet. The assets classified as held for sale are within the Distribution division.

13. Related party transactions

In accordance with IAS 24 and AIM Rule 19, the Group has undertaken the following transactions wit related parties.

Transactions and balances between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Key management personnel

	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Key management personnel compensation			
Short-term employee benefits	**3,033**	1,766	4,373
Post-employment benefits	**28**	54	102
Share-based payment expense	**78**	350	693
	3,139	2,170	5,168

Key management personnel consists of members on the Board of Directors and the Group's Management Board during the interim period.

During the interim period, the Group made sales amounting to £nil (2023: £nil and year to 31 March 2024: £3,000) to members of key management. A £nil balance was included within trade receivables at each reporting date, in respect of these sales.

Other related parties

Included within trade and other receivables/payables are the following amounts due from/to other related parties, at the reporting date:

	Amounts owed by related parties			Amounts owed to related parties		
	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000	**6 months ended 30 Sept 2024 £'000**	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Associates	**4**	-	-	**35**	124	75
Joint ventures	**-**	4,881	5,174	**-**	-	26
Other related parties	**1**	42	127	**-**	8	-
	5	4,923	5,301	**35**	132	101

During the period, the Group made a loan of €225,000 (2023: €2,000,000 and year to 31 March 2024: €2,550,000) to its joint venture, equating to £190,000 (2023: £1,736,000 and year to 31 March 2024: £2,199,000) at the reporting date. Interest of £142,000 (2023: £152,000 and year to 31 March 2024: £353,000) was charged in the period. The full outstanding balance of £5,318,000 was impaired during the interim period (see note 10).

Transactions undertaken between the Group and its related parties during the year were as follows:

	Sales to related parties			Purchases from related parties		
	6 months ended 30 Sept 2024 £'000	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000	**6 months ended 30 Sept 2024 £'000**	6 months ended 30 Sept 2023 £'000	Year ended 31 March 2024 (Audited) £'000
Associates	**-**	-	-	**96**	92	579
Joint ventures	**-**	-	-	**-**	-	242
Other related parties	**67**	249	412	**448**	-	574
	67	249	412	**544**	92	1,395

Other related parties comprise of entities owned by directors or key management. Sales to other related parties related to building materials. Purchases from associates related to bricks and tiles, and purchases from other related parties related to rent payable.

Right of use assets in respect of properties leased from other related parties had a carrying value of £5,065,000 (2023: £2,365,000 and 31 March 2024: £5,353,000), while associated lease liabilities of £4,754,000 (2023: £2,214,000 and 31 March 2024: £5,066,000) are included at the period end.

Included within the right of use carrying values of properties leased from other related parties is a total of £4,973,000 (2023: £2,132,000 and 31 March 2024: £5,248,000) in relation to properties leased from Queensgate Bracknell Limited, a company co-owned by and controlled by a director during the period, Alan Simpson, and a member of key management, Paul Hamilton. The associated lease liabilities amounted to £4,653,000 (2023: £1,988,000 and 31 March 2024: £4,951,000). Rent of £431,000 (2023: £135,000 and 31 March 2024: £498,000) was paid to Queensgate Bracknell Limited during the period.

14. Post balance sheet events

There have been no subsequent events requiring further disclosure or adjustments to these financial statements.