

The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

8 May 2025

**Lords Group Trading plc**  
(‘Lords’, the ‘Company’ or the ‘Group’)

**Final Results**

‘Well positioned for market recovery’

Lords (AIM:LORD), a leading distributor of building materials in the UK, today announces its Final Results for the year ended 31 December 2024 (‘FY24’ or the ‘year’).

**FY24 Financial Performance**

<b>ADJUSTED RESULTS</b>	<b>FY24</b>	<b>FY23</b>	<b>Change</b>
Revenue	<b>£436.7m</b>	£462.6m	(5.6)%
Adjusted EBITDA <sup>2</sup>	<b>£22.4m</b>	£26.8m	(16.5)%
Adjusted EBITDA excluding property gains	<b>£20.6m</b>	£26.6m	(22.5)%
Adjusted EBITDA margin	<b>5.1%</b>	5.8%	(70) bps
Adjusted operating profit <sup>3</sup>	<b>£10.4m</b>	£16.5m	(37.0)%
Adjusted profit before tax	<b>£3.8m</b>	£10.4m	(63.8)%
Adjusted basic earnings per share	<b>1.85p</b>	4.35p	(57.5)%
Total dividend per share	<b>0.84p</b>	2.00p	(58.0)%

<b>STATUTORY RESULTS</b>	<b>FY24</b>	<b>FY23</b>	<b>Change</b>
Revenue	<b>£436.7m</b>	£462.6m	(5.6)%
Operating profit	<b>£4.3m</b>	£9.1m	(53.1)%
(Loss)/profit before tax	<b>£(2.6)m</b>	£3.0m	-
Basic (loss)/earnings per share	<b>(1.19)p</b>	0.84p	-
Net debt <sup>4</sup>	<b>£32.4m</b>	£28.5m	+13.5%

**FY24 Highlights**

- Group revenue of £436.7 million (FY23: £462.6 million)
  - Merchanting like-for-like<sup>1</sup> revenue 3.6% lower; recovering strongly in H2 with revenue growth of 2.3% against prior year comparative period
  - Plumbing and Heating (‘P&H’) revenue 10.2% down in line with boiler volumes in the UK market
  - Strong growth in sales of renewable products, up 99% to £5.5 million, supported by the acquisition of Ultimate Renewables Supplies in October 2024
- Continued progress against strategy to deliver margin accretive growth by opening new branches, extending the Group’s product range and expanding digital revenues
  - New exclusivity agreements with leading global boiler manufacturers (Navien) and Air Source Heat Pump producers (Clivet) broadening product range
  - Three new branch openings in 2025 to date
  - Further investment in Merchanting’s digital team with website upgrades to improve customer experience
- Decisive management actions taken on overheads delivered like-for-like efficiency savings of £3.7 million during the year whilst ensuing excellent customer service continues to be delivered

- Adjusted EBITDA<sup>2</sup> resilient at £22.4 million (FY23: £26.8 million)
- Final proposed dividend of 0.52 pence per share, scaled in line with earnings per share (FY23: 1.33 pence per share)

### Current Trading and Outlook

- Strong like-for-like revenue performance during Q1 FY25
  - P&H Q1 FY25 revenue 22% above a weak Q1 FY24 and benefiting from a pull forward of boiler volumes ahead of industry-wide price increases on 1 April 2025
  - Merchanting Q1 FY25 revenues 11% ahead of Q1 FY24
- Sale and leaseback of four properties for £13.1 million completed in H1 2025 providing additional liquidity to leverage growth opportunities as the market recovers
- Board expectations for full year unchanged.

Percentages are based on underlying, not rounded, figures.

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

<sup>2</sup> Adjusted EBITDA is EBITDA, inclusive of property gains and losses, (defined as earnings before interest, tax, depreciation, amortisation and impairment charges) excluding adjusting items (note 5).

<sup>3</sup> Inclusive of property gains and losses.

<sup>4</sup> Net debt is cash less borrowings before lease liabilities at 31 December 2024 and is therefore stated prior to the H1 FY25 property sale and leaseback to realise cash proceeds of £13.1 million.

**Shanker Patel, Chief Executive Officer of Lords, commented:** “Against a challenging market backdrop in 2024, Lords delivered a resilient performance. We continue to focus on what is within our control: managing costs, driving efficiencies, reducing debt and pragmatically supporting strategic initiatives to deliver organic and acquisitive growth.

“Whilst the strength and timing of the anticipated recovery in the UK construction market remains uncertain, the medium-term market drivers are positive. The recent property transaction has strengthened our balance sheet and Lords is well positioned to invest in organic growth and selective acquisitions. A strong start to FY25 gives the Board confidence of delivering an improved financial performance for the full year.”

### FOR FURTHER ENQUIRIES:

#### Lords Group Trading plc

Shanker Patel, Chief Executive Officer  
Stuart Kilpatrick, Chief Financial Officer

#### Via Burson Buchanan

Tel: +44 (0) 20 7466 5000

#### Cavendish Capital Markets Limited

(Nominated Adviser and Joint Broker)  
Ben Jeynes / Dan Hodkinson (Corporate Finance)  
Julian Morse / Henry Nicol / Charlie Combe (Sales and ECM)

Tel: +44 (0)20 7220 0500

#### Berenberg (Joint Broker)

Matthew Armitt / Harry Nicholas / Detlir Elezi

Tel: +44 (0)20 3207 7800

#### Burson Buchanan

Henry Harrison-Topham / Stephanie Whitmore / Abby Gilchrist

Tel: +44 (0) 20 7466 5000

[LGT@buchanan.uk.com](mailto:LGT@buchanan.uk.com)

**Notes to editors:**

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

The Group operates through the following two divisions:

**Merchandising:** supplies building materials and DIY goods through its network of merchant businesses and online platform capabilities. It operates both in the 'light side' (building materials and timber) and 'heavy side' (civils and landscaping), through 31 locations in the UK.

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

Lords was established over 40 years ago as a family business with its first retail unit in Gerrards Cross, Buckinghamshire. Since then, the Group has grown to a business operating from 47 sites.

## **CHAIRMAN'S STATEMENT**

We entered 2024 with some optimism, following a very difficult 2023 when high inflation and interest rates weighed on the housing market and our sector. However, 2024 saw interest rates remain substantially higher than economists anticipated and the industry therefore continued to face a very difficult trading environment.

Lords has proved resilient, reflecting our defensive characteristics and in particular our focus on the repairs, maintenance and improvement (RMI) market, which is more protected in these conditions than new house builds. While low consumer confidence did affect demand for RMI products in 2024, notably on the improvement side, our Merchancing division outperformed the market in the second half of the year and this has continued into the first quarter of 2025.

In the face of persistent economic headwinds, we have focused on internal initiatives: preserving cash, reducing costs and maintaining our excellent customer service, which differentiates us in the market and protects our profitability. We have slowed our acquisition activity and, after careful consideration, we have scaled the dividend in line with earnings, while retaining our overall policy of paying a progressive dividend as the market recovers. We have also continued to invest strategically, for example in our management team, our systems and technology, to drive productivity and efficiency and position us for the return to growth.

At the same time, we and other small and medium-sized businesses have continued to contend with broader challenges. These include significant rises in employers' National Insurance and the minimum wage, and an increasingly onerous regulatory environment, which takes up management time and adds to our costs. We have also seen the continued outflow of liquidity from the UK equity market, resulting in companies being unable to raise new capital to invest. This is a particular problem for AIM companies, which are also affected by changes to Inheritance Tax relief. We welcome meaningful action from the Government and targeted and proportional measures from regulators, to support economic growth and deliver a more prosperous future for the UK.

In spite of these issues, we are confident that we are in a strong position to gain from the recovery when it comes. Our strategy of investing in organic growth while consolidating the sector through selective acquisitions remains the right one, and we are aware of the opportunities that the last couple of difficult years will present going forward. With only 1% of the RMI market, there is significant potential for Lords to grow. Following the recently announced property disposal, the Group has additional capital to support both organic and inorganic investment.

I also believe that the spirit, enthusiasm and hard work of our colleagues will ensure our continued success, alongside the entrepreneurial mindset that lives in the business, from the branches right the way through to the organisation. The Group has exceptional agility, which underpins our performance and will continue to do so. In closing, I want to thank all of our colleagues for their dedication during a difficult 12 months and our customers for their continued loyalty.

**Gary O'Brien**

***Independent Non-Executive Chairman***

7 May 2025

## CHIEF EXECUTIVE OFFICER'S REVIEW

2024 was another challenging year for the Group and the industry. The UK economy has continued to feel the impact of high interest rates and the after-effects of double-digit inflation, and the Government's Budget did not inspire confidence for either businesses or consumers. We have also faced headwinds such as rising business rates, while the introduction and subsequent deferral of the Clean Heat Market Mechanism (CHMM) substantially disrupted the boiler market, which is key for the Plumbing and Heating division.

In this environment, we have focused on positioning the business to outperform as the market recovers. The downturn has reinforced the importance of investing in our customer proposition, focusing even more on retaining and engaging our colleagues, and being measured in our actions. While we are rigorous about managing our cost base, we will not cut costs at the expense of customer service, which is key to the way we compete and helps to protect our margins. The market environment has also demonstrated that our devolved divisional structure works very well, with small teams who are highly motivated to perform and have ownership of their results.

### Performance

Group revenue was £436.7 million in FY24, down 5.6% on the £462.6 million we achieved in FY23, which was a record year.

Our Merchanting business recovered well after a tough first half and delivered Like-for-Like ('LFL') growth in the second six months of the year, and particularly in the last quarter. Specialist businesses A.W. Lumb and Advance Roofing had strong years. Conditions for P&H were very challenging and its revenue declined by over 10%, in line with the wider boiler market. The CHMM had a major impact and we still do not have complete clarity about the Government's strategy for the energy transition. Even so, there is no doubt that clean heating products are gaining traction and we have begun to tilt our business to take advantage of this opportunity (see the strategy section below). Reflecting this, renewables revenue in P&H grew by 99%, to more than £5.5 million.

Adjusted EBITDA including property gains was 16.5% lower at £22.4 million (FY23: £26.8 million), with the adjusted EBITDA margin down 0.7 percentage points to 5.1% (FY23: 5.8%). This reflects market conditions, lower volumes and the mix of products sold in the year. Adjusted EBITDA excluding property gains was £20.6 million (2023: £26.6 million). We remain confident of increasing our EBITDA margin over the medium term and have several levers to do so, including operational leverage, growing our higher-margin product lines, continued improvements to our productivity and efficiency and further accretive acquisitions.

The business remained soundly financed, with net debt at the year-end of £32.4 million (31 December 2023: £28.5 million). We have significant liquidity, with headroom of £52.3 million in our facilities and £10.3 million of available cash as at 31 December 2024. Nevertheless, lower profitability in FY24 reduced our operating cash flow, and the Board and management have been highly focused on maintaining our balance sheet strength, while making appropriate investments in our 3Ps of people, plant and premises, to support our customer proposition. In H1 FY25, the Company completed a sale and leaseback of four properties from which the Merchanting division operates for a cash consideration of £13.1 million. The proceeds of the property sale have significantly reduced the Group's net debt position and resulted in a gain of £2.0 million.

### Strategy

We continued to implement our strategy in FY24, while remaining flexible and adjusting our approach to the prevailing market conditions. Our strategic aim is to deliver margin-accretive growth by opening new branches, extending our product range and expanding our digital revenues, through carefully targeted capital expenditure.

We also acquire businesses that add to our geographical presence and product range. While a tough market can create more acquisition opportunities, we have been very disciplined in this respect, in part because we are wary of buying businesses with declining earnings in a falling market. During 2024, we acquired Ultimate Renewables Supplies, a rapidly growing business for an initial consideration of £0.6 million.

### New branches

We expanded our geographical presence in FY24, with Ultimate Renewables Supplies adding one branch in Bicester to P&H's network. We also opened a new George Lines site in Maidstone just after the end of the year and continue to look for further locations for this business, as well as for specialist Merchanting businesses such as Advance Roofing and A.W. Lumb, with the latter having opened a new branch in Mansfield in April 2025. Opening Mr Central Heating branches also remains part of our plans.

However, market conditions and the time it takes for new branches to reach profitability meant it was sensible to pause this rollout in FY24, and we intend to resume it when the market recovers.

### ***Product range extension***

P&H signed a number of important distribution agreements in FY24, including exclusive arrangements with Navien, the world's largest boiler manufacturer, and Clivet, which produces air source heat pumps (AHSP). The relationship with Clivet, along with our purchase of Ultimate Renewables Supplies, shows our clear intent to grow in the renewables market. Our new agreement with Termo Teknik adds radiators to APP's range, which are a natural fit and will help us to grow non-boiler revenues.

Ultimate Renewables Supplies generates revenue from renewable product sales and from providing associated services, such as design and commissioning. We are always focused on adding value for our customer and the end-consumer, whether through organic innovation or acquisitions, and we will look to increase our service offering over time.

In Merchanting, we are developing a core product range for our Lords and Hevey brands, to provide consistency across branches and online, drive sales and improve our stock management. We will work with our suppliers to fill gaps in the range and continue to build mutually beneficial relationships.

We are also leveraging our specialist products, such as roofing, civils and drylining, by focusing on synergy sales across our Merchanting businesses.

### ***Digital capabilities***

Digital channels are an important growth driver for us. APP launched a customer portal in FY24, providing visibility of real-time stock levels, to their own terms and conditions, and place orders 24/7. The division is also exploring the use of chatbots and AI to rapidly answer customer questions, such as advising on the right boiler specification for a particular house.

Merchanting has strengthened its marketing and digital team with experienced hires, including expertise in digital marketing, and developed plans to further improve the functionality of our websites and enhance the customer journey.

One of our challenges is to continually improve our productivity and efficiency, and technology has a key role to play. The transition to a new ERP system in P&H is starting to deliver benefits, including underpinning further developments such as click-and-collect functionality and electronic proof of delivery. Another major initiative is an in-cab system, which combines telematics and AI-enabled cameras to track driver behaviour. This improves safety and efficiency and reduces fuel consumption, along with the associated carbon emissions.

### ***Our 3Ps – people, plant and premises***

Our colleagues have always been fundamental to the business and I want to thank them all for their hard work and focus on delivering for our customers. The UK's labour force has reduced in recent years and this makes it more important than ever that we retain our people and bring in new talent, such as our apprentices.

We made several changes to our senior team in FY24. In addition to appointing Stuart Kilpatrick as CFO, as outlined in last year's report, we recruited Steve Durdant-Hollamby to lead Merchanting as COO, while Neil Lake now heads up P&H, having joined the Group in 2022 when we acquired the DH&P businesses he founded. Both Steve and Neil have substantial experience of their respective industries and make natural partners for me, with their operational focus allowing me to spend more time on strategic matters. We now have a very strong Operating Board, which also includes Anne Prince, our Group HR Director.

We continue to invest in our branches, including complete refurbishments of the Alloway Timber sites we acquired last year and expanding the capacity of two A.W. Lumb branches. We also moved a Condell branch from the site it shared with Lords in Kings Langley, to nearby Hemel Hempstead, to give both businesses the room they need to grow.

**Outlook**

The economic environment at the start of 2025 is not conducive to growth. While end-consumers should be well placed after a period of significant wage increases, much depends on the timing and scale of interest rate cuts. There are signs of an improving construction market, which should support an improvement in the repair, maintenance and improvement (RMI) sector, but this is not generally expected before the end of 2025. Like all UK businesses, we also face increased costs in 2025 in relation to employer's National Insurance, business rates and the minimum wage, which amount to around £1.0 million for us annually.

We therefore continue to focus on what is within our control: managing costs, driving efficiencies, reducing debt and pragmatically supporting strategic initiatives to deliver organic and acquisitive growth. We believe this puts us in a strong position for the anticipated recovery in the construction market, with the Group's operational gearing meaning rising volumes will produce a greater increase in profits.

In addition, we will look for opportunities to continue our M&A strategy, focused on specialist, independent businesses that can broaden our product range or geographic reach in highly fragmented markets. There is still significant scope for consolidation, given our reputation as an acquirer of choice in the market.

**Shanker Patel*****Chief Executive Officer***

7 May 2025

## FINANCIAL REVIEW

In challenging market conditions, the Group delivered a resilient performance in FY24, as we focused on managing costs, driving efficiencies, carefully managing cash and pragmatically supporting strategic initiatives to drive organic and acquisitive growth. The business is well positioned to deliver financial growth as market conditions improve.

### Revenue

Group revenue was £436.7 million (FY23: £462.6 million), down 5.6%. On a LFL basis, revenue was 7.0% lower, with the difference primarily reflecting the contribution from acquisitions made in FY23.

After a challenging first half, Merchanting built momentum through the second half of the year and LFL revenue was 2.3% higher than the second half of FY23. Overall for the year, the division's revenues were similar to FY23 but 3.6% lower on a LFL basis.

P&H saw revenue decline by 10.2% in FY24, or 10.4% LFL, in line with the reduced activity in the UK boiler market during the year. This in part reflected the very strong end to FY23, which saw accelerated activity ahead of the introduction of the Clean Heat Market Mechanism on 1 January 2024.

### Gross margin

Gross margins across the Group held up reasonably well, with a modest reduction from 20.0% in FY23 to 19.5% in FY24, primarily due to the challenging UK boiler market. Merchanting achieved a gross margin of 26.7% (FY23: 27.5%), mainly driven by product mix, while the gross margin in P&H was 12.6% (FY23: 13.4%).

### Income statement

We have represented our income statement in FY24 to align our disclosure with listed peers in the sector and show property gains of £1.8 million (FY23: £0.3 million) on the face of the income statement. Property gains in FY24 included a lease surrender premium of £1.7 million, relating to Merchanting's Park Royal site. This followed the local authority's redesignation of the area and the landlord's intention to redevelop the site on the expiry of our lease in 2026. The surrender premium arises from a commercial negotiation to balance the benefit of securing the site at nil rental in the short term, while compensating us for anticipated disruption and potential loss of trade as the branch looks for an alternative location.

In addition, the Group sold and leased back its George Lines' Colnbrook site, resulting in a gain of £0.1 million.

### Operating expenses and EBITDA

Operating expenses in the year were £1.2 million lower at £64.6 million (FY23: £65.8 million). Excluding the impact on operating expenses of businesses acquired in FY23 and FY24, on a LFL basis costs were 6.5% lower. This reflects our rigorous approach to managing costs in the year, particularly in the light of the increased minimum wage and rental increases at some properties following their five-yearly rent reviews.

Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) inclusive of property gains/losses was £22.4 million (FY23: £26.8 million). Excluding property gains and losses, adjusted EBITDA was £20.6 million (2023: £26.6 million).

The table below shows adjusted EBITDA by division:

	<b>FY24</b>	<b>FY24</b>	FY23	FY23
	<b>£m</b>	<b>margin</b>	£m	margin
Adjusted EBITDA				
Merchanting	<b>14.4</b>	<b>6.7%</b>	14.0	6.5%
Plumbing and Heating	<b>8.0</b>	<b>3.6%</b>	12.9	5.2%
<b>Total Group</b>	<b>22.4</b>	<b>5.1%</b>	26.8	5.8%

Presented numbers are based on underlying, not rounded, figures and inclusive of property gains and losses.

## Operating profit

Depreciation and amortisation was £12.0 million (FY23: £10.3 million) and adjusted operating profit is set out below:

	FY24	FY23	Change
	£m	£m	
Adjusted operating profit inclusive of property gains/(losses)	10.4	16.5	(37.0%)
Adjusted operating profit excluding property gains/(losses)	8.6	16.3	(47.2%)
Operating profit	4.3	9.1	(53.1%)

Operating profit, which is after amortisation of intangible assets, exceptional items and share-based payments, declined by 53.1% to £4.3 million (FY23: 9.1 million).

## Adjusting items

Adjusting items (note 5) include exceptional items, share based payments and amortisation of acquired intangible assets.

Exceptional items of £0.6 million (FY23: £2.8 million) comprised £0.8 million of redundancy and restructuring costs and £0.1 million of acquisition related costs. A further £1.5 million was due to non-cash impairment charges (FY23: £0.5 million) relating to leased right-of-use assets.

## Net finance costs

Net finance costs were £6.9 million (FY23: £6.2 million), comprising £4.1 million (FY23: £3.7 million) in respect of bank borrowings, £2.8 million (FY23: £2.3 million) related to lease liabilities and £0.2 million (FY23: £0.2 million) to unwind discounted future liabilities.

Finance costs increased mainly due to higher interest rates, which were on average 40bps up on FY23, and the higher level of average borrowings during the year. Interest in relation to lease liabilities increased by £0.5 million, reflecting the full-year impact of the Alloway Timber and Chiltern Timber branches acquired during 2023.

## Profit before tax and earnings per share

Adjusted profit before tax was £3.8 million (FY23: £10.4 million). Statutory loss before tax for the year was £2.6 million (FY23: profit of £3.0 million). Adjusted earnings per share was 1.85 pence (FY23: 4.35 pence). Basic loss per share was (1.19) pence (FY23: earnings of 0.84 pence).

## Dividend

The Board has carefully considered the interests of the Group's stakeholders, and while our dividend policy through the cycle will continue to be progressive as the market recovers, the Board has taken a prudent approach to the dividend for FY24 and scaled it in line with the change in adjusted earnings per share.

The Board has therefore recommended a final dividend of 0.52 pence per share (FY23: 1.33 pence per share), which will be paid on 4 July 2025 to shareholders on the register at the close of business on 30 May 2025. The Company's shares will be marked ex-dividend on 29 May 2025.

We paid an interim dividend of 0.32 pence per share (H1 2023: 0.67 pence per share) in October 2024. The total dividend in respect of FY24 is therefore 0.84 pence per share (FY23: 2.0 pence per share), which is 2.2 times covered by adjusted earnings per share (FY23: 2.2 times). The cash cost of the total dividend in respect of FY24 is £1.4 million (FY23: £3.3 million).

At the year end, the Company had distributable reserves of £14.2 million (31 December 2023: £15.8 million).

## Debt financing and liquidity

As at 31 December 2024, the Group has debt facilities totalling £95.0 million with HSBC, NatWest and BNP Paribas. The facilities comprised £70.0 million revolving credit facility (RCF), and a £25.0 million receivables financing facility.

During 2024, the term of the Group's bank facilities was extended to April 2027, and in April 2025, the Group requested that the RCF be reduced by £20.0 million, which will reduce non-utilisation costs.

At 31 December 2024, the Group had net debt (defined as borrowings less cash and cash equivalents, and before recognising lease liabilities) of £32.4 million (31 December 2023: £28.5 million). The Group had substantial headroom within its debt facilities of £52.3 million at the year-end (31 December 2023: £46.7 million) and a further £10.3 million of accessible cash (31 December 2023: £19.8 million).

### Cash flow

Adjusted cash generated by operating activities was £17.4 million (FY23: 22.5 million) while free cash flow was £3.1 million (FY23: £8.7 million). Free cash flow, which is the net cash flow before payments for business acquisitions and dividends, was lower in FY24 mainly due to the lower EBITDA in the year. Operating cash flow conversion, which is operating cash flow as a percentage of adjusted operating profit, was 71.0% (FY23: 92.9%).

We continued to invest in our 3P's in the year as we refurbished the Alloway branches acquired in 2023 and established a new ERP system in Plumbing and Heating. Total capital expenditure in FY24 was £2.8 million (FY23: £4.9 million). In addition, the Group invested £1.1 million (FY23: £0.7 million) on in digital development, ERP and rebate tracking software.

In October 2024, we completed a sale and leaseback transaction for the Heathrow site, as part of our focus on cash generation. This resulted in cash proceeds of £3.9 million, while ensuring we retain secure tenure on this key location.

Other important uses of cash during FY24 included:

- deferred consideration for prior-year acquisitions: £2.3 million (FY23: £6.4 million);
- consideration for acquisitions in the year: £0.6 million (FY23: £5.2 million), comprising the initial consideration for Ultimate Renewables Supplies and the repayment of its existing debt; and
- dividends, comprising the final dividend for the prior year and the interim dividend for the current year: £2.7 million (FY23: £3.3 million).

### Working capital

Inventory was unchanged at £49.3 million (31 December 2023: £49.3 million). The year-end balance equated to 57 days of stock (31 December 2023: 50 days). The increase in stock days is primarily due to investing in advance of the winter season in P&H, and final quarter sales being lower than anticipated.

Creditor days decreased by two to 59 (31 December 2023: 61 days) and debtor days were 46 at the year-end (31 December 2023: 44 days). The ratio of working capital to sales increased from 7.6% to 8.9% in the year.

### Net assets

	FY24	FY23
	£m	£m
Property, plant and equipment	14.1	20.2
Inventories	49.3	49.3
Trade and other receivables	76.2	81.2
Trade and other payables	(86.6)	(95.3)
<b>Operating capital employed</b>	<b>53.0</b>	<b>55.4</b>
Deferred consideration	(3.3)	(9.5)
ROU assets	52.7	47.4
Lease liabilities	(60.0)	(51.8)
Goodwill, intangible assets, tax provision, other	37.6	38.2
Net debt	(32.4)	(28.5)
<b>Shareholders' funds</b>	<b>47.6</b>	<b>51.2</b>

Operating capital employed reduced by £2.4 million in the year as reduced property, plant & equipment, following the Colnbrook sale and leaseback, was partly offset by higher working capital in our P&H division. Deferred consideration decreased by £6.2 million following the sale and leaseback of Colnbrook (£2.6 million), payments of £3.2 million and adjustments to forecast liabilities of £0.4 million. ROU assets and related lease liability movements mainly relate to Colnbrook referred to above.

## **Post balance sheet events**

Since the end of FY24:

- The Group completed the sale and leaseback of four of the Group's freehold properties for a cash consideration of £13.1 million. The four sites within the Merchanting division at Tamworth, Dewsbury, Luton and Ilkeston will be leased back for fifteen-years on market terms. The net proceeds from the sale have been applied towards reducing Group borrowings.
- The Group, with the agreement of its banks, reduced its Revolving Credit Facility by £20.0 million to £50.0 million, securing reduced non-utilisation costs.

**Stuart Kilpatrick**  
**Chief Financial Officer**  
7 May 2025

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 £'000	2023 (re-presented) <sup>1</sup> £'000
Revenue	4	436,684	462,601
Cost of sales		(351,452)	(370,238)
<b>Gross profit</b>		<b>85,232</b>	92,363
Operating expenses		(65,953)	(69,157)
Property gains	2	1,812	252
Depreciation, amortisation and impairment		(16,806)	(14,325)
<b>Operating profit</b>		<b>4,285</b>	9,133
Finance income		320	196
Finance expense	6	(7,214)	(6,356)
<b>(Loss)/profit before taxation</b>		<b>(2,609)</b>	2,973
Taxation	7	824	(1,273)
(Loss)/profit for the year		(1,785)	1,700
Other comprehensive income		—	—
<b>Total comprehensive (expense)/income</b>		<b>(1,785)</b>	1,700
<b>Total comprehensive (expense)/income for the year attributable to:</b>			
Owners of the parent company		(1,970)	1,382
Non-controlling interests		185	318
		(1,785)	1,700
<b>Earnings per share</b>			
Basic (loss)/earnings per share (pence)	9	(1.19)	0.84
Diluted (loss)/earnings per share (pence)	9	(1.19)	0.82

1. For details of re-presentation of the consolidated statement of comprehensive income, please see note 2.

The results for the year arise solely from continuing activities.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £'000	2023 £'000
<b>Non-current assets</b>			
Intangible assets	10	44,284	46,205
Property, plant and equipment	11	14,081	20,233
Right-of-use assets	12	52,654	47,364
Other receivables		236	200
Investments		130	180
		<b>111,385</b>	114,182
<b>Current assets</b>			
Inventories		49,252	49,292
Trade and other receivables		76,215	81,171
Cash and cash equivalents	13	10,312	19,811
		<b>135,779</b>	150,274
<b>Total assets</b>		<b>247,164</b>	264,456
<b>Current liabilities</b>			
Trade and other payables		(88,238)	(98,915)
Borrowings	13	(11,946)	(9,507)
Lease liabilities	12	(8,310)	(7,815)
Current tax liabilities		—	(7)
<b>Total current liabilities</b>		<b>(108,494)</b>	(116,244)
<b>Non-current liabilities</b>			
Other payables		(1,540)	(5,917)
Borrowings	13	(30,119)	(38,239)
Lease liabilities	12	(51,732)	(43,953)
Other provisions		(1,581)	(1,565)
Deferred taxation		(6,082)	(7,373)
<b>Total non-current liabilities</b>		<b>(91,054)</b>	(97,047)
<b>Total liabilities</b>		<b>(199,548)</b>	(213,291)
<b>Net assets</b>		<b>47,616</b>	51,165
<b>Equity</b>			
Share capital		829	828
Share premium		28,412	28,293
Merger reserve		(9,980)	(9,980)
Share-based payments reserve		1,459	1,009
Retained earnings		25,078	29,386
<b>Equity attributable to owners of the parent company</b>		<b>45,798</b>	49,536
Non-controlling interests		1,818	1,629
<b>Total equity</b>		<b>47,616</b>	51,165

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Called up share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payments reserve £'000	Retained earnings £'000	Equity attributable to owners of the parent company £'000	Non- controlling interests £'000	Total equity £'000
<b>As at 1 January 2024</b>	<b>828</b>	<b>28,293</b>	<b>(9,980)</b>	<b>1,009</b>	<b>29,386</b>	<b>49,536</b>	<b>1,629</b>	<b>51,165</b>
(Loss)/profit for the financial period and total comprehensive income	—	—	—	—	(1,970)	(1,970)	185	(1,785)
Share-based payments	—	—	—	753	—	753	—	753
Exercise of share-based payments	—	—	—	(303)	303	—	—	—
Share capital issued	1	119	—	—	—	120	—	120
Put and call options over non-controlling interests	—	—	—	—	92	92	—	92
Acquisition of non-controlling interests	—	—	—	—	—	—	4	4
Dividends paid	—	—	—	—	(2,733)	(2,733)	—	(2,733)
<b>As at 31 December 2024</b>	<b>829</b>	<b>28,412</b>	<b>(9,980)</b>	<b>1,459</b>	<b>25,078</b>	<b>45,798</b>	<b>1,818</b>	<b>47,616</b>

	Called up share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payments reserve £'000	Retained earnings £'000	Equity attributable to owners of the parent company £'000	Non- controlling interests £'000	Total equity £'000
<b>As at 1 January 2023</b>	<b>813</b>	<b>28,293</b>	<b>(9,980)</b>	<b>497</b>	<b>31,237</b>	<b>50,860</b>	<b>1,328</b>	<b>52,188</b>
Profit for the financial period and total comprehensive income	—	—	—	—	1,382	1,382	318	1,700
Share-based payments	—	—	—	512	—	512	—	512
Share capital issued	15	—	—	—	—	15	—	15
Put and call options over non-controlling interests	—	—	—	—	78	78	—	78
Corporation tax on options	—	—	—	—	515	515	—	515
Deferred tax on options	—	—	—	—	(515)	(515)	—	(515)
Capital repayment	—	—	—	—	—	—	(17)	(17)
Dividends paid	—	—	—	—	(3,311)	(3,311)	—	(3,311)
<b>As at 31 December 2023</b>	<b>828</b>	<b>28,293</b>	<b>(9,980)</b>	<b>1,009</b>	<b>29,386</b>	<b>49,536</b>	<b>1,629</b>	<b>51,165</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024	2023
	£'000	£'000
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(2,609)	2,973
Adjusted for:		
Depreciation of property, plant and equipment	2,321	2,610
Amortisation of intangibles	3,667	3,515
Amortisation of right-of-use assets	9,355	7,699
Impairment	1,463	501
Profit on disposal of property, plant and equipment	(285)	(368)
Profit on sale of business	(385)	(119)
Write-off of investment	—	56
Share-based payment expense	753	513
Finance income	(320)	(196)
Finance expense	7,214	6,356
<b>Operating cash flows before movements in working capital</b>	<b>21,174</b>	<b>23,540</b>
Decrease in inventories	184	5,199
Decrease/(increase) in trade and other receivables	5,908	(8,067)
(Decrease)/increase in trade and other payables	(9,933)	2,112
<b>Cash generated by operations</b>	<b>17,333</b>	<b>22,784</b>
Corporation tax paid	(521)	(3,124)
<b>Net cash generated by operating activities</b>	<b>16,812</b>	<b>19,660</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	(1,150)	(734)
Business acquisitions (net of cash acquired)	(607)	(5,150)
Deferred consideration paid	(716)	(3,116)
Purchase of property, plant and equipment	(2,802)	(4,905)
Purchase of investments	—	(150)
Proceeds on disposal of property, plant and equipment	3,909	4,160
Cash received on sale of business	—	340
Interest received	320	196
<b>Net cash used in investing activities</b>	<b>(1,046)</b>	<b>(9,359)</b>
<b>Cash flows from financing activities</b>		
Principal paid on lease liabilities	(8,381)	(6,912)
Interest paid on lease liabilities	(2,761)	(2,340)
Issue of share capital	—	15
Dividends	(2,733)	(3,311)
Purchase of non-controlling interest	(1,594)	(2,126)
Capital repayment to non-controlling interests	—	(17)
Proceeds from borrowings	33,648	109,116
Repayment of borrowings	(39,405)	(97,853)
Bank interest paid	(3,210)	(2,917)
Interest paid on invoice discounting facilities	(829)	(805)
<b>Net cash outflow from financing activities</b>	<b>(25,265)</b>	<b>(7,150)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,499)</b>	<b>3,151</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>19,811</b>	<b>16,660</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>10,312</b>	<b>19,811</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2024**

### **1. General information**

Lords Group Trading plc (the 'Company') is a public company limited by shares, listed on AIM and incorporated and domiciled in England. The address of the Company's registered office and principal place of business is Second Floor, 12-15 Hanger Green, London, England, W5 3EL.

The principal activity of the Company together with its subsidiary undertakings (the 'Group') throughout the period is the distribution of building materials, heating goods and DIY goods to local tradesmen, large-scale developers, small and medium construction companies and retail customers.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 May 2025. The directors have the power to amend and reissue the financial statements.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

Whilst the financial information included in this preliminary results' announcement has been prepared in accordance with the recognition and measurement requirements of UK-adopted International Accounting Standards this announcement does not itself contain sufficient information to comply with UK-adopted International Accounting Standards and does not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006.

The principal accounting policies used in preparing this preliminary results announcement are those that the Group has adopted for its statutory accounts for the year ended 31 December 2024 and are consistent with those previously disclosed in the Group's Annual Report and Accounts for the year ended 31 December 2023.

Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered in due course. The Company's auditors RSM UK LLP, have reported on the 2024 accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498 (2) or (3) Companies Act 2006. The 2023 audit report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498 (2) or (3) Companies Act 2006.

Full financial statements for the year ended 31 December 2024 will be posted and made available to shareholders in due course.

The financial statements have been prepared on a going concern basis under the historical cost convention unless otherwise specified within these accounting policies. The financial information is presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

#### **2.2 Going concern**

At 31 December 2024, the Group had £52.3 million of undrawn facilities and £10.3 million of cash. In line with Accounting standards the Board has considered cash flow projections over an extended period greater than 12 months from the date of approval of the financial statements, until December 2026. In April 2025 the Group entered into a revised facility agreement reducing its Revolving Credit Facility by £20.0 million to £50.0 million until April 2027, and completed the sale and leaseback of four freehold properties. The cash consideration of £13.1m, was applied against the Group's borrowings and following the transaction the Group now enjoys greater headroom against its banking covenants.

The cash flow forecasts have been stress tested by considering the most likely risks impacting the Group. These are considered to be sales growth below the base case, and sensitivity to interest rate changes. The Group's cash

flow projections indicate covenants on facilities will not be breached unless, instead of the anticipated growth, the Group's projected EBITDA falls by 46% relative to the base case. Interest rates would have to increase by in excess of 5% ahead of market forecasts. While none of these are likely to occur, the Group also has mitigating actions at its disposal that it can take in downside scenarios, such as delaying capital expenditure, restructuring the Group to reduce costs, and maintaining a strong credit control function across the Group.

In considering the sensitivity analysis, the Board was also mindful of the complementary characteristics of the two divisions, with a seasonally stronger Merchanting division between March and October, whereas Plumbing and Heating is typically stronger during the winter months.

The Board considers that this natural hedge reduces the likelihood of the worst case sensitivities and this was reflected in 2024 performance, where P&H sales were 10% down but overall LFL sales were 7% below 2023.

Cash flow forecasts are reforecast in the event of a potential acquisition not already in the forecast. The Group prepares weekly cash flow projections, daily sales flashes and monthly management accounts compared to budget with key performance indicators which together will provide an early warning system to indicate whether any mitigating actions are necessary in any part of the Group. In all reasonable scenarios the Group is projected to be compliant with its banking covenants with no material uncertainties and the Board is satisfied that the Company and the Group have adequate resources to continue operations for the foreseeable future. The Board therefore considers it appropriate to continue to adopt the going concern basis in preparing the Group and Company financial statements.

### **Presentation of statement of comprehensive income**

In the year ended 31 December 2023, the statement of comprehensive income separately disclosed measures of financial performance that, in the opinion of the directors, provided the reader of the financial statements with an understanding of the Group's underlying trading performance. For the year ended 31 December 2024, the presentation of the statement of comprehensive income has been simplified to only report performance measured under IFRS, further aligning with the principles of ESMA guidelines on presenting alternative performance measures of financial performance. The directors continue to consider that the presentation of alternative performance measures provides additional and useful information to readers of the financial statements and accordingly continues to present alternative performance measures of performance, as set out in the alternative performance measures section of the annual report. This voluntary change in presentation has been applied consistently in both periods.

Property gains and losses are presented on the face of the income statement, as a key component of the 3Ps that underpin the Group strategy. This line includes the gains and losses on significant property transactions in the year. In 2024, this related to the lease surrender premium at Park Royal branch for £1.7 million and £0.1 million from the sale and leaseback transaction for Colnbrook. In 2023, the gain of £0.3 million related to the sale of freehold property at Aylesbury.

Other operating income has also been re-presented in the statement of comprehensive income with £0.7 million (2023: £0.8 million) now included within the operating expenses line.

### **3. Critical accounting judgements and estimates**

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

#### **3.1 Key accounting judgements**

##### ***Assessment of who has the risk and reward of ownership of non-controlling interests with put and call options***

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

Where the pricing is at a variable price, the Group assesses the risks and rewards that reside with the non-controlling interests. This is because the exposure to any increase or decrease in the value of the business resides

with the non-controlling interest, as they will either retain the investment indefinitely (if neither party exercises) or they can recover the fair value of the business through the exercise price.

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

#### ***Lease surrender premium at Park Royal branch***

The Merchating division renegotiated the terms of its Park Royal branch lease in February 2024 due to the landlord's intention to redevelop the property at the expiry of the lease in 2026. In doing so, the Merchating division exchanged certainty of vacant possession for improved terms and flexibility, allowing the business to relocate during a three-and-a-half-year period following the agreement. This resulted in an upfront payment of £1.5 million in the period followed by a three-year lease at peppercorn rent and a £0.25 million payment on exit.

Management has determined that the transaction is a lease modification that reduces scope of the lease as it had the effect of taking the lease out of the Landlord and Tenant Act 1954 and in doing so shortening the expected life of the lease. Although there is no direct guidance on this exact scenario, which resulted in a longer accounting lease term, management has applied the principles surrounding lease modifications established within IFRS 16 and determined that immediate recognition of the gain is appropriate.

The gain of £1.7 million recognised in 2024 reflects the consideration received for taking the lease outside of the Landlord and Tenant Act. This aligns with the substance of the transaction, a commercial deal to forgo legal and economic rights in exchange for consideration. The transaction resulted in reduction in respective carrying values of the lease liability and right-of-use asset both being reduced by £1.0 million to a balance of £nil as at 31 December 2024, in addition to the recognition of £1.7 million gain in the income statement.

### ***3.2 Key accounting estimates and assumptions***

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

#### ***Inventories***

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

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

The Group is required to test goodwill annually for impairment, and to assess its right-of-use assets and property, plant and equipment for any indicators of impairment. For impairment testing purposes, the Group has determined that each branch is a separate cash-generating unit (CGU) on the basis that each branch has distinct assets at each location which are able to generate cash inflows. As a result of continued softer market conditions and in order to eliminate the judgement in assessing the indicators of impairment, management has performed an impairment test for all CGUs by assessing whether the carrying amount exceeds its recoverable amount.

As part of its review, the Group calculates the recoverable amount of cash-generating units by estimating future cash flows using latest forecast information. The key assumptions involved in estimating the recoverable amount include future performance and growth rates of the CGUs and the discount rates used. These are underpinned by a number of judgements based on management's expectation, based on historic performance, understanding of the market environment, and assessment of the macroeconomic and industry conditions.

The results of the review indicated that no goodwill or intangible assets required any impairment. Impairment charges were however recorded against right-of-use assets at three of the branches within the Merchating division which had previously been acquired as part of the Alloway Timber acquisition in 2023.

#### 4. Segmental analysis

The Group has two reporting segments, being the distribution of plumbing and heating, and the sale and distribution of merchanting and other services. Inter-segment revenue between the two segments is not material.

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

  

	Merchanting	Plumbing and Heating	Total
2023	£'000	£'000	£'000
Revenue	214,934	247,667	462,601
<b>Gross profit</b>	<b>59,129</b>	<b>33,234</b>	<b>92,363</b>
Operating expenses	(45,421)	(20,374)	(65,795)
<b>Adjusted EBITDA before property gains</b>	<b>13,708</b>	<b>12,860</b>	<b>26,568</b>
Property gains	252	—	252
<b>Adjusted EBITDA</b>	<b>13,960</b>	<b>12,860</b>	<b>26,820</b>
Depreciation, amortisation and impairment	(6,832)	(3,477)	(10,309)
<b>Adjusted operating profit</b>	<b>7,128</b>	<b>9,383</b>	<b>16,511</b>
Adjusting items	(5,561)	(1,817)	(7,378)
<b>Operating profit</b>	<b>1,567</b>	<b>7,566</b>	<b>9,133</b>
Finance income			196
Finance expense			(6,356)
<b>Profit before taxation</b>			<b>2,973</b>
<b>Taxation</b>			<b>(1,273)</b>
<b>Profit for the year</b>			<b>1,700</b>
<b>Additions to non-current assets</b>	<b>28,670</b>	<b>5,281</b>	<b>33,951</b>

## 5. Adjusting items

Exceptional items are presented separately as one-off costs that are unlikely to reoccur or costs outside normal business trading.

	2024			2023		
	Merchanting £'000	Plumbing and Heating £'000	Total £'000	Merchanting £'000	Plumbing and Heating £'000	Total £'000
Share-based payments	545	208	753	357	156	513
Exceptional items:						
Restructuring	562	264	826	594	—	594
Stock theft/obsolescence	—	—	—	763	619	1,382
Profit on disposal of business	—	(385)	(385)	(119)	—	(119)
Business combinations	124	95	219	936	—	936
Retention employment costs on acquisitions	117	201	318	219	—	219
National Insurance recovery	—	—	—	(13)	—	(13)
Adjustment to contingent consideration	(361)	(57)	(418)	(150)	—	(150)
<b>Adjusting items within EBITDA<sup>1</sup></b>	<b>987</b>	<b>326</b>	<b>1,313</b>	<b>2,587</b>	<b>775</b>	<b>3,362</b>
Amortisation of acquired intangible assets	2,266	1,070	3,336	2,473	1,042	3,515
Impairment charge	1,463	—	1,463	501	—	501
<b>Adjusting items within operating profit</b>	<b>4,716</b>	<b>1,396</b>	<b>6,112</b>	<b>5,561</b>	<b>1,817</b>	<b>7,378</b>
Unwinding of deferred consideration and call and put options			248			—
<b>Adjusting items within profit before taxation</b>			<b>6,360</b>			<b>7,378</b>
Tax on adjusting items			(1,310)			(1,617)
<b>Adjusting items within profit after taxation</b>			<b>5,050</b>			<b>5,761</b>

During 2024, the Group continued to restructure and rationalise its operations. Additionally, following the 2023 hive ups of Hevey Building Supplies, Alloway Timber and Chiltern Timber Supplies businesses into Carboclass Limited, 2024 saw the consolidation of A.W. Lumb operations within one legal entity. The cost of these restructuring programmes and exercises amounted to £826,000. (2023: £594,000), mainly comprising redundancy.

In 2023 the Group reassessed its estimation basis for stock provisioning and also suffered a major theft at one of its Plumbing and Heating branches during the Christmas period. The total impact of these events amounted to £1,382,000.

On 31 December 2024, the Group sold its subsidiary Ultimate Discount Heating Limited, which contained its Billericay branch. In 2023, the Group disposed of its Lords at Home business. The profit on disposal represents the excess consideration over the carrying value of the net assets of the sold Company of £385,000 (2023: £119,000).

The costs associated with the business combinations including costs which will not occur or had not occurred before the balance sheet date amount to £219,000 (2023: £936,000), also includes costs associated with other potential acquisitions which will not occur or had not occurred before the balance sheet date. Where the business combinations include retention payments to key staff as part of the acquisitions, or amounts payable under put

and call arrangements that, in substance, represent compensation for employee services, the cost of these is expensed over the period to which it relates. The costs in the year were £318,000 (2023: £219,000).

In 2024 adjustments to contingent consideration payable in relation to historic acquisitions resulted in a credit of £418,000 (2023: £150,000) in the income statement. This included the second instalment of the contingent consideration for the purchase of Chiltern Timber Supplies (£158,000) Supplies which was due in April 2025, but considered unlikely that the future EBITDA target would be met, and a reduction of £34,000 related to the deferred consideration for the acquisition of Alloway, which was due in September 2024, but no longer payable as a result of conditions on the recoverability of certain assets acquired on the balance sheet date.

Further details of the impairment charge are set out in note 12.

From 2024 the Group treats unwinding of deferred consideration and put and call options, consistently with other acquisition related transactions. The unwind related to deferred consideration and options in relation to the acquisitions of A.W. Lumb, Direct Heating & Plumbing, Condell, and Ultimate Renewables Supplies, was £248,000. In 2023 the equivalent interest charge of £236,000 was recorded within interest but not as an adjusting item.

## 6. Finance expense

	2024	2023
	£'000	£'000
Bank loans and overdrafts	3,313	2,917
Invoice discounting facilities	829	805
Unwinding of deferred consideration and call and put options	248	236
Interest on dilapidation provision	64	58
Lease liabilities	2,760	2,340
	<b>7,214</b>	<b>6,356</b>

## 7. Taxation

	2024	2023
	£'000	£'000
<b>Corporation tax</b>		
Current tax on loss/profit for the year	1,328	1,975
Adjustments in respect of previous periods	(864)	(28)
	<b>464</b>	<b>1,947</b>
<b>Deferred tax</b>		
Originating and reversal of temporary differences	(1,688)	(289)
Adjustments in respect of previous periods	400	(346)
Effect of changes in tax rates	—	(39)
	<b>(1,288)</b>	<b>(674)</b>
<b>Total tax (credit)/charge</b>	<b>(824)</b>	<b>1,273</b>

### **Factors affecting tax (credit)/charge for the year**

The tax assessed for the year is lower (2023: higher than) the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%). The difference is explained below:

	2024	2023
	£'000	£'000
(Loss)/profit before taxation	(2,609)	2,973
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	(652)	699
Adjustments in respect of previous periods	(464)	(374)
Expenses not deductible	846	1,306
Income not taxable	(370)	(284)
Changes in tax rates	—	(39)
Share-based payments	(184)	(35)

<b>Total tax (credit)/charge for the year</b>	<b>(824)</b>	1,273
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**Factors that may affect future tax (credit)/charge**

Deferred taxes at the balance sheet date have been measured using tax rates enacted at that time.

**8. Dividends**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Interim paid	<b>531</b>	1,109
Final paid	<b>2,202</b>	2,202
	<b>2,733</b>	3,311

In 2024 dividends paid per share was 1.65 pence (2023: 2.00 pence). The final dividend proposed but unpaid for 2024 was 0.52 pence (2023: 1.33 pence).

**9. Earnings per share**

	<b>2024</b>	2023
Basic earnings per share		
Earnings from continuing activities (pence)	<b>(1.19)</b>	0.84
Diluted earnings per share		
Earnings from continuing activities (pence)	<b>(1.19)</b>	0.82
Weighted average number of shares for basic earnings per share	<b>165,763,977</b>	164,340,814
Number of dilutive share options	<b>813,859</b>	3,750,887
Weighted average number of shares for diluted earnings per share	<b>166,577,836</b>	168,091,701
(Loss)/earnings attributable to the equity holders of the parent (£'000)	<b>(1,970)</b>	1,382

Both the basic and diluted earnings per share have been calculated using the earnings attributable to shareholders of the parent company, Lords Group Trading plc as the numerator, meaning no adjustment to profit was necessary in either year. Statutory diluted earnings per share calculation uses the 165,763,977 as a denominator as dilutive shares would not increase loss per share.

The Group has also presented adjusted earnings per share. Adjusted earnings per share have been calculated using earnings attributable to shareholders of the parent company, Lords Group Trading plc, adjusted for the after-tax effect of adjusting items (see note 5).

	<b>2024</b>	2023
	<b>£'000</b>	£'000
(Loss)/earnings attributable to the equity holders of the parent	<b>(1,970)</b>	1,382
Adjusting items	<b>5,035</b>	5,761
Adjusted earnings	<b>3,065</b>	7,143
Adjusted basic earnings per share		
Earnings from continuing activities (pence)	<b>1.85</b>	4.35
Adjusted diluted earnings per share		
Earnings from continuing activities (pence)	<b>1.84</b>	4.25

## 10. Intangible assets

	Customer Software relationships		Trade names	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
<b>Year ended 31 December 2024</b>					
Opening net book value	1,604	23,550	2,617	18,434	46,205
Additions	1,150	—	—	—	1,150
Acquired through business combinations	—	—	—	596	596
Amortisation charge	(331)	(2,988)	(348)	—	(3,667)
<b>Closing net book value</b>	<b>2,423</b>	<b>20,562</b>	<b>2,269</b>	<b>19,030</b>	<b>44,284</b>
<b>At December 2024</b>					
Cost	3,593	34,722	3,741	19,030	61,086
Accumulated amortisation and impairment	(1,170)	(14,160)	(1,472)	—	(16,802)
<b>Net book value</b>	<b>2,423</b>	<b>20,562</b>	<b>2,269</b>	<b>19,030</b>	<b>44,284</b>
<b>Year ended 31 December 2023</b>					
Opening net book value	1,112	25,316	2,607	16,296	45,331
Additions	734	—	—	—	734
Acquired through business combinations	—	1,167	350	2,138	3,655
Amortisation charge	(242)	(2,933)	(340)	—	(3,515)
<b>Closing net book value</b>	<b>1,604</b>	<b>23,550</b>	<b>2,617</b>	<b>18,434</b>	<b>46,205</b>
<b>At 31 December 2023</b>					
Cost	2,443	34,722	3,741	18,434	59,340
Accumulated amortisation and impairment	(839)	(11,172)	(1,124)	—	(13,135)
<b>Net book value</b>	<b>1,604</b>	<b>23,550</b>	<b>2,617</b>	<b>18,434</b>	<b>46,205</b>

Software intangible assets include ERP, inventory management systems and other related system enhancements of subsidiary undertakings, created by an external development firm for the subsidiary's specific requirements. During 2024 capital expenditure of £1,150,000 within software included the upgrade to Business Central integrated ERP system and customer portal within Plumbing and Heating, as well as rebate and other system enhancements within Merchanting. The assets on the balance sheet as at 31 December 2024 have remaining amortisation periods of between 2-10 years.

Goodwill is systematically tested for impairment at each balance sheet date. The Group has no assets with indefinite lives, other than goodwill. No intangible assets were identified by management which needed to be impaired.

### **Cash-generating unit (CGU) assessment**

The Group tests the carrying amount of goodwill annually for impairment or more frequently if there are indications that their carrying value might be impaired. The carrying amounts of other intangible assets are reviewed for impairment if there is an indication of impairment. Impairment is calculated by comparing the carrying amounts to the value-in-use derived from discounted cash flow projections for each CGU to which the intangible assets are allocated. A CGU is deemed to be the branch or group of branches acquired at the time of a business combination. The carrying amount of goodwill is allocated across multiple cash-generating units and the amount allocated to each unit is not significant in comparison with the entity's total carrying amount of goodwill.

The breakdown of the net book value of intangible assets by operating segment is:

	2024 £'000	2023 £'000
Merchanting	32,706	34,847
Plumbing and Heating	11,578	11,358
	<b>44,284</b>	46,205

The total recoverable amount in relation to these CGUs at 31 December 2024 was £253,537,000 (2023: £299,884,000). The value-in-use calculations are based on five-year management forecasts with a terminal growth rate applied thereafter, representing management's estimate of the long-term growth rate of the sector

served by the CGUs. The recoverable amounts of the CGUs in both 2024 and 2023 were in excess of the carrying value of the net assets of the CGU and so no goodwill was impaired.

The key assumptions, which are equally applicable to each CGU, in the cash flow projections used to support the carrying amount of goodwill were as follows:

	Merchanting	Plumbing and Heating
Five-year sales growth	4.1%-12.3%	4.3%-5.1%
Terminal sales growth	2.0%	2.0%
Discount rate	16.6%	16.6%

### **Sensitivity analysis**

A reasonable change in a key assumption would not cause the carrying value of either CGU to exceed its recoverable amount; the table below shows the amount of headroom and the revised assumptions required to eliminate the headroom in full at 31 December 2024. The headroom relates to the excess of the recoverable amount over the carrying value of the goodwill, intangible assets and other applicable net assets of the CGUs.

	Merchanting	Plumbing and Heating
Recoverable amount of CGU	£153,230,000	£100,307,000
Current headroom	£74,509,000	£73,532,000
Five-year sales growth <sup>1</sup>	<0%-3%	<0%
Terminal sales growth	<0%	<0%
Discount rate	>30%	>28%

1. The majority of CGUs do not require any five-year sales growth in order to maintain positive headroom, with the following exceptions:

- Three CGUs within the Merchanting division are more sensitive to assumptions on sales growth, and require projected sales growth over the initial five-year period at 1% per annum in order to support a value-in-use higher than the carrying value.
- One further CGU requires growth rate of 3% per annum. This is well within anticipated market recovery over the coming years following the wider contraction of builders' merchanting market since its peak in 2022.
- The recoverable amount of these CGUs is £33,908,000 and the base headroom is £13,255,000.

## 11. Property, plant and equipment

	Land and buildings £'000	Land and building leasehold improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Office equipment £'000	Total £'000
<b>Year ended 31 December 2024</b>							
Opening net book value	12,975	3,064	1,212	646	1,583	753	20,233
Additions	21	1,100	695	148	266	322	2,552
Disposals	(6,311)	(10)	(19)	(50)	(6)	(14)	(6,410)
Reclassification	(20)	761	(779)	(72)	103	7	—
Acquired through business combinations	—	10	—	9	7	1	27
Impairment	—	—	—	—	—	—	—
Depreciation charge	(161)	(818)	(247)	(202)	(496)	(397)	(2,321)
<b>Closing net book value</b>	<b>6,504</b>	<b>4,107</b>	<b>862</b>	<b>479</b>	<b>1,457</b>	<b>672</b>	<b>14,081</b>
<b>At 31 December 2024</b>							
Cost	7,076	8,955	2,408	2,305	3,560	2,201	26,505
Accumulated depreciation and impairment	(572)	(4,848)	(1,546)	(1,826)	(2,103)	(1,529)	(12,424)
<b>Net book value</b>	<b>6,504</b>	<b>4,107</b>	<b>862</b>	<b>479</b>	<b>1,457</b>	<b>672</b>	<b>14,081</b>
<b>Year ended 31 December 2023</b>							
Opening net book value	6,962	2,542	1,451	832	1,275	585	13,647
Additions	6,494	1,077	211	85	735	373	8,975
Disposals	(3,838)	—	(12)	(34)	—	—	(3,884)
Acquired through business combinations	3,600	142	190	38	140	72	4,182
Impairment	—	(7)	(14)	—	(43)	(13)	(77)
Depreciation charge	(243)	(690)	(614)	(275)	(524)	(264)	(2,610)
<b>Closing net book value</b>	<b>12,975</b>	<b>3,064</b>	<b>1,212</b>	<b>646</b>	<b>1,583</b>	<b>753</b>	<b>20,233</b>
<b>At 31 December 2023</b>							
Cost	13,539	7,471	2,962	1,286	4,337	1,703	31,298
Accumulated depreciation and impairment	(564)	(4,407)	(1,750)	(640)	(2,754)	(950)	(11,065)
<b>Net book value</b>	<b>12,975</b>	<b>3,064</b>	<b>1,212</b>	<b>646</b>	<b>1,583</b>	<b>753</b>	<b>20,233</b>

In 2024, the freehold property at Colnbrook site near Heathrow, with book value of £6.0 million, was sold at market value of £7.1 million, and immediately leased back at a market rental for a term of 15 years. In 2023, as part of the acquisition of Alloway Timber, the acquired freehold property was immediately sold back to the vendor at market value of £3.6 million, and the Group entered into a leasing arrangement for the property. This was accounted for as a sale of fair value, included within disposals in the table above, and as an addition to right-of-use assets and lease liabilities.

## 12. Leases and right-of-use assets

### *Nature of leasing activities*

The Group leases a number of assets with all lease payments fixed over the lease term. The Group has property leases, plant and machinery and motor vehicles in the scope of IFRS 16, including retail branches, warehouses, lorries and other vehicles.

	2024	2023
Number of active leases	298	289

### *Description of payments*

	2024 £'000	2023 £'000
Principal lease payments	8,381	6,912
Interest on dilapidation provision	64	58
Interest payments on leases	2,760	2,340
Short-term and low-value lease costs	176	114
	<b>11,381</b>	<b>9,424</b>

Short-term and low-value lease costs relates to individual vans which are rented on a monthly basis by subsidiaries of the Group.

### *Right-of-use assets*

	Leasehold property £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>Year ended 31 December 2024</b>				
Opening net book value	39,252	1,743	6,369	47,364
Additions	7,675	535	6,149	14,359
Acquired through business combinations	134	—	93	227
Lease modifications	2,519	423	(1,420)	1,522
Impairment	(1,463)	—	—	(1,463)
Amortisation charge	(5,121)	(1,266)	(2,968)	(9,355)
<b>Closing net book value</b>	<b>42,966</b>	<b>1,435</b>	<b>8,223</b>	<b>52,654</b>
<b>At 31 December 2024</b>				
Cost	67,357	4,362	14,188	85,907
Accumulated amortisation and impairment	(24,361)	(2,927)	(5,965)	(33,253)
<b>Net book value</b>	<b>42,996</b>	<b>1,435</b>	<b>8,223</b>	<b>52,654</b>

### **Year ended 31 December 2023**

Opening net book value	34,015	2,381	2,572	38,968
Additions	5,044	330	5,031	10,405
Acquired through business combinations	5,519	113	378	6,010
Lease modifications	818	(262)	372	928
Disposals	(819)	—	(5)	(824)
Impairment	(424)	—	—	(424)
Amortisation charge	(4,901)	(819)	(1,979)	(7,699)
<b>Closing net book value</b>	<b>39,252</b>	<b>1,743</b>	<b>6,369</b>	<b>47,364</b>

### **At 31 December 2023**

Cost	57,726	4,881	9,861	72,468
Accumulated amortisation and impairment	(18,474)	(3,138)	(3,492)	(25,104)
<b>Net book value</b>	<b>39,252</b>	<b>1,743</b>	<b>6,369</b>	<b>47,364</b>

### **Impairment of right-of-use assets**

As a result of the CGU level impairment review, it was identified that the right-of-use assets at three of the branches within the Merchanting division should be impaired resulting in impairment charges in 2024 of £1,463,000 (2023: £424,000). The 2024 charges related to three sites which had been acquired as part of the Alloway Timber acquisition in 2023, with a view to turning around the branches which were loss making prior to joining the Group. Of the three sites, one has now closed and therefore subject to a full write off of the associated right-of-use asset. Although progress has been made in the turnaround of the other two branches, they continue to be impacted by the adverse market conditions.

The impairment charges have been recorded within the depreciation, amortisation and impairment line in the income statement, and treated as an adjusting item in the Group's APMs.

The carrying amount of the assets attributable to the branches which have been impaired, after impairment, is £2,801,000, equivalent to the recoverable value, based on value in use calculations.

### **Lease liabilities**

	Leasehold property £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<b>At 1 January 2024</b>	<b>44,166</b>	<b>1,544</b>	<b>6,058</b>	<b>51,768</b>
Additions	8,627	63	6,515	15,205
Acquired through business combinations	126	—	93	219
Disposals	—	—	—	—
Lease modifications	2,228	423	(1,420)	1,231
Interest expenses	2,181	86	494	2,761
Lease payments (including interest)	(6,896)	(898)	(3,348)	(11,142)
<b>At 31 December 2024</b>	<b>50,432</b>	<b>1,218</b>	<b>8,392</b>	<b>60,042</b>
<b>At 1 January 2023</b>	37,699	1,945	2,876	42,520
Additions	4,894	329	5,029	10,252
Acquired through business combinations	5,402	113	378	5,893
Disposals	(901)	—	(5)	(906)
Lease modifications	838	45	38	921
Interest expenses	1,933	90	317	2,340
Lease payments (including interest)	(5,699)	(978)	(2,575)	(9,252)
<b>At 31 December 2023</b>	<b>44,166</b>	<b>1,544</b>	<b>6,058</b>	<b>51,768</b>

### **Reconciliation of minimum lease payments and present value**

	2024 £'000	2023
Within 1 year	11,213	9,769
Later than 1 year and less than 5 years	30,918	26,182
Later than 5 years and less than 10 years	23,560	19,303
Later than 10 years and less than 15 years	8,057	7,878
After 15 years	5,590	5,709
<b>Total including interest cash flows</b>	<b>79,338</b>	<b>68,841</b>
Less interest cash flows	(19,296)	(17,073)
<b>Total principal cash flows</b>	<b>60,042</b>	<b>51,768</b>

### **Reconciliation of current and non-current lease liabilities**

	2024 £'000	2023 £'000
Current	8,310	7,815
Non-current	51,732	43,953
<b>Total</b>	<b>60,042</b>	<b>51,768</b>

### 13. Cash and borrowings

	2024	2023
	£'000	£'000
<b>Current</b>		
Other loans	11,946	9,507
Total current borrowings	11,946	9,507
<b>Non-current</b>		
Bank loans	30,119	38,239
Total non-current borrowings	30,119	38,239
<b>Total borrowings</b>	<b>42,065</b>	<b>47,746</b>
Cash at bank	(10,312)	(19,811)
Capitalised debt costs	605	580
<b>Net borrowings</b>	<b>32,358</b>	<b>28,515</b>

Details of the facilities are:

- An invoice financing facility of £25.0 million attracting an interest rate of UK base rate +1.4%
- On 30 April 2025, the Group reduced its Revolving Credit Facility by £20.0 million to £50.0 million, securing reduced non-utilisation costs.
- Covenants on the RCF facility require that the ratio of adjusted EBITDA to net debt (excluding lease liabilities) and ratio of adjusted EBITDA to net finance costs are within pre-defined thresholds at each quarter end date. Each testing date covers results for the previous 12 months. As at 31 December 2024, the Group was in compliance with its covenant thresholds, and therefore continues to classify the borrowings under the facility as non-current liabilities.
- From April 2025 the £50.0 million Revolving Credit Facility is also subject to covenant tests as described above. The Group is not expected to have any difficulties in remaining within its banking covenants at future quarterly testing dates.
- The banking facilities are subject to cross guarantees from the relevant Group undertakings, and secured by fixed and floating charges over the land, tangible and other assets and insurances.

### 14. Post balance sheet events

On 30 April 2025, the Group completed the sale and leaseback of four of the Group's freehold properties to Gempoint 2000 Limited for a cash consideration of £13.1 million. Following the sale, the four properties will be leased back to the Group on a fifteen-year lease on market terms. The four properties are within the Merchanting division and locations at which the Group's businesses currently operate at Tamworth, Dewsbury, Luton and Ilkeston.

Shanker Patel, the Group's CEO, is majority owner and a director of Gempoint 2000 Limited. As a result, Gempoint 2000 Limited is a related party of the Company, and the sale and leaseback is therefore a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies.

The net proceeds from the sale will be applied towards reducing Group borrowings, and in anticipation of this transaction, on 30 April 2025, the Group, with the agreement of its banks, reduced its Revolving Credit Facility by £20.0m to £50.0m, securing reduced non-utilisation costs after completion of this transaction.

## ALTERNATIVE PERFORMANCE MEASURES

In addition to the various performance measures defined under IFRS, the Group uses alternative performance measures (APMs) as part of its financial reporting, which are designed to assist with the comprehension of the performance of the Group by improving the comparability of information between reporting periods and divisions, and to aid the reader in further understanding the activities taking place within the Group. These measures are not defined under IFRS and therefore may not be directly comparable with other companies' APMs, and can exclude significant recurring business expenses. The adjusted measures below exclude amortisation of intangibles acquired in business combinations but include the revenues and benefits from the acquired operations. APMs should therefore be considered in addition to, and are not designed to be a substitute for any of the IFRS measures of performance.

The alternative view presented by these APMs is consistent with how management views the business, and how it is reported internally to the Board of Directors for performance analysis, planning, reporting, decision-making and incentive-setting purposes.

### Income statement APMs

	2024	2023
	£'000	£'000
<b>Operating profit</b>	<b>4,285</b>	9,133
Depreciation	2,321	2,610
Amortisation	13,022	11,214
Impairment charge	1,463	501
<b>EBITDA</b>	<b>21,091</b>	23,458
Exceptional items	560	2,849
Share-based payments	753	513
<b>Adjusted EBITDA</b>	<b>22,404</b>	26,820
Less: property gains	(1,812)	(252)
<b>Adjusted EBITDA excluding property gains and losses</b>	<b>20,592</b>	26,568

	2024	2023
	£'000	£'000
<b>Operating profit</b>	<b>4,285</b>	9,133
Amortisation of acquired intangible assets	3,336	3,515
Impairment charge	1,463	501
Exceptional items	560	2,849
Share-based payments	753	513
<b>Adjusted operating profit</b>	<b>10,397</b>	16,511
Less: property gains	(1,812)	(252)
<b>Adjusted operating profit excluding property gains and losses</b>	<b>8,585</b>	16,259

	2024	2023
	£'000	£'000
<b>(Loss)/profit before tax</b>	<b>(2,609)</b>	2,973
Exceptional items	560	2,849
Share-based payments	753	513
Impairment charge	1,463	501
Amortisation of acquired intangible assets	3,336	3,515
Unwinding of deferred consideration and call and put options	248	—
<b>Adjusted profit before tax</b>	<b>3,751</b>	10,351

	2024	2023
	£'000	£'000
<b>(Loss)/earnings attributable to the equity holders of the parent</b>	<b>(1,970)</b>	1,382
Exceptional items	560	2,849
Share-based payments	753	513
Amortisation of acquired intangible assets	3,336	3,515
Impairment charge	1,463	501
Unwinding of deferred consideration and call and put options	248	—
Tax impact of adjustments	(1,310)	(1,617)
Less: adjusted earnings attributable to non-controlling interest	(15)	—
<b>Adjusted earnings attributable to equity holders of the parent</b>	<b>3,065</b>	7,143
Weighted average number of shares	165,763,977	164,340,814
<b>Adjusted basic earnings per share (pence)</b>	<b>1.85</b>	4.35
Weighted average number of shares – diluted	166,577,836	168,091,701
<b>Adjusted diluted earnings per share (pence)</b>	<b>1.84</b>	4.25

#### Balance sheet APMs

	2024	2023
	£'000	£'000
Short-term borrowings	(11,946)	(9,507)
Long-term borrowings	(30,119)	(38,239)
Cash and cash equivalents	10,312	19,811
Add back: capitalised debt costs	(605)	(580)
<b>Net debt</b>	<b>(32,358)</b>	(28,515)

#### Cash flow APMs

	2024	2023
	£'000	£'000
<b>Net cash generated by operating activities</b>	<b>16,812</b>	19,660
Exceptional items	560	2,849
<b>Adjusted cash generated by operating activities</b>	<b>17,372</b>	22,509
<b>Adjusted EBITDA</b>	<b>22,404</b>	26,820
Working capital movement	(3,841)	(756)
Net capital expenditure	(43)	(1,479)
Lease payments	(11,142)	(9,252)
<b>Operating cash flow</b>	<b>7,378</b>	15,333
Net tax and interest paid	(4,240)	(6,650)
<b>Free cash flow</b>	<b>3,138</b>	8,683
Adjusted operating profit	10,397	16,511
<b>Operating cash flow conversion</b>	<b>71.0%</b>	92.9%

**Financial calculations and ratios**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Revenue	<b>436,684</b>	462,601
Adjusted EBITDA	<b>22,404</b>	26,820
<b>Adjusted EBITDA margin</b>	<b>5.1%</b>	5.8%
Operating profit	<b>4,285</b>	9,133
<b>Total equity</b>	<b>47,616</b>	51,165
Net debt	<b>32,358</b>	28,515
<b>Capital employed</b>	<b>79,974</b>	79,680
<b>ROCE</b>	<b>5.4%</b>	11.5%

- ENDS -