

Dewhurst Group plc

Interim Results for the 6 months ended 31 March 2024

Directors' Interim Report

FIRST HALF

We are pleased to report a busy, but solid performance for the first half of the current financial year, in line with management expectations. Overall, Group revenue increased by 2% to £31.0 million (2023: £30.4 million). Our operating profits have been impacted by the initial investment and set-up costs required to get Dewhurst displays operational quickly in Singapore and decreased slightly by 7% to £3.7 million (2023: £4.0 million). However, it is pleasing to report that we are seeing steady growth in lift display sales and increased profitability, as customers deplete their Avire display inventory and start purchasing Dewhurst displays. Profit before tax decreased 3% to £3.9 million (2023: £4.0 million). Earnings per share improved 2% to 32.9p (2023: 32.1p). First half currency movements decreased Group revenue and profit by 4%.

Lift Division sales grew in most regions, led by a stronger performance in the UK, as well as growth resulting from new lift display sales mentioned above. There was a further modest recovery in Transport sales, although these continue to be volatile. Keypad Division sales continued to experience the low demand seen last year in the first quarter, but picked up in the second quarter.

The Group balance sheet remains strong with cash at the period end of £19.9 million (2023: £22.6 million). This is after paying £1.5 million to acquire the remaining 25% stake in P&R on 14 March 2024 as well as spending £1.8 million on a share buyback programme that ran throughout February and March 2024. These shares will be cancelled in early July when we are no longer in a close period.

OUTLOOK

In North America the market has softened this year, due to the effect of increases in interest rates on property investment. The impact of this will feed gradually into sales during the rest of the year. Orders in Australia have been healthy this year, which should generate sales growth in the second half. The UK should continue its encouraging performance, although the impact of the election is an uncertainty. On balance, we expect overall growth in the second half, although this will be dampened if the pound continues to strengthen in the rest of the year. As such, the Board is confident the Company is well positioned to achieve market expectations for FY24¹.

DIVIDENDS

The Directors have declared an increased interim dividend of 5.00p per ordinary share (2023: 4.75p) which amounts to £387,000 (2023: £384,000). The interim dividend is payable on 13 August 2024 and will be posted on 8 August 2024 to shareholders appearing in the Register on 19 July 2024 (ex-dividend date being 18 July 2024).

A final 2023 dividend of 11.00p (2022: 10.25p) which amounted to £882,000 (2022: £828,000) was approved at the AGM held on 20 February 2024 and was paid on 26 February 2024 to members on the register at 19 January 2024.

By Order of the Board

J C SINCLAIR

Chief Financial Officer & Secretary
21 June 2024

¹ As at the date of this announcement, the Company understands that market expectations for FY24 are Revenues of £60.2m, Adj. PBT of £8.4m

Dewhurst Group plc

The unaudited consolidated statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement of Dewhurst Group plc and its subsidiaries for the half-year ended 31 March 2024, as compared with the corresponding half-year ended 31 March 2023 and the year ended 30 September 2023, shows the following results:

Consolidated statement of comprehensive income

	Half year ended 31 March 2024 £000's	Half year ended 31 March 2023 £000's	Year ended 30 Sept 2023 £000's
Continuing operations			
Revenue	30,962	30,379	57,962
Operating costs	(27,301)	(26,423)	(50,212)
Adjusted operating profit	3,661	3,956	7,750
	–	–	–
Operating profit	3,661	3,956	7,750
Finance income	343	181	494
Finance costs	(88)	(95)	(156)
Profit before taxation	3,916	4,042	8,088
Taxation	Est. (1,293)	Est. (1,448)	(2,966)
Profit for the financial period	2,623	2,594	5,122
Other comprehensive income:			
Actuarial gains/(losses) on the defined benefit pension scheme	Est. 649	Est. (1,453)	(1,896)
Deferred tax effect	(162)	363	474
Current tax effect	Est. 157	Est. 218	348
Total that will not be subsequently reclassified to income statement	644	(872)	(1,074)
Exchange differences on translation of foreign operations	(702)	(3,236)	(3,544)
Total that may be subsequently reclassified to income statement	(702)	(3,236)	(3,544)
Other comprehensive income/(expense) for the period, net of tax	(58)	(4,108)	(4,618)
Total comprehensive income for the period	2,565	(1,514)	504
Profit for the period attributable to:			
Equity shareholders of the company	2,495	2,532	5,037
Non-controlling interests	128	62	85
	2,623	2,594	5,122
Total comprehensive income for the period attributable to:			
Equity shareholders of the company	2,443	(1,425)	623
Non-controlling interests	122	(89)	(119)
	2,565	(1,514)	504
Basic and diluted earnings per share	32.92p	32.10p	62.45p
Dividends per share	5.00p	4.75p	15.75p

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Consolidated statement of financial position

	Half year ended 31 March 2024 £000's	Half year ended 31 March 2023 £000's	Year ended 30 Sept 2023 £000's
Non-current assets			
Goodwill	9,474	9,672	9,516
Other intangibles	676	17	389
Property, plant and equipment	17,016	17,573	17,443
Right-of-use assets	2,228	2,159	2,426
Deferred tax asset	–	262	54
	29,394	29,683	29,828
Current assets			
Inventories	8,127	7,377	8,337
Trade and other receivables	11,766	12,475	10,182
Current tax asset	21	–	–
Cash and cash equivalents	19,914	22,590	24,374
	39,828	42,442	42,893
Total assets	69,222	72,125	72,721
Current liabilities			
Trade and other payables	6,755	7,618	6,899
Current tax liabilities	–	319	578
Short-term provisions	157	343	158
Lease liabilities	716	501	719
	7,628	8,781	8,354
Non-current liabilities			
Retirement benefit obligation	837	2,377	2,112
Deferred tax liabilities	364	–	–
Lease liabilities	1,741	1,894	1,938
Total liabilities	10,570	13,052	12,404
Net assets	58,652	59,073	60,317
Equity			
Share capital	773	808	802
Share premium account	157	157	157
Capital redemption reserve	363	329	334
Translation reserve	1,031	1,980	1,726
Retained earnings	55,676	54,357	55,916
Total attributable to equity shareholders of the company	58,000	57,631	58,935
Non-controlling interests	652	1,442	1,382
Total equity	58,652	59,073	60,317

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Consolidated statement of changes in equity

For the period ended 31 March 2024

	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Translation reserve £(000)	Retained earnings £(000)	Non controlling interest £(000)	Total equity £(000)
At 30 September 2023	802	157	334	1,726	55,916	1,382	60,317
Exchange differences on translation of foreign operations	–	–	–	(695)	–	(7)	(702)
Share Repurchase	(29)	–	29	–	(1,776)	–	(1,776)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	649	–	649
Deferred tax effect	–	–	–	–	(162)	–	(162)
Tax on items taken directly to equity (Est.)	–	–	–	–	157	–	157
Dividends paid	–	–	–	–	(882)	(84)	(966)
Purchase of subsidiary and business undertakings	–	–	–	–	(721)	(767)	(1,488)
Profit for the period	–	–	–	–	2,495	128	2,623
At 31 March 2024	773	157	363	1,031	55,676	652	58,652

For the period ended 31 March 2023

	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Translation reserve £(000)	Retained earnings £(000)	Non controlling interest £(000)	Total equity £(000)
At 30 September 2022	808	157	329	5,065	53,525	1,649	61,533
Exchange differences on translation of foreign operations	–	–	–	(3,085)	–	(151)	(3,236)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	(1,453)	–	(1,453)
Deferred tax effect	–	–	–	–	363	–	363
Tax on items taken directly to equity (Est.)	–	–	–	–	218	–	218
Dividends paid	–	–	–	–	(828)	(118)	(946)
Profit for the period	–	–	–	–	2,532	62	2,594
At 31 March 2023	808	157	329	1,980	54,357	1,442	59,073

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Consolidated statement of changes in equity (cont'd)

For the year ended 30 September 2023

	Share capital	Share premium account	Capital redemption reserve	Translation reserve	Retained earnings	Non controlling interest	Total equity
	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)	£(000)
At 30 September 2022	808	157	329	5,065	53,525	1,649	61,533
Share Repurchase	(6)	--	6	--	(375)	--	(375)
Exchange differences on translation of foreign operations	--	--	--	(3,340)	--	(204)	(3,544)
Actuarial gains/(losses) on defined benefit pension scheme	--	--	--	--	(1,896)	--	(1,896)
Deferred tax effect	--	--	--	--	474	--	474
Tax on items taken directly to equity	--	--	--	--	348	--	348
Dividends paid	--	--	--	--	(1,197)	(148)	(1,345)
Profit for the year	--	--	--	--	5,037	85	5,122
At 30 September 2023	802	157	335	1,725	55,916	1,382	60,317

These half-year abbreviated financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The results for the year ended 30 September 2023 set out above are abridged. Full accounts for that year reported under IFRS, on which the auditors of the Company made an unqualified report have been delivered to the Registrar of Companies.

The presentation of these Interim Financial Statements is consistent with the 2023 Financial Statements and its accounting policies, but where necessary comparative information has been reclassified or expanded from the 2023 Interim Financial Statements to take into account any presentational changes made in the 2023 Financial Statements or in these Interim Financial Statements.

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Consolidated cash flow statement

	Half year ended 31 March 2024 £000's	Half year ended 31 March 2023 £000's	Year ended 30 Sept 2023 £000's
Cash flows from operating activities			
Operating profit	3,661	3,956	7,750
Depreciation and amortisation	621	533	1,090
Right-of-use asset depreciation	186	251	605
Additional contributions to pension scheme	(685)	(919)	(1,634)
Exchange adjustments	(503)	(759)	(878)
(Profit)/loss on disposal of property, plant and equipment	(33)	(17)	(4)
	3,247	3,045	6,929
(Increase)/decrease in inventories	210	554	(406)
(Increase)/decrease in trade and other receivables	(1,584)	(157)	2,136
Increase/(decrease) in trade and other payables	(144)	(165)	(884)
Increase/(decrease) in provisions	(1)	(1)	(186)
Cash generated from operations	1,728	3,276	7,589
Interest paid	–	–	(1)
Tax paid	(1,471)	(398)	(1,218)
Net cash from operating activities	257	2,878	6,370
Cash flows from investing activities			
Purchase of subsidiary and business undertakings	(1,488)	–	–
Proceeds from sale of property, plant and equipment	38	28	67
Purchase of property, plant and equipment	(485)	(298)	(830)
Development costs capitalised	–	–	(384)
Interest received	343	181	494
Net cash generated from/(used in) investing activities	(1,592)	(89)	(653)
Cash flows from financing activities			
Dividends paid	(966)	(946)	(1,345)
Repayment of lease liabilities including interest	(217)	(291)	(688)
Purchase of own shares	(1,776)	–	(375)
Net cash used in financing activities	(2,959)	(1,237)	(2,408)
Net increase/(decrease) in cash and cash equivalents	(4,294)	1,552	3,309
Cash and cash equivalents at beginning of period	24,374	21,764	21,764
Exchange adjustments on cash and cash equivalents	(166)	(726)	(699)
Cash and cash equivalents at end of period	19,914	22,590	24,374

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