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## **Dewhurst Group plc (the “Group”)**

### **Interim Results for the 6 months ended 31 March 2022**

#### **Directors' Interim Report**

##### **FIRST HALF**

The Group has performed well despite the challenges in the macroeconomic environment, particularly in some of our markets. We are pleased to report that the results for the first half are broadly in line with market expectations with an increased profit before tax figure for the first half of the current financial year on slightly reduced sales. Overall, Group revenue decreased by 6% to £27.1 million (2021: £28.9 million) and adjusted operating profit (before acquired intangible amortisation) decreased 12% to £3.8 million (2021: £4.4 million), while profit before tax increased 11% to £3.7 million (2021: £3.4 million) and earnings per share improved to 28.4p (2021: 26.4p).

Encouragingly, our UK Lift Division sales in the period were marginally up on last year's first half, but overseas lift sales were lower. Sales were down in Australia due to Covid-19 disruption, but sales in Canada and Hong Kong grew to partially offset that fall. Transport sales were significantly down compared to the previous year, which had been supported by a number of Government Cycle Projects. There was some recovery in Keypad sales but these remain quite volatile and unpredictable from month to month. First half currency movements had no material impact on Group revenue or profits.

The Group balance sheet remains strong with cash at the period end of £19.9 million (2021: £17.6 million).

##### **OUTLOOK**

Overall order books in Australia are reasonably strong, but it may take a few months for these orders to start to filter through to sales as material and labour constraints are leading to some project delays. In North America the market seems still to be relatively buoyant, at least for the remainder of this year. The UK has remained fairly steady, but with rapidly rising inflation and interest rates increasing there is a risk of demand tailing off. It has also been a considerable challenge to keep on top of cost increases in the first half and we do not anticipate this pressure is going to ease soon. We have been able to pass on some increases to customers, but not fully, so margins have been squeezed in a number of areas. With material challenges and extended lead times globally we are holding more stock around the Group, but consider this is a good investment in our efforts to maintain customer service levels.

As has been previously reported, the Group suffered a serious cyber-attack in May. The remediation costs will affect the profit in the second half, so the full year profit is now forecast to be below last year and below market expectations. The disruption to operations is expected to continue through June as we recover our systems and data, but we are continuing to sell, manufacture and despatch goods through the disruption.

##### **DIVIDENDS**

The Directors have declared an increased interim dividend of 4.50p per ordinary share (2021: 4.25p) which amounts to £364,000 (2021: £343,000). The interim dividend is payable on 16 August 2022 and will be posted on 11 August 2022 to shareholders appearing in the Register on 8 July 2022 (ex-dividend date being 7 July 2022).

A final 2021 dividend of 9.75p (2020: 9.25p) which amounted to £788,000 (2020: £748,000) was approved at the AGM held on 15 February 2022 and was paid on 23 February 2022 to members on the register at 21 January 2022.

By Order of the Board

##### **J C SINCLAIR**

Finance Director & Secretary  
14 June 2022

## Dewhurst Group plc (formerly Dewhurst 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 2022, as compared with the corresponding half-year ended 31 March 2021 and the year ended 30 September 2021, shows the following results:

### Consolidated statement of comprehensive income

	Half year ended 31 March 2022 £000's	Half year ended 31 March 2021 £000's	Year ended 30 Sept 2021 £000's
<b>Continuing operations</b>			
<b>Revenue</b>	<b>27,050</b>	28,881	56,249
Operating costs	(23,232)	(25,354)	(46,395)
Adjusted operating profit	<b>3,818</b>	4,361	9,214
Profit on sale of property, plant and equipment <sup>^</sup>	–	–	1,751
Amortisation of acquired intangibles	–	(834)	(1,111)
<b>Operating profit</b>	<b>3,818</b>	3,527	9,854
Finance income	<b>12</b>	6	20
Finance costs	(102)	(164)	(311)
<b>Profit before taxation</b>	<b>3,728</b>	3,369	9,563
Taxation	Est. (1,436)	Est. (1,237)	(2,110)
<b>Profit for the financial period</b>	<b>2,292</b>	2,132	7,453
<b>Other comprehensive income:</b>			
Actuarial gains/(losses) on the defined benefit pension scheme	Est. 3,879	Est. 3,153	5,344
Deferred tax effect	(970)	(599)	(1,336)
Current tax effect	Est. 159	Est. 113	224
Total that will not be subsequently reclassified to income statement	<b>3,068</b>	2,667	4,232
Exchange differences on translation of foreign operations	<b>1,414</b>	(44)	(425)
Total that may be subsequently reclassified to income statement	<b>1,414</b>	(44)	(425)
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>4,482</b>	2,623	3,807
<b>Total comprehensive income for the period</b>	<b>6,774</b>	4,755	11,260
Profit for the period attributable to:			
Equity shareholders of the company	<b>2,179</b>	1,925	7,030
Non-controlling interests	<b>113</b>	207	423
	<b>2,292</b>	2,132	7,453
Total comprehensive income for the period attributable to:			
Equity shareholders of the company	<b>6,578</b>	4,539	10,877
Non-controlling interests	<b>196</b>	216	383
	<b>6,774</b>	4,755	11,260
<b>Basic and diluted earnings per share</b>	<b>28.36p</b>	26.38p	86.98p
<b>Dividends per share</b>	<b>4.50p</b>	4.25p	14.00p

<sup>^</sup> Gain arising on the disposal of the old premises at Dupar Controls Inc.

## Consolidated statement of financial position

	Half year ended 31 March 2022 £000's	Half year ended 31 March 2021 £000's	Year ended 30 Sept 2021 £000's
<b>Non-current assets</b>			
Goodwill	9,890	9,766	9,626
Other intangibles	24	305	24
Property, plant and equipment	18,207	18,351	17,827
Right-of-use assets	2,625	3,035	2,802
Deferred tax asset	–	1,917	1,111
	<b>30,746</b>	<b>33,374</b>	<b>31,390</b>
<b>Current assets</b>			
Inventories	7,011	5,792	6,597
Trade and other receivables	12,116	11,790	10,008
Cash and cash equivalents	19,854	17,627	20,463
	<b>38,981</b>	<b>35,209</b>	<b>37,068</b>
<b>Total assets</b>	<b>69,727</b>	<b>68,583</b>	<b>68,458</b>
<b>Current liabilities</b>			
Trade and other payables	7,703	9,666	7,571
Borrowings	–	983	–
Current tax liabilities	156	237	89
Short-term provisions	344	343	343
Lease liabilities	470	445	450
	<b>8,673</b>	<b>11,674</b>	<b>8,453</b>
<b>Non-current liabilities</b>			
Retirement benefit obligation	219	7,522	4,737
Deferred tax liabilities	10	–	–
Lease liabilities	2,359	2,755	2,537
<b>Total liabilities</b>	<b>11,261</b>	<b>21,951</b>	<b>15,727</b>
<b>Net assets</b>	<b>58,466</b>	<b>46,632</b>	<b>52,731</b>
<b>Equity</b>			
Share capital	808	808	808
Share premium account	157	157	157
Capital redemption reserve	329	329	329
Translation reserve	2,992	1,994	1,662
Retained earnings	52,672	41,887	48,213
<b>Total attributable to equity shareholders of the company</b>	<b>56,958</b>	<b>45,175</b>	<b>51,169</b>
Non-controlling interests	1,508	1,457	1,562
<b>Total equity</b>	<b>58,466</b>	<b>46,632</b>	<b>52,731</b>

## Consolidated statement of changes in equity

For the period ended 31 March 2022

	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Translation reserve £(000)	Retained earnings £(000)	Non controlling interest £(000)	Total equity £(000)
<b>At 30 September 2021</b>	<b>808</b>	<b>157</b>	<b>329</b>	<b>1,662</b>	<b>48,213</b>	<b>1,562</b>	<b>52,731</b>
Exchange differences on translation of foreign operations	–	–	–	1,330	–	84	1,414
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	3,879	–	3,879
Deferred tax effect	–	–	–	–	(970)	–	(970)
Tax on items taken directly to equity (Est.)	–	–	–	–	159	–	159
Dividends paid	–	–	–	–	(788)	(251)	(1,039)
Profit for the period	–	–	–	–	2,179	113	2,292
<b>At 31 March 2022</b>	<b>808</b>	<b>157</b>	<b>329</b>	<b>2,992</b>	<b>52,672</b>	<b>1,508</b>	<b>58,466</b>

For the period ended 31 March 2021

	Share capital £(000)	Share premium account £(000)	Capital redemption reserve £(000)	Translation reserve £(000)	Retained earnings £(000)	Non controlling interest £(000)	Total equity £(000)
<b>At 30 September 2020</b>	<b>808</b>	<b>157</b>	<b>329</b>	<b>2,047</b>	<b>38,042</b>	<b>1,443</b>	<b>42,826</b>
Exchange differences on translation of foreign operations	–	–	–	(53)	–	9	(44)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	3,153	–	3,153
Deferred tax effect	–	–	–	–	(599)	–	(599)
Tax on items taken directly to equity (Est.)	–	–	–	–	113	–	113
Dividends paid	–	–	–	–	(747)	(202)	(949)
Profit for the period	–	–	–	–	1,925	207	2,132
<b>At 31 March 2021</b>	<b>808</b>	<b>157</b>	<b>329</b>	<b>1,994</b>	<b>41,887</b>	<b>1,457</b>	<b>46,632</b>

**Dewhurst Group plc (formerly Dewhurst plc)****Consolidated statement of changes in equity (cont'd)**

For the year ended 30 September 2021

	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 2020	808	157	329	2,047	38,042	1,443	42,826
Share repurchase	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	(385)	–	(40)	(425)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	5,344	–	5,344
Deferred tax effect	–	–	–	–	(1,336)	–	(1,336)
Tax on items taken directly to equity	–	–	–	–	224	–	224
Dividends paid	–	–	–	–	(1,091)	(264)	(1,355)
Profit for the year	–	–	–	–	7,030	423	7,453
At 30 September 2021	808	157	329	1,662	48,213	1,562	52,731

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 2020 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 2021 Financial Statements and its accounting policies, but where necessary comparative information has been reclassified or expanded from the 2021 Interim Financial Statements to take into account any presentational changes made in the 2021 Financial Statements or in these Interim Financial Statements.

## Consolidated cash flow statement

	Half year ended 31 March 2022 £000's	Half year ended 31 March 2021 £000's	Year ended 30 Sept 2021 £000's
<b>Cash flows from operating activities</b>			
Operating profit	3,818	3,527	9,854
Depreciation and amortisation	510	1,283	2,317
Right-of-use asset depreciation	238	245	489
Additional contributions to pension scheme	(683)	(683)	(1,357)
Exchange adjustments	240	595	(49)
(Profit)/loss on disposal of property, plant and equipment	(1)	(28)	(1,774)
	<b>4,122</b>	4,939	9,480
(Increase)/decrease in inventories	(414)	416	(389)
(Increase)/decrease in trade and other receivables	(2,108)	(2,237)	(455)
Increase/(decrease) in trade and other payables	132	233	(1,213)
Increase/(decrease) in provisions	1	–	–
Cash generated from operations	<b>1,733</b>	3,351	7,423
Interest paid	–	(13)	(25)
Tax paid	(1,031)	(976)	(1,896)
<b>Net cash from operating activities</b>	<b>702</b>	2,362	5,502
<b>Cash flows from investing activities</b>			
Acquisition of business and assets	–	(649)	(649)
Proceeds on disposal of a subsidiary (net of cash disposed)	–	–	–
Proceeds from sale of property, plant and equipment	10	58	2,122
Purchase of property, plant and equipment	(309)	(1,888)	(2,500)
Development costs capitalised	–	–	(15)
Interest received	12	6	20
<b>Net cash generated from/(used in) investing activities</b>	<b>(287)</b>	(2,473)	(1,022)
<b>Cash flows from financing activities</b>			
Dividends paid	(1,039)	(949)	(1,355)
Purchase of own shares	–	–	–
Repayment of lease liabilities including interest	(277)	(285)	(562)
Proceeds from bank borrowings	–	908	(69)
<b>Net cash used in financing activities</b>	<b>(1,316)</b>	(326)	(1,986)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(901)</b>	(437)	2,494
Cash and cash equivalents at beginning of period	20,463	18,139	18,139
Exchange adjustments on cash and cash equivalents	292	(75)	(170)
<b>Cash and cash equivalents at end of period</b>	<b>19,854</b>	17,627	20,463

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