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## **Dewhurst plc (the “Group”)**

### **Interim Results for the 6 months ended 31 March 2021**

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

#### **FIRST HALF**

We are pleased to report a growth in sales and record profits for the first half of the current financial year. Overall, Group revenue increased by 3% to £28.9 million (2020: £28.2 million) and adjusted operating profit (before acquired intangible amortisation) increased 28% to £4.4 million (2020: £3.4 million). Profit before tax increased 36% to £3.4 million (2020: £2.5 million) and earnings per share improved to 26.4p (2020: 20.8p). Although some Covid-19 restrictions remain in place in the countries in which we operate, we have been fully operational at all our sites throughout the first half of the year.

Lift Division sales this year were very similar to last year's first half, which was only minimally affected by the Covid-19 pandemic. The growth in sales was predominantly driven by our Transportation Division, with deliveries of cycleway products continuing to be strong through the period. This growth was partially offset by a further reduction in our Keypad Division. Demand for cash and ATMs is still depressed and is expected to remain low, especially whilst lockdowns remain in place. First half currency movements increased Group revenue by around £0.3 million primarily as a result of the strengthening of the Australian Dollar.

The Group balance sheet remains strong with cash at the period end of £17.6 million (2020: £15.1 million). Since 30 September 2020, the Group has generated £2.4 million from operating activities but spent a further £1.0 million towards developing Dupar's new property which is now complete and in use. The sale of Dupar's previous property was completed at the beginning of June.

#### **OUTLOOK**

There was a release of pent-up demand during the first half of the year as some of our markets gradually relaxed restrictions. However there are now signs of some of that peak petering out. We expect there to be a lull in demand until economies fully open up again and customers start commissioning new projects. In the meantime we expect sales could be a bit choppy and unpredictable, particularly in regard to timing. The pandemic has severely disrupted supply chains and it is taking time to get used to new arrangements. Lead times have extended and purchase prices are rising, which we expect will start to squeeze margins. Fortunately we held reasonable stocks going into this period, but it is proving challenging maintaining stock at the level we would like. The Group still has strength and solidity from its balance sheet to carry it through any short term turbulence.

#### **DIVIDENDS**

The Directors have declared an increased interim dividend of 4.25p per ordinary share (2020: 3.75p) which amounts to £343,000 (2020: £315,000). The interim dividend is payable on 17 August 2021 and will be posted on 12 August 2021 to shareholders appearing in the Register on 9 July 2021 (ex-dividend date being 8 July 2021).

A final 2020 dividend of 9.25p (2019: 9.25p) which amounted to £778,000 (2019: £778,000) was approved at the AGM held on 16 February 2021 and was paid on 24 February 2021 to members on the register at 22 January 2021.

By Order of the Board

#### **J C SINCLAIR**

Finance Director & Secretary

8 June 2021

The unaudited consolidated statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement of Dewhurst plc and its subsidiaries for the half-year ended 31 March 2021, as compared with the corresponding half-year ended 31 March 2020 and the year ended 30 September 2020, shows the following results:

## Consolidated statement of comprehensive income

	Half year ended 31 March 2021 £000's	Half year ended 31 March 2020 £000's	Year ended 30 Sept 2020 £000's
<b>Continuing operations</b>			
<b>Revenue</b>	<b>28,881</b>	28,172	55,617
Operating costs	<b>(25,354)</b>	(25,597)	(48,654)
Adjusted operating profit	<b>4,361</b>	3,409	8,630
Amortisation of acquired intangibles	<b>(834)</b>	(834)	(1,667)
<b>Operating profit</b>	<b>3,527</b>	2,575	6,963
Finance income	<b>6</b>	34	58
Finance costs	<b>(164)</b>	(135)	(281)
<b>Profit before taxation</b>	<b>3,369</b>	2,474	6,740
Taxation	<b>Est. (1,237)</b>	Est. (727)	(2,061)
<b>Profit for the financial period</b>	<b>2,132</b>	1,747	4,679
<b>Other comprehensive income:</b>			
Actuarial gains/(losses) on the defined benefit pension scheme	<b>Est. 3,153</b>	Est. (619)	(1,886)
Deferred tax effect	<b>(599)</b>	118	358
Current tax effect	<b>Est. 113</b>	Est. 87	226
Total that will not be subsequently reclassified to income statement	<b>2,667</b>	(414)	(1,302)
Exchange differences on translation of foreign operations	<b>(44)</b>	(1,483)	(215)
Total that may be subsequently reclassified to income statement	<b>(44)</b>	(1,483)	(215)
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>2,623</b>	(1,897)	(1,517)
<b>Total comprehensive income for the period</b>	<b>4,755</b>	(150)	3,162
Profit for the period attributable to:			
Equity shareholders of the company	<b>1,925</b>	1,565	4,312
Non-controlling interests	<b>207</b>	182	367
	<b>2,132</b>	1,747	4,679
Total comprehensive income for the period attributable to:			
Equity shareholders of the company	<b>4,539</b>	(214)	2,783
Non-controlling interests	<b>216</b>	64	379
	<b>4,755</b>	(150)	3,162
<b>Basic and diluted earnings per share</b>	<b>26.38p</b>	20.78p	51.78p
<b>Dividends per share</b>	<b>4.25p</b>	3.75p	13.00p

## Consolidated statement of financial position

	Half year ended 31 March 2021 £000's	Half year ended 31 March 2020 £000's	Year ended 30 Sept 2020 £000's
<b>Non-current assets</b>			
Goodwill	<b>9,766</b>	9,332	9,743
Other intangibles	<b>305</b>	1,995	1,139
Property, plant and equipment	<b>18,351</b>	13,396	16,947
Right-of-use assets	<b>3,035</b>	1,942	3,273
Deferred tax asset	<b>1,917</b>	2,700	2,621
	<b>33,374</b>	29,365	33,723
<b>Current assets</b>			
Inventories	<b>5,792</b>	5,602	6,208

Trade and other receivables	11,790	12,556	9,553
Cash and cash equivalents	17,627	15,097	18,139
	<b>35,209</b>	<b>33,255</b>	<b>33,900</b>
<b>Total assets</b>	<b>68,583</b>	<b>62,620</b>	<b>67,623</b>
<b>Current liabilities</b>			
Trade and other payables	9,666	8,117	9,433
Borrowings	983	–	69
Current tax liabilities	237	15	268
Short-term provisions	343	300	343
Lease liabilities	445	353	443
	<b>11,674</b>	<b>8,785</b>	<b>10,556</b>
<b>Non-current liabilities</b>			
Retirement benefit obligation	7,522	10,615	11,268
Lease liabilities	2,755	1,644	2,973
<b>Total liabilities</b>	<b>21,951</b>	<b>21,044</b>	<b>24,797</b>
<b>Net assets</b>	<b>46,632</b>	<b>41,576</b>	<b>42,826</b>
<b>Equity</b>			
Share capital	808	841	808
Share premium account	157	157	157
Capital redemption reserve	329	296	329
Translation reserve	1,994	909	2,047
Retained earnings	41,887	38,167	38,042
<b>Total attributable to equity shareholders of the company</b>	<b>45,175</b>	<b>40,370</b>	<b>41,383</b>
Non-controlling interests	1,457	1,206	1,443
<b>Total equity</b>	<b>46,632</b>	<b>41,576</b>	<b>42,826</b>

## Consolidated statement of changes in equity

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>	808	157	329	2,047	38,042	1,443	42,826
<b>Exchange differences on translation of foreign operations</b>	–	–	–	(53)	–	9	(44)
<b>Actuarial gains/(losses) on defined benefit pension scheme</b>	–	–	–	–	3,153	–	3,153
<b>Deferred tax effect</b>	–	–	–	–	(599)	–	(599)
<b>Tax on items taken directly to equity (Est.)</b>	–	–	–	–	113	–	113
<b>Dividends paid</b>	–	–	–	–	(747)	(202)	(949)
<b>Profit for the period</b>	–	–	–	–	1,925	207	2,132
<b>At 31 March 2021</b>	808	157	329	1,994	41,887	1,457	46,632

For the period ended 31 March 2020

Share	Share	Capital	Translati on	Retaine d	Non	Total
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	capital £(000)	premiu m account £(000)	redempt ion reserve £(000)	reserve £(000)	earnings £(000)	controlli ng interest £(000)	equity £(000)
At 30 September 2019	841	157	296	2,274	37,847	1,265	42,680
IFRS 16 transition impact	–	–	–	–	(53)	–	(53)
At 1 October 2019	841	157	296	2,274	37,794	1,265	42,627
Exchange differences on translation of foreign operations	–	–	–	(1,365)	–	(118)	(1,483)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	(619)	–	(619)
Deferred tax effect	–	–	–	–	118	–	118
Tax on items taken directly to equity (Est.)	–	–	–	–	87	–	87
Dividends paid	–	–	–	–	(778)	(123)	(901)
Profit for the period	–	–	–	–	1,565	182	1,747
At 31 March 2020	841	157	296	909	38,167	1,206	41,576

For the year ended 30 September 2020

	Share capital £(000)	Share premiu m account £(000)	Capital redempt ion reserve £(000)	Translati on reserve £(000)	Retaine d earnings £(000)	Non controlli ng interest £(000)	Total equity £(000)
At 30 September 2019	841	157	296	2,274	37,847	1,265	42,680
Impact from IFRS 16 'leases'	–	–	–	–	(85)	(11)	(96)
At 30 September 2019 (restated)	841	157	296	2,274	37,762	1,254	42,584
Share repurchase	(33)	–	33	–	(1,637)	–	(1,637)
Exchange differences on translation of foreign operations	–	–	–	(227)	–	12	(215)
Actuarial gains/(losses) on defined benefit pension scheme	–	–	–	–	(1,886)	–	(1,886)
Deferred tax effect	–	–	–	–	358	–	358
Tax on items taken directly to equity	–	–	–	–	226	–	226
Dividends paid	–	–	–	–	(1,093)	(190)	(1,283)
Profit for the year	–	–	–	–	4,312	367	4,679
At 30 September 2020	808	157	329	2,047	38,042	1,443	42,826

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

### Consolidated cash flow statement

	<b>Half year ended 31 March 2021 £000's</b>	Half year ended 31 March 2020 £000's	Year ended 30 Sept 2020 £000's
<b>Cash flows from operating activities</b>			
Operating profit	3,527	2,575	6,963
Depreciation and amortisation	1,283	1,321	2,663
Right-of-use asset depreciation	245	229	351
Additional contributions to pension scheme	(683)	(552)	(1,366)
Exchange adjustments	595	(91)	(33)
(Profit)/loss on disposal of property, plant and equipment	(28)	(16)	64
	<b>4,939</b>	<b>3,466</b>	<b>8,642</b>
(Increase)/decrease in inventories	416	408	(198)
(Increase)/decrease in trade and other receivables	(2,237)	(1,563)	1,385
Increase/(decrease) in trade and other payables	233	(63)	1,243
Increase/(decrease) in provisions	–	23	66
Cash generated from operations	<b>3,351</b>	<b>2,271</b>	<b>11,138</b>
Interest paid	(13)	–	(2)
Tax paid	(976)	(946)	(1,871)
<b>Net cash from operating activities</b>	<b>2,362</b>	<b>1,325</b>	<b>9,265</b>
<b>Cash flows from investing activities</b>			
Acquisition of business and assets	(649)	(624)	(624)
Proceeds on disposal of a subsidiary (net of cash disposed)	–	–	55
Proceeds from sale of property, plant and equipment	58	16	35
Purchase of property, plant and equipment	(1,888)	(1,158)	(4,257)
Development costs capitalised	–	–	(12)
Interest received	6	34	58
<b>Net cash generated from/(used in) investing activities</b>	<b>(2,473)</b>	<b>(1,732)</b>	<b>(4,745)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	(949)	(901)	(1,283)
Purchase of own shares	–	–	(1,637)
Repayment of lease liabilities including interest	(285)	(266)	(381)
Proceeds from bank borrowings	908	–	69
<b>Net cash used in financing activities</b>	<b>(326)</b>	<b>(1,167)</b>	<b>(3,232)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(437)</b>	<b>(1,574)</b>	<b>1,288</b>
Cash and cash equivalents at beginning of period	<b>18,139</b>	<b>16,980</b>	<b>16,980</b>
Exchange adjustments on cash and cash equivalents	(75)	(309)	(129)
<b>Cash and cash equivalents at end of period</b>	<b>17,627</b>	<b>15,097</b>	<b>18,139</b>

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