STRICTLY EMBARGOED
UNTIL 7AM WEDNESDAY 13 NOVEMBER 2024

FULLER, SMITH & TURNER P.L.C.
("Fuller's", the "Company", or the "Group")
Financial results for the 26 weeks to 28 September 2024

Delivering our strategic objectives today to grow the business for tomorrow

Financial and Operational Highlights

	Unaudited 26 weeks ended 28 September 2024 £m	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Revenue and other income	**194.1**	188.8	359.1
Adjusted EBITDA[1]	**37.6**	34.8	60.8
Adjusted profit before tax[2]	**17.6**	14.5	20.5
Statutory profit before tax	**29.0**	14.9	14.4
Basic earnings per share[3]	**37.44p**	17.65p	15.16p
Adjusted earnings per share[3]	**21.81p**	17.16p	24.48p
Dividend per share	**7.41p**	6.63p	17.75p
Net debt excluding lease liabilities[4]	**128.2**	129.4	133.1

1 *Earnings before interest, tax, depreciation, amortisation, profit on disposal of property, plant and equipment, and separately disclosed items.*
2 *Adjusted profit before tax is the profit before tax excluding separately disclosed items.*
3 *Per 40p 'A' or 'C' ordinary share. Basic EPS is calculated using earnings attributable to equity shareholders after tax including separately disclosed items. Adjusted EPS excludes separately disclosed items.*
4 *Net debt excluding lease liabilities comprises cash and short-term deposits, bank overdraft, bank loans, debenture stock and preference shares.*

Financial and Operational Highlights (cont)

- Like for like sales for our Managed Pubs & Hotels in H1 up 5.2%, demonstrating continued market outperformance
- Adjusted profit before tax increased by 21% to £17.6 million (H1 2024: £14.5 million)
- Statutory profit before tax of £29.0 million (H1 2024: £14.9 million) – significant increase reflects book profit of £17.2 million arising from the disposal of The Mad Hatter hotel
- Net debt of £128.2 million (H1 2024: £129.4 million) with cash generated from the business, combined with strategic disposals, invested in enhancing the existing estate, acquiring Lovely Pubs and financing shareholder returns
- Interim dividend increased by 12% to 7.41p (H1 2024: 6.63p)
- Continued share buyback programme, with 1.2 million 'A' shares repurchased in the period. When complete, later this financial year, the buyback programme will have repurchased the 6.5 million 'A' shares that were issued in 2021 as part of an equity placing.

Strategic Highlights

- An excellent first half of the year with growth in all areas
    - Food like for like sales increased by 5.5%
    - Drink like for like sales increased by 4.9%
    - Accommodation like for like sales increased by 4.9%
- Invested £10.0 million across the estate, including a transformational development at The Head of the River in Oxford
- Completed the sale of 37 non-core tenanted pubs to Admiral Taverns for £18.3 million, resulting in a more profitable and sustainable tenanted business with average EBITDA per site up 12%
- Completed the sale of The Mad Hatter for a total consideration of £20 million
- Acquired Lovely Pubs – seven stunning pubs in affluent Warwickshire villages for £22.5 million
- Continued significant investment in our bespoke leadership training programme, *Lead Your Way*, for our General Managers and support centre managers, with Head Chefs scheduled to start in the second half of the year

Current Trading

- Like for like sales for first 32 weeks of the year up 5.4%
- Exciting £20 million capex programme planned for H2
- Despite fresh challenges presented by the budget, we look forward to the future with optimism

Chief Executive Simon Emeny said:

"We have had a great start to the year – delivering on all five pillars of our strategy and ensuring that we succeed in our purpose, *to create experiences that nourish the soul*. In our Managed Pubs and Hotels, we have delivered like for like sales growth of 5.2% – ahead of the industry's CGA RSM Hospitality Business Tracker on average by two percentage points – and our adjusted profit before tax has risen by 21%.

"Our estate is in amazing shape. The sale of 37 non-core tenanted pubs to Admiral Taverns for £18.3 million, followed by the acquisition of the Lovely Pubs business on a multiple of 7.25x EBITDA for £22.5 million, gives us 185 outstanding Managed Pubs and Hotels and 153 excellent Tenanted Inns. Without a shadow of doubt, our estate has never been in such good shape, and we continue to invest to maintain our quality, with £10 million of capital expenditure in the first half.

"We will be investing a further £20 million in our estate during the second half, including substantial schemes at The Drayton Court in West Ealing, The Chamberlain in the City and the Bel & The Dragon in Odiham. We also continue to look at appropriate opportunities to drive our long-term strategy of growing the estate.

"Following our strong first half results, we have continued to build on our momentum with like for like sales for the 32 week period rising by 5.4%. This sustained underlying performance, combined with the added benefit from our Lovely Pubs acquisition and encouraging Christmas bookings up 15%, provides us with confidence that we are on track to meet current market expectations for the financial year.

"In summary, everything that is in our control is going well. We have an outstanding, predominately freehold, well-invested estate, a driven and motivated team – who are supported by continuous development – and a clear, consistent strategy. We are in excellent shape, and despite the fresh challenges presented by the Chancellor's recent budget, we remain positive and optimistic about the future."

-Ends-

For further information, please contact:

<u>Fuller, Smith & Turner P.L.C.</u>

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Forthcoming dates in the financial calendar:
Interim dividend payment: 2 January 2025
Trading update: 15 January 2025
Full year results announcement FY 2025: 11 June 2025
AGM: 22 July 2025
Half year results announcement FY 2026: 12 November 2025

Notes to Editors:
Fuller, Smith & Turner PLC is the premium pubs and hotels business that is famous for beautiful and inviting pubs with delicious fresh food, a vibrant and interesting range of drinks, and engaging service from passionate people. Our purpose in life is to create experiences that *nourish the soul*. Fuller's has 185 managed businesses, with 1,025 boutique bedrooms, and 153 Tenanted Inns. The Fuller's pub estate stretches from Brighton to Birmingham and from Bristol to the Greenwich Peninsula. Our Managed Pubs and Hotels include Cotswold Inns & Hotels – seven stunning hotels in the Cotswolds, Bel & The Dragon – six exquisite modern English inns with boutique rooms located in the Home Counties, and Lovely Pubs – seven beautiful village inns in Warwickshire. In summary, Fuller's is the home of great pubs, outstanding hospitality and passionate people, where everyone is welcome and leaves that little bit happier than they arrived.

Photography is available from the Fuller's Press Office on 020 8996 2000 or by email at pr@fullers.co.uk.

This statement will be available on the Company's website, www.fullers.co.uk*. An accompanying presentation will be available from 12 noon on 13 November 2024.*

FULLER, SMITH & TURNER P.L.C.

FINANCIAL RESULTS FOR THE 26 WEEKS ENDED 28 SEPTEMBER 2024

CHAIRMAN'S STATEMENT

It has been a very successful first half to the new financial year. Simon Emeny and the team have delivered great results and a fantastic new addition to the Fuller's family, in the form of Lovely Pubs.

Our superb estate, with many iconic pubs in great locations, has always been the centrepiece of Fuller's success. The recent changes we have made through the sale of our non-core Tenanted pubs to Admiral Taverns and the acquisition of Lovely Pubs – seven stunning sites that sit neatly within the geographic boundaries of our estate – mean that our portfolio of pubs and hotels is the best it has ever been.

But it is not the pubs that make Fuller's successful – that is thanks to our amazing people. I take real pride in seeing the investments we make, at all levels, to ensure we recruit, retain and develop them. They make the difference to our customers and, therefore, to our results and I would like to take this opportunity to personally thank them for their continued hard work and dedication. They are a source of inspiration to us all.

In addition, I am delighted that we have continued with our share buyback programme. It has been a great use of capital and once completed we will have successfully repurchased the 6.5 million 'A' shares that were issued in 2021 as part of an equity placing. As at 28 September 2024, we had completed 66% of the planned repurchases at an average price of £6.03, which represents a 27% discount to the £8.30 price of the equity placing.

The Chancellor's recent budget gave me cause to reflect that, over the years, we have seen our wonderful industry plundered for an ever-increasing amount of tax – and once again, history has repeated itself. While other sectors replace human interaction with automated systems, hospitality continues to provide an introduction to the working environment not just for future publicans and hoteliers – but also the business leaders and, indeed, politicians of tomorrow.

The changes to Employers' National Insurance, coming on top of the cumulative impact of other wage and business rate increases, will cause particular pain, and has been brought about by the Chancellor's inadvisable promise not to increase taxes on individuals. The Chancellor's actions are a direct attack on those labour-intensive industries that are the lifeblood of our economy, whilst leaving the large City institutions, that can afford to pay their share, almost completely untouched. The unintended consequences of these actions will be to drive inflation higher, put pressure on wages, and will drive many businesses to the wall. I hope the Government will reflect on its decisions and appreciate the incredible contribution hospitality, farming, and small businesses make to so much more than just the Treasury coffers.

DIVIDEND

The Board is pleased to announce an interim dividend of 7.41p (H1 2024: 6.63p) per 40p 'A' and 'C' ordinary share and 0.741p (H1 2024: 0.663p) per 4p 'B' ordinary share. This will be paid on 2 January 2025 to shareholders on the share register as at 13 December 2024.

Michael Turner
Chairman
12 November 2024

CHIEF EXECUTIVE'S REVIEW

OVERVIEW

We have had a great start to the year – delivering on all five pillars of our strategy and ensuring that we succeed in our purpose, *to create experiences that nourish the soul*. In our Managed Pubs and Hotels, we have delivered like for like sales growth of 5.2% – ahead of the industry's CGA RSM Hospitality Business Tracker on average by two percentage points – and our adjusted profit before tax has risen by 21%.

Our estate is in amazing shape. The sale of 37 non-core tenanted pubs to Admiral Taverns for £18.3 million, followed by the acquisition of the Lovely Pubs business on a multiple of 7.25x EBITDA for £22.5 million, gives us 185 outstanding Managed Pubs and Hotels and 153 excellent Tenanted Inns. Without a shadow of doubt, our estate has never been in such good shape, and we continue to invest to maintain our quality, with £10 million of capital expenditure in the first half. In addition, the sale of The Mad Hatter for a total consideration of £20 million ensures that we still have a strong balance sheet to allow us to take advantage of further organic and inorganic opportunities, in line with our capital allocation framework.

TRADING UPDATE

Alongside this proactive portfolio management, our core estate has performed well in the first six months with like for like increases in food, drink and accommodation. Supported by excellent marketing and digital communications, our offer is resonating well with our customers. The work undertaken to drill down even further into the behaviours of our core customers and targeting the right marketing to the right people at the right time, is delivering good results.

We have always been a Company with a long-term vision and a robust and stable strategy. We aim to achieve our goals by delighting our customers, inspiring our people, enhancing our estate, evolving our business and owning our impact – and we have made good progress across all these areas.

Delighting our Customers

While we have always focused on giving our customers great reasons to visit – through delicious, locally-sourced, freshly cooked food on the menu, an interesting range of drinks on the bar, and by hosting innovative events which attract new and existing customers alike – we have made excellent progress in honing and improving the way we communicate these.

This process starts by having a comprehensive and detailed knowledge of our key customer groups. Across the business, we understand which customer personas frequent which of our various styles of pub, and by using Wi-Fi, social media and till data, combined with an understanding of our customers' spending patterns and behaviours, we can deliver excellent and relevant reasons to visit, tailored to our customers' preferences, which build loyalty and maximise spend.

Through this process, we can help our pubs to create memorable, stylish and relevant events and promote them through our customer database – optimising this commercially significant channel. We have 1.7 million contactable customers on the database and another 3.1 million who are socially available and can be communicated with via Instagram, Facebook and LinkedIn.

Underpinning this, our digital infrastructure enables us to monitor customer behaviour, and as we refine our understanding of what drives success, we will continue to increase sales and attract similar customers. The final piece of this jigsaw comes through delivering engaging content with beautiful and captivating visuals through online advertising and social media posts, so we can effectively target both existing customers and future lookalike audiences with a similar guest profile.

Growing our Business

During the period, we have seen growth in all areas – food, drink and accommodation. Food like for like sales have risen by 5.5% and drink by 4.9%. Accommodation like for like revenue is up 4.9%, while RevPAR has risen by 6% and our Average Room Rate has increased to £138 (H1 2024: £127).

We have seen a real emphasis on the finer details of our food offering to ensure menus are developed with customer needs in mind. This, in turn, has improved the marketability of our excellent dishes and our recently launched Sunday Roast campaign – *Sunday's Pride* – in which we are returning this pub classic to hero status, is a great example and plays to our strengths.

Looking at the way our customers spend, and the places in which they choose to do so, has also opened new opportunities and encouraged us to push initiatives we know our customers like – such as prix fixe menus across some of our rural estate. It is early days, but we are excited by the opportunity to use this to build lunch and early evening trade. Running a similar offer across a number of sites also allows us to better leverage marketing opportunities such as paid social media.

In the drinks arena, we have continued to build on our premium drinks range and one of the outcomes of this is a continued growth in cocktail sales. Total sales have risen in the period by 6.7% against prior year. Cocktails now account for a third of our spirits sales and the value of our cocktail sales has grown by 271% since pre-Covid. This illustrates the premium nature of our customer base and our ability to deliver the quality drinks they seek.

We have accelerated sales through the use of Attensi, our online training platform, to ensure our teams are constantly up to date with the latest perfect serves and are regularly reminded of some of the fundamentals. During the period, we launched a new cask ale campaign – building sales in an area where the authenticity of our heritage plays to our advantage. We have supported this with a consumer campaign (#OnlyInThePub) targeting a younger demographic, featuring beautiful imagery and targeted online ads, reinforced with information and training. It is supporting cask ale sales and, in those sites where the majority of team members have completed the online training, sales are a further 5% ahead.

Accommodation continues to perform well, and we have invested in sites like The Head of the River in Oxford to build on the continued increase in international tourism. Our work to drive direct bookings continues to be successful and the return of large events such as Taylor Swift at Wembley have helped to drive sales too. We expect the Oasis and Coldplay concerts next year to do the same. We will also be investing in a number of our hotel sites in the second half of the financial year to ensure we continue to advance the quality of our accommodation offer.

Inspiring our People

We have undertaken one of the biggest leadership training programmes in our history over the last 12 months with our *Lead Your Way* programme. The investment in this industry-leading programme is substantial – with the course running over a six-month period. All of our General Managers have either started or completed the course. We are now rolling it out to our support centre managers at Pier House and, in the second half of the year, our Head Chefs will also be joining the programme.

We are investing further in our development kitchen site at Reading, creating the Fuller's Kitchen Academy – a focal point for training and development that will inspire our people, enhance recruitment and retention and drive ever higher levels of creativity and service.

We are already seeing great results from the investments we make in our people – in their development, their welfare and the package and benefits we offer – as our labour turnover has reduced by a third over the last two years.

Enhancing our Estate

Our estate has never been in better shape thanks to the actions we have taken over the last two years. The transfer of 23 managed pubs to our Tenanted Inns division, followed by the sale of 37 tenanted pubs to Admiral Taverns has left us with a first-class tenanted estate and the addition of the beautiful Lovely Pubs estate to our Managed Pubs and Hotels division, has enhanced this part of our business.

The Lovely Pubs estate consists of seven outstanding pubs, of which six are freehold, set in beautiful, affluent Warwickshire villages. They fit perfectly with Fuller's – having an offer that is set around outstanding customer service, delicious freshly-cooked food and a premium drinks range, and one, The Baraset Barn in Alveston, has 16 bedrooms. The pubs will be earnings enhancing in their first year of acquisition and we are both delighted and excited to welcome the business to the Fuller's family.

We have continued to invest in our core estate too, with £8.5 million invested across our Managed Pubs and Hotels including two major schemes at The Carpenters Arms in Sunninghill and The Head of the River in Oxford, where we transformed the hotel rooms and the adjoining pub with its large riverside garden.

We have always invested ahead of the curve – renovating our properties to ensure we stay at the top of our game. The Head of the River was refurbished at the start of the new financial year, ensuring it was ready for the arrival of the summer tourist trade and in a position to command a substantially higher room rate. The Carpenters Arms is a pub we acquired in March 2022 in the affluent suburb of Sunninghill near Ascot. It is well-known locally for its French restaurant – as well as having a traditional pub that shows a wide range of live sport. We have invested in both of these discrete parts of the pub, as well as in the lovely garden, and added touches that help to define the different areas to improve the overall customer experience.

We have an exciting programme of investments to come – and expect to spend circa £18 million on our Managed Pubs and Hotels in the second half. These include large schemes at The Chamberlain Hotel in the City of London, and the Bel & The Dragon in Odiham. We will also be carrying out a substantial investment at The Drayton Court in West Ealing, where we are already on site, and which benefits from being next to the newly opened Elizabeth Line station with its excellent access to Central London and Heathrow.

Life is too good to waste

We are making good progress on the journey to our Net Zero target for Scope 1 & 2 emissions by 2030 and Scope 3 emissions by 2040. We have also successfully reduced our overall energy consumption during the period, with gas usage down 1.2% and electricity usage down 1.5%.

Following a successful trial of Grassroots beef – from cows that are farmed using a farming process that is kinder to the environment – we are now rolling it out across our Cotswolds Inns & Hotels and into a small number of Fuller's pubs. Grassroots uses 52% less carbon than traditional beef farming methods, the quality of the meat is exceptional, and we expect to roll this out further over time.

We have also continued to roll out our programme of electrifying our kitchens, and we have our first fully-electric hotel, The Head of the River in Oxford. We have also installed our first two rapid EV charging points, at The Hampshire Hog in Clanfield. We already have EV charging points at a number of sites, but these rapid chargers can recharge a standard car in less than an hour. We hope this will encourage customers to pop in for a coffee or a sandwich – recharging the soul at the same time as the car!

Our annual inclusive football match, which we hold with our main charity partner Special Olympics GB, raised £21,000 and we have matched fund raising activities from a larger number of team members than ever before.

Finally, we have rolled out our new "*Call Time on It*" initiative – aimed at ensuring all our team members feel safe, cared for, and respected. "*Call Time on It*" ensures that we all know what is and isn't acceptable, in terms of language and behaviour, and are there to speak up when things aren't quite right. Whatever form it takes, if it makes someone feel uncomfortable – we are determined to *call time on it*.

TENANTED INNS

Our Tenanted Inns have had a good start to the year with revenues up 7% and operating profit increasing to £7.5 million (H1 2024: £6.9 million). Some of this growth has arisen from our proactive asset management described earlier, which has resulted in a further strengthening of the quality of the tenanted estate. Average EBITDA per Tenanted pub has increased by 12% year on year, and we are excited about the future for this part of the business.

We recruit entrepreneurial Tenants and are currently at 96% occupancy. We have good relationships with our Tenants and will be rolling out a new online support hub in the second half. This will serve as a centralised resource for Tenants with helpful information on a whole range of topics including compliance, risk assessments, marketing support, training and wellbeing. It will bring everything, including ordering, together in one place, making life easier for our busy Tenants. We will also be rolling out new websites across the Tenanted Inns estate.

A good relationship is crucial to the success of both parties – and we further encourage, support and develop this through tools such as our Community Support Initiative. This half alone we have supported 36 community events in the Tenanted Inns estate. We also continue to invest capital alongside our Tenants with £1.5 million invested in the first half and a similar amount earmarked for the second half.

FINANCIAL REVIEW

We are pleased to have delivered another strong set of financial results, reflecting six months of significant progress, with adjusted profit before tax growing by 21% to £17.6 million (H1 2024: £14.5 million).

As well as growing profits, we have delivered on our capital allocation framework through investment in the estate, returns to shareholders and enhancing the estate through acquisitions while reducing net debt and leverage. In the first half, we paid a dividend of £6.5 million to shareholders and £8.4 million was used for share buybacks as part of our ongoing share buyback programme. This amounts to a total return to shareholders of £14.9 million in the period, an increase of 55% on the prior period.

We have had a busy first half enhancing the estate. We have invested a total of £10 million in our existing properties, including 20 significant projects with a further £20 million of investment planned in the second half of the year. We also completed the sale of The Mad Hatter, Southwark for £20 million (£17 million received in the period with a further £3 million to come in due course), and we sold 37 non-core pubs to Admiral Taverns for £18.3 million. These proceeds have been reinvested in acquiring the high quality, largely freehold, Lovely Pubs business for an enterprise value of £22.5 million. This proactive portfolio management, coupled with the 23 pubs transferred from Managed to Tenanted in the prior year, leaves us with a great pub and hotel estate which is in a strong financial position and yielding improving returns.

Managed Pubs and Hotels like for like sales increased by 5.2% on the prior period, outperforming the market. Total revenue in the Managed Pubs and Hotels division increased by 2.4% on the prior period. This headline growth is affected by the transfer of 23 pubs from Managed to Tenanted over the course of the last financial year. Excluding these transfers, total managed revenue increased by 6.0%. All categories of revenue showed significant like for like growth against the prior period, with food sales up by 5.5%, drink sales up by 4.9% and accommodation sales up by 4.9%.

As well as growing revenue, profitability within our managed business also improved with operating margins growing from 14.7% to 15.7%. This was in part helped by the continued reduction in utility costs through lower energy consumption and unit rate reductions, but much of the decrease was delivered through continued focus on cost management. In particular, food margins significantly improved through cost deflation and enhanced menu development. This resulted in an increase in adjusted operating profit of £2.3 million from £25.4 million to £27.7 million.

Tenanted Inns revenue improved by 7% from £16.3 million to £17.5 million and operating profit increased by 9% from £6.9 million to £7.5 million. As a result of enhanced underlying trading and the active estate management in the current and prior year, we have seen a 12% increase in the average EBITDA per tenanted pub.

The Group has unsecured banking facilities of £200 million, split between a revolving credit facility of £110 million and a term loan of £90 million. These facilities are committed through to May 2027. The Group also has £20 million of debentures which are due for repayment in 2028. The Group's undrawn committed facilities at 28 September 2024 were £81.3 million, with a further £11.0 million of cash held on the Balance Sheet. Net debt (excluding leases) was at £128.2 million (H1 2024: £129.4 million) which was down £4.9 million from the net debt position at year end (FY2024: £133.1 million). At 28 September 2024, the Group's ratio of net debt to EBITDA was 2.3 times (H1 2024: 2.6 times). With significant headroom on facilities and covenants, we have the scope to seek further opportunities, in line with our capital allocation policy, when they arise.

Adjusted finance costs decreased to £6.6 million (H1 2024: £6.9 million) despite the average cost of borrowing remaining high at 7.6% due to the Bank of England base rates. The reduction from the prior year was partly due to the repayment of the £6 million debenture in December 2023, which accrued interest at 10.7%, and was aided by effective cash management, which delivered lower average debt than in the previous period. The Group has a zero-premium interest cap and collar over £60 million of the term facility. This instrument is in place for a three-year period to September 2025 to hedge some of the variability in interest rates. The Group sold a floor of 310bps and bought a cap of 500bps, which gave some protection while the Bank of England interest rate was at 525bps.

Separately disclosed items before tax was a credit of £11.4 million (H1 2024: £0.4 million credit), which principally consists of the profit on disposal of The Mad Hatter of £17.2 million, net of an impairment charge of £6.4 million, of which £5.4 million is in relation to the write down of 12 properties and a further £1.0 million on the write down of goodwill.

Tax has been provided at an effective rate before separately disclosed items of 27.8% (H1 2024: 28.3%). The decrease in effective tax rate is mainly due to the increased profit before tax and credit for future tax relief on employee share acquisition. Disclosure on tax is set out in note 5.

The net impact of these items has resulted in basic earnings per share increasing by 19.79p to 37.44p (H1 2024: 17.65p) and adjusted earnings per share increasing by 4.65p to 21.81p (H1 2024: 17.16p).

The growth in earnings per share has enabled the Group to declare an interim dividend of 7.41p (H1 2024: 6.63p), which is an increase of 12% on last year. This level of dividend growth is in line with our desire to follow a progressive pathway to a normalised dividend cover in excess of 2.5 times. In addition to the dividend, the Group continues to buy back shares as part of a 6.5 million share buyback programme with 1.2 million shares repurchased in the period. As at 28 September 2024, the Group had bought back a total of 4.3 million shares at an average price of £6.03 since September 2022.

The surplus on the defined benefit pension schemes has increased by £3.0 million from the year end and is now showing an accounting surplus of £20.3 million (30 March 2024: surplus £17.3 million, 30 September 2023: surplus £13.1 million). This is predominately due to an increase in discount rate from 4.85% to 5.10%, resulting in a decrease in the present value of the scheme liabilities. As the Group has an unconditional right to refund under the pension trust deed, an asset has been recognised at 28 September 2024.

CURRENT TRADING AND OUTLOOK

Following our strong first half results, we have continued to build on our momentum with like for like sales for the 32 week period rising by 5.4%. This sustained underlying performance, combined with the added benefit from our Lovely Pubs acquisition and encouraging Christmas bookings up 15%, provides us with confidence that we are on track to meet current market expectations for the financial year.

We will be investing a further £20 million in our estate during the second half, including substantial schemes at The Drayton Court in West Ealing, The Chamberlain in the City and at the Bel & The Dragon in Odiham. We also continue to look at appropriate opportunities to drive our long-term strategy of growing the estate.

In summary, everything that is in our control is going well. We have an outstanding, predominately freehold, well-invested estate, a driven and motivated team – who are supported by continuous development – and a clear, consistent strategy. We are in excellent shape, and despite the fresh challenges presented by the Chancellor's recent budget, we remain positive and optimistic about the future.

Simon Emeny
Chief Executive
12 November 2024

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement
For the 28 weeks ended 28 September 2024

		Unaudited – 26 weeks ended 28 September 2024			Unaudited – 26 weeks ended 30 September 2023			Audited – 52 weeks ended 30 March 2024		
	Note	**Before separately disclosed items £m**	**Separately disclosed items £m**	**Total £m**	Before separately disclosed items £m	Separately disclosed items £m	Total £m	Before separately disclosed items £m	Separately disclosed items £m	Total £m
Revenue	2	**194.1**	**-**	**194.1**	188.8	-	188.8	359.1	-	359.1
Operating costs	3	**(169.9)**	**(7.8)**	**(177.7)**	(167.4)	-	(167.4)	(324.6)	(6.8)	(331.4)
Operating profit		**24.2**	**(7.8)**	**16.4**	21.4	-	21.4	34.5	(6.8)	27.7
Profit on disposal of properties	3	**-**	**18.8**	**18.8**	-	-	-	-	-	-
Finance costs	4	**(6.6)**	**0.4**	**(6.2)**	(6.9)	0.4	(6.5)	(14.0)	0.7	(13.3)
Profit before tax		**17.6**	**11.4**	**29.0**	14.5	0.4	14.9	20.5	(6.1)	14.4
Tax	5	**(4.9)**	**(2.3)**	**(7.2)**	(4.1)	(0.1)	(4.2)	(5.8)	0.5	(5.3)
Profit for the period/year		**12.7**	**9.1**	**21.8**	10.4	0.3	10.7	14.7	(5.6)	9.1

Fuller, Smith & Turner P.L.C.
Condensed Group Income Statement (continued)
For the 26 weeks ended 28 September 2024

		Unaudited – 26 weeks ended 28 September 2024		Unaudited – 26 weeks ended 30 September 2023		Audited – 52 weeks ended 30 March 2024	
	Note	**Adjusted**	**Statutory**	Adjusted	Statutory	Adjusted	Statutory
Earnings per share per 40p 'A' and 'C' ordinary share		**Pence**	**Pence**	Pence	Pence	Pence	Pence
Basic	6	**21.81**	**37.44**	17.16	17.65	24.48	15.16
Diluted	6	**21.54**	**36.98**	17.14	17.63	24.29	15.04
Earnings per share per 4p 'B' ordinary share							
Basic	6	**2.18**	**3.74**	1.72	1.77	2.45	1.52
Diluted	6	**2.15**	**3.70**	1.71	1.76	2.43	1.50

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Comprehensive Income
For the 26 weeks ended 28 September 2024

	Note	**Unaudited 26 weeks ended 28 September 2024 £m**	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Profit for the period/year		**21.8**	10.7	9.1
Items that may be reclassified to profit or loss				
Net (loss)/gains on valuation of financial assets and liabilities		**(0.1)**	0.4	-
Tax related to items that may be reclassified to profit or loss	5	**-**	(0.1)	-
Items that will not be reclassified to profit or loss				
Net actuarial gains/(losses) on pension schemes	11	**1.4**	(3.1)	(0.3)
Tax related to items that will not be reclassified to profit or loss	5	**(0.3)**	0.8	0.1
Other comprehensive income/(expense) for the period/year, net of tax		**1.0**	(2.0)	(0.2)
Total comprehensive income for the period/year, net of tax		**22.8**	8.7	8.9

Fuller, Smith & Turner P.L.C.
Condensed Group Balance Sheet
28 September 2024

	Note	**Unaudited At 28 September 2024 £m**	Unaudited At 30 September 2023 £m	Audited At 30 March 2024 £m
Non-current assets				
Intangible assets		**27.3**	28.7	28.6
Property, plant and equipment	8	**580.3**	580.5	581.9
Investment properties		**1.3**	1.5	1.5
Other financial assets		**-**	0.5	0.1
Right-of-use assets		**56.8**	62.8	58.7
Retirement benefit obligations	11	**21.6**	14.5	18.7
Total non-current assets		**687.3**	688.5	689.5
Current assets				
Inventories		**4.1**	4.0	4.0
Trade and other receivables		**11.4**	10.3	8.4
Current tax receivable		**0.1**	-	0.1
Cash and short-term deposits	10	**11.0**	10.2	12.2
Total current assets		**26.6**	24.5	24.7
Assets classified as held for sale	9	**5.9**	7.0	8.4
Total assets		**719.8**	720.0	722.6
Current liabilities				
Trade and other payables		**(49.1)**	(49.3)	(59.7)
Current tax payable		**-**	(0.5)	-
Provisions		**(0.8)**	(0.5)	(0.8)
Borrowings	10	**-**	(6.0)	-
Lease liabilities	10	**(5.6)**	(4.8)	(4.4)
Total current liabilities		**(55.5)**	(61.1)	(64.9)
Non-current liabilities				
Borrowings	10	**(139.2)**	(133.6)	(145.3)
Lease liabilities	10	**(58.8)**	(64.0)	(61.5)
Retirement benefit obligations	11	**(1.3)**	(1.4)	(1.4)
Deferred tax liabilities		**(24.8)**	(17.1)	(18.2)
Total non-current liabilities		**(224.1)**	(216.1)	(226.4)
Net assets		**440.2**	442.8	431.3

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Condensed Group Balance Sheet (continued)
28 September 2024

	Unaudited At 28 September 2024 £m	Unaudited At 30 September 2023 £m	Audited At 30 March 2024 £m
Capital and reserves			
Share capital	**24.8**	25.4	25.4
Share premium account	**53.2**	53.2	53.2
Capital redemption reserve	**4.3**	3.7	3.7
Own shares	**(31.0)**	(24.8)	(32.9)
Hedging reserve	**(0.1)**	0.3	-
Retained earnings	**389.0**	385.0	381.9
Total equity	**440.2**	442.8	431.3

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Changes in Equity
For the 26 weeks ended 28 September 2024

Unaudited – 26 weeks ended 28 September 2024	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m
At 30 March 2024	**25.4**	**53.2**	**3.7**	**(32.9)**	**–**	**381.9**	**431.3**
Profit for the period	–	–	–	–	–	21.8	21.8
Other comprehensive (expense)/income for the period	–	–	–	–	(0.1)	1.1	1.0
Total comprehensive (expense)/income for the period	**–**	**–**	**–**	**–**	**(0.1)**	**22.9**	**22.8**
Dividends (note 7)	–	–	–	–	–	(6.5)	(6.5)
Shares purchased to be held in ESOT or as treasury	–	–	–	(8.4)	–	–	(8.4)
Shares released from ESOT and treasury	–	–	–	0.1	–	–	0.1
Share-based payment credits	–	–	–	–	–	0.7	0.7
Tax credited directly to equity	–	–	–	–	–	0.2	0.2
Cancellation of treasury shares	(0.6)	–	0.6	10.2	–	(10.2)	–
At 28 September 2024	**24.8**	**53.2**	**4.3**	**(31.0)**	**(0.1)**	**389.0**	**440.2**
Unaudited – 26 weeks ended 30 September 2023							
At 1 April 2023	**25.4**	**53.2**	**3.7**	**(21.3)**	**–**	**381.6**	**442.6**
Profit for the period	–	–	–	–	–	10.7	10.7
Other comprehensive income/(expense) for the period	–	–	–	–	0.3	(2.3)	(2.0)
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**0.3**	**8.4**	**8.7**
Dividends (note 7)	–	–	–	–	–	(6.1)	(6.1)
Shares purchased to be held in ESOT or as treasury	–	–	–	(3.5)	–	–	(3.5)
Share-based payment credits	–	–	–	–	–	1.1	1.1
At 30 September 2023	**25.4**	**53.2**	**3.7**	**(24.8)**	**0.3**	**385.0**	**442.8**

Fuller, Smith & Turner P.L.C.
Condensed Group Statement of Changes in Equity
For the 26 weeks ended 28 September 2024

Audited - 52 weeks ended 30 March 2024	Share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Hedging reserve £m	Retained earnings £m	Total £m
At 1 April 2023	25.4	53.2	3.7	(21.3)	–	381.6	442.6
Profit for the year	–	–	–	–	–	9.1	9.1
Other comprehensive expense for the year	–	–	–	–	–	(0.2)	(0.2)
Total comprehensive income for the period	–	–	–	–	–	8.9	8.9
Shares purchased to be held in ESOT or as treasury	–	–	–	(12.4)	–	–	(12.4)
Shares released from ESOT and treasury	–	–	–	0.8	–	(0.3)	0.5
Dividends (note 7)	–	–	–	–	–	(10.0)	(10.0)
Share-based payment credits	–	–	–	–	–	1.7	1.7
At 30 March 2024	25.4	53.2	3.7	(32.9)	–	381.9	431.3

Fuller, Smith & Turner P.L.C.
Condensed Group Cash Flow Statement
For the 26 weeks ended 28 September 2024

	Note	**Unaudited 26 weeks ended 28 September 2024 £m**	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Profit before tax		**29.0**	14.9	14.4
Net finance costs before separately disclosed items	4	**6.6**	6.9	14.0
Separately disclosed items	3	**(11.4)**	(0.4)	6.1
Depreciation and amortisation	2	**13.4**	13.4	26.3
		37.6	34.8	60.8
Difference between pension charge and cash paid		**(1.4)**	(1.2)	(2.6)
Share-based payment charges		**0.7**	1.1	1.7
Change in trade and other receivables		**(1.1)**	(1.0)	0.6
Change in inventories		**–**	0.2	0.2
Change in trade and other payables		**(9.7)**	(3.4)	6.9
Cash impact of operating separately disclosed items	3	**(0.7)**	1.2	1.7
Cash generated from operations		**25.4**	31.7	69.3
Tax paid		**(1.4)**	–	(1.0)
Cash generated from operating activities		**24.0**	31.7	68.3
Cash flow from investing activities				
Purchase of property, plant and equipment		**(31.1)**	(9.0)	(27.2)
Sale of property, plant and equipment and assets held for sale		**36.4**	0.1	–
Net cash inflow/(outflow) from investing activities		**5.3**	(8.9)	(27.2)
Cash flow from financing activities				
Purchase of own shares		**(8.4)**	(3.5)	(12.4)
Receipts on release of own shares to option schemes		**0.1**	–	0.5
Interest paid		**(5.0)**	(5.1)	(10.4)
Preference dividends paid		**(0.1)**	(0.1)	(0.1)
Equity dividends paid		**(6.5)**	(6.1)	(10.0)
(Repayment)/drawdown of bank loans		**(6.3)**	(7.0)	4.5
Payment of loan arrangement fees		**–**	(0.4)	(0.4)
Repayment of debenture		**–**	–	(6.0)
Principal elements of lease payments	10	**(4.3)**	(4.5)	(8.7)
Net cash outflow from financing activities		**(30.5)**	(26.7)	(43.0)
Net movement in cash and cash equivalents	10	**(1.2)**	(3.9)	(1.9)
Cash and cash equivalents at the start of the period		**12.2**	14.1	14.1
Cash and cash equivalents at the end of the period/year	10	**11.0**	10.2	12.2

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 26 weeks ended 28 September 2024

1. Half Year Report

Basis of Preparation

The half year financial statements for the 26 weeks ended 28 September 2024 have been prepared in accordance with the Disclosure and Transparency Rules ("DTRs") of the Financial Conduct Authority and with International Accounting Standard ("IAS") 34, Interim Financial Reporting and should be read in conjunction with the Annual Report and Financial Statements for the 52 weeks ended 30 March 2024.

The half year financial statements do not constitute full accounts as defined by Section 434 of the Companies Act 2006. The figures for the 52 weeks ended 30 March 2024 are derived from the published statutory accounts. Full accounts for the 52 weeks ended 30 March 2024, including an unqualified auditor's report which did not make any statement under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies.

The Directors have adopted the going concern basis in preparing these accounts after assessing the Group's principal risks and uncertainties as previously disclosed in the Group's latest Annual Report. The continued uncertainty over the UK economy makes it difficult to forecast the future financial performance and cash flows of the Group. When assessing the ability of the Group to continue as a going concern, the Directors have considered the pattern of trading in the first half of the financial year, the possibility of further trading disruptions caused by the tube strikes and the impact of rising staff costs. The Directors are confident that the Group has sufficient liquidity to withstand these ongoing challenges for the 12-month going concern assessment period to November 2025 (the 'going concern period').

As at 28 September 2024, the Group Balance Sheet comprises pubs and hotels of which 87% are freehold properties and has available headroom on facilities of £81.3 million in addition to £11.0 million of cash and resulting net debt of £128.2 million (excluding leases). The Group has unsecured banking facilities of £200 million, split between a revolving credit facility of £110 million and a term loan of £90 million. Under the facilities agreement, the covenant suite (tested quarterly) consist of net debt to adjusted EBITDA (leverage) and adjusted EBITDA to net finance charges.

The Group has modelled financial projections for the going concern period, which is defined as the 12-month period from the date of approval of these financial statements to 22 November 2025, based upon two scenarios, the 'base case' and the 'downside case'. The base case is the Board approved FY2025 forecast as well as the first eight months of the FY2026 plan which forms part of the Board approved three-year plan. The base case assumes that sales will continue to grow, but with modest food and drink volume growth. The base case also assumes that food and drink inflationary pressures continue to ease and inflation returns to normalised levels. However, the base case assumes that staff costs will be impacted by National Living Wage increases as presented in the Chancellor's Budget, resulting in continued wage inflation across all job roles. The base case scenario indicates that the Group will have sufficient resources to continue to settle its debts as they fall due and operate well within its covenants for the going concern assessment period.

The Group has also modelled a 'downside case' which assumes that food and drink volume reduces sales revenue by 10% in FY2025 and 5% in FY2026 from the 'base case', staff cost inflation will rise higher than forecasted in the 'base case' and the Group will be impacted by additional tube and train strikes during our busy Christmas trading period. In this 'downside case', management would implement mitigating actions such as a reduction of capital expenditure and other property spend to essential maintenance and a decrease in bonus pay out. Under this scenario, the Group would still have sufficient resources to settle liabilities as they fall due and headroom on its covenants through the duration of the period.

The Group has also performed a reverse stress test to assess at which point the Group would breach its covenants or not have sufficient liquidity in the assessment period. The reduction in sales or increase in costs to breach the covenant is thought to be too remote that those scenarios are considered implausible.

Under both the base and downside scenarios modelled, the Group would have sufficient headroom on its facilities throughout the going concern assessment period. Additionally, under the downside scenario there are further mitigating actions which the Group has in its control to either improve EBITDA or reduce net debt, such as further reduction in capital investment and bonuses, and the disposal of licensed and unlicensed properties.

After due consideration of the matters set out above, the Directors are satisfied that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the going concern assessment period to November 2025 and have therefore adopted the going concern basis in the preparation of these financial statements.

The half year financial statements were approved by the Directors on 12 November 2024.

New Accounting Standards

The accounting policies adopted in the preparation of the half year financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the 52 weeks ended 30 March 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Taxation

Taxes on income in the interim periods are accrued using the tax rate that is expected to be applicable to total annual earnings for the full year in each tax jurisdiction based on substantively enacted or enacted tax rates at the interim date.

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 26 weeks ended 28 September 2024

2. Segmental Analysis

Unaudited – 26 weeks ended 28 September 2024	**Managed Pubs and Hotels £m**	**Tenanted Inns £m**	**Unallocated[1] £m**	**Total £m**
Revenue				
Sales of goods and services	155.0	12.7	-	167.7
Accommodation income	20.9	-	-	20.9
Total revenue from contracts with customers	**175.9**	**12.7**	**-**	**188.6**
Rental income	0.7	4.8	-	5.5
Revenue	**176.6**	**17.5**	-	**194.1**
Segment result	**27.7**	**7.5**	**(11.0)**	**24.2**
Operating separately disclosed items				**(7.8)**
Operating profit				**16.4**
Profit on disposal of properties				**18.8**
Net finance costs				**(6.2)**
Profit before tax				**29.0**
Other segment information				
Additions: property, plant and equipment	**30.3**	**1.5**	**0.1**	**31.9**
Depreciation and amortisation	**11.4**	**1.6**	**0.4**	**13.4**
Impairment of property and intangible assets	**6.4**	**-**	**-**	**6.4**
Adjusted EBITDA	**39.1**	**9.1**	**(10.6)**	**37.6**

Unaudited – 26 weeks ended 30 September 2023	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated[1] £m	Total £m
Revenue				
Sales of goods and services	151.9	11.8	-	163.7
Accommodation income	19.8	-	-	19.8
Total revenue from contracts with customers	171.7	11.8	-	183.5
Rental income	0.8	4.5	-	5.3
Revenue	172.5	16.3	-	188.8
Segment result	25.4	6.9	(10.9)	21.4
Operating separately disclosed items				-
Operating profit				21.4
Profit on disposal of properties				-
Net finance costs				(6.5)
Profit before tax				14.9
Other segment information				
Additions: property, plant and equipment	6.4	1.7	0.1	8.2
Depreciation and amortisation	11.7	1.4	0.3	13.4
Impairment of property	1.3	0.2	-	1.5
Adjusted EBITDA	37.1	8.3	(10.6)	34.8

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the Audited - 26 weeks ended 28 September 2024

2. Segmental Analysis (continued)

Audited – 52 weeks ended 30 March 2024	Managed Pubs and Hotels £m	Tenanted Inns £m	Unallocated[1] £m	Total £m
Revenue				
Sale of goods and services	288.1	24.1	–	312.2
Accommodation income	35.5	–	–	35.5
Total revenue from contracts with customers	323.6	24.1	–	347.7
Rental income	1.7	9.7	–	11.4
Revenue	325.3	33.8	–	359.1
Segment result	41.6	13.7	(20.8)	34.5
Operating separately disclosed items				(6.8)
Operating Profit				27.7
Profit on disposal of properties				–
Net finance costs				(13.3)
Profit before tax				14.4
Other segment information				
Additions: property, plant and equipment	23.0	3.9	0.1	27.0
Depreciation and amortisation	22.4	3.0	0.9	26.3
Impairment of property, right-of-use assets net of reversal of impairments	5.1	3.2	–	8.3
Adjusted EBITDA	64.0	16.7	(19.9)	60.8

1 Unallocated expenses represent primarily the salary and costs of central management and support services. Unallocated capital expenditure relates to additions to the support centre and central systems.

3. Separately Disclosed Items

	Unaudited 26 weeks ended 28 September 2024 £m	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Amounts included in operating profit:			
Impairment of properties, right-of-use assets and intangible assets net of reversals of impairment	**(6.4)**	(1.5)	(8.3)
Insurance and legal claims	**(0.7)**	0.4	0.4
VAT provision release	**-**	1.1	1.1
Acquisition costs	**(0.7)**	-	-
Total separately disclosed items included in operating profit	**(7.8)**	-	(6.8)
Profit on disposal of properties	**18.8**	-	-
Separately disclosed finance costs:			
Finance credit on net pension surplus (note 11)	**0.4**	0.4	0.7
Total separately disclosed finance credits	**0.4**	0.4	0.7
Total separately disclosed items before tax	**11.4**	0.4	(6.1)
Separately disclosed tax:			
Profit on disposal of properties	**(2.7)**	-	-
Other items	**0.4**	(0.1)	0.5
Total separately disclosed tax	**(2.3)**	(0.1)	0.5
Total separately disclosed items	**9.1**	0.3	(5.6)

The impairment charge of £6.4 million (30 September 2023: £1.5 million, 30 March 2024: £8.3 million) relates to the write down to their recoverable value of nine properties (£3.9 million), three assets held for sale properties (£1.5 million) and the write down of goodwill (£1.0 million).

The insurance and legal claims of £0.7 million relates to the settlement of a legal dispute.

The acquisition costs of £0.7 million are professional fees incurred as part of the acquisition of Lovely Pubs, refer to Note 8 for further detail.

The cash impact of operating separately disclosed items before tax for the 26 weeks ended 28 September 2024 was £0.7 million cash outflow (28 September 2023: £1.2 million cash inflow, 30 March 2024: £1.7 million cash inflow).

Fuller, Smith & Turner P.L.C.
Notes to the Condensed Financial Statements
For the 26 weeks ended 28 September 2024

4. Finance Costs

	Unaudited 26 weeks ended 28 September 2024 £m	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Finance costs			
Interest income from financial assets	**0.2**	0.1	0.3
Interest expense arising on:			
Financial liabilities at amortised cost – loans and debentures	**(5.2)**	(5.5)	(11.1)
Financial liabilities at amortised cost – preference shares	**(0.1)**	(0.1)	(0.1)
Financial liabilities at amortised cost – lease liabilities	**(1.5)**	(1.4)	(3.1)
Net finance costs before separately disclosed items	**(6.6)**	(6.9)	(14.0)
Finance credit on net pension liabilities (note 11)	**0.4**	0.4	0.7
Net finance costs	**(6.2)**	(6.5)	(13.3)

5. Taxation

	Unaudited 26 weeks ended 28 September 2024 £m	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Tax on profit on ordinary activities			
Current income tax:			
Current tax on profit for the period/year	**1.0**	1.2	1.7
Total current income tax	**1.0**	1.2	1.7
Deferred tax:			
Origination and reversal of temporary differences	**6.4**	3.1	4.0
Amounts over provided in previous years	**(0.2)**	(0.1)	(0.4)
Total deferred tax	**6.2**	3.0	3.6
Total tax charged in the Income Statement	**7.2**	4.2	5.3
Analysed as:			
Before separately disclosed items	**4.9**	4.1	5.8
Separately disclosed items	**2.3**	0.1	(0.5)
Total tax charged in the Income Statement	**7.2**	4.2	5.3
Tax relating to items charged/(credited) to the Statement of Comprehensive Income			
Deferred tax:			
Valuation gains on financial assets and liabilities	**–**	0.1	–
Net actuarial gains/(losses) on pension scheme	**0.3**	(0.8)	(0.1)
Tax charge/(credit) included in the Statement of Comprehensive Income	**0.3**	(0.7)	(0.1)
Tax relating to items credited directly to equity			
Deferred tax:			
Share-based payments	**(0.2)**	–	–
Tax credit included in the Statement of Changes in Equity	**(0.2)**	–	–

The taxation charge is calculated by applying the Directors' best estimate of the annual effective tax rate to the profit for the period/year.

6. Earnings Per Share

Continuing operations	**Unaudited 26 weeks ended 28 September 2024 £m**	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Profit attributable to equity shareholders	**21.8**	10.7	9.1
Separately disclosed items net of tax	**(9.1)**	(0.3)	5.6
Adjusted earnings attributable to equity shareholders	**12.7**	10.4	14.7

	Number	Number	Number
Weighted average share capital	**58,229,000**	60,610,000	60,043,000
Dilutive outstanding options and share awards	**720,000**	70,000	482,000
Diluted weighted average share capital	**58,949,000**	60,680,000	60,525,000

40p ‘A’ and ‘C’ ordinary share	**Pence**	Pence	Pence
Basic earnings per share	**37.44**	17.65	15.16
Diluted earnings per share	**36.98**	17.63	15.04
Adjusted earnings per share	**21.81**	17.16	24.48
Diluted adjusted earnings per share	**21.54**	17.14	24.29

4p ‘B’ ordinary share	**Pence**	Pence	Pence
Basic earnings per share	**3.74**	1.77	1.52
Diluted earnings per share	**3.70**	1.76	1.50
Adjusted earnings per share	**2.18**	1.72	2.45
Diluted adjusted earnings per share	**2.15**	1.71	2.43

For the purposes of calculating the number of shares to be used above, ‘B’ shares have been treated as one-tenth of an ‘A’ or ‘C’ share. The earnings per share calculation is based on earnings from continuing operations and on the weighted average ordinary share capital which excludes shares held by trusts relating to employee share options and shares held in treasury of 4,850,874 (30 September 2023: 2,843,217, 30 March 2024: 3,410,735).

Diluted earnings per share is calculated using the same earnings figure as for basic earnings per share, divided by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Adjusted earnings per share is calculated on profit after tax excluding separately disclosed items and on the same weighted average ordinary share capital as for the basic and diluted earnings per share. An adjusted earnings per share measure has been included as the Directors consider that this measure better reflects the underlying earnings of the Group.

7. Dividends

	Unaudited 26 weeks ended 28 September 2024 £m	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Declared and paid during the period			
Interim paid in the period for 2024	–	–	3.9
Final dividend paid in the period for 2023	–	6.1	6.1
Final dividend paid in the period for 2024	**6.5**	–	–
Equity dividends paid	**6.5**	6.1	10.0
Dividends on cumulative preference shares (note 4)	**0.1**	0.1	0.1

	Pence	Pence	Pence
Dividends per 40p 'A' and 'C' ordinary share declared in respect of the period			
Interim	**7.41**	6.63	6.63
Final	–	–	11.12
	7.41	6.63	17.75

The pence figures above are for the 40p 'A' ordinary shares and 40p 'C' ordinary shares. The 4p 'B' ordinary shares carry dividend rights of one-tenth of those applicable to the 40p 'A' ordinary shares. Own shares held in the employee share trusts do not qualify for dividends as the Trustees have waived their rights. Dividends are also not paid on own shares held as treasury shares.

The Directors have declared an interim dividend for the 40p 'A' ordinary shares and 40p 'C' ordinary shares of 7.41p (HY2024: 6.63p) and 0.741p (HY2024: 0.663p) for the 4p 'B' ordinary shares.

8. Property, Plant and Equipment

	Unaudited 26 weeks ended 28 September 2024 £m	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Net book value at start of period/year	**581.9**	583.3	583.3
Additions	**31.9**	8.2	27.0
Disposals	**(16.7)**	(0.2)	(0.3)
Impairment loss net of reversals	**(3.9)**	(1.1)	(7.0)
Transfers to assets classified as held for sale	**(2.7)**	-	(1.4)
Depreciation provided during the period	**(10.2)**	(9.7)	(19.7)
Net book value at end of period/year	**580.3**	580.5	581.9

During the 26 weeks ended 28 September 2024, the Group recognised a charge of £3.9 million (30 September 2023: £1.1 million, 30 March 2024: £7.0 million) in respect of the write down in value of its properties to their recoverable value.

Included in additions is £22.9 million in relation to the acquisition of Lovely Pubs, consisting of six freehold and one leasehold property. The acquisition has been accounted for as an asset acquisition using the optional concentration test under IFRS 3 in which substantially all the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets.

The Group considers each trading outlet to be a cash generating unit ("CGU") and each CGU is reviewed at each reporting date for indicators of impairment. In assessing whether an asset has been impaired, the carrying amount of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell ("FVLCS") and its value in use.

The Group uses a range of methods for estimating FVLCS which include applying a market multiple to the CGU EBITDA and, for leasehold sites, present value techniques using a discounted cash flow method.

For the purposes of estimating the value in use of CGUs, management have used a discounted cash flow approach. The calculations use cash flow projections based on the following plans covering a four-year period. The key assumptions used by management are:

- A long-term growth rate of 2.0% (30 March 2024: 2.0%) was used for cash flows subsequent to the four-year approved budget/forecast period.
- An EBITDA multiple is estimated based on a normalised trading basis and market data obtained from external sources. This resulted in an average multiple of 10.5x (freehold 11.8x) for the Managed estate and 10.9x on the Tenanted estate.
- The discount rate is based on the Group's weighted average cost of capital, which is used across all CGUs due to their similar characteristics. The pre-tax discount rate is 10.7% (30 March 2024: 10.7%).

Impairments are recognised where the property valuation is also lower than the CGU's carrying value for those determined to be at risk of impairment. This is measured as the difference between the carrying value and the higher of FVLCS and its value in use. Where the property valuation exceeds the carrying value, no impairment is required.

8. Property, Plant and Equipment (continued)

The value in use calculations are sensitive to the assumptions used. The Directors consider a movement of 1.5% in the discount rate and 0.5% in the growth rate to be reasonable with reference to current market yield curves and the current economic conditions. The additional impairment/(reversal) is set out as follows:

	£m
Increase discount rate by 1.5%	19.2
Decrease discount rate by 1.5%	(15.9)
Increase growth rate by 0.5%	(4.8)
Decrease growth rate by 0.5%	5.2

The additional CGUs that would need to be considered for impairment would have their FVLCS determined in order to conclude on whether an impairment is required. A general decrease in property values across the portfolio would have a similar effect to that set out above i.e. any reduction in property values would lead to assets being at risk of impairment. In the current year, a decrease of 5% in the FVLCS would have led to an additional impairment of £2.8 million for the CGUs where recoverable amount has been assessed on FVLCS.

9. Assets held for sale

	Unaudited 26 weeks ended 28 September 2024 £m	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Assets held for sale at the start of the period/year	**8.4**	7.0	7.0
Assets disposed of during the period/year	**(3.7)**	-	-
Assets transferred from property, plant and equipment	**2.7**	-	1.4
Impairment of assets	**(1.5)**	-	-
Assets held for sale at the end of the period/year	**5.9**	7.0	8.4

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10. Analysis of Net Debt

Unaudited – 26 weeks ended 28 September 2024	At 30 March 2024 £m	Cash flows £m	Non cash[1] £m	**At 28 September 2024 £m**
Cash and cash equivalents:				
Cash and short-term deposits	12.2	(1.2)	-	**11.0**
	12.2	(1.2)	-	**11.0**
Financial liabilities				
Lease liabilities	(65.9)	4.3	(2.8)	**(64.4)**
	(65.9)	4.3	(2.8)	**(64.4)**
Debt:				
Bank loans[2]	(123.8)	6.3	(0.2)	**(117.7)**
Debenture stock	(19.9)	-	-	**(19.9)**
Preference shares	(1.6)	-	-	**(1.6)**
Total borrowings	(145.3)	6.3	(0.2)	**(139.2)**
Net debt	(199.0)	9.4	(3.0)	**(192.6)**

Unaudited – 26 weeks ended 30 September 2023	At 1 April 2023 £m	Cash flows £m	Non cash[1] £m	At 30 September 2023 £m
Cash and cash equivalents:				
Cash and short-term deposits	14.1	(3.9)	–	10.2
	14.1	(3.9)	–	10.2
Financial liabilities				
Lease liabilities	(71.8)	4.5	(1.5)	(68.8)
	(71.8)	4.5	(1.5)	(68.8)
Debt:				
Bank loans[2]	(119.4)	7.4	(0.1)	(112.1)
Debenture stock	(25.9)	–	–	(25.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(146.9)	7.4	(0.1)	(139.6)
Net debt	(204.6)	8.0	(1.6)	(198.2)

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10. Analysis of Net Debt (continued)

Audited – 52 weeks ended 30 March 2024	At 1 April 2023 £m	Cash flows £m	Non cash[1] £m	At 30 March 2024 £m
Cash and cash equivalents:				
Cash and short-term deposits	14.1	(1.9)	–	12.2
	14.1	(1.9)	–	12.2
Financial liabilities				
Lease liabilities	(71.8)	8.7	(2.8)	(65.9)
	(71.8)	8.7	(2.8)	(65.9)
Debt:				
Bank loans[2]	(119.4)	(4.1)	(0.3)	(123.8)
Debenture stock	(25.9)	6.0	–	(19.9)
Preference shares	(1.6)	–	–	(1.6)
Total borrowings	(146.9)	1.9	(0.3)	(145.3)
Net debt	(204.6)	8.7	(3.1)	(199.0)

1 Non-cash movements relate to the amortisation of arrangement fees, arrangement fees accrued and movement in lease liabilities.
2 Bank loans are net of arrangement fees and cashflows include the payment of arrangement fees.

11. Retirement Benefit Obligations

The amount included in the Balance Sheet arising from the Group's obligations in respect of its defined benefit retirement plan	**Unaudited At 28 September 2024 £m**	Unaudited At 30 September 2023 £m	Audited At 30 March 2024 £m
Fair value of Scheme assets	**112.9**	103.8	112.3
Present value of Scheme liabilities	**(92.6)**	(90.7)	(95.0)
Surplus in the Scheme	**20.3**	13.1	17.3

The net position of the defined benefit retirement plan for the 26 weeks ended 28 September 2024 shows a surplus of £20.3 million. In accordance with IFRIC 14, the Group is able to recognise an asset as it has an unconditional right to a refund of any surplus in the event of the plan winding down.

Included within the total present value of Group and Company Scheme liabilities of £92.6 million (30 September 2023: £90.7 million, 30 March 2024: £95.0 million) are liabilities of £1.3 million (30 September 2023: £1.4 million, 30 March 2024: £1.4 million) which are entirely unfunded. These have been shown separately on the Balance Sheet as there is no right to offset the assets of the funded Scheme against the unfunded Scheme.

Key financial assumptions used in the valuation of the Scheme	**Unaudited At 28 September 2024 £m**	Unaudited At 30 September 2023 £m	Audited At 30 March 2024 £m
Rate of increase in pensions in payment	**3.05%**	3.25%	3.05%
Discount rate	**5.10%**	5.60%	4.85%
Inflation assumption – RPI	**3.10%**	3.25%	3.10%
Inflation assumption – CPI (pre 2030/post 2030)	**2.20%/3.10%**	2.35%/3.25%	2.2%/3.10%

Mortality Assumptions

The mortality assumptions used in the valuation of the Scheme as at 28 September 2024 are as set out in the financial statements for the 52 weeks ended 30 March 2024.

Assets in the Scheme	**Unaudited At 28 September 2024 £m**	Unaudited At 30 September 2023 £m	Audited At 30 March 2024 £m
Corporate bonds	**46.2**	43.5	46.0
Index linked debt instruments	**32.8**	30.4	31.6
Overseas equities	**-**	6.9	8.0
Alternatives	**20.6**	19.7	20.8
Cash	**11.1**	1.1	3.6
Annuities	**2.2**	2.2	2.3
Total market value of assets	**112.9**	103.8	112.3

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11. Retirement Benefit Obligations (continued)

Movement in surplus during period	**Unaudited 26 weeks ended 28 September 2024 £m**	Unaudited 26 weeks ended 30 September 2023 £m	Audited 52 weeks ended 30 March 2024 £m
Surplus in Scheme at beginning of the period	**17.3**	14.6	14.6
Movement in period:			
Net interest cost (note 3)	**0.4**	0.4	0.7
Net actuarial gains/(losses)	**1.4**	(3.1)	(0.3)
Contributions	**1.4**	1.2	2.6
Administration expenses	**(0.2)**	-	(0.3)
Surplus in Scheme at end of the period	**20.3**	13.1	17.3

On 1 January 2015 the plan was closed to future accruals.

12. Principal Risks and Uncertainties

In the course of normal business, the Group continually assesses and takes action to mitigate the various risks encountered that could impact the achievement of its objectives. Systems and processes are in place to enable the Board to monitor and control the Group's management of risk, which are detailed in the Corporate Governance Report of the Annual Report and Financial Statements 2024. The principal risks and uncertainties and their associated mitigating and monitoring controls which may affect the Group's performance in the next six months are consistent with those detailed on pages 33 to 36 of the Annual Report and Financial Statements 2024, and are available on the Fuller's website, www.fullers.co.uk.

We previously identified that legislative changes following a change of UK Government represented an emerging risk to the business. Following Labour's success at the general election in July 2024, the publication of the Employment Rights Bill and the Budget announcement on 30 October 2024, we are beginning to have a clearer picture of the legislative changes that could affect our business. As a progressive employer, we are confident that we will be able to navigate the reforms to the employment law, indeed "Inspiring Our People" is one of the Group's strategic pillars and the business will always aim to be an employer of choice. Increasing taxation on employment through higher Employers' National Insurance contributions is not welcome and will inevitably lead to increased inflationary pressure, but we are a resilient and robust business that will continue to deal with such challenges from a long-term perspective.

We believe that the controls and mitigations we have in place to address our risks remain effective in reducing the impact on the business. We are well placed to withstand these pressures through the strength of our Balance Sheet. Our strong financial position supports our long-term strategy that focuses on ensuring we develop and retain the best people, build strong relationships with our suppliers and deliver a premium experience with the agility to respond to both short and long-term changes in consumer behaviour.

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13. Shareholders' information

Shareholders holding 40p 'C' ordinary shares are reminded that they have 30 days from 13 November 2024 should they wish to convert those 'C' shares to 'A' shares. The next available opportunity after that will be June 2025. For further details, please contact the Company's registrars, Computershare, on 0370 889 4096.

14. Statement of Directors' Responsibilities

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer or the undertakings included in the consolidation as a whole and has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the United Kingdom. The interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year.
- disclosure of material related party transactions in the first six months and any material changes to related party transactions.

By order of the Board

MICHAEL TURNER	**SIMON EMENY**
CHAIRMAN	CHIEF EXECUTIVE
12 NOVEMBER 2024	