Stelrad Group plc

("Stelrad" or "the Group" or "the Company)

Interim results for the six months ended 30 June 2025

Continued market leadership, resilient underlying financial performance with outlook for the full year unchanged

Stelrad Group, a leading specialist manufacturer and distributor of steel panel and other designer radiators in the UK, Europe and Turkey, today announces its unaudited interim results for the six months ended 30 June 2025.

Results summary

	Six months ended 30 June 2025	Six months ended 30 June 2024	Movement %
Revenue, £m	**136.5**	**143.1**	(4.6)
Adjusted operating profit, £m (1)	**15.9**	**15.7**	1.1
Adjusted operating profit margin, % (1)	**11.7**	**11.0**	0.7 ppts
Adjusted profit for the period, £m (1)	**8.2**	**8.1**	1.0
Adjusted earnings per share – basic, pence (1)	**6.41**	**6.34**	1.0
Operating profit, £m	**3.8**	**15.6**	(75.5)
Operating profit margin, %	**2.8**	**10.9**	(8.1) ppts
(Loss)/profit for the period, £m	**(3.4)**	**8.0**	(142.9)
(Loss)/earnings per share – basic, pence	**(2.71)**	**6.30**	(142.9)
Free cash flow, £m (1)	**1.8**	**1.3**	27.7
Return on capital employed, %	**26.9**	**26.4**	0.5 ppts
Net debt before lease liabilities, £m	**64.8**	**64.6**	0.3
Dividend per share, pence	**3.04**	**2.98**	2.0

(1) The Group uses some alternative performance measures to track and assess the underlying performance of the business. Alternative performance measures are defined in the glossary of terms and reconciled to the appropriate financial statements line item at the end of this announcement.

Continued market leadership underpinned by operational excellence

- Industry leading market share at 19.9%[1] (2023: 20.9%) with the reduction due to the impact of market mix across the countries we serve.
    - Excluding Russia, where the Group chooses not to participate, market share was 25.4% (2023: 25.3%).
- On Time In Full (OTIF) delivery was 99% (2024: 98%) in the UK & Ireland, a key point of differentiation versus our competitors.
- Contribution per radiator remained stable at £20.33 (2024: £20.48) supported by active margin management providing strong operational leverage.

Resilient financial performance in a supressed volume environment

- Adjusted operating profit rose to £15.9 million, an increase of 1.1%, benefitting from ongoing margin management and structural currency gains. Adjusted operating profit margin increased 0.7 ppts to 11.7%.
- Non-cash exceptional items of £12.0 million (2024: £nil) relating to impairment charge on the assets of Radiators SpA.

[1] BRG Building Solutions, May 2025. In the 20 European countries (including Turkey and Russia) for which 2024 steel panel radiator share data is available (which represented 94% of the European market in 2023).

- Operating profit on a statutory basis was £3.8 million (2024: £15.6 million), after the £12.0 million non-cash exceptional items.
- Revenue declined 4.6% to £136.5 million, despite continued pricing discipline, as a result of ongoing volume challenges from subdued demand in RMI and new build markets.
  - **UK & Ireland:** revenue declined 5.8% supported in part by favourable increase in average radiator size, partially offsetting a 9.6% volume reduction.
  - **Europe:** revenue declined 5.9% as a result of reduced volumes.
  - **Turkey & International:** revenue increased 17.9%, to £8.5 million, due to increased volumes in the Turkish market.
- Positive free cash flow of £1.8m (2024: £1.3m), despite typical seasonal high point and selective investments in working capital to enhance service levels in the UK market.
- Return on capital employed increased by 0.5 ppts to 26.9% (2024: 26.4%).
- Leverage[1] at 30 June 2025 was 1.48x (December 2024: 1.37x), based on net debt before lease liabilities.
- Interim dividend increased by 2% to 3.04 pence per share (2024 interim dividend: 2.98 pence), to be paid on 24 October 2025, reflecting the strength of the Group's balance sheet and the Board's confidence in the Group's future growth prospects and increasing cash generation.

Outlook

- Whilst the current market environment remains subdued, the Board expects a modest level of market volume improvement in the second half of the year augmented by the strength of Stelrad's market position, sustainable competitive advantages and operational excellence.
- Proactive margin management and cost discipline leave the Group well placed to achieve unchanged Board expectations of further adjusted profit growth in FY25.

Commenting on the Group's performance, Trevor Harvey, Chief Executive Officer, said:
"During the period, we delivered a resilient financial performance against a backdrop of ongoing economic uncertainty suppressing volumes in the Group's key markets. Crucially, despite this environment, we have maintained our market leadership position and continued to enhance the flexibility of our operational capabilities.

"The Board remains confident in its long-term growth plans and in driving continued shareholder value. The key priority for the Group is to be prepared for an increase in volumes as and when market conditions improve. We know from our years of experience and long-standing position in the market that when volumes begin to recover, this happens at pace."

Analyst Conference Call

Trevor Harvey (CEO) and Leigh Wilcox (CFO) will host an analyst presentation at 9.00 a.m. today, 8 August 2025.

The presentation will be broadcast live at https://brrmedia.news/SRAD_HY_2025

To dial in via a phone line, please use the below dial in details:

Dial in number(s):	UK-Wide: +44 (0) 33 0551 0200
	UK Toll Free: 0808 109 0700
Password (if prompted):	Please quote 'Stelrad HY25' when prompted by the operator

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Notes to Editors

Stelrad Group plc is Europe's leading specialist radiator manufacturer, selling an extensive range of hydronic, hybrid, dual fuel and electrical heat emitters to more than 500 customers in over 40 countries. These include standard, premium and low surface temperature (LST) steel panel radiators, towel warmers, decorative steel tubular, steel multicolumn and aluminium radiators.

The Group has five core brands: Stelrad, Henrad, Termo Teknik, DL Radiators and Hudevad. The Group is market leader by volume in the combined UK, European and Turkish steel panel radiator market. In the 20 countries for which 2024 steel panel radiator share data is now available (which represented 94% of the European market in 2023), Stelrad’s market shares was 19.9%. The Group is market leader in seven countries - the UK, Ireland, France, the Netherlands, Belgium, Denmark and Greece, with a top 3 position in a further 11 territories in 2023.

Stelrad is headquartered in Newcastle upon Tyne in the UK and in 2024 employed 1,400 people, with manufacturing and distribution facilities in Çorlu (Turkey), Mexborough (UK), Moimacco (Italy) and Nuth (Netherlands), with further commercial and distribution operations in Kolding (Denmark) and Krakow (Poland).

The Group's origins date back to the 1930s and Stelrad enjoys long established commercial relationships with many of its customers, having served each of its top five current customers for over twenty years.

Further information can be found at: https://stelradplc.com/.

FORWARD-LOOKING STATEMENTS

This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as "will", "anticipate", "estimate", "expect", "project", "intend", "plan", "should", "may", "assume" and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. The Company undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.

CHIEF EXECUTIVE OFFICER'S REVIEW

During the period, we delivered a resilient financial performance against a backdrop of ongoing economic uncertainty suppressing volumes in the Group's key markets. Crucially, despite this environment, we have maintained our market leadership position and continued to enhance the flexibility of our operational capabilities.

Sustainable competitive advantages in an attractive market

The key priority for the Group is to be prepared for an increase in volumes as and when market conditions improve. While the current market environment remains subdued, we know, from our years of experience and long-standing position in the market, that when volumes begin to recover, this happens at pace.

It is therefore critical for us, as a management team, to ensure that our business is well placed to take advantage of this recovery.

Stelrad's commercial position remains underpinned by our sustainable competitive advantages of:

1. Our flexible, lowest-cost manufacturing base, with a robust supply chain and industry leading production capacity.
2. Leading levels of customer service and product availability, with the best on-time in full delivery in the industry of 99% in the UK & Ireland.

These have helped to both grow and consolidate our market share position over the last five years, positioning the Group as the supplier of choice for customers regardless of market conditions.

These sustainable competitive advantages position us well in a market that remains fundamentally attractive and supported by favourable, long-term trends.

There are over 321 million homes in Europe with central heating, of which 93% have hydronic heating systems. This equates to >1.8 billion hydronic heat emitters, 56% of which are steel panel radiators. There is a significant long-term replacement market opportunity that we are well-positioned to address, with market leadership in seven of our European markets and an addressable market share of 25.4%.

As the market leader, Stelrad is also well positioned to both drive and benefit from long-term structural growth drivers that will underpin demand for higher-margin, higher added-value products, enabling above-market growth.

Firstly, increased customer demand for premium panel, designer radiators. The UK market remains under-developed compared to other core countries and Stelrad has developed a clear, three-point strategy to leverage trade strengths, boost consumer appeal and optimise routes to market for designer radiators.

Secondly, the decarbonisation of home heating systems provides both a structural legislative tailwind as well as a growing market for larger, higher heat output conventional radiators, hybrid radiator products and electric radiator ranges. The first half saw this trend reflected in another period of growth in average radiator size.

Continued operational excellence and commercial discipline

During the period, the Group experienced a continued decline in volumes of 4.8%, driven primarily by the UK & Ireland (9.6% decline) and European markets (3.8% decline), albeit with an improving volume environment in our smaller segment of Turkey & International (29.5% increase). Revenue declined 4.6% to £136.5 million (2024: £143.1 million), albeit to a lesser degree than the volume decline, reflecting the continued strength of our market position and the ongoing favourable impact of larger heat output radiators in the UK.

Over the last three years, the Group has maintained a strong focus on cost reduction initiatives. These initiatives are now embedded in our operations, ensuring our key metric of contribution per radiator remains above £20, despite a marginal decrease in premium panel penetration in the UK year-on-year due to low consumer confidence.

Our focus remains on maintaining our operational excellence, coupled with commercial discipline, ensuring that we continue to consolidate our market share and leadership while maintaining pricing discipline and margin contribution.

During the period, we took significant steps to embed commercial discipline within our European operations, particularly in Radiators SpA. We have recognised a non-cash £12.0 million impairment charge on the assets of Radiators SpA, primarily reflecting the exposure to declining volumes in the French and German markets since the business was acquired. The Group has taken decisive action to terminate all supply under a loss-making contract for steel panel radiators, effective at the end of 2025 following unsuccessful price negotiations between Radiators SpA and the customer during the period. The exit from this contract will be immediately margin-enhancing at a Group level and provides the opportunity to focus the Radiators SpA business on electrical and designer products - the key ranges that underpinned the strategic rationale for our acquisition in 2022. The strategic acquisition case for Radiators SpA remains integral to the Group, with the business providing increased access to new channels to markets and a product range orientated towards higher added value designs, including those suitable for decarbonised heating systems.

As a result of our ongoing operational excellence and commercial discipline across the Group, we have continued to grow our adjusted operating profit, which increased 1.1% during the year to £15.9 million (2024: £15.7 million).

Progress with strategic priorities

Our four key strategic priorities are to (1) grow market share, (2) improve product mix, (3) optimise our routes to market and (4) position effectively for decarbonisation.

We continue to be the market leader across the UK and Europe, with a market share of 19.9%[1]. While this share has declined marginally over the past year, this is primarily a result of market mix across the countries we serve, with market growth in Russia, where the Group chooses not to participate, alongside weaker market volumes in the UK. Excluding the Russian market, the Group's market share position is 25.4% (2023: 25.3%).

In terms of product mix, while we have seen a short-term impact from ongoing economic uncertainty in the UK on the penetration of premium panel radiators, we have made tangible progress on our strategy to drive adoption of designer radiators as the market leader. The refreshed Stelrad.com website has now been launched, optimising the consumer journey and broadening our routes to market for designer radiators where there is a greater level of direct consumer input. We have also launched our 48 hour designer radiator service to enhance customer service levels for these products and remove long lead time perceptions. Management remains confident in the opportunity, underpinned by the initiatives undertaken, to improve the penetration of premium products in the UK as market conditions and consumer confidence improve.

We continue to see long-term structural tailwinds from the decarbonisation of commercial and residential property stock, with the average radiator size increasing by 2.5% during the period. We continue to further expand our high heat output and hybrid heat emitter radiator portfolios, alongside leveraging our brand strength and channel access to drive electric radiator sales in core markets.

Interim dividend

The Board has declared an interim dividend of 3.04 pence per share, an increase of 2%. The interim dividend will be paid on 24 October 2025 to shareholders on the register on 10 October 2025. This increase reflects the strength of the Group's balance sheet and the Board's confidence in the Group's future growth prospects and increasing cash generation.

Outlook

Whilst the current market environment remains subdued, the Board expects a modest level of market volume improvement in the second half of the year augmented by the strength of Stelrad's market position, sustainable competitive advantages and operational excellence.

Proactive margin management and cost discipline leave the Group well placed to achieve unchanged Board expectations of further adjusted profit growth in FY25.

The Board remains confident in its long-term growth plans and in driving continued shareholder value. The key priority for the Group is to be prepared for an increase in volumes as and when market conditions improve. We know from our years of experience and long-standing position in the market that when volumes begin to recover, this happens at pace.

Trevor Harvey
Chief Executive Officer
8 August 2025

FINANCE AND BUSINESS REVIEW

Group overview

The following table summarises the Group's results from operations for the six months ended 30 June 2025 and 30 June 2024.

	Six months ended 30 June 2025 £m	Six months ended 30 June 2024 £m	Movement £m	Movement %
Revenue	**136.5**	**143.1**	**(6.6)**	**(4.6)**
EBITDA[1]	**21.8**	**21.7**	**0.1**	**0.5**
Adjusted operating profit[1]	**15.9**	**15.7**	**0.2**	**1.1**
Exceptional items	(12.0)	-	(12.0)	n/a
Amortisation of customer relationships	(0.1)	(0.1)	-	1.5
Operating profit	**3.8**	**15.6**	**(11.8)**	**(75.5)**
Net finance costs	(3.7)	(3.9)	0.2	5.0
Profit before tax	**0.1**	**11.7**	**(11.6)**	**(99.2)**
Income tax expense	(3.5)	(3.7)	0.2	4.2
(Loss)/profit for the period	**(3.4)**	**8.0**	**(11.4)**	**(142.9)**
(Loss)/earnings per share – basic (p)	**(2.71)**	**6.30**	**(9.01)**	**(142.9)**
Adjusted profit for the period[1]	**8.2**	**8.1**	**0.1**	**1.0**
Adjusted earnings per share – basic (p)[1]	**6.41**	**6.34**	**0.07**	**1.0**
Dividend per share (p)	**3.04**	**2.98**	**0.06**	**2.0**
Return on capital employed (%)[1]	**26.9**	**26.4**	**n/a**	**0.5 ppts**
Net debt before lease liabilities[1]	**64.8**	**64.6**	**0.2**	**0.3**

(1) The Group uses some alternative performance measures to track and assess the underlying performance of the business. Alternative performance measures are defined in the glossary of terms and reconciled to the appropriate financial statements line item at the end of this announcement.

Financial overview

A resilient adjusted operating performance driven by ongoing margin management and structural currency gains allowed the Group to offset the impact of a continued reduction in demand during the first half of 2025. Whilst there were positive year-on-year trends across some of our core European geographies, UK & Ireland continued to see subdued renovation activity driven by a challenging macroeconomic environment related to continued high interest rates and inflation.

Revenue for the six months ended 30 June 2025 was £136.5 million, a decrease of £6.6 million, or 4.6%, on the six months ended 30 June 2024 (2024: £143.1 million). The decline in revenue was mainly due to a 4.8% decline in sales volumes during the period. Selling prices have benefitted from a third successive annual increase in average radiator size in the UK and stronger European sales at higher prices.

Adjusted operating profit for the period was £15.9 million, an increase of £0.2 million, or 1.1%, compared to the same period last year (2024: £15.7 million). The increase in adjusted operating profit arose despite the 4.8% decrease in sales volumes. Adjusted operating profit grew due to the benefits of favourable material price and structural currency benefits, partially offset by lower sales volumes. The structural currency benefits arise from the way the Group has structured its Turkish operations, with the gain being a result of the year to date devaluation of the Turkish Lira against the Euro which will further benefit the cost base of our Turkish operations in the future.

Operating profit for the period was £3.8 million, a decrease of £11.8 million, or 75.5%, compared to the prior year (2024: £15.6 million). Operating profit is stated after the deduction of non-cash exceptional items of £12.0 million (2024: £nil) and the amortisation of customer relationships of £0.1 million (2024: £0.1 million).

Supported by continued operational control and margin management, despite a challenging market environment, contribution per radiator has remained in excess of £20 at £20.33, providing the Group with very strong operating leverage that will drive considerable profitability improvements when volumes recover. The Group continues to push the sale of premium products throughout its markets, recognising the additional margin that these products generate. The proportion of premium panel sales to total volumes was 5.7% with further progress expected as the economic environment improves.

The statutory loss for the period was £3.4 million (2024: profit of £8.0 million) due to the non-cash exceptional items of £12.0 million (2024: £nil). Adjusted profit for the period grew by £0.1 million to £8.2 million (2024: £8.1 million). Interest charges reduced by £0.2 million year-on-year as interest rates continue to fall. Tax charges decreased marginally year-on-year due to a credit linked to the exceptional items.

Loss per share was 2.71 pence (2024: earnings per share of 6.30 pence). Adjusted earnings per share was 6.41 pence (2024: 6.34 pence).

At 30 June 2025 the Group had cash of £17.6 million (December 2024: £18.6 million) and undrawn available facilities of £17.9 million (December 2024: £21.1 million), with net debt before lease liabilities of £64.8 million (December 2024: £59.7 million).

Working capital at 30 June 2025 reflects a seasonal high point prior to the heating season, with the lowest level of working capital historically experienced in December. Selective investments in working capital have been made in the period to enhance customer relationships in the UK market. The Group expects a reduction in net debt by the end of the financial year, reflecting the seasonality of working capital investment.

The Group has made pleasing progress towards its medium-term targets in the period, despite challenging market conditions, with growth in both adjusted operating profit margins and return on capital employed. The Board remain confident in the ability for the Group to achieve all medium-term targets.

Revenue by geographical market

The table below sets out the Group's revenue by geographical market.

Revenue by geographical market	Six months ended 30 June 2025	Six months ended 30 June 2024	Movement	Movement
	£m	£m	£m	%
UK & Ireland	65.1	69.1	(4.0)	(5.8)
Europe	62.9	66.8	(3.9)	(5.9)
Turkey & International	8.5	7.2	1.3	17.9
Total	**136.5**	**143.1**	**(6.6)**	**(4.6)**

UK & Ireland

The Group's revenue in the UK & Ireland for the period was £65.1 million (2024: £69.1 million), a decrease of £4.0 million, or 5.8%. This was principally a result of a decrease in sales volumes of 9.6%, partially offset by a continued increase in the average size of radiators sold, with a 2.5% year-on-year higher output, though the penetration of premium panel products sold was impacted by low UK consumer confidence.

Europe

The Group's revenue in Europe for the period was £62.9 million (2024: £66.8 million), a decrease of £3.9 million, or 5.9%, as a result of a 3.8% decrease in sales volumes and the impact of higher average Euro exchange rates in the period. Encouragingly, we note certain key geographies in Europe have shown a year-on-year increase in volumes, including Belgium, Poland, France and Germany.

Turkey & International

The Group's revenue in Turkey & International for the period was £8.5 million (2024: £7.2 million), an increase of £1.3 million, or 17.9%. This was principally a result of higher volumes sold in Turkey due to an improvement in market conditions.

Adjusted operating profit by geographical market

The table below sets out the Group's adjusted operating profit by geographical market.

Adjusted operating profit by geographical market	Six months ended 30 June 2025	Six months ended 30 June 2024	Movement	Movement
	£m	£m	£m	%
UK & Ireland	15.0	15.1	(0.1)	(0.3)
Europe	3.6	3.7	(0.1)	(5.4)
Turkey & International	0.7	0.9	(0.2)	(17.6)
Central costs	(3.4)	(4.0)	0.6	14.7
Total	**15.9**	**15.7**	**0.2**	**1.1**

UK & Ireland

The Group's adjusted operating profit in the UK & Ireland for the period was £15.0 million (2024: £15.1 million), a decrease of £0.1 million, or 0.3%. The result includes the benefit of favourable material prices and the increase in the average size of radiators sold offset by lower sales volumes.

Europe
The Group's adjusted operating profit in Europe for the period was £3.6 million (2024: £3.7 million), a decrease of £0.1 million, or 5.4%. A high fixed cost base in Europe, combined with the sales volume decrease, has led to a reduction in operating margin percentage in recent years. We expect margins for the Europe segment, to recover in line with market recovery as variable profit margins remain strong.

The Group will continue to focus on improving the margins of Radiators SpA's sales, with the exit from a significant loss-making contract at the end of 2025 providing renewed opportunity to focus business efforts on the product ranges which are unique to Radiators SpA.

Turkey & International
The Group's adjusted operating profit in Turkey & International for the period was £0.7 million (2024: £0.9 million), a decrease of £0.2 million, or 17.6%. The decrease is due to country mix with a growth in Turkish sales which are traditionally at lower margins.

Central costs
Central costs, including Group LTIP charges, for the period were £3.4 million (2024: £4.0 million), a decrease of £0.6 million, or 14.7%. The reduction is due to the removal of one-off costs from the prior year.

Exceptional items
Operating profit is stated after exceptional items of £12.0 million. The non-cash exceptional items relate to impairment of goodwill of £2.6 million, impairment of customer relationships of £1.4 million, impairment of property, plant and equipment of £5.7 million and a provision against inventories of £2.3 million, all within the Radiators SpA business.

The Radiators SpA business has been exposed to declining market volumes in France and Germany (c.30% reduction) since its acquisition in July 2022, resulting in deteriorating operating margins despite active fixed cost management. Since the acquisition, the business has been impacted by a significant low margin, and latterly a loss-making contract, for the supply of steel panel radiators which has contributed to suppressed European operating margins.

Negotiations during the period to reset the price on this contract have been unsuccessful and, in line with the Group's focus on commercial discipline, decisive action has been taken to terminate all supply under this contract, effective at the end of 2025. Whilst the exit from this loss-making contract will negatively impact future revenue and volumes, it will result in improved contribution and the opportunity to reduce fixed costs in the short-term. The exit from the contract presents an increased opportunity to focus attention on the electrical and designer product ranges which are unique to this division and were the key strategic rationale for acquiring the business. The refocussed business will be underpinned by a rationalised product profile that will provide greater operational efficiency.

Finance costs

The Group's finance costs for the period were £3.7 million (2024: £3.9 million). The decrease of £0.2 million is due to comparatively lower interest rates (blended 5.6%) in the first half of 2025 with a small reduction in interest rates expected in the second half of 2025.

Income tax expense

The Group's income tax expense for the period was £3.5 million (2024: £3.7 million), a decrease of £0.2 million with the expense reduced due to a credit linked to the exceptional items in the period.

(Loss)/earnings per share and adjusted earnings per share

Results for the period reduced to a loss of £3.4 million (2024: profit of £8.0m) and basic loss per share was 2.71 pence (2024: earnings per share 6.30 pence) due to the impact of the exceptional items, net of tax, of £11.6 million in the period (2024: £nil). The weighted average number of shares was 127.4 million (2024: 127.4 million).

Adjusted profit for the period increased to £8.2 million (2024: £8.1 million) and consequently basic adjusted earnings per share was 6.41 pence (2024: 6.34 pence).

Dividend

The Group is committed to delivering returns for its shareholders via a progressive dividend policy. The Board has confidence in the Group's financial position and believes that its leading market positions, regulatory tailwinds, product premiumisation upside and favourable contribution per radiator will lead to strong future financial performance, as demonstrated by the Group's medium-term targets published at our Capital Markets Event in November 2024. On this basis, despite suppressed earnings caused by trading headwinds, the Group intends to pay an interim dividend of 3.04 pence per share, an increase of 2% on the 2024 interim dividend, on 24 October 2025 to shareholders on the register on 10 October 2025.

The Group paid its final dividend for 2024 of 4.81 pence per share in May 2025, resulting in a total dividend for 2024 of 7.79 pence per share.

Cash flows

The following table summarises the Group's cash flow for the six months ended 30 June 2025 and 30 June 2024.

	Six months ended 30 June 2025 £m	Six months ended 30 June 2024 £m	Movement £m
EBITDA	21.8	21.7	0.1
Gain on disposal of property, plant and equipment	(0.1)	(0.1)	-
Share-based payment charge	0.6	0.3	0.3
Working capital	(9.0)	(9.8)	0.8
Net capital expenditure	(3.7)	(3.1)	(0.6)
Cash flow from operations[1]	**9.6**	**9.0**	**0.6**
Income tax paid	(4.8)	(4.0)	(0.8)
Net interest paid	(3.0)	(3.7)	0.7
Free cash flow[1]	**1.8**	**1.3**	**0.5**
Cash flow from operations	9.6	9.0	0.6
Adjusted for			
Exceptional items, impact on working capital	-	2.2	(2.2)
Adjusted cash flow from operations	**9.6**	**11.2**	**(1.6)**

	Six months ended 30 June 2025	Six months ended 30 June 2024	Movement
Cash flow from operations[1] (£m)	9.6	9.0	0.6
Adjusted cash flow from operations[1] (£m)	9.6	11.2	(1.6)
Adjusted operating profit[1] (£m)	15.9	15.7	0.2
Cash flow from operations conversion[1] (%)	60.5	57.7	2.8ppts
Adjusted cash flow from operations conversion[1] (%)	60.5	71.5	(11.0)ppts

(1) The Group uses some alternative performance measures to track and assess the underlying performance of the business. Alternative performance measures are defined in the glossary of terms and reconciled to the appropriate financial statements line item at the end of this announcement.

The Group's free cash inflow for the period was £1.8 million (2024: £1.3 million), an increase of £0.5 million. This reflects investments in capital expenditure and higher tax paid, partially offset by lower interest payments. During quarter four of 2024, the Group undertook a proactive price realignment exercise on its core range of contract products in the UK with equal reductions in both list prices and rebates. The price realignment is a commercial initiative designed to make the price points of our contract products more competitive and enhance customer relationships. During 2025, because of the reduction in the level of rebates, there has been an increase in working capital. The Group's UK business became cash tax paying in the period, after fully utilising its historic tax losses, which contributed to the increase in income tax paid.

The Group's cash inflow from operations for the period was £9.6 million (2024: £9.0 million), an increase of £0.6 million. Adjusted operating profit for the period was £15.9 million (2024: £15.7 million), an increase of £0.2 million. Cash flow from operations conversion for the period was 60.5% (2024: 57.7%). Adjusted cash flow from operations conversion for the period was 60.5% (2024: 71.5%).

Capital expenditures

The Group's capital expenditures mainly relate to investment in operating plant and equipment. Key capital expenditure in the period ended 30 June 2025 related to various maintenance and upgrade projects. Capital expenditure for the remainder of 2025 will be in line with expectations.

Return on capital employed and capital allocation priorities

Return on capital employed for the period was 26.9% (2024: 26.4%), an increase of 0.5 ppts. This improvement is partially due to the impairment of assets and an increase in adjusted operating profit, partially offset by the investment made in working capital.

Capital allocation considerations remain high on the Group's agenda, and both the 2024 and 2025 investments in working capital are considered a key part of the Group's prioritisation of investment for organic growth under its capital allocation framework set out at the Capital Markets Event in November 2024. Additionally, alongside the investment in organic growth during 2024 and 2025, dividends have progressively increased by 2%, whilst the Group's debt leverage ratio before lease liabilities has remained stable at 1.48x (30 June 2024: 1.49x), demonstrating a controlled and balanced approach to capital allocation and balance sheet prudence given the challenging macroeconomic environment.

Net debt and leverage

At 30 June 2025, net debt (including lease liabilities) of £73.1 million (December 2024: £67.6 million) comprises £82.4 million (December 2024: £78.3 million) drawn down against the multicurrency facility and £8.3 million (December 2024: £7.9 million) lease liabilities net of £17.6 million (December 2024: £18.6 million) cash.

	30 June 2025 £m	**31 December 2024 £m**
Revolving credit facility – GBP	44.4	41.8
Revolving credit facility – EUR	13.7	13.1
Term loan	24.3	23.4
Cash	(17.6)	(18.6)
Net debt before lease liabilities	**64.8**	**59.7**
Lease liabilities	8.3	7.9
Net debt	**73.1**	**67.6**
EBITDA (rolling 12 months)	**43.8**	**43.5**
Debt leverage ratio before lease liabilities	**1.48x**	**1.37x**

The debt leverage ratio before lease liabilities at 30 June 2025 was 1.48x (31 December 2024: 1.37x; 30 June 2024: 1.49x).

Going concern
After reviewing the Group's current liquidity, net debt, financial forecasts and stress testing of potential risks, the Board confirms there are no material uncertainties which impact the Group's ability to continue as a going concern for at least twelve months from the date of approval of the financial statements and therefore these condensed consolidated interim financial statements have been prepared on a going concern basis.

The financial position of the Group remains robust. The Group has in place a £100 million multicurrency facility, made up of a £76.0 million revolving credit facility and a €28.3 million term loan facility. At 31 December 2024, the entire term loan was drawn along with £58.1 million of the revolving credit facility. The facility matures in November 2026.

As the £100 million bank loan facility is maturing in November 2026, refinancing discussions with lenders commenced during the first half of 2025. The expectation is that the loan will be refinanced.

Leigh Wilcox
Chief Financial Officer
8 August 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report 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 condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The directors of Stelrad Group plc are listed in the Annual Report and Accounts for the year ended 31 December 2024.

For and on behalf of the Board

Leigh Wilcox
Chief Financial Officer
8 August 2025

Stelrad Group plc. Registered number 13670010

INDEPENDENT REVIEW REPORT TO STELRAD GROUP PLC

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Stelrad Group Plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim results of Stelrad Group Plc for the 6 month period ended 30 June 2025 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated interim balance sheet as at 30 June 2025;
- the Condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income for the period then ended;
- the Condensed consolidated interim statement of cash flows for the period then ended;
- the Condensed consolidated interim statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim results of Stelrad Group Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Newcastle upon Tyne
8 August 2025

Stelrad Group plc
Condensed consolidated interim income statement
for the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Continuing operations				
Revenue	5	136,475	143,116	290,577
Cost of sales		(93,991)	(98,987)	(201,617)
Gross profit		42,484	44,129	88,960
Selling and distribution expenses		(19,699)	(19,922)	(41,729)
Administrative expenses		(8,788)	(9,164)	(17,165)
Other operating income/(expenses)	6	1,848	624	1,319
Exceptional items	7	(12,001)	-	-
Operating profit	5	3,844	15,667	31,385
Finance income		86	113	186
Finance costs		(3,832)	(4,057)	(8,189)
Profit before tax		98	11,723	23,382
Income tax expense	8	(3,543)	(3,699)	(6,864)
(Loss)/profit for the period		(3,445)	8,024	16,518

	Notes			
(Loss)/earnings per share				
Basic	9	(2.71)p	6.30p	12.97p
Diluted	9	(2.66)p	6.26p	12.87p
Adjusted earnings per share				
Basic	9	6.41p	6.34p	13.05p
Diluted	9	6.30p	6.30p	12.94p

Stelrad Group plc
Condensed consolidated interim statement of comprehensive income
for the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
(Loss)/profit for the period		(3,445)	8,024	16,518
Other comprehensive income/(expense)				
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:				
Net (loss)/gain on monetary items forming part of net investment in foreign operations and qualifying hedges of net investments in foreign operations		(723)	421	867
Income tax effect	8	181	(105)	(217)
Exchange differences on translation of foreign operations		3,300	(2,226)	(4,711)
Net other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods		2,758	(1,910)	(4,061)
Other comprehensive expense not to be reclassified to profit or loss in subsequent periods:				
Remeasurement losses on defined benefit plans		(63)	(907)	(925)
Income tax effect	8	16	200	232
Net other comprehensive expense not to be reclassified to profit or loss in subsequent periods		(47)	(707)	(693)
Other comprehensive income/(expense) for the period, net of tax		2,711	(2,617)	(4,754)
Total comprehensive income/(expense) for the period, net of tax attributable to owners of the parent		(734)	5,407	11,764

Stelrad Group plc (Registered Number 13670010)

Condensed consolidated interim balance sheet

as at 30 June 2025

	Notes	30 June 2025 (not audited) £'000	30 June 2024 (not audited) £'000	31 December 2024 (audited) £'000
Assets				
Non-current assets				
Property, plant and equipment		73,781	82,111	79,173
Intangible assets	15	547	4,990	4,652
Trade and other receivables		295	298	284
Deferred tax assets		6,241	6,640	4,821
		80,864	94,039	88,930
Current assets				
Inventories		69,786	70,512	67,311
Trade and other receivables		48,871	57,690	45,478
Income tax receivable		254	230	235
Financial assets	11	-	83	293
Cash and cash equivalents		17,572	19,359	18,633
		136,483	147,874	131,950
Total assets		217,347	241,913	220,880
Equity and liabilities				
Equity				
Share capital		127	127	127
Merger reserve		(114,469)	(114,469)	(114,469)
Retained earnings		230,758	234,971	239,788
Foreign currency reserve		(65,095)	(65,702)	(67,853)
Total equity		51,321	54,927	57,593
Non-current liabilities				
Interest-bearing loans and borrowings	11	87,767	89,610	83,329
Deferred tax liabilities		217	214	209
Provisions		1,800	1,925	1,910
Net employee defined benefit liabilities	13	4,537	4,865	5,118
		94,321	96,614	90,566
Current liabilities				
Trade and other payables		67,635	85,963	69,210
Financial liabilities	11	505	-	-
Interest-bearing loans and borrowings	11	2,456	2,295	2,212
Income tax payable		418	1,317	550
Provisions		691	797	749
		71,705	90,372	72,721
Total liabilities		166,026	186,986	163,287
Total equity and liabilities		217,347	241,913	220,880

The financial statements on pages 19 to 35 were approved by the Board of Directors on 8 August 2025 and signed on its behalf by:

Leigh Wilcox
Chief Financial Officer

Stelrad Group plc
Condensed consolidated interim statement of changes in equity
for the six months ended 30 June 2025

	Attributable to the owners of the parent				
	Issued share capital £'000	**Merger reserve £'000**	**Retained earnings £'000**	**Foreign currency £'000**	**Total £'000**
At 31 December 2023 (audited)	127	(114,469)	233,329	(63,792)	55,195
Profit for the year	-	-	16,518	-	16,518
Other comprehensive expense for the year	-	-	(693)	(4,061)	(4,754)
Total comprehensive income/(expense)	-	-	15,825	(4,061)	11,764
Share-based payment charge	-	-	440	-	440
Dividends paid (note 10)	-	-	(9,806)	-	(9,806)
At 31 December 2024 (audited)	127	(114,469)	239,788	(67,853)	57,593
Loss for the period	-	-	(3,445)	-	(3,445)
Other comprehensive (expense)/income for the period	-	-	(47)	2,758	2,711
Total comprehensive income/(expense)	-	-	(3,492)	2,758	(734)
Share-based payment charge	-	-	588	-	588
Dividends paid (note 10)	-	-	(6,126)	-	(6,126)
At 30 June 2025 (not audited)	127	(114,469)	230,758	(65,095)	51,321

	Attributable to the owners of the parent				
	Issued share capital £'000	**Merger reserve £'000**	**Retained earnings £'000**	**Foreign currency £'000**	**Total £'000**
At 31 December 2023 (audited)	127	(114,469)	233,329	(63,792)	55,195
Profit for the period	-	-	8,024	-	8,024
Other comprehensive expense for the period	-	-	(707)	(1,910)	(2,617)
Total comprehensive income/(expense)	-	-	7,317	(1,910)	5,407
Share-based payment charge	-	-	336	-	336
Dividends paid (note 10)	-	-	(6,011)	-	(6,011)
At 30 June 2024 (not audited)	127	(114,469)	234,971	(65,702)	54,927

Stelrad Group plc
Condensed consolidated interim statement of cash flows
for the six months ended 30 June 2025

	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Operating activities			
Profit before tax	98	11,723	23,382
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	5,776	5,777	11,692
Amortisation of intangible assets	190	252	468
Gain on disposal of property, plant and equipment	(71)	(83)	(118)
Share-based payment charge	588	336	440
Exceptional items	12,001	-	-
Finance income	(86)	(113)	(186)
Finance costs	3,832	4,057	8,189
Working capital adjustments:			
(Increase) / decrease in trade and other receivables	(2,360)	(7,622)	3,885
Increase in inventories	(2,992)	(8,170)	(6,143)
(Decrease) / increase in trade and other payables	(2,819)	8,954	(6,743)
Decrease in provisions	(261)	(2,195)	(2,176)
Movement in other financial assets / liabilities	809	(394)	(610)
Decrease in other pension provisions	-	-	(7)
Difference between pension charge and cash contributions	(1,375)	(366)	(581)
	13,330	12,156	31,492
Income tax paid	(4,769)	(3,987)	(6,265)
Interest received	86	113	186
Net cash flows from operating activities	8,647	8,282	25,413
Investing activities			
Proceeds from sale of property, plant, equipment and intangible assets	68	184	341
Purchase of property, plant and equipment	(2,626)	(1,858)	(5,861)
Purchase of intangible assets	(18)	-	(100)
Net cash flows used in investing activities	(2,576)	(1,674)	(5,620)
Financing activities			
Proceeds from external borrowings	2,736	5,087	3,388
Repayment of external borrowings	-	(2,200)	(5,150)
Payment of lease liabilities	(1,134)	(1,408)	(2,865)
Interest paid	(3,121)	(3,778)	(7,372)
Dividends paid	(6,126)	(6,011)	(9,806)
Net cash flows used in financing activities	(7,645)	(8,310)	(21,805)
Net decrease in cash and cash equivalents	(1,574)	(1,702)	(2,012)
Net foreign exchange difference	513	(381)	(797)
Cash and cash equivalents at start of period	18,633	21,442	21,442
Cash and cash equivalents at end of period	17,572	19,359	18,633

1 Corporate information

Stelrad Group plc is a public limited company that is incorporated, domiciled and has its registered office in England and Wales.

2 Basis of preparation

The condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2025 have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements do not include all of the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2024, which has been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, and any public announcements made by Stelrad Group plc during the interim reporting period. The condensed consolidated interim financial statements have been prepared using the same material accounting policies and methods of computation used to prepare the Group's 2024 Annual Report and Accounts as described on pages 107 to 116 of that report, which can be found on the Group's website at www.stelradplc.com, and the adoption of new standards and interpretations, noted below.

The condensed consolidated interim financial statements have not been prepared using any new accounting policies in the six months ended 30 June 2025.

The 2024 annual consolidated financial statements of the Group were prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and the disclosure guidance and transparency rules sourcebook of the United Kingdom's Financial Conduct Authority.

The financial statements for the six months ended 30 June 2025 and the comparative financial statements for the six months ended 30 June 2024 have not been audited. However, the financial statements for the six months ended 30 June 2025 and the six months ended 30 June 2024 have been reviewed by the auditor, PricewaterhouseCoopers LLP. The comparative financial statements for the year ended 31 December 2024 have been extracted from the 2024 Annual Report and Accounts. The financial statements contained in this interim report do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and do not reflect all of the information contained in the Group's 2023 Annual Report and Accounts. The statutory accounts for the year ended 31 December 2024, which were approved by the Board of Directors on 7 March 2025 and have been filed with the Registrar of Companies, received an unqualified audit report which did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

In preparing these financial statements on the going concern basis, the directors have considered the Group's current and future prospects and its availability of cash resources and financing and the Group's financial position.

The Group meets its day-to-day working capital requirements through a bank loan facility which is in place up to November 2026. At the period-end date the Group had drawn down £82.4 million of a £100 million loan facility. The remainder of the facility and significant cash balances of £17.6 million are available to enable day-to-day working capital requirements to be met.

As part of their period-end review, management has performed a detailed going concern review, based on severe but plausible conditions, looking at the group's liquidity and banking covenant compliance, examining expected future performance. The Board have also reviewed the risks and uncertainties facing the business. Based on the output of these going concern reviews, management have concluded that the Group will be able to continue to operate within its existing facilities for at least twelve months from the date of approval of the financial statements and as such the financial statements have been prepared on a going concern basis.

New standards and interpretations applied in the period

The following amendments and interpretations apply for the first time in 2025, but do not have a material impact on the consolidated financial statements of the Group. These include:

- Lack of exchangeability – Amendments to IAS 21

New standards and interpretations not applied

The International Accounting Standards Board has issued the following standards and interpretations with an effective date after the date of these financial statements:

International Accounting Standards (IAS/IFRSs)	Effective date (period beginning on or after)
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027

It is anticipated that adoption of these standards and interpretations will not have a material impact on the Group's financial statements.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Group's accounting policies, management has made judgements which would have a significant effect on the amounts recognised in the consolidated financial statements.

The judgements used in the condensed consolidated interim financial statements are detailed in the Group's 2024 Annual Report and Accounts on pages 116 of that report, which can be found on the Group's website at www.stelradplc.com.

No new judgements have been applied to the condensed consolidated interim financial statements in the six months ended 30 June 2025. However, the judgement related to impairment of non-financial assets has been updated in the six months ended 30 June 2025 following exit from a significant supply contract with an existing customer.

Impairment of non-financial assets
Intangible assets, including goodwill, that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Details of the impairment assessment of goodwill and other assets, which includes key estimates, are disclosed in note 15.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described in the Group's 2024 Annual Report and Accounts on page 116 of that report. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The estimates and assumptions used in the condensed consolidated interim financial statements are detailed in the Group's 2024 Annual Report and Accounts on page 116 of that report, which can be found on the Group's website at www.stelradplc.com.

No new estimates and assumptions have been applied to the condensed consolidated interim financial statements in the six months ended 30 June 2025.

4 Principal risks

The Board has undertaken a review of the principal risks affecting the Group for the six months ended 30 June 2025. The Board considers that the principal risks, as discussed in the 'Risk management' section on pages 48 to 54 of the Group Annual Report and Accounts for the year ended 31 December 2024 (available on the Group's website www.stelradplc.com), remain relevant.

5 Segmental information

IFRS 8 Operating Segments requires operating segments to be determined by the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Chief Executive Officer and Chief Financial Officer. The operating segments are determined to be the key geographical regions in which the Group operates. The CODM receive management information as part of the internal reporting framework based upon the key geographical regions. The CODM assesses the performance of geographical segments based on a measure of revenue and adjusted operating profit.

Adjusted operating profit is earnings before interest, tax, amortisation of customer relationships and exceptional items.

Revenue by geographical market	**Six months ended 30 June 2025 (not audited) £'000**	**Six months ended 30 June 2024 (not audited) £'000**	**Year ended 31 December 2024 (audited) £'000**
UK & Ireland	65,073	69,052	137,351
Europe	62,861	66,821	138,971
Turkey & International	8,541	7,243	14,255
Total revenue	136,475	143,116	290,577

The revenue arising in the UK, being the Company's country of domicile, was £63,595,000 (six months ended 30 June 2024: £66,893,000; year ended 31 December 2024: £134,442,000).

Adjusted operating profit by geographical market	**Six months ended 30 June 2025 (not audited) £'000**	**Six months ended 30 June 2024 (not audited) £'000**	**Year ended 31 December 2024 (audited) £'000**
UK & Ireland	15,029	15,080	29,548
Europe	3,567	3,769	7,937
Turkey & International	741	899	1,042
Central costs	(3,424)	(4,012)	(7,005)
Adjusted operating profit	15,913	15,736	31,522
Exceptional items (note 7)	(12,001)	-	-
Amortisation of customer relationships	(68)	(69)	(137)
Operating profit	3,844	15,667	31,385

Non-current operating assets	**Six months ended 30 June 2025 (not audited) £'000**	**Six months ended 30 June 2024 (not audited) £'000**	**Year ended 31 December 2024 (audited) £'000**
UK	15,776	16,597	16,324
The Netherlands	17,349	18,863	17,453
Turkey	26,219	25,460	25,549
Italy	14,028	25,379	23,894
Other	956	802	605
Total	74,328	87,101	83,825

The revenue information above is based on the locations of the customers. All revenue arises from the sale of goods.

One customer has revenues in excess of 10% of revenue (six months ended 30 June 2024: none; year ended 31 December 2024: one).

6 Other operating income/(expenses)

	Six months ended 30 June 2025 (not audited) £'000	**Six months ended 30 June 2024 (not audited) £'000**	**Year ended 31 December 2024 (audited) £'000**
Net gain on disposal of property, plant and equipment	71	83	118
Foreign currency gains	2,725	571	723
Net losses on forward derivative contracts	(1,115)	(220)	(35)
Sundry other income	167	190	513
	1,848	624	1,319

7 Exceptional items

	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Impairment of goodwill	2,648	-	-
Impairment of customer relationships	1,369	-	-
Impairment of property, plant & equipment	5,716	-	-
Inventory provision	2,268	-	-
	12,001	-	-

The exceptional items relate to impairment of assets of the Radiators SpA cash generating unit and an inventory provision, which has arisen due to the circumstances surrounding the impairment.

Further detail can be found in the Finance and Business Review within the exceptional items section.

All exceptional items have been presented as such because they are one-off in nature and separate disclosure allows the underlying trading performance of the Group to be better understood.

8 Income tax expense

The major components of income tax expense are as follows:

	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Consolidated income statement			
Current income tax:			
Current income tax charge	4,547	3,552	5,083
Adjustments in respect of current income tax charge of previous period	-	-	(127)
Deferred tax:			
Relating to origination and reversal of temporary differences	(1,004)	147	1,908
Income tax expense reported in the income statement	3,543	3,699	6,864

	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Consolidated statement of comprehensive income			
Tax related to items recognised in other comprehensive income/(expense) during the period:			
Deferred tax on actuarial loss	(16)	(200)	(232)
Current tax on monetary items forming part of net investment and on hedges of net investment	(181)	105	217
Income tax expensed to other comprehensive income/(expense)	(197)	(95)	(15)

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

9 Earnings per share

	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Net (loss)/profit for the period attributable to owners of the parent	(3,445)	8,024	16,518
Exceptional items (note 7)	12,001	-	-
Amortisation of customer relationships	68	69	137
Tax on exceptional items	(448)	-	-
Tax on amortisation of customer relationships	(19)	(19)	(38)
Adjusted net profit for the period attributable to owners of the parent	8,157	8,074	16,617

	Six months ended 30 June 2025 (not audited)	Six months ended 30 June 2024 (not audited)	Year ended 31 December 2024 (audited)
Basic weighted average number of shares in issue	127,352,555	127,352,555	127,352,555
Diluted weighted average number of shares in issue	129,438,265	128,105,925	128,389,983
(Loss)/earnings per share			
Basic (loss)/earnings per share (pence per share)	(2.71)	6.30	12.97
Diluted (loss)/earnings per share (pence per share)	(2.66)	6.26	12.87
Adjusted earnings per share			
Basic earnings per share (pence per share)	6.41	6.34	13.05
Diluted earnings per share (pence per share)	6.30	6.30	12.94

10 Dividends paid and proposed

	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Declared and paid during the period			
Equity dividend on ordinary shares:			
Final dividend for 2024: 4.81p per share (2023: 4.72p per share)	6,126	6,011	6,011
Interim dividend for 2024: 2.98p per share	-	-	3,795
	6,126	6,011	9,806

	Six months ended 30 June 2025 (not audited) £'000	Six months ended 30 June 2024 (not audited) £'000	Year ended 31 December 2024 (audited) £'000
Dividend proposed (not recognised as a liability)			
Equity dividend on ordinary shares:			
Final dividend for 2024: 4.81p per share	-	-	6,126
Interim dividend for 2025: 3.04p per share (2024: 2.98p per share)	3,872	3,795	-

11 Financial instruments

a) Financial instruments – other – not interest bearing

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Financial assets		
Financial instruments at fair value through profit or loss		
Derivatives not designated as hedges – foreign exchange forward contracts	-	293
Total instruments at fair value through profit or loss	-	293
Current	-	293
Non-current	-	-

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Financial liabilities		
Financial instruments at fair value through profit or loss		
Derivatives not designated as hedges – foreign exchange forward contracts	505	-
Total instruments at fair value through profit or loss	505	-
Current	505	-
Non-current	-	-

Financial instruments through profit or loss reflect the change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

b) Financial instruments – interest-bearing loans and borrowings

	Effective interest rate %	Maturity	30 June 2025 (not audited) £'000	31 December 2024 (audited) £'000
Current interest-bearing loans and borrowings				
Lease liabilities			2,456	2,212
			2,456	2,212
Non-current interest-bearing loans and borrowings				
Lease liabilities			5,873	5,671
Revolving credit facility – GBP	SONIA + 2.0%	9 Nov 2026	44,400	41,750
Revolving credit facility – Euro	Euribor + 2.0%	9 Nov 2026	13,706	13,146
Term loan	Euribor + 2.0%	9 Nov 2026	24,281	23,436
Unamortised loan costs			(493)	(674)
			87,767	83,329
Total interest-bearing loans and borrowings			90,223	85,541

The Group has a £100 million loan facility jointly financed by National Westminster Bank plc and Barclays Bank plc. The facility consists of a £76.027 million revolving credit facility and a €28.346 million term loan facility.

During the year ended 31 December 2023, the £76.027 million revolving credit facility and the €28.346 million term loan facility were extended by two years to 9 November 2026 by exercising the two-year extension option included in the facility agreement.

As the £100 million bank loan facility is maturing in November 2026, refinancing discussions with lenders commenced during the first half of 2025. The expectation is that the loan will be refinanced.

The RCF and term loan facilities are secured on the assets of certain subsidiaries within the Group.

c) Changes in liabilities arising from financing activities

	1 January 2025 (audited) £'000	Cash flows £'000	Non-cash changes £'000	30 June 2025 (unaudited)
Liabilities from financing activities				
Revolving credit facility – GBP	41,750	2,650	-	44,400
Revolving credit facility – Euro	13,146	86	474	13,706
Term loan	23,436	-	845	24,281
Lease liabilities	7,883	184	262	8,329
	86,215	2,920	1,581	90,716
Other assets				
Cash and cash equivalents	(18,633)	1,574	(513)	(17,572)
	(18,633)	1,574	(513)	(17,572)
Net liabilities arising from financing activities	67,582	4,494	1,068	73,144

The non-cash changes all relate to foreign exchange differences.

12 Contingent liabilities

Termo Teknik Ticaret ve Sanayi A.S. has issued letters of guarantee and letters of credit to its steel suppliers amounting to $5,672,000 (31 December 2024: $17,917,000) and $30,626,000 (31 December 2024: $18,071,000) respectively. Termo Teknik Ticaret ve Sanayi A.S. has also issued letters of guarantee denominated in Turkish Lira totalling TL26,445,000 (31 December 2024: TL26,514,000).

The Group enters into various forward currency contracts to manage the risk of foreign currency exposures on certain purchases and sales. The total amount of unsettled forward contracts as at 30 June 2025 is £13,067,000 (31 December 2024: £12,123,000) on purchases and £16,250,000 (31 December 2024: £17,500,000) on sales.

The fair value of the unsettled forward contracts held at the balance sheet date, determined by reference to their market values, is a liability of £505,000 (31 December 2024: asset of £293,000).

As part of the £100 million loan facility, entered into in November 2021, and amended on 8 July 2022, the Group is party to a cross-collateral agreement secured on specific assets of certain Group companies. No liability is expected to arise from the agreement.

Under an unlimited multilateral guarantee, the Company, in common with certain fellow subsidiary undertakings in the UK, has jointly and severally guaranteed the obligations falling due under the Company's net overdraft facilities. No liability is expected to arise from this arrangement.

13 Pensions and other post-employment plans

	30 June 2025 (not audited) £'000	31 December 2024 (audited) £'000
Net employee defined benefit liability		
Turkish scheme	3,883	4,476
Italian scheme	611	600
Other retirement obligations	43	42
	4,537	5,118

Turkish scheme
In Turkey there is an obligation to provide lump sum termination payments to certain employees; this represents 30 days' pay (subject to a cap imposed by the Turkish Government) for each year of service. The IAS 19 valuation gives a liability of £3,883,000 (31 December 2024: £4,476,000). There are no assets held in this plan (31 December 2024: nil).

Italian scheme
The Italian pension scheme, the Trattamento di Fine Rapporto, is a deferred compensation scheme established by Italian law. Employers are required to provide a benefit to employees when, for any reason, their employment is terminated. The IAS 19 valuation gives a net liability of £611,000 (31 December 2024: £600,000).

UK scheme
The UK has one defined contribution pension scheme.

There were £31,000 outstanding contributions (31 December 2024: £66,000) due to the scheme at the balance sheet date.

Other overseas retirement obligations
The Group operates a number of defined contribution pension schemes in its overseas entities and also has certain other retirement obligations.

IAS 19 accounting – Turkish and Italian schemes

Principal actuarial assumptions

	Italian scheme 30 June 2025 (not audited)	Turkish scheme 30 June 2025 (not audited)	Italian scheme 31 December 2024 (audited)	Turkish scheme 31 December 2024 (audited)
Discount rate (per annum)	3.2%	29.3%	3.2%	29.3%
Future salary increases (per annum)	n/a	25.6%	n/a	25.6%

Quantitative sensitivity analysis

	30 June 2025 (not audited) Discount rate (per annum)		30 June 2025 (not audited) Future salary increases (per annum)	
	+1% £'000	-1% £'000	+1% £'000	-1% £'000
(Decrease)/increase in defined benefit obligation – Turkish scheme	(99)	112	90	(80)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the net defined benefit obligation as a result of reasonable changes in key assumptions at the end of the reporting period.

14 Related party disclosures

There are no related party transactions or changes to related party transactions since the last year end that could have a material effect on the Group's financial position or performance for the period.

15 Intangible assets

	Goodwill	Customer relationships	Technology and software costs	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2025	2,607	1,737	1,357	5,701
Additions	-	-	18	18
Exchange adjustment	41	28	49	118
At 30 June 2025	2,648	1,765	1,424	5,837
Accumulated amortisation and impairment				
At 1 January 2025	-	323	726	1,049
Amortisation	-	68	122	190
Impairment	2,648	1,369	-	4,017
Exchange adjustment	-	5	29	34
At 30 June 2025	2,648	1,765	877	5,290
Net book value				
At 30 June 2025	-	-	547	547
At 31 December 2024	2,607	1,414	631	4,652

Impairment

Goodwill is subject to annual impairment testing. All of the goodwill recognised was allocated to a single cash-generating unit ("CGU"), being the Radiators SpA division which, post the impairment recognised, has a total carrying value of £14.0 million. A CGU represents the lowest level in the Group at which goodwill is monitored for internal management purposes.

Management is required to assess CGUs for impairment where they believe there are triggers for impairment. During the period, management identified that there are triggers for impairment with respect to the Radiators SpA CGU and performed an impairment review as set out below.

Impairment tests are performed by analysing the carrying amount allocated to the CGU against the higher of fair value less costs to sell or its value in use. Both methods are calculated as the net present value of the CGU's discounted future cash flows covering a three-year period. These cash flows are based on discounted cash flows covering a period up to December 2027.

Terminal growth rates of 1.8% have been applied beyond this, based on historical macroeconomic performance and projections of the sector served by the CGUs.

When assessing for impairment, management has considered the impact of climate change, particularly in the context of the risks and opportunities identified within the Task Force on Climate-related Financial Disclosures Report on pages 35 to 39 of the Strategic Report in the 2024 Annual Report & Accounts, and has not identified any material short-term impacts from climate change that would impact the recoverable amount of the CGU.

For the value in use model, a pre-tax discount rate of 14.8% has been applied in determining the recoverable amounts of the CGU. The pre-tax discount rate is estimated based on the Group's risk adjusted cost of capital. Other key assumptions throughout the budget period are EBITDA, which is included in the terminal value at a margin of 7%, volumes, contribution per radiator sold and capital expenditure. The key assumptions have been determined using past experience or external sources of information.

Based on the impairment tests performed, the recoverable amount calculated in the impairment review of the Radiators SpA CGU was lower than the carrying amount. As a result, an impairment has been recognised, reducing goodwill by £2,648,000, customer relationships by £1,369,000 and property, plant & equipment by £5,716,000. Inventories are not included in the carrying value of the CGU, however the circumstances surrounding the impairment have resulted in an additional inventory provision of £2,268,000. The tax impact of the total impairment is a credit of £448,000.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES AND GLOSSARY OF TERMS

The Group uses some alternative performance measures to monitor and assess the underlying performance of the business. These measures include adjusted operating profit and adjusted profit for the year. These measures are deemed useful as they aid comparability year-on-year. The use of alternative performance measures compared to statutory IFRS measures does give rise to limitations, including a lack of comparability across companies and the potential for them to present a more favourable view. Further, these measures are not a substitute for IFRS measures of profit. Alternative performance measures are defined in the glossary of terms below. Alternative performance measures are reconciled to the appropriate financial statements line item being disclosed.

Reconciliation of adjusted profit for the period and adjusted earnings per share

	Six months ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000
(Loss)/profit for the period	(3,445)	8,024
Adjusted for:		
Exceptional items	12,001	-
Amortisation of customer relationships	68	69
Tax on exceptional items	(448)	-
Tax on amortisation of customer relationships	(19)	(19)
Adjusted profit for the period	8,157	8,074
Basic weighted average number of shares in issue	127,352,555	127,352,555
Diluted weighted average number of shares in issue	129,438,265	128,105,925
(Loss)/earnings per share		
Basic (loss)/earnings per share (pence per share)	(2.71)	6.30
Diluted (loss)/earnings per share (pence per share)	(2.66)	6.26
Adjusted earnings per share		
Basic earnings per share (pence per share)	6.41	6.34
Diluted earnings per share (pence per share)	6.30	6.30

Reconciliation of adjusted operating profit and EBITDA

	Six months ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000
Operating profit	3,844	15,667
Adjusted for:		
Exceptional items	12,001	-
Amortisation of customer relationships	68	69
Adjusted operating profit	15,913	15,736
Adjusted for:		
Depreciation	5,776	5,777
Amortisation (excluding customer relationships)	122	183
EBITDA	21,811	21,696

Reconciliation of cash flow from operations, adjusted cash flow from operations and free cash flow

	Six months ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000
EBITDA (see reconciliation above)	21,811	21,696
Adjusted for:		
Gain on disposal of property, plant and equipment	(71)	(83)
Share-based payments	588	336
Working capital adjustments	(8,998)	(9,793)
Net capital expenditure	(3,710)	(3,082)
Cash flow from operations	9,620	9,074
Income tax paid	(4,769)	(3,987)
Interest paid – net	(3,035)	(3,665)
Free cash flow	1,816	1,422
Cash flow from operations (see reconciliation above)	9,620	9,074
Adjusted for		
Exceptional items' impact on working capital	-	2,168
Adjusted cash flow from operations	9,620	11,242

Reconciliation of net debt and leverage before leases liabilities

	Six months ended 30 June 2025 £'000	Six months ended 30 June 2024 £'000
Total interest-bearing loans and borrowings	90,223	91,905
Cash and cash equivalents	(17,572)	(19,359)
Adjusted for:		
Unamortised loan costs	493	856
Lease liabilities	(8,329)	(8,768)
Net debt before leases liabilities	64,815	64,634
EBITDA – six months ended 30 June (see reconciliation above)	21,811	21,696
EBITDA – half two prior year	21,994	21,567
EBITDA – last twelve months	43,805	43,263
Debt leverage ratio before leases liabilities	1.48	1.49

Adjusted cash flow from operations: cash flow from operations before exceptional items and the impact of exceptional items on working capital.

Adjusted EPS: adjusted earnings per share is calculated on adjusted profit for the period divided by the weighted average number of shares in issue.

Adjusted operating profit: operating profit before exceptional items and amortisation of customer relationships.

Adjusted profit for the period: earnings before exceptional items, amortisation of customer relationships and tax thereon.

Business capital employed: the sum of property, plant and equipment, technology and software costs, trade and other receivables, inventories, other current financial assets, provisions, net employee defined benefit liabilities, trade and other payables and other current financial liabilities.

Cash flow from operations: EBITDA, less exceptional items, plus or minus movements in operating working capital, less share-based payment expense, less net investments in property, plant and equipment, less technology and software costs, less finance lease payments.

Cash flow from operations conversion: calculated by dividing cash flow from operations by adjusted operating profit.

Contribution: revenue from sale of the Group's products less any cost of direct materials, variable distribution costs, variable selling costs, direct labour costs and other variable costs.

EBITDA: profit before interest, taxation, depreciation, amortisation and exceptional items.

Free cash flow: cash flow from operations less tax paid less net interest paid.

Debt leverage ratio: calculated by dividing net debt by EBITDA.

Debt leverage ratio before lease liabilities: calculated by dividing net debt before lease liabilities by EBITDA.

Net debt: the sum of revolving credit facilities, term loan, lease liabilities net of cash.

Return on capital employed: adjusted operating profit as a percentage of business capital employed.

RMI: repair, maintenance and improvement activities.