

## INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2023

JTC PLC  
12 September 2023

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### JTC PLC

(the "Company") together with its subsidiaries (the "Group" or "JTC")

Interim results for the period ended 30 June 2023

**Outstanding financial performance, alongside further strategic M&A, outlook ahead of market expectations**

	As reported			Underlying*		
	H1 2023	H1 2022	Change	H1 2023	H1 2022	Change
Revenue (£m)	<b>121.5</b>	93.0	+30.6%	<b>121.5</b>	93.0	+30.6%
EBITDA (£m)	<b>36.5</b>	25.3	+44.0%	<b>40.2</b>	30.7	+30.8%
EBITDA margin	<b>30.0%</b>	27.2%	+2.8pp	<b>33.1%</b>	33.0%	+0.1pp
Operating profit/EBIT (£m)	<b>24.7</b>	14.8	+66.7%	<b>28.4</b>	20.2	+40.5%
Profit before tax (£m)	<b>11.9</b>	21.0	-43.3%	<b>19.7</b>	16.9	+16.3%
Earnings per share (p)**	<b>7.61</b>	14.21	-46.5%	<b>18.16</b>	16.23	+11.9%
Cash conversion	<b>113%</b>	101%	+12pp	<b>113%</b>	101%	+12pp
Net debt (£m)	<b>44.6</b>	104.1	-59.5	<b>28.0</b>	92.2	-64.2
Interim dividend per share (p)	<b>3.5</b>	3.1	+12.9%	<b>3.5</b>	3.1	+12.9%

\* For further information on our alternative performance measures (APM) see the appendix to the CFO Review.

\*\* Average number of shares (thousands) for H1 2023: 147,075 (H1 2022: 144,429)

#### OUTSTANDING FINANCIAL PERFORMANCE

- Very strong net organic revenue growth of 21.0% (H1 2022: 9.5%), driven by the highly successful implementation of the Group's growth strategies
- Revenue +30.6% to £121.5m (H1 2022: £93.0m)
- Underlying EBITDA +30.8% to £40.2m (H1 2022: £30.7m) with an underlying EBITDA margin of 33.1% (H1 2022: 33.0%)
- Record new business wins +15.9% to £14.6m (H1 2022: £12.6m)
- Strong underlying cash conversion of 113% (H1 2022: 101%) alongside the SDTC equity fundraise in June has resulted in a significant reduction in leverage to 0.37x underlying EBITDA at period end
- Following completion of the SDTC deal post period end, leverage is still expected to be below 2.0 times reported underlying EBITDA by the year-end, as previously announced
- Interim dividend +12.9% to 3.5p (H1 2022: 3.1p)

#### SUCCESSFUL STRATEGIC EXECUTION

- Both the Group's ICS and PCS divisions performed extremely well, delivering organic growth of 22.4% and 18.6% respectively
- The lifetime value of the JTC client book now stands at £1.6bn with an average lifespan of 14 years
- The Group strengthened its position in the strategically important US market through the acquisition of SDTC, which completed on 2 August 2023. JTC is now the leading independent provider of trust and administration services to the large, high growth, US private trust market
- H1 2023 strong organic performance was supported by greater penetration of the Group's centrally developed offerings such as Banking, Tax Compliance, and its Strategic Transformation services, which together contributed incremental revenues in the period, which we expect to continue to contribute to Group growth

#### STRONG GROWTH OUTLOOK AHEAD OF MARKET EXPECTATIONS

- Strong growth momentum will continue with net organic growth through 2023 expected to remain well above the top end of the Group's medium-term revenue guidance, and the Group expects to deliver full year results ahead of current market expectations
- The addition of the SDTC business to JTC is expected to offer significant growth synergies post the completion of integration
- Galaxy era growth strategy to be achieved by the year end, two years ahead of plan
- Continued strong pipeline of further consolidation opportunities across both Divisions over the medium-term
- New Cosmos era growth ambition to double the size of the Group, relative to performance delivered at FY 2023, by 2027
- All medium-term guidance metrics to remain as JTC commences the Cosmos era: net organic revenue growth of 8% - 10% per annum; underlying EBITDA margin of 33% - 38%; cash conversion of 85% - 90% and net debt of between 1.5x - 2.0x underlying EBITDA

**Nigel Le Quesne, CEO of JTC PLC, said:**

"Today's excellent results and the continued growth of our platform, including the successful acquisition of SDTC, which further enhances our platform in the important US market, yet again demonstrate the significant earnings power of JTC. Organic revenue growth in the period has been outstanding and we continue to successfully acquire and integrate great businesses that deliver increasing returns, particularly from capturing incremental share of wallet from our growing client base. The fact that this is being achieved in a more challenging global environment proves how powerful JTC's business model, and ability to innovate, really is. At the core of this is our people, whose commitment to raise the bar results after results, as collective owners of our Company, is incredible.

By the end of 2023, we will have delivered our Galaxy era business plan, resulting in a quadrupling of the size of the Group since listing in 2018. The momentum in the business, coupled with the long-term structural drivers in our sector, mean that we remain as ambitious for the Group as ever and aim to once again double in size during the Cosmos era, which will commence in 2024 and is expected to run until 2027. We look forward to continuing to deliver strong, consistent results, with compounding revenues, for all of our shareholders year in and year out."

**ENQUIRIES**

**JTC PLC** +44 (0) 1534 700 000  
 Nigel Le Quesne, Chief Executive Officer  
 Martin Fotheringham, Chief Financial Officer  
 David Vieira, Chief Communications Officer

**Camarco**  
 Geoffrey Pelham-Lane +44 (0) 7733 124 226  
 Sam Morris +44 (0) 7796 827 008

A presentation for analysts will be held at 09:30 BST today via Zoom video conference. The slides and an audio-cast of the presentation will subsequently be made available on the JTC website [www.jtcgroup.com/investor-relations](http://www.jtcgroup.com/investor-relations)

**FORWARD LOOKING STATEMENTS**

This announcement may contain forward looking statements. No forward-looking statement is a guarantee of future performance and actual results or performance or other financial condition could differ materially from those contained in the forward looking statements. These forward-looking statements can be identified by the fact they do not relate only to historical or current facts. They may contain words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words with similar meaning. By their nature forward looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of these influences and factors are outside of the Company's control. As a result, actual results may differ materially from the plans, goals and expectations contained in this announcement. Any forward-looking statements made in this announcement speak only as of the date they are made. Except as required by the FCA or any applicable law or regulation, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement.

**ABOUT JTC**

JTC is a publicly listed, global professional services business with deep expertise in fund, corporate and private client services. Every JTC person is an owner of the business, and this fundamental part of our culture aligns us with the best interests of all our stakeholders. Our purpose is to maximize potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

[www.jtcgroup.com](http://www.jtcgroup.com)

**CHIEF EXECUTIVE OFFICER'S REVIEW**

**Consistently delivering year in and year out**

**NIGEL LE QUESNE**  
 CHIEF EXECUTIVE OFFICER

JTC has delivered uninterrupted growth for every one of its 35 years. This has been achieved in all conditions, regardless of whether the global economy is strong or weak, or equity markets are confident or uncertain. If further evidence of this was needed during what has proved to be a period of significant macro-economic and geopolitical instability, then our half year results are precisely that, demonstrating yet again the consistent earnings power of our business model through economic cycles. The fact that we will achieve our Galaxy era goal of doubling the size of the Group (in terms of revenue and EBITDA) by the end of 2023, some two years earlier than originally anticipated, is a fantastic team effort and provides great energy and momentum to the business.

**H1 2023 FINANCIAL PERFORMANCE**

Revenue grew 30.6% to £121.5m driven by record net organic growth of 21.0% (H1 2022: 9.5%), significantly above our medium-term guidance range of between 8% and 10%. Underlying EBITDA rose by 30.8% to £40.2m (H1 2022: £30.7m), with an underlying EBITDA margin to 33.1% (H1 2022: 33.0%). The very strong net organic revenue growth was driven by strong annualised new business wins (from both new and existing clients), which increased 15.9% to a record £14.6m (H1 2022: £12.6m). There was also an impressive improvement in underlying cash conversion to 113% (H1 2022: 101%), reflecting the continued cash generative nature of our business model. While leverage at the period end was very low at 0.37x, this was due to the proceeds of the equity fundraise for the acquisition of the South Dakota Trust Company ("SDTC"), which didn't complete until after the period end on 2 August 2023. By the year end, leverage is expected to be below 2.0x underlying EBITDA, consistent with our medium-term guidance of between 1.5x and 2.0x underlying EBITDA. Based on these results and the Board's confidence in JTC's ability to continue to deliver consistent returns to shareholders, our interim dividend has increased by 12.9% to 3.5 pence per share.

**INSTITUTIONAL CLIENT SERVICES DIVISION**

Revenue increased 27.0% to £80.7m (H1 2022: £63.5m) and underlying EBITDA was up 27.4% to £25.5m (H1 2022: £20.0m). The underlying EBITDA margin rose by ten basis points to 31.6% (H1 2022: 31.5%). The Division delivered excellent net organic growth on a last twelve months basis ("LTM") of 22.4% (H1 2022: 14.1%), and the annualised value of new business wins rose 28% to a record £10.9m (H1 2022: £8.5m), providing good revenue visibility of future growth.

The ICS Division has benefited from a number of initiatives delivered over a period of time to improve and extend the service offering, talent and 'go to market' strategy. The strong net organic growth was driven in particular by performance in the US, the Channel Islands & UK and Luxembourg and through revenues generated by our centrally developed banking, tax and regulatory compliance and strategic transformation services. The Division continues to invest in scaling its offering in Ireland and during the period launched a consolidated Global AIFM Solutions service, which currently spans Luxembourg, Ireland and Guernsey.

This performance is all the more impressive in that it has been achieved without the benefit of any recent acquisitions, demonstrating the increasing returns on capital being generated from previously acquired businesses as they have been successfully integrated within the ICS Division and the valuable synergies realised. Stand out performers from the acquisitions completed in recent years include the Employer Solutions business (formerly RBC cees) and SALI Fund Services in the US, which completed in 2021.

## PRIVATE CLIENT SERVICES DIVISION

Revenue increased strongly by 38.3% to £40.8m (H1 2022: £29.5m) with a similarly impressive increase of 37.1% in underlying EBITDA to £14.7m (H1 2022: £10.7m), with contributions from strategic transformation services mandates such as Amaro, Campari and Ottawa. The underlying EBITDA margin reduced slightly to 36.0% (H1 2022: 36.3%), reflecting the first half impact of the acquisition of New York Private Trust Company ("NYPTC"), which completed on 1 November 2022. Excluding this, the Division's underlying EBITDA margin would have been 36.5%. LTM net organic growth was a sector-leading 18.6% (H1 2022: 4.0%), driven in part by the Amaro mandate coming on-stream, but even without this, the Division would have delivered organic growth well above guidance, reflecting growth in banking and tax and regulatory compliance services, which demonstrate the important connection to our Group Commercial Office. The annualised value of new business wins was £3.7m (H1 2022: £4.1m), which whilst a lower figure is due to an exceptional H1 2022 comparator, when the Amaro mandate was won.

The acquisitions of NYPTC, which completed just prior to the start of the period and SDTC, which completed just after the period end, slightly ahead of schedule, have significantly strengthened the Division's market leadership in the global trust company industry. The integration of Delaware-based NYPTC, which offers a broad range of fiduciary services, is progressing well. The acquisition of SDTC, makes JTC the leading independent provider of trust and administration services to the US private trust sector, providing the benefits that come from scale in the very large and fast-growing US market.

Our US PCS offering can now service both international and domestic clients, it is worth noting that the US is home to the largest number of ultra-high net worth individuals (UHNWI) of any country in the world and it is estimated that the core addressable market captures approximately US\$1.2 trillion of assets. This market has grown at a compound annual growth rate ("CAGR") of 9.4% from 2018 to 2022 and is forecast to grow at a CAGR of 8.2% from 2023 to 2028 (*source: Cerulli Associates*). Similar to JTC, and a key part of the strategic rationale for acquiring the business, SDTC has a 22-year track record of consistent growth, with revenues increasing at a CAGR of 33% from 2000 to 2022 while steadily increasing its market share. SDTC also delivers high margins and benefits from highly predictable fees, which when coupled with the opportunities from an enormous and growing market, creates a transformational platform opportunity for JTC in the US over the medium to long-term.

## OTHER GROWTH INITIATIVES

Key to our culture at JTC is that we never stand still or take continued profitable growth for granted. Through investment in our Group Commercial Office, which acts as a catalyst for both Divisions, we have introduced other services of value to our clients, including; banking, treasury, tax and regulatory compliance, and our strategic transformation services. What all these have in common is that they are complementary to our core fund, corporate and private client business lines, which are the bedrock of JTC. Our client book now has an average lifespan of some 14 years and the Lifetime Value Won (LVW)<sup>[1]</sup> in the period, based on this lifespan, was a record £195.1m, up 16% (H1 2022: £168.2m). This gives us visibility of at least £1.6 billion of forward revenues from our existing client book, which is without the addition of any new future mandates.

## OUR GREATEST ASSET

I have also said before that none of what JTC has achieved to date would be possible without the commitment and expertise of our people. As we conclude our Galaxy era and look ahead to the Cosmos era beginning in 2024, the same could be said about what is to come. This is why having a business where every one of your employees are also owners is so important. What I have said in the past about the benefit of and commitment to ownership for all employees couldn't be more relevant today when navigating the current macro-economic volatility and as always, I extend my sincere thanks to every member of our growing global team.

## RISK

The principal risks facing the Group remain as set out in the JTC Annual Report and Accounts 2022 (pages 50 to 53). The Group's principal risks are periodically re-examined and reported by the Chief Risk Officer to the Governance and Risk Committee with an assessment on (i) their impact if they were to occur and (ii) the likelihood of occurrence, together with a description of the controls and mitigation in place to manage those controls and any actions deemed necessary by the risk owner to further reduce the assessed residual risk. Ongoing material risks include acquisition risk, competitor and client demand risk, strategy risk, performance of business risk, client and process risk, data security risk, political/regulation risk, financial crime risk, fiduciary risk and adequate resource risk.

Global macroeconomic developments and geopolitical tensions heightened by the conflict in Ukraine, high inflation, higher interest rates, the energy crisis, supply chain shortages and the risk of a global economic downturn all present a particular set of risks that have the potential to slow investment and global growth. Whilst the Group is unable to control these risks we remain vigilant to their impact and react accordingly e.g. to attract and retain talent in a competitive employment market beset by wage inflation, we believe that the business will continue to prove resilient in the face of these challenges. Overall, we remain satisfied as to the effectiveness of the Group's risk analysis, management and culture, developed over 35 years of JTC operations.

## DIVIDEND

The Board has declared an interim dividend of 3.5p per share, an increase of 0.4p period on period (H1 2022: 3.1p). The interim dividend will be paid on 20 October 2023 to shareholders on the register as at close of business on the record date of 22 September 2023. The shares will become ex-dividend on 21 September 2023.

## OUTLOOK

Based on these results, our step up in the delivery of additional recurring revenues in H1, the exciting opportunities from our latest acquisitions in the US, delivered by a highly committed team, we remain confident in the Group's continued success. As before, we will deliver this through a combination of organic and inorganic growth. In terms of the M&A pipeline, we continue to see potential opportunities (including some off market such as the recent SDTC transaction) and will maintain our selective and disciplined approach. Strong growth momentum will continue with net organic growth through 2023 expected to remain well above the top end of the Group's medium-term revenue guidance, and the Group expects to deliver full year results ahead of current market expectations

We are particularly pleased that we will achieve our Galaxy era goal of doubling the business from where we finished 2020, by the end of this year; some two years' earlier than planned and having previously delivered a similar result in the Odyssey era, which ran from 2018 to 2020. Our next business plan era, which we are calling Cosmos, will commence in 2024 and we are again aiming to double the Group by 2027, with a particular focus on leveraging the US platform built during Galaxy. And, in the meantime, our medium-term guidance metrics for responsible compounding delivery of achieving between 8% to 10% net organic revenue growth, a 33% to 38% underlying EBITDA margin, cash conversion of between 85% to 90% and net debt of between 1.5 times and 2 times underlying EBITDA remain intact.

In summary, JTC continues to extend its excellent track record of profitable growth driven by consistent and innovative organic growth, a disciplined approach to M&A, a robust and scalable global platform, exceptional talent and our unique shared ownership culture. Since our listing on the stock market in 2018, we will have quadrupled the size of the Group and we aim to double it again no later than the end of 2027. As such, we look forward to continuing to deliver the performance our shareholders expect, year in and year out.

## NIGEL LE QUESNE

CHIEF EXECUTIVE OFFICER

## CHIEF FINANCIAL OFFICER'S REVIEW

### Delivering long term value through exceptional revenue growth

## MARTIN FOTHERINGHAM

CHIEF FINANCIAL OFFICER

## REVENUE

In H1 2023, revenue was £121.5m, an increase of £28.5m (+30.6%) from H1 2022. Revenue growth on a constant currency basis was +27.9% (H1 2022: +37.4%).

Net organic growth for the last twelve months (LTM) ended 30 June 2023 was a record 21.0% (H1 2022: 9.5%) with the rolling three year average now reporting 12.7% (H1 2022: 9.1%).

Within organic growth, we have seen particularly strong volume growth with a significant contribution coming from the expansion of our Tax Compliance offering (heavily involved with Project Amaro) as well as the introduction of our Treasury Services. The latter is a positive endorsement of the creation and investment we have made in the Group Commercial Office. We have embedded the revenues associated with these services into the underlying business and can see further opportunities for growth.

Our largest 15 clients represent only 11.5% (H1 2022: 11.6%) of our annual revenue thereby demonstrating the lack of customer concentration in the business. The new business pipeline was healthy and at the period end was reported at £47.1m (31.12.2022: £45.8m) increasing to £54.1m as at 1 September.

Net organic growth was driven by gross new business revenues for the preceding twelve months of 26.7% (H1 2022: 16.2%). This was offset by reduced attrition of 5.7% (H1 2022: 6.7%), with the three-year average now having fallen to 6.9% (H1 2022: 7.6%). Notably, attrition levels have decreased for five successive reporting periods, reflecting the increased lifetime value of our book of business and long-term earnings stability. This is further enhanced with the SDTC acquisition completed in August 2023.

The retention of revenues that were not end of life increased to 98.6% (H1 2022: 97.9%) and the rolling three-year average has now improved to 97.9% (H1 2022: 97.5%).

As demonstrated by the geographical breakdown below, all regions generated good growth with the US showing the highest growth by region.

	H1 2023 Revenue	H1 2022 Revenue	£ +/-	% +/-
UK & Channel Islands	£64.7m	£51.6m	+£13.1m	+25.3%
US	£25.3m	£16.2m	+£9.1m	+55.6%
Rest of Europe	£18.6m	£16.4m	+£2.2m	+13.3%
Rest of the World	£12.9m	£8.8m	+£4.2m	+47.8%
	£121.5m	£93.0m	+£28.5m	+30.6%

LTM revenue growth, on a constant currency basis, is summarised as follows:

LTM revenue Jun 22	£178.0m
Lost - JTC decision	(£0.4m)
Lost - Moved service provider	(£1.8m)
Lost - End of life/no longer required	(£7.1m)
Net more from existing clients	£33.5m
New clients	£10.6m
Acquisitions*	£14.7m
LTM revenue Jun 23	£227.5m

\* When JTC acquires a business, the acquired book of clients are defined as inorganic for the first two years of JTC ownership. Acquired clients contributed an additional £14.7m in the LTM to 30 June 2023 and is broken down as follows: NYPTC £4.2m, EFS £1.3m, SALI £8.2m, Ballybunion £0.6m, perfORM £0.1m, and Segue £0.3m.

## UNDERLYING EBITDA AND MARGIN PERFORMANCE

Underlying EBITDA in H1 2023 was £40.2m, an increase of £9.5m (30.8%) from H1 2022.

The underlying EBITDA margin was 33.1% (H1 2022: 33.0%) and although the macroeconomic environment remained uncertain, we are pleased to have continued to deliver margins in line with our medium-term guidance range.

As highlighted in the 2022 results, during periods of heightened revenue growth above our medium-term guidance range, the required upfront investment can inherently slow down margin progression. Management considers this initial investment as a key allocation of capital in order to ensure the continued longevity of our client relationships and support future margin enhancements.

Management re-iterates its medium-term guidance range of 33% - 38%, albeit with the short-term expectation that performance will continue to be towards the lower end of this guidance range during periods of heightened revenue growth.

## INSTITUTIONAL CLIENT SERVICES

Revenue increased by 27.0% when compared with H1 2022.

Net organic growth improved significantly to 22.4% (H1 2022: 14.1%) with strong growth in the US, Channel Islands & UK, and Luxembourg. The rolling three year average for net organic growth now stands at 14.1% (H1 2022: 9.6%).

Attrition for the Division was lower at 6.0% (H1 2022: 7.1%), of which 5.0% were for end of life losses.

LTM revenue growth, on a constant currency basis, is summarised below.

The Division's underlying EBITDA margin increased from 31.5% in H1 2022 to 31.6% in H1 2023 and we are pleased that the margin continues to improve given the ongoing momentum in the division.

### LTM REVENUE GROWTH ICS

LTM revenue Jun 22	£118.9m
Lost - JTC decision	(£0.2m)
Lost - Moved service provider	(£0.9m)
Lost - End of life/no longer required	(£5.3m)
Net more from existing clients	£23.4m
New clients	£6.9m
Acquisitions*	£10.5m
LTM revenue Jun 23	£153.3m

\* When JTC acquires a business, the acquired book of clients are defined as inorganic for the first two years of JTC ownership. Acquired clients contributed an additional £10.5m in the LTM to 30 June 2023 and is broken down as follows: EFS £1.3m, SALI £8.2m, Ballybunion £0.6m, perfORM £0.1m, and Segue £0.3m.

## PRIVATE CLIENT SERVICES

Revenue increased by 38.3% when compared with H1 2022.

Net organic growth was 18.6% (H1 2022: 4.0%) with strong growth in the Caribbean, US, and Channel Islands & UK. The rolling three year average now stands at 10.8% (H1 2022: 8.6%).

Attrition for the Division was also lower at 4.9% (H1 2022: 6.1%), of which 3.0% were for end of life losses.

Net organic growth for the Division in H1 2022 had been suppressed whilst we onboarded the Amaro mandate. Note that even without the Amaro revenues coming in during the current LTM period, the Division would have been well above our medium-term guidance range.

LTM revenue growth, on a constant currency basis, is summarised below.

The Division's underlying EBITDA margin decreased slightly from 36.3% in H1 2022 to 36.0% in H1 2023. The Division continues to perform well and excluding the recent NYPTC acquisition, the underlying EBITDA margin would have been 36.5% and both of these are comfortably within our medium-term guidance range.

### LTM REVENUE GROWTH PCS

LTM revenue Jun 22	£59.1m
Lost - JTC decision	(£0.2m)
Lost - Moved service provider	(£0.9m)

Lost - End of life/no longer required (£1.8m)	
Net more from existing clients	£10.1m
New clients	£3.7m
Acquisitions*	£4.2m
LTM revenue Jun 23	£74.2m

\* When JTC acquires a business, the acquired book of clients are defined as inorganic for the first two years of JTC ownership. Acquired clients contributed an additional £4.2m in the LTM to 30 June 2023 and all of which can be attributed to NYPTC £4.2m.

## PROFIT BEFORE TAX

The reported profit before tax was £11.9m (H1 2022: £21.0m).

The depreciation and amortisation charge increased to £11.8m from £10.5m in H1 2022. Of the £1.3m increase, £0.6m was as a result of previously acquired intangible assets and £0.7m as a result of increased software and customer contracts, the latter driven by costs incurred in 2022 to fulfil the Amaro mandate.

Adjusting for non-underlying items, the underlying profit before tax increased by 16.3% to £19.7m (H1 2022: £16.9m).

The relative increase was lower than the 30.8% growth reported in underlying EBITDA and this was due to the increased interest expense on our borrowings that fund M&A activity and an underlying foreign exchange rate loss of £1.4m (H1 2022: £2.2 gain).

The interest rate applied to our loan facilities is determined using SONIA plus a margin based on net leverage calculations and the base rate increases have resulted in a £2.4m increase in H1 2023 to the interest expense on our borrowings.

## NON-UNDERLYING ITEMS

Non-underlying items incurred in the period totalled a £7.8m debit (H1 2022: £4.1m credit) and comprised the following:

	H1 2023 £m	H1 2022 £m
<b>EBITDA</b>		
Acquisition and integration costs	3.5	0.5
Office start-up costs	0.1	-
Revision of ICS operating model	-	0.4
Employee Incentive Plan (EIP)	-	4.5
Other costs	0.1	-
<b>Total non-underlying items within EBITDA</b>	<b>3.7</b>	<b>5.4</b>
<b>Profit before tax</b>		
Items impacting EBITDA	3.7	5.4
Gain on revaluation of contingent consideration	(0.2)	(0.4)
Foreign exchange losses/(gains)	4.3	(9.0)
<b>Total non-underlying items within profit before tax</b>	<b>7.8</b>	<b>(4.1)</b>

Acquisition and integration costs were significantly higher (+£3.0m) than the prior period due to £2.6m of costs incurred in relation to the SDTC acquisition, which was announced pre period end but completed in early August. There were also £0.2m of costs incurred in relation to the NYPTC acquisition that completed in Q4 2022.

The business incurred £0.1m of non-underlying office start-up costs in relation to establishing the infrastructure to trade in new offices in Austria and the Bahamas. Our experience is that these require significant up-front investment in personnel in advance of trading and the generation of revenues.

The H1 2022 EIP expense related to the second tranche of the awards made in 2021 which vested in July 2022.

The foreign exchange loss of £4.3m relates to the revaluation of intercompany loans (£9.0m gain in H1 2022). Management consider these foreign exchange movements to be non-underlying as they are unrealisable losses/(gains) as the loans are eliminated upon consolidation.

## EARNINGS PER SHARE

Basic EPS decreased by 46.5% to 7.61p but this was as a result of the above non-underlying items. Adjusted underlying basic EPS increased by 11.9% and was 18.16p (H1 2022: 16.23p).

Adjusted underlying basic EPS reflects the profit for the period adjusted to remove the impact of non-underlying items, amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees and unwinding of net present value discounts in relation to contingent consideration.

## CASH FLOW AND DEBT

Underlying cash generated from operations was £45.2m (H1 2022: £30.9m) and the underlying cash conversion was 113% (H1 2022: 101%).

Reported net debt includes regulatory trapped cash. Underlying net debt excludes this and at the period end was £28.0m compared with £104.8m at 31 December 2022. This significant reduction was driven by the aforementioned strong cash collection and the proceeds from the June equity raise associated with the SDTC acquisition.

In anticipation of the acquisition of SDTC, on 15 June 2023, our lenders agreed to increase our revolving credit facility (RCF) by £50m to a total commitment of £275m.

Leverage at the period end was 0.37x underlying EBITDA. On 30 June 2023 the Group had undrawn funds of £169.3m available from the £275m facility. On 1 August 2023 £118m was withdrawn from the banking facility to provide the necessary proceeds to complete the SDTC acquisition.

**MARTIN FOTHERINGHAM**  
CHIEF FINANCIAL OFFICER

## Statement of directors' responsibilities in respect of the interim financial statements

For the 6 month period ended 30 June 2023

"The directors' confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union 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."

**Nigel Le Quesne**

**Martin Fotheringham**

**Chief Executive Officer**

**Chief Financial Officer**

**11 September 2023**

**11 September 2023**

## **APPENDIX: RECONCILIATION OF REPORTED RESULTS TO ALTERNATIVE PERFORMANCE MEASURES (APMs)**

In order to assist the reader's understanding of the financial performance of the Group, APMs have been included to better reflect the underlying activities of the Group excluding specific items as set out in note 8 in the interim financial statements. The Group appreciates that APMs are not considered to be a substitute for, or superior to, IFRS measures but believes that the selected use of these may provide stakeholders with additional information which will assist in the understanding of the business.

An explanation of our key APMs and link to equivalent statutory measures has been detailed below.

<b>ALTERNATIVE PERFORMANCE MEASURE</b>	<b>CLOSEST EQUIVALENT STATUTORY MEASURE</b>	<b>APM DEFINITION</b>
<b>NET ORGANIC REVENUE GROWTH %</b>	<b>Revenue</b>	<p><b>Definition:</b> Revenue growth from clients not acquired through business combinations and reported on a constant currency basis where the prior year results are restated using current year consolidated income statement exchange rates.</p> <p>Acquired clients are defined as inorganic for the first two years of JTC ownership.</p> <p><b>Purpose and strategic link:</b> Enables the business to monitor growth excluding acquisitions and the impact of external exchange rate factors. The current strategy is to double the size of the business by a mix of organic and acquisition growth and the ability to monitor and set clear expectations on organic growth is vital to the successful execution of its business strategy. Management's medium-term guidance range is 8% - 10%.</p>
<b>UNDERLYING EBITDA %</b>	<b>Profit/(loss)</b>	<p><b>Definition:</b> Earnings before interest, tax, depreciation and amortisation excluding non-underlying items (see note 8 of the financial statements).</p> <p><b>Purpose and strategic link:</b> An industry-recognised alternative measure of performance which has been at the heart of the business since its inception and therefore fundamental to the performance management of all business units.</p> <p>The measure enables the business to measure the relative profitability of servicing clients. Management's medium-term guidance range is 33% - 38%.</p>
<b>UNDERLYING CASH CONVERSION %</b>	<b>Net cash from operating activities</b>	<p><b>Definition:</b> The conversion of underlying EBITDA into cash excluding non-underlying items.</p> <p><b>Purpose and strategic link:</b> Measures how effectively the business is managing its operating cash flows. It differs to net cash from operating profits as it excludes non-underlying items and tax, the latter in order to better compare operating profitability to cash from operating activities. Management's medium-term guidance range is 85% - 90%.</p>
<b>UNDERLYING LEVERAGE</b>	<b>Cash and cash equivalents</b>	<p><b>Definition:</b> Leverage ratio showing the relative amount of third party debt (net of cash held in the business) that we have in comparison to underlying LTM EBITDA.</p> <p><b>Purpose and strategic link:</b> Ensures Management can measure and control exposure to reliance on third party debt in support of its inorganic growth. Management's medium-term guidance range is 1.5x - 2.0x.</p>
<b>ADJUSTED UNDERLYING EPS (P)</b>	<b>Basic Earnings Per Share</b>	<p><b>Definition:</b> Reflects the profit after tax for the period adjusted to remove the impact of non-underlying items. Additionally, a number of other items relating to the Group's acquisition activities, including amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees and unwinding of NPV discounts in relation to contingent consideration, are removed.</p> <p><b>Purpose and strategic link:</b> Presents an adjusted underlying EPS which is used more widely by external investors and analysts, and is in addition the basis upon which the dividend is calculated.</p>

A reconciliation of our APMs to their closest equivalent statutory measure has been provided below.

### **1. ORGANIC GROWTH**

	<b>H1 2023</b>	<b>H1 2022</b>
	<b>£m</b>	<b>£m</b>
Reported prior year full year revenue (2021 / 2020)	<b>147.5</b>	115.1
Less: reported prior year interim revenue (H1 2021, H1 2020)	<b>(67.0)</b>	(53.7)
Plus: reported interim revenue (H1 2022 / H1 2021)	<b>93.0</b>	67.0
Less: impact of exchange rate restatement*	<b>(4.5)</b>	0.4
Less: acquisition revenues	<b>(12.4)</b>	(5.6)
<b>a. Prior period LTM organic revenue</b>	<b>165.6</b>	123.2
Reported prior year full year revenue (2022 / 2021)	<b>200.0</b>	147.5
Less: reported prior year interim revenue (H1 2022 / H1 2021)	<b>(93.0)</b>	(67.0)
Plus: reported interim revenue (H1 2023 / H1 2022)	<b>121.5</b>	93.0
Less: impact of exchange rate restatement*	<b>(1.1)</b>	0.9
Less: acquisition revenues	<b>(27.1)</b>	(39.3)

<b>b. Current period LTM organic revenue</b>	<b>200.3</b>	135.1
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<b>Net organic growth % (b / a) -1</b>	<b>21.0%</b>	9.5%
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\* Impact of restating LTM revenue on a constant currency basis using the H1 2023 / H1 2022 average rates

## 2. UNDERLYING EBITDA

	H1 2023 £m	H1 2022 £m
Reported profit	<b>11.2</b>	20.5
Add:		
Income tax	<b>0.8</b>	0.5
Finance cost	<b>7.5</b>	5.4
Finance income	<b>(0.3)</b>	(0.0)
Other losses/(gains)	<b>5.5</b>	(11.6)
Depreciation and amortisation	<b>11.8</b>	10.5
Non-underlying items within EBITDA*	<b>3.7</b>	5.4
<b>Underlying EBITDA</b>	<b>40.2</b>	30.7
Underlying EBITDA %	<b>33.1%</b>	33.0%

\* As set out in note 8 in the interim financial statements

## 3. UNDERLYING CASH CONVERSION

	H1 2023 £m	H1 2022 £m
Net cash generated from operating activities	<b>41.5</b>	28.7
Less:		
Non-underlying cash items*	<b>1.6</b>	1.5
Income taxes paid	<b>2.1</b>	0.7
<b>a. Underlying cash generated from operations</b>	<b>45.2</b>	30.9
<b>b. Underlying EBITDA</b>	<b>40.2</b>	30.7
<b>Underlying cash conversion (a / b)</b>	<b>113%</b>	101%

\* As set out in note 19.2 in the interim financial statements

## 4. UNDERLYING LEVERAGE

	H1 2023 £m	H1 2022 £m
<b>Cash and cash equivalents</b>	<b>75.7</b>	60.9
Bank debt	<b>(103.7)</b>	(153.1)
Other debt	-	-
<b>a. Net debt - underlying</b>	<b>(28.0)</b>	(92.2)
<b>b. LTM underlying EBITDA</b>	<b>75.5</b>	57.2
<b>Leverage (a / b)</b>	<b>0.37</b>	1.61

## 5. ADJUSTED UNDERLYING EPS

	H1 2023 £m	H1 2022 £m
Profit for the year as per basic EPS	<b>11.2</b>	20.5
Less:		
Non-underlying items*	<b>7.8</b>	(4.1)
Amortisation of customer relationships, acquired software and brands	<b>6.5</b>	5.9
Amortisation of loan arrangement fees	<b>0.4</b>	0.6
Unwinding of NPV discounts for contingent consideration	<b>1.6</b>	1.7
Temporary tax differences arising on amortisation of customer relationships, acquired software and brands	<b>(0.8)</b>	(1.2)
<b>a. Adjusted underlying profit for the year</b>	<b>26.7</b>	23.4
<b>b. Weighted average number of shares</b>	<b>147.1</b>	144.4
<b>Adjusted underlying EPS (a / b)</b>	<b>18.16</b>	16.23

\* As set out in note 8 in the financial statements

## Independent review report to JTC PLC

### Report on the condensed consolidated interim financial statements

#### Our conclusion

We have reviewed JTC PLC's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Financial Report (the "interim financial report") of JTC PLC for the 6-month period ended 30 June 2023 (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 International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union 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 2023;

- the condensed consolidated interim income statement for the period then ended;
- the condensed consolidated interim statement of comprehensive income for the period then ended;
- the condensed consolidated interim statement of changes in equity for the period then ended;
- the condensed consolidated interim statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union 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 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. 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 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 financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

## **RESPONSIBILITIES FOR THE INTERIM FINANCIAL STATEMENTS AND THE REVIEW**

### **Our responsibilities and those of the directors**

The interim financial report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim financial report based on our review. 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 CI LLP

Chartered Accountants

Jersey, Channel Islands

11 September 2023

- (a) The maintenance and integrity of the JTC PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **JTC PLC INTERIM FINANCIAL REPORT 30 JUNE 2023 UNAUDITED**

Condensed consolidated interim income statement

Condensed consolidated interim statement of comprehensive income

Condensed consolidated interim balance sheet

Condensed consolidated interim statement of changes in equity

Condensed consolidated interim statement of cash flows

Notes to the condensed consolidated interim financial statements

1. Reporting entity
2. Significant changes in the current reporting period
3. Basis of preparation
4. Significant accounting policies and standards
5. Critical accounting estimates and judgements
6. Segmental reporting
7. Staff expenses
8. Non-underlying items
9. Other net (losses)/gains
10. Finance cost
11. Income tax
12. Earnings Per Share
13. Goodwill and other intangible assets
14. Share capital and reserves
15. Trade and other payables
16. Loans and borrowings



17. Other non-financial liabilities
18. Financial risk and capital management
19. Cash flow information
20. Related party transactions
21. Contingencies
22. Events occurring after the reporting period

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

<b>£'000</b>	Note	<b>H1 2023</b>	H1 2022
Revenue	6	<b>121,492</b>	93,022
Staff expenses	7	<b>(61,616)</b>	(51,666)
Other operating expenses		<b>(22,038)</b>	(15,213)
Credit impairment losses		<b>(1,466)</b>	(1,160)
Other operating income		<b>22</b>	21
Share of profit of equity-accounted investee		<b>101</b>	333
<b>Earnings before interest, taxes, depreciation and amortisation ("EBITDA")</b>		<b>36,495</b>	25,337
Comprising:			
<b>Underlying EBITDA</b>		<b>40,174</b>	30,714
Non-underlying items	8	<b>(3,679)</b>	(5,377)
		<b>36,495</b>	25,337
Depreciation and amortisation		<b>(11,813)</b>	(10,530)
<b>Profit from operating activities</b>		<b>24,682</b>	14,807
Other net (losses)/gains	9	<b>(5,530)</b>	11,622
Finance income		<b>323</b>	15
Finance cost	10	<b>(7,536)</b>	(5,411)
<b>Profit before tax</b>		<b>11,939</b>	21,033
Comprising:			
<b>Underlying profit before tax</b>		<b>19,708</b>	16,942
Non-underlying items	8	<b>(7,769)</b>	4,091
		<b>11,939</b>	21,033
Income tax	11	<b>(753)</b>	(513)
<b>Profit for the period</b>		<b>11,186</b>	20,520
<b>Earnings per Ordinary share ("EPS")</b>			
		<b>Pence</b>	Pence
Basic EPS	12.1	<b>7.61</b>	14.21
Diluted EPS	12.2	<b>7.54</b>	13.96

The above condensed consolidated interim income statement should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

<b>£'000</b>	Note	<b>H1 2023</b>	H1 2022
<b>Profit for the period</b>		<b>11,186</b>	20,520
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations (net of tax)	18.1	<b>(10,665)</b>	20,541
<b>Total comprehensive income for the period (net of tax)</b>		<b>521</b>	41,061

The above condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

<b>£'000</b>	Note	<b>30.06.2023</b>	31.12.2022
<b>Assets</b>			
Property, plant and equipment		<b>45,952</b>	49,566
Goodwill	13	<b>352,408</b>	363,708
Other intangible assets	13	<b>116,871</b>	128,020
Investments		<b>3,506</b>	3,156
Other non-financial assets		<b>2,218</b>	2,369
Other receivables		<b>226</b>	535
Deferred tax assets		<b>69</b>	143
<b>Total non-current assets</b>		<b>521,250</b>	547,497
Trade receivables		<b>32,891</b>	33,290
Work in progress		<b>12,262</b>	12,525
Accrued income		<b>28,436</b>	23,911

Other non-financial assets		8,704	5,983
Other receivables		4,360	3,827
Cash and cash equivalents		75,726	48,861
<b>Total current assets</b>		<b>162,379</b>	<b>128,397</b>
<b>Total assets</b>		<b>683,629</b>	<b>675,894</b>
<b>Equity</b>			
Share capital	14.1	1,595	1,491
Share premium	14.1	350,993	290,435
Own shares	14.2	(3,912)	(3,697)
Capital reserve		25,654	24,361
Translation reserve		5,314	15,979
Retained earnings	14.3	72,776	71,648
<b>Total equity</b>		<b>452,420</b>	<b>400,217</b>
Trade and other payables	15	3,481	26,896
Loans and borrowings	16	103,741	153,622
Lease liabilities		37,438	40,602
Deferred tax liabilities		10,953	11,184
Other non-financial liabilities	17	950	788
Provisions		1,928	1,884
<b>Total non-current liabilities</b>		<b>158,491</b>	<b>234,976</b>
Trade and other payables	15	43,058	23,424
Lease liabilities		3,832	4,292
Other non-financial liabilities	17	22,017	8,628
Current tax liabilities		3,610	4,088
Provisions		201	269
<b>Total current liabilities</b>		<b>72,718</b>	<b>40,701</b>
<b>Total equity and liabilities</b>		<b>683,629</b>	<b>675,894</b>

The above condensed consolidated interim balance sheet should be read in conjunction with the accompanying notes.

#### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY For the period ended 30 June 2023

£'000	Note	Attributable to owners of JTC PLC						
		Share capital	Share premium	Own shares	Capital reserve	Translation reserve	Retained earnings	Total equity
<b>Balance at 1 January 2023</b>		1,491	290,435	(3,697)	24,361	15,979	71,648	400,217
Profit for the period		-	-	-	-	-	11,186	11,186
Other comprehensive loss for the period		-	-	-	-	(10,665)	-	(10,665)
<b>Total comprehensive income for the period</b>		-	-	-	-	(10,666)	11,186	520
Issue of share capital	14.1	104	60,558	-	-	-	-	60,662
Share-based payment expense	7	-	-	-	1,293	-	-	1,293
Movement of own shares	14.2	-	-	(215)	-	-	-	(215)
Dividends paid	14.3	-	-	-	-	-	(10,058)	(10,058)
<b>Balance at 30 June 2023</b>		<b>1,595</b>	<b>350,993</b>	<b>(3,912)</b>	<b>25,654</b>	<b>5,314</b>	<b>72,776</b>	<b>452,419</b>

£'000	Note	Attributable to owners of JTC PLC						
		Share capital	Share premium	Own shares	Capital reserve	Translation reserve	Retained earnings	Total equity
<b>Balance at 1 January 2022</b>		1,476	285,852	(3,366)	17,536	(5,335)	48,462	344,625
Profit for the period		-	-	-	-	-	20,520	20,520
Other comprehensive income for the period		-	-	-	-	20,541	-	20,541
<b>Total comprehensive income for the period</b>		-	-	-	-	20,541	20,520	41,061
Issue of share capital	15	1,985	-	-	-	-	-	2,000
Share-based payment expense		-	-	-	977	-	-	977
EIP share-based payment expense		-	-	-	4,330	-	-	4,330
Movement of own shares		-	-	(11)	-	-	-	(11)
<b>Balance at 30 June 2022</b>		<b>1,491</b>	<b>287,837</b>	<b>(3,377)</b>	<b>22,843</b>	<b>15,206</b>	<b>68,982</b>	<b>392,982</b>

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

#### CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

£'000	Note	H1 2023	H1 2022
<b>Cash generated from operations</b>	19.1	<b>43,639</b>	29,420
Income taxes paid		(2,130)	(740)

<b>Net movement in cash generated from operations</b>	<b>41,509</b>	28,680
Comprising:		
<b>Underlying cash generated from operations</b>	<b>45,219</b>	30,906
Non-underlying cash items	19.2	(1,486)
	<b>43,639</b>	29,420
<b>Investing activities</b>		
Interest received	<b>322</b>	15
Property, plant and equipment	<b>(777)</b>	(841)
Intangible assets	<b>(1,462)</b>	(3,606)
Business combinations (net of cash acquired)	<b>(1,392)</b>	(33)
Investment	<b>(250)</b>	-
Costs to obtain or fulfil a contract	<b>(465)</b>	(1,234)
Loans to related parties	<b>(160)</b>	-
<b>Net cash used in investing activities</b>	<b>(4,184)</b>	(5,699)
<b>Financing activities</b>		
Proceeds from the issue of shares	<b>62,000</b>	-
Share issuance costs	<b>(1,713)</b>	(169)
Dividends paid	<b>(10,058)</b>	-
Repayment of loans and borrowings	<b>(50,000)</b>	-
Interest paid on loans and borrowings	<b>(4,668)</b>	(2,312)
Principal paid on lease liabilities	<b>(3,040)</b>	(2,983)
Interest paid on lease liabilities	<b>(645)</b>	(633)
<b>Net cash used in financing activities</b>	<b>(8,124)</b>	(6,097)
<b>Net increase in cash and cash equivalents</b>	<b>29,201</b>	16,884
<b>Cash and cash equivalents at start of the period</b>	<b>48,861</b>	39,326
Effect of foreign exchange rate changes on cash and cash equivalents	<b>(2,336)</b>	4,738
<b>Cash and cash equivalents at end of the period</b>	<b>75,726</b>	60,948

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. REPORTING ENTITY

JTC PLC ("the Company") was incorporated on 12 January 2018 and is domiciled in Jersey, Channel Islands. The address of the Company's registered office is 28 Esplanade, St Helier, Jersey.

The condensed consolidated interim financial statements of the Company for the period from 1 January 2023 to 30 June 2023 comprise the Company and its subsidiaries (together "the Group" or "JTC") and the Group's interest in an associate and investments.

### 2. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

"The business performance has remained at a consistently strong level during the six months to 30 June 2023. Despite the depressed global macroeconomic outlook and continued inflationary pressures the business has continued to perform well and meet the expectations of the Board."

There were no significant transactions or events during the period that affected the financial position and performance.

For a detailed discussion about the Group's performance and financial position, please refer to the Chief Financial Officer's review.

### 3. BASIS OF PREPARATION

The condensed consolidated interim financial statements (the "interim financial statements") for the six months to 30 June 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union ("EU"), the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and Companies (Jersey) Law 1991. The interim financial statements are presented in pounds sterling (£), which is the functional and reporting currency of the Company. They do not include all the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements. Accordingly, the interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS as adopted by the EU. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2022.

The Group has adopted the going concern basis of accounting in preparing the interim financial statements. The Directors are confident that the Group will meet its day-to-day working capital requirements through its cash-generating activities and bank facilities. The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these interim financial statements.

These interim financial statements were approved by the Board on 11 September 2023 and have been reviewed but not audited by the Group's external auditors.

### 4. SIGNIFICANT ACCOUNTING POLICIES AND STANDARDS

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2023, have been adopted by the Group from 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but they do not have an impact on these condensed consolidated interim financial statements.

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, Management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are regularly evaluated based on historical experience, current circumstances, expectation of future events and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

## 6. SEGMENTAL REPORTING

### 6.1. BASIS OF SEGMENTATION

The Group has a multi-jurisdictional footprint and the core focus of operations is on providing services to its institutional and private client base, with revenues from alternative asset managers, financial institutions, corporates, high-net-worth and ultra-high-net-worth individuals and family office clients. Recognised revenue is generated from external customers.

The Chief Executive Officer and Chief Financial Officer are together the Chief Operating Decision Makers of the Group and determine the appropriate business segments to monitor financial performance. Each segment is defined as a set of business activities generating a revenue stream determined by divisional responsibility and the management information reviewed by the Board. They have determined that the Group has two reportable segments: these are Institutional Client Services ("ICS") and Private Client Services ("PCS").

### 6.2. SEGMENTAL INFORMATION

The table below shows the segmental information provided to the Board for the two reportable segments (ICS and PCS) on an underlying basis:

£'000	ICS		PCS		Total	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
<b>Revenue</b>	<b>80,692</b>	63,521	<b>40,800</b>	29,501	<b>121,492</b>	93,022
Direct staff costs	<b>(33,729)</b>	(27,019)	<b>(15,672)</b>	(11,354)	<b>(49,401)</b>	(38,373)
Other direct costs	<b>(1,408)</b>	(1,061)	<b>(1,649)</b>	(722)	<b>(3,057)</b>	(1,783)
<b>Underlying gross profit</b>	<b>45,555</b>	35,441	<b>23,479</b>	17,425	<b>69,034</b>	52,866
<i>Underlying gross profit margin %</i>	<b>56.5%</b>	55.8%	<b>57.5%</b>	59.1%	<b>56.8%</b>	56.8%
Indirect staff costs	<b>(8,153)</b>	(5,290)	<b>(3,498)</b>	(3,955)	<b>(11,651)</b>	(9,245)
Other operating expenses	<b>(11,931)</b>	(10,160)	<b>(5,401)</b>	(3,101)	<b>(17,332)</b>	(13,261)
Other income	<b>15</b>	9	<b>108</b>	345	<b>123</b>	354
<b>Underlying EBITDA</b>	<b>25,486</b>	20,000	<b>14,688</b>	10,714	<b>40,174</b>	30,714
<i>Underlying EBITDA margin %</i>	<b>31.6%</b>	31.5%	<b>36.0%</b>	36.3%	<b>33.1%</b>	33.0%

The Board evaluates segmental performance based on revenue, underlying gross profit and underlying EBITDA. Profit before income tax is not used to measure the performance of the individual segments as items such as depreciation, amortisation of intangibles, other net (losses)/gains and net finance costs are not allocated to individual segments. Consistent with the aforementioned reasoning, segment assets and liabilities are not reviewed regularly on a by-segment basis and are therefore not included in segmental reporting.

### 6.3. GEOGRAPHICAL INFORMATION

The table below shows revenue generated by the geographical location of the contracting Group entity.

	H1 2023	H1 2022	Increase/(decrease)	
	£'000	£'000	£'000	%
UK & Channel Islands	<b>64,675</b>	51,605	13,070	25.3%
US	<b>25,279</b>	16,246	9,033	55.6%
Rest of Europe	<b>18,613</b>	16,423	2,190	13.3%
Rest of the World	<b>12,925</b>	8,748	4,177	47.8%
	<b>121,492</b>	93,022	28,470	30.6%

### 6.4. SEASONALITY

There is no material change for seasonality or cyclicity in the condensed consolidated interim income statement. The condensed consolidated balance sheet is impacted where annual fees have been billed in advance at the start of the calendar year, see deferred income in note 17.

## 7. STAFF EXPENSES

£'000	H1 2023	H1 2022
Salaries and Directors' fees	<b>50,163</b>	38,719
Employer-related taxes and other staff-related costs	<b>4,850</b>	4,192
Other short-term employee benefits	<b>2,801</b>	1,655
Pension employee benefits	<b>2,461</b>	1,793
Share-based payments	<b>1,341</b>	977
Employee Incentive Plan ("EIP") share-based payments	-	4,330
<b>Total staff expenses</b>	<b>61,616</b>	51,666

## 8. NON-UNDERLYING ITEMS

£'000	H1 2023	H1 2022
<b>EBITDA</b>	<b>36,495</b>	25,337
Non-underlying items within EBITDA:		
Acquisition and integration costs <sup>1</sup>	<b>3,495</b>	501
Office start-up costs <sup>2</sup>	<b>141</b>	-
Revision of ICS operating model	-	351
EIP share-based payments	-	4,511
Other	<b>43</b>	14
<b>Total non-underlying items within EBITDA</b>	<b>3,679</b>	5,377
<b>Underlying EBITDA</b>	<b>40,174</b>	30,714

<b>Profit before tax</b>	<b>11,939</b>	21,033
Total non-underlying items within EBITDA	<b>3,679</b>	5,377
Gain on revaluation of contingent consideration <sup>3</sup>	<b>(167)</b>	(424)
Foreign exchange losses/(gains) <sup>4</sup>	<b>4,257</b>	(9,044)
<b>Total non-underlying items within profit before tax</b>	<b>7,769</b>	(4,091)
<b>Underlying profit before tax</b>	<b>19,708</b>	16,942

1 Acquisition and integration costs include deal and tax advisory fees, legal and professional fees, any client-acquired penalties, staff reorganisation costs and other integration costs. This includes acquisition related share-based payment awards granted to act as retention tools for key management and/or to recruit senior management to support various acquisitions. Most acquisition and integration costs are incurred in the first two years following acquisition but this period can be longer depending on the nature of the costs.

2 Initial costs incurred to establish the infrastructure to trade in new offices in Austria and the Bahamas.

3 Gain on revaluation of liability-classified contingent consideration payable for perFORM of £0.03m and Segue of £0.13m, see note 15.1.

4 Non-underlying foreign exchange losses/(gains) relate to the revaluation of intercompany loans. Management consider these to be non-underlying items and adjust accordingly in order to reflect the Group's underlying trading performance.

## 9. OTHER NET (LOSSES)/GAINS

<b>£'000</b>	Note	<b>H1 2023</b>	H1 2022
Gain on revaluation of contingent consideration	8 <sup>(3)</sup>	167	424
Foreign exchange (losses)/gains	8 <sup>(4)</sup>	(5,697)	11,198
<b>Total other net (losses)/gains</b>		<b>(5,530)</b>	11,622

## 10. FINANCE COST

<b>£'000</b>	<b>H1 2023</b>	H1 2022
Bank loan interest	<b>4,347</b>	1,940
Amortisation of loan arrangement fees	<b>465</b>	566
Unwinding of net present value discounts	<b>2,271</b>	2,328
Other finance expense	<b>453</b>	577
<b>Total finance costs</b>	<b>7,536</b>	5,411

## 11. INCOME TAX

<b>£'000</b>	<b>H1 2023</b>	H1 2022
Current tax	<b>1,635</b>	1,666
Deferred tax	<b>(882)</b>	(1,153)
<b>Total tax charge for the period</b>	<b>753</b>	513

## 12. EARNINGS PER SHARE

The Group calculates basic, diluted and adjusted underlying basic Earnings Per Share ("EPS"). The results can be summarised as follows:

<b>Pence</b>	Note	<b>H1 2023</b>	H1 2022
Basic EPS	12.1	<b>7.61</b>	14.21
Diluted EPS	12.2	<b>7.54</b>	13.96
Adjusted underlying basic EPS	12.3	<b>18.16</b>	16.23

### 12.1. BASIC EARNINGS PER SHARE

<b>£'000</b>	<b>H1 2023</b>	H1 2022
<b>Profit for the period</b>	<b>11,186</b>	20,520

<b>Thousands</b>	<b>No. of shares</b>	No. of shares
Issued ordinary shares at 1 January	<b>146,001</b>	144,326
Effect of shares issued to acquire business combinations	<b>13</b>	-
Effect of movement in treasury shares held	<b>232</b>	103
Effect of equity placing	<b>829</b>	-
<b>Weighted average number of Ordinary shares (basic)</b>	<b>147,075</b>	144,429
<b>Basic EPS</b>	<b>7.61</b>	14.21

### 12.2. DILUTED EARNINGS PER SHARE

<b>£'000</b>	<b>H1 2023</b>	H1 2022
<b>Profit for the period</b>	<b>11,186</b>	20,520

<b>Thousands</b>	<b>No. of shares</b>	No. of shares
Weighted average number of Ordinary shares (basic):	<b>147,075</b>	144,429
Effect of movement in share-based payments	<b>1,187</b>	2,586
<b>Weighted average number of Ordinary shares (diluted)</b>	<b>148,262</b>	147,015
<b>Diluted EPS</b>	<b>7.54</b>	13.96

### 12.3. ADJUSTED UNDERLYING BASIC EARNINGS PER SHARE

<b>£'000</b>	Note	<b>H1 2023</b>	H1 2022
<b>Profit for the period</b>		<b>11,186</b>	20,520
Non-underlying items	8	<b>7,769</b>	(4,091)
Amortisation of customer relationships, acquired software and brands		<b>6,548</b>	5,898

Amortisation of loan arrangement fees	465	566
Unwinding of net present value discounts	1,627	1,694
Temporary tax differences arising on amortisation of customer relationships, acquired software and brands	(882)	(1,153)
<b>Adjusted underlying profit for the period</b>	<b>26,713</b>	<b>23,434</b>

<b>Thousands</b>	<b>No. of shares</b>	<b>No. of shares</b>
<b>Weighted average number of Ordinary shares (basic)</b>	<b>147,075</b>	144,429
<b>Adjusted underlying basic EPS</b>	<b>18.16</b>	16.23

Adjusted underlying basic EPS is an alternative performance measure which reflects the underlying activities of the Group. The following definition is not consistent with the requirements of IAS 33.

The Group's definition of adjusted underlying basic EPS reflects the profit for the year adjusted to remove the impact of non-underlying items (see note 8). Additionally, a number of other items relating to the Group's acquisition activities including amortisation of acquired intangible assets and associated deferred tax, amortisation of loan arrangement fees and unwinding of NPV discounts in relation to contingent consideration are removed to present an adjusted underlying basic EPS which is used more widely by external investors and analysts.

## 13. GOODWILL AND OTHER INTANGIBLE ASSETS

### IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill that arises on the acquisition of business combinations and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

At 30 June 2023, Management have concluded there are no impairment indicators present for Goodwill, intangible assets with an indefinite useful life and other non-financial assets.

## 14. SHARE CAPITAL AND RESERVES

### 14.1. SHARE CAPITAL AND SHARE PREMIUM

<b>Movements in Ordinary shares</b>	Note	No. of shares (thousands)	Par value £'000	Share premium £'000
At 31 December 2022		149,061	1,491	290,435
Shares issued for equity raises		8,857	88	60,198
PLC EBT issue		1,580	16	-
Acquisition of Segue	15.1 <sup>(3)</sup>	45	-	360
Movement in the period		10,482	104	60,558
<b>At 30 June 2023</b>		<b>159,543</b>	<b>1,595</b>	<b>350,993</b>

On 14 June 2023, the Company issued 8,857,143 Placing Shares at a price of £7.00 per share, raising gross proceeds of £62m for the Company. Share issuance costs were £1.7m. The Placing Shares are fully paid and rank pari passu in all respects with the existing shares, including the right to receive all dividends and other distributions declared, made or paid after the issue date.

On 21 June 2023, the Company issued an additional 1,579,636 Ordinary shares to the Company's Employee Benefit Trust ("PLC EBT") in order for PLC EBT to satisfy anticipated future exercises of awards granted to beneficiaries.

### 14.2. OWN SHARE RESERVE

Own shares represent the shares of the Company that are unallocated and held by PLC EBT for the benefit of its employees. Own shares have been excluded from the weighted average number of Ordinary shares for the purpose of calculating EPS as they are not outstanding.

	Note	No. of shares (thousands)	PLC EBT £'000
At 31 December 2022		2,957	3,697
PSP and DBSP awards		(281)	-
Other awards		(18)	-
PLC EBT issue	14.1	1,580	16
Purchase of own shares		28	199
Movement in the period		1,309	215
<b>At 30 June 2023</b>		<b>4,266</b>	<b>3,912</b>

### 14.3. RETAINED EARNINGS

The retained earnings include accumulated profits and losses.

The final dividend for the year 2022 of 6.88p per qualifying Ordinary share was paid on 30 June 2023.

An interim dividend of 3.5p per qualifying Ordinary share (2022: 3.1p per qualifying Ordinary share) was declared by the Directors on 11 September 2023 and will be payable on 20 October 2023 to shareholders on the record on 22 September 2023. The interim dividend has not been recognised as a liability as at 30 June 2023.

## 15. TRADE AND OTHER PAYABLES

<b>£'000</b>	Note	<b>30.06.2023</b>	31.12.2022
<b>Non-current</b>			
Other payables		134	72
Contingent consideration	15.1	3,347	26,824
<b>Total non-current</b>		<b>3,481</b>	26,896
<b>Current</b>			
Trade payables		1,455	2,728
Other taxation and social security		818	926
Other payables		3,946	4,391
Accruals		11,164	9,907

Contingent consideration	15.1	<b>25,675</b>	5,472
<b>Total current</b>		<b>43,058</b>	23,424
<b>Total trade and other payables</b>		<b>46,539</b>	50,320

#### 15.1. CONTINGENT CONSIDERATION

Contingent consideration payables are discounted to NPV, split between current and non-current and are due as follows:

<b>£'000</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>Acquisition</b>		
perFORM <sup>1</sup>	<b>3,347</b>	3,181
SALI	-	23,643
<b>Total non-current contingent consideration</b>	<b>3,347</b>	26,824
INDOS <sup>2</sup>	<b>1,537</b>	1,483
Segue <sup>3</sup>	<b>403</b>	2,163
SALI	<b>23,735</b>	-
Sterling	-	1,826
<b>Total current contingent consideration</b>	<b>25,675</b>	5,472

1 The earn-out for perFORM is calculated based on a multiple of their underlying EBITDA for the year ended 31 December 2024 (up to a maximum of £6m). This is payable in an equal split of cash and JTC PLC Ordinary shares, the 50% payable in shares is liability-classified contingent consideration as the no. of shares due is calculated based on a fixed share price as defined in their share purchase agreement ("SPA"). In accordance with IAS 32, Management are required to update the fair value at each reporting date.

At the acquisition date, Management forecast the underlying EBITDA for perFORM and estimated that £4.48m would be due. At 30 June 2023, Management revisited their forecast and have identified no evidence to indicate an adjustment was required to the total due. To update the fair value of the 282,854 JTC PLC Ordinary shares payable, the Monte Carlo simulation was updated and this decreased the share price applied to £7.59 (31.12.2022: £7.92).

The simulation is based on JTC's share price at 30 June 2023, factoring in historical volatility and projected dividend payments and is then discounted using an appropriate risk free rate.

The updated share price resulted in a gain on revaluation of £0.03m (see note 9) as the fair value of the contingent consideration payable in JTC Ordinary Shares decreased to £2.15m (31.12.22: £2.24m).

The revalued earn-out contingent consideration of £4.37m (cash £2.22m/ JTC PLC Ordinary shares £2.15m) has then been discounted to a present value of £3.35m.

2 Contingent consideration of £1.5m was payable subject to JTC PLC meeting an underlying EPS target for the period ended 31 December 2022. As the business performed successfully, on 14 April 2023, equity awards were granted and subject to continued employment, will vest on 31 December 2023.

3 Contingent consideration was subject to Segue meeting adjusted EBITDA targets over the calendar years 2022 and 2023. During the period, Management paid £1.4m (\$1.7m) in cash and issued 45,386 JTC Ordinary shares in part-payment of the outstanding liability (see note 14.1), the timing of the settlement resulted in a small gain on revaluation of contingent consideration of £0.13m (see note 9).

## 16. LOANS AND BORROWINGS

<b>£'000</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>Non-current</b>		
Bank loan	<b>103,741</b>	153,622
<b>Total loans and borrowings</b>	<b>103,741</b>	153,622

At 31 December 2022, the Group had a multicurrency loan facility agreement for a total commitment of £225m consisting of a term loan of £75m and a revolving credit facility ("RCF") of £150m. On 15 June 2023, the lenders agreed to increase the RCF by £50m increasing the total commitment to £275m. Following the equity raise that took place on 14 June 2023, the Group used £50m of the proceeds to temporarily repay the RCF on 21 June 2023.

At 30 June 2023 the Group had available £169.3m of committed facilities currently undrawn (31 December 2022: £69.3m).

On 1 August 2023, £118m of the facility was drawn to part satisfy the cash consideration for the acquisition of SDTC (see note 22).

All facilities are due to be repaid on or before the termination date of 6 October 2025 unless the termination date is extended for the available one year extension. It is Management's intention to exercise the option to extend the facility for the additional year.

## 17. OTHER NON-FINANCIAL LIABILITIES

<b>£'000</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>Non-current</b>		
Contract liabilities	<b>394</b>	216
Employee benefit obligations	<b>556</b>	572
<b>Total non-current</b>	<b>950</b>	788
<b>Current</b>		
Deferred income	<b>21,168</b>	7,856
Contract liabilities	<b>849</b>	772
<b>Total current</b>	<b>22,017</b>	8,628
<b>Total other non-financial liabilities</b>	<b>22,967</b>	9,416

As a result of annual fees being billed in advance at the start of the financial year, deferred income is higher at 30 June than at 31 December.

## 18. FINANCIAL RISK AND CAPITAL MANAGEMENT

### PRINCIPAL FINANCIAL INSTRUMENTS

All financial assets and liabilities are measured at amortised cost which is deemed to be representative of fair value. The exception to this is liability-classified contingent consideration payable of £1.7m for perFORM (31 December 2022: £1.6m).

Management considered the following fair value hierarchy levels in line with IFRS 13.

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset and liability, either directly or indirectly.

Level 3 - Inputs are unobservable inputs for the asset or liability.

Management concluded that the contingent consideration was classified under the level 3 inputs of the fair value hierarchy. Please see note 15 for further detail on changes to fair value for the six months ended 30 June 2023.

#### 18.1. FOREIGN CURRENCY RISK

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities when the revenue or expenses are denominated in a different currency from the Group's functional and presentation currency of pounds sterling (£). For trading entities that principally affect the profit or net assets of the Group, the exposure continues to be mainly from Euro, US dollar and South African rand. The Group's bank loans are denominated in £ although the facility is multicurrency. As disclosed in note 29.1 of the JTC Annual Report and Accounts 2022, Management continue to monitor the effectiveness of the Group's policy to minimise foreign currency risk and regularly assess if a foreign currency hedge is appropriate.

For the six months to 30 June 2023, mainly due to the Euro and United States dollar foreign currency exchange rate movements, we have recognised the following:

a foreign exchange loss of £10.7m in other comprehensive income (H1 2022: £20.5m gain) upon translating our foreign operations to our functional currency

a foreign exchange loss of £5.7m (H1 2022: £11.2m gain) in the condensed consolidated income statement upon the retranslation of monetary assets and liabilities denominated in foreign currencies (see note 9)

On 7 July 2023, JTC entered a foreign exchange forward contract to sell £60m and buy \$76.1m on 31 August 2023 to mitigate the foreign exchange risk between the date of signing their SPA and the date of completion for SDTC (see note 22).

#### 18.2. INTEREST RATE RISK

The Group is exposed to interest risk as it borrows funds at floating interest rates. The interest rate applied to loan facilities is determined using SONIA plus a margin based on net leverage calculations.

The risk is managed by the Group maintaining an appropriate leverage ratio and by giving consideration to the use of hedging instruments.

#### Sensitivity for variable rate instruments

The Group's sensitivity to interest rate risk as disclosed in the JTC Annual Report and Accounts 2022 is impacted by rising interest rates during the first six months of 2023.

For loans and borrowings with floating rates at the 30 June 2023, the Group still considers a reasonable interest rate movement for sensitivity analysis to be 100 basis points.

If interest rates had been higher/lower by 100 basis points and all other variables were held constant, the Group's profit for the period ended 30 June 2023 would decrease/increase by £0.8m.

#### 18.3. CREDIT RISK

The Group's principal exposure to credit risk arises from contracts with customers and therefore from the following financial assets: trade receivables, work in progress and accrued income (together "customer receivables") as well as cash and cash equivalents and other receivables. Despite the challenging economic environment the impact on the recoverability of customer receivables has not been significant, as evidenced by our strong performance for underlying operating cash conversion and credit impairment losses. Following an analysis on a customer-by-customer basis we anticipate that customers will meet their payment obligations and as a result we have not incorporated updated forward-looking information into measuring expected credit losses as at 30 June 2023. Our credit risk management as set out in note 29.2 of the JTC Annual Report and Accounts 2022 remains unchanged.

#### 18.4. LIQUIDITY RISK

There has been no change in our liquidity risk assessment compared to our disclosure in note 29.3 of the JTC Annual Report and Accounts 2022.

#### 18.5. CAPITAL MANAGEMENT

The Group's objective for managing capital is unchanged from that disclosed in Note 30 of the JTC Annual Report and Accounts 2022

In accordance with the Group's capital risk management objective, the financial covenants attached to the bank borrowings continue to be met.

## 19. CASH FLOW INFORMATION

#### 19.1. OPERATING CASH FLOWS

£'000	H1 2023	H1 2022
<b>Operating profit</b>	<b>24,682</b>	14,807
Adjustments:		
Depreciation of property, plant and equipment	3,883	3,822
Amortisation of intangible assets	7,930	6,708
Equity-settled share-based payment expense	1,293	1,085
EIP share-based payment expense	-	4,330
Share of profit of equity-accounted investee	(101)	(333)
<b>Operating cash flows before movements in working capital</b>	<b>37,687</b>	30,419

#### Net changes in working capital:

Increase in receivables	(6,662)	(12,327)
Increase in payables	12,614	11,328
<b>Cash generated from operations</b>	<b>43,639</b>	29,420

#### 19.2. NON-UNDERLYING ITEMS WITHIN CASH GENERATED FROM OPERATIONS

£'000	H1 2023	H1 2022
<b>Cash generated from operations</b>	<b>43,639</b>	29,420
Non-underlying items:		
Acquisition and integration	1,439	1,121
Office start-up costs	141	-
Revision of ICS operating model	-	351
Other	-	14
<b>Total non-underlying items within cash generated from operations</b>	<b>1,580</b>	1,486
<b>Underlying cash generated from operations</b>	<b>45,219</b>	30,906



## 20. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Group has defined key management personnel as Directors and members of senior management who have the authority and responsibility to plan, direct and control the activities of the Group. The remuneration of key management personnel in aggregate for each of the specified categories is as follows:

£'000	H1 2023	H1 2022
Salaries and other short-term employee benefits	1,250	1,472
Post-employment and other long-term benefits	60	76
Share-based payments	801	628
EIP share-based payments	-	325
<b>Total payments</b>	<b>2,111</b>	<b>2,501</b>

## 21. CONTINGENCIES

The Group operates in a number of jurisdictions and enjoys a close working relationship with all of its regulators. It is not unusual for the Group to find itself in discussion with regulators in relation to past events. With any such discussions there is inherent uncertainty in the ultimate outcome but the Board currently does not believe that any such current discussions are likely to result in an outcome that would have a material impact upon the Group.

## 22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no material subsequent events to disclose other than those already noted in the condensed consolidated financial statements except for the following:

Acquisition of TC3 Group Holdings LLC (trading as South Dakota Trust Company ("SDTC"))

On 2 August 2023, following receipt of all applicable change of control and regulatory approvals, JTC completed the acquisition of 100% of the share capital of TC3 Group Holdings LLC (trading as SDTC) for a maximum consideration of \$270m. The initial consideration of \$200m comprised of \$147m in cash and up to a maximum of \$53m in new JTC PLC Ordinary shares. On 8 August 2023, the Company issued and admitted 5,978,400 Ordinary shares at fair value to satisfy the initial consideration. A further \$70m contingent consideration is available on the achievement of specific revenue performance targets for the two year period ending 31 December 2025 and is payable in cash and JTC PLC Ordinary shares.

The acquisition is hugely complementary to JTC's existing US operations and establishes JTC as the leading independent provider of administration services to the US personal trust sector.

At the date the condensed consolidated interim financial statements were authorised for issue, it was impracticable to disclose the information required by IFRS 3 'Business Combinations' as some of the required information was not available.

[1] LVW is 14 times annualised value of work won minus value of attrition in past year.

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END

## Companies

[JTC \(JTC\)](#)



Thursday, 28th March 2024

COMPANIES COVERED:

SPT

JD.

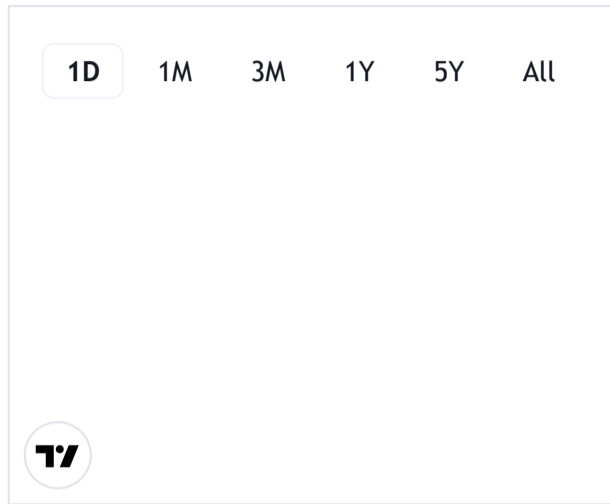
AO.

Upbeat news from AO World offers some hope that consumer demand in the UK may be picking up. Numbers from JD Sport were also encouraging, but overseas revenue growth dominated, whilst a counter-offer leaves Spirent the subject of a bidding war.

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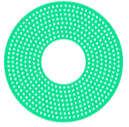
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