

**SCIENCE IN SPORT PLC**  
**("Group" or "Company")**

**Interim results for the six months ended 30 June 2023**

**Focus on margin enhancement underpins strong EBITDA improvement**

**Science in Sport plc** (AIM: SIS), the premium performance nutrition company serving elite athletes, sports enthusiasts, and the active lifestyle community, announces interim results for the six months to 30 June 2023.

**Summary H1 results**

	H1 FY23	H1 FY22
<b>Revenue</b>	<b>34,436</b>	<b>32,279</b>
<b>Gross Profit</b>	<b>14,479</b>	<b>13,806</b>
<i>Margin</i>	<i>42.0%</i>	<i>42.8%</i>
Marketing costs	(4,723)	(5,551)
Carriage	(2,626)	(4,005)
Online selling costs	(256)	(667)
<b>Trading contribution</b>	<b>6,874</b>	<b>3,583</b>
<i>Margin</i>	<i>20.0%</i>	<i>11.1%</i>
Other operating expenses	(9,394)	(10,444)
<b>Loss from operations</b>	<b>(2,520)</b>	<b>(6,861)</b>
Finance costs	(747)	(339)
<b>Loss before tax</b>	<b>(3,267)</b>	<b>(7,200)</b>
<b>Underlying EBITDA</b>	<b>1,132</b>	<b>(2,800)</b>
<b>Cash inflow / (outflow)</b>	<b>298</b>	<b>(3,540)</b>

**Key highlights**

- Revenue grew by 7% to £34.4m in the period. Record trading month in March, with April, May, and June all setting records for the respective months, with Q2 delivering 11% growth versus Q2 2022.
- Gross margin was 42% (2022: 42.8%), with further progress expected in H2, given whey prices softening and our new in-house bar line delivering a margin enhancement.
- Trading contribution was £6.9m (20% of net revenue), a sharp increase on the £3.6m (11.1% of net revenue) in 2022, given marketing efficiencies, and the new Blackburn site contributing with £1.4m savings versus H1 2022.
- Overheads were reduced by £0.3m year-on-year, with the most significant contributor being people costs.
- These efficiencies throughout our operations resulted in an adjusted H1 EBITDA<sup>1</sup> of £1.1m (H1 2022: loss of £2.8m).
- Loss before tax for H1 of £3.3m (H1 2022: loss of £7.2m before tax), with the improvement driven by the positive underlying trading performance and cost efficiencies.
- Cash generated in the period of £0.3m, compared to an outflow of £3.5m in H1 2022. Headroom of £3.8m in facilities.

**Stephen Moon, Chief Executive Officer of Science in Sport plc, said:**

“We are seeing the results from our year-long contribution margin enhancement activity reflected in a £3.9 million positive movement in EBITDA. Our investment in the Blackburn site and technology are critical enablers in this. Overall growth of 7% is encouraging, but there is no doubt that consumer confidence is fragile and trading is volatile.

Whilst we expect H2 to broadly reflect H1, the full-year outcome is always heavily influenced by Q4. Provided there is no material deterioration in consumer confidence, the improved and ongoing margin improvements give upside potential with a strong finish to the year.

We remain committed to our long-term strategy with our premium brand equities in good health and efficiencies from our strategic capital investment delivering on track.”

## **INTERIM REPORT**

### **Overview**

Our strategy remains unchanged, with the medium-term goal of £100m of profitable revenue, driven by our scientifically proven premium brands and operational gearing enhancing the bottom line. Our world-class supply chain delivers high gross margin products with best-in-class quality and banned substance controls.

Our premium brands remain in good health. Science in Sport leads the endurance nutrition category in brand awareness, consideration, and all brand image measures. PhD ranks behind the established mass-market brands of MyProtein and Grenade in awareness and consideration but is strong compared to similar-sized peer brands.

Our science and innovation teams remain very active. We will deliver a relaunch of our Rego recovery range in Q1 2024. Our PhD bar range will relaunch in Q4 2023 with an improved higher protein, lower fat, and sugar format, enabling access to more channels and markets.

### **Operational improvements**

Management commenced an organisation-wide margin enhancement programme in H1 2022, continuing throughout H2 2022 and 2023.

We restructured our Digital operations and USA business. Given rising acquisition costs and aggressive price competition, we reduced digital marketing costs and delivered £4.1m revenue (H1 2022: £7.5m), with a strongly improved trading contribution expected for the full year. Costs in the channel will reduce by a further £1.2m annualised from Q4 2023. The Digital channel will focus on high-lifetime-value customers, who contribute 65% of revenue. Our change to a distributor model in the USA reduced revenue by 15% to £1.9m, although trading contribution was positive at £0.4m (H1 2022: loss £0.1m.)

The Blackburn site is delivering efficiencies in line with our plan. Particularly notable is the reduction in carriage costs by £1.4m in H1 versus last year. We commissioned a new bar line in Q1 2023, delivering a unit cost per bar of approximately 30% less than the previous bought-in product range. The full benefit will flow into the gross margin in H2 as the co-manufactured product exits inventory. Further efficiencies are expected from the site.

### **Commercial review**

The Science in Sport brand delivered £18.6m revenue in H1, 20% ahead of H1 2022. The high-margin gel format delivered 38% growth, accounting for 29% of total Group revenue. SIS gels are the market leader in each UK channel.

The PhD brand delivered £15.8m H1 revenue, a 5% decline compared to 2022, given a slow start to the year. PhD is the second largest protein powder and bar manufacturer in UK grocery and is Amazon UK's fastest-growing protein brand.

### Retail

We saw growth of 21%, given the improved rate of sale, new distribution, and price increases. The channel is performing consistently during H2, and we are extending distribution further.

At the period end, the Group had a 15.7% share in UK Grocery, second behind Grenade. Science in Sport is the leader in endurance nutrition, growing 23% in the last 52 weeks and 28% in the 12 weeks to the end of June. PhD is the number two protein powder manufacturer, with a 25.5% share. PhD is the market leader in both lean whey and plant protein. PhD is the second largest Sports Nutrition bar manufacturer, with a 6.4% share.

30% growth to £7.2m in H1 came from international retail. Shimano Europe delivered a solid performance, and we made good gains through our distributor serving Indonesia, Malaysia, and Japan.

### Amazon

Sales started slowly due to a global destocking programme by the customer. Amazon UK and Europe grew 17% to £7.5m in H1. Overall growth, including the discontinued Amazon USA business, which transferred to The Feed, was 10%. Sales out from Amazon UK and Europe to end customers were up 35% year compared to our top five competitors growing at 22%. With a share of 11.3%, the Group is the second largest sport nutrition manufacturer on Amazon UK.

### China

China has been and continues to be challenging. Dampened demand, given COVID-19 in January and February and a weaker economy later in the period, resulted in revenue of £2.7m, down on the £3.1m delivered in H1 2022. Visibility on orders from our current distributor remains below expectations and our focus for Q4 will be restoring the strong growth we saw in 2022, starting with our sponsorship of Shanghai Marathon in November.

*Retail share data Nielsen IQ Grocery Multiples L12wks w/e 01.07.23  
Amazon data from Amazon EPOS and Edge*

### **Capital Investment and Working Capital**

Capital investment for H1 was £1.5m (H1 2022: £7.0m), the reduction in spending due to the strategic investment in the Blackburn facility now being complete. H2 2023 capital expenditure will be lower than H1.

Headroom of £3.8m in facilities on 30 June 2023 in-line with the position on 31 December 2022 of £4m. Cash generated in the period of £0.3m, compared to an outflow of £3.5m in H1 2022.

Cash at bank of £1.2m (H1 2022: £1.3m; 2022: £0.9m). HSBC have renewed and increased credit facilities by £1.5m, giving a total of £12.6m of working capital facilities. The increase in facilities due to the higher mix of revenue through wholesale channels compared to our direct-to-consumer channel. This trend is expected to continue in the future.

Pre IFRS 16 net debt<sup>2</sup> (note 6) of £13.2m (2022: £10.9m) due to weighting of capital spend in H1 2023 and higher inventory levels of £9.5m as at 30 June 2023 (2022: £6.6m). Net debt is forecast to reduce throughout H2 2023 due to positive operating cash flow and a decrease in inventory. Overall net debt at the year-end is anticipated to be at similar levels to 31 December 2022.

## Outlook

Key focus areas for management are delivering EBITDA improvements and managing cash tightly. Further cost efficiencies are expected in H2 2023 as part of the organisation-wide margin improvement programme, which commenced during Q2 2022. This will feed into operational gearing gains as we grow revenue.

We expect H2 to mirror H1 at a revenue level. Q4 always heavily influences the full year, given Black November and all retail and online platforms finishing December strongly, ahead of the traditional January health awareness campaigns. Provided there is no material deterioration in consumer confidence the improved and ongoing margin improvements may bring upside potential with a strong finish to the year.

Our strategy remains unchanged. We continue to target profitable growth to take us to £100m in revenue and beyond.

**Stephen Moon**  
Chief Executive Officer

## *Ends*

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## **About Science in Sport plc**

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

Headquartered in London, Science in Sport plc is a leading sports nutrition business that develops, manufactures, and markets innovative nutrition products for professional athletes, sports and fitness enthusiasts and the active lifestyle community. The Company has two highly regarded brands, PhD Nutrition, a premium active-nutrition brand targeting the active lifestyle community, and SiS, a leading endurance nutrition brand among elite athletes and professional sports teams.

The two brands sell through the Company's phd.com and scienceinsport.com digital platforms, third-party online sites, including Amazon and Tmall, and extensive retail distribution in the UK and internationally, including major supermarkets, high street chains and specialist sports retailers. This omnichannel footprint enables the Company to address the full breadth of the sports nutrition market, sports nutrition market, worth \$24.6bn in 2022 and forecast to grow CAGR 5.9% from 2022 to 2027.<sup>3</sup>

SiS, a leading endurance nutrition business founded in 1992, has a core range comprising gels, powders and bars focused on energy, hydration, and recovery. SiS is an official endurance nutrition supplier to over 320 professional teams, organisations, and national teams worldwide.

SiS is Performance Solutions partner to Ineos Grenadiers cycling team, Tottenham Hotspur and CGC Nice football, as well as Official Nutrition Partner to the Milwaukee Bucks, 2021 National Basketball Association Champions.

PhD is one of the UK's leading active nutrition brands with a reputation for high quality and product innovation. The brand has grown rapidly since its launch in 2005. The range now comprises powders, bars, and supplements,

including the high protein, low sugar range, PhD Smart. PhD brand ambassadors include leading endurance and strength athlete Ross Edgley and influencer Gabby Allen.

For further information, please visit [phd.com](http://phd.com) and [scienceinsport.com](http://scienceinsport.com)

<sup>1</sup> EBITDA excludes interest, tax, depreciation, amortisation, share-based payments, foreign exchange variances on intercompany balances and non-cash & non-recurring items set out in note 3 to the financial statements.

<sup>2</sup> Net debt is defined as cash, less banking working capital facilities and asset financing and excludes property leases

<sup>3</sup> Euromonitor Passport Database Global Assessment (October 2022)

## Consolidated statement of comprehensive income

Six months ended 30 June 2023

		Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022	Audited twelve months ended 31 December 2022
	Notes	£'000	£'000	£'000
<b>Revenue</b>		<b>34,436</b>	32,279	63,773
Cost of goods		<b>(19,957)</b>	(18,473)	(36,837)
<b>Gross Profit</b>		<b>14,479</b>	13,806	26,936
<b>Total Costs</b>		<b>(16,999)</b>	(20,667)	(36,757)
<b>Loss from operations</b>		<b>(2,520)</b>	(6,861)	(9,821)
<b>Comprising:</b>				
<b>Underlying EBITDA</b>	3	<b>1,132</b>	(2,800)	(2,689)
Depreciation and amortisation		<b>(2,743)</b>	(2,571)	(4,808)
Foreign exchange variances on intercompany balances		<b>(344)</b>	60	(99)
Share-based payment charges		<b>(181)</b>	(660)	(262)
Blackburn transition costs		-	(618)	(1,075)
Restructuring costs		<b>(228)</b>	(272)	(888)
Cost of Strategic review		<b>(156)</b>	-	-
<b>Loss from operations</b>		<b>(2,520)</b>	(6,861)	(9,821)
Finance income		-	-	-
Finance costs		<b>(747)</b>	(339)	(757)
<b>Loss before taxation</b>		<b>(3,267)</b>	(7,200)	(10,578)
Taxation benefit/(charge)	4	-	92	(332)
<b>Loss for the period</b>		<b>(3,267)</b>	(7,108)	(10,910)
<b>Other comprehensive income</b>				
Cash flow hedges		-	(40)	2
Exchange difference on translation of foreign operations		-	82	(21)
<b>Total comprehensive loss for the period</b>		<b>(3,267)</b>	(7,066)	(10,929)
<b>(Loss) per share to owners of the parent</b>				
Basic and diluted	7	<b>(1.9p)</b>	(5.2p)	(7.6p)

All amounts relate to continuing operations

## Consolidated statement of financial position

30 June 2023

		Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022	Audited twelve months ended 31 December 2022
	Notes	£'000	£'000	£'000
Intangible assets		29,704	30,939	30,739
Right of use assets		10,160	10,642	10,536
Plant and equipment		10,431	8,395	10,338
<b>Total non-current assets</b>		<b>50,295</b>	<b>49,976</b>	<b>51,613</b>
Inventories		9,538	8,726	6,638
Trade and other receivables		19,727	14,706	16,524
Cash and cash equivalents		1,228	1,310	930
<b>Total current assets</b>		<b>30,493</b>	<b>24,742</b>	<b>24,092</b>
<b>Total assets</b>		<b>80,788</b>	<b>74,718</b>	<b>75,705</b>
Trade and other payables		(27,962)	(20,619)	(19,993)
Lease liabilities		(415)	(784)	(415)
Asset financing		(843)	(845)	(843)
Hire purchase agreement		(80)	(98)	(80)
Derivative financial instruments		-	(42)	-
Provision for liabilities		(976)	-	(901)
<b>Total current liabilities</b>		<b>(30,276)</b>	<b>(22,388)</b>	<b>(22,232)</b>
Lease liabilities		(9,990)	(10,393)	(10,261)
Asset financing		(3,275)	(2,545)	(2,839)
Hire purchase agreement		(43)	(129)	(82)
<b>Total non-current liabilities</b>		<b>(13,308)</b>	<b>(13,067)</b>	<b>(13,182)</b>
<b>Total Liabilities</b>		<b>(43,584)</b>	<b>(35,455)</b>	<b>(35,414)</b>
<b>Total net assets</b>		<b>37,204</b>	<b>39,263</b>	<b>40,291</b>
Share capital	8	17,242	13,510	17,242
Share premium reserve		53,134	51,839	53,134
Employee benefit trust		(204)	(256)	(429)
Other reserve		(907)	(907)	(907)
Foreign exchange reserve		(138)	(35)	(138)
Cash Flow hedge reserve		-	(42)	-
Retained deficit		(31,923)	(24,846)	(28,611)
<b>Total Equity</b>		<b>37,204</b>	<b>39,263</b>	<b>40,291</b>

## Consolidated statement of cash flows

Six months ended 30 June 2023

	Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022	Audited twelve months ended 31 December 2022
	£'000	£'000	£'000
<b>Cash flows from operating activities</b>			
Loss after tax	(3,267)	(7,108)	(10,910)
<i>Adjustments for:</i>			
Amortisation	1,565	1,693	2,919
Amortisation of right-of-use assets	350	437	963
Depreciation	816	442	926
Interest Expense	747	339	757
Taxation benefit	-	(92)	332
Share-based payment charges	181	660	262
<b>Operating cash inflow / (outflow) before changes in working capital</b>	<b>392</b>	<b>(3,629)</b>	<b>(4,751)</b>
Changes in inventories	(2,900)	(280)	1,809
Changes in trade and other receivables	(3,204)	(2,027)	(3,737)
Changes in trade and other payables	6,577	2,734	2,207
<b>Total cash inflow / (outflow) from operations</b>	<b>865</b>	<b>(3,202)</b>	<b>(4,472)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(820)	(3,577)	(6,013)
Purchase of intangible assets	(532)	(1,013)	(1,941)
<b>Net cash outflow from investing activities</b>	<b>(1,352)</b>	<b>(4,590)</b>	<b>(7,954)</b>
<b>Cash flow from financing activities</b>			
Net proceeds from asset financing	900	1,890	2,184
Net proceeds from invoice financing	1,363	2,540	3,080
Repayments of asset financing	(679)	-	-
Interest paid on invoice financing	(284)	-	(172)
Gross proceeds from issue of share capital	-	-	5,000
Interest paid on asset financing	(134)	(7)	(143)
Principal paid on lease liabilities	(170)	(134)	(629)
Interest paid on lease liabilities	(212)	(37)	(442)
Share issue costs	-	-	(372)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>784</b>	<b>4,252</b>	<b>8,506</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>298</b>	<b>(3,540)</b>	<b>(3,920)</b>
<b>Opening cash and cash equivalents</b>	<b>930</b>	<b>4,850</b>	<b>4,850</b>
<b>Closing cash and cash equivalents</b>	<b>1,228</b>	<b>1,310</b>	<b>930</b>



## Consolidated statement of changes in equity

	Share Capital	Share Premium	Employee Benefit trust Reserve	Other Reserve	Foreign Exchange Reserve	Cash Flow Hedge Reserve	Retained Deficit	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 December 2021</b>	<b>13,510</b>	<b>51,839</b>	<b>(158)</b>	<b>(907)</b>	<b>(117)</b>	<b>(2)</b>	<b>(17,836)</b>	<b>46,329</b>
<b>Comprehensive Income</b>								
Total comprehensive loss for the period	-	-	-	-	82	(40)	(7,108)	(7,066)
<b>Transactions with owners</b>								
Exercise of share options	-	-	(98)	-	-	-	98	-
<b>Balance at 30 June 2022</b>	<b>13,510</b>	<b>51,839</b>	<b>(256)</b>	<b>(907)</b>	<b>(35)</b>	<b>(42)</b>	<b>(24,846)</b>	<b>39,263</b>
<b>Comprehensive Income</b>								
Total comprehensive loss for the period	-	-	-	-	(103)	42	(3,801)	(3,862)
<b>Transactions with owners</b>								
Issue of shares	3,732	1,295	(399)	-	-	-	-	4,628
Issue of shares held by EBT to employees	-	-	226	-	-	-	(226)	-
Share-based payments charge	-	-	-	-	-	-	262	262
<b>Balance at 31 December 2022</b>	<b>17,242</b>	<b>53,134</b>	<b>(429)</b>	<b>(907)</b>	<b>(138)</b>	<b>-</b>	<b>(28,611)</b>	<b>40,291</b>
<b>Comprehensive Income</b>								
Total comprehensive loss for the period	-	-	-	-	-	-	(3,267)	(3,267)
<b>Transactions with owners</b>								
Issue of shares to EBT	-	-	-	-	-	-	-	-
Share Based payments charge	-	-	-	-	-	-	181	181
Exercise of share options	-	-	225	-	-	-	(225)	-
<b>Balance at 30 June 2023</b>	<b>17,242</b>	<b>53,134</b>	<b>(204)</b>	<b>(907)</b>	<b>(138)</b>	<b>-</b>	<b>(31,922)</b>	<b>37,204</b>

## **Notes to the interim financial information**

### **For the six months ended 30 June 2023**

#### **1. Basis of preparation**

This interim report has been prepared using the same accounting policies as those applied in the annual financial statements for the year ended 31 December 2022.

The Directors believe that operating profit / (loss) before depreciation, amortisation, share based payments and foreign exchange variances on intercompany balances and exceptional items of Strategic review costs and restructuring items measure provides additional useful information for shareholders on underlying trends and performance. This measure is used for internal performance analysis.

Strategic review costs relate to one-off costs from the review that commenced in December 2022 and concluded in April 2023. Restructuring costs includes one-off people-related expenses from reduced headcount when implementing the new leaner organisation structure.

Underlying operating profit / (loss) is not defined by IFRS and therefore many not be directly comparable with other companies' adjusted profit measures. It is not intended to be suitable substitute for, or superior to IFRS measurements of profit. A reconciliation of underlying operating profit to statutory operating profit is set out on the face of the statement of comprehensive income.

The condensed financial information herein has been prepared using accounting policies consistent with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("adopted IFRS") and as applied in accordance with the provisions of the Companies Act 2006. While the financial figures included in this interim report have been prepared in accordance with IFRS applicable for interim periods, this interim report does not contain sufficient information to constitute an interim financial report as defined in IAS 34. The Company has taken advantage of the exemption not to apply IAS 34 'Interim Financial Reporting' since compliance is not required by AIM listed companies.

This interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and has been neither audited nor reviewed by the Company's auditors, pursuant to guidance issued by the Auditing Practices Board.

The interim report should be read in conjunction with the annual financial statements period ended 31 December 2022.

The statutory Accounts for the last period ended 31 December 2022 were approved by the Board on 30 June 2023 and are filed at Companies House. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006.

The unaudited interim report was authorised by the Company's Board of Directors on 26 September 2023.

## 2. Segmental reporting

Operating segments are identified on the basis of internal reporting and decision making. The Group's Chief Operating Decision Maker ("CODM") is considered to be the Board, with support from the senior management teams, as it is primarily responsible for the allocation of resources to segments and the assessments of performance by segment.

The Group's reportable segments have been split into the two brands, SiS and PhD Nutrition. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM as described above. The reportable segments are consistent with 2022 year-end financial statements with relevant costs across the brands allocated on a more appropriate basis.

	Unaudited six months ended 30 June 2023		
	SiS £'000	PhD £'000	Total £'000
<b>Sales</b>	<b>18,618</b>	<b>15,818</b>	<b>34,436</b>
<b>Gross profit</b>	<b>8,942</b>	<b>5,537</b>	<b>14,479</b>
Marketing costs	(3,310)	(1,413)	(4,723)
Carriage	(1,613)	(1,013)	(2,626)
Online selling costs	(138)	(118)	(256)
<b>Trading contribution</b>	<b>3,881</b>	<b>2,993</b>	<b>6,874</b>
Other operating expenses			(9,394)
<b>Loss from Operations</b>			<b>(2,520)</b>

	Unaudited six months ended 30 June 2022		
	SiS £'000	PhD £'000	Total £'000
<b>Sales</b>	<b>15,543</b>	<b>16,736</b>	<b>32,279</b>
<b>Gross profit</b>	<b>8,725</b>	<b>5,081</b>	<b>13,806</b>
Marketing costs	(3,966)	(1,585)	(5,551)
Carriage	(2,807)	(1,198)	(4,005)
Online selling costs	(322)	(345)	(667)
<b>Trading contribution</b>	<b>2,505</b>	<b>1,078</b>	<b>3,583</b>
Other operating expenses			(10,444)
<b>Loss from Operations</b>			<b>(6,861)</b>

	Year ended 31 December 2022		
	SiS £'000	PhD £'000	Total £'000
<b>Sales</b>	<b>29,708</b>	<b>34,065</b>	<b>63,773</b>
<b>Gross profit</b>	<b>17,383</b>	<b>9,553</b>	<b>26,936</b>
Marketing costs	(6,602)	(2,387)	(8,989)
Carriage	(4,839)	(2,273)	(7,112)
Online selling costs	(703)	(807)	(1,510)
<b>Trading contribution</b>	<b>5,021</b>	<b>4,304</b>	<b>9,325</b>
Other operating expenses			(19,146)
<b>Loss from Operations</b>			<b>(9,821)</b>

### 3. Operating expenses

	Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022	Audited twelve months ended 31 December 2022
	£'000	£'000	£'000
<b>Sales and marketing costs</b>	<b>7,605</b>	<b>10,223</b>	<b>17,611</b>
Operating Costs	6,571	7,273	13,977
Depreciation and amortisation	2,298	2,571	4,808
Foreign exchange variances on intercompany balances	344	(60)	99
Share-based payments	181	660	262
<b>Administrative Costs</b>	<b>9,394</b>	<b>10,444</b>	<b>19,146</b>
<b>Total operating expenses</b>	<b>16,999</b>	<b>20,667</b>	<b>36,757</b>

The operating expenses above includes costs that were incurred in relation to transition to our consolidated supply chain facility in Blackburn, strategic review and restructuring costs.

These costs are not deemed to be recurring costs, as such they are not deemed to be part of the usual operating expenditure:

	£'000
	Total
Strategic review costs	156
Restructuring costs	228
	<b>384</b>

Management uses alternative performance measures as part of their internal financial performance monitoring, including Underlying EBITDA. The measure provides additional information for users on the underlying performance of the business, enabling consistent year-on-year comparison.

### 4. Taxation

The corporation tax and deferred tax for the six months ended 30 June 2023 has been calculated with reference to the estimated effective tax rate on the operating results for the full year and taking into account movements in deferred tax assets and liabilities.

## 5. Revenue from contracts with customers

The Group operates four primary sales channels, which form the basis on which management monitor revenue. UK Retail includes domestic grocers and high street retailers, Digital are sales through the phd.com and scienceinsport.com platforms, International Retail relates to retailers and distributors outside of the UK and Marketplace relates to online marketplaces such as Amazon and Tmall.

	Unaudited six months ended 30 June 2023			Unaudited six months ended 30 June 2022			Audited twelve months ended 31 December 2022		
	SiS	PhD	Total	SiS	PhD	Total	SiS	PhD	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Digital	2,866	1,245	4,111	5,288	2,249	7,537	8,859	3,618	12,477
Marketplace	3,268	4,291	7,559	2,597	4,273	6,870	6,199	7,851	14,050
China	882	1,806	2,688	89	3,018	3,107	178	7,031	7,209
USA	1,745	-	1,745	-	-	-	-	-	-
Global Online	8,761	7,342	16,103	7,974	9,540	17,514	15,236	18,500	33,736
International Retail	4,919	2,278	7,197	3,564	1,969	5,533	6,491	3,904	10,395
UK Retail	4,938	6,198	11,136	4,006	5,226	9,232	7,981	11,661	19,642
Retail	9,857	8,476	18,333	7,570	7,195	14,765	14,472	15,565	30,037
<b>Total sales</b>	<b>18,618</b>	<b>15,818</b>	<b>34,436</b>	<b>15,544</b>	<b>16,735</b>	<b>32,279</b>	<b>29,708</b>	<b>34,065</b>	<b>63,773</b>

Turnover by geographic destination of sales may be analysed as follows:

	Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022	Audited twelve months ended 31 December 2022
	£'000	£'000	£'000
United Kingdom	19,982	18,250	36,574
Rest of Europe	7,502	6,627	11,391
USA	1,913	2,254	4,670
Rest of the World	5,039	5,148	11,138
<b>Total sales</b>	<b>34,436</b>	<b>32,279</b>	<b>63,773</b>

## 6. Net debt reconciliation

	Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022	Audited twelve months ended 31 December 2022
	£'000	£'000	£'000
Invoice financing	5,960	4,055	4,523
Trade facility	3,330	-	2,733
Virtual credit card	988	898	877
<b>Total working capital facilities</b>	<b>10,279</b>	<b>4,953</b>	<b>8,133</b>
<b>Asset financing</b>	<b>4,118</b>	<b>3,390</b>	<b>3,682</b>
<b>Debt</b>	<b>14,397</b>	<b>8,343</b>	<b>11,815</b>
<b>Less cash and cash equivalents</b>	<b>1,228</b>	<b>1,310</b>	<b>930</b>
<b>Net Debt</b>	<b>13,169</b>	<b>7,033</b>	<b>10,885</b>

Net debt is defined as cash, less banking working capital facilities and asset financing and excludes property leases. Working capital facilities are included within trade and other payables.

As at 30 June 2023 there is headroom of £3.8m in working capital facilities (31 December 2022 £4.0m; 30 June 2022 £4.7m).

## 7. Loss per share

Basic and diluted loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	Unaudited six months ended 30 June 2023	Unaudited six months ended 30 June 2022	Audited twelve months ended 31 December 2022
	£'000	£'000	£'000
(Loss) for the financial period	(3,267)	(7,066)	(10,929)
<b>Number of shares</b>	Number	Number	Number
	'000	'000	'000
Weighted average number of shares	172,420	136,429	143,313
<b>EPS Summary</b>			
Basic and diluted loss per share	(1.9p)	(5.2p)	(7.6p)

## 8. Share Capital

The number of ordinary shares in issue as at 30 June 2023 is 172,419,741 shares (31 December 2022 – 172,419,741).

The number of shares held by the EBT and referred to as Treasury shares was 2,045,230 (30 June 2022: 4,293,194, December 2022: 4,293,194).

## **9. Cautionary statement**

This document contains certain forward-looking statements with respect to the financial condition, results, and operations of business. These statements involve risk and uncertainty as they relate to events and depend on circumstances that will incur in the future. Nothing in this interim report should be construed as a profit forecast.

## **10. Copies of the interim report**

The interim report for the six months ended 30 June 2023 can be downloaded from the Company's website [www.sisplc.com](http://www.sisplc.com). Further copies can be obtained by writing to the Company Secretary, Science in Sport plc, 16-18 Hatton Garden, Farringdon, London, EC1N 8AT.