

TYMAN PLC

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

Tyman plc (TYMN.L) announces results for the six months ended 30 June 2023.

Summary Group Results

£m unless stated	H1 2023	H1 2022	Change	LFL ⁽¹⁾ vs 2022
Revenue	329.9	360.0	-8%	-11%
Adjusted operating profit*	38.7	49.3	-22%	-24%
Adjusted operating margin*	11.7%	13.7%	-200bps	-200bps
Operating profit	27.8	40.8	-32%	
Adjusted profit before taxation*	34.2	45.4	-25%	
Profit before taxation	22.7	37.4	-39%	
Adjusted EPS*	13.3p	17.6p	-24%	
Basic EPS	8.8p	14.6p	-40%	
Dividend per share	4.2p	4.2p	-	
Leverage ⁽²⁾	1.2x	1.1x	+0.1x	
Return on capital employed*	11.5%	13.9%	-240bps	

* Alternative performance measures (APMs) provide additional information to shareholders on the underlying performance of the business and are used consistently through the statement. Further details can be found on page 40.

(1) LFL = constant currency like-for-like (see APMs on page 40)

(2) Leverage is calculated in accordance with the debt covenant methodology (see APMs on page 40)

Highlights:

- Solid first half performance despite the challenging market backdrop and against a strong comparative period
- Expect full year adjusted operating profit at the top end of market expectations
- Revenue decline reflected significant reduction in volumes partially offset by the carryover benefit of pricing actions
- Adjusted operating profit decline primarily reflected negative operating leverage from significant reduction in volumes
- Increase in North America LFL adjusted operating margin of 70bps to 15.0%, with pricing carryover benefits more than offsetting input cost inflation
- 100% adjusted operating cash conversion, reflecting a £16 million reduction in inventory since the year end
- Further progress on strategic initiatives, including our sustainability roadmap
- Completed acquisition of Lawrence Industries shortly after period end, expanding our market-leading portfolio of hardware for the North American market; proportion of adjusted operating profits generated in North America now more than 70% on a proforma basis

Jason Ashton, Interim Chief Executive Officer, commented: "The Group has remained focussed on delivering on its financial targets and strategic priorities in the first half, resulting in a solid performance despite the challenging market backdrop and against a strong comparative period. The agility of our teams in managing cost and reducing inventory, together with the success of the prior year pricing actions in offsetting cost inflation, has limited the decline in adjusted operating profit despite a significant reduction in volumes. The operating margin expansion delivered by the North America division in the period also represented notable progress.

We were delighted to announce the acquisition of Lawrence Industries in early July, which is highly complementary to our market-leading North American window hardware portfolio and immediately earnings enhancing, and I am pleased to welcome our new colleagues at Lawrence Industries to Tyman.

Tyman remains well placed for growth as the North American housing market backdrop improves and, assuming broadly unchanged market conditions in the second half, we expect to deliver full year adjusted operating profit at the top end of market expectations, with a £2 - £3 million contribution from Lawrence Industries being partially offset by adjusting to current exchange rates*."

* Company compiled analyst consensus of £80.8 million, with a range of £77.6 million – £84.3 million. Details can be found at: <https://www.tymanplc.com/investor-relations/analysts-consensus>

25 July 2023

Enquiries

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Analyst and investor presentation

Tyman will host an analyst and investor presentation at 9.00 a.m. today, Tuesday 25 July 2023, which will be webcast live at: https://brrmedia.news/TYMN_HY23

Audio conference call details are:

Number

+44 (0) 33 0551 0200

Password (if prompted)

Quote '[Tyman H1 2023 Results](#)' when prompted

Notes to editors

Tyman (TYMN: LSE) is a leading international supplier of engineered fenestration components and access solutions to the construction industry. The company designs and manufactures products that enhance the comfort, sustainability, security, safety and aesthetics of residential homes and commercial buildings. Tyman's portfolio of leading brands serve their markets through three divisions: Tyman North America, Tyman UK and Ireland and Tyman International. Headquartered in London, the Group employs approximately 3,400 people with facilities in 16 countries worldwide. Further information is available at www.tymanplc.com.

Overview of results

Performance in H1 2023

Tyman delivered a solid overall performance in the first half of 2023 against a strong comparative period and despite a continuation of the weak markets experienced in the fourth quarter of 2022. Revenue for the period declined by 8% to £329.9 million (2022: £360.0 million), reflecting a like-for-like (LFL) decline of 11% partially offset by 3% growth from foreign exchange movements. The LFL decline reflected the impact of a significant reduction in volumes due to underlying demand softness and customer destocking, which more than offset the benefit from the carryover of pricing actions in recovering input cost inflation.

Residential housebuilding and RMI activity across the Group's major markets was impacted by the cost of living crisis caused by the combination of elevated levels of consumer inflation and interest rates. This contrasts with the first half of 2022, a period which benefitted from a post-COVID rebound in RMI activity, some of which was supported by government fiscal stimulus programmes which are no longer in place. In addition to the weakness in underlying market demand, volumes were also impacted by customer destocking. The extent of such destocking is difficult to quantify, although it is believed that this impact has moderated as the period progressed.

The Group's results reflect the positive impact of prior year pricing actions and the strength of the Group's brands that have enabled pricing power to be maintained. It has also been pleasing to see the reversal of the pricing lag that negatively impacted operating margins in North America during 2021 and 2022. Commodity cost inflation in general eased during the period, although prices for certain raw materials remain high. In addition, labour markets have remained competitive, especially in the US, resulting in wage inflation remaining above long-term averages.

The Group continues to respond to the soft demand backdrop with adjustments to production shifts, targeted headcount reductions, reductions in temporary labour, natural labour attrition and tight control of discretionary costs. These cost actions were not able to offset a significant under-absorption of fixed costs, with production volumes declining by more than sales volumes to further reduce inventory levels, which decreased by £21.3 million during the period. As a result, adjusted operating profit declined by 22% on a reported basis (reflecting a LFL decline of 24% and a 2% foreign exchange benefit).

Reflecting the progress on inventory reduction, adjusted operating cash conversion improved to 100% (2022: 34%).

An interim dividend of 4.2 pence per share will be paid on 8 September 2023 to shareholders on the register at close of business on 4 August 2023.

Health and safety

The health and safety of Tyman's employees remains the Group's top priority, with progress in our safety excellence programme being primarily measured by the lost time incident frequency rate (LTIFR). This was 0.9 incidents per million hours worked in the period, a 25% improvement compared to the prior year, giving confidence that we can meet our ambitious goal of reducing the LTIFR to less than one by the end of the year.

Strategic progress

The Group continued to progress its Focus, Define, Grow strategy, all of which is underpinned by sustainability.

Within the *Focus* strategic pillar, the project to consolidate two manufacturing sites into one in Owatonna, US has begun. The multi-year programme to roll-out a new ERP template across North America continued, with a further two sites successfully going live in March. This programme will enable enhanced customer service levels, greater efficiencies, and improved decision-making. The European seals manufacturing optimisation programme was completed with the transfer of production lines from Germany to the Newton Aycliffe facility in the UK, and the consolidation of the UK commercial access solutions business into a single site was also completed.

During the period the Science Based Targets initiative validated the Group's targets to reduce absolute scope 1 and scope 2 GHG emissions by 46.2% by 2030 from a 2019 base year and reduce absolute scope 3 GHG emissions from purchased goods and services by 27.5% within the same timeframe. 100% renewable electricity tariffs will soon be extended to two sites in Mexico. Once in place, around 38% of the Group's electricity consumption will be derived from certified 100% renewable electricity, addressing over a quarter of the Group's scope 1 and 2 operational footprint.

Within the *Define* strategic pillar, leaders from across the Group met with Tyman's major Chinese suppliers in June as part of the ongoing Procurement Excellence initiative. After several challenging COVID years, this event was welcomed by suppliers to be able to meet with divisional Presidents and allowed all three divisions to engage with suppliers on many topics, including quality, cost, lead times and sustainability.

Activities to *Grow* market share continue to yield positive results. In North America, further net customer wins were achieved despite the challenging market backdrop, whilst the new distribution centre in Arizona is enabling greater market penetration in the western US. In International markets, further progress was made in growing partnerships with system houses, whilst there has been good success with recent new product launches in the UK and share gains with distributors in this market. Enabling customers to innovate through sustainability is a key differentiator for the Group. In March, a conference was held with our Iberian system house partners to discuss this topic in more detail, including how to increase the recycled aluminium content in products, and the Group's CHIC concealed hinges for tilt-and-turn windows and Fulcra door hinges have now achieved Environmental Product Declarations (EPD) certification.

As announced on 12 July 2023, Tyman acquired US-based Lawrence Industries shortly after the period end for an initial consideration of \$57 million. Lawrence Industries designs, manufactures and sells high-performance composite window hardware in North America, and adds an exciting new product category to Tyman's market-leading portfolio of window and door hardware for the attractive North American market. Being a low-cost product category, composite hardware is benefitting from the growing demand for affordable housing in the US. The acquisition is immediately earnings enhancing and, on a proforma basis, increases the proportion of adjusted operating profits that Tyman generates in North America to more than 70%.

Board changes

As announced on 6 April 2023, Jo Hallas decided to step down as Chief Executive Officer (CEO) and Director of Tyman by mutual agreement with the Board with immediate effect. Jason Ashton, previously the Group's Chief Financial Officer (CFO), has been acting as interim CEO since then and a process to recruit Jo's successor is underway. As announced on 21 April 2023, Juliette Lowes, who was previously Group Financial Controller, has assumed the interim CFO role since that date. Juliette reports to the Board but is not a statutory Board director.

After more than six years' service as a Non-executive Director, Helen Clatworthy retired from the Board with effect from 21 July 2023. The Board would like to thank Helen for her significant contribution to the Group; her leadership, experience and judgement have been invaluable through a period of considerable change. Dr Margaret Amos joined the Board as a Non-executive Director with effect from 19 June 2023. She is a member of each of the Remuneration and Nominations Committees and, from 21 July 2023, she has assumed the role of Chair of the Audit & Risk Committee from Helen Clatworthy.

Outlook

The positive long-term structural growth drivers for the Group remain intact, including favourable housing market fundamentals, increasing building regulation and a focus on sustainability. The Group remains focussed on taking market share, through executing well with customers, launching innovative new products, and expanding its channels to market. Activities to enhance supply chain and manufacturing efficiency and resilience are expected to structurally improve gross margin and working capital management. As a result, the Group is well-placed for growth when the housing market backdrop improves.

2023 is expected to see a return to more normal seasonality compared to the trends experienced in recent years. The leading indicators for our major markets continue to signal a challenging market outlook in the second half of 2023, although visibility is limited, and market conditions can change rapidly.

As we move into the second half, the impact of customer destocking is expected to subside, production levels will normalise with market demand, and commodity cost inflation is expected to ease further. Profitability is expected to continue to benefit from prior year pricing actions, whilst the benefits of previously announced structural cost-saving initiatives will be realised in the second half. The agility of our business model and flexibility in our cost base will enable us to swiftly adapt to any potential changes in demand. As a result, we expect full year adjusted operating profit to be at the top end of market expectations, with a £2 - £3 million contribution from Lawrence Industries being partially offset by adjusting to current exchange rates.

Jason Ashton

Interim Chief Executive Officer

Tyman North America

£m except where stated	H1 2023	H1 2022	Change	LFL
Revenue	215.4	229.5	-6%	-11%
Adjusted operating profit	32.4	32.6	-1%	-6%
<i>Adjusted operating profit margin</i>	15.0%	14.2%	+80bps	+70bps

Markets

The US residential housing market has remained subdued throughout the first half of 2023. While long-term housing demand fundamentals remain positive, they are currently constrained by elevated interest rates and inflation. According to the US Census Bureau, US housing starts declined by 15% in the first half, whilst single family starts, to which the division has proportionally higher exposure, declined by 21%. Residential housing permits, a key leading indicator, declined by 19%, with single family permits declining by 21%. According to LIRA (Leading Indicator of Replacement Activity), the rate of growth in the annual spend on repair and remodelling in the US slowed from 16% in the fourth quarter of 2022 to 9.5% in the second quarter of 2023. The NAHB Remodelling Market Index posted readings of 70 and 68 in the first and second quarter of 2023 respectively, consistent with the level posted at the end of 2022. Towards the end of the period there were tentative signs of improvement in the US residential housing market, but it remains too early to identify this as a positive trend.

The US commercial market remained resilient in the first half of 2023, driven by education and commercial building investment, whilst government legislation is providing some stimulus to the public infrastructure market. In Canada, single detached housing starts declined by 28% in the period, also impacted by elevated inflation and interest rates.

Business performance and developments

Reported revenues declined by 6%, reflecting a LFL decrease of 11% offset by the positive impact of foreign exchange. LFL revenues were impacted by a decline in volumes resulting from the challenging market backdrop and customer destocking, which more than offset the benefits from prior year pricing actions and net customer wins. The rate of volume decline moderated towards the end of the period.

The division made good progress with its strategic initiatives aimed at driving share gains, reducing cost and complexity, and improving operational resilience. Central to this is the implementation of a new ERP system to enable more streamlined ordering and logistics processes for customers and provide a more consistent customer experience, drive further back-office efficiencies, and improve the business's decision support capabilities. This multi-year programme is progressing well with two key sites successfully going live in March and another two sites planned to go live in late 2023.

The new distribution site in Phoenix to service the western US market is performing to plan, whilst the consolidation of two manufacturing sites into one in Owatonna is also progressing to schedule with product line transfers and process flow improvements underway and planned capital investment in a new paint line approved and on order.

During the period the business achieved incremental net customer wins despite losing some low profitability business through maintaining a disciplined approach to pricing. These business losses were more than offset by wins gained from new products, such as the entry-price point sliding patio door solution, together with superior customer service levels. Additional new product launches are expected to drive further incremental net customer wins in the second half of 2023, including a next generation casement window solution that incorporates magnetic elements in the handle to improve its operation, and an entry level casement lock solution for the Canadian market.

Input cost inflation has, in general, continued to ease during 2023, although certain commodity prices remain high and labour inflation has continued at historically high levels. The labour availability and retention challenges experienced in 2022 have improved, and the resultant workforce stabilisation has helped to drive a reduction in overtime and enabled a focus on continuous improvement projects to improve efficiency and supply chain resiliency and reduce inventory. There remain considerable opportunities in this area.

The significant decline in volume in the period was the primary driver of the 6% decline in LFL adjusted operating profit (1% decrease in adjusted operating profit on a reported basis, reflecting the impact of foreign exchange). The decline in production output did, however, enable a reduction in inventory of \$24 million in the period. The natural lag in the recovery of input cost inflation via pricing actions that impacted the division's adjusted operating profit and margin in 2021 and 2022 has, as expected, begun to reverse in 2023, resulting in a normalising price-cost dynamic in the period. As a result, the division delivered a LFL adjusted operating margin increase of 70bps to 15.0% despite the lower volumes.

Shortly after the period end Lawrence Industries was acquired. Lawrence Industries designs, manufactures and sells high-performance composite hardware for sliding and hung windows to North American PVC window fabricators. Composite hardware provides an attractive, high performance, low-cost product option, is a beneficiary of the growing demand for affordable homes in North America, and the combination of AmesburyTruth and Lawrence Industries will provide a strong value proposition for customers. Lawrence Industries will continue to trade under its own well-respected brand name.

Outlook

The underlying fundamentals of the US housing market remain strong, with years of supply lagging demand creating a significant housing deficit. Nevertheless, short-term constraints on market demand exist due to the historically high levels of inflation and interest rates. The NAHB forecasts a 4% decline in private RMI spending and a 21% decline in single family housing starts in 2023.

Against this backdrop, the division will maintain its focus on gaining market share, notably in the western US and Canada, and continue to develop its new product pipeline. The benefits of prior year pricing actions will help mitigate the adverse impact of lower volumes, whilst cost inflation should continue to ease during the second half. Work to streamline the supply chain and return operational efficiencies across the network to normalised levels will remain a focus and, along with a £2 - £3 million contribution from Lawrence Industries, is expected to result in further improvements to the division's performance in the second half.

Tyman UK & Ireland

£m except where stated	H1 2023	H1 2022	Change	LFL
Revenue	51.0	53.7	-5%	-5%
Adjusted operating profit	5.8	7.7	-25%	-25%
<i>Adjusted operating margin</i>	11.4%	14.3%	-290bps	-290bps

Markets

Activity in the UK residential RMI market, to which the division is predominantly exposed, remained subdued in the first half of 2023, impacted by the pressure on household incomes from elevated levels of inflation and interest rates that have been a headwind for the market for more than a year. This negative impact was amplified by customer destocking following the higher-than-normal inventory levels that had been built during the post-pandemic market rebound and associated supply chain challenges. The latest CPA forecast expects spending in the private RMI market to decline by 11% in 2023, following a decrease of 4% in 2022.

Whilst the UK construction PMI (CPMI) has posted readings slightly above the neutral 50 level during most of the first half, the residential component of the CPMI has been below 50; indeed, the June 2023 CPMI showed the residential housing component deteriorating to its lowest level in 14 years, excluding the COVID period. In contrast, the commercial and civil engineering components of the CPMI have stayed above 50 and the CPA forecasts these sectors to be broadly flat in 2023.

Business performance and developments

Revenue decreased by 5% in H1 2023 on a LFL and reported basis. The benefit of prior year pricing actions was more than offset by a decline in hardware volumes, reflecting the above-mentioned ongoing challenges in the residential RMI market. In addition, there was a fall in revenue in the commercial access solutions business, which was impacted by supplier delays with its new automation equipment.

Despite the challenging market conditions, the hardware business has continued with its strategic initiatives and achieved share gains in the period, notably with major distributors, where the strength of the brands and the close customer collaboration provided by the business are differentiators. The work that has been taking place over the past 18 months to improve the division's new product development processes and pipeline is also now starting to deliver benefits, with revenues from new products in categories such as friction stays, door closers, handles, cylinders, hinges and letterplates running ahead of both plan and the prior year during the first half, despite the tough market backdrop.

Input cost inflation, including that caused by adverse foreign exchange movements, has continued to create a headwind during the period, though to a lesser extent than experienced in 2022. Given this, the hardware business has remained agile with regards to pricing, with the combination of prior year general price increases and surcharges largely offsetting raw material inflation and higher air freight costs in the first half.

As part of the Group's sustainability roadmap, the hardware business has continued its development of sustainable packaging solutions and the elimination of hazardous substances from products. Given the division sources much of its products from Asia, the achievement of these goals relies on key Chinese suppliers and formed a major topic of discussion at a recent Tyman supplier conference in Ningbo to ensure the engagement, alignment and support of suppliers in producing and delivering sustainable solutions for customers.

Access 360, the division's commercial access solutions business, completed the final steps in the consolidation of the three heritage Access 360 sites (Profab, Howe Green and the Bilco warehouse) into a single highly automated facility in Wolverhampton during the period. The business experienced supplier delays with the new automation equipment and paint line for the facility which significantly impacted its operational and financial performance in the first half; these challenges have now been worked through and the business is set for an improved second half performance.

LFL and reported adjusted operating profit decreased by 25%. This was primarily attributable to the supplier-related operational challenges that affected Access 360's performance, as the hardware business was able to largely offset the negative operating leverage impact from lower hardware volumes with the benefits from prior year pricing actions and tight cost control.

Outlook

As highlighted by the latest CPA forecast referenced above, the UK residential RMI market is expected to remain challenging through the remainder of 2023. Against this backdrop, the hardware business will continue to focus on new product development, share gains and enhancing its supply chain resilience to ensure customer service levels are maintained, whilst continuing to tightly manage discretionary costs. The alleviation of the operational challenges experienced by Access 360 in the first half will further support an improvement in the division's performance in the second half.

Tyman International

£m except where stated	H1 2023	H1 2022	Change	LFL
Revenue	63.5	76.8	-17%	-18%
Adjusted operating profit	5.5	14.0	-61%	-60%
<i>Adjusted operating profit margin</i>	8.7%	18.3%	-960bps	-900bps

Markets

As expected, the decline in demand levels experienced in the second half of 2022 across most of the division's key geographies continued through the first half of 2023. Rising interest rates and persistently high levels of inflation continue to have a negative effect on consumer confidence across Europe, which accounts for approximately 65% of divisional revenue. The Eurozone Construction PMI remained in a range of 44.2 to 47.6 throughout the first half of 2023, indicating a construction sector in contraction; within this, the data for the division's largest market, Italy, was slightly better than the Eurozone average but remained below the neutral 50 level during the period.

Elsewhere, there continued to be favourable market conditions in the Gulf Cooperation Council cluster of markets, but activity levels remain disappointing in China and Latin America.

Business performance and developments

LFL revenues declined by 18% in the period against an exceptionally strong comparative. The drivers of this were the challenging market conditions, exacerbated by customer destocking, especially in early 2023. These negative volume impacts more than offset the benefit from the carryover of prior year pricing actions. Reported revenues declined by 17%, reflecting the impact of foreign exchange.

The strategic initiative to develop system house partnerships continued to gain traction during the first half, notably in Europe and the GCC. This channel now represents 18% of the division's revenue (compared to 16% for the full year 2022) and is expected to continue to grow faster than the market in these key geographies, as they are driving innovation and sustainability in the industry. Once a supplier is integrated into a system house's customised solution it provides a stable recurring revenue stream. Tyman is well placed to grow with this group of customers by working closely with them to create innovative solutions, with systems deploying newly developed Giesse hardware and Schlegel seal products starting to be delivered to the market in 2023.

Sustainability continues to be a key differentiator for Tyman across Europe, and in May two major product ranges, the CHIC concealed hinges for tilt and turn windows and Fulcra door hinges, achieved Environmental Product Declaration (EPD) certification, creating additional revenue opportunities as EPD certification is a prerequisite for an increasing number of tenders in the market. In March, the division hosted a sustainability conference for its Iberian system house partners to present Tyman's 2030 sustainability roadmap and discuss collaborative efforts for sustainable solutions in the European aluminium fenestration market.

Work to optimise the division's seals manufacturing business following the closure of the German seals manufacturing plant and the transfer of its production to the Newton Aycliffe facility in the UK was completed in the first half. This consolidation will deliver structural improvements to profitability and enhanced customer service levels. Further process automation has been implemented at the Budrio hardware manufacturing facility to enhance safety, capacity and efficiency.

The division's pricing strategy remains agile and responsive to market conditions, balancing volume and margin, but prior year pricing actions were insufficient to fully recover input cost inflation in the period. Combined with the significant decline in sales and production and the consequential negative effect on fixed cost absorption, this resulted in a LFL adjusted operating profit decline of 60%, with the adjusted operating margin decreasing to 8.7%. On a reported basis, adjusted operating profit decreased by 61%, reflecting the impact of foreign exchange.

Outlook

Recent construction PMI data suggests that the market is likely to remain challenging in the second half of the year, with consumer confidence in most of the division's key markets continuing to be impacted by rising interest rates and elevated levels of inflation. Hence, whilst the division's LFL revenue performance in the second half should benefit from ongoing share gains, an absence of customer destocking and easier comparators, no recovery in market demand is currently anticipated outside of the GCC cluster, which is expected to maintain its recent growth trends.

Given this, the priorities remain to capture share growth opportunities through new product launches and channel expansion activities whilst continuing to tightly manage the cost base. The division will also continue to take measures to increase the variable element of its cost base and reduce its operating leverage, including reviewing its footprint outside of Europe.

FINANCIAL REVIEW

Income statement

Revenue and profit

Reported revenue in the period decreased by 8.4% to £329.9 million (H1 2022: £360.0 million) against a very strong comparator, largely reflecting a decline in volumes of £73.8 million, driven by the weaker global macroeconomic conditions which began to take effect in the second half of 2022, combined with the impact of customer destocking. The volume shortfall was partially offset by the benefit of the carryover of prior year price increases of £22.7 million and surcharges of £8.8 million to recover significant input cost inflation experienced across 2021 and 2022, for which there was a lag in recovery. Reported revenue also benefitted from favourable foreign exchange movements of £12.2 million. On a LFL basis, which excludes the foreign exchange benefit, revenue decreased 11.4% compared to H1 2022.

Operating profit decreased by 31.9% to £27.8 million (H1 2022: £40.8 million). The impact of the drop through of lower sales volumes was c.£23.6 million. Production volumes were down more than sales volumes in order to reduce inventory levels, and although significant cost reductions were achieved in response to lower demand, the net effect on fixed cost absorption and productivity impacted profitability by c.£6.9 million. The carryover of pricing actions of £31.5 million more than offset in-period material, wages and salary, and other input cost inflation of £11.5 million, with the significant lag experienced over the last two years now reversed. Operating profit was also impacted by adverse transactional foreign exchange movements, adjusting items associated with restructuring and M&A activity, and benefitted from favourable foreign exchange movements of £1.7 million. Adjusted operating profit, which excludes adjusting items and amortisation of acquired intangibles, decreased by 21.5% to £38.7 million (H1 2022: £49.3 million), and on a LFL basis, excluding the benefit of foreign exchange decreased by 24.1%.

Operating margin decreased by 290 bps to 8.4% (H1 2022: 11.3%) and adjusted operating profit margin decreased by 200 bps to 11.7% (H1 2022: 13.7%).

Reported profit before taxation decreased by 39.3% to £22.7 million (H1 2022: £37.4 million), as a result of the lower operating profit and an increase in net finance costs of £1.7 million. Adjusted profit before tax decreased by 24.6% to £34.2 million (H1 2022: £45.4 million), as a result of the lower adjusted operating profit and higher net finance costs. On a LFL basis, excluding the foreign exchange benefit, this decreased 27.2%.

Materials and input costs

£m except where stated	FY 2022 Materials ⁽¹⁾	Average ⁽²⁾	Spot ⁽³⁾
Aluminium	21.5	-18.5%	-23.9%
Polypropylene	45.2	-32.6%	-26.7%
Stainless steel	80.2	-0.9%	-17.0%
Zinc	33.5	-3.3%	-9.8%
Far East components ⁽⁴⁾	41.8	-5.3%	-11.7%

(1) FY 2022 materials cost of sales for raw materials, components and hardware for overall category. Only major materials categories are presented

(2) Average H1 2023 tracker price compared with average H1 2022 tracker price

(3) Spot tracker price as at 30 June 2023 compared with spot tracker price at 30 June 2022

(4) Pricing on a representative basket of components sourced from the Far East by the UK & Ireland division

Both spot and average prices across all major categories moderated in H1 2023, following significant inflation over the previous two years. However, as higher priced inventory carried into the year was still being sold-through, the Group is yet to realise the benefit of cost reductions. Previously implemented price increases and surcharges are now recovering the gap experienced over the last two years as result of the timing lag driven by the magnitude and frequency of cost increases, as well as customer pricing mechanisms.

Selling, general and administrative expenses

Selling, general and administrative expenses increased to £79.9 million (H1 2022: £75.6 million), driven largely by salary and other cost inflation, adjusting items associated with restructuring and M&A activity, and foreign exchange of £1.9 million, partially offset by lower amortisation of acquired intangibles and the effect of cost control measures implemented in response to weaker demand. Adjusted selling, general and administrative costs, which exclude the impact of adjusting items and amortisation of acquired intangibles, increased to £69.0 million (H1 2022: £67.1 million). On a LFL basis, adjusted selling, general and administrative expenses were flat against 2022.

Adjusting items

Certain items that are considered to be significant in nature and / or quantum have been excluded from adjusted measures, such that the effect of these items on the Group's results can be understood and to enable an analysis of trends in the Group's underlying trading performance.

£m	H1 2023	H1 2022
Redundancy and restructuring	(2.5)	-
M&A and integration	(0.6)	-
	(3.1)	-

The redundancy and restructuring costs comprise costs associated with the departure of the previous Chief Executive Officer, costs related to a targeted reduction in workforce in North America, and the final costs relating to the closure of the Hamburg facility and consolidation of the three UK access solutions businesses into a single site that commenced in the second half of 2022 and are now substantially completed.

The M&A integration costs relate to transaction fees incurred in the period in respect of the acquisition of Lawrence Industries, which completed subsequent to the period end.

Finance costs

Net finance costs increased to £5.1 million (H1 2022: £3.4 million).

Interest payable on bank loans, private placement notes and overdrafts increased to £4.5 million (H1 2022: £2.9 million), reflecting a significantly higher weighted average interest rate, partially offset by lower average net debt. The weighted average interest rate increased to 4.6% (H1 2022: 2.8%), with the improved coupon rates on the new USPP debt issued in April 2022 more than offset by higher interest rates on the floating RCF debt, due to the significant increase in global base interest rates.

Interest on lease liabilities of £1.3 million was broadly in line with the previous period (H1 2022: £1.2 million). Interest income from short term bank deposits amounted to £1.0 million (H1 2022: £0.2 million), reflecting higher interest rates. Finance costs were also impacted by a loss on revaluation of derivative instruments of £0.3 million (H1 2022: gain of £0.7 million), and amortisation of capitalised borrowing costs of £0.3 million (H1 2022: £0.2 million).

Taxation

The Group reported an income tax charge of £5.6 million (H1 2022: £9.0 million), comprising a current tax charge of £7.4 million (H1 2022: £11.0 million) and a deferred tax credit of £1.8 million (H1 2022: credit of £2.0 million), representing an effective tax rate of 24.7% (H1 2022: 24.1%). The increase in the effective tax rate reflects a tax cost associated with the closure of the facility in Hamburg. The adjusted effective tax rate, which excludes the tax effect of adjusting items, including the cost associated with the closure of the Hamburg facility was 24.4% (H1 2022: 24.4%). This is the Group's current best estimate of the effective tax rate for the 2023 full year.

During the period, the Group paid corporation tax of £7.3 million (H1 2022: £10.0 million). This reflects a cash tax rate on adjusted profit before tax of 21.3% (H1 2022: 22.0%). The decrease is a result of a refund of tax overpaid for the 2021 tax year received in H1 2023.

Earnings per share

Basic earnings per share decreased by 39.7% to 8.8 pence (H1 2022: 14.6 pence), and adjusted earnings per share decreased by 24.4% to 13.3 pence (H1 2022: 17.6 pence), largely reflecting the decrease in profit after tax. There is no material difference between these calculations and the fully diluted earnings per share calculations.

Cash generation, funding and liquidity

Cash and cash conversion

£m	H1 2023	H1 2022
Net cash from operating activities	33.9	17.7
Add: Pension contributions	0.1	0.1
Add: Income tax paid	7.3	10.0
Less: Purchases of property, plant and equipment	(5.1)	(9.0)
Less: Purchases of intangible assets	(2.2)	(2.1)
Add: Adjusting item cash costs	4.6	-
Adjusted operating cash flow*	38.6	16.7
Less: Pension contributions	(0.1)	(0.1)
Less: Income tax paid	(7.3)	(10.0)
Less: Net interest paid	(4.6)	(3.3)
Less: Adjusting item cash costs	(4.6)	-
Free cash flow*	22.0	3.3

* *Alternative performance measures, details of which can be found on page 40.*

Net cash from operating activities increased to £33.9 million (H1 2022: £17.7 million), largely reflecting a significantly lower working capital outflow of £2.6 million in H1 2023, compared to £32.3 million in H1 2022, as a result of actions taken to reduce inventory in the period, following a significant build in H1 2022 to service demand following a period of supply chain disruption. This was partially offset by lower profit before tax and cash outflows on provisions made in 2022 associated with restructuring activities. Adjusted operating cash flow in the period increased to £38.6 million (H1 2022: £16.7 million), reflecting the higher net cash from operating activities and lower capital expenditure. Adjusted operating cash conversion in H1 2023 was much higher than normalised H1 levels at 99.8% (H1 2022: 33.8%), reflecting the lower working capital outflow.

Free cash flow in the period was £22.0 million, compared to £3.3 million in H1 2022, as a result of a significantly higher adjusted operating cash flow and lower income tax payments on account, offset slightly by higher net interest paid.

Debt facilities

Bank and US private placement facilities available to the Group, as at 30 June 2023, were as follows:

Facility	Maturity	Currency	Committed	Uncommitted
2022 Facility	Dec 2026	Multicurrency	£210.0m	£100.0m
5.37 % USPP	Nov 2024	US\$	US\$45.0m	-
3.51 % USPP	April 2029	US\$	US\$40.0m	-
3.62 % USPP	April 2032	US\$	US\$35.0m	-

There have been no changes to the multi-currency revolving credit facility and US private placement notes during the period, details of which are outlined in the Annual Report and Accounts for the year ended 31 December 2022.

There were no defaults in the period under the terms of loan agreements.

Both the USPP notes and the RCF incorporate sustainability performance targets which align with Tyman's sustainability roadmap as outlined in the Annual Report and Accounts for the year ended 31 December 2022. These incentive mechanisms result in a modest reduction or increase in the interest rate depending on performance against these targets.

Liquidity

At 30 June 2023, the Group had gross debt of £246.4 million (H1 2022: £268.7 million) and net debt of £167.8 million (H1 2022: £182.0 million). Adjusted net debt, which excludes lease liabilities and capitalised borrowing costs was £112.7 million (H1 2022: £125.7 million), with the decrease reflecting operating cash generation, including the lower working capital, as well as benefitting from foreign exchange movements.

The Group had cash balances of £78.6 million (H1 2022: £86.7 million), bank overdrafts of £27.8 million (H1 2022: £23.4 million) and committed but undrawn facilities of £132.3 million (H1 2022: £140.5 million). This provides immediately available liquidity of £183.1 million (H1 2022: £203.8 million). The Group also has potential access to the uncommitted £100.0 million accordion facility.

Covenant performance

At 30 June 2023	Test	Performance ⁽¹⁾	Headroom ⁽²⁾	Headroom ⁽²⁾
Leverage	< 3.0x	1.2x	£58.3m	60%
Interest Cover	> 4.0x	14.6x	£70.2m	73%

(1) Calculated covenant performance consistent with the Group's banking covenant test (banking covenants exclude impact of IFRS 16). See APMs on page 44 for interest cover and page 46 for leverage.

(2) The approximate amount by which adjusted EBITDA would need to decline before the relevant covenant is breached.

At the half year, the Group retained significant headroom on its banking covenants. Leverage at the period end was 1.2x (H1 2022: 1.1x), reflecting the lower covenant EBITDA, which is measured on an LTM basis. Interest cover at the period end was 14.6x (H1 2022: 19.3x), largely reflecting the higher interest expense as well as the lower covenant EBITDA.

Balance sheet – assets and liabilities

Working capital

£m	FY 2022	Mvt	FX	H1 2023
Inventories	153.1	(16.1)	(5.2)	131.8
Trade receivables	67.5	19.8	(2.6)	84.7
Trade payables	(55.8)	1.4	1.7	(52.7)
Trade working capital	164.8	5.1	(6.1)	163.8

Trade working capital at the half year, net of working capital provisions, was £163.8 million (H1 2022: £170.3 million; FY 2022: £164.8 million). The trade working capital build to the half year at average exchange rates was £5.1 million (H1 2022: £30.3 million).

The decrease in inventory at average exchange rates was £16.1 million (H1 2022: increase of £20.9 million). This was driven by initiatives implemented to bring inventory down to more normalised levels, following a build driven by supply chain disruption through 2022. Trade receivables increased in the period due to the seasonal increase in trading activity and the effect of carryover pricing, and trade payables decreased as a result of lower inventory purchasing.

Trade working capital decreased by £6.1 million due to foreign exchange movements.

Capital expenditure

Gross capital expenditure decreased to £7.3 million (H1 2022: £11.1 million) or 1.0x depreciation (H1 2022: 1.7x), due to H1 2022 having higher capital investment as a result of a catch up of expenditure deferred from prior years. Capital expenditure for the full year is now expected to be in the range of £17 - £22 million.

Balance sheet - equity

Shares in issue

At 30 June 2023, the total number of shares in issue was 196.8 million (H1 2022: 196.8 million) of which 0.5 million shares were held in treasury (H1 2022: 0.5 million).

Employee Benefit Trust purchases

At 30 June 2023, the EBT held 2.0 million shares (H1 2022: 1.7 million). During the period, the EBT purchased 0.2 million shares in Tyman plc at a total cost of £0.5 million (H1 2022: 2.0 million shares at a total cost of £6.6 million).

Dividends

An interim dividend of 4.2p per share (H1 2022: 4.2p) has been declared. The ex-dividend date will be 3 August 2023 and the final dividend will be paid on 8 September 2023 to shareholders on the register at close of business on 4 August 2023.

Only dividends paid in the year have been charged against equity in the H1 2023 financial statements. Dividend payments of £18.5 million were paid to shareholders during H1 2023 (H1 2022: £17.2 million).

Other financial matters

Return on capital employed (ROCE)

ROCE decreased by 240 bps to 11.5% (H1 2022: 13.9%) as a result of the lower adjusted operating profit, higher average working capital, and the impact of foreign exchange movements on capital employed, offset by a reduction in the carrying value of intangible assets through amortisation.

Currency

The principal foreign currencies that impact the Group's results are the US dollar and the Euro. In H1 2023, Sterling was weaker against both the US dollar and the Euro when compared with the average exchange rates in H1 2022.

Translational exposure

Currency	US\$	Euro	Other	Total
% movement in average rate	(5.1%)	(3.9%)		-
£m Revenue impact ⁽¹⁾	10.8	1.6	(2.0)	10.4
£m Profit impact ⁽¹⁾⁽²⁾	1.5	0.2	(0.3)	1.4
1c decrease impact ⁽³⁾	£195k	£31k	£6k	£232k

(1) Calculated based on H1 2023 financial information

(2) Adjusted operating profit impact

(3) Defined as the approximate favourable translation impact of a 1c decrease in the Sterling exchange rate of the respective currency on the Group's adjusted operating profit

The net effect of currency translation caused revenue and adjusted operating profit from ongoing operations to increase by £10.4 million and £1.4 million respectively if current period results are translated at H1 2022 exchange rates.

Transactional exposure

Divisions that purchase or sell products in currencies other than their functional currency will potentially incur transactional exposures. For purchases by the UK & Ireland division from the Far East, these exposures are principally Sterling against the US dollar or Chinese renminbi.

The Group's policy is to recover adverse transactional currency movements through price increases or surcharges. Divisions typically buy currency forward to cover expected future purchases for up to six months. The objective is to achieve an element of certainty in the cost of landed goods and to allow sufficient time for any necessary price changes to be implemented.

The Group recognised a loss on foreign exchange derivatives in H1 2023 of £0.3 million (H1 2022: gain of £0.7 million). The Group's other transactional exposures generally benefit from the existence of natural hedges and are immaterial.

Principal risks and uncertainties

The Board has reviewed the Group's principal risks and concluded these remain consistent with those disclosed in the Annual Report and Accounts for the year ended 31 December 2022. As part of this review, the Board has considered the impact of the uncertain macro-economic environment and the impact of geo-political circumstances, including the ongoing effects of the war in Ukraine.

Juliette Lowes
Interim Chief Financial Officer

Tyman plc
Condensed consolidated income statement

	Note	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Revenue	3	329.9	360.0	715.5
Cost of sales		(222.0)	(243.6)	(493.2)
Gross profit		107.9	116.4	222.3
Selling, general and administrative expenses		(79.9)	(75.6)	(151.2)
Net impairment losses on financial assets		(0.2)	-	(0.4)
Operating profit		27.8	40.8	70.7
Analysed as:				
Adjusted ¹ operating profit	3	38.7	49.3	94.6
Adjusting items	4	(3.1)	-	(6.3)
Amortisation of acquired intangible assets	8	(7.8)	(8.5)	(17.6)
Operating profit		27.8	40.8	70.7
Finance income		1.0	0.9	1.0
Finance costs		(6.1)	(4.3)	(10.3)
Net finance costs		(5.1)	(3.4)	(9.3)
Profit before taxation		22.7	37.4	61.4
Income tax charge	5	(5.6)	(9.0)	(13.6)
Profit for the period attributable to shareholders of the Company		17.1	28.4	47.8
Basic earnings per share	6	8.8p	14.6p	24.6p
Diluted earnings per share	6	8.7p	14.5p	24.5p
Non-GAAP alternative performance measures¹				
Adjusted ¹ operating profit		38.7	49.3	94.6
Adjusted ¹ profit before taxation		34.2	45.4	85.8
Basic adjusted ¹ earnings per share		13.3p	17.6p	34.7p
Diluted adjusted ¹ earnings per share		13.2p	17.6p	34.5p

¹ See definitions and reconciliations on pages 40 to 50 for non-GAAP Alternative Performance Measures.

Tyman plc
Condensed consolidated statement of comprehensive income

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) ¹ £m	Year ended 31 December 2022 (audited) £m
Profit for the period	17.1	28.4	47.8
Other comprehensive (expense)/ income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	(0.7)	0.1	-
Total items that will not be reclassified to profit or loss	(0.7)	0.1	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations ¹	(25.3)	51.9	54.1
Change in fair value of net investment hedge ¹	5.3	(10.1)	(11.7)
Effective portion of changes in value of fair value hedges	(0.2)	-	0.2
Total items that may be reclassified to profit or loss	(20.2)	41.8	42.6
Other comprehensive (expense)/income for the period	(20.9)	41.9	42.6
Total comprehensive (expense)/income for the period attributable to shareholders of the Company	(3.8)	70.3	90.4

¹ Comparatives have been represented for the six months ended 30 June 2022 to show separately the change in fair value of net investment hedge for consistency with current year presentation.

Items in the statement above are disclosed net of tax.

Tyman plc
Condensed consolidated statement of changes in equity

	Share capital £m	Treasury reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 January 2022 (audited)	9.8	(2.6)	-	49.2	426.0	482.4
Profit for the period	-	-	-	-	28.4	28.4
Other comprehensive income	-	-	-	41.8	0.1	41.9
Total comprehensive income	-	-	-	41.8	28.5	70.3
Transactions with owners as their capacity as owners						
Share-based payments ¹	-	-	-	-	1.0	1.0
Dividends paid	-	-	-	-	(17.2)	(17.2)
Issue of own shares from Employee Benefit Trust	-	0.5	-	-	(0.5)	-
Purchase of own shares for EBT	-	(6.6)	-	-	-	(6.6)
Total transactions with owners	-	(6.1)	-	-	(16.7)	(22.8)
At 30 June 2022 (unaudited)	9.8	(8.7)	-	91.0	437.8	529.9
Profit for the period	-	-	-	-	19.4	19.4
Other comprehensive income/(expense)	-	-	0.2	0.6	(0.1)	0.7
Total comprehensive income	-	-	0.2	0.6	19.3	20.1
Transactions with owners as their capacity as owners						
Share-based payments ¹	-	-	-	-	(0.2)	(0.2)
Dividends paid	-	-	-	-	(8.2)	(8.2)
Total transactions with owners	-	-	-	-	(8.4)	(8.4)
At 31 December 2022 (audited)	9.8	(8.7)	0.2	91.6	448.7	541.6
Profit for the period	-	-	-	-	17.1	17.1
Other comprehensive (expense)/income	-	-	(0.2)	(20.0)	(0.7)	(20.9)
Total comprehensive (expense)/ income	-	-	(0.2)	(20.0)	16.4	(3.8)
Transactions with owners as their capacity as owners						
Share-based payments ¹	-	-	-	-	0.6	0.6
Dividends paid	-	-	-	-	(18.5)	(18.5)
Issue of own shares from EBT	-	2.1	-	-	(2.1)	-
Purchase of own shares for EBT	-	(0.5)	-	-	-	(0.5)
Total transactions with owners	-	1.6	-	-	(20.0)	(18.4)
At 30 June 2023 (unaudited)	9.8	(7.1)	-	71.6	445.1	519.4

¹ Share-based payments include a tax charge of £Nil (six months ended 30 June 2022: £Nil; year ended 31 December 2022: tax charge of £0.2 million) and a credit due to issuance of shares under the deferred share bonus plan of £0.1 million (six months ended 30 June 2022: £Nil; year ended 31 December 2022: tax credit of £0.2 million).

Tyman plc

Condensed consolidated balance sheet

	Note	30 June 2023 (unaudited) £m	30 June 2022 Restated ¹ (unaudited) £m	31 December 2022 (audited) £m
Assets				
Non-current assets				
Goodwill	7	383.8	397.8	399.3
Intangible assets	8	48.9	64.7	57.7
Property, plant and equipment	9	71.1	71.3	74.6
Right of use assets		53.4	53.2	57.3
Financial assets at fair value through profit or loss	13	1.2	1.2	1.2
Derivative financial instruments	13	-	0.3	0.2
Deferred tax assets		1.5	4.4	1.7
		559.9	592.9	592.0
Current assets				
Inventories		131.8	169.9	153.1
Trade and other receivables		99.3	107.7	81.4
Cash and cash equivalents	14	78.6	86.7	74.6
		309.7	364.3	309.1
TOTAL ASSETS		869.6	957.2	901.1
Liabilities				
Current liabilities				
Trade and other payables		(87.5)	(130.3)	(88.2)
Derivative financial instruments	13	(0.5)	-	(0.2)
Borrowings	10	(27.2)	(23.4)	(15.9)
Lease liabilities		(6.7)	(6.4)	(6.8)
Current tax liabilities		(1.7)	(6.9)	(1.8)
Provisions		(1.0)	(1.2)	(5.0)
		(124.6)	(168.2)	(117.9)
Non-current liabilities				
Borrowings	10	(162.0)	(188.4)	(172.5)
Lease liabilities		(50.5)	(50.5)	(54.9)
Deferred tax liabilities		(4.7)	(11.1)	(6.9)
Retirement benefit obligations		(4.9)	(4.1)	(4.3)
Provisions		(3.5)	(4.8)	(2.9)
Other payables		-	(0.2)	(0.1)
		(225.6)	(259.1)	(241.6)
Total liabilities		(350.2)	(427.3)	(359.5)
Net assets		519.4	529.9	541.6
Equity				
Capital and reserves attributable to owners of the Company				
Share capital	11	9.8	9.8	9.8
Treasury reserve		(7.1)	(8.7)	(8.7)
Hedging reserve		-	-	0.2
Translation reserve		71.6	91.0	91.6
Retained earnings		445.1	437.8	448.7
Total Equity		519.4	529.9	541.6

¹ See note 2.2 for details regarding reclassification adjustment to the comparative balance sheet as at 30 June 2023.

Tyman plc

Condensed consolidated cash flow statement

	Note	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Cash flow from operating activities				
Profit before taxation	3	22.7	37.4	61.4
Adjustments	14	24.1	22.7	53.0
Changes in working capital:				
Inventories		16.1	(20.9)	(4.8)
Trade and other receivables		(20.8)	(20.4)	5.6
Trade and other payables		2.1	9.0	(32.2)
Provisions utilised		(2.9)	-	(0.7)
Pension contributions		(0.1)	(0.1)	(0.2)
Income tax paid		(7.3)	(10.0)	(21.5)
Net cash from operating activities		33.9	17.7	60.6
Cash flow from investing activities				
Purchases of property, plant and equipment	9	(5.1)	(9.0)	(19.2)
Purchases of intangible assets	8	(2.2)	(2.1)	(4.9)
Proceeds on disposal of property, plant and equipment		-	-	0.1
Interest received		1.1	0.1	0.9
Net cash used in investing activities		(6.2)	(11.0)	(23.1)
Cash flow from financing activities				
Interest paid		(5.7)	(3.4)	(9.5)
Dividends paid		(18.5)	(17.2)	(25.4)
Purchase of own shares for Employee Benefit Trust		(0.4)	(6.6)	(6.6)
Refinancing costs paid		(0.2)	(0.2)	(2.1)
Proceeds from drawdown of borrowings		22.5	82.3	122.3
Repayments of borrowings		(26.6)	(56.3)	(113.0)
Principal element of lease payments		(3.6)	(3.3)	(6.2)
Net cash used in financing activities		(32.5)	(4.7)	(40.5)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts				
		(4.8)	2.0	(3.0)
Exchange (loss)/gain on cash and cash equivalents and bank overdrafts		(2.6)	3.2	3.1
Cash and cash equivalents and bank overdrafts at beginning of period		58.2	58.1	58.1
Cash and cash equivalents and bank overdrafts at the end of period	14	50.8	63.3	58.2

Tyman plc

Notes to the condensed consolidated financial statements

1. General information

Tyman plc is a leading international supplier of engineered fenestration components and access solutions to the construction industry. The Group designs and manufactures products that enhance the comfort, sustainability, security, safety and aesthetics of residential homes and commercial buildings. Tyman serves its markets through three divisions. Headquartered in London, the Group employs approximately 3,400 people with facilities in 16 countries worldwide.

Tyman is a public limited company listed on the London Stock Exchange, incorporated and domiciled in the United Kingdom. The address of the Company's registered office is 29 Queen Anne's Gate, London, SW1H 9BU.

These interim financial statements were approved for issue on 24 July 2023 and have been reviewed, not audited, by Deloitte, the Group's auditors.

These interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022 were approved by the Board of Directors on 2 March 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The financial information for the year ended 31 December 2022 is extracted from the Group's consolidated financial statements for that year.

2. Accounting policies and basis of preparation

2.1 Basis of preparation

The condensed consolidated interim financial statements for the half-year reporting period ended 30 June 2023 have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which has been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006, and any public announcements made by Tyman plc during the interim reporting period.

2.2 Changes in accounting policies and disclosures

2.2.1 New accounting standards effective in period

The accounting standards that became applicable in the period did not impact the Group's accounting policies and did not require retrospective adjustments.

2.2.2 New, revised and amended accounting standards not yet effective

None of the standards which have been issued by the Financial Reporting Council but are not yet effective are expected to have a material impact on the Group.

2.2.3 Prior year restatement

As disclosed in the 2022 Annual Report and Accounts, following a letter received from the Financial Reporting Council ("FRC") as part of its regular review and assessment of the quality of corporate reporting in the UK, the Group restated the classification of two areas of the 2021 comparative balance sheet. One of these areas, relating to the offsetting of deferred tax assets and liabilities also affected the balance sheet as at 30 June 2022, and therefore the reclassification adjustment has been applied to the interim comparative balance sheet.

The Group previously presented deferred tax assets and liabilities gross on the balance sheet. Certain of these assets and liabilities arose in the same tax jurisdiction and met the criteria for offset in IAS 12. These balances have therefore been restated to offset those that met the criteria. The effect of this was to reduce deferred tax assets and deferred tax liabilities as at 30 June 2022 by £8.6 million.

This restatement did not affect the Group's income statement, net assets, cash flows, KPIs or compliance with covenants.

The previously reported and restated financial statement line items are summarised as follows:

30 June 2022	As previously reported £m	Impact of restatement £m	Restated £m
Deferred tax asset	13.0	(8.6)	4.4
Deferred tax liability	(19.7)	8.6	(11.1)
Net assets	529.9	-	529.9
Total assets	965.8	(8.6)	957.2
Total liabilities	(435.9)	8.6	(427.3)

2.3 Going concern

The Group's business activities, financial performance and position, together with factors likely to affect its future development and performance are described in the overview of results on pages 3 to 5. There have been no changes to the Group principal risks and uncertainties from those outlined in the annual report for the year ended 31 December 2022.

As at 30 June 2023, the Group had net cash and cash equivalents of £50.8 million and an undrawn RCF available of £132.3 million, giving liquidity headroom of £183.1 million. The Group also has potential access to an uncommitted accordion facility of £100 million.

The Group is subject to leverage and interest cover covenants tested in June and December and had significant headroom on both covenants at 30 June 2023. The Group has £58.3 million of EBITDA headroom on the leverage covenant (60%) and £70.2 million on the interest cover covenant (73%).

The Group has performed an assessment of going concern through reviewing covenant compliance and liquidity headroom based on latest forecasts, which show the Group would retain significant headroom throughout the going concern period.

Having considered the financial performance and position for the period ended 30 June 2023, current trading, the latest forecast financial information, and the Group's principal risks, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the consolidated financial information has been prepared on a going concern basis.

2.4 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Taxes on income in the interim periods are accrued using tax rates that would be applicable to expected total annual profit or loss.

2.5 Accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

In preparing these 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 applied to the consolidated financial statements for the year ended 31 December 2022.

3. Segment reporting

3.1 Segment information

The reporting segments reflect the manner in which performance is evaluated and resources are allocated. The Group operates through three clearly defined divisions: Tyman North America, Tyman UK & Ireland and Tyman International.

North America comprises all the Group's operations within the US, Canada and Mexico. UK & Ireland comprises the Group's UK & Ireland business and Tyman's Asia sourcing operation. International comprises the Group's remaining businesses outside the US, Canada, Mexico and the UK (although includes the two UK seal manufacturing plants that are managed by the Tyman International leadership team). Centrally incurred functional costs that are directly attributable to a division are allocated or recharged to the division. All other centrally incurred costs and eliminations are disclosed as a separate line item in the segment analysis.

In the opinion of the Board, there is no material difference between the Group's operating segments and segments based on geographical splits. Accordingly, the Board does not consider geographically defined segments to be reportable.

The following tables present revenue and profit information for the Group's reporting segments, which have been generated using the Group's accounting policies, with no differences of measurement applied.

3.2 Revenue

	Six months ended 30 June 2023 (unaudited) £m			Six months ended 30 June 2022 (unaudited) £m		
	Segment revenue	Inter- segment revenue	External revenue	Segment revenue	Inter- segment revenue	External revenue
North America	216.5	(1.1)	215.4	230.8	(1.3)	229.5
UK & Ireland	51.1	(0.1)	51.0	53.8	(0.1)	53.7
International	64.5	(1.0)	63.5	78.2	(1.4)	76.8
Total revenue	332.1	(2.2)	329.9	362.8	(2.8)	360.0

	Year ended 31 December 2022 (audited) £m		
	Segment revenue	Inter- segment revenue	External revenue
North America	474.9	(3.0)	471.9
UK & Ireland	103.5	(0.2)	103.3
International	143.4	(3.1)	140.3
Total revenue	721.8	(6.3)	715.5

Included within the International segment is revenue generated from the UK seals plants of £13.0 million (six months ended 30 June 2022: £13.2 million; year ended 31 December 2022: £24.7 million).

3.3 Profit before taxation

	Note	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
North America		32.4	32.6	66.8
UK & Ireland		5.8	7.7	14.5
International		5.5	14.0	21.3
Operating segment result		43.7	54.3	102.6
Centrally incurred costs		(5.0)	(5.0)	(8.0)
Adjusted operating profit		38.7	49.3	94.6
Adjusting items	4	(3.1)	-	(6.3)
Amortisation of acquired intangible assets	8	(7.8)	(8.5)	(17.6)
Operating profit		27.8	40.8	70.7
Net finance costs		(5.1)	(3.4)	(9.3)
Profit before taxation		22.7	37.4	61.4

4. Adjusting items

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Redundancy and restructuring costs	(2.5)	-	(6.3)
M&A and integration costs	(0.6)	-	-
Total Adjusting items	(3.1)	-	(6.3)

The redundancy and restructuring costs comprise costs associated with the departure of the previous Chief Executive Officer, costs related to a targeted reduction in workforce in North America, and the final costs relating to the closure of the Hamburg facility and consolidation of the three UK access solutions businesses into a single site that commenced in the second half of 2022 and are now substantially completed.

The M&A integration costs relate to transaction fees incurred in the period in respect of the acquisition of Lawrence Industries, which completed subsequent to the period end.

The redundancy and restructuring costs in 2022 relate to the closure of the Hamburg facility and the consolidation of the three UK access solutions businesses into a single site. The costs included severance, onerous contracts, winding up costs, and certain costs of preparing and running new facilities that were not yet operational.

5. Taxation

The Group reported an income tax charge to the income statement of £5.6 million (six months ended 30 June 2022: £9.0 million), comprising a current tax charge of £7.4 million (six months ended 30 June 2022: £11.0 million) and a deferred tax credit of £1.8 million (six months ended 30 June 2022: credit of £2.0 million).

The tax charge has been calculated using an effective tax rate of 24.7% (six months ended 30 June 2022: 24.1%) based on tax rates substantively enacted at 30 June 2023. The adjusted effective tax rate was 24.4% (six months ended 30 June 2022: 24.4%). This is the Group's current best estimate of the effective tax rate for the 2023 full year.

Deferred tax balances have been calculated at the substantively enacted rates they are expected to unwind at in their respective territories.

Income tax recognised in the statement of other comprehensive income was £Nil (six months ended 30 June 2022: £Nil).

During the period, the Group paid corporation tax of £7.3 million (six months ended 30 June 2022: £10.0 million). The decrease is a result of a refund of tax overpaid for the 2021 tax year, which was received in H1 2023.

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Current taxation			
Current tax on profit for the period	(7.7)	(11.2)	(19.1)
Prior year adjustments	0.3	0.2	1.5
Total current taxation	(7.4)	(11.0)	(17.6)
Deferred taxation			
Origination and reversal of temporary differences	1.8	1.9	4.6
Tax rate change adjustment	-	-	0.1
Prior year adjustments	-	0.1	(0.7)
Total deferred taxation	1.8	2.0	4.0
Income tax charge in the income statement	(5.6)	(9.0)	(13.6)
Income tax charge in the statement of other comprehensive income	-	-	(0.5)
Total current taxation	(7.4)	(11.0)	(17.9)
Total deferred taxation	1.8	2.0	3.8
Total taxation	(5.6)	(9.0)	(14.1)

6. Earnings per share

6.1 Basic and diluted earnings per share

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)	Year ended 31 December 2022 (audited)
Profit for the period (£m)	17.1	28.4	47.8
Basic earnings per share	8.8p	14.6p	24.6p
Diluted earnings per share	8.7p	14.5p	24.5p

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

6.2 Weighted average number of shares

	Six months ended 30 June 2023 (unaudited) m	Six months ended 30 June 2022 (unaudited) m	Year ended 31 December 2022 (audited) m
Weighted average number of shares in issue	196.8	196.8	196.8
Treasury shares	(0.5)	(0.5)	(0.5)
Employee Benefit Trust shares	(2.0)	(1.7)	(2.1)
Weighted average number of shares – basic	194.3	194.6	194.2
Effect of dilutive potential ordinary shares ¹	1.3	0.7	1.0
Weighted average number of shares – diluted	195.6	195.3	195.2

¹ LTIP awards and options

7. Goodwill

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Net book amount at the beginning of the period	399.3	363.3	363.3
Exchange difference	(15.5)	34.5	36.0
Net book amount at the end of the period	383.8	397.8	399.3

Goodwill is monitored principally on an operating segment basis and the net book value of goodwill is allocated by CGU as follows:

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
North America	287.9	301.9	302.7
UK & Ireland	60.2	60.2	60.2
International	35.7	35.7	36.4
Net book amount at the end of the period	383.8	397.8	399.3

Impairment assessment

The Directors have considered whether there are any impairment indicators at the interim and have concluded that there are no indicators that would require the Group to perform a full impairment test at 30 June 2023.

8. Intangible assets

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Net book amount at the beginning of the period	57.7	66.8	66.8
Additions	2.2	2.1	4.9
Amortisation charge for the period	(9.0)	(9.2)	(19.6)
Impairment charge	-	-	(0.2)
Exchange difference	(2.0)	5.0	5.8
Net book amount at the end of the period	48.9	64.7	57.7

The amortisation charge for the period includes £7.8 million relating to amortisation of acquired intangible assets (six months ended 30 June 2022: £8.5 million; year ended 31 December 2022: £17.6 million) and £1.2 million relating to amortisation of other intangible assets (six months ended 30 June 2022: £0.7 million; year ended 31 December 2021: £2.0 million). The amortisation charge for the period is included in selling, general and administrative expenses in the income statement.

9. Property, plant and equipment

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Net book amount at the beginning of the period	74.6	63.5	63.5
Additions	5.1	9.0	19.2
Disposals	(0.2)	-	(0.3)
Depreciation charge for the period	(6.1)	(5.9)	(12.4)
Impairment charge for the period	-	-	(0.7)
Exchange difference	(2.3)	4.7	5.3
Net book amount at the end of the period	71.1	71.3	74.6

The depreciation charge for the period is included in selling, general and administrative expenses in the income statement.

10. Borrowings

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Current	(27.2)	(23.4)	(15.9)
Non-current	(162.0)	(188.4)	(172.5)
	(189.2)	(211.8)	(188.4)

Current borrowings include the bank overdrafts. See reconciliation in note 14.

Movements in borrowings (excluding lease liabilities) are analysed as follows:

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Balance at the beginning of the period	(188.4)	(149.1)	(149.1)
Refinancing costs paid	0.2	0.2	2.1
Drawdown of borrowings	(22.5)	(82.3)	(122.3)
Repayments of borrowings	26.6	56.3	113.0
Amortisation of borrowing costs	(0.3)	(0.2)	(0.6)
Net interest accrued	-	-	(0.4)
Overdraft facility	(11.3)	(23.4)	(16.4)
Exchange difference	6.5	(13.3)	(14.7)
Balance at the end of the period	(189.2)	(211.8)	(188.4)

There have been no changes to the multi-currency revolving credit facility and US private placement notes during the period, details of which are outlined in the Annual Report and Accounts for the year ended 31 December 2022.

There were no defaults in the period under the terms of loan agreements. The Group has significant headroom in both the leverage and interest cover covenants.

The Group has the following undrawn committed multi-currency revolving credit facility:

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Floating rate			
Expiry beyond 12 months	(132.3)	(140.5)	(135.1)

The Group also has access to an uncommitted £100.0 million accordion facility and at 30 June 2023 held net cash and cash equivalents of £50.8 million (30 June 2022: £63.3 million; 31 December 2022: £58.2 million).

11. Share capital

	Number of shares '000	Ordinary shares £m
At 30 June 2022, 31 December 2022 and 30 June 2023	196.8	9.8

12. Dividends

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Amounts recognised as distributions to owners in the period:			
Final dividend. For the year ended 31 December 2022 9.5p per share (2021: 8.9p)	18.5	17.2	17.2
Interim dividend. For the year ended 31 December 2022 of 4.2p (2021: 4.0p)	-	-	8.2
Total amounts recognised as distributions to owners in the period	18.5	17.2	25.4
Amounts not recognised in the financial statements:			
Final dividend proposed. For the year ended 31 December 2022 9.5p per share (2021: 8.9p)	-	-	18.4
Interim dividend proposed. For the year ending 31 December 2023 4.2p per share (2022: 4.2p)	8.2	8.1	-

13. Financial risk management and financial instruments

13.1 Financial risk factors and fair value estimation

The Group is exposed to risks arising from the international nature of its operations and the financial instruments which fund them, in particular to foreign currency, interest rate and liquidity risks. Full details of the Group's policies for managing these risks are disclosed in the Group's annual financial statements for the year ended 31 December 2022.

Since the date of that report there have been no significant changes in:

- the nature of the financial risks to which the Group is exposed;
- the Group's contractual cash outflows and the committed facilities available to fund them, or
- difference between book value and fair value of any financial instruments.

There have been no new financial instruments entered into in the current period, with the exception of foreign exchange contracts.

Derivatives shown at fair value in the Group's balance sheet therefore comprise level 2 cross-currency interest rate swaps fair valued using forward interest rates extracted from observable yield curves, and forward exchange contracts fair valued by marking-to-market contracts at the period end rate. The effects of discounting are generally insignificant for level 2 derivatives.

During the period the Group held no level 1 financial instruments, there were no transfers between levels and no changes were made to valuation techniques.

The Group's other financial instruments are measured at amortised cost.

13.2 Level 2 and level 3 fair values

The Group has the following financial assets and liabilities categorised at levels 2 and 3:

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Level 2			
Derivative financial assets	-	0.3	0.2
Derivative financial liabilities	(0.5)	-	(0.2)
Level 3			
Financial assets at fair value through profit or loss	1.2	1.2	1.2

13.3 Fair value of financial assets and liabilities measured at amortised cost

The fair values of borrowings are as follows:

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m	31 December 2022 (audited) £m
Current	(27.2)	(6.4)	(15.9)
Non-current	(163.1)	(187.7)	(173.6)
	(190.3)	(194.1)	(189.5)

The fair values of trade and other receivables, cash and cash equivalents, and trade and other payables approximate their carrying amounts.

14. Adjustments to cash flows from operating activities

The following non-cash and financing adjustments have been made to profit before taxation to arrive at operating cash flow:

	Note	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Net finance costs		5.1	3.4	9.3
Depreciation of PPE	9	6.1	5.9	12.4
Depreciation of right of use assets		3.9	3.7	7.1
Amortisation of intangible assets	8	9.0	9.2	19.6
Impairment of intangible assets	8	-	-	0.2
Impairment of PPE	9	-	-	0.7
Impairment of ROU		-	-	0.2
Loss on disposal of PPE		0.1	-	0.1
Pension service costs and administration costs		0.1	0.1	0.3
Non-cash provision movements		(0.7)	(0.3)	2.1
Share-based payments		0.5	0.7	1.0
		24.1	22.7	53.0

14.1 Reconciliation of cash and cash equivalents and bank overdrafts at the period end

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m	Year ended 31 December 2022 (audited) £m
Cash at bank and on deposit	78.6	86.7	74.6
Bank overdrafts	(27.8)	(23.4)	(16.4)
Cash and cash equivalents and bank overdrafts at the end of the period	50.8	63.3	58.2

15. Related party transactions

There were no material related party transactions requiring disclosure, other than compensation of key management personnel which will be disclosed in the Group's Annual Report and Accounts for the year ending 31 December 2023.

16. Events after the balance sheet date

On 12 July 2023, the Group completed the acquisition of 100% of the share capital of Barry G Lawrence, Inc., which trades as Lawrence Industries. Lawrence designs, manufactures and sells high-performance composite hardware for sliding and hung windows to North American window fabricators, and is based in North Carolina, USA.

Lawrence was acquired for initial consideration of \$57.0 million on a debt and cash free basis. Further contingent consideration of up to \$12.5 million will be payable based on achievement of stretching growth targets in respect of the financial results for the two years up to and including 31 December 2024. Consideration was funded from existing debt facilities. For the financial year ended 31 December 2022, Lawrence reported unaudited revenue of approximately \$20.0 million and profit before tax of approximately \$7.5 million, with gross assets as at 31 December 2022 of \$3.4 million. The acquisition will report as part of Tyman's North America division.

Due to the short time period between the acquisition and the date of these interim financial statements, acquisition accounting has not yet been completed. Business combination disclosures will be provided in the financial statements for the year ending 31 December 2023.

Statement of Directors' responsibilities

Each of the Directors of Tyman plc confirms, to the best of his or her knowledge, that:

- the Interim Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the UK and give a true and fair view of the assets, liabilities, financial position and profit and loss of Tyman plc;
- the interim report includes a fair review of the information required by:
 - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Tyman plc are listed in the Group's Annual Report and Accounts for the year ending 31 December 2022.

A list of the current Directors is maintained at the Tyman website: www.tymanplc.com.

By order of the Board

Jason Ashton

Interim Chief Executive Officer

24 July 2023

INDEPENDENT REVIEW REPORT TO TYMAN PLC

Conclusion

We have been engaged by Tyman plc ("the company") to review the condensed set of financial statements for Tyman plc and its subsidiaries (the "Group") in the half-yearly financial report for the six months ended 30 June 2023 which comprises the condensed consolidated balance sheet as at 30 June 2023 and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cashflow statement for the six-months period then ended and the related notes 1 to 16.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP

Statutory Auditor

London, UK

24 July 2023

ALTERNATIVE PERFORMANCE MEASURES

The Group uses adjusted figures as key performance measures in addition to those reported under IFRS, as the Group believes these measures enable management and stakeholders to assess the trading performance of the businesses, as they exclude certain items that are considered to be significant in nature and/or quantum, foreign exchange movements and the impact of acquisitions and disposals. The alternative performance measures ("APMs") are consistent with those used by management internally in business planning, performance analysis, and reporting to the Board and ExCo. Some of these measures are used for the purpose of setting remuneration targets. The key APMs that the Group uses include like-for-like ("LFL") performance measures, adjusted operating profit, adjusted profit before tax, adjusted operating cash flow, and adjusted net debt. Explanations of how APMs are calculated and how they are reconciled to the most relevant IFRS statutory measure are set out below.

Limitations of APMs

APMs should not be viewed in isolation and are designed to provide supplementary information. These may not be comparable to similarly labelled measures used by other companies. Other limitations of the Group's adjusted measures are that they exclude the amortisation of intangibles acquired in business combinations, but do not similarly exclude the related revenue and profits, and they exclude the cost of major restructuring programmes but do not similarly exclude the financial benefits derived from these.

Like-for-like or LFL revenue and adjusted operating profit

Definition

The comparison of revenue or operating profit, as appropriate, excluding the impact of any acquisitions made during the current year and, for acquisitions made in the comparative year, excluding from the current year result the impact of the equivalent current year pre-acquisition period. For disposals, results are excluded for the whole of the current and prior period. The prior period comparative is retranslated at the current period average exchange rate. The Group considers these amendments provide shareholders with a comparable basis from which to understand the organic trading performance in the year.

Purpose

This measure is used by management to evaluate the Group's organic growth in revenue and adjusted operating profit, excluding the impact of M&A and currency movements.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m ¹
Reported revenue	329.9	360.0
Effect of exchange rates	-	12.2
Like-for-like revenue	329.9	372.2
Adjusted operating profit ²	38.7	49.3
Effect of exchange rates	-	1.7
Like-for-like adjusted operating profit	38.7	51.0

¹ As adjusted to restate at current average year exchange rate.

² Refer to the consolidated income statement for reconciliation of adjusted operating profit.

Adjusted operating profit and adjusted operating margin

Definition

Operating profit before amortisation of acquired intangible assets, impairment of goodwill and acquired intangible assets, and adjusting items.

Adjusted operating margin is calculated as adjusted operating profit divided by revenue, expressed as a percentage.

Purpose

This measure is used to evaluate the trading operating performance of the Group.

Adjusting items are excluded from this measure to provide an understanding of the elements of financial performance during the year to facilitate comparison with prior periods and to assess the trends in financial performance.

Adjusting items include significant redundancy and restructuring costs, transaction costs and integration costs associated with merger and acquisition activity, impairment charges related to material intangible asset upgrades, as well as credits relating to profit on disposal of businesses, and property provision releases. These items are not considered to be a part of the ordinary course of the Group's business.

Amortisation of acquired intangible assets is excluded from this measure as this is a significant non-cash fixed charge that is not affected by the trading performance of the business.

Impairment of acquired intangible assets and goodwill is excluded, as this can be a significant non-cash charge.

Reconciliation/calculation

Adjusted operating profit is reconciled on the face of the income statement on page 20.

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Adjusted operating profit	38.7	49.3
Revenue	329.9	360.0
Adjusted operating margin (%)	11.7%	13.7%

Adjusted profit before and after tax

Definition

Profit before amortisation of acquired intangible assets, deferred tax on amortisation of acquired intangible assets, impairment of acquired intangible assets, impairment of goodwill, adjusting items, unwinding of discount on provisions, gains and losses on the fair value of derivative financial instruments, amortisation of borrowing costs, accelerated amortisation of borrowing costs and the associated tax effect.

Purpose

This measure is used to evaluate the profit generated by the Group through trading activities. The above items are excluded as they are of a non-trading nature. This metric is used in assessing the Directors' remuneration.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Profit before taxation	22.7	37.4
Adjusting items	3.1	-
Loss/(gain) on revaluation of fair value hedge	0.3	(0.7)
Amortisation of borrowing costs	0.3	0.2
Amortisation of acquired intangible assets	7.8	8.5
Adjusted profit before taxation	34.2	45.4
Income tax charge	(5.6)	(9.0)
Add back: Adjusted tax effect ¹	(2.8)	(2.1)
Adjusted profit after taxation	25.8	34.3

¹ Tax effect of adjusted items, amortisation of borrowing costs, amortisation of acquired intangible assets, and gain or loss on revaluation of fair value hedge.

Adjusted earnings per share

Definition

Adjusted profit after tax divided by the basic weighted average number of ordinary shares in issue during the year, excluding those held as treasury shares.

Purpose

This measure is used to determine the improvement in earnings from trading activities per share for the Group's shareholders. This metric is used in assessing the Directors' remuneration.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
Adjusted profit after tax	25.8	34.3
Weighted average number of shares- basic	194.6	194.6
Weighted average number of shares- diluted	195.6	195.3
Basic adjusted earnings per share	13.3p	17.6p
Diluted adjusted earnings per share	13.2p	17.6p

Covenant net interest

Definition

Covenant net interest is LTM interest payable on bank loans, private placement notes and overdrafts and interest income from short-term bank deposits.

Purpose

This measure is used in the covenant metric of interest cover.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited)	Six months ended 30 June 2022 (unaudited)
	£m	£m
Interest from loans	4.5	2.9
Interest income from short term deposits	(1.0)	(0.2)
Adjustment to align to LTM covenant net interest	3.1	2.7
Covenant net interest	6.6	5.4

Covenant EBITDA and covenant adjusted EBITDA

Definition

Covenant EBITDA is LTM adjusted operating profit with depreciation, amortisation of computer software, and share-based payments expenses added back, less RoU depreciation and interest payable on lease liabilities.

Covenant adjusted EBITDA is LTM EBITDA plus the pre-acquisition EBITDA of businesses acquired during the year covering the relevant pre-acquisition period less the EBITDA of businesses disposed of during the year.

Purpose

This measure is used as the numerator in calculating covenants under the terms of the Group's revolving credit facility.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Adjusted operating profit	38.7	49.3
Depreciation of property, plant and equipment	6.1	5.9
Amortisation of computer software	1.2	0.7
Interest payable on lease liabilities	(1.3)	(1.2)
Share-based payments	0.5	0.7
Adjustment to align to LTM covenant EBITDA	51.4	49.6
Covenant EBITDA and covenant adjusted EBITDA	96.6	105.0

Interest cover

Definition

Covenant adjusted EBITDA divided by the net interest payable on bank loans, private placement notes and overdrafts and interest income from short-term bank deposits.

Purpose

This measure is used to evaluate the profit available to service the Group's interest costs. This is one of the covenants the Group is subject to under the terms of its revolving credit facility.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Covenant adjusted EBITDA	96.6	105.0
Covenant net interest	6.6	5.4
Interest cover (x)	14.6x	19.3x

Gross debt and adjusted gross debt

Definition

Gross debt is borrowings and lease liabilities. Adjusted gross debt is gross debt, with capitalised borrowing costs added back.

Purpose

This gives a measure of the gross amount owed to lenders, without the effect of capitalised borrowing costs for which cash outflow has already occurred.

Reconciliation/calculation

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m
Borrowings	(189.2)	(211.8)
Lease liabilities	(57.2)	(56.9)
Gross debt	(246.4)	(268.7)
Capitalised borrowing costs	(2.1)	(0.6)
Adjusted gross debt	(248.5)	(269.3)

Net debt

Definition

Long and short term borrowings, including lease liabilities and bank overdraft, net of cash and cash equivalents.

Purpose

This gives a measure of the net amount of debt repayable by the company.

Reconciliation/calculation

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m
Gross debt	(246.4)	(268.7)
Cash and cash equivalents	78.6	86.7
Net debt	(167.8)	(182.0)

Adjusted net debt and covenant adjusted net debt

Definition

Borrowings, plus capitalised borrowing costs and lease liabilities, net of cash and cash equivalents, adjusted to reflect the weighted average exchange rate as required per the covenant agreement.

Purpose

This gives a measure of the gross amount owed to lenders, without the effect of capitalised borrowing costs.

Reconciliation/calculation

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m
Net debt	(167.8)	(182.0)
Lease liabilities	57.2	56.9
Capitalised borrowing costs	(2.1)	(0.6)
Adjusted net debt	(112.7)	(125.7)
Adjustment to weighted average exchange rate	(2.3)	8.2
Covenant adjusted net debt	(115.0)	(117.5)

Leverage

Definition

Adjusted net debt translated at the average exchange rate for the year, divided by covenant adjusted EBITDA as defined in the lending agreements.

Purpose

This measure is used to evaluate the ability of the Group to generate sufficient cash flows to cover its contractual debt servicing obligations.

Reconciliation/calculation

	30 June 2023 (unaudited) £m	30 June 2022 (unaudited) £m
Covenant adjusted net debt (at average exchange rate)	(115.0)	(117.5)
Covenant adjusted EBITDA	96.6	105.0
Leverage (x)	1.2x	1.1x

Adjusted operating profit (LTM)

Definition

Adjusted operating profit aligned to the last twelve months.

Purpose

This measure is used in the ROCE calculation.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Adjusted operating profit	38.7	49.3
Adjustment to LTM	45.2	42.2
Adjusted operating profit (LTM)	83.9	91.5

Return on Capital Employed (ROCE)

Definition

LTM adjusted operating profit as a percentage of the last thirteen-month average capital employed.

Purpose

This measure is used to evaluate how efficiently the Group's capital is being employed to improve profitability. This metric is used in assessing the Directors' remuneration.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Adjusted operating profit (LTM)	83.9	91.5
Average capital employed	729.7	656.2
Return on capital employed (%)	11.5%	13.9%

Average capital employed

Inventories	131.8	169.9
Trade and other receivables	99.3	107.7
Intangible assets	48.9	64.7
Property, plant & equipment	71.1	71.3
Right-of-use asset	53.4	53.2
Goodwill	383.8	397.8
Deferred tax asset	1.5	4.4
Trade and other payables	(87.5)	(130.3)
Tax liabilities	(1.7)	(6.9)
Provisions – current	(1.0)	(1.2)
Provisions non – current	(3.5)	(4.8)
Deferred tax liabilities	(4.7)	(11.1)
Financial assets at FV through P&L	1.2	1.2
Total capital employed	692.6	715.9
Adjustment to 13-month average	37.1	(59.7)
Average capital employed	729.7	656.2

Adjusted operating cash flow and adjusted operating cash conversion

Definition

Adjusted operating cash flow

Net cash generated from operations before income tax paid, adjusting items cash settled in the year, pension contributions, and after proceeds on disposal of property, plant and equipment, payments to acquire property, plant and equipment and payments to acquire intangible assets.

Adjusted operating cash conversion

Adjusted operating cash flow divided by adjusted operating profit.

Purpose

These measures are used to evaluate the cash flow generated by the business operations in order to pay down debt, return cash to shareholders and invest in acquisitions.

Reconciliation/calculation

A reconciliation is included in the financial review on page 15.

Free cash flow

Definition

Adjusted operating cash flow after deducting pension contributions, income tax paid, net interest paid and adjusted cash costs settled in the year.

Purpose

This measure is used to evaluate the cash flow generated by the business operations after expenditure incurred on maintaining capital assets.

Reconciliation/calculation

See page 15 for reconciliation between adjusted operating cash flow and free cash flow.

Adjusted selling, general and administrative expenses

Definition

Selling, general and administrative expenses before adjusting items, amortisation of acquired intangible assets, impairment of acquired intangible assets and impairment of acquired goodwill.

Purpose

This measure is used to evaluate the selling, general and administrative expenses of the business excluding the effect of adjusting items and amortisation of acquired intangible assets, which is a significant charge that is not directly affected by trading.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Selling, general and administrative expenses	(79.9)	(75.6)
Adjusting items	3.1	-
Amortisation of acquired intangible assets	7.8	8.5
Adjusted selling, general and administrative expenses	(69.0)	(67.1)

Adjusted tax charge

Definition

Tax charge adjusted for the tax effect of adjusted items, amortisation of borrowings costs, amortisation of acquired intangible assets, gain or loss on revaluation of fair value hedge and unwinding of discount on provisions.

Purpose

This measure is used to evaluate the tax charge arising on the adjusted profit of the Group.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Tax charge	(5.6)	(9.0)
Tax effect of adjusting items	(2.8)	(2.1)
Adjusted tax charge	(8.4)	(11.1)

Adjusted effective tax rate

Definition

Adjusted tax charge divided by adjusted profit before tax.

Purpose

This measure is used to evaluate the tax charge relative to profit arising on the adjusted trading activity of the Group.

Reconciliation/calculation

	Six months ended 30 June 2023 (unaudited) £m	Six months ended 30 June 2022 (unaudited) £m
Adjusted tax charge	(8.4)	(11.1)
Adjusted profit before tax	34.2	45.4
Adjusted effective tax rate (%)	24.4%	24.4%

DEFINITIONS AND GLOSSARY OF TERMS

APM	Alternative Performance Measure
bps	Basis points
CGU	Cash generating unit
CHIC	Concealed Hardware Innovative Components
CPA	Construction Products Association
CPMI	Construction Purchasing Managers' Index
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EBT	Employee Benefit Trust
EPD	Environmental Product Declaration
EPS	Earnings per share
ERP	Enterprise Resource Planning
FRC	Financial Reporting Council
GHG	Greenhouse gases
GCC	Gulf Cooperation Council
IFRS	International Financial Reporting Standards
LFL	Like-for-like
LIRA	Leading Indicator of Replacement Activity
LTIFR	Lost time incident frequency rate
LTM	Last twelve months
LTIP	Long term incentive plan
M&A	Mergers and acquisitions
NAHB	The National Association of Home Builders
PMI	Purchasing Managers' Index
PPE	Property, plant and equipment
RCF	Revolving credit facility
RMI	Renovation, maintenance and improvement
ROCE	Return on capital employed
RoU	Right of use
Tyman	Any references to Tyman, the Group, or the Company refer to Tyman plc and its subsidiaries
USPP	US private placement

EXCHANGE RATES

The following foreign exchange rates have been used in the financial information to translate amounts into Sterling:

Closing Rates:	H1 2023	H1 2022	FY 2022
US Dollars	1.2663	1.2147	1.2097
Euros	1.1633	1.1624	1.1298
Australian Dollars	1.9070	1.7625	1.7743
Canadian Dollars	1.6777	1.5660	1.6386
Brazilian Real	6.1165	6.3258	6.3937

Average Rates:	H1 2023	H1 2022	FY 2022
US Dollars	1.2334	1.2992	1.2370
Euros	1.1412	1.1877	1.1732
Australian Dollars	1.8256	1.8059	1.7795
Canadian Dollars	1.6621	1.6516	1.6078
Brazilian Real	6.2537	6.5993	6.3857

ROUNDINGS

Percentage numbers have been calculated using unrounded figures, which may lead to small differences in some figures and percentages quoted.