



## **INTERIM RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2020**

**FW Thorpe Plc** – a group of companies that design, manufacture and supply professional lighting systems – is pleased to announce its interim results for the six months ended 31 December 2020.

### **Financial highlights:**

	<b>Interim 2021 (unaudited)</b>	Interim 2020 (unaudited)	
Revenue	<b>£56.4m</b>	£57.4m	-1.8%
Operating profit	<b>£7.7m</b>	£7.5m	+2.2%
Profit before tax	<b>£7.4m</b>	£7.4m	-%
Basic earnings per share	<b>5.05p</b>	5.04p	+0.2%

- Interim dividend 1.49p (Interim 2020: 1.46p) – 2.1% increase
- Strong start to the year by Thorlux, supported by some large project orders
- Netherlands performance – strong recovery following fire at Lightronics back in September
- Other companies – reduced revenue at overseas sales offices
- Net cash generated from operating activities – £8.0m (Interim 2020: £6.2m)

*Note: This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014 (MAR).*

For further information, please contact:

#### **FW Thorpe Plc**

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## CHAIRMAN'S INTERIM STATEMENT

Despite the challenging economic backdrop, the Group delivered a resilient performance, with revenue reducing only marginally at the half year compared with last year, and a pleasing marginal increase in profitability at an operating level.

Whilst much of the business community suffers serious ongoing uncertainty caused by the Covid pandemic, now compounded by Brexit-related operational difficulties, it is also pleasing for the Group to report a strong order performance, mainly attributed to its largest division, Thorlux Lighting, with support from TRT Lighting and Famostar. Understandably, elsewhere, orders are struggling to reach the levels of previous years, but all the main manufacturing companies achieved profitable results at the half-year point. Covid and Brexit are presenting some barriers to export sales, which are likely to resolve over time.

As reported in last autumn's Chairman's Statement, Lightronics suffered a devastating fire on 23 September 2020. Fortunately no one was hurt, but unfortunately the fire destroyed the majority of Lightronics' manufacturing facility and all of the recently completed European Application Centre, requiring the building to be completely demolished. Giving credit to the local management team, remarkably, within only a few weeks, manufacturing commenced at a rented property close by. The latest update is that the site is now cleared and ready for reconstruction of the new improved facility, insurance claims are proceeding in accordance with expectations, and production output and efficiency is recovering to near normal levels. I would like to congratulate the whole team for their tremendous professionalism, and I would also like to thank Lightronics' customers for their support during this time.

Following the Lightronics' fire, the Board has completed an independent enhanced fire risk review of all its operations, and actions are continuing to do everything possible to manage and mitigate risks of this nature.

Covid planning and employee safety remain a priority. The Group still has around 200 employees working from home, with a successful IT infrastructure helping to facilitate their excellent performance under the circumstances. For those attending work, all the Group's Covid-secure factories in the UK have installed infra-red temperature testing at entrances, and, furthermore, all employees are tested at regular intervals using fast-response lateral flow test kits. Despite the Group's rigorous planning and strict adherence to guidelines, shortly after Christmas the TRT facility in Redditch experienced significant disruption. Other sites, although not as seriously affected, are coping with ongoing daily difficulties as best they can.

Capital investment has been significantly reduced compared to prior periods; however, the Board recently approved the roll-out of solar PV installations on the roofs of other UK group companies, in addition to the recently completed and very successful Thorlux scheme, reported in the 2019 Annual Report and Accounts. The Group expects to generate at least 40% of the electricity consumed on these sites, saving both cost and carbon emissions, further underpinning the Group's sustainability credentials and wish to continually improve in this area.

This half year has been particularly difficult to manage with so many adverse head winds. I would like to congratulate the whole team for what has been achieved so far in such unusual and challenging circumstances and thank them for their support in keeping manufacturing almost entirely operational and satisfying customer demands, thus helping keep customers' infrastructure projects active.

As a result of this solid performance and strong balance sheet, the Board has approved an increased dividend of 1.49p (Interim 2020: 1.46p) for the six months to 31 December 2020.

Supported by the Group's healthy order book, I foresee a steady second-half performance better than expected at the start of the pandemic.

I wish all stakeholders continued good health and I look forward to the conclusion of the vaccination programme signalling a return to business as usual. The Board certainly has an appetite to return to a trajectory of sustained and profitable growth, and to that end board members hope that the recent impacts on the economy long term will not restrict us from achieving our goals.

Mike Allcock  
Chairman

18 March 2021  
FW Thorpe Plc

**CONSOLIDATED INCOME STATEMENT**  
**for the six months to 31 December 2020**

	<b>31.12.20</b> <b>(six months to)</b>	31.12.19 (six months to)	30.06.20 (twelve months to)
	<b>(unaudited)</b>	(unaudited)	(audited)
	<b>£'000</b>	£'000	£'000
<b>Revenue</b>	<b>56,374</b>	57,412	113,342
<b>Operating profit</b>	<b>7,653</b>	7,489	16,332
Finance income	<b>364</b>	402	708
Finance costs	<b>(650)</b>	(527)	(1,097)
<b>Profit before tax expense</b>	<b>7,367</b>	7,364	15,943
Tax expense	<b>(1,489)</b>	(1,505)	(2,629)
<b>Profit for the period</b>	<b>5,878</b>	5,859	13,314

**Dividend rate per share:**

Interim	<b>1.49p</b>	1.46p	1.46p
Final	<b>-</b>	-	4.20p

**Earnings per share**

<b>- basic</b>	<b>5.05p</b>	5.04p	11.45p
<b>- diluted</b>	<b>5.03p</b>	5.02p	11.40p

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the six months to 31 December 2020**

	<b>31.12.20</b> <b>(six months</b> <b>to)</b>	31.12.19 (six months to)	30.06.20 (twelve months to)
	<b>(unaudited)</b>	(unaudited)	(audited)
	<b>£'000</b>	£'000	£'000
<b>Profit for the period</b>	<b>5,878</b>	5,859	13,314
<b>Other comprehensive income</b>			
<i><b>Items that may be reclassified to profit or loss</b></i>			
Exchange rate differences on translation of foreign operations	<b>(30)</b>	(558)	229
	<b>(30)</b>	(558)	229
<i><b>Items that will not be reclassified to profit or loss</b></i>			
Revaluation of financial assets at fair value through other comprehensive income *	<b>403</b>	168	(834)
Actuarial loss on pension scheme	-	-	(2,039)
Movement on unrecognised pension surplus	-	-	1,869
Taxation	<b>(6)</b>	(29)	13
	<b>397</b>	139	(991)
Other comprehensive income for the year, net of tax	<b>367</b>	(419)	(762)
<b>Total comprehensive income for the year</b>	<b>6,245</b>	5,440	12,552

All comprehensive income is attributable to the owners of the company.

\* The gain on the revaluation of financial assets at fair value through other comprehensive income of £403,000 is due to the increase in market value of these investments.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2020**

	As at 31.12.20	As at 31.12.19	As at 30.06.20
	(unaudited) £'000	(unaudited) £'000	(audited) £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	26,924	30,317	30,574
Intangible assets	20,368	20,811	21,032
Investment property	1,982	1,997	1,987
Loans and receivables	-	2,919	1,800
Equity accounted investments	-	936	-
Financial assets at fair value through other comprehensive income	4,175	3,838	3,772
Deferred tax assets	-	2	-
	<b>53,449</b>	60,820	59,165
<b>Current assets</b>			
Inventories	20,664	25,121	25,296
Trade and other receivables	26,457	21,568	21,256
Financial assets at amortised cost	1,800	-	625
Short-term financial assets	25,596	24,542	18,580
Cash and cash equivalents	39,471	27,438	44,422
Total current assets	<b>113,988</b>	98,669	110,179
<b>Total assets</b>	<b>167,437</b>	159,489	169,344
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(33,205)	(19,102)	(36,185)
Lease liabilities	(238)	(82)	(220)
Current tax liabilities	(150)	(274)	(831)
<b>Total current liabilities</b>	<b>(33,593)</b>	(19,458)	(37,236)
<b>Net current assets</b>	<b>80,395</b>	79,211	72,943
<b>Non-current liabilities</b>			
Other payables	(73)	(13,442)	(67)
Lease liabilities	(464)	(565)	(417)
Provisions for liabilities and charges	(2,732)	(2,375)	(2,721)
Deferred tax liabilities	(626)	(786)	(601)
<b>Total non-current liabilities</b>	<b>(3,895)</b>	(17,168)	(3,806)
<b>Total liabilities</b>	<b>(37,488)</b>	(36,626)	(41,042)
<b>Net assets</b>	<b>129,949</b>	122,863	128,302
<b>Equity attributable to owners of the company</b>			
Issued share capital	1,189	1,189	1,189
Share premium account	1,799	1,526	1,526
Capital redemption reserve	137	137	137
Foreign currency translation reserve	2,734	1,977	2,764
Retained earnings			
At 1 July	122,686	117,036	117,036
Profit for the year attributable to owners	5,878	5,859	13,314
Other changes in retained earnings	(4,474)	(4,861)	(7,664)
	<b>124,090</b>	118,034	122,686
<b>Total equity</b>	<b>129,949</b>	122,863	128,302

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the six months to 31 December 2020

	Share Capital	Share Premium	Capital Redemption Reserve	Foreign Currency Translation Reserve	Retained Earnings	<b>Total Equity</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 30 June 2019</b>	<b>1,189</b>	<b>1,266</b>	<b>137</b>	<b>2,535</b>	<b>117,036</b>	<b>122,163</b>
Adjustment on first time adoption of IFRS16 (net of tax)	-	-	-	-	(265)	(265)
<b>Restated balance at 30 June 2019</b>	<b>1,189</b>	<b>1,266</b>	<b>137</b>	<b>2,535</b>	<b>116,771</b>	<b>121,898</b>
<b>Comprehensive income</b>						
Profit for six months to 31 December 2019	-	-	-	-	5,859	<b>5,859</b>
Other comprehensive income	-	-	-	(558)	139	<b>(419)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(558)</b>	<b>5,998</b>	<b>5,440</b>
<b>Transactions with owners</b>						
Share options exercised	-	260	-	-	-	<b>260</b>
Dividends paid to shareholders	-	-	-	-	(4,770)	<b>(4,770)</b>
Share-based payment charge	-	-	-	-	35	<b>35</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>260</b>	<b>-</b>	<b>-</b>	<b>(4,735)</b>	<b>(4,475)</b>
<b>Comprehensive income</b>						
Profit for six months to 30 June 2020	-	-	-	-	7,455	<b>7,455</b>
Actuarial loss on pension scheme	-	-	-	-	(2,039)	<b>(2,039)</b>
Movement on unrecognised pension surplus	-	-	-	-	1,869	<b>1,869</b>
Revaluation of financial assets at fair value through other comprehensive income	-	-	-	-	(1,002)	<b>(1,002)</b>
Movement on associated deferred tax	-	-	-	-	110	<b>110</b>
Impact of deferred tax rate change	-	-	-	-	(68)	<b>(68)</b>
Exchange rate differences on translation of foreign operations	-	-	-	787	-	<b>787</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>787</b>	<b>6,325</b>	<b>7,112</b>
<b>Transactions with owners</b>						
Dividends paid to shareholders	-	-	-	-	(1,698)	<b>(1,698)</b>
Share-based payment charge	-	-	-	-	25	<b>25</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,673)</b>	<b>(1,673)</b>
<b>Balance at 30 June 2020</b>	<b>1,189</b>	<b>1,526</b>	<b>137</b>	<b>2,764</b>	<b>122,686</b>	<b>128,302</b>
<b>Comprehensive income</b>						
Profit for six months to 31 December 2020	-	-	-	-	5,878	<b>5,878</b>
Other comprehensive income	-	-	-	(30)	397	<b>367</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30)</b>	<b>6,275</b>	<b>6,245</b>
<b>Transactions with owners</b>						
Share options exercised	-	273	-	-	-	<b>273</b>
Dividends paid to shareholders	-	-	-	-	(4,895)	<b>(4,895)</b>
Share-based payment charge	-	-	-	-	24	<b>24</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>273</b>	<b>-</b>	<b>-</b>	<b>(4,871)</b>	<b>(4,598)</b>
<b>Balance at 31 December 2020</b>	<b>1,189</b>	<b>1,799</b>	<b>137</b>	<b>2,734</b>	<b>124,090</b>	<b>129,949</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the six months to 31 December 2020

	<b>31.12.20</b> <b>(six months to)</b> <b>(unaudited)</b> <b>£'000</b>	31.12.19 (six months to) (unaudited) £'000	30.06.20 (twelve months to) (audited) £'000
<b>Cash generated from operations</b>			
Profit before income tax	7,367	7,364	15,943
Adjustments for			
- Depreciation charge	1,746	1,491	3,221
- Depreciation of investment property	10	9	19
- Amortisation of intangibles	1,260	1,276	2,577
- Profit on disposal of property, plant and equipment	(46)	(41)	(118)
- Impairment of property, plant and equipment due to fire	3,214	-	-
- Net finance expense/(income)	286	125	389
- Retirement benefit contributions in excess of current and past service charge	(129)	(124)	(170)
- Share-based payment charge	703	419	1,211
- Research and development expenditure credit	(130)	(149)	(249)
- Effects of exchange rate movements	281	537	(219)
Changes in working capital			
- Inventories	4,634	387	238
- Trade and other receivables	(5,546)	49	571
- Payables and provisions	(3,898)	(2,178)	(182)
<b>Cash generated from operations</b>	<b>9,752</b>	<b>9,165</b>	<b>23,231</b>
Tax paid	(1,738)	(2,958)	(3,848)
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(1,464)	(5,521)	(6,988)
Proceeds from sale of property, plant and equipment	86	83	212
Purchase of intangibles	(768)	(1,099)	(1,719)
(Purchase)/sale of financial assets at fair value through other comprehensive income	(5)	(61)	(61)
Proceeds from sale of other financial assets at fair value through profit and loss	-	387	387
Property rental and similar income	26	6	92
Dividend income	87	111	187
Net withdrawal/(deposit) of short-term financial assets	(7,016)	1,941	7,903
Interest received	101	164	322
Net receipt of loan notes	805	597	1,156
<b>Net cash generated from/(used in) investing activities</b>	<b>(8,148)</b>	<b>(3,392)</b>	<b>1,491</b>
<b>Cash flow from financing activities</b>			
Net proceeds from the issuance of ordinary shares	273	260	260
Proceeds from loans	198	121	192
Repayment of borrowings	-	(1,124)	(203)
Settlement of lease liabilities	-	-	(1,011)
Payment of lease liabilities	(129)	-	(265)
Payment of lease interest	(18)	-	(36)
Dividends paid to company shareholders	(4,895)	(4,770)	(6,468)
<b>Net cash used in financing activities</b>	<b>(4,571)</b>	<b>(5,513)</b>	<b>(7,531)</b>
<b>Effects of exchange rate changes on cash</b>	<b>(246)</b>	<b>(671)</b>	<b>272</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,951)</b>	<b>(3,369)</b>	<b>13,615</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>44,422</b>	<b>30,807</b>	<b>30,807</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>39,471</b>	<b>27,438</b>	<b>44,422</b>



## Notes to the Interim Financial Statements

### 1. Basis of preparation

The consolidated interim financial statements for the six months to 31 December 2020 have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, IFRIC interpretations and the AIM Rules for Companies.

The figures for the period to 31 December 2020 and the comparative period to 31 December 2019 have not been audited or reviewed and are therefore disclosed as unaudited. The figures for 30 June 2020 have been extracted from the financial statements for the year to 30 June 2020, which have been delivered to the Registrar of Companies. The interim financial statements do not constitute statutory accounts within the meaning of the Companies Act 2006.

The financial statements are presented in Pounds Sterling, rounded to the nearest thousand.

The interim financial statements are prepared under the historical cost convention, modified by the revaluation of certain current and non-current investments at fair value through profit or loss.

The accounting policies set out in the financial statements for the year ended 30 June 2020 have been applied consistently throughout the Group during the period.

### 2. Segmental analysis

The segmental analysis is presented on the same basis as that used for internal reporting purposes. For internal reporting FW Thorpe is organised into ten operating segments, based on the products and customer base in the lighting market – the largest business is Thorlux, which manufactures professional lighting systems for the industrial, commercial and controls markets. The businesses in the Netherlands, Lightronics and Famostar, are material subsidiaries and disclosed separately as Netherlands companies.

The seven remaining continuing operating segments have been aggregated into the “other companies” segment based on their size, comprising the entities Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited, Thorlux L.L.C, Thorlux Australasia PTY Limited and Thorlux Lighting GmbH.

FW Thorpe’s chief operating decision-maker (CODM) is the Group Board. The Group Board reviews the Group’s internal reporting in order to monitor and assess the performance of the operating segments for the purpose of making decisions about resources to be allocated. The CODM reviews the performance of the business by considering the key profit measure of operating profit, including the impact of associated contingent consideration arrangements, and considers that none of the other operating segments are of sufficient size and distinction to be reviewed separately when making Group wide strategic decisions. Assets and liabilities have not been segmented which is consistent with the Group’s internal reporting.

Inter-segment adjustments to operating profit consist of property rentals on premises owned by FW Thorpe Plc, adjustments to profit related to stocks held within the Group that were supplied by another segment.

## 2. Segmental analysis (continued)

	Thorlux	Netherlands Companies	Other Companies	Inter- Segment Adjust- ments	Total Continuing Operations
	£'000	£'000	£'000	£'000	£'000
<b>Six months to 31 December 2020</b>					
Revenue to external customers	33,470	14,986	7,918	-	56,374
Revenue to other Group companies	1,157	148	2,887	(4,192)	-
Total revenue	34,627	15,134	10,805	(4,192)	56,374
Operating profit	4,918	1,691	684	360	7,653
Finance income					364
Finance expense					(650)
Profit before tax expense					7,367
<b>Six months to 31 December 2019 (restated)</b>					
Revenue to external customers	32,363	15,485	9,564	-	57,412
Revenue to other Group companies	1,740	86	1,931	(3,757)	-
Total revenue	34,103	15,571	11,495	(3,757)	57,412
Operating profit	4,839	1,470	951	229	7,489
Finance income					402
Finance expense					(527)
Profit before tax expense					7,364
<b>Year to 30 June 2020</b>					
Revenue to external customers	65,615	31,340	16,387	-	113,342
Revenue to other Group companies	3,164	234	4,021	(7,419)	-
Total revenue	68,779	31,574	20,408	(7,419)	113,342
Operating profit	10,150	4,125	1,412	645	16,332
Net finance income					(389)
Profit before tax expense					15,943

### 3. Insurance claim resulting from fire at the premise of Lightronics Participaties B.V.

On 23 September 2020 the facilities of Lightronics Participaties B.V. were damaged by fire. This resulted in the destruction of the majority of Lightronics' manufacturing facility and the recently completed European Application Centre, requiring the building to be completely demolished.

The figures reflected in these financial statements are not final, as the full extent of the damage is being assessed. The financial statements reflect the best estimate of the associated impairment and reimbursement from insurance proceeds and the figures will be trued up by year end, but this is unlikely to lead to a material change to the figures reported.

The cost of replacing these assets has been estimated to be €4.4m (£3.9m) excluding any consequential loss. €2.6m (£2.3m) of this value is for the refurbishment of the building and €1.8m (£1.6m) for replacement of plant, equipment and inventory.

A claim for reimbursement has been filed with the insurers and an estimate for the incremental costs relating to refurbishment and a temporary shift of operations to other locations has been established. The Group has assessed the insurance reimbursement receivable of €3.6m (£3.2m) to meet the requirements to be recognised as a contingent asset within trade receivables.

As at the date of this interim statement, €0.75m (£0.67m) has been received from the insurers for replacing inventory and agreement reached in principle for the replacement of the property, plant and equipment.

The table below details what is included in these financial statements for this event:

	EUR (€'000)	GBP (£'000)
<b>Costs incurred</b>		
Impairment of freehold land and buildings	(2,576)	(2,315)
Impairment of plant and equipment	(1,000)	(899)
Impairment of inventory	(775)	(696)
<b>Total impairment</b>	<b>(4,351)</b>	<b>(3,910)</b>
<b>Reimbursement claim</b>		
Insurance reimbursement receivable *	3,603	3,238
Reimbursement received to date	748	672
<b>Total claim</b>	<b>4,351</b>	<b>3,910</b>

\* Included in trade and other receivables in the Consolidated Statement of Financial Position

### 4. Earnings per share

The basic earnings per share is calculated on profit after taxation and the weighted average number of ordinary shares in issue of 116,426,119 (Interim 2020: 116,215,549) during the period.

The diluted earnings per share is calculated on profit after taxation and the weighted average number of potentially dilutive ordinary shares in issue of 116,862,079 (Interim 2020: 116,779,815) during the period.

### 5. Dividend

The interim dividend is at the rate of 1.49p per share (Interim 2020: 1.46p) and based on 116,551,808 shares in issue at the announcement date the dividend will amount to £1,737,000 (Interim 2020: £1,698,000). The interim dividend will be paid on 23 April 2021 to shareholders on the register at the close of business on 6 April 2021, and the shares become ex-dividend on 1 April 2021.

A final dividend for the year ended 30 June 2020 of 4.20p (2019: final 4.10p) per share, amounting to £4,895,000 (2019: £4,770,000) was paid on 26 November 2020.

## **6. Availability of interim statement**

Copies of the interim report are being sent to shareholders and will also be available from the company's registered office or on the company's website ([www.fwthorpe.co.uk](http://www.fwthorpe.co.uk)) from 7 April 2021.