

2 July 2024

Kitwave Group plc

("Kitwave", the "Group" or the "Company")

Unaudited interim results for the six months ended 30 April 2024

Kitwave Group plc (AIM: KITW), the delivered wholesale business, is pleased to announce its unaudited interim results for the six months ended 30 April 2024 ("the period" or "H1 2024").

The tables and commentary below include comparatives for both the six months ended 30 April 2023 (H1 2023) and the 12 months ended 31 October 2023 (FY 2023).

Highlights

- Revenues up 8% to £297.0 million (*H1 2023: £275.0 million; FY 2023: £602.2 million*).
- Consolidated gross margin stable at 21.5% (*H1 2023: 21.6%; FY 2023: 21.9%*).
- Adjusted EBITDA of £15.9 million (*H1 2023: £16.0 million; FY 2023: £41.1m*).
- Adjusted operating profit of £10.8m (*H1 2023: £11.7 million; FY 2023: £32.0m*).
- Cash generation from operating activities of £12.4 million (*H1 2023: £11.7 million; FY 2023: £30.3 million*) leading to pre-tax operational cash conversion of 93% (*H1 2023: 87%; FY 2023: 90%*).
- Investment in the business has continued ahead of future potential growth opportunities, with operational and financial benefits being realised from H2 2024 onwards.
- Two successful acquisitions in the period have both been integrated into the Group's Foodservice division:
 - WLG (Holdings) Limited ("Wilds"), a composite family-run drinks business based in Oldham; and
 - Total Foodservice Solutions Limited ("Total Foodservice"), a leading independent food wholesaler in the North of England.
- Paul Young retired as CEO at the Group's AGM, with Ben Maxted, previously COO, stepping into the position of CEO.
- The Board has declared an increased interim dividend of 3.85 pence per share (*H1 2023: 3.75 pence per share*) for the six months to 30 April 2024. This dividend will be paid on 2 August 2024 to shareholders on the register at the close of business on 12 July 2024 and the ex-dividend date will be 11 July 2024.

Financial summary

	H1 2024 Unaudited £m	H1 2023 Unaudited £m	FY 2023 Audited £m
Revenue	297.0	275.0	602.2
Gross profit	63.7	59.3	132.1
Gross profit margin %	21.5%	21.6%	21.9%
Operating profit	9.3	10.2	29.4
Operating margin %	3.1%	3.7%	4.9%
Profit before tax	6.9	8.3	24.9
Net cash inflow from operating activities	12.4	11.7	30.3
Pre-tax operational cash conversion *	93%	87%	90%

**For more information on alternative performance measures please see the glossary at the end of the announcement.*

Ben Maxted, Chief Executive Officer of Kitwave, commented:

“The Group has made positive progress towards its strategic targets during H1 2024 with a series of important investments that will benefit the Group in the long term.

“The continuation of our acquisition strategy saw Wilds and Total Foodservice brought into the Group, growing our presence in the Foodservice sector in the North. Their integration into the Group has gone well and workstreams to further integrate the enlarged Northern Foodservice operation have commenced.

“The construction of our new Foodservice distribution site in the Southwest is close to completion, which will both add capacity and further efficiencies as we consolidate three existing depots. Ahead of the completion of the new site, WestCountry has successfully migrated onto the Group’s ERP system to enable a smooth integration of the businesses.

“As noted in the pre-close trading update, operating profit for H1 2024 is slightly behind the prior year due to investment and lower levels of demand in the Group’s Foodservice hospitality customer base. This, alongside the benefits of the increased investment in infrastructure and the inclusion of trade from Total Foodservice in H2 2024 will lead to the Company’s annual financial performance having an increased second-half weighting.

“Despite the slight shortfall in operating profit in H1 2024 and the continued wet weather in May and early June, we expect to be in line with market expectations for the full year ending 31 October 2024.”

- Ends -

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Company Overview

Founded in 1987, following the acquisition of a single-site confectionery wholesale business based in North Shields, United Kingdom, Kitwave is a delivered wholesale business, specialising in selling and delivering impulse products, frozen, chilled and fresh foods, alcohol, groceries and tobacco to approximately 42,000, mainly independent, customers.

With a network of 32 depots, Kitwave is able to support delivery throughout the UK to a diverse customer base, which includes independent convenience retailers, leisure outlets, vending machine operators, foodservice providers and other wholesalers, as well as leading national retailers.

The Group's growth to date has been achieved both organically and through a strategy of acquiring smaller, predominantly family-owned, complementary businesses in the fragmented UK grocery and foodservice wholesale market.

Kitwave Group plc (AIM: KITW) was admitted to trading on AIM of the London Stock Exchange on 24 May 2021.

For further information, please visit: www.kitwave.co.uk.

Chief Executive Officer's statement

Introduction

The Group has made positive operational and commercial progress during the period. We continued to execute our growth strategy with the acquisitions of Wilds, a composite family-run drinks wholesaler, and Total Foodservice, a leading food wholesaler. These two independent businesses complement our expanding Foodservice division, and with both situated in the North of England provide geographical synergies to existing Group trading entities. Their integration into the Group has gone well and they are performing in line with management's expectations.

As noted in our pre-close trading update, the Group is trading in line with current full-year expectations despite H1 operating profit being slightly down on the prior year. The hospitality customers of our Foodservice division experienced lower footfall due to the sustained period of wet weather in the first four months of calendar year 2024, whilst we also made further investments in our infrastructure to drive greater efficiencies. Combining the benefits that we expect to flow from these investments and the additional contribution from the recent acquisitions, we expect results to be further weighted to H2 2024.

Financial summary

In the six months to 30 April 2024, the Group achieved revenue of £297.0 million (*H1 2023: £275.0 million; FY2023: £602.2 million*) and an operating profit of £9.3 million (*H1 2023: £10.2 million; FY2023: £29.4 million*).

	H1 2024 Unaudited £m	H1 2023 Unaudited £m	FY 2023 Audited £m
Revenue	297.0	275.0	602.2
Gross profit	63.7	59.3	132.1
<i>Gross profit margin %</i>	<i>21.5%</i>	<i>21.6%</i>	<i>21.9%</i>
Operating profit	9.3	10.2	29.4
<i>Operating margin %</i>	<i>3.1%</i>	<i>3.7%</i>	<i>4.9%</i>

Cash generation remained strong in the period with £12.4 million generated from operating activities (*H1 2023: £11.7 million; FY 2023: £30.3 million*).

The net cash outflows relating to the acquisition of Wilds and Total Foodservice were £2.5 million and £16.9 million respectively, after accounting for cash and overdrafts acquired. There are no further cash outflows concerning the transactions. The acquisitions were funded entirely in cash through existing banking facilities.

The Group's cash and cash equivalents increased by £4.3 million during the period, after cash outflows to satisfy debt service payments and dividends paid. This increase was driven by cash generated from operations of £12.4 million, in addition to the ability to draw on the Group's banking facilities to fund the cash cost of the acquisitions.

The Group's balance sheet as of 30 April 2024 had equity reserves of £85.0 million (30 April 2023: £74.0 million; 31 October 2023: £84.4 million) and net debt of £83.9 million (30 April 2023: £64.4 million; 31 October 2023: £59.4 million).

Subject to finalising valuations, the acquisition of Wilds increased goodwill by £2.0 million, while the acquisition of Total Foodservice increased goodwill by £9.5 million, resulting in goodwill at the period end of £70.2 million (30 April 2023: £58.7 million; 31 October 2023: £58.7 million) and an increase in intangible assets in the form of brand and customer relationships of £3.6 million. The amortisation associated with these intangible assets in the period was negligible.

The increase in debt of £24.5 million since the year-end 31 October 2023 principally relates to the net cash outflow from the acquisitions of £19.4 million. Leverage has increased to 2.0x (30 April 2023: 1.9x; 31 October 2023: 1.4x) and interest costs have increased accordingly. It is expected that the strong continued cash generation of the Group will drive the principal debt down during the remainder of the current financial year. The Board is committed to maintaining a prudent leverage policy moving forward.

Basic earnings per ordinary share was 7.3 pence (30 April 2023: 9.1 pence). This reduction is a result of the decrease in operating profit, the increase in interest costs associated with the funding required for the acquisitions in the period and an increase in the corporation tax rate compared to the H1 2023.

Divisional summary

Set out below is the financial performance of the business by division:

	H1 2024 Unaudited £m	H1 2023 Unaudited £m	FY 2023 Audited £m
Group revenue	297.0	275.0	602.2
<i>Ambient</i>	99.1	98.1	207.2
<i>Frozen & Chilled</i>	104.9	96.1	216.4
Retail & wholesale	204.0	194.2	423.6
Foodservice	93.0	80.8	178.6
Corporate	-	-	-
Group adjusted operating profit**	10.8	11.7	32.0
<i>Ambient</i>	4.7	4.7	10.5
<i>Frozen & Chilled</i>	2.6	2.2	9.9
Retail & wholesale	7.3	6.9	20.4
Foodservice	6.2	7.3	17.0
Corporate	(2.7)	(2.5)	(5.4)

****** Group operating profit/(loss) adjusted for acquisition, amortisation of intangible assets arising on acquisition, share-based payments and compensation for post-combination services. For more information on alternative performance measures please see the glossary at the end of the announcement.

The Group has demonstrated growth in revenue during the period, with an 8.0% increase in revenue to £297.0 million (H1 2023: £275.0 million). Operating profit decreased by 9.0% to £9.3 million (H1 2023: £10.2 million) and the Group's adjusted operating profit decreased by 7.7% to £10.8 million (H1 2023:

£11.7 million)

The Group's gross profit margin declined slightly to 21.5% (H1 2023: 21.6%), reflective of the reduced turnover across our hospitality customers within the Foodservice division, which was driven by a reduction in footfall due to the persistent wet weather in the first four months of calendar year 2024. As these customers are service led, they operate on a higher margin structure, therefore the weaker revenues experienced resulted in a margin decrease for the Group. The Group expects an improvement in gross margin during H2 2024.

Excluding the acquisitions of Wilds and Total Foodservice, revenue grew by 5.9% and adjusted operating profit fell by 13.1% compared to H1 2023.

The Group's cost base has been affected by inflationary pressures, with most increases being reflected in labour and delivery-based costs. We are continually striving to mitigate such cost increases and as a result, the ratio of distribution costs to revenue is slightly improved on the prior period. It is expected that these cost pressure increases will ease over time, as we anticipate lower levels of fuel pricing and lower wage inflation compared to the last 18 months.

Retail & wholesale division

The Group's Ambient and Frozen & Chilled product businesses both service the Retail & Wholesale sector of the grocery market. To be consistent with the market view, these divisions are considered together and saw combined revenue increase by 5.0% to £204.0 million (*H1 2023: £194.2 million*).

The retail & wholesale businesses performed in line with expectations during the period. The division benefitted from the successful onboarding of new national contracts. Continued focus on gross margin and operational efficiencies mitigated inflationary pressure across labour and delivery costs. Operating profit percentage is in line with H1 2023 and the continued focus on gross margins and operational efficiencies into H2 2024 will allow the division to take advantage of the seasonal uplift.

Foodservice division

On 17 November 2023, the Group acquired the entire issued share capital of Wilds and on 27 March 2024, the Group acquired the entire issued share capital of Total Foodservice. Both businesses have been incorporated into the Foodservice division.

The acquisitions have enabled the Group to expand its product range in the drinks and food wholesaler industry in the North of England, providing both geographical and operational synergies with the Group's existing trading entities. These acquisitions form a part of the Group's growing Foodservice division that saw revenue increase by 15.1% to £93.0 million (H1 2023: £80.8 million). Excluding the acquisition of Wilds and Total Foodservice, revenue increased by £6.4 million, representing 7.9% growth compared to H1 2023.

Overall, the division traded behind the prior period's operating profit due to decreased turnover across higher-margin hospitality customers, driven by the reduced footfall. Despite this, customer numbers remain strong, and the division is well-placed to benefit from the seasonal uplift in H2 2024. While the division, like the rest of the Group, suffered operating cost-based inflation, management has also invested in its growth by increasing our customer service offering and developing the new Southwest foodservice site.

Operational review

The Group continues to grow its web-based trading platform with the rollout across all businesses and utilisation of the platform increasing month on month. Electronic and online order capture stood at 47% at the end of October 2023 and was at 49% at the end of the period, with average order values compared to more traditional methods of order taking the remaining 8% ahead due to the additional e-commerce functionalities that the web platform offers. The brand owner engagement is fully immersed for the period, having a positive effect on a large proportion of our brand partners by developing mutually beneficial e-commerce partnerships that continue to result in an improved customer experience and sales offering.

Following a £150,000 investment, the Group's Northern ambient hub now has voice-picking technology installed on site. The technology uses voice commands with higher pick accuracy, which will lead to operational efficiencies in pick rates, with the three-month project completed on time and within budget. The Group will look to implement a further rollout of the technology across other divisions in due course, with Robotic Automated Processing being actively developed and deployed across back and middle office functions which will allow the Group to benefit from increased data processing efficiency.

The construction of the Group's new 80,000 sq. ft distribution site in the Southwest is nearing completion and is expected to be operational in Q3 2024. The new depot will enable the Group to consolidate three sites into one and will further integrate WestCountry and M.J. Baker. The site will offer a full Kitwave-wide product offering with a complete food service range, ice cream, fresh produce, and on-trade to the customer base. This is an important step for the Group as the infrastructure will drive organic growth opportunities within the Foodservice division whilst creating a more streamlined structure to drive higher operational margins.

The Group maintains its ongoing partnership with Businesswise Solutions, an energy management consultancy specialising in energy-intensive businesses and is engaging with sector specialists to further develop the Group's net-zero plan and TCFD-aligned reporting requirements.

The implementation of the 'Kitwave One' employee portal continues to be rolled out across the whole Group to further provide benefits for all employees. The 'Licence to Lead' leadership programme will be rolled out throughout FY24 to continue to develop our people, giving them the foundation to become senior leaders in the future.

At the Company's AGM in March 2024, Paul Young retired as CEO and as a Director of the Company. Ben Maxted, who previously held the position of COO, became Kitwave's new CEO.

Strategy

Kitwave is currently the 15th largest grocery and foodservice wholesaler in the UK in terms of market share but only services circa five percent of the potential market opportunity of circa £10.7bn. It is well documented that the UK wholesale market is highly fragmented, which presents opportunities for the Group to pursue strategic acquisitions to strengthen its existing business lines and capitalise on synergies. Since 2011, the Group has completed 14 acquisitions.

During the period, the Group has continued to execute its buy-and-build strategy with the acquisitions of Wilds and Total Foodservice. Both are well-established businesses in the catering industry that complement Kitwave's current offering. Total Foodservice, which is a one-stop shop for wholesale commercial catering supplies, enables Kitwave to further expand its product range offering across the North of England, while Wilds is an established drinks wholesaler which will bolster the Group's existing

Foodservice on-trade business.

The Group continues to invest in technology, systems and infrastructure to support its organic growth objectives. Investment has been made in voice-picking technology to deliver greater efficiencies and obtain the highest level of customer service. The trading platform continues to be expanded, enhancing order capability and customer engagement and the construction of the new distribution centre in the Southwest will be completed in Q3 2024, enabling Kitwave to fully capitalise on organic growth opportunities in the region.

Dividend

The final dividend of 7.45 pence per share for the financial year ended 31 October 2023 was paid on 26 April 2024. The Board is pleased to declare an increased interim dividend of 3.85 pence per share (*H1 2023: 3.75 pence per share*) for the six months to 30 April 2024. It will be paid on 2 August 2024 to shareholders on the register at the close of business on 12 July 2024 and the ex-dividend date will be 11 July 2024.

Outlook

We have built an excellent platform for growth within the UK wholesale market. With our focused growth strategy, both organic and through acquisitions, we believe that we continue to be well-placed to deliver value for the Group and its shareholders.

The development of our distribution centre in the Southwest will help grow our delivery capability and widen our footprint in the region. With the planned completion in Q3 2024, we believe this will bring further opportunities to increase revenue and provide operating efficiencies in the Foodservice division once fully operational.

As previously noted, following additional investments, trading will be further weighted towards the second half of the financial year. Whilst we remain conscious of the ongoing macroeconomic challenges, based on current trading, we expect to be in line with market expectations for the full year.

Ben Maxted

Chief Executive Officer

2 July 2024

Condensed consolidated statement of profit and loss and other comprehensive income

	Note	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Revenue	3	296,960	274,950	602,220
Cost of sales		(233,223)	(215,621)	(470,095)
Gross profit		63,737	59,329	132,125
Other operating income	4	98	157	183
Distribution expenses		(27,949)	(26,262)	(54,570)
Administrative expenses		(26,590)	(23,008)	(48,375)
Operating profit		9,296	10,216	29,363
<i>Analysed as:</i>				
Adjusted EBITDA		15,863	16,017	41,141
Amortisation of intangible assets	5	(557)	(449)	(975)
Depreciation	5	(4,967)	(4,210)	(8,992)
Acquisition expenses	5	(416)	(648)	(648)
Compensation for post combination services	5	(79)	(48)	(199)
Share based payment expense	5	(548)	(446)	(964)
Total operating profit		9,296	10,216	29,363
Finance expenses		(2,417)	(1,956)	(4,505)
Profit before tax		6,879	8,260	24,858
Tax on profit on ordinary activities		(1,796)	(1,901)	(5,902)
Profit for the financial period		5,083	6,359	18,956
Other comprehensive income		-	-	-
Total comprehensive income for the period		5,083	6,359	18,956
Basic earnings per share (pence)	6	7.3	9.1	27.1
Diluted earnings per share (pence)	6	6.9	8.7	26.0

Condensed consolidated balance sheet

	30 April 2024 Unaudited £000	30 April 2023 Unaudited £000	31 October 2023 Audited £000
Non-current assets			
Goodwill	70,090	58,680	58,680
Intangible assets	8,112	5,384	4,878
Tangible assets	22,767	16,404	16,614
Right-of-use assets	32,611	26,575	29,716
Investments	61	45	45
	<hr/>	<hr/>	<hr/>
	133,641	107,088	109,933
	<hr/>	<hr/>	<hr/>
Current assets			
Inventories	53,836	45,769	35,410
Trade and other receivables	75,677	65,388	63,569
Cash and cash equivalents	5,015	3,288	673
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	134,528	114,445	99,652
	<hr/>	<hr/>	<hr/>
Total assets	268,169	221,533	209,585
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Current liabilities			
Other interest bearing loans and borrowings	(33,125)	(16,816)	(6,405)
Lease liabilities	(7,020)	(5,899)	(6,402)
Trade and other payables	(90,729)	(77,767)	(63,596)
Tax payable	(1,217)	(973)	(594)
	<hr/>	<hr/>	<hr/>
	(132,091)	(101,455)	(76,997)
	<hr/>	<hr/>	<hr/>
Non-current liabilities			
Other interest bearing loans and borrowings	(20,000)	(20,000)	(20,000)
Lease liabilities	(28,116)	(24,092)	(26,267)
Deferred tax liabilities	(2,956)	(2,019)	(1,876)
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	(51,072)	(46,111)	(48,143)
	<hr/>	<hr/>	<hr/>
Total liabilities	(183,163)	(147,566)	(125,140)
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Net assets	85,006	73,967	84,445
	<hr/>	<hr/>	<hr/>
Equity attributable to equity holders of the Parent Company			
Called up share capital	701	700	700
Share premium account	64,349	64,183	64,183
Consolidation reserve	(33,098)	(33,098)	(33,098)
Share based payment reserve	2,576	1,536	2,042
Retained earnings	50,478	40,646	50,618
	<hr/>	<hr/>	<hr/>
Equity	85,006	73,967	84,445
	<hr/>	<hr/>	<hr/>

Condensed consolidated statement of change in equity

	Called up share capital £000	Share premium account £000	Consolidation reserve £000	Share based payment reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 November 2022 (audited)	700	64,183	(33,098)	1,090	39,012	71,887
<i>Total comprehensive income for the 6 month period</i>						
Profit	-	-	-	-	6,359	6,359
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the 6 month period	-	-	-	-	6,359	6,359
<i>Transaction with owners, recorded directly in equity</i>						
Dividends	-	-	-	-	(4,725)	(4,725)
Share based payment expense	-	-	-	446	-	446
Total contribution by and transactions with the owners	-	-	-	446	(4,725)	(4,279)
Balance at 30 April 2023 (unaudited)	700	64,183	(33,098)	1,536	40,646	73,967
<i>Total comprehensive income for the 6 month period</i>						
Profit	-	-	-	-	12,597	12,597
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the 6 month period	-	-	-	-	12,597	12,597
<i>Transaction with owners, recorded directly in equity</i>						
Dividends	-	-	-	-	(2,625)	(2,625)
Share based payment expense	-	-	-	506	-	506
Total contribution by and transactions with the owners	-	-	-	506	(2,625)	(2,119)
Balance at 31 October 2023 (audited)	700	64,183	(33,098)	2,042	50,618	84,445
<i>Total comprehensive income for the 6 month period</i>						
Profit	-	-	-	-	5,083	5,083
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the 6 month period	-	-	-	-	5,083	5,083
<i>Transaction with owners, recorded directly in equity</i>						
New share issuance	1	166	-	-	-	167
Dividends	-	-	-	-	(5,223)	(5,223)
Share based payment expense	-	-	-	534	-	534
Total contribution by and transactions with the owners	1	166	-	534	(5,223)	(4,522)
Balance at 30 April 2024 (unaudited)	701	64,349	(33,098)	2,576	50,478	85,006

Condensed consolidated cash flow statement

	<i>Note</i>	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Cash flow from operating activities				
Profit for the period		5,083	6,359	18,956
<i>Adjustments for:</i>				
Depreciation and amortisation		5,524	4,659	9,967
Financial expense		2,417	1,956	4,505
Profit on sale of property, plant and equipment		(74)	(156)	(179)
Net gain on remeasurement of right-of-use assets and lease liabilities		(29)	(1)	(4)
Compensation for post combination services		79	48	199
Equity settled share based payment expense		548	446	964
Taxation		1,796	1,901	5,902
		<hr/>	<hr/>	<hr/>
		15,344	15,212	40,310
(Increase) in trade and other receivables		(9,398)	(5,555)	(3,737)
(Increase) in inventories		(15,584)	(12,912)	(2,553)
Increase in trade and other payables		23,952	16,489	2,353
		<hr/>	<hr/>	<hr/>
		14,314	13,234	36,373
Tax paid		(1,911)	(1,528)	(6,075)
		<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities		12,403	11,706	30,298
		<hr/>	<hr/>	<hr/>
Cash flows from investing activities				
Acquisition of property, plant and equipment		(3,768)	(1,629)	(3,915)
Proceeds from sale of property, plant and equipment		143	269	473
Payment of compensation for post combination services		(424)	-	-
Acquisition of subsidiary undertakings (including overdrafts and cash acquired)	2	(19,370)	(19,593)	(19,593)
		<hr/>	<hr/>	<hr/>
Net cash outflow from investing activities		(23,419)	(20,953)	(23,035)
		<hr/>	<hr/>	<hr/>
Cash flows from financing activities				
Issuance of new shares		167	-	-
Proceeds from new loan		-	20,000	20,000
Net movement in invoice discounting		23,720	(3,538)	(13,948)
Interest paid		(2,417)	(1,522)	(4,248)
Net movement in bank trade loans		3,000	-	-
Repayment of lease liabilities		(3,889)	(3,191)	(6,555)
Dividends paid		(5,223)	(4,725)	(7,350)

	<i>Note</i>	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Net cash inflow/(outflow) from financing activities		15,358	7,024	(12,101)
Net increase/(decrease) in cash and cash equivalents		4,342	(2,223)	(4,838)
Opening cash and cash equivalents		673	5,511	5,511
Cash and cash equivalents at period end		5,015	3,288	673

Notes

1 Accounting policies

Kitwave Group plc (the "Company") is a public company limited by shares and incorporated, domiciled and registered in England in the UK. The registered number is 9892174 and the registered address is Unit S3, Narvik Way, Tyne Tunnel Trading Estate, North Shields, Tyne and Wear, NE29 7XJ.

The Company's principal activity is to act as a holding company for its subsidiaries (together "the Group"), which together make up the Group's consolidated financial information.

The condensed consolidated financial information presented in this statement for the six months ended 30 April 2024 and the comparative figures for the six months ended 30 April 2023 are neither audited nor reviewed.

The condensed consolidated financial information does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The statutory accounts for the year ended 31 October 2023 have been delivered to the Registrar of Companies and the report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated financial information does not include all the information required for the full annual financial statements, however, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

The condensed consolidated financial information has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction the Group's last annual consolidated financial statements.

The condensed consolidated interim financial information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006 and does not include all of the information and disclosures required for full annual financial statements. It should therefore be read in conjunction with the Group's Annual Report for the year ended 31 October 2023, which has been prepared in accordance with UK-Adopted International Accounting Standards and is available on the Group's investor website.

There have been no new accounting standards or changes to existing accounting standards applied for the first time which have a material effect on these interim results.

1.1 Critical accounting estimates and judgements

The critical accounting estimates and judgements affecting the Group are unchanged from those set out in the Group's last annual consolidated financial statements for the year ended 31 October 2023.

The Directors have reviewed financial forecasts and are satisfied that the Group has sufficient levels of financial resources available to both fund operations and to pursue its stated growth strategy. The Directors are confident that the Group will have sufficient funds to meet its liabilities as they fall due for the foreseeable future and therefore adopt the going concern basis in preparing the condensed consolidated interim financial information.

1.2 Accounting policies

The accounting policies applied in preparing the condensed consolidated interim financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended 31 October 2023, as described in those financial statements.

2 Acquisitions

Acquisitions in the 6-month period ended 30 April 2024

WLG (Holdings) Limited ("Wilds")

On 17 November 2023, the Group acquired the entire share capital of WLG (Holdings) Limited for a total consideration of £2,700,000. After recognition of acquired intangible assets and associated deferred tax liabilities, the resulting goodwill of £1,950,000 was capitalised and is subject to annual impairment testing under IAS 36.

The acquisition had the following effect on the Group's assets and liabilities:

	Fair value £000
Non-current assets	
Tangible assets	109
Right-of-use assets	222
Investments	15
Current assets	
Inventories	1,051
Trade and other receivables	748
Cash and cash equivalents	192
Total assets	2,337
Current liabilities	
Lease liabilities	(38)
Trade and other payables	(1,180)
Corporation tax	(140)
Non-current liabilities	
Lease liabilities	(199)
Deferred tax liabilities	(30)
Total liabilities	(1,587)
Net identifiable assets and liabilities	750
Goodwill	1,950
Total net assets acquired	2,700
Cash acquired	(192)
Purchase consideration net of cash acquired	2,508

The business and its trading subsidiary, WLG Limited, were acquired as part of the Group's growth strategy. Significant control was obtained through the acquisition of 100% of the share capital of WLG (Holdings) Limited.

An internal valuation was performed to identify and intangible assets on acquisition per IFRS 3. As a result of this valuation no material intangible assets were identified.

Immediately prior to acquisition the business and its trading subsidiary extended its accounting period by one month to 31 October 2023. In this 13-month period immediately prior to acquisition, the consolidated profit after tax was £266,000.

Following acquisition, the business contributed revenue of £3,619,000 and operating profit of £177,000 to the Group for the period to 29 February 2024 at which point the trade and assets of the business and its trading subsidiary were hived up into H.B. Clark & Co (Successors) Limited, with the trade continuing under this Group subsidiary.

Total Foodservice Solutions Limited ("Total Foodservice")

On 27 March 2024, the Group acquired the entire share capital of Total Foodservice Solutions Limited for a total consideration of £21,000,000. After recognition of acquired intangible assets and associated deferred tax liabilities, the resulting goodwill of £9,460,000 was capitalised and is subject to annual impairment testing under IAS 36.

The acquisition had the following effect on the Group's assets and liabilities:

	Book value	Fair Value	Fair value
	£000	Adjustments £000	£000
Non-current assets			
Intangible assets	-	3,796	3,796
Tangible assets	3,737	-	3,737
Right-of-use assets	1,060	-	1,060
Investments	1	-	1
Current assets			
Inventories	1,791	-	1,791
Trade and other receivables	1,963	-	1,963
Cash and cash equivalents	4,138	-	4,138
Total assets	12,690	3,796	16,486
Current liabilities			
Lease liabilities	(204)	-	(204)
Trade and other payables	(2,360)	-	(2,360)
Corporation tax	(321)	-	(321)
Non-current liabilities			
Lease liabilities	(753)	-	(753)
Deferred tax liabilities	(361)	(947)	(1,308)
Total liabilities	(3,999)	(947)	(4,946)
Net identifiable assets and liabilities	8,691	2,849	11,540
Goodwill			9,460
Total net assets acquired			21,000
Cash acquired			(4,138)
Purchase consideration net of cash acquired			16,862

The business and its dormant subsidiaries were acquired as part of the Group's growth strategy. Significant control was obtained through the acquisition of 100% of the share capital of Total Foodservice Solutions Limited.

An independent valuation was performed to identify and intangible assets on acquisition per IFRS 3. The provisional valuation has resulted in the identification of intangible assets in relation to brand and customer relationships which have been recognised with attributable fair values of £183,000 and £3,613,000 respectively. The recognition of these intangible assets resulted in deferred tax liabilities of £46,000 for the brand intangible and £901,000 for the customer relationship intangible also being recognised at acquisition. This valuation will be finalised by 31 October 2024.

The acquired undertakings made a profit after tax of £957,000 from the beginning of its financial year on 1 May 2023 to the date of acquisition. In its previous financial year, the profit after tax was £1,544,000.

Following acquisition, the business contributed revenue of £2,198,000 and operating profit of £242,000 to the Group for the 6-month period ended 30 April 2024.

If the business had been acquired at the start of the Group's financial period, being 1 November 2023, it would have added £12,048,000 to Group revenue and an operating loss of £81,000 to Group operating profit for the 6-month period ended 30 April 2024.

On acquisition, an assessment was made regarding the fair value of tangible assets which includes a freehold property. The result of an independent assessment was no change to the net book value held in Total Foodservice Solutions Limited's accounts.

3 Segmental information

The following analysis by segment is presented in accordance with IFRS 8 on the basis of those segments whose operating results are regularly reviewed by the Executive Board (the Chief Operating Decision Maker as defined by IFRS 8) to assess performance and make strategic decisions about allocation of resources

The Group has the following operating segments:

- **Ambient:** Provides delivered wholesale of ambient food, drink and tobacco products;
- **Frozen & Chilled:** Provides delivered wholesale of frozen and chilled food products; and
- **Foodservice:** Provides delivered wholesale of alcohol, frozen and chilled food to trade customers.

Corporate contains the central functions that are not devolved to the business units

These segments offer different products that attract different margins. They each have separate management teams.

The segments share a commonality in service being delivered wholesale of food and drink products. The Group therefore benefits from a range of expertise, cross-selling opportunities and operational synergies in order to run each segment as competitively as possible.

The Group's forward-looking strategy is to provide enhanced customer service by making available the wider Group product range to its existing customer base. As a result, the Board will be assessing the segments based on customer type going forward with the customers in the Ambient and Frozen & Chilled divisions operating in the retail and wholesale channels.

The following analysis shows how this development is now being monitored whilst demonstrating the link to the previously reported segmental information for reference.

The presentation convention adopted in these financial statements is to show the three operating segments as this is how the Board of Directors has assessed performance during the period.

Each segment is measured on its adjusted operating profit and internal management reports are reviewed monthly by the Board. This performance measure is deemed the most relevant by the Board to evaluate the results of the segments relative to entities operating in the same industry.

3 Segmental information (continued)

Six months ended 30 April 2024	Ambient	Frozen & Chilled	Total retail & wholesale	Foodservice	Corporate	Total
	£000	£000	£000	£000	£000	£000
Revenue	99,073	104,933	204,006	92,954	-	296,960
Inter-segment revenue	9,198	1,878	11,076	449	-	11,525
Segment revenue	108,271	106,811	215,082	93,403	-	308,485
Adjusted EBITDA*	5,694	4,936	10,630	7,875	(2,642)	15,863
Amortisation of intangibles	-	(31)	(31)	(3)	(26)	(60)
Depreciation	(952)	(2,310)	(3,262)	(1,643)	(62)	(4,967)
Adjusted operating profit*	4,742	2,595	7,337	6,229	(2,730)	10,836
Group management charge	(734)	(1,026)	(1,759)	(1,377)	3,137	-
Amortisation of intangible assets arising on acquisition	-	-	-	-	(497)	(497)
Acquisition expense	-	-	-	(416)	-	(416)
Compensation for post combination services	-	(79)	(79)	-	-	(79)
Share based payment expense	-	-	-	-	(548)	(548)
Interest expense	(471)	(613)	(1,084)	(436)	(897)	(2,417)
Segment profit/(loss) before tax	3,537	877	4,414	4,000	(1,535)	6,879
Segment assets	52,081	74,670	126,751	69,468	71,910	268,129
Segment liabilities	(39,812)	(75,410)	(115,222)	(46,250)	(21,651)	(183,123)
Segment net assets/(liabilities)	12,269	(740)	11,529	23,218	50,259	85,006

Within Corporate assets is £70,090,000 of goodwill on consolidation. This is allocated to the trading segments as follows:

Goodwill by segment	13,516	12,499	26,015	44,075	-	70,090
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3 Segmental information (continued)

Six months ended 30 April 2023	Ambient £000	Frozen & Chilled £000	Total retail & wholesale £000	Foodservice £000	Corporate £000	Total £000
Revenue	98,124	96,096	194,220	80,730	-	274,950
Inter-segment revenue	6,925	1,334	8,259	322	-	8,581
Segment revenue	105,049	97,430	202,479	81,052	-	283,531
Adjusted EBITDA*	5,554	4,184	9,738	8,711	(2,432)	16,017
Amortisation of intangibles	-	(40)	(40)	(3)	(23)	(66)
Depreciation	(822)	(1,944)	(2,766)	(1,398)	(46)	(4,210)
Adjusted operating profit*	4,732	2,200	6,932	7,310	(2,501)	11,741
Group management charge	(865)	(420)	(1,285)	(1,250)	2,535	-
Amortisation of intangible assets arising on acquisition	-	-	-	-	(383)	(383)
Acquisition expense	-	-	-	-	(648)	(648)
Compensation for post combination services	-	(48)	(48)	-	-	(48)
Share based payment expense	-	-	-	-	(446)	(446)
Interest expense	(433)	(623)	(1,056)	(335)	(565)	(1,956)
Segment profit/(loss) before tax	3,434	1,109	4,543	5,725	(2,008)	8,260
Segment assets	43,807	65,532	109,339	46,140	66,054	221,533
Segment liabilities	(32,356)	(58,449)	(90,805)	(31,605)	(25,156)	(147,566)
Segment net assets	11,451	7,083	18,534	14,535	40,898	73,967

Within Corporate assets is £58,680,000 of goodwill on consolidation. This is allocated to the trading segments as follows:

Goodwill by segment	13,516	12,499	26,015	32,665	-	58,680
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3 Segmental information (continued)

Year ended 31 October 2023	Ambient £000	Frozen & Chilled £000	Total retail & wholesale £000	Foodservice £000	Corporate £000	Total £000
Revenue	207,195	216,399	423,594	178,626	-	602,220
Inter-segment revenue	15,561	3,392	18,953	625	-	19,578
Segment revenue	222,756	219,791	442,547	179,251	-	621,798
Adjusted EBITDA*	12,291	14,115	26,406	20,030	(5,295)	41,141
Amortisation of intangibles	-	(80)	(80)	(6)	(47)	(133)
Depreciation	(1,773)	(4,130)	(5,903)	(2,995)	(94)	(8,992)
Adjusted operating profit*	10,518	9,905	20,423	17,029	(5,436)	32,016
Group management charge	(1,230)	(840)	(2,070)	(1,750)	3,820	-
Amortisation of intangible assets arising on acquisition	-	-	-	-	(842)	(842)
Acquisition expense	-	-	-	-	(648)	(648)
Compensation for post combination services	-	(199)	(199)	-	-	(199)
Share based payment expense	-	-	-	-	(964)	(964)
Interest expense	(918)	(1,344)	(2,262)	(689)	(1,554)	(4,505)
Segment profit/(loss) before tax	8,370	7,522	15,892	14,590	(5,624)	24,858
Segment assets	43,697	56,373	100,070	44,586	64,929	209,585
Segment liabilities	(28,380)	(45,691)	(74,071)	(29,288)	(21,781)	(125,140)
Segment net assets	15,317	10,682	25,999	15,298	43,148	84,445

Within Corporate assets is £58,680,000 of goodwill on consolidation. This is allocated to the trading segments as follows:

Goodwill by segment	13,516	12,499	26,015	32,665	-	58,680
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An analysis of revenue by destination is given below:

Geographical information:

	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
United Kingdom	294,738	272,280	597,292
Overseas	2,222	2,670	4,928
Group revenue	296,960	274,950	602,220

No one customer accounts for more than 10% (H1 2023: 10%; FY2023: 9%) of Group revenue.

4 Other operating income

	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Net gain on disposal of fixed assets	74	156	179
Net (loss) on foreign exchange	(5)	-	-
Net gain on remeasurement of right-of-use assets and lease liabilities	29	1	4
	<hr/>	<hr/>	<hr/>
	98	157	183
	<hr/>	<hr/>	<hr/>

5 Expenses

Included in profit/loss are the following:

	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Depreciation of tangible assets:			
Owned	1,343	1,138	2,253
Right-of-use assets	3,624	3,072	6,739
Amortisation of intangible assets	557	449	975
Expenses relating to short term leases and low value assets	1,327	1,018	1,992
Impairment loss on trade receivables	62	237	675
	<hr/>	<hr/>	<hr/>

The Group incurred a number of expenses not relating to the principal trading activities of the Group as follows:

	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Exceptional expenses			
Acquisition expenses	416	648	648
Compensation for post combination services	79	48	199
	<hr/>	<hr/>	<hr/>
Total exceptional expenses	495	696	847
Share based payment expense	548	446	964
	<hr/>	<hr/>	<hr/>
Total exceptional expenses and share based payments	1,043	1,142	1,811
	<hr/>	<hr/>	<hr/>

The Board consider the exceptional items to be non-recurring in nature. Both exceptional and share-based payment expenses are adjusted for in the statement of profit and loss to arrive at the adjusted EBITDA. This measure provides the Board with a better understanding of the Group's operating performance.

Acquisition expenses include the legal and professional fees connected to the acquisition of WLG Holdings Limited and Total Foodservice Solutions Limited completed in the six-month period to 30 April 2024. In the six-month period ended 30 April 2023 and the year ended 31 October 2023 these expenses were incurred in connection with the acquisition of Westcountry Food Holdings Ltd completed on 9 December 2022.

Compensation for post-combination services relates to the value of a liability in connection the acquisition of the remaining share capital of Central Supplies (Brierley Hill) Ltd which is subject to an agreement to acquire which can now be called at any time.

Share-based payments relate to the Management Incentive Plan ("MIP") and Long-Term Incentive Plan ("LTIP") and are non-cash expenses.

6 Earnings per share

Basic earnings per share

Basic earnings per share for the six-month period ending 30 April 2024, and the previous six-month period ending 30 April 2023 and the year ended 31 October 2023 is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during each period as calculated below.

Diluted earnings per share

Diluted earnings per share for the six-month period ending 30 April 2024, and the previous six-month period ending 30 April 2023 and the year ended 31 October 2023 is calculated by dividing profit attributable to ordinary shareholders by the weighted average number of ordinary shares, adjusted for the effects of all dilutive potential ordinary shares. In this case dilutive potential ordinary shares include issued equity warrants outstanding during each period and shares that may vest under the terms of equity incentive plans, as calculated below.

The largest proportion of the potential dilution arises from the equity incentive plans and in particular the Executive Management Incentive Plan (the "MIP") for which the performance period ends on 31 October 2024. The growth shares related to the MIP entitle the participants to place a put option on the Company in order to receive up to a maximum of 4 per cent. of the Company's market value (measured at the time the option is exercised).

Profit attributable to ordinary shareholders

	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Profit attributable to all shareholders	5,083	6,359	18,956
	pence	pence	£
Basic earnings per ordinary share	7.3	9.1	27.1
Diluted earnings per ordinary share	6.9	8.7	26.0
	<hr/>	<hr/>	<hr/>

Weighted average number of ordinary shares

	6 months ended 30 April 2024 Unaudited Number	6 months ended 30 April 2023 Unaudited Number	Year ended 31 October 2023 Audited Number
Weighted average number of ordinary shares (basic) during the period	70,032,967	70,000,000	70,000,000
	<hr/>	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) during the period	73,158,081	72,946,766	73,047,991

Alternative performance measure glossary

This report provides alternative performance measures ("APMs"), which are not defined or specified under the requirements of International Financial Reporting Standards. The Board believes that these APMs provide readers with important additional information on the Group.

Alternative performance measure	Definition and purpose			
Adjusted operating profit	Represents the operating profit prior to exceptional (income) / expenses, share based payment expenses and amortisation of intangible assets recognised on acquisitions. This measure is consistent with how the Group measures performance and is reported to the Board.			
		6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
	Total operating profit	9,296	10,216	29,363
	Amortisation of intangible assets arising on acquisition	497	383	842
	Acquisition expenses	416	648	648
	Compensation for post combination services	79	48	199
	Share based payment expense	548	446	964
	Adjusted operating profit	<u>10,836</u>	<u>11,741</u>	<u>32,016</u>
Adjusted EBITDA	Represents the operating profit prior to exceptional (income) / expenses, share based payment expenses, fixed asset depreciation and intangible amortisation. This measure is consistent with how the Group measures trading and cash generative performance and is reported to the Board.			
		6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
	Total operating profit	9,296	10,216	29,363
	Amortisation of intangible assets	557	449	975
	Depreciation	4,967	4,210	8,992
	Acquisition expenses	416	648	648
	Compensation for post combination services	79	48	199
	Share based payment expense	548	446	964
	Adjusted EBITDA	15,863	16,017	41,141

Pre-tax operational cash conversion	Represents the cash generated from operating activities pre tax as a proportion of cash flow from operating activities pre movements in working capital and tax. This measure informs the Board of the Group's cash conversion from operating activities and is used to monitor liquidity by the Board.		
	6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
Net cash inflow from operating activities	12,403	11,706	30,298
Tax paid	<u>1,911</u>	<u>1,528</u>	<u>6,075</u>
Cash flow from operating activities pre-tax and compensation for post combination services (1)	14,314	13,234	36,373
Movement in working capital	<u>1,030</u>	<u>1,978</u>	<u>3,937</u>
Cash flow from operating activities pre-tax and compensation for post combination services and movement in working capital (2)	15,344	15,212	40,310
Pre-tax operational cash conversion (1) divided by (2)	93%	87%	90%

After tax return on invested capital	Represents adjusted profit after tax for the 12 months ending on the period end date as a proportion of invested capital as at the period end date. This measure informs the Board of how effective the Group is in generating returns from the capital invested.		
	30 April 2024 Unaudited £000	LTM ended 30 April 2023 Unaudited £000	31 October 2023 Audited £000
Adjusted operating profit	31,111	25,906	32,016
Operating lease interest	<u>(1,837)</u>	<u>(1,510)</u>	<u>(1,656)</u>
	29,274	24,396	30,360
Tax charge at effective rate of tax of 25% (FY22: 23%)	<u>(7,319)</u>	<u>(5,489)</u>	<u>(6,831)</u>
Adjusted operating profit after tax (1)	21,956	18,907	23,529

Invested capital comprising:			
Interest bearing loans and borrowings	33,125	16,816	6,405
Lease liabilities	35,136	29,991	32,669
Revolving Credit Facility	20,000	20,000	20,000
Share capital	701	700	700
Share premium	64,349	64,143	64,183
Less cash at bank and in hand	(5,015)	(3,288)	(673)
Total invested capital (2)	<u>148,296</u>	<u>128,402</u>	<u>123,284</u>
After tax return on invested capital (1) divided by (2)	15%	15%	19%

Return on net assets

Represents adjusted profit after tax as a proportion of the Group's investment in fixed assets and working capital. This measure informs the Board of how effective the Group is in generating returns from its fixed assets and net working capital.

	30 April 2024	LTM ended 30 April 2023	31 October 2023
	Unaudited	Unaudited	Audited
	£000	£000	£000
Adjusted operating profit	31,111	25,906	32,016
Tax charge at effective rate of tax of 25% (FY22:23%)	(7,778)	(5,829)	(7,204)
Adjusted operating profit after tax (1)	23,333	20,077	24,812
Fixed assets and net working capital comprising:			
Intangible assets*	663	775	728
Fixed assets	22,767	16,404	16,614
Right-of-use assets	32,611	26,575	29,716
Investments	61	45	45
Inventories	53,836	45,769	35,410
Trade and other receivables	75,677	65,388	63,569
Trade and other payables	(90,729)	(77,767)	(63,596)
Liability for post combination services**	661	854	1,006
Total invested capital (2)	94,844	77,268	83,492
After tax return on invested capital (1) divided by (2)	25%	26%	30%

*excluding acquired intangibles arising on acquisition

**adjustment to exclude the liability for post combination services from trade and other payables

Leverage (including IFRS 16 debt)

&

Leverage (excluding IFRS 16 debt)

Management assess leverage by reference to adjusted EBITDA for the 12 months ending on the period end date against net debt including and excluding IFRS 16 lease liabilities and including the liability for post combination services held within other creditors, as at the period end date. This indicates how much income is available to service debt before interest, tax, depreciation and amortisation.

	30 April 2024 Unaudited £000	30 April 2023 Unaudited £000	31 October 2023 Audited £000
Adjusted EBITDA (1)	40,987	34,369	41,141
Invoice discounting advances	30,125	16,816	6,405
Bank trade loans	3,000	-	-
Lease liabilities	35,136	29,991	32,669
Revolving Credit Facility	20,000	20,000	20,000
Liability for post combination services	661	854	1,006
Cash at bank and in hand	(5,015)	(3,288)	(673)
Net debt (2)	83,907	64,373	59,407
Leverage (including IFRS 16 debt) (2) divided by (1)	2.0x	1.9x	1.4x
IFRS 16 lease liabilities	(26,462)	(26,329)	(26,197)
Net debt excluding IFRS 16 lease liabilities (3)	57,445	38,044	33,210
Leverage (excluding IFRS 16 lease debt) (3) divided by (1)	1.4x	1.1x	0.8x

Reconciliation between existing and acquired operating profit for the period

	<i>Note</i>	Existing operations	Acquisitions	Total 6 months ended 30 April 2024 Unaudited £000	6 months ended 30 April 2023 Unaudited £000	Year ended 31 October 2023 Audited £000
		£000	£000	£000	£000	£000
Revenue	3	291,143	5,817	296,960	274,950	602,220
Cost of sales		(228,807)	(4,416)	(233,223)	(215,621)	(470,095)
Gross profit		62,336	1,401	63,737	59,329	132,125
Other operating income/ (expense)	4	98	-	98	157	183
Distribution expenses		(27,549)	(400)	(27,949)	(26,262)	(54,570)
Administrative expenses		(26,008)	(582)	(26,590)	(23,008)	(48,375)
Operating profit		8,877	419	9,296	10,216	29,363
<i>Analysed as:</i>						
Adjusted EBITDA		15,382	481	15,863	16,017	41,141
Amortisation of intangible assets	5	(557)	-	(557)	(449)	(975)
Depreciation	5	(4,905)	(62)	(4,967)	(4,210)	(8,992)
Acquisition expenses	5	(416)	-	(416)	(648)	(648)
Compensation for post combination services	5	(79)	-	(79)	(48)	(199)
Share based payment expense	5	(548)	-	(548)	(446)	(964)
Total operating profit		8,877	419	9,296	10,216	29,363