TYMAN PLC

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

Tyman plc (TYMN.L) announces results for the six months ended 30 June 2022.

Summary Group Results

£m unless stated	H1 2022	H1 2021	Change	*LFL(1) vs 2021*
Revenue	**360.0**	312.5	**+15%**	*+11%*
Adjusted operating profit*	**49.3**	47.8	**+3%**	*-1%*
*Adjusted operating margin**	***13.7%***	*15.3%*	**-160bps**	*-170bps*
Operating profit	**40.8**	39.0	**+5%**	
Adjusted profit before taxation*	**45.4**	43.4	**+5%**	
Profit before taxation	**37.4**	34.3	**+9%**	
Adjusted EPS*	**17.6p**	17.1p	**+3%**	
Basic EPS	**14.6p**	13.5p	**+8%**	
Dividend per share	**4.2p**	4.0p	**+5%**	
Leverage(2)	**1.1x**	0.9x	**+0.2x**	
Return on capital employed*	**13.9%**	*15.5%*	**-150bps**	

* *Alternative performance measures. These "Adjusted" metrics are before amortisation of acquired intangible assets, impairment of goodwill and acquired intangible assets and exceptional items. These measures 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 39.*

(1) *LFL = constant currency like-for-like (see APMs on page 39)*

(2) *Leverage is calculated in accordance with the debt covenant methodology (see APMs on page 39)*

Highlights:

- Robust first half trading against an exceptionally strong comparative period, consistent with full year expectations
- LFL revenue growth of 11% driven by pricing actions
- LFL adjusted profit decline of only 1%, reflecting a lag in price recovery of further input cost inflation
- On a reported basis, revenue and operating profit increased by 15% and 5% respectively
- Performance achieved despite ongoing industry-wide supply chain challenges and labour constraints
- LFL adjusted operating margin decline reflected the dilutive impact of the pass-through of cost inflation
- Good progress with our strategic initiatives, underpinned by strong recognition of our sustainability performance
- Innovative sustainability-linked US Private Placement refinancing completed in H1
- Interim dividend increase of 5%, reflecting confidence in the Group's growth prospects

***Jo Hallas, Chief Executive Officer, commented**: "Tyman traded robustly in the first half of the year against an exceptionally strong comparative period, with pricing actions taken to mitigate further cost inflation.*

We will continue to focus on taking market share and enhancing our operational platform to improve productivity and working capital management. Notwithstanding a more challenging market in the second half, our flexible cost base will allow us to adapt to potential changes in demand, and full year adjusted operating profit is expected to be in line with market expectations[1] excluding the benefit of foreign exchange.

We are reassured by long-term structural industry growth drivers remaining favourable. Our resilient business model and strategic initiatives continue to position Tyman well for future growth, building on our portfolio of differentiated products, market-leading brands and deep customer relationships."

[1] Company compiled analyst consensus of £93.4m, with a range of £91.8 million – £96.0 million. Details can be found at: https://www.tymanplc.com/investor-relations/analysts-consensus

26 July 2022

Enquiries

Tyman plc	020 7976 8000
Jo Hallas – Chief Executive Officer	investor.relations@tymanplc.com
Jason Ashton – Chief Financial Officer	
Matt Jones – Head of Investor Relations	
MHP Communications	020 3128 8404
Reg Hoare / Rachel Farrington / Matthew Taylor	tyman@mhpc.com

Analyst and investor presentation

Tyman will host an analyst and investor presentation at 9.30 a.m. today, Tuesday 26 July 2022, which will be webcast at:
https://stream.brrmedia.co.uk/broadcast/62c8413bd161177b4578b3f8

The audio conference call details are:

Number	+44 (0) 330 165 4012
Confirmation code	2978937

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 4,300 people with facilities in 16 countries worldwide. Further information is available at www.tymanplc.com.

Overview of results

Performance in H1 2022

The Group's trading performance in the first half has been robust against an exceptionally strong comparative period. LFL revenue growth of 11% largely reflected the benefit of pricing actions implemented to recover further input cost inflation. Volume growth continues to be constrained by industry-wide supply chain issues and labour shortages that took effect from May 2021, although these issues are progressively improving. Revenue for the period of £360.0 million (H1 2021: £312.5 million) grew by 15% on a reported basis compared to H1 2021, with the LFL growth supplemented by a 4% benefit from foreign exchange movements.

Underlying demand in most of the Group's major markets started the year strongly, driven by favourable long-term structural trends and supported by a continuation of the COVID-19 related trends that have led to increased RMI activity. Government fiscal stimulus programmes, notably in Italy, have also boosted both residential and commercial activity. Since May, when consumers began to come under pressure from significant cost-of-living increases and rising interest rates, demand levels began to moderate in certain markets, as evidenced by leading market indicators for the Group.

The Group has remained agile in implementing pricing actions, but the inevitable, albeit reducing, lag in offsetting input cost inflation contributed to a slight decline in LFL adjusted operating profit of 1%. Moreover, the pass-through of cost inflation has a dilutive impact on operating profit margins, leading to an adjusted operating margin decrease of 160bps to 13.7%. Adjusted operating profit increased by 3%, reflecting the favourable impact of foreign exchange movements.

Industry-wide supply chain challenges pressures have persisted, and the Group has continued to implement measures to increase capacity and productivity, including a range of capital investments. High levels of inflation, together with the need to maintain supply chain resilience, also led to a significantly higher than normal seasonal inventory build. Combined with the slight decline in LFL adjusted operating profit and the impact of foreign exchange, partially offset by a reduction in intangible assets through amortisation, the Group's return on capital employed reduced by 150bps to 13.9%.

An interim dividend of 4.2 pence per share will be paid on 9 September 2022 to shareholders on the register at close of business on 5 August 2022. This represents growth of 5% compared to H1 2021, in line with the Group's progressive dividend policy and reflecting confidence in the Group's growth prospects.

Health and safety

The health and safety of our people is the Group's top priority, with this culture being embedded through the 'safety is our first language' engagement programme. The lost time incident frequency rate ('LTIFR') excluding COVID-19 cases was 1.2 incidents per million hours worked, a 14% improvement compared to the H1 2021 LTIFR of 1.4. Including COVID-19 cases, the LTIFR decreased to 2.9 (H1 2021: 5.7).

Strategic progress

The Group has continued to progress its Focus, Define, Grow strategy, which is underpinned by the three sustainability pillars of Sustainable Operations, Sustainable Culture and Sustainable Solutions.

Within the *Focus* strategic pillar, the projects to optimise the distribution footprint in the western US and to consolidate the three legacy commercial access solutions businesses in the UK onto a single site are well advanced. Capital investment to increase capacity and address bottlenecks in the seals manufacturing facilities in the UK and North America are also progressing well. Further investment to enhance factory automation in the Italy and UK is planned during the remainder of 2022. Efforts to harmonise and rationalise the North American product portfolio are delivering positive results, reducing complexity for customers and improving working capital management. The programme to roll-out a global ERP template has commenced, with the first two North American sites going live in March. This programme will enable enhanced customer service levels, greater efficiencies and improved decision-making.

Progress has also been made with the *Sustainable Operations* activities. Solar panels have been installed at a major UK site, and similar opportunities are being assessed at sites in Mexico and Italy. Our Science Based Target work is progressing, with an analysis of the carbon footprint across our value chain having been completed and detailed plans being developed to reduce the carbon footprint of our purchased raw materials (Scope 3 emissions), where opportunities exist to increase recycled content and optimise product designs.

Within the *Define* strategic pillar, work continued to embed the 'One Tyman' culture, and to expand the 'Tyman Excellence System' for the development and deployment of best practice. Under Lean Excellence, the Group held its first cross-divisional Kaizen week at the Budrio site, creating stronger awareness and engagement with lean across site representatives from around the world. As part of the Sustainability Excellence work, a database has been developed to facilitate the sharing of best practice for reducing energy, water and waste, designing sustainable products, and transitioning to sustainable packaging.

Several *Sustainable Culture* initiatives were progressed: a groupwide employee engagement survey was completed, and an ethics leadership course is being rolled-out to support the Group's Code of Business Ethics. Our businesses take pride in positively contributing to society and, in June, ninety volunteers from our Budrio site worked with charity Rise Against Hunger to pack food kits for Ukrainian refugees.

Activities to *Grow* market share continue to yield positive results. In North America, further net customer wins were achieved by continuing to work closely with customers in support of their growth plans. In our international markets, strong progress was made in growing partnerships with systems houses, supported also by our customer service levels relative to competitors.

The new product development pipeline remains healthy and includes developing *Sustainable Solutions* to grow the proportion of revenue from positive impact products, such as a low-cost watertight sidewalk door to protect against flooding. Various initiatives are also underway across the Group to improve the sustainability of packaging (for example, new packaging designs have been finalised to eliminate plastic clam-shell packs for UK retail hardware sales) and reduce the use of hazardous substances in production (for example, by eliminating chromium 6 from the supply chain and reducing lead content).

The Group’s commitment to achieving its sustainability targets was demonstrated with the issue of innovative sustainability-linked US Private Placement notes during the first half. The financing includes economic incentives for the achievement of three sustainability performance targets which align with Tyman's sustainability roadmap.

It was also pleasing to see that the Group’s progress towards its 2030 sustainability roadmap received recognition from several rating agencies during the period, with MSCI awarding Tyman an AA “leader” rating, and both S&P Global and Sustainalytics ranking Tyman in the top 20% of building products peers globally.

The Group continues to prepare itself for a disciplined return to M&A, and the initiatives described above to strengthen our operational platform combined with the Tyman Excellence System should facilitate greater synergy extraction from acquired businesses in the future.

Outlook

The positive long-term structural growth drivers for the Group remain intact, including favourable housing market fundamentals, increasing regulation, a focus on sustainability and technological innovation. The recent deterioration in leading macroeconomic indicators signals a more challenging market outlook; however, the agility of our business model and flexibility in our cost base will enable us to adapt to any potential changes in demand, as has been demonstrated in the past.

The Group will continue to focus on taking market share, through executing well with customers, launching innovative new products, and expanding its channels and markets. Activities to enhance supply chain and manufacturing efficiency and resilience are expected to improve productivity and working capital management.

Overall, full year adjusted operating profit is expected to be in line with market expectations excluding the benefit of foreign exchange.

The Group is well positioned for future growth, benefiting from long-term structural industry growth drivers, our resilient business model and strategic initiatives, whilst building on our portfolio of differentiated products, market-leading brands and deep customer relationships. We remain confident in our ability to deliver our medium-term margin targets in a more normalised market environment.

Jo Hallas
Chief Executive Officer

Tyman North America

£m except where stated	H1 2022	H1 2021	Change	LFL
Revenue	**229.5**	191.6	**+20%**	***+12%***
Adjusted operating profit	**32.6**	34.0	**-4%**	***-10%***
Adjusted operating profit margin	***14.2%***	*17.7%*	***-350bps***	***-350bps***

Markets

The US residential housing market began 2022 robustly, supported by the limited supply of homes, favourable demographics and a continuation of pandemic-driven trends of nesting and urban flight. US housing starts grew 6% in the first half, although single family starts, to which the division has proportionally higher exposure, declined by 2%. Residential housing permits, a key leading indicator, are up 4%, although single family permits declined 4%.

According to LIRA (Leading Indicator of Replacement Activity), US repair and remodelling spend grew 14% in the first half of 2022, reflecting the significant inflation of building material and labour costs. The NAHB RMI (Remodelling Market Index) posted a Q2 reading of 77, down from 86 in Q1, with the survey showing a significant drop-off in enquiries.

The US commercial market remained resilient in the first half of 2022. Non-residential building starts grew by 13% in the period, although environmental public works, to which the access solutions business is particularly exposed, declined by 4%.

In Canada, single family housing starts declined by 12% in the first half of the year, impacted by rising inflation and interest rates.

Business performance and developments

LFL revenue grew by 12% in H1 2022, largely reflecting the benefit of pricing actions implemented to recover cost inflation, with volumes broadly flat against a very strong comparative period. Volume continues to be constrained by the industry-wide supply chain and labour availability issues that began in mid-2021. Reported revenue growth of 20% reflected the impact of foreign exchange.

Shipping rates and operational efficiency also continued to be impacted by supply chain and labour shortages, offsetting the benefits of continuous improvement activities. In addition, there continues to be a lag in the recovery of input cost inflation via pricing actions, although this time lag is shortening as inflation moderates. The combination of the above factors against a strong comparator period contributed to a decline in LFL adjusted operating profit of 10%. On a reported basis, adjusted operating profit declined by 4% reflecting the impact of foreign exchange. The pass-through of cost inflation has a dilutive impact on operating profit margins, leading to a LFL adjusted operating margin decrease of 350bps to 14.2%.

The division continued to work closely with customers to monitor demand levels and ensure their continuity of supply. This strong customer engagement, coupled with ongoing efforts to increase capacity, enabled the division to take market share, with the division winning net annualised new business of c. US$3m during H1.

The focus on raising operating efficiency and service levels continued, including activities directed at increasing capacity, optimising the distribution network and driving lean excellence. Workforce stability improved during the first half due to increased engagement efforts, recruitment programmes, hiring incentives and wage increases. The roll-out of a new ERP system to enable more streamlined ordering processes for customers and drive efficiency gains commenced with the implementation of the first two sites. Activities to optimise the US distribution footprint continued, with the Western US distribution centre location selected and operations planned to start at the end of 2022.

Efforts continued to harmonise and rationalise the division’s product portfolio, with work now moving to the casement and hinged patio door product groups. Notably, the completed sliding patio door project has already delivered a significant reduction in SKUs relating to single point locks, which will reduce complexity for customers and improve the division’s working capital management.

New product development

New product development continues to be a key enabler of growth. The enhanced Pinnacle balance is gaining good traction across multiple customers and delivering on plan. This is primarily due to its innovative design, which allows customers to use one balance configuration across multiple window lines, significantly reducing SKUs and window frame material requirements. The acoustical smoke vent has industry-leading sound insulation qualities and has been particularly well received by the school sector. Customer specific solutions in the patio door, casement and seals product categories have also been progressed in the period.

A focus in the second half of the year will be the launch of the entry price point sliding patio door roller and handle solution, redesigned to compete more effectively in a price sensitive sector of the growing vinyl market, giving consumers an affordable patio door solution that is corrosion resistant and aesthetically appealing.

Outlook

The underlying fundamentals of the US housing market remain strong, with years of supply lagging demand creating a significant housing deficit. In the repair and remodelling market, LIRA projects 17% growth in spend in the second half of 2022, reflecting higher building materials and labour costs. Nevertheless, short-term risks to demand exist as rising inflation and interest rates are expected to constrain market activity as the second half of 2022 progresses. The division will continue to monitor cost inflation and implement pricing actions accordingly.

Against this backdrop, the division will continue its focus on self-help initiatives that are already underway and aimed at taking market share, expanding margins and reducing working capital.

Tyman UK & Ireland

£m except where stated	**H1 2022**	H1 2021	**Change**	***LFL***
Revenue	**53.7**	54.3	**-1%**	***-1%***
Adjusted Operating Profit	**7.7**	7.8	**-1%**	***-1%***
Adjusted Operating Margin	***14.3%***	*14.3%*	**-**	**-**

Markets

Activity in the UK residential RMI market continued to moderate in the first half of 2022, impacted by the pressure on household incomes from rising inflation. Post pandemic, having recovered at a slower rate than the residential market, the infrastructure and commercial construction markets have been more resilient during 2022 and continued to grow.

The IHS Markit / CIPS UK Construction PMI signalled good growth for much of the first half of 2022, maintaining a reading above 56 from January through May, although in June it fell to 52.6, with residential activity showing an overall downturn for the first time since May 2020.

Business performance and developments

Revenue decreased by 1% in H1 2022 on a LFL and reported basis against a very strong comparative period in 2021. Growth in revenue in the commercial access solutions business together with the benefit of pricing actions was offset by a decline in hardware volumes, reflecting the softening in the residential RMI market.

In the hardware business, actions taken in 2021 to provide cover against supply chain disruption have enabled the reduction in the use of costly expedited and alternative freight services, as well as mitigating the impact of ongoing regional lockdowns in China, in turn improving our customer service levels. The business was able to continue passing on material and transport cost inflation through pricing actions.

In Access 360, the division's commercial access solutions business, sales grew modestly in the first half, reflecting the return of the two re-certified core product lines suspended in 2021. Work continues to optimise the business, with an integrated ERP system launched in the first half, and the consolidation of the three heritage Access 360 sites (Profab, Howe Green and Bilco) into a single highly automated facility due for completion by the end of 2022.

LFL and reported adjusted operating profit decreased by 1%, with the impact of lower hardware volumes and input cost inflation largely offset by pricing actions.

As part of the groupwide sustainability roadmap, the hardware business has continued its development of sustainable packaging solutions and the elimination of hazardous substances from products, with projects to reduce plastic in retail packaging and eliminate chromium 6+ from decorative hardware well progressed.

New product development

The business launched several new products in the period aimed at broadening its certified products portfolio, including a BSI Kitemark certified door handle and 3-star Sold Secure cylinders to offer enhanced security, giving increased peace of mind to consumers. Additional releases included a collection of designer levers targeted at commercial and high-end residential projects, and a hands-free hardware range that allows doors to be operated with the forearm to reduce the spread of viruses and bacteria.

A key focus for the second half will be the launch of Touchkey®, an innovative smart security door locking system that can be accessed via key, fingerprint, Bluetooth or remotely. Touchkey® will provide more entry modes than any other existing solution, allowing users to enter their home without the need for a key, which is especially beneficial for residents with restricted mobility. The combination of a lock, cylinder and handle will have the BSI IoT Kitemark certification to ensure peace of mind to the end user.

Outlook

The UK RMI market is expected to remain challenging in the remainder of 2022, with rising inflation and interest rates impacting consumer confidence. The CPA forecasts UK private housing RMI output to decline by 3% in 2022, compared to their flat growth forecast at the start of the year. Against this backdrop, the hardware business will continue to focus on new product development and enhancing its supply chain resilience, whilst implementing further pricing actions as required.

The commercial access solutions business is expected to experience more favourable market conditions, benefitting from continued investment in infrastructure and industrial sectors, which the CPA forecasts to be the fastest growing UK construction markets in 2022. The continued work to optimise the Access 360 business is expected to further enhance the division's performance in the second half.

Tyman International

£m except where stated	**H1 2022**	H1 2021	**Change**	***LFL***
Revenue	**76.8**	66.6	**+15%**	***+17%***
Adjusted operating profit	**14.0**	10.5	**+34%**	***+37%***
Adjusted operating profit margin	***18.3%***	*15.7%*	***+260bps***	***+270bps***

Markets

Market demand was strong during the first half of the year across the division's key markets. However, momentum slowed in May and June as the uncertain macroeconomic environment began to weigh on consumer confidence. The Eurozone Construction PMI fell to 47.0 in June, signalling a contraction in construction output, having started the year at a healthy level of 56.6, which was the highest reading since January 2018.

The Construction PMI for Italy, the division's largest market, has remained above the Eurozone average throughout the period and peaked at a record high of 68.5 in February 2022, boosted by government fiscal stimulus measures. Since May, the Italian PMI has also slowed markedly, falling to 50.4 in June which points to only marginal construction output growth.

Elsewhere, there were favourable market conditions in several key territories for the division, most notably in Australia and the GCC cluster, although the Chinese market was impacted by the widespread regional lockdowns in response to the resurgence of COVID-19.

Business performance and developments

The division delivered LFL revenue growth of 17% in H1 against what was a very strong comparative period. The drivers of this were buoyant market conditions, together with further share gains and price realisation. Share growth was achieved through continued momentum with channel partnerships and new product development, alongside rigorous supply chain and capacity management. Growth was delivered in most key markets, with strong growth in Italy, the division's largest market, reflecting underlying market demand, pricing actions and significant share gains. Reported revenue growth of 15% reflected the impact of foreign exchange.

Pricing actions have been implemented to recover further input cost inflation. Combined with the strong volume growth and its beneficial effect on fixed cost absorption, this resulted in LFL adjusted operating profit growth of 37%, whilst LFL adjusted operating margins expanded by 270bps to 18.3%. On a reported basis, adjusted operating profit increased by 34% reflecting the impact of foreign exchange.

The division has managed these buoyant activity levels and global supply chain disruptions effectively. Seals manufacturing has continued to be capacity constrained and a third new Q-Lon urethane line has recently been installed and commissioned, further to the two lines added in 2021. Progress has also continued with the programme to drive greater levels of automation in the Budrio hardware manufacturing facility. These investments are set to complete by the end of the year and will lead to improvements in safety, efficiency and throughput.

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 24% of the division's revenue, up from 21% in the first half of 2021, with revenue from this channel growing by 40% in H1 2022.

In light of Russia's invasion of Ukraine, and as previously reported, business with Russia and Belarus was discontinued from February 2022; these markets accounted for c. 1% of Group revenue in 2021.

New product development

New product development continues to enhance our value proposition to customers by focussing on the key trends of aesthetics, safety and sustainability. A new mechanism for tilt and turn applications, with a limiting arm safety feature, was launched to increase the safety of windows on high-rise buildings where strong winds are prevalent. The Reguitti Kora range of door handles has been extended to the timber market.

To support the growth of the systems house channel the division is currently working closely with eleven system house partners to develop customised solutions for them based on its pull and slide system, with four of these due to launch in the coming months.

Outlook

Recent Construction PMI data suggests that the market outlook is likely to become more challenging in the second half of the year, as rising inflation and interest rates weigh on consumer confidence in many markets.

Given this more uncertain environment, the priorities remain to exploit share growth opportunities through new product launches and channel expansion activities, while maintaining margins. The division will continue to execute the various strategic initiatives in place to improve its financial and operational resilience, including the automation of hardware manufacturing operations, optimisation of the seals manufacturing footprint, and instilling a culture of lean excellence.

FINANCIAL REVIEW

Income statement

Revenue and profit

Reported revenue in the period increased by 15.2% to £360.0 million (H1 2021: £312.5 million), largely reflecting price increases of £23.1 million and tariffs and surcharges of £12.8 million to recover significant input cost inflation. Reported revenue also benefitted from favourable foreign exchange movements of £12.1 million. On a LFL basis, revenue increased 10.9% compared to 2021.

Selling, general and administrative expenses increased to £75.6 million (H1 2021: £70.0 million), driven largely by outbound freight, salary and other cost inflation, as well as some increased investment to support significantly higher volumes in the International division, and an adverse foreign exchange impact of £1.3 million.

Operating profit increased by 4.6% to £40.8 million (H1 2021: £39.0 million). This was driven by the benefits of the pricing actions, net productivity improvements of £1.0 million, and favourable foreign exchange movements of £2.0 million, offset by significant materials, freight, and other cost inflation of £37.1 million. Adjusted operating profit increased by 3.1% to £49.3 million (H1 2021: £47.8 million), reflecting a slightly lower amortisation charge on acquired intangible assets. Operating margin decreased by 120 bps to 11.3% (H1 2022: 12.5%) and adjusted operating profit margin decreased by 160 bps to 13.7% (H1 2021: 15.3%), largely as a result of the dilutive effect of pass-through pricing to recover cost inflation. On a LFL basis, adjusted operating profit decreased 1%.

Reported profit before taxation increased by 9.0% to £37.4 million (H1 2021: £34.3 million), as a result of the higher operating profit and a reduction in net finance costs due to the refinancing completed at more favourable interest rates, as well as a gain on revaluation of derivative instruments. Adjusted profit before tax increased by 4.6% to £45.4 million (H1 2021: £43.4 million), with the gain on revaluation of derivative instruments excluded from this measure. On a LFL basis, this increased 0.6%, reflecting the benefit of foreign exchange.

Materials and input costs

£m except where stated	FY 2021 Materials(1)	Average(2)	Spot(3)
Aluminium	**17.0**	+77.4%	+44.3%
Polypropylene	**37.8**	+24.4%	+8.5%
Stainless steel	**76.5**	+43.0%	+24.9%
Zinc	**31.4**	+37.6%	+29.2%
Far East components(4)	**44.6**	+9.7%	+11.3%

(1) FY 2021 materials cost of sales for raw materials, components and hardware for overall category. Only major materials categories are presented

(2) Average H1 2022 tracker price compared with average H1 2021 tracker price

(3) Spot tracker price as at 30 June 2022 compared with spot tracker price at 30 June 2021

(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 categories rose significantly in H1 2022. Price increases and surcharges have been implemented to recover cost increases. Due to the magnitude and frequency of these increases, as well as customer pricing mechanisms, there is an inevitable timing lag in recovery, albeit this lag is reducing.

Finance costs

Net finance costs decreased to £3.4 million (H1 2021: £4.7 million).

Interest payable on bank loans, private placement notes and overdrafts decreased to £2.9 million (H1 2021: £3.1 million), predominantly reflecting a lower weighted average interest rate following repayment of $55 million of USPP notes in November 2021 and refinancing at more favourable interest rates completed in April 2022, partially offset by the unfavourable impact of foreign exchange. Interest on lease liabilities of £1.2 million was in line with the previous period (H1 2021: £1.2 million).

Net finance costs in the period also benefited from a gain on revaluation of derivative instruments of £0.7 million due to the movement in foreign exchange rates. Non-cash charges included in net finance costs included amortisation of capitalised borrowing costs of £0.2 million (H1 2021: £0.3 million).

Taxation

The Group reported an income tax charge of £9.0 million (H1 2021: £8.0 million), comprising a current tax charge of £11.0 million (H1 2021: £10.3 million) and a deferred tax credit of £2.0 million (H1 2021: credit of £2.3 million), representing an effective tax rate of 24.1% (H1 2021: 23.3%). The adjusted effective tax rate was 24.4% (H1 2021: 23.3%). The increase in the effective tax rate reflects a higher proportion of profits generated in jurisdictions with higher tax rates, predominantly in Europe. This is the Group's current best estimate of the effective tax rate for the 2022 full year.

During the period, the Group paid corporation tax of £10.0 million (H1 2021: £9.2 million). The increase is a result of the timing of payments on account.

Earnings per share

Basic earnings per share increased by 8.4% to 14.6 pence (H1 2021: 13.5 pence), and adjusted earnings per share increased to 17.6 pence (H1 2021: 17.1 pence), reflecting the increase in profit after tax and a reduction in the weighted average number of shares following the purchase of 2.0 million shares for the EBT. 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 2022	H1 2021
Net cash from operating activities	**17.7**	24.1
Add: Pension contributions	**0.1**	0.4
Add: Income tax paid	**10.0**	9.2
Less: Purchases of property, plant and equipment	**(9.0)**	(5.5)
Less: Purchases of intangible assets	**(2.1)**	(1.5)
Add: Proceeds on disposal of PPE	**-**	0.7
Exceptional cash costs	**-**	0.2
Operational cash flow*	**16.7**	27.6
Less: Pension contributions	**(0.1)**	(0.4)
Less: Income tax paid	**(10.0)**	(9.2)
Less: Net interest paid	**(3.3)**	(4.4)
Less: Exceptional cash costs	**-**	(0.2)
Free cash flow*	**3.3**	13.4

* *Alternative performance measures, details of which can be found on page 39.*

Net cash from operating activities decreased to £17.7 million (H1 2021: £24.1 million). Operational cash flow in the period decreased by 39.6% to £16.7 million, primarily due to an increase in the working capital outflow from £24.9 million in H1 2021 to £32.3 million in H1 2022, as a result of a higher seasonal build to meet demand and protect against supply chain disruption, with this being magnified by significant material cost inflation and the translational impact of foreign exchange. Capital expenditure has also increased due to catch up of expenditure deferred from 2021 and investment to support strategic initiatives. Operating cash conversion in H1 2022 was 34% (H1 2021: 58%).

Free cash flow in the period was £3.3 million, compared to £13.4 million in H1 2021, as a result of a significantly lower operational cash flow and higher income tax payments on accounts, offset slightly by lower interest payments and pension contributions.

Debt facilities

Bank and US private placement facilities available to the Group, as at 30 June 2022, were as follows:

Facility	Maturity	Currency	Committed	Uncommitted
2018 Facility	Feb 2024	Multicurrency	£240.0m	£70.0m
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	

In April 2022, the Group issued $75 million of sustainability-linked US Private Placement notes. US$40 million of the notes have a maturity of 7 years and a base coupon rate of 3.51%, and US$35m have a maturity of 10 years and a base coupon rate of 3.62%. The Notes incorporate three sustainability performance targets which align with Tyman's sustainability roadmap:

- Reduction in Tyman's Scope 1 and 2 emissions by a series of milestones, including a reduction of 50% by 2026 and carbon neutrality by 2030 (relative to 2019 baseline)
- Submission of Tyman's Scope 3 target to the Science Based Target initiative (SBTi) for verification by February 2023
- Participation in CDP in 2022 and annually thereafter

This incentive mechanism results in a modest reduction or increase in the coupon rate depending on performance against these targets.

Liquidity

At 30 June 2022 the Group had gross outstanding borrowings (including lease liabilities and bank overdrafts) of £269.5 million (H1 2021: £208.8 million), cash balances of £86.7 million (H1 2021: £61.1 million) and committed but undrawn facilities of £140.5 million (H1 2021: £153.1 million). This provides immediately available liquidity of £203.8 million (H1 2021: £214.2 million). The Group also has potential access to the uncommitted £70.0 million accordion facility.

Net debt at the period end was £182.0 million (H1 2021: £146.8 million). Adjusted net debt, which excludes lease liabilities of £56.9 million and unamortised finance arrangement fees of £0.6 million, increased to £125.7 million (H1 2021: £95.9 million), reflecting the significant increase in working capital and adverse foreign exchange movements.

Covenant performance

At 30 June 2022	Test	Performance (1)	Headroom (2)	Headroom (2)
Leverage	< 3.0x	**1.1x**	£65.9m	62.7%
Interest Cover	> 4.0x	**19.3x**	£89.0m	84.7%

(1) Calculated covenant performance consistent with the Group's banking covenant test (banking covenants exclude impact of IFRS 16).

(2) The approximate amount by which adjusted EBITDA would need to decline before the relevant covenant is breached. See APMs on pages 39 to 42.

At the half year, the Group retained significant headroom on its banking covenants. Leverage at the period end was 1.1x (H1 2021: 0.9x), reflecting the increase in net debt. Interest cover at the period end was 19.3x (H1 2021: 15.8x), largely reflecting the lower interest expense.

Balance sheet – assets and liabilities

Working capital

£m	FY 2021	Mvt	FX	H1 2022
Inventories	137.8	20.9	11.2	**169.9**
Trade receivables	69.9	18.2	5.4	**93.5**
Trade payables	(78.4)	(8.8)	(5.9)	**(93.1)**
Trade working capital	129.3	30.3	10.7	**170.3**

Trade working capital at the half year, net of provisions, was £170.3 million (H1 2021: £118.8 million; FY 2021: £129.3 million). The trade working capital build to the half year at average exchange rates was £30.3 million (H1 2021: £28.4 million).

The inventory build at average exchange rates was £20.9 million (H1 2021: £27.9 million). Inventory levels remain elevated in order to meet demand, protect against supply chain disruption and de-risk key material availability. The inventory build was also magnified by the impact of material cost inflation. Trade receivables and trade payables increased in the period due to the increased trading activity and the effect of pricing and inflation.

Trade working capital increased by a further £10.7 million due to foreign exchange movements.

Capital expenditure

Gross capital expenditure increased to £11.1 million (H1 2021: £7.0 million) or 1.7x depreciation (H1 2021: 1.1x), reflecting remaining catch up of expenditure deferred from 2021, and investment in new product development, operational excellence, and systems upgrades. Capital expenditure for the full year is expected to be at the lower end of the range guided at the year end of £25 - £30 million.

Balance sheet - equity

Shares in issue

At 30 June 2022, the total number of shares in issue was 196.8 million (H1 2021: 196.8 million) of which 0.5 million shares were held in treasury (H1 2021: 0.5 million).

Employee Benefit Trust purchases

At 30 June 2022, the EBT held 2.6 million shares (H1 2021: 0.8 million). During the period, the EBT purchased 2.0 million shares in Tyman plc at a total cost of £6.6 million (H1 2021: 0.1 million shares at a total cost of £0.3 million).

Other financial matters

Return on capital employed

ROCE decreased by 150 bps to 13.9% (H1 2021: 15.5%) as a result of the slightly lower adjusted operating profit, significantly 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 2022, Sterling was weaker against the US dollar and slightly stronger against the Euro when compared with the average exchange rates in H1 2022.

Translational exposure

Currency	US$	Euro	Other	Total
% mvt in average rate	-6.4%	3.1%		
£m Revenue impact (1)	14.4	(1.6)	0.2	13.0
£m Profit impact (1)(2)	1.8	(0.3)	-	1.5
1c decrease impact (3)	£209k	£75k		

(1) Calculated based on H1 2022 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 £13.0 million and £1.5 million respectively compared with H1 2021.

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/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 gain on foreign exchange derivatives in H1 2022 is £0.7 million (H1 2021: minimal). 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 2021. As part of this review, the Board has considered the impact of the increasingly uncertain macro-economic environment and the impact of changing geo-political circumstances, including the impact of the war in Ukraine.

Jason Ashton
Chief Financial Officer

Tyman plc

Condensed consolidated income statement

	Note	**Six months ended 30 June 2022 (unaudited) £m**	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Revenue	3	**360.0**	312.5	635.7
Cost of sales		**(243.6)**	(203.5)	(424.0)
Gross profit		**116.4**	109.0	211.7
Administrative expenses		**(75.6)**	(70.0)	(138.6)
Operating profit		**40.8**	39.0	73.1
Analysed as:				
Adjusted[1] operating profit	3	**49.3**	47.8	90.0
Exceptional items	4	**-**	0.1	0.6
Amortisation of acquired intangible assets	9	**(8.5)**	(8.9)	(17.5)
Operating profit		**40.8**	39.0	73.1
Finance income	5	**0.9**	-	-
Finance costs	5	**(4.3)**	(4.7)	(9.1)
Net finance costs	5	**(3.4)**	(4.7)	(9.1)
Profit before taxation		**37.4**	34.3	64.0
Income tax charge	6	**(9.0)**	(8.0)	(14.4)
Profit for the period attributable to shareholders of the Company		**28.4**	26.3	49.6
Basic earnings per share	7	**14.6p**	13.5p	25.4p
Diluted earnings per share	7	**14.5p**	13.4p	25.3p
Non-GAAP alternative performance measures[1]				
Adjusted[1] operating profit		**49.3**	47.8	90.0
Adjusted[1] profit before taxation		**45.4**	43.4	81.5
Basic Adjusted[2] earnings per share	7	**17.6p**	17.1p	32.1p
Diluted Adjusted[2] earnings per share	7	**17.6p**	17.0p	32.0p

(1) Before amortisation of acquired intangible assets, impairment of goodwill and acquired intangible assets, and exceptional items. See definitions on page 39 for non-GAAP alternative performance measures.

(2) Before amortisation of acquired intangible assets, impairment of goodwill and acquired intangible assets, exceptional items, gains and losses on the fair value of derivative financial instruments, amortisation of borrowing costs, and the associated tax effect. See definitions on page 39 for non-GAAP alternative performance measures.

Tyman plc

Condensed consolidated statement of comprehensive income

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Profit for the period	**28.4**	26.3	49.6
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	**0.1**	1.5	1.6
Total items that will not be reclassified to profit or loss	**0.1**	1.5	1.6
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	**41.8**	(5.1)	2.4
Total items that may be reclassified to profit or loss	**41.8**	(5.1)	2.4
Other comprehensive income/(expense) for the period	**41.9**	(3.6)	4.0
Total comprehensive income for the period attributable to shareholders of the Company	**70.3**	22.7	53.6

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	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 January 2021 (audited)	9.8	(3.4)	46.8	389.9	443.1
Total comprehensive (expense)/income	-	-	(5.1)	27.8	22.7
Profit for the period	-	-	-	26.3	26.3
Other comprehensive (expense)/income	-	-	(5.1)	1.5	(3.6)
Transactions with owners	-	0.7	-	(8.2)	(7.5)
Share-based payments(1)	-	-	-	0.6	0.6
Dividends paid	-	-	-	(7.8)	(7.8)
Issue of own shares from EBT	-	1.0	-	(1.0)	-
Purchase of own shares for EBT	-	(0.3)	-	-	(0.3)
At 30 June 2021 (unaudited)	9.8	(2.7)	41.7	409.5	458.3
Total comprehensive income	-	-	7.5	23.4	30.9
Profit for the period	-	-	-	23.3	23.3
Other comprehensive income	-	-	7.5	0.1	7.6
Transactions with owners	-	0.1	-	(6.9)	(6.8)
Share-based payments(1)	-	-	-	1.0	1.0
Dividends paid	-	-	-	(7.8)	(7.8)
Issue of own shares from EBT	-	0.1	-	(0.1)	-
At 31 December 2021 (audited)	9.8	(2.6)	49.2	426.0	482.4
Total comprehensive income	-	-	41.8	28.5	70.3
Profit for the period	-	-	-	28.4	28.4
Other comprehensive income	-	-	41.8	0.1	41.9
Transactions with owners	-	(6.1)	-	(16.7)	(22.8)
Share-based payments(1)	-	-	-	1.0	1.0
Dividends paid	-	-	-	(17.2)	(17.2)
Issue of own shares from EBT	-	0.5	-	(0.5)	-
Purchase of own shares for EBT	-	(6.6)	-	-	(6.6)
At 30 June 2022 (unaudited)	**9.8**	**(8.7)**	**91.0**	**437.8**	**529.9**

(1) Share-based payments include a tax debit of £Nil (six months ended 30 June 2021: £Nil; year ended 31 December 2021: tax credit of £0.3 million)

Tyman plc

Condensed consolidated balance sheet

	Note	**30 June 2022 (unaudited) £m**	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
TOTAL ASSETS				
Non-current assets				
Goodwill	8	**397.8**	357.2	363.3
Intangible assets	9	**64.7**	74.5	66.8
Property, plant and equipment	10	**71.3**	58.4	63.5
Right of use assets		**53.2**	49.8	52.0
Financial assets at fair value through profit or loss	14	**1.2**	1.1	1.1
Derivative financial instruments	14	**0.3**	-	-
Deferred tax assets		**13.0**	15.8	12.6
		601.5	556.8	559.3
Current assets				
Inventories		**169.9**	110.6	137.8
Trade and other receivables		**107.7**	83.8	81.0
Cash and cash equivalents	15	**86.7**	61.1	58.1
		364.3	255.5	276.9
TOTAL ASSETS		**965.8**	812.3	836.2
LIABILITIES				
Current liabilities				
Trade and other payables		**(130.3)**	(98.4)	(112.8)
Derivative financial instruments	14	**-**	(0.2)	(0.3)
Borrowings	11	**(23.4)**	(39.8)	(0.1)
Lease liabilities		**(6.4)**	(5.0)	(6.0)
Current tax liabilities		**(6.9)**	(7.7)	(6.0)
Provisions		**(1.2)**	(1.4)	(1.4)
		(168.2)	(152.5)	(126.6)
Non-current liabilities				
Borrowings	11	**(188.4)**	(116.3)	(149.0)
Lease liabilities		**(50.5)**	(46.8)	(48.8)
Deferred tax liabilities		**(19.7)**	(24.4)	(20.5)
Retirement benefit obligations		**(4.1)**	(6.3)	(4.0)
Provisions		**(4.8)**	(7.2)	(4.8)
Other payables		**(0.2)**	(0.5)	(0.1)
		(267.7)	(201.5)	(227.2)
TOTAL LIABILITIES		**(435.9)**	(354.0)	(353.8)
NET ASSETS		**529.9**	458.3	482.4
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital	12	**9.8**	9.8	9.8
Treasury reserve		**(8.7)**	(2.7)	(2.6)
Translation reserve		**91.0**	41.7	49.2
Retained earnings		**437.8**	409.5	426.0
TOTAL EQUITY		**529.9**	458.3	482.4

Tyman plc

Condensed consolidated cash flow statement

	Note	**Six months ended 30 June 2022 (unaudited) £m**	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Cash flow from operating activities				
Profit before taxation	3	**37.4**	34.3	64.0
Adjustments	15	**22.7**	24.3	47.4
Changes in working capital:				
Inventories		**(20.9)**	(27.9)	(54.0)
Trade and other receivables		**(20.4)**	(12.5)	(9.1)
Trade and other payables		**9.0**	15.5	29.2
Pension contributions		**(0.1)**	(0.4)	(2.8)
Income tax paid		**(10.0)**	(9.2)	(17.7)
Net cash from operating activities		**17.7**	24.1	57.0
Cash flow from investing activities				
Purchases of property, plant and equipment	10	**(9.0)**	(5.5)	(16.1)
Purchases of intangible assets	9	**(2.1)**	(1.5)	(4.5)
Proceeds on disposal of PPE		**-**	0.7	0.8
Interest received		**0.1**	-	-
Net cash used in investing activities		**(11.0)**	(6.3)	(19.8)
Cash flow from financing activities				
Interest paid		**(3.4)**	(4.4)	(8.8)
Dividends paid		**(17.2)**	(7.8)	(15.6)
Purchase of own shares for EBT		**(6.6)**	(0.3)	(0.3)
Refinancing costs paid		**(0.2)**	-	-
Proceeds from drawdown of borrowings		**82.3**	-	40.0
Repayments of borrowings		**(56.3)**	(9.2)	(57.8)
Principal element of lease payments		**(3.3)**	(3.2)	(6.2)
Net cash used in financing activities		**(4.7)**	(24.9)	(48.7)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts		**2.0**	(7.1)	(11.5)
Exchange gains/(losses) on cash		**3.2**	(1.5)	(0.1)
Cash and cash equivalents at start of period		**58.1**	69.7	69.7
Cash and cash equivalents and bank overdrafts at the end of period	15	**63.3**	61.1	58.1

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 regional divisions. Headquartered in London, the Group employs approximately 4,300 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 25 July 2022 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 2021 were approved by the Board of Directors on 3 March 2022 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 2021 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 2022 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 2021, which has been prepared in accordance with UK-adopted international accounting standards and with the requirements of 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 on 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 IASB but are not yet effective are expected to have a material impact on the Group.

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 and principal risks and uncertainties on page 18.

As at 30 June 2022, the Group had net cash and cash equivalents of £63.3 million and an undrawn RCF available of £140.5 million, giving liquidity headroom of £203.8 million. The Group also has potential access to an uncommitted accordion facility of £70 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 2022. The Group has £65.9 million of EBITDA headroom on the leverage covenant (62.7%) and £89.0 million on the interest cover covenant (84.7%).

The Group has modelled covenant compliance and liquidity headroom based on the latest forecast for the remainder of 2022 and 2023 and would retain significant headroom throughout the period to 31 December 2023.

Having considered the financial performance and position for the period ended 30 June 2022, current trading, the latest forecast financial information and our main business risks as disclosed on pages 3 to 5, 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 2021.

3. Segment reporting

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 and Ireland hardware business, together with Access 360. International comprises the Group's remaining businesses outside the US, Canada, Mexico and the UK (although includes the two UK seal manufacturing plants). 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.

Each reporting segment broadly represents the Group's geographical focus, being the North American, UK and International operations respectively. 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 Group revenue and profit information for the Group's reporting segments, which have been generated using the Group accounting policies, with no differences of measurement applied, other than those noted above.

3.1 Revenue

	Six months ended 30 June 2022 (unaudited) £'m			Six months ended 30 June 2021 (unaudited) £'m		
	Segment revenue	**Inter-segment revenue**	**External revenue**	Segment revenue	Inter-segment revenue	External revenue
North America	**230.8**	**(1.3)**	**229.5**	192.7	(1.1)	191.6
UK & Ireland	**53.8**	**(0.1)**	**53.7**	54.5	(0.2)	54.3
International	**78.2**	**(1.4)**	**76.8**	68.2	(1.6)	66.6
Total revenue	**362.8**	**(2.8)**	**360.0**	315.4	(2.9)	312.5

	Year ended 31 December 2021 (audited) £'m		
	Segment revenue	Inter-segment revenue	External revenue
North America	400.5	(2.8)	397.7
UK & Ireland	106.2	(0.4)	105.8
International	135.2	(3.0)	132.2
Total revenue	641.9	(6.2)	635.7

Included within the International segment is revenue attributable to the UK of £13.2 million (six months ended 30 June 2021: £11.2 million; year ended 31 December 2021: £22.3 million).

3.2 Profit before taxation

	Note	**Six months ended 30 June 2022 (unaudited) £m**	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
North America		**32.6**	34.0	65.1
UK & Ireland		**7.7**	7.8	14.8
International		**14.0**	10.5	19.5
Operating segment result		**54.3**	52.3	99.4
Centrally incurred costs		**(5.0)**	(4.5)	(9.4)
Adjusted operating profit		**49.3**	47.8	90.0
Exceptional items	4	**-**	0.1	0.6
Amortisation of acquired intangible assets	9	**(8.5)**	(8.9)	(17.5)
Operating profit		**40.8**	39.0	73.1
Net finance costs	5	**(3.4)**	(4.7)	(9.1)
Profit before taxation		**37.4**	34.3	64.0

4. Exceptional items

	Six months ended 30 June 2022 (unaudited) £'m	Six months ended 30 June 2021 (unaudited) £'m	Year ended 31 December 2021 (audited) £'m
Footprint restructuring - credits	**-**	0.1	0.3
M&A and integration	**-**	-	0.6
Impairment charge	**-**	-	(1.9)
Impairment credits	**-**	-	1.6
Impairment - net	**-**	-	(0.3)
	-	0.1	0.6

There are no exceptional items in the six months ended 30 June 2022.

Footprint restructuring

The footprint restructuring credit in 2021 relates to release of an excess provision made in previous years related to the streamlining of the International footprint. The classification as exceptional is consistent with the original charge.

M&A and integration

M&A and integration credits recognised in the year ended 31 December 2021 related to the release of provisions made as part of the business combination accounting for previous acquisitions, which are no longer required.

Impairment

The impairment charge in the year ended 31 December 2021 related to impairment of certain of the Group's intangible assets following the decision to commence a multi-year ERP upgrade. The impairment credit related to the release of a portion of provisions made in 2019 against inventory and other assets associated with the new door seals product in North America, which is no longer required.

5. Finance income and costs

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Finance income			
Interest income from short term deposits	**0.2**	-	-
Gain on revaluation of derivative instruments	**0.7**	-	-
	0.9	-	-
Finance costs			
Interest payable on bank loans, private placement notes and overdrafts	**(2.9)**	(3.1)	(5.9)
Interest on lease liabilities	**(1.2)**	(1.2)	(2.5)
Amortisation of borrowing costs	**(0.2)**	(0.3)	(0.5)
Pension interest cost	**-**	(0.1)	(0.1)
Loss on revaluation of derivative instruments	**-**	-	(0.1)
	(4.3)	(4.7)	(9.1)
Net finance costs	**(3.4)**	(4.7)	(9.1)

6. Taxation

The Group reported an income tax charge to the income statement of £9.0 million (H1 2021: £8.0 million), comprising a current tax charge of £11.0 million (H1 2021: £10.3 million) and a deferred tax credit of £2.0 million (H1 2021: credit of £2.3 million).

The tax charge has been calculated using an effective tax rate of 24.1% (H1 2021: 23.3%) based on tax rates substantively enacted at 30 June 2022. The adjusted effective tax rate was 24.4% (H1 2021: 23.3%). This is the Group's current best estimate of the effective tax rate for the 2022 full year.

Deferred tax balances have been calculated at the substantively enacted rates they are expected to unwind at in their respective territories. In the UK, legislation to increase the standard rate of corporation tax to 25% from 1 April 2023 was substantively enacted in the Finance Act 2021 on 10 June 2021, and consequently deferred tax reflects this.

Income tax recognised in the statement of other comprehensive income was £Nil. The tax credit of £0.6 million in H1 2022 related to an actuarial gain on the defined benefit pension plan.

During the period, the Group paid corporation tax of £10.0 million (H1 2021: £9.2 million). The increase is a result of the timing on payments on account.

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Current taxation			
Current tax on profit for the period	**(11.2)**	(10.3)	(18.8)
Prior year adjustments	**0.2**	-	1.5
Total current taxation	**(11.0)**	(10.3)	(17.3)
Deferred taxation			
Origination and reversal of temporary differences	**1.9**	2.4	2.2
Tax rate change adjustment	**-**	(0.1)	0.4
Prior year adjustments	**0.1**	-	0.3
Total deferred taxation	**2.0**	2.3	2.9
Income tax charge in the income statement	**(9.0)**	(8.0)	(14.4)
Income tax charge in the statement of other comprehensive income	**-**	(0.6)	(0.3)
Total current taxation	**(11.0)**	(10.3)	(17.2)
Total deferred taxation	**2.0**	2.3	2.5
Total taxation	**(9.0)**	(8.6)	(14.7)

7. Earnings per share

7.1 Basic and diluted earnings per share

	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)	Year ended 31 December 2021 (audited)
Profit for the period (£'m)	**28.4**	26.3	49.6
Basic earnings per share	**14.6p**	13.5p	25.4p
Diluted earnings per share	**14.5p**	13.4p	25.3p

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.

7.2 Weighted average number of shares

	Six months ended 30 June 2022 (unaudited) m	Six months ended 30 June 2021 (unaudited) m	Year ended 31 December 2021 (audited) m
Weighted average number of shares (1)	**196.8**	196.8	196.8
Treasury and Employee Benefit Trust shares	**(2.2)**	(1.5)	(1.4)
Weighted average number of shares - basic	**194.6**	195.3	195.4
Effect of dilutive potential ordinary shares (2)	**0.7**	0.7	0.7
Weighted average number of shares - diluted	**195.3**	196.0	196.1

(1) Including treasury shares
(2) LTIP awards and options

7.3 Non-GAAP alternative performance measure: Adjusted earnings per share

The Group presents an adjusted earnings per share measure which excludes the impact of exceptional items, certain non-cash finance costs, amortisation of acquired intangible assets and certain non-recurring items. Adjusted earnings per share has been calculated using the adjusted profit after taxation and using the same weighted average number of shares in issue as the earnings per share calculation. See reconciliation below.

	Six months ended 30 June 2022 (unaudited) £m	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Profit before taxation	**37.4**	34.3	64.0
Exceptional items	**-**	(0.1)	(0.6)
(Gain)/loss on revaluation of fair value hedge	**(0.7)**	-	0.1
Amortisation of borrowing costs	**0.2**	0.3	0.5
Amortisation of acquired intangible assets	**8.5**	8.9	17.5
Adjusted profit before taxation	**45.4**	43.4	81.5
Income tax charge	**(9.0)**	(8.0)	(14.4)
Add back: Adjusted tax effect(1)	**(2.1)**	(2.1)	(4.4)
Adjusted profit after taxation	**34.3**	33.3	62.7

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

	Six months ended 30 June 2022 (unaudited)	Six months ended 30 June 2021 (unaudited)	Year ended 31 December 2021 (audited)
Basic adjusted earnings per share	**17.6p**	17.1p	32.1p
Diluted adjusted earnings per share	**17.6p**	17.0p	32.0p

8. Goodwill

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Net book amount at the beginning of the period	**363.3**	361.9	361.9
Exchange difference	**34.5**	(4.7)	1.4
Net book amount at the end of the period	**397.8**	357.2	363.3

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

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
North America	**301.9**	261.9	268.5
UK & Ireland	**60.2**	60.2	60.2
International	**35.7**	35.1	34.6
Net book amount at the end of the period	**397.8**	357.2	363.3

Impairment assessment

Intangible assets are tested annually for impairment or whenever events or circumstances indicate that the carrying amount may not be recoverable. The Directors have considered whether there are any impairment indicators at 30 June 2022. As a result of the current macro-economic environment, and in line with peers in the building products sector, the Group's market capitalisation has fallen significantly during the period. As this is one of the factors considered to be an impairment indicator under IAS 36, a full impairment review using a value in use calculation was performed at 30 June 2022.

The methodology used was in line with that described in the Group's 2021 Annual Report and Accounts, with cash flows reflecting the latest forecasts, and sensitivity analysis performed on key assumptions. Although the value in use for each CGU is lower than at 31 December 2021, primarily as a result of higher discount rates applied, this remains significantly higher than the carrying value of each CGU, and there were no reasonably possible changes in assumptions that would give rise to impairment. Therefore, no impairment charges were necessary in the period.

9. Intangible assets

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Net book amount at the beginning of the period	**66.8**	84.1	84.1
Additions	**2.1**	1.5	4.5
Amortisation charge for the period	**(9.2)**	(9.5)	(18.8)
Impairment charge	**-**	-	(1.9)
Exchange difference	**5.0**	(1.6)	(1.1)
Net book amount at the end of the period	**64.7**	74.5	66.8

The amortisation charge for the period includes £8.5 million relating to amortisation of acquired intangible assets (six months ended 30 June 2021: £8.9 million; year ended 31 December 2021: £17.5 million) and £0.7 million relating to amortisation of other intangible assets (six months ended 30 June 2021: £0.6 million; year ended 31 December 2021: £1.3 million). The amortisation charge for the period is included in administrative expenses in the income statement.

10. Property, plant and equipment

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Net book amount at the beginning of the period	**63.5**	60.7	60.7
Additions	**9.0**	5.5	16.0
Disposals	**-**	(0.9)	(0.9)
Depreciation charge for the period	**(5.9)**	(5.7)	(11.5)
Impairment charge for the period	**-**	(0.2)	(0.2)
Exchange difference	**4.7**	(1.0)	(0.6)
Net book amount at the end of the period	**71.3**	58.4	63.5

The depreciation charge for the period is included in administrative expenses in the income statement.

11. Interest-bearing loans and borrowings

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Current	**(23.4)**	(39.8)	(0.1)
Non-current	**(188.4)**	(116.3)	(149.0)
	(211.8)	(156.1)	(149.1)

Current borrowings include the bank overdraft. See reconciliation in note 15.

Movements in interest-bearing loans and borrowings (excluding lease liabilities) are analysed as follows:

	Note	**30 June 2022 (unaudited) £m**	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Balance at the beginning of the period		**(149.1)**	(169.1)	(169.1)
Refinancing costs paid		**0.2**	-	-
Drawdown of borrowings		**(82.3)**	-	(40.0)
Repayments of borrowings		**56.3**	9.2	57.8
Amortisation of borrowing costs		**(0.2)**	(0.3)	(0.5)
Overdraft facility		**(23.4)**	-	-
Exchange difference		**(13.3)**	4.1	2.7
Balance at the end of the period		**(211.8)**	(156.1)	(149.1)

In April 2022, the Group issued $75 million of sustainability-linked US Private Placement notes. US$40 million of the notes have a maturity of 7 years and a base coupon rate of 3.51%, and US$35m have a maturity of 10 years and a base coupon rate of 3.62%. The notes incorporate three sustainability performance targets, which would result in a modest reduction or increase in the coupon rate depending on performance against these targets.

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 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Floating rate			
Expiry beyond 12 months	**(140.5)**	(155.5)	(123.6)

The Group also has access to the uncommitted £70.0 million accordion facility and at 30 June 2022 held aggregate cash balances of £63.3 million (30 June 2021: £61.1 million; 31 December 2021: £58.1 million).

12. Share capital

	Number of shares '000	**Ordinary shares £m**
At 30 June 2021, 31 December 2021 and 30 June 2022	**196.8**	**9.8**

13. Dividends

	30 June 2022 (unaudited) £'m	30 June 2021 (unaudited) £'m	31 December 2021 (audited) £'m
Amounts recognised as distributions to owners in the period:			
Final dividend for the year ended 31 December 2021 of 8.9p (2020: 4.0p)	**17.2**	7.8	7.8
Interim dividend for the year ended 31 December 2021 of 4.0p	**-**	-	7.8
Total amounts recognised as distributions to owners in the period	**17.2**	7.8	15.6
Amounts not recognised in the financial statements:			
Final dividend proposed for the year ended 31 December 2021 of 8.9p	-	-	17.4
Interim dividend proposed for the year ended 31 December 2022 of 4.2p (2021: 4.0p)	**8.1**	7.8	**-**

14. Financial risk management and financial instruments

14.1 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 2021.

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, with the exception of the new USPP notes issued as described in note 11; or
- difference between book value and fair value of any financial instruments.

During the period, the Group entered into a fixed-to-fixed cross-currency principal and interest rate swap. US$10 million of the proceeds from the USPP notes was swapped for €5 million and £3.7 million in order to provide funding to the Group's European and UK operations. This swap has been designated in a cash flow hedge relationship with US$10 million of the USPP debt to eliminate foreign exchange volatility. The principal and interest cash flows on the USD receive leg of the swap perfectly match payments on the designated amount of the USPP debt. The value of this swap at the balance sheet date was negligible.

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.

14.2 Level 2 and level 3 fair values

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

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Level 2			
Derivative financial assets	**0.3**	-	-
Derivative financial liabilities	**-**	(0.2)	(0.3)
Level 3			
Financial assets at fair value through profit or loss	**1.2**	1.1	1.1

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

The fair values of borrowings are as follows:

	30 June 2022 (unaudited) £m	30 June 2021 (unaudited) £m	31 December 2021 (audited) £m
Current	**(6.4)**	(44.8)	(6.1)
Non-current	**(187.7)**	(111.1)	(197.8)
	(194.1)	(155.9)	(203.9)

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

15. 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 2022 (unaudited) £m**	Six months ended 30 June 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Net finance costs	5	**3.4**	4.7	9.1
Depreciation of PPE	10	**5.9**	5.7	11.5
Depreciation of right of use assets		**3.7**	3.5	7.0
Amortisation of intangible assets	9	**9.2**	9.5	18.8
Impairment of intangible assets	9	**-**	-	1.9
Impairment of PPE	10	**-**	0.2	0.2
Loss on disposal of PPE		**-**	0.1	0.2
Pension service costs and expected administration costs		**0.1**	0.2	0.1
Non-cash provision movements		**(0.3)**	(0.2)	(2.4)
Share-based payments		**0.7**	0.6	1.0
		22.7	24.3	47.4

15.1 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 2021 (unaudited) £m	Year ended 31 December 2021 (audited) £m
Cash at bank and on deposit	**86.7**	61.1	58.1
Bank overdrafts	**(23.4)**	-	-
Cash and cash equivalents and bank overdrafts at the end of the period	**63.3**	61.1	58.1

16. Capital commitments

At 30 June 2022, the Group has capital commitments of £0.8 million for the purchase of property, plant and equipment and intangible assets (30 June 2021: £8.1 million; 31 December 2021: £1.7 million).

17. 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 2022.

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 2021.

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

By order of the Board

Jo Hallas
Chief Executive Officer

Jason Ashton
Chief Financial Officer

25 July 2022

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 2022 which comprises the condensed consolidated balance sheet as at 30 June 2022 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 related notes 1 to 17.

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 2022 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. 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 will be 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 this ISRE (UK), however future events or conditions may cause the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the Group a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions 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 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. 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
25 July 2022

ALTERNATIVE PERFORMANCE MEASURES

The Group uses a number of Alternative Performance Measures (APMs). APMs provide additional useful information to shareholders on the underlying performance of the business. These APMs are consistent with how business performance is measured internally by the Group, align with the Group's strategy, and remuneration policies. These measures are not recognised under IFRS and may not be comparable with similar measures used by other companies. APMs are not intended to be superior to or a substitute for GAAP measures.

The following table summarises the key APMs used, why they are used by the Group, and how they are calculated. Where appropriate, a reconciliation to the nearest GAAP number is presented. Details of other APMs are included on the Group's website.

Adjusted operating profit and adjusted operating margin

Definition

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

Exceptional items are excluded from this measure as they are largely one off and non-trading in nature and therefore drawing these out aids the understanding of performance.

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 19.

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 2022 (unaudited) £'m	Six months ended 30 June 2021 (unaudited) £'m
Reported revenue	**360.0**	312.5
Effect of exchange rates	**-**	12.1
Like-for-like revenue	**360.0**	324.6
Adjusted operating profit	**49.3**	47.8
Effect of exchange rates	**-**	2.0
Like-for-like adjusted operating profit	**49.3**	49.8

Adjusted profit before and after tax

Definition

Profit before amortisation of acquired intangible assets, impairment of goodwill and acquired intangible assets, exceptional items, gains and losses on the fair value of derivative financial instruments, amortisation of borrowing costs, and the associated tax effects.

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.

Reconciliation/calculation

An adjusted profit after tax reconciliation and the number of shares can be found in note 7.

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.

Reconciliation/calculation

An adjusted profit after tax reconciliation and the number of shares can be found in note 7.

Leverage

Definition

Adjusted net debt translated at the average exchange rate for the year divided by 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 2022 (unaudited) £'m	30 June 2021 (unaudited) £'m
Adjusted net debt (at average exchange rate)	**117.5**	99.4
LTM adjusted EBITDA	**105.0**	110.4
Leverage	**1.1x**	0.9x

Net debt and adjusted net debt

Definition

Net debt

Interest-bearing loans and borrowings, including lease liabilities, net of cash and cash equivalents.

Adjusted net debt

Net debt excluding lease liabilities and unamortised borrowing costs.

Purpose

This gives a measure of the gross amount owed to lenders, without the effect of unamortised borrowing costs and lease liabilities.

Reconciliation/calculation

	Six months ended 30 June 2022 (unaudited) £'m	Six months ended 30 June 2021 (unaudited) £'m
Borrowings	**(268.7)**	(207.9)
Cash	**86.7**	61.1
Net debt	**(182.0)**	(146.8)
Lease liabilities	**56.9**	51.8
Unamortised borrowing costs	**(0.6)**	(0.9)
Adjusted net debt	**(125.7)**	(95.9)

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.

Reconciliation/calculation

	12 months ended 30 June 2022 (unaudited) £'m	12 months ended 30 June 2021 (unaudited) £'m
LTM adjusted operating profit	**91.5**	96.8
Last thirteen-month average capital employed	**656.2**	624.8
ROCE	**13.9%**	15.5%

Operating cash conversion and operational cash flow

Definition

Operational cash flow

Net cash generated from operations before income tax paid, exceptional costs cash settled in the year and 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 operational cash flow

Operational cash flow, less lease payments.

Operating cash conversion

Operational 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 14.

DEFINITIONS AND GLOSSARY OF TERMS

Access 360	The Access Solutions business of ERA, constituting Bilco UK, Profab and Howe Green
APM	Alternative Performance Measure
bps	Basis points
CDP	Carbon Disclosure Project
CGU	Cash Generating Unit
CIPS	Chartered Institute of Purchasing and Supply
CPA	Construction Products Association
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EBT	Employee Benefit Trust
EPS	Earnings per Share
ERP	Enterprise Resource Planning
GCC	The Cooperation Council for the Arab States of the Gulf
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IHS Markit	Investment research firm that provides stock index information
Interim Financial Statements	The condensed consolidated interim financial statements of Tyman plc for the six months ended 30 June 2022
Interim Report	The interim report of Tyman plc for the six months ended 30 June 2022
IoT	Internet of Things
LFL	Like For Like
LIRA	Leading Indicator of Replacement Activity
LTIFR	Lost time incident frequency rate
LTM	Last twelve months
M&A	Mergers and acquisitions
MSCI	Morgan Stanley Capital International
NAHB	The National Association of Home Builders
NPD	New product development
PMI	Purchasing Managers’ Index
PPE	Property, plant and equipment
RCF	Revolving credit facility
RMI	Renovation, maintenance and improvement
SKU	Stock keeping unit
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 2022**	H1 2021	FY 2021
US Dollars	**1.2147**	1.3836	1.3512
Euros	**1.1624**	1.1648	1.1912
Australian Dollars	**1.7625**	1.8431	1.8607
Canadian Dollars	**1.5660**	1.7151	1.7159
Brazilian Real	**6.3258**	6.8786	7.5285

Average Rates:	**H1 2022**	H1 2021	FY 2021
US Dollars	**1.2992**	1.3882	1.3757
Euros	**1.1877**	1.1520	1.1631
Australian Dollars	**1.8059**	1.8003	1.8321
Canadian Dollars	**1.6516**	1.7313	1.7244
Brazilian Real	**6.5993**	7.4790	7.4216

ROUNDINGS

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