

15 May 2024

LEI: 213800ZHXS8G27RM1D97

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

### **Titon Holdings Plc**

#### **Unaudited Interim Results for the six months to 31 March 2024**

Titon Holdings Plc (“Titon”, the “Group” or the “Company”), a leading international manufacturer and supplier of ventilation systems and window and door hardware, today announces its unaudited interim results for the six months ended 31 March 2024 (“H1 2024”).

#### **Commenting on the interim results, newly appointed Chief Executive, Tom Carpenter said:**

“The trading performance of the Group over the six-month period to 31 March 2024 has been impacted by the contraction in the new build residential market. Nevertheless, during this period we have seen an increase in project wins within our higher margin ventilation systems business and growth in our order book.

The results of our last six months notwithstanding, I am delighted and excited to join Titon. While there is further work to do to make Titon the success we all want, I do believe that the recent investment in robust processes and a revitalised and committed management team will be beneficial for the Group and shareholders.

We have maintained our cash levels through focused cost and working capital management and continue to enjoy a strong balance sheet with no debt. That said, we have made the decision to pause paying dividends, while we allow the business to focus its resources on our strategic imperatives in order to return the Group to growth.

Looking to my immediate goals for the business, I am currently developing a revised strategy with the Senior Leadership Team and Board which will prioritise making Titon a more outwardly facing business, revising our go-to-market methodologies to return window and door hardware to growth, further building on the progress made in our ventilation systems business, increasing margins and improving the customer experience.”

#### **Financial results**

- Group net revenue declined by 24.6% to £9.1m (2023: £12.1m) largely driven by the weaker housing market and a prior year comparative which included the clearing of a backlog of orders caused by the implementation of our new ERP system.
- EBITDA loss of £0.25m (2023: profit of £0.1m).
- Loss before tax of £0.7m after depreciation and amortisation charges of £0.5m (2023: £0.6m) and exceptional costs of £0.1m (2023: £nil) relating to a restructure as part of a cost saving initiative.
- Cash balance of £2.2m at the end of the period (30 September 2023: £2.2m; 31 March 2023: £1.6m) maintained following careful management of the cost base and working capital.
- The Group had no financial indebtedness at 31 March 2024, other than lease liabilities.

#### **Operational review**

- Sales in UK and Europe decreased by 28.6% the same period last year.
  - Trading heavily impacted by the slowdown in construction of new build residential, the Group’s principal market. Prior year comparative also included clearing a backlog of orders.
- Sales in Titon Korea, our 51% owned subsidiary, fell by 13.8% reflecting the continuing difficult trading conditions and market dynamics in South Korea but achieved a slightly better loss due to a reduction in overheads.
  - Market conditions in South Korea remain challenging and we are working with our partners in Korea to streamline the corporate structure and operations of the Korean business.
- Sales in our US business remain a very small portion of the Group’s overall sales, but pleasingly increased by 65.2% against the same period last year to £461,000 (2023: £279,000). Titon Inc. made a pre-tax profit in the period.
- Good progress made against 2024 key business imperatives including:
  - Continued inventory reduction which is contributing positively to working capital.
  - Renewed external sales team.
  - New Customer Relationship Management system implemented.

- New product development is continuing with a number of new mechanical and hardware product launches planned, targeting specific applications and market opportunities.

### **Current trading and outlook**

- The Board remains committed to developing and executing its strategy to turn around performance and continues to focus on managing the cost base and improving efficiency.
- The challenging conditions in the Group's core markets have continued and the Construction Products Association predicts a fall private housing output by 5.0% this year after double-digit declines in 2023, followed by a forecasted rise of 5.0% in 2025. Private housing repair, maintenance and improvement is also set to drop by 4.0% in 2024 before rising by 3.0% in 2025.
- The Group is continuing to focus on driving its new business pipeline. Whilst it is seeing extended lead-times between project wins and placement of orders, the Board is encouraged by the increasing project funnel, together with specification and design wins.
- The sales pipeline and orderbook for mechanical ventilation has grown significantly in the past six months and we are hopeful that this will translate into improving sales in H2 FY24. As a result, the Board continues to anticipate a return to profitability in H2 FY24 in the core UK based business.
- The Group has a strong balance sheet, a committed workforce, a strengthened leadership team and a solid range of products which gives the Board confidence in Titon's prospects for future value creation.

For the purposes of UK MAR and Article 2 of the binding technical standards published by the Financial Conduct Authority in relation to MAR as regards Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Carolyn Isom, Chief Financial Officer.

For further information please contact

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### **Titon Holdings PLC**

#### **Interim results for the six months to 31 March 2024**

### **Chair's statement**

**As reported in our AGM trading update on 26 March, trading in UK and Europe in the six months to 31 March 2024 was affected by the downturn in the new build market. We have managed to offset some of the impact on our results through increasing market share in the mechanical ventilation segment, our highest margin product line, introducing new innovative products and recently augmenting our largely refreshed sales team. Additionally, we have remained focused on careful cost management and pursuing margin enhancing opportunities which has helped to mitigate some of the negative effect on the result for the period.**

**Korea has continued to produce lower than expected results, despite sales for the period being in line with expectations, due to lower realised margins and increased overheads. The Board are committed to reviewing this partnership going forward.**

**While the first six months of this financial year has been disappointing, I am reassured by the progress that has been made in the business to date to restructure, strengthen and better position our operations, as**

well as the Group's commitment to further improvement. I strongly believe that this will support renewed growth over the next few years and return our business back to sustained profitability.

Our work on our UK ventilation systems business unit is yielding results and we are seeing a recovery of this business from the lows of last summer. We are winning new projects and growing our design win pipeline. Our order levels in this segment are approaching the same levels as this time last year but have not yet overtaken them. We still have work to do to return our window and door hardware business to growth. As such we are continuing to invest in new products and are reviewing our sales strategy.

I am extremely pleased that our new Chief Executive, Tom Carpenter, has now joined the Group. The Board and I are looking forward to seeing the contribution he will undoubtedly make to the business.

### **Segmental and operational review**

The Directors look initially at geographical areas to evaluate the Group's performance and then consider product segmentation at a secondary level.

#### **UK and Europe**

Sales in UK and Europe have decreased over the same period last year by 28.6%. Trading in our core markets has been heavily impacted by the slowdown in construction of new build residential, which is the dominant market we operate in. The comparative period last year also included sales from clearing the order backlog that had mounted during the implementation of our new ERP system, so was higher than in previous comparable periods. We also suffered from a diminished external sales team, which has since been renewed, and reduced pipeline as a result of this which meant we struggled to maintain our market share across some product lines, particularly in the first quarter of FY24.

In our ventilation systems division, sales in the UK declined by 20.5%. However, sales of ducting products increased by 79.9%, which is a good leading indicator of Mechanical Ventilation Heat Recovery unit demand to come. Sales of the new Titon Ultimate® dMEV extract fan also started to increase with revenues growing on the same period last year. Sales of the Titon FireSafe® Air Brick range continue at healthy levels as demand continues for this safety product. In our window and door hardware division, sales in the UK declined by 25.6% in line with the market.

In Europe, ventilation systems sales declined by 57.8% partly due to the weakened economy impacting demand in the new build sector. As mentioned above, in the comparative period, our production backlog eased and outstanding orders for our European export customers were delivered, which inflated the sales for that period. Exports of our window and door hardware products were up 12.3% in the period, as we continue to increase our customer base.

As we noted in the 30 September 2023 Annual Report, we refined our business imperatives in the current financial period to target stabilising the UK and European business and returning to growth, while we continue to develop the Group's overall strategy. The key imperative that we are currently focusing on is growing revenue and margin and improving customer experience. We have managed to enhance our sales team in the period, and we have successfully implemented our new Customer Relationship Management (CRM) system. As a result, we have significantly grown our pipeline. Another key imperative is to continue to reduce our site inventory and I am pleased to see that this has been successful in this period with a resulting positive effect on our working capital, and we expect this to continue throughout the rest of this financial year. While we are still not experiencing the growth in sales we would like, we have built a business where the processes are now robust and ready for increased demand.

#### **South Korea**

Revenues from South Korea were 13.8% lower than in 2023. This reflects the difficult conditions for new build in Korea and the continuing delays in starting new projects. In terms of the segmental contribution from South Korea, the two businesses, Titon Korea and BTS are aggregated. The revenue in the Group's accounts, which is solely that from Titon Korea (the Group's share of BTS's profits/losses are accounted for as an associate) was £1.3 million (2023: £1.5 million).

The segment contribution, which includes the pre-tax loss of Titon Korea plus 49% of the post-tax loss of BTS, was a loss of £115,000 (2023 loss: £245,000) which was higher than we previously expected.

#### **United States**

Sales in our US business remain a very small portion of the Group's overall sales but pleasingly increased by 65.2% against the same period last year at £461,000 (2023: £279,000). Titon Inc. made a pre-tax profit in the period.

#### **Income statement**

In the six months to 31 March 2024, Titon's net revenue (which excludes inter-segment activity) decreased by 24.6% to £9.1 million (2023: £12.1 million). Against the same period in 2023, sales of window and door hardware products fell by 17.0% and ventilation systems products by 33.9%, due to the weaker housing market. In 2023, the £12.1m achieved included the clearing of a backlog of orders caused by the implementation of our new ERP system.

Sales in Titon Korea, our 51% owned subsidiary, fell by 13.8% reflecting the continuing difficult trading conditions and market dynamics in South Korea.

Gross margins fell to 25.1% (2023: 26.1%) due to lower sales in the UK and Europe as well as the lower contribution from Titon Korea. An EBITDA<sup>1</sup> loss of £0.25 million was generated (2023 EBITDA profit: £0.18 million), whilst we made an operating loss of £0.73 million (2023 loss: £0.39 million). The results from the Group's associate, Browntech Sales Co. Ltd (BTS) in South Korea, amounted to a profit of £30,000 (2023 loss: £54,000). In aggregate, the Group made a loss before tax of £0.71 million (2023 loss before tax: £0.45 million).

The Group's loss per share for the period was 5.46 pence (2023: loss per share of 2.86 pence) with the total loss after tax of £0.69m (2023 loss: £0.39m) and an apportionment to minority shareholders of a loss of £71,000 (2023: loss of £72,000) which reflected the weak trading incurred by Titon Korea.

Based on the performance of the Group in this period, the Board has decided it is not appropriate to pay an interim dividend (2023: 0.5 pence per share). We feel this is prudent while the Group remains loss making.

### **Balance sheet and cash flow**

Net assets, including non-controlling interests, fell by 4.8%, or £0.7 million, to £14.1 million (30 September 2023: £14.8 million) with net cash (excluding lease liabilities) of £2.2 million (30 September 2023: £2.2 million) which is equivalent to 15.9% of net assets (30 September 2023: 15.2%). The Group had no financial indebtedness at 31 March 2024, other than lease liabilities. The cash held by Titon Korea remained consistent at £0.03 million at 31 March 2024 (30 September 2023: £0.03 million).

The half year saw cash generated by operations of £0.25 million (2023: £0.02 million), primarily due to continuing to improve our working capital management through tighter stock control systems. Capital expenditure in the period was £0.02 (2023: £0.26 million) as we reduced capital expenditure while we manage expenditure in line with trading performance.

Net current assets were £7.4 million at 31 March 2024 (30 September 2023: £8.0 million) with a Quick Ratio<sup>2</sup> of 1.42 (30 September 2023: 1.44).

### **Board**

In February 2024, Keith Ritchie, Non-Executive Director, retired from the Board after 11 dedicated years of service to the Group.

On 23 April 2024, Tom Carpenter joined the Group as Chief Executive. Tom brings a wealth of experience to the Group, and I look forward to working with him.

I personally thank my colleagues on the Board for their hard work and counsel since I joined Titon in January 2024.

### **Employees**

Our employees remain resilient and have responded positively to the changes in structure and roles that we have put in place. Restructures in operations, planning and sales/customer support have created leaner, more focussed teams and through our annual review process, everyone is clear on how they can contribute to achieving the Group's business imperatives and are incentivised by both their individual and Group performance. We have strengthened our sales force with highly experienced people, have improved our planning process and upskilled our production team, resulting in a flexible team that can respond to fluctuating customer demand across the factory. Our headcount is lower, but staff turnover is now stable, and our employees are ready for the future challenges that we face. The Board is grateful for every person's contribution, their flexibility, determination and readiness to be part of our future.

### **Investors**

Whilst we are disappointed not to declare an interim dividend for this period, the Board intends to review our dividend policy once the Group returns to profitability.

We held our AGM in March 2024 in Haverhill, my first as Chair. It was good to have the opportunity to meet some of our shareholders and I appreciate their interest in Titon.

### **Principal risk and uncertainties**

The key financial and non-financial risks faced by the Group are disclosed in the Group's Annual Report and Accounts for the year ended 30 September 2023 within the Strategic Report (page 6) available at [www.titon.com](http://www.titon.com). Assessments of exposure to financial and other risks are always difficult given the uncertainties about the inflationary risks in the UK economy. The Board has considered the potential impact of these matters on the Group's specific circumstances, including current and potential cash resources together with the diverse range of customers and suppliers, across different geographic areas and markets. Consequently, the Directors continue to believe that the Group is well placed to manage business risks successfully.

The Directors have reviewed the budgets, projected cash flows, principal risks and other relevant information for a period of 12 months from the period end date. Based on this review the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for a period of at least

twelve months and beyond. For this reason, the Directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

## **Outlook**

The anticipated recovery following the reported recession in the construction industry last year has yet to transpire. Government figures also showed a considerable drop in Q4 2023 house starts compared to Q4 levels over the last decade (excluding COVID affected years). It appears this has not improved substantially in Q1 2024, compounded by the poor weather preventing builds from commencing and progressing.

This is echoed by the Spring Report from the Construction Products Association (CPA) which predicts a continued fall in total construction output this year of 2.2%, followed by a recovery in 2025 and 2026. The CPA also reports private housing output falling by 5.0% this year after double-digit declines in 2023, followed by a forecasted rise of 5.0% in 2025. Private housing repair, maintenance and improvement is also set to drop by 4.0% in 2024 before rising by 3.0% in 2025.

During the first half of this fiscal year, we continued to see an erosion of sales, with our customers largely reporting lower demand in line with industry metrics outlined above. As a result, we reduced our costs, including headcount, in October 2023.

Nevertheless, we are continuing to drive our new business pipeline. Due to market factors described above, we are seeing extending lead-times between project wins and placement of orders. However, we are encouraged by our increasing project funnel, together with specification and design wins.

We believe that the transition to mechanical ventilation in new build will continue regardless, and that our product range is well set to meet specifications following the legislative changes with further regulatory drivers to reduce the potential for overheating in dwellings.

Market conditions in South Korea remain challenging and we are working with our partners in Korea to streamline the corporate structure and operations of the Korean business.

We are pleased that our Senior Leadership Team is now complete as Tom Carpenter, Chief Executive, has now joined the business. His focus will be on leading the Group strategy, returning the Group to profitability and focussing on enhancing shareholder value.

## **Current trading**

As announced in March, H1 trading in the UK and Europe was below the Board's expectations, primarily attributed to the downturn in the new build market which is expected to continue to influence performance throughout the year. We continue to manage our cost base and promote higher margin opportunities to offset the lower sales environment.

The sales pipeline and orderbook for mechanical ventilation has grown significantly in the past six months and we are hopeful that this will translate into improving sales in H2 FY24. As a result, we anticipate a return to profitability in H2 FY24 in the core UK based business, however we expect continued losses from our Korean joint venture.

Despite the challenges the business has faced, we continue to have a strong balance sheet, a committed workforce and a solid range of products. Although there is still much work to do and many improvements that can be made, these factors, give us confidence in our prospects for future value creation.

A list of current directors is maintained on the Group's website [www.titon.com](http://www.titon.com).

On behalf of the Board

**Jamie Brooke**

Chair

**14 May 2024**

## **Notes**

*(Non IFRS GAAP measures)*

<sup>1</sup> EBITDA is measured as operating profit before net finance costs, tax, depreciation and amortisation.

<sup>2</sup> The Quick Ratio measures liquidity and is calculated as follows: Current Assets-less-Stocks divided by Current Liabilities.

# Titon Holdings Plc

## Consolidated Interim Income Statement

for the six months ended 31 March 2024

		<b>6 months to 31.3.24</b>	6 months to 31.3.23	Year to 30.9.23
		<b>unaudited £'000</b>	unaudited £'000	audited £'000
<b>Revenue</b>	2	<b>9,107</b>	12,077	22,334
Cost of sales		<b>(6,825)</b>	(8,918)	(16,413)
<b>Gross profit</b>		<b>2,282</b>	3,159	5,921
Distribution costs		<b>(308)</b>	(593)	(1,546)
Administrative expenses		<b>(2,407)</b>	(2,704)	(4,471)
Administrative expenses - exceptional		<b>(55)</b>	-	(39)
Research and development expenses		<b>(245)</b>	(261)	(467)
Other income		-	12	26
<b>Operating loss</b>		<b>(733)</b>	(387)	(576)
Finance expense		<b>(10)</b>	(10)	(27)
Finance income		-	3	5
Share of post-tax profit / (loss) from associate		<b>30</b>	(54)	(241)
<b>Loss before tax</b>		<b>(713)</b>	(449)	(839)
Income tax credit / (expense)	3	<b>28</b>	57	(86)
<b>Loss after income tax</b>		<b>(685)</b>	(392)	(925)
<b>Attributable to:</b>				
Equity holders of the parent		<b>(614)</b>	(320)	(686)
Non-controlling interest		<b>(71)</b>	(72)	(239)
<b>Loss for the period</b>		<b>(685)</b>	(392)	(925)
Loss per share attributed to equity holders of the parent:				
Basic		<b>(5.46)</b>	(2.86p)	(6.01p)
Diluted		<b>(5.46)</b>	(2.86p)	(6.01p)

## Consolidated Interim Statement of Comprehensive Income

for the six months ended 31 March 2024

		<b>6 months to 31.3.24</b>	6 months to 31.3.23	Year to 30.9.23
		<b>unaudited £'000</b>	unaudited £'000	Audited £'000
<b>Loss for the period</b>		<b>(685)</b>	(392)	(925)
<i>Other comprehensive income – items which may be reclassified to profit or loss in subsequent periods:</i>				
Exchange difference on re-translation of net assets of overseas operations		<b>(13)</b>	(114)	(83)
<b>Total comprehensive expense for the period</b>		<b>(698)</b>	(506)	(1,008)
<b>Attributable to:</b>				
Equity holders of the parent		<b>(627)</b>	(428)	(775)
Non-controlling interest		<b>(71)</b>	(78)	(233)
		<b>(698)</b>	(506)	(1,008)

# Titon Holdings Plc

## Consolidated Interim Statement of Financial Position

at 31 March 2024

	31.3.24 unaudited £'000	31.03.23 unaudited £'000	30.09.23 audited £'000
<b>Assets</b>			
Property, plant and equipment	2,913	3,264	3,183
Right-of-use assets	554	573	565
Intangible assets	862	760	926
Investments in associates	2,326	2,482	2,295
Deferred tax assets	298	751	264
<b>Total non-current assets</b>	<b>6,953</b>	7,830	7,233
Inventories	5,794	6,917	6,139
Trade and other receivables	3,270	4,199	3,754
Cash and cash equivalents	2,232	1,610	2,238
<b>Total current assets</b>	<b>11,296</b>	12,726	12,131
<b>Total Assets</b>	<b>18,249</b>	20,556	19,364
<b>Liabilities</b>			
Lease liabilities	333	409	426
<b>Total non-current liabilities</b>	<b>333</b>	409	426
Trade and other payables	3,703	4,500	3,968
Lease liabilities	160	230	206
<b>Total current liabilities</b>	<b>3,863</b>	4,730	4,174
<b>Total Liabilities</b>	<b>4,196</b>	5,139	4,600
<b>Equity</b>			
Share capital	1,124	1,122	1,123
Share premium reserve	1,106	1,091	1,096
Capital redemption reserve	56	56	56
Foreign exchange reserve	96	90	109
Retained earnings	11,681	12,831	12,320
<b>Total Equity attributable to the equity holders of the parent</b>	<b>14,063</b>	15,190	14,704
<b>Non-controlling Interest</b>	<b>(10)</b>	227	60
<b>Total Equity</b>	<b>14,053</b>	15,417	14,764
<b>Total Liabilities and Equity</b>	<b>18,249</b>	20,556	19,364

# Titon Holdings Plc

## Consolidated Interim Statement of Changes in Equity

at 31 March 2024

	Share capital	Share premium reserve	Capital redemption reserve	Foreign exchange reserve	Treasury Shares	Retained earnings	Total	Non-controlling interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 30 September 2022</b>	<b>1,122</b>	<b>1,091</b>	<b>56</b>	<b>198</b>	<b>-</b>	<b>13,179</b>	<b>15,646</b>	<b>305</b>	<b>15,951</b>
Translation differences on overseas operations	-	-	-	(108)	-	-	(108)	(6)	(114)
Loss for the period	-	-	-	-	-	(320)	(320)	(72)	(392)
Total comprehensive loss for the period	-	-	-	(108)	-	(320)	(428)	(78)	(506)
Dividends paid	-	-	-	-	-	(56)	(56)	-	(56)
Share-based payment expense	-	-	-	-	-	28	28	-	28
<b>At 31 March 2023</b>	<b>1,122</b>	<b>1,091</b>	<b>56</b>	<b>90</b>	<b>-</b>	<b>12,831</b>	<b>15,190</b>	<b>227</b>	<b>15,417</b>
Translation differences on overseas operations	-	-	-	19	-	-	19	12	31
Loss for the year	-	-	-	-	-	(353)	(353)	(180)	(533)
Total comprehensive income / (loss) for the period	-	-	-	19	-	(353)	(334)	(168)	(502)
Dividends paid	-	-	-	-	-	(56)	(56)	-	(56)
Share-based payment credit	-	-	-	-	-	(100)	(100)	-	(100)
Exercise of share options	1	5	-	-	-	-	6	-	6
Other	-	-	-	-	-	(2)	(2)	1	(1)
<b>At 30 September 2023</b>	<b>1,123</b>	<b>1,096</b>	<b>56</b>	<b>109</b>	<b>-</b>	<b>12,320</b>	<b>14,704</b>	<b>60</b>	<b>14,764</b>
Translation differences on overseas operations	-	-	-	(13)	-	-	(13)	-	(13)
Loss for the period	-	-	-	-	-	(614)	(614)	(71)	(685)
Total comprehensive loss for the period	-	-	-	(13)	-	(614)	(627)	(71)	(698)
Share-based payment credit	-	-	-	-	-	(24)	(24)	-	(24)
Exercise of Share Options	1	10	-	-	-	-	11	-	11
Other	-	-	-	-	-	(1)	(1)	1	-
<b>At 31 March 2024</b>	<b>1,124</b>	<b>1,106</b>	<b>56</b>	<b>96</b>	<b>-</b>	<b>11,681</b>	<b>14,063</b>	<b>(10)</b>	<b>14,053</b>



**Titon Holdings Plc**  
**Consolidated Interim Statement of Cash Flow**  
for the six months ended 31 March 2024

		<b>6 months to 31.3.24</b>	6 months to 31.3.23	Year to 30.09.23
	Note	<b>unaudited £'000</b>	unaudited £'000	Audited £'000
<b>Cash generated from operating activities</b>				
Loss before tax		<b>(713)</b>	(449)	(839)
Depreciation of property, plant & equipment		<b>263</b>	308	533
Depreciation of right-of-use assets		<b>97</b>	100	240
Amortisation of intangible assets		<b>126</b>	163	195
Profit on sale of plant & equipment		<b>(10)</b>	(10)	(25)
Share based payment – equity settled		<b>(24)</b>	28	(72)
Finance income		-	(3)	(5)
Finance costs		<b>10</b>	10	27
Share of associate's post-tax (profit) / loss		<b>(30)</b>	54	241
		<b>(281)</b>	201	295
Decrease / (increase) in inventories		<b>345</b>	(264)	431
Decrease in receivables		<b>525</b>	1,203	1,288
Decrease in payables and other current liabilities		<b>(340)</b>	(1,116)	(1,082)
<b>Cash generated by operations</b>		<b>249</b>	24	932
Income taxes received		-	-	220
<b>Net cash generated by operating activities</b>		<b>249</b>	24	1,152
<b>Cash flows from investing activities</b>				
Purchase of plant & equipment		-	(258)	(433)
Purchase of intangible assets		<b>(62)</b>	(8)	(205)
Proceeds from sale of plant & equipment		<b>10</b>	42	58
Finance income		-	3	5
Dividends received from associate company		-	290	290
<b>Net cash (used in) / generated by investing activities</b>		<b>(52)</b>	69	(285)
<b>Cash flows from financing activities</b>				
Dividends paid to equity shareholders of the parent	4	-	(56)	(112)
Payment of lease liability		<b>(192)</b>	(114)	(243)
Finance costs		<b>(10)</b>	(10)	(27)
Exercise of Share Options		<b>12</b>	-	5
<b>Net cash used in financing activities</b>		<b>(190)</b>	(180)	(377)
<b>Net increase / (decrease) in cash</b>		<b>7</b>	(87)	490
Foreign exchange		<b>(13)</b>	(29)	22
Cash at beginning of the period		<b>2,238</b>	1,726	1,726
<b>Cash at end of the period</b>		<b>2,232</b>	1,610	2,238

# Notes to the Condensed Consolidated Interim Statements

## at 31 March 2024

### 1 Accounting policies

#### a) General information

Titon Holdings Plc (the 'Company') is incorporated and domiciled in England and its shares are publicly traded on AIM. The registered office address is 894 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ. The company's registered number is 1604952. The principal activities of the Group are as described in Note 2.

The Board considers the principal risks and uncertainties relating to the Group for the next six months to be the same as detailed in the last Annual Report and Financial Statements to 30 September 2023. The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 September 2023.

#### b) Basis of preparation

These condensed consolidated interim financial statements of the Group for the six months ended 31 March 2024 comprise the Company and its subsidiaries (together referred to as the 'Group').

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the requirements of the AIM Rules for Companies. Neither the six months results for 2024 nor the six months results for 2023 have been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. These condensed Interim Group Financial Statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 30 September 2023 do not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006, but they have been derived from the audited Report and Accounts for that year, which have been filed with the Registrar of Companies. The independent auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

This report should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 September 2023, which have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively IFRSs) as adopted in the UK.

These unaudited interim Group Financial Statements were approved for issue on 14 May 2024. Copies will be sent to shareholders within the next few weeks and will be available on the Group's website at [www.titon.com/uk/investors/](http://www.titon.com/uk/investors/) and from the Company's registered office at 894 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ.

#### c) Accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement requirements of the UK adopted international accounting standards.

In preparing these condensed consolidated interim financial statements the Board have considered the impact of new standards which will be applied in the 2024 Annual Report and Accounts.

There are not expected to be any changes in the accounting policies compared to those applied at 30 September 2023.

A full description of accounting policies is contained with our 2023 Annual Report and Financial Statements, which is available on our website.

#### New accounting standards

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Group.

### 2 Revenue and segmental information

In identifying its operating segments, management generally follows the Group's reporting lines, which represent the main geographic markets in which the Group operates. The segment reporting below is shown in a manner consistent with the internal reporting provided to the Board, which is the Chief Operating Decision Maker (CODM). These operating segments are monitored, and strategic decisions are made on the basis of segment operating results. The Group operates in four main business segments which are:

<b>Segment</b>	<b>Activities undertaken include:</b>
United Kingdom	Sales of passive and powered ventilation products to housebuilders, electrical contractors and window and door manufacturers. In addition to this, it is a leading supplier of window and door hardware
South Korea	Sales of passive ventilation products to construction companies
North America	Sales of passive ventilation products to window and door manufacturers
All other countries	Sales of passive and powered ventilation products to distributors, window manufacturers and construction companies

Inter-segment revenue is transacted on an arm's length basis and charged at prevailing market prices for a specific product and market or cost plus where no direct comparative market price is available. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Research and development entity-wide financial expenses are allocated to the business activities for which R&D is specifically performed. Administration Expenses are currently allocated to operating segments in the Group's reporting to the CODM and include central and parent company overheads relating to Group management, the finance function and regulatory requirements.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

The Group recognises revenue at a single point in time in its UK and US subsidiary. The nature of business practice at its South Korean subsidiary means that the Group recognises revenue over time, this being at first fix and second fix stages. As invoicing for both first fix and second fix components usually takes place at the first fix stage, the revenue on the second fix products is deferred in the Financial Statements until the point that those second fix products are accepted by the customer.

The total assets for the segments represent the consolidated total assets attributable to these reporting segments. Parent company results and consolidation adjustments reconciling the segmental results and total assets to the consolidated financial statements are included within the United Kingdom segment figures stated.

Operating segment	United Kingdom £'000	South Korea £'000	North America £'000	All other countries £'000	Total £'000
<b>6 months ended 31 March 2024</b>					
Segment revenue	6,386	1,283	461	1,228	9,358
Inter-segment revenue	(251)	-	-	-	(251)
<b>Total Revenue</b>	<b>6,135</b>	<b>1,283</b>	<b>461</b>	<b>1,228</b>	<b>9,107</b>
<b>Segment (loss) / profit</b>	<b>(492)</b>	<b>(115)</b>	<b>59</b>	<b>(165)</b>	<b>(713)</b>
Income tax credit					28
<b>Loss for the period</b>					<b>(685)</b>
Depreciation and amortisation	377	12	-	-	389
Depreciation of Right-of-use-assets	89	8	-	-	97
Total assets	14,551	3,472	226	-	18,249
Total assets include:					
Investments in associates	2,326	-	-	-	2,326
Additions to non-current assets (other than financial instruments and deferred tax assets)	62	-	-	-	62

The South Korean Segment loss includes the Group's share of the post-tax profit from the Group's associate undertaking, Browntech Sales Co. Ltd. Sales to Browntech Sales Co. Ltd. of £1.28 million represent 14% of Group revenue. There are no other concentrations of revenue above 10% during the year (see Note 6 - Related party transactions).

IFRS 8 requires entity-wide disclosures to be made about the regions in which it earns its revenues and holds its non-current assets which are shown below.

	United Kingdom	Europe	USA and Canada	Asia	All other regions	Total
<b>Revenues</b>	£'000	£'000	£'000	£'000	£'000	£'000
by entities' country of domicile	7,363	-	461	1,283	-	9,107
by country from which derived	6,135	1,228	461	1,283	-	9,107
<b>Non-current assets</b>						
By entities' country of domicile	4,338	-	23	2,591	-	6,952

Operating segment	United Kingdom £'000	South Korea £'000	North America £'000	All other countries £'000	Total £'000
<b>6 months ended 31 March 2023</b>					
Segment revenue	8,240	1,489	279	2,303	<b>12,311</b>
Inter-segment revenue	(234)	-	-	-	<b>(234)</b>
<b>Total Revenue</b>	<b>8,006</b>	<b>1,489</b>	<b>279</b>	<b>2,303</b>	<b>12,077</b>
<b>Segment (loss) / profit</b>	<b>(281)</b>	<b>(245)</b>	<b>6</b>	<b>69</b>	<b>(449)</b>
Income tax credit					<b>57</b>
<b>Loss for the period</b>					<b>(392)</b>
Depreciation and amortisation	400	39	-	-	<b>439</b>
Depreciation of right-of-use-assets	78	22	-	-	<b>100</b>
Total assets	16,131	4,205	220	-	<b>20,556</b>
Total assets include:					
Investments in associates	2,482	-	-	-	<b>2,482</b>
Additions to non-current assets (other than financial instruments and deferred tax assets)	251	15	-	-	<b>266</b>

The South Korean Segment loss includes the Group's share of the post-tax loss from the Group's associate undertaking, Browntech Sales Co. Ltd. Sales to Browntech Sales Co. Ltd. of £1.49 million represent 12% of Group Revenue. There are no other concentrations of revenue above 10% during the year (see Note 6 - Related party transactions).

IFRS 8 requires entity-wide disclosures to be made about the regions in which it earns its revenues and holds its non-current assets which are shown below.

<b>6 months ended 31 March 2023</b>	United Kingdom	Europe	USA and Canada	Asia	All other regions	Total
<b>Revenues</b>	£'000	£'000	£'000	£'000	£'000	<b>£'000</b>
by entities' country of domicile	10,309	-	279	1,489	-	<b>12,077</b>
by country from which derived	8,006	2,303	279	1,489	-	<b>12,077</b>
<b>Non-current assets</b>						
By entities' country of domicile	4,869	-	35	2,926	-	<b>7,830</b>

<b>For the year ended 30 September 2023</b>	United Kingdom	South Korea	North America	All other countries	Consolidated
	£'000	£'000	£'000	£'000	£'000
Segment revenue	15,781	2,488	842	3,623	22,734
Inter-segment revenue	(400)	-	-	-	(400)
<b>Total Revenue</b>	<b>15,381</b>	<b>2,488</b>	<b>842</b>	<b>3,623</b>	<b>22,334</b>
<b>Segment (loss) / profit</b>	<b>(247)</b>	<b>(645)</b>	<b>164</b>	<b>(111)</b>	<b>(839)</b>
Tax expense					(86)
<b>Loss for the year</b>					<b>(925)</b>
Depreciation and amortisation	869	99	-	-	968
<b>Total assets</b>	<b>15,521</b>	<b>3,599</b>	<b>243</b>	<b>-</b>	<b>19,363</b>
Total assets include:					
Investments in associates	2,295	-	-	-	2,295
Additions to non-current assets (other than financial instruments and deferred tax assets)	701	(30)	1	-	672

The South Korea Segment loss includes the Group's share of the post-tax losses from Browntech Sales Co. Ltd., (BTS), the Group's associate undertaking in South Korea, of £241,000. Sales to BTS during the year ended 30 September 2023 of £4.038m represented 18% of Group Revenue (2022: £4.71m - 21%). There were no other concentrations of revenue above 10% during the year (see Note 6 - Related party transactions).

IFRS 8 requires entity wide disclosures to be made about the regions in which it earns its revenues and holds its non-current assets which are shown below.

<b>For the year ended 30 September 2023</b>	United Kingdom	Europe	USA and Canada	South Korea	All other regions	Total
<b>Revenues</b>	£'000	£'000	£'000	£'000	£'000	£'000
By entities' country of domicile	19,004	-	842	2,488	-	22,334
By country from which derived	15,381	3,623	842	2,488	-	22,334
<b>Non-current assets</b>						
By entities' country of domicile	4,683	-	24	2,526	-	7,233

### 3 Taxation

	<b>6 months to 31.3.24</b>	6 months to 31.3.23	Year to 30.9.23
	£'000	£'000	£'000
Deferred tax:			
Origination and reversal of temporary differences	<b>28</b>	57	(86)
Income tax credit / (expense)	<b>28</b>	57	(86)

Taxation for the interim period is credited at 3.98% (six months to 31 March 2023: 12.7%) representing the best estimate of the average annual income tax rate for the full financial year.

## 4 Dividends

The following dividends have been recognised and paid by the Company:

	Date Paid	Pence per share	6 months to 31.3.24 £'000	6 months to 31.3.23 £'000	Year to 30.9.23 £'000
Final 2022 dividend	31.03.23	0.50	-	56	-
Interim 2023 dividend	07.07.23	0.50	-	-	56
			<hr/>	<hr/>	<hr/>
			-	56	56

## 5 Earnings per ordinary share

Basic earnings per share has been calculated by dividing the profits or losses attributable to shareholders of Titon Holdings Plc by the weighted average number of ordinary shares in issue during the period, being 11,245,362 (six months ended 31 March 2023: 11,197,707 year ended 30 September 2023: 11,205,723).

Diluted earnings per share (EPS) is calculated by dividing the profits or losses attributable to shareholders by the weighted average number of ordinary shares and potential dilutive ordinary shares during the period, being 11,245,362 at 31 March 2024, except that at this date, when the inclusion of potential ordinary shares (POSs) in the calculation would increase the EPS, or decrease the loss per share, from continuing operations, then these POSs are anti-dilutive and are ignored in diluted EPS. Potential dilutive ordinary shares at: six months ended 31 March 2023: 11,213,324 and year ended 30 September 2023: 11,216,552.

## 6 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between subsidiary companies and the associate company, which is a related party, were as follows:

	Sale of goods			Amount owed by related party		
	6 months to 31.3.24 £'000	6 months to 31.3.23 £'000	Year to 30.9.23 £'000	6 months to 31.3.24 £'000	6 months to 31.3.23 £'000	Year to 30.9.23 £'000
Browntech Sales Co. Ltd	<hr/> <b>1,283</b>	1,489	2,488	-	108	42

There have been no additional significant or unusual related party transactions to those disclosed in the Group's Annual Report for 30 September 2023.

## 7 Liability statement

Neither the Group nor the Directors accept any liability to any person in relation to the interim statement except to the extent that such liability could arise under English Law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

## **Directors and Advisers**

### **DIRECTORS**

#### **Executive**

C V Isom (Chief Financial Officer)  
T Carpenter (Chief Executive, appointed 23 April 2024)

#### **Non-executive**

J Brooke (Group Non-Executive Chair, appointed 2 January 2024)  
T N Anderson (Deputy Chair)  
N C Howlett  
J Ward  
G P Hooper

### **SECRETARY AND REGISTERED OFFICE**

C V Isom  
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CO4 9YQ

### **COMPANY REGISTRATION NUMBER**

1604952 (Registered in England & Wales)

### **WEBSITE**

[www.titon.com/uk/investors](http://www.titon.com/uk/investors)

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### **BROKER**

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### **REGISTRARS AND TRANSFER OFFICE**

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