



Demonstrating resilience

Judges Scientific plc is an AIM-quoted group focused on acquiring and developing companies within the scientific instrument sector. Corporate expansion is being pursued, both through Organic growth within its subsidiary companies and through the acquisition of top-quality businesses with established reputations in worldwide markets.

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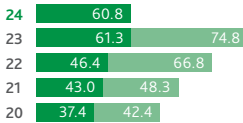


Cover image: Introducing THT's IBCx, an innovative modular isothermal battery calorimeter delivering precise thermal control for optimal battery characterisation and performance modelling. This provides critical data for battery manufacturing in the automotive, consumer electronics and energy storage industries.

HIGHLIGHTS

£60.8m

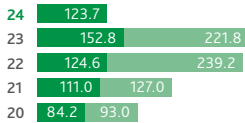
Revenue (£m)
-0.7%



■ H1
■ H2

123.7p

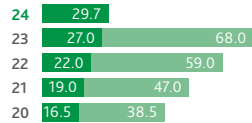
Adjusted* basic earnings per share (p)
-19.0%



■ H1
■ H2

29.7p

Interim dividend (p)
+10%



■ Interim dividend
■ Final dividend

Key financials

- Revenue decreased 0.7% to £60.8m (H1 2023: £61.3m);
- Adjusted* pre-tax profit of £10.8m (H1 2023: £12.8m);
 - Statutory pre-tax profit of £5.8m (H1 2023: £3.0m***);
- Adjusted* basic earnings per share of 123.7p (H1 2023: 152.8p);
 - Statutory basic earnings per share of 63.3p (H1 2023: 15.6p***);
- Interim dividend of 29.7p (H1 2023: 27.0p), an increase of 10%;
- Cash generated from operations of £7.8m (H1 2023: £11.5m);
- Adjusted* net debt of £52.3m as at 30 June 2024 (31 December 2023: £45.2m);
 - Statutory net debt of £54.9m as at 30 June 2024 (31 December 2023: £51.6m);
- Cash balances of £6.9m as at 30 June 2024 (31 December 2023: £13.7m).

Other financials

- Subdued trading across the Group set against a backdrop of difficult market conditions and record prior year comparatives;
- Organic** revenue decreased 3% against H1 2023;
- Organic** order intake down 4% compared with H1 2023;
- Organic** order book at 17.2 weeks (H1 2023: 22.4 weeks).

Strategic highlights

- Completion of two small acquisitions: Luciol and Rockwash for a combined consideration of £4m plus maximum earnout of up to £4.2m plus excess cash.

Post-period highlights

- Completion of Magsputter acquisition for £12.3m plus excess cash;
- Extension and increase of our banking facility to £140m including £50m accordion;
- New Geotek coring contract for an early 2025 expedition;
- Strengthening of Judges Executive team following the recruitment of Dr Ian Wilcock as Group Commercial Director.

Outlook

- Stronger second half expected for the Group;
 - Some recovery in order intake in first few months of H2, including 2025 coring contract;
 - No change to existing guidance for the full year, but continued challenging market conditions and short-term vulnerability to the timing of orders and revenue.
- * Adjusted earnings figures exclude adjusting items relating to amortisation of acquired intangible assets, acquisition-related costs, share-based payments and hedging of risks materialising after the end of the year. Adjusted net debt includes acquisition-related liabilities and excludes IFRS 16 liabilities.
- ** Organic denotes Group performance excluding the businesses which were not part of the Group on 1 January 2023.
- *** Restatement amends statutory comparative figures only. See note 13 for further details.

CHAIRMAN'S STATEMENT



As announced already, several of our Group businesses have experienced a challenging first half, driven by difficult market conditions and the deferral of some projects into H2 or 2025. In spite of the trading disappointment, the Group has again demonstrated its resilience and its financial strength.”

The Hon. Alexander Hambro
Chairman



Trading in the first half of 2024, as already announced, has been subdued against a backdrop of difficult market conditions and versus record prior year comparatives. The challenging environment has impacted trading across our Group, with a general softening of order intake and the deferral of some projects into the second half of the current year or until 2025.

Despite unfavourable trading conditions, the Group has continued to execute its strategy, and completed two small acquisitions in the first six months: PE Fiberoptics acquired Luciol Instruments SA and Geotek acquired Rockwash Geodata Limited. These deals were followed by the post-period acquisition of Magsputter Limited, and the appointment of Dr Ian Wilcock to the Board as Group Commercial Director, reinforcing the strength of Judges' Executive team.

Order intake

Organic order intake was down 4% against the first half of 2023. This was a strong comparative prior period as orders had climbed 14%, supported by the emergence of China from repeated lockdowns.

Organic intake was subdued in most of our trading regions, particularly in China/Hong Kong, which decreased by 65%, bringing it back to two-thirds of its 2022 level; North America was down 7%. The UK fared better, ahead by 8%, with Europe up by 2%; the Rest of the World increased by 31%. The best absolute

performances were Singapore (its progress equalled a third of the China/Hong Kong decline), Germany, Angola, Brazil, Australia, Canada and the Czech Republic. The weakest absolute performances were recorded in China/Hong Kong, the US, Pakistan, Poland, Malaysia and Japan.

The Organic order book was maintained at 17.2 weeks from its year-end position (31 December 2023: 17.0 weeks; 30 June 2023: 22.4 weeks). This reflects the resolution of the supply chain issues. The second half of 2023 saw the final catch up of deliveries, and the stability in the first half suggests that progress in sales must now be driven by improved order intake rather than order book compression.

Revenues

Total Group revenues were down 1% at £60.8m (H1 2023: £61.3m) and included contributions from the recently acquired Henniker, Bossa Nova and Luciol.

As order intake became the main driver of revenues again, during the first half some businesses made excellent progress with intake and some businesses maintained revenues despite a lack of order intake, while others suffered reduced sales due to weak demand. Of those businesses seeing weakened demand, most hold significant trading relations with China. Another feature of the period has been the postponement of some projects to the second half of 2024 or into 2025.

Organic revenues declined 3% to £58.8m (H1 2023: £60.6m). The only region to progress was the Rest of Europe, up by 3%. The UK was marginally down by 1%, North America declined by 4%, the Rest of the World by 7% and China/Hong Kong by 9%. The best absolute performance was seen in the Czech Republic, Belgium, India and Malaysia, while the worst absolute performances were in Brazil, Sweden, Australia and China/Hong Kong.

As previously announced, Geotek's performance was weaker than in H1 2023, which had included some residual income from its 2022 coring expedition. The positive extension of existing, and entry into new, digitalisation contracts occurred too late to impact the H1 results meaningfully.

Profits

Profitability was affected by the reduced revenues amplified by the high fixed cost base of the Group's operations. Adjusted operating profit receded 13% to £12.3m (H1 2023: £14.2m) and Adjusted pre-tax profit decreased 16% to £10.8m (H1 2023: £12.8m). The EBITA contribution of the Organic businesses declined 14% versus H1 2023.

Return on Total Invested Capital ("ROIC") reduced to 20.7% against 22.8% for the trailing 12 months ended 30 June 2023.

Adjusted basic earnings per share decreased by 19% to 123.7p (H1 2023: 152.8p) and Adjusted diluted earnings per share reduced similarly to 121.6p from 150.3p. Adjusted earnings per share were still affected for half of the period by the increase in UK corporation tax rates to 25%.

The Directors continue to publish Adjusted figures alongside the statutory results, prepared consistently with past reports, in order to communicate to shareholders what is, in the Directors' opinion, the true operating performance of the Group. The total pre-tax adjustments of £5.0m (H1 2023: £9.8m restated) consists primarily of a £4.2m charge for amortisation (H1 2023: £6.1m) of acquired intangible assets arising through acquisition. These adjusting items reduce profit before tax from £10.8m to £5.8m (H1 2023: £12.8 to £3.0m restated) and result in earnings per share of 63.3p basic and 62.3p diluted (H1 2023: 15.6p per share basic and 15.3p per share diluted).

Corporate activity

On 1 February 2024, the Group acquired 100% of the share capital of Luciol Instruments SA ("Luciol"), a company specialising in instruments to test fibreoptics, based in Mies, Vaud, Switzerland. The initial consideration was CHF 2.0m paid in cash on completion plus excess cash. A cash earnout capped at CHF 0.5m will be paid if and to the extent that Luciol exceeds an average EBIT of CHF 0.5m in the four years ending on 31 December 2024 or 2025 at a multiple of four times the excess.

On 27 June 2024, the Group acquired 100% of the share capital of Rockwash Geodata Ltd ("Rockwash"), a Llandudno-based company specialising in rock cuttings and chippings digitalisation, for an initial cash consideration of £2.25m plus excess cash plus an earnout capped at £3.75m. The earnout will be paid if and to the extent that Rockwash exceeds an EBIT of £0.375m in 2024 or 2025 at a multiple of six times the excess.

Cashflow and net debt

Group cashflow was disappointing as a legacy of the recent supply issues. Cash generated from operations amounted to £7.8m (H1 2023: £11.5m) representing 63% of Adjusted operating profit (H1 2023: 81%). Cash conversion is an essential element of our business model and restoring it to the pre-Covid levels is a priority.

The interim balance sheet includes cash balances of £6.9m; the increased flexibility of our debt facility reduces the requirement to hold large cash balances. Adjusted net debt grew to £52.3m from the beginning of 2024 (31 December 2023: £45.2m); £7m related to acquisitions and £3m on capex.

Dividend

In accordance with the Company's policy of increasing dividends by no less than 10% per annum, the Board is declaring an interim dividend of 29.7p (2023: 27p), which will be paid on Friday 8 November 2024 to shareholders on the register on Friday 11 October 2024. The shares will go ex-dividend on Thursday 10 October 2024. The interim dividend is covered 4.2 times by Adjusted earnings (2023: 5.7 times).

CHAIRMAN'S STATEMENT continued

Post-balance sheet events

Post-period end, the Group has made further strategic progress, highlighting the resilience of the Group's business model.

On 1 July 2024, the Group amended and extended its multi-bank facility, which now amounts to £140m (including a £50m accordion), compared with £100m (including a £20m accordion). The facility was extended by two years and now expires on 1 July 2028, adding increased capability to the Group's deal-making capacity.

On 15 August 2024, the Group acquired 100% of the shares of Magsputter Limited, the holding company of Teer Coatings Limited, a company manufacturing top-of-the-range physical vapour deposition instruments and providing specialised coating services. The consideration was £12.3m (excluding excess cash), equal to six times Adjusted EBIT for the year ended 31 January 2024 of £1.74m, plus the independent valuation of the property. The Board expects the acquisition to be immediately earnings enhancing.

On 28 August 2024, Geotek signed a binding contract for its next coring expedition; this expedition will take place in the first half of 2025 and the revenue arising from this contract will be of a similar magnitude to recent coring contracts.

On 2 September 2024, we were pleased to welcome Dr Ian Wilcock to the Board as Group Commercial Director, further reinforcing the Executive team. Ian is experienced in successfully leading divisions in large scientific groups and will join Mark Lavelle and Dr Tim Prestidge in the pursuit of excellence at our businesses.

Outlook

The world is still in a very nervous place, a trend that is not ideal for the scientific community which thrives on free exchange and a cosmopolitan atmosphere. Our sector is also sensitive to efforts to control sovereign debt and the potential impact on research spending. More positively, exchange rates have remained favourable to our export-driven business.

Your Board expects the second half to show significant improvement, with several agreements signed too late to impact the first half but contributing to the second. With the signature of a 2025 coring contract, our order intake is now 3% ahead of YTD 2023. The Board is not revising its current guidance for the full year performance, but remains mindful of the challenging market conditions and current short-term vulnerability to the timing of orders and revenue.

In spite of the trading disappointment in the first half, the Group has again demonstrated its resilience and its financial strength with the completion of three acquisitions since the start of the year and a 10% increase to the interim dividend, thus continuing to build on our model of delivering long-term shareholder value.

The Hon. Alexander Hambro
Chairman

19 September 2024



With the completion of three acquisitions since the start of the year, the further strengthening of our management team, and a 10% increase to the interim dividend, we continue to build on our model of delivering long-term shareholder value."

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	Adjusted £m	Adjusting items £m	30 June 2024 £m	Adjusted £m	Adjusting items restated £m	30 June 2023 restated £m	Year to 31 December 2023 £m
Revenue	3	60.8	—	60.8	61.3	—	61.3	136.1
Operating costs	3,4	(48.5)	(5.1)	(53.6)	(47.1)	(6.9)	(54.0)	(114.5)
Operating profit/(loss)		12.3	(5.1)	7.2	14.2	(6.9)	7.3	21.6
Interest income		0.2	—	0.2	0.1	—	0.1	0.4
Interest expense	4	(1.7)	0.1	(1.6)	(1.5)	(2.9)	(4.4)	(8.6)
Profit/(loss) before tax		10.8	(5.0)	5.8	12.8	(9.8)	3.0	13.4
Taxation (charge)/credit		(2.5)	1.0	(1.5)	(2.8)	1.0	(1.8)	(3.5)
Profit/(loss) for the period		8.3	(4.0)	4.3	10.0	(8.8)	1.2	9.9
Attributable to:								
Owners of the parent		8.2	(4.0)	4.2	9.8	(8.8)	1.0	9.5
Non-controlling interests		0.1	—	0.1	0.2	—	0.2	0.4
Profit/(loss) for the period		8.3	(4.0)	4.3	10.0	(8.8)	1.2	9.9
Other comprehensive income								
Items that will not be reclassified subsequently to profit or loss								
Retirement benefits actuarial (loss)/gain				(1.4)			0.2	0.1
Deferred tax on retirement benefits actuarial gain				0.3			—	—
Items that may be reclassified subsequently to profit or loss								
Exchange loss on translation of foreign subsidiaries				—			(0.1)	(0.1)
Other comprehensive (loss)/income for the period, net of tax				(1.1)			0.1	—
Total comprehensive income for the period				3.2			1.3	9.9
Attributable to:								
Owners of the parent				3.1			1.1	9.5
Non-controlling interests				0.1			0.2	0.4
		Pence		Pence	Pence		Pence restated	Pence
Earnings per share – Adjusted								
Basic	5	123.7			152.8			374.6
Diluted	5	121.6			150.3			368.5
Earnings per share – total								
Basic	5			63.3			15.6	145.8
Diluted	5			62.3			15.3	143.5

The Condensed consolidated interim statement of comprehensive income for the period to 30 June 2023 was restated for adjustment to the measurement of the fair value of the contingent consideration recognised in the Geotek acquisition to align with an amendment recorded in the 2023 Annual Report and Accounts. See note 13 for further details.

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	30 June 2024 £m	30 June 2023 restated £m	31 December 2023 £m
ASSETS				
Non-current assets				
Goodwill	6	57.7	54.8	54.8
Other intangible assets	7	35.3	41.0	35.6
Property, plant and equipment		22.2	16.7	19.8
Right-of-use leased assets		6.1	6.5	6.6
Retirement benefit surplus	11	—	1.5	1.4
		121.3	120.5	118.2
Current assets				
Inventories		27.9	28.4	26.5
Trade and other receivables		27.5	25.7	25.1
Cash and cash equivalents		6.9	14.6	13.7
		62.3	68.7	65.3
Total assets		183.6	189.2	183.5
LIABILITIES				
Current liabilities				
Trade and other payables		(21.0)	(26.5)	(24.6)
Payables relating to acquisitions	9	(1.2)	(1.6)	(0.5)
Borrowings	10	(6.3)	(6.2)	(6.2)
Right-of-use lease liabilities		(1.2)	(1.2)	(1.2)
Current tax liabilities		(1.9)	(3.3)	(2.5)
		(31.6)	(38.8)	(35.0)
Non-current liabilities				
Payables relating to acquisitions	9	(2.7)	—	—
Borrowings	10	(49.0)	(56.8)	(52.2)
Right-of-use lease liabilities		(5.3)	(5.5)	(5.7)
Deferred tax liabilities		(7.6)	(8.6)	(8.0)
		(64.6)	(70.9)	(65.9)
Total liabilities		(96.2)	(109.7)	(100.9)
Net assets		87.4	79.5	82.6
EQUITY				
Share capital	8	0.3	0.3	0.3
Share premium		19.1	17.6	17.7
Other reserves		26.9	26.9	26.9
Retained earnings		41.0	34.3	37.5
Equity attributable to owners of the parent		87.3	79.1	82.4
Non-controlling interests		0.1	0.4	0.2
Total equity		87.4	79.5	82.6

The Condensed consolidated interim balance sheet for the period to 30 June 2023 was restated to adjust the initial goodwill and equity component of contingent consideration payable which was recognised in the Geotek acquisition to align with an amendment recorded in the 2023 Annual Report and Accounts. See note 13 for further details.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total attributable to owners of parent £m	Non-controlling interests £m	Total equity £m
At 1 January 2024	0.3	17.7	26.9	37.5	82.4	0.2	82.6
Dividends	—	—	—	—	—	(0.2)	(0.2)
Issue of share capital	—	1.4	—	—	1.4	—	1.4
Purchase of own shares for Company reward scheme	—	—	—	(0.1)	(0.1)	—	(0.1)
Tax on Company reward scheme shares awarded	—	—	—	(0.1)	(0.1)	—	(0.1)
Share-based payments	—	—	—	0.6	0.6	—	0.6
Transactions with owners	—	1.4	—	0.4	1.8	(0.2)	1.6
Profit for the period	—	—	—	4.2	4.2	0.1	4.3
Retirement benefit actuarial loss	—	—	—	(1.1)	(1.1)	—	(1.1)
Foreign exchange differences	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	3.1	3.1	0.1	3.2
At 30 June 2024	0.3	19.1	26.9	41.0	87.3	0.1	87.4
At 1 January 2023	0.3	17.2	4.1	32.7	54.3	0.2	54.5
Issue of share capital	—	0.4	22.9	—	23.3	—	23.3
Purchase of own shares for Company reward scheme	—	—	—	(0.1)	(0.1)	—	(0.1)
Tax on Company reward scheme shares awarded	—	—	—	(0.1)	(0.1)	—	(0.1)
Share-based payments	—	—	—	0.6	0.6	—	0.6
Transactions with owners	—	0.4	22.9	0.4	23.7	—	23.7
Profit for the period restated	—	—	—	1.0	1.0	0.2	1.2
Retirement benefit actuarial gain	—	—	—	0.2	0.2	—	0.2
Foreign exchange differences	—	—	(0.1)	—	(0.1)	—	(0.1)
Total comprehensive income for the period	—	—	(0.1)	1.2	1.1	0.2	1.3
At 30 June 2023	0.3	17.6	26.9	34.3	79.1	0.4	79.5
At 1 January 2023	0.3	17.2	4.1	32.7	54.3	0.2	54.5
Dividends	—	—	—	(5.7)	(5.7)	(0.4)	(6.1)
Issue of share capital	—	0.5	22.9	—	23.4	—	23.4
Purchase of own shares for Company reward scheme	—	—	—	(0.1)	(0.1)	—	(0.1)
Tax on Company reward scheme shares awarded	—	—	—	(0.1)	(0.1)	—	(0.1)
Deferred tax on share-based payments	—	—	—	(0.1)	(0.1)	—	(0.1)
Share-based payments	—	—	—	1.2	1.2	—	1.2
Transactions with owners	—	0.5	22.9	(4.8)	18.6	(0.4)	18.2
Profit for the year	—	—	—	9.5	9.5	0.4	9.9
Retirement benefit actuarial gain	—	—	—	0.1	0.1	—	0.1
Foreign exchange differences	—	—	(0.1)	—	(0.1)	—	(0.1)
Total comprehensive income for the year	—	—	(0.1)	9.6	9.5	0.4	9.9
At 31 December 2023	0.3	17.7	26.9	37.5	82.4	0.2	82.6

The Condensed consolidated interim statement of changes in equity for the period to 30 June 2023 was restated for adjustment to the measurement of the fair value of the contingent consideration recognised in the Geotek acquisition to align with an amendment recorded in the 2023 Annual Report and Accounts. See note 13 for further details.

CONDENSED CONSOLIDATED INTERIM CASHFLOW STATEMENT

	Six months to 30 June 2024 £m	Six months to 30 June 2023 restated £m	Year to 31 December 2023 £m
Cashflows from operating activities			
Profit after tax	4.3	1.2	9.9
Adjustments for:			
Financial instruments measured at fair value: interest rate swaps	(0.1)	(1.1)	1.2
Share-based payments	0.6	0.6	1.2
Depreciation of property, plant and equipment	1.0	0.8	1.9
Depreciation of right-of-use leased assets	0.7	0.6	1.3
Amortisation of acquired intangible assets	4.2	6.1	11.8
Amortisation of internally generated intangible assets	0.3	0.1	0.4
Interest income	(0.2)	(0.1)	(0.3)
Interest expense	1.5	1.4	3.0
Interest payable on right-of-use lease liabilities	0.2	0.1	0.4
Fair value movement on contingent consideration	—	4.0	4.0
Retirement benefit obligation net interest cost	—	—	(0.1)
Tax recognised in the Consolidated Statement of Comprehensive Income	1.5	1.8	3.5
Increase in inventories	(1.0)	(5.9)	(5.1)
(Increase)/decrease in trade and other receivables	(1.2)	1.4	(0.3)
(Decrease)/increase in trade and other payables	(4.0)	0.5	(1.5)
Cash generated from operations	7.8	11.5	31.3
Tax paid	(3.2)	(1.7)	(4.8)
Net cash from operating activities	4.6	9.8	26.5
Cashflows from investing activities			
Paid on acquisition of subsidiaries	(4.0)	(3.2)	(3.1)
Paid in respect of surplus working capital	(0.7)	—	(1.2)
Paid in respect of earnout	(0.2)	(17.5)	(17.5)
Gross cash inherited on acquisition	1.4	1.5	1.5
Acquisition of subsidiaries, net of cash acquired	(3.5)	(19.2)	(20.3)
Purchase of property, plant and equipment	(3.0)	(1.6)	(4.7)
Capitalised development costs	(0.6)	(0.6)	(1.2)
Interest received	0.2	0.1	0.3
Net cash used in investing activities	(6.9)	(21.3)	(25.9)
Cashflows from financing activities			
Proceeds from issue of share capital	1.4	0.1	0.5
Purchase of own shares for Company reward scheme	(0.1)	(0.1)	(0.1)
Tax on shares awarded under Company reward scheme	(0.1)	(0.1)	(0.1)
Finance costs paid	(1.5)	(1.4)	(3.0)
Repayments of borrowings	(3.1)	(3.1)	(9.2)
Repayments of right-of-use lease liabilities	(0.9)	(0.6)	(1.6)
Proceeds from bank loans	—	10.5	12.0
Equity dividends paid	—	—	(5.7)
Dividends paid to non-controlling interest	(0.2)	—	(0.4)
Net cash from financing activities	(4.5)	5.3	(7.6)
Net change in cash and cash equivalents	(6.8)	(6.2)	(7.0)
Cash and cash equivalents at the start of the period	13.7	20.8	20.8
Exchange movements	—	—	(0.1)
Cash and cash equivalents at the end of the period	6.9	14.6	13.7

The Condensed consolidated interim cashflow statement for the period to 30 June 2023 was restated for adjustment to the measurement of the fair value of the contingent consideration recognised in the Geotek acquisition to align with an amendment recorded in the 2023 Annual Report and Accounts. See note 13 for further details.

NOTES TO THE INTERIM REPORT

1. General information and basis of preparation

The Judges Scientific plc Group's principal activities comprise the design, manufacture and sale of scientific instruments. The subsidiaries are grouped into two segments: Materials Sciences and Vacuum.

The financial information set out in this Interim Report for the six months ended 30 June 2024 and the comparative figures for the six months ended 30 June 2023 are unaudited. The Interim Report has been prepared in accordance with IAS 34 "Interim Financial Reporting". The Interim Report does not contain all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (IFRS).

The financial information for the year ended 31 December 2023 set out in this Interim Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2023 have been filed with the Registrar of Companies. The Auditor's Report in respect of those financial statements was unqualified and did not contain statements under section 498 of the Companies Act 2006.

Judges Scientific plc is the Group's ultimate parent company. The Company is a public limited company incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is 52c Borough High Street, London SE1 1XN, and the Company's shares are quoted on the Alternative Investment Market. The Interim Report is presented in Sterling, which is the functional currency of the parent company. The Interim Report has been approved for issue by the Board of Directors on 18 September 2024.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The Group ended the first half of 2024 with adjusted net debt of £52.3m compared to adjusted net debt of £45.1m at 31 December 2023, after paying £4.2m in cash in respect of the Luciol and Rockwash acquisitions (see note 9). The Group uses adjusted net debt rather than statutory net debt for this comparison, as this figure includes actual cash liabilities arising from acquisitions. The increase in net debt resulted from the aforementioned acquisitions and their corresponding expected earnout payments, payment of our fair share of tax (£1.5m) and ongoing investment into capital expenditure (including property refurbishment) for the businesses (£3.0m) partially offset by cash generation.

The Directors have considered the potential ongoing impact of the heightened political tensions globally and of continuing higher levels of interest rates and inflation. The Group is in a strong financial position with solid cash balances, low gearing and a robust future order book enabling it to face the challenge of the continued uncertain global economic environment. The Directors have planned for reasonably foreseeable worsening scenarios including a repetition of the same level of reduction in orders in 2024 as happened after the first outbreak of Covid-19 in 2020, which would not cause any significant challenges to the Group's continued existence.

The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the Interim Report.

2. Significant accounting policies

The Interim Report has been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2023, except for the taxation policy where, for the purposes of the interim results, the tax charge on adjusted business performance is calculated by reference to the estimated effective rate for the full year.

NOTES TO THE INTERIM REPORT continued

3. Segmental analysis

		Materials Sciences £m	Vacuum £m	Head office £m	Total £m
For the period ended 30 June 2024	Note				
Revenue		28.7	32.1	—	60.8
Operating costs		(23.8)	(23.2)	(1.5)	(48.5)
Adjusted operating profit		4.9	8.9	(1.5)	12.3
Adjusting items	4				(5.1)
Operating profit					7.2
Net interest expense					(1.4)
Profit before tax					5.8
Income tax charge					(1.5)
Profit for the period					4.3
For the period ended 30 June 2023	Note	Materials Sciences £m	Vacuum £m	Head office £m	Total restated £m
Revenue		31.0	30.3	—	61.3
Operating costs		(23.7)	(21.4)	(2.0)	(47.1)
Adjusted operating profit		7.3	8.9	(2.0)	14.2
Adjusting items	4				(6.9)
Operating profit					7.3
Net interest expense					(4.3)
Profit before tax					3.0
Income tax charge					(1.8)
Profit for the period					1.2
For the year ended 31 December 2023	Note	Materials Sciences £m	Vacuum £m	Head office £m	Total £m
Revenue		72.5	63.6	—	136.1
Operating costs		(51.9)	(45.0)	(4.4)	(101.3)
Adjusted operating profit		20.6	18.6	(4.4)	34.8
Adjusting items	4				(13.2)
Operating profit					21.6
Net interest expense					(8.2)
Profit before tax					13.4
Income tax charge					(3.5)
Profit for the year					9.9

Unallocated items relate to the Group's head office costs.

3. Segmental analysis continued

Segment assets and liabilities

At 30 June 2024	Materials Sciences £m	Vacuum £m	Head office £m	Total £m
Assets	57.9	43.3	82.4	183.6
Liabilities	(33.8)	(11.3)	(51.1)	(96.2)
Net assets	24.1	32.0	31.3	87.4
Capital expenditure	1.3	1.7	—	3.0
Depreciation of property, plant and equipment	0.6	0.4	—	1.0
Depreciation of right-of-use leased assets	0.4	0.3	—	0.7
Amortisation of acquired intangible assets	4.0	0.2	—	4.2
Amortisation of internally generated intangible assets	0.2	0.1	—	0.3

At 30 June 2023	Materials Sciences £m	Vacuum £m	Head office restated £m	Total restated £m
Assets	50.4	40.9	97.9	189.2
Liabilities	(28.3)	(13.7)	(67.7)	(109.7)
Net assets	22.1	27.2	30.2	79.5
Capital expenditure	0.8	0.8	—	1.6
Depreciation of property, plant and equipment	0.4	0.4	—	0.8
Depreciation of right-of-use leased assets	0.4	0.2	—	0.6
Amortisation of acquired intangible assets	5.8	0.3	—	6.1
Amortisation of internally generated intangible assets	—	0.1	—	0.1

At 31 December 2023	Materials Sciences £m	Vacuum £m	Head office £m	Total £m
Assets	52.8	41.6	89.1	183.5
Liabilities	(24.1)	(13.1)	(63.7)	(100.9)
Net assets	28.7	28.5	25.4	82.6
Capital expenditure	2.2	2.5	—	4.7
Depreciation of property, plant and equipment	1.1	0.7	0.1	1.9
Depreciation of right-of-use leased assets	0.9	0.4	—	1.3
Amortisation of acquired intangible assets	11.1	0.7	—	11.8
Amortisation of internally generated intangible assets	0.1	0.3	—	0.4

Head office items are borrowings, intangible assets and goodwill arising on acquisition, deferred tax, defined benefit obligations and parent company net assets.

Geographic analysis	Six months to 30 June 2024 £m	Six months to 30 June 2023 £m	Year to 31 December 2023 £m
UK (domicile)	7.8	7.3	14.7
Rest of Europe	17.3	16.0	33.7
North America	15.5	16.4	37.9
China/Hong Kong	6.4	6.7	18.4
Rest of the World	13.8	14.9	31.4
Revenue	60.8	61.3	136.1

NOTES TO THE INTERIM REPORT continued

4. Adjusting items

	Note	Six months to 30 June 2024 £m	Six months to 30 June 2023 restated £m	Year to 31 December 2023 £m
Amortisation of acquired intangible assets		4.2	6.1	11.8
Share-based payments		0.6	0.6	1.2
Employment taxes arising from share-based payments		—	—	—
Retirement benefits obligation costs		0.1	—	—
Acquisition costs	9	0.2	0.2	0.2
Total adjusting items within operating profit		5.1	6.9	13.2
Fair value movement on contingent consideration		—	4.0	4.0
Retirement benefits obligation net interest credit		—	—	(0.1)
Financial instruments measured at fair value: interest rate swaps		(0.1)	(1.1)	1.2
Total adjusting items		5.0	9.8	18.3
Taxation		(1.0)	(1.0)	(3.4)
Total adjusting items net of tax		4.0	8.8	14.9
Attributable to:				
Owners of the parent		4.0	8.8	14.9
Non-controlling interests		—	—	—
		4.0	8.8	14.9

5. Earnings per share

	Note	Six months to 30 June 2024 £m	Six months to 30 June 2023 restated £m	Year to 31 December 2023 £m
Profit for the period attributable to owners of the parent				
Adjusted profit		8.2	9.8	24.4
Adjusting items	4	(4.0)	(8.8)	(14.9)
Profit for the period		4.2	1.0	9.5
		Pence	Pence restated	Pence
Earnings per share – Adjusted				
Basic		123.7	152.8	374.6
Diluted		121.6	150.3	368.5
Earnings per share – total				
Basic		63.3	15.6	145.8
Diluted		62.3	15.3	143.5

5. Earnings per share continued

	Note	Six months to 30 June 2024 Number	Six months to 30 June 2023 restated Number	Year to 31 December 2023 Number
Issued Ordinary shares at start of the period	8	6,615,717	6,369,746	6,369,746
Movement in Ordinary shares during the period	8	25,617	237,992	245,971
Issued Ordinary shares at end of the period	8	6,641,334	6,607,738	6,615,717
Weighted average number of shares in issue		6,629,848	6,411,767	6,514,028
Dilutive effect of share options		111,490	109,140	106,816
Weighted average shares in issue on a diluted basis		6,741,338	6,520,907	6,620,844

Adjusted basic earnings per share is calculated on the Adjusted profit, which excludes any adjusting items, attributable to the Company's shareholders divided by the weighted average number of shares in issue during the period.

Adjusted diluted earnings per share is calculated on the Adjusted basic earnings per share, adjusted to allow for the issue of Ordinary shares on the assumed conversion of all dilutive share options and any other dilutive potential Ordinary shares. The calculation is based on the treasury method prescribed in IAS 33. This calculates the theoretical number of shares that could be purchased at the average middle market price in the period out of the proceeds of the notional exercise of outstanding options. The difference between this theoretical number and the actual number of shares under option is deemed liable to be issued at nil value and represents the dilution.

Total earnings per share is calculated as above whilst substituting total profit for Adjusted profit.

6. Goodwill

The following tables show the additions to goodwill:

	Total £m
Carrying amount at 1 January 2024	54.8
Acquisitions (see note 9)	2.9
Carrying amount at 30 June 2024	57.7

	Total restated £m
Carrying amount at 1 January 2023	53.6
Acquisitions	1.2
Carrying amount at 30 June 2023	54.8

	Total £m
Carrying amount at 1 January 2023	53.6
Acquisitions	1.2
Carrying amount at 31 December 2023	54.8

NOTES TO THE INTERIM REPORT continued

7. Other intangible assets

The following tables show the additions to, and amortisation of, intangible assets:

	Internally generated development costs £m	Acquired technology £m	Acquired sales order backlog £m	Acquired brand and domain names £m	Acquired customer relationships £m	Total £m
Carrying amount at 1 January 2024	2.9	19.4	—	1.5	11.8	35.6
Acquisitions (see note 9)	0.1	2.1	0.1	0.3	1.0	3.6
Additions	0.6	—	—	—	—	0.6
Amortisation	(0.3)	(2.0)	—	(0.3)	(1.9)	(4.5)
Carrying amount at 30 June 2024	3.3	19.5	0.1	1.5	10.9	35.3

	Internally generated development costs £m	Acquired technology £m	Acquired sales order backlog £m	Acquired brand and domain names £m	Acquired customer relationships £m	Total £m
Carrying amount at 1 January 2023	2.1	22.1	3.2	2.1	14.9	44.4
Acquisitions	—	1.3	0.2	—	0.7	2.2
Additions	0.6	—	—	—	—	0.6
Amortisation	(0.1)	(2.0)	(1.8)	(0.3)	(2.0)	(6.2)
Carrying amount at 30 June 2023	2.6	21.4	1.6	1.8	13.6	41.0

	Internally generated development costs £m	Acquired technology £m	Acquired sales order backlog £m	Acquired brand and domain names £m	Acquired customer relationships £m	Total £m
Carrying amount at 1 January 2023	2.1	22.1	3.2	2.1	14.9	44.4
Acquisitions	—	1.3	0.2	—	0.7	2.2
Additions	1.2	—	—	—	—	1.2
Amortisation	(0.4)	(4.0)	(3.4)	(0.6)	(3.8)	(12.2)
Carrying amount at 31 December 2023	2.9	19.4	—	1.5	11.8	35.6

8. Share capital

Movements in the Group's Ordinary shares in issue are summarised as follows:

	2024 £m	2023 £m
Ordinary shares of 5p each		
Allotted, called up and fully paid – Ordinary shares of 5p each		
1 January: 6,615,717 shares (2023: 6,369,746 shares)	0.3	0.3
Exercise of share options: 25,617 shares (2023: 7,851 shares)	—	—
Issue of shares as settlement of acquisition costs: nil shares (2023: 2,278 shares)	—	—
Issue of shares as settlement of earnout: nil shares (2023: 227,863 shares)	—	—
30 June: 6,641,334 shares (2023: 6,607,738 shares)	0.3	0.3

9. Acquisitions

Acquisition of Henniker Scientific Limited

The maximum earnout of £0.5m on the acquisition was achieved in full and was settled in July 2024.

Acquisition of Luciol Instruments SA

On 1 February 2024, Judges Scientific acquired 100% of the entire issued capital of Luciol Instruments SA ("Luciol") a company manufacturing and selling instruments to measure optic fibre properties based in Mies, Vaud, Switzerland.

The purchase price of Luciol consists of:

- the initial consideration, paid in cash at completion, of CHF 2.0m;
- contingent consideration up to a maximum of CHF 0.5m to be satisfied in cash;
- the contingent consideration becomes payable on achievement of an average minimum Adjusted EBIT of CHF 0.5m for the four years to 31 December 2023 (or 2024 if higher) increasing pro rata on a 4:1 ratio until it reaches a cap when an Adjusted EBIT of CHF 0.625m is achieved; and
- an additional payment for excess cash (surplus working capital) at completion over and above the ongoing requirements of the business and will be covered by the cash inherited at completion.

The summary provisional fair value of the cost of this acquisition (in Sterling) includes the components stated below:

Consideration	£m
Initial cash consideration	1.8
Contingent consideration	0.5
	2.3
Gross cash inherited on acquisition	0.7
Cash retained in the business	—
Payment in respect of surplus working capital	0.7
Total consideration	3.0
Acquisition-related transaction costs charged to operating costs	0.1

On 27 March 2024, Judges paid CHF 0.2m in relation to the Luciol earnout. A further CHF 0.3m is still payable dependent on Luciol's future performance.

The summary provisional fair values recognised for the assets and liabilities acquired from Luciol during the period are as follows:

	Book value £m	Accounting policy alignments £m	Fair value adjustments £m	Fair value £m
Intangible assets	—	—	0.9	0.9
Inventories	0.4	0.1	(0.1)	0.4
Trade and other receivables	0.3	—	—	0.3
Cash and cash equivalents	0.7	—	—	0.7
Total assets	1.4	0.1	0.8	2.3
Trade payables	(0.1)	—	—	(0.1)
Deferred tax liabilities	—	—	(0.2)	(0.2)
Total liabilities	(0.1)	—	(0.2)	(0.3)
Net identifiable assets and liabilities	1.3	0.1	0.6	2.0
Total consideration				3.0
Goodwill recognised				1.0

NOTES TO THE INTERIM REPORT continued

9. Acquisitions continued

Acquisition of Luciol Instruments SA continued

The intangible assets recognised reflect recognition of acquired customer relationships, the value of the brand and the acquired technology. A significant amount of the value of the acquired business is attributable to its workforce and sales knowhow and contributes to the goodwill recognised upon acquisition. £1.0m of goodwill has been allocated to the Materials Sciences segment.

The majority of the deferred tax liabilities recognised represent the tax effect which will result from the amortisation of the intangible assets, estimated using the tax rate substantively enacted at the balance sheet date.

Acquisition of Rockwash Geodata

On 27 June 2024, Judges Scientific acquired 100% of the entire issued capital of Rockwash Geodata Ltd ("Rockwash"), a company specialising in rock cuttings and chippings digitalisation.

The purchase price of Rockwash consists of:

- the initial consideration, paid in cash at completion, of £2.2m;
- contingent consideration up to a maximum of £3.8m to be satisfied in cash;
- the contingent consideration becomes payable on achievement of an average minimum Adjusted EBIT of £0.4m for the year ended 31 December 2024 (or 2025 if higher), increasing pro rata on a 6:1 ratio until it reaches a cap when an Adjusted EBIT of £1.0m is achieved; and
- an additional payment for excess cash (surplus working capital at completion) over and above the ongoing requirements of the business and will be covered by the cash inherited at completion.

The summary provisional fair value of the cost of this acquisition includes the components stated below:

Consideration	£m
Initial cash consideration	2.2
Contingent consideration	2.7
	4.9
Gross cash inherited on acquisition	0.7
Cash retained in the business	(0.3)
Payment in respect of surplus working capital	0.4
Total consideration	5.3
Acquisition-related transaction costs charged to operating costs	0.1

The Group expects the earnout to be paid in full in relation to Rockwash's 2025 results. The contingent consideration has been discounted in arriving at the amount in the table above.

9. Acquisitions continued

Acquisition of Rockwash Geodata continued

The summary provisional fair values recognised for the assets and liabilities acquired from Rockwash during the period are as follows:

	Book value £m	Accounting policy alignments £m	Fair value adjustments £m	Fair value £m
Intangible assets	0.1	—	2.6	2.7
Property, plant and equipment	0.4	—	—	0.4
Right-of-use leased assets	—	0.1	—	0.1
Deferred tax assets	—	—	—	—
Current tax recoverable	—	—	—	—
Inventories	—	—	—	—
Trade and other receivables	0.9	—	(0.2)	0.7
Cash and cash equivalents	0.7	—	—	0.7
Total assets	2.1	0.1	2.4	4.6
Trade payables	(0.3)	—	—	(0.3)
Deferred tax liabilities	(0.1)	—	(0.6)	(0.7)
Right-of-use lease liabilities	—	(0.1)	—	(0.1)
Current tax liability	(0.1)	—	—	(0.1)
Total liabilities	(0.5)	(0.1)	(0.6)	(1.2)
Net identifiable assets and liabilities	1.6	—	1.8	3.4
Total consideration				5.3
Goodwill recognised				1.9

The intangible assets recognised reflect recognition of acquired customer relationships and the value of the acquired future committed order book, together with the acquired technology. A significant amount of the value of the acquired business is attributable to its workforce and sales knowhow and contributes to the goodwill recognised upon acquisition. £1.9m of goodwill has been allocated to the Materials Sciences segment.

The majority of the deferred tax liabilities recognised represent the tax effect which will result from the amortisation of the intangible assets, estimated using the tax rate substantively enacted at the balance sheet date.

Acquisition of Magsputter Limited (post-balance sheet event)

Post-period end, on 15 August 2024, Judges Scientific acquired 100% of the shares of Magsputter Limited, the holding company of Teer Coatings Limited and the building they occupy for an initial cash consideration of £12.3m. An additional payment will be made to reflect any excess working capital over and above the ongoing requirements of the business which will be covered by the business's existing cash resources. Due to the timing of this acquisition, full disclosures have not been provided, including fair value of acquired assets and liabilities.

All acquisitions were made in line with Group strategy, which includes acquiring independent trading companies or complementary companies for existing subsidiaries.

NOTES TO THE INTERIM REPORT continued

10. Changes in net debt

Changes in net debt for the six months ended 30 June 2024 were as follows:

	1 January 2024 £m	Cashflow £m	Non-cash items £m	30 June 2024 £m
Cash at bank and in hand	13.7	(6.8)	—	6.9
Bank debt	(58.4)	3.1	—	(55.3)
IFRS 16 right-of-use lease liabilities	(6.9)	0.9	(0.5)	(6.5)
Statutory net debt	(51.6)	(2.8)	(0.5)	(54.9)
Less: IFRS 16 right-of-use lease liabilities	6.9	(0.9)	0.5	6.5
Accrued acquisition consideration payable in cash (note 9)	(0.5)	0.2	(3.6)	(3.9)
Adjusted net debt	(45.2)	(3.5)	(3.6)	(52.3)

Non-cash items primarily represent foreign exchange differences on foreign currency bank balances.

The movement in borrowings over the period was as follows:

	2024 £m	2023 £m
At 1 January	58.4	55.6
Net proceeds from drawdown of loans	—	10.5
Repayment of loans	(3.1)	(3.1)
Interest payable	1.7	1.4
Interest paid	(1.7)	(1.4)
At 30 June	55.3	63.0
	2024 £m	2023 £m
Current	6.3	6.2
Non-current	49.0	56.8
Total borrowings at 30 June	55.3	63.0

As at 30 June 2024 the term loan was £11.0m (31 December 2023: £14.1m) and the revolving credit facility ("RCF") was £44.3m drawn (31 December 2023: £44.3m drawn), with £10.7m undrawn, alongside the uncommitted £20m accordion.

Amendment and extension of facility (post-balance sheet event)

On 1 July 2024, the Group entered into an amendment and extension of the Group's existing multi-bank facility ("Facility"). The changes to the Group's Facility are as follows:

- £40m extension of the aggregate to £140m consisting of a £90m RCF alongside a £50m uncommitted accordion facility, which can be drawn with the agreement of the Banks. This replaces the previous £100m facility which consisted of a £25m term loan ("Term Loan"), a committed £55m RCF and a £20m uncommitted accordion.
- The Facility has been extended by two years, giving a four-year term running to 1 July 2028 ("Borrowing Term").

There were no changes to the existing covenants which remain as:

- gearing no greater than three times Adjusted EBITDA*; and
- interest cover no less than three times.

* Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) excludes adjusting items relating to amortisation of acquired intangible assets, acquisition-related costs, share-based payments and hedging of risks materialising after the end of the year.

11. Defined benefit scheme

In March 2024, the Trustees of the scheme entered into a buy-in policy with an insurance company. This policy secures payment of all future pensions due to the scheme's members in relation to their pensions.

12. Dividends

During the period, the Company paid £nil dividends (period to 30 June 2023: £nil).

The Company paid a final dividend of 68p per share totalling £4.5m to shareholders on 5 July 2024 relating to the financial year ended 31 December 2023.

The Company will pay an interim dividend for 2024 of 29.7p per share (2023: interim dividend of 27p per share) on 8 November 2024 to shareholders on the register on 11 October 2024. The shares will go ex-dividend on 10 October 2024.

13. Restatement of 2023 half-year figures

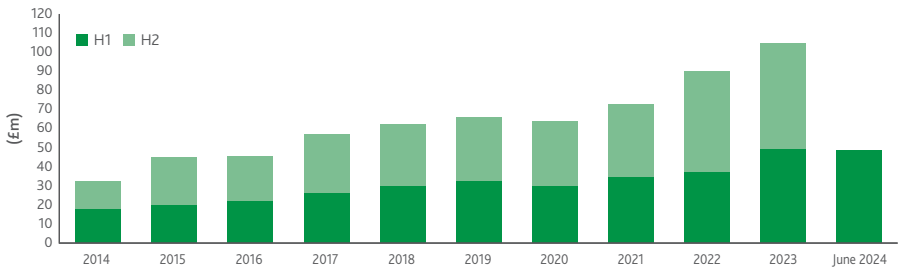
Within the 2023 Annual Report and Accounts, the 31 December 2022 Consolidated Balance Sheet was restated to adjust the initial goodwill and equity component of the contingent consideration payable arising from the Geotek acquisition in May 2022. The contingent consideration balance should have been £2.2m higher at the acquisition date with a corresponding increase in goodwill, as the equity share component of the contingent consideration should have been measured by reference to the fair value of the Judges share price. This amendment had no overall impact on net assets and no overall impact on the Consolidated Statement of Comprehensive Income for the year ended 31 December 2022.

This accounting alignment also had to be applied to the comparative 2023 half-year results. Originally, within the Condensed Consolidated Interim Statement of Comprehensive Income, a £6.2m charge was recorded within adjusting items (which encompassed £0.7m for unwinding of the discount on the fair value of deferred consideration and £5.5m for the premium on the Ordinary shares issued to the vendors upon achievement of the earnout). The amended accounting instead required a £4.0m charge to recognise the fair value movement on the equity component of the contingent consideration instead of the aforementioned £6.2m charge. Therefore, a credit of £2.2m has been recorded to the Condensed Consolidated Interim Statement of Comprehensive Income with a corresponding increase to goodwill which restated the prior-period figures. This aligns both the fair value movement on contingent consideration (within adjusting items) and goodwill relating to the Geotek acquisition in the 2023 half-year results with the 2023 Annual Report and Accounts.

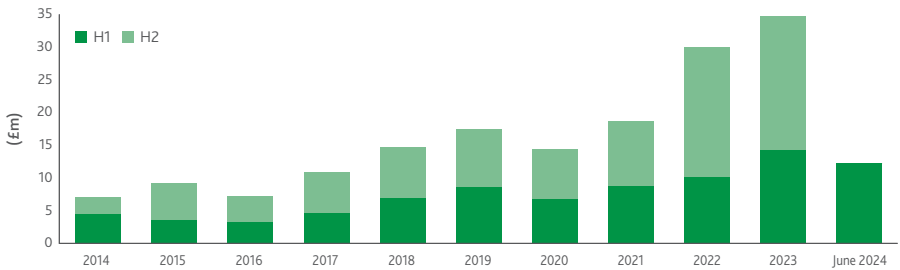
The net effect on the Condensed Consolidated Interim Statement of Comprehensive Income for the six-month period to 30 June 2023 is an increase of £2.2m to statutory profit and a corresponding £2.2m increase to equity. There is no effect on the Adjusted profit for the six-month period to 30 June 2023.

10 YEAR FINANCIAL HISTORY

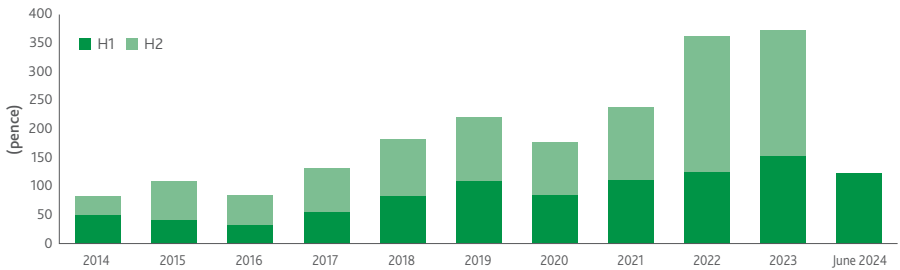
Revenue



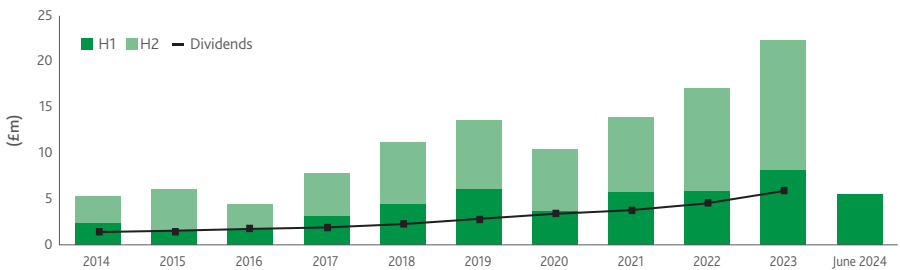
Adjusted operating profit



Adjusted basic EPS



Cash generation from operations and dividends





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