22 May 2025

Pepco Group N.V.

Interim results for six months ended 31 March 2025

Pepco Group, the fast-growing pan-European variety discount retailer, today reports interim results for the six-month period ended 31 March 2025.[1]

SUMMARY

- Executing at pace against new strategic framework, with strong focus on sustainable value creation
- Group H1 FY25 result reflects strong Pepco and Dealz performance against continued Poundland weakness
    - Pepco with good performance and growth in revenue of 9.3% and EBITDA IFRS 16 of 11.1%, driven by a year-on-year gross margin increase of 180bps and controlled cost management
    - Dealz with solid progress and growth in revenue of 13.8% and EBITDA IFRS 16 of 25.0%
    - As expected, Poundland continued to see challenging trading conditions with revenues falling by 6.5%. An action plan is in place to improve performance
- Pepco and Dealz positive trading momentum has continued into Q3 to date, with LFL revenue ahead of the 3.6% LFL rate achieved in Q2 FY25
- Pepco brand expects to deliver FY25 revenue and EBITDA growth in line with guidance of high single-digit growth; Poundland FY outlook weaker than expected
- Strong balance sheet; net debt (pre-IFRS 16) improved by €150m to €279m at end of H1 (0.6x pre-IFRS 16 leverage ratio)
- Group opened 101 net new stores during the period leading to a total of 5,049 stores in operation
- Board continues to actively explore separation options for Poundland business with an exit expected by end of FY25

H1 FY25 - SEGMENT PERFORMANCE

€m	H1 FY25 (6M to March 2025)	H1 FY24 (6M to March 2024)	YoY (reported)	YoY (constant)
PEPCO				
Revenue	**2,171**	1,986	9.3%	8.9%
Like-for-like revenue growth (%)	2.3%	(3.2%)	n/a	n/a
Gross margin (%)	47.3%	45.5%	+180 bps	+180 bps
Underlying EBITDA (IFRS 16)	**440**	396	11.1%	11.1%
POUNDLAND				
Revenue	**985**	1,054	(6.5%)	(9.7%)
Like-for-like revenue growth (%)	(7.3%)	(0.7%)	n/a	n/a
Gross margin (%)	34.5%	38.8%	(430) bps	(430) bps
Underlying EBITDA (IFRS 16)	**22**	87	(74.7%)	(76.2%)
DEALZ				
Revenue	**182**	160	13.8%	11.1%
Like-for-like revenue growth (%)	2.9%	(4.6%)	n/a	n/a
Gross margin (%)	33.7%	32.2%	+150 bps	+150 bps
Underlying EBITDA (IFRS 16)	**15**	12	25.0%	22.7%

H1 FY25 - GROUP FINANCIALS

- Group revenue of €3,338m grew +4.3% y-o-y
- Group LFL revenue declined by 0.7% during H1 FY25, with positive Pepco and Dealz LFL offset by continued challenges at Poundland
- Gross margin improved 30 basis points (“bps”) to 43.3% for the period, driven by Pepco (+180 bps y-o-y)
- Underlying EBITDA (IFRS 16) of €460m down 5.5% y-o-y, with strong Pepco EBITDA growth offset by a material decline in Poundland EBITDA
- Underlying PBT of €117m down 32.8% y-o-y
- Poundland non-cash impairment charge of €234m (primarily goodwill and brand asset related), following a continued deterioration in trading during the first half and weaker outlook for profitability
- Strong balance sheet and liquidity profile; net debt at end of H1 FY25 was €279m (pre-IFRS 16), representing 0.6x LTM EBITDA (pre-IFRS 16) leverage, well within the Group’s financial covenants

€m	**H1 FY25**	H1 FY24	YoY (reported)	YoY (constant)
Revenue[2]	**3,338**	3,200	4.3%	2.9%
Like-for-like revenue growth (%)[3]	**(0.7%)**	(2.5%)	-	-
Gross profit	**1,445**	1,378	4.9%	3.5%
Gross profit margin (%)	**43.3%**	43.1%	20 bps	30 bps
Underlying EBITDA (IFRS 16)[4]	**460**	487	(5.5%)	(5.9%)
Underlying EBITDA (pre-IFRS 16)[4]	**235**	278	(15.5%)	(15.0%)
Underlying EBIT (IFRS 16)	**168**	225	(25.3%)	(24.6%)
Underlying PBT[5]	**117**	174	(32.8%)	(31.3%)
Underlying PAT	**73**	131	(44.3%)	(43.1%)
Underlying EPS (€ cents)	**12.7**	22.8	(44.3%)	(43.1%)
Non-underlying items	**(247)**	(30)	>200%	>200%
Reported PBT	**(130)**	144	-	-
Reported PAT	**(155)**	104	-	-
Reported EPS (€ cents)	**(26.9)**	18.1	-	-
Loss from discontinued operations	**4**	(51)		

	H1 FY25	H1 FY24	YoY (reported)
Net debt[6] (pre-IFRS16)	**279**	429	(35.0%)
Leverage LTM (pre-IFRS16)	**0.6x**	1.0x	-
Net debt (IFRS 16)	**1,609**	1,728	(6.9%)
Leverage LTM (IFRS 16)	**1.8x**	2.1x	-

Note:
- *Numbers above based on continuing operations unless stated otherwise.*
- *Austria is classified as a discontinued operation following the Group’s exit of Pepco Austria in H1 FY24.*

Commenting on the results, Stephan Borchert, Chief Executive Officer, said:

"The Pepco brand continues to make good progress, delivering solid high single-digit revenue growth in H1 and a continued positive like-for-like sales trajectory. Pepco Western Europe’s double-digit LFL performance is an encouraging signal for the continued improvement of this region. We have started to implement our strategic initiatives outlined at the Capital Markets Day in March 2025 and we are pleased with delivering double-digit EBITDA

growth at Pepco, reflecting disciplined margin management. Dealz Poland also continues to perform well with good growth across both FMCG and GM categories.

“At Poundland, trading remains challenging, which is reflected in a profit outturn below expectations for H1 and a weaker outlook for the full year. Barry Williams, who was re-appointed as Poundland Managing Director in March 2025, and his team are actively driving a recovery plan to help turn around the business by refocusing on its traditional core strengths. We continue to undertake a process to separate Poundland from the Group, as part of a wider strategy shift away from FMCG, with a divestiture expected before the end of FY25.

“Our core focus remains on Pepco as the single future format – and driving force – of the Group. I am encouraged by Pepco’s performance so far in FY25, with a strong uplift in gross margin. The business has delivered consistent LFL sales progress and this trading momentum has continued into Q3 to date. Our relentless efforts to strengthen our price leadership position and customer experience have driven a strong increase in transaction volumes.

“We are at an early stage of our value creation programme and there remains a lot to do. But our transformation is on track – and I am confident that the business has the right foundations to meet our ambitions of becoming one of Europe’s most successful discount retailers, focused on driving customer satisfaction, profitable growth and shareholder value."

CURRENT TRADING

Pepco and Dealz are sustaining their strong performance, delivering positive LFL sales growth in the Q3 period to date (ahead of Q2), which although flattered by Easter timing, highlights good trading momentum for Pepco in particular which had already delivered positive LFL sales of +3.6% in Q2 FY25. Therefore, even accounting for Easter, which fully fell in April 2025, Pepco is maintaining good underlying progress in trading as we enter the second half of FY25. This performance is being driven by offering our customers unbeatable prices across a tighter range of products across clothing and GM, while improving both the quality and availability of the range of stock.

Dealz continued to deliver positive like-for-like sales with a strong performance in both food and GM. In contrast, Poundland continued to experience a negative like-for-like sales performance, impacted by similar trends seen in the last financial year, with an underperformance of all categories.

OUTLOOK

The diverging performance of our Pepco and Dealz businesses, delivering strong momentum in line with objectives, against the continued challenges of Poundland is reflective of the Group outlook for FY25. At the Capital Markets Day in March 2025, we outlined an expectation that the Pepco business would see FY25 revenues and underlying EBITDA (IFRS 16) year-on-year growth in the high single digits, which remains unchanged. Similarly, Dealz is also expected to deliver in line with previous disclosure, with FY25 EBITDA (IFRS 16) of around €30 million.

For Poundland, the business has continued to face further trading challenges since the CMD resulting in a revised outlook for the current financial year. Poundland now expects to deliver underlying FY25 EBITDA (IFRS 16) of around €0m to €20 million, compared to previous guidance of €50m to €70m. The downgrade relates to highly challenging trading conditions, which have been further impacted by clearance of old stock and product availability issues. A turnaround plan is underway to rebuild on our core heritage category strengths, particularly in GM, while focusing on a simpler in-store offer and price points.

In terms of store numbers in FY25, we are now targeting to open approximately 250 net new stores across the Group, with new stores principally focused on the Pepco brand and primarily in the CEE region.

CONFERENCE CALL

Pepco Group will host a conference call for analysts and investors to discuss its H1 FY25 interim results on Thursday 22 May 2025 at 8.30am BST (9.30am CEST). Investors and analysts who would like to participate in the Q&A session can dial in using the relevant number below and quote "**Pepco HY25**".

Alternatively, a live audio webcast of the call will be available via the following link:
https://brrmedia.news/PCO_HY_25

Location	**Phone Number**
Poland	+48 22 397 9053
United Kingdom	+44 (0) 33 0551 0200
United States	+1 786-697-3501

FORTHCOMING DATES

The Group intends to issue the following update in the near future:

- Q3 FY25 trading update - 10 July 2025

ENQUIRIES

Investors and analysts
Tej Randhawa, Investor Relations +44 (0) 203 735 9210
Joanna Kwak, Investor Relations +44 (0) 203 735 9210

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Rollo Head, FGS Global +44 (0) 7768 994 987
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Blake Gray, FGS Global +44 (0) 7842 631 475

EXPLANATORY NOTES

1. The Group financials are prepared on an unaudited basis for the six-month (First Half) period ending 31 March 2025. Within this the 'Pepco' and 'Dealz Poland' segments operate on a calendar month basis with the six-month period ending on 31 March 2025, whilst the 'Poundland' segment operates on a trading week basis with the 26-week period also ending on 30 March 2025.
2. Constant Currency variances re-translate the current year figures at prior year FX rates so that the year-on-year FX impact is negated (all other figures including Actual Currency variances are translated at the average FX rate for the month in which they are made).
3. LFL revenue growth is translated at constant currency and defined as year-on-year ("y-o-y") revenue growth for stores open beyond their trading anniversary.
4. Underlying EBITDA is defined as profit on ordinary activities (excluding non-underlying items) net of depreciation, amortisation, finance costs and taxation. Note that pre-IFRS 16 EBITDA differs to IFRS 16 EBITDA to reflect rental costs included in EBITDA.
5. Underlying profit before tax ("PBT") excludes non-underlying items.
6. Net debt (pre-IFRS 16) represents borrowings from credit institutions and finance lease liabilities (pre-IFRS 16) net of cash and bank balances.

The contents of this interim report have not been audited or reviewed by an independent external auditor.

H1 FY25 HIGHLIGHTS

Strong Pepco performance drove H1 Group profitability

- Pepco H1 FY25 sales grew +9.3% to €2.2bn, driven by new store openings in FY24
- Half-year LFL performance of +2.3%, with consecutive quarters of positive LFL performance
- Highest gross margins generated across Group at 47.3%, up 180bps y-o-y
- Pepco underlying H1 FY25 EBITDA (IFRS 16) grew 11.1% y-o-y to €440m, delivering the majority of the Group's EBITDA performance
- Opened 106 net new stores, with 90 opened in CEE and 16 in Western Europe

Dealz Poland making solid progress

- Dealz revenues up 13.8% to €182m, driven by store expansion
- LFL revenues grew by 2.9%, with growth across FMCG and GM categories
- Stores grew by 13 net new openings, with 344 across overall Polish estate
- Dealz underlying EBITDA (IFRS 16) growth of 25% to €15m, with gross margin improvement to 33.7% (up 150bps y-o-y)
- Dealz Poland continues to achieved encouraging results, particularly with the younger customer demographic

Poundland financials remain challenging

- Poundland revenues declined by 6.5% to €985m in H1 FY25
- LFL sales declined by 7.3%, with challenges across all categories
- Poundland underlying H1 FY25 EBITDA (IFRS 16) fell materially to €22m (H1 FY24: €87m), with gross margin declining by 430bps with a weaker topline performance compounded by continued inflationary cost pressures (mainly labour)
- Net store closures of 18 stores, including lease expiries, leaving a total store count at 818 stores
- This continued challenging trading performance has led to a further €234m non-cash impairment of Poundland (primarily goodwill and brand asset related)
- With Barry Williams' re-appointment as Managing Director, the Poundland business is swiftly executing a turnaround programme to focus the business back to its core heritage strengths, while focusing on a simpler pricing proposition and customer offer

Store network: New store openings across H1 FY25 by brand

	Pepco	Poundland	Dealz	Total
Store numbers at end of H1 FY24	3,781	836	331	4,948
New openings	128	2	16	146
Closures	(22)	(20)	(3)	(45)
Store numbers at end of H1 FY25	3,887	818	344	5,049
Net new openings	106	(18)	13	101

Note: Austria is now classified as a discontinued operation following the Group's exit of Pepco Austria. Therefore, all numbers above (including comparators) exclude Austria.

Segment performance

€m	H1 FY25	H1 FY24	YoY (reported)	YoY (constant)
REVENUE				
GROUP	**3,338**	3,200	4.3%	2.9%
- Pepco	**2,171**	1,986	9.3%	8.9%
- Poundland	**985**	1,054	(6.5%)	(9.7%)
- Dealz	**182**	160	13.8%	11.1%
LIKE-FOR-LIKE SALES GROWTH				
GROUP	**(0.7%)**	(2.5%)	-	-
- Pepco	**+2.3%**	(3.2%)	-	-
- Poundland	**(7.3%)**	(0.7%)	-	-
- Dealz	**+2.9%**	(4.6%)	-	-
GROSS MARGIN				
GROUP	**43.3%**	43.1%	+20 bps	+30 bps
- Pepco	**47.3%**	45.5%	+180 bps	+180 bps
- Poundland	**34.5%**	38.8%	(430) bps	(430) bps
- Dealz	**33.7%**	32.2%	+150 bps	+150 bps
UNDERLYING EBITDA (IFRS 16)				
GROUP	**460**	487	(5.5%)	(5.9%)
- Pepco	**440**	396	11.1%	11.1%
- Poundland	**22**	87	(74.7%)	(76.2%)
- Dealz	**15**	12	25.0%	22.7%
- Central costs	(17)	(8)	112.5%	118.7%
UNDERLYING EBITDA (pre-IFRS 16)				
GROUP	**235**	278	(15.5%)	(15.0%)
- Pepco	**289**	263	9.9%	10.5%
- Poundland	**(39)**	21	-	-
- Dealz	**2**	2	-	-
- Central costs	**(18)**	(8)	125.0%	113.5%
UNDERLYING EBIT (IFRS 16)				
GROUP	**168**	225	(25.3%)	(24.6%)
- Pepco	**242**	220	10.0%	10.4%
- Poundland	**(54)**	17	-	-
- Dealz	**(2)**	(3)	33.3%	31.8%
- Central costs	**(18)**	(9)	100.0%	111.1%

NEW STRATEGIC FRAMEWORK: PEPCO THE CORE FOCUS

Pepco Group hosted a Capital Markets Day on 6 March 2025, where management outlined the future strategic vision for the Group. The key highlights presented were:

- Focus on the Pepco brand as the single future format and driving engine of Group earnings
- Simpler structure to drive shareholder value, leveraging Pepco's price leadership, higher margin clothing/GM offer, and 'white space' opportunities in Central, Eastern and Western Europe
- Strategic move away from FMCG : Evaluating strategic options to separate Poundland from Group during FY25, including a potential sale, while managing Dealz Poland to optimise value in the medium term

Pepco has historically generated the vast majority of the Group's earnings and the highest returns on capital – and we will further build on that strong foundation as a single pan-European format based on a standard Pepco store, focusing on clothing and general merchandise categories.

Our core CEE business remains the core focus of our Group and continues to generate the majority of the Group's EBITDA. We see significant 'white space' to open stores and continue growing the Pepco format in CEE, as well as in select Western European countries, including in Spain and Italy. The Group also sees a tangible opportunity to augment its customer loyalty, data analytics and interactions with customers to better understand when, how and why they shop with Pepco.

Our new strategic framework for Pepco is centred around the following five strategic pillars, and are discussed in further detail below:

1. Simplify and streamline the Group portfolio
2. Refocus and digitise Pepco's customer proposition to further drive like-for-like sales
3. Continue to grow our topline through measured expansion in the CEE region
4. Validate and execute our growth strategy in select Western European markets
5. Upgrade our core operating platform

1) Simplify and streamline the Group portfolio

As part of our new strategy given at the Capital Markets Day, we outlined a shift towards a simpler group structure, with a focus on the standard Pepco format, and hence a move away from our FMCG assets over time. Below we give a progress update on each of the initiatives discussed previously, as we work towards that simpler structure.

Poundland separation update

At the Capital Markets Day, the Group announced that it was actively evaluating all strategic options to separate Poundland from the Group during FY25, including a potential sale.

The rationale for the move was driven by the Group's ambition to shift away from the FMCG category, and ultimately to operate under a single Pepco format, oriented around our higher margin Pepco clothing and general merchandise ranges. The FMCG-led businesses have been a drag on the Group's financial performance, with lower revenue growth, lower gross margins, higher costs to operate and, consequently, lower profitability and returns on invested capital compared to Pepco.

After evaluating a range of alternatives, the Group is actively exploring a potential divestment of the Poundland business. This process is advancing and a further update will be provided at the appropriate time. The Group expects to complete the separation of Poundland during the current financial year.

In terms of H1 FY25 performance, Poundland's financial results remain challenging highlighted by the continued weak trend in LFL sales (-7.3%). The clearance of slow-moving legacy stock suppressed full-price sales during the half. The business has continued to have issues with Pepco-sourced ranges. A focused programme to rebuild core category strength, including a simplified FMCG proposition and reinstated heritage GM line, is now underway to address these gaps. In addition, a simplified proposition trial, focusing on core price points and lower prices, is showing promise in restoring Poundland's competitive edge. Poundland stores saw 18 net closures during the H1 period (including 2 openings), with 818 stores now operating in total across the UK and Ireland.

Poundland remains a key player in UK discount retail, serving over 20 million customers annually. With consumer demand for value rising, the business is well-positioned for recovery under revitalised leadership. A clear turnaround plan —including reduced costs and operational refinements — aims to restore profitability.

<u>Dealz – strong momentum continues</u>

At the Capital Markets Day, as part of its rationalisation away from FMCG, the Group announced that it will manage Dealz to optimise value, with the ultimate aim of exploring strategic options for the business, including a potential divestment, over the medium term. Dealz continues to carve a strong reputation for international branded FMCG goods at the best prices. It offers 3,000 products across 18 categories and has growing brand awareness among the younger 18-45 age groups. The business is becoming increasingly self-sufficient across its management team and supply chain.

Following a good performance in the first quarter, the business has continued its momentum into the second quarter, delivering a strong topline performance (revenues +13.8% y-o-y) and tighter cost control leading to profit growth running ahead of sales growth (EBITDA IFRS 16 +25.0% y-o-y). Dealz benefited from good demand across both GM (+2.0% LFL) and FMCG (+3.6% LFL) categories in H1, particularly confectionary, as the team focuses on store execution and a more tailored assessment of customer needs. Dealz opened 13 net new stores during the period to date, reaching 344 stores in total that now operate across Poland.

<u>Exiting Pepco 'Plus' format during FY25</u>

To simplify the business, and to focus on the stronger returns and higher margins delivered by our standard Pepco format, the Group is ceasing the Pepco 'Plus' format, which operates in Iberia (Spain and Portugal), as highlighted at the CMD in March 2025. Our Pepco Plus format created additional complexity for our operations in order to offer FMCG product, leading to higher levels of capex deployed and providing a distraction for management versus our core clothing and GM categories.

Overall, we operate c. 120 Pepco Plus stores, accounting for 3% of overall Pepco stores. We remain on track to convert the majority of these stores to the standard Pepco format by the end of FY25, and expect minimal closures by the time we have completed our store-by-store review. The initial pilot results of those stores converted from a 'Plus' to a standard store are promising, with store conversions delivering tangible like-for-like revenue uplifts across clothing and GM categories, as well as higher store operating margins.

<u>Strategic review of Pepco Germany</u>

The strategic review of our Pepco Germany business, as announced at the CMD, remains ongoing. The management team is reviewing a variety of options for the Pepco German business. We will provide an update once our strategic review has concluded. Pepco currently operates 63 stores in Germany, but the business has lower revenue densities, as well as the highest operating costs across the Pepco store portfolio.

<u>2) Refocus and digitise Pepco's customer proposition to further drive like-for-like sales</u>

Pepco's strategy centers on maintaining price leadership while improving volume growth, as evidenced by a 13.4% year-on-year improvement in unit volumes overall for Pepco during H1 FY25. The business saw volume increases across both clothing and GM categories. Additionally, significant progress continues to be made in supply chain efficiency, with on-time deliveries improving by 37 percentage points y-o-y and stock freshness (items less than 10 weeks old) increasing by 8 percentage points across categories.

Strengthening Pepco's core customer proposition lies in being the go-to discount retailer for young families – a cohort that drives the highest average basket sizes, as well as highest frequency of visit – with a tangible price advantage over our key competitors, both in our CEE heartland and within our growing Western European presence. We have refocused on our core offerings during H1 FY25, emphasizing kidswear and everyday essentials at the best prices, while ensuring operational basics like stock availability, and clear visual merchandising have been further optimised.

A key part of the strategy involves leveraging data and digital tools to enhance customer engagement. By combining an improved customer understanding with digital engagement tools, we intend to create higher customer lifetime value and sustained LFL growth. At the recent CMD we outlined that over the next 24 months the business will go through a digital transformation, where we will leverage our brand value and store presence with investment in digital customer engagement, loyalty programs and e-commerce to drive traffic, basket size and customer retention.

There is strong potential to drive digitally-influenced store sales (DISS) from our existing customer base. We are building increasing insight into our customers through data, including 31 million card tokens and over 400 million transactions per year. This will help reinforce Pepco's market position while adapting to evolving consumer expectations. In addition, Pepco already has a substantial digital footprint, with 7.5 million social media followers and 240 million annual web visits across all markets, providing a good foundation for our digital transformation plans.

3) Continue to grow our topline through measured expansion in the CEE region

The Group's ambition remains to be Europe's leading variety discount retailer. It aims to achieve this by offering quality clothing and general merchandise at the best prices, with stores conveniently located close to our customers, whether that is in high streets, retail parks or shopping malls. The convenience of our store locations, along with maintaining price leadership is critical to provide a compelling value proposition for our customers and grow market share in our core CEE heartland.

Our Pepco CEE business remains the key engine driver for the Group, delivering the highest returns across the estate. Pepco's core CEE business generated 54% of H1 FY25 Group's revenues, but given the historically strong profitability of these stores, it generated the vast majority of the Group's EBITDA at 86%.

Pepco opened 106 net new stores during the period, with just over 80% opened in the CEE region and the balance in Western Europe countries. We saw 28 new net store openings in Poland in the period, with 1,367 stores in total at the period end. Outside of Poland, the majority of new openings within the CEE took place in Bosnia, Romania, Serbia and Czechia.

During the rest of FY25, our store location strategy will continue to be targeted into the CEE region, given the familiarity of these markets and our confidence in driving returns, which will enable us to improve our strong market position. There remains a significant white space opportunity in our core CEE markets to meet our overall store targets over the next several years.

4) Validate and execute our growth strategy in select Western European markets

Western Europe ("WE") remains an important region for future growth for Pepco, particularly within Iberia (Spain, Portugal) and Italy, which account for 86% of WE sales and 81% of stores. While we remain confident in developing a store performance model that will allow us to drive profitable growth and attractive returns in WE, we will continue to manage the pace of new store openings in this region over the near term until we see our internal proof points sustainably met.

During the first half, we opened 16 net new Pepco stores in Western Europe with a focus on Iberia (+8 net stores), Greece (+7 net stores) and Italy (+1 net store). Pepco operated 565 stores across Western Europe at the end of H1

FY25, generating revenue of €370 million (11% of group sales). Under the management of recent appointment, Jorge Gervasi - Operations Director Western Europe, the business is showing good signs of improvement, with double-digit LFL growth in Iberia and Italy and enhanced store profitability.

The opening of a new distribution centre ("DC") in Madrid, Spain in September 2024 marked an important step in realising an appropriate economic model for our Iberian operations. We have already seen to date that it has structurally reduced current high transport and distribution costs, while improving availability in stores. The opening of the DC has cut lead times on clothing and GM products within Spain and Portugal by seven days, while lowering stock holding and distribution costs, and supporting LFL growth.

As highlighted at the CMD, Pepco has identified white-space opportunities for 60–70 new stores across FY25 and FY26, with future openings prioritising capital efficiency through 10–20% lower capex per store. Pepco's WE strategy hinges on disciplined execution — balancing controlled expansion with operational improvements — to prove the region's profitability and validate accelerated rollouts. The focus on core WE markets Iberia and Italy, optimised logistics, and a tiered store approach aims to replicate the success seen in Central and Eastern Europe (CEE), positioning WE as a sustainable future growth driver for the Group.

5) Upgrade our core operating platform

At the CMD, the Group announced plans to upgrade our core operating platform, focusing on supply chain and technology transformations to drive efficiency and support future growth. The strategy centers on addressing systemic issues over the next 2–3 years, with key ambitions including a faster, more flexible distribution network, standardised supply chain (SC) operations, integrated technology, and automated processes.

Plans to optimise our supply chain will include the implementation of a two-speed supply chain and two consolidation centers by FY27, alongside new DCs and a bonded facility to reduce lead times and improve inventory allocation. The development of uniform DC and store operating blueprints will also help streamline workflows and reduce costs. We will also deploy new IT systems for better planning and steering accuracy, alongside process automation to enhance operational efficiency.

These initiatives aim to achieve tangible outcomes, such as a 20-day reduction in inventory levels and improved like-for-like (LFL) sales performance through better stock availability. The transformation is expected to enhance cost efficiency, with transport costs in Spain already reduced by c. 400bps following the opening of a new 45,000 sqm DC in Guadalajara.

Additionally, the company has outlined a thorough IT roadmap including a new core ERP system and standardised HR platforms, integrated supply planning and a global POS (point-of-sale) technology platform, as well as enhanced master data management and digital tools to support customer engagement.

This overhaul is integral to Pepco's capital allocation framework, ensuring investments align with long-term value creation. By modernising its operating platform, Pepco aims to strengthen its competitive edge, improve profitability, and support its expansion ambitions in both Central and Eastern Europe (CEE) and Western Europe. The focus on scalability and efficiency underscores the company's commitment to sustainable growth and shareholder returns.

PEOPLE

In late January 2025, the Group announced a number of changes to the Board to ensure strong support for the management team through increased engagement and quicker decision-making. Going forward, this has resulted in a smaller Board comprised of one executive director and seven non-executive directors.

Willem Eelman was appointed as Group CFO, succeeding Neil Galloway. Willem is a highly experienced European CFO, having spent 11 years at GrandVision, spending some of that time working alongside CEO Stephan Borchert, as well as previous roles at C&A Europe and Unilever. Willem joined Pepco Group on 2 February 2025 and assumed the CFO role at the AGM on 12 March 2025.

In late January, it was also announced that Andy Bond would step down as non-executive Chair at the AGM, after 13 years with the Group, and at a time when the core Pepco business has returned to good financial health. Andy Bond remains on the Board as non-executive director. Andy was succeeded as Chair by Frederick Arnold, an independent non-executive director who joined the Board in June 2024. The Board would like to express its appreciation to Andy for his service as Chair, and to Neil Galloway as CFO.

As part of the Capital Markets Day announcement, we also announced that Group CEO Stephan Borchert has now assumed full responsibility for running the Pepco business, supported by a strong executive team, which includes a largely new management team: Willem Eelman as Group CFO (previously GrandVision, C&A, Unilever); Hugo Van Santen as Pepco CFO (previously at Renault Group and Unilever); Viola Schimansky as Chief Human Resources Officer (previously at ALDI Nord and AON); Pablo De Ayala as Chief Information Officer (previously at Avolta and Dufry Group); and Jorge Gervasi as Operations Director Western Europe (previously Douglas and GrandVision). Barry Williams, who took over as Managing Director of Pepco in September 2023, returned to the Poundland business to permanently take up the position of Managing Director of Poundland.

CAPITAL ALLOCATION

The overriding objective of the Group's capital allocation framework is to enhance shareholder value, while maintaining a strong balance sheet and ensuring the business operates with an ample level of liquidity. Central to this strategy is the generation of robust free cash flow (FCF), which the company aims to achieve through operational improvements, including stronger like-for-like (LFL) sales performance, gross margin expansion, and tighter control over operating costs. Additionally, a rigorous focus on net working capital efficiency and optimised cash taxes will further bolster FCF.

Where the Group generates excess cash, we will continue to prioritise investment to grow its business organically, consistent with attractive returns on capital. However, any surplus capital identified over time may be returned to shareholders by further dividends and/or share buybacks, subject to the Board's discretion and shareholder approvals. Pepco Group's medium-term ambition (FY26 onwards) is to generate over €200m in annual FCF, which will be deployed strategically for capital returns, while optimising ongoing net debt levels. The Group will continue to target a maximum net leverage (pre-IFRS 16) ratio of up to 1.5x, ensuring financial flexibility while maintaining a strong balance sheet.

At the Capital Markets Day in March 2025, the Board announced it had authorised a share buyback capability of up to €200m to be available for use during FY25 - FY27. This allows the Board to consider the potential buyback of shares from time to time in accordance with the relevant authorisation from the General Meeting. The Board is actively reviewing implementation strategies of a share buyback programme and will provide a further update in due course.

Greater focus on disciplined capital investment has improved cash generation during H1 FY25. Capital expenditure was €53 million (H1 FY24: €155 million), a significant y-o-y streamlining. Free cash flow for the Group was a small outflow of €7 million (H1 FY24: outflow of €4 million). Financial leverage (pre IFRS 16) at the end of H1 FY25 stood at 0.6x, highlighting a continued robust balance sheet position.

SUSTAINABILITY UPDATE

We are pleased to announce that all our operations in Poland are now 100% renewable energy powered, including all stores, distribution centres and offices. We have achieved this through our renewable energy power purchase agreement which provides 5,000 Megawatt hours of solar-generated electricity, and through the further purchase of renewable energy guarantees of origin. As our Poland operations represent the largest single part of our Scope 1 and 2 carbon emissions, this renewable energy purchase marks a significant step forward in our goal to reduce our carbon emissions by 50% by 2030. Several of our other markets are also using 100% renewable electricity, including Spain and Germany. Reducing carbon emissions is a key part of slowing down climate change and protecting the planet.

FINANCIAL REVIEW

Pepco Group N.V. Consolidated Condensed Financial Statements for the six-month period ended 31 March 2025 are shown on page 22 onwards.

Profit and Loss (€m)	**H1 FY25**	**H1 FY24**	***YoY (reported)***	***YoY (constant)***
Revenue	**3,338**	**3,200**	***4.3%***	**2.9%**
Like-for-like revenues (%)	**(0.7%)**	(2.5%)	*n/a*	n/a
Gross profit	**1,445**	**1,378**	***4.9%***	**3.5%**
Gross profit margin (%)	**43.3%**	43.1%	*20 bps*	30 bps
Operating costs	**(984)**	(891)	*10.4%*	8.7%
Operating costs %	**29.5%**	27.9%	*160 bps*	160 bps
Underlying EBITDA	**460**	**487**	***(5.5%)***	**(5.9%)**
Underlying EBITDA margin	**13.8%**	15.2%	*(140) bps*	(130) bps
Underlying EBITDA (pre-IFRS 16)	**235**	278	*(15.5%)*	(15.0%)
Underlying EBITDA margin (pre-IFRS 16)	**7.0%**	8.7%	*(170) bps*	(150) bps
Depreciation, amortisation & impairment	**(292)**	(262)	*11.5%*	10.1%
Underlying EBIT (IFRS 16)	**168**	**225**	***(25.3%)***	**(24.6%)**
Net financial expense	**(50)**	(51)	*(2.0%)*	(2.0%)
Underlying PBT	**117**	174	*(32.8%)*	(31.3%)
Underlying PAT	**73**	**131**	***(44.3%)***	**(43.1%)**
Underlying EPS (cents)	**12.7**	22.8	*(44.3%)*	(43.1%)
Impairment of Poundland	**(234)**	-	-	-
Other non-underlying items	**(13)**	(30)	(56.7%)	(57.2%)
Reported PBT	**(130)**	144	-	-
Tax	**(25)**	(40)	(37.5%)	(32.8%)
Reported PAT	**(155)**	104	>(200%)	>(200%)
Reported EPS (cents)	**(26.9)**	18.1	-	-
Gain/(loss) from discontinued operations	**4**	(51)	-	-

	H1 FY25	**H1 FY24**	***YoY (reported)***
Net debt	1,609	1,728	(6.9%)
Leverage: Net debt to EBITDA	**1.8x**	2.1x	(0.3x)
Net debt (pre-IFRS 16)	279	429	(35.0%)
Leverage (pre-IFRS 16): Net debt to EBITDA	**0.6x**	1.0x	(0.4x)

NOTE:
- *Numbers above based on continuing operations and according to IFRS 16 unless stated otherwise.*
- *All foreign currency revenues and costs are translated at the average rate for the month in which they are made.*

Q2 and H1 FY25 quarterly trading performance

	Q2 FY25				H1 FY25			
	Pepco	Poundland	Dealz	Group	Pepco	Poundland	Dealz	Group
Revenue €m[2]	906	422	76	**1,404**	2,171	985	182	**3,338**
Revenue Growth YoY Constant Currency[3]	9.6%	(10.1%)	4.7%	**2.7%**	8.9%	(9.7%)	11.1%	**2.9%**
Like-for-like Revenue Growth[4]	3.6%	(7.3%)	(1.7%)	**(0.2%)**	2.3%	(7.3%)	2.9%	**(0.7%)**
Store numbers								
Total stores at start of period	3,845	825	341	**5,011**	3,781	836	331	**4,948**
New openings	48	0	3	**51**	128	2	16	**146**
Closures	(6)	(7)	0	**(13)**	(22)	(20)	(3)	**(45)**
Total stores at end of period	**3,887**	**818**	**344**	**5,049**	**3,887**	**818**	**344**	**5,049**
Net new stores in period	42	(7)	3	**38**	106	(18)	13	**101**
Total trading store space growth (m^2)	1.1%	(0.6%)	0.9%	**0.7%**	3.0%	(1.8%)	4.1%	**1.9%**

Note: data shown above reflects the store openings and closures in H1. Compared to the end of H1 FY24, there have been 250 net new stores opened by Pepco (+222) and Dealz (+28).

H1 FY25: PROFIT AND LOSS

Revenue

Despite the headwind from Poundland, the Group delivered record H1 revenue of €3.3bn, an increase of 4.3% (up 2.9% on a constant currency basis) driven by strong growth in Pepco (+8.9%) and Dealz (+11.1%) supported by continued store expansion, with 250 net new stores opened by Pepco and Dealz compared to the same period last year.

Group LFL declined by 0.7%, dragged down by Poundland (-7.3%) which was only partly offset by LFL momentum in both Pepco (+2.3%) and Dealz (+2.9%). Excluding Poundland, the Group delivered LFL sales growth of +2.4% showing improving momentum on a last twelve-month rolling basis since the start of 2025.

Gross margin

Group gross profit margin of 43.3% is 20bps better than the prior half year ("HY") period, driven by expansion in Pepco of 180bps and Dealz of 150bps, offsetting a decline in Poundland of 430bps as a result of adverse mix and markdowns linked to the stock clearance programme, together with lower volume-driven rebates. Dealz benefited from favourable FX and improved negotiation outcomes from our buying teams. In Pepco, gross margin was driven by a one-off reclassification of a consumption tax into SG&A (approximately 50bps benefit in gross margin) and increased costs in the prior period relating to the issues in the Red Sea.

Operating costs

Group operating costs increased by €93m to €984m in the period (H1 FY24: €891m), growing ahead of sales, up 160bps year on year.
Store costs are an area of focus, against a backdrop of high wage inflation, and are the largest element of our operating costs, driven by movements in rent, labour and utility costs and the growth in the overall number of operated stores.

- Store costs: increased by 11.2% in the half, from €533m in H1 FY24 to €593m in H1 FY25, driven by an increase in trading space in Pepco. Store costs are principally driven by movements in rent, labour and utility costs and the growth in the overall number of operated stores.

- Store costs % revenue: increased by 110bps to 17.8% (H1 FY24 16.7%), driven by store labour cost increases in both Pepco and Poundland due to inflationary pressures and minimum wage increases in the UK.

- Distribution costs: increased by 13.7% to €154m (H1 FY24: €136m) driven by strong volume growth, reflecting increased trading space at Pepco. On a percentage to sales basis, distribution cost increased by 40bps to 4.6% (4.2% in H1 FY24).

- SG&A costs: excluding the €10m reclassification of the consumption tax from gross margin, SG&A costs increased by €5m year on year (+2.1%) reflecting investments in strategic projects such as our data and digital roadmap and building a future-ready finance function to support the Group's future growth. SG&A as a percentage of sales declined by 20bps on the prior HY period, to 6.8%.

Underlying EBITDA

First half Underlying EBITDA IFRS 16 of €460m declined by -5.5% vs. H1 FY24 (€487m) driven by performance in Poundland. Excluding Poundland, EBITDA would have been €438m, up 9.5% on prior HY period reflecting the topline growth in Pepco and Dealz and gross margin expansion of 170bps. This was partly offset by increases in the store cost base.

Whilst we report on an IFRS 16 basis as a Group, we recognise that our business historically disclosed pre-IFRS 16 financial information. The following table provides a summary of the impact of IFRS16 on EBITDA and PBT:

€m	H1 FY25			H1 FY24		
	H1 FY25	**IFRS16 Impact**	**Pre-IFRS16**	**H1 FY24**	**IFRS16 Impact**	**Pre-IFRS16**
Underlying EBITDA	**460**	**(225)**	**235**	487	(209)	278
Underlying PBT	**117**	**(8)**	**109**	174	(11)	163
Non-Underlying Items	**(247)**	**0**	**(247)**	(30)	0	(30)
Reported PBT	**(130)**	**(8)**	**(138)**	144	(11)	133
Net Debt/(cash)	**1,609**	**(1,330)**	**279**	1,728	(1,298)	429

IFRS 16 lease costs in the year have increased from €209m to €225m (+8%) driven by the continued store roll-out of the business.

Profit before tax

H1 FY25 Group statutory loss before tax was €130m (FY24: profit of €144m), driven principally by the non-cash impairment of Poundland. At an underlying level, H1 FY25 Group underlying PBT decreased by 33% to €117m (FY24: €174m).

Our effective interest rate has decreased to 6.3% (HY24: 6.7%) due to slight reductions in variable interest rates on our borrowings from credit institutions. Our secured bond issuance of €375m remains on a fixed interest rate of 7.25%.

Tax
The corporation tax rate in force in the largest markets in which the Group operates, being the UK at 25%, in Poland at 19%, and in Romania at 16%.

Taxation is recognised at an amount determined by multiplying the profit or loss before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of permanent items and temporary differences recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 March 2025 is -19.6% (six months ended 31 March 2024, 27.8%). This can be split as follows, with the underlying effective tax rate in H1 FY25 being adversely impacted principally by the underperformance in Poundland.

	H1 FY25			**H1 FY24**		
	Underlying	**Non-Underlying**	**Reported**	**Underlying**	**Non-Underlying**	**Reported**
€m						
PBT	**117**	**(247)**	**(130)**	174	(30)	144
Tax	**(44)**	**18**	**(25)**	(43)	3	(40)
PAT	**73**	**(228)**	**(155)**	131	(27)	104
Effective tax rate	**37.4%**	**7.5%**	**(19.6%)**	24.5%	8.8%	27.8%

Non-underlying items

In HY 25 non-underlying items totalled €247m (HY 24: €30m) including:

- €234m relating to the non-cash impairment of Poundland assets; and
- €13m relating to restructuring of Poundland and the Group's exit of its' FMCG proposition in Pepco.

The impairments of Poundland assets follow the additional €775m of impairments recognized in H2 FY24 which was predominantly due to an impairment of Goodwill.

Discontinued operations

The Group announced on 19 February 2024 that it would cease its operations in Austria and a loss was recognised in H1 FY24 of €50.6m. In H1 FY25, a gain of €3.5m was recognised due to a release of an outstanding legal provision that was no longer required relating to the exit of Austria.

H1 FY25: CASH FLOW

Pepco Group (€m)	H1 FY25	H1 FY24	*YoY (reported)*
Underlying EBITDA pre-IFRS 16	**235**	278	(43)
Working capital	**(141)**	(56)	(85)
Working capital – pre-IFRS 16 movements	**3**	(3)	6
Tax paid	**(43)**	(36)	(7)
Operating Cash Flow	**54**	182	(128)
Non-underlying items	**(8)**	(31)	23
Capex	**(53)**	(155)	102
Free Cash Flow (unlevered)	**(7)**	(4)	(3)
Net interest paid	**(23)**	(23)	-
Financing activities	**-**	(90)	90
Proceeds on sale of PPE	**-**	2	(2)
Discontinued items	**-**	(13)	13
Net cash flow	**(30)**	(128)	98
Effect of exchange rate fluctuations	**8**	19	(11)
Cash and cash equivalents at the beginning of the period	**363**	330	33
Cash and cash equivalents at the end of the period	**341**	221	120
Net debt: IFRS 16	**1,609**	1,728	(119)
Leverage: IFRS 16 (x EBITDA LTM)	**1.8x**	2.1x	(0.3x)
Net debt: pre-IFRS 16	**279**	429	(150)
Leverage: pre-IFRS 16 (x EBITDA LTM)	**0.6x**	1.0x	(0.4x)
Impact of IFRS 16 on leverage	**1.2x**	1.1x	0.1x
Current ratio	**1.0**	0.9	0.1

Operating cash flow of €54m, before capex and non-underlying items, decreased by €128m year-on-year, impacted by lower Underlying EBITDA delivery driven by Poundland coupled with a deterioration in working capital, mainly related to stock in Pepco.

Free cash flow is in line with the prior HY period, primarily due to the €102m reduction in capex to €53m in the half (H1 FY25: €155m) driven by the disciplined and slower pace of store openings as well as realignment of key projects, particularly in IT with the ERP program being paused. In H1 FY25, capex represented 1.6% of revenues (down from 4.8% in the prior period) and the principal areas of expenditure were:

- €28m invested in opening 146 gross new stores (H1 FY24: 346 gross new stores). This included 55 in Poland, 70 in Central and Eastern Europe (CEE) and 21 in Western Europe (WE); and
- €19m maintenance capex, largely related to store upkeep.

Net debt (IFRS16) of €1,609m was €119m lower than the prior HY, reflecting the €30m RCF repayment in the second half of FY24 (€90m in H1 FY24) and the improving cash position (+€120m) which offsets the IFRS 16 impact of additional leases reflecting the store expansion program.

H1 FY25: BALANCE SHEET

The Group has a healthy balance sheet, with a reduction in leverage year on year, and a strong financial covenant position.

Additions to Property, Plant and Equipment ("PPE") totalled €51m in the half, compared to €153m in the prior HY period, highlighting a focus on controlled growth across key markets.
Impairments were recognised across PPE, Right of Use ("ROU") Assets and Intangible Assets in relation to the continued challenging performance at Poundland. Impairments were calculated as part of a regular impairment

indicator analysis to determine if the carrying value can be recovered. As a result of the significant deterioration in Poundland's performance, impairments totalling €234m have been recognised in the period. This is in addition to the €775m of impairments recognised in the second half of FY24.

Inventory increased by 16.8% to €1,128m in H1 FY25 (H1 FY24: €966m), representing an increase in stock days from 101 to 117. Stock holding has increased due to continued growth in store numbers compared to the prior year position, together with the prior year figure being impacted by Red Sea issues which have not been relevant in H1 FY25.

Financing

There were no new financing events in H1 FY25. As of 31 March 2025, the Group's total gross external debt (excluding lease liabilities) was €620m, comprising:

- €375m 7.25% bond due 2028
- €250m Term Loan B due 2026
- Zero drawn on the Company RCF
- €5m finance leases
- Less €10m of debt issuance costs which have been capitalised

Cash as at 31 March 2025 totalled €341m, €120m higher than prior HY, partly reflecting the €90m repayment of our H1 FY24 (with €120m repaid over the whole of FY24), coupled with a better cash position at the end of FY24.

Our net debt to underlying LTM EBITDA leverage ratio is as follows:

- 0.6x on a pre-IFRS 16 basis (excluding leases)
- 1.8x on an IFRS 16 basis (including leases)

This puts our leverage significantly below our covenant levels and is an improvement versus the prior half year period.

Net external finance expenses increased from €56m in H1 24 to €58m in H1 25. Of this, non-lease related interest costs increased by €2m to €20m, an effective interest rate of 6.3%.

SEGMENTAL REPORTING – TRADING SEGMENTS

Pepco represents 65.0% of total Group H1 FY25 revenue (FY24: 62.1%) and more than the entirety of the Group's H1 FY25 operating profit. Poundland and Dealz contributed 29.5% and 5.5% of H1 FY25 revenue respectively (H1 FY24: 32.9% and 5.0%). The significant change in revenue contribution in Pepco and Dealz was driven by an improvement in performance in both banners, while Poundland contribution declined due to the negative performance across all categories in the business.

Pepco

Pepco	H1 FY25	H1 FY24	YoY (reported)	YoY (constant)
Revenue (€m)	**2,171**	1,986	9.3%	8.9%
LFL (%)	**2.3%**	(3.2%)	n/a	n/a
Gross Profit (€m)	**1,027**	904	13.6%	13.2%
Gross Profit (%)	**47.3%**	45.5%	180 bps	180 bps
Op Costs (€m)	**(587)**	(507)	15.8%	14.9%
Op Costs (%)	**27.0%**	25.5%	150 bps	140 bps
EBITDA IFRS 16 (€m)	**440**	396	11.1%	11.1%
EBITDA IFRS 16 (%)	**20.3%**	19.9%	40 bps	40 bps
EBIT IFRS 16 (€m)	**242**	220	10.0%	10.4%
Stores (#)	**3,887**	3,665	222	
EBITDA pre-IFRS 16 (€m)	**289**	263	9.9%	10.5%
EBITDA pre-IFRS 16 (%)	**13.3%**	13.2%	10 bps	20 bps

Pepco H1 FY25 sales grew +9.3% driven by 222 net new store openings over the last twelve months to take the total number of Pepco stores to 3,887 at the end of the March. LFL growth of 2.3% for the period, sequentially improving from +1.4% in Q1 to +3.6% in Q2 despite the later phasing of Easter and an extra trading day in the prior period.

Pepco is benefiting from strong performance in general merchandise (GM) of +5.2%, whilst clothing LFL was down marginally at -0.3%. Geographically, Pepco is showing strong performance across Western European markets such as Spain (+11.5%) and Italy (+9.6%) and key CEE markets, particularly Romania, Serbia and Bulgaria. Poland remains challenging with LFL -3.1% in the half and performance remains an area of key management focus and the team is committed to improve performance in our key market with a targeted action plan.

Gross margin increased by 180bps driven by a one-off reclassification of a consumption tax into SG&A (approximately 50bps benefit in gross margin) and increased costs in the prior period relating to the issues in the Red Sea.

Store expansion continued across our territories, but at a slower pace than in 1H FY24 in line with current strategy: with 106 net new stores opened in the half versus 215 in the same period in FY24 reflecting increased financial governance to focus on locations that generate the highest returns.

Underlying operating costs (IFRS 16) in Pepco increased by 15.8% year-on-year in absolute terms and by 150bps as a % of sales. Excluding the reclassification of the retail tax, operating costs as a percentage of sales were 100bps higher than the prior HY period driven by inflationary pressures, particularly on store costs such as wages.

Underlying EBITDA (IFRS 16) increased by 11.1% to €440m (H1 FY24: €396m). The underlying EBITDA margin expansion of 40bps year-on-year to 20.3% was driven by gross margin up 130bps on a comparative basis, partly offset by inflationary pressures in store costs.

TRUE AND FAIR STATEMENT

The Board of Directors is responsible for preparing the 2025 H1 Report, inclusive of the H1 Consolidated Financial Statements and the H1 Report on Operations, in accordance with the Dutch Financial Supervision Act and IAS 34 - Interim Financial Reporting as endorsed by the European Union.

In accordance with Section 5:25d, paragraph 2 of the Dutch Financial Supervision Act, the Board of Directors states that, to the best of its knowledge, the H1 Condensed Consolidated Financial Statements prepared in accordance with applicable accounting standards provide a true and fair view of the assets, liabilities, financial position and profit or loss of Pepco Group N.V. and its subsidiaries, and the undertakings included in the consolidation as a whole, and the H1 Report on Operations provides a fair overview of the information required pursuant to Section 5:25d, paragraphs 8 and 9 of the Dutch Financial Supervision Act.

Poundland

Poundland	H1 FY25	H1 FY24	YoY (reported)	YoY (constant)
Revenue (€m)	985	1,054	(6.5%)	(9.7%)
LFL (%)	(7.3%)	(0.7%)	n/a	n/a
Gross Profit (€m)	340	409	(16.9%)	(19.7%)
Gross Profit (%)	34.5%	38.8%	(430) bps	(430) bps
Op Costs (€m)	(318)	(322)	(1.2%)	(4.5%)
Op Costs (%)	32.3%	30.6%	170 bps	180 bps
EBITDA IFRS 16 (€m)	22	87	(74.7%)	(76.2%)
EBITDA IFRS 16 (%)	2.2%	8.3%	(610) bps	(610) bps
EBIT IFRS 16 (€m)	(54)	17	(417.6%)	(412.0%)
Stores (#)	818	864	(46)	
EBITDA pre-IFRS (€m)	(39)	21	(285.7%)	(280.4%)
EBITDA pre-IFRS (%)	(4.0%)	2.0%	(600) bps	(610) bps

Poundland's H1 results reflect the near-term impact of range misalignment, stock clearance and elevated shrink on sales, margin and profitability, while actions to stabilise the core proposition and cost base continue apace.

Revenue for H1 FY25 was characterised by the continued weak trend in LFL sales (-7.3 %). The main drag again came from General Merchandise (-12.0 %) and FMCG (-5.8 %), impacted by the deliberate clearance of legacy stock, which reduced on-hand inventory by approximately €15m while improving range quality but limiting availability of key FMCG lines.

Issues with Poundland's Pepco-sourced ranges remain. In GM, the proposition has yet to resonate with the UK consumer, with heritage categories such as stationery and gardening either removed or materially under-spaced in stores. The clearance of slow-moving lines suppressed full-price sales during the half. A focused programme to rebuild core category strength, including a simplified FMCG proposition and reinstated heritage GM lines, is now underway to address these gaps.

The estate ended the half with 818 stores, a net reduction of 46 year-on-year, following the planned closure of loss-making stores. This reduction in trading space also contributed to the decline in total sales.

Gross margin declined by 430bps to 34.5 %. The contraction was driven principally by adverse mix and markdowns linked to the clearance programme, together with lower volume driven rebates. Lower freight and container costs provided only partial relief.

Operating costs (IFRS 16) as a percentage of sales increased by 170bps to 32.3 %. The increase was driven primarily by the impact of negative operating leverage from the 7.3% LFL sales decline and the step-up in UK National Living Wage. Store labour costs were broadly flat in absolute terms, but deleveraged against lower sales. Modest savings were delivered through rent renewals, reduced central overheads, and lower store numbers.

Poundland reported H1 FY25 EBITDA (IFRS 16) of €22m, significantly below the prior-year €87m, and EBITDA margin declined by 610bps to 2.2%. Pre-IFRS 16 EBITDA was a loss of €39m in the half (H1 FY24: €21 m profit), primarily reflecting the €69m reduction in gross profit.

Dealz Poland

Dealz Poland	H1 FY25	H1 FY24	*YoY (reported)*	*YoY (constant)*
Revenue (€m)	**182**	160	13.8%	11.1%
LFL (%)	**2.9%**	(4.6%)	n/a	n/a
Gross Profit (€m)	**61**	51	19.6%	16.3%
Gross Profit (%)	**33.7%**	32.2%	150 bps	150 bps
Op Costs (€m)	**(47)**	(40)	17.5%	14.4%
Op Costs (%)	**25.6%**	24.9%	70 bps	70 bps
EBITDA IFRS 16 (€m)	**15**	12	25.0%	22.7%
EBITDA IFRS 16 (%)	**8.1%**	7.4%	70 bps	80 bps
EBIT IFRS 16 (€m)	**(2)**	(3)	(33.3%)	(31.8%)
Stores (#)	**344**	316	28	
EBITDA pre-IFRS (€m)	**2**	2	5.8%*	5.7%
EBITDA pre-IFRS (%)	**1.2%**	1.3%	(10) bps	(10) bps

Note: For Dealz, given the size of the EBITDA pre-IFRS, unrounded figures drive the YoY reported % change.

Similar to Pepco, Dealz delivered strong sales growth of 13.8%, driven by store openings, supported by LFL sales of +2.9%. Dealz added 28 net stores over the last twelve months, all in Poland where the company operates.

The positive LFL sales result was driven by good demand across both the GM (+2.0% LFL) and FMCG (+3.6% LFL) categories, particularly confectionary, as the team focused on store execution and a more tailored assessment of customer needs.

Gross margin for the year expanded by 150bps to 33.7%. This was driven by better negotiation outcomes from our buying teams as well as FX benefits following the relative strength of the Polish zloty against Dealz' buying currencies. Operating costs (IFRS 16) as a percentage of sales worsened by 70bps to 25.6%, primarily driven by increased store labour costs, reflecting inflationary pressures and additional headcount investment to support the store proposition.

Underlying EBITDA (IFRS 16) of €15m was up €3m (25%) on the prior HY period, with EBITDA margin increasing by 70bps driven by revenue growth and gross margin expansion. Pre-IFRS 16 EBITDA was €2m, in line with H1 FY24.

SEGMENTAL REPORTING – GEOGRAPHIC SEGMENTS

The business delivered strong sales growth in all regions other than the UK and ROI, driven by the growth of stores in these markets. The Group's revenue growth during the period was driven by a strong performance from Pepco and Dealz, particularly in our Western Europe and CEE segments. Whilst Poland also contributes to growth, the management team in Pepco is focused on driving sustainable growth in our largest market as YTD LFL is -3.0%.

Revenue (€m)	H1 FY25	H1 FY24	*YoY (reported)*	*YoY (constant)*
UK & ROI	**985**	1,054	*(6.5%)*	*(9.7%)*
Poland	**887**	840	*5.6%*	*2.8%*
CEE	**1,096**	1,010	*8.5%*	*9.6%*
Western Europe	**370**	296	*25.0%*	*25.2%*
Total	**3,338**	**3,200**	***4.3%***	***2.9%***

Like-for-like revenue (%)	**H1 FY25**	**H1 FY24**
UK & ROI	**(7.3%)**	(0.7%)
Poland	**(2.0%)**	(2.2%)
CEE	**3.8%**	(2.9%)
Western Europe	**10.0%**	(11.2%)
Total	**(0.7%)**	**(2.5%)**

Store numbers (#)	**H1 FY25**	**H1 FY24**	***YoY***
UK & ROI	**818**	864	*(5.3%)*
Poland	**1,711**	1,633	*4.8%*
CEE	**1,909**	1,830	*4.3%*
Western Europe	**611**	518	*18.0%*
Total	**5,049**	**4,845**	***4.2%***

HEDGING AND FOREIGN EXCHANGE

The Group does not hedge the translation impact of profits generated in non-Euro countries. As a result of currency movements during the period, underlying EBITDA in H1 FY25 was higher by around €2 million. The average and period end exchange rates relative to the Group were as follows:

	Average rate		**Period-end rate**	
	H1 FY25	**H1 FY24**	**H1 FY25**	**H1 FY24**
EUR/PLN	4.2548	4.3766	4.1840	4.3123
CNY/PLN	0.5551	0.5620	0.5334	0.5518
USD/PLN	4.0128	4.0508	3.8687	3.9888

The Group does hedge the transactional FX risk for inventory purchased in Asia, and paid for in US Dollars (USD) and Chinese Yuan (CNY) against Pepco, Dealz and Poundland's own operating currencies, in order to reduce the volatility on the gross margin. All of the Group's FX contracts are accounted for in cash flow hedge relationships. During the prior 12 months, there has been a continued general depreciation of USD and CNY against the Polish Zloty (PLN) in particular which is reflected in the reduction in the net liability balance sheet position for the Group's Derivative Financial Instruments against FY24.

PEPCO GROUP N.V.

INTERIM CONDENSED FINANCIAL STATEMENTS

For 6-month period ended 31 March 2025

Registered number: 81928491

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CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 31 March 2025

	Note	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Continuing operations				
Revenue	5	**3,338,333**	3,199,889	6,166,749
Cost of sales		**(1,893,818)**	(1,821,526)	(3,460,720)
Gross profit		**1,444,515**	1,378,363	2,706,029
Administrative expenses		**(1,283,299)**	(1,182,406)	(2,371,764)
Goodwill impairment		**-**	-	(724,824)
Other non-financial assets impairment		**(240,430)**	(613)	(54,578)
Operating (loss) / profit	7	**(79,214)**	195,344	(445,137)
Financial income	8	**23,183**	11,914	31,803
Financial expense	9	**(73,529)**	(63,213)	(140,785)
(Loss) / profit before taxation from continuing operations for the period		**(129,560)**	144,045	(554,119)
Taxation	10	**(25,428)**	(40,030)	(107,520)
(Loss) / profit from continuing operations for the period		**(154,988)**	104,015	(661,639)
Gain / (loss) on discontinued operations	18	**3,541**	(50,570)	(48,530)
(Loss) / profit for the period		**(151,447)**	53,445	(710,169)

Earnings per share	Note	Six months to 31 March 2025 (unaudited) Euro Cents	Six months to 31 March 2024 (unaudited) Euro Cents	Twelve months to 30 September 2024 (audited) Euro Cents
Basic earnings per share from continuing operations	11	**(26.9)**	18.1	(114.9)
Basic earnings per share from discontinued operations	11	**0.6**	(8.8)	(8.4)
Basic earnings per share	11	**(26.3)**	9.3	(123.3)
Diluted earnings per share from continuing operations	11	**(26.9)**	18.0	(114.9)
Diluted earnings per share from discontinued operations	11	**0.6**	(8.7)	(8.4)
Diluted earnings per share	11	**(26.3)**	9.2	(123.3)

The notes on pages 7 to 20 form part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 31 March 2025

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (Restated) (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
(Loss) / profit for the period	**(151,447)**	53,445	(710,169)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations	**26,899**	3,668	48,942
Effective portion of changes in fair value of cash flow hedges	**(13,884)**	31,726	121,518
Net change in fair value of cash flow hedges reclassified to profit or loss	**3,821**	(5,883)	(85,240)
Deferred tax on items that are or may be reclassified subsequently to profit or loss	**1,548**	(4,801)	(8,238)
Other comprehensive income for the period, net of income tax	**18,384**	24,710	76,982
Total comprehensive (loss) / income for the period	**(133,063)**	78,155	(633,187)

The notes on pages 7 to 20 form part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2025

	Note	31 March 2025 (unaudited) €000	31 March 2024 (Restated) (unaudited) €000	30 September 2024 (audited) €000
Non-current assets				
Property, plant and equipment		**633,704**	782,748	742,833
Right-of-use assets	17	**1,163,016**	1,244,260	1,304,678
Goodwill and other intangible assets		**36,198**	857,019	107,316
Trade and other receivables	14	**65**	49	52
Derivative financial instruments	13	**919**	219	1,766
Deferred tax assets		**124,632**	114,383	106,434
		1,958,534	2,998,678	2,263,079
Current assets				
Inventories		**1,127,996**	966,311	1,235,457
Tax receivables		**14**	358	253
Trade and other receivables	14	**75,020**	97,653	102,874
Derivative financial instruments	13	**31,379**	79,009	32,741
Cash and cash equivalents		**341,122**	221,186	363,336
		1,575,531	1,364,517	1,734,661
Total assets		**3,534,065**	4,363,195	3,997,740
Current liabilities				
Trade and other payables	15	**1,136,149**	1,063,760	1,402,544
Dividend payable		**35,714**	-	-
Current tax liabilities		**16,335**	5,131	21,683
Lease liabilities	17	**333,361**	305,065	346,594
Borrowings	16	**-**	29,022	-
Derivative financial instruments	13	**45,910**	100,574	51,259
Provisions		**14,614**	6,033	20,504
		1,582,083	1,509,585	1,842,584
Non-current liabilities				
Trade and other payables	15	**3,449**	10,778	3,396
Lease liabilities	17	**1,002,061**	1,002,561	1,034,395
Borrowings	16	**614,872**	612,059	612,980
Derivative financial instruments	13	**1,777**	389	1,227
Provisions		**5,438**	31,298	13,767
		1,627,597	1,657,085	1,665,765
Total liabilities		**3,209,680**	3,166,670	3,508,349
Net assets		**324,385**	1,196,525	489,391
Equity attributable to equity holders of the parent				
Share capital		**5,760**	5,760	5,760
Share premium reserve		**13**	13	13
Cash flow hedge reserve		**(12,866)**	(11,349)	(4,351)
Merger reserve		**(751)**	(751)	(751)
Translation reserve		**51,765**	(19,901)	24,866
Share-based payment reserve		**43,679**	35,193	39,908
Retained earnings		**236,785**	1,187,560	423,946
Total shareholders' equity		**324,385**	1,196,525	489,391

The notes on pages 7 to 20 form part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2025 (unaudited)

	Share capital €000	Share premium €000	Cash flow hedge reserve[1] €000	Translation reserve[2] €000	Merger reserve[3] €000	Share-based payment reserve €000	Retained earnings €000 €000	Total equity €000 €000
Balance at 1 October 2024	**5,760**	**13**	**(4,351)**	**24,866**	**(751)**	**39,908**	**423,946**	**489,391**
Total comprehensive income for the period								
Loss for the period	-	-	-	-	-	-	**(151,447)**	**(151,447)**
Other comprehensive (loss) / Income for the period	-	-	**(8,515)**	**26,899**	-	-	-	**18,384**
Total comprehensive (loss) / income for the period	-	-	**(8,515)**	**26,899**	-	-	**(151,447)**	**(133,063)**
Transactions with owners, recorded directly in equity								
Equity settled share-based payments	-	-	-	-	-	**3,771**	-	**3,771**
Dividends declared	-	-	-	-	-	-	**(35,714)**	**(35,714)**
Total contributions by and distributions to owners	-	-	-	-	-	**3,771**	**(35,714)**	**(31,943)**
Balance at 31 March 2025	**5,760**	**13**	**(12,866)**	**51,765**	**(751)**	**43,679**	**236,785**	**324,385**

for the six months ended 31 March 2024 (unaudited)

	Share capital €000	Share premium €000	Cash flow hedge reserve[1] €000	Translation reserve[2] (Restated) €000	Merger reserve[3] €000	Share-based payment reserve €000	Retained earnings (Restated) €000	Total equity (Restated) €000
Balance at 1 October 2023	5,760	13	(32,391)	(23,569)	(751)	33,013	1,134,115	1,116,190
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	53,445	53,445
Other comprehensive income for the period	-	-	21,042	3,668	-	-	-	24,710
Total comprehensive income for the period	-	-	21,042	3,668	-	-	53,445	78,155
Transactions with owners, recorded directly in equity								
Equity settled share-based payments	-	-	-	-	-	2,180	-	2,180
Total contributions by and distributions to owners	-	-	-	-	-	2,180	-	2,180
Balance at 31 March 2024	5,760	13	(11,349)	(19,901)	(751)	35,193	1,187,560	1,196,525

1 The cash flow hedge reserve represents the cumulative effect of fair value gains and losses on cash flow hedges in the Group.
2 The translation reserve represents the cumulative foreign exchange differences on the translation of the net assets of the Group's foreign operations from their functional currency to the presentation currency of the parent.
3 The merger reserve represents the difference between the cost of the Company's investment in its subsidiaries acquired using the principles of merger accounting and the aggregate carrying value of assets and liabilities of the subsidiaries acquired.

The notes on pages 7 to 20 form part of these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 March 2025

	Note	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (Restated) (unaudited) €000	Twelve months to 30 September 2024 (Restated) (audited) €000
Cash flows from operating activities				
Profit/(loss) for the period from continuing operations:		(154,988)	104,015	(661,639)
Adjustments for:				
Depreciation, amortisation and impairment		343,402	88,279	972,430
Right-of-use asset depreciation		187,918	172,611	364,757
Financial income	8	(23,183)	(11,914)	(31,803)
Financial expense	9	73,529	63,213	140,785
(Gain)/Loss on sale of property, plant and equipment		8	(111)	(270)
Equity settled share-based payment (credit) / expenses		3,762	2,180	6,895
Taxation	10	25,428	40,030	107,520
		455,876	458,303	898,675
(Increase)/decrease in trade and other receivables		27,841	45,898	42,459
Decrease/(increase) in inventories		107,461	209,864	(49,514)
(Decrease)/increase in trade and other payables		(266,342)	(296,554)	11,932
Increase/(decrease) in provisions and employee benefits		(14,219)	(485)	(3,993)
Settlement of derivatives		4,383	(14,677)	6,802
Cash generated by operations		315,001	402,349	906,361
Tax paid		(43,107)	(36,369)	(85,449)
Net cash from operating activities in discontinued operations		-	(1,909)	(1,909)
Net cash from operating activities		271,894	364,071	819,003
Cash flows used in investing activities				
Proceeds from sale of property, plant and equipment		-	1,645	2,290
Interest received		9,751	8,351	22,960
Disposal of subsidiary net of cash disposed		-	(8,465)	(8,465)
Additions to property, plant and equipment		(50,866)	(153,206)	(204,559)
Additions to other intangible assets		(1,720)	(1,556)	(7,189)
Net cash from investing activities in discontinued operations		-	(78)	(78)
Net cash used in investing activities		(42,835)	(153,309)	(195,041)
Cash flows from financing activities				
Proceeds from the issue of share capital		-	-	-
Proceeds from bank loan net of fees incurred		-	45,000	-
Repayment of borrowings		-	(135,000)	(120,000)
Interest paid		(33,240)	(30,854)	(56,184)
Payment of interest on lease liabilities		(37,340)	(38,109)	(77,311)
Repayment of lease liabilities		(188,828)	(176,780)	(364,274)
Net cash from financing activities in discontinued operations		-	(2,970)	(2,970)
Net cash from financing activities		(259,408)	(338,713)	(620,739)
Net decrease in cash and cash equivalents		(30,350)	(127,951)	3,224
Cash and cash equivalents at beginning of period		363,336	330,417	330,417
Effect of exchange rate fluctuations on cash held		8,136	18,720	29,695
Cash and cash equivalents at end of period		341,122	221,186	363,336

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

Pepco Group N.V. ('the Company') is a public limited liability company incorporated in the Netherlands (registration number 81928491) with its statutory seat in Amsterdam and domiciled in the United Kingdom. These consolidated condensed interim financial statements ('interim financial statements') as at and for the six months ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as 'the Group'). The Group is primarily involved in the retail of goods across the three main brands being Pepco, Poundland and Dealz.

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed by the European Union and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 30 September 2024. They do not include all the information required for a complete set of IFRS financial statements.

The accounting policies adopted in the preparation of the condensed set of consolidated financial information are consistent with those of the Group's Annual Report and Accounts for the year to 30 September 2024. No new standards, new interpretations or amendments to standards or interpretations have been published which are expected to have a significant impact on the Group's financial statements.

2. Going Concern

The interim financial statements have been prepared on a going concern basis. At the time of approving the interim financial statements, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future, which is not less than twelve months from approving the interim financial statements, in doing so the Directors have considered reasonable downside sensitivities.

In assessing going concern, the Group has considered a 2-year period to the end of FY26, beyond the minimum requirement of 12 months from the date of signing the interim financial statements. The Directors have considered a severe but plausible downside sensitivity and a reverse stress test. The analysis suggested that despite the harsh scenario assumptions, which the management judge to be very unlikely, the Group still retains sufficient headroom across the assessment period and is able to meet all the requirements of its lending covenants.

3. Accounting estimates and judgements

In preparing these interim financial statements, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The critical accounting estimates and judgements applied in preparing these interim financial statements are consistent with those presented in note 1.29 of the Group's annual consolidated financial statements as at and for the year ended 30 September 2024.

4. Segmental information

Operating segments are defined as components of the Group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker (CODM), or decision-making group, in deciding how to allocate resources and in assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, which is considered the group's chief operating decision maker.

The Group has identified three significant revenue-generating operating segments. One being business trading under the Pepco banner, one being business trading under the Poundland banner, and the final being business trading under the Dealz banner. A final "other" operating segment includes the Group's sourcing operations, Group functions and other activities that do not meet the threshold requirements for individual reporting.

EBITDA is the primary profit metric reviewed by the CODM and has been presented by operating segment with a reconciliation to operating profit. EBITDA is defined as operating profit before depreciation, amortisation, impairment, profit/loss on disposal of tangible and intangible assets. Tax and interest are not reviewed by the CODM on an operating segment basis.

Segment assets and liabilities are measured in the same way as in the consolidated historical financial information. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset. Investments in subsidiaries within the Group, along with relevant consolidation adjustments and eliminations are allocated to the relevant segment. Assets and liabilities included within the "other" segment relate to balances held by the Group's sourcing operations.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
External revenue			
Pepco	**2,171,234**	1,986,275	3,853,169
Poundland	**985,009**	1,054,013	2,006,333
Dealz Poland	**182,090**	159,601	307,247
Group external revenue	**3,338,333**	3,199,889	6,166,749
Underlying EBITDA			
Pepco	**440,200**	396,043	785,292
Poundland	**21,975**	87,094	153,319
Dealz Poland	**14,780**	11,766	24,166
Other	**(16,934)**	(7,767)	(18,750)
Group Underlying EBITDA	**460,021**	487,136	944,027
Reported EBITDA			
Pepco	**435,724**	368,854	743,029
Poundland	**21,507**	84,522	147,169
Dealz Poland	**14,780**	11,766	22,348
Other	**(19,897)**	(9,021)	(20,766)
Group Reported EBITDA	**452,114**	456,121	891,780
Less reconciling items to operating profit			
Depreciation of property, plant and equipment	**(97,160)**	(84,441)	(182,382)
Impairment of property, plant and equipment	**(67,866)**	(613)	(9,767)
Depreciation of right-of-use asset	**(187,918)**	(172,611)	(364,757)
Impairment of right-of-use asset	**(106,297)**	-	(6,104)
Amortisation of other intangibles	**(5,812)**	(3,225)	(10,646)
Impairment of other intangibles	**(66,267)**	-	(38,707)
Impairment of goodwill	**-**	-	(724,824)
Profit/(Loss) on disposal of property, plant and equipment	**(8)**	111	270
Other expenses	**-**	2	-
Group operating profit	**(79,214)**	195,344	(445,137)

4. Segmental information (continued)

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (Restated) (unaudited) €000	Twelve months to 30 September 2024 (Restated) (audited) €000
Depreciation and amortisation			
Pepco	196,412	174,263	367,587
Poundland	76,329	70,081	156,295
Dealz Poland	17,261	15,175	32,352
Other	888	758	1,551
Group depreciation and amortisation	290,890	260,277	557,785
Impairment of property, plant and equipment and intangible assets			
Pepco	6,249	613	4,362
Poundland	167,914	-	12,128
Dealz Poland	-	-	-
Other	66,267	-	762,912
Group impairment of property, plant and equipment and intangible assets	240,430	613	779,402
Additions to non-current assets			
Pepco	132,071	165,651	439,790
Poundland	50,826	91,791	143,942
Dealz Poland	12,993	18,158	29,273
Other	1,635	290	1,946
Group additions to non-current assets	197,525	275,890	614,951
Total assets			
Pepco	2,684,791	2,414,954	2,802,349
Poundland	630,140	1,723,305	999,492
Dealz Poland	173,972	179,300	172,474
Other	45,162	45,636	23,425
Group assets	3,534,065	4,363,195	3,997,740
Total liabilities			
Pepco	1,825,230	1,727,198	2,047,329
Poundland	594,121	672,622	701,994
Dealz Poland	94,060	102,012	94,321
Total Other	696,269	664,838	664,705
Group liabilities	3,209,680	3,166,670	3,508,349

5. Revenue – Geographical segments

Revenue comprises the consideration paid for products by external customers at the point of sale in stores, net of value added tax and promotional sales discounts. The Group’s disaggregated revenue recognised relates to the following geographical segments:

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (Restated) (unaudited) €000	Twelve months to 30 September 2024 (Restated) (audited) €000
United Kingdom and Republic of Ireland	985,009	1,054,013	2,006,333
Poland	886,749	839,870	1,617,790
Rest of Central and Eastern Europe	1,096,302	1,010,243	1,950,271
Rest of Western Europe	370,273	295,763	592,355
	3,338,333	3,199,889	6,166,749

6. Non-underlying items

The Group believes underlying profit, an alternative profit measure, is a valuable way in which to present business performance as it provides the users of the accounts with a clear and more representative view of ongoing business performance. Non-underlying items, which are removed from the reported IFRS measures, are defined as material, exceptional, unusual and other items.

Underlying performance measures should be considered in addition to IFRS measures and are not intended to be a substitute for them. The Group also uses underlying financial performance to improve the comparability of information between reporting periods and geographical units and to aid users in understanding the Group's performance. Consequently, the Group uses underlying financial performance for performance analysis, planning, reporting and incentive setting.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (Restated) (unaudited) €000	Twelve months to 30 September 2024 (Restated) (audited) €000
Reported EBITDA from continuing operations	452,114	456,121	891,780
Group Value Creation Plan ('VCP')	-	400	893
Impact of implementation of IFRIC interpretation on SaaS arrangements	1,596	14,175	29,661
Restructuring costs	6,311	387	5,450
Hungary fraud incident	-	16,053	16,243
Sub-total of non-underlying items	7,907	31,015	52,247
Underlying EBITDA from continuing operations	460,021	487,136	944,027
Reported operating (loss) / profit from continuing operations	(79,214)	195,344	(445,137)
Group Value Creation Plan ('VCP')	-	400	893
Impact of implementation of IFRIC interpretation on SaaS arrangements	144	13,035	29,159
Restructuring costs	12,422	387	3,689
Hungary fraud incident	-	16,053	16,243
Impairment of Poundland assets (including Goodwill & Brand)	234,186	-	775,051
Sub-total of non-underlying items	246,752	29,875	825,035
Underlying operating profit from continuing operations	167,538	225,219	379,898
Reported (loss) / profit before taxation from continuing operations for the year	(129,560)	144,045	(554,119)
Group Value Creation Plan ('VCP')	-	400	893
Impact of implementation of IFRIC interpretation on SaaS arrangements	144	13,035	29,159
Restructuring costs	12,422	387	3,689
Hungary fraud incident	-	16,053	16,243
Impairment of Poundland assets (including Goodwill & Brand)	234,186	-	775,051
Sub-total of non-underlying items	246,752	29,875	825,035
Underlying profit before tax from continuing operations	117,192	173,920	270,916

Group Value Creation Plan: A Value Creation Plan, which is accounted for as an IFRS 2 charge, was approved by the Board of Directors in March 2020 as a reward tool to incentivise the top management of the Pepco Group and to retain them post an IPO. The Group treat the VCP associated costs as Non-Underlying Costs on the basis;

- The Group VCP was a specific IPO related incentive which is not a typical share based payment scheme
- The scheme was implemented prior to the IPO and the total cost of the scheme (€45.3m) is already reflected in the share price achieved at IPO.

Management believe it is beneficial for the users of the financial statements to understand the underlying operational performance without it being skewed by the impact of the VCP charges. See note 21 of the Group's annual consolidated financial statements for the year ended 30 September 2024 for more details. Note that FY24 was the final year of costs relating to the Group VCP, and all new share based payment schemes are being included within underlying expenses.

6. Non-underlying items (continued)

Impact of IFRIC interpretation on SaaS arrangements and expensing significant ERP programme costs incurred: Following the IFRIC interpretation on accounting for SaaS costs, the Group has expensed previously capitalised costs in relation to certain SaaS projects as part of the retrospective application of the new accounting policy. In FY24 and FY25, the Group has specifically expensed costs related to significant ERP programmes.

Restructuring costs: The Group has undertaken a number of strategic decisions to restructure the operations of the Group. In FY24 and FY25, the Group has announced its intention to restructure, actively exploring separation options for Poundland (including a potential sale) and costs associated with these activities have been included as non-underlying. Similarly, the Group has announced its intention to exit the FMCG product line in Pepco and costs relating to this restructure has also been included as non-underlying costs.

Fraud identified in Pepco Hungary: During FY24, the Group incurred a loss due to a fraud incident which occurred in Pepco Hungary. The loss to the business is a non-underlying expense as it was material, exceptional and unusual in nature. All costs have been captured that relate to this issue and classified as non-underlying.

Impairment in Goodwill and Brand: During FY24 the Group have impaired goodwill and brand assets recognised on the acquisition of Poundland. The Group have also impaired Right of use assets and Property, Plant and Equipment relating to Poundland. Further impairments were recognised in FY25 in relation to brand assets, Right of Use Assets and Property, Plant and Equipment. These are all considered to be non-underlying as they are material, exceptional and unusual in nature.

7. Operating profit

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Operating profit for the period has been arrived at after charging/(crediting):			
Expense relating to short-term, low-value and variable leases	25,819	24,874	57,316
Depreciation of tangible fixed assets and other items:			
Owned	97,160	84,441	182,382
Depreciation of right-of-use assets	187,918	172,611	364,757
Impairment of property, plant and equipment	67,866	613	9,767
Amortisation of other intangibles	5,812	3,225	10,646
Impairment of Goodwill	-	-	724,824
Impairment of other intangible assets	66,267	-	38,707
Impairment of right-of-use assets	106,297	-	6,104
Cost of inventories recognised as an expense	1,867,594	1,777,889	3,419,474
Write downs of inventories recognised as an expense	53,449	40,494	92,201

8. Financial income

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Bank interest income	9,751	8,351	22,960
Foreign exchange gains	13,432	3,563	8,843
	23,183	11,914	31,803

9. Financial expense

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Interest on bank loans and amortisation of capitalised finance costs	**30,215**	26,464	67,789
Interest on lease liabilities	**37,543**	37,714	77,311
Ineffective element of hedging	**-**	58	(263)
Foreign exchange losses	**5,771**	(1,023)	(4,052)
	73,529	63,213	140,785

10. Taxation

The corporation tax rate in force in the largest markets in which the Group operates - being the UK is 25%, in Poland is 19%, and in Romania is 16%. Taxation is recognised at an amount determined by multiplying the profit or loss before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of permanent items and temporary differences recognised in full in the interim period. As such the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 March 2025 is -19.6% (six months ended 31 March 2024, 27.8%).

11. Earnings per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss)attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year. Basic and diluted earnings/(loss) per share is calculated as follows:

	Six months to 31 March 2025 (unaudited) €	Six months to 31 March 2024 (unaudited) €	Twelve months to 30 September 2024 (audited) €
Basic earnings per share			
Earnings per share from continuing operations	**(26.9)**	18.1	(114.9)
Earnings per share from discontinued operations	**0.6**	(8.8)	(8.4)
Earnings per share	**(26.3)**	9.3	(123.3)
Earnings per share from continuing operations adjusted for non-underlying items	**12.7**	22.8	31.1
Diluted earnings per share			
Diluted earnings per share from continuing operations[1]	**(26.9)**	18.0	(114.9)
Diluted earnings per share from discontinued operations[1]	**0.6**	(8.7)	(8.4)
Diluted earnings per share[1]	**(26.3)**	9.2	(123.3)
Diluted earnings per share from continuing operations adjusted from non-underlying items	**12.7**	22.7	30.9

[1]Given the loss after tax in HY 25 and FY 24, the diluted EPS cannot be higher than basic EPS and therefore both are considered equal on a reported basis.

Basic earnings per share is based on the profit for the period attributable to equity holders of the company divided by the number of shares ranking for dividend. Diluted earnings per share is calculated by adjusting the weighted average number of shares used for the calculation of basic earnings per share as increased by the dilutive effect of potential ordinary shares. The only potentially dilutive instruments in issue are share awards under the VCP scheme as well as share based payments granted from new schemes in FY24 and FY25.

11. Earnings per share (continued)

The following table reflects the profit data used in the basic and diluted earnings per share calculations:

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
(Loss) / profit from continuing operations attributable to the ordinary equity holders of the company	(154,988)	104,015	(661,639)
Add back non-underlying items	246,752	29,875	825,036
Add back tax on non-underlying items	(18,412)	(2,631)	15,822
Adjusted profit attributable to the ordinary equity holders of the company	73,352	131,259	179,219

The following table reflects the share data used in the basic and diluted earnings per share calculations:

	Six months to 31 March 2025 (unaudited) '000	Six months to 31 March 2024 (unaudited) '000	Twelve months to 30 September 2024 (audited) '000
Weighted average number of shares			
Weighted average number of ordinary shares in issue	576,000	576,000	576,000
Weighted average number of shares for basic earnings per share	576,000	576,000	576,000
Weighted average of dilutive potential shares	3,578	2,610	4,113
Weighted average number of shares for diluted earnings per share	579,578	578,610	580,113

12. Dividends

The Board of Directors declared a dividend of 6.2c per share on 12 March 2025. The total amount of the dividend is €35.7m. This has been recorded as a liability in the financial statements for the period ended 31 March 2025. The dividend was paid in April 2025 to shareholders.

13. Derivative financial instruments

The Group uses foreign currency forward contracts and commodity hedges to manage risks arising from changes in foreign currency exchange rates (relating to the purchase of overseas sourced products) and fuel price fluctuations. These have been designated as cash flow hedges with the respective underlying risks identified in accordance with the hedging strategy discussed as part of the financial risk management.

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Hedge ineffectiveness may occur due to:

a) the fair value of the hedging instrument on the hedge relationship designation date if the fair value is not €Nil;

b) changes in the contractual terms or timing of the payments on the hedged item; and

c) a change in the credit risk of the Group or the counterparty with the hedging instrument.

The fair value of the derivatives at each reporting date reflects the movement in exchange rates compared to the transaction price. Derivatives are typically considered to be level 2 in the fair value hierarchy as consistent with the annual report and accounts.

14. Trade and other receivables

	31 March 2025 (unaudited) €000	31 March 2024 (Restated) (unaudited) €000	30 September 2024 (audited) €000
Non-current trade and other receivables			
Other receivables	65	49	52
	65	49	52
Current trade and other receivables			
Trade receivables	1,286	1,678	4,991
Other receivables	18,974	20,395	27,184
Prepayments	54,760	75,580	70,699
	75,020	97,653	102,874

As the principal business of the Group is retail sales made in cash or with major credit cards, the Group's trade receivables are small and therefore credit risk primarily consists of accrued income and cash and cash equivalents. Accordingly, the Group does not systematically report outstanding receivables analysed by credit quality, in particular with respect to the credit quality of financial assets that are neither past due nor impaired.

There is no significant concentration of credit risk with respect to trade receivables, as the Group has a large number of customers that are widely dispersed. As such, any further detailed analysis of the credit risk of the Group's financial assets by category is not considered meaningful.

The carrying amount of trade and other receivables recorded in the financial statements represents the Group's maximum exposure to credit risk and any associated impairments are immaterial.

15. Trade and other payables

	31 March 2025 (unaudited) €000	31 March 2024 (Restated) (unaudited) €000	30 September 2024 (audited) €000
Current			
Trade payables	757,339	679,650	908,991
Other taxation and social security	54,392	66,024	71,724
Other payables	61,476	72,533	81,326
Accruals	262,942	245,553	340,503
	1,136,149	1,063,760	1,402,544
Non-current			
Accruals and deferred income	3,449	10,778	3,396
	3,449	10,778	3,396

16. Borrowings

	31 March 2025 (unaudited) €000	31 March 2024 (unaudited) €000	30 September 2024 (audited) €000
Current			
Borrowings from credit institutions	-	29,022	-
Non-current			
Borrowings from credit institutions	248,761	248,678	248,230
Secured Bond Issuance	366,111	363,381	364,750

Included within non-current liabilities are loans from credit institutions of €250m (HY24: €250m) and a secured bond of €375m (HY24: €375m). Costs incurred in obtaining the loans from credit institutions and the secured bond have been capitalised and are allocated to the Consolidated income statement over the life of the debt facility. At 31 March 2025 borrowings are stated net of unamortised issue costs of €10.1m (HY24: €13.9m).

Interest is being charged on total borrowings at an effective rate of 6.3% (HY24: 6.7%). These loans contain financial covenants which are typical for this type of facility and include minimum leverage and interest cover. The Group remained compliant with these covenants for the period ended 31 March 2025. The loans from credit institutions are secured over the shares of material overseas subsidiaries and debentures over other assets of the Group. Borrowings from credit institutions included within non-current borrowings relate to a Term Loan which matures in April 2026 and has a variable interest rate.

The secured bond issuance matures in June 2028 and has a fixed interest rate of 7.25%.

17. Leases

	31 March 2025 (unaudited) €000	31 March 2024 (unaudited) €000	30 September 2024 (audited) €000
Right-of-use assets	1,163,016	1,244,260	1,304,678
Maturity profile of lease liabilities			
Less than twelve months	333,361	305,065	346,594
More than twelve months	1,002,061	1,002,561	1,034,395
	1,335,422	1,307,626	1,380,989

18. Discontinued Operations

The Group has classified certain operations as discontinued operations in accordance with the requirements of IFRS 5. The financial performance of discontinued operations has been separately disclosed in the consolidated statement of comprehensive income. No related assets and liabilities have been classified as held for sale as the operation has been disposed of during the prior period.

The discontinued operations relates to the Group's business in Austria. In February 2024, Pepco Group announced the exit out of the Austrian market and the liquidation of Pepco Austria. The decision to discontinue these operations was made as part of the Group's strategic review to focus on profitable markets. The financial results of discontinued operations have been disclosed separately to provide users of the financial statements with clarity regarding the Group's ongoing operations and its financial performance.

In FY25, a gain was recorded in relation to discontinued operations as a provision was released for €3.5m.

18. Discontinued Operations (continued)

The following table highlights the results of the discontinued operation:

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (unaudited) €000
Discontinued operations			
Revenue	-	26,279	26,279
Cost of sales	-	(13,304)	(13,304)
Gross profit	-	12,975	12,975
Administrative expenses	-	(21,903)	(21,903)
Operating loss	-	(8,928)	(8,928)
Financial income	-	187	187
Financial expense	-	(623)	(623)
Loss before taxation for the period	-	(9,364)	(9,364)
Taxation	-	7	7
Loss for the period	-	(9,357)	(9,357)

There were no items of other comprehensive income related to discontinued operations during the reporting period.

In addition to the results of Pepco Austria highlighted above, in FY24 there have been additional costs and impairments recognised as a result of disposing of the entity. In line with IFRS 5, these costs have also been included within the loss on discontinued operations within the income statement and are categorised as follows:

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (unaudited) €000
Total costs included in total loss on discontinued operations			
Loss for the period from discontinued operations (as per above)	-	**(9,357)**	**(9,357)**
Impairment of receivables and loans payable to fellow subsidiaries	-	**(73,106)**	**(73,106)**
Gain on disposal of discontinued operation	-	**38,593**	**40,633**
Additional costs and provisions associated with the disposal	**3,541**	**(6,700)**	**(6,700)**
Gain / (Loss) on discontinued operations	**3,541**	**(50,570)**	**(48,530)**

19. Restatement

The prior year balances have been restated and the impact on the relevant financial statement line items have been highlighted below. There are two specific restatements to disclose.

Firstly, an adjustment of €22.0m has been recognised in relation to aged debit items included within Trade and other payables. This adjustment related to items which were originally recorded in FY23 and prior and therefore should have been written off in these periods. An adjustment has been made to the opening FY24 retained earnings to account for this error.

Secondly, a restatement has been made as a result of a number of errors relating to FY23 and prior which were noted as part of completing the FY24 Annual Report. The largest adjustment relates to inventory whereby the Group had incorrectly capitalised costs which once corrected reduces inventory and reduces retained earnings, as these costs were incorrectly capitalised in periods prior to FY23. The remaining adjustments relate to releases of debit balances present in receivables and payables which were required to be written off. There was no impact on the HY24 Income statement.

	31 March 2024 Old (unaudited) €000	Adjustment (unaudited) €000	**31 March 2024 Restated (unaudited) €000**	30 September 2024 Old (audited) €000	Adjustment (unaudited) €000	**30 September 2024 Restated (unaudited) €000**
Balance Sheet						
Current Assets						
Inventory	982,487	(16,176)	**966,311**	-	-	**-**
Trade and other receivables	98,071	(418)	**97,653**	-	-	**-**
Current Liabilities						
Trade and other payables	1,039,311	24,449	**1,063,760**	1,380,519	22,025	**1,402,544**
Non-Current Liabilities						
Trade and other payables	10,910	(132)	**10,778**	-	-	**-**
Equity						
Translation reserve	(22,160)	2,259	**(19,901)**	25,535	(669)	**24,866**
Retained earnings	1,230,730	(43,170)	**1,187,560**	445,302	(21,356)	**423,946**

20. Alternative performance measures

Introduction

The Directors assess the performance of the Group using a variety of performance measures; some are IFRS and some are adjusted and therefore termed "non-GAAP" measures or "Alternative Performance Measures" (APMs). The rationale for using adjusted measures is explained below. The Directors principally discuss the Group's results on an "underlying" basis. Results on an underlying basis are presented before non-underlying items (large and unusual items). All APMs are based on continuing operations and therefore by definition exclude any results from discontinued operations.

A reconciliation from these non-GAAP measures to the nearest measure prepared in accordance with IFRS is presented below. The APMs we use may not be directly comparable with similarly titled measures used by other companies. The majority of these APMs have been restated as the Group has recently disposed of Pepco Austria which has been classified as a discontinued operation.

20. Alternative performance measures (continued)

Non-underlying and other items

The Directors believe that presentation of the Group's results on an underlying basis provides a useful alternative analysis of the Group's financial performance, as non-underlying and other items are identified by virtue of their size, nature or incidence. This presentation is consistent with the way that financial performance is measured by management and reported to the Board and assists in providing a relevant analysis of the trading results of the Group. In determining whether events or transactions are treated as non-underlying and other items, management considers quantitative as well as qualitative factors such as the frequency or predictability of occurrence.

The following charges and credits have been included within non-underlying and other items for the period ended 31 March 2025; see note 6 for more details:

- business restructuring programmes;
- Impairment of goodwill and brand; and
- Impact of implementation of IFRIC interpretation on SaaS arrangements and expensing significant ERP programme costs incurred.

Like-for-like (LFL) revenue growth

In the opinion of the Directors, like-for-like revenue growth is a measure which seeks to reflect the underlying performance of the Group's stores. The measure is defined as year-on-year revenue growth for stores open beyond their trading anniversary, with stores relocated in a catchment and/or upsized included within LFL provided the enlarged store footprint is less than 50% bigger than the existing store.

	Six months to 31 March 2025 (unaudited) %	Six months to 31 March 2024 (unaudited) %	Twelve months to 30 September 2024 (audited) %
Reported revenue growth	4.3%	13.8%	10.2%
Like-for-like revenue growth	(0.7%)	(2.5%)	(3.2%)

Underlying EBITDA

Underlying EBITDA is defined as reported EBITDA from continuing operations excluding the impact of non-underlying items.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Reported EBITDA	452,114	456,121	891,780
Non-underlying items	7,907	31,015	52,247
Underlying EBITDA	460,021	487,136	944,027

Underlying profit before tax

Underlying profit before tax is defined as reported profit before tax from continuing operations excluding the impact of non-underlying items.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Reported (loss) / profit before tax	(129,560)	144,045	(554,119)
Non-underlying items	246,752	29,875	825,035
Underlying profit before tax	117,192	173,919	270,917

20. Alternative performance measures (continued)

Gross Margin

Gross margin represents gross profit divided by revenue all in relation to continuing operations.

The Group uses gross margin in its business operations, among other things, as a means of comparing the underlying profitability of the Group from period to period and the performance of its sourcing model. The Group uses gross margin as a useful metric to understand business performance and its ability to "sell for less" by "buying for less". Gross margin is expressed as a percentage.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Gross profit	**1,444,515**	1,378,363	2,706,029
Revenue	**3,338,333**	3,199,889	6,166,749
Gross margin %	**43.3%**	43.1%	43.9%

Excluding impact of IFRS 16

The Group's performance is also analysed excluding the impact of IFRS 16, which provides greater comparability to prior performance.

Net Debt (pre-IFRS 16)

The Group uses net debt because the Group believes this measure provides an indicator of the overall strength of its balance sheet and can be used to assess its earnings as compared to its indebtedness as defined by the Group's financing agreements.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Borrowings from credit institutions	**614,872**	641,081	612,980
Obligations under finance leases	**5,236**	9,318	6,785
Gross debt (excluding IFRS 16 lease liabilities)	**620,108**	650,399	619,765
Closing cash balance	**(341,122)**	(221,186)	(363,336)
Net debt (excluding IFRS 16 lease liabilities)	**278,986**	429,213	256,429

Underlying EBITDA (pre-IFRS 16)

Underlying EBITDA (pre-IFRS 16) is defined as reported EBITDA excluding the impact of non-underlying items and the impact of IFRS 16. Prior year underlying EBITDA (pre-IFRS 16) also excluded the impact of the discontinued operations.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Reported EBITDA	**452,114**	456,121	891,780
Non-underlying items	**7,907**	31,015	52,247
IFRS 16 adjustments	**(225,374)**	(209,458)	(429,516)
Underlying EBITDA (pre-IFRS 16)	**234,647**	277,678	514,511

20. Alternative performance measures (continued)

Underlying profit before tax (pre-IFRS 16)

Underlying profit before tax (pre-IFRS 16) is defined as reported profit before tax excluding the impact of non-underlying items and the impact of IFRS 16.

	Six months to 31 March 2025 (unaudited) €000	Six months to 31 March 2024 (unaudited) €000	Twelve months to 30 September 2024 (audited) €000
Reported profit before tax	(129,560)	144,045	(554,119)
Non-underlying items	246,752	29,875	825,036
IFRS 16 adjustments	(7,822)	(11,181)	(3,837)
Underlying profit before tax (pre-IFRS 16)	109,370	162,738	267,080

21. Related party transactions

Related party transactions remain consistent with those disclosed in our annual report. The majority of related party transactions in the Group relate to transactions with entities within the Pepco Group which are eliminated on consolidation. No related party transactions remain with IBEX group companies (excluding companies within the Pepco Group).

22. Subsequent events

There are no reportable subsequent events.