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11 December 2017

MARLOWE PLC
Half Year Results 2017

Marlowe plc ("Marlowe", the "Company" or the "Group"), the support services group focused on acquiring and developing companies that provide critical asset maintenance services, announces its unaudited results for the six-month period ended 30 September 2017 ("Interim Report").

ADJUSTED RESULTS[1] - Continuing operations	HY 2018	HY 2017	% Change
Revenue (£m)	36.0	17.7	104%
EBITDA (£m)*	3.1	1.7	89%
Operating profit (£m)**	2.6	1.4	83%
Profit before tax (£m)**	2.4	1.3	90%
EPS (p) **	6.2	5.1	23%

[1] Refer to Note 4 of the Half Year Results for a reconciliation between adjusted and statutory results
** Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")*
*** Before amortisation of intangible assets, share based payments, acquisition and restructuring costs*

STATUTORY RESULTS - Continuing operations	HY 2018	HY 2017
Revenue (£m)	36.0	17.7
Operating profit (£m)	0.7	0.6
Profit before tax (£m)	0.5	0.5
Basic earnings per share (p)	1.2	1.6
Net cash (£m)	3.2	4.9

Summary:

- Revenue up 104% to £36.0m; current 12 month run-rate revenues in excess of £80m
- Adjusted EBITDA up 89% to £3.1m; adjusted profit before tax up 90% to £2.4m
- Completion of four acquisitions in the period, including Ductclean UK, broadening the capabilities of the Group into a market-leading position in air hygiene
- Two further acquisitions since period-end, including SB Hygiene, a provider of ductwork and kitchen extract cleaning services, announced today
- Fire Protection & Security revenues up 81% to £26.1m; integration programmes proceeding to plan
- Water Treatment & Air Hygiene revenues significantly expanded to £9.9m; integrations complete
- Appointment of Mark Adams to the Board as Group Finance Director
- Encouraging initial progress in cross-selling activity
- A well-developed pipeline of acquisition opportunities to continue to add further scale to the Group

Commenting on the results Alex Dacre, Chief Executive, said:

"In the first half Marlowe continued to make significant progress on its strategy of building the UK's leading group of critical asset maintenance businesses and delivered further profitable growth in line with expectations.

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We will continue to pursue our strategy of organic and acquisitive growth and are well positioned to gain further market share across all of our business streams. The second half of the year has started well and we remain confident of delivering a full year performance in line with market expectations."

For further information:

Marlowe plc Alex Dacre, Chief Executive Derek O'Neill, Chairman	0203 813 8498
Cenkos Securities Nicholas Wells Elizabeth Bowman	0207 397 8900
FTI Consulting Nick Hasell Alex Le May	0203 727 1340

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CHIEF EXECUTIVE'S REVIEW

RESULTS SUMMARY AND STRATEGY

The Group performed well during the first half of the financial year. Both divisions, Fire Protection & Security and Water Treatment & Air Hygiene continued to deliver on their growth strategies, with the integration of the acquisitions completed in the period proceeding to plan and synergies in line with those anticipated on acquisition. During the first half the Group acquired four businesses across our two divisions, with a further two acquisitions following the period-end.

Adjusted operating profit for the six months to 30 September 2017 was £2.6m (HY 2017: £1.4m) on sales of £36.0m (HY 2017: £17.7m) an increase of 104%, the majority of which derived from acquisitions made during FY 2017, most notably BBC Fire Protection ("BBC"), Hentland Limited ("Hentland") and H2O Chemicals ("H2O"). Adjusted profit before tax before exceptional items, amortisation and share based payments grew 90% to £2.4m (HY 2017: £1.3m). Adjusted earnings per share for the period increased 23% to 6.2p (HY 2017: 5.1p).

In July, the Group raised £10m through an oversubscribed share placing which has provided a strong balance sheet for the Group to continue its acquisition-led growth strategy and pursue the opportunities that we have identified.

The Group continues to benefit from increased awareness of the requirement for the high standard of maintenance that is needed to comply with health & safety laws and regulations, along with a focus on cross-selling across our business streams. The breadth and scale of our national operations across a range of critical and regulated maintenance services position us strongly to benefit from these trends and provides a competitive advantage against our largely single-service regional competitors.

In line with our strategy to broaden the Group's capabilities into complementary areas of critical asset maintenance, the key event in the period was the acquisition in July of Ductclean UK ("DCUK"), which broadened the services provided by the Group into a market-leading position in the ventilation maintenance, ductwork cleaning and management, kitchen extract cleaning and contamination remediation services markets ("Air Hygiene"). The Air Hygiene market shares attractive key characteristics with the fire & security and water treatment markets, including a significant element of non-discretionary spend, strong regulatory and legislative drivers, a degree of operational and technical complexity which favours outsourcing, and the same channel to market, which provides opportunities for cross-selling. In addition to providing the Group with a presence in a new complementary service sector, the market in which DCUK operates is currently highly fragmented and offers significant scope for consolidation. DCUK has traded well since acquisition and exceeded its first earn-out target in the period to September 2017. Today, the Group announces that it has acquired SB Hygiene Limited ("SB Hygiene"), a duct cleaning company based in Ossett, West Yorkshire. SB Hygiene provides ductwork and kitchen extract cleaning services to a number of blue-chip customers across the UK and has ongoing maintenance revenues of £1m. The services offered by SB Hygiene are complementary to those of DCUK and the acquisition brings some attractive new customer relationships to the Group that will further broaden our base of recurring revenues.

FIRE PROTECTION & SECURITY

Our Fire Protection & Security division delivered adjusted operating profit of £1.7m (HY 2017: £1.3m) on revenues of £26.1m (HY 2017: £14.4m). During the period we developed our capability to address an anticipated increase in demand from our customers that may result from the Grenfell Tower Inquiry, along with pledges from central government in the recent Budget. We continue to expect margins in Fire Protection & Security to improve as acquisition and route density synergies are realised. We are one of the largest operators in the UK and our business now benefits from significantly improved critical mass in what is a route-based business in which economies of scale, once integrations are complete, are expected to be a significant contributor to financial performance. Our focus within the division has been on investing in the development of our nationwide operating platform in preparation for further growth, alongside developing and investing in our engineering teams to enhance standards of service and compliance at customers' sites. We expect the division's operating margin to expand during the second half as we realise the benefits of integration and economies of scale.

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The division comprises the activities of nine acquisitions completed since our readmission to AIM in April 2016. Our primary strategic objective during FY 2017 was to develop national coverage and appropriate critical mass such that we would benefit from route density and economies of scale. We are now the fourth largest fire protection provider in the UK with good geographic coverage across mainland Britain. We expect to see customers with operations across the UK continue to consolidate their suppliers and we are one of the small number of providers with a national network who are able to deliver a national service. The integration of the nine businesses that we have acquired to form our Fire Protection & Security division continues to proceed to plan.

The integration of Hentland, which was acquired in October 2016, is now complete and the integration programme for BBC, which was acquired in February 2017, is proceeding to plan. Two of our smaller acquisitions, Titan and Alpha, conducted during the second half of our prior financial year, are now fully integrated. Philton Fire and BTE Systems, which were acquired during H1, and dB Audio, which was acquired subsequent to the period-end, are currently being integrated into our London operations. The near-term operational focus of the business is to leverage our increased scale and national coverage. The division now operates from a common IT platform, which will enable more efficient route planning and efficiency in back office processes. We continue to seek to optimise the amount of time that our technicians spend at each service visit, and this is expected to improve first-time-fix rates, along with service levels and profitability. We have also been refocusing the acquired businesses to ensure that they are able to capture the recurring service and maintenance revenues upon which our business model is based. The development of our proprietary customer compliance portal, Insight, is now complete and will provide real-time compliance data to our customers across the Group. We continue to build the revenues of our monitoring centre, which is beginning to see improvements in margins and profitability in what is largely a fixed cost segment of the business.

WATER TREATMENT & AIR HYGIENE

Our Water Treatment & Air Hygiene division traded in line with expectations during the first half with adjusted operating profit of £1.3m (HY 2017: £0.3m) on revenues of £9.9m (HY 2017: £3.3m). Integration of the four acquisitions that form this division is complete and we realised an improvement in our operating margin (up 4 percentage points) as a result of improvements to our operating platform, economies of scale and synergies identified during integration.

Our Water Treatment & Air Hygiene division comprises the activities of WCS Group, the UK's fifth largest provider of nationwide water treatment and hygiene services, along with a two-month contribution from DCUK, the UK market leader in Air Hygiene.

WCS Group has been formed through the acquisition and integration of three businesses, the most recent of which, Advance Environmental, was acquired in June 2017. The three businesses have now been fully integrated and are operating as one national entity on a common IT platform with a shared back office, alongside five regional sites allowing for close proximity to our customers across the UK. Tight overhead control and strong management of gross margins led to an improvement in operating margin during the period.

DCUK, which was acquired in July, made a positive contribution to the Group's performance during its first two months of ownership. DCUK's base of recurring duct cleaning revenues delivered good growth during the period and there has been encouraging initial cross-selling activity, in particular between DCUK and the Fire Protection & Security division. The business exceeded its initial earn-out targets in the period to September and is well-positioned for further growth through acquisition. In line with our strategy to accelerate the growth of DCUK through further acquisitions, today we have announced the acquisition of SB Hygiene which will be integrated into DCUK.

BALANCE SHEET

Group net assets at 30 September 2017 were £48.6m (31 March 2017: £35.0m) reflecting the proceeds of the £10m share placing in July and shares issued as part of the consideration for DCUK.

Net cash at 30 September 2017 was £3.2m (31 March 2017: £2.5m). The Group's facilities at the end of the period were £18.0m, comprising £15.0m of term loans, a £2.5m revolving credit facility and a

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£0.5m overdraft facility, giving the Group access to significant further resources to support its acquisition-led growth strategy.

CASH FLOW

The net cash generated from operations in the period was £0.9m (HY 2017: £0.9m). This includes a net working capital outflow of £2.2m (HY 2017: outflow £0.8m) as a result of both further organic growth across the Group and post-acquisition investment in working capital in acquired businesses.

BOARD

Also announced today is the appointment of Mark Adams as Group Finance Director, effective from 1 January 2018. On joining the Group, Mark will become a member of the Board.

Mark brings to Marlowe more than 20 years of experience in senior finance roles in a broad range of sectors. Most recently Mark was interim Chief Financial Officer ("CFO") at Stobart Group Ltd, Pets at Home Group plc and Cognita Schools. He has previously served as CFO at Hastings Insurance Group, easyJet plc, Helphire Group plc and Alpha Airports Group plc.

PEOPLE

Since our first acquisition in April 2016 our Group has rapidly increased in scale and now employs over 950 people. Businesses within the services sector are dependent upon the continual professionalism and initiative of the people that provide their services. As we continue to grow and develop we have been fortunate to welcome a high calibre of people who share our passion for excellence.

OUTLOOK

The integration of our acquisitions is proceeding to plan and we have a well-developed pipeline of attractive opportunities to add further scale to Marlowe as we continue to implement our strategy of building a leading UK support services group in complementary areas of critical asset maintenance. The second half of the year has started well and we remain confident of delivering a full year performance in line with market expectations.

Alex Dacre
Chief Executive **11 December 2017**

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Independent review report to Marlowe plc

Introduction

We have been engaged by Marlowe plc (the "Company") to review the financial information in the half-yearly financial report for the six months ended 30 September 2017 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows and the related notes. We have read the other information contained in the half-yearly financial report which comprises only the Chief Executive's Review, and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with guidance contained in Independent Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. Our review work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM Rules for Companies of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Note 1, the annual financial statements of Marlowe plc and its subsidiaries (the "Group") are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 1.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report of the Company for the six months ended **30 September 2017** is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
11 December 2016

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Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2017

	Note	Unaudited six months ended 30 September 2017 £'m	Unaudited six months ended 30 September 2016 £'m	Audited year ended 31 March 2017 £'m
Revenue	2	36.0	17.7	46.8
Cost of sales		(23.7)	(11.2)	(30.2)
Gross profit		12.3	6.5	16.6
Administrative expenses		(9.7)	(5.1)	(13.1)
Acquisition and other costs	2	(1.9)	(0.8)	(2.6)
Operating profit		0.7	0.6	0.9
Finance costs		(0.2)	(0.1)	(0.2)
Profit before tax		0.5	0.5	0.7
Income tax charge	3	(0.1)	(0.2)	(0.4)
Profit and total comprehensive income for the period from continuing operations		0.4	0.3	0.3
Profit attributable to owners of the parent		**0.4**	**0.3**	**0.3**
Earnings per share attributable to owners of the parent (pence)				
Total				
- Basic	4	1.2p	1.6p	1.1p
- Diluted	4	1.2p	1.6p	1.1p

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Consolidated Statement of Changes in Equity
For the six months ended 30 September 2017

	Share capital £'m	Share premium £'m	Other reserves £'m	Retained earnings £'m	Total equity £'m
Balance at 1 April 2016	7.3	-	-	0.2	7.5
Profit for the period	-	-	-	0.3	0.3
Total comprehensive income for the period	**-**	**-**	**-**	**0.3**	**0.3**
Transaction with owners					
Issue of share capital	6.4	10.9	-	-	17.3
Issue costs	-	(0.2)	-	-	(0.2)
Share-based payments charge	-	-	0.2	-	0.2
	6.4	**10.7**	**0.2**	-	**17.3**
Balance at 30 September 2016 (unaudited)	13.7	10.7	0.2	0.5	25.1
Balance at 1 October 2016	13.7	10.7	0.2	0.5	25.1
Profit for the period	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**
Transaction with owners					
Issue of share capital	1.8	8.3	-	-	10.1
Issue costs	-	(0.3)	-	-	(0.3)
Share-based payments charge	-	-	0.1	-	0.1
	1.8	**8.0**	**0.1**	-	**9.9**
Balance at 31 March 2017 (audited)	15.5	18.7	0.3	0.5	35.0
Balance at 1 April 2017	15.5	18.7	0.3	0.5	35.0
Profit for the period	-	-	-	0.4	0.4
Total comprehensive income for the period	**-**	**-**	**-**	**0.4**	**0.4**
Transaction with owners					
Issue of share capital	1.7	11.6	-	-	13.3
Issue costs	-	(0.3)	-	-	(0.3)
Share-based payments charge	-	-	0.2	-	0.2
	1.7	**11.3**	**0.2**	-	**13.2**
Balance at 30 September 2017 (unaudited)	17.2	30.0	0.5	0.9	48.6

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Consolidated Statement of Financial Position
At 30 September 2017

	Note	Unaudited six months ended 30 September 2017 £'m	Unaudited six months ended 30 September 2016 £'m	Audited year ended 31 March 2017 £'m
ASSETS				
Non-current assets				
Intangible assets	6	37.3	17.2	26.6
Property, plant and equipment		4.5	1.4	2.6
Deferred tax asset		0.1	-	0.2
		41.9	18.6	29.4
Current assets				
Inventories		2.1	0.8	1.8
Trade and other receivables		22.0	10.4	16.5
Cash and cash equivalents		10.7	10.3	7.8
		34.8	**21.5**	**26.1**
Total assets		**76.7**	**40.1**	**55.5**
LIABILITIES				
Current liabilities				
Trade and other payables		(18.5)	(7.7)	(14.0)
Financial liabilities - borrowings	8	(1.8)	(1.1)	(1.1)
Other financial liabilities		(0.3)	(0.1)	(0.2)
Current tax liabilities		(0.6)	(0.7)	(0.2)
Provisions		(0.2)	-	(0.1)
		(21.4)	**(9.6)**	**(15.6)**
Non-current liabilities				
Financial liabilities - borrowings	8	(5.2)	(4.3)	(3.7)
Deferred tax liabilities		(1.3)	(1.1)	(1.0)
Other financial liabilities		(0.2)	-	(0.2)
		(6.7)	**(5.4)**	**(4.9)**
Total liabilities		**(28.1)**	**(15.0)**	**(20.5)**
Net assets		**48.6**	**25.1**	**35.0**
Equity				
Share capital		17.2	13.7	15.5
Share premium account		30.0	10.7	18.7
Other reserves		0.5	0.2	0.3
Retained earnings		0.9	0.5	0.5
Equity attributable to owners of parent		**48.6**	**25.1**	**35.0**

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Consolidated Statement of Cash Flows

For the six months ended 30 September 2017

	Note	Unaudited six months ended 30 September 2017 £'m	Unaudited six months ended 30 September 2016 £'m	Audited year ended 31 March 2017 £'m
Cash flows from operating activities				
Net cash generated from operations	11	0.9	0.9	3.2
Net finance costs		(0.2)	-	(0.2)
Income taxes paid		(0.4)	-	(0.5)
Net cash generated from operating activities		**0.3**	**0.9**	**2.5**
Cash flows from investing activities				
Purchases of property, plant and equipment	2	(0.2)	(0.2)	(0.4)
Disposal of property, plant and equipment	2	0.1	-	0.1
Restructuring costs		(1.0)	(0.1)	(1.1)
Purchase of subsidiary including acquisition costs, net of cash acquired		(7.3)	(13.3)	(23.3)
Net cash flows (used) in investing activities		**(8.4)**	**(13.6)**	**(24.7)**
Cash flows from financing activities				
Proceeds from share issues		10.0	10.0	20.0
Cost of share issues		(0.3)	(0.2)	(0.5)
Repayment of borrowings		(2.5)	(4.1)	(6.7)
New bank loans raised		2.0	6.5	6.5
Finance lease repayments		(0.2)	-	(0.2)
Other financing activities		2.0	0.2	0.3
Net cash generated in financing activities		**11.0**	**12.4**	**19.4**
Net increase/(decrease) in cash and cash equivalents		2.9	(0.3)	(2.8)
Cash and cash equivalents at start of period		7.8	10.6	10.6
Cash and cash equivalents at the end of period		**10.7**	**10.3**	**7.8**
Cash and cash equivalents shown above comprise:				
Cash at bank		10.7	10.3	7.8

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Notes to the Consolidated Interim Report
For the six months ended 30 September 2017

1 Basis of preparation

Basis of preparation

The consolidated interim financial information of the Group for the half year ended 30 September 2017 was approved by the Board of Directors and authorised for issue on 11 December 2017. The disclosed figures are not statutory accounts in terms of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2017, on which the auditors gave an audit report which was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies. The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union.

The comparative figures for the financial year ended 31 March 2017 and the half year ended 30 September 2016 are consistent with the Group's annual financial statements and half year financial statements respectively.

Going concern

Based on the Group's cash flow forecasts and projections, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing these half-yearly financial statements.

Accounting policies

This half-yearly report has been prepared on a basis consistent with the accounting policies expected to be applied for the year ending 31 March 2018, and uses the same accounting policies and methods of computation applied for the year ended 31 March 2017.

Critical accounting estimates and judgements continue to be applied to the valuation of separable intangibles on acquisition, impairment of trade receivables, restructuring costs, impairment of non-financial assets and provisions.

The Group will be required to adopt IFRS 15 (Revenue from Contracts with Customers), for the year ending 31 March 2019. The core principle of the new standard is for entities to recognise revenue to depict the transfer of goods and services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods and services. The Directors are still considering the impact that the adoption of this Standard will have in future periods. There were no new relevant Standards or Interpretations to be adopted for the six-month ended 30 September 2017

2 Segmental information

The Group is organised into two main operating segments, Fire Protection & Security ("Fire & Security") and Water Treatment & Air Hygiene ("Water & Air"). Services per segment operate as described in the Chief Executive's review. The main segmental profit measure is adjusted operating profit and is shown before acquisition and restructuring costs, share-based charges and amortisation of intangible assets. The vast majority of trading of the Group is undertaken within the United Kingdom. Segment assets include deferred tax and head office assets. Segment liabilities comprise operating liabilities. Central liabilities include deferred tax, corporate borrowings and head office liabilities. Capital expenditure comprises additions to computer software, property, plant and equipment and includes additions resulting from acquisitions through business combinations. Segment assets and liabilities are allocated between segments on an actual basis.

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REVENUE

The revenue from external customers was derived from the Group's principal activities primarily in the UK (where the Company is domiciled) as follows:

Six months ended 30 September 2017
Unaudited

	Fire & Security £'m	Water & Air £'m	Head Office £'m	Total £'m
Revenue	26.1	9.9	-	36.0
Segment adjusted operating profit/(loss)	1.7	1.3	(0.4)	2.6
Acquisition costs				(0.3)
Restructuring costs				(1.0)
Share-based payments charge				(0.2)
Amortisation of intangible assets				(0.4)
Operating profit				0.7
Finance costs				(0.2)
Profit before tax				0.5
Tax charge				(0.1)
Profit after tax				0.4
Segment assets	17.8	10.3	48.6	76.7
Segment liabilities	7.2	5.7	15.2	28.1
Capital expenditure	0.1	-	-	0.1
Depreciation and amortisation	0.4	0.1	0.4	0.9

Six months ended 30 September 2016
Unaudited

	Fire & Security £'m	Water & Air £'m	Head Office £'m	Total £'m
Revenue	14.4	3.3	-	17.7
Segment adjusted operating profit/(loss)	1.3	0.3	(0.2)	1.4
Acquisition costs				(0.2)
Restructuring costs				(0.1)
Share-based payments charge				(0.2)
Amortisation of intangible assets				(0.3)
Operating profit				0.6
Finance costs				(0.1)
Profit before tax				0.5
Tax charge				(0.2)
Profit after tax				0.3
Segment assets	10.6	2.7	26.8	40.1
Segment liabilities	6.4	1.7	6.9	15.0
Capital expenditure	0.2	-	-	0.2
Depreciation and amortisation	0.2	0.1	0.3	0.6

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Year ended 31 March 2017
Audited

	Fire & Security £'m	Water & Air £'m	Head Office £'m	Total £'m
Revenue	37.8	9.0	-	46.8
Segment adjusted operating profit/(loss)	3.4	0.8	(0.7)	3.5
Acquisition costs				(0.6)
Restructuring costs				(1.1)
Share-based payments charge				(0.3)
Amortisation of intangible assets				(0.6)
Operating profit				0.9
Finance costs				(0.2)
Profit before tax				0.7
Tax charge				(0.4)
Profit after tax				0.3
Segment assets	18.7	2.3	34.5	55.5
Segment liabilities	8.6	1.8	10.1	20.5
Capital expenditure	0.3	0.1	-	0.4
Depreciation and amortisation	0.4	0.1	0.6	1.1

3 Tax

The underlying tax charge is based on the expected effective tax rate (19%) for the full year ending 31 March 2018 applied to taxable trading profits for the period.

4 Earnings per ordinary share

Basic earnings per share have been calculated on the profit after tax for the period and the weighted average number of ordinary shares in issue during the period.

	Unaudited six months ended 30 September 2017	Unaudited six months ended 30 September 2016	Audited period ended 31 March 2017
Weighted average number of shares in issue	32,075,473	21,773,938	25,508,993
Total profit after tax for the period	£0.4m	£0.3m	£0.3m
Total basic earnings per ordinary share (pence)	1.2	1.6	1.1
Weighted average number of shares in issue	32,075,473	21,773,938	25,508,993
Executive incentive plan	116,947	49,655	98,992
Weighted average fully diluted number of shares in issue	32,195,420	21,823,593	25,607,985
Total fully diluted earnings per share (pence)	1.2	1.6	1.1

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The Directors believe that adjusted basic earnings per share provide a more appropriate representation of the underlying earnings derived from the Group's business. The adjusted items are shown in the table below:

	Unaudited six months ended 30 September 2017 £'m	Unaudited six months ended 30 September 2016 £'m	Audited year ended 31 March 2017 £'m
Profit before tax for the period	0.5	0.5	0.7
Adjustments:			
Acquisition costs	0.3	0.2	0.6
Restructuring costs	1.0	0.1	1.1
Amortisation of intangible assets	0.4	0.3	0.6
Share-based payments charge	0.2	0.2	0.3
Adjusted profit for the period	**2.4**	**1.3**	**3.3**
Finance charges	0.2	0.1	0.2
Adjusted operating profit	**2.6**	**1.4**	**3.5**
Depreciation	0.5	0.3	0.5
Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA")	**3.1**	**1.7**	**4.0**

The adjusted earnings per share, based on weighted average number of shares in issue during the period, is calculated below:

	Unaudited six months ended 30 September 2017	Unaudited six months ended 30 September 2016	Audited year ended 31 March 2017
Adjusted profit before tax (£'m)	2.4	1.3	3.3
Tax at 19/20/20%	(0.4)	(0.2)	(0.7)
Adjusted profit after taxation (£'m)	2.0	1.1	2.6
Adjusted basic earnings per share (pence)	6.2	5.1	10.4
Adjusted fully diluted earnings per share (pence)	6.2	5.1	10.3

5 Dividends

The Company has not declared any dividends in respect of the current or prior period.

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6 Intangible assets

	Goodwill £'m	Customer relationships £'m	Order backlog £'m	Total £'m
Cost				
1 April 2016	-	-	-	-
Acquired with subsidiary	12.7	4.8	0.1	17.6
Additions	-	-	-	-
Disposals	-	-	-	-
30 September 2016	12.7	4.8	0.1	17.6
1 October 2016	12.7	4.8	0.1	17.6
Acquired with subsidiary	9.0	0.6	-	9.6
Additions	-	-	-	-
Disposals	-	-	-	-
31 March 2017	21.7	5.4	0.1	27.2
1 April 2017	21.7	5.4	0.1	27.2
Acquired with subsidiary	9.1	1.7	-	10.8
Additions	0.3	-	-	0.3
Disposals	-	-	-	-
30 September 2017	**31.1**	**7.1**	**0.1**	**38.3**
Accumulated amortisation and impairment				
1 April 2016	-	-	-	-
Charge for the period	-	0.3	0.1	0.4
30 September 2016	-	0.3	0.1	0.4
1 October 2016	-	0.3	0.1	0.4
Charge for the period	-	0.2	-	0.2
31 March 2017	-	0.5	0.1	0.6
1 April 2017	-	0.5	0.1	0.6
Charge for the period	-	0.4	-	0.4
30 September 2017	**-**	**0.9**	**0.1**	**1.0**
Carrying amount				
30 September 2016 – Unaudited	12.7	4.5	-	17.2
31 March 2017 – Audited	21.7	4.9	-	26.6
30 September 2017 – Unaudited	**31.1**	**6.2**	**-**	**37.3**

An additional £0.3m of goodwill has been recognised during the period as further assessments have been made to the provisional fair values of acquisitions made in the prior year.

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7 Net cash

Analysis of net cash

	Unaudited 30 September 2017 £'m	Unaudited 30 September 2016 £'m	Audited 31 March 2017 £'m
Cash and cash equivalents	10.7	10.3	7.8
Bank loans and overdrafts due within one year	(1.8)	(1.1)	(1.1)
Bank loans due after one year	(5.2)	(4.3)	(3.7)
Finance leases due within one year	(0.3)	-	(0.3)
Finance leases due after one year	(0.2)	-	(0.2)
	3.2	4.9	2.5

8 Financial Liabilities – Borrowings

	Unaudited 30 September 2017 £'m	Unaudited 30 September 2016 £'m	Audited 31 March 2017 £'m
Current			
Bank loans - secured	1.8	1.1	1.1
	1.8	1.1	1.1
Non - current			
Bank loans - secured	5.2	4.3	3.7
	7.0	5.4	4.8

The bank debt is due to Lloyds Bank plc and is secured by a fixed and floating charge over the assets of the Group. Under the bank facility the Group is required to meet quarterly covenant tests in respect of cashflow cover, interest cover and leverage. All tests were met during the year and the Directors expect to continue to meet these tests for the foreseeable future.

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9 Called up share capital

The following shares were issued during the period:

	No. of shares 'm	Share capital £'m	Share premium £'m
Balance at 1 April 2016	**14.6**	**7.3**	-
1 April 2016 - Subscription Shares	3.0	1.5	1.5
1 April 2016 - Consideration Shares ("Swift")	3.5	1.8	1.7
15 April 2016 - Consideration Shares ("WCS")	0.2	0.1	0.2
15 April 2016 - Loan Repayment Shares ("WCS")	0.1	-	0.1
7 September 2016 - Consideration Shares ("H2O")	0.2	0.1	0.3
9 September 2016 - Subscription Shares	3.0	1.5	3.6
27 September 2016 - Subscription Shares	2.9	1.4	3.5
Directly attributable costs	-	-	(0.2)
Balance at 30 September 2016	**27.5**	**13.7**	**10.7**
16 December 2016 - Subscription Shares	3.4	1.8	8.3
Directly attributable costs	-	-	(0.3)
Balance at 31 March 2017	**30.9**	**15.5**	**18.7**
31 July 2017 - Consideration Shares ("DCUK")	0.9	0.4	2.9
31 July 2017 - Subscription Shares	2.6	1.3	8.7
Directly attributable costs	-	-	(0.3)
Balance at 30 September 2017	**34.4**	**17.2**	**30.0**

10 Business combinations

Acquisition of Advance Environmental Limited

On 15 June 2017 the Company acquired Advance Environmental Limited ("Advance"), a provider of water treatment and hygiene services, for a total consideration of £2.7 million, satisfied by the payment of £2.7 million in cash on completion. The provisional fair values are as follows:

Provisional fair value at acquisition	**£'m**
Cash	0.8
Intangible assets – customer relationships	0.6
Trade and other receivables	0.3
Property, plant and equipment	0.1
Trade and other payables	(0.4)
Deferred tax liabilities	(0.1)
Tax liabilities	(0.1)
Net assets acquired	1.2
Goodwill	1.5

One hundred percent of the equity of Advance was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £34k have been charged to profit or loss.

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Acquisition of Ductclean (UK) Limited

On 31 July 2017 the Company acquired Ductclean (UK) Limited ("DCUK"), a provider of ductwork and kitchen extract cleaning and contamination remediation services, for a total consideration of £9.2 million, satisfied by the payment of £3.3 million in cash, £3.4m satisfied by the issuance of 878,031 ordinary shares of the Company on completion, and additional earnouts of £0.5m, £1m and £1m payable subject to the achievement of certain performance targets by the acquired business 2 months, 14 months and 26 months respectively post acquisition. The shares are subject to a lock-in period of 60 months. The earnouts can be settled in cash or ordinary shares at the Company's option. The earn-out shares would be issued at the market price at the time of issue and subject to the same lock-in period. The provisional fair values are as follows:

Provisional fair value at acquisition	**£'m**
Trade and other receivables	3.3
Property, plant and equipment	2.0
Loans receivable	1.9
Intangible assets – customer relationships	0.7
Inventories	0.6
Loans payable	(2.4)
Trade and other payables	(2.2)
Cash	(0.5)
Finance leases	(0.4)
Tax liabilities	(0.2)
Deferred tax liabilities	(0.1)
Net assets acquired	2.7
Goodwill	6.5

One hundred percent of the equity of DCUK was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £141k have been charged to profit or loss.

Acquisition of The Philton Group Limited

On 14 August 2017 the Company acquired The Philton Group Limited ("Philton"), a provider of fire protection services, for a total consideration of £0.1 million, satisfied by the payment of £0.1 million in cash on completion. The provisional fair values are as follows:

Provisional fair value at acquisition	**£'m**
Trade and other receivables	0.2
Trade and other payables	(0.3)
Cash	(0.1)
Net liabilities acquired	(0.2)
Goodwill	0.3

One hundred percent of the equity of Philton was acquired in this transaction. Acquisition costs of £9k have been charged to profit or loss.

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Acquisition of BTE Systems Limited

On 25 August 2017 the Company acquired BTE Systems Limited ("BTE"), a provider of fire protection services, for a total consideration of £1.7m, satisfied by the payment of £1.5m in cash on completion and a cash payment of up to £0.2m payable subject to the achievement of certain performance targets by the acquired business 6 months post acquisition. The provisional fair values are as follows:

Provisional fair value at acquisition	**£'m**
Cash	0.5
Trade and other receivables	0.4
Intangible assets – customer relationships	0.3
Loans payable	(0.1)
Trade and other payables	(0.1)
Tax liabilities	(0.1)
Net assets acquired	0.9
Goodwill	0.8

One hundred percent of the equity of BTE was acquired in this transaction. Deferred tax has been provided on the value of the intangible assets at the tax rate applicable at the time the asset is expected to be realised. Acquisition costs of £16k have been charged to profit or loss.

11 Cash inflow from operations

	Unaudited six months ended 30 September 2017 £'m	Unaudited six months ended 30 September 2016 £'m	Audited year ended 31 March 2017 £'m
Profit before tax	0.5	0.5	0.7
Depreciation of property, plant and equipment	0.5	0.2	0.5
Amortisation of intangible assets	0.4	0.3	0.6
Net finance costs	0.2	0.1	0.2
Acquisition costs	0.3	0.3	0.6
Restructuring costs	1.0	0.1	1.1
Share-based payments charge	0.2	0.2	0.3
Decrease/(increase) in inventories	0.5	(0.1)	(0.2)
Increase in trade and other receivables	(1.4)	(0.6)	(1.4)
Increase/(decrease) in trade and other payables	(1.3)	(0.1)	0.8
Net cash generated from operations	0.9	0.9	3.2

12 Post balance sheet events

Subsequent to the period end the Company made the following acquisitions:

On 25 October, the Company acquired dB Audio and Electronic Services Limited, a provider of fire protection and security services.

On 8 December, the Company acquired SB Hygiene Limited, a provider of duct cleaning services.

The total consideration for these acquisitions was satisfied by the payment of £1.3m cash on completion. One hundred percent of the equity was acquired in these transactions.

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A purchase price allocation exercise has not yet been performed for these acquisitions.

13 Related parties and key management compensation

Related parties

Following the retirement of Nigel Jackson on the 30 September 2017 he is no longer a related party. There have been no other material changes to the related party transactions and relationships disclosed in the Group's 2017 Annual Report.

Key management compensation

Transactions between the Group and key management personnel in the period relate to remuneration consistent with the policy set out in the Directors' Remuneration Report within the Group's 2017 Annual Report.

Following Nigel Jackson's retirement he continues to hold an interest in the Marlowe 2016 Incentive Scheme. His interest is subject to a maximum value based on the contribution made to the Group prior to retirement.

The Remuneration Committee also approved a Long Term Incentive Plan ("LTIP") Award to Robert Flinn, Chief Executive of the Fire & Security Division, which can be exercised between the third and fifth year of his employment, which commenced on 1 September 2017. The LTIP is calculated by reference to the financial performance of the Fire & Security Division.