



IRISH CONTINENTAL GROUP

2022

Half-Yearly Financial Report

for the half year ended 30 June 2022

THURSDAY 25 AUGUST 2022

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022

Irish Continental Group plc (ICG), the leading Irish-based maritime transport group, reports its financial performance for the half year ended 30 June 2022.

This half-yearly financial report references Alternative Performance Measures (APMs) which are not defined under International Financial Reporting Standards and which are explained in the Appendix to the half year result.

Highlights**Financial summary**

	HY 2022*	HY 2021**	Change %
Revenue	€263.1m	€141.6m	+85.8%
EBITDA***	€47.3m	€12.7m	+272.4%
Operating profit / (loss)	€17.4m	€(10.3)m	
Profit / (loss) before tax	€15.4m	€(12.2)m	
Basic earnings per share	8.0c	(6.8)c	
Interim dividend	4.64c	nil	+100.0%
Net debt***	€154.5m	€112.1m	+37.8%
Net debt (pre-IFRS 16)***	€105.9m	€61.7m	+71.6%

* HY 2022: Half Year up to 30 June 2022, ** HY 2021: Half Year up to 30 June 2021

*** Additional information in relation to these APMs is disclosed in the Appendix

Volume movements

	HY 2022 '000	HY 2021 '000	Change %
Cars	214.2	29.8	+618.8%
RoRo freight	330.2	126.7	+160.6%
Containers shipped (teu*)	169.3	176.7	(4.2%)
Port lifts	164.9	165.5	(0.4%)

*teu: twenty-foot equivalent units

The HY 2022 result is reported against the background of a gradual return towards pre-pandemic travel patterns after the disruption of the last two years. The Group has continued to focus on strategic development and has maintained a strong liquidity position.

Key highlights in HY 2022 include;

- Group revenue generated totalling €263.1 million, €121.5 million more than HY 2021.
- Operating profit generated was €17.4 million, compared to an operating loss of €(10.3) million in HY 2021.
- EBITDA generated of €47.3 million, €34.6 million more than HY 2021.
- Gross cash balances of €38.6 million (31 December 2021: €38.5 million).
- Net debt at €154.5 million, €12.3 million higher than at the beginning of the year.
- The Directors have declared an interim dividend of 4.64 cent per share (2021: €nil) payable on 7 October 2022 to shareholders on the register on 16 September 2022.
- Acquisition and commissioning completed of the ropax vessel, the Isle of Inisheer, which is now one of three vessels serving the Dover – Calais route.
- Acquisition of container vessel, the CT Pachuca, which is being operated within the Group's container services.
- Further investment in environmentally friendly port equipment at Dublin Ferryport Terminals and commencement of operations at Dublin Ferryport Inland Depot.

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Commenting on the results, Chairman John B. McGuckian noted;

“HY 2022 was one of significant improvement in Group performance following the challenging trading environment over the previous two years following the imposition by governments of travel restrictions in early 2020 as preventative measures during the Covid-19 pandemic.

The gradual return of passenger travel towards more historic patterns and the continuing support of our freight customers together with the new ferry service on Dover – Calais drove HY 2022 revenues to a record level of €263.1 million. However, the Group also had to deal with the challenges of cost inflation particularly energy prices. Nevertheless, the Group reported a profit before tax of €15.4 million, €27.6 million ahead of last year.

On a strategic level, the Group continues to invest in its businesses, with over €50.0 million expended on strategic assets in the half year period. The Dover – Calais service, which commenced on 29 June 2021 was expanded to a three vessel service in May 2022 and now offers up to 30 sailings per day. We continue the expansion and modernisation of our container terminals with the latest automated and environmentally friendly equipment.

The improvement in revenue performance has continued to date. However, in the near term, the Group is cautious regarding inflation pressures and the associated macro-economic impact together with the challenges in passing cost increases through the logistics chain.”

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HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022 - CONTINUED

Results

Financial Highlights

	HY 2022	HY 2021	Change %	FY 2021*
Revenue	€263.1m	€141.6m	+85.8%	€334.5m
EBITDA	€47.3m	€12.7m	+272.4%	€52.3m
Operating profit / (loss)	€17.4m	€(10.3)m		€(0.2)m

* FY 2021 = Year End up to 31 December 2021

ICG reports its results for HY 2022 against the background of a gradual return towards pre-pandemic travel patterns after the disruption of the last two years.

The Group recorded revenue of €263.1 million compared with €141.6 million in HY 2021, an increase of 85.8%. Earnings before interest, tax, depreciation and amortisation (EBITDA) were €47.3 million compared with €12.7 million in HY 2021. Group fuel costs increased by €35.3 million (155.5%) to €58.0 million from €22.7 million. Operating profit was €17.4 million compared with a €(10.3) million loss in HY 2021. A profit before tax of €15.4 million is reported compared with a loss before tax of €(12.2) million in HY 2021.

There was a net finance charge of €2.0 million (2021: €1.9 million) which includes net bank interest payable of €1.4 million (2021: €1.3 million), lease interest €0.7 million (2021: €0.6 million) and net pension interest income of €0.1 (2021: €nil). The tax charge amounted to €0.9 million (2021: €0.5 million). Basic EPS was 8.0c compared with (6.8)c in HY 2021. Adjusted EPS amounted to 8.0c versus (6.8)c for HY 2021.

Operational Review

Ferries Division

Financial Summary

	HY 2022	HY 2021	Change %	FY 2021
Revenue*	€167.9m	€62.9m	+166.9%	€175.5m
EBITDA	€29.8m	€(0.6)m		€23.2m
Operating profit / (loss)	€5.7m	€(18.9)m		€(17.4)m

* Includes intersegment revenue of €15.2 million (HY 2021: €5.8 million) (FY 2021: €13.8 million)

The division comprises Irish Ferries, a leading provider of passenger and freight ferry services between Ireland / UK, Ireland / France and the UK / France and the chartering of vessels.

Revenue in the division was €167.9 million (2021: €62.9 million) while EBITDA was €29.8 million (2021: €(0.6) million). Operating profit was €5.7 million compared to a loss of €(18.9) million in HY 2021.

The performance of the ferries operations in HY 2022 was significantly improved on HY 2021 as travel patterns gradually returned towards pre-pandemic levels after the disruption caused by Covid-19 across 2020 and 2021. The impact of the Dover – Calais operations, which commenced on 29 June 2021, can also be seen in the result for the period as the service moved to a three vessel operation with the addition of the Isle of Inisheer.

Irish Ferries commenced services on the Dover – Calais route on 29 June 2021, initially with one vessel, the Isle of Inishmore. The Dover – Calais route is now served by three vessels. The Rosslare – Pembroke route previously served by the Isle of Inishmore is now operated by the chartered vessel Blue Star 1.

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FOR THE HALF YEAR ENDED 30 JUNE 2022 - CONTINUED

Operational Review – continued

Ferries Division – continued

Volumes - Total

	HY 2022	HY 2021	Change %	FY 2021
Car volumes ('000)	214.2	29.8	+618.8%	203.6
Passenger volumes ('000)	894.4	132.8	+573.5%	667.8
RoRo freight volumes ('000)	330.2	126.7	+160.6%	290.0

Volumes – Legacy Routes

	HY 2022	HY 2021	Change %	FY 2021
Car volumes ('000)	113.9	29.8	+282.2%	161.6
Passenger volumes ('000)	421.2	132.8	+217.2%	546.3
RoRo freight volumes ('000)	145.8	126.7	+15.1%	259.2

In HY 2022, total cars carried were 214,200, up 618.8% on the same period in HY 2021. Total passenger carryings were 894,400, an increase of 573.5% on HY 2021. This increase in carryings reflects a gradual return to normal travel patterns, versus a full six-month period of travel restrictions in HY 2021 in response to the Covid-19 pandemic. The increase also reflects the impact of six full months of trading on the Dover – Calais route, which commenced on 29 June 2021.

Freight carryings in HY 2022 were 330,200 units, an increase of 160.6% over HY 2021, while freight revenues increased 94.3%. These increases also reflect the impact of the Dover – Calais operations.

Chartering

	HY 2022	HY 2021	Change %	FY 2021
Charter revenue	€23.3m	€8.8m	+164.8%	€20.7m

The division owns eight container vessels, five of which are chartered intra division and three chartered externally to third parties. The increase in revenue primarily relates to a strong charter market driven by increased global trade and the addition of two vessels in the division. Charter revenue also includes earnings from the long term receivable relating to the bareboat hire purchase contract arising from the disposal of the Oscar Wilde in a prior period.

Costs

	HY 2022	HY 2021	Change %	FY 2021
Depreciation, impairment and amortisation	€24.1m	€18.3m	+31.7%	€40.6m
Employee benefits expense	€9.5m	€7.9m	+20.3%	€15.7m
Other operating costs	€128.6m	€55.6m	+131.3%	€135.5m
Total operating costs	€162.2m	€81.8m	+98.3%	€191.8m

Costs in the division increased by €80.4 million in HY 2022 compared to HY 2021. This increase was principally attributable to the operational costs associated with the Dover – Calais route and fuel costs. Total divisional fuel cost increased to €48.3 million from €17.1 million in HY 2021 due to higher global fuel prices and increased consumption in comparison with HY 2021.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022 - CONTINUED

Operational Review – continued

Container and Terminal Division

Financial Highlights

	HY 2022	HY 2021	Change %	FY 2021
Revenue*	€111.0m	€85.2m	+30.3%	€174.0m
EBITDA	€17.5m	€13.3m	+31.6%	€29.1m
Operating profit	€11.7m	€8.6m	+36.0%	€17.2m

* Includes intersegment revenue of €0.6 million (HY 2021: €0.6 million) (FY 2021: €1.2 million)

Operational Highlights

	HY 2022	HY 2021	Change %	FY 2021
Volumes	'000	'000		'000
Containers shipped (teu)	169.3	176.7	(4.2%)	346.6
Port lifts	164.9	165.5	(0.4%)	335.5

The Container and Terminal Division includes the intermodal shipping line Eucon as well as the division's strategically located container terminals in Dublin and Belfast.

Revenue in the division increased by 30.3% to €111.0 million (2021: €85.2 million), EBITDA increased to €17.5 million (2021: €13.3 million), while operating profit increased to €11.7 million (2021: €8.6 million).

Total containers shipped by Eucon were down 4.2% at 169,300 teu (2021: 176,700 teu). This decrease was driven by weather disruption in the first quarter of the year and ongoing congestion at European ports. Fuel costs increased to €9.7 million from €5.6 million in HY 2021 due to increases in global fuel prices. Vessel charter rates also increased versus the corresponding period last year in line with global rates. Other costs increased in line with inflation.

Containers handled at our container terminals in Dublin and Belfast fell 0.4% to 164,900 lifts (2021: 165,500 lifts). Dublin Ferryport Terminals' activity was down 1.0%, and activity at Belfast Container Terminal was up 0.6%.

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FOR THE HALF YEAR ENDED 30 JUNE 2022 – CONTINUED

Statement of Financial Position

A summary Statement of Financial Position as at 30 June 2022 is presented below:

	30 Jun 2022 €m	30 Jun 2021 €m	31 Dec 2021 €m
Property, plant and equipment and intangible assets	371.4	316.5	330.1
Right-of-use assets	47.7	50.6	57.2
Long term receivable	12.1	15.1	13.6
Retirement benefit surplus	31.2	16.1	6.7
Other assets	103.1	66.2	65.8
Cash and bank balances	38.6	131.1	38.5
Total assets	604.1	595.6	511.9
Non-current borrowings	137.2	109.5	115.8
Non-current lease liabilities	31.4	34.0	37.5
Retirement benefit obligations	0.9	1.4	1.4
Other non-current liabilities	2.5	1.4	1.5
Current borrowings	7.3	83.3	7.3
Current lease liabilities	17.2	16.4	20.1
Other current liabilities	156.5	80.3	78.6
Total liabilities	353.0	326.3	262.2
Total equity	251.1	269.3	249.7
Total equity and liabilities	604.1	595.6	511.9

The analysis of key movements in the period since 31 December 2021 is set out below.

The principal movements in property, plant and equipment and intangible assets relate to the purchases of the Isle of Inisheer and CT Pachuca vessels, acquisition of new plant at Dublin Ferryport Terminals and scheduled replacement expenditure less depreciation charge in the period. The movement in right-of-use assets mainly relates to depreciation charges offset by the addition of new container leases. The long-term receivable relates to deferred sales proceeds receivable under the hire purchase sale agreement entered into on the sale of a surplus vessel in a prior period.

The increase in other current assets is attributable to increased trade debtors relating to higher freight revenues and prepayments on asset purchases. The increase in other current liabilities mainly relates to the seasonal increase in passenger deferred revenue balances.

The assumptions used to measure pension obligations were reviewed against the background of market conditions as at 30 June 2022. This review resulted in a change in discount and inflation rate assumptions while other assumptions were retained at 31 December 2021 levels. A net actuarial gain of €25.5 million arose in HY 2022, comprising losses on assets below previous return assumptions together with reductions in liabilities attributable to the change in financial assumptions.

Shareholders' equity increased to €251.1 million from €249.7 million over the period. The movements primarily comprised of the profit for the financial period of €14.5 million, net actuarial gains of €25.5 million arising on retirement benefit schemes less share buybacks totalling €18.2 million and provision for the 2021 final dividend of €16.1 million.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022 - CONTINUED

Cash Flow and Financing

A summary of cash flows in the half year to 30 June 2022 is presented below:

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Operating profit / (loss)	17.4	(10.3)	(0.2)
Depreciation, impairment and amortisation	29.9	23.0	52.5
EBITDA*	47.3	12.7	52.3
Working capital movements	23.4	6.1	11.7
Pension payments in excess of service costs	0.6	-	0.6
Other movements	(2.2)	0.1	1.4
Cash generated from operations	69.1	18.9	66.0
Interest paid	(1.6)	(2.8)	(8.4)
Tax paid	(0.8)	(0.3)	(0.8)
Intangible asset additions	(0.1)	(0.6)	-
Capital expenditure excluding strategic capital expenditure	(10.2)	(10.2)	(13.5)
Free cash flow before strategic capital expenditure*	56.4	5.0	43.3
Strategic capital expenditure	(51.6)	(10.4)	(41.7)
Free cash flow after strategic capital expenditure*	4.8	(5.4)	1.6
Proceeds on disposal of property, plant and equipment	1.5	1.4	2.8
Share issue	0.1	0.2	0.7
Share buyback	(17.0)	-	(19.8)
Net cash flows	(10.6)	(3.8)	(14.7)
Opening net debt	(142.2)	(88.5)	(88.5)
Lease liability non-cash movements	(1.5)	(19.3)	(38.5)
Translation / other	(0.2)	(0.5)	(0.5)
Closing net debt	(154.5)	(112.1)	(142.2)

*Additional information in relation to these Alternative Performance Measures (APMs) is disclosed in the Appendix.

The Group funds its activities from a combination of cash generated from day-to-day operating activities and borrowings, including revolving credit facilities, term loans, loan notes and leasing arrangements. Net debt at 30 June 2022 increased to €154.5 million from €142.2 million at 31 December 2021.

Cash generated from operations in the period amounted to €69.1 million, a €50.2 million improvement on the prior period. Total capital expenditure including intangibles amounted to €61.9 million, of which €44.2 million related to the acquisition and commissioning of vessels with the balance spent on other assets. Overall net cash outflows in the period of €10.6 million, combined with the recognition of lease liabilities of €1.5 million, mainly relating to container charter commitments, were the main elements behind the increased net debt.

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FOR THE HALF YEAR ENDED 30 JUNE 2022 – CONTINUED

An analysis of the movements in net debt are set out in the table below.

Net debt					
	Cash	Origination	Bank	Lease	Net Debt
	€m	Fees	Loans &	Liabilities	€m
		€m	PP Notes	€m	
			€m		
At 31 December 2021	38.5	0.7	(123.8)	(57.6)	(142.2)
Lease liability non-cash movements	-	-	-	(1.5)	(1.5)
Cash flows	0.2	-	(21.2)	10.4	(10.6)
Translation / other	(0.1)	(0.2)	-	0.1	(0.2)
At 30 June 2022	38.6	0.5	(145.0)	(48.6)	(154.5)

The borrowing facilities available to the Group at 30 June 2022 were as follows;

Borrowing Facilities				
	Facility	Committed	Committed	Committed
	€m	€m	facilities	facilities
			drawn	undrawn
			€m	€m
Revolving credit	125.0	75.0	35.0	40.0
Private placement	264.8	50.0	50.0	-
Bank loans	60.0	60.0	60.0	-
Lease liabilities	48.6	48.6	48.6	-
Overdraft and other	15.4	15.4	-	15.4
	513.8	249.0	193.6	55.4

At 30 June 2022, the Group had total lending facilities of €513.8 million available, of which €249.0 million were committed facilities. €193.6 million of the committed facilities were drawn. In addition to the committed lines of credit, the Group had arranged uncommitted facilities of €264.8 million with utilisation dates expiring within two years.

Dividend and Share Buyback

Following the easing of travel restrictions and the consequent improvement in passenger revenues together with the continuation of strong performance in all other revenue streams, the Board considered it appropriate to recommence the payment of dividends. The Company paid a final dividend in respect of financial year 2021 of 9.00 cent per ordinary share on 7 July 2022 to shareholders on the register at the close of business on 10 June 2022. The total amount paid was €16.1 million.

The Directors have declared an interim dividend of 4.64 cent per share (2021: €nil) payable on 7 October 2022 to shareholders on the register on 16 September 2022. The estimated amount payable will be €8.2 million.

In the period ended 30 June 2022, the Company bought back 4,260,000 of its shares on the market for a total consideration of €17.0 million. In the period since 30 June 2022 up to the publication of this report, the Company bought back a further 920,000 shares for a total consideration of €3.3 million, of which €1.2 million was contracted for at 30 June 2022.

HALF-YEARLY FINANCIAL REPORT

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Fuel

	HY 2022	HY 2021	Change %	FY 2021
Fuel costs	€58.0m	€22.7m	+155.5%	€55.1m

Group fuel costs in the first half of 2022 amounted to €58.0 million (2021: €22.7 million). The movement in fuel costs was due to higher global fuel costs and an increase in sailings associated with the Dover – Calais service.

The Group has in place fuel surcharge mechanisms for freight customers, which mitigate the effects of euro movements in fuel costs. The Group has invested in exhaust gas cleaning systems (EGCS) on two of its cruise ferries and four of its owned container vessels, all of which are operated on Group services. EGCS allow the consumption of lower cost fuels while meeting all current emission regulations. Other vessels are required to consume higher cost fuels to meet the same regulations.

While the Group complies with all current fuel and emissions regulations, the Group notes new regulations being considered at both the EU and global level in response to climate change concerns. While the Company acknowledges the role it must play in protecting the environment, the level of surcharges may have to be adjusted to pass any increased compliance costs through the supply chain.

In the reporting period, the Group did not engage in financial derivative trading to hedge its fuel costs.

Strategic Developments

The Group's Irish Ferries operations commenced a new ferry service on the Dover – Calais route on 29 June 2021, with the transfer of the Isle of Inishmore to the route. The Blue Star 1 was chartered to replace the Isle of Inishmore on the Irish Sea Rosslare – Pembroke route. The commencement of the Dover – Calais route represents a strategic milestone in the development of the Group. A second vessel was introduced onto the route in December 2021, with a third vessel commencing sailings in May 2022. With the three vessel service operating up to 30 sailings per day, the Group offers a competitive alternative to the existing operators on that route. [*The English Channel "Short Straits" market is a multiple of the size of the Ireland - UK market where the Group currently offers services and provides the opportunity to significantly scale up its existing ferries business model.*]

The Group placed an order for five electrically powered remotely operated rubber-tyred gantries (RTGs) at its Dublin Ferryport Terminals following the previous successful commissioning of four similar RTGs. These form part of a replacement and expansion program at Dublin Ferryport Terminals which will see the terminal fully electrically operated with the removal of all diesel-powered units. The RTGs will be delivered in Q3 2022, with two RTGs commissioned during Q4 2022 and the remaining three commissioned in Q1 2023. The Group has also placed an order for a new ship to shore crane for delivery in 2023 as a replacement for an existing unit which is nearing end of life. The delivery and commissioning of these RTGs along with the relocation of our depot for storage of empty containers to the Dublin Inland Port will increase the capacity at our DFT terminal in the second half of 2022.

At Belfast Container Terminal, developments are continuing in conjunction with Belfast Harbour Commissioners as part of their £40 million modernisation programme for the container terminal. Completion of the final phase, including the construction of two new RTG stacks and commissioning of the final three of eight RTGs already delivered is now expected in the first half of 2023 following some delays.

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Sustainability

The Group continues to focus on sustainable development across its operations. In the 2021 Annual Report, the Group committed to a 70% reduction in Scope 1 and 2 emissions from its Dublin (DFT) and Belfast (BCT) terminal operations by 2025 and has targeted net zero DFT and BCT terminal operations by 2030. To reinforce these commitments made, five new electric rubber-tyred gantry (RTG) cranes at DFT, two of which are new additions to the fleet to meet increased operational demands while the remaining three cranes are to replace end of life diesel units. We have also further enhanced the electrical infrastructure at DFT, including investment in new medium voltage switchgear and transformers to support the ongoing electrification of the terminal.

The Group employs a range of technical and operational measures to improve the environmental performance of its vessels, as outlined in the Sustainability and ESG section of the 2021 Annual Report. The Group is closely monitoring any regulatory developments by the International Maritime Organization (IMO), European Commission and UK Government as proposals to help achieve decarbonisation goals for the maritime industry are further refined and formalised. The Group has aligned its decarbonisation strategy with the IMO and EU goals and will adjust accordingly to achieve, at a minimum, all required targets. These regulatory targets currently set are:

- A 40% reduction in carbon intensity from shipping operations by 2030 compared to 2008 levels (IMO)
- A 50% reduction in all greenhouse gas (GHG) emissions from shipping operations by 2050 compared to 2008 levels (IMO)
- A 6% reduction in GHG intensity from shipping operations by 2030 compared to 2020 levels (EU)
- A 75% reduction in GHG intensity from shipping operations by 2050 compared to 2020 levels (EU)
- The Group looks forward to reporting on its progress against these targets in the 2022 Annual Report.

The Company is participating in a number of feasibility studies into initiatives towards achievement of the above industry targets.

The Group first outlined its approach to managing climate risks in the 2021 Annual Report. In line with its Climate Risk Framework, the Group has begun its stakeholder engagement program, including supplier engagement through the Group's published Supplier Code of Conduct to help identify material climate-related issues affecting its key stakeholder groups. Further details on the rollout of the Group's Climate Risk Framework will be provided in the 2022 Annual Report.

Related Party Transactions

There were no related party transactions in the half year that have materially affected the financial position or performance of the Group in the period other than in respect of remuneration paid to key management personnel.

Principal Risks and Uncertainties

The Group has a risk management structure in place which is designed to identify, manage and mitigate the threats to the business on an ongoing basis. The principal risks and uncertainties faced by the Group as set out in detail on pages 62 to 71 of the 2021 Annual Report are categorised as: commercial & market, economic & political, business continuity, health & safety, operational compliance, environmental protection, human capital, financial loss, financial compliance, fraud, volatility, retirement benefit scheme and information security & cyber threats.

These risks areas remain the most likely risks to affect the Group during the second half of the financial year and the Group will actively manage these and all other risks through its risk management structure.

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Going Concern

The Company had previously reported in its 2021 Annual Report that it had modelled a number of scenarios for its businesses including a re-imposition of travel restrictions in 2022. The Company notes that no such restrictions have been introduced in HY 2022 and passenger revenue and volumes have increased significantly on the prior period.

In the period since the removal of travel restrictions up to the date of approval of these Condensed Financial Statements, the Group has experienced increased passenger revenues aligned with its previous projections. The Group has updated these projections based on the continued gradual return of previous travel patterns.

On the basis of these projections, the Group expects to generate sufficient cash from operations to enable it to retain sufficient liquidity to operate and meet its financial obligations and has continued to adopt the going concern assumption in the preparation of these Condensed Financial Statements.

Events after the Reporting Period

There have been no material events affecting the Company since 30 June 2022.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022 - CONTINUED

Current Trading and Outlook

Trading volumes in the period 1 July to 20 August 2022 are as follows:

H2 2022 Trading to date			
	1/7/22 – 20/8/22	1/7/21 – 20/8/21	Change %
Volumes	'000	'000	
Cars	161.8	46.2	+250.2%
RoRo freight units	100.8	41.0	+145.9%
Containers shipped (teu)	45.8	48.8	(6.1%)
Port lifts	44.4	47.9	(7.3%)

H2 2022 Trading to date			
	1/7/22 – 20/8/22	1/7/21 – 20/8/21	Change %
Volumes – Legacy Routes	'000	'000	
Cars	79.2	36.7	+115.8%
RoRo freight units	40.0	37.9	+5.5%

Cumulatively to 20 August 2022, trading volumes are:

FY 2022 Trading to date			
	1/1/22 – 20/8/22	1/1/21 – 20/8/21	Change %
Volumes	'000	'000	
Cars	376.0	76.0	+394.7%
RoRo freight units	431.0	167.7	+157.0%
Containers shipped (teu)	215.1	225.5	(4.6%)
Port lifts	209.3	213.4	(1.9%)

FY 2022 Trading to date			
	1/1/22 – 20/8/22	1/1/21 – 20/8/21	Change %
Volumes – Legacy Routes	'000	'000	
Cars	193.1	66.4	+190.8%
RoRo freight units	185.8	164.5	+12.9%

The trading performance for the year to date across all our business has been strong. Despite significant cost pressures in both divisions, we have managed to maintain and grow profitability. The Group's cost base has been affected by higher global prices, in particular fuel prices and charter rates. The Group so far has been successful on passing these costs through to customers. It is essential that the Group continues to do so.

The Ferries Division has enjoyed the benefit of a return to more normal travel patterns although we are yet to reach pre-pandemic levels. Cars volumes increased on our legacy routes by 190.8% versus the same period in the prior year.

Trading in the key summer months of July and August was ahead of expectations.

Our RoRo freight business, despite the disruption of Brexit has continued to grow. RoRo volume growth on our legacy routes has increased by 12.9% year to date. This has been primarily driven by a return of freight traffic to the landbridge routes at the expense of the direct European routes.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022 - CONTINUED

Current Trading and Outlook – continued

Following the entry of the Isle of Inisheer to service on the Dover – Calais route in April 2022, we have been operating a full service with three vessels on the route. Performance on the route continues to match our expectations.

The Container and Terminal Division has continued to increase its level of profitability despite the significant cost pressures faced by the division. The division has successfully passed on increased fuel and charter costs to customers. Dublin Ferryport Inland Depot has been operational since January 2022, allowing for the storage and handling of empty containers off-site therefore allowing increased capacity at our shoreside container terminal in Dublin Port.

Board Changes

The Board of Irish Continental Group plc is pleased to announce the co-option to the Board of Éimear Moloney as a non-executive Director. The appointment is effective immediately.

Éimear has over 20 years' experience in capital markets and most recently held a senior executive position with Zurich Life Assurance (Ireland) plc, with responsibility for managing asset allocation across various geographic portfolios. She has acquired extensive knowledge of capital markets, macro-economics and strategy to drive shareholder returns. Éimear holds non-executive directorships at listed companies Kingspan Group plc, where she is a member of the Audit & Compliance Committee, and Hostelworld Group plc, where she chairs the Audit Committee. She also holds a non-executive directorship at privately owned Chanelle Pharmaceuticals Group and was previously a non-executive Director at Yew Grove Reit plc. Éimear holds a B.A. Accounting and Finance and MSc. Investment and Treasury from Dublin City University and is a fellow of the Institute of Chartered Accountants in Ireland. She is also a member of the Institute of Directors in Ireland.

Auditor Review

This half-yearly financial report has not been audited or reviewed by the auditors of the Group.

Forward-Looking Statements

This report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. These forward-looking statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Irish Continental Group plc and its subsidiaries when viewed as a whole.

Website

This half-yearly financial report is available on the Group's website www.icg.ie.

John B. McGuckian

Chairman

24 August 2022

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2022 - CONTINUED

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half-Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the related Transparency Rules of the Central Bank of Ireland and IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Each of the Directors confirm that to the best of their knowledge and belief:

- the Group Condensed Financial Statements for the half year ended 30 June 2022 have been prepared in accordance with the International Accounting Standard applicable to interim financial reporting (IAS 34 Interim Financial Reporting) adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and the Council of 19 July 2002;
- the Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year, their impact on the Group Condensed Financial Statements for the half year ended 30 June 2022, and a description of the principal risks and uncertainties for the remaining six months; and
- the Interim Management Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the Board

Eamonn Rothwell
Director

David Ledwidge
Director

24 August 2022

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2022

	Notes	HY 2022 Unaudited €m	HY 2021 Unaudited €m	FY 2021 Audited €m
Revenue	4	263.1	141.6	334.5
Depreciation, impairment and amortisation		(29.9)	(23.0)	(52.5)
Employee benefits expense		(12.1)	(10.3)	(20.8)
Other operating expenses		(203.7)	(118.6)	(261.4)
Operating profit / (loss)		17.4	(10.3)	(0.2)
Finance income		0.1	-	0.1
Finance costs		(2.1)	(1.9)	(4.0)
Profit / (loss) before taxation		15.4	(12.2)	(4.1)
Income tax expense		(0.9)	(0.5)	(0.8)
Profit / (loss) for the financial period: all attributable to equity holders of the parent	4	14.5	(12.7)	(4.9)
Earnings per ordinary share – expressed in cent per share				
Basic	6	8.0c	(6.8)c	(2.6)c
Diluted	6	8.0c	(6.8)c	(2.6)c

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2022

	Notes	HY 2022 Unaudited €m	HY 2021 Unaudited €m	FY 2021 Audited €m
Profit / (loss) for the financial period		14.5	(12.7)	(4.9)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(1.0)	0.8	1.3
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain on defined benefit pension schemes	13	25.5	15.9	7.1
Deferred tax on defined benefit pension schemes		(1.2)	(0.9)	(0.9)
Other comprehensive income for the financial period		23.3	15.8	7.5
Total comprehensive income for the financial period: all attributable to equity holders of the parent		37.8	3.1	2.6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	30 Jun 22 Unaudited €m	30 Jun 21 Unaudited €m	31 Dec 21 Audited €m
Assets				
Non-current assets				
Property, plant and equipment	7	369.5	314.8	328.2
Right-of-use assets	8	47.7	50.6	57.2
Intangible assets		1.9	1.7	1.9
Long term receivable	9	12.1	15.1	13.6
Retirement benefit surplus	13	31.2	16.1	6.7
Deferred tax asset		0.1	0.1	0.1
		462.5	398.4	407.7
Current assets				
Inventories		5.9	3.0	3.8
Trade and other receivables		97.1	63.1	61.9
Cash and cash equivalents	10	38.6	131.1	38.5
		141.6	197.2	104.2
Total assets		604.1	595.6	511.9
Equity and liabilities				
Equity				
Share capital		11.6	12.2	11.9
Share premium		20.5	19.9	20.4
Other reserves		(9.5)	(9.1)	(8.1)
Retained earnings		228.5	246.3	225.5
Equity attributable to equity holders		251.1	269.3	249.7
Non-current liabilities				
Borrowings	10	137.2	109.5	115.8
Lease liabilities	10	31.4	34.0	37.5
Deferred tax liabilities		2.4	1.2	1.3
Provisions		0.1	0.2	0.2
Retirement benefit obligations	13	0.9	1.4	1.4
		172.0	146.3	156.2
Current liabilities				
Borrowings	10	7.3	83.3	7.3
Lease liabilities	10	17.2	16.4	20.1
Trade and other payables		137.3	78.0	75.5
Dividend payable		16.1	-	-
Current income tax liabilities		-	0.3	-
Provisions		3.1	2.0	3.1
		181.0	180.0	106.0
Total liabilities		353.0	326.3	262.2
Total equity and liabilities		604.1	595.6	511.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2022 (UNAUDITED)

	Share						Total €m
	Share Capital €m	Share Premium €m	Capital Reserve €m	Options Reserve €m	Translation Reserve €m	Retained Earnings €m	
Balance at 1 January 2022	11.9	20.4	7.8	4.7	(20.6)	225.5	249.7
Profit for the financial period	-	-	-	-	-	14.5	14.5
Other comprehensive income	-	-	-	-	(1.0)	24.3	23.3
Total comprehensive income for the financial period	-	-	-	-	(1.0)	38.8	37.8
Employee share-based payments expense	-	-	-	0.7	-	-	0.7
Share issue	-	0.1	-	-	-	-	0.1
Share buyback	(0.3)	-	0.3	-	-	(18.2)	(18.2)
Dividends	-	-	-	-	-	(16.1)	(16.1)
Settlement of share options through market purchase	-	-	-	-	-	(2.9)	(2.9)
Transfer to retained earnings on exercise of options	-	-	-	(1.4)	-	1.4	-
Total movements in the financial period	(0.3)	0.1	0.3	(0.7)	(1.0)	3.0	1.4
Balance at 30 June 2022	11.6	20.5	8.1	4.0	(21.6)	228.5	251.1

FOR THE HALF YEAR ENDED 30 JUNE 2021 (UNAUDITED)

	Share						Total €m
	Share Capital €m	Share Premium €m	Capital Reserve €m	Options Reserve €m	Translation Reserve €m	Retained Earnings €m	
Balance at 1 January 2021	12.2	19.7	7.5	5.1	(21.9)	243.3	265.9
Loss for the financial period	-	-	-	-	-	(12.7)	(12.7)
Other comprehensive income	-	-	-	-	0.8	15.0	15.8
Total comprehensive income for the financial period	-	-	-	-	0.8	2.3	3.1
Employee share-based payments expense	-	-	-	0.9	-	-	0.9
Share issue	-	0.2	-	-	-	-	0.2
Settlement of share options through market purchase	-	-	-	-	-	(0.8)	(0.8)
Transfer to retained earnings on exercise of options	-	-	-	(1.5)	-	1.5	-
Total movements in the financial period	-	0.2	-	(0.6)	0.8	3.0	3.4
Balance at 30 June 2021	12.2	19.9	7.5	4.5	(21.1)	246.3	269.3

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (AUDITED)

	Share Capital €m	Share Premium €m	Capital Reserve €m	Share Options Reserve €m	Translation Reserve €m	Retained Earnings €m	Total €m
Balance at 1 January 2021	12.2	19.7	7.5	5.1	(21.9)	243.3	265.9
Loss for the financial period	-	-	-	-	-	(4.9)	(4.9)
Other comprehensive income	-	-	-	-	1.3	6.2	7.5
Total comprehensive income for the financial period	-	-	-	-	1.3	1.3	2.6
Employee share-based payments expense	-	-	-	1.3	-	-	1.3
Share issue	-	0.7	-	-	-	-	0.7
Share buyback	(0.3)	-	0.3	-	-	(19.8)	(19.8)
Settlement of employee equity plans through market purchase	-	-	-	-	-	(1.0)	(1.0)
Transfer to retained earnings on exercise of options	-	-	-	(1.7)	-	1.7	-
Total movements in the financial period	(0.3)	0.7	0.3	(0.4)	1.3	(17.8)	(16.2)
Balance at 31 December 2021	11.9	20.4	7.8	4.7	(20.6)	225.5	249.7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2022

	Notes	HY 2022 Unaudited €m	HY 2021 Unaudited €m	FY 2021 Audited €m
Profit / (loss) for the financial year		14.5	(12.7)	(4.9)
Adjustments for:				
Finance costs (net)		2.0	1.9	3.9
Income tax expense		0.9	0.5	0.8
Retirement benefit scheme movements	14	0.6	-	0.6
Depreciation of property, plant and equipment		18.9	15.1	31.9
Amortisation of intangible assets		0.2	0.1	0.3
Depreciation of right-of-use assets		10.8	7.8	20.3
Share-based payment expense less market purchase cost		(2.2)	0.1	0.3
Increase in provisions		-	-	1.1
Working capital movements	14	23.4	6.1	11.7
Cash generated from operations		69.1	18.9	66.0
Income taxes paid		(0.8)	(0.3)	(0.8)
Interest paid		(1.6)	(2.8)	(8.4)
Net cash inflow from operating activities		66.7	15.8	56.8
Cash flow from investing activities				
Net proceeds on disposal of property, plant and equipment		1.5	1.4	2.8
Purchases of property, plant and equipment and intangible assets	14	(61.9)	(21.2)	(55.2)
Lease inception costs		-	-	(0.3)
Net cash outflow from investing activities		(60.4)	(19.8)	(52.7)
Cash flow from financing activities				
Dividends paid to equity holders of the Company	5	-	-	-
Repayment of lease liabilities	14	(10.4)	(7.8)	(19.8)
Proceeds on issue of ordinary share capital		0.1	0.2	0.7
Repayments of bank loans		(3.8)	(7.8)	(87.5)
Drawdown of bank loans		25.0	-	10.0
Share buy back		(17.0)	-	(19.8)
Net cash outflow from financing activities		(6.1)	(15.4)	(116.4)
Net increase / (decrease) in cash and cash equivalents		0.2	(19.4)	(112.3)
Cash and cash equivalents at the beginning of the period		38.5	150.4	150.4
Effect of foreign exchange rate changes		(0.1)	0.1	0.4
Cash and cash equivalents at the end of the period	10	38.6	131.1	38.5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

1. General information

The Group Condensed Financial Statements are considered non-statutory financial statements for the purposes of the Companies Act 2014 and in compliance with section 340(4) of that Act we state that:

- the Group Condensed Financial Statements for the half year ended 30 June 2022 have been prepared to meet our obligation to do so under the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended);
- the Group Condensed Financial Statements for the half year ended 30 June 2022 do not constitute the statutory financial statements of the Group;
- the figures disclosed relating to 31 December 2021 have been derived from the statutory financial statements for the financial year ended 31 December 2021 which were audited, received an unqualified audit report and have been filed with the Registrar of Companies; and
- the interim figures included in the Group Condensed Financial Statements for the half year ended 30 June 2022 and the comparative amounts for the half year ended 30 June 2021 have been neither audited nor reviewed by the auditors of the Group.

2. Accounting policies

The Group Condensed Financial Statements for the six months ended 30 June 2022 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended), the Central Bank (Investment Market Conduct) Rules 2019 and with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The accounting policies and methods of computation applied in preparing these Group Condensed Financial Statements are consistent with those set out in the Group Annual Report for the financial year ended 31 December 2021, which is available at www.icg.ie.

Amendments to accounting standards IFRS 3, IAS 37 and IAS 8 became effective for the Group commencing 1 January 2022. The adoption of these amendments did not have a material impact on these financial statements. Information about the impact of new accounting standards that are not effective for the current reporting period are set out on pages 139 and 140 of the Group's Annual Report for the year ended 31 December 2021.

3. Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. In preparing these Condensed Financial Statements, the approach to the making of these judgements, estimates and assumptions is consistent with that used in the Group Annual Report for the financial year ended 31 December 2021. Key sources of estimation uncertainty relate to post-employment benefits and assessment of useful lives for property, plant and equipment. Critical accounting judgements are made in respect of identifying indications of impairment and adoption of the going concern assumption.

In relation to the valuation of retirement benefit obligations set out in note 13 to these Condensed Consolidated Financial Statements there have been changes made to the discount rate and inflation assumptions compared to those used at 31 December 2021 which have resulted in a material reduction in the valuation of retirement benefit obligations reflected through an actuarial credit of €38.3 million which was offset by experience adjustments and return on scheme assets totalling €12.8 million, resulting in a €25.5 million actuarial gain being recorded in the Statement of Comprehensive Income. Furthermore, in relation to one vessel which had reached 25 years since construction, the directors reassessed the remaining useful life increasing it to 10 years from 5 years, reducing the depreciation charge in the half year ended by €0.8 million. Other than noted in the foregoing, there have been no material changes to key estimates that had previously been made in the prior year financial statements to 31 December 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

3. Critical Accounting Estimates and Judgements - continued

Impact of Covid-19

The Group's financial results had been impacted in the financial years 2020 and 2021 as a result of the imposition of travel restrictions by governments in response to the emergence of the Covid-19 pandemic. These travel restrictions were removed in early 2022 in the jurisdictions in which the Group offers travel services. Following removal, patterns of travel have gradually returned towards pre-pandemic levels. The Group has revisited its previous assessment of the impact of Covid-19 both on whether it continues to be an indicator of impairment and the continued use of the going concern basis.

Impairment Indicators

At 31 December 2021, the Group reported that it had performed an assessment of possible indicators of impairment with a focus on the economic performance of assets, technological developments, new rules and regulations, shipbuilding costs and carrying value versus market capitalisation. The Group noted that there were no indicators of a general decline in the market value of the types of vessels included in the Group's fleet. Nonetheless, in referencing accounting standard IAS 36: Impairment of assets, management assessed that the depressed profitability for financial years 2020 and 2021 as a result of the impact of the Covid-19 travel restrictions amounted to an indicator of impairment for its ferry fleet. The Group performed an exercise to assess the recoverable amount of the ferry fleet at 31 December 2021 and concluded that no provision for impairment against the carrying value of the Group's ferry fleet was required at 31 December 2021. A similar assessment had been performed at 30 June 2021 which also concluded that no provision for impairment against the carrying value of the Group's ferry fleet was required at that date.

At 30 June 2022, the Group has performed an updated assessment of possible indicators of impairment. In considering economic performance, the Group notes that the half-year result to 30 June 2022 was broadly aligned with the base scenario used for the value in use exercise at 31 December 2021. The Group concluded that no indicators of impairment existed at 30 June 2022 and a recoverability assessment for impairment purposes was not required.

Going Concern

The Company previously reported in its 2021 Annual Report that it had modelled a number of scenarios for its businesses including the re-imposition of travel restrictions. Based on that modelling, the Directors reported their conclusion that the Group retained sufficient liquidity to operate for the period up to March 2023. The Company notes that the trading result for the half year to 30 June 2022 was aligned with the base scenario previously modelled and ahead of the downside scenario. The Group has extended the outlook period of these projections to August 2023. On the basis of these updated projections, the Group expects to generate sufficient cash from operations to enable it to retain sufficient liquidity to operate and meet its financial obligations and has continued to adopt the going concern assumption in the preparation of these Condensed Financial Statements.

4. Segmental information

The Board is deemed the chief operating decision maker within the Group. For management purposes, the Group is currently organised into two operating segments; Ferries and Container and Terminal. These segments are the basis on which the Group reports internally and are the only two revenue generating segments of the Group.

The Ferries segment derives its revenue from the operation of combined RoRo passenger ferries and the chartering of vessels. The Container and Terminal segment derives its revenue from the provision of door-to-door and feeder LoLo freight services, stevedoring and other related terminal services.

Segment information about the Group's operations is presented below.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

4. Segmental information - continued

i) Revenue Analysis

By business segment:

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Ferries			
Passenger	58.5	10.1	59.0
Freight	85.5	44.0	94.6
Charter	23.3	8.8	20.7
Other	0.6	-	1.2
	167.9	62.9	175.5
Container and Terminal			
Freight	111.0	85.2	174.0
Inter-segment revenue	(15.8)	(6.5)	(15.0)
Total	263.1	141.6	334.5

The removal of Covid-19 related travel restrictions led to a significant increase in passenger traffic, while the commencement of the Dover – Calais service increased both passenger and freight revenues versus HY 2021.

As revenues are recognised over short time periods of no more than days, a key determinant to categorising revenues is whether they principally arise from a business to customer (passenger contracts) or a business to business relationship (freight and charter contracts) as this impacts directly on the uncertainty of cash flows. On this basis, revenue by business segment is a reasonable approximation of revenue disaggregation.

By geographic origin of booking:

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Ireland	87.2	68.9	135.6
United Kingdom	64.4	14.5	64.1
Netherlands	47.9	35.5	73.7
Belgium	24.0	17.4	36.7
France	7.6	0.6	4.5
Poland	7.6	1.0	4.5
Other	24.4	3.7	15.4
	263.1	141.6	334.5

No single external customer in the current or prior financial periods amounted to 10 per cent of the Group's revenues.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

4. Segmental information – continued

ii) Profit / (loss) for the financial year

	Ferries			Container and Terminal			Group Total		
	HY 2022 €m	HY 2021 €m	FY 2021 €m	HY 2022 €m	HY 2021 €m	FY 2021 €m	HY 2022 €m	HY 2021 €m	FY 2021 €m
Operating profit / (loss)	5.7	(18.9)	(17.4)	11.7	8.6	17.2	17.4	(10.3)	(0.2)
Finance income	0.1	-	-	-	-	0.1	0.1	-	0.1
Finance costs	(1.5)	(1.4)	(2.0)	(0.6)	(0.5)	(2.0)	(2.1)	(1.9)	(4.0)
Profit / (loss) before tax	4.3	(20.3)	(19.4)	11.1	8.1	15.3	15.4	(12.2)	(4.1)
Income tax expense	(0.1)	0.1	(0.1)	(0.8)	(0.6)	(0.7)	(0.9)	(0.5)	(0.8)
Profit / (loss) for the financial year	4.2	(20.2)	(19.5)	10.3	7.5	14.6	14.5	(12.7)	(4.9)

iii) Statement of Financial Position

	Ferries			Container and Terminal			Group Total		
	30 Jun 22 €m	30 Jun 21 €m	31 Dec 21 €m	30 Jun 22 €m	30 Jun 21 €m	31 Dec 21 €m	30 Jun 22 €m	30 Jun 21 €m	31 Dec 21 €m
Assets									
Segment assets	446.2	365.3	367.0	119.3	99.2	106.4	565.5	464.5	473.4
Cash and cash equivalents	36.8	115.1	29.9	1.8	16.0	8.6	38.6	131.1	38.5
Consolidated total assets	483.0	480.4	396.9	121.1	115.2	115.0	604.1	595.6	511.9
Liabilities									
Segment liabilities	100.2	49.3	49.8	42.5	33.8	31.7	142.7	83.1	81.5
Borrowings and lease liabilities	154.9	196.0	140.0	38.1	47.2	40.7	193.0	243.2	180.7
Consolidated total liabilities*	255.1	245.3	189.8	80.6	81.0	72.4	335.7	326.3	262.2

* Consolidated total Group liabilities above exclude €17.3 million of liabilities relating to dividends payable of €16.1 million and share buyback consideration accrued of €1.2 million which are not allocated at a divisional level (HY 2021: €nil; FY 2021: €nil).

iv) Seasonality

Group revenue and profit before tax was weighted towards the second half of the year principally due to passenger revenue patterns in the Ferries Division whereas operating costs are more evenly distributed over the year. The disruption to travel in HY 2021 and HY 2020 from the imposition of travel restrictions by government authorities in response to the Covid-19 pandemic has affected these seasonality weightings.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

5. Dividend

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Interim dividend	-	-	-
Final dividend	-	-	-
	-	-	-

No dividends were paid in the six months ended 30 June 2022. The final dividend of 9.0 cent per ordinary share in respect of the financial year ended 31 December 2021, approved by shareholders on 11 May 2022, was paid on 7 July 2022 and amounted to €16.1 million. This was accrued in the Condensed Statement of Financial Position at 30 June 2022.

The Directors have declared an interim dividend of 4.64 cent per ordinary share in respect of 2022 which will be paid on 7 October 2022 to shareholders on the register on 16 September 2022.

6. Earnings per share

	HY 2022	HY 2021	FY 2021
	'000	'000	'000
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	181,178	187,011	186,715
Effect of dilutive potential ordinary shares: Share options	615	-	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	181,793	187,011	186,715

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares issued during the period and excludes treasury shares.

Profit / (loss) attributable to ordinary shareholders

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Earnings			
Earnings for the purpose of basic and diluted earnings per share – Profit / (loss) for the financial period attributable to equity holders of the parent	14.5	(12.7)	(4.9)
Effect of net interest income on defined benefit pension schemes	(0.1)	-	(0.1)
Earnings for the purpose of adjusted earnings per share	14.4	(12.7)	(5.0)
	Cent	Cent	Cent
Basic earnings per share	8.0	(6.8)	(2.6)
Diluted earnings per share	8.0	(6.8)	(2.6)
Adjusted basic earnings per share	8.0	(6.8)	(2.7)
Adjusted diluted earnings per share	8.0	(6.8)	(2.7)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

7. Property, plant and equipment

	Assets under construction €m	Vessels €m	Plant, Equipment and Vehicles €m	Land and Buildings €m	Total €m
Cost					
At 31 December 2021	0.6	481.3	61.6	26.2	569.7
Additions	1.4	58.8	0.6	0.3	61.1
Disposals	-	(7.7)	(0.5)	-	(8.2)
Reclassification	-	-	(1.8)	1.8	-
Currency adjustment	-	(1.1)	(0.1)	-	(1.2)
At 30 June 2022	2.0	531.3	59.8	28.3	621.4
Accumulated depreciation					
At 31 December 2021	-	187.2	43.9	10.4	241.5
Charge for period	-	17.0	1.7	0.2	18.9
Disposals	-	(7.7)	(0.5)	-	(8.2)
Currency adjustment	-	(0.2)	(0.1)	-	(0.3)
At 30 June 2022	-	196.3	45.0	10.6	251.9
Carrying amount					
At 30 June 2022	2.0	335.0	14.8	17.7	369.5
At 31 December 2021	0.6	294.1	17.7	15.8	328.2
At 30 June 2021	0.6	279.7	18.3	16.2	314.8

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

8. Right-of-use assets

	Vessels €m	Plant, Equipment and Vehicles €m	Land and Buildings €m	Total €m
Cost				
At 31 December 2021	49.2	12.1	35.1	96.4
Additions	-	1.5	-	1.5
Disposals	(2.8)	(0.3)	-	(3.1)
Currency adjustment	-	-	(0.2)	(0.2)
At 30 June 2022	46.4	13.3	34.9	94.6
Accumulated depreciation				
At 31 December 2021	27.5	5.0	6.7	39.2
Charge for period	8.6	1.0	1.2	10.8
Disposals	(2.8)	(0.3)	-	(3.1)
Currency adjustment	-	-	-	-
At 30 June 2022	33.3	5.7	7.9	46.9
Carrying amount				
At 30 June 2022	13.1	7.6	27.0	47.7
At 31 December 2021	21.7	7.1	28.4	57.2
At 30 June 2021	21.0	5.6	24.0	50.6

Additions of right-of-use assets include €nil million (2021: €nil) of directly attributable costs relating to new leases commenced in the period.

9. Lease receivable

	30 Jun 22 €m	30 Jun 21 €m	31 Dec 21 €m
Operating activities			
Current finance lease receivable	3.0	2.9	3.0
Non-current finance lease receivable	12.1	15.1	13.6
Total	15.1	18.0	16.6
Beginning of reporting period	16.6	19.4	19.4
Amounts received	(1.8)	(1.8)	(3.6)
Net benefit recognised in period	0.3	0.4	0.8
End of reporting period	15.1	18.0	16.6

The long term receivable relates to amounts due under a bareboat hire purchase sale agreement for the disposal of the vessel Oscar Wilde in FY 2019. The deferred consideration has been treated as a finance lease receivable at an amount equivalent to the net investment in the lease. Capital amounts received in the financial period are classified as net proceeds on disposal of property, plant and equipment in the Condensed Consolidated Statement of Cash Flows.

None of the lease receivable at 30 June 2022 was past due and, taking into account the payment experience up to the date of approval of these Condensed Financial Statements together with retention of legal title, no provision for expected credit losses was considered to be required.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

10. Net debt and borrowing facilities

i) The components of the Group's net debt position at the reporting date and the movements in the period are set out in the following table:

	Cash €m	Bank loans €m	Loan notes €m	Lease liabilities €m	Origination fees €m	Total €m
At 1 January 2022						
Current assets	38.5	-	-	-	-	38.5
Creditors due within one year	-	(7.5)	-	(20.1)	0.2	(27.4)
Creditors due after one year	-	(66.3)	(50.0)	(37.5)	0.5	(153.3)
	38.5	(73.8)	(50.0)	(57.6)	0.7	(142.2)
Movements during the period						
Cash flow changes						
Drawdowns	-	(25.0)	-	-	-	(25.0)
Repayments	-	3.8	-	10.4	-	14.2
Other movements	0.2	-	-	-	-	0.2
Non cash flow changes						
Amortisation	-	-	-	-	(0.2)	(0.2)
Lease liabilities recognised	-	-	-	(1.5)	-	(1.5)
Currency adjustment	(0.1)	-	-	0.1	-	-
	0.1	(21.2)	-	9.0	(0.2)	(12.3)
At 30 June 2022						
Current assets	38.6	-	-	-	-	38.6
Creditors due within one year	-	(7.5)	-	(17.2)	0.2	(24.5)
Creditors due after one year	-	(87.5)	(50.0)	(31.4)	0.3	(168.6)
	38.6	(95.0)	(50.0)	(48.6)	0.5	(154.5)
At 30 June 2021						
Current assets	131.1	-	-	-	-	131.1
Creditors due within one year	-	(83.5)	-	(16.4)	0.2	(99.7)
Creditors due after one year	-	(60.0)	(50.0)	(34.0)	0.5	(143.5)
	131.1	(143.5)	(50.0)	(50.4)	0.7	(112.1)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

10. Net cash and borrowing facilities – continued

ii) The maturity profile and available borrowing and cash facilities available to the Group at 30 June 2022 are set out in the following table:

	Maturity Profile						
	Facility €m	Undrawn €m	On-hand / drawn €m	Less than 1 year €m	Between 1 – 2 years €m	Between 2 – 5 years €m	More than 5 years €m
Cash	-	-	38.6	-	-	-	-
Committed lending facilities							
Bank overdrafts	15.4	15.4	-	-	-	-	-
Bank loans	135.0	40.0	95.0	7.5	7.5	57.5	22.5
Loan notes	50.0	-	50.0	-	-	50.0	-
Leases	48.6	-	48.6	17.2	4.0	8.2	19.2
Origination fees	(0.5)	-	(0.5)	(0.2)	(0.2)	(0.1)	-
Committed lending facilities	248.5	55.4	193.1	24.5	11.3	115.6	41.7
Uncommitted lending facilities							
Bank loans	50.0						
Loan notes	214.8						
Uncommitted lending facilities	264.8						

Bank overdrafts are stated net of trade guarantee facilities utilised of €0.6 million.

At 30 June 2022 and the date of approval of these Condensed Financial Statements, the Group satisfies the conditions for drawing under the committed facilities.

Obligations under the Group borrowing facilities have been cross guaranteed by the parent company and certain subsidiaries but are otherwise unsecured except for lease obligations which are secured by the lessors' title to leased assets.

11. Tax

Corporation tax for the interim period is estimated based on the best estimate of the weighted average annual corporation tax rate expected to apply to each taxable entity for the full financial year.

The Company and subsidiaries that are Irish Resident for tax purposes have elected to be taxed under the Irish tonnage tax scheme. Under the tonnage tax scheme, taxable profit on eligible activities is calculated on a specified notional profit per day related to the tonnage of the ships utilised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

12. Financial instruments and risk management

The Group's activities expose it to a variety of financial risks, including market risk (such as interest rate risk, foreign currency risk, commodity price risk), liquidity risk and credit risk. The Group's funding, liquidity and exposure to interest and foreign exchange rate risks are managed by the Group's treasury and accounting departments. Treasury management practices are used to manage these underlying risks.

These interim Condensed Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2021 Annual Report. There have been no changes to the risk management procedures or policies since the 2021 year end.

i) Carrying value and fair value estimation of financial assets and liabilities

The table below sets out the carrying value and fair values of the Group's financial assets and liabilities at the reporting date.

	30 Jun 22		30 Jun 21		31 Dec 21	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Financial assets						
Lease receivable	15.1	14.5	18.0	18.0	16.6	16.6
Trade and other receivables	94.0	94.0	60.2	60.2	58.9	58.9
Cash and cash equivalents	38.6	38.6	131.1	131.1	38.5	38.5
Total financial assets	147.7	147.1	209.3	209.3	114.0	114.0
Financial liabilities						
Borrowings	144.5	136.4	192.8	194.1	123.1	124.8
Dividend payable	16.1	16.1	-	-	-	-
Lease liabilities	48.6	48.6	50.4	50.4	57.6	57.6
Trade and other payables	92.5	92.5	57.8	57.8	57.9	57.9
Total financial liabilities	301.7	293.6	301.0	302.3	238.6	240.3

ii) Fair value hierarchy

The Group has adopted the following fair value measurement hierarchy for financial assets and liabilities:

- Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities.
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group did not hold any financial assets or financial liabilities at the reporting dates required to be carried at fair value in the Condensed Statement of Consolidated Financial Position.

iii) Fair value of financial assets and financial liabilities measured at amortised cost

With the exception of the financial liabilities related to borrowings set out in the table at (i) above it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in these half year financial statements approximate their fair values.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

12. Financial instruments and risk management – continued

iii) Fair value of financial assets and financial liabilities measured at amortised cost - continued

The fair value of borrowings are classified within Level 3 of the fair value hierarchy. Fair value has been estimated based on discounted cash flow analysis with the most significant input being the discount rate reflecting the Group's own credit risk. The discount rate is derived from observable market interest rates at the reporting date and observable credit spread market movements since inception of the borrowings. For lease liabilities the Group considers that the incremental borrowing rate used to calculate the carrying value includes a fair estimate of counterparty risk and the carrying value approximates fair value.

iv) Derivative financial instruments

At 30 June 2022, 31 December 2021, and 30 June 2021, the Group did not hold any positions relating to derivative financial instruments.

13. Retirement benefit schemes

The assumptions used to value pension obligations were reviewed against the background of market conditions as at 30 June 2022, leading to a change in discount and inflation rate assumptions, while demographic and other assumptions were retained at 31 December 2021 levels. Scheme assets have been valued as per investment managers' valuations at 30 June 2022. In consultation with the actuary to the principal Group defined benefit pension schemes, the discount rate used in relation to the pension scheme liabilities is 3.40% for Euro liabilities (31 December 2021: 1.20%) and 3.65% for Sterling liabilities (31 December 2021: 1.85%).

At 30 June 2022, the Group's total obligation in respect of defined benefit schemes totals €97.1 million (31 December 2021: €140.5 million). The schemes held assets of €127.4 million (31 December 2021: €145.8 million), giving a net pension surplus of €30.3 million (31 December 2021: €5.3 million).

The principal assumptions used for the purpose of the actuarial valuations at 30 June 2022 were derived using techniques consistent with those used for the assumptions used for the 31 December 2021 valuations. The assumptions, which were set after considering independent actuarial advice and which are reflective of market conditions that existed at 30 June 2022, were as follows:

	30 Jun 22		30 Jun 21		31 Dec 21	
	Sterling	Euro	Sterling	Euro	Sterling	Euro
Discount rate	3.65%	3.40%	1.85%	1.15%	1.85%	1.20%
Inflation rate	3.60%	2.30%	3.45%	1.70%	3.60%	2.00%
Rate of increase of pensions in payment	2.20% - 3.40%	1.30%	3.25%	0.70%	2.20% - 3.40%	1.00%
Rate of pensionable salary increases	1.10%	0.00% - 1.30%	1.05%	0.00% - 1.60%	1.10%	0.00% - 1.20%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

13. Retirement benefit schemes – continued

The movements in the net surplus on the retirement benefit schemes were as follows:

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Movement in retirement benefit schemes net surplus			
Opening surplus / (deficit)	5.3	(1.2)	(1.2)
Current service cost	(0.9)	(0.9)	(1.7)
Employer contributions paid	0.3	0.9	1.1
Net interest income	0.1	-	0.1
Actuarial gain	25.5	15.9	7.1
Currency adjustment / other	-	-	(0.1)
Net surplus	30.3	14.7	5.3
Schemes in surplus	31.2	16.1	6.7
Schemes in deficit	(0.9)	(1.4)	(1.4)
Net surplus	30.3	14.7	5.3

The movement in the net pension surplus since 31 December 2021 includes actuarial gains which are recognised in the Condensed Consolidated Statement of Comprehensive Income.

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Actuarial gains recognised in the Condensed Consolidated Statement of Comprehensive Income			
Return on scheme assets excluding amounts recognised as finance income	0.4	0.5	15.5
Remeasurement adjustments on scheme liabilities			
- Changes in demographic assumptions	-	-	(8.6)
- Changes in financial assumptions	38.3	5.2	0.1
- Experience adjustments	(13.2)	10.2	0.1
Actuarial gains recognised in the Condensed Consolidated Statement of Comprehensive Income	25.5	15.9	7.1

The actuarial gain arising on scheme assets, which are mainly invested across a number of equity and bond funds, is reflective of market movements while there were also reductions in liabilities attributable to the change in financial assumptions.

No provision has been made against scheme surpluses as the Group expect, having reviewed the rules of the relevant schemes, that the surplus will accrue to the Group in the future.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

14. Cash flow components

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Pension scheme movements			
Retirement benefit obligations – current service cost	0.9	0.9	1.7
Retirement benefit obligations – payments	(0.3)	(0.9)	(1.1)
Total retirement benefit scheme movements	0.6	-	0.6
Repayments of lease liabilities			
Lease payments	(11.1)	(8.5)	(21.1)
Interest element of lease payments	0.7	0.7	1.3
Capital element of lease payments	(10.4)	(7.8)	(19.8)
Purchases of property, plant and equipment and intangible assets			
Purchases of property, plant and equipment	(61.1)	(15.7)	(45.6)
Purchases of intangible assets	(0.1)	(0.6)	(1.0)
Increase in capital asset prepayments	(0.7)	(4.9)	(8.6)
Total purchases of property, plant and equipment and intangible assets	(61.9)	(21.2)	(55.2)
Changes in working capital			
Increase in inventories	(2.1)	(1.1)	(1.9)
(Increase) / decrease in receivables	(34.5)	(2.7)	2.5
Increase in payables	60.0	9.9	11.1
Total working capital movements	23.4	6.1	11.7
Share buybacks			
Charge against retained earnings	(18.2)	-	(19.8)
Amounts settled post period end	1.2	-	-
Total cash payments in period	(17.0)	-	(19.8)

At 30 June 2022 and 30 June 2021, the overall working capital movements amounted to €23.4 million and €6.1 million respectively, which relate to seasonal working capital inflows that are expected to unwind in the second half of the year.

15. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

During the six months ended 30 June 2022, there were no material changes to, or material transactions between Irish Continental Group plc and its key management personnel or members of their close family, other than in respect of remuneration. There were no other material related party transactions in the period.

16. Contingent assets / liabilities

There have been no material changes in contingent assets or liabilities as reported in the Group's financial statements for the year ended 31 December 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2022

17. Composition of the entity

There have been no changes in the composition of the entity during the half year ended 30 June 2022.

18. Commitments

	HY 2022	HY 2021	FY 2021
	€m	€m	€m
Commitments for the acquisition of property, plant and equipment – approved and contracted for, but not accrued	13.1	17.2	31.4

19. Events after the reporting period

There have been no material events occurring after the period ended 30 June 2022.

20. Board approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 24 August 2022.

APPENDIX: RECONCILIATION OF APMS

FOR THE HALF YEAR ENDED 30 JUNE 2022

Alternative Performance Measures

Certain financial measures set out in our Half-Yearly Financial Report to 30 June 2022 are not defined under International Financial Reporting Standards (IFRS). Presentation of these Alternative Performance Measures (APMs) provides useful supplementary information which, when viewed in conjunction with the Group's IFRS financial information, allows for a more meaningful understanding of the underlying financial and operating performance of the Group. These non-IFRS measures should not be considered as an alternative to financial measures as defined under IFRS.

Descriptions of the APMs included in this report are disclosed below.

EBITDA

EBITDA represents earnings before non-trading items*, interest, tax, depreciation and amortisation. As it eliminates the effects of financing and depreciation decisions it allows for the assessment of underlying cash profit generated from operations.

	Financial Statement Reference	HY 2022 €m	HY 2021 €m	FY 2021 €m
Operating profit / (loss)	Condensed Consolidated Income Statement	17.4	(10.3)	(0.2)
Depreciation, impairment and amortisation	Condensed Consolidated Income Statement	29.9	23.0	52.5
EBITDA		47.3	12.7	52.3

Free Cash Flow

Free cash flow comprises Net Cashflow from Operating Activities less capital expenditure. It is presented both before and after strategic capital expenditure. Capital expenditure comprises purchases of property, plant and equipment and intangible assets. Strategic capital expenditure comprises expenditure on vessels excluding annual overhaul and repairs, and other assets with an expected economic life of over 10 years which increases capacity or efficiency of operations.

It is presented as a measure of the availability to the Group of funds for reinvestment or for return to shareholders.

	Financial Statement Reference	HY 2022 €m	HY 2021 €m	FY 2021 €m
Net cash inflow from operating activities	Condensed Consolidated Statement of Cash Flows	66.7	15.8	56.8
Capital expenditure excluding strategic capital expenditure	See note below	(10.3)	(10.8)	(13.5)
Free cash flow before strategic capital expenditure		56.4	5.0	43.3
Strategic capital expenditure	See note below	(51.6)	(10.4)	(41.7)
Free cash flow after strategic capital expenditure		4.8	(5.4)	1.6

The total of the capital expenditure amounts set out above is included as a single line item in the Condensed Consolidated Statement of Cash Flows

APPENDIX: RECONCILIATION OF APMS

FOR THE HALF YEAR ENDED 30 JUNE 2022

Net Debt

Net debt comprises total borrowings and lease liabilities included as current and non-current liabilities less cash and cash equivalents.

Net Debt is a measure of the Group's ability to repay its debts if they were to fall due immediately. Net Debt (pre-IFRS16) is a measure of net debt for banking covenant purposes which excludes IFRS 16 lease liabilities.

	Financial Statement Reference	HY 2022 €m	HY 2021 €m	FY 2021 €m
Net Debt	Note 10	154.5	112.1	142.2
Current lease liabilities	Note 10	(17.2)	(16.4)	(20.1)
Non-current lease liabilities	Note 10	(31.4)	(34.0)	(37.5)
Net Debt (pre-IFRS 16)		105.9	61.7	84.6

Adjusted Basic EPS

Basic EPS is adjusted to exclude non-trading items and net interest cost on defined benefit obligations. Non-trading items are material non-recurring items that derive from events or transactions that fall outside the ordinary activities of the Group and which individually, or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.

It is used as a key indicator of long-term financial performance and value creation of a public listed company.

The calculation of adjusted basic EPS is set out at Note 6.

In addition to the above APMS the Group utilises additional APMS of Return on Average Capital Employed and Schedule Integrity in relation to full year performance which are not meaningful at the half year.