IRISH CONTINENTAL GROUP

2023

Half-Yearly Financial Report

for the half year ended 30 June 2023

THURSDAY 31 AUGUST 2023

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023

Irish Continental Group plc (ICG), the leading Irish-based maritime transport group, reports its financial performance for the half-year ended 30 June 2023.

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 2023*	HY 2022**	Change %
Revenue	€264.0m	€263.1m	+0.3%
EBITDA***	€49.0m	€47.3m	+3.6%
Operating profit	€16.2m	€17.4m	(6.9%)
Profit before tax	€14.0m	€15.4m	(9.1%)
Basic earnings per share	7.50c	8.00c	(6.3%)
Interim dividend	4.87c	4.64c	+5.0%
Net debt***	€164.5m	€154.5m	+6.5%
Net debt (pre-IFRS 16)***	€116.6m	€105.9m	+10.1%

** HY 2023: Half Year up to 30 June 2023, ** HY 2022: Half Year up to 30 June 2022*
**** Additional information in relation to these APMs is disclosed in the Appendix*

Volume movements

	HY 2023 ’000	HY 2022 ’000	Change %
Cars	229.1	214.2	+7.0%
RoRo freight	348.2	330.2	+5.5%
Containers shipped (teu*)	142.3	169.3	(15.9%)
Port lifts	152.5	164.9	(7.5%)

**teu: twenty-foot equivalent units*

The HY 2023 result is reported against the background of the continued return towards pre-pandemic travel patterns after the disruption caused by Covid-19 and our continued expansion on the Dover – Calais route. The Group has continued to focus on strategic development and has maintained a strong liquidity position.

Key highlights in HY 2023 include;

- Group revenue generated totalling €264.0 million, €0.9 million more than HY 2022.
- Operating profit generated was €16.2 million, compared to an operating profit of €17.4 million in HY 2022.
- EBITDA generated of €49.0 million, €1.7 million more than HY 2022.
- Gross cash balances of €35.0 million (31 December 2022: €39.0 million).
- Net debt at €164.5 million, €6.6 million lower than at the beginning of the year.
- The Directors have declared an interim dividend of 4.87 cent per share (2022: 4.64 cent) payable on 6 October 2023 to shareholders on the register on 15 September 2023.
- In May 2023, the Group chartered the Oscar Wilde cruise ferry (ex Tallink Star) for an initial 20 month period with further extension options. The vessel entered service on the Rosslare – Pembroke route, replacing the Blue Star 1.
- Further investment in environmentally friendly port equipment at Dublin Ferryport Terminals with final commissioning of new heavy plant machinery including a new ship-to-shore crane.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023

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

“HY 2023 has been a successful period for the Group. We have benefited from the continued normalisation in passenger travel levels post pandemic in all our markets, growth in our Roll on Roll off (RoRo) freight carryings and the strengthening of our position on the Dover – Calais route.

This continued return of passenger travel alongside the continued support of our freight customers on both our old and new routes resulted in the highest ever revenue levels in the Ferries Division. This has been partially offset by a reduction in revenues in the Container and Terminal Division which has been impacted by a significant drop in container volumes due primarily to a weakness in the deep sea market. Despite this, the Group reports a record level of revenue in the period of €264.0 million.

In May of this year, the Group took delivery of the Oscar Wilde. The Group signed a long term charter agreement for a firm period of 20 months with the opportunity to extend the charter by 2 + 2 years. The agreement also gives the Group purchase options over the vessel. The vessel entered service on the Rosslare – Pembroke route for the summer season. With the largest duty-free shopping space for any cruise ferry on the Irish Sea of 17,000 square feet, it is ideally suited to allow the Group to benefit from the return of duty-free shopping on the Irish Sea.

In addition to this investment, we have continued the expansion and modernisation of our container terminals with the latest automated and environmentally friendly equipment as part of a Terminal electrification programme. The final crane in this programme is due to become operational next month. Since the start of the year, we have commissioned five new remote controlled semi-automated rubber-tyred gantries (RTGs) and one new ship-to-shore crane. In our Dublin Terminal, 80% of our cranes are now powered by electricity generated from renewable resources.

While the strong revenue performance in the Ferries Division has continued year to date, we remain cautious over the timing of a recovery in container shipping volumes and the impact of potential cost increases arising out of environmental levies. Nevertheless, given the strength of our business model, our balance sheet and the diversity of our income flows we remain confident about our future prospects.’’

Enquiries:

Eamonn Rothwell, Chief Executive Officer	Tel: +353 1 607 5628	Email: info@icg.ie
David Ledwidge, Chief Financial Officer	Tel: +353 1 607 5628	Email: info@icg.ie
Media enquiries:		
Q4 Public Relations	Tel: +353 1 475 1444	Email: press@q4pr.ie

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

Results

Financial Highlights

	HY 2023	HY 2022	Change %	FY 2022*
Revenue	€264.0m	€263.1m	+0.3%	€584.9m
EBITDA	€49.0m	€47.3m	+3.6%	€127.2m
Operating profit	€16.2m	€17.4m	(6.9%)	€66.7m

** FY 2022 = Year End up to 31 December 2022*

The Group recorded revenue of €264.0 million compared with €263.1 million in HY 2022, an increase of 0.3%. Earnings before interest, tax, depreciation and amortisation (EBITDA) were €49.0 million compared with €47.3 million in HY 2022. Group fuel costs decreased by €9.0 million (15.5%) to €49.0 million from €58.0 million. Operating profit was €16.2 million compared with a €17.4 million in HY 2022. A profit before tax of €14.0 million is reported compared with a profit before tax of €15.4 million in HY 2022.

There was a net finance charge of €2.2 million (2022: €2.0 million) which includes net bank interest payable of €2.2 million (2022: €1.4 million), lease interest €0.7 million (2022: €0.7 million) and net pension interest income of €0.7 (2022: €0.1 million). The tax charge amounted to €1.1 million (2022: €0.9 million). Basic EPS was 7.5c compared with 8.0c in HY 2022. Adjusted Basic EPS amounted to 7.1c versus 8.0c for HY 2022.

Operational Review

Ferries Division

Financial Summary

	HY 2023	HY 2022	Change %	FY 2022
Revenue*	€179.8m	€167.9m	+7.1%	€399.9m
EBITDA	€33.3m	€29.8m	+11.7%	€95.7m
Operating profit	€5.3m	€5.7m	(7.0%)	€46.4m

** Includes intersegment revenue of €16.7 million (HY 2022: €15.2 million) (FY 2022: €35.3 million)*

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

Revenue in the division was €179.8 million (2022: €167.9 million) while EBITDA was €33.3 million (2022: €29.8 million). Operating profit was €5.3 million compared to €5.7 million in HY 2022.

The performance of the ferries operations in HY 2023 was significantly improved on HY 2022 as travel patterns continued to return towards pre-pandemic levels after the disruption caused by Covid-19 across 2020 and 2021. The impact of the Dover – Calais operations, can also be seen in the result for the period as the service operated with three vessels in HY 2023 versus 2.5 vessels in HY 2022.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

Operational Review – continued

Ferries Division – continued

Revenue - Total

	HY 2023	HY 2022	Change %	FY 2022
Passenger	€66.6m	€58.5m	+13.8%	€162.7m
Freight	€87.7m	€85.5m	+2.6%	€184.7m
Charter	€24.7m	€23.3m	+6.0%	€51.1m
Other	€0.8m	€0.6m	+33.3%	€1.4m
Total	**€179.8m**	**€167.9m**	**+7.1%**	**€399.9m**

Volumes - Total

	HY 2023	HY 2022	Change %	FY 2022
Car volumes (‘000)	229.1	214.2	+7.0%	573.4
Passenger volumes (‘000)	1,091.9	894.4	+22.1%	2,315.0
RoRo freight volumes (‘000)	348.2	330.2	+5.5%	696.6

In HY 2023, total cars carried were 229,100, up 7.0% on the same period in HY 2022. Total passenger carryings were 1,091,900, an increase of 22.1% on HY 2022. This increase in carryings reflects the continued return to normal travel patterns which commenced in the prior year and the impact of a three ship operation on the Dover – Calais route. Passenger revenues increased by 13.8% over HY 2022.

Freight carryings in HY 2023 were 348,200 units, an increase of 5.5% over HY 2022. The increase in carryings reflects the impact of increased tonnage on the Dover – Calais route. Freight revenues increased by 2.6% compared with HY 2022.

The division owns eight container vessels, five of which are chartered intra division and three chartered externally to third parties. Charter revenue increased by 6.0% over the prior period. Charter revenue also includes earnings from the long term receivable relating to the bareboat hire purchase contract arising from the disposal of the GNV Allegra in a prior period.

Costs

	HY 2023	HY 2022	Change %	FY 2022
Depreciation and amortisation	€28.0m	€24.1m	+16.2%	€49.3m
Employee benefits expense	€10.5m	€9.5m	+10.5%	€21.0m
Other operating costs	€136.0m	€128.6m	+5.8%	€283.2m
Total operating costs	€174.5m	€162.2m	+7.6%	€353.5m

Costs in the division increased by €12.3 million in HY 2023 compared to HY 2022. This increase was principally attributable to the operational costs associated with the Dover – Calais route due to a third vessel in operation for the full six months in 2023. Total divisional fuel cost decreased to €41.9 million in HY 2023 from €48.3 million in HY 2022 due to lower global fuel prices over the period.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

Operational Review – continued

Container and Terminal Division

Financial Highlights	HY 2023	HY 2022	Change %	FY 2022
Revenue*	€101.5m	€111.0m	(8.6%)	€221.5m
EBITDA	€15.7m	€17.5m	(10.3%)	€31.5m
Operating profit	€10.9m	€11.7m	(6.8%)	€20.3m

** Includes intersegment revenue of €0.6 million (HY 2022: €0.6 million) (FY 2022: €1.2 million)*

Operational Highlights	HY 2023	HY 2022	Change %	FY 2022
Volumes	’000	’000		‘000
Containers shipped (teu)	142.3	169.3	(15.9%)	322.6
Port lifts	152.5	164.9	(7.5%)	319.6

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 decreased by 8.6% to €101.5 million (2022: €111.0 million), EBITDA decreased to €15.7 million (2022: €17.5 million), while operating profit decreased to €10.9 million (2022: €11.7 million).

Total containers shipped by Eucon were down 15.9% at 142,300 teu (2022: 169,300 teu). This decrease was driven by weak export and import levels in China and the continued effect of over stocking following the Covid-19 pandemic and subsequent supply chain difficulties. Fuel costs decreased to €7.1 million from €9.7 million in HY 2022 due to a fall in global fuel prices as well as reduced consumption. In spite of persistent inflationary pressure, other costs decreased in line with the fall in volumes and core fleet reduction from to six to five vessels.

Containers handled at our container terminals in Dublin and Belfast fell 7.5% to 152,500 lifts (2022: 164,900 lifts). Dublin Ferryport Terminals’ activity was down 5.0%, and lifts at Belfast Container Terminal were down 11.4%.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 – CONTINUED

Statement of Financial Position

A summary Statement of Financial Position as at 30 June 2023 is presented below:

	30 Jun 2023 €m	30 Jun 2022 €m	31 Dec 2022 €m
Property, plant and equipment and intangible assets	365.5	371.4	364.2
Right-of-use assets	47.8	47.7	41.4
Long term receivable	9.0	12.1	10.5
Retirement benefit surplus	41.2	31.2	33.6
Other assets	96.1	103.1	85.2
Cash and bank balances	35.0	38.6	39.0
Total assets	**594.6**	**604.1**	**573.9**
Non-current borrowings	144.3	137.2	160.4
Non-current lease liabilities	33.2	31.4	30.7
Retirement benefit obligations	0.3	0.9	0.4
Other non-current liabilities	5.6	2.5	4.7
Current borrowings	7.3	7.3	7.3
Current lease liabilities	14.7	17.2	11.7
Other current liabilities	125.8	156.5	97.9
Total liabilities	**331.2**	**353.0**	**313.1**
Total equity	**263.4**	**251.1**	**260.8**
Total equity and liabilities	**594.6**	**604.1**	**573.9**

The analysis of key movements in the period since 31 December 2022 is set out below.

The principal movements in property, plant and equipment and intangible assets relate to 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 the Oscar Wilde cruise ferry. 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 the seasonal increase in tourism debtors and to 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 2023. This review resulted in a change in discount and inflation rate assumptions while other assumptions were retained at 31 December 2022 levels. A net actuarial gain of €6.8 million arose in HY 2023, driven primarily by increases in the value of assets.

Shareholders’ equity increased to €263.4 million from €260.8 million over the period. The movements primarily comprised of the profit for the financial period of €14.0 million, net actuarial gains of €6.8 million arising on retirement benefit schemes less payment of the 2022 final dividend of €16.8 million.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

Cash Flow and Financing

A summary of cash flows in the half year to 30 June 2023 is presented below:

	HY 2023 €m	HY 2022 €m	FY 2022 €m
Operating profit	16.2	17.4	66.7
Depreciation and amortisation	32.8	29.9	60.5
EBITDA*	**49.0**	**47.3**	**127.2**
Working capital movements	23.2	23.4	1.2
Retirement benefit scheme movements	0.2	0.6	1.1
Share-based payment expense	1.6	0.7	3.0
Other movements	(0.5)	-	(0.5)
Cash generated from operations	**73.5**	**72.0**	**132.0**
Interest paid	(2.8)	(1.6)	(4.0)
Tax paid	(0.9)	(0.8)	(1.7)
Capital expenditure excluding strategic capital expenditure	(16.0)	(10.3)	(18.3)
Free cash flow before strategic capital expenditure*	**53.8**	**59.3**	**108.0**
Strategic capital expenditure	(13.6)	(51.6)	(57.4)
Free cash flow after strategic capital expenditure*	**40.2**	**7.7**	**50.6**
Proceeds on disposal of property, plant and equipment	1.5	1.5	3.0
Share issue	0.1	0.1	0.1
Settlement of employee equity plans through market purchases	(3.1)	(2.9)	(2.9)
Lease inception costs	(1.2)	-	-
Dividends paid	(16.8)	-	(24.2)
Share buyback	-	(17.0)	(49.2)
Net cash flows	**20.7**	**(10.6)**	**(22.6)**
Opening net debt	(171.1)	(142.2)	(142.2)
Lease liability non-cash movements	(14.3)	(1.5)	(6.2)
Translation / other	0.2	(0.2)	(0.1)
Closing net debt	**(164.5)**	**(154.5)**	**(171.1)**

**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 2023 decreased to €164.5 million from €171.1 million at 31 December 2022.

Cash generated from operations in the period amounted to €73.5 million, a €1.5 million improvement on the prior period. Total capital expenditure including intangibles amounted to €29.6 million. Overall, there were net cash inflows of €20.7 million which were offset by lease liability movements which resulted in the net debt at 30 June 2023 reducing to €164.5 million.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 – CONTINUED

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

Net debt

	Cash €m	Origination Fees €m	Bank Loans & Loan Notes €m	Lease Liabilities €m	Net Debt €m
At 31 December 2022	39.0	0.5	(168.2)	(42.4)	(171.1)
Lease liability non-cash movements	-	-	-	(14.3)	(14.3)
Cash flows	(4.5)	-	16.2	9.0	20.7
Translation / other	0.5	(0.1)	-	(0.2)	0.2
At 30 June 2023	**35.0**	**0.4**	**(152.0)**	**(47.9)**	**(164.5)**

The borrowing facilities available to the Group at 30 June 2023 were as follows;

Borrowing Facilities

	Facility €m	Committed €m	Committed facilities drawn €m	Committed facilities undrawn €m
Revolving credit	125.0	75.0	49.5	25.5
Private placement	253.1	50.0	50.0	-
Bank loans	52.5	52.5	52.5	-
Lease liabilities	47.9	47.9	47.9	-
Overdraft and other	15.4	15.4	-	15.4
	493.9	**240.8**	**199.9**	**40.9**

At 30 June 2023, the Group had total lending facilities of €493.9 million available, of which €240.8 million were committed facilities. €199.9 million of the committed facilities were drawn. In addition to the committed lines of credit, the Group had arranged uncommitted facilities of €253.1 million with utilisation dates expiring within two years.

Dividend

The Company paid a final dividend in respect of financial year 2022 of 9.45 cent per ordinary share on 9 July 2023 to shareholders on the register at the close of business on 19 May 2023. The total amount paid was €16.8 million.

The Directors have declared an interim dividend of 4.87 cent per share (2022: 4.64 cent) payable on 6 October 2023 to shareholders on the register on 15 September 2023. The estimated amount payable will be €8.3 million.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 – CONTINUED

Fuel

	HY 2023	HY 2022	Change %	FY 2022
Fuel costs	€49.0m	€58.0m	(15.5%)	€124.0m

Group fuel costs in the first half of 2023 amounted to €49.0 million (2022: €58.0 million). The movement in fuel costs was due to a reduction in average global fuel prices versus the same period last year.

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 three of its cruise ferries and five of its 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

EU Emissions Trading System

We are entering a period of further regulatory change on environmental matters which will have a meaningful impact on the Group's operations and costs. These changes are emanating from the EU, International Maritime Organization and international financial reporting standard setters.

The EU regulations are primarily focused on increasing the cost of inputs and outputs of carbon and are broadly known as the "Fit for 55" Regulations.

The first of these EU regulations to come into effect is the gradual introduction of shipping emissions from January 2024 into the scope of the EU Emissions Trading System (EU ETS). All of these regulations and their phasing are subject to change as politicians weigh up the benefits of these initiatives against their social and economic cost and the trade-offs with other societal objectives.

The EU ETS begins with the phasing of 40% of emissions in scope in 2024, 70% in 2025 and then full scope from 2026 onwards.

In respect of a UK ETS, the introduction of a similar scheme is still being finalised and we expect a similar initial implementation from 2026 onwards. Consequently, initially emissions will only be within scope for half of voyages between the EU and the UK due to the UK's later implementation timeline.

As the quantity of available European ETS offsets (EU Allowance "EUA") are set by the EU and subsequent pricing will depend on demand, it is very difficult to determine what these additional costs will be. Funds raised by the EU could, in theory, be channelled back into the shipping sector to provide support with decarbonisation projects. The costs of these ETSs will increase the cost of transporting passengers and cargo to the islands of Britain and Ireland which will be passed on to customers. This is what happened when lower sulphur emission regulations were introduced in recent years.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

Strategic Developments -continued

Seafarers' legislation and proposed voluntary charters

To ensure equitable regulations in international shipping, it is crucial that oversight is maintained at an EU and International Labour Organisation level. This prevents market distortions and upholds a level playing field. Upholding international principles and centuries of precedent remains pivotal for a stable maritime regulatory environment.

Recent legislative changes, like the UK's minimum wage equivalent requirement in territorial waters and France's intended implementation of minimum wages and regulated roster patterns for specific routes, raise concerns and carry protectionist undertones. France's approach may conflict with EU legislation, and cuts across various freedoms established in the Treaty of the Functioning of the European Union (TFEU). In addition, both the French and UK Governments have also introduced voluntary charters with additional local employment protection objectives.

Container Volumes

We have been impacted by the weak deep-sea market in the first half of the year. This has resulted in a material drop in volumes in our Container and Terminal Division. This is a result of continued weak export and import levels in China and the continued effect of over stocking following the Covid-19 pandemic and subsequent supply chain difficulties. Our flexible business model has allowed us to adjust our shipping capacity to match the current demand situation.

Sustainability

We have continued to make significant progress on our Terminal electrification programme. The final crane in this programme is due to become operational in September. Since the start of the year, we have commissioned five new remote controlled semi-automated rubber-tyred gantries and one new ship-to-shore crane. Of the heavy equipment at our Dublin Terminal, 80% is now powered by electricity generated from renewable resources. The finalisation of this phase of the project represents a significant milestone in achieving our Net Zero 2030 goal for our terminal operations and represents the cumulation of significant investment for the group of approximately €26.5 million over the last number of years.

In our industry, there continues to be a significant level of regulation change. These changes are coming from the EU, UK and the International Maritime Organisation (IMO). We closely monitor the impact these regulations will have on our operations. For the first-time shipping will be included in the EU Emission Trading System (EU ETS) commencing from 2024. These carbon taxes will significantly increase operational costs once fully implemented over the transition period to 2026, we expect to pass on these additional costs as a carbon tax surcharge to our customers.

Operationally, we continue to support a number of feasibility studies relating to new technologies that are designed to improve our ships efficiency.

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.

HALF-YEARLY FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

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 65 to 69 of the 2022 Annual Report are categorised as: commercial and market, economic and political, business continuity, health and safety, operational compliance, environmental protection, human capital, information security and cyber threats, financial loss, fraud, volatility, retirement benefit scheme and financial compliance.

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.

Going Concern

After making enquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months. In forming this view the Directors have considered the future cash requirements of the Group's business in the context of the economic environment over the next 12 months, the principal risks and uncertainties facing the Group, the Group's budget plan and the medium term strategy of the Group, including capital investment plans. The future cash requirements have been compared to bank facilities which are available or expected to be available to the Group on normal commercial terms. On this basis the Directors continue to adopt the going concern basis in preparing this half-year financial report.

Events after the Reporting Period

There have been no material events affecting the Company since 30 June 2023.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

Current Trading and Outlook

Trading volumes in the period 1 July to 26 August 2023 are as follows:

H2 2023 Trading to date			
	1/7/23 – 26/8/23	1/7/22 – 26/8/22	Change %
Volumes	'000	'000	
Cars	214.1	181.1	18.2%
RoRo freight units	112.5	112.5	-
Containers shipped (teu)	41.8	50.7	(17.6%)
Port lifts	47.1	49.2	(4.3%)

Cumulatively to 26 August 2023, trading volumes are:

FY 2023 Trading to date			
	1/1/23 – 26/8/23	1/1/22 – 26/8/22	Change %
Volumes	'000	'000	
Cars	443.2	395.3	+12.1%
RoRo freight units	460.7	442.7	+4.1%
Containers shipped (teu)	184.1	220.0	(16.3%)
Port lifts	199.6	214.1	(6.8%)

The trading performance for the year to date across the Ferries Division has been strong with growth in both car and RoRo freight units. The performance of the Container and Terminal Division has been disappointing with a material fall in container volumes. Despite significant cost pressures in both divisions, we have managed to maintain and grow profitability at an EBITDA level.

The Ferries Division has benefited from both the continued return to more normalised levels of passenger traffic and a bedded in three vessel service on the Dover – Calais route. Car volumes have increased by 12.1% year to date, and improved over the peak summer season with growth of 18.2% since 30 June.

Freight RoRo has grown at the strong level of 4.1% year to date. Volumes have remained steady since 30 June, suggesting a slowdown in volume growth in H2 to date, however we note that the same period in the prior year was particularly strong due to competitor disruption on the Dover – Calais route.

Taking the above into account, trading in the key summer months of July and August was in line with expectations in the Ferries Division.

The Container and Terminal Division has seen a worsening of the weak volume trends experienced in the first half of the year, with container volumes down 16.3% year to date and down 17.6% since 30 June. Port lifts have declined 6.8% year to date and 4.3% since 30 June.

We have used our flexible business model in the Container and Terminal Division to materially reduce costs by matching our shipping capacity to the current demand situation. This has allowed us to maintain profitability at acceptable levels. We remain hopeful of an increase in export and import levels in China in the second half of the year and an end to the current levels of overstocking following the pandemic and subsequent supply chain issues.

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - CONTINUED

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

30 August 2023

HALF-YEARLY FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2023 - 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 2023 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 2023, 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	**David Ledwidge**
Director	Director

30 August 2023

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2023

	Notes	HY 2023 Unaudited €m	HY 2022 Unaudited €m	FY 2022 Audited €m
Revenue	4	264.0	263.1	584.9
Depreciation and amortisation		(32.8)	(29.9)	(60.5)
Employee benefits expense		(13.0)	(12.1)	(26.8)
Other operating expenses		(202.0)	(203.7)	(430.9)
Operating profit		**16.2**	**17.4**	**66.7**
Finance income		0.7	0.1	0.1
Finance costs		(2.9)	(2.1)	(4.3)
Profit before taxation		**14.0**	**15.4**	**62.5**
Income tax expense		(1.1)	(0.9)	(2.7)
Profit for the financial period: all attributable to equity holders of the parent	4	**12.9**	**14.5**	**59.8**
Earnings per ordinary share – expressed in cent per share				
Basic	6	7.5c	8.0c	33.6c
Diluted	6	7.5c	7.9c	33.2c

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2023

	Notes	HY 2023 Unaudited €m	HY 2022 Unaudited €m	FY 2022 Audited €m
Profit for the financial period		**12.9**	**14.5**	**59.8**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		1.7	(1.0)	(2.5)
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain on defined benefit pension schemes	13	6.8	25.5	29.4
Deferred tax on defined benefit pension schemes		(0.6)	(1.2)	(2.4)
Other comprehensive income for the financial period		**7.9**	**23.3**	**24.5**
Total comprehensive income for the financial period: all attributable to equity holders of the parent		**20.8**	**37.8**	**84.3**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30 Jun 23 Unaudited €m	30 Jun 22 Unaudited €m	31 Dec 22 Audited €m
Assets				
Non-current assets				
Property, plant and equipment	7	363.5	369.5	362.3
Right-of-use assets	8	47.8	47.7	41.4
Intangible assets		2.0	1.9	1.9
Long term receivable	9	9.0	12.1	10.5
Retirement benefit surplus	13	41.2	31.2	33.6
Deferred tax asset		0.1	0.1	0.1
		463.6	**462.5**	**449.8**
Current assets				
Inventories		4.3	5.9	5.2
Trade and other receivables		91.7	97.1	79.9
Cash and cash equivalents	10	35.0	38.6	39.0
		131.0	**141.6**	**124.1**
Total assets		**594.6**	**604.1**	**573.9**
Equity and liabilities				
Equity				
Share capital		11.1	11.6	11.1
Share premium		20.6	20.5	20.5
Other reserves		(7.0)	(9.5)	(8.2)
Retained earnings		238.7	228.5	237.4
Equity attributable to equity holders		**263.4**	**251.1**	**260.8**
Non-current liabilities				
Borrowings	10	144.3	137.2	160.4
Lease liabilities	10	33.2	31.4	30.7
Deferred tax liabilities		4.6	2.4	3.6
Provisions		1.0	0.1	1.1
Retirement benefit obligations	13	0.3	0.9	0.4
		183.4	**172.0**	**196.2**
Current liabilities				
Borrowings	10	7.3	7.3	7.3
Lease liabilities	10	14.7	17.2	11.7
Trade and other payables		124.5	137.3	96.2
Dividend payable		-	16.1	-
Provisions		1.3	3.1	1.7
		147.8	**181.0**	**116.9**
Total liabilities		**331.2**	**353.0**	**313.1**
Total equity and liabilities		**594.6**	**604.1**	**573.9**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2023 (UNAUDITED)

	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 2023	**11.1**	**20.5**	**8.6**	**6.3**	**(23.1)**	**237.4**	**260.8**
Profit for the financial period	-	-	-	-	-	12.9	12.9
Other comprehensive income	-	-	-	-	1.7	6.2	7.9
Total comprehensive income for the financial period	**-**	**-**	**-**	**-**	**1.7**	**19.1**	**20.8**
Employee share-based payments expense	-	-	-	1.6	-	-	1.6
Share issue	-	0.1	-	-	-	-	0.1
Dividends	-	-	-	-	-	(16.8)	(16.8)
Settlement of share options through market purchase	-	-	-	-	-	(3.1)	(3.1)
Transfer to retained earnings on exercise of options	-	-	-	(2.1)	-	2.1	-
Total movements in the financial period	**-**	**0.1**	**-**	**(0.5)**	**1.7**	**1.3**	**2.6**
Balance at 30 June 2023	**11.1**	**20.6**	**8.6**	**5.8**	**(21.4)**	**238.7**	**263.4**

FOR THE HALF YEAR ENDED 30 JUNE 2022 (UNAUDITED)

	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 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**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (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 2022	**11.9**	**20.4**	**7.8**	**4.7**	**(20.6)**	**225.5**	**249.7**
Profit for the financial period	-	-	-	-	-	59.8	59.8
Other comprehensive income	-	-	-	-	(2.5)	27.0	24.5
Total comprehensive income for the financial period	**-**	**-**	**-**	**-**	**(2.5)**	**86.8**	**84.3**
Employee share-based payments expense	-	-	-	3.0	-	-	3.0
Share issue	-	0.1	-	-	-	-	0.1
Dividends	-	-	-	-	-	(24.2)	(24.2)
Share buyback	(0.8)	-	0.8	-	-	(49.2)	(49.2)
Settlement of employee equity plans 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	**(0.8)**	**0.1**	**0.8**	**1.6**	**(2.5)**	**11.9**	**11.1**
Balance at 31 December 2022	**11.1**	**20.5**	**8.6**	**6.3**	**(23.1)**	**237.4**	**260.8**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2023

	Notes	HY 2023 Unaudited €m	HY 2022 Unaudited €m	FY 2022 Audited €m
Profit for the financial year		**12.9**	**14.5**	**59.8**
Adjustments for:				
Finance costs (net)		2.2	2.0	4.2
Income tax expense		1.1	0.9	2.7
Retirement benefit scheme movements	14	0.2	0.6	1.1
Depreciation of property, plant and equipment		23.3	18.9	38.5
Amortisation of intangible assets		0.2	0.2	0.4
Depreciation of right-of-use assets		9.3	10.8	21.6
Share-based payment expense		1.6	0.7	3.0
Decrease in provisions		(0.5)	-	(0.5)
Working capital movements	14	23.2	23.4	1.2
Cash generated from operations		**73.5**	**72.0**	**132.0**
Income taxes paid		(0.9)	(0.8)	(1.7)
Interest paid		(2.8)	(1.6)	(4.0)
Net cash inflow from operating activities		**69.8**	**69.6**	**126.3**
Cash flow from investing activities				
Proceeds on disposal of property, plant and equipment		1.5	1.5	3.0
Purchases of property, plant and equipment and intangible assets	14	(29.6)	(61.9)	(75.7)
Lease inception costs		(1.2)	-	-
Net cash outflow from investing activities		**(29.3)**	**(60.4)**	**(72.7)**
Cash flow from financing activities				
Share buyback		-	(17.0)	(49.2)
Dividends	5	(16.8)	-	(24.2)
Repayment of lease liabilities	14	(9.0)	(10.4)	(21.0)
Proceeds on issue of ordinary share capital		0.1	0.1	0.1
Repayments of bank loans		(16.2)	(3.8)	(7.6)
Drawdown of bank loans		-	25.0	52.0
Settlement of employee equity plans through market purchases		(3.1)	(2.9)	(2.9)
Net cash outflow from financing activities		**(45.0)**	**(9.0)**	**(52.8)**
Net (decrease) / increase in cash and cash equivalents		(4.5)	0.2	0.8
Cash and cash equivalents at the beginning of the period		39.0	38.5	38.5
Effect of foreign exchange rate changes		0.5	(0.1)	(0.3)
Cash and cash equivalents at the end of the period	10	**35.0**	**38.6**	**39.0**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

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 2023 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 2023 do not constitute the statutory financial statements of the Group;
- the figures disclosed relating to 31 December 2022 have been derived from the statutory financial statements for the financial year ended 31 December 2022 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 2023 and the comparative amounts for the half year ended 30 June 2022 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 2023 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 2022, which is available at www.icg.ie.

Amendments to accounting standards IAS 1, IFRS 17, IAS 8, IAS 12 and IFRS 16 became effective for the Group commencing 1 January 2023. 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 page 131 of the Group's Annual Report for the year ended 31 December 2022.

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 2022. 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 2022 which have resulted in a material reduction in the valuation of retirement benefit obligations reflected through an actuarial credit which together with experience adjustments on both scheme obligations and assets resulted in a €6.8 million actuarial gain being recorded in the Statement of Comprehensive Income. 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 2022.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023

3. Critical Accounting Estimates and Judgements - continued

Impairment

At 31 December 2022, 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 including environmental regulation, shipbuilding costs and carrying value versus market capitalisation. The Group noted at that time that container vessel charter rates had declined in the final quarter of 2022, a trend which continued into early 2023. This was assessed as an indicator of impairment and on that basis the Group undertook an exercise to assess the recoverable amount of its fleet assets based on the conditions existing at 31 December 2022. The Group performed a fair value less cost of disposal assessment but acknowledging the limitations of the independent valuations supplemented that exercise with a value in use assessment. On consideration of the results of these assessments the Directors concluded that no provision for impairment against the carrying value of its fleet assets was required at 31 December 2022.

At 30 June 2023, 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 2023 was broadly aligned with the base scenario used for the value in use exercise at 31 December 2022. The Group was also satisfied that there was no indication of declines in the market value of vessels more than expected from normal use. The Group has also considered the potential impacts of the latest developments and clarifications in likely environmental requirements particularly around the EU Fit for 55 initiatives and updated IMO proposals, in particular the EU Emission Trading Scheme due to commence from 1 January 2024. The Group, as with the previous costs associated with IMO2020 and SECA regulations, will be passing the increased costs of new regulations to our customers. Following these considerations, the Group concluded that no indicators of impairment existed at 30 June 2023 and a recoverability assessment for impairment purposes was not required.

Going Concern

The Company had previously reported in its 2022 Annual Report that the Directors had considered a number of trading scenarios. The base scenario had assumed a moderate level of growth across the Group's businesses whereas the downside scenario had assumed lower levels of activity related to macro-economic uncertainty around growth rates in the economies in which we provide services together with inflationary pressures. The Group has extended the outlook period for these projections to August 2024 based on economic conditions existing at 30 June 2023, the principal risks and uncertainties facing the Group, the Group's budget plan and the medium term strategy of the Group, including capital investment plans. These projections indicate that the Group expects to generate sufficient cash from operations to enable it to retain sufficient liquidity to operate and meet its financial obligations for at least the period up to August 2024. The Directors therefore considered it appropriate to continue 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 2023

4. Segmental information - continued

i) Revenue Analysis

By business segment:

	HY 2023 €m	HY 2022 €m	FY 2022 €m
Ferries			
Passenger	66.6	58.5	162.7
Freight	87.7	85.5	184.7
Charter	24.7	23.3	51.1
Other	0.8	0.6	1.4
	179.8	167.9	399.9
Container and Terminal			
Freight	101.5	111.0	221.5
Inter-segment revenue	(17.3)	(15.8)	(36.5)
Total	**264.0**	**263.1**	**584.9**

Travel patterns continued to return towards pre-pandemic levels after the disruption caused by Covid-19 across 2020 and 2021. HY 2023 also shows the results of our Dover – Calais operations operating with three vessels for the full period for the first time.

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 2023 €m	HY 2022 €m	FY 2022 €m
Ireland	90.0	87.2	202.4
United Kingdom	59.1	64.4	142.2
Netherlands	48.6	47.9	99.7
Belgium	20.1	24.0	47.7
France	10.3	7.6	20.2
Poland	7.3	7.6	18.8
Austria	4.9	5.2	10.8
Other	23.7	19.2	43.1
	264.0	**263.1**	**584.9**

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 2023

4. Segmental information – continued

ii) Profit for the financial year

	Ferries			Container and Terminal			Group Total		
	HY 2023 €m	HY 2022 €m	FY 2022 €m	HY 2023 €m	HY 2022 €m	FY 2022 €m	HY 2023 €m	HY 2022 €m	FY 2022 €m
Operating profit	5.3	5.7	46.4	10.9	11.7	20.3	16.2	17.4	66.7
Finance income	0.7	0.1	0.1	-	-	-	0.7	0.1	0.1
Finance costs	(2.2)	(1.5)	(3.1)	(0.7)	(0.6)	(1.2)	(2.9)	(2.1)	(4.3)
Profit before tax	**3.8**	**4.3**	**43.4**	**10.2**	**11.1**	**19.1**	**14.0**	**15.4**	**62.5**
Income tax expense	(0.3)	(0.1)	(1.3)	(0.8)	(0.8)	(1.4)	(1.1)	(0.9)	(2.7)
Profit for the financial year	**3.5**	**4.2**	**42.1**	**9.4**	**10.3**	**17.7**	**12.9**	**14.5**	**59.8**

iii) Statement of Financial Position

	Ferries			Container and Terminal			Group Total		
	30 Jun 23 €m	30 Jun 22 €m	31 Dec 22 €m	30 Jun 23 €m	30 Jun 22 €m	31 Dec 22 €m	30 Jun 23 €m	30 Jun 22 €m	31 Dec 22 €m
Assets									
Segment assets	447.8	446.2	422.5	111.8	119.3	112.4	559.6	565.5	534.9
Cash and cash equivalents	31.9	36.8	34.5	3.1	1.8	4.5	35.0	38.6	39.0
Consolidated total assets	**479.7**	**483.0**	**457.0**	**114.9**	**121.1**	**116.9**	**594.6**	**604.1**	**573.9**
Liabilities									
Segment liabilities	98.8	100.2	66.7	32.9	42.5	36.3	131.7	142.7	103.0
Borrowings and lease liabilities	156.6	154.9	174.6	42.9	38.1	35.5	199.5	193.0	210.1
Consolidated total liabilities*	**255.4**	**255.1**	**241.3**	**75.8**	**80.6**	**71.8**	**331.2**	**335.7**	**313.1**

** Consolidated total Group liabilities for HY 2022 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 2023: €nil; FY 2022: €nil).*

iv) Seasonality

Group revenue and profit before tax is 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023

5. Dividends paid

	HY 2023 €m	HY 2022 €m	FY 2022 €m
Interim dividend (RE current financial year)	-	-	8.1
Final dividend (RE prior financial year)	16.8	-	16.1
Total dividends paid in period	**16.8**	**-**	**24.2**

The Company paid a final dividend in respect of financial year 2022 of 9.45 cent per ordinary share on 9 July 2023 to shareholders on the register at the close of business on 19 May 2023. The total amount paid was €16.8 million.

The Directors have declared an interim dividend of 4.87 cent per share (2022: 4.64 cent) payable on 6 October 2023 to shareholders on the register on 15 September 2023.

6. Earnings per share

Number of shares	HY 2023 '000	HY 2022 '000	FY 2022 '000
Shares in issue at the beginning of the year	170,823	182,795	182,795
Effect of shares issued during the year	41	10	23
Effect of share buybacks and cancellation in the year	-	(1,627)	(5,044)
Weighted average number of ordinary shares for the purpose of basic earnings per share	170,864	181,178	177,774
Dilutive effect of employee equity plans where vesting conditions not met	2,261	1,869	2,363
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**173,125**	**183,047**	**180,137**

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. The dilutive impact of contingently issuable shares on the weighted average number of ordinary shares for the purposes of diluted earnings per share in HY2022 has been corrected resulting in an adjustment to the previously reported diluted earnings per share of 0.1 cent per share.

Profit 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:

Earnings	HY 2023 €m	HY 2022 €m	FY 2022 €m
Earnings for the purpose of basic and diluted earnings per share – Profit for the financial period attributable to equity holders of the parent	12.9	14.5	59.8
Effect of net interest income on defined benefit pension schemes	(0.7)	(0.1)	(0.1)
Earnings for the purpose of adjusted earnings per share	**12.2**	**14.4**	**59.7**

	Cent	Cent	Cent
Basic earnings per share	7.5	8.0	33.6
Diluted earnings per share	7.5	7.9	33.2
Adjusted basic earnings per share	7.1	8.0	33.6
Adjusted diluted earnings per share	7.0	7.9	33.1

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023

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 2022	4.6	534.1	65.5	28.3	632.5
Additions	3.8	19.5	1.7	0.7	25.7
Disposals	-	(5.4)	(0.3)	-	(5.7)
Reclassification	(8.3)	8.3	(2.4)	-	(2.4)
Currency adjustment	-	1.7	0.1	-	1.8
At 30 June 2023	**0.1**	**558.2**	**64.6**	**29.0**	**651.9**
Accumulated depreciation					
At 31 December 2022	-	213.8	45.5	10.9	270.2
Charge for period	-	21.4	1.6	0.3	23.3
Disposals	-	(5.4)	(0.3)	-	(5.7)
Currency adjustment	-	0.5	0.1	-	0.6
At 30 June 2023	**-**	**230.3**	**46.9**	**11.2**	**288.4**
Carrying amount					
At 30 June 2023	**0.1**	**327.9**	**17.7**	**17.8**	**363.5**
At 31 December 2022	4.6	320.3	20.0	17.4	362.3
At 30 June 2022	2.0	335.0	14.8	17.7	369.5

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

8. Right-of-use assets

	Vessels €m	Plant, Equipment and Vehicles €m	Land and Buildings €m	Total €m
Cost				
At 31 December 2022	49.2	15.2	34.1	98.5
Additions	15.5	0.2	-	15.7
Disposals	(23.6)	(0.5)	-	(24.1)
Currency adjustment	-	-	0.2	0.2
At 30 June 2023	**41.1**	**14.9**	**34.3**	**90.3**
Accumulated depreciation				
At 31 December 2022	41.7	7.1	8.3	57.1
Charge for period	7.0	1.2	1.1	9.3
Disposals	(23.6)	(0.5)	-	(24.1)
Currency adjustment	-	-	0.2	0.2
At 30 June 2023	**25.1**	**7.8**	**9.6**	**42.5**
Carrying amount				
At 30 June 2023	**16.0**	**7.1**	**24.7**	**47.8**
At 31 December 2022	7.5	8.1	25.8	41.4
At 30 June 2022	13.1	7.6	27.0	47.7

Additions of right-of-use assets include €1.2 million (2022: €nil) of directly attributable costs relating to new leases commenced in the period.

9. Lease receivable

	30 Jun 23 €m	30 Jun 22 €m	31 Dec 22 €m
Operating activities			
Current finance lease receivable	3.1	3.0	3.1
Non-current finance lease receivable	9.0	12.1	10.5
Total	**12.1**	**15.1**	**13.6**
Beginning of reporting period	13.6	16.6	16.6
Amounts received	(1.8)	(1.8)	(3.6)
Net benefit recognised in period	0.3	0.3	0.6
End of reporting period	**12.1**	**15.1**	**13.6**

The long term receivable relates to amounts due under a bareboat hire purchase sale agreement for the disposal of the vessel GNV Allegra 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 2023 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 2023

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 2023						
Current assets	39.0	-	-	-	-	39.0
Creditors due within one year	-	(7.5)	-	(11.7)	0.2	(19.0)
Creditors due after one year	-	(110.7)	(50.0)	(30.7)	0.3	(191.1)
	39.0	**(118.2)**	**(50.0)**	**(42.4)**	**0.5**	**(171.1)**
Movements during the period						
Cash flow changes						
Repayments	-	16.2	-	9.0	-	25.2
Other movements	(4.5)	-	-	-	-	(4.5)
Non cash flow changes						
Amortisation	-	-	-	-	(0.1)	(0.1)
Lease liabilities recognised	-	-	-	(14.3)	-	(14.3)
Currency adjustment	0.5	-	-	(0.2)	-	0.3
	4.0	**16.2**	**-**	**(5.5)**	**(0.1)**	**6.6**
At 30 June 2023						
Current assets	35.0	-	-	-	-	35.0
Creditors due within one year	-	(7.5)	-	(14.7)	0.2	(22.0)
Creditors due after one year	-	(94.5)	(50.0)	(33.2)	0.2	(177.5)
	35.0	**(102.0)**	**(50.0)**	**(47.9)**	**0.4**	**(164.5)**
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)**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

10. Net cash and borrowing facilities – continued

ii) The maturity profile and available borrowing and cash facilities available to the Group at 30 June 2023 are set out in the following table:

				Maturity Profile			
	Facility	Undrawn	On-hand / drawn	Less than 1 year	Between 1 – 2 years	Between 2 – 5 years	More than 5 years
	€m	€m	€m	€m	€m	€m	€m
Cash	-	-	35.0	-	-	-	-
Committed lending facilities							
Bank overdrafts	15.4	15.4	-	-	-	-	-
Bank loans	127.5	25.5	102.0	7.5	57.0	22.5	15.0
Loan notes	50.0	-	50.0	-	50.0	-	-
Leases	47.9	-	47.9	14.7	8.2	6.1	18.9
Origination fees	(0.4)	-	(0.4)	(0.2)	(0.1)	(0.1)	-
Committed lending facilities	**240.4**	**40.9**	**199.5**	**22.0**	**115.1**	**28.5**	**33.9**
Uncommitted lending facilities							
Bank loans	50.0						
Loan notes	203.1						
Uncommitted lending facilities	**253.1**						

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

At 30 June 2023 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 2023

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 2022 Annual Report. There have been no changes to the risk management procedures or policies since the 2022 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 23		30 Jun 22		31 Dec 22	
	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m	Carrying value €m	Fair value €m
Financial assets						
Lease receivable	12.1	12.1	15.1	14.5	13.6	13.6
Trade and other receivables	88.6	88.6	94.0	94.0	76.8	76.8
Cash and cash equivalents	35.0	35.0	38.6	38.6	39.0	39.0
Total financial assets	**135.7**	**135.7**	**147.7**	**147.1**	**129.4**	**129.4**
Financial liabilities						
Borrowings	151.6	143.2	144.5	136.4	167.7	169.0
Dividend payable	-	-	16.1	16.1	-	-
Trade and other payables	84.3	84.3	92.5	92.5	79.7	79.7
Total financial liabilities	**235.9**	**227.5**	**253.1**	**245.0**	**247.4**	**248.7**

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 2023

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 2023, 31 December 2022, and 30 June 2022, 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 2023, leading to a change in discount and inflation rate assumptions, while demographic and other assumptions were retained at 31 December 2022 levels. Scheme assets have been valued as per investment managers' valuations at 30 June 2023. 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 3.60% for Euro liabilities (31 December 2022: 3.65%) and 5.20% for Sterling liabilities (31 December 2022: 4.75%).

At 30 June 2023, the Group's total obligation in respect of defined benefit schemes totals €91.4 million (31 December 2022: €91.6 million). The schemes held assets of €132.3 million (31 December 2022: €124.8 million), giving a net pension surplus of €40.9 million (31 December 2022: €33.2 million).

The principal assumptions used for the purpose of the actuarial valuations at 30 June 2023 were derived using techniques consistent with those used for the assumptions for the 31 December 2022 valuations. The assumptions, which were set after considering independent actuarial advice and which are reflective of market conditions that existed at 30 June 2023, were as follows:

	30 Jun 23		30 Jun 22		31 Dec 22	
	Sterling	Euro	Sterling	Euro	Sterling	Euro
Discount rate	5.20%	3.60%	3.65%	3.40%	4.75%	3.65%
Inflation rate	2.95%	2.40%	3.60%	2.30%	2.90%	2.50%
Rate of increase of pensions in payment	2.20% - 3.35%	1.40%	2.20% - 3.40%	1.30%	2.20% - 3.30%	1.50%
Rate of pensionable salary increases	1.20%	0.00% - 1.35%	1.10%	0.00% - 1.30%	1.15%	0.00% - 1.40%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2023

13. Retirement benefit schemes – continued

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

	HY 2023	HY 2022	FY 2022
Movement in retirement benefit schemes net surplus	**€m**	**€m**	**€m**
Opening surplus	33.2	5.3	5.3
Current service cost	(0.4)	(0.9)	(1.7)
Employer contributions paid	0.2	0.3	0.6
Net interest income	0.7	0.1	0.1
Actuarial gain	6.8	25.5	29.4
Currency adjustment / other	0.4	-	(0.5)
Net surplus	**40.9**	**30.3**	**33.2**
Schemes in surplus	41.2	31.2	33.6
Schemes in deficit	(0.3)	(0.9)	(0.4)
Net surplus	**40.9**	**30.3**	**33.2**

The movement in the net pension surplus since 31 December 2022 includes actuarial gains which are recognised in the Condensed Consolidated Statement of Comprehensive Income.

	HY 2023	HY 2022	FY 2022
Actuarial gains recognised in the Condensed Consolidated Statement of Comprehensive Income	**€m**	**€m**	**€m**
Return on scheme assets excluding amounts recognised as finance income	5.4	0.4	(18.7)
Remeasurement adjustments on scheme liabilities			
- Changes in demographic assumptions	-	-	-
- Changes in financial assumptions	2.3	38.3	46.9
- Experience adjustments	(0.9)	(13.2)	1.2
Actuarial gains recognised in the Condensed Consolidated Statement of Comprehensive Income	**6.8**	**25.5**	**29.4**

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 2023

14. Cash flow components

	HY 2023 €m	HY 2022 €m	FY 2022 €m
Pension scheme movements			
Retirement benefit obligations – current service cost	0.4	0.9	1.7
Retirement benefit obligations – payments	(0.2)	(0.3)	(0.6)
Total retirement benefit scheme movements	**0.2**	**0.6**	**1.1**
Repayments of lease liabilities			
Lease payments	(9.7)	(11.1)	(22.3)
Interest element of lease payments	0.7	0.7	1.3
Capital element of lease payments	**(9.0)**	**(10.4)**	**(21.0)**
Purchases of property, plant and equipment and intangible assets			
Purchases of property, plant and equipment	(25.7)	(61.1)	(74.4)
Purchases of intangible assets	(0.3)	(0.1)	(0.4)
Increase in capital asset prepayments	(3.6)	(0.7)	(0.9)
Total purchases of property, plant and equipment and intangible assets	**(29.6)**	**(61.9)**	**(75.7)**
Changes in working capital			
Decrease / (increase) in inventories	0.9	(2.1)	(1.4)
Increase in receivables	(5.8)	(34.5)	(17.0)
Increase in payables	28.1	60.0	19.6
Total working capital movements	**23.2**	**23.4**	**1.2**
Share buybacks			
Charge against retained earnings	-	(18.2)	-
Amounts settled post period end	-	1.2	-
Total cash payments in period	**-**	**(17.0)**	**-**
Share-based payments			
Share-based payment expense**	1.6	0.7	3.0
Settlement of employee equity plans through market purchases**	(3.1)	(2.9)	(2.9)
Net impact	**(1.5)**	**(2.2)**	**0.1**

*** In reporting HY2022, these amounts were offset within Cash generated from operations. In HY2023, they have been represented separately within Cash generated from operations and net cash outflow from financing activities respectively.*

At 30 June 2023 and 30 June 2022, the overall working capital movements amounted to €23.2 million and €23.4 million respectively, which principally relate to seasonal working capital inflows that are expected to unwind in the second half of the year.

During the six months ended 30 June 2023, 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023

15. Related party transactions

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

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 2022.

17. Composition of the entity

There have been no changes in the composition of the entity during the half year ended 30 June 2023.

18. Commitments

	HY 2023 €m	HY 2022 €m	FY 2022 €m
Commitments for the acquisition of property, plant and equipment – approved and contracted for, but not accrued	2.8	13.1	12.4

19. Events after the reporting period

There have been no material events occurring after the period ended 30 June 2023.

20. Board approval

This interim report was approved by the Board of Directors of Irish Continental Group plc on 30 August 2023.

APPENDIX: RECONCILIATION OF APMS

FOR THE HALF YEAR ENDED 30 JUNE 2023

Alternative Performance Measures

Certain financial measures set out in our Half-Yearly Financial Report to 30 June 2023 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 2023 €m	HY 2022 €m	FY 2022 €m
Operating profit	Condensed Consolidated Income Statement	16.2	17.4	66.7
Depreciation and amortisation	Condensed Consolidated Income Statement	32.8	29.9	60.5
EBITDA		**49.0**	**47.3**	**127.2**

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 2023 €m	HY 2022 €m	FY 2022 €m
Net cash inflow from operating activities	Condensed Consolidated Statement of Cash Flows	69.8	69.6	126.3
Capital expenditure excluding strategic capital expenditure	Condensed Consolidated Statement of Cash Flows	(16.0)	(10.3)	(18.3)
Free cash flow before strategic capital expenditure		**53.8**	**59.3**	**108.0**
Strategic capital expenditure	Condensed Consolidated Statement of Cash Flows	(13.6)	(51.6)	(57.4)
Free cash flow after strategic capital expenditure		**40.2**	**7.7**	**50.6**

The total of the capital expenditure amounts set out above in 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 2023

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 2023 €m	HY 2022 €m	FY 2022 €m
Net Debt	Note 10	164.5	154.5	171.1
Current lease liabilities	Note 10	(14.7)	(17.2)	(11.7)
Non-current lease liabilities	Note 10	(33.2)	(31.4)	(30.7)
Net Debt (pre-IFRS 16)		**116.6**	**105.9**	**128.7**

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.