

**RPS Group plc**  
(‘RPS’ or the ‘Group’)

**Interim Results**

*Strong growth and a positive outlook*

RPS, a leading multi-sector global professional services firm, today announces its interim results for the six months ended 30 June 2022 (‘H1 2022’).

	H1 2022	H1 2021	H1 2021 at constant currency <sup>(1)</sup>	% change	% change constant currency
<b>Alternative performance measures <sup>(1)</sup></b>					
Fee revenue (£m)	<b>267.4</b>	233.5	235.9	15	13
Adjusted operating profit (£m)	<b>18.5</b>	13.1	13.5	41	37
Adjusted operating profit margin	<b>6.9%</b>	5.6%	5.7%		
Adjusted profit before tax (£m)	<b>16.1</b>	9.8	10.2	64	58
Adjusted earnings per share (diluted) (p)	<b>4.17</b>	2.54	2.65		
<b>Cash and debt measures</b>					
Conversion of profit into cash <sup>(1)</sup>	<b>23%</b>	10%	10%		
Net bank borrowings (£m) <sup>(1)</sup>	<b>34.4</b>	27.8			
Leverage <sup>(1)</sup>	<b>0.9x</b>	1.0x			
<b>Statutory measures</b>					
Revenue (£m)	<b>319.5</b>	271.8	275.0	18	16
Gross profit (£m)	<b>122.5</b>	106.8	108.1	15	13
Operating profit	<b>13.5</b>	10.4	10.8	30	25
Statutory profit before tax (£m)	<b>11.1</b>	7.1	7.5	56	48
Statutory earnings per share (diluted) (p)	<b>2.73</b>	1.78	1.89		
Dividend per share (p)	<b>0.45</b>	0.26	0.26		

### Highlights

- Recommended cash offer for RPS at a price of 206p per share by WSP Global Inc. as set out in the separate Rule 2.7 firm offer announcement released on RNS this morning
- H1 2022 performance exceeded board expectations
- Strong Fee Revenue growth of 13% (at constant currency) driven by strong demand for our services, growing order books and increased headcount
- Further 120bps increase in adjusted operating margin with pricing keeping pace with inflation and improving operational leverage
- Continued strong cash performance on the back of disciplined billing and cash collections with lock up days better than industry average at 58 days at end of June 2022 (June 2021: 60 days)
- Last twelve months cash conversion 77% (FY 2021 73%, H1 2021 90%)
- As anticipated, net bank borrowings increased to £34.4 million at 30 June 2022 (30 June 2021: £27.8 million) as a result of continued investment in growth, with significant headroom on financing facilities to support further growth
- Net debt to EBITDA (leverage) at 30 June 2022 of 0.9x (30 June 2021: 1.0x), remains below our target range of 1.0x to 2.0x providing the ability to support further growth
- Interim dividend of 0.45 pence per share proposed (H1 2021: 0.26p); in line with dividend policy announced at the Capital Markets Day in November 2021

- Well positioned to deliver further Fee Revenue growth with strong market drivers and increased demand for our services resulting in the total contracted order book (COB) up 15% on June 2021 at constant currency

#### **A resilient business delivering growth**

- Growth driven by positive market trends in urbanisation, natural resources and sustainability which is generating strong demand for our services
- Investment in talent acquisition is delivering a positive return and group headcount has increased by 7% yoy
- Ongoing investment in marketing, business development and sales to deliver further growth

#### **A business with proven ESG credentials**

- RPS creates shared value by solving problems that matter to a complex, urbanising and resource scarce world
- RPS supports clients in delivering sustainable projects and driving their ESG credentials with projects ranging from supporting water companies to improve water quality, to design of sustainable buildings, to advice on carbon capture and storage, to environmental impact assessments for offshore wind, and the impact of projects on biodiversity
- In the energy sector the linked challenge of decarbonisation and energy security is a problem that matters and RPS is contributing to solving this problem and actively managing energy transition by working in:
  - Renewables – particularly but not exclusively offshore wind
  - Green and blue hydrogen
  - Carbon capture, use and storage
  - Nuclear
  - Replacing heavy hydrocarbons with light hydrocarbons
- RPS continues to enhance its own ESG performance and develop its ESG strategy

#### **Group Outlook**

The good momentum achieved in 2021 has continued into H1 2022 and RPS is a stronger more resilient business, and the outlook remains positive.

With a strong cash position and significant available debt facilities, RPS is well placed to capitalise on the growth opportunities that are clearly available.

The Group's contracted order book at 30 June 2022 was up 15% on June 2021 and up 8% on December 2021. It continues to be supported by the very positive market trends in urbanisation, natural resources, and sustainability and there remain significant growth opportunities in our areas of focus – including offshore wind, project management, flooding and pollution management, transport infrastructure and sustainability.

Following the strong performance in H1 2022 and the growing COB, whilst we are mindful of inflationary pressures and the wider macroeconomics, we expect this momentum to continue in the second half and trading in the first few weeks of H2 2022 remains strong.

Having delivered 13% organic Fee Revenue growth in H1 2022 and increased operating margins to 7%, we remain focused on building a business that can deliver mid-single digit rates of organic revenue growth through the cycle and a double-digit operating margin in the medium term and are confident in our ability to do so.

**Commenting on the interim results, John Douglas, Chief Executive of RPS, said:**

*“We came into FY22 with strong momentum, and this has continued in the first half leading to a financial performance that was ahead of our previous expectations.*

*“Our continued focus on our core growth markets of natural resources, urbanisation, and sustainability positions us well, with the renewed focus on energy security providing us with significant opportunities. We have built a high quality, profitable and resilient business that solves complex problems for our clients meaning that we continue to see strong demand for our services.*

*“Our leverage remains below our target range giving us the ability to take advantage of further growth opportunities and deliver value for our shareholders.*

*“There are several key market drivers in our favour and the hard work we have done means we are well positioned to take advantage of these. I would like to thank all our employees for their excellent work during the first half and look forward to the rest of the year and beyond with great confidence.”*

(1) Alternative Performance Measures are used consistently throughout this announcement: these include adjusted profit before tax, fee revenue, items prefaced ‘adjusted’ such as adjusted EPS, segment profit, adjusted operating profit, amounts labelled ‘at constant currency’, EBITDAS, conversion of profit into cash, net bank borrowings, leverage and contracted order book. For further details of their purpose, definition and reconciliation to the equivalent statutory measures see note 2.

An analyst presentation will be held via live video webcast at 9.30am (UK time) today. To participate please contact Buchanan via [RPS@buchanan.uk.com](mailto:RPS@buchanan.uk.com) to request joining details. A recording of the presentation will be available later today at the RPS website, [www.rpsgroup.com](http://www.rpsgroup.com).

**For further information:**

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**Notes to Editors**

Founded in 1970 and built on a legacy of environmental and social engagement, RPS is a diversified global professional services firm of circa 5,000 consultants, designers, planners, engineers, and technical specialists.

As an established technology enabled consultancy, RPS provides specialist services to government and private sector clients.

RPS creates shared value for all stakeholders. Focusing on Natural Resources, Urbanisation, and Sustainability, RPS concentrates its expertise on the parts of project lifecycles that have the biggest impact on project outcomes. Solving problems that matter in a complex, urbanising, resource-scarce world.

Listed on the Main Market of the London Stock Exchange (LSE: RPS.L), RPS is classified within the Professional Business Support Services subsector.

For further information, please visit [www.rpsgroup.com](http://www.rpsgroup.com).

*This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of RPS Group plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are many factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.*

*The above announcement contains inside information for the purpose of Article 7 of the Market Abuse Regulation. The person responsible for arranging the release of this announcement on behalf of RPS is Judith Cottrell, Group Finance Director.*

## Trading summary

The Group's performance in H1 2022 was very encouraging and ahead of the Board's expectations. Demand for the services we offer remains strong driven by the underlying trends in urbanisation, natural resources and sustainability. Overall, Fee Revenue growth was 13% at constant currency. Fee Revenue continued to improve quarter on quarter and at Group level returned to the 2019 levels in Q2 2022.

The Group has continued to improve efficiency and has been successful in ensuring pricing keeps pace with inflation. With growing revenues and strong management of costs our adjusted operating profit margin improved by 120bps to 6.9%.

Adjusted Profit Before Tax (Adjusted PBT) for the six months to 30 June 2022 increased by 58% to £16.1 million (H1 2021: £9.8 million, £10.2 million at constant currency), on Fee Revenue 13% higher at £267.4 million (H1 2021: £233.5 million, £235.9 million at constant currency). The Group generated a statutory PBT of £11.1 million (H1 2021: £7.1 million, £7.5 million at constant currency), after exceptional items of £3.4 million (H1 2021: £0.6 million).

The effective tax rate for the period on Adjusted PBT has returned to pre COVID-19 levels and is estimated to be 28.0% (H1 2021: 28.6%).

Adjusted diluted earnings per share (EPS) rose 57% to 4.17p (H1 2021: 2.54p, 2.65p at constant currency). Statutory diluted earnings per share was 2.73p (H1 2021: 1.78p, 1.89p at constant currency).

Movements in foreign currency exchange rates have positively impacted the performance in H1 2022. Fee Revenue in H1 2022 would have been £1.4 million lower and Adjusted PBT would have been £0.2 million lower had 2021 exchange rates been repeated in 2022. The impact of retranslating H1 2021 results at H1 2022 rates was an increase of £2.4 million on Fee Revenue and an increase of £0.4 million on Adjusted PBT.

### Contracted order book up 15% on 2021, well positioned for continued growth

Strong market drivers and increased demand for our services resulted in the total contracted order book (COB) being up 15% on June 2021 at constant currency, with good growth in five out of six segments. The exception being Services UK & Netherlands which saw a COB reduction in the Water Asset Survey & Inspection business where the business operates through long-term contracts and hence COB increases when new contracts are awarded and reduces as these contracts are worked. Elsewhere in the segment COB is growing.

COB growth, coupled with an 8% increase in FTEs compared to June 2021, ensures we are well positioned to deliver further Fee Revenue growth

	COB growth (compared to June 2021 at constant currency)	FTE growth (compared to June 2021)
Group	15%	8%
Energy	41%	9%
Consulting - UK & Ireland	27%	9%
Services - UK & Netherlands	-16%	4%
Norway	55%	4%
North America	4%	-2%
Australia Asia Pacific	15%	13%

## Strong growth in Fee Revenue, up 13% on H1 2021

	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Energy	41.4	32.9	34.1	21%
Consulting - UK & Ireland	64.2	57.9	57.5	12%
Services - UK & Netherlands	45.5	44.1	43.7	4%
Norway	37.2	31.0	30.9	20%
North America	18.9	18.2	19.6	-4%
Australia Asia Pacific	60.2	49.4	50.1	20%
Fee Revenue	267.4	233.5	235.9	13%

Fee Revenue of £267.4 million was up 13% (at constant currency) on H1 2021. With strong demand for our services and growing order books, Fee Revenue continued to grow quarter on quarter with Fee Revenue now back at 2019 levels in all segments except Services UK & Netherlands and North America. In these segments we exited less profitable projects during 2020 and 2021 hence reducing the overall level of Fee Revenue but improving the profitability of the business.

Urbanisation trends continue to drive strong demand for our services in Consulting UK & Ireland, Norway, North America and Australia Asia Pacific. Government spending on national security, urbanisation and transport infrastructure projects, alongside increased private sector confidence, and a buoyant property market in the UK and Australia has delivered strong Fee Revenue growth in Consulting UK & Ireland, Norway and Australia Asia Pacific.

Demand for natural resources is supporting growth in our Energy and Services UK & Netherlands segments, and within Ocean Science in North America. In Energy, Fee Revenue from renewables grew by 32% and increased focus on energy security resulted in good growth in Fee Revenue from conventional energy, with further upside to come. The UK AMP cycle has continued to ramp up and underpinned Fee Revenue growth in the Services UK business. Whilst demand remains strong for our service offerings in Netherlands, increased COVID-19 restrictions in early 2022 continued to impact our property and laboratory businesses.

Strong market drivers of sustainability and ESG are underpinning activity in our North American Environmental Risk business, Australia Asia Pacific and Consulting UK & Ireland.

## Adjusted Operating Profit up 37% on 2021, margin improving

£m	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Energy	2.0	1.8	1.8	11%
Consulting - UK and Ireland	5.4	4.6	4.6	17%
Services - UK and Netherlands	3.6	3.0	3.0	20%
Norway	3.1	2.6	2.6	19%
North America	2.2	1.9	2.1	5%
Australia Asia Pacific	7.2	5.2	5.4	33%
Total segment profit	23.5	19.1	19.5	21%
Unallocated costs	(5.0)	(6.0)	(6.0)	17%
Adjusted operating profit	18.5	13.1	13.5	37%

At constant currency, Segment profit increased by 21% to £23.5 million (H1 2021: £19.1 million, £19.5 million constant currency) and segment profit margin improved from 8.2% in 2021 to 8.8%.

Unallocated costs were lower in H1 2022 due to phasing of IT costs.

Adjusted operating profit margin %	H1 2022	H1 2021	H1 2021 at constant currency
Energy	<b>4.8%</b>	5.5%	5.3%
Consulting - UK & Ireland	<b>8.4%</b>	7.9%	8.0%
Services - UK & Netherlands	<b>7.9%</b>	6.8%	6.9%
Norway	<b>8.3%</b>	8.4%	8.4%
North America	<b>11.6%</b>	10.4%	10.7%
Australia Asia Pacific	<b>12.0%</b>	10.5%	10.8%
<b>Total segment profit</b>	<b>8.8%</b>	8.2%	8.3%

Higher Fee Revenue, pricing keeping pace with inflation increases, improving gross margins and leveraging of fixed overheads are all contributing to improving margins across all segments except Norway and Energy. In Norway, whilst we are leveraging overheads, operating margins are flat due to an increase in Fee Revenue from associates, where our gross margins are lower. In Energy, an increase in Fee Revenue from associates and increased investment in offshore wind has driven a small reduction in operating margin which will reverse as growth in Fee Revenue continues.

## Segment review

### Energy

	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Fee Revenue (£m)	<b>41.4</b>	32.9	34.1	21%
Gross profit margin %	<b>40.3%</b>	40.4%	40.5%	-20bps
Segment profit (£m)	<b>2.0</b>	1.8	1.8	11%
Profit margin %	<b>4.8%</b>	5.5%	5.3%	-50bps

Fee Revenue was up 21% (at constant currency) on H1 2021. As our clients and the market transition to sustainable energy and a low carbon environment this is creating significant opportunities for the business. Fee Revenue from renewables, at £8.3 million, grew by 32% compared to the same period in 2021, including some notable strategic wins with new and existing energy clients including major projects in the recent ScotWind leasing round. The increased focus on energy security has led to good growth in Fee Revenue from conventional energy. Energy security will continue to be an incredibly important issue, presenting further opportunities for the Group.

Segment profit margin has reduced in the period compared to H1 2021 due to increased investment in growing offshore wind.

Our total COB is up 41% on June 2021, and the pipeline is growing for both renewables and conventional energy.

## Consulting - UK & Ireland

	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Fee Revenue (£m)	<b>64.2</b>	57.9	57.5	12%
Gross profit margin %	<b>48.8%</b>	47.7%	47.7%	110bps
Segment profit (£m)	<b>5.4</b>	4.6	4.6	17%
Profit margin %	<b>8.4%</b>	7.9%	8.0%	40bps

Fee Revenue was up 12% (at constant currency) on H1 2021, with good growth across all parts of the business. Strong public sector demand for transport infrastructure projects and continued positive sentiment in the private sector, especially in relation to property, are driving demand for all our services.

Improving gross profit margins as pricing keeps pace with inflationary cost pressures and further right sizing in our consultancy pyramid has increased the segment profit margin to 8.4% (H1 2021: 7.9%).

Total COB has grown significantly, up 27% on June 2021. The attraction and retention of talent is key to ongoing growth, and a talent attraction and retention strategy that focuses on sustainability, career development and showcases our high-profile projects is delivering results.

## Services - UK & Netherlands

	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Fee Revenue (£m)	<b>45.5</b>	44.1	43.7	4%
Gross profit margin %	<b>46.8%</b>	46.9%	46.9%	-10bps
Segment profit (£m)	<b>3.6</b>	3.0	3.0	20%
Profit margin %	<b>7.9%</b>	6.8%	6.9%	100bps

Fee Revenue growth of 4% at constant currency was principally driven by increased activity in our UK Health & Laboratories business as we secured contracts with new clients and by the UK Water Technical business as the AMP7 cycle continued to ramp up. Conditions in the Netherlands were more challenging as a result of lockdown restrictions and this impacted Fee Revenue in Q1 2022. However, performance did improve in Q2 2022 as these restrictions eased.

Increased Fee Revenue and good cost control saw the segment profit margin increasing to 7.9% (H1 2021: 6.8%).

The segment maintains a strong COB with good growth in Netherlands, Health & Laboratories, and Water Technical, despite the total COB being down 16% on June 2021 due to Water Asset Survey & Inspection where work is won under five-year framework agreements. The business is currently working these frameworks and hence the order book is reducing as expected.

## Norway

	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Fee Revenue (£m)	<b>37.2</b>	31.0	30.9	20%
Gross profit margin %	<b>29.6%</b>	32.3%	32.4%	-280bps
Segment profit (£m)	<b>3.1</b>	2.6	2.6	19%
Profit margin %	<b>8.3%</b>	8.4%	8.4%	-10bps



Fee Revenue growth was 20% (at constant currency). The business has retained its leading market position within Project and Program Management in Norway and is increasing market share in the private sector whilst growing in the public sector in line with the market. As activity continues to normalise post COVID-19 the business has experienced a slow recovery in the training and project management software parts of the business, but this is more than offset by very strong growth in management consultancy and project management for construction and digital projects.

Segment profit margin was marginally lower as a result of an increased proportion of associates where gross margins are lower.

Total COB has grown by 55% as activity and investment levels remain strong in the public sector, where there is growth within digitalisation and large capital projects investments, and as private sector activity increases. We are well-placed to capitalise on new opportunities arising in emerging markets such as renewables and green technology.

### North America

	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Fee Revenue (£m)	<b>18.9</b>	18.2	19.6	-4%
Gross profit margin %	<b>60.3%</b>	58.8%	58.7%	160bps
Segment profit (£m)	<b>2.2</b>	1.9	2.1	5%
Profit margin %	<b>11.6%</b>	10.4%	10.7%	90bps

Fee Revenue was down 4% (at constant currency) on H1 2021. However, there has been an improving fee trajectory during H1 2022, with Q2 2022 Fee Revenue up on Q2 2021 and Q1 2022. There remains strong demand for our services and our Ocean Science business achieved growth in Fee Revenue as activity in offshore wind and conventional energy increased. The Infrastructure business continues to be challenged by a slow start in Q1 to activation of transport infrastructure projects, but projects did start to be activated in Q2 2022. Whilst there remain strong drivers for ESG and sustainability, our Environmental Risk business was impacted by wider macroeconomic factors leading to reduced activity in mid-market private equity transactions.

Profit margins have improved, driven by improving gross profit margins as price increases keep pace with inflation and costs are controlled.

Total COB is up 4% on June 2021 and is expected to strengthen further in H2 2022.

### Australia Asia Pacific

	H1 2022	H1 2021	H1 2021 at constant currency	% change constant currency
Fee Revenue (£m)	<b>60.2</b>	49.4	50.1	20%
Gross profit margin %	<b>51.2%</b>	49.6%	49.7%	150bps
Segment profit (£m)	<b>7.2</b>	5.2	5.4	33%
Profit margin %	<b>12.0%</b>	10.5%	10.8%	120bps

Strong government spending in defence and transport infrastructure, and an active residential property market have enabled 20% growth in Fee Revenue at constant currency. We are also seeing the renewable growth initiative starting to yield benefits in Australia and across Southeast Asia.

Improving gross profit margins as pricing keeps pace with inflationary cost pressures and further right sizing in our consultancy pyramid has increased the segment profit margin to 12.0% (H1 2021: 10.5%).

Total COB is up 15% on June 2021 and the business is well positioned to continue to win new Federal and state government infrastructure work as well as supporting the infrastructure projects that will be driven by Queensland hosting the 2032 Olympics.

### **Exceptional items**

Exceptional items of £3.4 million have been recognised in the period (H1 2021: £0.6 million), an increase on H1 2021 due to increased legal fees but a reduction on H2 2021. The exceptional items are detailed in note 5 and include:

- ERP rollout activities of £0.6 million (H1 2021: £0.8 million);
- Further legal fees of £2.8 million (H1 2021: £0.5 million) investigating potential issues regarding the administration of US government contracts and/or projects. Costs have increased in 2022, in line with the expected process, as we respond to more fulsome questions from the US government; and
- Restructuring costs of nil (H1 2021: £0.7 million credit).

### **Borrowings and cash flow**

As at 30 June 2022, net bank borrowings were £34.4 million (30 June 2021: £27.8 million; 31 December 2021: £13.5 million), with the increase reflecting investment in growth and the usual H1 cyclical trends where cash outflows are higher in H1 due to payment of bonuses, the final dividend, and annual supplier arrangements.

Cash from operations of £5.4 million (H1 2021: £2.3 million) gives a conversion of profit into operating cash flow of 23% (H1 2021: 10%) reflecting increased working capital due to fee growth, usual H1 cyclical trends and spend on exceptional items. Lock up days of 58 days at 30 June 2022 were excellent and below the industry average of 60 to 65 days (30 June 2021: 60 days, December 2021: 49 days). Over the last twelve months cash conversion remained strong at 77% (June 2021: 90%).

With strong cash management and lower rates on long term borrowings net finance costs were £2.4 million (H1 2021: £3.3 million), which includes £0.5 million (H1 2021: £0.9 million) of interest relating to IFRS 16 leases. Tax payments increased to £6.3 million (H1 2021: £2.1 million) on the back of improved profitability in 2021 and 2022. Net cash outflow from operating activities for the six months to June 2022 was £3.2 million (H1 2021: £2.9 million).

Net cash used in investing activities was £10.9 million (H1 2021: £6.6 million) including deferred consideration of £2.3 million in respect of the Corview acquisition (H1 2021: £2.5 million). The net purchase of property, plant, equipment, and intangible assets was £8.6 million (H1 2021: £4.1 million) as we invest in growing our Fee Revenue. This includes investment in ERP of £1.0 million (H1 2021: £0.1 million). The amount paid in respect of dividends was £1.2 million (H1 2021: £nil).

Deferred consideration outstanding at 30 June 2022 was £0.4 million (30 June 2021: £3.2 million; 31 December 2021: £2.6 million).

Our leverage (as defined in note 2) calculated in accordance with our bank's financial covenants was 0.9x at the period end (30 June 2021: 1.0x; 31 December 2021: 0.6x). The bank covenant limit that applies to all our facilities is 3.0x.

## **Dividends**

In light of the opportunities to invest in organic and inorganic growth and the wider macroeconomic position, the Board is proposing an interim dividend of 0.45p per ordinary share (H1 2021: 0.26p per ordinary share). This is in line with the dividend policy announced at the November 2021 Capital Markets Day. It will be paid on 11 October 2022 to shareholders on the register of members at the close of business on 16 September 2022.

**Board of Directors**

**RPS Group plc**

9 August 2022

## Condensed consolidated income statement

£m	Note	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Revenue	3	<b>319.5</b>	271.8	560.4
Less: passthrough costs	2,3	<b>(52.1)</b>	(38.3)	(84.3)
Fee revenue	2,3	<b>267.4</b>	233.5	476.1
Cost of sales		<b>(144.9)</b>	(126.7)	(256.0)
Gross profit		<b>122.5</b>	106.8	220.1
Adjusted administrative expenses	2	<b>(104.0)</b>	(93.7)	(191.8)
Amortisation of acquired intangibles and transaction-related costs	2,4	<b>(1.6)</b>	(2.1)	(3.8)
Exceptional items	2,5	<b>(3.4)</b>	(0.6)	(5.3)
Administrative expenses		<b>(109.0)</b>	(96.4)	(200.9)
Operating profit	3	<b>13.5</b>	10.4	19.2
Adjusted operating profit	2,3	<b>18.5</b>	13.1	28.3
Finance costs		<b>(2.4)</b>	(3.3)	(6.8)
Adjusted profit before tax	2	<b>16.1</b>	9.8	21.5
Profit before tax		<b>11.1</b>	7.1	12.4
Tax expense	6	<b>(3.5)</b>	(2.2)	(6.5)
Profit for the period attributable to equity holders of the parent		<b>7.6</b>	4.9	5.9
Basic earnings per share (pence)	7	<b>2.78</b>	1.80	2.17
Diluted earnings per share (pence)	7	<b>2.73</b>	1.78	2.14
Adjusted basic earnings per share (pence)	2,7	<b>4.24</b>	2.57	5.70
Adjusted diluted earnings per share (pence)	2,7	<b>4.17</b>	2.54	5.61

## Condensed consolidated statement of comprehensive income

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Profit for the period	7.6	4.9	5.9
Foreign exchange differences on translation of foreign operations	12.9	(7.3)	(9.0)
Cumulative foreign exchange differences reclassified to profit or loss on cessation of foreign operations	-	-	0.2
Tax on share schemes	-	-	0.2
Actuarial losses on remeasurement of defined benefit pension scheme	-	-	(0.2)
Other comprehensive income/(expense)	12.9	(7.3)	(8.8)
Total recognised comprehensive income/(expense) for the period attributable to equity holders of the parent	20.5	(2.4)	(2.9)

## Condensed consolidated balance sheet

£m	Note	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
<b>Assets</b>				
Non-current assets:				
Intangible assets	8	<b>349.4</b>	343.2	340.8
Property, plant and equipment	9	<b>32.0</b>	27.6	27.1
Right-of-use assets		<b>28.0</b>	38.0	28.9
Deferred tax asset		<b>13.6</b>	11.5	13.0
		<b>423.0</b>	420.3	409.8
Current assets:				
Trade and other receivables	10	<b>176.7</b>	137.3	159.8
Corporation tax receivable		<b>3.6</b>	1.0	0.5
Cash and cash equivalents		<b>19.5</b>	26.4	40.1
		<b>199.8</b>	164.7	200.4
<b>Liabilities</b>				
Current liabilities:				
Borrowings	12	-	54.2	-
Deferred consideration		-	2.9	2.3
Lease liabilities	12	<b>10.5</b>	10.3	10.9
Trade and other payables	11	<b>141.1</b>	114.2	129.9
Corporation tax		<b>4.5</b>	3.7	3.6
Provisions		<b>5.4</b>	5.9	22.0
		<b>161.5</b>	191.2	168.7
Net current assets/(liabilities)		<b>38.3</b>	(26.5)	31.7
Non-current liabilities:				
Borrowings	12	<b>53.9</b>	-	53.6
Deferred consideration		<b>0.4</b>	0.3	0.3
Lease liabilities	12	<b>24.5</b>	33.8	26.0
Other payables		<b>0.1</b>	-	0.1
Deferred tax liability		<b>7.9</b>	6.8	8.4
Provisions		<b>4.8</b>	4.7	4.5
		<b>91.6</b>	45.6	92.9
<b>Net assets</b>		<b>369.7</b>	348.2	348.6
<b>Equity</b>				
Share capital	13	<b>8.3</b>	8.3	8.3
Share premium		<b>126.1</b>	126.1	126.1
Retained earnings		<b>180.4</b>	171.8	173.2
Merger reserve		<b>38.7</b>	38.7	38.7
Employee trust		<b>(9.8)</b>	(11.3)	(10.8)
Translation reserve		<b>26.0</b>	14.6	13.1
Total shareholders' equity		<b>369.7</b>	348.2	348.6

## Condensed consolidated cash flow statement

£m	Note	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Net cash from operating activities	15	<b>(3.2)</b>	(2.9)	24.7
Cash flows from investing activities:				
Deferred consideration		<b>(2.3)</b>	(2.5)	(3.1)
Purchase of property, plant and equipment		<b>(7.7)</b>	(4.0)	(9.3)
Purchase of intangible assets		<b>(1.1)</b>	(0.2)	(1.1)
Proceeds from sale of property, plant and equipment		<b>0.2</b>	0.1	0.3
Net cash used in investing activities		<b>(10.9)</b>	(6.6)	(13.2)
Cash flows from financing activities:				
Repayment of US loan notes		-	-	(54.8)
Proceeds from term loans		-	-	55.0
Payment of lease liabilities		<b>(5.3)</b>	(5.7)	(10.5)
Bank arrangement fees		-	-	(1.6)
Dividends paid		<b>(1.2)</b>	-	(0.7)
Net cash used in financing activities		<b>(6.5)</b>	(5.7)	(12.6)
Net decrease in cash and cash equivalents		<b>(20.6)</b>	(15.2)	(1.1)
Cash and cash equivalents at beginning of period		<b>40.1</b>	43.2	43.2
Effect of exchange rate fluctuations		-	(1.6)	(2.0)
Cash and cash equivalents at end of period		<b>19.5</b>	26.4	40.1

Cash and cash equivalents comprise cash at bank for all periods

## Condensed consolidated statement of changes in equity

£m	Share capital	Share premium	Retained earnings	Merger reserve	Employee trust	Translation reserve	Total equity
At 1 January 2022	8.3	126.1	173.2	38.7	(10.8)	13.1	348.6
Profit for the period	-	-	7.6	-	-	-	7.6
Other comprehensive income	-	-	-	-	-	12.9	12.9
Total comprehensive income for the period	-	-	7.6	-	-	12.9	20.5
Share-based payment expense	-	-	1.8	-	-	-	1.8
Transfer on release of shares	-	-	(1.0)	-	1.0	-	-
Dividends paid	-	-	(1.2)	-	-	-	(1.2)
At 30 June 2022	8.3	126.1	180.4	38.7	(9.8)	26.0	369.7
At 1 January 2021	8.3	125.3	166.3	38.7	(11.5)	21.9	349.0
Profit for the period	-	-	4.9	-	-	-	4.9
Other comprehensive expense	-	-	-	-	-	(7.3)	(7.3)
Total comprehensive income/(expense) for the period	-	-	4.9	-	-	(7.3)	(2.4)
Issue of new ordinary shares	-	0.8	(0.5)	-	(0.3)	-	-
Share-based payment expense	-	-	1.6	-	-	-	1.6
Transfer on release of shares	-	-	(0.5)	-	0.5	-	-
At 30 June 2021	8.3	126.1	171.8	38.7	(11.3)	14.6	348.2



## Notes to the condensed consolidated financial statements

### 1. Basis of preparation

RPS Group Plc (the 'Company') is a company domiciled in England. The condensed consolidated interim financial statements of the Company for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the 'Group'). The condensed consolidated interim financial statements are presented in pounds sterling and have been rounded to the nearest £0.1 million.

The condensed consolidated interim financial statements have been prepared using accounting policies set out in the Report and Accounts 2021. They are unaudited and have not been reviewed by the Company's auditor. They have been prepared in accordance with the UK-adopted IAS 34 *Interim Financial Reporting* and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial conduct Authority. The results for the year ended 31 December 2021 and the balance sheet as at that date are abridged from the Company's Report and Accounts 2021 which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not draw attention to any matters by way of emphasis and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

The condensed interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

In assessing the going concern basis for the financial statements, the Directors considered a range of scenarios to estimate the potential impact of the principal risks on the Group's activities and our responses over the next 12 months.

At 30 June 2022 the net bank borrowings were £34.4 million, up from £13.5 million as at 31 December 2021. The £100 million revolving credit facility expires in July 2024 and was undrawn at the balance sheet date. The core debt facilities of £55.0 million are repayable in September 2028.

Under each scenario we have modelled the headroom available on our revolving credit and core debt facilities and calculated the covenants (leverage and interest cover) at each test date. Leverage is calculated as the ratio of adjusted net bank borrowings to annualised EBITDAS and must not exceed 3.0x at all test dates. Interest cover is the ratio of annualised EBITAS to annualised net finance costs and must be at least 4.0x at all test dates.

Leverage and interest cover covenant tests are within the permitted limits at all test dates in all scenarios modelled with no mitigating actions required. The Group also has sufficient headroom on its facilities in all scenarios with no mitigating actions required.

After fully considering the current economic environment and the forecasting and modelling performed, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for at least 12 months from the date of signing this report and that it is therefore appropriate to adopt the going concern basis in preparing the Group's financial statements.

### 2. Alternative performance measures

Throughout this document the Group presents various non-GAAP performance measures ('alternative performance measures'). The measures presented are those adopted by the Chief Operating Decision Maker and analysts who follow us in assessing the performance of the business.

## Group profit and earnings measures

### Adjusted operating profit and adjusted profit before tax

Adjusted operating profit and adjusted profit before tax are used by the Board to monitor and measure the trading performance of the Group. They exclude certain items which the Board believes distort the trading performance of the Group. These items are either acquisition and disposal related, non-cash items, or they are exceptional in nature.

Delivering the Group's strategy includes investment in selected acquisitions that enhance the depth and breadth of services that the Group offers in the territories in which it operates. In addition, from time to time the Group chooses to exit a particular market or service offering because it is not delivering the desired returns. By excluding acquisition and disposal related items from adjusted profit before tax, the Board has a clearer view of the performance of the Group and is able to make better operational decisions to support its strategy.

Accordingly, transaction-related costs including costs of acquisition and disposal, losses on the closure of businesses and amortisation of intangible assets are excluded from the Group's preferred performance measure. Similarly, exceptional items are excluded as they are not reflective of the Group's trading performance in the period. Adjusted administrative expenses also excludes the amortisation of intangible assets and exceptional items.

Items are treated consistently year-on-year, and these adjustments are also consistent with the way that performance is measured under the Group's incentive plans and its banking covenants.

Adjusted operating profit is a derivative of adjusted profit before tax. A reconciliation is shown below.

£m	Six months ended 30 June 2022	Six months ended 30 June 2021
Profit before tax	11.1	7.1
Amortisation of acquired intangibles and transaction-related costs (note 4)	1.6	2.1
Exceptional items (note 5)	3.4	0.6
Adjusted profit before tax	16.1	9.8
Net finance costs	2.4	3.3
Adjusted operating profit	18.5	13.1

### Adjusted profit attributable to ordinary shareholders and adjusted earnings per share

It follows that the Group uses adjusted profit attributable to ordinary shareholders as the input to its adjusted EPS measures (note 7). Again, this profit measure excludes amortisation of acquired intangibles, transaction-related costs and exceptional items, but is an after tax measure. The Board considers adjusted EPS to be more reflective of the Group's trading performance in the period.

£m	Six months ended 30 June 2022	Six months ended 30 June 2021
Profit attributable to equity holders of the parent	7.6	4.9
Amortisation of acquired intangibles and transaction-related costs	1.6	2.1
Exceptional items	3.4	0.6
Tax on amortisation of acquired intangibles and transaction-related costs and exceptional items	(1.0)	(0.6)
Adjusted profit attributable to equity holders of the parent	11.6	7.0

### Constant currency

The Group generates revenues and profits in various territories and currencies because of its international footprint. Those results are translated on consolidation at the foreign exchange rates prevailing at the time. These exchange rates vary from year to year, so the Group presents some of its results on a constant currency basis. This means that the prior year's results have been retranslated using current year exchange rates. This eliminates the effect of exchange from the year-on-year comparison of results. The difference between the reported numbers and the constant currency numbers is the 'constant currency effect'.

£m	Six months ended 30 June 2021	Constant currency effect	Six months ended 30 June 2021 at constant currency
Revenue	271.8	3.2	275.0
Fee revenue	233.5	2.4	235.9
Adjusted profit before tax	9.8	0.4	10.2
Profit before tax	7.1	0.4	7.5

### Segment profit

Segment profit is presented in our segmental disclosures. This excludes the effects of financing and amortisation which are metrics outside of the control of segment management. It also excludes unallocated expenses. This reflects the underlying trading of the business. A reconciliation between segment profit and operating profit is given in note 3.

### Unallocated expenses

Certain central costs are not allocated to the segments because they predominantly relate to the stewardship of the Group. They include the costs of the main Board and the Group finance, marketing and people functions and related IT costs.

### Revenue measures

The Group disaggregates revenue into fee revenue and passthrough costs. This provides insight into the performance of the business and our productive output. This is reconciled on the face of the income statement. Fee revenue by segment is reconciled in note 3.

### Contracted order book

Contracted order book is the value of fee revenue work won and in contract, being contracts received from customers, purchase orders or similar commitment, where fee revenue is yet to be recognised at the balance sheet date.

### Cash flow measures

#### EBITDAS and EBITAS

EBITDAS is operating profit adjusted by adding back non-cash expenses, tax and financing costs. The adjustments include interest, tax, depreciation, amortisation and transaction-related costs and share scheme costs. This generates a cash-based operating profit figure which is the input into the cash flow statement. A reconciliation between operating profit and EBITDAS is given in note 15. EBITAS is an equivalent measure but is after depreciation costs.

### Conversion of profit into cash

A measure of the Group's cash generation is the conversion of profit into cash. This is the cash generated from operations divided by EBITDAS expressed as a percentage. This metric is used as a measure against which the Group's long and short-term performance incentive schemes are judged and reflects how much of the Group's profit has been collected as cash in the period.

### Net bank borrowings

Net bank borrowings is the total of cash and cash equivalents and interest bearing bank loans. This measure gives the external indebtedness of the Group and is an input into the leverage calculations. This is reconciled in note 15.

### Leverage

Leverage is the ratio of net bank borrowings (adjusted to include bonds, indemnities and guarantees and to exclude restricted cash) plus deferred consideration to annualised EBITDAS and is one of the financial covenants included in our bank facilities.

### Tax measures

We report one adjusted tax measure, which is the tax rate on adjusted profit before tax ('adjusted effective tax rate'). This is the tax charge applicable to adjusted profit before tax expressed as a percentage of adjusted profit before tax and is set out in note 6.

### Other measures

#### FTEs

Full Time Equivalent employees (FTEs) measures the size of our workforce and therefore the metric represents our capacity. It is calculated by dividing the total contractual hours of all employees by the standard weekly hours of a full time employee.

### **3. Business segments**

Segment information is presented in the financial statements in respect of the Group's business segments, as reported to the Chief Operating Decision Maker. The business segment reporting format reflects the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The business segments of the Group are as follows:

- Energy
- Consulting – UK and Ireland
- Services – UK and Netherlands
- Norway
- North America
- Australia Asia Pacific

**Segment results for the six months ended 30 June 2022:**

£m	External revenue	Intersegment revenue	Passthrough costs	Fee revenue	Segment profit
Energy	52.0	1.0	(11.6)	41.4	2.0
Consulting – UK and Ireland	79.4	1.2	(16.4)	64.2	5.4
Services – UK and Netherlands	49.1	1.4	(5.0)	45.5	3.6
Norway	37.9	0.1	(0.8)	37.2	3.1
North America	23.0	0.2	(4.3)	18.9	2.2
Australia Asia Pacific	78.1	0.2	(18.1)	60.2	7.2
Group eliminations	-	(4.1)	4.1	-	-
<b>Total</b>	<b>319.5</b>	<b>-</b>	<b>(52.1)</b>	<b>267.4</b>	<b>23.5</b>

**Segment results for the six months ended 30 June 2021:**

£m	External revenue	Intersegment revenue	Passthrough costs	Fee revenue	Segment profit
Energy	38.2	0.7	(6.0)	32.9	1.8
Consulting – UK and Ireland	72.6	0.7	(15.4)	57.9	4.6
Services – UK and Netherlands	48.1	0.8	(4.8)	44.1	3.0
Norway	31.7	-	(0.7)	31.0	2.6
North America	21.5	0.2	(3.5)	18.2	1.9
Australia Asia Pacific	59.7	0.1	(10.4)	49.4	5.2
Group eliminations	-	(2.5)	2.5	-	-
<b>Total</b>	<b>271.8</b>	<b>-</b>	<b>(38.3)</b>	<b>233.5</b>	<b>19.1</b>

**Segment results for the year ended 31 December 2021:**

£m	External revenue	Intersegment revenue	Passthrough costs	Fee revenue	Segment profit
Energy	83.3	1.6	(13.4)	71.5	4.8
Consulting – UK and Ireland	147.3	1.8	(34.0)	115.1	9.0
Services – UK and Netherlands	95.4	1.7	(9.8)	87.3	6.9
Norway	62.7	-	(0.8)	61.9	5.1
North America	42.8	0.3	(7.5)	35.6	3.5
Australia Asia Pacific	128.9	0.1	(24.3)	104.7	10.8
Group eliminations	-	(5.5)	5.5	-	-
<b>Total</b>	<b>560.4</b>	<b>-</b>	<b>(84.3)</b>	<b>476.1</b>	<b>40.1</b>

## Group reconciliation

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Revenue	319.5	271.8	560.4
Less: passthrough costs	(52.1)	(38.3)	(84.3)
Fee revenue	267.4	233.5	476.1
Segment profit	23.5	19.1	40.1
Unallocated expenses	(5.0)	(6.0)	(11.8)
Adjusted operating profit	18.5	13.1	28.3
Amortisation of acquired intangibles and transaction-related costs	(1.6)	(2.1)	(3.8)
Exceptional items	(3.4)	(0.6)	(5.3)
Operating profit	13.5	10.4	19.2
Net finance costs	(2.4)	(3.3)	(6.8)
Profit before tax	11.1	7.1	12.4

### Total segment assets were as follows:

£m	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
Energy	79.8	71.9	73.9
Consulting – UK and Ireland	158.7	156.4	150.5
Services – UK and Netherlands	109.1	100.0	99.7
Norway	50.2	50.4	51.7
North America	57.5	48.5	51.1
Australia Asia Pacific	130.0	114.7	115.4
Unallocated	37.5	43.1	67.9
Total	622.8	585.0	610.2

## 4. Amortisation of acquired intangibles and transaction-related costs

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Amortisation of acquired intangibles	1.6	2.1	3.8
Transaction-related costs	-	-	-
Total	1.6	2.1	3.8

## 5. Exceptional items

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Legal fees	2.8	0.5	0.8
ERP implementation costs	0.6	0.8	1.7
Restructuring (credit)/costs	-	(0.7)	2.8
Total	3.4	0.6	5.3

Further legal fees were incurred investigating potential issues regarding the administration of US government contracts and/or projects, and the investigation is ongoing (note 17).

ERP implementation costs were incurred in the current and prior year. In 2022 these mainly related to the ongoing roll out of the ERP in AAP. In 2021 the costs also included stabilising the 2019 pilot rollouts which included the removal of the Hitachi Essentials solution.

Restructuring costs are costs that arose from actions taken in light of the pandemic to align our operating model to the new environment. In the previous year these comprise the impairment of right-of-use assets and onerous contract provisions for associated property costs for excess office space following a move to hybrid working once COVID-19 lockdown restrictions eased in 2021. These costs were partly offset by a restructuring credit of £0.8 million for the sublet of a property vacated and impaired in an earlier year.

## 6. Income taxes

The tax charge for the period has been calculated using an estimate of the effective annual rate of tax for each taxing jurisdiction for the full year. These rates have been applied to the pre-tax profits for each jurisdiction for the six months ended 30 June 2022. The Group has separately calculated the tax rates applicable to amortisation of intangibles and transaction-related costs and exceptional items for the period. Tax rate changes that were substantively enacted at the balance sheet date have been factored into the calculation of the effective tax rates.

Analysis of the tax expense in the income statement for the period:

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Current tax expense	4.2	3.5	8.2
Deferred tax credit	(0.7)	(1.3)	(1.7)
Total tax expense in the income statement	3.5	2.2	6.5
Add/(deduct):			
Tax on amortisation of acquired intangibles and transaction-related costs and exceptional items	1.0	0.6	(0.5)
Adjusted tax charge on adjusted profit for the period	4.5	2.8	6.0
Tax rate on profit before tax	31.5%	31.0%	52.4%
Tax rate on adjusted profit before tax	28.0%	28.6%	27.9%

## 7. Earnings per share

The calculations of earnings per share are based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the period as shown below:

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Profit attributable to ordinary shareholders	7.6	4.9	5.9
000's			
Weighted average number of ordinary shares for the purposes of basic earnings per share	273,293	271,887	272,073
Effect of employee share schemes	4,735	3,414	4,069
Weighted average number of ordinary shares for the purposes of diluted earnings per share	278,028	275,301	276,142
Basic earnings per share (pence)	2.78	1.80	2.17

Diluted earnings per share (pence)	<b>2.73</b>	1.78	2.14
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The calculations of adjusted earnings per share were based on the number of shares as above, and are shown in the table below:

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Profit attributable to ordinary shareholders	<b>7.6</b>	4.9	5.9
Amortisation of acquired intangibles and transaction-related costs	<b>1.6</b>	2.1	3.8
Exceptional items	<b>3.4</b>	0.6	5.3
Tax on amortisation of acquired intangibles and transaction-related costs and exceptional items	<b>(1.0)</b>	(0.6)	0.5
Adjusted profit attributable to ordinary shareholders	<b>11.6</b>	7.0	15.5
Adjusted basic earnings per share (pence)	<b>4.24</b>	2.57	5.70
Adjusted diluted earnings per share (pence)	<b>4.17</b>	2.54	5.61

## 8. Intangible assets

During the six months ended 30 June 2022 the Group capitalised internally generated software with a cost of £1.1 million (six months ended 30 June 2021: £0.2 million).

## 9. Property, plant and equipment

During the six months ended 30 June 2022 the Group acquired assets with a cost of £7.7 million (six months ended 30 June 2021: £4.0 million). Assets with a net book value of £nil were disposed of during the six months ended 30 June 2022 (six months ended 30 June 2021: £nil).

## 10. Trade and other receivables

£m	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
Trade receivables	<b>96.4</b>	73.9	86.3
Contract assets	<b>58.1</b>	47.5	38.6
Prepayments	<b>12.5</b>	10.5	14.5
Other receivables	<b>9.7</b>	5.4	20.4
Total	<b>176.7</b>	137.3	159.8

Other receivables includes the expected insurance recoveries related to warranties provisions.



## 11. Trade and other payables

£m	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
Trade payables	23.9	18.6	23.4
Accruals	54.4	47.1	52.2
Contract liabilities	37.2	26.1	31.5
Creditors for taxation and social security	22.4	20.2	20.4
Other payables	3.2	2.2	2.4
<b>Total</b>	<b>141.1</b>	<b>114.2</b>	<b>129.9</b>

## 12. Borrowings

£m	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
Term loans	55.0	-	55.0
US loan notes	-	54.7	-
Bank overdraft	-	-	-
Total bank loan, notes and overdraft	55.0	54.7	55.0
Arrangement fees	(1.1)	(0.5)	(1.4)
Net bank debt	53.9	54.2	53.6
Leases	35.0	44.1	36.9
<b>Total borrowings</b>	<b>88.9</b>	<b>98.3</b>	<b>90.5</b>

£m	As at 30 June 2022	As at 30 June 2021	As at 31 December 2021
The term loans, loan notes and overdraft are repayable as follows:			
Due for settlement within 12 months	-	54.7	-
Due between 1 and 2 years	-	-	-
In third to fifth year inclusive	-	-	-
After more than five years	55.0	-	55.0
<b>Total</b>	<b>55.0</b>	<b>54.7</b>	<b>55.0</b>

The principal features of the Group's debt facilities as at 30 June 2022 were as follows:

- i) An uncommitted £3.0 million bank overdraft facility, repayable on demand (undrawn at the balance sheet date).
- ii) A multicurrency revolving credit facility of £100.0 million with Lloyds Bank plc, HSBC UK Bank plc and National Westminster Bank plc, expiring in July 2024 (undrawn at the balance sheet date).
- iii) Term loans totalling £55.0 million, all expiring in September 2028, with the following lenders:
  - A £30.0 million 7 year fixed rate loan held with Legal and General Investment Management
  - A £12.5 million 7 year floating rate loan held with Aviva Investments
  - A £12.5 million 7 year fixed rate loan held with Aviva Investments

The key covenant tests for the revolving credit facility and the 7 year term loans are: maximum leverage is 3.0x and minimum interest cover is 4.0x.

The revolving credit facility and term loans are guaranteed by the Company and certain subsidiaries but no security over the Group's assets exists.

### 13. Share capital

	As at 30 June 2022		As at 30 June 2021	
	Number 000's	£m	Number 000's	£m
Issued and fully paid:				
Ordinary shares of 3p each at 1 January	277,511	8.3	276,903	8.3
Issued under employee share schemes	-	-	608	-
At 30 June	277,511	8.3	277,511	8.3

### 14. Dividends

The following dividends were recognised as distributions to equity holders in the period:

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Amounts recognised as distributions to equity holders during the period:			
Interim dividend for the year ended 31 December 2021 of 0.26 pence per share	-	-	0.7
Final dividend for the year ended 31 December 2021 of 0.44 pence per share	1.2	-	-
Total	1.2	-	0.7

An interim dividend in respect of the six months ended 30 June 2022 of 0.45 pence per share, amounting to a total dividend of £1.2 million, was approved by the Directors of RPS Group Plc on 5 August 2022. These condensed consolidated interim financial statements do not reflect this dividend payable.

## 15. Note to the condensed consolidated cash flow statement

£m	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
Operating profit	13.5	10.4	19.2
Adjustments for:			
Depreciation	8.0	9.3	18.4
Amortisation of internally generated software	0.4	0.3	0.7
Amortisation of acquired intangibles	1.6	2.1	3.8
Impairment of owned assets	-	-	1.7
Impairment of right-of-use assets	-	-	1.4
Net investment in sublease	-	(0.7)	(0.7)
Non-cash movement on provisions	(1.3)	0.2	2.2
Share-based payment expense	1.8	1.6	3.2
Profit on sale of assets	(0.2)	(0.1)	(0.2)
Other non-cash movements	-	-	0.2
EBITDAS	23.8	23.1	49.9
(Increase)/decrease in trade and other receivables	(22.7)	(7.2)	(14.9)
(Decrease)/increase in trade and other payables	4.3	(13.6)	1.2
Cash generated from operations	5.4	2.3	36.2
Interest paid	(2.3)	(3.1)	(5.9)
Income taxes paid	(6.3)	(2.1)	(5.6)
Net cash from operating activities	(3.2)	(2.9)	24.7

The table below provides an analysis of liabilities arising from financing which comprises net bank borrowings, interest bearing bank loans and leases, during the six months ended 30 June 2022.

£m	At 1 January 2022	Financing cash flows	Non-cash changes			At 30 June 2022
			Prepaid arrangement fees	Lease accounting adjustments <sup>1</sup>	Foreign exchange	
Cash at bank	40.1	(20.6)	-	-	-	19.5
Overdrafts	-	-	-	-	-	-
Cash and cash equivalents	40.1	(20.6)	-	-	-	19.5
Bank loans and notes	(53.6)	-	(0.3)	-	-	(53.9)
Net bank borrowings	(13.5)	(20.6)	(0.3)	-	-	(34.4)
Less: cash and cash equivalents	(40.1)	20.6	-	-	-	(19.5)
Lease	(36.9)	5.3	-	(2.7)	(0.7)	(35.0)
<b>liabilities</b>						
Liabilities arising from financing	(90.5)	5.3	(0.3)	(2.7)	(0.7)	(88.9)

£m	At 1 January 2021	Financing cash flows	Non-cash changes			At 30 June 2021
			Prepaid arrangement fees	Lease accounting adjustments <sup>1</sup>	Foreign exchange	
Cash at bank	43.2	(15.2)	-	-	(1.6)	26.4
Overdrafts	-	-	-	-	-	-
Cash and cash equivalents	43.2	(15.2)	-	-	(1.6)	26.4
Bank loans and notes	(54.0)	-	(0.4)	-	0.2	(54.2)
Net bank borrowings	(10.8)	(15.2)	(0.4)	-	(1.4)	(27.8)
Less: cash and cash equivalents	(43.2)	15.2	-	-	1.6	(26.4)
Lease liabilities	(48.9)	5.7	-	(1.7)	0.8	(44.1)
Liabilities arising from financing	(102.9)	5.7	(0.4)	(1.7)	1.0	(98.3)

<sup>1</sup> Includes lease additions, remeasurements and disposals

The cash balance includes £0.1 million (30 June 2021: £0.8 million) that is restricted in use, either as security or client deposits.

## 16. Events after the balance sheet date

There were no post balance sheet events.

## 17. Contingencies

From time to time, the Group receives claims from clients and suppliers. Some of these result in payments to the claimants by the Group and its insurers. The Board reviews all significant claims at each Board meeting and more regularly if required. Where we consider there to be a probable outflow, we have fully provided for the lower of the insurance excess or the expected outflow at the balance sheet date. Where we have provided up to the excess, in some cases the Group has not shown the gross value of any outflow and the potential insurance recovery where it does not have sufficient information at this time to assess what an insured settlement value could be and therefore what the gross settlement and insurance recovery would be. The Board is currently satisfied that the Group has sufficient provisions at the balance sheet date to meet all likely uninsured liabilities.

As previously announced, RPS has notified the US government of potential issues regarding its administration of government contracts and/or projects. We are continuing to identify the implications, if any, of the conduct under review. The impact, if any, is unknown. During the period a further £2.8 million of legal fees were incurred investigating this matter and were presented within exceptional items (note 5).

## **18. Principal risks and uncertainties**

The nature of the principal risks and uncertainties faced by the Group have not changed significantly since the 2021 Report and Accounts was published. These risks, together with a description of the approach to mitigate them, are set out on pages 52 to 60 of the 2021 Report and Accounts (available on the Group's website at [www.rpsgroup.com](http://www.rpsgroup.com)) and are summarised as follows:

- Health, safety and wellbeing
- COVID-19
- Recruitment and retention of employees
- Political events
- Economic environment
- Financial risks environment
- Business acquisitions
- Regulatory and compliance
- Information technology and security risks
- Service failures
- Climate change

## **19. Related party transactions**

There are no significant changes to the nature and treatment of related party transactions for the period to those reported in the 2021 Report and Accounts.

## **20. Forward-looking statements**

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of RPS Group Plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are numerous factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the risks to which the Group is exposed. Statements in respect of the Group's performance in the year to date are based upon unaudited management accounts for the period January to June 2022. Nothing in this announcement should be construed as a profit forecast.

## **21. Publication**

A copy of this announcement will be posted on the Company's website at [www.rpsgroup.com](http://www.rpsgroup.com).

## **22. Responsibility Statement**

The Directors confirm that, to the best of their knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 and that this Interim Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

### **On behalf of the Board:**

**John Douglas**  
Chief Executive  
9 August 2022

**Judith Cottrell**  
Group Finance Director  
9 August 2022