



**Unigel Group plc**  
(the “Group” or the “Company”)

**Interim Results**

Unigel Group plc (AQSE: UNX), the manufacturer and supplier of materials used in the manufacture of telecommunication fibre optic cables announces its unaudited half-year results for the period ended 30 June 2023. Comparative data is for the post-acquisition six month period ended 31 December 2022.

**Operational highlights**

The Group continues to make progress in operational improvements:

- New customer acquisitions in both our steel tape and thixotropic gel businesses
- De-risking and diversifying our raw material sourcing base
- Cost improvement in our logistics and material handling activities
- Operating cost improvement through optimisation of production staff and administrative resources

**Financial highlights**

Key figures for the six months to 30 June 2023 with comparatives for the six months to 31 December 2022 were as follows:

- Revenue of £17.95m (£18.83m)
- Gross profit of £2.39m with a gross profit margin of 13.3% (£2.23m and 11.8%)
- Administrative expenses of £1.47m (£1.73m)
- Profit after tax of £0.63m (£0.32m)
- Final dividend of 2.5p per share distributed post period end in July 2023

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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## **Notes to Editors**

Unigel Group plc is the holding company whose operating subsidiaries, Unigel (UK) Limited ("Unigel") and Unitape Limited ("Unitape") manufacture and distribute materials used in the manufacture of telecommunication fibre optic cables.

Unigel, in which the Group has a 60.0% holding, formulates, manufactures, and markets thixotropic gels primarily to the fibre optic cable industry. In addition, it also makes specialty gel products for the construction, green energy, and high voltage transmission apparatus markets.

Unitape, a wholly owned subsidiary of the Group, is one of the largest domestic manufacturers and suppliers of laminated steel tapes to the fibre optic cable industry in North America.

## **Chief Executive Officer's review**

Despite a less favourable operating environment across most key markets, Unigel Group plc registered good overall results in all key performance indicators except revenue growth. The global fibre optic cable industry, which is a key market for the Group, registered negative industry growth of 3.4% in the first half of 2023. Globally, there has been a slowdown in telecommunications network deployment including 5G networks as telcos postponed their network investment due to weaker business sentiment caused by macroeconomic concerns such as inflation, high interest rates and anaemic economic recovery in some major markets.

However, there is a general industry consensus that network investment is expected to improve in 2024. The Group had implemented new initiatives to improve overall engagement with our customer base post Covid, and we are starting to see some tangible results from our business development initiatives of the past 2 years. We continue to improve our cost structure and execute more efficiently across all business domains.

The Group is cautiously optimistic about our business performance in the second half of 2023.

## **Business review**

Although turnover for the six months to 30 June 2023 reduced by just under 5% compared to the previous six months, gross margin improved as raw material prices and logistics costs became more stable. Administrative overheads fell by 15% compared to the previous six months with the major savings coming from more efficient staffing levels in production and an improved foreign exchange environment. Profit after tax rose by 94% to £0.63m in the six months to 30 June 2023. The Group balance sheet showed net assets of £2.88m as at 30 June 2023 compared to £2.32m on 31 December 2022.

## **Outlook**

The global economy continues to be challenged by macroeconomic uncertainties including inflation, high interest rates, weaker investment sentiments and a docile economic recovery in China. Barring unforeseen circumstances, the Group continues to be cautiously optimistic about the outlook of our business performance for the second half of 2023.

Chairman  
Sven Janne Sjoden

**UNIGEL GROUP PLC**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**PERIOD ENDED 30 JUNE 2023**

	<b>6 months to 30 June 2023</b>	<b>6 months to 31 December 2022</b>
	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>17,950,547</b>	18,828,803
Cost of sales	<u>(15,561,317)</u>	<u>(16,602,974)</u>
<b>Gross profit</b>	<b>2,389,230</b>	2,225,829
Administrative expenses	<u>(1,471,418)</u>	<u>(1,731,478)</u>
<b>OPERATING PROFIT</b>	<b>917,812</b>	494,351
<b>Other income</b>		
Interest receivable and similar income	<b>9,710</b>	11,412
Interest payable and similar charges	<u>(75,573)</u>	<u>(63,612)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>851,949</b>	442,151
Tax on profit on ordinary activities	<u>(223,249)</u>	<u>(118,604)</u>
<b>PROFIT FOR THE FINANCIAL PERIOD FOR THE GROUP</b>	<b>628,700</b>	323,547
<b>Other comprehensive income for the period</b>		
(Loss)/gain on foreign exchange	<b>(71,051)</b>	14,465
Negative goodwill on acquisition	<u>-</u>	<u>666,205</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>557,649</b>	1,004,217
Minority interest	<u>(128,306)</u>	<u>22,712</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE GROUP</b>	<u><b>429,343</b></u>	<u>1,026,929</u>

**CONTINUING OPERATIONS**

All of the group's activities were acquired during the previous period

**UNIGEL GROUP PLC**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**30 JUNE 2023**

	Notes	30 June 2023 £	31 December 2022 £
<b>FIXED ASSETS</b>			
Intangible assets		508,113	537,346
Tangible assets		<u>1,313,853</u>	<u>1,379,072</u>
		<u>1,821,966</u>	<u>1,916,418</u>
<b>CURRENT ASSETS</b>			
Stocks		6,635,740	8,757,545
Debtors		4,665,990	5,672,432
Cash at bank and in hand		<u>758,946</u>	<u>730,860</u>
		12,060,676	15,160,837
<b>CREDITORS</b>			
Amounts falling due within one year		<u>10,676,068</u>	<u>14,440,267</u>
<b>NET CURRENT ASSETS</b>		<u>1,384,608</u>	<u>720,570</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		3,206,574	2,636,988
<b>CREDITORS</b>			
Amounts falling due after more than one year		35,987	12,539
<b>PROVISION FOR LIABILITIES</b>			
Deferred tax		<u>289,008</u>	<u>300,519</u>
<b>NET ASSETS</b>		<u>2,881,579</u>	<u>2,323,930</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	56,425	56,425
Share premium		469,011	469,011
Profit & loss account		<u>1,236,272</u>	<u>806,929</u>
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>			
		1,761,708	1,332,365
Minority interest		<u>1,119,871</u>	<u>991,565</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>2,881,579</u>	<u>2,323,930</u>

**UNIGEL GROUP PLC**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**30 JUNE 2023**

<b>Group</b>	<b>Share capital £</b>	<b>Share premium £</b>	<b>Retained earnings £</b>	<b>Minority interest £</b>	<b>Total equity £</b>
Upon incorporation	100				100
Upon issue of shares net of costs	56,325	469,011			525,336
Upon acquisitions			666,205	1,014,277	1,680,482
<b><i>Comprehensive income for the period</i></b>					
Profit for the period			323,547		323,547
Minority interest in profit/(loss) for the period			22,712	(22,712)	-
Other comprehensive income for the period			14,465		14,465
Dividends paid			(220,000)		(220,000)
<b>Total comprehensive income for the period at 31 December 2022</b>	<b>56,425</b>	<b>469,011</b>	<b>806,929</b>	<b>991,565</b>	<b>2,323,930</b>
<b><i>Comprehensive income for the period</i></b>					
Profit for the period			628,700		628,700
Minority interest in profit/(loss) for the period			(128,306)	128,306	-
Other comprehensive income for the period			(71,051)		(71,051)
Dividends paid			-		-
<b>Total comprehensive income for the period at 30 June 2023</b>	<b>56,425</b>	<b>469,011</b>	<b>1,236,272</b>	<b>1,119,871</b>	<b>2,881,579</b>

**UNIGEL GROUP PLC**  
**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**  
**PERIOD ENDED 30 JUNE 2023**

	30 June 2023 £	31 December 2022 £
<b>Net cash inflow/(outflow) from operating activities</b>	<b>243,614</b>	<b>(569,222)</b>
<b>Return on investments and servicing of finance</b>	<b>(65,863)</b>	<b>(62,872)</b>
<b>Taxation</b>	<b>(49,611)</b>	<b>(114,927)</b>
<b>Capital expenditure</b>	<u><b>(61,894)</b></u>	<u><b>(129,043)</b></u>
	<b>66,246</b>	<b>(876,064)</b>
<b>Financing</b>	<u><b>(38,160)</b></u>	<u><b>953,839</b></u>
<b>Increase in cash in the period</b>	<u><u><b>28,086</b></u></u>	<u><u><b>77,775</b></u></u>

**Reconciliation of net cash flow to movement in net debt**

Increase in cash in the period	<b>28,086</b>	<b>77,775</b>
Cash inflow/(outflow) from movement in debt	<u><b>38,160</b></u>	<u><b>(428,403)</b></u>
Change in net debt resulting from cash flows	<b>66,246</b>	<b>(350,628)</b>
<b>Opening net cash balances</b>	<u><b>(528,426)</b></u>	<u><b>(177,798)</b></u>
<b>Closing net cash balances</b>	<u><u><b>(462,180)</b></u></u>	<u><u><b>(528,426)</b></u></u>

**UNIGEL GROUP PLC**  
**NOTES TO THE UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**  
**PERIOD ENDED 30 JUNE 2023**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>30 June</b>	31
	<b>2023</b>	December
	<b>£</b>	2022
		<b>£</b>
Operating profit	917,812	494,351
Depreciation and amortisation charges	103,969	114,412
(Profit)/loss on fixed asset disposals	-	24,442
Decrease/(increase) in stocks	2,121,805	(3,382,187)
Decrease in debtors	1,006,442	1,088,864
(Decrease)/increase in creditors	<u>(3,906,414)</u>	<u>1,090,896</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>243,614</u></b>	<b><u>(569,222)</u></b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	<b>30 June</b>	31
	<b>2023</b>	December
	<b>£</b>	2022
		<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Proceeds on sale of fixed assets	-	29,328
Interest paid less interest received and similar income	(65,863)	(52,200)
Dividends paid	<u>-</u>	<u>(40,000)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(65,863)</u></b>	<b><u>(62,872)</u></b>
<b>Capital expenditure</b>		
Purchase of intangible fixed assets	(10,269)	(7,012)
Purchase of tangible fixed assets	<u>(51,625)</u>	<u>(122,031)</u>
<b>Net cash outflow for capital expenditure</b>	<b><u>(61,894)</u></b>	<b><u>(129,043)</u></b>
<b>Financing</b>		
Proceeds from issue of shares	-	525,436
(Loan repaid)/new loan received	<u>(38,160)</u>	<u>428,403</u>
<b>Net cash inflow from financing</b>	<b><u>(38,160)</u></b>	<b><u>953,839</u></b>

### 3. ANALYSIS OF CHANGES IN NET DEBT

	At 01/01/23 £	Cash flow £	At 30/06/23 £
Net cash: Cash at bank and in hand	730,860	28,086	758,946
Debt: Loan	<u>(1,259,286)</u>	<u>38,160</u>	<u>(1,221,126)</u>
Cash at bank and in hand	<u>(528,426)</u>	<u>66,246</u>	<u>(462,180)</u>



**UNIGEL GROUP PLC**  
**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**PERIOD ENDED 30 JUNE 2023**

**1. ACCOUNTING POLICIES**

**Company information**

The company is a public limited company incorporated in England and Wales (registered number 13934232) and its registered office is Unigel House, 7 Park View, Alder Close, Eastbourne, BN23 6QE.

The principal activity of the group is the manufacture and sale of cable filling and flooding compounds, associated pumping and delivery equipment, and tapes.

**Accounting convention and basis of preparation**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of the consolidated financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies. Information is given in the accounting policies noted below.

**2. EARNINGS PER SHARE**

Earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of ordinary shares in issue during the period.

	<b>30 June 2023</b>	31 December 2022
	£	£
Profit after tax	<b>628,700</b>	323,547
Weighted average ordinary shares in issue	<b>11,285,000</b>	11,285,000
<b>Earnings per share</b>	<b><u>5.57p</u></b>	<b><u>2.87p</u></b>

**3. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid: Number	Class:	Nominal value:	<b>30 June 2023</b>	31 December 2022
			£	£
11,285,000	Ordinary	£0.005	<u>56,425</u>	<u>56,425</u>

**4. FORWARD-LOOKING STATEMENTS**

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Group's current expectations, estimates and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Group's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecast in the forward-looking statements. The Group cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Group only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Group will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.