INTERIM REPORT **2026**

WRITTLE HOLDINGS LIMITED

WRITTLE

CHAIRMAN'S STATEMENT

I am pleased to report on our performance for the first half of 2026.

Writtle continued to make good progress against a challenging economic backdrop, with turnover increasing by 4% and headline profit before tax by 18% against prior period. The first half was also notable for the partial exit from the group of two of our Innovation businesses through management buyouts (MBOs), marking our intention to become investors rather than managers in this business group.

Results and Dividends

Turnover for the first six months was £46.48m (2025: £44.54m) and headline profit before tax was £3.18m (2025: £2.68m). The disposal of our majority shareholdings in Epoch and WMH&I generated an exceptional profit of £4.14m. After exceptional costs of £0.15m and the usual goodwill amortisation and share based payment charges of £0.37m, profit before tax was £6.80m (2025: £2.24m).

Net cash on 30 June 2026 was £4.75m (2025: £7.44m)

An increased interim dividend of 10p (2025: 9p) per share will be paid on 30 October 2026 to shareholders on the register at 2 September 2026.

Review of Trading

The performance of our three business groups is shown on page 8 of this report.

Our intention with our **Innovation** business group is to become investors rather than managers, by inviting managers to consider MBOs, with Writtle retaining minority shareholdings. The market in which our Innovation businesses operate is being rapidly transformed by advances in AI which has led to the major advertising networks embarking on well publicised staff reductions and restructuring. We have not been unscathed having seen profits decline in this business group over recent years. However, we believe nimble and highly motivated management teams can still thrive in this environment and as minority shareholders Writtle can participate in their future success. Epoch and WMH&I completed their MBOs in the first half and are now referred to as associate businesses, and we are currently reviewing options for Seymourpowell and The Team. Our Innovation business group results for the first half exclude performance after a business becomes an associate, so comparisons with prior year are distorted. Nonetheless a profit contribution of £0.93m was satisfactory and Writtle's share of profits after tax in our associate businesses is reported separately in the financial statements.

Our **Implementation** business, BRANDED, had an excellent first half. Turnover increased by 13% and profit by 54%, with automation of processes improving margins and capacity. Our US operations reaped the rewards of prior year investment and the opening of a second US office as major accounts came on stream. Our UK business also performed well with particularly strong contributions from our recently expanded facilities for image creation and brand activation. Progress is expected to be maintained into the second half.

Our **Instore** businesses continued to perform well with turnover up 11% and profit up by 16% over prior year. FERO strengthened its client base in a highly competitive market through quality and speed of delivery backed up by its proprietary workflow system supplied to key clients. FERO now enters its busier half with additional capacity in place to cope with its seasonal spikes in demand, and a good year is anticipated. Arken had another excellent first half and although the second half is not expected to match last year's due to reduced retailer activity, the full year is expected to exceed our original forecasts.

Corporate Activity

As you can see from our MBO completions, our corporate activity has been mainly inward looking as Writtle consolidates and reinforces its strongest areas. In the current business climate, we see the best opportunities for increasing shareholder value through investment in our Implementation and Instore business groups, rather than seeking acquisitions where opportunities are plentiful but value harder to find. This is something of a change in direction given the success we have had with acquisitions over the past 15 years, but we must react to market conditions and a changing business landscape.

After the period end, on 28 August 2026 Writtle completed the share buyback announced in our Annual Report with 1,063,064 shares purchased for cancellation. Following this, the ownership proportion attributed to each shareholder increased by 16.47%.

Current Trading

Despite a slight slowing of trading over the summer months we anticipate a good full year performance.

Robert Essex
Chairman

2 September 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2026

	6 months to 30 June 2026	6 months to 30 June 2026	6 months to 30 June 2025	Year ended 31 December 2025
	After FRS102 Changes		Before FRS102 Changes	
	Unaudited £000	Unaudited £000	Unaudited £000	Audited £000
Turnover	46,480	46,480	44,536	97,533
Cost of sales	(23,194)	(23,194)	(21,277)	(48,310)
Gross profit	23,286	23,286	23,259	49,223
Administrative expenses	(20,627)	(20,731)	(21,106)	(42,943)
Operating profit	2,659	2,555	2,153	6,280
Operating profit before the items listed below	3,178	3,074	2,587	7,411
Exceptional items	(147)	(147)	(26)	(310)
Share-based payment charge	(51)	(51)	(56)	(116)
Goodwill amortisation	(321)	(321)	(352)	(705)
Operating profit	2,659	2,555	2,153	6,280
Net interest (payable)/ receivable	(129)	72	89	102
Profit on sale of investments	4,152	4,144	-	-
Share of profit of associate	30	30	-	-
Profit before taxation	6,712	6,801	2,242	6,382
Tax on profit	(628)	(628)	(616)	(1,709)
Profit after taxation	6,084	6,173	1,626	4,673
Non-controlling interests	(327)	(364)	(315)	(795)
Profit for the period	5,757	5,809	1,311	3,878

The Group adopted the revised FRS 102 lease accounting requirements with effect from 1 January 2026. Under the new requirements, leases previously classified as operating leases are generally recognised on the balance sheet through the recognition of right-of-use assets and corresponding lease liabilities. As a result, reported assets and liabilities have increased, and lease-related costs are now recognised as depreciation and finance costs rather than as rental expense within administrative expenses.

To aid comparability, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position present the position at 30 June both before and after the adoption of the revised standard. For ease of presentation, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Business Group Analysis are presented on a pre-adoption basis only.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2026

	As at 30 June 2026	As at 30 June 2026	As at 30 June 2025	As at 31 December 2025
	After FRS102 Changes	Before FRS102 Changes		
	Unaudited £000	Unaudited £000	Unaudited £000	Audited £000
Fixed assets				
Intangible assets	2,910	2,910	4,128	3,825
Tangible assets	5,380	5,380	5,708	5,927
Right of use assets	5,586	-	-	-
Investments in associates	379	379	-	-
	14,255	8,669	9,836	9,752
Current assets				
Stocks	4,733	4,733	4,679	2,264
Debtors	23,334	23,678	20,502	22,784
Cash and cash equivalents	4,978	4,978	7,624	9,294
	33,045	33,389	32,805	34,342
Creditors: Amounts falling due within one year	(18,849)	(17,820)	(22,133)	(20,937)
Net current assets	14,196	15,569	10,672	13,405
Total assets less current liabilities	28,451	24,238	20,508	23,157
Creditors: Amounts falling due after more than one year	(4,402)	(100)	(64)	(147)
Provisions for liabilities				
Deferred tax	(702)	(702)	(442)	(727)
Other provisions	(831)	(831)	(651)	(831)
Net assets	22,516	22,605	19,351	21,452
Capital and reserves				
Share capital	7,516	7,516	7,511	7,511
Share premium account	239	239	223	222
Other reserves	(228)	(228)	(516)	(456)
Retained earnings	11,520	11,572	8,512	10,499
Equity attributable to owners of the parent company	19,047	19,099	15,730	17,776
Non-controlling interests	3,469	3,506	3,621	3,676
	22,516	22,605	19,351	21,452

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 June 2026

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Equity attributable to owners of parent company £000	Non-controlling interests £000	Total equity £000
At 1 January 2025	7,445	9,308	(158)	4,492	21,087	3,270	24,357
Profit for the period	-	-	-	1,311	1,311	315	1,626
Other comprehensive income	-	-	-	11	11	-	11
Total comprehensive income for the period	-	-	-	1,322	1,322	315	1,637
Contributions by and distributions to owners							
Dividends	-	-	-	(6,458)	(6,458)	(289)	(6,747)
Shares issued during the period	66	222	-	-	288	-	288
Other movements	-	(9,308)	(358)	9,156	(510)	325	(185)
Total contributions by and distributions to owners	66	(9,086)	(358)	2,698	(6,680)	36	(6,644)
At 30 June 2025	7,511	222	(516)	8,512	15,729	3,621	19,350
Profit for the period	-	-	-	2,567	2,567	480	3,047
Other comprehensive income	-	-	-	(7)	(7)	-	(7)
Total comprehensive income for the period	-	-	-	2,560	2,560	480	3,040
Contributions by and distributions to owners							
Dividends	-	-	-	(645)	(645)	(348)	(993)
Other movements	-	-	60	72	132	(77)	55
Total contributions by and distributions to owners	-	-	60	(573)	(513)	(425)	(938)
At 31 December 2025	7,511	222	(456)	10,499	17,776	3,676	21,452
Profit for the period	-	-	-	5,809	5,809	-	5,809
Total comprehensive income for the period	-	-	-	5,809	5,809	-	5,809
Contributions by and distributions to owners							
Dividends	-	-	-	(4,740)	(4,740)	(146)	(4,886)
Shares issued during the period	5	17	-	-	22	-	22
Other movements	-	-	228	4	232	(24)	208
Total contributions by and distributions to owners	5	17	228	(4,736)	(4,486)	(170)	(4,656)
At 30 June 2026	7,516	239	(228)	11,572	19,099	3,506	22,605

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2026

	6 months to 30 June 2026	6 months to 30 June 2025	Year ended 31 December 2025
		Before FRS102 Changes	
	Unaudited £000	Unaudited £000	Audited £000
Cash flows from operating activities			
Profit for the period	6,173	1,626	4,673
Adjustments for:			
Amortisation of goodwill	321	352	705
Amortisation of software development	27	27	57
Depreciation of tangible fixed assets	809	746	1,522
Share-based payment charge	51	56	116
Profit on disposal of tangible fixed assets	(1)	-	-
Increase in stocks	(2,495)	(2,903)	(492)
Net interest received	(72)	(89)	(102)
Corporation tax charge	628	616	1,709
(Increase)/decrease in debtors	(1,763)	63	(2,206)
(Decrease)/increase in creditors	(1,308)	2,062	921
Corporation tax paid	(859)	(1,217)	(1,983)
Share of profit of associate	(30)	-	-
Profit on sale of subsidiaries	(4,144)	-	-
Net cash (used in)/generated from operating activities	(2,663)	1,339	4,920
Cash flows from investing activities			
Purchase of tangible fixed assets	(355)	(666)	(1,666)
Investment in software development	-	-	(80)
Sale of tangible fixed assets	1	-	-
Sale of subsidiaries	4,821	-	-
Cash disposed of with subsidiaries	(1,428)	-	-
Sale of equity in subsidiaries	-	172	168
Net cash generated from/(used in) investing activities	3,039	(494)	(1,578)
Cash flows from financing activities			
Issue of ordinary shares	198	289	288
New finance lease	-	-	181
Repayment of finance leases	(80)	(120)	(177)
Equity dividends paid	(4,740)	(6,458)	(7,103)
Purchase of own shares by ESOT	-	(414)	(414)
Net interest received	72	89	102
Dividends paid to non-controlling interests	(146)	(289)	(637)
Net cash used in financing activities	(4,696)	(6,903)	(7,760)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2026 (continued)

	6 months to 30 June 2026	6 months to 30 June 2025	Year ended 31 December 2025
		Before FRS102 Changes	
	Unaudited £000	Unaudited £000	Audited £000
Net decrease in cash and cash equivalents	**(4,320)**	(6,058)	(4,418)
Exchange differences on translation of foreign subsidiaries	**4**	(32)	(2)
Cash and cash equivalents at beginning of period	**9,294**	13,714	13,714
Cash and cash equivalents at the end of period	**4,978**	7,624	9,294
Cash and cash equivalents	**4,978**	7,624	9,294

ANALYSIS OF NET CASH

as at 30 June 2026

	As at 30 June 2026	As at 30 June 2025	As at 31 December 2025
		Before FRS102 Changes	
	Unaudited £000	Unaudited £000	Audited £000
Cash at bank and in hand	**4,978**	7,624	9,294
Debt:			
Finance leases	**(230)**	(185)	(309)
Debts due within one year	**-**	-	-
Net cash	**4,748**	7,439	8,985

BUSINESS GROUP ANALYSIS
for the six months ended 30 June 2026

	Innovation £000	Implementation £000	Instore £000	Group £000
For the six months ended 30 June 2026				
Turnover	9,869	10,967	25,644	46,480
Headline business group operating profit	932	947	1,953	3,832
Central costs				(758)
Headline operating profit				3,074
Net interest receivable				72
Share of profit of associate				30
Headline profit before tax				3,176

	Innovation £000	Implementation £000	Instore £000	Group £000
For the six months ended 30 June 2025				
Turnover	11,664	9,677	23,195	44,536
Headline business group operating profit	1,080	614	1,689	3,383
Central costs				(796)
Headline operating profit				2,587
Net interest receivable				89
Headline profit before tax				2,676

	Innovation £000	Implementation £000	Instore £000	Group £000
For the year ended 31 December 2025				
Turnover	21,259	20,256	56,018	97,533
Headline business group operating profit	1,379	1,614	6,325	9,318
Central costs				(1,907)
Headline operating profit				7,411
Net interest receivable				102
Headline profit before tax				7,513

Headline measures are defined as being before profit on sale of investments, exceptional items, share-based payment charges and amortisation.

COMPANY INFORMATION

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