18 March 2025

THE PEBBLE GROUP PLC

("The Pebble Group", the "Group" or the "Company")

AUDITED FULL YEAR RESULTS 2024

Performance in line with expectations, increasing cash conversion and well-placed for growth

The Pebble Group, a leading provider of technology, products and related services to the global promotional products industry, announces its audited results for the year ended 31 December 2024 ("FY 24").

Commenting on the results, Chris Lee, Chief Executive Officer of The Pebble Group said: "We are pleased to report that the Group's FY 24 results are in line with expectations. Our operational focus in 2024 was on strengthening our businesses to accelerate organic growth. At Facilisgroup, we spent a significant amount of time engaging with stakeholders including Partners, Preferred Suppliers, investors and our team. This engagement generated valuable feedback and contributed to several important advancements in 2024, which has helped position the business for future growth. At Brand Addition, whilst improving our contract win count in late 2024, we have delivered growth across all major financial metrics driven by gross margin improvement and disciplined cost management.

"The cash generative qualities of the Group are strong and are expected to continue to improve as the period of high, expansionary capex is completed. In 2025, we will allocate a portion of this improving cash conversion to support accelerated organic revenue growth for 2026 and beyond. Notwithstanding the possible effects that tariffs may have on the wider economy and on our businesses, we remain confident in the Group's platform and proposition to deliver long-term sustainable earnings growth and create shareholder value."

Financials

Statutory results	**FY 24**	FY 23	Change
Revenue	**£125.3**	£124.2m	+0.9%
Gross profit margin	**44.3%**	43.6%	+0.7ppt
Operating profit	**£8.6m**	£8.0m	+7.5%
Profit before tax	**£8.1m**	£7.4m	+9.5%
Basic earnings per share	**3.83p**	3.46p	+10.7%
Cash	**£16.5m**	£15.9m	+£0.6m
Dividend	**1.85p**	1.20p	+54.2%

Other financial highlights	**FY 24**	FY 23	Change
Adjusted EBITDA[1]	**£16.7m**	£16.0m	+4.4%
Operating cash conversion[2]	**68.2%**	62.8%	+5.4ppt
Basic adjusted earnings per share[3]	**4.63p**	4.60p	+0.7%

Financial highlights

- Group revenue increased 1% to £125.3m (FY 23: £124.2m).
- Gross profit margin increased to 44.3% (FY 23: 43.6%).
- Group Adjusted EBITDA increased 4% to £16.7m (FY 23: £16.0m).
- Group operating profit increased 8% to £8.6m (FY 23: £8.0m).
- Strong balance sheet with cash of £16.5m at 31 December 2024, an increase of £0.6m compared with 31 December 2023.

- Step-change reduction in capitalised development costs resulting in ongoing improved operating cash conversion as the focus moves from new technology development to sales and marketing.
- The Board is proposing to increase the dividend for FY 24 by 54% to 1.85 pence per share (FY 23: 1.20 pence per share). The current £5.0m share buyback programme is expected to continue, to date, £2.7m has been executed.

Business highlights

- Facilisgroup:
  - Chief Product Officer appointed in April 2024, adding value through focus on the refinement and delivery of our technology strategy.
  - Chief Revenue Officer appointed in March 2025, to focus on rejuvenating organic growth.
  - FY 24 Gross Merchandise Value ("GMV") increased by 6% and spend through our Preferred Suppliers increased by 8% demonstrating the quality of the Facilisgroup community in an industry that grew by 1%.
  - Step-change reduction in capitalised development costs into new product during H2 2024 will have a full year benefit in 2025.
  - Technology progress providing an opportunity to service the wider addressable market for our leading end-to-end order processing system, Syncore.
  - Disciplined financial balance being sought between revenue growth, EBITDA returns and capital expenditure with an intention to redeploy a portion of the incremental cash flow in activities to accelerate organic revenue growth.
- Brand Addition:
  - Continuing to work with many of the best-known brands in the world and maintaining excellent client retention rates.
  - Revenues from our Consumer and Technology sector clients have stabilised to predictable levels compared to 2023.
  - FY 24 Gross margin of 35.2% (FY 23: 34.1%) shows consistent growth over recent years as the value of services delivered to our clients resonates.
  - Gross margin strength and disciplined cost management is supporting EBITDA and operating profit growth.
  - Several new contract wins in late 2024 and early 2025 are expected to make an impact on revenues in FY 25.

Current Trading and Outlook

- Operating cash conversion increased in 2024 and is expected to continue to improve.
- In 2025, the Group will allocate a portion of this improving cash conversion to support new business momentum and accelerate organic revenue growth for 2026 and beyond.
- The Group will also continue to create shareholder value through the dividend and maintain share buy backs whilst it remains value enhancing.
- At Facilisgroup, year to date:
  - GMV of Partners is slightly ahead of the prior year; and

- Spend with our Preferred Suppliers is slightly behind the prior year.

- At Brand Addition, year to date:

  - Sales orders are slightly ahead of the prior year; and
  - New contract acquisition momentum has continued.

- The Board is closely monitoring the possible effects that tariffs may have on the wider economy and on our businesses. However this evolves, we remain confident in the Group's platform, proposition, and long-term prospects.

[1] *Adjusted EBITDA means operating profit before depreciation, amortisation and share-based payments charge/credit*

[2] *Operating cash conversion is defined as operating cash flow / Adjusted operating profit*

[3] *Basic adjusted earnings per share ("EPS") represents Adjusted Earnings meaning profit after tax before amortisation of acquired intangible assets, share-based payments charge/credit and exceptional items net of taxation divided by a weighted average number of shares*

Presentation for Analysts and Investors

A presentation for analysts and investors with Q&A will take place at 8:00am today by webinar. Please register to attend via this link:

https://events.teams.microsoft.com/event/5e8961fd-e7c6-4a3b-b43e-b1f26660edc3@d78da0af-dec0-4c18-b3dc-54c78f21f08f

A copy of the presentation is available on the Investors section of The Pebble Group's website at https://www.thepebblegroup.com/investors/

Presentation for retail investors

The management team is hosting a separate online presentation for retail investors with Q&A on Wednesday 19 March 2025 at 4:15pm. To participate, please register with Progressive here:

https://bit.ly/PEBB_FY24_results_webinar

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About The Pebble Group

The Pebble Group is a provider of technology, products and related services to the global promotional products industry, comprising two differentiated businesses, Facilisgroup and Brand Addition, focused on specific areas of the promotional products market. For further information, please visit www.thepebblegroup.com.

CHAIR'S REVIEW

Operational progress as we strengthen our platform to accelerate growth

Introduction

I am pleased to be making my first annual statement following my appointment as Non-executive Chair in September 2024. I have spent my first few months understanding the Group's strategic ambition, purpose and markets, and how it develops and maintains its long-term relationships with its stakeholders.

The Group has established an excellent platform from which to grow and capitalise on the exciting opportunities presented by the large, addressable circa $50bn global market. The strengths of its two market leading businesses, recurring revenues, differentiated technology, global footprint, and focus on long-term relationships, provide the opportunity to take advantage of the fragmented markets both businesses serve. This operational excellence, combined with a strong balance sheet and highly cash generative characteristics, means the Group is well positioned to create stakeholder value.

I have met with many of our stakeholders and have experienced firsthand, their dedication and enthusiasm about our businesses and their long-standing relationships.

I am enjoying working with the Board to understand the Group's strengths, enhance the value of our two businesses and execute on our strategy to unlock future growth and shareholder value. I am excited by the sense of momentum and strategic opportunities across the Group.

Performance

I am pleased to report that in 2024 the Group delivered a financial performance in line with market expectations and made significant strategic and operational progress to set the foundations to accelerate organic growth and gain market share.

The Group achieved revenue in the year of £125.3m (FY 23: £124.2m) and Adjusted EBITDA of £16.7m (FY 23: £16.0m). The Group's balance sheet remains strong with net cash on 31 December 2024 of £16.5m, being an increase of £0.6m from 31 December 2023. This increase is after a dividend payment of £2.0m (FY 23: £1.0m) and the commencement of a share buyback programme, each intended to return value to those shareholders that have supported the Group.

Our market and strategy

We operate in a large fragmented market which we estimate to be circa $50bn annually. 50% of this opportunity is in North America, where our technology business Facilisgroup is based, and Brand Addition has an established footprint. The size of the industry is driven by the continued demand of virtually all businesses to use product to make meaningful connections with their stakeholders. Promotional products continue to be a key component in marketing strategies, with the cost per impression or the return on investment being highly attractive.

Transactions processed directly or indirectly by Facilisgroup and Brand Addition, account for approximately 3% of all promotional products sold globally and approximately 6% of all promotional product transactions in the North American market. This gives the Group significant insight into market trends and development and the Group is able to apply this knowledge to inform its strategic planning.

Our market insights show that:

- The global market for promotional products is very fragmented. The majority of the market is being served by owner-managed SMEs with a high concentration in North America. As technology proliferates, SME distributors have a need for technology to support their efficiency and growth.
- Creative, sustainable promotional products continue to be a key strategic component of the brand building, employee engagement and customer reward strategies of businesses around the world.

The Group's strategic objectives are to capitalise on these opportunities through its businesses, Facilisgroup and Brand Addition.

Share buyback programme and dividend

As part of the Group Board's commitment to creating shareholder value, during the year, the Group commenced a share buyback programme in the Company's Ordinary Shares up to a maximum consideration of £5.0m. At 17 March 2025, 5,439,931 shares have been bought back equating to 3.2% of the Company's share capital, at a total cost of £2.7m. The Group Board intends that the share buyback programme will continue.

The Group Board is proposing the payment of a final dividend of 1.85 pence per share (FY 23: 1.2 pence per share), a distribution totalling £3.0m. This will be paid on 13 June 2025, subject to shareholder approval.

Team and Board changes

I joined the Group as Chair in September 2024, following the departure of the previous Chair in April 2024.

In the interim period, Chris Lee, became Interim Executive Chair alongside his existing duties as Group CEO. Following my appointment, Chris ceased to act as Interim Executive Chair and continues his role as CEO of the Group.

Environmental, Social and Governance (ESG)

We aim to integrate good governance and best practices into all aspects of our business because we believe it is the right thing to do. We do this in our own tone of voice, focussing on the things that matter most to our stakeholders. In March 2025, we will publish our annual standalone ESG Report which provides a comprehensive review of the meaningful action we are taking.

Outlook

I want to thank all the teams across the Group for their hard work and dedication to our businesses during the past year.

Looking ahead, this is an exciting time for the Group. Our businesses are strong with momentum building and are well positioned to take advantage of the opportunities ahead.

I am confident that the Executive team and senior management across the Group will focus on executing our strategy to enhance the value of our businesses and capture the opportunities ahead enabling us to deliver profitable growth and fulfil our vision of being the leading provider of technology, products and related services to the global promotional products industry.

Anne de Kerckhove
Chair and Independent Non-executive Director
17 March 2025

CHIEF EXECUTIVE OFFICER'S REVIEW

Summary of Results

We are pleased to report that the Group's results for the year ended 31 December 2024 are in line with expectations.

Group revenue was £125.3m (FY 23: £124.2m), being slightly ahead of last year.

Group Adjusted EBITDA was £16.7m (FY 23: £16.0m), an increase of 4% over prior year.

The cash generative qualities of the Group remain strong and are expected to continue to improve as our investment in capital expenditure is rebased. Net cash was £16.5m at 31 December 2024 (31 December 2023: £15.9m) following a dividend payment of £2.0m (FY 23: £1.0m) as well as £1.4m (FY 23: £nil) applied to a share buyback programme.

Introduction, The Pebble Group: *Building brands, growing relationships, strengthening businesses*

The Group's two businesses, Facilisgroup and Brand Addition, both occupy market leading positions and have significant heritage in the fragmented promotional products industry. The businesses also share enduring long-term relationships with clients, Partners and suppliers which underpin the recurring and repeatable revenues upon which the solid financial performance and cash generation has been built.

Our expertise is centred on working with the best businesses throughout the supply chain to deliver great products efficiently and safely into the market. We do this through a combination of technology, best practice processes, investment in our infrastructure and our highly experienced team. Our growth starts with creating continual value for existing clients and Partners and then attracting new long-term relationships.

With an estimated $50bn per annum spent globally on promotional products, the market is large and offers attractive growth opportunities for Facilisgroup and Brand Addition.

Business Review

Facilisgroup: *providing an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth orientated promotional products distributors in North America*

£m / $m	**FY 24**	FY 23	**FY 24**	FY 23
ARR	**£16.9m**	£17.0m	**$21.6m**	$21.2m
Other revenue	**£0.7m**	£0.9m	**$0.9m**	$1.0m
Total revenue	**£17.6m**	£17.9m	**$22.5m**	$22.2m
Adjusted EBITDA	**£8.8m**	£8.9m	**$11.2m**	$11.0m
Operating profit	**£3.5m**	£4.4m	**$4.5m**	$5.4m

Reviewing our performance in USD, the business' home currency, FY 24 revenue of $22.5m (FY 23: $22.2m) is slightly ahead of prior year. This reflects the largely flat Gross Merchandise Value (GMV) of our existing Partners in 2023 which translates into 2024 technology subscriptions and 10 Partner businesses being acquired in 2024, a higher number than previously experienced. In FY 24 the activities that underpinned revenue and influence the future annual recurring revenue stream were:

- GMV: FY 24 $1.51bn (FY 23: $1.42bn). This is the sales activity of our Partners (customers) through our technology platform, Syncore, and is an increase of 6% on prior year. The growth was primarily driven by new Partner acquisition and compares well to an overall growth in the North American promotional products market of 1%;
- Preferred Supplier spend: FY 24 $0.51bn (FY 23: $0.47bn). An increase of 8%, moving with the growth in GMV. Being ahead of the wider market demonstrates the strength of the market network at Facilisgroup benefiting both our Partners and Preferred Suppliers; and
- Partner numbers: 239 at 31 December 2024 (31 December 2023: 242). This included 16 new quality Partner wins, 10 Partners acquired by other businesses and a churn of 9, being a 96% underlying Partner retention rate.

A strength of Facilisgroup is its revenue to profit conversion. This continued in 2024 with Adjusted EBITDA margins of 50% (FY 23: 50%). The value placed upon this metric has been diluted as we have made material capital investment into the business in recent years with the aim of expanding both our total addressable market and the technology modules we offer. The amortisation resulting from this investment is being accounted for through our financial statements, with operating profit of $4.5m (FY 23: $5.4m).

In H2 2024 we were able to significantly reduce this investment as the required period of high initial development came to an end on our expanding addressable market product, Commercio Orders, and our eCommerce platform, Commerico Stores. In the year, total capital expenditure at Facilisgroup was $6.2m (FY 23: $7.7m) with a similar quantum of reduction expected in FY 25. The result is that, in FY 24 operating cash conversion improved compared to prior year and is expected to continue to improve in FY 25.

After three years of focussed investment, we believe our technology, processes and network are industry leading, differentiated from our competitors and will support our medium-term growth within this exciting market. We expect to move from development to execution through our revenue generating teams, which has started with our new strategic Chief Revenue Officer (CRO) hire.

Approach to the market

Providing an end-to-end order processing system, combined with a proprietary operating method, market network and community support to growth orientated promotional products businesses in North America, Facilisgroup has a proven track record of being an integral part of the sustained growth of quality promotional product distributors. Within two years of joining Facilisgroup new Partners, on average, have grown their revenues by 14%. Collectively the Partners, with FY 24 GMV of $1.5bn, represent circa 6% of the market, equating to the largest consolidated spend in the industry.

Recognition of the quality of the Partners and Preferred Suppliers is evidenced via inclusion of 15 Partners in the 2024 Top 100 businesses collated by industry trade association PPAI and, 10 community members in the industry's 2024 Power 50, collated by ASI Central.

In 2024, I spent a significant amount of time engaging with Facilisgroup stakeholders including Partners, Preferred Suppliers, investors and our team. This engagement generated valuable feedback and supported several important advancements in 2024. These include; the creation of a Partner Advisory Committee; the appointment of a new leadership role of Chief Product Officer; a step-change reduction in the capitalisation of internal product and engineering time; a focussed Partner events schedule; improving the levels of learning and experience of our team; the development of the product marketing function; and, a rejuvenation of engagement in our community with Partners and Preferred Suppliers. This was achieved through concentration on three key themes; Technology, Team, and Community. In March 2025, this has been augmented by the appointment of a new leadership role of CRO, completing the leadership team capable of taking the business through its next stage of growth.

From this improved foundation and an evolving strategy, we expect to move forward in the journey to accelerated organic growth and a realisation of the business' excellent operational and financial potential.

Our expertise is in providing an end-to-end order processing system, aligning technology to proprietary operating methods, to growth orientated promotional products distributors. This is supplemented by a powerful market network supported by the industries most valued suppliers (Preferred Suppliers) and the creation of a learning and collaboration community between the Partners, Preferred Suppliers and Facilisgroup.

Under a single technology brand, Syncore, we will focus on maintaining our excellent retention rates as the foundation of growth and aim to accelerate net new Partner acquisitions, via;

- winning market share of distributors with similar profiles to our existing Partners, through advancing technology, effective utilisation of the market network with Preferred Suppliers, and the community created around this offering;
- providing best-in-class integrations to support the increasingly complex needs of larger high growth distributors, including existing Partners, who break into the elite top 100 distributors in the industry; and
- extending the Partner pipeline with the next generation of winning promotional products distributors through the unique combination of the technology offering and use of the market network.

The above approach brings together the depth of the end-to-end order processing capabilities of Syncore and the technology developed through Commercio Orders.

Commercio Stores, our eCommerce platform, will continue to support existing Partners and net new Partner acquisition opportunities through our integration strategy with Syncore.

We have made positive operational progress in 2024. Our financial goal in 2025 is to manage a disciplined balance between revenue growth, EBITDA returns and capital expenditure to best support the scaling of the business. With cash returns improving year-on-year, we intend to invest a proportion of this into activities to accelerate organic revenue growth which has started with the appointment of the new leadership position of a CRO, focussed exclusively on net new Partner acquisition.

Brand Addition: *an end-to-end creative branded merchandise provider that helps global brands build culture, awareness and meaningful connections with their customers, employees and communities*

£'m	**FY 24**	FY 23
Revenue	**£107.7m**	£106.3m
Gross profit	**£37.9m**	£36.3m
Gross profit margin	**35.2%**	34.1%
Adjusted EBITDA	**£10.8m**	£9.5m
Operating profit	**£7.9m**	£6.2m

FY 24 revenue was £107.7m (FY 23: £106.3m) a slight year-on-year increase.

Existing clients contributed most of the revenue in FY 24. Revenues from our Consumer and Technology sector clients have stabilised to predictable levels compared to 2023.

As brand control, product efficacy and international consistency becomes even more important to large global brands, Brand Addition has provided its clients with additional services such as multi-country delivery, global distribution management and sustainable product initiatives. The value placed by clients on these additional services is demonstrated by the increase in its gross margins in FY 24 to 35.2% (FY 23: 34.1%). This has evolved positively in recent years from a previously guided average of 30%.

This gross margin accretion, alongside investment into our people and processes has supported an increase in our FY 24 Adjusted EBITDA to £10.8m (FY 23: £9.5m), being an increase of Adjusted EBITDA margin to 10.0% (FY 23: 8.9%). This progress in Adjusted EBITDA translated to improvement in Operating profit to £7.9m (FY 23: £6.2m).

Key attributes of Brand Addition and the market in which it operates are:

- a large total addressable market of circa $4 billion;
- circa 800 global opportunities on Brand Addition's target list;
- excellent client retention rates to well-known global brands;
- highly repeatable revenues over the medium-term; and
- recent increase in margins reflecting the widening of services delivered to clients.

Approach to the market

There is a large addressable market for the specialist services offered by Brand Addition as international corporates use promotional products to engage with their employees, customers, and wider stakeholders. This includes Consumer Promotions to support businesses in driving their own sales volumes and Corporate Programmes to support employee engagement and brand awareness.

Our clients are many of the best-known brands in the world who trust Brand Addition with their brand equity having built close, long-term relationships.

Our top 20 clients support circa 80% of our revenues and many are included amongst the top brands in the world.

90% of the top 20 clients in 2019 still choose to be contracted with Brand Addition in 2025. This demonstrates the high retention which underpins a consistency of revenues and an ability to support organic growth.

Promotional products are outsourced under contract because brands wish to have control over:

- thoughtful and creative bespoke products, aligned with their brand values, to engage their stakeholders;
- product quality and supply chain assurance to protect their brand integrity; and
- a consistent international strategy.

With these retention rates, the differentiated positioning of Brand Addition and the size of the market, our aim of achieving annual organic growth rates of +5% feels achievable. The new business impact into FY 24 revenue was less than previous years due to a lower level of new contract wins in 2023 and early 2024. Pleasingly, the appointment of a new Global Marketing Director in early 2024 and the efforts of the new business teams across Brand Addition proved much more successful in late 2024 with several new wins converted that we expect to launch in 2025 and make an impact on revenues in FY 25.

Capital allocation

The Group's cash generation has been consistently strong since IPO in 2019, with net cash at 31 December 2024 of £16.5m. Maintaining a debt free, strong balance sheet, has supported the implementation of a progressive dividend policy in 2023 and an ongoing £5.0m share buyback programme in 2024. As the Group's total capital expenditure further reduces in 2025, our operating cash conversion is expected to increase. Our priority is to execute on our organic growth strategy and at Facilisgroup we intend to utilise an element of this increasing operating cash conversion to accelerate organic revenue growth. This still provides an ability to explore additional capital allocation opportunities and the Board intends to seek shareholder feedback when determining its priorities.

People and Environmental, Social and Governance (ESG)

I am grateful for the support of all the talented and dedicated people across our Group in 2024. Much of my twenty-five years with the Group has been spent alongside a team of quality people at Brand Addition, supporting them in its growth and go-to-market evolution. The excellent long-term relationships with many of the best brands in the world is testament to this team's abilities and the business' depth of infrastructure. In 2024, I spent a large amount of time with Facilisgroup and have benefited from direct involvement with its team and stakeholders. In 2025, I will continue to bring this continuity to Facilisgroup and seek to add revenue growth to the operational progress made in 2024.

Our people are a consistent strength of the Group. My thanks go to everyone at Facilisgroup, Brand Addition and The Pebble Group.

We remain firmly committed to being a leader in the way we manage our businesses to good standards, for the long-term, which lends itself to many of the principles under the banner of ESG. Our four ESG cornerstones have evolved after multiple interactions with our stakeholders and represent the fundamentals that are most important and relevant to our Group. In 2024, we have made good progress against a wide number of topics, and we will publish our fourth ESG report in March 2025.

Current Trading and Outlook

Operating cash conversion increased in 2024 and is expected to continue to improve. For 2025, we have chosen to spend an element of this improving cash conversion to support new business momentum and accelerate organic revenue growth for 2026 and beyond. We will also continue to return value to shareholders through the dividend and maintain share buybacks whilst it remains value enhancing.

At Facilisgroup, year to date:

(i) GMV of Partners is slightly ahead of the prior year; and
(ii) Spend with our Preferred Suppliers is slightly behind the prior year.

At Brand Addition, year to date:

(i) Sales orders are slightly ahead of the prior year; and
(ii) New contract acquisition momentum has continued.

The Board is closely monitoring the possible effects that tariffs may have on the wider economy and on our businesses. However this evolves, we remain confident in the Group's platform and proposition.

Chris Lee
Chief Executive Officer
17 March 2025

CHIEF FINANCIAL OFFICER'S REVIEW

Establishing our foundations for growth

Overview

FY 24 was a year in which the Group focussed on building out its platform to accelerate growth. The Group delivered results in line with market expectations, with revenue 1% ahead of FY 23. Gross margin increased further following improvements made in 2023 and Adjusted EBITDA was £0.7m ahead of FY 23. This increase was achieved following strategic investments in our teams that position both businesses to take advantage of the significant opportunities ahead of them. These results, combined with the strong cash generative characteristics of the Group and a step-change reduction in capitalised development costs resulted in increased operating cash conversion which is expected to continue into FY 25.

Group revenue of £125.3m (FY 23: £124.2m) was 1% ahead of FY 23 and Adjusted EBITDA of £16.7m (FY 23: £16.0m) was 4% ahead. Operating profit was £8.6m (FY 23: £8.0m), being 8% ahead of FY 23. The Board is pleased to propose the payment of a final dividend of [1.84] pence per share for FY 24 (FY 23: 1.2 pence per share). This will be payable in June 2025 subject to final shareholder approval.

The Group's balance sheet remains strong and its liquidity position continues to be robust with cash balances of £11.2m at 17 March 2025 and no amounts drawn down on the Company's £10m committed revolving credit facility.

£'m	FY 24	FY 23
Revenue	**125.3**	124.2
Gross profit	**55.5**	54.2
Gross profit margin	**44.3%**	43.6%
Adjusted EBITDA	**16.7**	16.0
Depreciation and amortisation	**(8.6)**	(7.5)
Share-based payment credit/(charge)	**0.5**	(0.5)
Operating profit	**8.6**	8.0
Net finance costs	**(0.5)**	(0.6)
Profit before tax	**8.1**	7.4
Tax	**(1.7)**	(1.6)
Profit for the year	**6.4**	5.8
Weighted average number of shares	**166,216,248**	167,412,949
Adjusted Basic EPS	**4.63p**	4.60p
Basic EPS	**3.83p**	3.46p

Revenue

Group revenue for FY 24 was £125.3m (FY 23: £124.2m). Facilisgroup revenue was £17.6m (FY 23: £17.9m), reflecting a 2% decline in GBP but a 1% increase in Facilisgroup's home currency of USD. This slight increase in revenue was incremental ARR from Partner subscriptions for our technology and fees from our Preferred Suppliers. Revenue in Brand Addition was £107.7m (FY 23: £106.3m) as revenue from our Consumer and Technology sector clients stabilised to predictable levels compared with FY 23.

Gross profit

Following the improvements made in FY 23, gross profit as a percentage of revenue increased further during FY 24 by 0.7 p.p.t to 44.3% as the value of the complex services Brand Addition delivers to its clients continued to be recognised and the increases from FY 23 were maintained.

Adjusted EBITDA

Adjusted EBITDA for FY 24 was £16.7m (FY 23: £16.0m). The increase was made up as follows:

- Facilisgroup: £0.1m reduction as the slight increase in USD revenue was offset by exchange rate movements in the GBP to USD exchange rate. The business maintained its excellent EBITDA returns of circa 50% demonstrating its ability to retain strong margins whilst investing to accelerate organic growth;
- Brand Addition: £1.3m increase as the business delivered its third consecutive year of improved gross profit margins which translated into Adjusted EBITDA; and
- Central costs: £0.5m increase in costs in the year due to, a combination of incremental advisers fees and payroll costs as FY 24 includes an accrual for bonuses when none were payable in FY 23.

Depreciation and amortisation

The total charge in the year was £8.6m (FY 23: £7.5m), of which £6.3m (FY 23: £5.2m) related to the amortisation of intangible assets. The amortisation of intangible assets charge in FY 24 includes a charge of £0.9m (FY 23: £0.5m) to align the amortisation period for acquired intangible software assets (previously five years) with that of those which are internally generated (three years).

Share-based payments

The total credit for the year under IFRS 2 "Share-based payments" was £0.5m (FY 23: charge of £0.5m) and relates to the 2022, 2023 and 2024 awards made under The Pebble Group Long Term Incentive Plan (LTIP) and Sharesave Plan. The credit reflects that no equity instruments are expected to vest under the performance conditions of the 2022 LTIP award or the 2023 LTIP award. More details of the performance conditions are provided in the Remuneration report.

Operating profit

Operating profit for the year was £8.6m (FY 23: £8.0m) reflecting the increase in Adjusted EBITDA after charging incremental depreciation and amortisation of £1.1m. This was offset by a corresponding credit of £1.0m in relation to share-based payments as discussed above.

Finance costs

Net costs of £0.5m in the year (FY 23: £0.6m) include £0.4m interest costs on leases capitalised in accordance with IFRS 16 (FY 23: £0.4m) and £0.1m interest in relation to the Group's £10.0m committed RCF facility (FY 23: £0.1m). There were no refinancing costs in FY 24 (FY 23: £0.1m).

Taxation

The total taxation charge was £1.7m (FY 23: £1.6m) giving rise to an effective rate of tax of 21.0% (FY 23: 21.6%). The Group's effective rate of tax was lower than the UK standard rate of 25% due to the relief it is eligible to claim in the USA for qualifying research and development costs incurred by Facilisgroup.

As a Group with worldwide operations, the Company is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed and tax regime reforms. The Group is subject to income taxes in the UK, Ireland, Germany, Turkey, USA, Canada, China and Hong Kong.

Earnings per share

The earnings per share analysis in note 10 covers both adjusted earnings per share (profit attributable to equity shareholders before amortisation of acquired intangibles, share-based payment charge/credit and exceptional items net of taxation divided by the weighted average number of shares in issue during the year), and basic earnings per share (profit attributable to equity holders divided by the weighted average number of shares in issue during the year). Adjusted earnings were £7.7m (FY 23: £7.7m), meaning basic adjusted earnings per share were 4.63 pence per share (FY 23: 4.60 pence per share), an increase of 0.03 pence per share. Basic earnings per share was 3.83 pence per share (FY 23: 3.46 pence per share), an increase of 0.37 pence per share.

Dividends

The Board is proposing the payment of a final dividend of 1.85 pence per share (FY 23: 1.2 pence per share), a distribution totalling £3.0m. This will be paid on 13 June 2025, subject to shareholder approval, to those shareholders on the register of members on 16 May 2025. The shares will trade ex-dividend on 15 May 2025.

Cash flow

The Group had a cash balance of £16.5m at 31 December 2024 (FY 23: £15.9m).

Cash flow for the year is set out below.

£'m	**FY 24**	**FY 23**
Adjusted EBITDA	**16.7**	16.0
Movement in working capital	**(1.2)**	0.7
Capital expenditure	**(6.8)**	(8.6)
Leases	**(1.7)**	(1.6)
Operating cash flow	**7.0**	6.5
Operating cash conversion %	**68.2%**	62.8%
Tax paid	**(2.7)**	(2.5)
Net finance cash flows	**(0.4)**	(0.6)
Dividend paid	**(2.0)**	(1.0)
EBT purchase of own shares	**(0.1)**	(0.4)
Acquisition of own shares	**(1.4)**	-
Exchange gain/(loss)	**0.2**	(1.2)
Net cash flow	**0.6**	0.8

Operating cash flow

Operating cash flow before tax payments and financing activities increased by £0.5m in the year to £7.0m. This increase is net of a £1.2m investment in working capital and a £1.8m reduction in capital expenditure as the Group has made a step change in the level of investment in new product development at Facilisgroup.

Operating cash conversion is an important metric for the Group. It's increase in the year to 68.2% (FY 23: 62.8%) provides us with further options around capital allocation.

Balance sheet and shareholders' funds

Net assets increased in the year by £2.9m, the balance sheet is summarised below:

£'m	**FY 24**	FY 23
Non-current assets	**69.2**	69.9
Working capital	**14.2**	13.0
Cash	**16.5**	15.9
Lease liabilities	**(6.9)**	(7.6)
Other net liabilities	**(1.6)**	(2.7)
Net assets	**91.4**	88.5

Non-current assets

Non-current assets are the most significant balance sheet category and comprise the following:

£'m	**FY 24**	FY 23
Goodwill	**36.0**	36.0
Customer relationships	**7.6**	8.0
Software development costs	**18.2**	17.3
Property, plant & equipment	**7.1**	8.3
Deferred tax assets	**0.3**	0.3
Non-current assets	**69.2**	69.9

Amounts classified as goodwill and customer relationships relate to historic acquisitions made by the Group.

Software development costs, which include £4.9m (FY 23: £5.7m) investment in the year into Facilisgroup technology products, arise from:

i) ongoing investment into Group proprietary software and, in particular, investment into the Facilisgroup technology platform to ensure that existing technology remains market leading and differentiated from our competitors; and

ii) new product development that will support our medium-term growth plans.

The costs are capitalised in accordance with IAS 38 and, once the product is released to market, amortised over the period, the Group expects to benefit from its development. The amortisation period is typically three years. During H2 2024 there was a reduction of $1.5m in the level of our investment into new product development at Facilisgroup. We expect a similar quantum of reduction in FY 25.

Property, Plant and Equipment primarily comprises the costs of Right-of-Use assets capitalised in accordance with IFRS 16 "Leases".

Working capital

Working capital of £14.1m is £1.2m higher than FY 23 of which £0.7m was the timing of Facilisgroup Community events.

Lease liabilities

Lease liabilities of £6.9m (FY 23: £7.6m) relate to Group properties capitalised in accordance with IFRS 16. The reduction in the year reflects payments made under the lease agreements.

Other net liabilities

Other net liabilities of £1.6m (FY 23: £2.7m) are net tax liabilities of which £1.6m (FY 23: £2.4m) is deferred tax. £1.4m of the deferred tax liability (FY 23: £1.5m) relates to acquired customer relationships. These liabilities will reverse over the period that the assets are amortised.

Alternative Performance Measures (APMs)

Throughout the Annual Report and related statements, the Group has used a number of APMs as key performance indicators in addition to those reported under IFRS. These are used to provide additional clarity to the Group's underlying financial performance and are used internally by management to monitor business performance, in its budgeting and forecasting and also for determination of Directors' and senior management remuneration. These APMs are not defined under IFRS and, therefore, may not be directly comparable with adjusted measures presented by other companies. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance. However, they are considered by management to be important measures used in the business for assessing performance. They have been consistently applied in all years presented.

The following are key non-GAAP measures identified by the Group and used in the Financial Statements.

Adjusted EBITDA which means operating profit before depreciation, amortisation, share-based payment credit/(charge) and exceptional items. Refer to note 11 for reconciliation.

Adjusted operating profit which means operating profit before amortisation of acquired intangible assets, share-based payment credit/(charge) and exceptional items. Refer to note 11 for reconciliation.

Adjusted profit before tax which means profit before tax, amortisation of acquired intangible assets, share-based payment credit/(charge) and exceptional items. Refer to note 11 for reconciliation.

Adjusted earnings which means profit after tax before amortisation of acquired intangible assets, share-based payment credit/(charge) and exceptional items net of taxation. Refer to note 11 for reconciliation.

Adjusted earnings per share which means Adjusted earnings divided by a weighted average number of shares in issue. Refer to note 10 for reconciliation.

Claire Thomson
Chief Financial Officer
17 March 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Note	**2024 £'000**	2023 £'000
Revenue	4	**125,268**	124,171
Cost of goods sold		**(69,816)**	(69,988)
Gross profit		**55,452**	54,183
Operating expenses	5	**(46,829)**	(46,185)
Operating profit		**8,623**	7,998
Analysed as:			
Adjusted EBITDA[1]		**16,687**	15,978
Depreciation	10	**(2,206)**	(2,248)
Amortisation	9	**(6,316)**	(5,184)
Share-based payment credit/(charge)	12	**458**	(548)
Operating profit		**8,623**	7,998
Finance expense		**(545)**	(589)
Profit before taxation		**8,078**	7,409
Income tax expense	5	**(1,712)**	(1,614)
Profit for the year		**6,366**	5,795
Basic earnings per share	6	**3.83p**	3.46p
Diluted earnings per share	6	**3.82p**	3.45p

Note 1 Adjusted EBITDA, which is defined as operating profit before depreciation, amortisation and share-based payment credit/(charge), is a non-GAAP metric used by management and is not an IFRS disclosure.

All results derive from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	£'000	£'000
Profit for the year	**6,366**	5,795
Items that may be subsequently reclassified to profit and loss		
Exchange differences on translation of foreign operations	**504**	(2,068)
Other comprehensive income/(expense) for the year	**504**	(2,068)
Total comprehensive income for the year	**6,870**	3,727

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Note	**£'000**	£'000
Assets			
Non-current assets			
Intangible assets	9	**61,758**	61,307
Property, plant and equipment	10	**7,123**	8,306
Deferred tax asset		**285**	282
Total non-current assets		**69,166**	69,895
Current assets			
Inventories		**12,095**	11,852
Trade and other receivables		**30,651**	30,158
Cash and cash equivalents		**16,459**	15,898
Current tax asset		**49**	-
Total current assets		**59,254**	57,908
Total assets		**128,420**	127,803
Liabilities			
Non-current liabilities			
Lease liability	21	**5,185**	6,130
Deferred tax liability		**1,645**	2,365
Total non-current liabilities		**6,830**	8,495
Current liabilities			
Lease liability	11	**1,652**	1,494
Trade and other payables		**28,562**	28,965
Current tax liability		**-**	381
Total current liabilities		**30,214**	30,840
Total liabilities		**37,044**	39,335
Net assets		**91,376**	88,468
Equity			
Share capital	12	**1,648**	1,675
Share premium	12	**78,451**	78,451
Own share reserve		**(251)**	(227)
Capital reserve		**152**	125
Merger reserve		**(103,581)**	(103,581)
Translation reserve		**(701)**	(1,205)
Share-based payment reserve		**1,442**	2,005
Retained earnings		**114,216**	111,225
Total equity		**91,376**	88,468

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital £'000	Share premium £'000	Own share reserve £'000	Capital reserve £'000	Merger reserve £'000	Translation reserve £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2023	1,675	78,451	-	125	(103,581)	863	1,892	106,164	85,589
Profit for the year	-	-	-	-	-	-	-	5,795	5,795
Other comprehensive expense for the year	-	-	-	-	-	(2,068)	-	-	(2,068)
Total comprehensive (expense)/income	-	-	-	-	-	(2,068)	-	5,795	3,727
Dividend paid (note 8)	-	-	-	-	-	-	-	(1,005)	(1,005)
Purchase of own shares by EBT	-	-	(395)	-	-	-	-	-	(395)
Employee share schemes – value of employee services (note 13)	-	-	168	-	-	-	136	271	575
Deferred tax on employee share schemes	-	-	-	-	-	-	(23)	-	(23)
Total transactions with owners recognised in equity		-	(227)	-	-	-	113	(734)	(848)
At 31 December 2023	1,675	78,451	(227)	125	(103,581)	(1,205)	2,005	111,225	88,468
Profit for the year	-	-	-	-	-	-	-	6,366	6,366
Other comprehensive income for the year	-	-	-	-	-	504	-	-	504
Total comprehensive income	-	-	-	-	-	504	-	6,366	6,870
Dividend paid (note 8)	-	-	-	-	-	-	-	(2,005)	(2,005)
Purchase of own shares (note 12)	(27)	-	-	27	-	-	-	(1,416)	(1,416)
Purchase of own shares by EBT (note 12)	-	-	(109)	-	-	-	-	-	(109)
Employee share schemes – value of employee services (note 13)	-	-	85	-	-	-	(563)	46	(432)
Deferred tax on employee share schemes	-	-	-	-	-	-	-	-	-
Total transactions with owners recognised in equity	(27)	-	(24)	27	-	-	(563)	(3,375)	(3,962)
At 31 December 2024	**1,648**	**78,451**	**(251)**	**152**	**(103,581)**	**(701)**	**1,442**	**114,216**	**91,376**

The Group has an Employee Benefit Trust (EBT) to administer share plans and to acquire shares, using funds contributed by the Group, to meet commitments to employee share schemes. At 31 December 2024, the EBT held 453,187 shares (2023: 412,637).

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

	Note	**2024** **£'000**	2023 £'000
Profit before taxation		**8,078**	7,409
Adjustments for:			
Depreciation	10	**2,206**	2,248
Amortisation	9	**6,316**	5,184
Share-based payment (credit)/charge	13	**(458)**	548
Profit on disposal of fixed assets		**-**	(18)
Finance expense		**545**	589
Cash flows from operating activities before changes in working capital		**16,687**	15,960
Change in inventories		**(285)**	3,595
Change in trade and other receivables		**(635)**	4,535
Change in trade and other payables		**(293)**	(7,422)
Cash flows from operating activities		**15,474**	16,668
Income taxes paid		**(2,655)**	(2,517)
Net cash flows from operating activities		**12,819**	14,151
Cash flows from investing activities			
Purchase of property, plant and equipment	10	**(203)**	(882)
Purchase of intangible assets	9	**(6,559)**	(7,648)
Net cash flows used in investing activities		**(6,762)**	(8,530)
Cash flows from financing activities			
Lease payments - capital		**(1,702)**	(1,600)
Lease payments - interest		**(357)**	(399)
Interest paid		**(86)**	(190)
Dividends paid	8	**(2,005)**	(1,005)
Share-based payments – cash-settled		**(7)**	-
Purchase of own shares	12	**(1,416)**	-
Purchase of own shares by EBT	12	**(109)**	(395)
Net cash flows used in financing activities		**(5,682)**	(3,589)
Net cash flows		**375**	2,032
Cash and cash equivalents at beginning of year		**15,898**	15,058
Effects of exchange rate changes		**186**	(1,192)
Cash and cash equivalents at end of year		**16,459**	15,898

1. GENERAL INFORMATION

The principal activity of The Pebble Group plc (the "Company") is that of a holding company and the principal activity of the Company and its subsidiaries (the "Group") is the sale of technology solutions, products and related services to the promotional merchandise industry. The Group has two segments: Brand Addition; and Facilisgroup. For Brand Addition, this is the sale of promotional products internationally, to many of the world's best-known brands. For Facilisgroup, this is the provision of digital technology, consolidated buying power, and community learning and networking events to SME promotional product distributors in North America, its Partners, through subscription-based services.

The Company was incorporated on 27 September 2019 in the United Kingdom and is a public company limited by shares registered in England and Wales. The registered office of the Company is Broadway House, Trafford Wharf Road, Trafford Park, Manchester, England M17 1DD. The Company registration number is 12231361.

Forward-looking statements

Certain statements in this Annual Report are forward looking with respect to the operations, strategy, performance, financial condition, and growth opportunities of the Group. The terms "expect", "anticipate", "should be", "will be", "is likely to", and similar expressions, identify forward-looking statements. Although the Board believes that the expectations reflected in these forward-looking statements are reasonable, by their nature these statements are based on assumptions and are subject to a number of risks and uncertainties. Actual events could differ materially from those expressed or implied by these forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, without limitation: general economic conditions and business conditions in the Group's markets, customers' expectations and behaviours, supply chain developments, technology changes, the actions of competitors, exchange rate fluctuations, and legislative, fiscal and regulatory developments. Information contained in these financial statements relating to the Group should not be relied upon as a guide to future performance.

Alternative performance measures

Throughout the Annual Report, we refer to a number of alternative performance measures (APMs). APMs are used internally by management to assess the operating performance of the Group. These are non-GAAP measures and so other entities may not calculate these measures in the same way and hence are not directly comparable. The APMs that are not recognised under UK-adopted international accounting standards are:

- Adjusted EBITDA;
- Adjusted operating profit;
- Adjusted profit before tax;
- Adjusted earnings; and
- Adjusted earnings per share (EPS) (note 6).

A reconciliation of the APMs can be found in note 7.

The Board considers that the above APMs provide useful information for stakeholders on the underlying trends and performance of the Group and facilitate meaningful year on year comparisons.

2. ACCOUNTING POLICIES

(a) Audited preliminary or annual results announcements

The financial information for the year ended 31 December 2024 and the year ended 31 December 2023 does not constitute the company's statutory accounts for those years.

Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The auditors' report issued by BDO LLP on the accounts for the year ended 31 December 2024 and auditors' report issued by PricewaterhouseCoopers LLP for the year ended 31 December 2023 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The financial information is presented in Sterling and has been rounded to the nearest thousand (£'000).

(b) Going concern

The Group meets its day-to-day working capital requirements through its own cash balances and committed banking facilities. The Group refinanced its £10m revolving credit facility in February 2025 for a four-year period to February 2029. In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the Directors have prepared cash flow forecasts and projections up to 31 December 2026. The Directors have considered the principal risks and uncertainties with respect to their assessment, none of which in the opinion of the Directors give rise to specific risk to the going concern basis of the operating segments or Group.

The forecasts and projections, which the Directors consider to be prudent, have been further sensitised by applying reductions to revenue growth and margin, to consider a severe but plausible downside. Under both the base and sensitised case, the Group is expected to have headroom against covenants, which are based on interest cover and net leverage, and a sufficient level of financial resources available through existing facilities when the future funding requirements of the Group are compared with the level of committed available facilities. In addition, the Directors have prepared a severe downside scenario to determine the level of revenue decline required for the Group to no longer be considered a going concern. The analysis demonstrates that revenue would need to fall by 27% from forecast levels with no remedial action for this to occur. Even in this extreme scenario, the Group would retain sufficient liquidity to meet its obligations and continue operations beyond 31 December 2026.

Based on this, the Directors are satisfied that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements. For this reason, they continue to adopt the going concern basis in preparing the Group and Company financial statements.

(c) New standards, amendments and interpretations

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

The amendments listed above do not have any impact on the amounts recognised in prior periods and are not expected to significantly affect current or future periods.

New standards and interpretations not yet adopted

Standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group:

- Lack of Exchangeability (Amendments to IAS 21);

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- IFRS 18 Presentation and Disclosure in Financial Statements issued; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on these financial statements together with estimates with a significant risk of material adjustment in the next year are discussed in note 3.

(d) Basis of consolidation

Subsidiaries are defined as entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Employee Benefit Trust (EBT)

The Group established an EBT (The Pebble Group Employee Benefit Trust) on 2 May 2023 to enable shares to be bought in the market to satisfy the demand from share awards under the Group's employee share schemes. The EBT is a separately administered trust and is funded by contributions from Group companies in the form of a loan or a gift. The assets of the trust comprise shares in The Pebble Group plc and cash balances. The Group recognises the assets and liabilities of the trust in the consolidated financial statements and shares held by the trust are recorded in the own share reserve as a deduction from shareholders' equity.

(e) Revenue

Revenue arises from the provision of services through digital technology and a global infrastructure that enables the efficient sale and distribution of products to support corporate marketing activity and consumer promotions of businesses in Europe, North America and Asia.

To determine whether to recognise revenue, the Group follows the 5-step process as set out within IFRS 15:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is measured at transaction price, stated net of VAT, refunds, customer rebates and other sales related taxes.

Revenue is recognised either at a point in time, or over-time as the Group satisfies performance obligations by transferring the promised goods and services to its customers as described below. Variable consideration, in the form of customer rebates, is recognised at a point in time.

Facilisgroup provision of digital technology, consolidated buying power and community learning through subscription-based services

Services are provided through signed annual Partner agreements. There is one distinct performance obligation, being the provision of access to the Facilisgroup network. The transaction price is set on 1 January each year by reference to the previous year sales volumes and is fixed for the financial year. For new Partners, the transaction price is calculated by reference to forecasted sales for the year the Partner joins. Revenue is recognised over time on a monthly basis as the Partners receive the benefits of being part of the network. Payments are received on a monthly basis as the performance obligations are satisfied over time.

Revenue earned from Preferred Suppliers is recognised over time on a monthly basis in line with orders placed by Partners with these suppliers. Payments are received bi-annually.

Brand Addition sale of promotional products

Contracts with customers take the form of customer orders under a framework agreement. There is one distinct performance obligation, being the design, sourcing and distribution of products to the customer, for which the transaction price is clearly identified. Revenue is recognised at a point in time when the Group satisfies performance obligations by transferring the promised goods to its customers, i.e. when control has passed from the Group to the customer. This tends to be on receipt of the product by the customer.

Customer invoices tend to be raised when the goods are despatched and the performance obligation is satisfied. These invoices are shown within trade receivables and payment is usually made within 60 days (being the common payment terms). In cases where the goods have been delivered and an invoice cannot be raised at that time, the income is accrued and presented within other receivables in the statement of financial position. A small number of customers are invoiced in advance and these amounts are deferred and presented within contract liabilities.

(f) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on: the initial recognition of goodwill; the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

A net deferred tax asset is regarded as recoverable, and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Intangible assets

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately, or which arise from legal or contractual rights regardless of whether those rights are separable and are initially recognised at fair value.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. Other intangibles are stated at cost less accumulated amortisation and accumulated impairment losses.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the date of acquisition. Customer relationships have a finite life and are subsequently carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of these assets over their estimated useful lives of 20 years.

Development costs

Research costs are charged to the income statement in the year in which they are incurred and are presented within operating expenses. Internal development costs that are incurred during the development of significant and separately identifiable new technology are capitalised when the following criteria are met:

- it is technically feasible to complete the technological development so that it will be available for use;
- management intends to complete the technological development and use or sell it;
- it can be demonstrated how the technological development will develop probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- expenditure attributable to the technological product during its development can be reliably measured.

Capitalised development costs include costs of materials and direct labour costs. Internal costs that are capitalised are limited to incremental costs specific to the project.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred and presented within operating expenses, together with any amortisation which is charged to the income statement on a straight-line basis over the estimated useful lives of development intangible assets.

Assets classified as “work in progress” are not amortised as such assets are not currently available for use at the year end. Once available for use, assets will be recategorised and amortised at the rate appropriate to their classification.

Computer software

Computer software purchased separately, that does not form an integral part of related hardware, is capitalised at cost.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite and is presented within operating expenses. All intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer relationships – 20 years; and
- Software and development costs – 3-5 years.

(h) Impairment losses

The carrying amounts of the Group’s assets are tested for impairment. Assets with an indefinite useful life are not depreciated or amortised but are tested for impairment at each reporting date. Assets subject to amortisation/depreciation and impairment losses are tested for impairment every time events or circumstances indicate that they may be impaired.

Impairment losses are recognised in the income statement based on the difference between the carrying amount and the recoverable amount.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value in use. To determine the value in use, management estimates expected future cash flows and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each asset and reflect current market assessments of the time value of money and asset-specific risk.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics; they have been grouped based on the days past due.

(i) Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the parent company operates (the "functional currency"). The functional and presentational currency is Sterling.

The functional currency of a subsidiary is determined based on specific primary and secondary factors including the principal currency of the cash flows and the primary economic environment in which the subsidiary operates. Once determined, the functional currency is used and translated for consolidation purposes.

Foreign currency items are translated using the transaction date exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate. Foreign currency differences are taken to the income statement. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the transaction date exchange rate.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at closing rates. The income and expenses of foreign operations are translated at the average exchange rate of the year which approximates to the transaction date exchange rates. Exchange differences arising on consolidation are presented within other comprehensive income.

(j) Property, plant and equipment and depreciation

Property, plant and equipment are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Depreciation is calculated using straight-line method so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Fixtures and fittings – 3 - 15 years; and
- Computer hardware – 5 years.

(k) Leases

The Group applies IFRS 16 to account for leases. At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to restore the underlying asset, less any lease incentives received. Extension and termination options are included in a number of property and equipment leases across the Group and so lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using the Group's incremental borrowing rate, which is based on the Group's financing facilities, and adjusted where necessary for the specific terms of the lease.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right-of-use asset is zero.

The Group presents right-of-use assets within property, plant and equipment in note 10.

Short-term leases and low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term. Any expense for short-term and low value leases is not material and has not been presented.

(l) Segmental reporting

The Group reports its business activities in two areas being:

- Brand Addition - sale of promotional products through services provided under framework contracts on an international basis; and
- Facilisgroup - provision of digital technology, consolidated buying power and community learning and networking events to SME promotional product distributors in North America through subscription-based services.

This is reported in a manner consistent with the internal reporting to the Executive Directors, who have been identified as the Chief Operating Decision Maker.

(m) Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are included in other payables within trade and other payables in the statement of financial position. The assets of the plans are held separately from the Group in independently administered funds.

Share-based payments

Equity-settled awards are valued at the grant date, and the fair value is charged as an expense in the income statement spread over the vesting period. Fair value of the awards are measured using an adjusted form of the Black-Scholes model which includes a Monte Carlo simulation model. The fair value of the options, appraised at the grant date, includes the impact of market-based vesting conditions if applicable.

Share-based remuneration is recognised as an expense/credit in profit or loss with the credit/debit side of the entry being recorded in equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

(n) Equity, reserves and dividend payments

Share capital

Share capital represents the nominal (par) value of shares that have been issued.

Share premium

Share premium represents the difference between the nominal value of shares issued and the fair value of consideration received. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Own share reserve

Own share reserve represents Ordinary Shares in the Company held by the Employee Benefit Trust set up in 2023 to administer share plans and acquire shares, using funds contributed by the Group, to meet commitments to employee share schemes.

Capital reserve

The capital reserve was created in 2021 as a result of the purchase by the Company of all deferred shares in issue.

Merger reserve

The merger reserve was created as a result of the share for share exchange under which The Pebble Group plc became the parent undertaking prior to the Initial Public Offering (IPO). Under merger accounting principles, the assets and liabilities of the subsidiaries were consolidated at book value in the Group financial statements and the consolidated reserves of the Group were adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always existed, with the difference presented as the merger reserve.

Translation reserve

The translation reserve includes foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities.

Retained earnings

Retained earnings includes all current and prior period retained profits and losses. When share capital recognised as equity is repurchased by the Group, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are subsequently cancelled and classified as a deduction in Share capital with a corresponding increase in Capital reserve.

All transactions with owners of the parent are recorded separately within equity.

Dividends

Dividends are recognised when approved by the Group's shareholders or, in the case of interim dividends, when the dividend has been paid. No interim dividend has been paid in the year (2023: £nil). The Directors recommend the payment of a final dividend for 2024 of 1.85 pence per share (2023: 1.2 pence per share).

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the preparation of the Group financial statements, the Directors, in applying the accounting policies of the Group, make some judgements and estimates that affect the reported amounts in the financial statements. The following are the areas requiring the use of judgement and estimates that may significantly impact the financial statements:

(a) Accounting estimates

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Goodwill impairment

The Group tests goodwill for impairment every year in accordance with the relevant accounting policies. The recoverable amounts of cash-generating units are determined by calculating value in use.

Goodwill relates to the various acquisitions made and amounts to £36,015,000 as at 31 December 2024 (2023: £35,964,000). The estimates used in the impairment calculation are set out in note 13. There is no significant risk of material adjustment to the carrying amount of the goodwill within the next 12 months. The sensitivities applied are explained in note 9.

Useful economic lives of intangible assets

The Directors have estimated the useful economic lives of the acquired customer intangible assets to be 20 years based upon attrition rates and the Directors' judgement. These lives are reviewed and updated annually. There is no significant risk of material adjustment to the carrying amount of the intangible assets within the next 12 months. No reasonable sensitivity performed in relation to the useful economic lives assumption would result in a material change in the carrying value of intangible assets.

During the year, the Directors made the decision to align the useful lives of certain acquired intangible assets with those that are internally generated. The impact of this change is explained in note 9.

Share-based payment charge/credit

Fair values used in calculating the amount to be expensed as a share-based payment is subject to a level of uncertainty. These fair values are calculated by applying a valuation model, which is in itself judgemental, and takes into account certain inherently uncertain assumptions. The basic assumptions that are used in the calculations are explained further in note 13. No reasonable sensitivity performed in relation to the share-based payment assumptions would result in a material change to the charge/credit in the consolidated income statement.

(b) Accounting judgements

The following are the areas requiring the use of judgement that may significantly impact the Group financial statements:

Capitalisation of internal development costs

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. There is also some judgement required in relation to the proportion of time capitalised for employees working on the development of internally generated intangible assets. After capitalisation, management monitors whether the recognition requirements continue to be met and at what point amortisation should commence, in addition to whether there are any indicators that capitalised costs may be impaired.

4. SEGMENTAL ANALYSIS

The Chief Operating Decision Maker (CODM) has been identified as the Executive Directors. The Directors have determined that the operating segments, based on these financial statements, are:

- Brand Addition - sale of promotional products through complex services provided under framework contracts on an international basis;
- Facilisgroup - provision of technology solutions, consolidated buying power and community learning and networking events to SME promotional product distributors in North America through subscription-based services; and
- Central operations – certain central activities and costs that are not directly related to the activities of the operating segments.

Segment information about the above businesses is presented on the following pages.

The Executive Directors assess the performance of the operating segments based on Adjusted EBITDA and operating profit. Other information provided to the Directors is measured in a manner consistent with that in the financial statements. Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Segment assets exclude centrally held cash at bank and in hand.

Major customers

In 2024, there was one major customer that individually accounted for at least 10% of total revenues (2023: one). In 2024, the revenue relating to this customer was £13,787,000 (2023: £12,511,000) and related to the Brand Addition segment.

Analysis of revenue by geographical destination

	2024 **£'000**	2023 £'000
United Kingdom	**18,193**	21,710
Continental Europe	**41,944**	41,896
North America	**42,713**	39,924
Rest of World	**22,418**	20,641
Total revenue	**125,268**	124,171

The geographical revenue information above is based on the location of the customer.

Included within Rest of World is £18,250,000 of revenue from China (2023: £14,378,000) and included within Continental Europe is £9,695,000 of revenue from Germany (2023: £8,917,000). No other individual countries represented more than 5% of total revenues and therefore are not considered by management to be individually material.

All £17,595,000 of revenue related to the Facilisgroup segment is included within North America (2023: £17,895,000).

All the above revenues are generated from contracts with customers and are recognised at a point in time or over time as follows:

	2024 **£'000**	2023 £'000
At a point in time	**108,407**	107,128
Over time	**16,861**	17,043
Total revenue	**125,268**	124,171

All £107,673,000 of revenue related to the Brand Addition segment is recognised at a point in time (2023: £106,276,000).

All non-current assets of the Group reside in the UK, with the exception of non-current assets with a net book value of £31,248,000 (2023: £31,525,000) which were located in North America and £2,091,000 (2023: £2,006,000) located in other foreign countries.

Income statement for the year ended 31 December 2024

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	**Total Group £'000**
Revenue	107,673	17,595	-	**125,268**
Cost of goods sold	(69,816)	-	-	**(69,816)**
Gross profit	37,857	17,595	-	**55,452**
Operating expenses	(29,979)	(14,125)	(2,725)	**(46,829)**
Operating profit/(loss)	7,878	3,470	(2,725)	**8,623**
Analysed as:				
Adjusted EBITDA	10,771	8,760	(2,844)	**16,687**
Depreciation	(1,612)	(552)	(42)	**(2,206)**
Amortisation	(1,499)	(4,817)	-	**(6,316)**
Share-based payment credit	218	79	161	**458**
Operating profit/(loss)	7,878	3,470	(2,725)	**8,623**
Finance expense	(292)	(60)	(193)	**(545)**
Profit/(loss) before taxation	7,586	3,410	(2,918)	**8,078**
Income tax expense	(1,094)	(597)	(21)	**(1,712)**
Profit/(loss) for the year	6,492	2,813	(2,939)	**6,366**

Statement of financial position as at 31 December 2024

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	**Total Group £'000**
Assets				
Non-current assets				
Intangible assets	38,593	23,165	-	**61,758**
Property, plant and equipment	4,522	2,373	228	**7,123**
Deferred tax asset	187	-	98	**285**
Total non-current assets	43,302	25,538	326	**69,166**
Current assets				
Inventories	12,095	-	-	**12,095**
Trade and other receivables	24,649	5,726	276	**30,651**
Cash and cash equivalents	11,435	1,207	3,817	**16,459**
Current tax asset	10	39	-	**49**
Total current assets	48,189	6,972	4,093	**59,254**
Total assets	91,491	32,510	4,419	**128,420**
Liabilities				
Non-current liabilities				
Lease liability	3,269	1,788	128	**5,185**
Deferred tax liability	-	1,645	-	**1,645**
Total non-current liabilities	3,269	3,433	128	**6,830**
Current liabilities				
Lease liability	1,311	292	49	**1,652**
Trade and other payables	25,935	1,954	673	**28,562**
Total current liabilities	27,246	2,246	722	**30,214**
Total liabilities	30,515	5,679	850	**37,044**
Net assets	60,976	26,831	3,569	**91,376**

Income statement for the year ended 31 December 2023

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	Total Group £'000
Revenue	106,276	17,895	-	124,171
Cost of goods sold	(69,988)	-	-	(69,988)
Gross profit	36,288	17,895	-	54,183
Operating expenses	(30,084)	(13,514)	(2,587)	(46,185)
Operating profit/(loss)	6,204	4,381	(2,587)	7,998
Analysed as:				
Adjusted EBITDA	9,491	8,851	(2,364)	15,978
Depreciation	(1,640)	(571)	(37)	(2,248)
Amortisation	(1,335)	(3,849)	-	(5,184)
Share-based payment charge	(312)	(50)	(186)	(548)
Operating profit/(loss)	6,204	4,381	(2,587)	7,998
Finance expense	(345)	(67)	(177)	(589)
Profit/(loss) before taxation	5,859	4,314	(2,764)	7,409
Income tax expense	(891)	(700)	(23)	(1,614)
Profit/(loss) for the year	4,968	3,614	(2,787)	5,795

Statement of financial position as at 31 December 2023

	Brand Addition £'000	Facilisgroup £'000	Central operations £'000	Total Group £'000
Assets				
Non-current assets				
Intangible assets	38,472	22,835	-	61,307
Property, plant and equipment	5,269	2,803	234	8,306
Deferred tax asset	158	-	124	282
Total non-current assets	43,899	25,638	358	69,895
Current assets				
Inventories	11,852	-	-	11,852
Trade and other receivables	24,956	4,921	281	30,158
Cash and cash equivalents	12,906	1,607	1,385	15,898
Total current assets	49,714	6,528	1,666	57,908
Total assets	93,613	32,166	2,024	127,803
Liabilities				
Non-current liabilities				
Lease liability	4,161	1,969	-	6,130
Deferred tax liability	-	2,365	-	2,365
Total non-current liabilities	4,161	4,334	-	8,495
Current liabilities				
Lease liability	1,195	299	-	1,494
Trade and other payables	26,519	2,006	440	28,965
Current tax liability/(asset)	(202)	583	-	381
Total current liabilities	27,512	2,888	440	30,840
Total liabilities	31,673	7,222	440	39,335
Net assets	61,940	24,944	1,584	88,468

5. INCOME TAX EXPENSE

	2024	2023
	£'000	£'000
Current income tax		
- UK corporation tax charge for the year	**994**	575
- Adjustments in respect of prior years	**(170)**	(337)
- Foreign tax	**1,362**	1,652
Total current income tax	**2,186**	1,890
Deferred tax		
- Origination and reversal of temporary differences	**(355)**	(413)
- Adjustments in respect of prior years	**(403)**	137
- Changes in tax rates	**284**	-
Total deferred tax	**(474)**	(276)
Total income tax expense	**1,712**	1,614

The expected corporation tax charge for the year is calculated at the UK corporation tax rate of 25% (2023: 23.5%) on the profit before taxation for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions in which the Group operates.

The charge for the year can be reconciled to the profit in the consolidated income statement as follows:

Analysis of charge in year	**2024**	2023
	£'000	£'000
Reconciliation of total tax charge:		
Profit before taxation	**8,078**	7,409
Profit before taxation multiplied by the rate of corporation tax in the UK of 25% (2023: 23.5%)	**2,020**	1,741
Effects of:		
Adjustments in respect of prior years	**(573)**	(200)
Non-deductible income	**(64)**	(27)
Differences in tax rates in overseas jurisdictions	**47**	100
Unrecognised for deferred tax	**(2)**	-
Impact of rate change on deferred tax	**284**	-
Total income tax expense	**1,712**	1,614

Factors that may affect future tax charges

As a Group with worldwide operations, The Pebble Group plc is subject to several factors that may affect future tax charges, principally the levels and mix of profitability in different jurisdictions, transfer pricing regulations, tax rates imposed and tax regime reforms.

On 11 July 2023, Finance (No.2) Act 2023 was enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Pebble Group plc is continuing to monitor potential impacts as further guidance is published by the OECD and territories implement legislation to enact the rules. Management has performed an assessment of the impact of the UK's Pillar 2 rules and no Pillar 2 Income Taxes are expected to arise in the jurisdictions in which the Group operates.

Amounts recognised directly in equity

Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly charged to equity:

	2024	2023
	£'000	£'000
Deferred tax: charge relating to employee share schemes – value of employee services	**-**	23

6. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of Ordinary Shares in issue during the year. The difference between the opening number of Ordinary Shares as at 1 January 2024 and the weighted average number of Ordinary Shares in issue during the year is due to shares repurchased under the Group's share buyback programme, as detailed in note 12.

For diluted earnings per share, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all potentially dilutive Ordinary Shares. The Company has potentially dilutive Ordinary Shares arising from share options granted to employees.

Options are dilutive under the Group Sharesave Plan (SAYE), where the exercise price together with the future IFRS 2 charge of the option is less than the average market price of the Company's Ordinary Shares during the year. Options under The Pebble Group plc Long Term Incentive Plan (LTIP), as defined by IFRS 2, are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions, as set out in note 13, are satisfied at the end of the reporting period, irrespective of whether this is the end of the vesting period or not.

The impact of the potentially dilutive share options issued under the LTIP on 29 March 2022, 28 March 2023 and 26 March 2024 and the SAYE on 25 April 2023 and 11 October 2024 is: 0.01p (2023: 0.01p) in respect of statutory earnings per share; and 0.01p (2023: 0.01p) in respect of adjusted earnings per share.

Statutory EPS

	2024	2023
Earnings (£'000)		
Earnings for the purposes of basic and diluted earnings per share being profit for the year attributable to equity shareholders	**6,366**	5,795
Number of shares		
Weighted average number of shares for the purposes of basic earnings per share	**166,216,248**	167,412,949
Weighted average dilutive effects of conditional share awards	**441,975**	445,904
Weighted average number of shares for the purposes of diluted earnings per share	**166,658,223**	167,858,853
Earnings per Ordinary Share (pence)		
Basic earnings per Ordinary Share	**3.83**	3.46
Diluted earnings per Ordinary Share	**3.82**	3.45

Adjusted EPS

The calculation of adjusted earnings per share is based on the after-tax adjusted profit after adding back certain costs as detailed in note 7. Adjusted earnings per share figures are given to exclude the effects of amortisation of acquired intangible assets and share-based payment (credit)/charge, all net of taxation, and are considered to show the underlying performance of the Group.

	2024	2023
Earnings (£'000)		
Earnings for the purposes of basic and diluted adjusted earnings per share being adjusted earnings (note 7)	**7,693**	7,708
Number of shares		
Weighted average number of shares for the purposes of basic adjusted earnings per share	**166,216,248**	167,412,949
Weighted average dilutive effects of conditional share awards	**441,975**	445,904
Weighted average number of shares for the purposes of diluted adjusted earnings per share	**166,658,223**	167,858,853
Adjusted earnings per Ordinary Share (pence)		
Basic adjusted earnings per Ordinary Share	**4.63**	4.60
Diluted adjusted earnings per Ordinary Share	**4.62**	4.59

7. ALTERNATIVE PERFORMANCE MEASURES (APMs)

Throughout the consolidated financial statements, we refer to a number of APMs. A reconciliation of the APMs used are shown below.

Adjusted EBITDA:

	2024 **£'000**	2023 £'000
Operating profit	**8,623**	7,998
Add back/(deduct):		
Depreciation	**2,206**	2,248
Amortisation	**6,316**	5,184
Share-based payment (credit)/charge	**(458)**	548
Adjusted EBITDA	**16,687**	15,978

Adjusted operating profit:

	2024 **£'000**	2023 £'000
Operating profit	**8,623**	7,998
Add back/(deduct):		
Amortisation charge on acquired intangible assets (note 9)	**2,113**	1,901
Share-based payment (credit)/charge	**(458)**	548
Adjusted operating profit	**10,278**	10,447

Adjusted profit before tax:

	2024 **£'000**	**2023** **£'000**
Profit before tax	**8,078**	7,409
Add back/(deduct):		
Amortisation charge on acquired intangible assets (note 9)	**2,113**	1,901
Share-based payment (credit)/charge	**(458)**	548
Adjusted profit before tax	**9,733**	9,858

Adjusted earnings:

	2024 **£'000**	2023 £'000
Profit for the year attributable to equity shareholders	**6,366**	5,795
Add back/(deduct):		
Amortisation charge on acquired intangible assets (note 9)	**2,113**	1,901
Share-based payment (credit)/charge	**(458)**	548
Tax effect of the above	**(328)**	(536)
Adjusted earnings	**7,693**	7,708

8. DIVIDENDS PAID AND PROPOSED

	2024 **£'000**	2023 £'000
Declared and paid during the year		
Final dividend of 1.2p (2023: 0.6p) per share proposed and paid during the year relating to the previous year's results	**2,005**	1,005
Proposed for approval at AGM (not recognised as a liability at 31 December)		
Final dividend for 2024 of 1.85p (2023: 1.2p) per share	**3,000**	2,005

As per the Trust Deed, the EBT has waived its entitlement to a dividend on the shares held by the trust.

9. INTANGIBLE ASSETS

	Goodwill £'000	Customer relationships £'000	Software and development costs £'000	Work in progress £'000	Total £'000
Cost					
At 1 January 2023	36,139	11,322	24,877	4,085	76,423
Exchange differences	(175)	(554)	(672)	(195)	(1,596)
Additions	-	-	661	6,987	7,648
Disposals	-	-	(186)	-	(186)
Transfers	-	-	4,200	(4,200)	-
At 31 December 2023	35,964	10,768	28,880	6,677	82,289
Exchange differences	51	164	(130)	81	166
Additions	-	-	479	6,080	6,559
Disposals	-	-	(22)	-	(22)
Transfers	-	-	5,578	(5,578)	-
At 31 December 2024	**36,015**	**10,932**	**34,785**	**7,260**	**88,992**
Accumulated amortisation					
At 1 January 2023	-	2,372	14,049	-	16,421
Exchange differences	-	(123)	(345)	-	(468)
Charge for the year	-	550	4,634	-	5,184
Disposals	-	-	(155)	-	(155)
At 31 December 2023	-	2,799	18,183	-	20,982
Exchange differences	-	50	(92)	-	(42)
Charge for the year	-	537	5,779	-	6,316
Disposals	-	-	(22)	-	(22)
At 31 December 2024	**-**	**3,386**	**23,848**	**-**	**27,234**
Net book value					
At 31 December 2022	36,139	8,950	10,828	4,085	60,002
At 31 December 2023	35,964	7,969	10,697	6,677	61,307
At 31 December 2024	**36,015**	**7,546**	**10,937**	**7,260**	**61,758**

All additions were paid for in the year.

Staff costs of £5,367,000 (2023: £6,626,000) have been capitalised as intangible assets. The net book value of internally generated assets is £16,797,000 (2023: £13,785,000), which relates to all of the work in progress balance and the remaining amount is within software and development costs.

Individually material intangible assets held by the Group as at 31 December 2024 relate to the Facilisgroup technology platform with a net book value of £6,425,000 (2023: £7,031,000) included within software and development costs which had a remaining amortisation period of between 1 and 3 years (2023: 1 and 3 years) and £7,062,000 (2023: £5,820,000) included within work in progress.

The amortisation charge for the year ended 31 December 2024 includes £2,113,000 (2023: £1,901,000) in respect of acquired intangible assets. This includes a charge of £950,000 (2023: £494,000) which has been accelerated to align the useful lives of certain acquired intangible assets with those that are internally generated.

The remaining amortisation periods for customer relationships are between 12 and 14 years (2023: 13 and 15 years) and for software and development costs are between 1 and 5 years (2023: 1 and 5 years).

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired.

Goodwill is attributed to the respective cash-generating units (CGUs) within the Group (Brand Addition and Facilisgroup). The recoverable amounts of the assets within the CGUs is determined using value in use calculations. In assessing the value in use the estimated future cash flows of the CGU are discounted to their present value using a pre-tax discount rate. Cash flows are based upon budgeted cash flows covering a five-year period.

The key assumptions for value in use calculations are those regarding discount rate, growth rates and expected changes to revenues and costs in the period, as follows:

Brand Addition

- 2025 forecast with growth rates applied to revenue of 6% each year
- EBITDA margin of 10% (2023: 10%) was applied to all years
- Pre-tax market weighted average cost of capital (WACC) of 13.5% (2023: 12.6%)

Facilisgroup

- 2025 forecast with growth rates applied to revenue of 9% for 2026 and 11% for 2027 to 2029
- EBITDA margin of 50% (2023: 50-55%) was applied to all years
- Pre-tax market weighted average cost of capital (WACC) of 15.7% (2023: 13.9%)

Appropriate adjustments were also made for changes in working capital and other cash flows to both CGUs.

These growth rates are based on past experience and market conditions and discount rates are consistent with external information. The growth rates shown are the average applied to the cash flows of the individual CGUs and do not form a basis for estimating the consolidated profits of the Group in the future.

Sensitivities to revenue and margin, consistent with those used in the going concern analysis, were applied to each CGU. Additionally, the impact on headroom arising from a 2% increase in the WACC was also considered.

The value in use calculations described above, together with sensitivity analysis using reasonably possible changes in the key assumptions as set out above, indicate the Group has adequate headroom and therefore do not give rise to impairment concerns.

Having completed the impairment reviews at the date of transition and at each subsequent balance sheet date, no impairments were identified.

Goodwill is attributable to the following segments:

	2024	2023
	£'000	£'000
Brand Addition	**33,057**	33,057
Facilisgroup	**2,958**	2,907
	36,015	35,964

The value in use, calculated as described above and attributable to each CGU, under both the base and sensitised cases are detailed below.

	2024			2023
	Base case	**Decrease in revenue growth and margin**	**Increase in WACC**	Base case
	£'000	**£'000**	**£'000**	£'000
Brand Addition	**80,359**	**62,463**	**66,805**	102,824
Facilisgroup	**51,624**	**34,205**	**42,704**	98,560
	131,983	**96,668**	**109,509**	201,384

Under both sensitivities, there is headroom for both CGUs.

Management considers that no reasonably possible changes would reduce either CGUs headroom to £nil. The reduction from prior year is driven by revenue growth rates and phasing for Facilisgroup’s new products and an increase in the WACC for both CGUs.

10. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £'000	Computer hardware £'000	Right-of-use assets £'000	Total £'000
Cost				
At 1 January 2023	3,555	2,671	13,798	20,024
Exchange differences	(118)	(74)	(394)	(586)
Additions	245	626	516	1,387
Disposals	-	(350)	(477)	(827)
At 31 December 2023	3,682	2,873	13,443	19,998
Exchange differences	14	(22)	(46)	(54)
Additions	65	138	859	1,062
Disposals	(1)	(103)	(560)	(664)
At 31 December 2024	**3,760**	**2,886**	**13,696**	**20,342**
Accumulated depreciation				
At 1 January 2023	2,640	1,572	6,320	10,532
Exchange differences	(81)	(48)	(143)	(272)
Charge for the year	278	465	1,505	2,248
Disposals	-	(345)	(471)	(816)
At 31 December 2023	2,837	1,644	7,211	11,692
Exchange differences	16	(15)	(16)	(15)
Charge for the year	259	462	1,485	2,206
Disposals	(1)	(103)	(560)	(664)
At 31 December 2024	**3,111**	**1,988**	**8,120**	**13,219**
Net book value				
At 31 December 2022	915	1,099	7,478	9,492
At 31 December 2023	845	1,229	6,232	8,306
At 31 December 2024	**649**	**898**	**5,576**	**7,123**

All additions (excluding right-of-use assets) were paid in the year.

Right-of-use assets – net book value	**2024 £'000**	2023 £'000
Leasehold property	**5,112**	5,943
Fixtures and fittings	**393**	100
Computer hardware	**71**	189
Total right-of-use assets – net book value	**5,576**	6,232

11. LEASES

Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

Right-of-use assets

	£'000
At 1 January 2023	7,478
Exchange differences	(251)
New leases recognised in the year	516
Disposals	(6)
Depreciation charge for the year	(1,505)
At 31 December 2023	6,232
Exchange differences	(30)
New leases recognised in the year	859
Depreciation charge for the year	(1,485)
At 31 December 2024	**5,576**

These are included within property, plant and equipment in the statement of financial position.

Lease liability	**2024**	**2023**
	£'000	£'000
Not more than one year		
Minimum lease payments	**1,998**	1,807
Interest element	**(346)**	(313)
Present value of minimum lease payments	**1,652**	1,494
Between one and five years		
Minimum lease payments	**5,046**	5,621
Interest element	**(340)**	(563)
Present value of minimum lease payments	**4,706**	5,058
More than five years		
Minimum lease payments	**504**	1,104
Interest element	**(25)**	(32)
Present value of minimum lease payments	**479**	1,072
Current	**1,652**	1,494
Non-current	**5,185**	6,130
Total present value of minimum lease payments	**6,837**	7,624

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2024	2023
	£'000	£'000
Depreciation charge – leasehold property	**1,330**	1,365
Depreciation charge – fixtures and fittings	**129**	86
Depreciation charge – computer hardware	**26**	54
	1,485	1,505
Interest expense (within finance expense)	**357**	399

The above leases relate to office space, computer equipment and motor vehicles. The net book value by category is set out in note 10.

12. SHARE CAPITAL

The authorised, issued and fully paid number of shares are set out below.

	Ordinary Shares Number	Share capital £	Share premium £
Ordinary Shares of 1p each:			
At 1 January 2023 and 31 December 2023	167,450,893	1,674,509	78,451,312
Purchase of own shares	(2,674,539)	(26,745)	-
At 31 December 2024	**164,776,354**	**1,647,764**	**78,451,312**

The Ordinary Shares have full voting, dividend and capital distribution rights, including on winding up. They are non-redeemable.

In May 2024, the Group commenced a share buyback programme to repurchase up to £5 million of its own shares. During the year, 2,674,539 Ordinary Shares with a total nominal value of £26,745 were bought back by the Company for a total consideration, including transaction costs, of £1,415,570, charged to retained earnings. The Company subsequently cancelled these shares which resulted in a reduction in share capital of £26,745, with a corresponding increase in the capital reserve. Details of the individual transactions can be found in the RNS announcements section of the Company's website.

During the year, the EBT purchased a total of 194,085 Ordinary Shares at an average price of £0.56 per share, which were used to satisfy the exercise of 153,535 LTIP options. The EBT did not sell any shares and the remaining 453,187 shares are held by the Trust.

13. SHARE-BASED PAYMENTS

In the year ended 31 December 2024, the Group operated equity-settled share-based payment plans.

During the year, the Group recognised a total credit of £458,000 (2023: charge of £548,000) in respect of share-based payment transactions. The credit in the current year arose due to the reversal of costs previously charged relating to the non-market performance conditions of the options granted under the 2022 and 2023 Long Term Incentive Plans offset in part by expenses recognised for the 2024 plan. The difference between the above and the amount recognised in the share-based payment reserve is due to options exercised during the year, cash-settled options and associated social security costs.