8 December 2022

DS SMITH PLC – 2022/23 HALF YEAR RESULTS
EXCELLENT PERFORMANCE DESPITE VOLATILE MARKETS

6 months to 31 October 2022 Continuing operations		Change (reported)	Change (constant currency)
Revenue	£4,299m	+28%	+26%
Adjusted operating profit[(1)]	£418m	+51%	+49%
Profit before tax	£315m	+80%	+79%
Adjusted basic EPS[(1)]	20.9p	+53%	+49%
Statutory basic EPS	16.9p	+72%	+71%
Dividend per share	6.0p	+25%	NA
Return on sales (RoS)[(2)]	9.7%	+150bps	+150bps
ROACE[(3)]	13.2%	+380bps	+400bps
Net debt / EBITDA[(6)]	1.0x	-	-

See notes to financial table below

Miles Roberts, Group Chief Executive, commented:
"The performance during this six month period has been strong, benefiting from our constant focus on our customers' evolving needs during this time of significant economic volatility. This has enabled us to achieve continued market share gains, an increase in profitability and improvements in our key financial performance ratios. We are particularly pleased with the performance of the Southern Europe region that continues to deliver major benefits from the acquisition of Europac in 2019.

The macro-economic outlook for the rest of the financial year remains challenging. However, we have an excellent customer base, efficient high quality assets, dedicated colleagues and a strong balance sheet allowing continued organic investment to support our customers. These benefits, combined with current momentum in the business, mean we now expect FY23 performance to be ahead of previous expectations with H2 being consistent with H1."

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018).
The person responsible for arranging the release of this announcement is Iain Simm, Company Secretary of DS Smith Plc

Enquiries
DS Smith Plc +44 (0)20 7756 1800

Investors
Hugo Fisher, Group Investor Relations Director
Anjali Kotak, Investor Relations Director

Media
Greg Dawson, Corporate Affairs Director

Brunswick +44 (0)20 7404 5959
Simon Sporborg
Dan Roberts

A presentation for investors and analysts will be held today at 9:00am by webcast.

To access the webcast, please register here. A copy of the slides presented will also be available on the Group's website, https://www.dssmith.com/investors/results-and-presentations shortly before the start of the presentation.

If you would like to ask a question at the end of the webcast, then you will need to dial into the associated conference call using the following details. Please dial in 15 minutes before the start of the webcast to allow for registration.

Dial-in number (UK): +44 (0)33 0551 0200
UK Toll Free: 0808 109 0700
Dial-in number (US): +1 212 999 6659
Password: DS Smith

An audio file and transcript will also be available on
https://www.dssmith.com/investors/results-and-presentations

Notes to the financial tables

Note 14 explains the use of non-GAAP performance measures. These measures are used both internally and externally to evaluate business performance, as a key constituent of the Group's planning process, they are applied in the Group's financial and debt covenants, as well as establishing the targets against which compensation is determined. Reporting of non-GAAP measures alongside reported measures is considered useful to enable investors to understand how management evaluates performance and value creation internally, enabling them to track the Group's adjusted performance and the key business drivers which underpin it over time. Reported results are presented in the Consolidated Income Statement and reconciliations to adjusted results are presented on the face of the Consolidated Income Statement, in note 2, note 3, note 7, and note 14.

(1) Operating profit (adjusted EBITA) is before adjusting items (as set out in note 3) and amortisation of £62 million.

(2) Operating profit before amortisation and adjusting items as percentage of revenue.

(3) Operating profit before amortisation and adjusting items as a percentage of the average monthly capital employed over the previous 12 month period. Average capital employed includes property, plant and equipment, right-of-use assets, intangible assets (including goodwill), working capital, provisions, capital debtors/creditors, biological assets and assets/liabilities held for sale.

(4) Corrugated box volumes on a 6 months basis (based on area (m2) of corrugated box sold), adjusted for working days, on an organic basis.

(5) GDP growth for rolling 6 months (year-on-year) for the countries in which DS Smith operates, weighted by our sales by country = 3%. Source: Eurostat (16 Nov 2022) and ONS

(6) EBITDA being operating profit before adjusting items, depreciation and amortisation and adjusted for the full year effect of acquisitions and disposals in the period. Net debt is calculated at average exchange rates as opposed to closing rates. Ratio as calculated in accordance with bank covenants. See note 14 on non-GAAP measures for reconciliation.

(7) Free cash flow before tax, net interest, growth capital expenditure, pension payments and adjusting cash flows as a percentage of operating profit before amortisation and adjusting items.

(8) Free cash flow is the net movement on debt before cash outflow for adjusting items, dividends paid, acquisitions and divestment of subsidiary businesses (including borrowings acquired) and proceeds from issue of share capital.

Unless otherwise stated, all commentary and comparable analysis in the overview and operating review relates to the continuing operations of the Group, on a constant currency basis.

Operating Review

Strong customer focus driving profit growth

In a very challenging macro-economic environment, our comprehensive geographic footprint, security of supply and high service levels have enabled us to achieve ongoing market share gains and strong profit growth. However, the overall market was worse than we originally expected, leading to a decline in our volumes of 3 per cent[4]. The volume reduction reflected very strong comparatives, a weaker than expected industrial sector and economic challenges particularly in the UK and Germany. Looking ahead, while the challenges remain ongoing, we still expect an improved volume performance in the second half of the year compared to the first half.

For the six month period, revenue grew to £4,299 million, up 26 per cent on a constant currency basis and 28 per cent on a reported basis with a small decline in box volumes (£64 million) more than offset by higher selling prices (£950 million) across the Group. £655 million of this increase was due to higher packaging prices with the remainder of £295 million due to increases in price of external sales of paper, recycling material and energy. These increases reflect the lag in recovery of the significant increases in input costs during 2021 and 2022. Overall pricing more than offset reduced external paper volumes sold as we utilised more of our own manufactured paper.

Input costs were significantly impacted by inflationary price rises, supply chain issues and general availability which led to an increase in costs of £779 million versus the comparable period with rises in raw materials costs of £370 million, energy costs of £158 million and other costs, including labour and distribution, of £251 million. Our excellent procurement and risk management function ensured that our production was unaffected, with the impact of rising energy costs being mitigated by OUR three-year rolling energy hedging programme and a price benefit on external electricity sales.

Group return on sales grew during the year to 9.7 per cent (2021/22: 8.2 per cent), reflecting the increase in profitability and despite the dilutive impact of the inflationary environment. We expect to be within the target range of 10–12 per cent by the year end.

Basic earnings per share from continuing operations grew 71 per cent on a constant currency basis to 16.9 pence. Adjusted basic earnings grew by 49 per cent on a constant currency basis to 20.9 pence per share, reflecting the growth in profitability.

Return on average capital employed significantly increased by 400 bps to 13.2 per cent, principally reflecting the growth in adjusted operating profit for the prior 12 months, and well within our medium-term target range of 12-15 per cent. The Group’s strong performance supports our confidence in continuing to meet this medium-term target.

Strong cash generation and investing for growth
Cash generation remains strong, with £494 million of free cash flow[8] compared to £188 million in the comparative period, principally driven by the enhanced profitability and a working capital inflow. The working capital inflow of £138 million benefitted from £197 million in respect of margin calls made in both this year and last year to manage our energy hedging position. These margin calls will reverse in part in the second half of the year. The underlying working capital outflow was reflective of higher sales prices and inventory costs. Our net debt has reduced to £1,147 million at 31 October 2022 from £1,484 million at 30 April 2022 and the net debt/EBITDA ratio has significantly improved to 1.0 times from 1.6 times at 30 April 2022, within our medium-term target of at or below 2.0 times.

As described in our results to 30 April 2022, we have continued to invest in our business with net capital expenditure up 30 per cent in the first half of the year to £162 million, including a number of ongoing customer led projects in relation to energy efficiency and packaging capacity. Our expectation for full year capital expenditure remains unchanged as previously guided at £500 million.

Leading the way in sustainability
Sustainability has been at the heart of our business for many years as we have developed and grown into a solely fibre-based corrugated packaging business. We continue to work actively with our customers to help them address their sustainability challenges. Momentum in plastic replacement continues and we have replaced 520 million units of plastic in since 2020.

We continue to make progress against our sustainability targets including improvements in both carbon emissions and water use and we are delighted that this has been recognised with further improvements in our rating by a number of external indices including S&P Global and Sustainalytics and through our continuing top ratings at MSCI and Ecovadis.

Dividend
The Board considers the dividend to be a very important component of shareholder returns. Today, we are announcing an interim dividend for this year of 6.0 pence per share, an increase of 25 per cent and consistent with our policy of 2.0-2.5 times dividend cover over the medium term.

Progress against medium-term targets

Medium-term targets *Continuing operations*	Delivery in H1 2022/23
Organic volume growth(4) ≥GDP(5)+1%, being 4%	(3%)
Return on sales(2) 10% – 12%	9.7%
ROACE(3) 12% - 15%	13.2%
Net debt / EBITDA(6) ≤2.0x	1.0x
Cash conversion(7,8) ≥100%	160%

See notes to the financial tables above

Outlook

The macro-economic outlook for the rest of the financial year remains challenging. However, we have an excellent customer base, efficient high quality assets, dedicated colleagues and a strong balance sheet allowing continued organic investment to support our customers. These benefits, combined with current momentum in the business, mean we now expect FY23 performance to be ahead of previous expectations with H2 being consistent with H1.

Operating Review

Northern Europe

	Half year ended 31 October 2022	Half year ended 31 October 2021	Change – reported	Change – constant currency
Revenue	£1,624m	£1,331m	22%	22%
Adjusted operating profit*	£85m	£87m	(2%)	(1%)
Return on sales(2)	5.2%	6.5%	(130bps)	(130bps)

*Operating profit before amortisation and adjusting items (refer to note 3 of the financial statements)

In Northern Europe, organic corrugated box volumes across the region declined more than the Group average with UK and Germany showing higher levels of decline due to overall economic conditions, including some customers limiting production to reduce energy usage and very strong growth in the comparative period.

Revenues increased by 22 per cent in the region due to a combination of the increases in box prices in packaging and an increase in sales price for externally sold paper and volumes of recycled fibre. Adjusted operating profit declined slightly reflecting greater increases in input costs than experienced in other regions. This impact is expected to be reversed through additional price recovery in the second half.

Southern Europe

	Half year ended 31 October 2022	Half year ended 31 October 2021	Change – reported	Change – constant currency
Revenue	£1,672m	£1,234m	35%	35%
Adjusted operating profit*	£252m	£122m	107%	107%
Return on sales(2)	15.1%	9.9%	520bps	520bps

* Operating profit before amortisation and adjusting items (refer to note 3 of the financial statements)

Southern Europe saw a slight decline in box volumes with France weaker than Iberia and Italy reflecting comparative performances in the prior period and excellent customer traction.

Revenue grew by 35 per cent, due to the impact of increases in both packaging and paper pricing. Adjusted operating profit grew by over 100 per cent compared to the prior period, due to a very positive performance from the former Europac business acquired in 2019 as well as the drop through of price increases in packaging. Accordingly, return on sales for the region grew to the highest within the Group.

Eastern Europe

	Half year ended 31 October 2022	Half year ended 31 October 2021	Change – reported	Change – constant currency
Revenue	£648m	£523m	24%	27%
Adjusted operating profit*	£38m	£31m	23%	27%
Return on sales(2)	5.9%	5.9%	-	-

* Operating profit before amortisation and adjusting items (refer to note 3 of the financial statements)

Organic corrugated box volumes in Eastern Europe declined less than the Group average, reflecting the relative economic stability in the region.

Revenues grew 27 per cent, principally reflecting increases in pricing and adjusted operating profit also grew 27 per cent, reflecting the recovery of higher paper prices through increased packaging pricing after the usual lag.

North America

	Half year ended 31 October 2022	Half year ended 31 October 2021	Change – reported	Change – constant currency
Revenue	£355m	£274m	30%	11%
Adjusted operating profit*	£43m	£36m	19%	2%
Return on sales(2)	12.1%	13.1%	(100bps)	(110bps)

*Operating profit before amortisation and adjusting items (refer to note 3 of the financial statements)

Packaging volumes in the region declined slightly, reflecting the overall economic environment and labour shortages which temporarily restricted our production capacity.

Revenues increased by 11 per cent, principally reflecting the increases in paper and packaging prices.

Financial Review

2022/23 half year results

Prior year comparatives within the following commentary relate to the continuing operations of the Group.

Revenue increased by 28% on a reported basis and 26% on a constant currency basis to £4,299 million for the half year ended 31 October 2022 (H1 2021/22: £3,362 million), driven by higher average selling prices reflecting recovery of paper and other input costs. Box volumes declined by 3% over the period versus the previous year, reflective of the strong sales volumes experienced in H1 2021/22 and the volatile economic environment in the current year.

Operating profit of £349 million increased by 69% versus the prior year, 68% on a constant currency basis (H1 2021/22: £207 million), and adjusted operating profit increased to £418 million, a 51% and 49% increase on a reported and constant currency basis (H1 2021/22: £276 million). On a constant currency basis, the effect of an increase in the average sales price and mix (£950 million) more than offset lower volumes (£33 million) and the significant rises in input, distribution, energy and other costs of (£779 million). The costs continue to be actively managed, with the impact of rising energy costs mitigated by the Group's three year rolling hedging programme. Labour costs increased, reflecting inflationary pay rises.

Amortisation of £62 million is lower than the prior half year on both a reported (H1 2021/22: £69 million) and constant currency basis, as intangibles recognised on the acquisition of SCA Packaging are now fully amortised.

After the effects of exchange and disposals in the current and prior periods, depreciation was £154 million, £7 million higher on a reported basis and £5 million on a constant currency basis (H1 2021/22: £147 million), as a result of increased capital expenditure.

Free cash flow, comprising adjusted operating profit plus depreciation, movements in working capital (in addition to provisions and employee benefits), net capital expenditure, taxes and net interest paid was £494 million (H1 2021/22: £188 million). The improvement in adjusted operating profit was offset by increased capital expenditure and higher taxes paid. Underlying working capital was an outflow of £59 million which was more than offset by £197 million of margin received from energy hedges. The underlying working capital outflow was due to the effect of box price rises on receivables and paper prices on the value of inventory. The reported working capital cash flow was in total an inflow of £138 million. Factored receivables reduced from the previous year end to £380 million (30 April 2022: £381 million).

The Group's net debt position improved by £337 million to £1,147 million compared to the prior year end (30 April 2022: £1,484 million; 31 October 2021: £1,640 million). Net debt was impacted principally by free cash flow for the period of £494 million and dividend payments of £66 million. Foreign exchange and fair value movements were a negative £95 million.

Net capital expenditure was higher than in the previous half year at £162 million (H1 2021/22: £125 million) driven by investment in growth. The greenfield Packaging plants in Italy and Poland are now both fully operational.

At 30 April 2022, the Group's net debt position had benefitted from £109 million of margin calls related to energy and carbon hedges unwinding in 2022/23. In the current period, as energy prices continued to rise, further margin calls were made to continue to manage counterparty risk. These calls amounted to £267 million cash received whilst £70 million of the position as at 30 April 2022 reversed resulting in a net benefit to working capital in the half year of £197 million. There was no impact on income from these margin calls.

Return on average capital employed (ROACE) increased by 380 basis points to 13.2%, which is within the Group's target rate of 12% to 15%. The Group's strong performance supports our confidence in continuing to meet this medium-term target.

Return on sales for the continuing operations is 9.7 per cent, improved 150 basis points against the previous half year of 8.2 per cent and is expected to be at the target range of 10–12 per cent by the year end.

In response to the market turmoil following the UK "mini- budget" in September 2022, the Group made funding support of up to £100 million to the main UK defined benefit pension scheme. This took the form initially of a cash advance in anticipation of potential margin calls and latterly a liquidity facility. The cash advance was fully repaid within days of being made and as at 31 October 2022 the liquidity facility remained in place but was undrawn.

Certain items are presented within the financial statements as adjusting items, in order to assist in understanding the trading results of the Group. Non-cash costs of £7 million (H1 2021/22: £nil) relating to the put option for the final 10% stake in Interstate Resources resulting when the option crystallised on 1 September 2022, have been recognised. There were no new adjusting items and none are anticipated for the full year.

Net financing costs before adjusting items of £35 million (H1 2021/22: £34 million) relate to interest on borrowings and lease liabilities, higher than last year due to the significant rise in interest rates in the period despite lower levels of borrowing.

Income from associates was £1 million, below the previous year (H1 2021/22: £4 million) following the impact of the war in Ukraine on the Group's Ukrainian associate.

Profit before income tax increased to £315 million (H1 2021/22: £175 million) principally due to higher operating profit)

The rate of tax on adjusted profits before amortisation and adjusting items is 25%, an increase against the previous year's rate of 24%. The total tax expense is £83 million (H1 2021/22: £40 million.

Profit after tax increased to £232 million (H1 2021/22: £135 million), due to higher operating profit offset by an increase in income tax.

Basic earnings per share before amortisation and adjusting items increased by 49% to 20.9 pence on a constant currency basis (H1 2021/22: 13.7 pence), driven by the improvement in operating profit. Basic unadjusted earnings per share increased to 16.9 pence (H1 2021/22: 9.8 pence).

Financial position

Total shareholder funds increased to £4,590 million (30 April 2022: £4,232 million; 31 October 2021: £3,607 million). The movement is due primarily to profit attributable to shareholders of £232 million (H1 2021/22: £135 million), actuarial losses on employee benefits of £34 million (H1 2021/22: £11 million gain), dividends to shareholders recognised of £206 million (H1 2021/22: £166 million), a net increase in the translation reserve of £129 million (net foreign currency translation gains of £195 million, offset by a £66 million movement in the net investment hedge) and a net movement on derivative hedges of £319 million. The latter is driven by commodity hedging positions which have increased in value as energy prices have risen. The tax charge of total comprehensive income items amounts to £91 million (H1 2021/22: £63 million).

Reported net debt of £1,147 million has decreased from year end (30 April 2022: £1,484 million). The Group calculates its net debt to adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) ratio in accordance with the methodology prescribed by its bank and private placement debt covenants, which excludes the effects of IFRS 16 *Leases*. The ratio has reduced to 1.0 times (30 April 2022: 1.6 times, 31 October 2021: 1.9 times), well within the primary covenant requirements of 3.75 times, owing to an improvement in EBITDA as a result of strong price growth more than recovering rising input costs, together with the strong cash generation reducing our level of net debt.

The Group continues to sell trade receivables without recourse, a process by which the trade receivable balance sold is de-recognised, with proceeds then presented within operating cash flows. Such arrangements enable the Group to optimise its working capital position and reduces the quantum of early payment discounts given. At constant currency, trade receivables sold under the factoring programme reduced marginally to £380 million (30 April 2022: £381 million).

Dividend

The Board considers the dividend to be an important component of shareholder returns. As first set out in December 2010, our policy is that dividends will be progressive and, in the medium term, dividend cover should be on average 2.0x to 2.5x through the cycle. In considering future dividends the Board will continue to be mindful of the Group's earnings growth potential, future expansion and leverage.

The Board declares an interim dividend of 6.0 pence per share in light of the strong business performance, building on the robust position of the second half of the previous year. The dividend will be paid on 31 January 2023 to ordinary shareholders on the register at close of business on 16 December 2022.

Risks and uncertainties

The Board has reconsidered the principal risks and uncertainties affecting the Group in the second half of the year. The principal risks and uncertainties discussed on pages 52 to 55 of the 2022 Annual Report, available on the Group's website at www.dssmith.com, remain relevant.

In summary, the Group's key risks and uncertainties are:

- Eurozone and macro-economic impacts
- Paper/fibre price volatility
- Cyber attacks
- Regulation and governance
- Sustainability commitments
- Security of paper/fibre supply
- Packaging capacity limits to growth
- Organisation capability
- Disruptive market players
- Substitution of fibre packaging
- Digital enablement
- Shopping habits

In addition to the risks noted above, the Group actively managed its exposure to energy related costs which have seen upward cost pressure during the first half year.

Going Concern

The Board have reviewed a detailed consideration of going concern, based on the Group's recent trading and forecasts, and including scenario analysis. This takes into account reasonably foreseeable changes in trading performance, including the continued uncertainty of the long-term impacts on the economic landscape presented by an inflationary economic environment and the ongoing war in Ukraine. More detail of the assessment performed is included in note 1 to the financial statements.

At 31 October 2022 there was significant headroom on the Group's committed debt facilities, at a level c.£1.5 billion. The going concern assessment includes the period of 12 months from the date of approval of this interim financial report with the scenarios assessed extending to 30 April 2024. Based on the resilience of the Group's operations to both Covid-19 and the high-cost environment experienced throughout the last 12 months, as well as the current and forecast liquidity available, the Board believes that the Group is well placed to manage its business risks successfully despite the uncertainties inherent in the current economic outlook, and to operate within its current debt facilities.

The Group's current committed bank facility headroom, its forecast liquidity headroom over the going concern period of assessment and potential mitigating activities available to management have been considered by the Directors in forming their view that it is appropriate to conclude that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Responsibility Statement

We confirm that to the best of our knowledge:

a) the condensed set of financial statements, prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted for use in the United Kingdom and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication on important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c) the interim management report includes a fair review of the information required by DTR4.2.8R (disclosure of related parties' transactions and changes therein).

Miles Roberts	Adrian Marsh
Group Chief Executive	Group Finance Director

7 December 2022

INDEPENDENT REVIEW REPORT TO DS SMITH PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2022 which comprises the Condensed consolidated income statement, the Condensed consolidated statement of comprehensive income, the Condensed consolidated statement of financial position, the Condensed consolidated statement of changes in equity, the Condensed consolidated statement of cash flows and the related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK Adopted International Accounting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
7 December 2022

Condensed consolidated income statement

Continuing operations	Note	Half year ended 31 October 2022 Unaudited			Half year ended 31 October 2021 Unaudited			Year ended 30 April 2022 Audited		
		Before adjusting items £m	**Adjusting items (note 3) £m**	**After adjusting items £m**	Before adjusting items £m	Adjusting items (note 3) £m	After adjusting items £m	Before adjusting items £m	Adjusting items (note 3) £m	After adjusting items £m
Revenue	2	**4,299**	**-**	**4,299**	3,362	–	3,362	7,241	–	7,241
Operating costs		**(3,881)**	**-**	**(3,881)**	(3,086)	(4)	(3,090)	(6,625)	(37)	(6,662)
Operating profit before amortisation, acquisitions and divestments	2	**418**	**-**	**418**	276	(4)	272	616	(37)	579
Amortisation of intangible assets; acquisitions and divestments		**(62)**	**(7)**	**(69)**	(69)	4	(65)	(138)	2	(136)
Operating profit		**356**	**(7)**	**349**	207	–	207	478	(35)	443
Finance income	5	**1**	**-**	**1**	–	–	–	1	–	1
Finance costs	5	**(36)**	**-**	**(36)**	(33)	(2)	(35)	(68)	(2)	(70)
Employment benefit net finance expense		**-**	**-**	**-**	(1)	–	(1)	(3)	–	(3)
Net financing costs		**(35)**	**-**	**(35)**	(34)	(2)	(36)	(70)	(2)	(72)
Profit after financing costs		**321**	**(7)**	**314**	173	(2)	171	408	(37)	371
Share of profit of equity accounted investments, net of tax		**1**	**-**	**1**	4	–	4	7	–	7
Profit before income tax		**322**	**(7)**	**315**	177	(2)	175	415	(37)	378
Income tax (expense)/credit		**(83)**	**-**	**(83)**	(42)	2	(40)	(100)	2	(98)
Profit for the period		**239**	**(7)**	**232**	135	–	135	315	(35)	280
Profit for the period attributable to:										
Owners of the parent		**239**	**(7)**	**232**	135	–	135	315	(35)	280
Non-controlling interests		**-**	**-**	**-**	–	–	–	–	–	–
Earnings per share										
Earnings per share from continuing operations										
Basic	7			**16.9p**			9.8p			20.4p
Diluted	7			**16.8p**			9.8p			20.3p
Adjusted earnings per share from continuing operations										
Basic	7		**20.9p**			13.7p		30.7p		
Diluted	7		**20.8p**			13.6p		30.5p		

Condensed consolidated statement of comprehensive income

	Half year ended 31 October 2022 Unaudited £m	Half year ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Profit for the period	**232**	135	280
Items which will not be reclassified subsequently to profit or loss			
Actuarial (loss)/gain on employee benefits	**(34)**	11	68
Income tax on items which will not be reclassified subsequently to profit or loss	**9**	–	(14)
Items which may be reclassified subsequently to profit or loss			
Foreign currency translation differences	**195**	(107)	(40)
Reclassification from translation reserve to income statement arising on divestment	**-**	(3)	(3)
Cash flow hedges fair value changes	**674**	309	1,069
Reclassification from cash flow hedge reserve to income statement	**(355)**	(80)	(357)
Reclassification from cash flow hedge reserve to the balance sheet	**-**	(5)	–
Movement in net investment hedge	**(66)**	41	28
Income tax on items which may be reclassified subsequently to profit or loss	**(100)**	(63)	(162)
Other comprehensive income for the period, net of tax	**323**	103	589
Total comprehensive income for the period	**555**	238	869
Total comprehensive income attributable to:			
Owners of the parent	**555**	238	869
Non-controlling interests	**-**	–	–

Condensed consolidated statement of financial position

	Note	**At 31 October 2022 Unaudited £m**	At 31 October 2021 Restated[1] Unaudited £m	At 30 April 2022 Audited £m
Assets				
Non-current assets				
Intangible assets		**2,980**	2,883	2,906
Biological assets		**11**	9	10
Property, plant and equipment		**3,249**	2,972	3,128
Right-of-use assets		**198**	205	199
Equity accounted investments		**18**	42	17
Other investments		**16**	15	16
Deferred tax assets		**7**	8	7
Other receivables		**1**	1	–
Derivative financial instruments		**797**	237	495
Total non-current assets		**7,277**	6,372	6,778
Current assets				
Inventories		**758**	624	703
Biological assets		**7**	6	7
Income tax receivable		**32**	49	34
Trade and other receivables		**1,385**	1,009	1,229
Cash and cash equivalents	10	**656**	744	819
Derivative financial instruments		**337**	123	316
Assets classified as held for sale		**2**	1	–
Total current assets		**3,177**	2,556	3,108
Total assets		**10,454**	8,928	9,886
Liabilities				
Non-current liabilities				
Borrowings	10	**(1,419)**	(1,400)	(1,391)
Employee benefits	4	**(112)**	(153)	(86)
Other payables		**(37)**	(15)	(37)
Provisions		**(7)**	(8)	(7)
Lease liabilities	10	**(139)**	(143)	(140)
Deferred tax liabilities		**(490)**	(296)	(396)
Derivative financial instruments		**(168)**	(15)	(28)
Total non-current liabilities		**(2,372)**	(2,030)	(2,085)
Current liabilities				
Bank overdrafts	10	**(196)**	(130)	(73)
Borrowings	10	**(23)**	(674)	(681)
Trade and other payables		**(2,811)**	(2,126)	(2,503)
Income tax liabilities		**(179)**	(129)	(143)
Provisions		**(86)**	(55)	(48)
Lease liabilities	10	**(63)**	(66)	(63)
Derivative financial instruments		**(132)**	(109)	(56)
Total current liabilities		**(3,490)**	(3,289)	(3,567)
Total liabilities		**(5,862)**	(5,319)	(5,652)
Net assets		**4,592**	3,609	4,234
Equity				
Issued capital		**138**	137	137
Share premium		**2,252**	2,243	2,248
Reserves[1]		**2,200**	1,227	1,847
Total equity attributable to owners of the parent		**4,590**	3,607	4,232
Non-controlling interests		**2**	2	2
Total equity		**4,592**	3,609	4,234

1. The prior period condensed consolidated statement of financial position has been restated (refer to note 1).

Condensed consolidated statement of changes in equity

	Share capital £m	Share premium £m	Hedging reserve £m	Translation reserve £m	Own shares £m	Retained earnings[1,2] £m	Total equity attributable to owners of the parent £m	Non-controlling interests £m	Total equity £m
At 1 May 2022 (audited)	**137**	**2,248**	**609**	**(105)**	**(9)**	**1,352**	**4,232**	**2**	**4,234**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**232**	**232**	**-**	**232**
Actuarial loss on employee benefits	**-**	**-**	**-**	**-**	**-**	**(34)**	**(34)**	**-**	**(34)**
Foreign currency translation differences	**-**	**-**	**-**	**195**	**-**	**-**	**195**	**-**	**195**
Cash flow hedges fair value changes	**-**	**-**	**674**	**-**	**-**	**-**	**674**	**-**	**674**
Reclassification from cash flow hedge reserve to income statement	**-**	**-**	**(355)**	**-**	**-**	**-**	**(355)**	**-**	**(355)**
Movement in net investment hedge	**-**	**-**	**-**	**(66)**	**-**	**-**	**(66)**	**-**	**(66)**
Income tax on other comprehensive income	**-**	**-**	**(101)**	**1**	**-**	**9**	**(91)**	**-**	**(91)**
Total comprehensive income	**-**	**-**	**218**	**130**	**-**	**207**	**555**	**-**	**555**
Issue of share capital	**1**	**4**	**-**	**-**	**-**	**-**	**5**	**-**	**5**
Employee share trust	**-**	**-**	**-**	**-**	**1**	**(1)**	**-**	**-**	**-**
Share-based payment expense (net of tax)	**-**	**-**	**-**	**-**	**-**	**4**	**4**	**-**	**4**
Dividends	**-**	**-**	**-**	**-**	**-**	**(206)**	**(206)**	**-**	**(206)**
Other changes in equity in the period	**1**	**4**	**-**	**-**	**1**	**(203)**	**(197)**	**-**	**(197)**
At 31 October 2022 (unaudited)	**138**	**2,252**	**827**	**25**	**(8)**	**1,356**	**4,590**	**2**	**4,592**
At 1 May 2021 (audited)	137	2,241	53	(84)	(3)	1,189	3,533	2	3,535
Profit for the period	–	–	–	–	–	135	135	–	135
Actuarial gain on employee benefits	–	–	–	–	–	11	11	–	11
Reclassification from translation reserve to income statement arising on divestment	–	–	–	(3)	–	–	(3)	–	(3)
Foreign currency translation differences	–	–	–	(107)	–	–	(107)	–	(107)
Cash flow hedges fair value changes	–	–	309	–	–	–	309	–	309
Reclassification from cash flow hedge reserve to income statement	–	–	(80)	–	–	–	(80)	–	(80)
Reclassification from cash flow hedge reserve to balance sheet	–	–	(5)	–	–	–	(5)	–	(5)
Movement in net investment hedge	–	–	–	41	–	–	41	–	41
Income tax on other comprehensive income	–	–	(63)	–	–	–	(63)	–	(63)
Total comprehensive income	–	–	161	(69)	–	146	238	–	238
Issue of share capital	–	2	–	–	–	–	2	–	2
Employee share trust	–	–	–	–	(1)	(4)	(5)	–	(5)
Share-based payment expense (net of tax)	–	–	–	–	–	5	5	–	5
Other changes	–	–	7	(7)	–	–	–	–	-
Dividends (restated)[2]	–	–	–	–	–	(166)	(166)	–	(166)
Other changes in equity in the period	–	2	7	(7)	(1)	(165)	(164)	–	(164)
At 31 October 2021 (unaudited)	137	2,243	221	(160)	(4)	1,170	3,607	2	3,609

1. Retained earnings include a reserve related to merger relief.
2. The prior period condensed consolidated statement of changes in equity has been restated (refer to note 1).

Condensed consolidated statement of cash flows

Continuing operations	Note	**Half year ended 31 October 2022 Unaudited £m**	Half year ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Operating activities				
Cash generated from operations	9	**754**	403	1,079
Interest received		**1**	–	1
Interest paid		**(50)**	(46)	(63)
Tax paid		**(51)**	(50)	(96)
Cash flows from operating activities		**654**	307	921
Investing activities				
Acquisition of subsidiary businesses, net of cash and cash equivalents	13	**-**	(23)	(23)
Divestment of subsidiary businesses, net of cash and cash equivalents	13	**-**	37	35
Capital expenditure		**(163)**	(131)	(431)
Proceeds from sale of property, plant and equipment and intangible assets		**1**	6	16
Cash flows used in restricted cash and other deposits		**(5)**	(6)	(2)
Other		**-**	1	2
Cash flows used in investing activities		**(167)**	(116)	(403)
Financing activities				
Proceeds from issue of share capital		**4**	2	7
Repayment of borrowings		**(680)**	(474)	(529)
Proceeds from borrowings		**-**	288	334
Payments in respect of derivative financial instruments		**(3)**	(11)	(35)
Repayment of principal on lease liabilities		**(35)**	(35)	(73)
Dividends paid to Group shareholders	8	**(66)**	(55)	(166)
Other		**-**	(5)	(21)
Cash flows used in financing activities		**(780)**	(290)	(483)
(Decrease)/increase in cash and cash equivalents		**(293)**	(99)	35
Net cash and cash equivalents at beginning of the period		**746**	719	719
Exchange gains/(losses) on cash and cash equivalents		**7**	(6)	(8)
Net cash and cash equivalents at end of the period	10	**460**	614	746

1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the half year ended 31 October 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the United Kingdom and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

These interim financial statements should be read in conjunction with the Group's annual financial statements for the year ended 30 April 2022, which have been prepared in accordance with International Financial Reporting Standards as adopted by the UK ('UK Adopted IFRSs'). Those accounts were reported on by the Group's auditors, whom were Deloitte LLP for the year ended 30 April 2022 and delivered to the Registrar of Companies. The report of the auditor was not qualified or modified, did not draw attention to any matters by way of emphasis and did not contain an adverse statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed information presented for the year ended 30 April 2022 does not constitute full statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half year ended 31 October 2022 is unaudited but has been reviewed in accordance with ISRE 2410 *Review of Interim Financial Information* by Ernst & Young LLP, the Group's auditor, and a copy of their review report forms part of this half year report.

The interim financial information has been prepared using the same accounting policies as for the year ended 30 April 2022. The Statement of Financial Position and Statement of Changes in Equity include in liabilities the 2021/22 full financial year dividend approved by the shareholders at the Annual General Meeting. The 31 October 2021 comparative information has been restated by £111m to reflect this presentation. The 30 April 2022 information is not affected

The interim financial information has been prepared using the same accounting policies as those adopted in the annual financial statements for the year ended 30 April 2022, apart from as detailed below.

The following new accounting standards, amendments or interpretations have been adopted by the Group as of 1 May 2022:

- Annual Improvements to IFRS 2018-2020:
  - Amendment to IFRS 1 First time adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter;
  - Amendment to IFRS 9 Financial Instruments - Fees in the '10 percent' Test for Derecognition of Financial Liabilities;
  - Amendment to IAS 41 Agriculture – Taxation in Fair Value Measurements.
- Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- Reference to the Conceptual Framework (Amendments to IFRS 3).

The adoption of the amendments above has not had a material effect on the results for the Group's financial statements.

The Group's main currency exposures are to the Euro and the US dollar. The following significant exchange rates applied during the periods:

Foreign exchange rates

	Half year ended 31 October 2022		Half year ended 31 October 2021		Year ended 30 April 2022	
	Average	**Closing**	Average	Closing	Average	Closing
Euro	**1.166**	**1.161**	1.169	1.184	1.179	1.192
US dollar	**1.189**	**1.151**	1.386	1.378	1.359	1.256

Going concern

Overview

As explained in the narrative section of this half year financial report under the heading 'Going concern' , the condensed interim financial statements are prepared on the going concern basis. This is considered appropriate given that the Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future.

Further details, including the analysis performed and conclusion reached, are set out below.

Liquidity and financing position

The total drawn debt facilities at 31 October 2022 were £1.4bn, of which £1.4bn is publicly listed debt with no attached covenants. In addition, the Group has access to c£1.5bn committed bank facilities, which were undrawn at 31 October 2022, which provide liquidity to the Group and all carry the same covenant of Net Debt:EBITDA of less than 3.75 times. The Group is not forecast to increase net debt in the going concern analysis. There is significant liquidity/financing headroom across the going concern forecast period. For this reason, the going concern review has focused more on forecast covenant compliance.

In determining the going concern basis for preparing the financial statements, the Directors consider the Company's objectives and strategy, its principal risks and uncertainties in achieving its objectives and its review of business performance and financial position. The economic environment reflected in this Going Concern assessment anticipates moderate organic box volume growth whilst recognising the inflationary pressures in the Group's raw materials, energy and overhead cost bases. In preparing the financial statements, the Group has modelled two scenarios in its assessment of going concern. These are:

- The base case is derived from the latest full year forecast. The key inputs and assumptions include: Packaging volume growth at moderate levels across the future periods considered by the modelling, driven by continued FMCG and e-commerce demand, together with a conservative recovery in industrial volumes, together with flat pricing.
- The downside case assumes European packaging volumes largely stagnating at FY22 levels, reflecting no future growth and a continued spike in energy prices not mitigated by a commensurate increase in prices. With a significant portion of the Group's packaging contracts being either directly linked / referenced to a paper index, this would result in higher input costs for the Group that are more difficult to pass through to end customers and EBITDA at levels similar to the mid-stage of the pandemic. A significant cash outflow from working capital is incorporated into FY24, providing an additional headwind to the Group's net debt and covenant ratios.

The going concern assessment included the period of 12 months from the date of approval of this interim financial report with both scenarios extending to 30 April 2024.

Mitigating actions

The outturns of the above scenario modelling, combined with the strong performance seen so far in FY23, provide the Group a level of comfort that no significant cost / cash flow mitigations need to be built in to the going concern modelling. However, a range of options remain at the Group's disposal should they be required which provide the opportunity to support EBITDA, cash flow and net debt, including:

- Action in respect of variable and controllable costs such as discretionary bonuses, pay rises, recruitment freezes and wider labour force actions in response to higher levels of volume reductions.
- Limiting capital expenditure to minimum maintenance levels by pausing growth spend (including greenfield sites and other expansionary spend).
- Strategic actions in respect of the Group's asset base could be considered in respect of disposals, mothballing and closures.
- A reduction or temporary suspension of the Group's dividend.

The Group could also consider actions to assist covenant compliance, such as increased utilisation of debt factoring facilities and optimising working capital by negotiating longer payment terms whilst continuing to pay suppliers in full and in line with contractual terms.

At a high level, it is estimated that the Group EBITDA would have to fall by about 39% from FY22 levels for a breach of the Net Debt:EBITDA covenant to occur.

Conclusion

Based on the forecast and the scenarios modelled, together with the performance of the Group in the current year, the Directors consider that the Group has significant covenant and liquidity headroom in its borrowing facilities to continue in operational existence for at least 12 months from the date of approval of this report. Accordingly, at the December 2022 Board meeting, the Directors concluded from this analysis it was appropriate to continue to adopt the going concern basis in preparing the financial statements.

Estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect whether and how policies are applied, and the reported amounts of assets and liabilities, income and expenses.

The application of the Group's accounting policies requires management to make estimates and assumptions; these estimates and assumptions affect the reported assets and liabilities and financial results of the Group. Actual outcomes could differ from the estimates and assumptions used.

In preparing these interim financial statements, the key sources of estimates and the critical accounting judgement were the same as those that applied to the Group's consolidated financial statements for the year ended 30 April 2022. Key estimates were taxation, impairments and employee benefits. The critical accounting judgement is applying the adjusting items policy.

Goodwill impairment assessment - key assumptions and methodology

The cash-generating units (CGU) that represent the lowest level at which goodwill is monitored for impairment indicators and internal management purposes remain consistent with the CGUs disclosed in the 2022 Annual Report.

IAS 36 requires goodwill and other intangibles with indefinite lives to be tested for impairment on an annual basis. DS Smith does this annually at the year end date, 30 April. At 31 October 2022, a review of "indicators of impairment" was undertaken, underpinned by high level modelling of future discounted cash flows based on the most recent view of the current year's performance.

The methodology used to determine the pre-tax discount rates (derived from the weighted average cost of capital ('WACC') for the Group of 9.5%) plus a blended country risk premium for each CGU, remained consistent with that adopted at 30 April 2022, as disclosed in the 2022 financial statements, updated for current rates as at 31 October 2022.

The modelling is based upon anticipated discounted future cash flows. At 31 October 2022, assessments performed indicated sufficient headroom existed. Whilst the Directors believe the assumptions used are realistic, it is possible that a reduction in the headroom would occur if any of the above key assumptions applied were adversely changed. Factors which could cause an impairment are:

- significant and prolonged underperformance relative to the forecast; and
- deteriorations in the economies in which the Group operates.

To support their assertions, the Directors have reviewed the sensitivity analyses to determine the impact that would result from the above situations, including reduction or delays in future growth and increased discount rates and have concluded that no reasonably possible scenarios have been identified where headroom would be eradicated. In these cases, if estimates of future economic growth were delayed, or if the estimated discount rates applied to the cash flows were increased by 0.5%, there would continue to be adequate headroom to support the carrying value of the assets assessed. Accordingly, the Directors believe that a reasonably possible change in any of the key assumptions detailed above would not cause the carrying value of CGUs assessed to exceed their recoverable amounts, although the headroom would decrease. Therefore, no impairments were identified against the carrying value of goodwill at 31 October 2022.

2. Segment reporting

Operating segments

Half year ended 31 October 2022	Northern Europe £m	Southern Europe £m	Eastern Europe £m	North America £m	Total continuing operations £m
External revenue	**1,624**	**1,672**	**648**	**355**	**4,299**
Adjusted EBITDA[1]	**141**	**311**	**61**	**59**	**572**
Depreciation	**(56)**	**(59)**	**(23)**	**(16)**	**(154)**
Adjusted operating profit[1]	**85**	**252**	**38**	**43**	**418**
Unallocated items:					
Amortisation					**(62)**
Adjusting Items (note 3)					**(7)**
Total operating profit					**349**
Unallocated items:					
Net financing costs					**(35)**
Share of profit of equity accounted investments, net of tax					**1**
Profit before income tax					**315**
Income tax expense					**(83)**
Profit for the period					**232**
Analysis of total assets and total liabilities					
Segment assets	**2,282**	**3,755**	**1,217**	**1,335**	**8,589**
Unallocated items:					
Equity accounted investments and other investments					**34**
Derivative financial instruments					**1,134**
Cash and cash equivalents					**656**
Tax					**39**
Assets classified as held for sale					**2**
Total assets					**10,454**
Segment liabilities	**(1,429)**	**(1,141)**	**(306)**	**(122)**	**(2,998)**
Unallocated items:					
Borrowings, overdrafts and interest payable					**(1,643)**
Derivative financial instruments					**(300)**
Tax					**(669)**
Dividend payable					**(140)**
Employee benefits					**(112)**
Total liabilities					**(5,862)**

1. Adjusted to exclude amortisation and adjusting items.

Half year ended 31 October 2021	Northern Europe £m	Southern Europe £m	Eastern Europe £m	North America £m	Total continuing operations £m
External revenue	1,331	1,234	523	274	3,362
Adjusted EBITDA[1]	143	175	53	52	423
Depreciation	(56)	(53)	(22)	(16)	(147)
Adjusted operating profit[1]	87	122	31	36	276
Unallocated items:					
Amortisation					(69)
Total operating profit					207
Unallocated items:					
Net financing costs					(36)
Share of profit of equity accounted investment, net of tax					4
Profit before income tax					175
Income tax expense					(40)
Profit for the period					135
Analysis of total assets and total liabilities					
Segment assets	2,067	3,384	1,044	1,214	7,709
Unallocated items:					
Equity accounted investments and other investments					57
Derivative financial instruments					360
Cash and cash equivalents					744
Tax					57
Assets classified as held for sale					1
Total assets					8,928
Segment liabilities	(1,112)	(832)	(232)	(117)	(2,293)
Unallocated items:					
Borrowings, overdrafts and interest payable					(2,213)
Derivative financial instruments					(124)
Tax					(425)
Dividend payable					(111)
Employee benefits					(153)
Total liabilities					(5,319)

1. Adjusted to exclude amortisation and adjusting items.

3. Adjusting items

Items are presented as adjusting in the financial statements where they are significant items of financial performance that the Directors consider should be separately disclosed to assist in the understanding of the trading and financial results of the Group. Such items include business disposals, restructuring and optimisation, acquisition related and integration costs, and impairments.

Continuing operations	**Half year ended 31 October 2022 Unaudited £m**	Half year ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Acquisition related costs	**(7)**	–	(1)
Gains on acquisitions and divestments	**-**	4	3
Net (loss)/gain on acquisitions and divestments	**(7)**	4	2
Other restructuring costs	**-**	(4)	(8)
Impairment of associate	**-**	–	(29)
Total pre-tax adjusting items (recognised in operating profit)	**(7)**	–	(35)
Finance costs adjusting items	**-**	(2)	(2)
Current tax credit on adjusting items	**-**	2	2
Total post-tax adjusting items	**(7)**	–	(35)

Half year ended 31 October 2022

On 1 September 2022, the put option for the final 10% stake in Interstate Resources crystallised. A charge of £7m has been recognised in respect of this crystallisation. Settlement is expected in the second half of the year ended 30 April 2023.

Half year ended 31 October 2021

On 12 October 2021 the Group sold the De Hoop paper mill in the Netherlands. Cash consideration, net of cash and cash equivalents and transaction costs, was £37m and net assets divested were £29m, resulting in a net gain of £8m. In addition, there were £4m of site disposal costs.

Other restructuring costs of £4m primarily comprise a reorganisation and restructuring project across the Packaging business (£3m), focusing predominantly on reduction of indirect costs.

Finance costs adjusting items related to the unwind of the discount on the redemption liability related to the purchase of Interstate Resources.

The current tax credit on adjusting items of £2m for the half year ended 31 October 2021 was the tax effect at the local applicable tax rate of adjusting items that are subject to tax. This excluded non-tax-deductible deal related advisory fees in relation to acquisitions and divestments.

4. Employee benefits

Movements in the net employee benefit deficit recognised in the Condensed consolidated statement of financial position:

	Half year ended 31 October 2022 Unaudited £m	Half year ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Opening employee benefit deficit	**(86)**	(175)	(175)
Divestments	**-**	1	1
Expense recognised in operating profit	**(3)**	(3)	(5)
Employment benefit net finance expense (excluding Pension Protection Fund levy)	**-**	(1)	(3)
Employer contributions	**11**	10	21
Other payments and contributions	**2**	1	5
Actuarial (losses)/gains			
- Assets	**(260)**	(61)	(57)
- Liabilities	**226**	72	125
Currency translation	**(2)**	3	2
Closing employee benefit deficit	**(112)**	(153)	(86)
Deferred tax asset	**28**	38	21
Closing net employee benefit deficit	**(84)**	(115)	(65)

5. Finance income and costs

Continuing operations	**Half year ended 31 October 2022 Unaudited £m**	Half year ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Interest income from financial assets	**(1)**	–	(1)
Finance income	**(1)**	–	(1)
Interest on borrowings and overdrafts	**23**	23	47
Interest on lease liabilities	**5**	5	11
Other	**8**	5	10
Finance costs before adjusting items	**36**	33	68
Finance costs adjusting items (note 3)	**-**	2	2
Finance costs	**36**	35	70

6. Income tax expense

Tax on profit from continuing operations has been charged at an underlying rate before adjusting items and amortisation of 25.0% (half year ended 31 October 2021: 24.0%), being the expected effective full year rate.

7. Earnings per share

Basic earnings per share from continuing operations

	Half year ended 31 October 2022 Unaudited	Half year ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Profit from continuing operations attributable to ordinary shareholders	**£232m**	£135m	£280m
Weighted average number of ordinary shares	**1,376m**	1,373m	1,374m
Basic earnings per share	**16.9p**	9.8p	20.4p

Diluted earnings per share from continuing operations

	Half year ended 31 October 2022 Unaudited	Half year ended 31 October 2021 Unaudited	Year ended 30 April 2022 Audited
Profit from continuing operations attributable to ordinary shareholders	**£232m**	£135m	£280m
Weighted average number of ordinary shares	**1,376m**	1,373m	1,374m
Potentially dilutive shares issuable under share-based payment arrangements	**4m**	7m	8m
Weighted average number of ordinary shares (diluted)	**1,380m**	1,380m	1,382m
Diluted earnings per share	**16.8p**	9.8p	20.3p

The number of shares excludes the weighted average number of the Company's own shares held as treasury shares during the period of 2m (half year ended 31 October 2021: 1m, year ended 30 April 2022: 2m).

Adjusted earnings per share from continuing operations

Adjusted earnings per share is a key performance measure for management long-term remuneration and is widely used by the Group's shareholders. Adjusted earnings is calculated by adding back the post-tax effects of both amortisation and adjusting items.

Further detail about the use of non-GAAP performance measures, including details of why amortisation is excluded, is given in note 14.

A reconciliation of basic to adjusted earnings per share is as follows:

	Half year ended 31 October 2022 Unaudited			Half year ended 31 October 2021 Unaudited			Year ended 30 April 2022 Audited		
	£m	**Basic pence per share**	**Diluted pence per share**	£m	Basic pence per share	Diluted pence per share	£m	Basic pence per share	Diluted pence per share
Basic earnings	**232**	**16.9p**	**16.8p**	135	9.8p	9.8p	280	20.4p	20.3p
Add back:									
Amortisation of intangible assets	**62**	**4.4p**	**4.4p**	69	5.0p	5.0p	138	10.0p	9.9p
Tax credit on amortisation	**(13)**	**(0.9p)**	**(0.9p)**	(16)	(1.2p)	(1.2p)	(31)	(2.3p)	(2.3p)
Adjusting items, before tax	**7**	**0.5p**	**0.5p**	2	0.1p	0.1p	37	2.7p	2.7p
Tax on adjusting items and adjusting tax items	**-**	**-**	**-**	(2)	–	(0.1p)	(2)	(0.1p)	(0.1p)
Adjusted earnings	**288**	**20.9p**	**20.8p**	188	13.7p	13.6p	422	30.7p	30.5p

8. Dividends proposed and paid

	Pence per share	£m
2020/21 interim dividend - paid	4.0p	55
2020/21 final dividend – paid	8.1p	111
2021/22 interim dividend – paid	4.8p	66
2021/22 final dividend – declared and paid	10.2p	140
2022/23 interim dividend- declared	**6.0p**	**83**

	Half year ended 31 October 2022 Unaudited £m
Paid during the period	**66**

The 2021/22 interim dividend of 4.8 pence per share (£66m) was paid during the half year ended 31 October 2022. The final dividend in respect of the year ended 2021/22 of 10.2 pence per share (£140m) was paid on 1 November 2022.

An interim dividend in respect of the half year ended 31 October 2022 of 6.0 pence per share (£83m) has been proposed by the Directors after the reporting date.

9. Cash generated from operations

Continuing operations	**Half year ended 31 October 2022 Unaudited £m**	Half year ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Profit for the period	**232**	135	280
Adjustments for:			
Pre-tax integration costs and other adjusting items	**-**	4	37
Amortisation of intangible assets; acquisitions and divestments	**69**	65	136
Cash outflow for adjusting items	**(2)**	(6)	(13)
Depreciation	**154**	147	290
Loss/(profit) on sale of non-current assets	**3**	–	(1)
Share of profit of equity accounted investments, net of tax	**(1)**	(4)	(7)
Employment benefit net finance expense	**-**	1	3
Share-based payment expense	**4**	4	10
Finance income	**(1)**	–	(1)
Finance costs	**36**	35	70
Other non-cash items	**12**	(13)	(17)
Income tax expense	**83**	40	98
Change in provisions	**38**	8	–
Employee benefit contributions	**(11)**	(10)	(21)
Cash generation before working capital movement	**616**	406	864
Changes in:			
Inventories	**(44)**	(104)	(200)
Trade and other receivables	**(131)**	(182)	(449)
Trade and other payables	**313**	283	864
Working capital movement	**138**	(3)	215
Cash generated from continuing operations	**754**	403	1,079

10. Net debt

	At 31 October 2022 Unaudited £m	At 31 October 2021 Unaudited £m	At 30 April 2022 Audited £m
Cash and cash equivalents	**656**	744	819
Bank overdrafts	**(196)**	(130)	(73)
Net cash and cash equivalents	**460**	614	746
Other investments – restricted cash	**6**	3	3
Other deposits	**33**	34	30
Borrowings – after one year	**(1,419)**	(1,400)	(1,391)
Borrowings – within one year	**(23)**	(674)	(681)
Lease liabilities	**(202)**	(209)	(203)
Derivative financial instruments			
assets	**-**	3	12
liabilities	**(2)**	(11)	–
	(1,607)	(2,254)	(2,230)
Net debt - reported basis	**(1,147)**	(1,640)	(1,484)
IFRS 16 liabilities	**200**	206	201
Net debt excluding IFRS 16 liabilities	**(947)**	(1,434)	(1,283)

Net debt is a non-GAAP measure not defined by IFRS. While the Group has included lease liabilities after transition to IFRS 16 *Leases* within total lease liabilities (in addition to arrangements previously classified as finance leases under IAS 17), IFRS 16 liabilities are currently excluded from the definition of net debt as set out in the Group's banking covenant requirements. Within lease liabilities of £202m at 31 October 2022 are £200m of lease liabilities that would have been classified as operating leases and £2m of lease liabilities that would have been classified as finance lease liabilities under IAS 17.

Further detail on the use of non-GAAP measures and a reconciliation showing the calculation of adjusted net debt, as defined in the Group's banking covenants, is included in note 14.

Derivative financial instruments above relate to forward foreign exchange contracts and cross-currency swaps used to hedge foreign exchange exposure on the Group's borrowings and net assets of foreign operations. The difference between the amounts shown above and the total derivative financial instrument assets and liabilities in the consolidated statement of financial position relates to derivative financial instruments that hedge forecast foreign currency transactions and firm commitments, and the Group's purchases of energy.

Other deposits are included, as these short-term receivables have the characteristics of net debt.

During the half year ended 31 October 2022, the Group repaid €500m medium-term notes and $268m USD Private Placement notes.

11. Reconciliation of net cash flow to movement in net debt

	Half year ended 31 October 2022 Unaudited £m	Half year ended 31 October 2021 Unaudited £m	Year ended 30 April 2022 Audited £m
Profit for the period	**232**	135	280
Income tax expense	**83**	40	98
Share of profit of equity accounted investments, net of tax	**(1)**	(4)	(7)
Net financing costs	**35**	36	72
Amortisation of intangible assets; acquisitions and divestments	**69**	65	136
Pre-tax integration costs and other adjusting items	**-**	4	37
Adjusted operating profit	**418**	276	616
Depreciation	**154**	147	290
Adjusted EBITDA	**572**	423	906
Working capital movement	**138**	(3)	215
Change in provisions	**38**	8	-
Employee benefit contributions	**(11)**	(10)	(21)
Other	**19**	(9)	(8)
Cash generated from operations before adjusting cash items	**756**	409	1,092
Capital expenditure	**(163)**	(131)	(431)
Proceeds from sale of property, plant and equipment and other investments	**1**	6	16
Tax paid	**(51)**	(50)	(96)
Net interest paid	**(49)**	(46)	(62)
Free cash flow	**494**	188	519
Cash outflow for adjusting items	**(2)**	(6)	(13)
Dividends paid	**(66)**	(55)	(166)
Acquisition of subsidiary businesses, net of cash and cash equivalents	**-**	(23)	(23)
Divestment of subsidiary businesses, net of cash and cash equivalents	**-**	37	35
Other	**2**	(4)	(19)
Net cash flow	**428**	137	333
Proceeds from issue of share capital	**4**	2	7
Borrowings and leases divested	**-**	1	1
Net movement on debt	**432**	140	341
Foreign exchange, fair value and other non-cash movements	**(95)**	15	(30)
Net debt movement - continuing operations	**337**	155	311
Opening net debt	**(1,484)**	(1,795)	(1,795)
Closing net debt - reported basis	**(1,147)**	(1,640)	(1,484)

Adjusted operating profit, adjusted EBITDA, free cash flow, and net debt are non-GAAP measures not defined by IFRS. Further detail on the use of non-GAAP measures is included in note 14.

12. Financial instruments

Carrying amounts and fair values of financial assets and liabilities

Set out below is the accounting classification of the carrying amounts and fair values of all of the Group's financial assets and liabilities:

		At 31 October 2022 Unaudited		At 31 October 2021 Unaudited		At 30 April 2022 Audited	
	Category	**Carrying amount £m**	**Fair value £m**	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Financial assets							
Cash and cash equivalents	Amortised cost	**656**	**656**	744	744	819	819
Restricted cash	Amortised cost	**6**	**6**	–	–	3	3
Other investments	Fair value through other comprehensive income	**10**	**10**	15	15	13	13
Trade and other receivables	Amortised cost	**1,386**	**1,386**	1,010	1,010	1,229	1,229
Derivative financial instruments	Fair value – hedging instruments	**1,134**	**1,134**	360	360	811	811
Total financial assets		**3,192**	**3,192**	2,129	2,129	2,875	2,875
Financial liabilities							
Trade and other payables	Amortised cost	**(2,848)**	**(2,848)**	(2,141)	(2,141)	(2,540)	(2,540)
Bank and other loans	Amortised cost	**(6)**	**(6)**	(19)	(19)	(6)	(6)
Commercial paper	Amortised cost	**(12)**	**(12)**	(33)	(33)	(37)	(37)
Medium-term notes and other fixed-term debt	Amortised cost	**(1,424)**	**(1,273)**	(2,022)	(2,084)	(2,029)	(2,015)
Lease liabilities	Amortised cost	**(202)**	**(202)**	(209)	(209)	(203)	(203)
Bank overdrafts	Amortised cost	**(196)**	**(196)**	(130)	(130)	(73)	(73)
Derivative financial instruments	Fair value – hedging instruments	**(300)**	**(300)**	(124)	(124)	(84)	(84)
Total financial liabilities		**(4,988)**	**(4,837)**	(4,678)	(4,740)	(4,972)	(4,958)

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For financial instruments carried at fair value, market prices or rates are used to determine fair value where an active market exists. The Group uses forward prices for valuing forward foreign exchange and commodity contracts and uses valuation models with present value calculations based on market yield curves to value fixed rate borrowings and cross-currency swaps. All derivative financial instruments are shown at fair value in the consolidated statement of financial position.

Derivatives hedging energy and carbon certificate costs at 31 October 2022 are stated net of margin calls to reduce counterparty exposure amounting to £311m (31 October 2021: £85m).

The majority of the Group's medium-term notes and other fixed-term debt are in effective net investment hedges. The fair values of financial assets and liabilities which bear floating rates of interest or are short-term in nature are estimated to be equivalent to their carrying amounts.

The Group's financial assets and financial liabilities are categorised within the fair value hierarchy that reflects the significance of the inputs used in making the assessments. The majority of the Group's financial instruments are Level 2 financial instruments in accordance with the fair value hierarchy, meaning that although the instruments are not traded in an active market, inputs to fair value are observable for the asset and liability, either directly (i.e. quoted market prices) or indirectly (i.e. derived from prices). The Group's medium-term notes are Level 1 financial instruments, as the notes are listed on the Luxembourg Stock Exchange. Certain pension investments are Level 3 financial instruments. The fair value of other investments at fair value through other comprehensive income is derived from fair value calculations based on their cash flows.

13. Acquisitions and divestments

(a) Acquisitions and divestments in the half year ended 31 October 2022

On 1 September 2022, the put option for the final 10% stake in Interstate Resources crystallised. A charge of £7m has been recognised in respect of this crystallisation. Settlement is expected in the second half of the year ended 30 April 2023.

(b) 2021/22 acquisitions and divestments

In total, during the half year ended 31 October 2021, cash consideration for acquisition of subsidiary businesses, net of cash and cash equivalents, was £23m. This included £19m for the remainder of the consideration for the purchase of a further 10% stake in Interstate Resources on 26 June 2020 after the exercise of a portion of the put option held by the sellers. Remaining acquisitions are not material to the Group individually or in aggregate.

On 12 October 2021, the Group sold the De Hoop paper mill in the Netherlands. Cash consideration, net of cash and cash equivalents and transaction costs, was £37 million and leases divested were £1m.

14. Non-GAAP performance measures

The Group presents reported and adjusted financial information in order to provide shareholders with additional information to further understand the Group's operational performance and financial position.

The principal adjustments to financial information are made to exclude the effects of adjusting items (refer to note 3) and amortisation.

Total reported financial information represents the Group's overall performance and financial position, but can contain significant unusual or non-operational items that may obscure understanding of the key trends and position. These unusual or non-operational items include business disposals, restructuring and optimisation project costs, acquisition-related and integration costs, and impairments. Restructuring and optimisation items treated as adjusting items are major programmes usually spanning more than one year, with uneven impact on the profit and loss for those years affected. Other adjusting items, such as business disposals, impairments, integration and acquisition costs, are by nature either highly variable or can also have a similar distorting effect. Therefore, the Directors consider that presenting non-GAAP measures which exclude these adjusting items enables comparability of the recurring core business, complementing the IFRS measures presented.

Amortisation relates primarily to customer contracts and relationships and infrastructure optimisation projects arising from or as a result of business combinations. Significant costs are incurred in maintaining, developing and increasing the value of such intangibles, costs which are charged in determining adjusted profit. Exclusion of amortisation remedies this double count as well as, in the case of customer contracts and relationships, providing comparability over the accounting treatment of customer contracts and relationships arising from the acquisition of businesses and those generated internally.

The Group's key non-GAAP measures are used both internally and externally to evaluate business performance against the Group's KPIs and banking and debt covenants, as a key constituent of the Group's planning process, as well as comprising targets against which compensation is determined.

Certain non-GAAP performance measures can be, and are, reconciled to information presented in the financial statements. Other financial key performance measures are calculated using information which is not presented in the financial statements and is based on, for example, average 12-month balances or average exchange rates.

Key non-GAAP performance measures

The key non-GAAP performance measures used by the Group and their calculation methods are as follows:

Adjusted operating profit

Adjusted operating profit is operating profit excluding the pre-tax effects of both amortisation and adjusting items. Adjusting items include business divestment gains and losses, restructuring and optimisation costs, acquisition related and integration costs and impairments.

A reconciliation between reported and adjusted operating profit is set out on the face of the consolidated income statement.

Operating profit before adjusting items

A reconciliation between operating profit and operating profit before adjusting items is set out on the face of the consolidated income statement.

Other similar profit measures before adjusting items are quoted, such as profit before income tax and adjusting items, and are directly derived from the consolidated income statement, from which they can be directly reconciled.

Adjusted EBITDA

Earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) is adjusted operating profit excluding depreciation. A reconciliation from adjusted operating profit to adjusted EBITDA is provided in note 11.

Adjusted earnings per share

Adjusted earnings per share is basic earnings per share adjusted to exclude the post-tax effects of adjusting items and amortisation. Adjusted earnings per share is a key performance measure for management long-term remuneration and is widely used by the Group's shareholders.

A reconciliation between basic and adjusted earnings per share is provided in note 7.

Return on sales

Return on sales is adjusted operating profit measured as a percentage of revenue. Return on sales is used to measure the value we deliver to customers and the Group's ability to charge for that value.

	Half year ended 31 October 2022 £m	Half year ended 31 October 2021 £m	Year ended 30 April 2022 £m
Adjusted operating profit	**418**	276	616
Revenue	**4,299**	3,362	7,241
Return on sales	**9.7%**	8.2%	8.5%

Adjusted return on average capital employed (ROACE)

ROACE is the last 12 months' adjusted operating profit as a percentage of the average monthly capital employed over the previous 12 month period. Capital employed is the sum of property, plant and equipment, right-of-use assets, goodwill and intangible assets, working capital, capital debtors/creditors, provisions, biological assets and assets/liabilities held for sale.

	Half year ended 31 October 2022 £m	Half year ended 31 October 2021 £m	Year ended 30 April 2022 £m
Capital employed	**5,757**	5,589	5,578
Currency, inter-month and acquisition/divestment movements	**(7)**	258	113
Last 12 months' average capital employed	**5,750**	5,847	5,691
Last 12 months' adjusted operating profit	**758**	548	616
Adjusted return on average capital employed	**13.2%**	9.4%	10.8%

Net debt and net debt/EBITDA

Net debt is the measure by which the Group assesses its level of overall indebtedness within its financial position. The components of net debt as they reconcile to the primary financial statements and notes to the accounts are disclosed in note 10.

Net debt/EBITDA is the ratio of net debt to adjusted EBITDA, calculated in accordance with the Group's banking covenant requirements.

Net debt/EBITDA is considered a key measure of balance sheet strength and financial stability by which the Group assesses its financial position.

The Group's banking covenant requirements currently exclude IFRS 16 liabilities from the definition of net debt, as well as requiring that EBITDA is calculated before the effects of IFRS 16, so an adjustment to the previous IAS 17 basis is made in the calculation.

In calculating the ratio, net debt is stated at average rates as opposed to closing rates, and adjusted EBITDA is adjusted operating profit before depreciation from the previous 12 month period adjusted for the full year effect of acquisitions and divestments in the period, and adjusted to an IAS 17 basis.

	Half year ended 31 October 2022 £m	Half year ended 31 October 2021 £m	Year ended 30 April 2022 £m
Net debt – reported basis (see note 10)	**1,147**	1,640	1,484
IFRS 16 lease liabilities (see note 10)	**(200)**	(206)	(201)
Adjustment to average rate	**(12)**	32	13
Net debt - adjusted basis	**935**	1,466	1,296
Adjusted EBITDA – last 12 months' reported basis (continuing operations)	**1,055**	844	906
Adjust to IAS 17 basis	**(78)**	(80)	(78)
Acquisition and divestment effects	**-**	(4)	(7)
Adjusted EBITDA - banking covenant basis	**977**	760	821
Net debt/EBITDA	**1.0x**	1.9x	1.6x

Free cash flow

Free cash flow is the net movement on debt before cash outflow for adjusting items, dividends paid, acquisition and divestment of subsidiary businesses (including borrowings acquired), and proceeds from issue of share capital.

A reconciliation from Adjusted EBITDA to free cash flow is set out in note 11.

Cash conversion

Cash conversion is free cash flow, as defined above, adjusted to exclude tax, net interest, growth capital expenditure and employee benefit contributions as a percentage of adjusted operating profit. The cash conversion rate can be derived directly from note 11, other than growth capital expenditure, which is capital expenditure necessary for the development or expansion of the business.

	Half year ended 31 October 2022 £m	Half year ended 31 October 2021 £m	Year ended 30 April 2022 £m
Growth capital expenditure	**65**	49	176
Non-growth capital expenditure	**98**	82	255
Total capital expenditure	**163**	131	431
Free cash flow (note 11)	**494**	188	519
Tax paid (note 11)	**51**	50	96
Net interest paid (note 11)	**49**	46	62
Growth capital expenditure	**65**	49	176
Employee benefit contributions (note 11)	**11**	10	21
Adjusted free cash flow	**670**	343	874
Adjusted operating profit	**418**	276	616
Cash conversion	**160%**	124%	142%

Average working capital to sales

Average working capital to sales measures the level of investment the Group makes in working capital to conduct its operations. It is measured by comparing the average monthly working capital balances for the previous 12 months as a percentage of revenue over the same period. Working capital is the sum of inventories, trade and other receivables, and trade and other payables, excluding capital and acquisition and divestment related debtors and creditors.

	Half year ended 31 October 2022 £m	Half year ended 31 October 2021 £m	Year ended 30 April 2022 £m
Inventories	**758**	624	703
Trade and other receivables	**1,341**	974	1,189
Trade and other payables	**(2,536)**	(1,869)	(2,372)
Inter-month movements and exclusion of capital and acquisition and divestment related items	**146**	89	241
Last 12 months' average working capital	**(291)**	(182)	(239)
Last 12 months' revenue	**8,178**	6,449	7,241
Average working capital to sales	**(3.6%)**	(2.8%)	(3.3%)

Constant currency and organic growth

The Group presents commentary on both reported and constant currency revenue and adjusted operating profit comparatives in order to explain the impact of exchange rates on the Group's key income statement items. Constant currency comparatives recalculate the prior year revenue and adjusted operating profit as if they had been generated using the current year exchange rates. In addition, the Group then separates the incremental effects of acquisitions made in the current year, and the incremental effects of acquisitions made in the previous year, to determine underlying organic growth. The table below shows the calculations:

	Revenue £m	**Adjusted operating profit £m**
Reported basis – comparative half year ended 31 October 2021	**3,362**	**276**
Currency effects	**38**	**4**
Constant currency basis – comparative half year ended 31 October 2021	**3,400**	**280**
Organic growth	**899**	**138**
Reported basis – half year ended 31 October 2022	**4,299**	**418**

15. Related party transactions

In response to the market turmoil following the mini-budget, the Group made funding support of up to £100m available to the main UK defined benefit pension scheme. This took the form initially of a cash advance in anticipation of potential margin calls and latterly a liquidity facility. The cash advance was fully repaid within days of being made and as at 31 October 2022 a liquidity facility remained in place but was undrawn.

16. Subsequent events

There are no subsequent events after the reporting date which require disclosure.