

4imprint Group plc
Final results for the period ended 28 December 2024

4imprint Group plc (the “Group”), a direct marketer of promotional products, today announces its final results for the 52 weeks ended 28 December 2024.

Financial overview	2024	2023	
	\$m	\$m	Change
Revenue	1,367.9	1,326.5	+3%
Operating profit	148.1	136.2	+9%
Profit before tax	154.4	140.7	+10%
Cash and bank deposits	147.6	104.5	+41%
Basic earnings per share (cents)	416.3	377.9	+10%
Total paid and proposed regular dividend per share (cents)	240.0	215.0	+12%
Total paid and proposed regular dividend per share (pence)	186.4	167.8	+11%
Proposed special dividend per share (cents)	250.0	-	-
Proposed special dividend per share (pence)	193.3	-	-

Operational overview

- Strong financial performance with further market share gains
- Flexible marketing mix enabling tailored investment in challenging market conditions
- Double-digit percentage operating profit margin maintained
- 2,124,000 total orders received in 2024 (2023: 2,090,000); increase in existing customer orders offsetting a decline in new customer acquisition, impacted by uncertain economic conditions
- Group well financed with cash and bank deposits of \$147.6m (2023: \$104.5m)
- \$20m Oshkosh distribution centre expansion project completed on time and on budget

Paul Moody, Chairman said:

“The Group delivered a strong financial performance in 2024, continuing to outperform the promotional products market as a whole and thereby taking further market share.

In the first two months of 2025 revenue at the order intake level was slightly down compared to the same period in 2024, reflecting continued uncertainty in the market. It is possible that market conditions, including potential tariff impacts, may continue to influence demand in 2025. From our experience, however, as business sentiment improves, demand for promotional products increases as does our ability to gain market share.

Despite a challenging near-term environment, our view of the prospects of the business remains unchanged. The Board is confident in the Group’s strategy, competitive position and growth opportunity.”

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Kevin Lyons-Tarr, Chief Executive Officer
 David Seekings, Chief Financial Officer

Katie Hunt
 Eleni Menikou

Chairman's Statement

Performance summary

The Group delivered a strong financial performance in 2024, continuing to outperform the promotional products market as a whole and thereby taking further market share.

Group revenue for 2024 was \$1.37bn, an increase of \$0.04bn or 3% over 2023. Profit before tax for the year was \$154.4m (2023: \$140.7m), driving an increase in basic earnings per share to 416.3c (2023: 377.9c). The business model remained highly cash generative, with cash and bank deposits at the end of 2024 of \$147.6m (2023: \$104.5m), leaving the Group well financed entering 2025.

The Group made solid operational progress in 2024 against a challenging market backdrop. Despite a more cautious macroeconomic environment that began in the second half of 2023 and continued through 2024, the business continued to acquire and retain high-quality customers in the year.

The business model is highly resilient and the financial dynamics are strong. Gross profit margin improved to 32% (2023: 30%) and our flexible marketing mix enabled us to tailor our investment to prevailing market conditions, delivering a double-digit percentage operating profit margin.

The consistent cash-generative profile of our model allows us to invest in the business, positioning us for future growth at the same time as providing meaningful returns to Shareholders through dividend payments. Notably, in 2024 we completed a \$20m capital project to expand the Oshkosh distribution centre, supporting further growth in the apparel category of our product range.

Strategy

Our strategic direction has not changed. We aim to deliver attractive organic revenue growth by increasing our share of the fragmented yet substantial markets that we serve.

We take a long-term view of the business. This includes making necessary investments in the people, marketing resources and infrastructure required for success, regardless of the immediate market conditions. From experience, we know that maintaining investment in the business in more difficult times positions us to take advantage of market share opportunities when conditions improve.

Dividend

The Group finished 2024 in a strong financial position, with cash and bank deposits of \$147.6m (2023: \$104.5m). The Board recommends a final dividend per share of 160.0c (2023: 150.0c), giving a total paid and proposed 2024 regular dividend per share of 240.0c (2023: 215.0c). In addition, the Board is recommending a special dividend per share of 250.0c, bringing total regular and special 2024 dividends per share to 490.0c.

Outlook

In the first two months of 2025 revenue at the order intake level was slightly down compared to the same period in 2024, reflecting continued uncertainty in the market. It is possible that market conditions, including potential tariff impacts, may continue to influence demand in 2025. From our experience, however, as business sentiment improves, demand for promotional products increases as does our ability to gain market share.

Despite a challenging near-term environment, our view of the prospects of the business remains unchanged. The Board is confident in the Group's strategy, competitive position and growth opportunity.

Paul Moody

Chairman

11 March 2025

Chief Executive's Review

Revenue	2024 \$m	2023 \$m	Change
North America	1,342.7	1,302.6	+3%
UK & Ireland	25.2	23.9	+5%
Total	1,367.9	1,326.5	+3%

Operating profit	2024 \$m	2023 \$m	Change
Direct Marketing operations	153.2	141.2	+8%
Head Office costs	(5.1)	(5.0)	+2%
Total	148.1	136.2	+9%

Performance overview

Despite a cautious macroeconomic environment, the Group delivered a resilient trading performance in 2024. Revenue grew 3%, outperforming the overall promotional products industry and representing another year of market share gains. Our results reflect the outstanding efforts of our team members, the strength of the relationships we have with our supplier partners, and the effectiveness of our marketing investments.

In total 2,124,000 orders were received in 2024, representing an increase of 2% over 2023. The percentage increase in total order activity over the prior year started moderating in the second half of 2023 and continued throughout 2024. In line with historical patterns, existing customer orders made up the majority, with 1,644,000 orders, representing a 5% increase over 2023. This strength in existing customer orders reflects the quality of the customers we are acquiring and of the customer file moving forward.

480,000 new customer orders were received in 2024, down 9% compared to 2023. We acquired 280,000 new customers in the year, representing a decrease of 10% over the 311,000 acquired in 2023. The relative slow down in new customer acquisition correlates with the softening market conditions and industry demand patterns. Average order values in 2024 were 2% above prior year, driven by changes in the merchandising mix, customer preferences and price adjustments through the year.

Our order intake and average order values laid the base for a strong financial performance in 2024. Group revenue for 2024 was \$1.37bn, representing an increase of 3% or \$0.04bn over 2023. Operating profit for 2024 of \$148.1m was 9% above the 2023 comparative of \$136.2m, producing an operating margin for the year of 10.8% (2023: 10.3%). Other than the revenue growth outlined above, three major themes contributed to this strengthening in net return:

- Gross profit percentage improved by 1.5 percentage points against the prior year, stabilising at around 32%. This favourable movement was driven mainly by carefully targeted price adjustments and a more typical level of supplier cost increases.
- Productivity of marketing spend continues to be encouraging, with our revenue per marketing dollar KPI at \$7.88 for the full year (2023: \$8.30). For comparison purposes, this KPI was below \$6 in the pre-pandemic year of 2019.
- Some operational gearing over the fixed and semi-fixed elements of the cost base, but this was offset by incremental investment, primarily in people, to support the continued growth of the business.

The 4imprint direct marketing business model remains very cash generative, with cash and bank deposits at the 2024 year-end of \$147.6m (2023: \$104.5m).

Operational highlights

Significant operational progress was made in 2024. Much of this was related to investing in facilities, marketing and resources to support a growing business.

- **People.** Our team members are essential to our current and future success. Starting in 2023 and continuing throughout 2024, we made key appointments at the strategic leadership level and have added team members to strengthen our platform for future profitable growth. We have been able to attract the high-quality talent that we need in a variety of areas across the business, both in terms of those who directly support our increasing order count as well as people to strengthen our organisational structure for the future.
- **Marketing.** The development of and investment in the brand component of our marketing mix has been the key catalyst behind our materially improved marketing productivity in recent years as compared to historical performance. The marketing portfolio is now much more heavily weighted toward brand and search compared to catalogues. We believe that our increasing level of aided and unaided brand awareness strengthens the business, creating opportunity in both near and long term. As we demonstrated in 2024, this mix allows us to be nimble when responding to market conditions, and the improved flexibility in managing our marketing

investment helps protect our operating profit. We will continue to manage our investment to take full advantage of immediate market share opportunities, at the same time strengthening the business for the future.

- **Supply.** The relationships with our suppliers are a critical success factor for the business. Given our 'drop-ship' business model, our suppliers enable us to deliver the '4imprint Certain' service that our customers come to us for. During times of stress on the supply chain, we have relied on the deep relationships we have with our key Tier 1 suppliers, working together to manage any issues effectively. In the coming year, we will again work with these key suppliers to manage the impact of tariffs applied to the products we offer.
- **Oshkosh facilities.** A major capital investment of \$20m was made in 2024 to expand the Oshkosh distribution centre, increasing the footprint from just over 300,000 sq. ft. to approximately 470,000 sq. ft. This investment will support the anticipated growth in the apparel category of our product range for the next several years.
- **Sustainability.** Exciting progress has been made relative to our sustainability initiatives. In particular:
 - More precise and extensive measurement of our carbon footprint, facilitating enhanced greenhouse gas and Task Force on Climate-related Financial Disclosures reporting.
 - Further development of recycled and more sustainable materials in the manufacture of our in-house brands.
 - Expansion of our Better Choices® product designation programme.
 - Addition to the solar array at our Oshkosh distribution centre to match the expansion in the footprint of the facility.

Looking ahead

Our operations are robust and scalable, and our team is strong and committed. We have demonstrated the ability to adjust to changing market conditions over the past several years, gaining market share, improving profitability and delivering strong cash generation. As ever, we will continue investing in the business to be positioned for growth when customer demand strengthens. We remain confident in our strategy and our prospects.

Financial Review

The Group's revenue and profit in the period, summarising expense by function, were as follows:

	2024	2023
	\$m	\$m
Revenue	1,367.9	1,326.5
Gross profit	435.4	401.9
Marketing costs	(173.7)	(159.9)
Selling costs	(49.8)	(47.2)
Administration and central costs	(61.8)	(56.8)
Share option charges and related social security costs	(1.6)	(1.1)
Defined benefit pension plan administration costs	(0.4)	(0.7)
Operating profit	148.1	136.2
Net finance income	6.3	4.5
Profit before tax	154.4	140.7
Taxation	(37.2)	(34.5)
Profit for the period	117.2	106.2

Group operating result

The Group has delivered another strong financial performance for 2024, continuing to grow revenue and operating profit despite a challenging market backdrop.

Revenue increased 3% to \$1.37bn (2023: \$1.33bn), with existing customer orders and average order value (5% and 2% higher than 2023 respectively) more than offsetting the decline in new customer orders (9% below 2023) which were impacted by uncertain economic conditions.

The gross profit percentage of 31.8% improved from 30.3% in 2023, benefiting from carefully targeted price adjustments implemented throughout 2023 and 2024 and minimal supplier cost increases.

Marketing costs increased to 13% of revenue compared to 12% in 2023. Whilst this represents a small decrease in the revenue per marketing dollar KPI from \$8.30 in 2023 to \$7.88 for 2024, this continues to represent a material improvement from pre-pandemic historical norms and reflects the flexibility of the marketing mix that has enabled us to control the marketing investment in a challenging external environment.

Selling, administration and central costs together increased 7% to \$111.6m (2023: \$104.0m) primarily reflecting a full year of costs for team members added during the first half of 2023.

The strong gross profit margin and flexible marketing mix outlined above delivered another uplift in operating profit to \$148.1m (2023: \$136.2m) and operating margin to 10.8% (2023: 10.3%).

Segmental performance

\$m	Revenue		Operating profit/(loss)	
	2024	2023	2024	2023
North America	1,342.7	1,302.6	153.6	141.0
UK & Ireland	25.2	23.9	(0.4)	0.2
Direct Marketing Operations	1,367.9	1,326.5	153.2	141.2
Head Office Costs	-	-	(5.1)	(5.0)
Total	1,367.9	1,326.5	148.1	136.2

North America revenue increased 3% and operating profit by 9%. As the business constitutes more than 98% of Group revenue and 104% of Group operating profit, the commentary for the Group operating result above applies equally to the North American business.

UK & Ireland revenue increased 5% driven by improved demand, an increase in average order value and favourable currency movements. Investment in brand awareness advertising campaigns to drive future business growth led the business to a small operating loss for 2024 of \$(0.4)m (2023: operating profit \$0.2m).

Foreign exchange

The primary US dollar exchange rates relevant to the Group's 2024 results were as follows:

	2024		2023	
	Year-end	Average	Year-end	Average
Sterling	1.26	1.28	1.27	1.24
Canadian dollars	0.69	0.73	0.76	0.74

The Group reports in US dollars, its primary trading currency. It also transacts business in Canadian dollars, Sterling and Euros. Sterling/US dollar is the exchange rate most likely to impact the Group's financial performance.

The primary foreign exchange considerations relevant to the Group's operations are as follows:

- translational risk in the income statement remains low with the majority of the Group's revenue arising in US dollars, the Group's reporting currency;
- most of the constituent elements of the Group balance sheet are US dollar-based; and
- the Group generates cash mostly in US dollars, but its primary applications of post-tax cash are Shareholder dividends and some Head Office costs which are paid in Sterling.

As such, the Group's cash position is sensitive to Sterling/US dollar exchange movements. To the extent that Sterling weakens against the US dollar, more funds are available in payment currency to fund these cash outflows.

Share option charges

A total of \$1.6m (2023: \$1.1m) was charged in the period in respect of IFRS 2 'Share-based Payments'. This was made up of two elements: (i) executive awards under the Deferred Bonus Plan (DBP) and Long-Term Incentive Plan (LTIP); and (ii) charges in respect of employee savings-related share schemes.

Current options and awards outstanding are 71,603 options under the US Employee Stock Purchase Plan, 10,956 options under the UK Save As You Earn scheme, 46,321 awards under the DBP and 36,855 awards under the LTIP. Awards under the DBP in respect of 2024 are anticipated to be made in late March 2025.

Net finance income

Net finance income for the period was \$6.3m (2023: \$4.5m), comprising interest earned on cash deposits and lease interest charges under IFRS 16. The increase in finance income on 2023 reflects the higher level of cash deposits held.

Taxation

The tax charge for the period was \$37.2m (2023: \$34.5m) giving an effective tax rate of 24% (2023: 25%). The primary component of the charge relates to current tax on US taxable profits of \$35.8m (2023: \$32.1m).

Earnings per share

Basic earnings per share increased 10% to 416.3c (2023: 377.9c), reflecting the 10% increase in profit after tax and a weighted average number of shares in issue similar to prior year.

Dividends

Dividends are determined in US dollars and paid in Sterling, converted at the exchange rate on the date that the dividend is declared.

The Board has proposed a final dividend of 160.0c per share (2023: 150.0c) which, together with the interim dividend of 80.0c per share, gives a total paid and proposed regular dividend relating to 2024 of 240.0c per share (2023: 215.0c), an increase of 12% compared to the prior year.

The final dividend has been converted to Sterling at an exchange rate of £1.00/\$1.2934. This results in a final dividend per share payable to Shareholders of 123.7p (2023: 117.0p), which, combined with the interim dividend paid of 62.7p per share, gives a total dividend per share for the period of 186.4p (2023: 167.8p).

In addition to the interim and final dividends, the Board has also proposed a special dividend of 250.0c per share (193.3p) (2023: nil), which will be paid at the same time as the final dividend in June 2025. This special dividend is non-recurring in nature and is in accordance with the Group's established balance sheet funding and capital allocation policies which are described in more detail below.

The final and special dividends, together amounting to 410.0c per share (317.0p), will be paid on 3 June 2025 to Shareholders on the register at the close of business on 2 May 2025.

Defined benefit pension plan

The Group sponsors a legacy UK defined benefit pension plan (the "Plan") which has been closed to new members and future accrual for several years.

Following the purchase of a bulk annuity policy in June 2023 in the form of a buy-in arrangement, the Group ceased to make monthly deficit funding contributions to the Plan but still funds the ongoing administration costs and settlement of residual liabilities.

Consistent with both the Trustee's overriding objective to enhance the security of the benefits payable to members and the Group's long-term commitment to the full de-risking of its legacy defined benefit pension obligations, progress has been made during 2024 to achieve a full buy-out of the Plan liabilities which is anticipated to be completed during 2025.

At 28 December 2024 and 30 December 2023, the Plan on an IAS 19 basis was in a breakeven position with gross Plan assets and liabilities both \$20.9m (2023: \$23.3m). As expected, there was no change in the net IAS 19 Plan position as the fair value of the bulk annuity policy matches the liabilities insured.

A triennial actuarial valuation of the Plan was completed as at 30 September 2022 and this forms the basis of the IAS 19 valuation referred to above.

Cash flow

The Group had cash and bank deposits of \$147.6m at 28 December 2024, an increase of \$43.1m against the 30 December 2023 balance of \$104.5m. Cash flow in the period is summarised as follows:

	2024 \$m	2023 \$m
Operating profit	148.1	136.2
Share option charges	1.6	1.1
Defined benefit pension administration costs paid by the Plan	-	0.5
Depreciation and amortisation	5.1	4.7
Lease depreciation	1.7	1.7
Change in working capital	5.6	29.2
Capital expenditure	(19.5)	(9.7)
Underlying operating cash flow	142.6	163.7
Tax and interest	(29.5)	(29.9)
Defined benefit pension plan contributions	-	(6.5)
Proceeds from issue of ordinary shares	-	2.4
Own share transactions	(2.0)	(1.0)
Capital element of lease payments	(1.5)	(1.4)
Exchange	(1.0)	1.2
Free cash flow	108.6	128.5
Dividends to Shareholders	(65.5)	(110.8)
Net cash inflow in the period¹	43.1	17.7

¹Representing the movement in cash and bank deposits balances.

The Group generated underlying operating cash flow of \$142.6m (2023: \$163.7m), a conversion rate of 96% of operating profit (2023: 120%) reflecting the cash generative nature of the Group's 'drop-ship' distribution model. The decrease in the conversion rate from the prior year was driven by the unwind of the elevated working capital position in 2023 arising from the difficult supply chain conditions experienced after the pandemic. Capital expenditure includes the significant investment in expanding capacity at the Oshkosh distribution centre which was completed during the year.

Free cash flow decreased by \$19.9m to \$108.6m (2023: \$128.5m) due to the unwind of the abnormal working capital position in 2023 and higher level of capital expenditure in 2024 outlined above. Dividends to Shareholders in 2024 includes the 2023 final dividend paid in June 2024 and the 2024 interim dividend paid in September 2024. The dividends paid in 2023 include the special dividend of \$58.1m announced alongside the 2022 final dividend.

Balance sheet and Shareholders' funds

Net assets at 28 December 2024 were \$185.1m, compared to \$134.5m at 30 December 2023. The balance sheet is summarised as follows:

	28 December 2024 \$m	30 December 2023 \$m
Non-current assets	58.0	51.4
Working capital	(13.5)	(7.9)
Cash and bank deposits	147.6	104.5
Lease liabilities	(5.3)	(12.3)
Other assets and liabilities – net	(1.7)	(1.2)
Net assets	185.1	134.5

Shareholders' funds increased by \$50.6m since 30 December 2023. The main constituent elements of the movement were retained profit in the period of \$117.2m, net of equity dividends paid to Shareholders of \$65.5m.

The Group had a net negative working capital balance of \$13.5m at 28 December 2024 (30 December 2023: \$7.9m). This net negative position reflects the strength of our business model, with low inventory requirements, a high proportion of customers paying for orders by credit card and the diligent payment of suppliers to agreed terms.

Balance sheet funding

The Board is committed to aligning the Group's funding with its strategic priorities. This requires a stable, secure and flexible balance sheet through different economic cycles. The Group will therefore typically remain ungeared and hold a positive cash and bank deposits position.

The Board's funding guidelines are unchanged, and aim to provide operational and financial flexibility to:

- facilitate continued investment in marketing, people and technology through different economic cycles, recognising that an economic downturn typically represents a future market share opportunity for the business;
- protect the ability of the business to act swiftly as growth opportunities arise in accordance with the Group's capital allocation guidelines; and
- underpin a commitment to Shareholders through the maintenance of regular interim and final dividend payments.

The quantum of the cash target at each year-end will be influenced broadly by reference to the investment requirements of the business and the subsequent year's anticipated full-year ordinary dividend.

The Board will keep these guidelines under review and is prepared to be flexible if circumstances warrant.

Capital allocation

The Board's capital allocation framework is designed to deliver increasing Shareholder value, driven by the execution of the Group's growth strategy. The Group's capital allocation priorities are:

- **Organic growth investments**
 - Either capital projects or those expensed in the income statement.
 - Market share opportunities in existing markets.
- **Interim and final dividend payments**
 - Increasing broadly in line with earnings per share through the cycle.
 - Aim to at least maintain dividend per share in a downturn.
- **Mergers and acquisitions**
 - Not a near-term priority.
 - Opportunities that would support organic growth.
- **Other Shareholder distributions**
 - Quantified by reference to cash over and above balance sheet funding requirement.
 - Special dividends most likely method: other methods may be considered.

Treasury policy

The financial requirements of the Group are managed through a centralised treasury policy. The Group operates cash pooling arrangements for its North American operations. Forward contracts may be taken out to buy or sell currencies relating to specific receivables and payables as well as remittances from overseas subsidiaries. There were no forward contracts open at the year-end or prior year-end. The Group holds most of its cash with its principal US and UK bankers.

The Group has a \$20.0m working capital facility with its principal US bank, JPMorgan Chase, N.A. The facility has minimum net income and debt to EBITDA covenants. The interest rate is the Secured Overnight Financing Rate plus 1.6%, and the facility expires on 31 May 2026. In addition, an overdraft facility of £1.0m with an interest rate of the Bank of England base rate plus 2.0% (or 2.0% if higher) is available from the Group's principal UK bank, Lloyds Bank plc, until 31 December 2025. These facilities were undrawn at the year-end (2023: undrawn) and the Group expects these facilities to be renewed prior to their respective expiry dates.

The Group had cash and bank deposits of \$147.6m (2023: \$104.5m) at the year-end and has no current requirement or plans to raise additional equity or core debt funding.

Estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the application of accounting policies, the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Management considers the critical accounting judgments to be in respect of revenue and the amendment to the Oshkosh office lease signed on 1 November 2024. Further information on these judgments is provided in the notes to the financial statements.

A review of internal and external indications of impairment was undertaken in accordance with IAS 36 for both the North American and UK cash-generating units (CGUs). This resulted in a full impairment review being undertaken for the UK CGU but no impairment being identified.

Going concern

In determining the appropriate basis of preparation of the financial statements for the period ended 28 December 2024, the Directors have considered the Group's ability to continue as a going concern over the period to 27 June 2026.

The Group has modelled its cash flow outlook for the period to 27 June 2026, considering the continuing uncertainties around macroeconomic conditions and the geopolitical environment. This forecast shows no liquidity concerns or requirement to utilise the Group's undrawn facilities.

The Group has also modelled a downside scenario reflecting severe but plausible downside demand assumptions which shows no liquidity concerns or requirement to utilise the Group's undrawn facilities in the going concern period.

Based on their assessment, the Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern from the date the financial statements are approved until 27 June 2026. Accordingly, they continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

Risk Management

The Board recognises that effective risk management and a robust system of internal control are integral components of good corporate governance and are fundamental to the long-term sustainable success of the Group. Risk appetite, the risk management process and associated mitigating activities and controls are all essential elements of the Group's strategic and operational planning processes.

The Board, supported by the Audit Committee, has overall responsibility for oversight and management of risk and control across the Group. On a day-to-day basis this responsibility is delegated to the Executive Directors and supported by the Group's Business Risk Management Committee (BRMC). The Board is committed to embedding a risk aware culture, setting the tone from the top and ensuring that risk is an intrinsic element of the governance structure.

Principal Risks & Uncertainties

Outlined in Appendix 1 are the current principal risks and uncertainties that would impact the successful delivery of the Group's strategic goals. These are consistent with those disclosed in the prior year. The list is not exhaustive and other, as yet unidentified, factors may have an adverse effect.

Kevin Lyons-Tarr

Chief Executive Officer

David Seekings

Chief Financial Officer

11 March 2025

Group Income Statement for the 52 weeks ended 28 December 2024

	Note	2024 \$m	2023 \$m
Revenue	1	1,367.9	1,326.5
Cost of sales		(932.5)	(924.6)
Gross profit		435.4	401.9
Operating expenses		(287.3)	(265.7)
Operating profit	1	148.1	136.2
Finance income		6.7	4.7
Finance costs		(0.4)	(0.4)
Pension finance income		-	0.2
Net finance income		6.3	4.5
Profit before tax		154.4	140.7
Taxation	2	(37.2)	(34.5)
Profit for the period		117.2	106.2
		Cents	Cents
Earnings per share			
Basic	3	416.3	377.9
Diluted	3	415.3	377.0

Group Statement of Comprehensive Income for the 52 weeks ended 28 December 2024

	Note	2024 \$m	2023 \$m
Profit for the period		117.2	106.2
Other comprehensive income			
<i>Items that may be reclassified subsequently to the income statement:</i>			
Currency translation differences		(1.1)	1.4
<i>Items that will not be reclassified subsequently to the income statement:</i>			
Remeasurement losses on post-employment obligations		-	(7.5)
Tax relating to components of other comprehensive income	2	0.4	2.3
Other comprehensive loss for the period, net of tax		(0.7)	(3.8)
Total comprehensive income for the period, net of tax		116.5	102.4

Group Balance Sheet at 28 December 2024

	Note	2024 \$m	2023 \$m
Non-current assets			
Goodwill		1.0	1.0
Intangible assets		0.3	0.5
Property, plant and equipment	5	49.3	34.7
Right-of-use assets	6	4.2	11.4
Deferred tax assets		3.2	3.8
Retirement benefit asset		-	-
		58.0	51.4
Current assets			
Inventories		17.1	13.6
Trade and other receivables		64.4	68.4
Corporation tax debtor		0.4	0.4
Other financial assets – bank deposits		94.3	14.0
Cash and cash equivalents		53.3	90.5
		229.5	186.9
Current liabilities			
Lease liabilities	6	(1.9)	(1.4)
Trade and other payables		(95.0)	(89.9)
		(96.9)	(91.3)
Net current assets		132.6	95.6
Non-current liabilities			
Lease liabilities	6	(3.4)	(10.9)
Deferred tax liabilities		(2.1)	(1.6)
		(5.5)	(12.5)
Net assets		185.1	134.5
Shareholders' equity			
Share capital and share premium reserve		89.7	89.7
Other reserves		4.7	5.8
Retained earnings		90.7	39.0
Total Shareholders' equity		185.1	134.5

Group Statement of Changes in Shareholders' Equity for the 52 weeks ended 28 December 2024

	Share		Retained earnings			Total equity \$m
	Share capital \$m	premium reserve \$m	Other reserves \$m	Own shares \$m	Profit and loss \$m	
At 1 January 2023	18.8	68.5	4.4	(0.9)	49.4	140.2
Profit for the period					106.2	106.2
<i>Other comprehensive income</i>						
Currency translation differences			1.4			1.4
Remeasurement losses on post-employment obligations					(7.5)	(7.5)
Tax relating to components of other comprehensive income (note 2)					2.3	2.3
Total comprehensive income			1.4		101.0	102.4
Shares issued	0.1	2.3				2.4
Proceeds from options exercised					0.1	0.1
Own shares utilised				0.7	(0.7)	-
Own shares purchased				(1.1)		(1.1)
Share-based payment expense					1.1	1.1
Deferred tax relating to components of equity (note 2)					0.2	0.2
Dividends (note 4)					(110.8)	(110.8)
At 30 December 2023	18.9	70.8	5.8	(1.3)	40.3	134.5
Profit for the period					117.2	117.2
<i>Other comprehensive income</i>						
Currency translation differences			(1.1)			(1.1)
Tax relating to components of other comprehensive income (note 2)					0.4	0.4
Total comprehensive income			(1.1)		117.6	116.5
Own shares utilised				1.3	(1.3)	-
Own shares purchased				(2.0)		(2.0)
Share-based payment expense					1.6	1.6
Dividends (note 4)					(65.5)	(65.5)
At 28 December 2024	18.9	70.8	4.7	(2.0)	92.7	185.1

Group Cash Flow Statement for the 52 weeks ended 28 December 2024

	Note	2024 \$m	2023 \$m
Cash flows from operating activities			
Cash generated from operations	7	162.1	166.9
Tax paid		(35.8)	(33.8)
Finance income received		6.7	4.3
Lease interest		(0.4)	(0.4)
Net cash generated from operating activities		132.6	137.0
Cash flows from investing activities			
Purchase of property, plant and equipment		(19.6)	(10.0)
Proceeds from sale of property, plant and equipment		0.1	0.3
(Increase)/decrease in current asset investments – bank deposits		(81.7)	21.0
Net cash (used in)/from investing activities		(101.2)	11.3
Cash flows from financing activities			
Capital element of lease payments		(1.5)	(1.4)
Proceeds from issue of ordinary shares		-	2.4
Proceeds from share options exercised		-	0.1
Purchase of own shares		(2.0)	(1.1)
Dividends paid to Shareholders	4	(65.5)	(110.8)
Net cash used in financing activities		(69.0)	(110.8)
Net movement in cash and cash equivalents		(37.6)	37.5
Cash and cash equivalents at beginning of the period		90.5	51.8
Exchange gains on cash and cash equivalents		0.4	1.2
Cash and cash equivalents at end of the period		53.3	90.5

Notes to the Financial Statements

General information

4imprint Group plc, registered number 177991, is a public limited company incorporated in England and Wales, domiciled in the UK and listed on the London Stock Exchange. Its registered office is 25 Southampton Buildings, London WC2A 1AL. The Group is engaged in the direct marketing of promotional products.

The Group presents the consolidated financial statements in US dollars and rounded to \$0.1m. A substantial portion of the Group's revenue and earnings are denominated in US dollars and the Board is of the opinion that a US dollar presentation gives the most meaningful view of the Group's financial performance and position.

Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements are consistent with those adopted in the annual financial statements for the period ended 30 December 2023, as described in those annual financial statements.

Basis of preparation

This announcement was approved by the Board of Directors on 11 March 2025. The financial information in this announcement does not constitute the Group's statutory accounts for the periods ended 28 December 2024 or 30 December 2023 but it is derived from those accounts. Statutory accounts for 30 December 2023 have been delivered to the Registrar of Companies, and those for 28 December 2024 will be delivered after the Annual General Meeting. The auditor has reported on those accounts. Their reports were unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The audited consolidated financial statements from which these results are extracted have been prepared under the historical cost convention in accordance with UK-adopted International Accounting Standards.

In assessing the impact of the July 2024 IFRS Interpretations Committee's agenda decision on segment reporting, management reassessed the presentation of the Group Income Statement and considered it appropriate to include further analysis on the face of the Group Income Statement with the additional disclosure of cost of sales and gross profit amounts to improve consistency with the management discussion and analysis. This has no impact on operating profit.

New accounting standards, amendments or revisions to existing standards or interpretations applicable for the first time in this reporting period have not had a material impact on the Group's results or balance sheet. Following the application of the mandatory temporary exception included in the Amendments to IAS 12 in the prior year, the Group has completed its assessment confirming that the impact of Pillar Two income taxes for 2024 is not material.

Environmental risks

In preparing the financial statements, management has considered the impact of environmental risks. Whilst the impact of environmental risks is still developing and therefore all possible future outcomes are uncertain, risks and mitigating actions known to the Group have been considered in forming judgments, estimates and assumptions and in assessing going concern and viability. The main impact of this consisted of the inclusion of cash flows in the forecasts used to assess impairment, going concern and viability for energy and waste reduction initiatives and in supporting our product transition for a low carbon economy with the expansion of our Better Choices® programme. These considerations did not have a material impact on the financial statements.

Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered: the Group's business activities, together with the principal risks and uncertainties likely to affect its future development, performance and position; the financial position of the Group, its cash flows and liquidity position; and the Group's financial risk management objectives and its approach to managing its exposures to currency, credit, liquidity, and capital risks.

The Group continues to maintain a robust financial position in accordance with its balance sheet funding guidelines, providing it with sufficient access to liquidity to fund its strategic priorities and anticipated dividend payments. At 28 December 2024, the Group had cash and bank deposits of \$147.6m, no debt, and undrawn facilities comprising a \$20m working capital facility that expires on 31 May 2026 and £1m overdraft facility that expires on 31 December 2025.

In adopting the going concern basis of preparation, the Directors have assessed the Group's cash flow forecasts for the period to 27 June 2026, which reflect current market conditions and incorporate assumptions about demand activity and revenue, gross margins, and marketing productivity.

In forming its outlook over the going concern period, the Directors considered the continuing uncertainties around macroeconomic conditions and the geopolitical environment, and a variety of potential downsides that the Group might experience, such as a downturn in general economic conditions and a reduction in the effectiveness of key marketing techniques. This forecast shows no liquidity concerns or requirement to utilise the Group's undrawn facilities.

The Group has also modelled a downside scenario reflecting severe but plausible downside demand assumptions over a three-year horizon. This downside scenario assumes:

- a severe demand shock occurs at the start of 2025, like that experienced in 2020 at the start of the pandemic, resulting in revenue for 2025 falling to around 70% of 2024 levels;
- revenue gradually recovers back towards 2024 levels by the end of 2027;
- marketing and direct costs flexed in line with revenue with capital expenditure maintained to support core operations;
- payment of the proposed 2024 final and special dividends in the first half of 2025 have been maintained to further 'stress' the scenario, with dividend payments for the 2025 financial year onwards reduced in line with earnings per share; and
- other payroll and overhead costs maintained at 2024 levels with an allowance for inflationary increases to retain capability and capacity to meet the recovery in demand.

Even under the severe stress built into this scenario, the forecast shows no liquidity concerns or requirement to utilise the Group's undrawn facilities in the going concern period. In addition, there are further mitigating actions that the Group could take, including reducing or withdrawing the proposed 2024 final and special dividends, further cutting marketing costs and reducing headcount that are not reflected in the downside scenario assumptions but would, if required, be fully under the Group's control. Given recent trading and the outlook for the business the Directors consider that, whilst plausible, this scenario reflects a remote outcome for the Group.

Based on their assessment, the Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern from the date the financial statements are approved until 27 June 2026. Accordingly, they continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

Estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the application of accounting policies, the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Critical accounting judgments are those judgments, apart from those involving estimations, that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Key assumptions and sources of estimation uncertainty are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year.

Management considers the following to be the critical accounting judgments and key assumptions and sources of estimation uncertainty:

Critical accounting judgments

Revenue

For most of its product line, the Group operates a 'drop-ship' business model whereby suppliers hold blank inventory, imprint the product and ship directly to customers. In order to determine the amount of revenue to recognise, it is necessary for the Group to make a judgment to assess if it is acting as principal or an agent in fulfilling the performance obligations and promises to customers for these transactions.

The Group has full discretion to accept orders, agrees artwork with the customer, sets the transaction price, selects the suppliers used to fulfil orders, and considers its customer satisfaction promises ('on-time or free', price and quality guarantees) to be integral to meeting its performance obligations.

Accordingly, the Group is of the opinion that it acts as principal in providing goods to customers and recognises the gross amount of consideration as revenue.

Leases

The Group signed an amendment to its Oshkosh office lease on 1 November 2024, replacing the option to renew the lease for another consecutive five-year term with five separate one-year options. In accordance with the requirements of IFRS 16, the Group has made a judgment on the likelihood of exercising the separate options to extend in determining the lease term. See note 6 for further information.

1 Segmental reporting

The Group has two operating segments, North America and UK & Ireland. The operating segments' performance is assessed on revenue and operating profit monthly by the chief operating decision maker, being the Board of Directors. The costs of the Head Office are reported separately to the Board, but this is not an operating segment.

Revenue	2024	2023
	\$m	\$m
North America	1,342.7	1,302.6
UK & Ireland	25.2	23.9
Total Group revenue	1,367.9	1,326.5
Profit	2024	2023
	\$m	\$m
North America	153.6	141.0
UK & Ireland	(0.4)	0.2
Operating profit from Direct Marketing operations	153.2	141.2
Head Office costs	(5.1)	(5.0)
Operating profit	148.1	136.2
Net finance income	6.3	4.5
Profit before tax	154.4	140.7

2 Taxation

Taxation recognised in the income statement is as follows:

	2024	2023
	\$m	\$m
<i>Current tax</i>		
UK tax	-	2.0
Overseas tax	35.8	32.1
Total current tax	35.8	34.1
<i>Deferred tax</i>		
Origination and reversal of temporary differences	1.4	0.4
Total deferred tax	1.4	0.4
Taxation	37.2	34.5

The tax for the period is different to the standard rate of corporation tax in the respective countries of operation. The differences are explained below:

	2024	2023
	\$m	\$m
Profit before tax	154.4	140.7
Profit before tax for each country of operation multiplied by rate of corporation tax applicable in the respective countries	37.7	34.6
<i>Effects of:</i>		
Expenses not deductible for tax and non-taxable income	(0.2)	(0.1)
UK tax losses (utilised)/generated in the period	(0.8)	0.9
UK tax losses recognised for deferred tax	0.6	(0.4)
Other differences	(0.1)	(0.5)
Taxation	37.2	34.5

UK tax losses recognised for deferred tax relates to changes to the deferred tax asset in respect of brought forward UK tax losses which are forecast to be utilised against UK taxable profits over the next three years.

Management does not consider that there are any material uncertain tax positions.

On 20 June 2023 the UK Finance Bill was substantively enacted in the UK, including legislation to implement the OECD Pillar Two income taxes for periods beginning on or after 31 December 2023. The legislation includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each country in which the Group operates. Similar legislation is being enacted by other governments

around the world. The Group has applied the mandatory temporary exception in the Amendments to IAS 12 issued in May 2023 and endorsed in July 2023, and has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes and there is no current tax impact on the financial statements for 2024.

Income tax credited to other comprehensive income is as follows:

	2024	2023
	\$m	\$m
Current tax relating to post-employment obligations	-	2.0
Deferred tax relating to post-employment obligations	-	(0.7)
Deferred tax relating to UK tax losses	0.4	1.0
	0.4	2.3

Income tax credited to equity is as follows:

	2024	2023
	\$m	\$m
Deferred tax relating to UK tax losses	0.1	0.2
Deferred tax relating to share-based payment schemes	(0.1)	-
	-	0.2

3 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares in issue during the period, excluding shares held by the EBT. The effect of excluding shares held by the EBT is to reduce the average number by 17,289 (2023: 18,008).

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume the conversion of all potentially dilutive ordinary shares. Shares that are expected to be issued at a price below the market price of the Company's ordinary shares under the share-based payment schemes are potentially dilutive.

	2024	2023
	Number	Number
	'000	'000
Weighted average number of shares	28,155	28,105
Dilutive effect of share-based payments	65	66
Diluted weighted average number of shares	28,220	28,171
Basic earnings per share	416.3c	377.9c
Diluted earnings per share	415.3c	377.0c

4 Dividends

		2024	2023
		\$m	\$m
Equity dividends – ordinary shares			
Interim paid:	80.0c (2023: 65.0c)	23.4	17.8
Final paid:	150.0c (2023: 120.0c)	42.1	34.9
Special paid:	Nil (2023: 200.0c)	-	58.1
		65.5	110.8

The Directors are proposing a final regular dividend in respect of the period ended 28 December 2024 of 160.0c per share and a special dividend of 250.0c per share; an estimated payment amount of \$115.5m. Subject to Shareholder approval at the AGM, these dividends will be paid on 3 June 2025 to Shareholders registered on 2 May 2025. These financial statements do not reflect these proposed dividends.

5 Property, plant and equipment

	Land and buildings \$m	Plant, machinery, fixtures & fittings \$m	Computer hardware \$m	Total \$m
Cost				
At 1 January 2023	21.6	26.1	3.0	50.7
Additions	3.9	5.3	0.8	10.0
Disposals	-	(1.4)	(0.2)	(1.6)
Reclassification	(0.6)	0.6	-	-
At 30 December 2023	24.9	30.6	3.6	59.1
Additions	14.5	4.2	0.9	19.6
Disposals	(0.1)	(1.4)	(0.4)	(1.9)
At 28 December 2024	39.3	33.4	4.1	76.8
Depreciation				
At 1 January 2023	4.3	15.4	1.8	21.5
Charge for the period	0.7	2.8	0.8	4.3
Disposals	-	(1.1)	(0.2)	(1.3)
Exchange differences	-	-	(0.1)	(0.1)
At 30 December 2023	5.0	17.1	2.3	24.4
Charge for the period	0.9	3.2	0.8	4.9
Disposals	(0.1)	(1.3)	(0.4)	(1.8)
At 28 December 2024	5.8	19.0	2.7	27.5
Net book value				
At 28 December 2024	33.5	14.4	1.4	49.3
At 30 December 2023	19.9	13.5	1.3	34.7

Freehold land with a value of \$1.3m (2023: \$1.3m) has not been depreciated. The carrying amount of land and buildings includes assets under construction of \$0.1m (2023: \$3.8m).

6 Leases

The Group leases premises in Oshkosh and Appleton, Wisconsin, and in London, England. In addition, there are various items of machinery on short-term leases and some office equipment with low value. The Group applies the IFRS 16 exemptions for short-term and low-value leases. No leases contain variable payment terms.

The lease for office premises in Oshkosh was renewed in 2020 until 30 September 2025 and included an option to extend the lease over the same office space for a further five years to 30 September 2030. During the period, an amendment to the lease was signed, replacing the five-year option with five separate one-year options, with notices of intent to exercise to be given no later than 31 March preceding the then current lease term expiration date. In consideration of these amendments, the Group exercised its option to renew the lease for the first one-year extension period of 1 October 2025 through 30 September 2026.

In accordance with IFRS 16, the Group has reassessed the lease term to reflect the change to the non-cancellable period of the lease (following the exercise of the first one-year option) and the revised structure of the option over the extension period. In reassessing the likelihood of exercising the further options to extend the lease, the Group concluded that it is no longer reasonably certain that it would renew the lease beyond the end of the revised non-cancellable period (30 September 2026). This reflects the diminished demand for a footprint as large as the current leased space following the post-pandemic shift towards working from home; the increased options for alternative sites given the reduced space requirements; and the potential to relocate to the nearby Oshkosh distribution centre following the completion of the recent extension project.

The lease liability has been remeasured for the new lease term to 30 September 2026 using a revised discount rate based upon the incremental cost of borrowing for a similar term and asset obtained from the Group's US bankers. This resulted in a reduction to the lease liability at 1 November 2024 (the date of the lease amendment) and corresponding adjustment to the right-of-use asset of \$5.9m. The adjusted carrying value of the right-of-use asset will be depreciated on a straight-line basis over the period of the determined lease term. The undiscounted

potential future rental payments relating to the periods covered by extension options that are not included in the lease term (and therefore lease liability) total \$6.5m (2023: \$nil).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold land and buildings \$m
At 1 January 2023	13.1
Depreciation charge for the period	(1.7)
At 30 December 2023	11.4
Additions	0.4
Remeasurement of lease liability	(5.9)
Depreciation charge for the period	(1.7)
At 28 December 2024	4.2

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024 \$m	2023 \$m
At start of period	12.3	13.7
Additions	0.4	-
Remeasurement of lease liability	(5.9)	-
Interest charge	0.4	0.4
Payments	(1.9)	(1.8)
At end of period	5.3	12.3
Current	1.9	1.4
Non-current	3.4	10.9

7 Cash generated from operations

	2024 \$m	2023 \$m
Profit before tax	154.4	140.7
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	4.9	4.3
Amortisation of intangible assets	0.2	0.4
Depreciation of right-of-use assets	1.7	1.7
Share-based payments expense	1.6	1.1
Net finance income	(6.3)	(4.5)
Defined benefit pension administration costs paid by the Plan	-	0.5
Contributions to defined benefit pension Plan	-	(6.5)
<i>Changes in working capital:</i>		
(Increase)/decrease in inventories	(3.5)	4.5
Decrease in trade and other receivables	3.8	20.0
Increase in trade and other payables	5.3	4.7
Cash generated from operations	162.1	166.9

Statement of Directors' responsibilities

Each of the Directors confirm, to the best of their knowledge:

- The financial statements within the full Annual Report & Accounts from which the financial information within this Final Results Announcement has been extracted, have been prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole.
- The Chief Executive's Review, the Financial Review and Principal Risks & Uncertainties include a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that it faces.

Alternative performance measures

An alternative performance measure (APM) is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified within IFRS.

The Group uses APMs to supplement standard IFRS measures to provide users with information on underlying trends and additional financial measures, which the Group considers will aid the users' understanding of the business.

Definitions

Underlying operating profit is operating profit before exceptional items. Exceptional items are defined below. These items may be volatile in magnitude and distort the underlying performance measures of the ongoing business.

Underlying operating margin % is underlying operating profit divided by total revenue.

Exceptional items are income or costs that are both material and non-recurring.

Underlying profit before tax is defined as profit before tax excluding exceptional items.

Underlying profit after tax is defined as profit after tax before exceptional items, net of any related tax charges.

Underlying earnings per share is defined as underlying profit after tax divided by the weighted average number of shares in issue during the financial year.

Revenue per marketing dollar is the total revenue of the Group divided by the total marketing expense of the Group. This provides a measure of the productivity of the marketing expenditure, which is a cornerstone of the Group's organic revenue growth strategy.

Free cash flow is defined as the movement in cash and cash equivalents and other financial assets – bank deposits, before distributions to Shareholders but including exchange gains/(losses) on cash and cash equivalents. It is a measure of cash available for allocation in line with the Group's capital allocation policy.

	2024	2023
	\$m	\$m
Net movement in cash and cash equivalents	(37.6)	37.5
Add back: Increase/(decrease) in current asset investments – bank deposits	81.7	(21.0)
Add back: Exchange loss on increase in current asset investments – bank deposits	(1.4)	-
Add back: Dividends paid to Shareholders	65.5	110.8
Less: Exchange gains on cash and cash equivalents	0.4	1.2
Free cash flow	108.6	128.5

Cash conversion is defined as the percentage of underlying operating cash flow to underlying operating profit and is provided as a measure of the efficiency of the Group's business model to generate cash.

Return on average capital employed is defined as underlying profit before tax divided by the simple average of opening and closing non-current assets, excluding deferred tax and retirement benefit assets, plus net current assets and non-current lease liabilities. This is given to show a relative measure of the Group's efficient use of its capital resources.

Capital expenditure is defined as purchases of property, plant and equipment, and intangible assets, net of proceeds from the sale of property, plant and equipment. These numbers are extracted from the cash flows from investing activities shown in the Group cash flow statement.

	2024	2023
	\$m	\$m
Purchase of property, plant and equipment	(19.6)	(10.0)
Proceeds from sale of property, plant and equipment	0.1	0.3
Capital expenditure	(19.5)	(9.7)

Underlying operating cash flow is defined as cash generated from operations before contributions to the defined benefit pension Plan, less *capital expenditure*. This reflects the cash flow directly from the ongoing business operations. This is reconciled to IFRS measures as follows:

	2024	2023
	\$m	\$m
Cash generated from operations	162.1	166.9
Add back: Contributions to defined benefit pension Plan	-	6.5
Less: Purchase of property, plant and equipment, and intangible assets	(19.6)	(10.0)
Add: Proceeds from sale of property, plant and equipment	0.1	0.3
Underlying operating cash flow	142.6	163.7

Cash and bank deposits is defined as cash and cash equivalents and other financial assets – bank deposits. This measure is used by the Board to understand the true cash position of the Group when determining the potential uses of cash under the balance sheet funding and capital allocation policies. This is reconciled to IFRS measures as follows:

	2024	2023
	\$m	\$m
Other financial assets – bank deposits	94.3	14.0
Cash and cash equivalents	53.3	90.5
Cash and bank deposits	147.6	104.5

Appendix 1 – Principal Risks & Uncertainties

STRATEGIC RISKS		
Macroeconomic conditions		
Risk and description		
<p>The Group conducts most of its operations in North America and would be affected by a downturn in general economic conditions and/or negative effects from instability in the geopolitical environment or tension in international trade affecting this market. In previous economic downturns the promotional products market has typically softened broadly in line with the general economy.</p>		
Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • Customer acquisition and retention could fall, impacting revenue in current and future periods. • The growth and profitability levels called for in the Group’s strategic plan may not be achieved. • Cash generation could be reduced broadly corresponding to a reduction in profitability. 	<ul style="list-style-type: none"> • Management monitors economic and market conditions to ensure that appropriate and timely adjustments are made to marketing and other budgets. • The customer proposition in terms of promotions, price, value, and product range can be adjusted to resonate with customer requirements, budgets and input costs in changing economic climates. • The Group’s balance sheet funding policy provides operational and financial flexibility to facilitate continued investment in the business through different economic cycles. 	<ul style="list-style-type: none"> • Inflation and interest rates in our core US market have stabilised, easing pressure on product, transportation and labour costs. • However, political and economic uncertainty remains, including from the renewed focus on tariffs under the new US administration, resulting in lower business confidence and downside risks to growth. <p>Unchanged</p>

Markets and competition**Risk and description**

The promotional products markets in which the business operates are intensely competitive. New or disruptive business models, potentially facilitated or accelerated by emerging technology and AI, looking to break down our industry's prevailing distributor/supplier structure may become a threat. Buying groups and online marketplaces may allow smaller competitors access to improved pricing and services from suppliers. Private equity interest in the promotional products industry has increased in recent years, offering potential funding for existing competitors or new entrants.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • Aggressive competitive activity or a disruptive new model could result in pressure on prices, margin erosion and loss of market share, impacting the Group's financial results. • The Group's strategy based on achieving organic revenue growth in fragmented markets may need to be reassessed. • Customer acquisition and retention could fall, impacting revenue in current and future periods. 	<ul style="list-style-type: none"> • Service level, price and satisfaction guarantees are an integral part of the customer proposition. Negative or changing customer feedback is investigated and addressed rapidly. Customers are surveyed regularly to monitor changing customer interests and perceptions. • Merchandising and supply chain teams have extensive experience in rapidly adapting the product range to meet evolving consumer demand. • Our aim is to position the business at the forefront of innovation in the industry, driven by an open-minded culture that is customer-focused, embraces collaborative supplier relationships, and has an appetite for emerging technology. Potential use cases to harness the advancements in AI are being regularly discussed and assessed. • Management closely monitors competitive activity in the marketplace, including periodic market research studies. 	<ul style="list-style-type: none"> • The competitive landscape to date has been relatively consistent on the distributor side in our main markets. • Whilst we are not seeing disruption in our markets from new entrants enabled by AI technology, the consumer search model landscape is rapidly evolving which may present opportunities for potential competitors and become a threat. <p style="text-align: center;">Unchanged</p>

Effectiveness of key marketing techniques and brand development

Risk and description

The success of the business relies on its ability to attract new and retain existing customers through a variety of marketing techniques. These methods may become less effective as follows:

- **TV/video/brand:** Fluctuations in available inventory may cause the price of this technique to increase beyond our acceptable thresholds. The evolving nature of how consumers access this type of content could change our ability to effectively access our audience.
- **Online:** Search engines are an important source for channelling customer activity to 4imprint's websites. The efficiency of search engine marketing could be adversely affected if the search engines were to modify their algorithms or otherwise make substantial changes to their practices, for example to benefit from the use of emerging technology and AI, and the Group was unable to respond and adapt to these rapid changes.
- **Offline:** The flow of print catalogues and sample packages would be disrupted by the incapacity of the US Postal Service to make deliveries, for example due to natural disasters or labour activism. Increased levels of people working from remote locations for a sustained period may diminish the effectiveness of this technique.

The evolving landscape around consumer data privacy preferences and data privacy legislation potentially affects all marketing techniques if it compromises our ability to access and analyse customer information or results in any adverse impacts to our brand image and reputation.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • If sustained over anything more than a short time period, an externally driven decrease in the effectiveness of key marketing techniques would cause damage to the customer file as customer acquisition and retention fall. This would affect order flow and revenue in the short term and the productivity of the customer file over a longer period, impacting growth prospects in future years. • Restrictive data privacy legislation or changes in consumer demands around data privacy could decrease the yield on our marketing activities and might increase compliance costs and the possibility of lawsuits. 	<ul style="list-style-type: none"> • TV/video/brand: This now dominant element of our marketing portfolio permits a high degree of flexibility, allowing us to quickly respond to changes as required. • Online: Management stays very close to evolving technological developments and emerging platforms in the online space, particularly in respect of the adoption of AI by the main search engines. Efforts are focused on anticipating changes and ensuring compliance with both the requirements of providers and applicable laws. An appetite for technological innovation is encouraged by the business. • Offline: Developments in the US Postal Service are closely monitored through industry associations and lobbying groups. Alternative parcel carriers are evaluated periodically. • Data privacy requirements and consumer data preferences are monitored closely and assessed. • The business relies primarily on first party data, with shared data significantly reduced. 	<ul style="list-style-type: none"> • The increasing adoption of AI by the main search engines has the potential to change internet search in a way that may potentially diminish its effectiveness for the Group. • The Group's diversified marketing portfolio has proved to be flexible and effective, producing encouraging results in a soft market. <p style="text-align: center;">Unchanged</p>

OPERATIONAL RISKS

Business facility disruption

Risk and description

The 4imprint business model means that operations are concentrated in centralised office, distribution and production facilities. The performance of the business could be adversely affected if activities at one of these facilities were to be disrupted, for example, by a pandemic, extreme weather events (e.g., cyclones, droughts, floods and fires), loss of power or internet/telecommunication failure.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • The inability to service customer orders over any extended period would result in significant revenue loss, deterioration of customer acquisition and retention metrics and diminished return on marketing investment. • A significant portion of our apparel orders are embroidered and printed in-house at our production and distribution sites in Oshkosh and Appleton, Wisconsin. Disruption at these facilities would impact our ability to fulfil these orders. • The Group's reputation for excellent service and reliability may be damaged. 	<ul style="list-style-type: none"> • Back-up and business continuity infrastructure is in place to ensure the risk of customer service disruption is minimised. • Websites are cloud-based, and data is backed up continuously to off-site servers. • Relationships are maintained with third party embroidery and print contractors to provide an element of back-up in the event of facility unavailability. • Our screen-printing operations have been located separately to our existing distribution centre to diversify the risk of disruption to our facilities. • A significant proportion of our office and customer service staff work from home, mitigating some risk should offices become unavailable. • Physical climate-related risk assessment of our operations and facilities undertaken during the period to better understand how these risks could impact the Group's operations across different timescales. 	<ul style="list-style-type: none"> • There have been no significant changes to the operations of the Group over the period which materially change the nature or likelihood of this risk. <p style="text-align: center;">Unchanged</p>

Domestic supply and delivery

Risk and description

As a consequence of the Group’s ‘drop-ship’ distribution model, trading operations could be interrupted if: (i) the activities of a key supplier were disrupted and it was not possible to source an alternative supplier in the short term; (ii) a key supplier’s own supply chain is compromised by ‘force majeure’ events in the country of original product manufacture, for example extreme weather events (e.g., cyclones, droughts, floods and fires), natural disasters, social/political unrest or a pandemic; or (iii) the primary parcel delivery partner used by the business suffered significantly degraded service levels. As the Group continues to grow, the volume of orders placed with individual suppliers becomes significant.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • Inability to fulfil customer orders would lead to lost revenue and a negative impact on customer acquisition and retention statistics. • The Group’s reputation for excellent service and reliability may be damaged, leading to potential erosion of the value built up in the 4imprint brand. 	<ul style="list-style-type: none"> • A rigorous selection process is in place for key suppliers, with evaluation and monitoring of quality, production capability and capacity, ethical standards, financial stability and business continuity planning. • Very close relationships are maintained with key suppliers, including a detailed shared knowledge of the supply end of the value chain, allowing swift understanding of and appropriate reaction to events. • Wherever possible, relationships are maintained with suitable alternative suppliers for each product category. • Physical climate-related risk assessment of our key suppliers undertaken during the period to better understand how these risks could impact the Group’s operations, customers and supply chain across different timescales. • Secondary relationships are in place with alternative parcel carriers. 	<ul style="list-style-type: none"> • Supply chain and delivery conditions remain stable in both our markets. <p style="text-align: center;">Unchanged</p>

Failure or interruption of information technology systems and infrastructure

Risk and description

The business is highly dependent on the efficient functioning of its IT infrastructure. An interruption or degradation of services, including from a malicious cyber attack, would affect critical order processing systems and thereby compromise the ability of the business to deliver on its customer service proposition.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • In the short term, orders would be lost and delivery deadlines missed, decreasing the efficiency of marketing investment and impacting customer acquisition and retention. • Revenue and profitability are directly related to order flow and would be adversely affected as a consequence of a major IT failure. • Depending on the severity of the incident, longer-term reputational damage could result. 	<ul style="list-style-type: none"> • There is continuous investment in both the IT team supporting the business and the hardware and software system requirements for a stable and secure operating platform. • Back-up and recovery processes are in place, including immediate replication of data to an alternative site, to minimise the impact of information technology interruption. • Regular security testing of our systems is undertaken in conjunction with specialist third-party consultants. • Cloud-based hosting for eCommerce and elements of back-office functionality. • IT infrastructure in place to support working from home for our office-based team members. 	<ul style="list-style-type: none"> • The IT platform is mature and performance has been efficient and resilient. <p style="text-align: center;">Unchanged</p>

REPUTATIONAL RISKS

Cyber threats

Risk and description

Malware, ransomware and other malicious cyber threats can lead to system failure and/or unauthorised access to and misappropriation of customer data, potentially leading to reputational damage and loss of customer confidence. This is a rapidly changing environment, with threats from new technology emerging on an almost daily basis.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • Revenue and profitability are directly related to order flow and would be adversely affected as a consequence of system compromise. • A significant security breach could lead to litigation and losses, with a costly rectification process. In addition, it might be damaging to the Group's reputation and brand. • An event of this nature might result in significant expense, impacting the Group's ability to meet its strategic objectives. 	<ul style="list-style-type: none"> • The business employs experienced IT staff whose focus is to identify and mitigate IT security vulnerabilities. • Investment in software and other resources in this area continues to be a high priority. • Technical and physical controls are in place to mitigate unauthorised access to customer data and there is an ongoing investment process to maintain and enhance the integrity and efficiency of the IT infrastructure and its security. • Due to the ever-evolving nature of the threat, emerging cyber risks are addressed by the IT security team on a case-by-case basis. • Third party cyber security consultants are employed as appropriate and support regular security testing of our systems. • Regular training is rolled out to our team members, including phishing simulations, to increase awareness of cyber security threats. 	<ul style="list-style-type: none"> • The expected frequency, sophistication and publicity of attacks continues to increase. Accordingly, we continue to invest in expertise and technical solutions, controls and security reviews to counter the increasing external risks. <p style="text-align: center;">Unchanged</p>

Supply chain compliance and ethics

Risk and description

Our business model relies on direct (Tier 1) and indirect (Tier 2 and 3) relationships with suppliers located both within our primary markets and at overseas locations. 4imprint has for many years had very high ethical expectations for supply chain compliance, but there is always a risk that our wider supply chain partners may, from time to time, not comply with our standards or applicable local laws.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • Significant or continuing non-compliance with such standards and laws could result in serious damage to our reputation and brand image. • This could have an adverse effect on our ability to acquire and retain customers and therefore our longer-term revenue prospects and financial condition. 	<ul style="list-style-type: none"> • Key Tier 1 suppliers must commit to cascading our ethical sourcing expectations down to their Tier 2 and Tier 3 supply chain partners. • Specifically, we require our suppliers to comply with our supplier compliance documentation, including the '4imprint Supply Chain Code of Conduct' and the '4imprint Factory & Product Compliance Expectations' document. • We are active in promoting audit coverage of our supply chain at many levels, and in ensuring that product safety and testing protocols are adequate and up to date. 	<ul style="list-style-type: none"> • Our supplier compliance programme is well established. • Whilst visits and audits of domestic and overseas suppliers are running at expected levels, challenges exist in visiting certain locations. <p style="text-align: center;">Unchanged</p>

Legal, regulatory and compliance

Risk and description

We are subject to, and must comply with, extensive laws and regulations, particularly in our primary US market, including those relating to data privacy legislation and environmental compliance and reporting obligations.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • If we or our employees, suppliers and other partners fail to comply with any of these laws or regulations, such failure could subject us to fines, sanctions or other penalties that could negatively affect our brand, reputation and financial condition. 	<ul style="list-style-type: none"> • Consultation with subject matter experts, specialist external advisers and government agencies as appropriate. • The business employs, and continues to invest in, legal, compliance and other specialist staff familiar with the obligations faced by the Group. • We continue to monitor and assure controls implemented across the Group to manage our risk of non-compliance. 	<ul style="list-style-type: none"> • Obligations continue to be complied with, monitored and assured. <p style="text-align: center;">Unchanged</p>

ENVIRONMENTAL RISKS

Climate change

Risk and description

Climate change potentially affects our operations, facilities, supply chain, team members, communities and our customers in a variety of ways. As such, it presents a multitude of risks to the business and threatens our ability to achieve our strategic objectives. In order to meaningfully reduce our Scope 3 emissions, the Group will be reliant on third parties and the development of lower/zero carbon products and technologies.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> • Extreme weather-related events that impact our customers and/or our suppliers can have a short- to medium-term negative impact on revenue, customer acquisition and retention, and they can also cause increases to our product and distribution costs. Some of our suppliers are located in geographic areas that are subject to increased risk of these events in the long term. • Further, in the medium term, if the business is not seen to be taking deliberate and tangible actions to reduce its GHG emissions and support the transition to a lower-carbon economy, the Group's reputation and brand may be damaged and its access to providers of capital diminished. 	<ul style="list-style-type: none"> • The flexible nature of our 'drop-ship' model allows for relatively rapid adjustment to episodes of extreme weather. The business has very low customer concentration which helps mitigate an element of the risk as well. • We have close relationships with our key suppliers and, wherever possible, relationships are maintained with suitable alternative suppliers for each product category. • The business became carbon neutral in 2021 in respect of Scopes 1 and 2 and is working towards understanding its full Scope 3 emissions profile. • The extension to our existing solar array at the Oshkosh distribution centre became fully operational during the year, contributing to the portion of the Group's power requirements generated from renewable sources. • Separate physical and transitional climate-related risk assessments were undertaken during the period to better understand how these risks could impact the Group's operations, facilities, customers, supply chain and reputation across different timescales. • Management is actively monitoring and measuring progress towards further environmental goals, most notably further GHG reductions in Scopes 1, 2 and 3. 	<ul style="list-style-type: none"> • There remains a global sense of urgency in relation to climate change. As such, the risks in this area remain elevated. • There have been several severe weather events in our primary North American market during the period. Whilst our supplier partners located in the affected areas successfully mitigated the impact of these events, the regularity and future management of these occurrences is expected to become more challenging. <p style="text-align: center;">Unchanged</p>

Products and market trends

Risk and description

The transition to a low carbon economy may lead to changing product trends or consumer preferences that render certain products undesirable or obsolete whilst increasing demand for others. New, more sustainable or recycled products are still being developed for commercial use, which could lead to increased product costs. Further, our supply chain may seek to pass on potential costs arising from the transitional changes such as carbon taxes, or inflation arising from sourcing in-demand raw materials or disruption caused by extreme weather events.

Strategic relevance	Mitigation	Direction
<ul style="list-style-type: none"> Failure to anticipate accurately, and respond to, trends and shifts in consumer preferences and increased costs arising in the value chain, by adjusting the mix of existing product offers, may lead to lower demand for our products, impacting our market position and ability to generate revenue growth. 	<ul style="list-style-type: none"> Our merchandising teams actively collaborate with our suppliers to continuously curate our range of products to adapt to and meet the needs and tastes of our customers. Our Better Choices® initiative highlights promotional products that have sustainable attributes, giving our customers the ability to research product attributes, supplier standards and certifications related to sustainability, environmental impact, workplace culture and more, helping them to reduce their own carbon emissions. We continue to invest in our sustainability team to assist in delivering our initiatives in this rapidly evolving area. 	<ul style="list-style-type: none"> The transition to a low carbon economy is driving changes in consumer preferences towards sustainable products. However, the fact that most of the products in our broad range are also sold unbranded in the retail setting, and with an increasing number of products being 'tagged' with our Better Choices® designation, the pace of the transition towards sustainable choices, whilst expected to accelerate in the future, is likely to remain manageable. <p style="text-align: center;">Unchanged</p>