

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

**24 February 2025**



**Croma Security Solutions Group PLC**

(“CSSG”, “Croma”, the “Company”, or the “Group”)

**Interim Results**

*‘Entering Acquisition Led Growth Phase’*

Croma (AIM:CSSG), the AIM listed innovation and service-focused security solutions provider, is pleased to announce its unaudited interim results for the six months to 31 December 2024 (“H1” or the “Period”).

**Strong financial performance in H1**

- Group revenue of £4.6 million (HY24: £4.3 million) up 8%
- Like for like growth of 4%
- EBITDA of £0.572 million (HY24: £0.509 million) up 12%
- Profit before tax of £0.456 million (HY24: £0.362 million) up 26%
- Earnings per share of 2.25p (HY24: 1.78p) up 26%
- Strong balance sheet with no debt and cash at Period end of £4.2 million with a further £2.5 million due from the disposal of Vigilant over the next six quarters
- Net asset value per share 111p (HY24: 109p)

**Delivering on strategy**

- Strategy set to deliver acquisition led growth supported by organic growth in both divisions
- Excellent progress on expanding the pipeline of retail locksmith acquisition targets
- Good demand from education, utilities, health and leisure sectors with a similar mix of both repeat and new business
- The Company is preparing to support customers that will require additional security measures as a result of Martyn’s Law when the new government bill is introduced

**Trading in H2**

- Solid trading performance since the half-year
- Completed the acquisition of Meridian Security Systems Ltd in February for £0.150 million
  - A family-owned Leeds security and locksmith provider with a mix of online and retail sales
  - Annual revenues of £0.836 million and PBT of £0.046 million for 12 months to 31 December 2023
  - Natural fit with the Group’s acquisition criteria and is expected to become significantly more profitable as part of the Croma Group
- The Board intends to declare a single final progressive dividend with the FY25 results

**Croma Chairman, Jo Haigh commented:** *“We have a strong pipeline of value-enhancing acquisitions that present compelling opportunities for the business and anticipate completing additional transactions in FY25. Our strategy is both clear and repeatable: acquiring well-priced, independent locksmiths and transforming them into full-service security centres with an expanded product offering, operational efficiencies, and enhanced profitability. With this approach, we are confident in our ability to drive sustainable growth over the long term.”*

**For further information visit [www.cssgplc.com](http://www.cssgplc.com) or contact:**

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**Notes to editors:**

Croma Security Solutions is an expanding technology led security solutions provider with over 50 years of specialist experience, delivering high-quality security solutions across locksmith, fire and security services for both domestic and commercial environments. The Group’s network currently stands at 17 security centres, stretching from its headquarters in Southampton, across the Midlands and up to the Northwest. Croma services a range of sectors including health, education, leisure and entertainment, and utilities, and is trusted by national brands, including multiple NHS Trusts, with their complex security needs.

Croma’s growth strategy is focused on establishing a national security network. In 2023, it sold its man-guarding business Vigilant for £6.5m, which has provided the capital to fund the expansion of the business. Croma is a proven acquirer of local, traditional locksmith businesses, which are developed into its network of modern security centres, offering both total security solutions and locksmith services to retail and commercial customers. The new security centres benefit from extended product ranges, centralised group services, and both a local and national customer base. Since the sale in 2023, Croma has added new businesses to its network, and has a strong pipeline of further locksmiths stores to be acquired into the network.

Croma is listed on the AIM market of the London Stock Exchange. Founded in 1970, it is headquartered in Southampton and has over 90 employees.

**CEO Statement**

**Interim Results for the Six Months Ended 31 December 2024**

I am pleased to report that Croma Security Solutions has delivered a strong financial performance in the first half of the year, reflecting the continued execution of our strategic priorities. The Group has delivered solid revenue growth, enhanced profitability, and a strengthened balance sheet. It is noteworthy that this performance has been achieved against a challenging market environment, which reflects well on the business and our ability to continue to deliver both organic and acquisition-led expansion.

Our priority is to create significant further value for our shareholders, through:

- Pursuing a strategy of reinvesting the proceeds from the sale of Vigilant into generating a higher return by growing Croma into a national security brand;
- This will be achieved primarily through an acquisition-led roll-out of the Group's security centre network;
- The Board aims to acquire modestly valued, independent locksmith stores, and add value by converting them to security centres with a broader product range, securing cost savings and thus delivering significantly greater earnings potential;
- The acquisition and conversion model is well-established with a good pipeline of opportunities ahead and an annual ROI target of at least 15%.

Since the end of the period under review, the Company has acquired Meridian Security Systems, a family-owned locksmith business based in Leeds. The acquisition aligns perfectly with the Group's strategy and we have several similar transactions lined up in our pipeline, of which we expect to complete additional acquisitions FY25.

### **Financial Performance**

For the six months to 31 December 2024, we achieved Group revenue of £4.6 million, an 8% increase compared to £4.3 million in the same period last year. There has been like-for-like growth across both divisions, overall up 4%, and we are seeing the benefits of our ongoing investments and strategic focus.

EBITDA for the period was £0.572 million (HY24: £0.502 million), a 12% improvement against the previous year. Profit before tax for the period rose 26% to £0.456 million (HY24: £0.362 million), benefitting in part from an increase in interest income to £0.135 million (HY24: £0.103 million). As a result, earnings per share increased by 26% to 2.25p (HY24: 1.78p).

Our balance sheet remains robust, with no debt and cash at the period end of £4.2 million. Additionally, having sold manned guarding business Vigilant for £6.5 million in June 2023, we expect a further £2.5 million in cash to be received from the disposal over the next six quarters, further bolstering our financial position.

### **Dividend**

In line with last year, the Company is not proposing an interim dividend but intends to declare a single final progressive dividend with the FY25 results.

### **Operational Progress**

We continue to execute a strategy that combines organic growth with strategic acquisitions. During the first half we achieved organic growth across both our fire and security and locksmith divisions, with strong demand from key sectors such as education, utilities, health, and leisure. This mix of repeat and new business has driven our sales growth. As the strategy progresses and additional acquisitions are completed, we expect the increased scale to drive both revenue growth and economies of scale across the two divisions of our business.

The impending introduction of Martyn's Law, the new government bill aimed at improving safety in public premises, has generated new enquiries and when passed in full may present a promising opportunity for the Group.

In our opinion, Croma is now more than ever ideally positioned to develop its profile and brand as a national UK security business.

We are acquiring independent stores operating on low single digit EBITDA margins, then transforming them into modern security centres with a significantly broadened product range and Croma's inbuilt advantages in terms of software, central purchasing and cost duplication elimination. The objective of which is to lift the acquired stores EBITDA margins to those currently achieved by the Group.

There is no shortage of potential acquisitions, many of which fit the Group's acquisition criteria. Using this criteria and our decades of industry experience, we have identified an healthy pipeline of opportunities.

To accelerate our acquisition strategy, we are planning to expand our senior team to support the Company's growth. This investment, whilst impacting our margins in the short term, will enhance our financial capabilities, strengthen operational management, and enable the seamless integration of newly acquired businesses in the

long term. With this added expertise, the Board is confident that going forward the Company is well-positioned to drive its acquisition pipeline and sustain growth.

In February 2025, we completed the acquisition of Meridian Security, a Leeds-based security and locksmith business, for £150,000 with an additional payment of £275,000 to acquire the freehold for the retail property where the business has built-up from. Meridian, with annual revenues of £836,000 and a profit before tax of £46,000 for the year ending 31 December 2023, is a natural fit with our Group and is expected to generate greater profitability as part of the Croma Security family.

Currently, the business operates a mix of 9 freehold and 8 leasehold properties. We are comfortable acquiring freehold properties as they fit well within our acquisition strategy. Freehold ownership ensures long-term control over sites with established customer bases, provides the flexibility to upgrade retail locations into modern Croma security stores, offers cost stability for greater financial predictability, and if required, flexibility to raise capital by leveraging our freehold portfolio.

## **Outlook**

Croma is in a strong position. We understand the UK security market and we have a clear and proven acquisition strategy to build the business upon. Having sold Vigilant in 2023, we have the capital and also the pipeline of opportunities to drive the expansion of our network. The underlying business is trading well in what is still a challenging market environment, and this combined with our acquisition programme means we are confident in the outlook for Croma.

**CROMA SECURITY SOLUTIONS GROUP PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR 6 MONTHS ENDED 31 DECEMBER 2024**

	Notes	31-Dec-24 Unaudited 6 months £000s	31-Dec-23 Unaudited 6 months £000s	30-Jun-24 Audited 12 months £000s
<b>Revenue</b>		4,580	4,257	8,737
Cost of sales		(2,537)	(2,409)	(4,738)
<b>Gross profit</b>		2,043	1,848	3,999
Administrative expenses		(1,716)	(1,570)	(3,395)
Other operating income		6	-	3
<b>Operating profit</b>		333	278	607

**Analysed by:**

Earnings before interest, tax, depreciation,  
impairment and amortisation of intangible assets  
(EBITDA)

		572	509	1,061
Amortisation		(30)	(24)	(62)
Depreciation		(209)	(207)	(392)
Operating profit		333	278	607

Financial expenses		(12)	(19)	(27)
Interest receivable		135	103	217

<b>Profit before tax</b>		456	362	797
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Tax		(146)	(116)	(254)
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<b>Profit for the period from continuing operations</b>		310	246	543
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<b>Profit and total comprehensive income for the period attributable to owners of the parent</b>		310	246	543
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**Earnings per share** **3**

Basic and diluted earnings per share (pence) from total operations		2.25	1.78	3.94
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**CROMA SECURITY SOLUTIONS GROUP PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2024**

	<b>31-Dec-24</b> <b>Unaudited</b> <b>£000s</b>	<b>31-Dec-23</b> <b>Unaudited</b> <b>£000s</b>	<b>30-Jun-24</b> <b>Audited</b> <b>£000s</b>
<b>Assets</b>			
<b>Non current assets</b>			
Goodwill	5,042	5,042	5,042
Other intangible assets	55	123	85
Property, plant and equipment	2,846	1,987	2,576
Right-of-use assets	496	541	552
Other receivables	1,651	3,122	1,651
<b>Total non current assets</b>	<u>10,090</u>	<u>10,815</u>	<u>9,906</u>
<b>Current assets</b>			
Inventories	1,230	990	1,203
Trade and other receivables	2,202	3,556	4,818
Cash and cash equivalents	4,174	1,728	2,142
	<u>7,606</u>	<u>6,274</u>	<u>8,163</u>
<b>Total assets</b>	<u>17,696</u>	<u>17,089</u>	<u>18,069</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(1,576)	(1,300)	(1,876)
Borrowings and lease liabilities	(114)	(102)	(114)
	<u>(1,690)</u>	<u>(1,402)</u>	<u>(1,990)</u>
<b>Non current liabilities</b>			
Provisions	(151)	(161)	(161)
Deferred tax	(217)	(154)	(217)
Lease liabilities	(420)	(445)	(477)
<b>Total non current liabilities</b>	<u>(788)</u>	<u>(760)</u>	<u>(855)</u>
<b>Total liabilities</b>	<u>(2,478)</u>	<u>(2,162)</u>	<u>(2,845)</u>
<b>Net assets</b>	<u>15,218</u>	<u>14,927</u>	<u>15,224</u>
<b>Equity attributable to owners of the parent</b>			
Share capital	794	794	794
Treasury shares	(946)	(946)	(946)
Share premium	6,133	6,133	6,133
Merger reserve	2,139	2,139	2,139
Capital redemption reserve	51	51	51
Retained earnings	7,047	6,756	7,053
<b>Total equity</b>	<u>15,218</u>	<u>14,927</u>	<u>15,224</u>

**CROMA SECURITY SOLUTIONS GROUP PLC  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR 6 MONTHS ENDED 31 DECEMBER 2024**

		<b>31-Dec-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>
		<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
		<b>6 months</b>	<b>6 months</b>	<b>12 months</b>
		<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
	<b>Notes</b>			
<b>Cash generated from operating activities</b>	<b>4</b>	222	213	723
<b>Cash flows from investing activities</b>				
Purchase of subsidiaries, net of cash acquired		-	-	(73)
Purchase of property, plant and equipment		(479)	(130)	(793)
Proceeds on disposal of discontinued operations		2,538	-	538
<b>Net cash generated in investing activities</b>		<u>2,059</u>	<u>(130)</u>	<u>(328)</u>
<b>Cash flows from financing activities</b>				
Payments to reduce lease liabilities		(56)	(113)	(117)
Dividends paid		(316)	(302)	(302)
Interest paid		(12)	(20)	(27)
Interest income		135	104	217
Treasury shares acquired		-	(168)	(168)
<b>Net cash used in financing activities</b>		<u>(249)</u>	<u>(499)</u>	<u>(397)</u>
<b>Net increase in cash and cash equivalents</b>		2,032	(416)	(2)
Cash and cash equivalents at beginning of period		2,142	2,144	2,144
<b>Cash and cash equivalents at end of period</b>		<u><u>4,174</u></u>	<u><u>1,728</u></u>	<u><u>2,142</u></u>

**CROMA SECURITY SOLUTIONS GROUP PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR 6 MONTHS ENDED 31 DECEMBER 2024**

	Share capital	Treasury shares	Share premium	Merger reserve	Capital redemption reserve	Retained earnings	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Balance at 1 July 2024</b>	794	(946)	6,133	2,139	51	7,053	15,224
Profit for the period	-	-	-	-	-	310	310
Dividends paid	-	-	-	-	-	(316)	(316)
<b>Balance at 31 December 2024</b>	<u>794</u>	<u>(946)</u>	<u>6,133</u>	<u>2,139</u>	<u>51</u>	<u>7,047</u>	<u>15,218</u>
<b>Balance at 1 July 2023</b>	794	(778)	6,133	2,139	51	6,812	15,151
Treasury shares acquired	-	(168)	-	-	-	-	(168)
Profit for the period	-	-	-	-	-	246	246
Dividends paid	-	-	-	-	-	(302)	(302)
<b>Balance at 31 December 2023</b>	<u>794</u>	<u>(946)</u>	<u>6,133</u>	<u>2,139</u>	<u>51</u>	<u>6,756</u>	<u>14,927</u>
<b>Balance at 1 July 2023</b>	794	(778)	6,133	2,139	51	6,812	15,151
Treasury shares acquired	-	(168)	-	-	-	-	(168)
Profit for the year	-	-	-	-	-	543	543
Dividends paid	-	-	-	-	-	(302)	(302)
<b>Balance at 30 June 2024</b>	<u>794</u>	<u>(946)</u>	<u>6,133</u>	<u>2,139</u>	<u>51</u>	<u>7,053</u>	<u>15,224</u>



**CROMA SECURITY SOLUTIONS GROUP PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR 6 MONTHS ENDED 31 DECEMBER 2024**

**1. Basis of preparation**

The interim financial information in this report has been prepared using accounting policies consistent with UK-adopted international accounting standards (“IFRS”). IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the UK Endorsement Board. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the UK and applicable as at 30 June 2025. The Group has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing the interim financial information.

**Statutory accounts**

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 (“the Act”). The statutory accounts for the year ended 30 June 2024 have been filed with the Registrar of Companies. The report of the auditors on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Act. The financial information for the six months ended 31 December 2024 and 31 December 2023 is unaudited.

**Going concern**

The interim financial report has been prepared on a going concern basis. The Group’s activities are funded by long-term equity capital and by cash generated from trading. Further cash supporting the Group trading has become available from the disposal of the Vigilant business with £4 million received to date and a further £2.5 million due over the next 6 quarters. In considering the ability of the Group to meet its obligations as they fall due, the Board has considered the expected trading and cash requirements of the Group until the end of June 2026. The Board continues to be positive about the retention of customers and the outlook of its trading operations. Profit and cash flow projections support the Board’s view that the Group will meet its obligations as they fall due with the use of cash surpluses from trading.

**2. Accounting policies**

The accounting policies applied by the Group in this interim report are consistent with those applied by the Group in the consolidated financial statements for the year ended 30 June 2024.

### 3. Earnings per share

Earnings per share is based upon the profit for the period and the weighted average number of shares in issue and ranking for dividend. The following reflects the profit and share data used in the basic and diluted EPS computations:

	<b>31-Dec-24 Unaudited 6 months £000s</b>	<b>31-Dec-23 Unaudited 6 months £000s</b>	<b>30-Jun-24 Audited 12 months £000s</b>
<b>Earnings</b>			
Earnings from continuing operations for the purposes of basic and diluted earnings per share being net profit attributable to equity shareholders	310	246	543
<b>Number of shares (thousands)</b>			
Weighted average number of shares used in basic and diluted Earnings per Share	13,730	13,801	13,766

The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value, considering the monetary value of the subscription rights attached to the outstanding share options.

### 4. Cash generated from continuing operations

	<b>31-Dec-24 Unaudited 6 months £000s</b>	<b>31-Dec-23 Unaudited 6 months £000s</b>	<b>30-Jun-24 Audited 12 months £000s</b>
<b>Operating profit</b>	333	278	607
Depreciation and amortisation	295	231	454
(Increase)/decrease in inventories	(27)	114	(63)
Decrease/(increase) in trade and other receivables	78	(5)	(317)
(Decrease)/increase in trade and other payables	(348)	(405)	244
Corporation tax paid	(109)	-	(202)
<b>Cash generated from continuing operations</b>	<b>222</b>	<b>213</b>	<b>723</b>

#### **4. Subsequent events**

As part of the ongoing strategy to expand our network of security centres, on 31 January 2025, the Group acquired 100% of the share capital of Meridian Security Systems Limited. This business, already operating as a security centre in Leeds, Yorkshire, was purchased for £0,150 million, with a minimum net asset value of £0.015 million. Additionally, the Group bought the freehold property from the vendor's pension fund for a cash sum of £0.275 million.

#### **5. Financial information**

The Board of Directors approved this interim report on 22 February 2024.

A copy of this report can be obtained by writing to the Chief Financial Officer at our registered office; Unit 7 & 8, Fulcrum 4, Solent Way, Whiteley, Hampshire PO15 7FT or from our website at [www.cssgplc.com](http://www.cssgplc.com)