COMPANY ANNOUNCEMENT

*The following is a Company Announcement issued by Simonds Farsons Cisk p.l.c. (the **"Company"**) pursuant to Chapter 5 of the Capital Market Rules as issued by the MFSA in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as they may be amended from time to time.*

Quote

Approval and Publication of the Financial Analysis Summary

The Board of Directors of the Company hereby announces that the Financial Analysis Summary dated 24th July 2024, prepared by Rizzo, Farrugia & Co. (Stockbrokers) Ltd., has been approved for publication and is attached herewith. It is also available for inspection on https://www.farsons.com/en/financial-analysis-summary.

Unquote

By Order of the Board

Nadine Magro
Company Secretary

24th July 2024

Simonds Farsons Cisk plc
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YOUR INVESTMENT CONSULTANTS

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The Board of Directors
Simonds Farsons Cisk plc
The Brewery,
Mdina Road, Mriehel,
Birkirkara BKR 3000

24 July 2024

Dear Sirs,

Simonds Farsons Cisk plc – update to the Financial Analysis Summary (the **"Update FAS"**)

In accordance with your instructions and in line with the requirements of the MFSA Listing Policies, we have compiled the Update FAS set out on the following pages, and which is being forwarded to you together with this letter.

The purpose of the Update FAS is that of summarising key financial data appertaining to Simonds Farsons Cisk p.l.c. (the "**Company**" or "**Issuer**"). The data is derived from various sources or is based on our own computations and analysis of the following:

(a) historical financial data for the three years ended 31 January 2024 has been extracted from the Issuer's audited statutory financial statements for the three years in question, as and when appropriate;
(b) the forecast data for the financial year ending 31 January 2025 has been provided by management and approved by the Directors of the Issuer;
(c) our commentary on the results of the Issuer and on the respective financial position is based on the explanations provided by the Issuer;
(d) the ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the Update FAS; and
(e) relevant financial data in respect of the comparative set in Part D has been extracted from public sources such as the web sites of the companies concerned, or financial statements filed with the Registry of Companies.

The Update FAS is provided to assist potential investors by summarising the more important financial data of the Issuer. The Update FAS does not contain all data that is relevant to potential investors and is intended to complement, and not replace, financial and/or investment advice. The Update FAS does not constitute an endorsement by our firm of the securities of the Issuer and should not be interpreted as a recommendation to invest. We shall not accept any liability for any loss or damage arising out of the use of the Update FAS and no representation or warranty is provided in respect of the reliability of the information contained in the Update FAS. As with all investments, potential investors are encouraged to seek professional advice before investing.

Yours sincerely,

Vincent E Rizzo
Director

FINANCIAL ANALYSIS SUMMARY

Update 2024

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013 and updated on 21 August 2021.

24 July 2024

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Important Information

Purpose of the Document

Simonds Farsons Cisk plc (the "**Company**", "**Group**" or the "**Issuer**") issued €20 million 3.5% Unsecured Bonds 2027 pursuant to a prospectus dated 31 July 2017 (the "**Bond Issue**"). The prospectus included a Financial Analysis Summary ("**FAS**") in line with the requirements of the Listing Policies as issued on 5 March 2013 and updated on 21 August 2021. The purpose of this report (the **"Update FAS**") is to provide an update on the performance and on the financial position of the Group.

Sources of Information

The information that is presented has been collated from a number of sources, including the Company's website (www.farsons.com) and the Company's audited Financial Statements for the years ended 31 January 2022, 2023 and 2024 and budget forecasts for financial year ending 31 January 2025.

Forecasts that are included in this document have been prepared by management and approved for publication by the directors of the Company, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st February to 31st January. The financial information is being presented in thousands of Euros, unless otherwise stated, and has been rounded to the nearest thousand.

Previous FAS Issued

The Company has published the following FAS which are available on its website:

FAS dated 31 July 2017 *(appended to the prospectus)*

FAS dated 16 July 2018

FAS dated 15 July 2019

FAS dated 23 September 2020

FAS dated 21 July 2021

FAS dated 22 July 2022

FAS dated 12 July 2023

Part A Business & Market Overview

1 Introduction

Knowing its origins since 1928, Simonds Farsons Cisk plc (the "**Company**", "**Group**" or "**Issuer**") is the result of the amalgamation of L. Farrugia & Sons Limited, H & G Simonds and The Malta Export Brewery. The construction of the brewery in Mriehel was completed in 1950 under the direction of managing director Mr Lewis V. Farrugia. Further enhancements and additions to the brewery were undertaken over the years, extending the facilities to bottling plants for soft drinks as the Group embarked on an expansionary strategy across various segments of the food and beverage industry. In the words of current Chairman Louis A Farrugia, "*the Farsons Group is now unrecognisable from that of a decade ago*". In fact, not only have operations changed materially and visibly but the Group's management team has also been strengthened over the years to prepare the Group to look at further evolution in its business.

With effect from FY2024 and therefore the financial year under review, segmental information was realigned to reflect changes in management focus and to better reflect the Group's main business components. As such, the Group has reclassified its entire operations into two principal clusters:

i. **Beverages** (Brewing, production, import, export & sale of beers, wines, spirits and other beverages); and

ii. **Food** (Importation and franchised retailing).

Beverages

The first and main business cluster comprises all operations and activities concerning beverages. Naturally, brewing, production and sale of branded beers as well as the production and sale of carbonated soft drinks and water remain the predominant component of this cluster as the core business and largest contributor to overall revenue and profitability. The beverages segment includes the Company, Farsons Beverage Imports Company Limited ("**FBIC**"), EcoPure Limited ("**EcoPure**") and The Brewhouse Co Ltd ("**Brewhouse**"). This segment remains the core business of the Group and is therefore the segment that is the most material and the largest contributor to Group revenue and profits. The Company produces and distributes its own brands, strongly led by the flagship brands – Cisk Lager and Kinnie. It is also the exclusive partner in Malta to PepsiCo and Carlsberg, having the rights to produce, bottle, sell and distribute the said products. FBIC also operates Farsonsdirect, the Group retail and ecommerce operation that sells all beverage names and brands represented by the Group. EcoPure is the company responsible for the marketing, sales and distribution of 18.9 and 10 litre containers of San Michel table water, providing also water dispensers and coolers for rental or purchase. Meanwhile, the Brewhouse is entrusted with the management of the landmark Farsons brewhouse that has now just concluded its first full year of operation.

FOOD

The food cluster comprises all operations and activities carried out by Quintano Foods Ltd ("**Quintano**") and Food Chain Ltd ("**Food Chain**"). While the former focuses predominantly on the importation, storage and distribution of food-related items representing a wide variety of international food brands, the latter is the exclusive franchise operator in Malta of the internationally renowned franchises KFC, Burger King, Pizza Hut as well as Boost, the Australian smoothie franchise and the most recent addition to this cluster.

Although as explained earlier, the beverage business remains the predominant Group contributor to revenues and profits, a sizeable growth in the food business sector is being reported. While in certain respects being complementary to each other, the food business is set to receive further strategic focus with a view to making it grow further in order to maximise its potential.

2 GOVERNANCE & SENIOR MANAGEMENT

The strategic direction of the Company is entrusted to a board of eight directors, the majority of whom act in a non-executive capacity.

Board of Directors	Role
Mr Louis A. Farrugia	Executive Chairman
Mr Marcantonio Stagno d'Alcontres	Non-Executive Vice Chairman
Mr Michael Farrugia	Executive Director
Mr Roderick Chalmers	Non-Executive Director
Dr Max Ganado	Non-Executive Director
Ms Marina Hogg	Non-Executive Director
Mr Matthew Marshall *(from 9 November 2023)*	Non-Executive Director
Mr Neil Psaila *(from 9 November 2023)*	Non-Executive Director

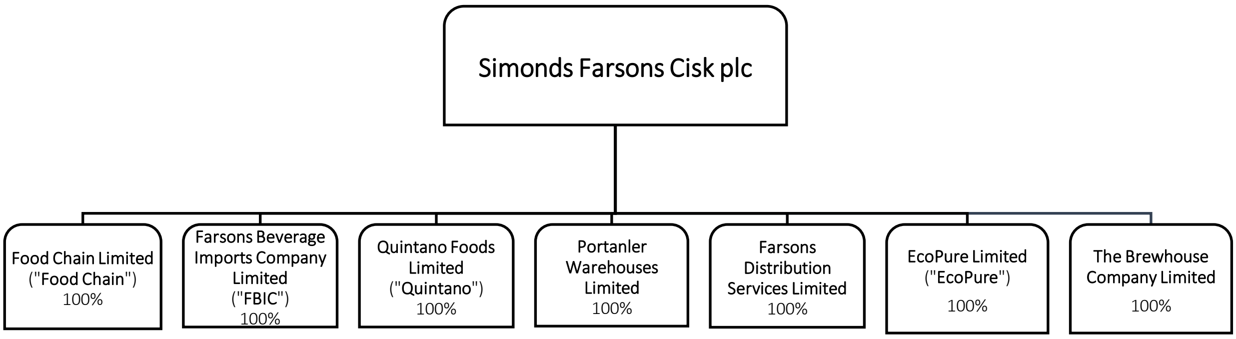
The Company's board is assisted by a complement of senior executive management in the execution of the board's strategic direction.

Senior Management	Position
Mr Norman Aquilina	Group Chief Executive Officer
Mr Michael Farrugia	Deputy Chief Executive (Beverage Business)
Mr John Bonello Ghio	Head of The Brewhouse
Mr Chris Borg Cardona	Head of Logistics & EcoPure Limited
Mr Tonio Mifsud Bonnici	Head of Human Resources *(since 19 February 2024)*
Mr Eugenio Caruana	Chief Operating Officer
Mr Philip Farrugia	Head of IT & Business Services
Mr Gordon Naudi	General Manager Food Chain Limited
Mr Sean Portelli	General Manager Quintano Foods Limited
Mr Pierre Stafrace	General Manager FBIC
Ms Anne Marie Tabone	Group Chief Financial Officer
Ms Susan Weenink Camilleri	Head of Sales & Marketing

The Group engaged an average staff complement of 954 (full time equivalent) employees during the last financial reporting period (FY2024) across the various group companies, including the operation of the franchised food retailing establishments.

3. Group Structure

The Company is the parent of a group of companies – the Group. Hereunder is the organisation chart showing the parent company and various subsidiaries within the Group:



4. Major Assets

Property, plant and equipment (PPE) represents the major component of the Group's assets, which stood at just over €212 million as of 31 January 2024. This component represents the assets required for the operation of the Group's business, and comprised:

	Net Book Value
Components of PPE	**FY2024**
Land and Buildings	€93.2 million
Assets in Course of Construction	€1.1 million
Plant, Machinery & Equipment	€33.0 million
Total	**€127.3 million**

PPE made up 60% (FY2023: 61%) of the Group's total asset base. Accumulated assets still in the course of construction was low relative to other figures following completion of more major capital investments that have since been converted to other components with the current balance being ongoing investments in the ordinary course of business. It is anticipated that this component of PPE will be increasing again over the course of the current year (FY2025) and FY2026 in view of two new and material projects that have now been approved and which are now in progress.

Trade and other receivables remained the second most significant category of assets of the Group, at €32.2 million (compared to €27.8 million in FY2023). This represented 15.2% (FY2023: 13%) of total assets. Inventories (at €24.9 million or a further 11.7% of total assets of the Group) have been the third largest component of Group total assets. These components remain elevated and reflective of business momentum that gathered further pace in the year under review across all business segments. In order to meet business demand, the Group maintained high levels of inventory (principally raw materials) and recorded increased trade receivables as a result of higher revenues. Cash balances also remained strong at €8.7 million as at year end similar to last year.

5. FY2024 – Resilience and Further Growth in an Intensifying Environment

As reported in our FAS last year, FY2023 saw an encouraging build up in momentum generating improving profits across all business segments on a sustained domestic economic recovery underpinned by a strong tourism performance.

While a relatively calm global trade environment was somewhat overshadowed by ongoing geopolitical uncertainty in certain regions of the world, the general macro environment was a favourable one. Against this backdrop, FY2024 saw a continuation of last year's momentum with significant top line growth achieved (most especially in the food segment), and this in spite of the anticipated intensifying competitive pressures across all areas, but most especially in the beverage segment.

The Group made significant strides forward which, in the CEO's words, allowed for the "*sharpening of our strategic position and strengthening our winning culture, delivering positive results*". This was possible through the optimisation of sourcing methodologies, improving productivity across the board as well as maintaining a tight grip on cost discipline in an effort to mitigate, to the greatest extent possible, continued inflationary pressures. As was also highlighted last year, these pressures continued to aggravate an already challenging situation in Malta in so far as labour shortage and demands are concerned. In this context, due regard also had to be given to the sensitivities of a cost-of-living squeeze that is evidently impacting consumer purchasing power.

In light of these developments, the business growth achieved in FY2024 demonstrated the ongoing resilience of the Group in the face of these significant challenges. It is within this context that one ought to assess the FY2024 performance and returns, where deriving overall value now becomes as important an objective as securing top line growth.

6. Summary of Main Operational Developments By Segment & New Investments

Below is a summary of main operational developments per segment and subsidiary, followed by highlights on recent capital investments and other strategic initiatives.

Beer

The Group's beer portfolio reported a positive performance with most brands registering improvements over the previous year. The beer portfolio continues to be dominated by the flagship brand – **Cisk Lager**, which unveiled a new brand identity during the year. The flagship Cisk Lager was closely followed, in terms of performance, by the sister brand - **Cisk Excel**, the only local low carbohydrate lager available on the market that also made impressive strides forward. **Cisk 0.0**, the alcohol-free lager launched in the summer of 2020, has also registered good growth in the increasingly important low/no alcohol segment. Other Cisk brews such as **Pilsner**, **Export**, **Chill** and **Strong**, all registered a positive performance in the year under review.

The other Farsons classic brews, led by **Blue Label** but now also including **Double Red** and **Green Hop IPA**, continued to register progress in an important speciality segment that also includes the export market with Blue Label in particular also receiving international recognition.

The international beer brands in the Group portfolio including **Carlsberg** (brewed locally since 1978) and **Skol** also registered improved sales particularly on account of the strong tourism numbers.

Following the commissioning last year of the microbrewery housed within the Brewhouse, the Group has now also entered the **craft beer** market, a strategic goal that has been in the pipeline for some time. These craft beers have now also started to be distributed and sold in a number of selected pubs around the Island under the brand name "The Red Mill Brewing Co". earlier in the year under review, the first two brews were launched, a **Golden Ale** and an **India Pale Ale**. Both are available on draught and marks the commencement of further evolution in this segment that is expected to see new growth.

Beverages

The soft drinks market in particular is evidently shifting more and more to a home consumption market. **Kinnie**, the Group's flagship soft drink continued to provide a number of growth opportunities amongst others, partnering with the global entertainment phenomenon X Factor. Sugar free variants in the soft drinks portfolio remain very important contributors to growth in view of ever evolving consumer patters and awareness. Kinnie is no exception and **Kinnie Zero** was launched earlier this year. **Kinnie Spritz** also did well as a seasonal beverage, in its third year since launch.

The PepsiCo portfolio, comprising **Pepsi**, **7-Up**, **Mirinda**, **Pepsi Zero** and **7-Up Zero Sugar** delivered some significant market share gains in an impressive year for this group of beverages led predominantly by a growth in supermarket sales. This is, however, becoming an extremely cluttered market where persistent promotions, marketing campaigns and refreshed imagery are the key drivers behind the maintenance of competitiveness.

Also in the non-alcoholic portfolio, **Lipton Ice Tea**, **Gatorade** and **Britvic** mixers gained further traction on account of constantly evolving consumer patterns and tastes.

The demand for bottled water grew as a result of populations growth generally. In this segment, Group brands **San Michel** and **Elan** posted another set of very good results across all market channels as did **Ecopure**. The Water sector is a highly competitive market , as a result of the very wide variety of other local and imported brands.

FBIC had another successful year notwithstanding persistent inflationary concerns, glass bottle shortage and high energy rates all having an impact on costs of production that inevitably led to higher selling prices for most of the beverage brands represented by the Group. Nevertheless, and in spite of these challenges, good demand was persistent throughout the year as population growth, tourism trends and a host of domestic events generated the perfect backdrop for increased consumption. FBIC has also set its sights on further long-term developments and in order to achieve these aspirations, has invested in renewed internal structures and team strengthening.

Farsonsdirect made further steady progress. Increased B2B activity was witnessed as a result of a very efficient online ordering and procurement system. E-commerce sales also registered further progress.

The Brewhouse Company Limited welcomed its first guests in the summer of 2022 following the opening of the casual dining café Kettles Café Bistro Bar. The Cisk Tap opened shortly afterwards and in March 2023 the third food and beverage outlet, Chapels Gastrobrewpub also opened its doors. Another key attraction within this cluster was the Farsons Experience, which opened in Spring 2023 together with the Farsons Brandstore offering retail branded merchandise. Despite all outlets and ventures only experiencing their first full year of operations, they were cash flow positive. Further progress should be achieved over the next two to three years as the business ramps up.

Exports

Further success was achieved in exports with consolidation in key existing markets both within and outside Europe. Cisk once again performed well in this regard with Bahrain in the Middle East market showing good progress as did Australia and key European markets led by the UK and Italy. Kinnie also registered good progress in Australia following a change in the distribution and franchise agreement there. Plans are in place for the distribution of Kinnie in Ghana where a franchise and distribution agreement is under discussion. These results reflect the Company’s export diversification strategy that is under constant review.

Sales to duty-free clients also registered strong growth in 2023 in line with the Company’s plans to further consolidate its brand channel mix.

Food

Quintano Foods achieved a positive performance against a backdrop dominated by increasing cost of living challenges, geopolitical uncertainties and further climate instability. The ripple effects of these macro developments impact consumer sentiment as well as supply chain, logistics and overall processes. Domestically, the increased dominance of certain supermarket chains coupled with further partnerships between smaller stores and increased online sales have all led to an ongoing reshaping of the market.

On the back of all this, the company’s brands all performed well led in particular by major brands such as **Danone**, **Walkers**, **Quaker** and **Mevgal**. Notable growth was also registered as a result of population growth that led to increased consumption in hotels, restaurants (including group owned outlets operated by Food Chain) that have boosted sales of brands such as **Kraft Heinz**, **Evian** and **Bayernland**.

Quintano Foods registered encouraging results in overall sales and profitability during the year under review and the current aggressive growth plans necessitated material investment in a dedicated food distribution and logistics centre.

The **Food Chain** business registered strong sales growth once again across all three main franchises – Burger King, Pizza Hut and KFC – but also in its latest addition, Boost. Burger King continued its growth trajectory achieving a new record in terms of sales. Pizza Hut celebrated its 30th anniversary and introduced a gluten free version of its principal product offering in order to attract a wider audience. A number of strategic initiatives have also allowed KFC to achieve significant sales growth. A new fully digital KFC restaurant located in St. Julian’s (Bay Street) has opened its doors to the public. Boost commenced operation through the opening of three stores in FY2023. FY2024 was therefore its first full year of operations. The first year encountered a number of challenges and a great effort was placed on marketing initiatives. In the meantime, Boost also opened an outlet at the Shoreline Mall in the South.

Investments

While it was reported last year that the Board had approved the construction of a new logistics centre and office block in Handaq (Qormi) for the food business, mention was also made of the possibility that the food business may be reorganised as a separate listed entity and therefore spun off from the Company's operations. Further detailed and active considerations are being undertaken on this possible strategic move and new developments in this regard could be tabled before shareholders as early as FY2025 (the current financial year). In the meantime, works on the state-of-the-art warehouse and logistics centre in Handaq have recently commenced with the objective of completing the project by the first half of 2026. This major investment will also include a digitalised inventory management system which will enable the food business to expand its reach and enhance its services to a wider customer base overall. This logistics and warehousing facility for the food business will reportedly "*more than triple current storage facilities*". In his address to shareholders in this year's annual report, the CEO acknowledged that this segment "*merits strategic focus to be able to grow it to its full potential*".

In connection with franchised food operations, after opening six new outlets last year, the current year saw the closure of two outlets (Pizza Hut Sliema and St. Julian's) and the concurrent opening of two outlets at Bay Street in St. Julian's. A new Boost outlet at Shoreline has also been opened and further openings are being considered, principally in the South of the Island. This program of new openings and/or refurbishment and upgrading of existing outlets is expected to be sustained.

A further and equally important investment being undertaken is the construction of an Automated Returnable Container Facility on the main site in Mriehel. This is expected to be completed by the summer of 2026.

The two major projects currently in progress and highlighted above will involve a combined capital investment in excess of €30 million over two and a half years.

During FY2024, the Group also continued to invest in a number of renewable energy initiatives such as the addition of further PV panels and the ongoing replacement and upgrade of the Group's transport fleet which includes further electric vehicles and Euro VI distribution trucks. The Board has this year also approved an investment in an important Co2 recovery plant.

7. Market Trends and Overview

The European food and beverage industry represents the leading manufacturing sector in the European Union (EU) and therefore is a major contributor to Europe's economy with a turnover of €1,112 billion in 2023. It contributes approximately 2% to Europe's gross value added. It is estimated that the average household in Europe spends 21.4% of its income on food and beverage, making it the second largest household expenditure. This sector is also generally competitive on a global scale as it produces superior quality food and beverage items. Indeed, the EU is also the largest exporter of food and drink products in the world, which amounted to €182 billion in 2023, ahead of the US, China and Brazil. The EU ranks second in terms of imports of food and drink from the rest of the world[1].

The European Market for Beverages

The high quality of European products is widely recognised across the globe and is supporting the recovery for European beverage products both in developed and emerging countries.

Moreover, population and income growth will continue to drive additional demand although sustainable production is becoming more important due to decreasing availability of resources such as freshwater supply and loss of environmental and eco systems.

Innovation is another important factor in the sector with soft drinks ranking as the most innovative product type within the beverage sector. In this respect, 'pleasure' and 'health' remain the two foremost drivers of innovation with 'ethics' and 'convenience' also being important considerations.

The consumption of regular 'Soft Drinks' as well as 'Juices & Nectars' across Europe has declined in recent years reflecting a shift in favour of beverages having a lower sugar content. In fact, no or low-calorie 'Soft Drinks' now account for up to 41% of sales in Europe.[2]

The European Beer Market

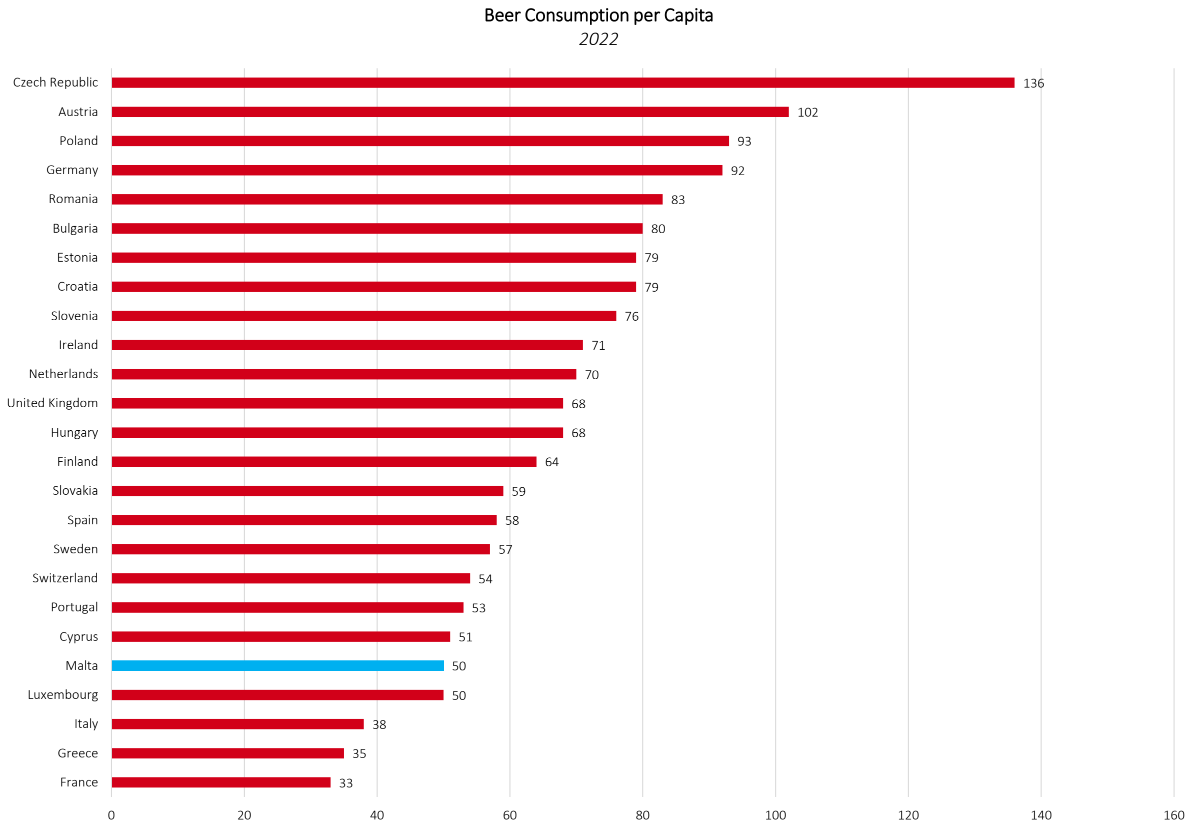
Latest figures reported by the Brewers of Europe show that the production and consumption of beer in the European Union, the United Kingdom, Switzerland, Norway, and Turkey have grown considerably over the past years and peaked in 2018. However, both production and consumption figures registered

[1] *FoodDrinkEurope 2023, Data & Trends - EU Food and Drink Industry – 2023 Edition,* https://www.fooddrinkeurope.eu/wp-content/uploads/2023/12/FoodDrinkEurope-Data-Trends-Report-2023-digital.pdf

[2] *UNESDA, Sales and Consumption:* [*link*]

a marginal reduction in 2019 and slid to an over 6-year low in 2020, largely affected by the pandemic but have started to recover in 2021. For 2022, consumption increased from 41 litres per capita in 2021 to 50 litres per capita – nearing the level of 2019 (of 52 litres).

The graph below shows beer consumption per capita in Europe by country. Malta ranked 22nd (from amongst the 25 European countries for which data is available).[3]



Source: The Brewers of Europe

Meanwhile, the top five countries in terms of absolute beer consumption in 2021 were Germany (79.1 million hectolitres), UK (45.9 million hectolitres), Spain (42.3 million hectolitres), Poland (34.7 million hectolitres), and France (22.8 million hectolitres).

THE FOOD AND BEVERAGE MARKET IN MALTA

The overall growth experienced in the food and beverage market in Malta has been driven by the growth in Maltese GDP as the population grew and became more affluent. The latest European

[3] *The Brewers of Europe, European Beer Trends: Statistics Report – 2023 [link]*

Commission economic data shows that the Maltese economy achieved GDP growth of 5.6% in 2023 and is expected to grow by 4.6% in 2024 and an additional 4.3% in 2025.[4]

Over the past years, the market conditions were also positively affected by the substantial growth in inbound tourism and an increasing population of foreign nationals. Both factors continue to contribute to the food and beverage market resuming its growth trend.

Nonetheless, the ongoing change in consumption patterns including the shift towards healthier "good for you" beverages continue to mould the trends in this sector. Awareness of the harms caused by excess sugar beverages has influenced consumer demands over the recent years, and this trend is expected to subsist in the future. Environmental consciousness also plays a key role in the shift in trends, as producers are seeking to make the packaging for their beverages using recyclable material and embark on enhanced waste management schemes and practices. As such, innovation remains a key factor in a highly competitive market.

[4] *European Commission, 2024 Economic Forecast for Malta - [link]*

PART B FINANCIAL REVIEW

The Company's financial year extends from 1 February to 31 January. The forecasts for FY2025 have been prepared and provided by management and approved by the Board of Directors following a thorough assessment of the current market conditions and the best information available at the time of preparation. As usual, consideration was given to various factors, both of a macro as well as a micro nature. Turnover across all business lines is once again expected to grow during FY2025, particularly as tourism numbers climb further over the year. However, it is anticipated that margins will come under further pressure due to consumer price sensitivity and ongoing labour shortages amongst other factors.

This backdrop once again necessitates the need for prudence to be applied by management and the Board in the preparation of these forecasts. The forecasts include the actual results generated by the Group for the period February 2024 to June 2024.

8. Income Statement

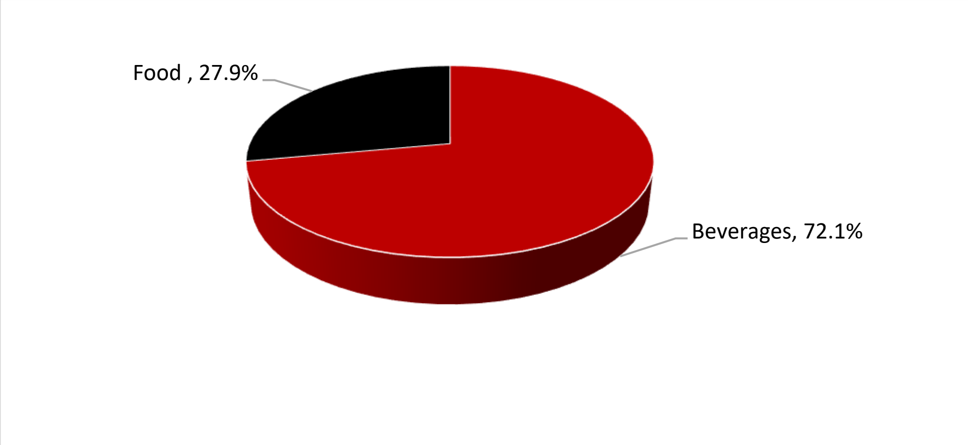
The table below presents the Group's income statement for the periods ending 31 January 2022, 2023 and 2024, along with the forecasts for financial year 2025.

for the year ended 31 January	*Actual* **2022** *€'000*	*Actual* **2023** *€'000*	*Actual* **2024** *€'000*	*Forecast* **2025** *€'000*
Revenue	**91,768**	**118,238**	**132,871**	**141,527**
Beverages	*68,499*	*88,049*	*95,755*	*99,214*
Food	*23,269*	*30,189*	*37,116*	*42,313*
Cost of Sales	(57,359)	(74,029)	(83,385)	(88,008)
Gross Profit	**34,409**	**44,209**	**49,486**	**53,519**
Selling & Distribution Costs	(10,655)	(13,277)	(13,972)	(15,960)
Administrative Expenses	(10,974)	(13,193)	(17,525)	(18,952)
Net impairment movement of financial assets	666	(1,056)	(617)	(210)
Operating Profit	**13,446**	**16,683**	**17,372**	**18,397**
Depreciation & Amortisation	9,251	9,680	10,486	11,910
EBITDA	**22,697**	**26,363**	**27,858**	**30,307**
Finance Costs	(1,282)	(1,367)	(1,304)	(931)
Profit before Tax	**12,164**	**15,316**	**16,068**	**17,467**
Tax Income / (Expense)	264	156	(795)	(336)
Profit for the Year	**12,428**	**15,472**	**15,273**	**17,131**
EPS – Earnings per Share (€)[5]	0.345	0.429	0.424	0.476

FY2024 Review

FY2024 saw Group turnover continue to reach new highs. At €132.9 million, this figure represents an increase of 12.4% over the previous year. This revenue growth resulted from business growth in both operating segments, that is, beverage and food. However, while beverage revenue increased by an encouraging 8.8% (to represent over 72% of total revenue – see chart overleaf), the food segment produced an excellent performance by generating sales that were 23% higher than last year (representing just under 28% of total revenue). For the first time, the beverage segment now includes a first full year of operations of the Brewhouse, with revenues amounting to €1.7 million while still in ramp up mode. Similarly, the higher growth in the food segment resulted in part from the opening of a number of new franchised outlets.

[5] *Adjusted to reflect the 1 for 5 bonus shares effective 3 June 2022*



More importantly, profitability of the two segments was comforting. Whilst the food businesses experienced a 75% increase from €1.6 million in FY2023 to €2.8 million in FY2024, the beverage segment results were 3.3% lower than last year (at €14.5 million in FY2024 compared to €15 million in FY2023), primarily as a result of the impact of the start-up phase of the Brewhouse, where depreciation charges were material. Nevertheless, it is important to note that in just its first full year, the Brewhouse achieved a cash positive contribution.

The first full year of costs (including depreciation) of the Brewhouse impacted selling and distribution as well as administrative costs that together increased by 19%. Overall costs (comprising selling, distribution and administration expenses) at a combined €31.5 million (FY2023: €26.5 million), work out at 23.7% of revenues in FY2024 compared to 22.4% in FY2023 and 23.6% in FY2022. While sales growth has a direct impact on selling and distribution costs, increased labour costs influenced administrative expenses due to tightening labour market conditions. In fact, Group employee costs increased by €3.3 million during the year under review. So, while pressures are indeed intensifying, the Group is clearly seeking to maintain its fair share of competitiveness while increasingly focussing on further value-added creation by improving productivity as and when possible.

Overall, the strong performance described above resulted in a 12% improvement (FY2023: +28%) in gross profit (from €44.2 million in FY2023 to €49.5 million in FY2024).

While EBITDA improved to a new record of €27.9 million (FY2023: €26.4 million) net margins are under evident pressure due to the cost increases highlighted above. As noted in the Directors' Report in the Annual Report of FY2024, it has not been possible (or indeed desirable) to pass on all cost increases through higher selling prices across the Group's product range in view of the price sensitivity within the market, the proliferation of lower priced brands (especially in the beer segment) and increasingly tight and challenging parallel importation activity.

With finance costs practically unchanged at €1.3 million compared to the previous year, Group profit before tax increased to just over €16 million compared to €15.3 million in FY2023. Group profit after tax for the year amounted to €15.3 million, marginally lower than the equivalent figure last year as the tax expense this year increased materially relative to last year as well as the year before due to the higher incidence of tax on subsidiaries and a lower recognition of deferred tax. As at year end of FY2024, the Group had unrecognised investment tax and other credits with no expiry date amounting to €10.2 million (FY2023: €15.3 million).

Forecast FY2025

The FY2025 forecasts included in this FAS anticipate that total revenue for the year should increase to a new all-time high of just over €141.5 million compared to €132.9 million in FY2024 (+6.5%). Cost of sales is also expected to increase at almost the same rate (+5.5%) to €88 million as the level of activity across all business lines continues to register further improvements. Gross profits are expected to improve to reach a new all-time high of €53.5 million. This further advancement is not only the result of continued positive business momentum but also the fruits of the various investments that have taken place over the years aimed at improving operational efficiencies and strict cost controls to the extent possible. As also mentioned in last year's report, this is an ongoing objective in view of increased competitive pressures.

EBITDA is forecast to increase by just under €2.5 million to reach €30.3 million, while depreciation is also expected to increase following the additional investment in PPE over the past few years. Nevertheless, EBITDA margin is anticipated to improve further to approximately 21.4%.

Finance costs are expected to drop to €0.9 million as bank loans at variable rates (as opposed to the bond at a fixed rate of interest) should be repaid in full by year end and this notwithstanding the potential drawdown of new short term bank funding (overdraft) facilities that will be gradually used to pay this year's capital investment commitments on two significant projects.

Profit before tax is forecast to rise to €17.5 million compared to the €16.1 million achieved in FY2024, while the Group's profit after tax for FY2025 is expected to improve to €17.1 million in FY2025 as recognition of investment tax credits lowers the overall tax charge for the year relative to profits.

9. CASH FLOW STATEMENT

as at 31 January	*Actual* ***2022*** *€'000*	*Actual* ***2023*** *€'000*	*Actual* ***2024*** *€'000*	*Forecast* ***2025*** *€'000*
Net cash generated from operating activities	25,883	13,800	13,448	14,049
Net cash used in investing activities	(13,160)	(10,962)	(5,670)	(21,913)
Free Cash Flow	**12,723**	**2,838**	**7,778**	**(7,864)**
Net cash generated used in financing activities	(14,504)	(8,824)	(8,939)	(8,825)
Net movement in cash & cash equivalents	**(1,781)**	**(5,986)**	**(1,161)**	**(16,689)**
Cash & cash equivalents at beginning of year	17,148	15,367	9,381	8,220
Cash & cash equivalents at end year	**15,367**	**9,381**	**8,220**	**(8,469)**

FY2024 REVIEW

Net cash generated from operating activities registered a marginal drop during FY2024 as working capital movements and business needs in a busy and positive year for operations necessitated a build-up in inventories and receivables concurrently with a drop in payables. All of this is indicative of the improved business activity experienced in FY2024 and building up on the good momentum already experienced in FY2023.

FY2024 also saw net cash used in investing activities fall to €5.7 million following elevated figures in the previous two years, as previous projects that required significant capital expenditure were completed. This was mainly attributable to the final finishing touches on the Brewhouse project. On the basis of the above, free cash flow improved significantly to just under €8 million as cash from operations net of working capital outflows was mostly retained in view of less immediate capital investment needs as described above.

Net cash used in financing activities maintained the same levels as FY2023, at €8.9 million, as the Group reduced bank borrowings further as well as distributing dividends which were slightly higher than FY2023 at €5.7 million. The above developments created an overall negative net movement in cash of €1.1 million that lowered year-end cash balances to €8.2 million compared to €9.3 million a year earlier.

Forecast FY2025

The Company's net cash position as at end FY2025 is anticipated to be affected by the capital investment being made in the two major projects (Handaq and the Automated Returnable Packaging Facility) which have commenced in this financial year and which require financing in the short term given the pace with which these investments are being undertaken. Although these two main projects are not expected to be fully commissioned in FY2025, cash outflows (payments) for ongoing capital works in progress are anticipated to take place during financial year FY2025.

Net cash generated from operating activities is forecast to reach a level more or less in line with previous two years at approximately €14 million in FY2025. This is once again a very healthy level of cash generation. At €21.9 million (compared to €5.7 million in FY2024), cash used in capital investments is forecast to increase materially for the reasons highlighted in the previous paragraph. The financing of these important capital investments will be through operational cash flows together with short term bank financing (refer to the next section). The resultant free cash flow for the year is therefore anticipated to be a negative €7.9 million compared to a positive €7.8 million in FY2024.

Net cash used in financing activities is expected to maintain previous year's levels (at €8.8 million) as longer-term bank borrowings are practically repaid in full and dividends are forecast to be maintained.

The Group expects to end FY2025 with a negative overall net movement in cash of €16.7 million resulting in a year end overdrawn cash figure of €8.5 million as current year outflows exceed cash generation and previous year balances.

10. STATEMENT OF FINANCIAL POSITION

	Actual	*Actual*	*Actual*	*Forecast*
	2022	*2023*	*2024*	*2025*
	€'000	*€'000*	*€'000*	*€'000*
Non-Current Assets				
Property, Plant & Equipment	135,193	138,818	132,655	146,859
Intangible Assets	2,352	2,323	2,153	2,051
Deferred Tax Assets	7,486	8,938	9,910	12,417
Trade & Other Receivables	696	2,250	1,813	1,904
Total Non-Current Assets	**145,727**	**152,329**	**146,531**	**163,231**
Current Assets				
Inventories	16,341	23,856	24,937	27,431
Trade & Other Receivables	23,139	27,835	32,178	35,462
Current Tax Assets	5	-	-	-
Cash & Cash Equivalents	15,720	9,966	8,665	2,943
Total Current Assets	**55,205**	**61,657**	**65,780**	**65,836**
Total Assets	**200,932**	**213,986**	**212,311**	**229,067**
Capital & Reserves				
Share Capital	9,000	10,800	10,800	10,800
Revaluation & Other Reserves	49,409	49,409	49,409	49,409
Hedging Reserves	(100)	27	11	2
Retained Earnings	70,879	78,931	88,444	99,815
Total Equity	**129,188**	**139,167**	**148,664**	**160,026**
Non-Current Liabilities				
Trade & Other Payables	2,648	5,637	2,952	2,991
Lease Liabilities	6,811	7,205	3,904	4,389
Derivative Financial Instruments	45	-	-	-
Deferred Tax Liabilities	2	-	-	-
Borrowings	24,081	22,563	21,045	20,000
Total Non-Current Liabilities	**33,587**	**35,405**	**27,901**	**27,380**
Current Liabilities				
Provision for Other Liabilities & Charges	9	9	-	-
Trade & Other Payables	32,905	34,243	30,503	26,433
Lease Liabilities	1,479	1,498	1,415	1,415
Current Tax Liabilities	1,751	1,529	1,833	2,401
Derivative Financial Instruments	110	-	-	-
Borrowings	1,903	2,135	1,995	11,412
Total Current Liabilities	**38,157**	**39,414**	**35,746**	**41,661**
Total Liabilities	**71,744**	**74,819**	**63,647**	**69,041**
Total Equity & Liabilities	**200,932**	**213,986**	**212,311**	**229,067**
Net Asset Value per Share (€)	***3.589***	***3.866***	***4.130***	***4.445***

FY2024 REVIEW

Group total assets dropped marginally to €212 million in FY2024 compared to a record €214 million in FY2023. While *Property, plant & equipment* (PPE) remains, as expected, the single largest component of total assets (62.5%) this has decreased compared to 65% in FY2023 largely as a result of depreciation charges for the year that more than outweighed the value of additional investment in new PPE during the period under review. Business growth generally provided for increases in current assets, specifically inventory and trade receivables. These line items accounted for the bulk of total current assets which also comprises cash. This latter figure decreased slightly as at year end, however, the growth in the other components was larger, allowing current assets to register an increase of €4 million. This almost compensated for the drop (of €5.8 million) in non-current assets that, as explained, is largely the result of the depreciation impact on the carrying value of PPE.

Total shareholders' equity increased by almost €10 million during FY2024 (an increase almost identical to that registered in FY2023), reflecting, the retained profits for the year in line with the Group's positive performance. On the liabilities' side, trade payables (both current and non-current) decreased as commitments were met at an increasing pace also in view of the termination of previous government induced deferrals. Group borrowings (excluding lease liabilities) also decreased, (from €24.7 million to €23 million), allowing for an increase in net assets per share. Below is a summary of the Group's funding mix (historic and forecast):

as at 31 January	*Actual* ***2022*** *€'000*	*Actual* ***2023*** *€'000*	*Actual* ***2024*** *€'000*	*Forecast* ***2025*** *€'000*
Borrowings				
Bank overdrafts & short-term borrowings	1,903	2,135	1,995	11,412
Bank borrowings (long-term)	4,263	2,713	1,163	86
3.5% bonds 2017 -2027	19,818	19,850	19,882	19,914
Lease liabilities (IFRS16)	8,290	8,703	5,319	5,804
Total Borrowings	**34,274**	**33,401**	**28,359**	**37,216**
Cash & equivalents	15,720	9,966	8,665	2,943
Net Debt	**18,554**	**23,435**	**19,694**	**34,273**
Total Equity	**129,188**	**139,167**	**148,664**	**160,026**
Total Net Funding	**147,742**	**162,602**	**168,358**	**194,299**
Gearing	***12.60%***	***14.41%***	***11.70%***	***17.64%***

Forecast FY2025

The forecasts for FY2025 anticipate resumed balance sheet growth. As anticipated last year, following a short period during which the next planned investments were very much in initiation and planning phase, FY2025 will see a marked ramp up in activity across a number of fronts.

The value of PPE for FY2025 is forecast to increase to €146.9 million as works commenced on the new investment in the Handaq project amongst other ongoing initiatives, this being the more material one. The remaining components of non-current assets is expected to see deferred tax assets increasing as a result of the additional recognition of investment tax credits. The total value of current assets is expected to remain largely unchanged at €65.8 million, as the increases in inventories and trade and other receivables in line with elevated business activity and strong operations are expected to be net off by significant declines in the cash and cash equivalent as at year end as much of the cash generated from operations is anticipated to be utilised, together with new short term bank facilities, on the various capital project investments that are ramping up. The Group remains committed to continue to fund its ongoing investments through internally generated cash to the greatest degree possible.

On the liabilities side, total borrowings, including lease liabilities amounting to just over €5.8 million, are expected to increase, bucking a recent downward trend principally on account of short-term bank financing being availed of in connection with the food warehousing project in Handaq. At the same time, longer term bank borrowing are expected to be practically repaid in full by year end, leaving only the bonds currently in issue and amounting to €20 million as long term liabilities. Meanwhile, trade payables should fall further as previously delayed payables continue to unwind, similar to last year (FY2024).

Total equity is forecast to increase to €160 million from €148.7 million in FY2025, an increase of over €11 million, exceeding previous annual increments of €10 million. This represents retained earnings for the period in question, net of the dividend payments paid out or expected to be paid out during the current financial year ending 31 January 2025.

11. Ratio Analysis

The following set of ratios have been computed by Rizzo Farrugia & Co. (Stockbrokers) Ltd using the figures extracted from annual reports as well as information provided by management.

Profitability Ratios

The below is a set of ratios prepared to assist in measuring a company's ability to generate profitable sales from its assets.

	Actual FY2022	*Actual FY2023*	*Actual FY2024*	*Forecast FY2025*
Gross Profit margin *(Gross Profit / Revenue)*	37.50%	37.39%	37.24%	37.82%
EBITDA margin *(EBITDA / Revenue)*	24.73%	22.30%	20.97%	21.41%
Operating Profit margin *(Operating Profit / Revenue)*	14.65%	14.11%	13.07%	13.00%
Net Profit margin *(Profit for the period / Revenue)*	13.54%	13.09%	11.49%	12.10%
Return on Equity *(Profit for the period / Average Equity)*	10.47%	11.53%	10.61%	11.10%
Return on Capital Employed *(Profit for the period / Average Capital Employed)*	7.96%	9.21%	8.74%	9.15%
Return on Assets *(Profit for the period / Average Assets)*	6.68%	7.46%	7.17%	7.76%

The results for FY2024 as well as the expected results of FY2025 clearly demonstrate that, notwithstanding the strong results achieved and expected to be achieved once again, margin pressure is on the increase. Double digit profitability remains a very positive signal, however, it is evident that the Group will need to continue to work towards addressing ongoing cost pressure challenges at a time when competition intensifies further as price sensitivity becomes an increasingly important characteristic of these highly competitive industry segments (food and beverage).

Liquidity Ratios

The below is a set of ratios prepared to assist in measuring a company's ability to meet its short-term obligations.

	Actual FY2022	*Actual FY2023*	*Actual FY2024*	*Forecast FY2025*
Current Ratio *(Current Assets / Current Liabilities)*	1.45x	1.56x	1.84x	1.58x
Cash Ratio *(Cash & cash equivalents / Current Liabilities)*	0.41x	0.25x	0.24x	0.07x

The Group's strong liquidity position remained evident in FY2024 and actually strengthened further as current assets exceeded current liabilities by a wider margin. This notwithstanding, actual cash levels as evidence by the cash ratio for FY2024 remined stable as the Group utilised much of its cash generation to match buoyant business activity throughout the year. Management is anticipating that during FY2025 these ratios will show a slight downward trend in the sense that, while liquidity is expected to remain very healthy, almost all cash (together with external short-term bank financing) will be used in ongoing investment projects which will gather pace in the year.

Solvency Ratios

The below is a set of ratios prepared to assist in measuring a company's ability to meet its debt obligations.

	Actual FY2022	*Actual FY2023*	*Actual FY2024*	*Forecast FY2025*
Interest Coverage ratio *(EBITDA / Net finance costs)*	17.70x	19.29x	21.36x	32.57x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.14x	0.17x	0.13x	0.21x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	20.97%	19.36%	16.02%	18.87%
Net Debt to EBITDA *(Net Debt / EBITDA)*	0.82x	0.89x	0.71x	1.13x

FY2024 saw solvency ratios strengthening further once again against already very sound levels. The evident prudence which underpins management of the Group's resources remains amply clear from these figures. The Group continued to operate from a position of material strength in so far as solvency is concerned where FY2024 figures demonstrate material resilience and comfort. And while interest cover is expected to continue to solidify in FY2025, one notes a reversal in gearing and resultant net debt to EBITDA. The FY2025 forecasts in this regard remain extremely sound but cater for the new short-term borrowings that the Group is anticipated to avail itself of as the Handaq food logistics capital investment enters an accelerated phase.

12. VARIANCE ANALYSIS

Group Income Statement *as at 31 January*	*Actual* ***2024*** *€'000*	*Forecast* ***2024*** *€'000*	*Variance* *%*
Revenue	132,871	129,079	+2.9
Cost of Sales	(83,385)	(81,045)	+2.9
Gross Profit	**49,486**	**48,034**	**+3.0**
Selling & Distribution Costs	(13,972)	(15,237)	-8.3
Administrative Expenses	(17,525)	(16,015)	+9.4
Net Impairment movement of financial assets	(617)	150	-511.3
Operating Profit	**17,372**	**16,933**	**+2.6**
Depreciation & Amortisation & One-off Adjustments	*10,486*	*10,743*	*-2.4*
EBITDA	***27,858***	***27,676***	***+0.7***
Finance Costs	(1,304)	(1,371)	-4.9
Profit before Tax	**16,068**	**15,562**	**+3.3**
Tax Income/(Expense)	(795)	(30)	+2550.0
Profit for the Year	**15,273**	**15,532**	**-1.7**

The variances highlighted in the table above indicate that the actual results for FY2024 were much in line with those anticipated this time last year. This demonstrates that in the main, macro conditions and continued recovery expectations made last year materialised as anticipated. Furthermore, and as was highlighted in the Group's FY2023 annual report "*the effectiveness of all operational and cost efficiency measures that were put in place over the years have led to the creation of a more resilient, effective, and profitable Group*".

Total revenue for FY2024 exceeded €132 million and surpassed the forecast figure by just under 3%. Actual cost of sales also came in just under 3% more than forecast, a direct result of this higher revenue. These factors led to a 3% increase in gross profits at just under €49.5 million. While selling and distribution expenses were over 8% less than last year on higher volumes, demonstrating the improved operational efficiencies achieved, administrative expenses increased by 9% as workforce increased both in terms of numbers as well as in terms of average remuneration per employee. This was the result of the increased volume of business undertaken as well as the tougher labour market conditions and general skills shortages encountered.

Operating profit registered a better-than-expected result exceeding forecasts by 2.6% and more or less in line with the growth in revenue and gross profits. This is further evidence that efficiency gains and improvements in productivity initiatives are bearing fruit.

EBITDA levels were close to forecasts at €27.8 million. While finance costs dropped by almost 5% (albeit immaterial amounts in absolute terms given the low levels of group leverage), Group profit before tax reached €16 million, 3.3% higher than the forecast level of €15.6 million. Profits for the year (i.e. after tax) reached €15.3 million compared to a forecast of €15.5 million. The minor difference results from a larger tax charge than that originally anticipated this time last year.

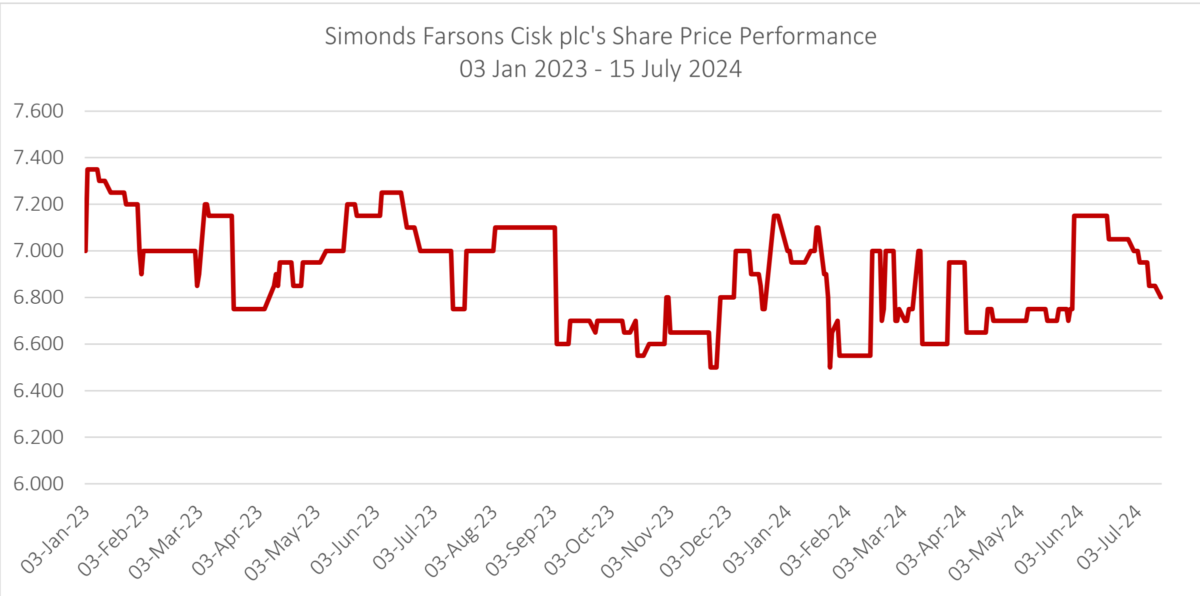
Part C Listed Securities

Shares

SFC's shares have been listed on the Official List of the Malta Stock Exchange since 20 December 1995.

Issued Share Capital:	36,000,000 ordinary shares with a nominal value of €0.30 per share
ISIN:	MT0000070103
2023 high:	€7.35
2023 low:	€6.500
Closing price in 2023:	€7.150
Current price:	€6.800 (as at 15 July 2024)
Enterprise Value (EV)[6]:	€264.5 million
Price to Earnings (P/E) Ratio[7]:	16.0x

All prices above and those used in the chart below are reflective of, and have been adjusted retrospectively for, the bonus share issue regulatory approved and announced in June 2022, which increased the share capital of the Company by 6 million shares.



[6] *Based on the market capitalisation as at 15 July 2024 and the figures extracted from the Statement of Financial Position as at 31 January 2024.*

[7] *Based on the share price as at 15 July 2024 and the earnings per share for the financial year ended 31 January 2024.*

Debt Securities

SFC's listed debt securities comprise:

Bond:	€20,000,000 3.5% unsecured bonds
ISIN:	MT0000071234
Redemption:	13 September 2027 at par
Prospectus Date:	31 July 2017

PART D COMPARATIVES

The table below compares the Issuer to other listed debt on the local market having broadly similar maturities. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations may vary significantly from those of the Issuer and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

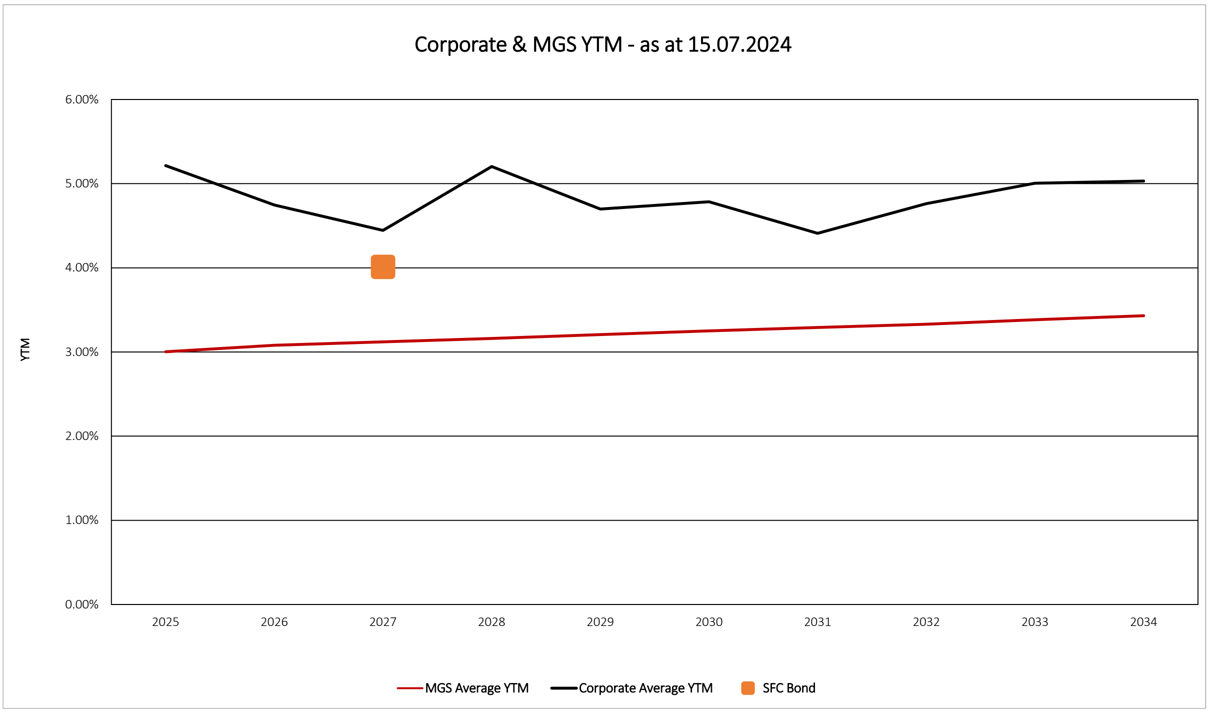
Bond Details	Outstanding Amount (€)	Gearing Ratio*	Net Debt to EBITDA** (times)	Interest Cover (times)	YTM (as at 15.07.2024)
4.00% Eden Finance plc 2027	40,000,000	25.3%	5.9	3.8	4.38%
3.75% Tumas Investments plc 2027	25,000,000	17.3%	1.4	9.2	3.77%
3.5% Simonds Farsons Cisk plc 2027	20,000,000	8.8%	0.6	19.7	**4.01%**
3.75% Virtu Finance plc 2027	25,000,000	43.3%	4.0	5.3	3.75%
4.50% GHM plc 2027	15,000,000	59.9%	5.2	2.6	4.50%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 15.07.2024. Ratio workings and financial information quoted have been based on the financial statements of issuers (or their guarantors where applicable) as published for financial year ended 31 December 2023 (or later, as applicable).

**Gearing Ratio is calculated as: net debt / (net debt + equity)*

*** Net debt does not include lease liabilities*

The chart below compares the Simonds Farsons Cisk plc bond to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve as at 15 July 2024.



At a coupon of 3.50% per annum, the Simonds Farsons Cisk plc 2027 bond yields 4.01% per annum to maturity. This is equivalent to approximately 89 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and approximately 44 basis points below the average yield to maturity of corporate bonds maturing in 2027 (data correct as at 15 July 2024).

STATEMENT OF COMPREHENSIVE INCOME EXPLANATORY DEFINITIONS

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the company's earnings purely from operations and is commonly used to analyse and compare profitability across companies as it eliminates effects of financing and accounting decisions which vary between companies in its computation.
EBIT	EBIT is an abbreviation for earnings before interest and tax. Similar to the above but factors in also depreciation and amortisation.
Depreciation and Amortisation	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced (if any).
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit after tax generated in one financial year from all operational as well as non-operational activities.

CASH FLOW STATEMENT EXPLANATORY DEFINITIONS

Cash Flow from Operating Activities	The cash used or generated from the company's principal operational business. activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.

Statement of Financial Position Explanatory Definitions

Assets	What the company owns which can be further classified into Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within one year from the statement of financial position date. These usually comprise longer term investments such as property, plant, equipment and investment properties. They are capitalised rather than expensed meaning that the company allocates the cost of the asset over the number of years for which the asset will be in use.
Current Assets	Assets which are realisable within one year from the statement of financial position date. These usually comprise receivables, inventory (stock) as well as cash and cash equivalents.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	All obligations which are due within one financial year. These usually comprise payables and short-term debt which may include bank borrowing and/or bonds.
Non-Current Liabilities	All obligations which are due after more than one financial year. Would typically include bank borrowing and bonds.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves and/or other equity components.

Profitability Ratios

EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed as a percentage of total revenue.
Net Profit Margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Return on Equity (ROE)	ROE measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on Assets (ROA)	ROA measures the rate of return to shareholders on assets and is computed by dividing profit after tax by total assets.

Liquidity Ratios

Current Ratio	The current ratio (or liquidity ratio) is a financial ratio that measures whether a company has enough resources to pay its debts over the next 12 months (current liabilities). It compares a company's current assets to its current liabilities.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt (borrowings) used to finance a company's assets and is calculated by dividing a company's total debt by total debt plus shareholders' equity. The gearing ratio may also be calculated using net as opposed to total debt and can be calculated both as a ratio as well as a percentage.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA. The ratio provides an indication of how many years it would take for a company to pay back its debt in full assuming constant EBITDA and debt levels of the remaining years.

Other Definitions

Yield to Maturity (YTM)	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
Earnings per Share (EPS)	This is calculated by dividing the company's profit by the number of shares in issue.
Dividend Cover	This is calculated by dividing the EPS by the dividend per share.
Enterprise Value (EV)	EV measures the company's total value comprising its market capitalisation and net debt.
Price to Earnings (P/E)	The P/E ratio is a valuation multiple used to compare the company's share price with its EPS.

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