11 May 2020

Victrex plc – Interim Results 2020

'Solid growth in H1 – emerging COVID related headwinds in H2'

Victrex plc, an innovative world leader in high performance polymer solutions, today announces its interim results for the 6 months ended 31 March 2020.

	H1 2020	H1 2019	% change (reported)	% change (constant currency)[1]
Group sales volume	**1,992 tonnes**	1,899 tonnes	+5%	NA
Group revenue	**£151.5m**	£145.7m	+4%	+3%
Gross profit	**£86.8m**	£87.4m	-1%	-6%
Gross margin	**57.3%**	60.0%	-270bps	
Underlying profit before tax (before exceptional items[1])	**£52.0m**	£52.4m	-1%	-11%
Reported PBT	**£49.9m**	£50.2m	-1%	-11%
Adjusted EPS	**50.0p**	53.7p	-7%	
Reported EPS	**47.6p**	51.4p	-7%	
Dividend per share (regular & special dividends)	**-**	13.42p		

COVID-19

Since the onset of COVID-19 in Asia during January, the safety and well-being of our employees has been the highest priority. As the virus remains a consideration across our global locations, we will continue to proactively support and look after our employees, whilst maintaining strong service levels to our customers.

Highlights:

- **Solid H1 with growth in Automotive & Medical; stable performance in Aerospace & Electronics**
  - *H1 sales volume up 5%, offset by weakness in Energy*
  - *Q2 volume up 4% against tougher comparatives*
  - *Good progress in Medical, revenue up 6%; further growth in Asia and new applications*
  - *Underlying PBT stable at £52m; margin impacted by under-recovered overhead from lower production, special grade campaigns and new parts programmes*

- **'Mega-programme' pipeline remains strong**
  - *Continued progress in Aerospace composite parts, focused on FY20 meaningful revenue*
  - *Double-digit growth in next generation PEEK-OPTIMA™ HA Enhanced Spine product*
  - *Good progress supporting Magma for TechnipFMC pre-qualification pipe*

- **Investment tailored to new growth opportunities**
  - *Manufacturing subsidiary established to develop new PEEK facility in China*
  - *Acquired remaining equity in TxV Aero Composites from Tri-Mack*

- **Net cash and strong financial position**
  - *H1 net cash £53.2m*; operating cash conversion of 85%[1]*
  - *Committed and undrawn RCF of £20m, with £20m accordion*
  - *Multiple downside scenarios planned for*

- **Proactive actions taken to manage COVID-19 related challenge**
  - *Strong inventory position with H1 inventory £95.1m (H1 2019: £85.2m)*
  - *Solid start to H2, with emerging headwinds in forward order book*
  - *Discretionary costs constrained & cash conservation measures implemented:*
    - *Deferral of UK debottlenecking programme to FY 2021*
    - *Interim dividend deferred*

Jakob Sigurdsson, Chief Executive of Victrex, said: "Overall, we delivered a solid first half which was in line with our expectations. We saw good growth in Automotive and Medical, a stable performance in Aerospace, Electronics and Value Added Resellers, offset by the weaker performance in Energy, as oil prices, rig count and activity levels reduced compared to the prior year.

"Whilst the global demand picture remains highly uncertain, we will continue to position ourselves for the uptick, with further investments tailored to specific long-term growth opportunities. These include our subsidiary in China which will underpin and support continued growth in that region. As part of our cash conservation and cost reduction measures in light of COVID-19, our £15m debottlenecking investment in the UK has now been deferred to FY 2021. However, with lower production already planned for this financial year and some special grade campaigns and new parts programmes ahead of revenue in the first half, we will continue to see some impact on margin from under-recovered overhead. We have continued to make progress in several of our downstream growth programmes, with our US facility now supplying commercial product into the Aerospace market and progress in the Magma Oil & Gas composite pipe opportunity.

"Q3 to date has been broadly in line with our expectations, although we are now seeing emerging headwinds from COVID-19 in our forward order book, particularly in Aerospace and Automotive, with Energy already seeing very tough conditions. Geographically, some more normalised demand returning in Asia could prove supportive, although the demand outlook in Europe and the US is becoming more challenging. Our supply chains remain effective and our inventory levels are high as we continue to serve customers appropriately. We have implemented a range of cash conservation measures, including deferring our debottlenecking programme and a decision on our interim dividend, and alongside our net cash position and available facilities, our balance sheet remains strong. As previously communicated, with significant macro and end market uncertainty, we are unable to provide detailed guidance on full year expectations. We believe the proactive actions we are taking are appropriate to minimise disruption and on a long-term basis, our Polymer & Parts strategy keeps us well placed to deliver our range of medium to long term growth opportunities."

[1] Alternative performance measures are defined on page 12.

***includes £9.2m of cash ring-fenced in the China subsidiary**

About Victrex:

Victrex is an innovative world leader in high performance polymer solutions, focused on the strategic markets of automotive, aerospace, energy (including manufacturing & engineering), electronics and medical. Every day, millions of people use products and applications which contain our materials – from smartphones, aeroplanes and cars to oil and gas operations and medical devices. With over 40 years' experience, we develop world leading solutions in PEEK and PAEK based polymers, semi-finished and finished parts which shape future performance for our customers and our markets, and drive value for our shareholders. Find out more at www.victrexplc.com or follow us on LinkedIn and Twitter @victrexir

A presentation for investors and analysts will be held at 9.30am (GMT) this morning via a conference call facility. To register, dial +44 (0) 3333 000804 and participant pin: 74179364#. The presentation will be available to download from 9.00am (BST) today on Victrex's website at www.victrexplc.com under the Investors/Reports & Presentations section.

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Interim results statement for the 6 months ended 31 March 2020

'Solid growth in H1 – emerging COVID-related headwinds in H2'

Group financial results

H1 sales volume up 5%
Group sales volume of 1,992 tonnes was 5% up on the prior year (H1 2019: 1,899 tonnes), principally reflecting some improvement in Automotive against a weaker comparative, alongside new applications, and continued growth in Medical, and growth in Value Added Resellers. Volumes in Aerospace and Electronics were stable, whilst Energy & Other Industrial was down 3% reflecting lower rig count and reduced activity levels in Oil & Gas.

Q2 sales volume of 1,115 tonnes was 4% ahead of the prior year, despite a tougher comparative (Q2 2019: 1,077 tonnes), including a strong finish in March and some phasing benefit as customers considered the potential impact of COVID-19 on global supply chains.

Group revenue up 4%
Group revenue was £151.5m, 4% up on the prior year (H1 2019: £145.7m), reflecting an improved volume performance and a slightly weaker mix as several Industrial markets improved and Medical saw modest growth. Group revenue in constant currency[1] was 3% up on the prior year (H1 2019: £146.8m in constant currency).

Solid performance in Industrial; Medical in growth
Our Industrial division reported revenues of £122.0m, 4% up on the prior year (H1 2019: £117.8m) benefiting from an improvement in Automotive against a weaker comparative. As noted, Energy performance was weaker during the first half reflecting rig counts being materially lower, with a reduction of over 50% since the start of calendar 2020 year (source: Baker Hughes)

Medical revenues were £29.5m, up 6% on the prior year (H1 2019: £27.9m) and 4% ahead in constant currency[1]. Asia-Pacific remains a key area of growth for Medical, including in Spine, Arthroscopy and Cranio Maxillo Facial (CMF) applications, offsetting the more mature US spine market, which continues to see limited procedural growth rates and reduced levels of innovation. Our next generation PEEK-OPTIMA™ HA Enhanced product for Spine continues to see progress, with revenue growth of 95% over the prior year and the prospect of exceeding £2m revenue for the full year.

ASP stable, slightly softer mix
Our Average Selling Price (ASP) of £76/kg was 1% lower than the prior year (H1 2019: £76.7kg), principally reflecting the initial improvement in Industrial and a softer mix. On a pre-COVID 19 basis, our expectation was for ASP in FY 2020 to be in line with FY 2019.

Losses on foreign currency net hedging
Fair value gains and losses on foreign currency contracts, where net hedging is applied on cash flow hedges, are required to be separately disclosed on the face of the Income Statement. In H1 2020, a loss of £1.2m (H1 2019: loss of £2.9m) has been recognised accordingly, largely from USD contracts where the deal rate obtained (placed up to 12 months in advance in accordance with the Group's hedging policy) was adverse to the average exchange rate prevailing at the date of the related hedged transactions.

Gross margin
Group gross margin of 57.3% (H1 2019: 60.0%) was 270 basis points lower, impacted primarily by weaker operating leverage as production volumes were lower than the prior half year, reflecting a number of short-run high-cost production campaigns, principally on special grade polymers and new parts programmes, which were carried out in the period to increase inventory in anticipation of the de-bottlenecking, which would have taken place primarily in the second half. Whilst that project has now been deferred to FY 2021, the additional inventory has provided us with the ability to respond flexibly to customer demand as we have

entered a period of potential COVID-19 disruption. The bulk of the inventory increase in H1 2020 related to increasing raw material stocks or work in progress programmes.

Underlying PBT stable and reported EPS down 7%
Underlying PBT of £52.0m was down 1% on the prior year (H1 2019: £52.4m), reflecting the improved sales volume performance and the tailwind from currency, offset by a higher cost of sales through under-recovered overhead, due to lower production. Whilst the Group would typically accrue for the All Employee Bonus Scheme, this has been removed to reflect market expectations of profit declining during FY 2020. Removal of bonus and profit related remuneration benefits the Group by approximately £3m. No bonus was paid in FY 2019. Reported PBT of £49.9m was 1% down on the prior year (H1 2019: £50.2m) reflecting exceptional items of £2.1m, being M&A costs principally related to the Group's China subsidiary investment (H1 2019: £2.2m of exceptional items; £1.1m of GMP pension and £1.1m of M&A costs).

The under-recovered overheads associated with reducing FY 2020 production for the Group's planned debottlenecking investment were originally anticipated to be classified as exceptional in FY 2020, as outlined in our 2019 preliminary results statement. Following the decision to delay the project until FY 2021, we will continue to see the impact of under-recovered overheads from lower production in FY 2020.

Our "front-end" functions of Sales, Marketing and R&D support existing business growth and our mega-programmes and whilst we will continue to invest in these areas where appropriate, particularly R&D, for FY 2020 we anticipate a decrease in overall investment compared to FY 2019, principally around lower marketing investment and travel costs.

Adjusted earnings per share of 50.0p was 7% down (H1 2019: 53.7p per share). The overall effective tax rate was 17.6%, well ahead of the prior year (H1 2019: 12%), which is mainly due to the restatement of deferred tax balances following the UK government's decision in March 2020 to cancel the reduction in UK corporation tax rate from 19% to 17%. The change in the effective tax rate is therefore made up of 4.6% relating to the change in deferred tax rates and an underlying rate of 13% which remains significantly below the UK rate of 19% because of the availability of the reduced rate on profits taxed under Patent Box.

Currency tailwind
For FY 2020, our expectations – based on pre-COVID 19 assumptions – are for currency to show a modest tailwind of approximately £6m-£7m at PBT level, although we expect a small proportion of this will be offset by raw material and wage inflation. With Sterling de-rating since the end of 2019, we note the implications have changed for FY 2021, with a broadly neutral position and less than 50% of hedging cover in place.

Our hedging policy seeks to substantially protect our cash flows from currency volatility on a rolling twelve-month basis. The policy requires that at least 80% (previously 90%) of our cash flow exposure is hedged for the first six months, then at least 75% for the second six months of any twelve-month period. The implementation of the policy is overseen by an Executive Currency Committee which approves all transactions and monitors the policy's effectiveness. Following a review of the ongoing effectiveness of the policy since the start of FY 2020, the Group envisages no material changes to existing hedging arrangements at this stage.

Proactive actions on COVID-19
The safety and well-being of Victrex employees continues to be our highest priority. We established a COVID-19 committee at the start of 2020, with a proactive approach and a range of contingency plans already implemented. The Group did not see a material impact from COVID-19 during the first half year, although we did see some longer lead times for deliveries in certain geographies.

People

A range of contingency plans have already been implemented, with a focus on the safety and well-being of our people. We continue to follow governmental or state guidance wherever we operate, and continue to serve customers from home offices, with the overwhelming majority of our global employees' homeworking, wherever roles are not production related. We recently re-opened our China technical centre and Sales office in Korea, with a phased return to work.

Essential industry

The UK government defines Chemicals as an essential industry with essential workers, with Victrex also having a long-standing history in supporting many critical and "life-sustaining" applications, particularly in Medical. In the US, we continue to operate on an ongoing modified basis, defined as being a 'life-sustaining' organisation in several states.

In order to minimise the risk to those business-critical employees in our production assets, we are continuing to produce aligned to demand, supplemented by high buffer inventory if required.

Ventilators

Victrex has a long-standing history in many critical applications and in addition to companies we already serve, we are supplying materials for Ventilators or related equipment to a number of global companies as part of the effort against COVID-19.

Cash conservation

Our range of cash conservation measures includes deferring capital expenditure for the UK debottlenecking programme to FY 2021 (approximately £15m), with other capital programmes limited to essential only expenditure. All discretionary costs including travel and new recruitment have been constrained to those activities critical to supporting customer related activity. We have mapped out a number of different scenarios in relation to our customers' demand and we will be prepared to implement the corresponding action plans should any of them materialise.

Dividends

Against an uncertain Outlook, the Board believes it is in the best interests of all our stakeholders to defer an interim dividend at this stage. The timing of any payment will be contingent on prevailing macro-economic and end-market conditions over the coming months.

Strong financial position

Overall, our financial position remains strong, including a net cash position of £53.2m on 31 Marchand a committed undrawn RCF of £20m, and a £20m accordion, to October 2024. We are in regular engagement with our banks, with options available to access other capital, should this be required. Whilst the financial impact of the COVID-19 crisis is impossible to predict, the Group is planning and preparing for multiple scenarios, in terms of the impact on our customers' demand and the timing and shape of a recovery.

This includes consideration of a sharp impact in Q3 and Q4 (calendar quarter 2 and 3) before a recovery at the start of our next financial year, as well as a more severe scenario that assumes a continued impact on demand into 2021, before a gradual recovery through the year. In the event of either scenario occurring, the Group believes it has sufficient capital, borrowing facilities and flexibility to be able to manage through these scenarios, whilst continuing to invest for long term growth.

Brexit

As previously communicated, the Group continues to consider the potential impact of Brexit, with a team in place comprised of senior leaders to manage various contingencies through the transition period and beyond.

Victrex has indicated previously that the principal risk is a sustained period when the Group may not be able to import certain raw materials or export finished goods through Customs, which could curtail sales if regional inventory levels were depleted. As part of our contingency plans, additional warehousing for finished goods stock was secured in mainland Europe (Germany) and China with approximately 12 weeks of finished goods stock held outside the UK. Our German warehouse has been operational since February 2019, with capability to supply European customers. We also secured additional raw material stocks. Group inventories reached £95.1m in H1 2020 as a consequence (H1 2019: £85.3m) and with continued uncertainty over Brexit, as well as reduced production availability in our polymer assets due to debottlenecking, as well as the COVID-19 supply risk, we anticipate maintaining a continued high level of inventory through to the end of FY 2020 and into FY 2021.

Our assessment of the potential financial impact of a 'no deal' Brexit is based on standard WTO tariffs being applied, bringing increased costs in the short term through the application of duties to the import of certain raw materials and on the export of finished goods. This short-term cost would be partially mitigated by the impact on the unhedged portion of our currency flows in the event of any weakening of Sterling. Once existing hedges roll off, there is also the potential for weaker Sterling to provide a tailwind in the event of a 'no deal' scenario. As the only current manufacturer of PEEK products in the EU, we also have the opportunity to seek tariff mitigation that may be available to us, although we note this option could reasonably be expected to take up to a year to secure.

Investment to drive growth
Sales, marketing and administration expenses ("operating overheads"), before exceptional items of £2.1m (H1 2019: £2.2m) reduced by 2% to £34.6m (H1 2019: £35.5m) reflecting limited and targeted investment in the "front-end" activities of sales, Research & Development ("R&D") and technical service, offset by the benefit of lower marketing activity and travel as a result of COVID-19. R&D investment is measured on a full year basis and is currently tracking at approximately 5% of revenues[1] despite being slightly lower in the first half due to phasing.

For FY 2020, we expect operating overheads, with the removal of accrual for the Group's all employee bonus scheme, to be moderately lower than FY 2019.

Exceptional items
Whilst the previously announced UK debottlenecking project will be deferred to FY 2021, M&A costs arising from the China subsidiary investment resulted in a £2.1m exceptional charge in the first half year.

Investment in capacity and to support downstream strategy
Capital expenditure was £11.9m (H1 2019: £8.8m) and with deferral of the UK debottlenecking programme we now anticipate FY 2020 capital expenditure to be in the region of £20m-£25m. Approximately £7m of total capital investment this year will be the first phase of our investment to create a manufacturing subsidiary for developing a new PEEK facility in China.

This investment in capacity is being developed in a more tailored way, with smaller increments providing an overall return on investment similar to current Group Return on Capital Employed (ROCE). Following these investments, we do not anticipate any material large scale capacity investment for several years. Our China investment is progressing broadly on plan, with commissioning still anticipated to be in early 2022. Subject to final land agreements, ground-breaking and construction is anticipated within the next quarter. This investment reflects recent strong growth in China across end-markets, and the opportunities we see to support our customers in country and with a quality PEEK offering.

H1 2020 investment has also included a £3m investment in our Aerospace Loaded Brackets and composite parts facility, where we acquired the remaining equity from Tri-Mack. This facility supported our first commercial orders based on our AE™250 polymer grade, which has pre-qualification with the major aerospace manufacturers.

Performance-based payments – based on milestones delivered – will be made in FY 2020 for our Bond 3D High Performance Technology BV investment. Bond 3D is a Dutch company developing unique, IP protectable 3D printing (Additive Manufacturing) processes which are capable of producing high strength parts from existing grades of PEEK and PAEK polymers. The investment offers the potential of utilising this technology to help accelerate the market adoption of 3D printed PEEK parts, with particular emphasis on the Medical market and porous PEEK spinal cages.

Mega-programme progress

We have continued to see milestones delivered in our Mega-programmes and new product pipeline. Whilst we are conscious that COVID-19 may lead to delays in achievement of milestones going forwards, and are monitoring developments closely, all of our programmes are currently progressing as planned. We don't currently anticipate that COVID-19 will change the mega-trends which are the fundamental drivers behind the business cases for our Mega-programmes, however we will continue to assess this as any longer-term implications emerge.

In PEEK **Gears**, which are now 'on the road' following a first supply agreement in 2018 and two smaller contracts, we had also noted a rescoping of a new contract which would limit the opportunity for meaningful revenue in FY 2020, although our technical standing with that OEM (Original Equipment Manufacturer) remains strong and we are excited about the potential for a broader range of developments with them, beyond our wider development alliances which total up to 15 projects. Beta testing with a major OEM is underway and we have recent opportunities progressing in both the US and Asia.

In our **Aerospace Loaded Brackets** programme, the first composite parts manufactured in our US facility have generated commercial revenues in line with our 'Parts that fly' strategy, supporting the opportunity of meaningful revenue in FY 2020, although we note the current material downturn in demand within Aerospace may impact on timings for revenue ramp-up beyond this year and in the medium term. We are also exploring opportunities in eVTOL (Electric Vehicle Take-off and Landing) which could support medium term growth.

Within **'Aerospace Structures'** which links to our development alliance with Airbus, we expect to start seeing prototype revenue from later this year. The alliance will support the development and commercialisation of thermoplastic composites in Aerospace, with a focus on both larger primary and secondary Aerospace structures, such as wings and fuselage parts. We anticipate this project has the prospect of gaining meaningful revenue within the next 1-2 years (principally from prototype revenue) although we note the material downturn in demand forecast within Aerospace and deteriorating prospects beyond 2020. This opportunity is incremental to Victrex's Aerospace Loaded Brackets programme. Victrex's AE™250 composites grade will be integral to both of these opportunities.

The focus for **Magma** in FY 2020 is in delivering materials – pipe and composite tape – for the pre-qualification work as part of TechnipFMC's bid within the Libra field development in Brazil. Significant time and resource is being deployed on their part to ensure the capability is in place and for pre-qualification work. Ahead of the outcome of the Libra pre-development work over the next two years using a Hybrid Flexible Pipe (HFP) model, we expect to see some limited revenue growth as the 6 inch qualification pipe progresses – extruded by Victrex and Magma – through the supply chain, including armouring work on the steel casing.

In Medical, we continue to make good progress with our PEEK-OPTIMA™ HA Enhanced product. In FY 2020, we have the prospect of pushing this programme close to annualised sales of £2m, subject to any impact from COVID-19 on demand. Our focus to grow our non-Spine business in **Dental** has been slower than we anticipated and our work to assess other opportunities there remains ongoing, which could include partnerships or other vehicles to support market adoption.

For **Trauma**, we continue to use clinical data and marketing awareness through trade shows and key opinion leaders to support this programme, seeking to build further OEM collaborations, beyond a top 5 collaboration secured. We are also exploring some geographic opportunities in Trauma through a collaboration or potential investment. In **Knee**, and through our partner Maxx, the clinical trial in Italy has been temporarily paused as a result of COVID-19 and we await news on when this will recommence. The trial is expected to run for a minimum of 18 months, with 30 patients. We are also focusing on securing a second OEM partner in this programme. Additionally, we have seen a much greater interest from existing Knee component manufacturers including several of the market leaders.

Strong balance sheet

Our strong balance sheet underpins our ability to invest and support security of supply for customers. Net assets at 31 March 2020 totalled £471.1m (H1 2019: £423.3m). Inventories increased to £95.1m (H1 2019: £85.3m), which was originally planned to support us through the debottlenecking programme and will now offer support to manage COVID-19 related challenges. With deferral of debottlenecking to FY 2021, we would expect to maintain this inventory position into our next financial year, before starting to unwind it in FY 2021.

Robust cash generation

Cash generated from operations was £53.7m (H1 2019: £32.5m) representing an operating cash conversion[1] of 85% (H1 2019: 47%). Available cash[1] (with no debt) at 31 March 2020 was £53.2m (H1 2019: £49.1m). This includes £9.2m ring-fenced in our China subsidiary to give £44.0m cash available in the wider Group. In February 2020 we paid the 2019 full year final dividend of 46.14p/share, whilst additional cashflow items include approximately £8m to support performance based payments for our Bond 3D and the purchase of the remaining stake in TxV Aero Composites, and £15.6m (H1 2019: £3.8m) of cash tax payments, reflecting HMRC changes to phasing of payments for large companies.

Taxation

The Group's effective tax rate reflects the associated benefit from Victrex filing patents as part of its unique chemistry and IP, through the UK government's 'Patent Box' scheme and the impact on deferred tax balances as a result of the cancellation of the reduction in the UK corporation tax rate from 19% to 17% . The underlying effective tax rate was 17.6% for H1 2020 (H1 2019: 12%).

Dividends

Although the Group delivered a solid performance in the first half, as part of our cash conservation measures and to reflect consideration for all of the Group's stakeholders, we have deferred the interim dividend (H1 2019: 13.42p/share).

Outlook

Q3 to date has been broadly in line with our expectations, although we are now seeing emerging headwinds from COVID-19 in our forward order book, particularly in Aerospace and Automotive, with Energy already seeing very tough conditions. Geographically, some more normalised demand returning in Asia could prove supportive, although the demand outlook in Europe and the US is becoming more challenging. Our supply chains remain effective and our inventory levels are high as we continue to serve customers appropriately. We have implemented a range of cash conservation measures, including deferring our debottlenecking programme and our interim dividend, and alongside our net cash position and available facilities, our balance sheet remains strong. As previously communicated, with significant macro and end market uncertainty, we are unable to provide detailed guidance on full year expectations. We believe the proactive actions we are taking are appropriate to minimise disruption and on a long-term basis, our Polymer & Parts strategy keeps us well placed to deliver our range of medium to long term growth opportunities.

Jakob Sigurdsson
Chief Executive
11 May 2020

[1] **Alternative performance measures are defined on page 12.**

DIVISIONAL REVIEW

Industrial

	6 months Ended 31 Mar **2020** £m	6 months ended 31 Mar 2019 £m	% Change (reported)	% Change (constant currency)
Revenue	122.0	117.8	4%	3%
Gross profit	61.6	64.2	-4%	-7%

Group performance is reported through the Industrial and Medical divisions although we continue to provide a market-based summary of our performance and growth opportunities. The Industrial division includes the markets of Energy & Other Industrial (including Manufacturing & Engineering), Value Added Resellers, Transport (Automotive & Aerospace) and Electronics.

Our Industrial business delivered revenue of £122.0m (H1 2019: £117.8m), 4% up on the prior year, reflecting the improvement in Automotive, with stability in Aerospace, Electronics and Value Added Resellers markets, offset by a weaker performance in Energy & Other Industrial. Revenue in constant currency was up 3%. Gross margin was lower at 50.5% (H1 2019: 54.5%), reflecting weaker operating leverage and Industrial mix.

Energy & Other Industrial
Our Energy & Other Industrial market (which includes volumes reported for Manufacturing & Engineering) saw sales volume of 329 tonnes, which was down 1% on the prior year (H1 2019: 333 tonnes), with Oil & Gas down 11% overall. Rig count reduced through 2019 and early 2020 as oil prices and activity levels fell. Pleasingly, we expect to see some limited growth in our Magma oil & gas mega-programme during the year, reflecting the opportunity with TechnipFMC and Ocyan in Brazil, with Victrex supporting the material requirements and qualification pipe.

Manufacturing & Engineering (M&E) focuses on new or incremental applications in fluid handling, food contact materials and manufacturing equipment applications, including the emerging opportunities in fridge compressors where metal replacement requirements are increasing. The first half year saw solid volume growth of approximately 4% compared to the prior half year.

Value Added Resellers
Material processors and compounders use our PEEK materials for parts or component manufacturing specified by end users and OEMs, together with more variable demand requirements as the "pull" from Industrial markets using Victrex™ PEEK continues to grow. Because of the fragmented nature of the industrial supply chain, once PEEK has been specified by end users, full clarity on the exact route to market for all of our polymer business is not always possible. The Value Added Reseller channel to market also typically sees greater levels of destocking as processors or compounders typically reduce inventories in higher value materials when end market demand drops. Sales volume of 768 tonnes was 5% up on last year (H1 2019: 733 tonnes), principally reflecting the initial improvement in Automotive offset by a weaker Energy market.

Transport (Automotive & Aerospace)
Whilst FY 2019 was a challenging year in Automotive, structural megatrends including lightweighting, CO2 reduction, durability, comfort, electrification and heat resistance remain strong. Automotive was in growth during the first half year, although we are mindful of the emerging headwinds seen since the end of the first half, due to the impact of COVID-19. Aerospace started strongly before seeing headwinds from the production outage relating to the Boeing 737 Max during Q2. Transport sales volume overall increased 14% to 549 tonnes (H1 2019: 480 tonnes), primarily driven by an initial improvement in Automotive against weaker comparatives.

Automotive
Volumes increased by 16%, with double-digit growth in Q1 and more limited growth in the second quarter as comparatives became tougher. We also benefited from some phasing, resulting from the PFOA ban in certain areas of Asia and strong growth in Japan. As a result of COVID-19 and widespread OEM shutdowns, data from IHS forecasts a decline in car build of over 20% during 2020. Core applications include braking systems, bushings & bearings and transmission equipment, with emerging opportunities in electric vehicles.

In PEEK Gears, we are progressing over 10 development programmes to support the medium to long term revenue opportunity, although meaningful revenue will now be later than our original assumption of FY 2020, reflecting the rescoping of a US OEM contract. PEEK gears based on Victrex™ HPG PEEK can offer a 50% performance and noise vibration and harshness (NVH) benefit compared to metal gears, as well as contributing to the trend for minimising CO2 emissions through weight & inertia reduction, and quicker manufacturing compared to metal. A PEEK Gear offers the potential of approximately 20 grams per application.

PEEK remains well placed for both internal combustion engines, hybrids and electric vehicles (EVs). Electric vehicles offer further opportunities for our materials, with slot-liners, wire coating and other applications. A number of development programmes are underway and the mid-term higher voltage batteries support the use of PEEK due to the increased need for insulation and good dielectric properties. The long-term potential for up to 100g per EV application supports growth opportunities in this end market.

Aerospace
Aerospace was stable, reflecting a slower performance in Q2 after a strong start. Brackets, fasteners and other applications continue to offer incremental translation opportunities. We started to see headwinds from the Boeing 737 Max grounding during the second quarter, that will also dampen performance for the remainder of the financial year. Whilst the use of composites and differentiated products on a long-term basis, including seat pans and interior structural components, looks set to increase, we note some of the market caution on mid-term recovery for Aerospace alongside some existing production rate declines in certain models. Light-weighting and the ability to reduce manufacturing cycle time by up to 40% remains a key selling point for our PEEK and PAEK polymers.

We acquired the remaining equity in TxV Aero Composites during the period, with our US manufacturing facility in Rhode Island now manufacturing commercial parts, with capability to deliver approximately 150 tonnes of composite parts per year initially, to prove out the benefits. Our development alliance with Airbus as part of their 'Clean Sky 2' programme will also offer opportunities in larger primary and secondary structures – now part of our Aerospace Structures mega-programme which has moved forward in our growth pipeline. Whilst some of the near-term industry forecasts look more challenging in Aerospace, one area which offers opportunity, and which we continue to explore is in eVTOL (Electrical Vertical Take-off & Landing) platforms, particularly in the use of composites.

Electronics
Electronics volumes were down 4% at 242 tonnes (H1 2019: 251 tonnes), as the market saw a muted performance in Semiconductor, offset by some growth in Small Space Acoustics. We are mindful that the COVID-19 impact in Asia and return to operations for many countries in the region may provide some support for performance in the second half. Small Space Acoustics, which sees our Aptiv™ film used in smartphones, was in growth, as we launched a new DBX film to support increasing requirements of our OEM customers.

Regional trends
Europe was up 3%, with 1,056 tonnes (H1 2019: 1,026 tonnes), reflecting initial improvement in Automotive and Value Added Resellers. Asia-Pacific was up 13% at 540 tonnes (H1 2019: 478 tonnes) principally from Automotive and Electronics, whilst US volumes were flat at 396 tonnes (H1 2019: 395 tonnes) principally reflecting the weaker performance in Energy.

Medical

	6 months Ended 31 Mar 2020 £m	6 months ended 31 Mar 2019 £m	% Change (reported)	% Change (constant currency)
Revenue	29.5	27.9	6%	4%
Gross profit	25.2	23.2	9%	5%

Revenue in Medical was up 6% at £29.5m (H1 2019: £27.9m). In constant currency, Medical revenue was 4% up. Gross profit was £25.2m (H1 2019: £23.2m) and gross margin was up at 85.4% (H1 2019: 83.2%). This partly reflected the impact of currency gains.

Geographically, Asia-Pacific continued to see strong growth, up 8%, with 6% growth in the US and Europe up 2%. We continue to see Asia-Pacific growth reflecting both Spine, as new approvals are secured, and some non-Spine areas such as Cranio Maxillo-Facial (CMF), Arthroscopy & Sports Medicine, and some emerging or incremental opportunities in heart components. On a medium-term view, we are targeting high single-digit million revenue from our non-Spine areas.

Medical market overview

Spine is our historic market and we continue to diversify through emerging geographies, and new innovative products. Our premium and differentiated PEEK-OPTIMA™ HA Enhanced product – to drive next generation Spine procedures – is one part of our strategy to grow our Medical business. Following strong growth during FY 2019, we have seen continued growth during the first half and have the opportunity to progress towards £2 million revenue for the year.

Our Porous PEEK opportunity, where the benefit of bone-in growth is added to bone-on growth, is moving forward on plan thanks to our Bond 3D investment, where our ability to 3D print spinal cages will be invaluable.

Whilst the impact from COVID-19 on the Group was not material in the first half year, we note the prospect of elective surgeries like Spine being deferred, particularly in the US. However, the growth in our non-Spine business over recent years offers some support.

Mega-programmes

As previously communicated, our Invibio Dental (Juvora™) branded products have been slower than anticipated following our distribution agreement with Straumann in 2018 and we continue to expect additional agreements will be needed to help market penetration. The medium-term opportunity remains attractive for Dental and the clinical proposition – with lower peri-implantitis rates in PEEK solutions after five years compared to Titanium – remains strong. A recent additional study via the well-regarded Malo Clinic, based on 3 year clinical data, further validated our Dental proposition.

Our emphasis is on the prosthetic dental market – frames, bridges and partials – rather than the full jaw-based implant, with the Invibio Dental offering focused on improving quality of life and clinical outcomes for patients, whilst offering manufacturing efficiency benefits. One part of our work in Dental is to consider partnerships or other options in relation to the platform we have, recognising that progress remains disappointing.

In Trauma, we successfully signed a collaboration agreement with a top 5 Trauma player last year. We are also continuing to work with smaller innovative players through development agreements.

Our PEEK composite Trauma plates offer the potential for 50 times better fatigue resistance compared to a metal plate. The awareness of composites as a viable metal alternative is growing and we have the manufacturing capability to meet initial demand. Asia represents a strong opportunity for us and we are also considering partnership opportunities in this region.

In Knee, the impact of COVID-19 in Italy meant we saw a pause in the first implant of a PEEK Knee, following the clinical trial commencing. With approximately 30 patients being recruited via an Italian hospital, we expect the trial to run for approximately 18 months to two years, with the first implant now anticipated later in the year once safe to resume. Our existing partnership with Maxx Orthopedics is working well and we have now also had significant engagement from one of the leading Knee device manufacturers. We continue to seek additional OEM partners to help drive awareness and support the value proposition prior to market penetration. We also have the opportunity to progress other trials to further validate clinical evidence.

Alternative performance measures:

We use alternative performance measures to assist in presenting information in an easily comparable, analysable and comprehensible form. The measures presented in this report are used by the Board in evaluating performance. However, this additional information presented is not required by IFRS or uniformly defined by all companies. Certain measures are derived from amounts calculated in accordance with IFRS but are not in isolation an expressly permitted GAAP measure. The measures are as follows:

- Operating profit before exceptional items (referred to as underlying operating profit) and profit before tax and exceptional items (referred to as underlying profit before tax) are based on operating profit and PBT before the impact of exceptional items. These metrics are used by the Board to assess the underlying performance of the business excluding items that are, in aggregate, material in size and / or unusual or infrequent in nature. Exceptional items for H1 2020 are £2.1m relating to acquisition related costs. Further details are disclosed in note 3;
- Constant currency metrics are used by the Board to assess the year on year underlying performance of the business excluding the impact of foreign currency rates, which can by nature be volatile. Constant currency metrics are reached by applying current year (FY 2020) weighted average spot rates to prior year (FY 2019) transactions. In the current period, gains and losses on foreign currency net hedging are shown separately in the Income Statement, following adoption of IFRS 9 and are excluded from the constant currency calculation;
- Operating cash conversion is used by the Board to assess the business's ability to convert operating profit to cash effectively, excluding the impact of investing and financing activities. Operating cash conversion is operating profit before exceptional items adjusted for depreciation and amortisation, working capital movements and capital expenditure / operating profit before exceptional items
- Available cash is used to enable the Board to understand the true cash position of the business when determining the use of cash under the capital allocation policy. Available cash is cash and cash equivalents plus other financial assets (cash invested in term deposits greater than three months in duration); and
- Dividend cover is used by the Board to measure the affordability and sustainability of the regular dividend. Dividend cover is earnings per share/total dividend per share. This excludes the special dividend.
- Research and development expenditure as a % of Group sales is used by the Board because R&D spend is considered to be a leading indicator of the Group's ability to innovate into new applications, supporting future growth. The Group targets spend at c5%–6% of Group revenues.
- Adjusted EPS is earnings per share based on profit after tax but before exceptional items divided by the weighted average number of shares in issue.

Consolidated Income Statement

	Note	Unaudited Six months ended 31 March 2020 £m	Unaudited Six months ended 31 March 2019 £m	Audited Year ended 30 September 2019 £m
Revenue	5	**151.5**	145.7	294.0
Losses on foreign currency net hedging		**(1.2)**	(2.9)	(5.9)
Cost of sales		**(63.5)**	(55.4)	(111.8)
Gross profit		**86.8**	87.4	176.3
Sales, marketing and administrative expenses	5	**(36.7)**	(37.7)	(72.2)
Operating profit before exceptional items		**52.2**	51.9	105.6
Exceptional items[1]	6	**(2.1)**	(2.2)	(1.5)
Operating profit	5	**50.1**	49.7	104.1
Financial income		**0.1**	0.5	0.7
Share of loss of associate		**(0.3)**	-	(0.1)
Profit before tax and exceptional items		**52.0**	52.4	106.2
Exceptional items	6	**(2.1)**	(2.2)	(1.5)
Profit before tax		**49.9**	50.2	104.7
Income tax expense	7	**(8.8)**	(6.0)	(12.3)
Profit for the period		**41.1**	44.2	92.4
Attributable to:				
Owners of the Company		**41.1**	44.2	92.4
Non-controlling interests		**-**	-	-
Earnings per share				
Basic	8	**47.6p**	51.4p	107.2p
Diluted	8	**47.4p**	51.2p	106.9p

Dividends			
Year ended 30 September 2018:			
Final dividend paid February 2019 at 46.14p per share	**-**	39.7	-
Special dividend paid February 2019 at 82.68p per share	**-**	71.1	-
Interim dividend paid July 2019 at 13.42p per ordinary share			11.6
Year ended 30 September 2019:			
Final dividend paid February 2020 at 46.14p per share	**39.9**	-	-
	39.9	110.8	11.6

Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 31 March 2020 £m	Unaudited Six months ended 31 March 2019 £m	Audited Year ended 30 September 2019 £m
Profit for the period	**41.1**	44.2	92.4
Items that will not be reclassified to profit or loss			
Defined benefit pension schemes' actuarial (losses)/gains	**1.6**	(6.1)	(5.9)
Income tax on items that will not be reclassified to profit or Loss	**(0.3)**	0.1	1.0
	1.3	(6.0)	(4.9)
Items that may be subsequently reclassified to profit or Loss			
Currency translation differences for foreign operations	**(0.5)**	(0.1)	2.7
Effective portion of changes in fair value of cash flow hedges	**1.9**	1.1	(7.5)
Net change in fair value of cash flow hedges transferred to profit or loss	**1.1**	2.9	5.9
Income tax on items that may be reclassified to profit or loss	**(0.6)**	(0.7)	0.3
	1.9	3.2	1.4
Total other comprehensive expense for the period	**3.2**	(2.8)	(3.5)
Total comprehensive income for the period	**44.3**	41.4	88.9
Total comprehensive income for the period attributable to:			
Owners of the Company	**44.3**	41.4	88.9
Non-controlling interests	**-**	-	-

Consolidated Balance Sheet

	Note	**Unaudited 31 March 2020**	Unaudited 31 March 2019	Audited 30 September 2019
		£m	£m	£m
Assets				
Non-current assets				
Property, plant and equipment		**270.6**	254.1	260.8
Intangible assets		**27.2**	26.8	27.4
Investment in associates	9	**12.5**	-	8.2
Financial assets held at fair value through profit and loss	10	**8.0**	10.5	8.0
Deferred tax assets		**9.6**	7.5	10.5
Retirement benefit asset		**11.9**	7.5	9.1
		339.8	306.4	324.0
Current assets				
Inventories		**95.1**	85.3	92.2
Current income tax assets		**8.2**	0.7	0.7
Trade and other receivables		**50.7**	42.3	45.0
Derivative financial instruments	11	**2.2**	2.7	1.5
Other financial assets	12	**-**	0.3	0.3
Cash and cash equivalents		**53.2**	49.1	72.5
		209.4	180.4	212.2
Total assets		**549.2**	486.8	536.2
Liabilities				
Non-current liabilities				
Deferred tax liabilities		**(24.0)**	(21.6)	(21.6)
Long term lease liability		**(6.5)**	-	-
		(30.5)	(21.6)	(21.6)
Current liabilities				
Derivative financial instruments	11	**(6.5)**	(7.0)	(12.6)
Current income tax liabilities		**(8.2)**	(9.2)	(10.3)
Trade and other payables		**(31.3)**	(25.7)	(30.1)
Lease liability		**(1.6)**	-	-
		(47.6)	(41.9)	(53.0)
Total liabilities		**(78.1)**	(63.5)	(74.6)
Net assets		**471.1**	423.3	461.6
Equity				
Share capital		**0.9**	0.9	0.9
Share premium		**54.0**	49.3	52.3
Translation reserve		**6.0**	3.7	6.5
Hedging reserve		**(2.3)**	(0.1)	(4.7)
Retained earnings		**409.6**	369.5	406.6
Equity attributable to owners of the Company		**468.2**	423.3	461.6
Non Controlling Interest	12	**2.9**	-	-
Total equity		**471.1**	423.3	461.6

Consolidated Cash Flow Statement

	Note	Unaudited Six months ended 31 March 2020 £m	Unaudited Six months ended 31 March 2019 £m	Audited Year ended 30 September 2019 £m
Cash flows from operating activities				
Cash generated from operations	15	**53.7**	32.5	90.3
Net financing interest received		**0.1**	0.5	0.7
Tax paid		**(15.6)**	(3.8)	(10.9)
Net cash flow from operating activities		**38.2**	29.2	80.1
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets		**(11.9)**	(8.8)	(22.7)
Decrease in other financial assets		**0.3**	72.9	72.9
Cash consideration of acquisitions		**(7.8)**	(5.9)	(11.8)
Cash acquired with acquisitions		**1.0**	-	-
Net cash flow from investing activities		**(18.4)**	58.2	38.4
Cash flows from financing activities				
Premium on issue of ordinary shares exercised under option		**1.7**	1.3	4.3
Repayment of lease liabilities		**(0.9)**	-	-
Dividends paid		**(39.9)**	(110.8)	(122.4)
Net cash flow from financing activities		**(39.1)**	(109.5)	(118.1)
Net (decrease)/increase in cash and cash equivalents		**(19.3)**	(22.1)	0.4
Effect of exchange rate fluctuations on cash held		**-**	-	0.9
Cash and cash equivalents at beginning of period		**72.5**	71.2	71.2
Cash and cash equivalents at end of period		**53.2**	49.1	72.5

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total attributable to owners of parent £m	Non-controlling interest £m	Total £m
Equity at 1 October 2019 (Audited)	**0.9**	**52.3**	**6.5**	**(4.7)**	**406.6**	**461.6**	**-**	**461.6**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	41.1	41.1	-	41.1
Other comprehensive (expense)/income								
Currency translation differences for foreign operations	-	-	(0.5)	-	-	(0.5)	-	(0.5)
Effective portion of changes in fair value of cash flow hedges	-	-	-	1.9	-	1.9	-	1.9
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	1.1	-	1.1	-	1.1
Defined benefit pension schemes' actuarial losses	-	-	-	-	1.6	1.6	-	1.6
Tax on other comprehensive (expense)/income	-	-	-	(0.6)	(0.3)	(0.9)	-	(0.9)
Total other comprehensive (expense)/income for the period	-	-	(0.5)	2.4	1.3	3.2	-	3.2
Total comprehensive (expense)/income for the period	-	-	(0.5)	2.4	42.4	44.3	-	44.3
Contributions by and distributions to owners of the Company								
Adjustment arising from inception of non-controlling interest	-	-	-	-	-	-	2.9	2.9
Share options exercised	-	1.7	-	-	-	1.7	-	1.7
Equity-settled share-based payment transactions	-	-	-	-	0.5	0.5	-	0.5
Dividends to shareholders	-	-	-	-	(39.9)	(39.9)	-	(39.9)
Equity at 31 March 2020 (Unaudited)	**0.9**	**54.0**	**6.0**	**(2.3)**	**409.6**	**468.2**	**2.9**	**471.1**

	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total attributable to owners of parent £m	Non-controlling interest £m	Total £m
Equity at 1 October 2018 (Audited)	0.9	48.0	3.8	(3.4)	440.6	489.9	-	489.9
Total comprehensive income for the period								
Profit for the period	-	-	-	-	44.2	44.2	-	44.2
Other comprehensive (expense)/income								
Currency translation differences for foreign operations	-	-	(0.1)	-	-	(0.1)	-	(0.1)
Effective portion of changes in fair value of cash flow hedges	-	-	-	1.1	-	1.1	-	1.1
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	2.9	-	2.9	-	2.9
Defined benefit pension schemes' actuarial gains	-	-	-	-	(6.1)	(6.1)	-	(6.1)
Tax on other comprehensive (expense)/income	-	-	-	(0.7)	0.1	(0.6)	-	(0.6)
Total other comprehensive (expense)/income for the period	-	-	(0.1)	3.3	(6.0)	(2.8)	-	(2.8)
Total comprehensive (expense)/income for the period	-	-	(0.1)	3.3	38.2	41.4	-	41.4
Contributions by and distributions to owners of the Company								
Share options exercised	-	1.3	-	-	-	1.3	-	1.3
Equity-settled share-based payment transactions	-	-	-	-	1.5	1.5	-	1.5
Dividends to shareholders	-	-	-	-	(110.8)	(110.8)	-	(110.8)
Equity at 31 March 2019 (Unaudited)	0.9	49.3	(3.7)	(0.1)	369.5	423.3	-	423.3

Notes to the Financial Report

1. Reporting entity

Victrex plc (the 'Company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of the Registered Office is Victrex Technology Centre, Hillhouse International, Thornton Cleveleys, Lancashire, FY5 4QD, United Kingdom. The Company is listed on the London Stock Exchange.

This Half-yearly Financial Report is an interim management report as required by DTR 4.2.3 of the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

These condensed consolidated interim financial statements as at and for the six months ended 31 March 2020 comprise those of the Company and its subsidiaries (together referred to as the 'Group').

The comparative figures for the financial year ended 30 September 2019 are extracted from the Group's statutory financial statements for that year. Those financial statements have been reported on by the Group's auditor, filed with the Registrar of Companies and are available on request from the Group's Registered Office or to download from www.victrexplc.com. The auditor's report on those financial statements was 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 any statement under sections 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by PricewaterhouseCoopers LLP and its report is set out on pages 30-31.

2. Basis of preparation and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 – Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 September 2019. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out in note 17. The Group's 2019 Annual Report and Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ('endorsed IFRS') at the reporting date and with Companies Act 2006 applicable to companies reporting under IFRS.

This Half-yearly Financial Report was approved by the Board of Directors on 11 May 2020.

Risks and uncertainties
The principal risks and uncertainties which could impact the Group's long-term performance remain those detailed on pages 25 to 29 of the Group's 2019 Annual Report and Financial Statements, a copy of which is available on the Group's website www.victrexplc.com. As described below in Note 3, the Group has carried out a detailed assessment of the likely impact of COVID-19. The principal risks have been reviewed in the light of the emerging COVID-19 pandemic. A new principal risk will be monitored through the Group's risk management system that recognises the additional threat to our people, supply chain and financial strength presented by this pandemic. Mitigating actions are reported on elsewhere in this statement. The risks outlined remain valid as regards their potential to impact the Group during the first half of the current financial year. The Group has a comprehensive system of risk management installed within all parts of its business to mitigate these risks as far as is possible.

Use of Judgements and estimation uncertainty
In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the Group's 2019 Annual Report and Financial Statements, detailed on page 109.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied in the Group's published consolidated financial statements for the year ended 30 September 2019 except for the application of relevant new standards.

One new standard is effective for the six-month period ended 31 March 2020:

IFRS 16 Leases

This standard was effective for accounting periods beginning on or after 1 January 2019 and was adopted by the Group on 1 October 2019. The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee

3. Significant accounting policies (continued)

accounting model. The main changes arising on the adoption of IFRS 16 will be an increase in interest-bearing borrowings and non-current assets due to obligations to make future payments under leases that are currently classified as operating leases being recognised in the Statement of financial position, along with the related 'right of use' (ROU) asset.

There is a reduction in expenditure in operating expenses (within cost of sales and sales, marketing and administrative costs) and an increase in finance expenses as operating lease costs are replaced with depreciation and lease interest expense. The Group has opted to use the practical expedients in respect of leases of less than 12 months duration and low value assets and excluded them from the scope of IFRS 16. Rental payments associated with these leases will continue to be recognised in the income statement on a straight-line basis over the life of the lease.

The adoption of IFRS 16 required the Group to make several judgements, estimates and assumptions, which include:

1) The approach to be adopted on transition – the Group has used the modified retrospective transition method. Lease liabilities were determined based on the appropriate incremental borrowing rates and rates of exchange at the date of transition, being 1 October 2019. ROU asset values were measured based on the respective lease liabilities.
2) Incremental Borrowing Rate – the rates used on transition are the Group's incremental borrowing rates which have been calculated based on the underlying lease terms and types of asset. The risk-free rate component has been based on LIBOR rates available in the same currency and over the same lease term. This incremental borrowing rate used is in the range 0.65% to 3.95%, with an average of 2.44%.
3) Estimated lease term – the term of each lease will be based on the original lease term unless management is reasonably certain that it will exercise options to extend the lease.

The Directors have carried out a detailed assessment of the impact of IFRS 16. At transition, ROU assets and lease liabilities of £9m have been created. The income statement for the six months ended 31 March 2020 has been adversely impacted at a profit before tax level of less than £0.1m.

<u>Going concern</u>
The Directors have performed a robust going concern assessment, including review of the forecast for the year ending September 2020 and longer-term strategic forecasts and plans, including consideration of the principal risks faced by the Group and the Company, as detailed in the Group's Annual Report 2019. This assessment has paid particular attention to the impact of COVID-19 on the aforementioned forecasts and strategic plan.

The Group has established a COVID-19 Committee which is made up of Executive Board members and senior management, which provides regular briefings to the Board. Further information on the company's approach to the outbreak, including our priority of employee safety, and contingency measures already implemented, is discussed above. The impact of COVID-19 on the Group and Company's going concern assessment detailed below.

The company maintains a strong balance, with cash resources at 31 March 2020 of £53.2m, of which £9.2m is held in the Group's new subsidiary in China for the sole purpose of funding the construction of our new PEEK production facility. Of the remaining £44.0m, two thirds is held in the UK where the company incurs the majority of its expenditure. All funds are held either in instant access or short-term deposit accounts with less than 35 days notice. The Group has no debt and has unutilised banking facilities of £40m through to October 2024, of which £20m is committed and immediately available and £20m is available subject to lender approval.
COVID-19 is having a material impact on global economic growth with the primary judgement in concluding on going concern being the impact the economic downturn will have on the company's end markets. The company's sales are closely linked to developments in these markets – both geographically and by sector with the company being diversified across both, which helps reduce the risk against more heavily impacted regions and sectors. The assessment included conducting various scenario analyses considering different levels of revenue reduction and working capital implications. The sensitivities applied considered a number of external data sources, triangulating customer conversations, trends in market and country indices as well forward looking industry forecasts for each of the company's key markets. For example, analysing IHS data for the Automotive market through previous downturns, current trends and latest 2020 forecasts. This information is fed into the company's Integrated Business Planning ("IBP") process, which is now meeting at higher frequency to review the short term order book, current levels of supply and regional inventory levels along with forecasts for the next 18 months.

All the company's manufacturing assets continue to be operational, with revised procedures put in place to ensure social distancing is maintained and further proactive measures to help protect employees such as offering the facility to conduct temperature checks each day before starting work. However, should there become a need to reduce production, then the company has sufficient inventory, built up as part of the ongoing Brexit and debottlenecking contingency planning, to service current sales levels of demand in each region for approximately three months.

Using the IBP data, management has created 2 scenarios to model the effect of reductions to revenue at regional/market level and aggregated levels on the company's profits and cash generation through to September 2021.

3. Significant accounting policies (continued)

Scenario 1 – material reduction in sales through the remainder of FY 2020 (varying across markets from flat to negative 70% and aggregating across the company to 30-40% of sales) with a stabilisation to low single digit growth through FY 2021.

Scenario 2 – the same material reduction in sales during FY 2020 followed by a continuation of the lower demand through the first half of FY21 before low level growth in the second half of FY 2021.

In each scenario, the company has sufficient liquidity and headroom, particularly when considered against the actions which the group has already taken or has at its disposal to take:

- Capital expenditure for UK debottlenecking programme is deferred to FY 2021;
- Other capital programmes are limited to essential only expenditure, although investment in China capacity will continue as planned;
- Operating cost items are being limited to prioritise and support customer related activity;
- The interim dividend due to be paid in June 2020 has been deferred with the company's intention to continue payment of dividends where cash reserves facilitate; and
- The committed facility of £20m could be drawn at short notice with conversations with our banking partner indicating that the £20m accordion could also be readily accessed. The covenants of the facility have been successfully tested under each of the scenarios.

As a result of this detailed assessment, including under scenario 2 and with reference to the company's strong balance sheet, existing committed facilities and the cash preserving levers at the company's disposal, but also acknowledging the inherent uncertainty of the current economic outlook, the Board has concluded that the Company and the Group have sufficient liquidity to meet its obligations when they fall due for a period of at least 12 months after date of this report. For this reason they continue to adopt the going concern basis for preparing the interim financial statements.

4. Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those detailed on page 109 of the Group's 2019 Financial Statements.

5. Segment reporting

The Group's business is strategically organised as two business units: Industrial, which focuses on our Transport, Electronics, Energy & Other Industrial and Value-Added Resellers markets; and Medical, which focuses on providing specialist solutions for medical device manufacturers.

	Unaudited			Unaudited			Audited		
	Six months ended 31 March 2020			Six months ended 31 March 2019			Year ended 30 September 2019		
	Industrial	**Medical**	**Group**	Industrial	Medical	Group	Industrial	Medical	Group
	£m	**£m**	**£m**	£m	£m	£m	£m	£m	£m
Revenue from external sales	**122.0**	**29.5**	**151.5**	117.8	27.9	145.7	236.3	57.7	294.0
Segment gross profit	**61.6**	**25.2**	**86.8**	64.2	23.2	87.4	128.2	48.1	176.3
Sales, marketing and administrative expenses			**(36.7)**			(37.7)			(72.2)
Operating profit before exceptional items			**52.2**			51.9			105.6
Exceptional items			**(2.1)**			(2.2)			(1.5)
Operating profit			**50.1**			49.7			104.1
Net financing income			**0.1**			0.5			0.7
Share of loss of associate			**(0.3)**			-			(0.1)
Profit before tax and exceptional items			**52.0**			52.4			106.2
Exceptional items			**(2.1)**			(2.2)			(1.5)
Profit before tax			**49.9**			50.2			104.7
Income tax expense			**(8.8)**			(6.0)			(12.3)

Profit for the period attributable to owners of the parent	**41.1**	44.2	92.4

6. Exceptional items

Items that are, in aggregate, material in size and / or unusual or infrequent in nature, are included within operating profit and disclosed separately as exceptional items in the Consolidated Income Statement.

The separate reporting of exceptional items, which are presented as exceptional within the relevant category in the Consolidated Income Statement, helps provide an indication of the underlying performance of the Group.

	Unaudited Six months ended 31 March 2020 £m	Unaudited Six months ended 31 March 2019 £m	Audited Year ended 30 September 2019 £m
Included within sales, marketing and administrative expenses			
GMP equalisation costs	**-**	1.1	-
Acquisition related costs[1]	**2.1**	1.1	1.5
Exceptional items before tax	**2.1**	2.2	1.5
Tax on exceptional items	**-**	(0.2)	(0.1)
Exceptional items	**2.1**	2.0	1.4

[1] Acquisition related costs comprise legal and other non-recurring costs the Group has incurred directly in the course of acquisition activity (see note 12 (H1 2019 see note 9)). These costs are largely non-deductible expenses for tax purposes.

The cash outflow in H1 2020 associated with exceptional items was £1.5m, with £0.6m expected in H2 2020.

7. Income tax expense

Taxation of profit before tax in respect of the six months ended 31 March 2020 has been provided at the estimated effective rates chargeable for the full year in the respective jurisdiction.

	Unaudited Six months ended 31 March 2020 £m	Unaudited Six months ended 31 March 2019 £m	Audited Year ended 30 September 2019 £m
UK corporation tax	**4.8**	5.9	14.7
Overseas tax	**0.9**	1.0	1.5
Deferred tax	**3.1**	(0.9)	(3.9)
Total tax expense in income statement	**8.8**	6.0	12.3
Effective tax rate	**17.6%**	12.0%	11.7%

The underlying effective tax rate is 13%. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As a consequence, deferred tax assets/liabilities have been measured at the rate they are expected to reverse. For UK assets/liabilities this is 19% (31 March 2019: 17%, 30 September 2019: 17%), being the UK tax rate effective from 1 April 2020. This has increased the tax charge for the period by £2.3m, being 4.6%. For overseas assets/liabilities the corresponding overseas tax rate has been applied.

During the six month period to 31 March 2020, tax payments exceeded the tax charge for the period. Payments of £15.6m were made which included UK payments of £7.2m in respect of FY 2019 and £7.0m for FY 2020.

8. Earnings per share

			Unaudited Six months ended 31 March 2020	Unaudited Six months ended 31 March 2019	Audited Year ended 30 September 2019
Earnings per share	– basic		**47.6p**	51.4p	107.2p
	– diluted		**47.4p**	51.2p	106.9p
Profit for the financial period (£m)			**41.1**	44.2	92.4
Weighted average number of shares used		– basic	**86,371,404**	86,021,256	86,140,877
		– diluted	**86,639,852**	86,354,184	86,418,120

9. Investments in associates

Bond 3D High Performance Technology BV

On 22 December 2018, the Group invested an initial €2.720 million via a convertible loan in Bond 3D High Performance Technology BV ('Bond'). Following successful completion of technical milestones, the Group made a further convertible loan of €1.175m on 1 April 2019, and €5.474m on 28 May 2019. Based on Technical Validation being achieved, these loans have been converted into equity. The equity balance at 30 September 2019 was €9.3 million. The Group is considered to have significant influence in Bond, accordingly the investment is accounted for as an associate, using the equity method.

Bond is a company incorporated in the Netherlands, developing unique, protectable 3D printing (Additive Manufacturing) processes which are capable of producing high strength parts from existing grades of PEEK and PAEK polymers. The investment offers the potential of utilising this technology to help accelerate the market adoption of 3D printed PEEK parts, with particular emphasis on the Medical market.
A further investment of €5.3 million was made in January 2020 taking the total stake in Bond up to 24.5%, being the total shareholding as at 31 March 2020.

10. Financial assets held at fair value through profit and loss

Financial assets held at fair value through profit and loss relate to the investments in Surface Generation Limited and Magma Global Limited. There were no movements in respect of these investments in the period to 31 March 2020.

At 31 March 2019, Bond High Performance Technology BV was held as an investment and thus within the financial assets held at fair value through profit and loss, however, as noted in Note 9 from 28 May 2019 this was recognised as an associate.

11. Derivative financial instruments

The notional contract amount, carrying amount and fair value of the Group's forward exchange contracts are as follows:

	Unaudited As at 31 March 2020		Unaudited As at 31 March 2019		Audited As at 30 September 2019	
	Notional contract amount	**Carrying amount and fair value**	Notional contract amount	Carrying amount and fair value	Notional contract amount	Carrying amount and fair value
	£m	**£m**	£m	£m	£m	£m
Current assets	**56.6**	**2.2**	82.8	2.7	22.3	1.5
Current liabilities	**128.8**	**(6.5)**	130.4	(4.0)	165.7	(9.3)
	185.4	**(4.3)**	213.2	(1.3)	188.0	(7.8)

The fair values have been calculated by applying (where relevant), for equivalent maturity profiles, the rate at which forward currency contracts with the same principal amounts could be acquired on the balance sheet date. These are categorised as Level 2 within the fair value hierarchy under IFRS 7. Fair value losses on foreign currency contracts of £1.2m has been recognised in the period (H1 FY 2019 £2.9m, FY2019 - £5.9m). At the 31 March 2019 there were non-currency other derivative instruments of £3.0m (30 September 2019 - £3.3m).

12. Non-controlling interest

On 13 January 2020 the Group established a subsidiary in China, Panjin VYX High Performance Materials Co., Ltd ("PVYX"), a limited liability company set up for the purpose of the manufacture and sale of PAEK polymer powder and granules. The Group holds a 75% equity interest with the remaining 25% held by Yingkou Xingfu Chemical Co. Ltd ("YX"). With 75% of the voting equity and the majority of appointments on the board the Group is considered to have control of PVYX and therefore it is accounted for as a subsidiary. The income statement and balance sheet of PVYX and fully consolidated with the share owned by YX represented by a non-controlling interest.

The first tranche of investment of £8.6m in this company was made by the Group in March 2020. To 31 March 2020 there was no profit and loss activity in the subsidiary.

13. Other financial assets

	Unaudited Six months ended 31 March 2020 £m	Unaudited Six months ended 31 March 2019 £m	Audited Year ended 30 September 2019 £m
Other financial assets	**-**	0.3	0.3
	-	0.3	0.3

Other financial assets comprise cash invested in term deposits greater than three months in duration. These do not meet the criteria to be classified as cash and cash equivalents and have accordingly been presented within Other financial assets, which are classified and measured at amortised cost in accordance with IFRS 9.

14. Exchange rates

The most significant Sterling exchange rates used in the financial statements under the Group's accounting policies are:

	Unaudited Six months ended 31 March 2020		Unaudited Six months ended 31 March 2019		Audited Year ended 30 September 2019	
	Average spot	**Closing**	Average	Closing	Average	Closing
US Dollar	**1.29**	**1.24**	1.30	1.30	1.29	1.22
Euro	**1.17**	**1.13**	1.13	1.15	1.13	1.11
Yen	**141**	**134**	144	144	143	133

The average exchange rates in the above table for the six months ended 31 March 2020 are the weighted average spot rates applied to foreign currency transactions, excluding the impact of foreign currency contracts. Gains and losses on foreign currency contracts, where net hedging has been applied for cash flow hedges, are separately disclosed in the income statement.

15. Reconciliation of profit to cash generated from operations

	Unaudited Six months ended 31 March 2020 £m	Unaudited Six months ended 31 March 2019 £m	Audited Year ended 30 September 2019 £m
Profit after tax for the period	**41.1**	44.2	92.4
Income tax expense	**8.8**	6.0	12.3
Share of loss of associate	**0.3**	-	0.1
Net financing income	**(0.1)**	(0.5)	(0.7)
Operating profit	**50.1**	49.7	104.1
Adjustments for:			
Depreciation	**7.8**	7.2	15.1
Amortisation	**1.3**	1.2	2.3
Loss on disposal of non-current assets	**-**	0.1	0.1
Increase in inventories	**(3.8)**	(16.3)	(21.0)
Increase in trade and other receivables	**(4.0)**	(0.3)	(2.6)
(Decrease)/increase in trade and other payables	**3.5**	(10.7)	(9.3)
Equity-settled share-based payment transactions	**0.5**	1.5	2.1
Losses on derivatives recognised in income statement that have not yet settled	**(0.5)**	0.2	1.0
Retirement benefit obligations charge less contributions	**(1.2)**	(0.1)	(1.5)
Cash generated from operations	**53.7**	32.5	90.3

16. Related party transactions

The Group's related parties are as disclosed in the Annual Report and Financial Statements 2019. There were no material differences in related parties or related party transactions in the six months ended 31 March 2020 except for transactions with key management personnel. The most significant of these was on 11 December 2019, under the 2009 Long Term Incentive Plan ('LTIP'), when 29,327, 15,878, and 13,172 share option awards were granted to J O Sigurdsson, R J Armitage and M L Court respectively at an option price of nil p per share when the market price was £23.81p per share and on 12 February 2020, under the 2009 Long Term Incentive Plan ("LTIP"), when 5,865, 3,968 and 3,293 share option awards were granted to J O Sigurdsson, R J Armitage and M L Court respectively at an option price of nil p per share when the market price was £23.48p per share.

17. Changes in accounting policy

As stated in note 3 above, the Group adopted IFRS 16 on 1 October 2019. The Group recognised the following assets and liabilities on adoption:

	30 September 2019 Reported £m	IFRS 16 £m	1 October 2019 Re-stated £m
Assets			
Non-current assets	324.0	-	324.0
Right of Use assets	-	9.0	9.0
	324.0	9.0	333.0
Current assets	212.2	-	212.2
Total assets	536.2	9.0	545.2
Liabilities			
Non-current liabilities	(21.6)	-	(21.6)
Long term lease liability	-	(7.2)	(7.2)
	(21.6)	(7.2)	(28.8)
Current liabilities	(53.0)	-	(53.0)
Lease liability	-	(1.8)	(1.8)
	(53.0)	(1.8)	(54.8)
Net Assets	461.6	-	461.6

The following table reconciles the amount disclosed as operating lease commitments at 30 September 2019 disclosed in the Group's 2019 consolidated financial statements to the amount recognised on the Balance sheet in respect of lease liabilities on adoption of IFRS 16:

	£m
Operating lease commitment at 30 September 2019 as disclosed in the Group's consolidated financial statements	9.0
Discounted using the incremental borrowing rate at 1 October 2019	8.2
Adjustments relating to:	
Rent reviews based on market conditions	0.5
Extensions of leases likely to be exercised	0.2
Contracts reassessed as meeting the lease definition	0.1
Lease liabilities recognised at 1 October 2019	9.0

17. Changes in accounting policy (continued)

At 31 March 2020, the Group leased a small number of assets, principally land and buildings:

Right of Use Assets	Land and Buildings £m	Motor Vehicles £m	Total £m
Balance at 1 October 2019	8.5	0.5	9.0
Depreciation charge for the period	(0.7)	(0.2)	(0.9)
Balance at 31 March 2020	7.8	0.3	8.1

Lease Liabilities	Current £m	Non-current £m	Total £m
Balance at 1 October 2019	1.8	7.2	9.0
Payments in the period	(0.2)	(0.7)	(0.9)
Interest on lease liabilities	-	-	-
Balance at 31 March 2020	1.6	6.5	8.1

The maturity of these lease liabilities at 31 March 2020 was as follows:

	£m
Due within one year	1.6
Due between 2 and 5 years	3.4
Due after 5 years	3.1
Total	8.1

Responsibility Statement of the Directors

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

(i) an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

(ii) material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

During the period since the approval of the Victrex plc Annual Report for the year ended 30 September 2019, there have been no changes in the directorate.

The Directors of Victrex plc are detailed on our group website www.victrexplc.com.

By order of the Board

Jakob Sigurdsson	**Richard Armitage**
Chief Executive	Chief Financial Officer
11 May 2020	11 May 2020

Forward-looking Statements

Sections of this Half-yearly Financial Report may contain forward-looking statements, including statements relating to: certain of the Group’s plans and expectations relating to its future performance, results, strategic initiatives and objectives, future demand and markets for the Group’s products and services; research and development relating to new products and services; and financial position, including its liquidity and capital resources. These forward-looking statements are not guarantees of future performance. By their nature, all forward looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future, and are or may be beyond the Group’s control, including: changes in interest and exchange rates; changes in global, political, economic, business, competitive and market forces; changes in raw material pricing and availability; changes to legislation and tax rates; future business combinations or disposals; relations with customers and customer credit risk; events affecting international security, including global health issues and terrorism; the impact of, and changes in, legislation or the regulatory environment (including tax); and the outcome of litigation. Accordingly, the Group’s actual results and financial condition may differ materially from those expressed or implied in any forward-looking statements. Forward-looking statements in this Half-yearly Financial Report are current only as of the date on which such statements are made. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this press release shall be construed as a profit forecast.

Independent review report to Victrex plc

Report on the consolidated interim financial statements

Our conclusion

We have reviewed Victrex plc's consolidated interim financial statements (the "interim financial statements") in the Interim Results 2020 of Victrex plc for the 6 month period ended 31 March 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated balance sheet as at 31 March 2020;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Results 2020 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Results 2020, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Results 2020 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Results 2020 based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Jakob Sigurdsson, Chief Executive of Victrex, said: "As expected, Victrex saw a weaker first half year, driven principally by Automotive, the associated impact on Value Added Resellers, the expected headwinds in Consumer Electronics, together with the impact of adverse currency, cost inflation and investment phasing.

"Encouragingly, our second quarter showed a [gradual] improvement, with Automotive starting to stabilise. We also saw a continuation of the improving trend in Medical, where revenues were ahead for the first half, including growth in our HA-Enhanced product.

"In our mega-programmes, we continue to deliver positive milestones, with our second major PEEK Gears contract secured. We also signed a notable development alliance with Airbus for the 'Clean Sky 2' programme, supporting the long-term development of composite solutions for the Aerospace industry.

We have read the other information contained in the Interim Results 2020 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
11 May 2020

Shareholder Information

Victrex's Annual Reports and Half-yearly Financial Reports are available on request from the Company's Registered Office or to download from our corporate website, www.victrexplc.com.

Financial calendar (also available at www.victrexplc.com)

Ex-dividend date	30 January 2020
Record date#	31 January 2020
Annual General Meeting	6 February 2020
Payment of final dividend	21 February 2020
Announcement of 2020 half–yearly results	11 May 2020

The date by which shareholders must be recorded on the share register to receive the dividend

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