2022 HALF YEAR RESULTS ANNOUNCEMENT

29 July 2022

High-Quality Growth Business Delivering Sustainable Value

- Revenue of £1,491.7m; +9.5% at constant rates; +13.2% at actual rates
- LFL revenue growth of 4.9% at constant rates: Products+ 4.3%; Trade +5.7%; Resources +6.4%
- Outside China LFL revenue grew 7.1% at constant rates with all divisions growing at least 7.0%
- Adjusted operating profit of £217.3m, up 4.0% at constant rates and up 7.7% at actual rates with adjusted operating margin of 14.6% at constant rates (H1 2021: 15.3%)
- Outside China, double-digit operating profit growth with 20bps margin accretion at constant rates
- Strong pricing power and disciplined cost management in place to drive margin accretive revenue growth
- Adjusted diluted EPS of 86.5p: up 6.7% at constant rates and up 10.6% at actual rates
- Robust free cash flow and strong balance sheet with 1.3 net debt to EBITDA; weighted average interest rate of 2.7%
- Investments in capability, innovations and M&A to seize attractive ATIC growth opportunities
- Interim dividend payment of 34.2p; unchanged on prior year
- Excellent ROIC of 16.8%, with organic ROIC of 21.4% up 20bps at constant rates
- Well-positioned to benefit from the growth acceleration in our end-markets

André Lacroix: Chief Executive Officer statement

"In H1 22, the Group delivered a robust financial performance, demonstrating the strengths of our High-Quality Growth business model delivering sustainable growth and value to all stakeholders. Notwithstanding the impact of the lockdown restrictions in China, the Group delivered at constant rates 9.5% revenue growth, up 4.9% on a LFL basis, earnings growth of 6.7%, a robust free cash flow and an excellent ROIC of 16.8%. Outside of China, the Group benefited from an increased demand for our ATIC solutions with a LFL revenue growth of 7.1% and delivered double digit operating profit growth with 20bps margin accretion at constant rates.

Our business in Shanghai has been operating as normal since 1 July and we expect our China business to deliver good LFL revenue growth in H2. Together with the accelerating growth in demand we are seeing for our ATIC solutions outside of China, the Group is well positioned to deliver robust LFL revenue growth in H2 in each of our Products, Trade and Resources divisions. We expect the strong performance of the acquisitions we recently made to continue in the second half and we are pleased to have announced separately today an agreement to acquire Clean Energy Associates, LLC, a market-leading independent provider of Quality Assurance in the fast-growing solar energy sector.

For the full year, we are targeting at constant rates robust LFL revenue growth with a margin slightly below 2021 reflecting the lockdown restrictions in China in H1, the expected divisional mix and the investments in growth we are making. Our disciplined cost management will remain in place and we will leverage our strong pricing power based on excellent customer relations to manage the higher than expected inflation in several markets. We expect the Group to deliver, at constant rates, a robust earnings performance with a strong free cash flow and an excellent ROIC. Our reported earnings will reflect expected currency translation benefits between 400bps and 600bps.

The Quality Assurance market will grow faster post Covid-19 as the demand for Quality Assurance solutions is expanding across all our business lines given growing stakeholder expectations about quality, safety and sustainability. Moving forward, we expect the attractive structural growth drivers in our industry to be augmented by our increase in ATIC customers, a stronger focus by corporations on safer supply chains, greater corporate investments in innovation, a step change in sustainability management and disclosures, and growth opportunities in the World of Energy.

Intertek is a differentiated, High-Quality Growth business, giving our customers the ATIC advantage to make their businesses stronger. Our leading ATIC solutions are mission critical for the world to operate safely and the growth in our end-markets is accelerating. We operate a high-performance earnings and cash compounder model which has delivered 13% annual Total Shareholder Returns in the last decade and we will continue to deliver sustainable growth and value for all.

I would like to thank all my colleagues for their commitment, passion, innovation, agility and energy, giving Intertek a unique Science-based Customer Excellence advantage in the global Quality Assurance industry."

Key Adjusted Financials	2022 H1	2021 H1	Change at actual rates	Change at constant rates[1]
Revenue	£1,491.7m	£1,317.6m	13.2%	9.5%
Like-for-like revenue[2]	£1,427.3m	£1,315.4m	8.5%	4.9%
Operating profit[3]	£217.3m	£201.7m	7.7%	4.0%
Operating margin[3]	14.6%	15.3%	(70bps)	(70bps)
Profit before tax[3]	£203.5m	£186.3m	9.2%	5.7%
Diluted earnings per share[3]	86.5p	78.2p	10.6%	6.7%
Interim dividend per share	34.2p	34.2p	-	
Cash flow from operations less net capex[3]	£200.4m	£213.9m	(6.3%)	
Free Cash Flow[3]	£95.8m	£122.6m	(21.9%)	
Financial net debt[4]	£859.1m	£434.9m	97.5%	
Financial net debt / EBITDA[3, 4]	1.3x	0.7x		
ROIC (rolling 12 months)	16.8%	23.4%	(660bps)	(440bps)
Organic ROIC (rolling 12 months)	21.4%	23.4%	(200bps)	20bps

Key Statutory Financials	2022 H1	2021 H1	Change at actual rates
Revenue	£1,491.7m	£1,317.6m	13.2%
Operating profit	£197.0m	£184.5m	6.8%
Operating margin	13.2%	14.0%	(80bps)
Profit before tax	£182.8m	£169.1m	8.1%
Profit after tax	£131.6m	£125.1m	5.2%
Diluted earnings per share	75.6p	70.9p	6.6%
Cash flow from operations	£167.5m	£187.0m	(10.4%)

[1] Constant rates are calculated by translating H1 21 results at H1 22 exchange rates.
[2] LFL revenue includes acquisitions following their 12-month anniversary of ownership and excludes the historical contribution of any business disposals/closures.
[3] Adjusted results are stated before Separately Disclosed Items ('SDIs'), see note 3 to the Condensed Consolidated Financial Statements.
[1,2,3] Reconciliations for these measures are shown in the Presentation of Results section on page 19.
[4] Financial net debt excludes the IFRS 16 lease liability of £331.9m. Total net debt is £1,191.0m. Reflects prior 12 months' EBITDA for relevant period. See note 7 on page 35.

The Directors have approved an interim dividend of 34.2p per share (H1 21: 34.2p) to be paid on 6 October 2022 to shareholders on the register at close of business on 16 September 2022.

Contacts

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Analysts' Call
A live audiocast for analysts and investors will be held today at 7.45am UK time; +44 (0) 33 0551 0200 (Link to audiocast). Details can be found at http://www.intertek.com/investors/ together with a pdf copy of this report. A recording of the audiocast will be available later in the day.

intertek
Total Quality. Assured.

Intertek is a leading Total Quality Assurance provider to industries worldwide.

Our network of more than 1,000 laboratories and offices in more than 100 countries, delivers innovative and bespoke Assurance, Testing, Inspection and Certification solutions for our customers' operations and supply chains. Intertek is a purpose-led company that brings Quality, Safety and Sustainability to Life.

Our Science-based Customer Excellence USP and the 24/7 mission critical Quality Assurance solutions we provide, ensure that our clients can operate with well-functioning supply chains in each of their operations.

Our Customer Promise is: Intertek Total Quality Assurance expertise, delivered consistently, with precision, pace and passion, enabling our customers to power ahead safely.

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INTERTEK CEO Letter

In H1 22, the Group delivered a robust financial performance, demonstrating the strengths of our High-Quality Growth business model delivering sustainable growth and value to all stakeholders. Notwithstanding the impact of the lockdown restrictions in China, the Group delivered at constant rates 9.5% revenue growth, up 4.9% on a LFL basis, earnings growth of 6.7%, a robust free cash flow and an excellent ROIC of 16.8%. Outside of China, the Group benefited from an increased demand for our ATIC solutions with a LFL revenue growth of 7.1% and delivered double digit operating profit growth with 20bps margin accretion at constant rates.

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For the full year, we are targeting at constant rates robust LFL revenue growth with a margin slightly below 2021 reflecting the lockdown restrictions in China in H1, the expected divisional mix and the investments in growth we are making. Our disciplined cost management will remain in place and we will leverage our strong pricing power based on excellent customer relations to manage the higher than expected inflation in several markets. We expect the Group to deliver, at constant rates, a robust earnings performance with a strong free cash flow and an excellent ROIC. Our reported earnings will reflect expected currency translation benefits between 400bps and 600bps.

The Quality Assurance market will grow faster post Covid-19 as the demand for Quality Assurance solutions is expanding across all our business lines given growing stakeholder expectations about quality, safety and sustainability. Moving forward, we expect the attractive structural growth drivers in our industry to be augmented by our increase in ATIC customers, a stronger focus by corporations on safer supply chains, greater corporate investments in innovation, a step change in sustainability management and disclosures, and growth opportunities in the World of Energy.

Intertek is a differentiated, High-Quality Growth business, giving our customers the ATIC advantage to make their businesses stronger. Our leading ATIC solutions are mission critical for the world to operate safely and the growth in our end-markets is accelerating. We operate a high-performance earnings and cash compounder model which has delivered 13% annual Total Shareholder Returns in the last decade and we will continue to deliver sustainable growth and value for all.

I would like to thank all my colleagues for their commitment, passion, innovation, agility and energy, giving Intertek a unique Science-based Customer Excellence advantage in the global Quality Assurance industry.

The Quality Assurance market will grow faster post Covid-19

We operate in a highly attractive industry with strong structural growth drivers that will continue to consistently deliver GDP+ LFL revenue growth in real terms over the years for our ATIC solutions.

Our Products division that represents 84% of the Group's earnings will benefit from brand and SKU expansion, faster innovation cycles, increased demand for smart products and an increased focus of corporations on safety, quality and sustainability.

Our Trade division that represents 11% of the Group's earnings will benefit from the development of regional and global trade as well as from an increased focus on traceability and sustainability.

Our Resources division which represents 5% of the Group's earnings will benefit from investments in Exploration and Production for traditional Oil and Gas/Mineral resources and in Renewables to meet the growing demand for energy globally.

Our Corporate Assurance activities, which are industry agnostic, will remain our fastest-growing services, given the growing importance of risk-based Quality Assurance, increased regulation, the increased importance of health, safety and wellbeing, the growth in People Assurance and investments in supply intelligence, sustainability and cyber security.

Based on our market research, these attractive structural growth drivers in our industry will be augmented by the following additional growth drivers:

- an increase in the number of new companies
- companies will invest more to make their operations safer
- investments in innovation will continue to increase
- a step change in the corporate sustainability agenda
- growth in the World of Energy

These five important growth accelerators are agnostic from an economic cycle perspective and the combination with the strong structural growth drivers is why the Quality Assurance market will grow faster post Covid-19.

We are extremely well-positioned to seize these exciting growth opportunities ahead, capitalising on the core strengths of Intertek:

- Science-based Customer Excellence is our USP, giving us excellent and stable client relationships as well as strong pricing power.
- We operate a powerful portfolio with scale positions in segments with attractive growth and margin on a sustainable basis.
- Our high-quality compounder earnings model delivers sustainable value for all.
- We are a very agile company, always looking for continuous improvements based on our ever-better disciplined performance management and the 5x5 data advantage we have built over the years.
- We are highly cash generative and, based on our strong balance sheet, we invest in growth with discipline, targeting the high growth and high margin spaces.

Higher number of ATIC customers

We are seeing a significant growth in the number of companies globally, given the easing of regulation to create new businesses, the lower barriers to entry for any brand with e-commerce capabilities and the increased level of talents and resources to develop new technology, new products and new services.

Our decentralised Customer 1st organisational model has a strong track record of winning new clients.

This is excellent news for Intertek as it creates the opportunity to win new customers, given the lack of expertise of these young companies in Quality Assurance and in global market access.

Corporate Investments in safer supply

Covid-19 is proving a catalyst for many corporations to improve the resilience of their supply chains. We expect major corrective actions, including:

- better data on what is happening in all parts of the supply chain;
- tighter risk management with razor-sharp business continuity planning;
- a more diversified portfolio of tier 1/2/3 suppliers;

- a more diversified portfolio of factories with investments in processes, technology, training, and independent assurance.

Increased focus on innovation

We are already seeing our existing clients realise that, in addition to their supply chain challenges, they need to invest more in product and service innovation to meet the changing needs of their customers.

As you would expect, during a major global crisis like Covid-19, consumers' expectations are changing given their desire to live in a better world.

Corporations need to step up their game in quality, safety, convenience and value for money to enhance their products and services.

Stronger focus on sustainability

The other major area of investment inside corporations is sustainability, based on increased customer and other stakeholder expectations as well as the increased demands from regulators.

Indeed, we are seeing an improved regulatory momentum for sustainability standards with emerging regulation in addition to what has been put in place in the last few years.

Companies will have to re-invent the way they manage their sustainability agenda and importantly will have to place a greater emphasis on independently verified ESG disclosures to meet the growing expectations of their stakeholders for progress and transparency.

Growth in the World of Energy

The growth opportunities inside the World of Energy are truly exciting in the short, medium and long term for our Products, Trade and Resources divisions.

Based on the research we have undertaken in the last few months, here are the main growth opportunities we see:

- To meet the expected increase in global energy demand, the world will need a significant increase in energy production in the short, medium and long term.
- Given the under-investment in traditional Oil and Gas ('O&G') exploration and production in the last decade and the current lack of scale of renewables, there will be a significant increase in investment for production in O&G and in renewables.
- Given the investments and technology required to build renewable infrastructure, there will be a significant divergence in energy infrastructure between developed and developing countries.
- The energy mix will evolve significantly in developed economies, creating additional complexity and risk to manage the just-in-time energy supply.
- The world will not achieve its Net Zero targets unless there is a significant step-up of investments to bring renewables to scale, a major acceleration in both technology and investments to create scale carbon capture and storage infrastructure.

Investing in innovation to meet the changing needs of our clients

True to our pioneering spirit, and building on our existing strengths, we will continue to innovate and provide customers with the mission critical solutions they need. We are investing organically to seize the sustained long-term growth opportunities in our industry through a disciplined approach to capital allocation, targeting high-margin and high-growth areas that in turn accelerate margin accretive revenue growth.

Intertek has been a pioneer in the industry, providing new and innovative solutions to our clients, capitalising on the Science-based Customer Excellence and creativity of our organisation.

We have a focused approach to innovation, adopting our proven three-tiered method: ‘Core’, building on strengths of existing products and services; ‘Adjacent’, expanding into fast-growing and high-margin markets; and ‘Breakthrough’, developing innovative products and services. We have brought many exciting innovations to market under all these headings.

Recent examples of our *Core* innovations include Intertek EcoCheck, a sustainable tourism solution that audits management systems and offers a Carbon Footprint Calculation, enabling our clients to meet their customers' requests to demonstrate tangible actions and results to achieve their sustainability goals.

In our Softlines business, we launched Intertek TOXCLEAR, an innovative digital chemical management platform for the fashion industry, to deliver production free of hazardous chemicals. The platform enables brands and their suppliers to deliver transparency and traceability on chemicals used and build safer and more sustainable supply chains.

We also added new and enhanced features to our market-leading supply chain compliance solution, Inlight 2.0, enabling organisations to manage increasingly complex supply chain risks, empowering them to bring visibility to the workings of their vendor partners and turn potential disruptions and compliance irregularities to their competitive advantage.

Our Minerals Global Centre of Excellence in Perth, Western Australia is a key hub for the minerals and mining industry. This state-of-the-art laboratory gives our customers access to trusted expertise in mineral testing, inspection and analysis. We recently installed a third PhotonAssay unit at the centre, supporting our customers with faster, more accurate and environmentally friendly analysis of gold. Every sample analysed with PhotonAssay means reduced CO2 emissions and less hazardous waste compared to the fire assay method traditionally used for the determination of gold content in ores.

Examples of *Adjacent* innovations include our industry leading ATIC Sustainability solutions, Green R&D and Circular Assure, leveraging the depth of our experience and global network of experts. Green R&D is an end-to-end Assurance solution that helps companies identify and reduce, at the R&D stage, the environmental impacts of their products throughout the value chain. Circular Assure enables companies within the plastics and polymers industry to optimise the value of recycled materials whilst ensuring their quality and safety, allowing our clients to demonstrate their commitment to sustainability.

Our *Breakthrough* innovations include recently launched Intertek Hydrogen, our ground-breaking solution in the energy transition space. With our long-standing history and expertise in the energy industry, the solution provides our customers with total end-to-end quality, safety and sustainability solutions for the entire hydrogen industry lifecycle, to make a safe energy transition.

Other breakthrough innovations include CarbonClear™, the world’s first independent carbon-intensity certification programme; CarbonZero™ for products and services; and SourceClear™, a technology platform that provides visibility and traceability across the full range of supply chain relationships.

All these innovations and many more performed exceptionally well in 2022, underlining how we have created and maintained our industry leadership position. It is by continuing to invest and innovate that we will further extend our lead in the years ahead.

Seizing new ATIC growth opportunities through strategic acquisitions

We are also targeting inorganic investments with attractive M&A opportunities that strengthen our ATIC portfolio in high-margin, high-growth areas. During the past 12 months we made two important acquisitions: SAI Global Assurance and JLA Brasil Laboratório de Análises de Alimentos S.A., which are both excellent examples of investments in complementary businesses.

We strongly believe in the benefit of scaling up organic and inorganic investments with a disciplined performance management approach and I am pleased to report that our teams have made excellent progress leveraging the investments made in the last few years, as evidenced by our strong return on capital.

Today we are also pleased to have separately announced an agreement to acquire Clean Energy Associates ('CEA'), a market-leading independent provider of Quality Assurance, supply chain traceability and technical services to the fast-growing solar energy sector. Supported by the long-term structural trends towards decarbonisation, energy sustainability and security, the solar energy sector is expected to become the largest source of renewable energy generation globally by 2030. The acquisition of CEA presents a compelling opportunity to expand our sustainability service offering in the fast-growing quality assurance market for solar energy, creating a truly end-to-end service offering to support customers on their decarbonisation and energy sustainability journeys.

Giving our clients the ATIC advantage

Intertek's pioneering history, initiated by founding fathers such as Thomas Edison, has lasted for more than 130 years, and in 2015 we took a major step for both our company and our industry as a whole.

That is when we redefined the industry by adding Assurance to our Testing, Inspection and Certification ('TIC') solutions to create ATIC: an end-to-end, fully integrated portfolio of services that gives clients complete peace of mind across their operating systems, quality management systems and supply chains.

We call this Total Quality Assurance ('TQA'), as our clients benefit from risk mitigation at every stage of their operations.

Our unique ATIC proposition brings to life our commitment to always taking customer service to the next level. While we recognise that TIC will remain highly important for our clients, we also understand that it is no longer sufficient in a world where global trade is exponentially adding complexity to our clients' supply chains. Introducing Assurance has been an essential step forward to provide our clients with a superior customer service.

Today, Assurance is at the cutting edge of our value proposition and Intertek is the only company in the world providing a truly global TQA portfolio, delivered with precision, pace and passion, and enabling our customers to power ahead safely.

We truly believe that risk-based Quality Assurance powered by our unique ATIC solution is the future of our industry.

Sustainability Excellence

Sustainability is central to everything we do at Intertek and as a purpose-led company it is anchored in our Purpose, Vision and Values.

We are proud to have been recognised for our leading sustainability credentials with the highest possible 'AAA' ESG rating from the world's largest provider of Environmental, Social and Governance ('ESG') Indexes, MSCI.

Offering innovative sustainability services to our clients is core to our value proposition and we are committed to pioneering new solutions that will help our clients.

What our clients are looking for today is systematic, independent end-to-end assurance on all aspects of their sustainability journey. Intertek Total Sustainability Assurance ('TSA') is a holistic programme empowering our customers to achieve sustainability excellence across all aspects of their business and communicate results with confidence.

TSA is a global programme that leverages our footprint in over 100 countries and covers all industries. We have built a team of sustainability experts in every major region, who can help with both a global and local perspective. Intertek Total Sustainability Assurance is comprised of three parts:

- Intertek Operational Sustainability Solutions
- Intertek ESG Assurance; and
- Intertek Sustainability Certification

Internally, we are focussed on driving sustainability excellence and below are our 2021 sustainability results which were published at the end of March in our Annual report:

- Driving a culture of proactive Health & Safety awareness with continuous improvement in our Total Recordable Incident Rate of 0.51 for 2021.
- Since 2015, we have used the Net Promoter Score ('NPS') process to listen to our customers; during 2021 we continued to conduct on average 6,000 interviews each month.
- Improving the environmental performance across our operations is key to our ambition of aligning our business to reduction targets set by the Paris Agreement. Operational emissions intensity per employee was 4.35 tCO_2e for 2021. Total CO_2e emissions (market-based) reduced by 13.3% vs 2020.
- We recognise the importance of employee engagement in driving sustainable performance for all stakeholders, and we measure employee engagement against our Intertek ATIC Engagement Index. Our 2021 score was 79.9%.
- Our voluntary permanent turnover rate returned to similar levels seen prior to Covid-19 at 13%.
- We have increased the representation of women in senior management roles by 6% to 23% since 2017, aiming to achieving better gender balance by 2025.
- Supporting our commitment to the highest standards of integrity and professional ethics, 94% of eligible employees completed our annual compliance training.

High performance earnings and cash compounder model

Moving forward, we will continue to deliver sustainable growth and value for all our stakeholders given our high performance earnings and cash compounder that has delivered 13% annual TSR in the last decade.

Our USP at Intertek is our Science-based Customer Excellence in quality, safety and sustainability, giving our c.400,000 clients the ATIC advantage to strengthen their businesses.

Importantly our superior ATIC customer service gives us strong pricing power.

We believe in continuous improvement and have systemic end-to-end performance management to drive operational discipline in price, cost and cash.

We operate a high margin, capital light, carbon light and cash generative earnings model.

Intertek's approach to value creation is based on the compounding effect, year after year, of margin accretive revenue growth, strong cash generation and disciplined investment in growth.

Moreover, our earnings model has strong intrinsic defensive characteristics for three reasons.

First, the ATIC solutions we offer are mission critical for our clients to make sure that their operations continue to operate safely. Said differently, we are the Assurance that gives the corporations the peace of mind they need knowing that they have the right quality, safety and sustainability standards in place 24/7.

Second, we operate a highly diversified set of revenue streams offering a broad range of ATIC solutions in 17 industries across more than 100 countries, to c.400,000 companies.

Thirdly, our USP in the industry is Science-based Customer excellence which has enabled us to build long lasting client relationships with our customers based on the ATIC advantage we provide them to build stronger businesses.

2022 Outlook

The lockdown restrictions have had a significant impact in our China business in the period between March and June, especially in Shanghai, which represents 25% of our China business.

In the month of June, we saw a ramp-up of ATIC activities in line with our expectations in the Shanghai region and our operations are now back to normal.

We operate an excellent business in China with leading scale positions in most of the business lines we operate. We are very confident about the outlook for H2 and we expect our business to deliver a good LFL revenue performance in line with the pre lockdown period in Jan-February.

Globally, we are seeing an increase in demand for our ATIC solutions in our Products, Trade and Resources divisions.

Indeed, the LFL revenue growth momentum outside of China has been robust in H1 with 6.8% growth in the Jan-April period and 7.7% growth in the May-June period at constant rates. This robust LFL revenue growth outside of China is broad based with Products +7.0%, Trade +7.2% and Resources +7.4%.

We expect to deliver a robust Group LFL revenue performance for the full year, targeting robust LFL revenue growth in Products, Trade and Resources.

Our acquisitions are performing well and are on track.

We expect the full year margin to be slightly lower than 2021 due to the impact of Covid-19 in H1 in China, the expected divisional mix effect and the investments in growth we are making.

In terms of cash generation, we expect to deliver a strong cash flow for the year, given our day-to-day operational discipline and quality standards.

Our financial guidance for 2022 is that we expect:

- Capital expenditure in the range of £125m-£135m
- Net finance cost of £34m-£38m
- Effective tax rate to remain in the range of 26.5%-27.0%
- Minority interests of between £20m-£22m remains unchanged
- Financial net debt at December 2022 of between £730-£780m (prior to any material change in FX or M&A)

The average sterling rate since the beginning of the year applied to the full year results of 2021 would provide an uplift of between 400bps and 600bps at the revenue and earnings level.

In summary, we expect the Group to deliver at constant rates, a robust earnings performance in H2 and in the full year.

High-Quality Growth business creating value for all

Intertek is a differentiated, High-Quality Growth business, creating sustainable growth and value for all stakeholders.

Our leading ATIC solutions are mission critical for the world to operate safely.

The growth in our end-markets is accelerating given the increased focus on quality, safety and sustainability.

Our strong market position and strong customer relationships position us well to seize the exciting growth opportunities ahead.

We operate a high-performance earnings and cash compounder model.

In the last decade we have delivered 13% annual TSR and we will continue to deliver sustainable growth and value for all.

André Lacroix
Chief Executive Officer

Operating Review

For the six months ended 30 June 2022

To present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the income statement. These items, which are described in the Presentation of Results section of this report and in note 3, are excluded from the adjusted results. The figures discussed in this review (extracted from the income statement and cash flow) are presented before Separately Disclosed Items ('SDIs').

Overview of performance

	H1 22 £m	H1 21 £m	Change at actual rates	Change at constant rates[1]
Revenue	1,491.7	1,317.6	13.2%	9.5%
Like-for-like revenue[2]	1,427.3	1,315.4	8.5%	4.9%
Adjusted Operating profit[3]	217.3	201.7	7.7%	4.0%
Margin[3]	14.6%	15.3%	(70) bps	(70) bps
Net financing costs[3]	(13.8)	(15.4)	(10.4%)	(16.4%)
Income tax expense[3]	(54.3)	(49.4)	9.9%	6.5%
Adjusted Earnings for the period[3]	149.2	136.9	9.0%	5.4%
Adjusted diluted earnings per share[3]	86.5p	78.2p	10.6%	6.7%

1. Constant rates are calculated by translating H1 21 results at H1 22 exchange rates.
2. LFL revenue includes acquisitions following their 12-month anniversary of ownership and excludes the historical contribution of any business disposals/closures.
3. Adjusted results are stated before SDIs, see note 3 to the Condensed Consolidated Interim Financial Statements on page 33.

Total reported Group revenue increased by 13.2%, a LFL revenue increase of 8.5% at actual rates.

The Group's LFL revenue at constant rates of 4.9% reflected an increase of 4.3% in Products, 5.7% in Trade and 6.4% in Resources.

We delivered operating profits of £217.3m, +4.0% at constant rates and +7.7% at actual rates.

The Group's adjusted operating margin was 14.6%, a decrease of 70bps from the prior year at constant exchange rates. Margin decreased in Products by 170bps and 10bps in Resources, increasing by 90bps in Trade.

The Group's statutory operating profit after SDIs for the period was £197.0m (H1 21: £184.5m) and margin was 13.2% (H1 21: 14.0%).

Net financing costs

Adjusted net financing costs were £13.8m, comprising £0.8m (H1 21: £0.8m) of finance income and £14.6m (H1 21: £16.2m) of finance expense. Statutory net financing costs of £14.2m (H1 21: £15.4m) included £0.4m expense (H1 21: £nil) relating to SDIs.

Tax

The adjusted effective tax rate was 26.7%, an increase of 0.2% on the prior year (H1 21: 26.5%, FY 21: 26.5%). The tax charge, including the impact of SDIs, of £51.2m (H1 21: £44.0m), equates to an effective rate of 28.0% (H1 21: 26.0%, FY 21: 25.8%).

Earnings per share

Adjusted diluted earnings per share at actual exchange rates was 10.6% higher at 86.5p. Diluted earnings per share after SDIs was 75.6p (H1 21: 70.9p) per share and basic earnings per share after SDIs was 75.9p (H1 21: 71.3p).

Dividend

The Board has approved an interim dividend of 34.2p per share, which is in line with both prior year (H1 21: 34.2p) and H1 20. The dividend will be paid on 6 October 2022 to shareholders on the register on 16 September 2022.

Investments

The Group invested £41.1m (H1 21: £40.0m) of organic net capital investment in laboratory expansions, new technologies and equipment to expand our market coverage and develop innovative ATIC solutions. The Group did not complete any acquisitions in the first six months of 2022.

Cash Flow

The Group's cash performance in the period was robust with adjusted free cash flow of £95.8m (H1 21: £122.6m), driven by strong cash conversion, the result of disciplined working capital management. Adjusted cash generated from operations was £238.1m (H1 21: £253.4m). Statutory cash generated from operations was £234.1m (H1 21: £246.1m).

Financial Position

The Group ended the period in a strong financial position. Financial net debt was £859.1m, our net debt to EBITDA ratio is 1.3 and our weighted average interest rate is 2.7%. The undrawn headroom on the Group's existing committed borrowing facilities at 30 June 2022 was £640.4m.

Operating Review by division

	Revenue				Adjusted operating profit			
	H1 2022 £m	H1 2021 £m	Change at actual rates	Change at constant rates	H1 2022 £m	H1 2021 £m	Change at actual rates	Change at constant rates
Products	**951.0**	819.5	16.0%	11.5%	**183.2**	170.9	7.2%	2.3%
Trade	**299.6**	278.2	7.7%	5.8%	**22.7**	20.1	12.9%	18.8%
Resources	**241.1**	219.9	9.6%	6.4%	**11.4**	10.7	6.5%	4.6%
Group	**1,491.7**	1,317.6	13.2%	9.5%	**217.3**	201.7	7.7%	4.0%

Products Divisional Review

	H1 2022 £m	H1 2021 £m	Change at actual rates	Change at constant rates
Revenue	**951.0**	819.5	16.0%	11.5%
Like-for-like revenue	**886.9**	817.3	8.5%	4.3%
Adjusted operating profit	**183.2**	170.9	7.2%	2.3%
Adjusted operating margin	**19.3%**	20.9%	(160bps)	(170bps)

Intertek Value Proposition

Our Products-related businesses consist of business lines that are focused on ensuring the quality and safety of physical components and products, as well as minimising risk through assessing the operating processes and quality management systems of our customers.

As a trusted partner to the world's leading retailers, manufacturers and distributors, the division supports a wide range of industries including textiles, footwear, toys, hardlines, home appliances, consumer electronics, information and communication technology, automotive, aerospace, lighting, building products, industrial and renewable energy products, food and hospitality, healthcare and beauty, and pharmaceuticals.

Across these industries we provide a wide range of ATIC services, including laboratory safety, quality and performance testing, second-party supplier auditing, sustainability analysis, product assurance, vendor compliance, process performance analysis, facility plant and equipment verification and third-party certification.

Strategy

Our TQA Value Proposition provides a systemic approach to support the Quality Assurance efforts of our Products related customers in each of the areas of their operations. To do this we leverage our global network of accredited facilities and world leading technical experts to help our clients meet high quality safety, regulatory and brand standards, develop new products, materials and technologies and ultimately assist them in getting their products to market quicker, to continually meet evolving consumer demands.

Innovations

We continue to invest in innovation to deliver a superior customer service in our Products related businesses:

- With the travel and tourism sector re-opening around the world, we launched Intertek **EcoCheck**, a sustainable tourism solution that audits management systems and offers a Carbon Footprint Calculation that allows our clients to meet the requests of their customers, by demonstrating tangible actions and results to achieve their sustainability goals.

- In our Softlines business, we launched Intertek **TOXCLEAR**, an innovative digital chemical management platform for the fashion industry, to deliver production free of hazardous chemicals. The platform enables brands and their suppliers to deliver transparency and traceability on chemicals used and build safer and more sustainable supply chains.

- We continue to invest in our industry leading ATIC sustainability solutions, leveraging the depth of our experience and global network of experts, and recently launched two new innovative solutions, **Green R&D** and **Circular Assure**, to support our clients as they transition to a more sustainable world. These solutions allow our customers to enhance the quality, safety, sustainability and performance of their products whilst meeting their stakeholders' increasingly demanding environmental expectations.

H1 2022 performance

In H1 22, our Products business delivered a robust performance despite the lockdown situation in China.

Revenue in our Products business benefitted from a continuing increase in customer demand and from our acquisitions which enabled us to deliver 11.5% revenue growth at constant rates.

For the period, our LFL revenue growth globally was 4.3% at constant currency driven by progress on both volume and price. Outside of China LFL revenue growth for the period was 7.0% at constant currency.

From a profit standpoint, we delivered operating profit up YoY at constant currency by 2.3% and ahead 7.2% at actual rates.

Our margin in H1 was 19.3%, 170bps below H1 21 at constant currency, due to the impact of the lockdown restrictions in China.

- Our **Softlines** business delivered mid-single digit LFL revenue growth globally and double digit LFL revenue growth outside of China, benefitting from growth in e-commerce, investments of our clients in new collections, growth in risk-based Quality Assurance and increased investment in end-to-end sustainability.

- **Hardlines** reported low-single digit LFL revenue growth globally and low-single digit revenue growth outside of China benefitting from the growth in e-commerce, the increased consumer demand for home furniture and toys as well as the investments of our clients in sustainability.

- With increased ATIC activities driven by greater regulatory standards in energy efficiency, higher demand for testing and certification of medical devices and the increased testing requirements for 5G, our **Electrical & Connected World** business delivered low-single digit LFL revenue growth globally and outside of China.

- **Business Assurance** delivered double digit LFL revenue growth globally and outside of China as the business benefited from the increased investments by our clients to improve the resilience of their supply chains, the continuous focus on ethical supply, the increased need for sustainability assurance and the strong growth in our People Assurance segment.

- Our **Building & Construction** business reported mid-single digit LFL revenue growth both globally and outside of China. We benefited from the growing demand for more environmentally friendly and higher quality buildings and the increased number of infrastructure projects in North America.

- **Transportation Technology** delivered mid-single digit negative LFL revenue growth globally and low-single digit LFL revenue growth outside of China as we saw increased investment in new powertrains to lower CO2/NOx emissions and in traditional combustion engines to improve fuel efficiency.

- Our **Food** business registered mid-single digit LFL revenue growth globally and high-single digit revenue growth outside of China resulting from increased demand for food safety testing activities and hygiene and safety audits in factories.

- We saw low-single digit LFL revenue growth globally and mid-single digit LFL revenue growth outside of China in our **Chemicals & Pharma** business. We benefited from an improvement of demand for regulatory assurance and chemical testing and from the increased R&D investments of the pharma industry.

Full Year growth outlook

In 2022 we expect our Products division to deliver robust LFL revenue growth at constant currency.

Mid to long-term growth outlook

Our Products division will benefit from mid to long-term structural growth drivers including product variety, brand and supply chain expansion, product innovation and regulation, the growing demand for quality and sustainability from developed and emerging economies, the acceleration of e-commerce as a sales channel, and the increased corporate focus on risk.

Trade Divisional Review

	H1 2022 £m	H1 2021 £m	Change at actual rates	Change at constant rates
Revenue	**299.6**	278.2	7.7%	5.8%
Like-for-like revenue	**299.3**	278.2	7.6%	5.7%
Adjusted operating profit	**22.7**	20.1	12.9%	18.8%
Adjusted operating margin	**7.6%**	7.2%	40bps	90bps

Intertek Value Proposition

Our Trade division consists of three global business lines with global and regional trade flow based on similar mid- to long-term structural growth drivers:

Our **Caleb Brett** business provides cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

Our **Government & Trade Services** ('GTS') business provides inspection services to governments and regulatory bodies to support trade activities that help the flow of goods across borders, predominantly in the Middle East, Africa and South America.

Our **AgriWorld** business provides analytical and testing services to global agricultural trading companies and growers.

Strategy

Our TQA Value Proposition assists our Trade related customers in protecting the value and quality of their products during their custody-transfer, storage and transportation, globally, 24/7. Our expertise, service innovations and advanced analytical capabilities allow us to optimise the return on our customers' cargoes and help them resolve difficult technical challenges. Our independent product assessments provide peace of mind to our government clients that the quality of products imported into the country meet their standards and import processes.

Innovations

We continue to invest in ATIC innovations to deliver a superior customer service in our Trade related businesses:

- Intertek **Tradeable** provides trade support and expertise to deliver a comprehensive portfolio of pre-shipment solutions that enable the validation of suppliers or manufacturers, as well as production, shipment and goods handling processes. Our solutions facilitate risk mitigation right across the international supply chain, and we can tailor bespoke packages to meet our customers' specific requirements.

- Intertek's **Fast-Tek** is a customised global trade solution that delivers expedited certification of shipments to get trade moving faster. It offers an enhanced Total Quality Assurance experience – as our in-house labs and inspectors support our customers with Fast-Tek registration, expediting the inspection and certification process without compromising compliance or quality, and streamlining their administrative processes while minimising complexity.

- Intertek **Agriworld** has partnered with Rice Exchange, the blockchain enabled digital platform that connects buyers and sellers of rice across continents, adding trust and lowering risk for all parties involved. The partnership demonstrates our commitment to the rice industry and means that Intertek is now available to all Rice Exchange customers to provide inspection services in relation to their rice trades undertaken on the platform.

H1 2022 performance

Following a good 2021 organic performance when we benefited from the rebound of global trade, in H1 2022 our Trade division saw organic growth accelerate enabling us to deliver good margin accretion.

The higher demand for Energy and Agri products drove LFL revenue growth of 5.7% at constant currency globally and 7.2% outside of China with progress both on volume and price.

Operating profits increased by 18.8% at constant currency and 12.9% at actual rates to £22.7m.

Our operating margin of 7.6% was up by 90bps at constant currency.

- Caleb Brett, the global leader in the Crude Oil and Refined products global trading markets, benefited from improved momentum driven by increased global mobility and higher testing activities for biofuels with high-single digit growth LFL revenue growth both globally and outside of China.

- Our Government & Trade Services business provides certification services to governments in the Middle East and Africa to facilitate the import of goods in their markets, based on acceptable quality and safety standards. We saw high-single digit negative LFL revenue globally and low-single digit negative LFL revenue growth outside of China as the benefit from a recovery of supply chain activities in the Middle East and Africa was more than offset by the termination of two contracts which we did not renew for profitability reasons.

- AgriWorld provides inspection activities to ensure that the global food supply chain operates fully and safely. The business reported double-digit LFL revenue growth globally and outside of China. We continue to see an increase in demand for inspection activities driven by the strong growth in the global food industry.

Full Year growth outlook

In 2022 we expect our Trade division to deliver robust LFL revenue growth at constant currency.

Mid to long-term growth outlook

Our Trade division will continue to benefit from both regional and global trade-flow growth, as well as the increased customer focus on quality, quantity controls and supply chain risk management.

Resources Divisional Review

	H1 2022 £m	H1 2021 £m	Change at actual rates	Change at constant rates
Revenue	**241.1**	219.9	9.6%	6.4%
Like-for-like revenue	**241.1**	219.9	9.6%	6.4%
Adjusted operating profit	**11.4**	10.7	6.5%	4.6%
Adjusted operating margin	**4.7%**	4.9%	(20bps)	(10bps)

Intertek Value Proposition

Our Resources division consists of two Business lines with similar mid- to long-term structural growth drivers:

Our **Industry Services** business uses in-depth knowledge of the oil, gas, nuclear and power industries to provide a diverse range of TQA solutions to optimise the use of customers' assets and minimise the risk in their supply chains. Some of our key services include technical inspection, asset integrity management, analytical testing and ongoing training services.

Our **Minerals** business provides a broad range of ATIC service solutions to the mining and minerals exploration industries, covering the resource supply chain from exploration and resource development, through to production, shipping and commercial settlement.

Strategy

Our TQA Value Proposition allows us to help customers gain peace of mind that their projects will proceed on time and their assets will continue to operate with a lower risk of technical failure or delay. Our broad range of services allow us to assist clients in protecting the quantity and quality of their mined and drilled products, improve safety and reduce commercial risk in the trading environment.

Innovations

We continue to invest in innovation to deliver a superior customer service in our Resources related businesses:

- In May we announced our ground-breaking solution in the Energy transition space, **Intertek Hydrogen**. With our long-standing history and expertise in the energy industry, the solution provides our customers with total end-to-end quality, safety and sustainability solutions for the entire hydrogen industry lifecycle to make a safe energy transition.

- Intertek Minerals installed a third **PhotonAssay** unit at the Global Centre of Excellence in Perth, Australia. This technology supports our customers with faster, more accurate and environmentally friendly analysis of gold. Every sample analysed with PhotonAssay means reduced CO_2 emissions and less hazardous waste compared to the traditional fire assay method for the determination of gold content in ores.

- With Intertek **RiskAware**'s analytical approach to risk-based and QA/QC inspection data, we help our customers minimise their total cost of quality by avoiding costly and disruptive delays, incurring significant rework costs, or experiencing non-compliance issues. Our secure cloud-based solution identifies quality and safety risks, which helps companies optimise their inspection programme.

H1 2022 performance

In H1 2022, we have seen a significant increase in demand for our ATIC solutions.

Our clients are benefiting from the global recovery in the Oil & Gas industry and higher demand for minerals which enabled us to deliver 6.4% LFL revenue growth globally and 7.4% outside of China, given our progress on both volume and price.

Operating profits of £11.4m were up by 4.6% at constant currency or 6.5% at actual rates.

Operating margins declined by 10bps at constant currency to 4.7% reflecting our investment in growth in our Australian Minerals business.

- In our Exploration and Production operations, our Capex Inspection services business delivered mid-single digit LFL revenue growth globally and outside of China.
- We delivered mid-single digit negative LFL revenue growth in Opex Maintenance services globally and outside of China as we exited a contract in North America for profitability reasons.
- The increased demand for testing and inspection activities saw our Minerals business deliver double-digit LFL revenue growth globally and outside China.

Full Year growth outlook

We expect our Resources related businesses to deliver a robust LFL revenue performance at constant currency.

Mid to long-term growth outlook

Our Resources division will grow in the mid to long-term as we benefit from investments in Energy to meet the demands of the growing population around the world.

Presentation of Results

For the half year ended 30 June 2022

Adjusted results

To present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the income statement. These items, which are described in the Presentation of Results section of this report and in note 3, are excluded from the adjusted results. The figures discussed in this review (extracted from the income statement and cash flow) are presented before Separately Disclosed Items (SDIs).

Like-for-Like growth

LFL revenue includes acquisitions following their 12-month anniversary of ownership and excludes the historical contribution of any business disposals and closures.

Constant exchange rates

In order to remove the impact of currency translation from our growth figures we present revenue and profit growth at constant exchange rates. This is calculated by translating H1 21 results at H1 22 exchange rates.

Separately Disclosed Items

SDIs are items which by their nature or size, in the opinion of the Directors, should be excluded from the adjusted results to provide readers with a clear and consistent view of the business performance of the Group and its operating divisions. Reconciliations of the Reported to Adjusted Performance Measures are given below.

When applicable, these SDIs include amortisation of acquisition intangibles; impairment of goodwill and other assets; the profit or loss on disposals of businesses or other significant non-current assets; costs of acquiring and integrating acquisitions; the cost of any fundamental restructuring; material claims and settlements; and unrealised market gains/losses on financial assets/liabilities, including contingent consideration.

Adjusted operating profit excludes the amortisation of acquired intangible assets, primarily customer relationships, as we do not believe that the amortisation charge in the Income Statement provides useful information about the cash costs of running our business as these assets will be supported and maintained by the ongoing marketing and promotional expenditure, which is already reflected in operating costs. Amortisation of software, however, is included in adjusted operating profit as it is similar in nature to other capital expenditure.

The impairment of goodwill and other assets that by their nature or size are not expected to recur; the profit and loss on disposals of businesses or other significant assets; and the costs associated with successful, active or aborted acquisitions and the integration of such acquisitions are excluded from adjusted operating profit to provide useful information regarding the underlying performance of the Group's operations.

Details of the SDIs for the six months ended 30 June 2022 and the comparative period are given in note 3 to the Condensed Consolidated Interim Financial Statements.

Reconciliation of Results to Adjusted Performance Measures (£m)	2022 H1 Results	2022 H1 SDIs	2022 H1 Adjusted	2021 H1 Results	2021 H1 SDIs	2021 H1 Adjusted
Operating profit	197.0	20.3	217.3	184.5	17.2	201.7
Operating margin	13.2%	1.4%	14.6%	14.0%	1.3%	15.3%
Net financing costs	(14.2)	0.4	(13.8)	(15.4)	-	(15.4)
Profit before tax	182.8	20.7	203.5	169.1	17.2	186.3
Income tax expense	(51.2)	(3.1)	(54.3)	(44.0)	(5.4)	(49.4)
Profit for the year	131.6	17.6	149.2	125.1	11.8	136.9
Cash flow from operations	234.1	4.0	238.1	246.1	7.3	253.4
Cash flow from operations less net capex	196.4	4.0	200.4	206.6	7.3	213.9
Free cash flow	91.8	4.0	95.8	115.3	7.3	122.6
Basic earnings per share	75.9p	10.9p	86.8p	71.3p	7.3p	78.6p
Diluted earnings per share	75.6p	10.9p	86.5p	70.9p	7.3p	78.2p

Reconciliation of revenue	Six months to 30 June 2022 £m	Six months to 30 June 2021 £m	Change %
Reported revenue	1,491.7	1,317.6	13.2%
Less: Acquisitions/disposals/closures	(64.4)	(2.2)	
Like-for-like revenue	1,427.3	1,315.4	8.5%
Impact of foreign exchange movements	-	44.9	
Like-for-like revenue at constant currency	1,427.3	1,360.3	4.9%

Reconciliation of financial net debt to adjusted EBITDA (£m)			30 June 2022			30 June 2021
Net debt			1,191.0			700.2
IFRS 16 lease liability			(331.9)			(265.3)
Financial net debt			859.1			434.9
	2021 H2	2022 H1	2022 LTM	2020 H2	2021 H1	2021 LTM
Reported operating profit	248.7	197.0	445.7	231.3	184.5	415.8
Depreciation	76.9	77.3	154.2	78.1	73.7	151.8
Amortisation	10.3	9.9	20.2	8.6	8.4	17.0
EBITDA	335.9	284.2	620.1	318.0	266.6	584.6
SDIs	23.5	20.3	43.8	28.2	17.2	45.4
Adjusted EBITDA	359.4	304.5	663.9	346.2	283.8	630.0
Financial net debt / EBITDA			1.3x			0.7x

Constant currency reconciliations	Six months to 30 June 2022 £m	Six months to 30 June 2021 £m	Change %
Adjusted operating profit at actual rates	217.3	201.7	7.7%
Impact of foreign exchange movements	-	7.3	
Adjusted operating profit at constant rates	217.3	209.0	4.0%
Adjusted diluted EPS at actual rates	86.5p	78.2p	10.6%
Impact of foreign exchange movements	-	2.9p	
Adjusted diluted EPS at constant rates	86.5p	81.1p	6.7%
Diluted EPS at actual rates	75.6p	70.9p	6.6%
Impact of foreign exchange movements	-	3.1p	
Diluted EPS at constant rates	75.6p	74.0p	2.2%

Principal risks and uncertainties

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has an established, structured approach to risk management, which includes continuously assessing and monitoring the key risks and uncertainties of the business. Based on this review, the Board identified the below risks outlined on pages 44 to 49 of the Group's Annual Report for 2021, which is available from our website at www.intertek.com:

Operational

- Reputation
- Customer Service
- People Retention
- Macro-economic
- Healthy, safety and wellbeing
- Industry and Competitive Landscape
- IT Systems and Data security
- Coronavirus (Covid-19)
- Contracting

Legal and Regulatory

- Regulatory and Political Landscape
- Business Ethics
- Sustainability

Financial

- Financial Risk

The Board does not consider that there has been any significant change to the nature of these risks and the key mitigating actions since the publication of the Group's Annual Report for 2021.

The Business Review and Operating Review by Division include consideration of the significance of key uncertainties affecting the Group in the remaining six months of the year.

Management Reports and Trading Updates

Intertek will issue a Trading Update in the fourth quarter of 2022. The 2022 Full Year Results will be announced on 28 February 2023.

Half Year Results

If you require a printed copy of this statement, please contact the Group Company Secretary. This statement is available on www.intertek.com.

Legal Notice

This Half Year Report and announcement contain certain forward-looking statements with respect to the financial condition, results, operations and business of Intertek Group plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this announcement should be construed as a profit forecast. Past performance cannot be relied upon as a guide to future performance.

Responsibility Statement of the Directors in Respect of the Half Year Report

We confirm that to the best of our knowledge:

- The condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and gives a true and fair view of the assets, liabilities, financial position and profit of the Group;

- The interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year 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 year; and

  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual report that could do so.

On behalf of the Board of Intertek Group plc

André Lacroix

Chief Executive Officer

28 July 2022

Jonathan Timmis

Chief Financial Officer

28 July 2022

Independent review report to Intertek Group plc
Report on the condensed consolidated interim financial statements
Our conclusion

We have reviewed Intertek Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Report of Intertek Group plc for the 6 month period ended 30 June 2022 (the "period").

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 UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Interim Statement of Financial Position as at 30 June 2022;
- the Condensed Consolidated Interim Income Statement and Condensed Consolidated Interim Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Interim Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Interim 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 Half Year Report of Intertek Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council 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.

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

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half Year Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half Year Report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. 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.

PricewaterhouseCoopers LLP
Chartered Accountants
London
28 July 2022

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2022

		Six months to 30 June 2022 (Unaudited)			Six months to 30 June 2021 (Unaudited)		
	Notes	Adjusted Results £m	Separately Disclosed Items* £m	Total 2022	Adjusted Results £m	Separately Disclosed Items* £m	Total 2021
Revenue	2	**1,491.7**	**-**	**1,491.7**	1,317.6	-	1,317.6
Operating Costs		**(1,274.4)**	**(20.3)**	**(1,294.7)**	(1,115.9)	(17.2)	(1,133.1)
Group operating profit/(loss)	2	**217.3**	**(20.3)**	**197.0**	201.7	(17.2)	184.5
Finance income		**0.8**	**-**	**0.8**	0.8	-	0.8
Finance expense		**(14.6)**	**(0.4)**	**(15.0)**	(16.2)	-	(16.2)
Net financing costs		**(13.8)**	**(0.4)**	**(14.2)**	(15.4)	-	(15.4)
Profit/(loss) before income tax		**203.5**	**(20.7)**	**182.8**	186.3	(17.2)	169.1
Income tax (expense)/credit	4	**(54.3)**	**3.1**	**(51.2)**	(49.4)	5.4	(44.0)
Profit/(loss) for the period	2	**149.2**	**(17.6)**	**131.6**	136.9	(11.8)	125.1
Attributable to:							
Equity holders of the Company		**140.0**	**(17.6)**	**122.4**	126.7	(11.8)	114.9
Non-controlling interest		**9.2**	**-**	**9.2**	10.2	-	10.2
Profit/(loss) for the period		**149.2**	**(17.6)**	**131.6**	136.9	(11.8)	125.1
Earnings per share							
Basic	5	**86.8p**		**75.9p**	78.6p		71.3p
Diluted	5	**86.5p**		**75.6p**	78.2p		70.9p
Dividends in respect of the period				**34.2p**			34.2p

*** See Note 3**

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2022

	Notes	Six months to 30 June 2022 (Unaudited) £m	Six months to 30 June 2021 (Unaudited) £m
Profit for the period	2	**131.6**	125.1
Other comprehensive income/(expense)			
Remeasurements on defined benefit pension schemes	6	**15.7**	10.1
Tax on comprehensive income/(expense) items		**(7.2)**	3.0
Items that will never be reclassified to profit or loss		**8.5**	13.1
Foreign exchange translation differences on foreign operations		**183.0**	(58.4)
Net exchange (loss)/gain on hedges of net investments in foreign operations		**(101.6)**	19.2
Items that are or may be reclassified subsequently to profit or loss		**81.4**	(39.2)
Total other comprehensive income/(expense) for the period		**89.9**	(26.1)
Total comprehensive income for the period		**221.5**	99.0
Total comprehensive income for the period attributable to:			
Equity holders of the company		**211.1**	91.0
Non-controlling interest		**10.4**	8.0
Total comprehensive income for the period		**221.5**	99.0

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2022

	Notes	At 30 June 2022 (Unaudited) £m	At 30 June 2021 (Unaudited) £m	At 31 December 2021 (Audited) £m
Assets				
Property, plant and equipment	9	**688.1**	607.2	641.8
Goodwill	8	**1,338.7**	813.7	1,241.4
Other intangible assets		**372.3**	258.6	358.5
Long-term trade and other receivables		**23.2**	-	-
Defined benefit pension asset	6	**19.2**	3.1	5.4
Deferred tax assets		**39.9**	46.0	39.3
Total non-current assets		**2,481.4**	1,728.6	2,286.4
Inventories*		**17.2**	16.9	14.9
Trade and other receivables*		**747.1**	616.5	661.9
Cash and cash equivalents	7	**257.6**	197.2	265.9
Current tax receivable		**18.5**	22.4	20.6
Total current assets		**1,040.4**	853.0	963.3
Total assets		**3,521.8**	2,581.6	3,249.7
Liabilities				
Interest bearing loans and borrowings	7	**(47.5)**	(114.3)	(462.0)
Current taxes payable		**(57.3)**	(47.1)	(59.1)
Lease liabilities		**(71.5)**	(61.1)	(63.5)
Trade and other payables*		**(669.8)**	(542.9)	(667.8)
Provisions*		**(12.5)**	(28.9)	(13.2)
Total current liabilities		**(858.6)**	(794.3)	(1,265.6)
Interest bearing loans and borrowings	7	**(1,069.2)**	(517.8)	(537.2)
Lease liabilities		**(260.4)**	(204.2)	(228.8)
Deferred tax liabilities		**(78.9)**	(55.6)	(67.4)
Defined benefit pension liabilities	6	**(1.3)**	(2.8)	(4.0)
Other payables*		**(33.9)**	(24.7)	(31.9)
Provisions*		**(0.7)**	(5.0)	(0.5)
Total non-current liabilities		**(1,444.4)**	(810.1)	(869.8)
Total liabilities		**(2,303.0)**	(1,604.4)	(2,135.4)
Net assets		**1,218.8**	977.2	1,114.3
Equity				
Share capital		**1.6**	1.6	1.6
Share premium		**257.8**	257.8	257.8
Other reserves		**(22.3)**	(117.8)	(102.5)
Retained earnings		**944.6**	804.3	925.1
Total equity attributable to equity holders of the Company		**1,181.7**	945.9	1,082.0
Non-controlling interest		**37.1**	31.3	32.3
Total equity		**1,218.8**	977.2	1,114.3

* Working capital of £43.7m (H1 21: £31.6m) comprises the asterisked items in the above Statement of Financial Position less refundable deposits aged over 12 months of £nil (H1 21: £0.3m) & IFRS16 Lease Receivable of £3.7m (H1 21: £nil).

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to equity holders of the Company							
			Other Reserves					
	Share Capital £m	Share premium £m	Translation reserve £m	Other £m	Retained Earnings £m	Total before non-controlling interest £m	Non-controlling interest £m	Total equity £m
At 1 January 2021	1.6	257.8	(87.2)	6.4	796.4	975.0	28.0	1,003.0
Total comprehensive (expense)/income for the period								
Profit	-	-	-	-	114.9	114.9	10.2	125.1
Other comprehensive (expense)/income	-	-	(37.0)	-	13.1	(23.9)	(2.2)	(26.1)
Total comprehensive (expense)/income for the period	-	-	(37.0)	-	128.0	91.0	8.0	99.0
Transactions with owners of the company recognised directly in equity **Contributions by and distributions to the owners of the company**								
Dividends paid	-	-	-	-	(115.5)	(115.5)	(4.7)	(120.2)
Purchase of own shares	-	-	-	-	(6.4)	(6.4)	-	(6.4)
Tax paid on share awards vested[1]	-	-	-	-	(6.4)	(6.4)	-	(6.4)
Equity-settled transactions	-	-	-	-	8.2	8.2	-	8.2
Total contributions by and distributions to the owners of the company	-	-	-	-	(120.1)	(120.1)	(4.7)	(124.8)
At 30 June 2021 (unaudited)	1.6	257.8	(124.2)	6.4	804.3	945.9	31.3	977.2
At 1 January 2022	**1.6**	**257.8**	**(108.9)**	**6.4**	**925.1**	**1,082.0**	**32.3**	**1,114.3**
Total comprehensive (expense)/income for the period								
Profit	**-**	**-**	**-**	**-**	**122.4**	**122.4**	**9.2**	**131.6**
Other comprehensive (expense)/income	**-**	**-**	**80.2**	**-**	**8.5**	**88.7**	**1.2**	**89.9**
Total comprehensive (expense)/income for the period	**-**	**-**	**80.2**	**-**	**130.9**	**211.1**	**10.4**	**221.5**
Transactions with owners of the company recognised directly in equity **Contributions by and distributions to the owners of the company**								
Dividends paid	**-**	**-**	**-**	**-**	**(115.5)**	**(115.5)**	**(5.6)**	**(121.1)**
Purchase of own shares	**-**	**-**	**-**	**-**	**(2.3)**	**(2.3)**	**-**	**(2.3)**
Tax paid on share awards vested[1]	**-**	**-**	**-**	**-**	**(4.4)**	**(4.4)**	**-**	**(4.4)**
Equity-settled transactions	**-**	**-**	**-**	**-**	**10.8**	**10.8**	**-**	**10.8**
Total contributions by and distributions to the owners of the company	**-**	**-**	**-**	**-**	**(111.4)**	**(111.4)**	**(5.6)**	**(117.0)**
At 30 June 2022 (unaudited)	**1.6**	**257.8**	**(28.7)**	**6.4**	**944.6**	**1,181.7**	**37.1**	**1,218.8**

[1] The tax paid on share awards vested is related to settlement of the tax obligation by the Group via the sale of a portion of the equity-settled shares.

The £115.5m dividend paid on 17 June 2022 represented a final dividend of 71.6p per ordinary share in respect of the year ended 31 December 2021 which was approved and paid during the period. The £115.5m dividend paid on 18 June 2021 represented a final dividend of 71.6p per ordinary share in respect of the year ended 31 December 2020. No ordinary shares were issued in the period to satisfy the vesting of share awards.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	Six months to 30 June 2022 (Unaudited) £m	Six months to 30 June 2021 (Unaudited) £m
Cash flows from operating activities			
Profit for the period	2	**131.6**	125.1
Adjustments for:			
Depreciation charge		**77.3**	73.7
Amortisation of software		**9.9**	8.4
Amortisation of acquisition intangibles		**16.5**	13.3
Equity-settled transactions		**10.8**	8.2
Net financing costs		**14.2**	15.4
Income tax expense	4	**51.2**	44.0
Profit on disposal of property, plant, equipment and software		**(0.8)**	(0.3)
Operating cash flows before changes in working capital and operating provisions		**310.7**	287.8
Change in inventories		**(1.0)**	(1.7)
Change in trade and other receivables		**(39.4)**	(15.0)
Change in trade and other payables		**(32.9)**	(21.3)
Change in provisions		**(1.3)**	(1.7)
Special contributions into pension schemes	6	**(2.0)**	(2.0)
Cash generated from operations		**234.1**	246.1
Interest and other finance expense paid		**(15.8)**	(13.9)
Income taxes paid		**(50.8)**	(45.2)
Net cash flows generated from operating activities*		**167.5**	187.0
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and software*		**3.4**	0.5
Interest received*		**0.8**	0.8
Acquisition of property, plant, equipment, software*	9	**(41.1)**	(40.0)
Net cash flows used in investing activities		**(36.9)**	(38.7)
Cash flows from financing activities			
Purchase of own shares		**(2.3)**	(6.4)
Tax paid on share awards vested		**(4.4)**	(6.4)
Drawdown of borrowings		**477.9**	45.2
Repayment of borrowings		**(476.5)**	-
Repayment of lease liabilities*		**(38.8)**	(33.0)
Dividends paid to non-controlling interest		**(5.6)**	(4.7)
Equity dividends paid		**(115.5)**	(115.5)
Net cash flows used in financing activities		**(165.2)**	(120.8)
Net (decrease)/increase in cash and cash equivalents	7	**(34.6)**	27.5
Cash and cash equivalents at 1 January	7	**264.0**	183.4
Effect of exchange rate fluctuations on cash held	7	**12.6**	(17.1)
Cash and cash equivalents at end of period	7	**242.0**	193.8

*Free cash flow of £91.8m (H1 21: £115.3m) comprises the asterisked items in the above Statement of Cash Flows.

Adjusted cash flow from operations of £238.1m (H1 21: £253.4m) comprises statutory cash flow from operations of £234.1m (H1 21: £246.1m) before cash outflows relating to Separately Disclosed Items of £4.0m (H1 21: £7.3m).

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of Preparation

Reporting entity

Intertek Group plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Consolidated Financial Statements of the Group as at, and for the year ended, 31 December 2021 are available upon request from the Company's registered office at 33 Cavendish Square, London, W1G 0PS. An electronic version is available from the Investors section of the Group website at www.intertek.com.

Statement of compliance

These Condensed Consolidated Interim Financial Statements for the half-year reporting period ended 30 June 2022 have been prepared in accordance with the UK-adopted International Accounting Standards 34, 'Interim Financial Reporting' ("IAS 34") and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. 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 31 December 2021. These Condensed Consolidated Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Condensed Consolidated Financial Statements have also been prepared in accordance with the accounting policies set out in the 2021 Annual Report and have been prepared under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments) at fair value.

The comparative figures for the financial year ended 31 December 2021 are the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Significant accounting policies

These Condensed Consolidated Interim Financial Statements are unaudited and, except as described below, have been prepared on the basis of accounting policies consistent with those applied in the Consolidated Financial Statements for the year ended 31 December 2021.

There are no significant new accounting standards that are effective for annual periods beginning on or after 1 January 2022 that have a material effect on the results of the Group.

Key estimations and uncertainties

The preparation of 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. There are no critical accounting judgements.

1. Basis of Preparation *(continued)*

In preparing these Condensed Consolidated Interim Financial Statements, the nature of the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that were applied to the Consolidated Financial Statements as at and for the year ended 31 December 2021. During the six months ended 30 June 2022 management reassessed its estimates and judgements in respect of pensions (note 6) and impairment (note 8(c)).

Risks and uncertainties

The Operating Review includes consideration of the risks and uncertainties affecting the Group in the remaining six months of the year.

The Board has reviewed the Group's financial forecasts up to 31 December 2023, to assess both liquidity requirements and debt covenants. In addition, these have been sensitised for a severe yet plausible decline in economic conditions (including an illustrative sensitivity scenario of a reduction of 30% to the base profit forecasts and the corresponding impact to cash flow forecasts in each of these years). The Board remains satisfied with the Group's funding and liquidity position, with the Group forecasts to remain within its committed facilities and compliant with debt covenants even following the 30% downside sensitivity. On the basis of its forecasts to 31 December 2023, both base case and stressed, and available facilities, the Board has concluded that there are no material uncertainties over going concern, including no anticipated breach of covenants, and therefore the going concern basis of preparation continues to be appropriate.

Foreign exchange

The assets and liabilities of foreign operations, including goodwill arising on acquisition, are translated to sterling at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated into sterling at cumulative average rates of exchange during the year.

The most significant currencies for the Group were translated at the following exchange rates:

	Assets and Liabilities Actual Rates			Income and expense Cumulative average rates		
Value of £1	**30 June 2022**	**30 June 2021**	**31 December 2021**	**H1 22**	**H1 21**	**FY 21**
US dollar	**1.22**	1.39	1.35	**1.30**	1.39	1.38
Euro	**1.16**	1.16	1.19	**1.19**	1.15	1.16
Chinese renminbi	**8.18**	8.97	8.59	**8.39**	8.99	8.89
Hong Kong dollar	**9.56**	10.78	10.52	**10.15**	10.78	10.70
Australian dollar	**1.76**	1.83	1.86	**1.81**	1.80	1.83

2. Operating segments

Business analysis

The Group is organised into business lines, which are the Group's operating segments and are reported to the CEO, the chief operating decision maker. These operating segments are aggregated into three divisions, which are the Group's reportable segments, based on similar nature of products and services and mid- to long-term structural growth drivers. When aggregating operating segments into the three divisions we have applied judgement over the similarities of the services provided, the customer-base and the mid- to long-term structural growth drivers. The costs of the corporate head office and other costs which are not controlled by the three divisions are allocated appropriately. A description of the activity in each division is given in the Operating Review by Division.

2. Operating segments *(continued)*

The results of the divisions are shown below:

Six months to 30 June 2022	Revenue from external customers £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately disclosed items £m	Operating profit £m
Products	951.0	(55.0)	183.2	(16.8)	166.4
Trade	299.6	(21.2)	22.7	(1.4)	21.3
Resources	241.1	(11.0)	11.4	(2.1)	9.3
Total	**1,491.7**	**(87.2)**	**217.3**	**(20.3)**	**197.0**
Group operating profit			**217.3**	**(20.3)**	**197.0**
Net financing costs			(13.8)	(0.4)	(14.2)
Profit before income tax			**203.5**	**(20.7)**	**182.8**
Income tax (expense)/credit			(54.3)	3.1	(51.2)
Profit for the year			**149.2**	**(17.6)**	**131.6**

Six months to 30 June 2021	Revenue from external customers £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately disclosed items £m	Operating profit £m
Products	819.5	(50.7)	170.9	(13.5)	157.4
Trade	278.2	(21.4)	20.1	(0.6)	19.5
Resources	219.9	(10.0)	10.7	(3.1)	7.6
Total	1,317.6	(82.1)	201.7	(17.2)	184.5
Group operating profit			201.7	(17.2)	184.5
Net financing costs			(15.4)	-	(15.4)
Profit before income tax			186.3	(17.2)	169.1
Income tax (expense)/credit			(49.4)	5.4	(44.0)
Profit for the year			136.9	(11.8)	125.1

3. Separately Disclosed Items (SDIs)

		Six months to 30 June 2022 £m	Six months to 30 June 2021 £m
Operating costs			
Amortisation of acquisition intangibles	(a)	**(16.5)**	(13.3)
Acquisition and integration costs	(b)	**(3.8)**	(3.9)
Total operating costs		**(20.3)**	(17.2)
Net financing costs	(c)	**(0.4)**	-
Total before income tax		**(20.7)**	(17.2)
Income tax credit on Separately Disclosed Items	(d)	**3.1**	5.4
Total		**(17.6)**	(11.8)

Refer to Presentation of Results section for further details on SDIs.

(a) The amortisation of acquisition intangibles relates to customer relationships, trade names, technology and non-compete covenants acquired.
(b) Acquisition and integration costs relating to acquisition activity in the period and integration of prior period acquisitions were £3.8m (H1 21: £3.9m).
(c) Net financing costs of £0.4 (H1 21: £nil) relates to interest paid on tax for acquired entities.
(d) Income tax credit on SDIs totalled £3.1m (H1 21: £5.4m) mainly relating to amortisation of intangible assets.

4. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period in respect of the adjusted results. The income tax expense for adjusted results for the six months ended 30 June 2022 is £54.3m (H1 21: £49.4m). The Group's adjusted consolidated effective tax rate for the six months ended 30 June 2022 is 26.7% (H1 21: 26.5%). The income tax expense for the total results for the six months ended 30 June 2022 is £51.2m (H1 21: £44.0m). The Group's consolidated effective tax rate for the six months ended 30 June 2022 is 28.0% (H1 21: 26.0%). The increase is mainly driven by a one-off prior year adjustment debit to intangible and goodwill deferred tax position at H1 22.

Differences between the estimated adjusted effective rate of 26.7% and the weighted average notional statutory UK rate of 19.0% include, but are not limited to, the mix of profits, the effect of tax rates in foreign jurisdictions, non-deductible expenses, movement in the provision for uncertain tax positions, withholding tax on intra-group dividends, tax exempt income and under/over provisions in previous periods.

5. Earnings per share (EPS)

	Six months to 30 June 2022 £m	Six months to 30 June 2021 £m
Based on the profit for the period:		
Profit attributable to ordinary shareholders	**122.4**	114.9
Separately Disclosed Items after tax (note 3)	**17.6**	11.8
Adjusted earnings	**140.0**	126.7
Number of shares (millions):		
Basic weighted average number of ordinary shares	**161.2**	161.2
Potentially dilutive share awards	**0.6**	0.8
Diluted weighted average number of shares	**161.8**	162.0
Basic earnings per share	**75.9p**	71.3p
Potentially dilutive share awards	**(0.3p)**	(0.4p)
Diluted earnings per share	**75.6p**	70.9p
Adjusted basic earnings per share	**86.8p**	78.6p
Potentially dilutive share awards	**(0.3p)**	(0.4p)
Adjusted diluted earnings per share	**86.5p**	78.2p

6. Pension schemes

During the period, the Group made a special contribution of £2.0m (H1 21: £2.0m) into The Intertek Pension Scheme in line with a Minimum Funding Requirement agreement.

The Group obtained updated actuarial valuations to 31 May 2022, the asset and liability values have been reviewed and have not moved materially in the month to 30 June 2022. A net actuarial gain before taxation of £15.7m (H1 21: £10.1m) has been recognised in the consolidated statement of comprehensive income. The net pension asset stands at £19.2m for the UK pension scheme (31 December 2021: £5.4m) and a net pension liability of £1.3m for the Swiss pension scheme as at 30 June 2022 (31 December 2021: £4.0m).

7. Analysis of net debt

	30 June 2022 £m	30 June 2021 £m	31 December 2021 £m
Cash and cash equivalents per the Statement of Financial Position	**257.6**	197.2	265.9
Overdrafts	**(15.6)**	(3.4)	(1.9)
Cash per the Statement of Cash Flows	**242.0**	193.8	264.0

The components of net debt are outlined below:

	1 January 2022 £m	Cash flow £m	Non-cash adjustments £m	Exchange adjustments £m	30 June 2022 £m
Cash	264.0	(34.6)	-	12.6	**242.0**
Borrowings:					
Revolving credit facility US$850m 2027	(65.9)	10.9	-	(2.2)	**(57.2)**
Senior notes US$140m 2022	(103.8)	103.0	-	0.8	-
Acquisition facility ‘B’ AU$264.1m 2022	(141.9)	143.6	-	(1.7)	-
Acquisition facility ‘B’ US$290.7m 2022	(215.5)	218.2	-	(2.7)	-
Senior notes US$160m 2023	(118.6)	-	-	(12.0)	**(130.6)**
Acquisition facility ‘A’ AU$88.0m 2023	(47.3)	-	-	(2.6)	**(49.9)**
Acquisition facility ‘A’ US$96.9m 2023	(72.0)	-	-	(7.6)	**(79.6)**
Senior notes US$125m 2024	(92.7)	-	-	(9.9)	**(102.6)**
Senior notes US$120m 2025	(88.8)	-	-	(9.6)	**(98.4)**
Senior notes US$75m 2026	(55.5)	-	-	(6.0)	**(61.5)**
Senior notes US$150m 2027	-	(109.4)	-	(13.7)	**(123.1)**
Senior notes US$165m 2028	-	(123.8)	-	(11.6)	**(135.4)**
Senior notes US$165m 2029	-	(123.8)	-	(11.6)	**(135.4)**
Senior notes US$160m 2030	-	(120.1)	-	(11.2)	**(131.3)**
Other*	4.7	-	(0.8)	-	**3.9**
Total borrowings	(997.3)	(1.4)	(0.8)	(101.6)	**(1,101.1)**
Total financial net debt	(733.3)	(36.0)	(0.8)	(89.0)	**(859.1)**
Lease liability	(292.3)	38.8	(58.5)	(19.9)	**(331.9)**
Total net debt	(1,025.6)	2.8	(59.3)	(108.9)	**(1,191.0)**

*Other borrowings include other uncommitted borrowings of £0.8m (1 Jan 2022: £0.8m) and facility fees of £4.7m (1 Jan 2022: £5.5m).

Total undrawn committed borrowing facilities as at 30 June 2022 were £640.4m (31 December 2021: £564.2m).

7. Analysis of net debt *(continued)*

	30 June 2022 £m	30 June 2021 £m	31 December 2021 £m
Borrowings due in less than one year	**32.0**	110.9	460.1
Borrowings due in one to two years	**312.8**	28.1	236.4
Borrowings due in two to five years	**354.4**	435.7	235.3
Borrowings due in over five years	**401.9**	54.0	65.5
Total borrowings	**1,101.1**	628.7	997.3

Key Facilities

The Group has a US$850m multi-currency revolving facility which is the Group's principal facility. Drawings under the facility as at the 30 June 2022 were £57.2m.

In December 2021 the Group issued US$640m of senior notes that were drawn in the first half of 2022. The drawings were used to repay both a US$140m senior note that matured on the 18 January 2022 and Facility 'B' of the US$692m multi-currency acquisition facility, that consisted of AU$264.1m and US$290.7m, and was settled on 1 March 2022.

Further details of the Group's borrowing facilities were disclosed in note 14 to the 2021 Annual Report.

Fair Values

The carrying value of interest-bearing loans and borrowings is £1,101.1m. The fair value, based on the present value of the future principal and interest cash flows discounted at the market rate at reporting date, was £1,013.5m. The carrying values of trade and other payables are considered approximate to their fair values.

The carrying value of derivative assets/liabilities (namely foreign currency forwards) is equal to their fair value. The fair value of foreign currency forwards is estimated using present value of future cash flows based on the forward exchange rates at the balance sheet date. Derivative liabilities of £0.2m are included within trade and other payables (H1 21: £0.2m derivative assets included within trade and other receivables).

The fair value of cash and cash equivalents is based on the sterling equivalent value of the Group's cash balances at the market rate, which at reporting date was £242.0m. There is no material difference between the carrying values of trade and other receivables and their fair values, due to their short-term duration. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers who are internationally dispersed.

8. Acquisition of new businesses

(a) Acquisitions

The Group completed no acquisitions in the first six months of 2022 (H1 21: none).

(b) Details of 2021 acquisitions

The Group completed three acquisitions in 2021. Further details of these acquisitions can be found in note 10 of the 2021 Annual Report. The provisional fair value adjustments disclosed in note 10 to the 2021 Annual Report have been updated resulting in an increase in goodwill of £1.1m which includes a decrease in deferred tax liability of £1.9m.

8. Acquisition of new businesses *(continued)*

(c) Impairment
Goodwill generated from past acquisitions has been tested annually as required by accounting standards. No impairment triggers were identified during the period and as such no impairment charge was recorded (H1 21: £nil).

(d) Reconciliation of Goodwill

	£m
Goodwill at 1 January 2022	1,241.4
Additions	-
Fair value adjustments	1.1
Foreign exchange	96.2
Goodwill at 30 June 2022	**1,338.7**

9. Property, plant, equipment and computer software

(a) Property, plant, equipment additions
During the six months ended 30 June 2022, the Group acquired property, plant and equipment with a cost of £33.7m (H1 21: £31.2m; year ended 31 December 2021: £77.6m).

During the six months ended 30 June 2022, the Group did not acquire property, plant and equipment through business combinations (H1 21: £nil; year ended 31 December 2021: £6.1m). At 30 June 2022, the IFRS 16 right of use asset is £303.9m (H1 21: £243.7m; year ended 31 December 2021: £266.8m).

(b) Computer software additions
During the six months ended 30 June 2022, the Group acquired computer software with a cost of £7.4m (H1 21: £8.8m; year ended 31 December 2021: £19.4m). During the six months ended 30 June 2022, the Group did not acquire computer software through business combinations (H1 21: £nil; year ended 31 December 2021: £5.7m).

(c) Capital Commitments
Contracts for capital expenditure which are not provided in these accounts amounted to £16.3m (H1 21: £17.6m).

10. Related parties
There are no material changes in related parties or in related party transactions from those described in the 2021 Annual Report.

11. Subsequent events
In June 2022 the Group signed an agreement to acquire Clean Energy Associates, with the transaction expected to complete in August 2022 subject to successful satisfaction of closing conditions.

12. Approval
The Condensed Consolidated Interim Financial Statements were approved by the Board on 28 July 2022.