2023 HALF YEAR RESULTS ANNOUNCEMENT

28 July 2023

Revenue Growth Acceleration, Margin Progression and Higher ROIC

- Revenue of £1,640.0m, +8.3% at constant rates and +9.9% at actual rates
- LFL revenue growth of +7.1% at constant rates, highest LFL revenue growth in the last 10 years
- JLA, SAI and CEA acquisitions performing well, and Controle Analitico integration on track
- Adjusted operating profit of £245.4m, +13.3% at constant rates and +12.9% at actual rates
- Adjusted operating margin of 15.0%, +70bps at constant rates and +40bps at actual rates
- Adjusted diluted EPS of 95.2p, +10.6% at constant rates and +10.1% at actual rates
- Daily cash discipline drives strong growth in operating cash flow of 13.6%
- Robust adjusted free cash flow of £79.6m and a strong balance sheet with 1.1x net debt to EBITDA
- ROIC of 19.3%, +120bps year on year at constant rates and +260bps at actual rates
- Interim dividend of 37.7p, +10.1% year on year, providing sustainable returns to our shareholders
- Cost reduction programme targeting higher annualised savings of c£19m with £7-8m expected in 2023
- Enhanced segmental disclosure to provide a deeper understanding of our ATIC structural growth drivers
- 2023 outlook: Mid-single digit LFL revenue growth, margin progression and strong free cash flow
- AAA Growth Strategy in place to unlock the significant value growth opportunity ahead

André Lacroix: Chief Executive Officer Statement

"I would like to recognise my colleagues at Intertek for having delivered a robust financial performance in the first half with LFL revenue growth acceleration, margin progression, and a higher ROIC. Our LFL revenue growth momentum is accelerating, given the higher demand for our ATIC solutions and we have delivered the highest LFL revenue growth in the last 10 years with 7.1% at constant rates based on LFL revenue growth in China of 7.3% and outside of China of 7.0%. We have made progress on margin which was up YoY by 70bps at constant rates, as we benefitted from our pricing and productivity initiatives. Our free cash flow was robust, driven by our daily cash discipline with operating cash flow up 13.6%, resulting in a strong balance sheet with a net debt to EBITDA of 1.1x. I am pleased that we have announced this morning a 10.1% increase in the interim dividend.

We expect to deliver a robust performance in 2023, given the increased demand for our ATIC solutions, the strengths of our portfolio, our superior ATIC customer service, our productivity and cost initiatives, as well as our daily cash flow discipline. We expect the Group will deliver mid-single digit LFL revenue growth at constant currency, with margin progression year on year, and a strong free cash flow performance.

Our clients are increasing their focus on Risk-based Quality Assurance to operate with higher standards on quality, safety and sustainability in each part of their value chain, triggering a higher demand for our ATIC solutions which are powered by our Science-based Customer Excellence ATIC advantage. We have made significant progress on our portfolio which is poised for faster growth given that all of our business lines are expected to benefit from attractive structural growth.

At our Capital Markets event in London in May, we unveiled our Intertek 30 AAA Growth Strategy to capitalise on the best-in-class operating platform we have built and target the areas where we have opportunities to get better. Our passionate, innovative, and customer-centric organisation is laser-focussed to take Intertek to greater heights putting our AAA growth strategy in action and deliver sustainable growth and value for all stakeholders. We are targeting mid-single digit LFL revenue growth, margin accretion to go back to our 17.5% peak margin and beyond, and strong cash generation, while pursuing disciplined investments in attractive growth and margin sectors.

We operate a differentiated, high-quality growth business with excellent fundamentals and intrinsic defensive characteristics, giving our customers the Intertek Science-based ATIC advantage to strengthen their businesses. Our leading ATIC solutions are mission-critical for the world to operate safely and the growth in our end-markets is accelerating. The implementation of our Intertek 30 AAA Growth Strategy will capitalise on our high-quality earnings and cash compounder model to unlock the significant value growth opportunity ahead"

Key Adjusted Financials	2023 H1	2022 H1	Change at actual rates	Change at constant rates[1]
Revenue	£1,640.0m	£1,491.7m	9.9%	8.3%
Like-for-like revenue[2]	£1,621.7m	£1,491.7m	8.7%	7.1%
Operating profit[3]	£245.4m	£217.3m	12.9%	13.3%
Operating margin[3]	15.0%	14.6%	40bps	70bps
Profit before tax[3]	£223.2m	£203.5m	9.7%	10.4%
Diluted earnings per share[3]	95.2p	86.5p	10.1%	10.6%
Interim dividend per share	37.7p	34.2p	10.1%	
Cash generated from operations[3]	£270.5m	£238.1m	13.6%	
Free cash flow[3]	£79.6m	£95.8m	(16.9%)	
Financial net debt[4]	£791.3m	£859.1m	(7.9%)	
Financial net debt / EBITDA[3, 4]	1.1x	1.3x		
ROIC (rolling 12 months)	19.3%	16.8%	260bps	120bps

Key Statutory Financials	2023 H1	2022 H1	Change at actual rates
Revenue	£1,640.0m	£1,491.7m	9.9%
Operating profit	£215.0m	£197.0m	9.1%
Operating margin	13.1%	13.2%	(10bps)
Profit before tax	£191.7m	£182.8m	4.9%
Profit after tax	£142.3m	£131.6m	8.1%
Diluted earnings per share	80.4p	75.6p	6.3%
Cash generated from operations	£261.6m	£234.1m	11.7%

[1] Constant rates are calculated by translating H1 22 results at H1 23 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 20.

[4] Financial net debt excludes the IFRS 16 lease liability of £298.2m. Total net debt is £1,089.5m. Reflects prior 12 months' EBITDA for relevant period. See note 7 on page 38.

The Directors have approved an interim dividend of 37.7p per share (H1 22: 34.2p) to be paid on 6 October 2023 to shareholders on the register at close of business on 15 September 2023.

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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

I would like to recognise my colleagues at Intertek for having delivered a robust financial performance in the first half with LFL revenue growth acceleration, margin progression, and a higher ROIC confirming the significant value growth opportunity ahead. Our LFL revenue growth momentum is accelerating, given the higher demand for our ATIC solutions and we have delivered the highest LFL revenue growth in the last 10 years with 7.1% at constant rates based on LFL revenue growth in China of 7.3% and outside of China of 7.0%. We have made progress on margin which was up YoY by 70bps at constant rates, as we benefitted from our pricing and productivity initiatives. Our free cash flow was robust driven by our daily cash discipline delivering an operating cash flow growth of 13.6%, resulting in a strong balance sheet with a net debt to EBITDA of 1.1x. I am pleased that we have announced this morning a 10.1% increase in the interim dividend.

The SAI, JLA and CEA acquisitions that we made to scale up our portfolio in attractive growth and margin sectors are performing well, in line with our expectations. Moreover, the integration of our recent acquisition, Controle Analítico, is making good progress.

We expect to deliver a robust performance in 2023, given the increased demand for our ATIC solutions, the strengths of our portfolio, our superior customer service, our productivity and cost initiatives, as well as our daily cash flow discipline. We expect the Group will deliver mid-single digit LFL revenue growth at constant currency, with margin progression year on year, and a strong free cash flow performance.

We announced a cost reduction programme in March that targets productivity opportunities based on operational streamlining and technology upgrade initiatives to deliver c. £6-7m savings in 2023 with £15m annualised savings when the programme is complete.

The execution of cost reduction programme is on track, and we saw a resultant 10bps margin improvement in H1 23.

In H1 we have also identified additional restructuring opportunities which should deliver an annualised savings of £4m and c. £1m in 2023.

In total, the 2022 and 2023 cost reduction programme should deliver annual savings of £19m, and we expect savings of £7-8m in 2023 of which £1.7m is delivered in H1**.** The total restructuring cost of the programme is £37m.

Strong Value Delivered

A few years ago, we took the decision to reinvent ourselves, making Assurance, Testing, Inspection and Certification, or ATIC, our Customer Promise. We rebranded the Company in 2017 and positioned Intertek as Total Quality. Assured.

Our strategic goal with ATIC was to provide a better-quality Assurance customer service, given how much global trade had changed in the last 50 years. Today, companies operate in a truly global market, running complex global multi-sourcing and manufacturing operations, pursuing an omni-channel approach, when distributing their products and services globally and locally.

In 2016 we were ahead of our time and today our clients agree that our industry has changed and is now all about Risk-Based Quality Assurance powered by ATIC. Indeed, all the quality, safety and supply issues companies have faced pre and during Covid have convinced Boards and executive teams to increase their focus on systemic risk management across their value chains.

Assurance provides the independent end-to-end data on where the quality, safety and sustainability risks are in the entire value chain of any company, while Testing, Inspection and Certification provide the critical independent quality controls in the high-risk areas of the entire value chain.

We have made strong progress between 2014 and 2022 and have delivered sustainable growth in revenue, profit, margin and dividend while operating with a robust balance sheet and delivering strong returns.

Intertek 2014-2022 Value Delivery:

Metric[1]	2014[2]	2022	Change
Revenue	£2,093m	£3,193m	53%
EBITDA	£400.9m	£700.6m	75%
Operating profit	£324.6m	£520.1m	60%
Operating margin	15.5%	16.3%	80bps
Diluted earnings per share	132.1p	211.1p	60%
Dividend	49.1p	105.8p	115%
WC as % Revenue	9.3%	(1.5%)	(10.8ppts)
Free cash flow	£202m	£386m	91%
ROIC	16.3%	18.0%	170bps
Net debt/EBITDA	1.6x	1.1x	(0.5x)

Note (1): On an adjusted basis, (2) 2014 metrics are on an IAS17 basis

Faster Global Growth for ATIC Solutions

Our industry has always benefitted from attractive growth drivers and in a post-Covid world everyone wants to build an ever-better world. Based on our research, corporations will invest more in quality, safety, and sustainability, accelerating the demand for our ATIC industry-leading solutions.

Indeed, our customer research shows these attractive structural growth drivers will be augmented by:

- An increase in new clients
- Higher investments in safer supply
- Higher investments in innovation
- A step change in sustainability
- Higher growth in the World of Energy

We are seeing significant growth in the number of companies globally given the lower barriers to entry for any brand with e-commerce capabilities. The lack of Quality Assurance expertise of these young companies is excellent news for our Global Market Access solutions. Our decentralised Customer 1st organisation has a strong track record of winning new clients.

Covid has been a catalyst for many corporations to improve the resilience of their supply chains. We are seeing a significant change of focus within our clients on how they manage their value chains with:

- 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 strategy with tier 1/2/3 suppliers
- A more diversified portfolio strategy regarding factories
- Investments in processes, technology, training, and independent assurance

Our superior Assurance offering means we are well positioned to help our clients reduce the intrinsic risks in their operations.

Our clients have also realised that they need to invest more in product and service innovation to meet the changing needs of their customers. A recent survey by Gartner shows that 60% of R&D leaders expect to increase their R&D investments in 2023. These investments in innovation mean a higher number of SKUs and a higher number of tests per SKUs – which will be beneficial for our Testing and Certification solutions.

The other major area of investment inside corporations is of course sustainability and we are seeing positive momentum with new and emerging regulation. This means companies will have to re-invent the way they manage their sustainability agenda with a greater emphasis on independently verified non-financial disclosures. This is excellent news for our industry leading Total Sustainability Assurance solutions. Sustainability is the movement of our time.

The growth opportunities in the World of Energy are truly exciting as the energy companies are planning higher investments. In 2022, we all witnessed the concerns reflecting energy security, and everyone agrees that global energy production capacity is an issue that needs to be addressed quickly to meet the growing demand for energy today. Given the under-investments in traditional O&G exploration and production in the last decade and the lack of scale for Renewables, investment for production in traditional O&G and in Renewables will increase. This is excellent news for our Caleb Brett and Moody businesses.

Intertek 30 AAA Growth Strategy

At our Capital Markets event in London on 3rd and 4th May, we unveiled our Intertek 30 AAA Growth Strategy to capitalise on the best-in-class operating platform we have built and target the areas where we have opportunities to get better. Our passionate, innovative, and customer-centric organisation is energised to take Intertek to greater heights delivering AAA performance for all stakeholders. We are focussed on delivering value consistently, targeting mid-single digit LFL revenue growth, margin accretion to go back to our 17.5% peak margin and beyond, and strong cash generation, while pursuing disciplined investments in attractive growth and margin sectors.

We have made strong progress between 2014 and 2022 delivering sustainable growth and value for our stakeholders and we are very excited about the significant growth value opportunity ahead, capitalising on our Science-based Customer Excellence TQA advantage.

Our clients understand the mission-critical nature of risk-based quality assurance to make their businesses stronger operating with higher quality, safety and sustainability standards. Therefore, we expect the demand for our ATIC solutions to grow faster post-Covid.

Our Intertek 30 AAA Growth Strategy is about being the best and creating significant value for every stakeholder every day.

We want to be the most trusted TQA partner for our customers, the employer of choice with our employees, to demonstrate sustainability excellence everywhere in our community and deliver significant growth and value for our shareholders.

To seize the significant growth value opportunity ahead we will be laser-focussed on three strategic priorities and three strategic enablers. Our Strategic Priorities are defined as Science-based Customer Excellence TQA, Brand Push & Pull and Winning Innovations, and our three strategic enablers are based on 10X Purpose-based Engagement, Sustainability Excellence and Margin Accretive Investments. We will both further improve where we are already strong and address the areas where we can get better.

Our high-quality portfolio is poised for faster growth:

- The depth and breadth of our ATIC solutions positions us well to seize the increased corporate needs for Risk-based Quality Assurance

- All of our global business lines have plans in place to seize the exciting growth drivers in each of our divisions

- At the local level, our country-business mix is strong, with the majority of our revenues exposed to fast growth segments

- Geographically we have the right exposure to the structural growth opportunities across our global markets

We are improving our segmental disclosures to provide a deeper understanding of our ATIC growth drivers in our businesses and we now report revenue, operating profit and margin in five divisions:

- Consumer Products
- Corporate Assurance
- Health and Safety
- Industry and Infrastructure
- World of Energy

Mid-Single Digit LFL Revenue Growth Target in the Medium to Long Term

In terms of LFL revenue growth in the medium to long term, we are targeting Group mid-single digit LFL revenue growth at CCY with the following expectations by division:

- Low- to mid-Single digit in Consumer Products
- High-single digit to double digit in Corporate Assurance
- Mid- to high-single digit in Health and Safety
- Mid- to high-single digit in Industry and Infrastructure
- Low- to mid-single digit in the World of Energy

Margin Back to 17.5% Peak and Beyond

Margin accretive revenue growth is central to the way we deliver value, and we are confident that over time we will return to our 17.5% peak margin performance and go beyond from there. Our confidence is based on three simple reasons: we have the proven tools and processes in place, we operate with a span of performance, and we pursue a disciplined accretive portfolio strategy.

Sustainability is the Movement of Our Time

Sustainability is the movement of our time and is central to everything we do at Intertek, anchored in our Purpose, our Vision, our Values and our Strategy.

Sustainability is important to all stakeholders in society who are consistently demanding faster progress and greater transparency in sustainability reporting. Companies everywhere therefore continuously need to upgrade and reinvent how they manage their sustainability agenda, particularly with regard to how they disclose their performance.

This is why, under our global Total Sustainability Assurance (TSA) programme, we provide our clients with proven independent, systemic and end-to-end assurance on all aspects of their sustainability strategies, activities and operations.

The TSA programme comprises three elements:

- Intertek Operational Sustainability Solutions
- Intertek ESG Assurance
- Intertek Corporate Sustainability Certification

For ourselves at Intertek, we focus on 10 highly demanding TSA sustainability standards which are truly end-to-end and systemic.

You can read in detail about our sustainability results in our 2022 Sustainability Report, which included:

- Continuous progress on Health and Safety with a reduction of 7bps in our Total Recordable Incident Rate vs 2021.

- Since 2015, we have used the Net Promoter Score ('NPS') process to listen to our customers that has enabled us to improve our customer service over the years consistently.

- We are driving environmental performance across our operations through new science-based reduction targets to 2030 as well as site-by-site action plans. Our rigorous monthly performance management of our net zero plans against emission reduction targets has delivered total CO_2e emissions (market-based) reductions of 7.8% vs 2021.

- 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 2022 score was 80.

- Our voluntary permanent employee turnover was at a low rate of 14%.

AAA Intertek Virtuous Economics

To deliver sustainable growth and value we will stay focussed on our AAA Intertek Virtuous Economics based on the compounding effect year after year of mid-single digit LFL revenue growth, margin accretive revenue growth, strong free cash-flow and disciplined investments in high growth and high margin sectors.

We believe in the value of accretive disciplined capital allocation and pursue the following priorities:

- Our first priority is to support organic growth through capital expenditure and investments in working capital (target c 5% of revenue in capex).

- The second priority is to deliver sustainable returns for our shareholders through the payment of progressive dividends and we target a pay-out ratio of circa 50%.

- The third priority is to pursue M&A activities that strengthen our portfolio in attractive growth and margin areas, provided we can deliver good returns.

- And our fourth priority is to maintain an efficient balance sheet with flexibility to invest in growth. Our leverage target is 1.3x – 1.8x net debt to EBITDA with the potential to return excess capital to shareholders subject to our future requirements and prevailing macro environment.

2023 Outlook

We continue to expect the Group will deliver mid-single digit LFL revenue growth at constant currency, with margin progression year-on-year and a strong free cash flow performance.

Our mid-single digit LFL revenue growth at constant currency will be driven by the following contribution from our divisions:

- Consumer Products: Low-single digit
- Corporate Assurance: High single-digit
- Health and Safety: Mid-single digit

- Industry and Infrastructure: High-single digit
- World of Energy: High-single digit

Our financial guidance for 2023 is that we expect:

- Capital expenditure in the range of £115-125m
- Net Finance costs in the £40-42m range
- Effective Tax Rate in the 25.5%-26.5% range
- Minority interests of between £22-23m
- FY23 financial net debt to be in the range of £630-680m

Sterling has strengthened in the last few months, and we are updating our FY forex guidance. The last four months' average Sterling at the end of June would reduce our FY revenue by 250bps and FY Earnings by 400bps.

Significant Value Growth Opportunity Ahead

We have made strong progress in the last eight years and equally, the value growth opportunity ahead is significant.

The demand for our strong and differentiated ATIC value proposition is accelerating.

Our Science-based Customer Excellence TQA advantage and our stronger portfolio at the global and local level positions us well for faster growth.

Our Intertek 30 AAA Growth Strategy will capitalise on the best-in-class operating platform we have built and target the areas where we have opportunities to get better.

Our passionate, agile, and high-performance organisation is energised to take Intertek to greater heights delivering AAA performance for all stakeholders.

We will deliver value consistently, targeting mid-single digit LFL revenue growth at CCY, margin accretion, and strong cash generation, while pursuing disciplined investments in attractive growth and margin ATIC spaces.

André Lacroix
Chief Executive Officer

Operating Review

For the six months ended 30 June 2023

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 23 £m	H1 22 £m	Change at actual rates	Change at constant rates[1]
Revenue	1,640.0	1,491.7	9.9%	8.3%
Like-for-like revenue[2]	1,621.7	1,491.7	8.7%	7.1%
Adjusted operating profit[3]	245.4	217.3	12.9%	13.3%
Margin[3]	15.0%	14.6%	40bps	70bps
Net financing costs[3]	(22.2)	(13.8)	60.9%	56.2%
Income tax expense[3]	(56.8)	(54.3)	4.6%	5.4%
Adjusted earnings for the period[3]	166.4	149.2	11.5%	12.2%
Adjusted diluted earnings per share[3]	95.2p	86.5p	10.1%	10.6%

1. Constant rates are calculated by translating H1 22 results at H1 23 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 35.

Total reported Group revenue increased by 9.9%, a LFL revenue increase of 8.7% at actual rates.

The Group's LFL revenue at constant rates of 7.1% reflected an increase of 1.1% in Consumer Products, 12.5% in Corporate Assurance, 6.5% in Health and Safety, 10.5% in Industry and Infrastructure and 8.4% in World of Energy.

We delivered adjusted operating profit of £245.4m, +13.3% at constant rates and +12.9% at actual rates.

The Group's adjusted operating margin was 15.0%, an increase of 70bps compared to the prior year at constant exchange rates. Margin increased in Products by 90bps and by 310bps in Resources and decreased by 110bps in Trade.

The Group's statutory operating profit after SDIs for the period was £215.0m (H1 22: £197.0m) and margin was 13.1% (H1 22: 13.2%).

Net Financing Costs

Adjusted net financing costs were £22.2m (H1 22: £13.8m), comprising £1.7m (H1 22: £0.8m) of finance income and £23.9m (H1 21: £14.6m) of finance expense. Statutory net financing costs of £23.3m (H1 22: £14.2m) included £1.1m expense (H1 22: £0.4m) relating to SDIs.

Tax

The adjusted effective tax rate was 25.5%, a decrease of 1.2% on the prior year (H1 22: 26.7%, FY 22: 26.3%). The tax charge, including the impact of SDIs, of £49.4m (H1 22: £51.2m), equates to an effective rate of 25.8% (H1 22: 28.0%, FY 22: 26.9%).

Earnings Per Share

Adjusted diluted earnings per share at actual exchange rates was 10.1% higher at 95.2p. Diluted earnings per share after SDIs was 80.4p (H1 22: 75.6p) per share and basic earnings per share after SDIs was 80.8p (H1 22: 75.9p).

Dividend

The Board has approved an interim dividend of 37.7p per share, which is an increase of 10.1% compared to the prior year (H1 22: 34.2p), reflecting growth in adjusted diluted earnings per share. The dividend will be paid on 6 October 2023 to shareholders on the register on 15 September 2023.

Investments

The Group invested £51.4m (H1 22: £41.1m) of organic net capital investment in laboratory expansions, new technologies and equipment to expand our market coverage and develop innovative ATIC solutions. The Group acquired Controle Analítico Análises Técnicas Ltda (Controle Analítico), a leading provider of environmental analysis, with a focus on water testing, based in Brazil, for a purchase price of £19.1m. Purchase consideration net of cash acquired was £18.5m. The purchase price includes cash consideration of £15.4m and further contingent consideration payable of £3.7m. 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 £79.6m (H1 22: £95.8m), driven by strong cash conversion, the result of disciplined working capital management. Adjusted cash generated from operations was £270.5m (H1 22: £238.1m). Statutory cash generated from operations was £261.6m (H1 22: £234.1m).

Financial Position

The Group ended the period in a strong financial position. Financial net debt was £791.3m (FY 22: £737.9m), our net debt to EBITDA ratio is 1.1 (H1 22: 1.3x) and our weighted average interest rate is 2.9% (H1 22: 2.7%). The undrawn headroom on the Group's existing committed borrowing facilities at 30 June 2023 was £620.0m (FY 22: £707.3m).

Operating Review by Division

To reflect the value creation drivers identified in the Intertek 30 AAA Growth Strategy, we have enhanced our segmental disclosures and are reporting our revenue, operating profit and margin in five divisions: Consumer Products, Corporate Assurance, Health and Safety, Industry and Infrastructure and World of Energy.

	Revenue				Adjusted operating profit			
	H1 2023 £m	H1 2022 £m	Change at actual rates	Change at constant rates	H1 2023 £m	H1 2022 £m	Change at actual rates	Change at constant rates
Consumer Products	**467.9**	462.9	1.1%	1.1%	**116.8**	123.7	(5.6%)	(4.3%)
Corporate Assurance	**231.8**	204.2	13.5%	12.5%	**48.2**	36.3	32.8%	31.7%
Health and Safety	**156.7**	142.4	10.0%	7.9%	**16.5**	16.4	0.6%	1.2%
Industry and Infrastructure	**427.0**	375.2	13.8%	10.5%	**37.3**	26.4	41.3%	36.1%
World of Energy	**356.6**	307.0	16.2%	13.5%	**26.6**	14.5	83.4%	87.3%
Group	**1,640.0**	1,491.7	9.9%	8.3%	**245.4**	217.3	12.9%	13.3%

	Revenue				LFL Revenue				Adjusted operating profit				Adjusted operating margin			
	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)
Product	1,023.0	951.0	7.6%	5.9%	1,023.0	951.0	7.6%	5.9%	203.5	183.2	11.1%	10.8%	19.9%	19.3%	60bps	90bps
Trade	325.7	299.6	8.7%	6.9%	323.6	299.6	8.0%	6.2%	19.1	22.7	(15.9%)	(10.7%)	5.9%	7.6%	(170bps)	(110bps)
Resources	291.3	241.1	20.8%	19.3%	275.1	241.1	14.1%	12.7%	22.8	11.4	100.0%	98.3%	7.8%	4.7%	310bps	310bps
Group	1,640.0	1,491.7	9.9%	8.3%	1,621.7	1,491.7	8.7%	7.1%	245.4	217.3	12.9%	13.3%	15.0%	14.6%	40bps	70bps

Consumer Products Division

	H1 2023 £m	H1 2022 £m	Change at actual rates	Change at constant rates
Revenue	**467.9**	462.9	1.1%	1.1%
Like-for-like revenue	**467.9**	462.9	1.1%	1.1%
Adjusted operating profit	**116.8**	123.7	(5.6%)	(4.3%)
Adjusted operating margin	**25.0%**	26.7%	(170bps)	(140bps)

Intertek Value Proposition

Our Consumer Products division focuses on the ATIC solutions we offer to our clients to develop and sell better, safer, and more sustainable products to their own clients. This division was 30% of our revenue in 2022 and includes the following business lines: Softlines, Hardlines, Electrical/Connected World and Government and Trade Services.

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, and healthcare.

Strategy

Our TQA Value Proposition provides a systemic approach to support the Quality Assurance efforts of our Consumer 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, as well as the import of goods in their markets, based on acceptable quality and safety standards. Ultimately, we assist them in getting their products to market quickly and safely, to continually meet evolving consumer demands.

Innovations

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

- 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.

- Another innovative launch is designed to help retailers and brands of soft goods, hard goods and personal protective equipment to understand and comply with the different regulations in force in different markets across the world. This is **Global Market Access,** a one-stop digital knowledge portal, developed with the aim of increasing compliance for improved consumer safety and protecting corporate reputations in today's interconnected world.

- **Intertek Hydrogen** provides total end-to-end quality, safety and sustainability assurance across the entire hydrogen value chain, from the early stages of project feasibility & product design, hydrogen production, delivery and storage to end-use product compliance and certification. Intertek's Electrical business provides comprehensive testing and certification of, amongst others, hydrogen re-fueling stations, hydrogen fuel components and systems, including Dispensing systems, Compression systems.

H1 2023 Performance

In H1 23, our Consumer Products-related business delivered a revenue of £467.9m, up year on year by 1.1% at CCY and actual rates. We delivered an operating profit of £116.8m, down 4.3% year on year at CCY and down 5.6% year on year at actual rates resulting in a margin of 25.0%, down 140bps year on year at CCY due to the revenue decline within GTS, and the low-single digit LFL performance in Softlines and Hardlines.

- Our Softlines business delivered low-single digit LFL revenue growth benefitting from growth in e-commerce, growth in Risk-based Quality Assurance and increased investments in end-to-end sustainability.
- Hardlines reported low-single digit LFL revenue growth 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 medical devices and 5G investments, our Electrical & Connected World business delivered mid-single digit LFL revenue growth.
- 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 double-digit negative LFL revenue globally as the growth in supply chain activities of our clients in the Middle East and Africa was offset by the non-renewal of two contracts last year.

Full Year Growth Outlook

In 2023, we expect our Consumer Products division to deliver low single digit LFL revenue growth at constant currency.

Mid- to Long-Term Growth Outlook

Our Consumer Products division will benefit from growth in new brands, SKUs & ecommerce, increased regulation, a greater focus on sustainability, technology, as well as a growing middle class.

Corporate Assurance Division

	H1 2023 £m	H1 2022 £m	Change at actual rates	Change at constant rates
Revenue	**231.8**	204.2	13.5%	12.5%
Like-for-like revenue	**231.8**	204.2	13.5%	12.5%
Adjusted operating profit	**48.2**	36.3	32.8%	31.7%
Adjusted operating margin	**20.8%**	17.8%	300bps	300bps

Intertek Value Proposition

Our Corporate Assurance division focuses on the industry agnostic Assurance solutions we offer to our clients to make their value chains more sustainable and more resilient end-to-end. This division was 14% of our revenue in 2022 and includes Business Assurance and Assuris.

Strategy

Business Assurance and Assuris are central to our ATIC offering and are some of the most exciting businesses within Intertek, given the increased focus on operational risk management within the value chain of every company. Intertek Business Assurance provides a full range of business process audit and support services, including accredited third-party management systems auditing and certification, second-party supplier auditing and supply chain solutions, sustainability data verification, process performance analysis and training. Assuris' global network of experts provides a global network of scientists, engineers, and regulatory specialists to provide support to navigate complex scientific, regulatory, environmental, health, safety, and quality challenges throughout the value chain of our clients.

Innovations

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

- Through Intertek Inlight, we provide the technology and expertise that enables organisations to better understand their supply chain risks and protect their brand. With our Wisetail online learning platform built in, suppliers can be trained and upskilled in topics that matter to brands such as sustainability and compliance related matters.

- We continue to invest in our industry leading ATIC sustainability solutions, leveraging the depth of our experience and global network of experts, with two 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 2023 Performance

In H1 23, our Corporate Assurance-related business delivered a LFL revenue growth of 12.5% at CCY, resulting in revenue of £231.8m, up year on year by 12.5% at CCY and up year on year 13.5% at actual rates. We delivered an operating profit of £48.2m, up 31.7% year on year at CCY and up 32.8% year on year at actual with a margin of 20.8%, up 300bps year on year at CCY as we benefitted from operating leverage and productivity gains.

- Business Assurance delivered double digit LFL revenue growth as the business saw increased investments by our clients to improve the resilience of their supply chains, the continuous focus on ethical supply and the increased need for sustainability assurance.

- The Assuris business delivered mid-single digit LFL revenue growth as we benefitted from improved demand for our regulatory assurance solutions and from increased corporate investment in ESG.

Full Year Growth Outlook

In 2023, we expect our Corporate Assurance division to deliver high-single digit LFL revenue growth at constant currency.

Mid- to Long-Term Growth Outlook

Our Corporate Assurance division will benefit from a greater corporate focus on sustainability, the need for increased supply chain resilience, enterprise cyber-security, People Assurance services and regulatory assurance.

Health and Safety Division

	H1 2023 £m	H1 2022 £m	Change at actual rates	Change at constant rates
Revenue	**156.7**	142.4	10.0%	7.9%
Like-for-like revenue	**154.6**	142.4	8.6%	6.5%
Adjusted operating profit	**16.5**	16.4	0.6%	1.2%
Adjusted operating margin	**10.5%**	11.5%	(100bps)	(70bps)

Intertek Value Proposition

Our Health and Safety division focuses on the ATIC solutions we offer to our clients to make sure we all enjoy a healthier and safer life. This division was 9% of our revenue in 2022 and includes our AgriWorld, Food, and Chemical & Pharma business lines.

Strategy

Our TQA value proposition provides our Health and Safety-related customers with a systemic, end-to-end ATIC offering at every stage of the supply chain. In an industry with significant structural growth drivers, our science-based approach supports clients as the sustained demand for food safety testing activities increases along with higher demand for hygiene and safety audits in factories. Our longstanding experience and expertise in the Chemicals and Pharma industries enables clients to mitigate risks associated with product quality and safety and processes, supporting them with their product development, regulatory authorisation, chemical testing and production.

Innovations and M&A

We continue to invest in innovation to deliver a superior customer service in our Health and Safety related businesses:

- Honey crystallisation is a natural phenomenon where honey turns from liquid state to a semi-solid state. Crystallisation is dependent on the ratio of the two principal sugars found inside: fructose and glucose. When the level of glucose increases, it becomes insoluble in the water, and crystallization will happen. Intertek has developed Crystek, a process to evaluate the glucose in honey, thus predicting and preventing the crystallisation of honey.

- Earlier this year Intertek agreed to acquire Controle Analítico Análises Técnicas Ltda ("Controle Analítico"), a leading provider of environmental analysis, with a focus on water testing, based in Brazil. The acquisition of Controle Analítico represents an attractive and complementary opportunity for Intertek to expand its leading Food and Agri Total Quality Assurance (TQA) solutions in Brazil by expanding our presence and service offering in the Environmental testing market.

H1 2023 Performance

In H1 23, our Health and Safety-related business delivered a LFL revenue growth of 6.5% at CCY, resulting in revenue of £156.7m, up year on year by 7.9% at CCY and up year on year by 10.0% at actual rates. We delivered an operating profit of £16.5m, up 1.2% year on year at CCY and up 0.6% year on year at actual rates with a margin of 10.5%, down 70bps year on year at CCY due to a country-mix effect in AgriWorld and investments in capability in Chemicals & Pharma.

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

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

- In Chemicals & Pharma we saw mid-single digit LFL revenue growth globally reflecting improved demand for regulatory assurance and chemical testing and from the increased R&D investments of the pharma industry.

Full Year Growth Outlook

In 2023, we expect our Health and Safety division to deliver mid-single digit LFL revenue growth.

Mid- to Long-Term Growth Outlook

Our Health and Safety division will benefit from the demand for healthier and more sustainable food to support a growing global population, increased regulation, and new R&D investments in the pharma industry.

Industry and Infrastructure

	H1 202 £m	H1 2022 £m	Change at actual rates	Change at constant rates
Revenue	**427.0**	375.2	13.8%	10.5%
Like-for-like revenue	**427.0**	375.2	13.8%	10.5%
Adjusted operating profit	**37.3**	26.4	41.3%	36.1%
Adjusted operating margin	**8.7%**	7.0%	170bps	160bps

Intertek Value Proposition

Our Industry and Infrastructure division focusses on the ATIC solutions our clients need to develop and build better, safer and greener infrastructure. This division was 26% of our revenue in 2022 and includes Industry Services, Minerals and Building & Construction.

Strategy

Our TQA value proposition helps our customers to mitigate the risks associated with technical failure or delay, ensuring that their projects proceed on time and meet the highest quality standards as demand for more environmentally friendly buildings and infrastructure grows. By helping to improve safety conditions and reduce commercial risk, our broad range of assurance, testing, inspection, certification and engineering services allows us to assist clients in protecting both the quantity and quality of their mined and drilled products.

Innovations

We continue to invest in innovation to deliver a superior customer service in our Industry and Infrastructure related businesses:

- Intertek Industry Services is harnessing the power of robotics, IoT and digital solutions to create an asset management Digital Twin offering, leveraging Intertek's AWARE software and new data capture solutions.
- Intertek Industry Services has acquired the MiQ methane emission accreditation for independent certification audits and methane emission grading which is helping energy producers to drive down their GHG emissions, especially methane. Some major energy producers also use Intertek innovative solutions to independently quantify their methane and CO2 emissions from intentional flaring and venting as well as fugitive leak detection.

H1 2023 Performance

In H1 23, our Industry and Infrastructure-related business delivered a LFL revenue growth of 10.5% at CCY, resulting in revenue of £427.0m, up year on year by 10.5% at CCY and up year on year 13.8% at actual rates. We delivered an operating profit of £37.3m, up 36.1% year on year at CCY and up 41.3% year on year at actual rates with a margin of 8.7%, up 160bps year on year at CCY as we benefitted from operating leverage and productivity gains.

- Our Industry Services includes our Capex Inspection services and Opex Maintenance services. The Capex Inspection business delivered double digit LFL revenue growth as we benefitted from increased capex investment in traditional Oil and Gas exploration and production as well as in renewables. With our clients increasing their maintenance efforts to increase the productivity of existing production assets, we delivered double digit LFL revenue growth in Opex Maintenance.

- The continuing high demand for testing and inspection activities drove double-digit LFL revenue growth in our Minerals business.

- Growing demand for more environmentally friendly buildings and the increased number of infrastructure projects in North America produced mid-single digit LFL revenue growth for our Building & Construction business.

Full Year Growth Outlook

In 2023, we expect our Industry and Infrastructure related businesses to deliver high-single digit LFL revenue performance at constant currency.

Mid- to Long-Term Growth Outlook

Our Industry and Infrastructure division will grow in the mid to long-term, benefitting from increased global energy consumption, the transition to greener energy, population growth, large scale infrastructure investment, and demand for Greener buildings.

World of Energy Division

	H1 2023 £m	H1 2022 £m	Change at actual rates	Change at constant rates
Revenue	**356.6**	307.0	16.2%	13.5%
Like-for-like revenue	**340.4**	307.0	10.9%	8.4%
Adjusted operating profit	**26.6**	14.5	83.4%	87.3%
Adjusted operating margin	**7.5%**	4.7%	280bps	300bps

Intertek Value Proposition

Our World of Energy division focuses on the ATIC solutions we offer to our clients to develop better and greener fuels as well as renewables. This division was 21% of our revenue in 2022 and includes Caleb Brett, Transportation Technologies (TT) and Clean Energy Associates (CEA).

Strategy

Our TQA Value Proposition provides world leading expertise to enable our clients to benefit from the significant opportunities in the World of Energy. We do this by providing specialist cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

We provide rapid testing and validation services to the transportation industry, leveraging our Transportation Technologies subject matter expertise that is recognised by leading manufacturers worldwide. We evaluate everything from automobiles and energy storage to airplanes, and deliver top-tier testing for emerging markets, such as autonomous and electric/hybrid vehicles.

Our partner firm Clean Energy Associates (CEA) is a market-leading provider of Quality Assurance (QA), supply-chain traceability and technical services to the fast-growing solar energy sector. Its leading assurance service offering includes in-line monitoring that allows clients to oversee the management and traceability of their supply chains, offering a comprehensive, end-to-end service to support customers on their decarbonisation and energy sustainability journeys.

Innovations

We continue to invest in innovation to deliver a superior customer service in our World of Energy related businesses:

- Intertek Caleb Brett has partnered with Zero Petroleum, a breakthrough British technology company that makes whole-blend synthetic, non-biological fuels in a completely fossil free process, using just carbon dioxide taken from the air and renewable hydrogen made from water. Intertek is a preferred testing partner and is supporting Zero Petroleum, helping to accelerate the firm's development of its synthetic fuel that will power the engines of the future.
- Our EV Centre of Excellence state-of-the-art testing facility in the UK supports manufacturers to develop next generation electric propulsion systems, from high-speed motor testing to full vehicle validation capabilities. Our global network of automotive testing facilities can support manufacturers and suppliers with a wide portfolio of bespoke solutions and capabilities, such as engine and hybrid testing, EV fluids, and fuel, additive and lubricant testing.

H1 2023 performance

In H1 23, our World of Energy-related business delivered a LFL revenue growth of 8.4% at CCY, resulting in revenue of £356.6m, up year on year by 13.5% at CCY and up year on year by 16.2% at actual rates. We delivered an operating profit of £26.6m, up 87.3% year on year at CCY and up 83.4% year on year at actual rates with a margin of 7.5%, up 300bps year on year at CCY as we benefitted from operating leverage, productivity gains and portfolio mix.

- Caleb Brett, the global leader in the Crude Oil and Refined products global trading markets, benefitted from improved momentum driven by increased global mobility and higher testing activities for biofuels with double-digit LFL revenue growth.

- Transportation Technologies delivered high-single digit LFL revenue growth globally driven by increased investment in new powertrains to lower CO2/NOx emissions and in traditional combustion engines to improve fuel efficiency.

- Our CEA business delivered an excellent H1, benefitting from the increased investments in solar panels which is the fastest growing form of renewable energy.

Full Year Growth Outlook

In 2023, we expect our World of Energy division to deliver high-single digit LFL revenue growth at constant currency.

Mid- to Long-Term Growth Outlook

The World of Energy division will benefit from increased investment from energy companies to meet growing demand and consumption of energy from the growing global population, the scaling up Renewables, increase R&D investments that OEMs are making in EV/Hybrid vehicles and from the development greener fuels.

Presentation of Results

For the half year ended 30 June 2023

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 22 results at H1 23 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 2023 and the comparative period are given in note 3 to the Condensed Consolidated Interim Financial Statements.

Reconciliation of Results to Adjusted Performance Measures (£m)	2023 H1 Results	2023 H1 SDIs	2023 H1 Adjusted	2022 H1 Results	2022 H1 SDIs	2022 H1 Adjusted
Operating profit	215.0	30.4	245.4	197.0	20.3	217.3
Operating margin	13.1%	1.9%	15.0%	13.2%	1.4%	14.6%
Net financing costs	(23.3)	1.1	(22.2)	(14.2)	0.4	(13.8)
Profit before tax	191.7	31.5	223.2	182.8	20.7	203.5
Income tax expense	(49.4)	(7.4)	(56.8)	(51.2)	(3.1)	(54.3)
Profit for the year	142.3	24.1	166.4	131.6	17.6	149.2
Cash flow from operations	261.6	8.9	270.5	234.1	4.0	238.1
Free cash flow	70.7	8.9	79.6	91.8	4.0	95.8
Basic earnings per share	80.8p	14.9p	95.7p	75.9p	10.9p	86.8p
Diluted earnings per share	80.4p	14.8p	95.2p	75.6p	10.9p	86.5p

Reconciliation of Revenue	Six months to 30 June 2023 £m	Six months to 30 June 2022 £m	Change %
Reported revenue	1,640.0	1,491.7	9.9%
Less: Acquisitions/disposals/closures	(18.3)	-	
Like-for-like revenue	1,621.7	1,491.7	8.7%
Impact of foreign exchange movements	-	22.7	
Like-for-like revenue at constant currency	1,621.7	1,514.4	7.1%

Reconciliation of Financial Net Debt to Adjusted EBITDA (£m)			30 June 2023			30 June 2022
Net debt			1,089.5			1,191.0
IFRS 16 lease liability			(298.2)			(331.9)
Financial net debt			791.3			859.1
	2022 H2	2023 H1	2023 LTM	2021 H2	2022 H1	2022 LTM
Reported operating profit	255.4	215.0	470.4	248.7	197.0	445.7
Depreciation	82.9	79.9	162.8	76.9	77.3	154.2
Amortisation	10.4	9.8	20.2	10.3	9.9	20.2
EBITDA	348.7	304.7	653.4	335.9	284.2	620.1
SDIs	47.4	30.4	77.8	23.5	20.3	43.8
Adjusted EBITDA	396.1	335.1	731.2	359.4	304.5	663.9
Financial net debt / EBITDA			1.1x			1.3x

Constant Currency Reconciliations	Six months to 30 June 2023 £m	Six months to 30 June 2022 £m	Change %
Adjusted operating profit at actual rates	245.4	217.3	12.9%
Impact of foreign exchange movements	-	-0.8	
Adjusted operating profit at constant rates	245.4	216.5	13.3%
Adjusted diluted EPS at actual rates	95.2p	86.5p	10.1%
Impact of foreign exchange movements	-	-0.4p	
Adjusted diluted EPS at constant rates	95.2p	86.1p	10.6%
Diluted EPS at actual rates	80.4p	75.6p	6.3%
Impact of foreign exchange movements	-	-0.3p	
Diluted EPS at constant rates	80.4p	75.3p	6.8%

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 48 of the Group's Annual Report for 2022, 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

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 2022.

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 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	**Colm Deasy**
Chief Executive Officer	Chief Financial Officer
27 July 2023	27 July 2023

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 2023 (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 2023;
- 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 ("ISRE (UK) 2410"). 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 ISRE (UK) 2410. 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

27 July 2023

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2023

		Six months to 30 June 2023 (Unaudited)			Six months to 30 June 2022 (Unaudited)		
	Notes	**Adjusted Results £m**	**Separately Disclosed Items* £m**	**Total 2023**	Adjusted Results £m	Separately Disclosed Items* £m	Total 2022
Revenue	2	**1,640.0**	**-**	**1,640.0**	1,491.7	-	1,491.7
Operating costs		**(1,394.6)**	**(30.4)**	**(1,425.0)**	(1,274.4)	(20.3)	(1,294.7)
Group operating profit/(loss)	2	**245.4**	**(30.4)**	**215.0**	217.3	(20.3)	197.0
Finance income		**1.7**	**-**	**1.7**	0.8	-	0.8
Finance expense		**(23.9)**	**(1.1)**	**(25.0)**	(14.6)	(0.4)	(15.0)
Net financing costs		**(22.2)**	**(1.1)**	**(23.3)**	(13.8)	(0.4)	(14.2)
Profit/(loss) before income tax		**223.2**	**(31.5)**	**191.7**	203.5	(20.7)	182.8
Income tax (expense)/credit	4	**(56.8)**	**7.4**	**(49.4)**	(54.3)	3.1	(51.2)
Profit/(loss) for the period	2	**166.4**	**(24.1)**	**142.3**	149.2	(17.6)	131.6
Attributable to:							
Equity holders of the Company		**154.4**	**(24.1)**	**130.3**	140.0	(17.6)	122.4
Non-controlling interest		**12.0**	**-**	**12.0**	9.2	-	9.2
Profit/(loss) for the period		**166.4**	**(24.1)**	**142.3**	149.2	(17.6)	131.6
Earnings per share							
Basic	5	**95.7p**		**80.8p**	86.8p		75.9p
Diluted	5	**95.2p**		**80.4p**	86.5p		75.6p
Dividends in respect of the period				**37.7p**			34.2p

*** See Note 3**

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2023

	Notes	Six months to 30 June 2023 (Unaudited) £m	Six months to 30 June 2022 (Unaudited) £m
Profit for the period	2	**142.3**	131.6
Other comprehensive income/(expense)			
Remeasurements on defined benefit pension schemes	6	**2.8**	15.7
Tax on comprehensive income/(expense) items		**3.9**	(7.2)
Items that will never be reclassified to profit or loss		**6.7**	8.5
Foreign exchange translation differences on foreign operations		**(125.1)**	183.0
Net exchange (loss)/gain on hedges of net investments in foreign operations		**52.7**	(101.6)
Items that are or may be reclassified subsequently to profit or loss		**(72.4)**	81.4
Total other comprehensive income/(expense) for the period		**(65.7)**	89.9
Total comprehensive income for the period		**76.6**	221.5
Total comprehensive income for the period attributable to:			
Equity holders of the company		**64.5**	211.1
Non-controlling interest		**12.1**	10.4
Total comprehensive income for the period		**76.6**	221.5

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2023

	Notes	At 30 June 2023 (Unaudited) £m	At 30 June 2022 (Unaudited) £m	At 31 December 2022 (Audited) £m
Assets				
Property, plant and equipment		**653.1**	688.1	694.4
Goodwill	8	**1,368.2**	1,338.7	1,418.4
Other intangible assets		**334.1**	372.3	362.9
Long-term trade and other receivables		**19.9**	23.2	21.5
Defined benefit pension asset	6	**25.2**	19.2	21.3
Deferred tax assets		**40.4**	39.9	45.0
Total non-current assets		**2,440.9**	2,481.4	2,563.5
Inventories*		**17.5**	17.2	16.9
Trade and other receivables*		**763.2**	747.1	726.4
Cash and cash equivalents	7	**239.5**	257.6	321.6
Current tax receivable		**24.1**	18.5	31.9
Total current assets		**1,044.3**	1,040.4	1,096.8
Total assets		**3,485.2**	3,521.8	3,660.3
Liabilities				
Interest bearing loans and borrowings	7	**(303.4)**	(47.5)	(262.4)
Current taxes payable		**(57.6)**	(57.3)	(71.0)
Lease liabilities		**(66.4)**	(71.5)	(70.6)
Trade and other payables*		**(682.1)**	(669.8)	(723.2)
Provisions*		**(16.4)**	(12.5)	(15.8)
Total current liabilities		**(1,125.9)**	(858.6)	(1,143.0)
Interest bearing loans and borrowings	7	**(727.4)**	(1,069.2)	(797.1)
Lease liabilities		**(231.8)**	(260.4)	(251.6)
Deferred tax liabilities		**(83.7)**	(78.9)	(99.2)
Defined benefit pension liabilities	6	**(2.9)**	(1.3)	(2.2)
Other payables*		**(30.8)**	(33.9)	(34.6)
Provisions*		**(17.7)**	(0.7)	(14.6)
Total non-current liabilities		**(1,094.3)**	(1,444.4)	(1,199.3)
Total liabilities		**(2,220.2)**	(2,303.0)	(2,342.3)
Net assets		**1,265.0**	1,218.8	1,318.0
Equity				
Share capital		**1.6**	1.6	1.6
Share premium		**257.8**	257.8	257.8
Other reserves		**(113.8)**	(22.3)	(41.3)
Retained earnings		**1,084.4**	944.6	1,065.9
Total equity attributable to equity holders of the Company		**1,230.0**	1,181.7	1,284.0
Non-controlling interest		**35.0**	37.1	34.0
Total equity		**1,265.0**	1,218.8	1,318.0

* Working capital of £31.4m (H1 22: £43.7m; FY 22: negative £47.8m) comprises the asterisked items in the above Statement of Financial Position less IFRS16 Lease Receivable of £2.3m (H1 22: £3.7m; FY 22 £2.9m).

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2023

	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 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
At 1 January 2023	**1.6**	**257.8**	**(47.7)**	**6.4**	**1,065.9**	**1,284.0**	**34.0**	**1,318.0**
Total comprehensive (expense)/income for the period								
Profit	-	-	-	-	**130.3**	**130.3**	**12.0**	**142.3**
Other comprehensive (expense)/income	-	-	**(72.5)**	-	**6.7**	**(65.8)**	**0.1**	**(65.7)**
Total comprehensive (expense)/income for the period	-	-	**(72.5)**	-	**137.0**	**64.5**	**12.1**	**76.6**
Transactions with owners of the company recognised directly in equity **Contributions by and distributions to the owners of the company**								
Dividends paid	-	-	-	-	**(115.4)**	**(115.4)**	**(11.1)**	**(126.5)**
Purchase of own shares	-	-	-	-	**(8.4)**	**(8.4)**	-	**(8.4)**
Tax paid on share awards vested[1]	-	-	-	-	**(5.6)**	**(5.6)**	-	**(5.6)**
Equity-settled transactions	-	-	-	-	**11.0**	**11.0**	-	**11.0**
Income tax on equity-settled transactions	-	-	-	-	**(0.1)**	**(0.1)**	-	**(0.1)**
Total contributions by and distributions to the owners of the company	-	-	-	-	**(118.5)**	**(118.5)**	**(11.1)**	**(129.6)**
At 30 June 2023 (unaudited)	**1.6**	**257.8**	**(120.2)**	**6.4**	**1,084.4**	**1,230.0**	**35.0**	**1,265.0**

[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 £115.4m dividend paid on 15 June 2023 represented a final dividend of 71.6p per ordinary share in respect of the year ended 31 December 2022 which was approved and paid during the period. 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. 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 2023

	Notes	Six months to 30 June 2023 (Unaudited) £m	Six months to 30 June 2022 (Unaudited) £m
Cash flows from operating activities			
Profit for the period	2	**142.3**	131.6
Adjustments for:			
Depreciation charge		**79.9**	77.3
Amortisation of software		**9.8**	9.9
Amortisation of acquisition intangibles		**17.2**	16.5
Equity-settled transactions		**11.0**	10.8
Net financing costs		**23.3**	14.2
Income tax expense	4	**49.4**	51.2
Profit on disposal of property, plant, equipment and software		**(0.3)**	(0.8)
Operating cash flows before changes in working capital and operating provisions		**332.6**	310.7
Change in inventories		**(1.4)**	(1.0)
Change in trade and other receivables		**(99.3)**	(39.4)
Change in trade and other payables		**27.3**	(32.9)
Change in provisions		**2.4**	(1.3)
Special contributions into pension schemes	6	**-**	(2.0)
Cash generated from operations		**261.6**	234.1
Interest and other finance expense paid		**(48.6)**	(15.8)
Income taxes paid		**(56.0)**	(50.8)
Net cash flows generated from operating activities*		**157.0**	167.5
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and software*		**3.2**	3.4
Interest received*		**1.7**	0.8
Acquisition of subsidiaries, net of cash received		**(14.8)**	-
Consideration paid in respect of prior year acquisitions		**(2.7)**	-
Acquisition of property, plant, equipment, software*	9	**(51.4)**	(41.1)
Net cash flows used in investing activities		**(64.0)**	(36.9)
Cash flows from financing activities			
Purchase of own shares		**(8.4)**	(2.3)
Tax paid on share awards vested		**(5.6)**	(4.4)
Drawdown of borrowings		**53.6**	477.9
Repayment of borrowings		**(32.8)**	(476.5)
Repayment of lease liabilities*		**(39.8)**	(38.8)
Dividends paid to non-controlling interest		**(11.1)**	(5.6)
Equity dividends paid		**(115.4)**	(115.5)
Net cash flows used in financing activities		**(159.5)**	(165.2)
Net (decrease)/increase in cash and cash equivalents	7	**(66.5)**	(34.6)
Cash and cash equivalents at 1 January	7	**320.7**	264.0
Effect of exchange rate fluctuations on cash held	7	**(18.7)**	12.6
Cash and cash equivalents at end of period	7	**235.5**	242.0

* Free cash flow of £70.7m (H1 22: £91.8m) comprises the asterisked items in the above Statement of Cash Flows.

Adjusted cash flow from operations of £270.5 (H1 22: £238.1m) comprises statutory cash flow from operations of £261.6m (H1 22: £234.1m) before cash outflows relating to Separately Disclosed Items of £8.9m (H1 22: £4.0m).

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 2023 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 2022 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 2023 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 2022. 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 2022 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 2022 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 2022.

There are no significant new accounting standards or amendments to accounting standards that are effective for annual periods beginning on or after 1 January 2023 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 2022. During the six months ended 30 June 2023 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 2024, 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 2024, 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			Income and expense		
	Actual Rates			Cumulative average rates		
Value of £1	30 June 2023	30 June 2022	31 December 2022	H1 23	H1 22	FY 22
US dollar	**1.26**	1.22	1.20	**1.30**	1.30	1.24
Euro	**1.16**	1.16	1.13	**1.14**	1.19	1.17
Chinese renminbi	**9.16**	8.18	8.45	**8.56**	8.39	8.31
Hong Kong dollar	**9.90**	9.56	9.37	**9.64**	10.15	9.68
Australian dollar	**1.92**	1.76	1.78	**1.83**	1.81	1.78

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.

Since we unveiled our Intertek 30 AAA Growth Strategy to capitalise on the best-in-class operating platform we have built and target the areas where we have opportunities to get better, the reporting and performance management used by the CEO to make operating decisions has changed from the previous three segments to the Group's new five reportable segments as set out below. The segment information for earlier periods has been restated to conform to these changes. Disclosure of the 2023 results under the previous three operating segments is provided on our website (www.intertek.com/investors). The business lines within the new divisions demonstrate similar mid- to long-term structural growth drivers.

When aggregating operating segments into the five reportable segments we have applied judgement over the similarities of the services provided, the customer base and the mid- to long-term structural growth drivers. Certain business lines within those former segments have also been reallocated to better align to the structural growth drivers of each segment. A description of the activity in each division and the core business lines which align to the five reporting segments is given in the Operating Review by Division.

The costs of the corporate head office and other costs which are not controlled by the five divisions are allocated appropriately.

The results of the divisions are shown below:

Six months to 30 June 2023	Revenue from external customers £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately disclosed items £m	Operating profit £m
Consumer Products	467.9	(29.6)	116.8	(4.2)	112.6
Corporate Assurance	231.8	(6.1)	48.2	(11.7)	36.5
Health and Safety	156.7	(11.2)	16.5	(2.4)	14.1
Industry and Infrastructure	427.0	(16.2)	37.3	(5.3)	32.0
World of Energy	356.6	(26.6)	26.6	(6.8)	19.8
Total	**1,640.0**	**(89.7)**	**245.4**	**(30.4)**	**215.0**
Group operating profit			**245.4**	**(30.4)**	**215.0**
Net financing costs			(22.2)	(1.1)	(23.3)
Profit before income tax			**223.2**	**(31.5)**	**191.7**
Income tax (expense)/credit			(56.8)	7.4	(49.4)
Profit for the year			**166.4**	**(24.1)**	**142.3**

2. Operating Segments *(continued)*

Six months to 30 June 2022 (Represented)	Revenue from external customers £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately disclosed items £m	Operating profit £m
Consumer Products	462.9	(27.9)	123.7	(2.5)	121.2
Corporate Assurance	204.2	(6.3)	36.3	(9.9)	26.4
Health and Safety	142.4	(10.7)	16.4	(1.6)	14.8
Industry and Infrastructure	375.2	(15.8)	26.4	(4.4)	22.0
World of Energy	307.0	(26.5)	14.5	(1.9)	12.6
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

3. Separately Disclosed Items (SDIs)

		Six months to 30 June 2023 £m	Six months to 30 June 2022 £m
Operating costs			
Amortisation of acquisition intangibles	(a)	**(17.2)**	(16.5)
Acquisition and integration costs	(b)	**(3.6)**	(3.8)
Restructuring costs	(c)	**(9.6)**	-
Total operating costs		**(30.4)**	(20.3)
Net financing costs	(d)	**(1.1)**	(0.4)
Total before income tax		**(31.5)**	(20.7)
Income tax credit on Separately Disclosed Items		**7.4**	3.1
Total		**(24.1)**	(17.6)

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 £3.6m (H1 22: £3.8m).
(c) During 2022, the Group initiated the first year of a cost reduction programme. In six months to June 2023 costs of £9.6m (H1 22: nil) included consolidating sites and offices, streamlining headcount, Group-wide technology upgrades and related asset write-offs.
(d) Net financing costs of £1.1m (H1 22: £0.4m) relates to unwinding of discount and changes in fair value of contingent consideration in relation to acquisitions from prior periods.

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 the adjusted results for the six months ended 30 June 2023 is £56.8m (H1 22: £54.3m). The Group's adjusted consolidated effective tax rate for the six months ended 30 June 2022 is 25.5% (H1 22: 26.7%). The income tax expense for the total results for the six months ended 30 June 2023 is £49.4m (H1 22: £51.2m). The Group's consolidated effective tax rate for the six months ended 30 June 2023 is 25.8% (H1 22: 28.0%), the prior year's effective tax rate was mainly driven by a prior year adjustment debit to intangible and goodwill deferred tax position.

Differences between the consolidated effective tax rate of 25.5% and weighted average notional statutory UK rate of 23.5% include but are not limited to: the mix of profits; the effect of tax rates in foreign jurisdictions; non-deductible expenses; the effect of movements in unrecognised deferred tax assets; movements in the provision for uncertain tax positions; withholding tax on intra-group dividends; tax exempt income; and under/over provisions in previous periods.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15.0%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group has applied the exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

5. Earnings Per Share (EPS)

	Six months to 30 June 2023 £m	Six months to 30 June 2022 £m
Based on the profit for the period:		
Profit attributable to ordinary shareholders	**130.3**	122.4
Separately Disclosed Items after tax (note 3)	**24.1**	17.6
Adjusted earnings	**154.4**	140.0
Number of shares (millions):		
Basic weighted average number of ordinary shares	**161.3**	161.2
Potentially dilutive share awards	**0.8**	0.6
Diluted weighted average number of shares	**162.1**	161.8
Basic earnings per share	**80.8p**	75.9p
Potentially dilutive share awards	**(0.4p)**	(0.3p)
Diluted earnings per share	**80.4p**	75.6p
Adjusted basic earnings per share	**95.7p**	86.8p
Potentially dilutive share awards	**(0.5p)**	(0.3p)
Adjusted diluted earnings per share	**95.2p**	86.5p

6. Pension Schemes

A full triennial actuarial valuation for the United Kingdom Scheme was carried out as at 31 March 2022. Following the results of the assessment of the triennial actuarial valuation, during the period, the Group made a special contribution of £nil (H1 22: £2.0m) into the Intertek Pension Scheme in the United Kingdom.

The Group obtained updated actuarial valuations to 31 May 2023, the asset and liability values have been reviewed and have not moved materially in the month to 30 June 2023. A net actuarial gain before taxation of £2.8m (H1 22: £15.7m) has been recognised in the consolidated statement of comprehensive income. The net pension asset stands at £25.2m for the UK pension scheme (31 December 2022: £21.3m) and a net pension liability of £2.9m for the Swiss pension scheme as at 30 June 2023 (31 December 2022: £2.2m).

7. Analysis of Net Debt

	30 June 2023 £m	30 June 2022 £m	31 December 2022 £m
Cash and cash equivalents per the Statement of Financial Position	**239.5**	257.6	321.6
Overdrafts	**(4.0)**	(15.6)	(0.9)
Cash per the Statement of Cash Flows	**235.5**	242.0	320.7

The components of net debt are outlined below:

	1 January 2023 £m	Cash flow £m	Non-cash adjustments £m	Exchange adjustments £m	30 June 2023 £m
Cash	320.7	(66.5)	-	(18.7)	**235.5**
Borrowings:					
Revolving credit facility US$850m 2027	-	(53.6)	-	1.3	**(52.3)**
Senior notes US$160m 2023	(133.1)	31.2	-	7.0	**(94.9)**
Acquisition facility ‘A’ AU$88.0m 2023	(49.4)	-	-	3.4	**(46.0)**
Acquisition facility ‘A’ US$96.9m 2023	(80.6)	-	-	4.0	**(76.6)**
Senior notes US$125m 2024	(104.0)	-	-	5.1	**(98.9)**
Senior notes US$120m 2025	(99.8)	1.7	-	3.3	**(94.8)**
Senior notes US$75m 2026	(62.4)	-	-	3.0	**(59.4)**
Senior notes US$150m 2027	(124.8)	-	-	6.2	**(118.6)**
Senior notes US$165m 2028	(137.3)	-	-	6.8	**(130.5)**
Senior notes US$165m 2029	(137.3)	-	-	6.8	**(130.5)**
Senior notes US$160m 2030	(133.1)	-	-	6.6	**(126.5)**
Other*	3.2	(0.1)	(1.0)	0.1	**2.2**
Total borrowings	(1,058.6)	(20.8)	(1.0)	53.6	**(1,026.8)**
Total financial net debt	(737.9)	(87.3)	(1.0)	34.9	**(791.3)**
Lease liability	(322.2)	39.8	(30.1)	14.3	**(298.2)**
Total net debt	(1,060.1)	(47.5)	(31.1)	49.2	**(1,089.5)**

*Other borrowings include other uncommitted borrowings of £0.8m (1 Jan 2023: £0.8m) and facility fees of £3.0m (1 Jan 2023: £4.0m).

Total undrawn committed borrowing facilities as at 30 June 2023 were £620.0m (31 December 2022: £707.3m).

7. Analysis of Net Debt *(continued)*

	30 June 2023 £m	30 June 2022 £m	31 December 2022 £m
Borrowings due in less than one year	**299.4**	32.0	261.5
Borrowings due in one to two years	**46.7**	312.8	103.0
Borrowings due in two to five years	**423.1**	354.4	286.0
Borrowings due in over five years	**257.6**	401.9	408.1
Total borrowings	**1,026.8**	1,101.1	1,058.6

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 2023 were £52.3m.

In February 2023, US$40m Senior notes fell due and were repaid. Subsequent to the balance sheet date, in July 2023 the Group paid down Acquisition facility 'A' of US$96.9m.

Further details of the Group's borrowing facilities were disclosed in note 14 to the 2022 Annual Report.

Fair Values

The carrying value of interest-bearing loans and borrowings is £1,026.8m. 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 £921.7m. 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 £0.6m are included within trade and other payables (H1 22: £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 £239.5m. 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

On 31 March 2023, the Group acquired Controle Analítico Análises Técnicas Ltda (Controle Analítico), a leading provider of environmental analysis, with a focus on water testing, based in Brazil, for a purchase price of £19.1m. Purchase consideration net of cash acquired was £18.5m. The purchase price includes cash consideration of £15.4m and a further contingent consideration payable of £3.7m. The cash outflow in the period associated with this acquisition was £14.8m.

The acquisition of Controle Analítico represents an attractive and complementary opportunity for the Group to expand its leading Food and Agri Total Quality Assurance solutions in Brazil by expanding our presence and service offering in the Environmental testing market.

Provisional details of the net assets acquired and fair value adjustments are set out in the following tables. These analyses are provisional and amendments may be made to these figures in the 12 months following the date of acquisition.

	Fair value to Group on acquisition £m
Property, plant and equipment	1.2
Goodwill	13.3
Other intangible assets	5.6
Trade and other receivables	1.1
Trade and other payables	(0.5)
Provisions for liabilities and charges	(0.3)
Deferred tax liabilities	(1.9)
Net assets acquired	**18.5**

(b) Prior Period Acquisitions

£2.7m (H1 22: £nil) was paid during the period in respect of prior period acquisitions.

(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 22: £nil).

The total carrying amount of goodwill by CGU is as follows, which is also used for the assessment of the Group's

impairment review. In order to reflect the change to Group strategy described in Note 2, and consequential changes to the monitoring of goodwill by management, the number of CGUs to which goodwill is allocated has been increased from 12 to 17. This change has had no impact on the carrying values of goodwill, which are set out below:

8. Acquisition of New Businesses *(continued)*

	30 June 2023 £'m	31 December 2022 (re-presented) £'m
Industry Services	**10.9**	11.5
Exploration and Production	**4.1**	4.3
Business Assurance	**681.5**	720.0
Food	**40.9**	40.4
AgriWorld	**17.1**	3.5
Caleb Brett	**42.5**	43.3
Sustainability	**15.9**	14.7
Government & Trade Services	**0.8**	0.8
Minerals	**36.4**	38.8
Softlines	**6.1**	6.2
Hardlines	**4.5**	4.5
Electrical & Connected World	**89.3**	93.4
Transportation Technologies	**44.8**	46.9
Building & Construction	**226.4**	238.2
Chemicals & Pharma	**76.7**	78.7
Assuris	**5.4**	5.5
CEA	**64.9**	67.7
Net Book value *	**1,368.2**	1,418.4

*All goodwill is recorded in local currency. Additions during the period are converted at the exchange rate on the date of the transaction and the goodwill at the end of the period is stated at the closing exchange rates.

(d) Reconciliation of Goodwill

	£m
Goodwill at 1 January 2023	1,418.4
Additions	13.3
Fair value adjustments	0.4
Foreign exchange	(63.9)
Goodwill at 30 June 2023	**1,368.2**

8. Acquisition of New Businesses *(continued)*

	£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**

(e) Impact of Acquisitions on the Group Results

The revenue and profit for the period for the period from 1 January 2023 to the date of acquisition and the impact on the Group's revenue and profit for the period from the date of acquisition to 30 June 2023 were not significant.

9. Property, Plant, Equipment and Computer Software

(a) Property, Plant, Equipment Additions

During the six months ended 30 June 2023, the Group acquired property, plant and equipment with a cost of £41.2m (H1 22: £33.7m; year ended 31 December 2022: £96.1m).

During the six months ended 30 June 2023, the Group acquired £1.2m of property, plant and equipment through business combinations (H1 22: £nil; year ended 31 December 2022: £0.1m). At 30 June 2023, the IFRS 16 right of use asset is £275.5m (H1 22: £303.9m; year ended 31 December 2022: £297.6m).

(b) Computer Software Additions

During the six months ended 30 June 2023, the Group acquired computer software with a cost of £10.2m (H1 22: £7.4m; year ended 31 December 2022: £20.4m). During the six months ended 30 June 2023, the Group did not acquire computer software through business combinations (H1 22: £nil; year ended 31 December 2022: £nil).

(c) Capital Commitments

Contracts for capital expenditure which are not provided in these accounts amounted to £15.1m (H1 22: £16.3m).

10. Related Parties

There are no material changes in related parties or in related party transactions from those described in the 2022 Annual Report.

11. Subsequent Events

There are no post balance sheet events to report.

12. Approval

The Condensed Consolidated Interim Financial Statements were approved by the Board on 27 July 2023.