2023 FULL YEAR RESULTS ANNOUNCEMENT
5 March 2024

Strong 2023 Performance in Revenue, Margin, EPS, Cash and ROIC

- Revenue of £3,328.7m, +7.1% at constant currency and +4.3% at actual rates
- **Highest LFL revenue growth in the last 10 years** with 6.2% LFL revenue growth at constant currency
- LFL of 8.2% in Corporate Assurance, Health and Safety, Industry and Infrastructure, and World of Energy combined; Consumer Products LFL of 1.3%
- JLA, SAI and CEA **acquisitions performing well**, and Controle Analítico and PlayerLync integrations on track
- Acquisition of Base Met Labs to expand our Minerals ATIC offering in attractive growth and margin markets
- **Adjusted operating profit of £551.1m, +10.9% at constant currency** and +6.0% at actual rates
- **Adjusted operating margin of 16.6%, +60bps at constant currency** and +30bps at actual rates
- **Adjusted diluted EPS of 223.0p, +11.0% at constant currency** and +5.6% at actual rates
- Daily cash discipline delivers an **all-time high operating cash flow of £749.0m** with cash conversion of 122%
- Strong balance sheet; **net debt reduced by £127m to £611m**, and leverage ratio improved to 0.8x
- **ROIC of 20.5%**, **+250bps year-on-year at constant currency** and at actual rates
- Cost reduction programme delivered savings of £13m in 2023 and £10m expected in 2024
- **Proven high quality compounding model;** On track to deliver our medium-term margin target of 17.5%+
- **Robust 2024 outlook**: Mid-single digit LFL at constant currency, margin progression and strong cash flow
- Full Year dividend of 111.7p up 5.6% year-on-year; **increasing targeted dividend payout to circa 65% from 2024**

A FY results video is available on our website: https://www.intertek.com/investors/2023-full-year-results-video/

André Lacroix: Chief Executive Officer statement

"I would like to recognise all my colleagues for their unwavering support enabling us to deliver a strong 2023 performance in revenue growth, margin, EPS, cash and ROIC. Our revenue grew by 7.1% at constant currency driven by a LFL revenue growth of 6.2%, the highest in the last 10 years, and the contribution of our acquisitions. Our systemic performance management drove strong profit conversion with margins rising 60bps at constant currency, driving EPS growth of 11.0% at constant currency. Cash conversion at 122% was excellent. We have delivered our highest ever cash from operations of £749m resulting in our net debt declining by £127m to £611m. We have a strong balance sheet giving us the ability to invest in growth. ROIC increased by 250bps to 20.5%.

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. Over the last nine years, from 2014-2023, we have delivered a CAGR of 5.3%, 6.1% and 6.0% for revenue, operating profit and EPS, notwithstanding the impact of Covid. In May 2023, we unveiled our Intertek AAA differentiated 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 highly engaged, customer-centric organisation is laser-focused to take Intertek to greater heights putting our AAA strategy in action and continuing to deliver sustainable growth and value for all stakeholders.

Based on our positive momentum, we expect the Group will deliver a robust performance in 2024 with mid-single digit LFL revenue growth at constant currency, margin progression and a strong cash flow performance. We are on track to get back to our peak margin of 17.5% and beyond in the medium-term, capitalising on the revenue growth acceleration we are seeing for our ATIC solutions, our disciplined performance management and our investments in high growth and high margin segments.

We believe in the value of accretive disciplined capital allocation. In recognition of our highly cash generative earnings model, our strong financial position, the Board's confidence in the attractive long-term growth prospects for the Group and its ability to fund continued growth investments, we are increasing our targeted dividend payout ratio to circa 65% of earnings from 2024."

Key Adjusted Financials	2023	2022	Change at actual rates	Change at constant rates[1]
Revenue	£3,328.7m	£3,192.9m	4.3%	7.1%
Like-for-like revenue[2]	£3,300.9m	£3,192.9m	3.4%	6.2%
Operating profit[3]	£551.1m	£520.1m	6.0%	10.9%
Operating margin[3]	16.6%	16.3%	30bps	60bps
Profit before tax[3]	£507.2m	£488.2m	3.9%	9.2%
Diluted earnings per share[3]	223.0p	211.1p	5.6%	11.0%
Dividend per share	111.7p	105.8p	5.6%	
Cash flow from operations less net capex[3]	£643.6m	£609.7m	5.6%	
Adjusted Free Cash Flow[3]	£378.4m	£386.3m	(2.0%)	
Financial net debt[4]	£610.6m	£737.9m	(17.3%)	
Financial net debt / EBITDA[3, 4]	0.8x	1.1x		
ROIC[5]	20.5%	18.0%		

Key Statutory Financials	2023	2022	Change at actual rates
Revenue	£3,328.7m	£3,192.9m	4.3%
Operating profit	£486.2m	£452.4m	7.5%
Operating margin	14.6%	14.2%	40bps
Profit before tax	£422.3m	£419.8m	0.6%
Profit after tax	£318.1m	£306.8m	3.7%
Diluted earnings per share	183.4p	178.4p	2.8%
Cash generated from operations	£725.9m	£704.1m	3.1%

[1] Constant rates are calculated by translating 2022 results at 2023 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 24.
[4] Financial net debt excludes the IFRS 16 lease liability of £307.8m. Total net debt is £918.4m. See note 6 on page 36.
[5] ROIC is defined as adjusted profit after tax divided by invested capital.

The Directors will propose a final dividend of 74.0p per share (2022: 71.6p) at the Annual General Meeting on 24 May 2024, to be paid on 21 June 2024 to shareholders on the register at close of business on 31 May 2024.

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Analysts' Call
A live audiocast for analysts and investors will be held today at 10am. Details can be found at http://www.intertek.com/investors/ together with presentation slides and a pdf copy of this report.

A recording of the audiocast will be available later in the day.

Annual Report
The Annual Report comprising the Strategic, Sustainability and Financial Reports for the year ended 31 December 2023 will be available on the Company's website www.intertek.com on 22 March 2024.

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 to Bring Quality, Safety and Sustainability to Life. We provide 24/7 mission-critical quality assurance solutions to our clients to ensure that they 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.

intertek.com

Intertek CEO Letter

I would like to recognise all my colleagues for their unwavering support enabling us to deliver a strong 2023 performance in revenue growth, margin, EPS, cash and ROIC. Our revenue grew by 7.1% at constant currency driven by a LFL revenue growth of 6.2%, the highest in the last 10 years, and the contribution of our acquisitions. Our systemic performance management drove strong profit conversion with margins rising 60bps at constant currency, driving EPS growth of 11.0% at constant currency. Cash conversion at 122% was excellent. We have delivered our highest ever cash from operations of £749m resulting in our net debt declining by £127m to £611m. We have a strong balance sheet giving us the ability to invest in growth. ROIC increased by 250bps to 20.5%.

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. Over the last nine years, from 2014-2023, we have delivered a CAGR of 5.3%, 6.1% and 6.0% for revenue, operating profit and EPS, notwithstanding the impact of Covid. In May 2023, we unveiled our Intertek AAA differentiated 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 highly engaged, customer-centric organisation is laser-focused to take Intertek to greater heights putting our AAA strategy in action and continuing to deliver sustainable growth and value for all stakeholders.

Based on our positive momentum, we expect the Group will deliver a robust performance in 2024 with mid-single digit LFL revenue growth at constant currency, margin progression and a strong cash flow performance. We are on track to get back to our peak margin of 17.5% and beyond in the medium-term, capitalising on the revenue growth acceleration we are seeing for our ATIC solutions, our disciplined performance management and our investments in high growth and high margin segments.

We believe in the value of accretive disciplined capital allocation. In recognition of our highly cash generative earnings model, our strong financial position, the Board's confidence in the attractive long-term growth prospects for the Group and its ability to fund continued growth investments, we are increasing our targeted dividend payout ratio to circa 65% of earnings from 2024.

Strong Value Delivered

In 2015, we took the decision to reinvent ourselves, making Assurance, Testing, Inspection and Certification, or ATIC, our Customer Promise and we rebranded Intertek as Total Quality. Assured.

Our strategic goal with ATIC is 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.

When we did this, we were ahead of our time and our clients agree that our industry has changed and is now all about Risk-Based Quality Assurance powered by ATIC. 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 supply chains.

We have made strong progress between 2014 and 2023 notwithstanding the impact of Covid and have delivered sustainable growth and value for all stakeholders with the following achievements:

- Revenue growth of 59%, CAGR of 5.3%
- Ebitda growth of 81.2%, CAGR of 6.8%
- Operating margin increase of 110bps
- Cash generated from operations growth of 85.5%, CAGR 7.1%
- ROIC improvement of 420bps

Metric[1]	2014[2]	2023	Change	CAGR
Revenue	£2,093m	£3,329m	59.0%	5.3%
EBITDA	£400.9m	£726.4m	81.2%	6.8%
Operating profit	£324.6m	£551.1m	69.8%	6.1%
Operating margin	15.5%	16.6%	110bps	12bps
Diluted earnings per share	132.1p	223.0p	68.8%	6.0%
Dividend	49.1p	111.7p	127.5%	9.6%
WC as % Revenue	9.3%	(2.4%)	(1,170bps)	n/a
Cash generated from ops	£403.7m	£749.0m	85.5%	7.1%
ROIC	16.3%	20.5%	420bps	47bps

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 now more than ever everyone wants to build an ever-better world which means that corporations will invest more in quality, safety and sustainability, accelerating the demand for our ATIC industry-leading solutions.

Indeed, our customer research shows the well-known attractive structural growth drivers in the Risk-based Quality Assurance industry will be augmented by:

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

Covid-19 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 Capgemini shows that 67% 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 and 2023, 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.

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.

Intertek AAA Differentiated Growth Strategy

At our Capital Markets event in London last year, we unveiled our Intertek AAA Differentiated 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 focused on delivering value consistently, targeting mid-single digit LFL revenue growth, margin accretion to get 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 2015 and 2023 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 accelerate post-Covid.

Our Intertek AAA Differentiated 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-focused 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 have improved 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 terms of LFL revenue growth in the medium to long term, we are targeting Group mid-single digit LFL revenue growth at constant currency 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 Target of 17.5%+

Margin accretive revenue growth is central to the way we deliver value, and we are confident that over time we will deliver our medium-term margin target of 17.5%+. Our confidence is based on three simple reasons: we have the proven tools and processes in place, we operate with a span of performance giving us significant benchmarking opportunity, and we pursue a disciplined accretive portfolio strategy.

We announced a cost reduction programme last year that targets productivity opportunities based on operational streamlining and technology upgrade initiatives. Our cost reduction programme has delivered £13m of savings in 2023, slightly more than our expectation for £7-8m. We expect the programme to deliver £10m additional savings in 2024.

We have also implemented some price increases and we will continue to do so in 2024.

Accretive Disciplined Capital Allocation

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 c5% of revenue in capex).

- The second priority is to deliver sustainable returns for our shareholders through the payment of progressive dividends and we have announced today that we are increasing our targeted dividend payout to circa 65% of earnings from 2024 in recognition of our highly cash generative earnings model, our strong financial position and the Board’s confidence in the attractive long-term growth prospects for the Group and its ability to fund continued growth investments.

- 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.

The recent SAI, JLA and CEA acquisitions to scale up our portfolio in attractive growth and margin sectors are performing well, in line with our expectations.

Moreover, the integration of the recent acquisitions we made Controle Analítico and PlayerLync are on track.

We continue to be selective in our M&A approach, focusing on growth and margin accretive investment opportunities and yesterday we announced the acquisition of Base Metallurgical Laboratories, a leading provider of metallurgical testing services for the Minerals sector based in North America reinforcing and expanding Intertek's ATIC offering in the Minerals Industry.

In addition to M&A, we have continued to strengthen our value proposition by launching several industry-leading margin accretive innovations.

Sustainability Excellence

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 therefore continuously need to upgrade and reinvent how they manage their sustainability agenda, particularly with regards to how they disclose their non-financial 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. In 2023 we made progress:

- Levels of Hazard Observations increased, reflecting greater levels of activity across our sites as well as greater awareness and reporting of Health and Safety overall.
- 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 science-based reduction targets to 2030. Our rigorous monthly performance management of climate-related action plans delivered operational market-based emissions reductions of 11% against 2022 and 37% against our base year 2019.
- In 2023, our GHG emissions reduction targets were validated by the SBTi.
- 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 2023 score was 87 (2022: 80).
- Our voluntary permanent employee turnover improved to a low rate of 12.3% (2022: 14%).

Outlook 2024

Based on our positive momentum, we expect that the Group will deliver a robust performance in 2024 with mid-single digit LFL revenue growth at constant currency, margin progression 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- to Mid-single digit
- Corporate Assurance: High-single digit
- Health and Safety: Mid-single digit

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

Our financial guidance for 2024 is that we expect:

- Capital expenditure in the range of £135-145m
- Net finance costs in the £41-43m range
- Effective tax rate in the 25-26% range
- Minority interests of between £23-24m
- Targeted dividend payout ratio to circa 65% from 2024 Interims
- FY24 financial net debt to be in the range of £510-560m

The average sterling exchange rate in the last three months applied to the full year results of 2023 would reduce our FY revenue and earnings level by circa 150bps.

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 AAA Differentiated 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 constant currency, 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 year ended 31 December 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

	2023 £m	2022 £m	Change at actual rates	Change at constant rates[1]
Revenue	3,328.7	3,192.9	4.3%	7.1%
Like-for-like revenue[2]	3,300.9	3,192.9	3.4%	6.2%
Adjusted Operating profit[3]	551.1	520.1	6.0%	10.9%
Margin[3]	16.6%	16.3%	30bps	60bps
Net financing costs[3]	(43.9)	(31.9)	37.6%	34.1%
Income tax expense[3]	(124.8)	(128.4)	(2.8%)	2.2%
Adjusted Earnings for the period[3]	361.7	341.8	5.8%	11.2%
Adjusted diluted earnings per share[3]	223.0p	211.1p	5.6%	11.0%

1. Constant rates are calculated by translating 2022 results at 2023 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 Financial Statements.

Total reported Group revenue increased by 4.3%, with 0.9% growth contributed by acquisitions, a LFL revenue increase of 6.2% and a decrease of 280bps from foreign exchange reflecting sterling appreciation against most of the Group's trading currencies.

The Group's LFL revenue at constant currency consisted of an increase of 1.3% in Consumer Products, 9.0% in Corporate Assurance, 7.0% in Health and Safety, 7.9% in Industry and Infrastructure and 8.7% in World of Energy.

We delivered adjusted operating profit of £551.1m, up 10.9% at constant currency and 6.0% at actual rates.

The Group's adjusted operating margin was 16.6%, an increase of 60bps from the prior year at constant exchange rates and 30bps at actual rates.

Net Financing Costs
Adjusted net financing costs were £43.9m, an increase of £12.0m on 2022 resulting from a combination of higher interest expenses and the impact of foreign exchange rates. This comprised £3.8m (2022: £2.2m) of finance income and £47.7m (2022: £34.1m) of finance expense.

Tax
The adjusted effective tax rate was 24.6%, a decrease of 1.7% on the prior year (2022: 26.3%). The tax charge, including the impact of SDIs, of £104.2m (2022: £113.0m), equates to an effective rate of 24.7% (2022: 26.9%), the decrease mainly driven by the geographical mix of profits.

Earnings per share
Adjusted diluted earnings per share at actual exchange rates was 5.6% higher at 223.0p (2022: 211.1p). Diluted earnings per share after SDIs was 183.4p (2022: 178.4p) per share and basic earnings per share after SDIs was 184.4p (2022: 179.2p).

Dividend
Reflecting the Group’s strong cash generation in 2023, the Board recommends a full year dividend of 111.7p per share, a year-on-year increase of 5.6%.

The full year dividend of 111.7p equates to a total cost of £181.2m or 50% of adjusted profit attributable to shareholders of the Group for 2023 (2022: £170.6m and 50%). The dividend is covered 2.0 times by earnings (2022: 2.0 times), based on adjusted diluted earnings per share divided by dividend per share.

Separately Disclosed Items (‘SDIs')
A number of items are separately disclosed in the financial statements as exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group’s business. Reconciliations of the statutory to adjusted measures are provided in the Presentation of Results section.

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 fixed assets; costs of acquiring and integrating acquisitions; the cost of any fundamental restructuring; the costs of any significant strategic projects; material claims and settlements; and unrealised market or fair value gains or losses on financial assets or 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 costs associated with our cost reduction programme are excluded from adjusted operating profit where they represent changes associated with operational streamlining, technology upgrades or related asset write-offs and are costs that are not expected to reoccur. The cost reduction programme is expected to last up to five years. 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 are excluded from adjusted operating profit in order to provide useful information regarding the underlying performance of the Group’s operations.

The SDIs charge for 2023 comprises amortisation of acquisition intangibles of £34.2m (2022: £34.8m); acquisition and integration costs relating to successful, active, or aborted acquisitions of £8.3m (2022: £5.5m); and restructuring costs of £22.4m (2022: £27.4m).

Details of the SDIs for the twelve months ended 31 December 2023 and the comparative period are given in note 3 to the Condensed Consolidated Financial Statements.

Acquisitions and investments
The Group completed two acquisitions in the year (2022: one) with consideration paid of £40.5m (2022: £65.9m), net of cash acquired of £3.1m (2022: £13.4m), and further contingent consideration payable of £3.7m.

In 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.

In August 2023, the Group acquired PlayerLync Holdings, Inc. (PlayerLync), a leading SaaS-based platform, based in the USA.

The Group invested £116.9m (2022: £116.5m) organically in laboratory expansions, new technologies and equipment and other facilities. This investment represented 3.5% of revenue (2022: 3.6%).

Cash flow
The Group's cash performance was strong with free cash flow of £378.4m (2022: £386.3m), driven by strong cash conversion, the result of disciplined working capital management. Adjusted cash flow from operations was £749.0m (2022: £722.0m). Statutory cash flow from operations was £725.9m (2022: £704.1m). Net cash flows generated from operating activities were £535.0m (2022: £559.9m), following higher interest and income taxes paid during the year.

Financial position
The Group ended the period in a strong financial position. Financial net debt was £610.6m, a decrease of £127.3m on 31 December 2022, primarily reflecting strong cash generation in the business. The undrawn headroom on the Group's existing committed borrowing facilities at 31 December 2023 was £664.3m (2022: £707.3m) and cash and cash equivalents were £298.6m (2022: £320.7m), representing significant total liquidity.

In December 2023, the Group issued EUR€185m of senior notes. The notes were issued in three tranches with EUR€120m payable on 21 December 2026 at a fixed annual interest rate of 3.94%, EUR€25m repayable on 21 December 2027 at a fixed annual interest rate of 3.89% and EUR€40m repayable on 21 December 2028 at a fixed annual interest rate of 3.88%.

Total net debt, including the impact of the IFRS 16 lease liability, was £918.4m (2022: £1,060.1m).

Our financial guidance for 2024 is that we expect:

- Capital expenditure in the range of £135-145m
- Net finance costs of around £41-43m
- Effective tax rate in the 25-26% range
- Minority interests of between £23m and £24m
- Financial net debt at December 2024 of between £510-560m (prior to any material movements in FX or M&A).

Operating Review by Division

To reflect the value creation drivers identified in the Intertek 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			
	2023 £m	2022 £m	Change at actual rates	Change at constant rates	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Consumer Products	935.8	964.2	(2.9%)	1.3%	246.8	268.5	(8.1%)	(2.6%)
Corporate Assurance	477.5	450.0	6.1%	9.5%	109.4	95.5	14.6%	19.2%
Health and Safety	326.3	302.3	7.9%	9.1%	43.2	40.7	6.1%	9.4%
Industry and Infrastructure	860.5	814.4	5.7%	7.9%	86.1	71.9	19.7%	22.0%
World of Energy	728.6	662.0	10.1%	11.7%	65.6	43.5	50.8%	57.3%
Group	3,328.7	3,192.9	4.3%	7.1%	551.1	520.1	6.0%	10.9%

	Revenue 2023 £M	Revenue 2022 £M	Revenue YoY % (actual rates)	Revenue YoY % (constant rates)	LFL Revenue 2023 £M	LFL Revenue 2022 £M	LFL Revenue YoY % (actual rates)	LFL Revenue YoY % (constant rates)	Adjusted operating profit 2023 £M	Adjusted operating profit 2022 £M	Adjusted operating profit YoY % (actual rates)	Adjusted operating profit YoY % (constant rates)	Adjusted operating margin 2023 £M	Adjusted operating margin 2022 £M	Adjusted operating margin YoY % (actual rates)	Adjusted operating margin YoY % (constant rates)
Product	2,072.0	2,024.3	2.4%	5.2%	2,070.0	2,024.3	2.3%	5.0%	447.9	426.9	4.9%	9.5%	21.6%	21.1%	50bps	80bps
Trade	664.0	635.6	4.5%	6.8%	657.5	635.6	3.4%	5.8%	49.6	57.9	(14.3%)	(7.6%)	7.5%	9.1%	(160bps)	(110bps)
Resources	592.7	533.0	11.2%	14.7%	573.4	533.0	7.6%	11.0%	53.6	35.3	51.8%	56.3%	9.0%	6.6%	240bps	240bps
Group	3,328.7	3,192.9	4.3%	7.1%	3,300.9	3,192.9	3.4%	6.2%	551.1	520.1	6.0%	10.9%	16.6%	16.3%	30bps	60bps

Consumer Products Division

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	**935.8**	**964.2**	**(2.9%)**	**1.3%**
Like-for-like revenue	**935.8**	**964.2**	**(2.9%)**	**1.3%**
Adjusted operating profit	**246.8**	**268.5**	**(8.1%)**	**(2.6%)**
Adjusted operating margin	**26.4%**	**27.8%**	**(140bps)**	**(100bps)**

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 28% of our revenue in 2023 and includes the following business lines: Softlines, Hardlines, Electrical/Connected World and Government and Trade Services (GTS).

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:

Global Market Access
24/7 access to curated and up-to-date compliance information

What it is: Global Market Access is a one-stop digital knowledge portal, developed to increase regulatory compliance for improved consumer safety and to protect corporate reputations. Covering more than 180 consumer product types for 40 different markets – from soft goods such as apparel and textiles, to hard goods such as cookware and furniture – it helps retailers and manufacturers comply with the regulations in force in different markets across the world.

Customer benefit: This self-help portal enables compliance and quality managers to obtain up-to-date regulatory, testing and recall information tailored to their needs – all in one place, with just a few clicks, instantly. Currently, we offer four e-services on the portal, including Regulatory Sheet, Test Plan, Recall Summary and Gap Analysis, all helping our customers bring their products to global markets more quickly.

Mestre Battery Xcellence Centre
Supporting sustainable transport and energy solutions worldwide

What it is: Our new Battery Xcellence Centre in Mestre, Italy, features the latest technologies for testing battery and energy storage systems, along with unrivalled industry expertise. With equipment including battery cyclers, climatic and salt-spray chambers, anti-fire containers and an altitude test chamber, the centre meets the testing needs for transportation and storage safety, functional safety, and performance for a wide range of cells and battery packs. This state-of-the-art facility in Italy joins our global network of specialist centres strategically located in key markets including the USA, China, Taiwan, India, Hong Kong and Europe.

Customer benefit: On the road to net zero, energy storage is increasingly critical, and this new facility helps customers in Italy and the South Europe region navigate the rapidly evolving regulatory environment for batteries and battery-operated products. Our Italian team will support businesses across a range of sectors – including automotive, transportation, energy and consumer goods – in taking their products from design to compliance evaluation and global market access.

Hydrogen Assurance
Expert advisory and assurance solutions for hydrogen-based projects

What it is: Our Hydrogen Assurance platform provides quality, safety and sustainability assurance across the entire hydrogen value chain, from the early stages of project feasibility and product design, through hydrogen production, delivery and storage, to end-use product compliance and certification. This includes comprehensive testing and certification of hydrogen refuelling stations and dispensing and compression systems.

Customer benefit: The platform gives our customers access to leading hydrogen expertise and engineering resources. Its design services help bring products to market, while electrolyser bankability services ensure projects are financially viable and sustainable. Combining these with guidance on regulatory and compliance requirements, Hydrogen Assurance supports the safe and successful development and execution of hydrogen-based projects.

FY 2023 Performance
In 2023, our Consumer Products-related business reported revenue of £935.8m, up year-on-year by 1.3% at constant rates but down 2.9% at actual rates. We delivered operating profit of £246.8m, 2.6% lower year-on-year at constant currency and down 8.1% year-on-year at actual rates. Margin was 26.4%, down 100bps year-on-year at constant currency, the decrease attributable to the revenue decline in 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 stable LFL revenue 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 GTS 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 growth globally as the expansion in the supply chain activities of our clients in the Middle East and Africa was offset by the impact of the non-renewal of two contracts in 2022.

2024 growth outlook
In 2024, we expect our Consumer Products division to deliver low- to mid-single digit LFL revenue growth at constant currency.

Medium- to long-term growth outlook
Our Consumer Products division will benefit from growth in new brands, SKUs & e-commerce, increased regulation, a greater focus on sustainability, technology, as well as a growing middle class. We expect low- to mid-single LFL revenue growth in the medium term at constant currency.

Corporate Assurance Division

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	477.5	450.0	6.1%	9.5%
Like-for-like revenue	475.5	450.0	5.7%	9.0%
Adjusted operating profit	109.4	95.5	14.6%	19.2%
Adjusted operating margin	22.9%	21.2%	170bps	190bps

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 2023 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 and M&A
We continue to invest in ATIC innovations to deliver a superior customer service in our Corporate Assurance related businesses:

Intertek Inlight
Enhancing supply chain risk management and brand protection

What it is: Intertek Inlight is a comprehensive platform designed to help organisations gain a deeper understanding of their supply chain risks and sustainability. Leveraging Intertek's status as having the largest network of compliance auditors worldwide, Inlight offers a customisable assurance platform. It utilises data from over 100,000 annual audits and integrates Intertek's real-time risk analysis capabilities.

Customer benefit: The platform provides reliable information about suppliers' capabilities and compliance levels, coupled with tools for the early detection of potential risks. This functionality enables companies to develop a clear visibility and transparency of their supply chains, create detailed risk profiles for their suppliers, and make more informed decisions. Inlight is an invaluable tool for businesses aiming to protect their brand integrity, ensuring that they are working with compliant and sustainable suppliers. By offering insights into supply chain dynamics, Inlight empowers companies to navigate complex global supply networks with confidence and foresight.

Green R&D
Balancing sustainability, safety and quality

What it is: Green R&D is a science-driven solution that offers comprehensive insights into product development, focusing on safety, quality and sustainability. It encompasses detailed performance testing, analysis, regulatory compliance and environmental assessments, providing a holistic view of a product's journey.

Customer benefit: The key benefit for customers lies in the growing demand for eco-friendly products. Today's consumers are increasingly conscious about the environmental impact of their purchases. Green R&D services enable companies to respond to this shift by ensuring their products are developed with minimal environmental impact. This approach helps companies mitigate risks and protect their brand reputation by achieving an optimal balance between product quality, safety and performance, while adhering to environmental standards. It offers a strategic advantage in a marketplace where ecological considerations are becoming increasingly pivotal.

PlayerLync
Enhancing our People Assurance offering

What it is: PlayerLync is a leading SaaS-based platform which combines mobile content management, operational and compliance support in a single native app. In 2023, the platform became part of Intertek's People Assurance business, building on our earlier pioneering acquisition of Alchemy/Wisetail by adding robust mobile content management, communication and offline synchronisation capabilities.

Customer benefit: With approximately 80% of the global workforce operating in deskless roles today, the demand for bespoke People Assurance solutions and mobile-based learning delivered at the point of need continues to grow, driven by increasing regulation and heightened end-customer expectations. Software-based technology solutions that offer mobile training, learning and development content are therefore becoming ever more important, and the combination of Wisetail and PlayerLync is exceptionally well-placed to meet those needs.

2023 Performance
In 2023, our Corporate Assurance-related business delivered revenue of £477.5m, up year-on-year by 9.5% at constant currency and 6.1% at actual rates. LFL revenue growth was 9.0% at constant currency. Operating profit was £109.4m, up 19.2% year-on-year at constant currency and up 14.6% at actual rates with a margin of 22.9%, 190bps higher year-on-year at constant currency, 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 stable LFL revenue as we benefitted from improved demand for our regulatory assurance solutions and from increased corporate investments in ESG.

2024 growth outlook
In 2024, we expect our Corporate Assurance division to deliver high-single digit LFL revenue growth at constant currency.

Medium- 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. We expect high-single to double digit LFL revenue growth in the medium term at constant currency.

Health and Safety Division

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	326.3	302.3	7.9%	9.1%
Like-for-like revenue	319.9	302.3	5.8%	7.0%
Adjusted operating profit	43.2	40.7	6.1%	9.4%
Adjusted operating margin	13.2%	13.5%	(30bps)	-

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 10% of our revenue in 2023 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:

Intertek and World Coffee Research
Enhancing Arabica coffee research through collaborative partnership

What it is: Our AgriTech team is collaborating with World Coffee Research ('WCR'), a leading non-profit organisation focused on improving the future of the coffee industry. We are contributing to WCR's innovative open-access database, which contains crucial genetic information on Arabica coffee. Our role involves providing specialised training in sampling techniques, performing DNA extraction, offering genotyping services and delivering comprehensive technical support.

Customer benefit: This collaboration offers significant benefits to the coffee community, including researchers, farmers and industry professionals. The availability of a centralised and accessible genetic database is set to transform the field of coffee research. It simplifies the process of identifying and authenticating coffee varieties, leading to substantial cost reductions. Our partnership with WCR not only aids in advancing agricultural technology but also helps in lowering quality control expenses, thereby contributing to the cultivation of higher-quality coffee plants. This initiative represents a major step forward in ensuring the sustainability and quality of the coffee industry.

Crystek
Innovating to predict and prevent honey crystallisation

What it is: Crystek, developed by Intertek, provides services to evaluate and estimate a honey sample's tendency to crystallise, as well as to advise on and improve the quality of the honey and its production.

Customer benefit: Honey crystallisation is a natural phenomenon where honey turns from liquid to a semi-solid state. The start of this natural process depends on the honey's characteristics and the production process. Intertek has developed a physical instrument that can be used to understand which part – characteristics or production – has the biggest impact on crystallisation, with experts available to support on-site or remotely. Intertek is one of the world-leading experts in the analysis of honey and hive products. The combination of Crystek and our unique expertise allows us to help manufacturers develop the best process to prevent crystallisation from taking place.

Controle Analítico

Intertek enhances presence in attractive environmental testing market

What it is: Controle Analítico is a leading provider of environmental analysis, with a focus on drinking and waste water, soil, and waste testing, based in Brazil. With heightened societal awareness around environmental health and sustainability, and population growth placing greater demand on critical infrastructure, broadening access to sanitation and clean water services has become increasingly important for stakeholders around the world.

Customer benefit: In Brazil, legislation aimed at providing at least 99% of the population with safe drinking water and 90% of all in-country households with sanitation services by the year 2033 is expected to require approximately US$128 billion of investment this decade. The acquisition of Controle Analítico in April 2023 complemented Intertek's leading Food and Agri Total Quality Assurance solutions in Brazil, expanding our presence and providing a wider and much-needed service offering in the Environmental testing market.

2023 Performance

In 2023, our Health and Safety-related business reported revenue of £326.3m, up year-on-year by 9.1% at constant currency and by 7.9% at actual rates. LFL revenue growth was 7.0% at constant currency. Operating profit of £43.2m was up 9.4% year-on-year at constant currency and 6.1% at actual rates. Due to country-mix effect in AgriWorld and investments in capability in Chemicals & Pharma, margin of 13.2% was flat year-on-year at constant currency.

- 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 and Pharma we saw high-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.

2024 growth outlook

In 2024, we expect our Health and Safety division to deliver mid-single digit LFL revenue growth.

Medium- 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. We expect mid- to high-single digit LFL revenue growth in the medium term at constant currency.

Industry and Infrastructure Division

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	**860.5**	**814.4**	**5.7%**	**7.9%**
Like-for-like revenue	**860.5**	**814.4**	**5.7%**	**7.9%**
Adjusted operating profit	**86.1**	**71.9**	**19.7%**	**22.0%**
Adjusted operating margin	**10.0%**	**8.8%**	**120bps**	**110bps**

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 2023 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 Aware
Improving the safety, efficiency and performance of complex equipment

What it is: Developed through Intertek Industry Services, Intertek Aware is a Digital Twin offering which integrates data from IoT sensors, robotic feedback and powerful software, fuelled by analytics, to create an accurate visual replica of your industrial world. The software empowers energy asset owners and operators to improve reliability, increase safety, estimate remaining useful life and manage inspection data, as well as helps to reduce costs.

Customer benefit: Aware harnesses online and offline data to fuel smarter decisions on operations, maintenance, outages and inspections. The software helps to avoid forced outages, visualises problem areas and tracks risk-based inspections, failures and repairs. It also helps to meet code compliance requirements with faster, standardised documentation.

MiQ
Helping energy producers minimise methane emissions

What it is: MiQ is a leading certification standard for methane emissions. As an accredited MiQ auditor, Intertek independently certifies natural gas extraction and production facilities (onshore and offshore), using data-led grading to identify gas with higher or lower emissions. To provide a grade for a producer or facility, we evaluate methane intensity, company practices and monitoring technology.

Customer benefit: While reducing greenhouse gas emissions focuses on CO_2, there is increasing awareness that methane is 80 times more potent in its first 20 years, so reducing it can have a much greater immediate effect on managing climate change. By providing grades that enable producers to differentiate their natural gas, MiQ certification promotes incentives for cutting methane emissions.

PhotonAssay
Enhancing efficiency and sustainability in West African gold testing

What it is: PhotonAssay is a revolutionary analytical technique, heralding a new era of speed, accuracy and safety in gold analysis. We have introduced the technology at our minerals laboratory in Tarkwa, Ghana, which is central to our decades-long support for the West African mining industry. Unlike traditional methods, PhotonAssay employs high-intensity X-rays to excite gold atoms, producing unique gamma-ray signatures, which are then measured to determine gold content.

Customer benefit: The innovative technology delivers accurate results in a fraction of the time taken by conventional methods. It also significantly reduces the use of hazardous chemicals, minimising the environmental impact of testing procedures. The PhotonAssay unit's ability to deliver rapid, accurate and environmentally conscious results will assist to improve the sustainability of our clients' operations and contribute to the region's overall economic growth.

Intertek Moody
Leveraging a legacy of engineering-based excellence

What it is: The Moody legacy is synonymous with engineering-based technical assurance. Building on a more than 100-year history, that foundational heritage of experience and expertise was reignited with the return of the Intertek Moody brand. Bringing back the brand not only harnesses its industry-leading recognition and honours one of Intertek's founding pioneers, but also reinforces the strength and stability forged by the storied Moody legacy that still drives our global expertise, pioneering industry innovations and local presence.

Customer benefit: As industries strive to meet growing global energy and infrastructure demands, the need for quality, safety and reliability is paramount. Delivering in-depth expertise and local knowledge on a global scale, Intertek Moody has a history of being where our customers need us, across the entire supply chain and all stages of a project's life cycle. Our first-class proactive and valued solutions, such as inspection, expediting and project management assistance help reduce risks, increase quality, optimise efficiency and improve safety.

2023 Performance
In 2023, our Industry & Infrastructure-related business delivered revenue of £860.5m, up 7.9% at constant currency and up 5.7% at actual rates. Operating profit of £86.1m was up 22.0% year-on-year at constant currency and up 19.7% year-on-year at actual rates. Margin improved by 110bps year-on-year at constant currency to 10.0% as we benefitted from operating leverage and productivity gains.

- Industry Services includes our Capex Inspection services and Opex Maintenance services and 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.

- The continuing high demand for testing and inspection activities drove high-single 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.

2024 growth outlook
In 2024, we expect our Industry and Infrastructure division to deliver high-single digit LFL revenue growth at constant currency.

Medium- to long-term growth outlook
The Industry and Infrastructure 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 of Renewables, increase R&D investments that OEMs are making in EV/Hybrid vehicles and from the development of greener fuels. We expect mid- to high-single digit LFL revenue growth in the medium term at constant currency.

World of Energy Division

	2023 £m	2022 £m	Change at actual rates	Change at constant rates
Revenue	**728.6**	**662.0**	**10.1%**	**11.7%**
Like-for-like revenue	**709.2**	**662.0**	**7.1%**	**8.7%**
Adjusted operating profit	**65.6**	**43.5**	**50.8%**	**57.3%**
Adjusted operating margin	**9.0%**	**6.6%**	**240bps**	**260bps**

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 22% of our revenue in 2023 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 and Zero Petroleum
Pioneering the future of synthetic, carbon-neutral fuels

What it is: Intertek is collaborating with Zero Petroleum, an innovative energy company at the forefront of developing synthetic, carbon-neutral alternatives to traditional fossil fuels. Our role is vital in this partnership, as we are responsible for thoroughly assessing the composition and emissions of these synthetic fuels and verifying their compliance with stringent industry standards and regulatory requirements.

Benefits: The overall benefits of Zero synthetic fuels are substantial in the context of the global energy transition. These efuels, uniquely created from air and water, offer potentially unlimited scale and represent a significant advancement in moving towards cleaner, more sustainable energy sources. Designed to directly replace conventional petroleum-based fuels, they are applicable across various sectors, including transportation, aviation and agriculture. A key advantage of Zero synthetic fuels is their compatibility with existing engines, allowing for seamless integration without the necessity for any modifications or adaptations. This compatibility underscores the potential of Zero synthetic fuels to significantly contribute to reducing carbon emissions and advancing environmental sustainability.

Electrification Centre of Excellence
Supporting the move towards electric mobility

What it is: Strategically located near Detroit in the epicentre of the automotive industry, our Electrification Centre of Excellence in Plymouth, Michigan, offers some of the most extensive testing capabilities in North America for electric vehicle batteries and supply equipment. Through science-based Total Quality Assurance solutions, this facility plays a crucial role in supporting manufacturers in the transition to greener transport.

Customer benefit: With sales of electric vehicles growing rapidly, our Electrification Centre of Excellence helps meet the automotive industry's increasing need for regulatory support and safety and validation testing. As electrification technologies continue to advance, the facility will support the safety, performance and functionality of electric vehicles, battery packs, charging systems and their related components.

2023 performance

In 2023, our World of Energy-related business delivered revenue of £728.6m, up year-on-year by 11.7% at constant currency and 10.1% at actual rates. LFL revenue growth was 8.7% at constant currency. Operating profit of £65.6m was up 57.3% at constant currency and 50.8% at actual rates with margin improving by 260bps at constant currency to 9.0%, 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 high-single digit LFL revenue growth.

- Transportation Technologies delivered mid-single digit LFL revenue growth globally driven by increased investment in new powertrains to lower CO_2/NOx emissions and in traditional combustion engines to improve fuel efficiency.

- Our CEA business delivered double digit LFL revenue growth, benefiting from the increased investments in solar panels which is the fastest growing form of renewable energy.

2024 growth outlook

In 2024, we expect our World of Energy division to deliver mid-single digit LFL revenue growth at constant currency.

Medium- 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. We expect low- to mid-single digit LFL revenue growth in the medium term at constant currency.

Presentation of Results

For the year ended 31 December 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 revenue

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 2022 results at 2023 exchange rates.

Separately Disclosed Items

A number of items are separately disclosed in the financial statements as exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's business. Reconciliations of the statutory to adjusted measures are provided in the Presentation of Results section.

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 fixed assets; costs of acquiring and integrating acquisitions; the cost of any fundamental restructuring; the costs of any significant strategic projects; material claims and settlements; and unrealised market or fair value gains or losses on financial assets or 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 costs associated with our cost reduction programme are excluded from adjusted operating profit where they represent changes associated with operational streamlining, technology upgrades or related asset write-offs and are costs that are not expected to reoccur. The cost reduction programme is expected to last up to five years. 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 are excluded from adjusted operating profit in order to provide useful information regarding the underlying performance of the Group's operations.

Details of the SDIs for the twelve months ended 31 December 2023 and the comparative period are given in note 3 to the Condensed Consolidated Financial Statements.

Reconciliation of Results to Adjusted Performance Measures (£m)	**2023 Reported**	**2023 SDIs**	**2023 Adjusted**	2022 Reported	2022 SDIs	2022 Adjusted
Operating profit	486.2	64.9	551.1	452.4	67.7	520.1
Operating margin	14.6%	2.0%	16.6%	14.2%	2.1%	16.3%
Net financing costs	(63.9)	20.0	(43.9)	(32.6)	0.7	(31.9)
Profit before tax	422.3	84.9	507.2	419.8	68.4	488.2
Income tax expense	(104.2)	(20.6)	(124.8)	(113.0)	(15.4)	(128.4)
Profit for the year	318.1	64.3	382.4	306.8	53.0	359.8
Cash flow from operations	725.9	23.1	749.0	704.1	17.9	722.0
Cash flow from operations less net capex	619.4	23.1	642.5	591.8	17.9	609.7
Free cash flow	355.3	23.1	378.4	368.4	17.9	386.3
Basic earnings per share	184.4p	39.8p	224.2p	179.2p	32.8p	212.0p
Diluted earnings per share	183.4p	39.6p	223.0p	178.4p	32.7p	211.1p

Reconciliation of revenue	**2023 £m**	**2022 £m**	**Change %**
Reported revenue	3,328.7	3,192.9	4.3
Less: Acquisitions / disposals / closures	(27.8)	-	
Like-for-like revenue	3,300.9	3,192.9	3.4
Impact of foreign exchange movements	-	(83.9)	
Like-for-like revenue at constant currency	3,300.9	3,109.0	6.2

Reconciliation of financial net debt for adjusted EBITDA (£m)	**2023**	**2022**
Net debt	(918.4)	(1,060.1)
IFRS 16 lease liability	307.8	322.2
Financial net debt	(610.6)	(737.9)
Reported operating profit	486.2	452.4
Depreciation	156.0	160.2
Amortisation	19.3	20.3
EBITDA	661.5	632.9
SDIs	64.9	67.7
Adjusted EBITDA	726.4	700.6
Financial net debt / adjusted EBITDA	0.8x	1.1x

Constant currency reconciliations	**2023 £m**	**2022 £m**	**Change %**
Adjusted operating profit at actual rates	551.1	520.1	6.0
Impact of foreign exchange movements	-	(23.1)	
Adjusted operating profit at constant rates	551.1	497.0	10.9
Adjusted diluted EPS at actual rates	223.0p	211.1p	5.6
Impact of foreign exchange movements	-	(10.2)p	
Adjusted diluted EPS at constant rates	223.0p	200.9p	11.0
Diluted EPS at actual rates	183.4p	178.4p	2.8
Impact of foreign exchange movements	-	(10.5)p	
Diluted EPS at constant rates	183.4p	167.9p	9.2

Full Year Report

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

Legal Notice

This Full 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.

Condensed Consolidated Income Statement

For the year ended 31 December 2023

		2023			2022		
	Notes	Adjusted Results £m	Separately Disclosed Items* £m	Total 2023 £m	Adjusted results £m	Separately Disclosed Items* £m	Total 2022 £m
Revenue	2	**3,328.7**	**-**	**3,328.7**	3,192.9	-	3,192.9
Operating costs		**(2,777.6)**	**(64.9)**	**(2,842.5)**	(2,672.8)	(67.7)	(2,740.5)
Group operating profit/(loss)	2	**551.1**	**(64.9)**	**486.2**	520.1	(67.7)	452.4
Finance income		**3.8**	**-**	**3.8**	2.2	-	2.2
Finance expense		**(47.7)**	**(20.0)**	**(67.7)**	(34.1)	(0.7)	(34.8)
Net financing costs		**(43.9)**	**(20.0)**	**(63.9)**	(31.9)	(0.7)	(32.6)
Profit/(loss) before income tax		**507.2**	**(84.9)**	**422.3**	488.2	(68.4)	419.8
Income tax (expense)/credit		**(124.8)**	**20.6**	**(104.2)**	(128.4)	15.4	(113.0)
Profit/(loss) for the year	2	**382.4**	**(64.3)**	**318.1**	359.8	(53.0)	306.8
Attributable to:							
Equity holders of the Company		**361.7**	**(64.3)**	**297.4**	341.8	(53.0)	288.8
Non-controlling interest		**20.7**	**-**	**20.7**	18.0	-	18.0
Profit/(loss) for the year		**382.4**	**(64.3)**	**318.1**	359.8	(53.0)	306.8
Earnings per share							
Basic	4	**224.2p**		**184.4p**	212.0p		179.2p
Diluted	4	**223.0p**		**183.4p**	211.1p		178.4p
Dividends in respect of the year				**111.7p**			105.8p

* **See note 3.**

Condensed Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	**2023 £m**	2022 £m
Profit for the year	2	**318.1**	306.8
Other comprehensive (expense)/income			
Remeasurements on defined benefit pension schemes	5	**(2.6)**	17.4
Tax on comprehensive income/(expense) items		**3.0**	(4.3)
Items that will never be reclassified to profit or loss		**0.4**	13.1
Foreign exchange translation differences of foreign operations		**(147.1)**	181.5
Net exchange gain/(loss) on hedges of net investments in foreign operations		**58.8**	(120.0)
Loss on fair value of cash flow hedges		**(0.1)**	-
Items that are or may be reclassified subsequently to profit or loss		**(88.4)**	61.5
Total other comprehensive (expense)/income for the year		**(88.0)**	74.6
Total comprehensive income for the year		**230.1**	381.4

Total comprehensive income for the period attributable to:		
Equity holders of the Company	**211.6**	363.1
Non-controlling interest	**18.5**	18.3
Total comprehensive income for the year	**230.1**	381.4

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	2023 £m	2022 £m
Assets			
Property, plant and equipment	8	**669.6**	694.4
Goodwill	7	**1,385.8**	1,418.4
Other intangible assets		**330.9**	362.9
Trade and other receivables		**21.8**	21.5
Defined benefit pension asset	5	**21.8**	21.3
Deferred tax assets		**36.4**	45.0
Total non-current assets		**2,466.3**	2,563.5
Inventories*		**17.2**	16.9
Trade and other receivables*		**725.1**	726.4
Cash and cash equivalents	6	**299.3**	321.6
Current tax receivable		**30.0**	31.9
Total current assets		**1,071.6**	1,096.8
Total assets		**3,537.9**	3,660.3
Liabilities			
Interest bearing loans and borrowings	6	**(97.5)**	(262.4)
Current taxes payable		**(60.5)**	(71.0)
Lease liabilities		**(69.9)**	(70.6)
Trade and other payables*		**(735.6)**	(723.2)
Provisions*		**(18.0)**	(15.8)
Total current liabilities		**(981.5)**	(1,143.0)
Interest bearing loans and borrowings	6	**(812.4)**	(797.1)
Lease liabilities		**(237.9)**	(251.6)
Deferred tax liabilities		**(75.3)**	(99.2)
Defined benefit pension liabilities	5	**(4.8)**	(2.2)
Other payables*		**(30.1)**	(34.6)
Provisions*		**(35.8)**	(14.6)
Total non-current liabilities		**(1,196.3)**	(1,199.3)
Total liabilities		**(2,177.8)**	(2,342.3)
Net assets		**1,360.1**	1,318.0
Equity			
Share capital		**1.6**	1.6
Share premium		**257.8**	257.8
Other reserves		**(127.5)**	(41.3)
Retained earnings		**1,191.5**	1,065.9
Total equity attributable to equity holders of the Company		**1,323.4**	1,284.0
Non-controlling interest		**36.7**	34.0
Total equity		**1,360.1**	1,318.0

* Working capital of negative £78.8m (2022: negative £47.8m) comprises the asterisked items in the above Statement of Financial Position less IFRS16 lease receivable of £1.6m (2022: £2.9m).

Condensed Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

Attributable to equity holders of the Company

	Share capital £m	Share premium £m	Other Reserves: Translation reserve £m	Other Reserves: 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 income/(expense) for the period								
Profit	-	-	-	-	288.8	288.8	18.0	306.8
Other comprehensive income	-	-	61.2	-	13.1	74.3	0.3	74.6
Total comprehensive income for the year	-	-	61.2	-	301.9	363.1	18.3	381.4
Transactions with owners of the company recognised directly in equity								
Contributions by and distributions to the owners of the company								
Dividends paid	-	-	-	-	(170.6)	(170.6)	(16.6)	(187.2)
Adjustment arising from changes in non-controlling interest	-	-	-	-	-	-	-	-
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	-	-	-	-	17.5	17.5	-	17.5
IFRS16 effects of deferred tax rate Change	-	-	-	-	(1.3)	(1.3)	-	(1.3)
Total contributions by and distributions to the owners of the company	-	-	-	-	(161.1)	(161.1)	(16.6)	(177.7)
At 31 December 2022	1.6	257.8	(47.7)	6.4	1,065.9	1,284.0	34.0	1,318.0
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	-	-	-	-	297.4	297.4	20.7	318.1
Other comprehensive (expense)/income	-	-	(86.1)	(0.1)	0.4	(85.8)	(2.2)	(88.0)
Total comprehensive (expense)/income for the year	**-**	**-**	**(86.1)**	**(0.1)**	**297.8**	**211.6**	**18.5**	**230.1**
Transactions with owners of the company recognised directly in equity								
Contributions by and distributions to the owners of the company								
Dividends paid	-	-	-	-	(176.3)	(176.3)	(15.1)	(191.4)
Adjustment arising from changes in non-controlling interest	-	-	-	-	-	-	(0.7)	(0.7)
Purchase of own shares	-	-	-	-	(11.6)	(11.6)	-	(11.6)
Tax paid on share awards vested[1]	-	-	-	-	(5.6)	(5.6)	-	(5.6)
Equity-settled transactions	-	-	-	-	21.2	21.2	-	21.2
Income tax on equity-settled transactions	-	-	-	-	0.1	0.1	-	0.1
Total contributions by and distributions to the owners of the company	**-**	**-**	**-**	**-**	**(172.2)**	**(172.2)**	**(15.8)**	**(188.0)**
At 31 December 2023	**1.6**	**257.8**	**(133.8)**	**6.3**	**1,191.5**	**1,323.4**	**36.7**	**1,360.1**

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

The £115.5m dividend paid on 15 June 2023 represented a final dividend of 71.6p per ordinary share in respect of the year ended 31 December 2022. 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. No ordinary shares were issued in the period to satisfy the vesting of share awards.

Condensed Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Cash flows from operating activities			
Profit for the year	2	**318.1**	306.8
Adjustments for:			
Depreciation charge		**156.0**	160.2
Amortisation of software		**19.3**	20.3
Amortisation of acquisition intangibles		**34.2**	34.8
Impairment of goodwill and other assets		**2.6**	15.3
Equity-settled transactions		**21.2**	17.5
Net financing costs		**63.9**	32.6
Income tax expense		**104.2**	113.0
Profit on disposal of property, plant, equipment and software		**(3.2)**	(0.4)
Operating cash flows before changes in working capital and operating Provisions		**716.3**	700.1
Change in inventories		**(1.2)**	(0.8)
Change in trade and other receivables		**(41.2)**	(54.3)
Change in trade and other payables		**47.7**	61.1
Change in provisions		**4.3**	-
Special contributions into pension schemes		**-**	(2.0)
Cash generated from operations		**725.9**	704.1
Interest and other finance expense paid		**(71.9)**	(37.5)
Income taxes paid		**(119.0)**	(106.7)
Net cash flows generated from operating activities*		**535.0**	559.9
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and software*		**11.5**	4.2
Interest received*		**3.5**	2.2
Acquisition of subsidiaries, net of cash received		**(40.5)**	(63.2)
Consideration paid in respect of prior year acquisitions		**(2.7)**	-
Acquisition of property, plant, equipment, software*	8	**(116.9)**	(116.5)
Net cash flows used in investing activities		**(145.1)**	(173.3)
Cash flows from financing activities			
Purchase of own shares		**(11.6)**	(2.3)
Tax paid on share awards vested		**(5.6)**	(4.4)
Drawdown of borrowings		**160.5**	477.2
Repayment of borrowings		**(249.6)**	(536.8)
Repayment of lease liabilities*		**(77.8)**	(81.4)
Purchase of non-controlling interest		**(0.7)**	-
Dividends paid to non-controlling interest		**(15.1)**	(16.6)
Equity dividends paid		**(176.3)**	(170.6)
Net cash flows generated from/(used in) financing activities		**(376.2)**	(334.9)
Net increase in cash and cash equivalents	6	**13.7**	51.7
Cash and cash equivalents at 1 January	6	**320.7**	264.0
Effect of exchange rate fluctuations on cash held	6	**(35.8)**	5.0
Cash and cash equivalents at 31 December	6	**298.6**	320.7

* Free cash flow of £355.3m (2022: £368.4m) comprises the asterisked items in the above Statement of Cash Flows.

Adjusted cash flow from operations of £749.0m (2022: £722.0m) comprises statutory cash generated from operations of £725.9m (2022: £704.1m) before cash outflows relating to Separately Disclosed Items of £23.1m (2022: £17.9m).

1. Basis of preparation

Reporting entity

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2023 and 2022 but is derived from the 2023 accounts. A full copy of the 2023 Annual Report and Accounts will be available online at www.intertek.com in March 2024. Statutory accounts for 2022 have been delivered to the Registrar of Companies, and those for 2023 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under Sections 498(2) or 498(3) of the Companies Act 2006.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Significant accounting policies

There are no significant new accounting standards that have a material effect on the results of the Group.

Key Estimations and Uncertainties

The preparation of 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.

In preparing these Condensed Consolidated Financial Statements, the key sources of estimation were impacted with levels of estimation uncertainty in relation to assumptions used in:

- impairment assessments (e.g. cash flow projections, long-term growth, discount rate); and
- employee post-retirement benefit obligations.

Risks and uncertainties

The Group has a broad customer base across its multiple business lines and in its different geographic regions and is supported by a robust balance sheet and strong operational cash flows.

The Board has reviewed the Group's financial forecasts up to 31 December 2025 to assess both liquidity requirements and debt covenants.

In addition, the Group's financial forecasts for 2024 and 2025, and the related liquidity position and forecast compliance with debt covenants, 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). In addition, reverse stress testing has also been applied to the model which represents a significant decline in cashflows compared with the 30% downside sensitivity. Such a scenario is considered to be remote. The Board remains satisfied with the Group's funding and liquidity position, with the Group forecast to remain within its committed facilities and compliant with debt covenants even following the 30% downside sensitivity. The sensitivity modelling excludes additional mitigating actions (e.g. dividend cash payments, non-essential overheads and non-committed capital expenditure) that are within management control and could be initiated if deemed required.

1. Basis of preparation *(continued)*

The undrawn headroom on the Group's committed borrowing facilities at 31 December 2023 was £664.3m (2022: £707.3m). The maturity of our borrowing facilities is disclosed in Note 14 of the financial statements with repayment of two senior notes totalling US$125m required by 31 December 2024. Our models forecast these to be repaid using existing facilities. Full details of the Group's borrowing facilities and maturity profile are outlined in note 14 of the Annual Report and Accounts.

On the basis of its forecasts to 31 December 2025, both base case and severe yet plausible downside, 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 operations

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

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

	Assets and Liabilities Actual Rates		**Income and expenses Cumulative average rates**	
Value of £1	**2023**	2022	**2023**	2022
US dollar	**1.28**	1.20	**1.24**	1.24
Euro	**1.15**	1.13	**1.15**	1.17
Chinese renminbi	**9.14**	8.45	**8.81**	8.31
Hong Kong dollar	**10.00**	9.37	**9.71**	9.68
Australian dollar	**1.87**	1.78	**1.87**	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. These operating segments are aggregated into five segments, which are the Group's reportable segments, based on similar nature of products and services and mid- to long-term structural growth drivers. When aggregating operating segments into the five segments we have applied judgement over the similarities of the services provided, the customer-base and the mid- to long-term structural growth drivers. The costs of the corporate head office and other costs which are not controlled by the five segments are allocated appropriately. A description of the activity in each segment is given in the Operating Review by Division.

2. Operating segments *(continued)*

The results of the segments are shown below:

For the year ended 31 December 2023	**Revenue from external customers £m**	**Depreciation and software amortisation £m**	**Adjusted operating profit £m**	**Separately Disclosed Items £m**	**Operating profit £m**
Consumer Products	935.8	(55.4)	246.8	(15.1)	231.7
Corporate Assurance	477.5	(14.0)	109.4	(26.2)	83.2
Health and Safety	326.3	(21.7)	43.2	(4.9)	38.3
Industry and Infrastructure	860.5	(32.3)	86.1	(9.5)	76.6
World of Energy	728.6	(51.9)	65.6	(9.2)	56.4
Total	**3,328.7**	**(175.3)**	**551.1**	**(64.9)**	**486.2**
Group operating profit			**551.1**	**(64.9)**	**486.2**
Net financing costs			(43.9)	(20.0)	(63.9)
Profit before income tax			**507.2**	**(84.9)**	**422.3**
Income tax (expense)/credit			(124.8)	20.6	(104.2)
Profit for the year			**382.4**	**(64.3)**	**318.1**

For the year ended 31 December 2022	Revenue from external customers £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Consumer Products	964.2	(58.0)	268.5	(11.0)	257.5
Corporate Assurance	450.0	(12.1)	95.5	(26.4)	69.1
Health and Safety	302.3	(22.2)	40.7	(6.2)	34.5
Industry and Infrastructure	814.4	(33.6)	71.9	(11.9)	60.0
World of Energy	662.0	(54.6)	43.5	(12.2)	31.3
Total	3,192.9	(180.5)	520.1	(67.7)	452.4
Group operating profit			520.1	(67.7)	452.4
Net financing costs			(31.9)	(0.7)	(32.6)
Profit before income tax			488.2	(68.4)	419.8
Income tax (expense)/credit			(128.4)	15.4	(113.0)
Profit for the year			359.8	(53.0)	306.8

3. Separately Disclosed Items (SDIs)

		2023 £m	2022 £m
Operating costs			
Amortisation of acquisition intangibles	(a)	**(34.2)**	(34.8)
Acquisition and integration costs	(b)	**(8.3)**	(5.5)
Restructuring costs	(c)	**(22.4)**	(27.4)
Total operating costs		**(64.9)**	(67.7)
Net financing costs	(d)	**(20.0)**	(0.7)
Total before income tax		**(84.9)**	(68.4)
Income tax credit on Separately Disclosed Items	(e)	**20.6**	15.4
Total		**(64.3)**	(53.0)

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

(a) Of the amortisation of acquisition intangibles in the current period, £0.4m relates to the customer relationships acquired with the purchase of Controle Analítico Análises Técnicas Ltda and £0.3m relates to the customer relationships, trade names and technology acquired with the purchased of PlayerLync Holdings, Inc. in 2023.

(b) Acquisition and integration costs comprise £4.7m (2022: £1.8m) for transaction and integration costs in respect of successful, active and aborted acquisitions in the current year, and £3.6m in respect of prior-years' acquisitions (2022: £3.7m).

(c) During 2022, the Group initiated the first year of a cost reduction programme. In 2023, costs of £22.4m (2022: £27.4m) were associated with operational streamlining which included consolidating sites and offices, streamlining headcount and related asset write-offs.

(d) Net financing costs of £20.0m (2022: £0.7) relate to the unwinding of discount and changes in the fair value of contingent consideration in relation to acquisitions. The increase in fair value of contingent consideration predominantly relates to the CEA acquisition made in 2022, with strong EBITDA performance during the year driving an increase in the expected amount payable in 2024.

(e) Income tax Credit on SDIs totalled £20.6m (2022: £15.4m) mainly relating to deferred tax impact of the movement in amortisation on intangibles.

4. Earnings per share (EPS)

	2023 £m	2022 £m
Based on the profit for the year:		
Profit attributable to ordinary shareholders	**297.4**	288.8
Separately Disclosed Items after tax (note 3)	**64.3**	53.0
Adjusted earnings	**361.7**	341.8
Number of shares (millions):		
Basic weighted average number of ordinary shares	**161.3**	161.2
Potentially dilutive share awards	**0.9**	0.7
Diluted weighted average number of shares	**162.2**	161.9
Basic earnings per share	**184.4p**	179.2p
Potentially dilutive share awards	**(1.0p)**	(0.8p)
Diluted earnings per share	**183.4p**	178.4p
Adjusted basic earnings per share	**224.2p**	212.0p
Potentially dilutive share awards	**(1.2p)**	(0.9p)
Adjusted diluted earnings per share	**223.0p**	211.1p

5. Pension schemes

The significant actuarial assumptions used in the valuation of the Group's material defined benefit pension schemes as at 31 December 2023 have been reviewed. The discount and inflation rates used to value the pension liabilities, as well as the updated asset valuations and the net pension liabilities, have not moved materially since 31 December 2022. A net actuarial loss before taxation of £2.6m (2022: £17.4m gain) has been recognised in the consolidated statement of comprehensive income. The net pension asset stands at £21.8m for the UK pension scheme (2022: £21.3m) and a net pension liability of £4.8m for the Swiss pension scheme as at 31 December 2023 (2022: £2.2m).

The total expense recognised in the consolidated income statement for the Group's material defined benefit pension schemes of £0.2m (2022: £1.8m) includes the current service cost and administration expenses of £1.2m (2022: £1.9m) recognised in operating profit, and net pension interest income of £1.0m (2022: £0.1m) recognised in net financing costs.

6. Analysis of net debt

	2023 £m	2022 £m
Cash and cash equivalents per the statement of financial position	**299.3**	321.6
Overdrafts	**(0.7)**	(0.9)
Cash per the statement of cash flows	**298.6**	320.7

6. Analysis of net debt *(continued)*

The components of net debt are outlined below:

	1 January 2023 £m	Cash flow £m	Non-cash adjustments £m	Exchange adjustments £m	**31 December 2023 £m**
Cash	320.7	13.7	-	(35.8)	**298.6**
Borrowings:					
Revolving credit facility US$850m 2027	-	2.2	-	(2.2)	**-**
Senior notes US$160m 2023	(133.1)	125.2	-	8.0	**-**
Acquisition facility 'A' AU$88.0m 2023	(49.4)	44.9	-	4.5	**-**
Acquisition facility 'A' US$96.9m 2023	(80.6)	75.1	-	5.5	**-**
Senior notes US$125m 2024	(104.0)	-	-	6.3	**(97.7)**
Senior notes US$120m 2025	(99.8)	2.2	-	3.8	**(93.8)**
Senior notes US$75m 2026	(62.4)	-	-	3.8	**(58.6)**
Senior notes US$150m 2027	(124.8)	-	-	7.6	**(117.2)**
Senior notes US$165m 2028	(137.3)	-	-	8.2	**(129.1)**
Senior notes US$165m 2029	(137.3)	-	-	8.3	**(129.0)**
Senior notes US$160m 2030	(133.1)	-	-	8.1	**(125.0)**
Senior notes EUR€120m 2026	-	(104.1)	-	-	**(104.1)**
Senior notes EUR€25m 2027	-	(21.7)	-	-	**(21.7)**
Senior notes EUR€400m 2028	-	(34.7)	-	-	**(34.7)**
Other*	3.2	-	(1.6)	-	**1.6**
Total borrowings	(1,058.6)	89.1	(1.6)	61.9	**(909.2)**
Total financial net debt	(737.9)	102.8	(1.6)	26.1	**(610.6)**
Lease liability	(322.2)	77.8	(78.3)	14.9	**(307.8)**
Total net debt	(1,060.1)	180.6	(79.9)	41.0	**(918.4)**

* Other includes uncommitted borrowings of £0.8m (2021: £0.8m) and facility fees of £2.4m (2022: £4.0m).

	2023 £m	2022 £m
Borrowings due in less than one year	**96.8**	261.5
Borrowings due in one to two years	**93.2**	103.0
Borrowings due in two to five years	**464.6**	286.0
Borrowings due in over five years	**254.6**	408.1
Total borrowings	**909.2**	1,058.6

Description of borrowings

Total undrawn committed borrowing facilities as at 31 December 2023 were £664.3m (2022: £707.3m).

6. Analysis of net debt *(continued)*

Key facilities

US$850m revolving credit facility

The Group has a US$850m multi-currency revolving credit facility, which is the Group's principal facility and in December 2021 was extended from 2026 to 2027. Advances under the facility bear interest at a rate equal to relevant risk-free rate, or their local currency equivalents, plus a margin, depending on the Group's financial leverage. Drawings under this facility at 31 December 2023 were £nil (2022: £nil).

US$692m Acquisition facility

In May 2021 the Group agreed a US$692m multi-currency acquisition facility to finance the acquisition of SAI Global with £357.4m repaid in March 2022 and the balance of £130.0m repaid in September 2023. Advances under the facility bear interest at a rate equal to USD LIBOR or AUD BBSW, plus a margin. Drawings under this facility at 31 December 2023 were £nil (2022: £130.0m).

Private placement bonds

In October 2011 the Group issued US$140m of senior notes repaid on 18 January 2022 at a fixed annual interest rate of 3.75% and US$105m repayable on 18 January 2024 at a fixed annual interest rate of 3.85%, funded from the existing revolving credit facility.

In February 2013 the Group issued US$80m of senior notes. These notes were issued in two tranches with US$40m repaid on 14 February 2023 at a fixed annual interest rate of 3.10% and US$40m repayable on 14 February 2025 at a fixed annual interest rate of 3.25%.

In July 2014 the Group issued US$110m of senior notes. These notes were issued in four tranches with US$15m repaid on 31 July 2021 at a fixed annual interest rate of 3.37%, US$20m repayable on 31 July 2024 at a fixed annual interest rate of 3.86%, US$60m repayable on 31 October 2026 at a fixed annual interest rate of 4.05% and US$15m repayable on 31 December 2026 at a fixed annual interest rate of 4.10%.

In December 2020 the Group issued US$200m of senior notes. These notes were issued in two tranches with US$120m repaid on 2 December 2023 at a fixed annual interest rate of 1.97% and US$80m repayable on 2 December 2025 at a fixed annual interest rate of 2.08%.

In December 2021 the Group issued US$640m of senior notes. These notes were issued in four tranches with US$150m repayable on 13 January 2027 at a fixed annual interest rate of 2.24%, US$165m repayable on 15 March 2028 at a fixed annual interest rate of 2.33%, US$165m repayable on 15 March 2029 at a fixed annual interest rate of 2.47% and US$160m repayable on 15 March 2030 at a fixed annual interest rate of 2.54%.

In December 2023 the Group issued EUR€185m of senior notes. These notes were issued in three tranches with EUR€120m repayable on 21 December 2026 at a fixed annual interest rate of 3.94%, EUR€25m repayable on 21 December 2027 at a fixed annual interest rate of 3.89% and EUR€40m repayable on 21 December 2028 at a fixed annual interest rate of 3.88%.

7. Acquisition of businesses

(a) Acquisitions

The Group completed two acquisitions in 2023 (2022: one).

On 31 March 2023, the Group acquired Controle Analítico Análises Técnicas Ltda (Controle Analítico), a leading provider of environmental analysis based in Brazil, for a purchase price of £18.8m (£18.3m net of cash acquired), generating goodwill of £13.2m.

On 9 August 2023, the Group acquired PlayerLync Holdings, Inc. (PlayerLync), a leading SaaS- based platform based in the USA, for a purchase price of £28.5m (£25.9m net of cash acquired), generating goodwill of £17.0m.

7. Acquisition of businesses *(continued)*

(b) Prior period acquisitions

£2.7m (2022: £nil) was paid during the period in respect of prior period acquisitions.

(c) Details of 2022 acquisitions

One acquisition was made during 2022. Full details of the acquisition made in the year ended 31 December 2022 are disclosed in note 10 to the Annual Report.

(d) Impairment

Goodwill generated from past acquisitions has been tested annually as required by accounting standards. No impairments were identified during the period and as such no impairment charge was recorded (2022: nil).

(e) Reconciliation of goodwill

	£m
Goodwill at 1 January 2023	1,418.4
Additions	30.2
Transfers	0.3
Foreign exchange	(63.1)
Goodwill at 31 December 2023	**1,385.8**

8. Property, plant, equipment and software

Additions

During the year, the Group acquired fixed assets with a cost of £181.5m (2022: £197.9m). The Group acquired £2.2m of fixed assets through business combinations (2022: £0.1m). At 31 December 2023, the IFRS 16 right of use asset is £286.6m (2022: £297.6m).

9. Subsequent events

On 18 January 2024, funded from the existing revolving facility, a $105m senior note at a fixed annual interest rate of 3.85% was repaid.

During February 2024, following a review of the United Kingdom pension Scheme's investment strategy and funding level, the Trustee approved changes to the Scheme's asset allocation by class, as described in note 16 of the 2023 Annual Report and Accounts.