Everyman Media Group PLC
Registered number: 08684079

Interim Report and Financial Statements (unaudited)
27 weeks ended
5 July 2018

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Chairman's Statement

I am pleased to report on the Group's results for the 27 weeks ended 5 July 2018.

2018 has continued the significant growth in the business seen in 2016 and 2017. This expansion, along with underlying revenue growth and improved efficiencies, delivered an overall performance in line with the Board's expectations for the period.

The Group now operates 22 venues. A four-screen venue opened in York at the beginning of the period as well as a minor refurbishment of our Maida Vale site.

Review of the business

For the 27 weeks ended 5 July 2018, the Group's box office revenue was up 29.7% on the previous period, reflecting favourably compared to a market movement of 4.5% for the same comparative period. This resulted in the Group's market share increasing to 2.45% for the period (29 June 2017: 1.98%, 28 December 2017: 2.11%) (Source: Comscore).

The 22 venues and 69 screens that now successfully operate across an increasingly regional range of towns and cities prove the breadth of appetite for the Everyman experience and continue to build on our reputation as a trusted and highly regarded brand in the cinema and leisure industry.

Everyman differentiates by focusing on delivering a high-quality offer through its venues, content, staff and F&B. The Board's long held belief in this model as being the bedrock for significant growth within the UK has been further strengthened in the last six months and our ambitions continue to grow.

A further 15 committed venues, and a continually evolving pipeline beyond, is substantially increasing our footprint across the UK.

Results

Revenue for the period was up 32.3% on last year to £24,916,000 (29 June 2017: £18,830,000, full year to 28 December 2017: £40,620,000).

The Group's adjusted operating profit before depreciation, amortisation, pre-opening expenses, exceptional items and share-based payments was £4,067,000 (29 June 2017: £3,010,000, full year to 28 December 2017: £6,615,000). The Group generated a profit for the period of £768,000 (29 June 2017: £438,000, full year to 28 December 2017: £1,268,000).

The effective tax rate is higher than the standard rate of corporation tax for the six-month period ended 5 July 2018 due to the effect of significant continuing capital expenditure incurred by the Group.

The share-based payment expense for the period was £221,000 (29 June 2017: £144,000, full year to 28 December 2017: £301,000) reflecting share option incentives provided to the Group's senior management and employees.

The Board does not recommend the payment of a dividend at this stage of the Group's development.

Key performance indicators

The growth in revenue in the current period reflects the effect of an increase in the number of sites and admissions, an increase in box office pricing and an improved spend per head on food and beverages.

The Group uses the following key performance indicators, in addition to total revenues, to monitor the progress of the Group's activities:

		Six-month period ended 5 July 2018	Six-month period ended 29 June 2017	Year ended 28 December 2017
Admissions	29.3% ↑	**1,348,097**	1,042,853	2,227,885
Box office average ticket price	0.4% ↑	**£11.28**	£11.24	£11.28
Food and beverage spend per head	5.3% ↑	**£6.14**	£5.83	£5.97

The underlying performance of the business continues to be as expected, with a small increase in box office average ticket price of 0.4% (diluted, as expected, by the disproportionate increase in business outside of London) and continued healthy growth in food and beverage spend per head of 5.3% (with menu development and improved operational delivery adding to inflationary increases in pricing).

Openings and capital expenditure

During the period, the Group opened a new four-screen venue in York at the end of December 2017.

During the period the Group completed on the purchase of the freehold of a site in Crystal Palace for £3,225,000 and exchanged contracts on 2 further sites at Cardiff and London Broadgate. These are in addition to the pre-existing contracts for Newcastle, Liverpool, Glasgow, Altrincham, Lincoln, Cirencester, London's Borough Market, Tunbridge Wells, Horsham, Durham, Wokingham and Edinburgh.

The Group continues to invest in its infrastructure and head office to support the growth of new venues, further details of which are set out in note 7 to the financial statements.

Cash flows

Net cash used in operating activities was £2,304,000 (29 June 2017: £3,759,000 generated from operating activities, full year to 28 December 2017: £13,825,000 generated from operating activities). Net cash outflows for the year, before financing, were £9,257,000 (29 June 2017: £2,180,000, full year to 28 December 2017: £3,538,000). This is largely represented by capital expenditure on the expansion of the business through build costs and refurbishment of sites.

The movement in trade and other payables in the period is largely due to the cash settlement of new venue capital expenditure which was accrued at the year end.

Cash held at the end of the period was £3,145,000 (29 June 2017: £1,221,000, 28 December 2017: £18,366,000). The cash held will be invested in the continuing development and expansion of the Group's business.

Current trading

Trading since the period end has been in line with expectations, reflecting a solid summer in the cinema market.

Paul Wise
Chairman
4 September 2018

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Consolidated statement of profit and loss and other comprehensive income for the period ended 5 July 2018 (unaudited)

	Note	Six-month period ended 5 July 2018 £000	Six-month period ended 29 June 2017 £000	Year ended 28 December 2017 £000
Revenue	3	**24,916**	18,830	40,620
Cost of Sales		**(9,602)**	(7,268)	(15,937)
Gross profit		**15,314**	11,562	24,683
Other operating income		-	45	48
Administrative expenses		**(13,950)**	(10,828)	(23,107)
Operating profit		**1,364**	779	1,624
Financial income		-	4	4
Profit before taxation		**1,364**	783	1,628
Tax charge on profit for the period	4	**(596)**	(345)	(360)
Profit for the period		**768**	438	1,268
Other comprehensive income for the period		**16**	-	851
Total comprehensive income for the period		**784**	438	2,119
Total comprehensive income attributable to equity holders of the Company		**784**	438	2,119
Basic earnings per share (pence)	5	**1.08**	0.73	2.04
Diluted earnings per share (pence)	5	**1.03**	0.71	1.97

All amounts relate to continuing activities.

Non-GAAP measure: adjusted profit from operations				
Adjusted profit from operations		**4,067**	3,010	6,615
Before:				
Depreciation and amortisation		**(2,246)**	(1,750)	(3,688)
Acquisition expenses	6	**(4)**	-	(86)
Pre-opening expenses		**(232)**	(337)	(916)
Share-based payment expense		**(221)**	(144)	(301)
Operating profit		**1,364**	779	1,624

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Consolidated balance sheet at 5 July 2018 (unaudited)

Registered in England & Wales
08684079

	5 July 2018 £000	29 June 2017 £000	28 December 2017 £000
Assets			
Non-current assets			
Property, plant and equipment	52,910	39,864	48,239
Intangible assets	10,191	8,398	10,066
Trade and other receivables	173	199	173
	63,274	48,461	58,478
Current assets			
Inventories	315	242	308
Trade and other receivables	3,060	2,274	1,044
Cash and cash equivalents	3,145	1,221	18,366
	6,520	3,737	19,718
Total assets	69,794	52,198	78,196
Liabilities			
Current liabilities			
Other interest-bearing loans and borrowings	15	9	43
Trade and other payables	8,356	6,422	12,479
	8,371	6,431	12,522
Non-current liabilities			
Other interest-bearing loans and borrowings	1,000	5,000	7,000
Other payables	5,221	5,343	5,168
Provisions	1,838	1,395	1,883
Deferred tax liabilities	863	607	284
	8,922	12,345	14,335
Total liabilities	17,293	18,776	26,857
Net assets	52,501	33,422	51,339
Equity attributable to owners of the Company			
Share capital	7,021	5,989	7,003
Share premium	38,493	22,773	38,354
Merger reserve	11,152	11,152	11,152
Retained earnings	(4,165)	(6,492)	(5,170)
Total equity	52,501	33,422	51,339

These financial statements were approved by the Board of Directors on 4 September 2018 and signed on its behalf by:

C Lilly
CEO

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Consolidated statement of changes in equity for the period ended 5 July 2018 (unaudited)

	Share capital £000	Share premium £000	Capital reserve £000	Retained earnings £000	Total equity £000
Balance at 30 December 2016	5,982	22,720	11,152	(7,590)	32,264
Profit for the period	-	-	-	438	438
Other comprehensive income	-	-	-	516	516
Total comprehensive income for the period	-	-	-	954	954
Shares issued in the period	7	52	-	-	59
Share-based payments	-	-	-	144	144
Total transactions with owners of the parent	7	52	-	144	203
Balance at 29 June 2017	5,989	22,772	11,152	(6,492)	33,421
Balance at 30 June 2017	5,989	22,772	11,152	(6,492)	33,421
Profit for the period	-	-	-	830	830
Other comprehensive income	-	-	-	335	335
Total comprehensive income for the period	-	-	-	1,165	1,165
Shares issued in the period	1,014	16,103	-	-	17,117
Share issue expenses	-	(521)	-	-	(521)
Share-based payments	-	-	-	157	157
Total transactions with owners of the parent	1,014	15,582	-	157	16,753
Balance at 28 December 2017	7,003	38,354	11,152	(5,170)	51,339
Balance at 29 December 2017	7,003	38,354	11,152	(5,170)	51,339
Profit for the period	-	-	-	768	768
Other comprehensive income	-	-	-	16	16
Total comprehensive income for the period	-	-	-	784	784
Shares issued in the period	18	137	-	-	155
Share-based payments	-	-	-	221	221
Total transactions with owners of the parent	18	137	-	221	376
Balance at 5 July 2018	**7,021**	**38,491**	**11,152**	**(4,165)**	**52,499**

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Consolidated cash flow statement for the period ended 5 July 2018 (unaudited)

	Note	5 July 2018 £000	29 June 2017 £000	28 December 2017 £000
Cash flows from operating activities				
Profit for the period		768	438	1,268
Adjustments for:				
Financial income		-	(4)	(4)
Income tax expense	4	596	345	360
Operating profit		1,364	779	1,624
Depreciation and amortisation		2,246	1,750	3,688
Loss on disposal of property, plant and equipment		-	-	13
Bad debts		(2)	-	(91)
Lease incentives		(13)	86	135
Market rent provisions		(45)	(35)	(76)
Acquisition expenses		4	-	86
Equity-settled share-based payment expenses		221	144	301
		3,775	2,724	5,680
Changes in working capital				
(Increase)/decrease in inventories		(7)	3	(63)
(Increase)/decrease in trade and other receivables		(2,014)	(678)	669
(Decrease)/increase in trade and other payables		(4,058)	1,710	7,539
Cash (used in)/generated from operating activities		(2,304)	3,759	13,825
Cash flows from investing activities				
Acquisition as business combination	6	(4)	-	(1,388)
Acquisition of property, plant and equipment		(6,687)	(5,757)	(15,588)
Acquisition of intangibles		(262)	(186)	(391)
Interest received		-	4	4
Net cash used in investing activities		(6,953)	(5,939)	(17,363)
Cash flows from financing activities				
Proceeds from the issuance of ordinary shares		157	60	17,176
Share issue expenses		-	-	(521)
(Repayment of)/proceeds from bank borrowings		(6,000)	2,000	4,000
Interest paid		(121)	(225)	(317)
Net cash (used in)/generated from financing activities		(5,964)	1,835	20,338
Net (decrease)/increase in cash and cash equivalents		(15,221)	(345)	16,800
Cash and cash equivalents at the beginning of the period		18,366	1,566	1,566
Cash and cash equivalents at the end of the period		3,145	1,221	18,366

The notes on pages 7 to 8 form an integral part of these condensed consolidated financial statements

Notes to the financial statements

1 General information

Everyman Media Group PLC and its subsidiaries (together, 'the Group') are engaged in the ownership and management of cinemas in the United Kingdom. Everyman Media Group PLC (the Company) is a public company limited by shares domiciled and incorporated in England and Wales (registered number 08684079). The address of its registered office is Studio 4, 2 Downshire Hill, London NW3 1NR.

2 Basis of preparation and accounting policies

These condensed interim financial statements of the Group for the period ended 5 July 2018 have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest audited financial statements for the year ended 28 December 2017. Amendments made to IFRSs specifically IFRS9 and IFRS15 since 28 December 2017 have not had a material effect on the Group's results or financial position for the period.

The financial statements presented in this report have been prepared in accordance with IFRSs applicable to interim periods. However, as permitted, this interim report has been prepared in accordance with the AIM Rules for Companies and does not seek to comply with IAS34 "Interim Financial Reporting".

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's statutory consolidated annual financial statements for the year ended 28 December 2017. The auditor's opinion on these financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or s498(3) of the Companies Act 2006.

3 Revenue

	Six-month period ended 5 July 2018 £000	Six-month period ended 29 June 2017 £000	Year ended 28 December 2017 £000
Film and entertainment	15,201	11,718	25,124
Food and beverages	8,277	6,078	13,306
Other income	1,438	1,034	2,190
	24,916	18,830	40,620

4 Taxation

	Six-month period ended 5 July 2018 £000	Six-month period ended 29 June 2017 £000	Year ended 28 December 2017 £000
Current tax	-	-	-
	-	-	-
Deferred tax expense			
Origination and reversal of temporary differences	201	169	259
Adjustments in respect of prior years	395	176	101
Total tax charge	596	345	360

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to the profit for the period are as follows:

Reconciliation of effective tax rate	Six-month period ended 5 July 2018 £000	Six-month period ended 29 June 2017 £000	Year ended 28 December 2017 £000
Profit before taxation	1,364	783	1,628
Tax at the UK corporation tax rate of 19.00%/19.25%	259	151	313
Permanent differences ((allowable deductions)/expenses not deductible for tax purposes)	(11)	51	13
Adjustments in respect of prior years	395	176	101
Other short term timing differences	(47)	(20)	(40)
Effect of change in expected future statutory rates on deferred tax	-	(13)	(27)
Total tax expense	596	345	360

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. Accordingly, the Group's profits for this accounting period are subject to tax at a blended rate of 19% (2017: 19%). An additional reduction to 17% was substantively enacted on 6 October 2016. Deferred tax has been calculated based on these rates.

5 Earnings per share

	Six-month period ended 5 July 2018 £000	Six-month period ended 29 June 2017 £000	Year ended 28 December 2017 £000
Profit used in calculating basic and diluted earnings per share	**768**	438	1,268
Number of shares (000's)			
Weighted average number of shares for the purpose of basic earnings per share	**71,413**	59,843	62,099
Number of shares (000's)			
Weighted average number of shares for the purpose of diluted earnings per share	**74,598**	61,421	64,528
Basic earnings per share (pence)	**1.08**	0.73	2.04
Diluted earnings per share (pence)	**1.03**	0.71	1.97

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to Ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year.

The Company has 5,496,000 potentially issuable shares (2017: 5,818,000) all of which relate to the potential dilution from both the Group's 'A' shares and share options issued to the Directors and certain employees and contractors, under the Group's incentive arrangements.

6 Acquisition of Group companies

Acquisitions in the period

During the period the Group acquired 100 Ordinary shares in ECPee Ltd for £1 plus professional costs.

7 Related party transactions

The Group intends to enter into a new lease on its head office, where it has been based since June 2012. Full details of the original head office lease are contained within the admission document of the Company, published on 30 October 2013, and available on the Company's website.

Under the terms of the new lease the Group will enter into a 10 year lease with Proper Proper T Ltd, a company 50% controlled by Adam Kaye, who is also one of its directors. The annual rent will be £100,000. As Adam Kaye is a Director of the Company, the new lease is considered a related party transaction under the AIM rules. The Directors of the Company consider the terms of the lease to be on commercial terms and have taken professional advice which supports this view. Furthermore, the Directors of the Company, other than Adam Kaye, having consulted the Company's nominated advisor Canaccord Genuity, consider the terms of the lease to be fair and reasonable insofar as the Company's shareholders are concerned.