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Science in Sport PLC
24 September 2015

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SCIENCE IN SPORT PLC
("SiS" or the "Company")

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

Science in Sport plc (AIM: SIS), a leading sports nutrition company, is pleased to announce its unaudited half year results for the six months ended 30 June 2015.

Highlights

- Revenues increased by 19% to £5.24 million (H1 2014: £4.42 million), with strong growth in online channels and international markets
- Underlying operating loss of £330k* in line with expectations and reflecting phasing of brand awareness investment and US market analysis (H1 2014 underlying operating profit: £239k)
- Second half projected to be EBITDA positive given planned first half weighting of marketing investment, with full year financial performance expected to be in line with expectations
- Multimedia marketing investment reached over 23 million consumers, driving revenue growth and resulting in sharp increase in brand awareness
- New product development continued to be key growth driver, contributing 38% of growth
- Cash and cash equivalents of £0.9 million at 30 June 2015 (30 June 2014: £2.50 million)

* excludes depreciation, amortisation, and share based payments

Stephen Moon, Science in Sport's CEO, said: "We are pleased to report continued strong revenue growth as disclosed in our pre-close in June, which is in line with our expectations. We have invested heavily in digital marketing during the first half and the benefits are evident in both growth and sharply improved brand awareness. We expect revenue growth in the second half of the year to continue to be broadly in line with the first half which, due to the planned first half weighting in our investment, will enable the Company to report a positive EBITDA for this period.

International and online growth has been particularly strong and we believe these channels will continue to play a key role in the medium and long term growth of the business. In addition to existing international markets, we have also invested in developing launch strategies for new territories.

Our model of consistent investment in the brand to underpin revenue growth, together with attention to gross margin and tight control of overheads continues to work. We remain confident in our strategy and believe we will continue to deliver strong growth."

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About Science in Sport plc

Science in Sport plc is a leading sports nutrition company that develops, manufactures and markets sports nutrition products for professional athletes and sports enthusiasts. SiS is a strong brand in the elite athlete community - in the 2012 London Olympics, 24 medal-winning athletes or teams used SiS products.

The SiS core product ranges include: SiS GO, comprising energy powders, isotonic gels, energy bars and hydration tablets; and SiS REGO, including protein-based recovery powders and bars. SiS products are sold in a range of retail channels, including specialist sport retailers, major grocers, high street retailers and e-commerce websites.

SiS is currently the official sports nutrition supplier to professional cycling teams Team Wiggins, Rapha Condor JLT, Madison Genesis, Boels Dolmans and Trek Factory Racing. SiS is also the official supplier of sports drinks and sports nutrition to the GB Rowing Team. In addition, Olympians Sir Chris Hoy MBE, Mark Cavendish MBE and Helen Jenkins are Elite Sports Consultants and brand ambassadors.

SiS shares are traded on the AIM market of the London Stock Exchange under the ticker symbol SIS.
For further information, please visit www.scienceinsport.com

CHAIRMAN'S AND CEO'S JOINT REVIEW

We are pleased to report a strong set of interim results, both financially and operationally, demonstrating the continued delivery of our growth strategy. The six months to 30 June 2015 saw a period of strong revenue growth with half year sales up 19% at £5.24 million compared with the same period last year (H1 2014: £4.42 million). The UK market for sports nutrition is expected to grow at 8% in 2015, according to Euromonitor.

The underlying operating loss of £330k (H1 2014 £239k profit) is in line with expectations and reflects strong investment in marketing, initially to support the launch of our protein range in January, followed by a strong and sustained digital media campaign supporting our market leading GO gel range from April onwards. The marketing investment for the year has been weighted heavily towards the first half of the financial year. This investment has paid dividends through a sharp increase in brand awareness, and the delivery of four record months of sales in excess of £1m per month. The sales momentum driven by this investment has carried into the second half. In addition, we invested in market analysis and the development of a US market entry strategy.

The SiS brand is highly differentiated in the sports nutrition marketplace because of its widespread use by professional and elite athletes. As well as providing product to our legacy sports of cycling, running, rowing and triathlon, we are gaining traction in sports such as rugby, football and tennis. We provide product to some of the world's leading cyclists and teams, the GB Rowing team, many Premiership football teams, leading international rugby teams and some of the world's best tennis players. The trust resulting from use by these elite athletes is a key factor in endurance sport serious amateurs and enthusiasts from all disciplines purchasing the SiS range.

SiS also benefits from a close relationship with research institutes, organisations and training centres focused on athletes' development, for example our long term relationship with the English Institute of Sport (EIS) and our new High Performance Sport New Zealand relationship.

Sales Channels

The Company's sales channels comprise our heartland of independent sports retailers, major grocers, high street chains, third party online retailers, international sales and our own e-commerce platform.

Our e-commerce business has been a focus for an extended period with investment in people and capability, in developing our scienceinsport.com platform, plus investment in building traffic and a database of regular consumers. This has resulted in direct e-commerce being our strongest growing channel and a key pillar of our future growth plans. We have also worked closely with third-party online retailers including Amazon, Wiggle and Chain Reaction and this has also resulted in strong year on year growth.

We continued to invest in the heartland of independent running and cycling shops and while this channel is under pressure from online retail, we believe it has an important role to play in the awareness of the SiS brand. Our investment in in-store display and our own field sales force has made us dominant in terms of share of available in-store nutrition space, and we continue to invest at both wholesaler and store level.

Sales growth is resilient in the major grocery channel, with year on year rate of sale improving as a result of our investment in media and effective promotion. During the period we were pleased to add both Asda and Morrisons to our existing estate of Tesco, Sainsbury's and Waitrose. High street chains have emerged as an important channel for the Company in the last 18 months and underlying sales in this channel have also been resilient, through close work with key accounts including Halfords, Evans and Decathlon.

We continue to make good progress in international markets and this now accounts for 19% of our revenue, with very robust year on year growth. Our Northern European business continues to develop well as a result of our partnership with Shimano and we have appointed new distributors in Italy and Spain. We are working to accelerate growth in the key market of Australia. Looking to new markets, we have invested in examining the US market and developing potential launch strategies.

Product Innovation

Trust, quality and innovation are the key characteristics for which SiS is recognised and we continue to develop in these areas. New products delivered 6% of total sales and 38% of our growth, a trend in line with the performance of new products over the last three years.

In the first half of 2015 we launched our new SiS Whey Protein range and added an advanced whey isolate product later in the period. The new range is performing in line with expectations and during the second half we plan to launch further protein products to drive growth. We also launched two new SiS Electrolyte GO Gels to supplement our market leading GO gel range.

We believe that our very promising new product pipeline will deliver strong growth in the second half of the year and in 2016.

Financials

Sales in the half year increased 19% to £5.24 million (H1 2014: £4.42 million). The underlying operating loss was £330k (H1 2014: £239k profit), reflecting continued expenditure on marketing and sales to drive revenues. These results are in line with expectations and reflect our consistent and continued investment in growth.

Gross margin of 58.2% (H1 2014 59.2% FY 2014 59.4%) is reflective of our low cost manufacturing facility in Nelson and remains a strategic advantage. Whilst gross margin reduced 1% versus the same period last year this is linked to investing in developing sales through third party ecommerce channels and the introduction of a protein range at the beginning of the year. The underlying efficiency of the manufacturing facility delivered very good improvements.

Sales and marketing costs of £2.33 (H1 2014: £1.54 million, 31 December 2014 £3.08 million) reflect the continued investment as planned for the year, which has a much higher planned weighting of media investment towards the first half of the year. Ongoing overheads were £1.05 million (H1 2014: £0.83 million, 31 December 2014 £1.88 million) with the increase on the same period last year reflecting annualisation of costs. Cost for the full year are in line with expectation. Depreciation and amortisation costs of £0.18 million and share-based payments related to the management incentive scheme of £0.54 million resulted in a pre-tax loss of £1.04 million (H1 2014: pre-tax loss £0.04 million, 31 December 2014 pre-tax loss £1.83 million).

Net cash and cash equivalents at the period end were £0.91 million (H1 2014: £2.47 million, 31 December 2014: £2.03 million). Cash outflow since the year end reflects continued investment in sales and marketing and higher working capital given the seasonality and higher sales in quarter two compared to quarter four.

Share-based payments amounting to £0.54 million (H1 2014: £ nil, 31 December 2014: £1.21 million) have been excluded from underlying operating loss.

People

The Board was pleased to announce the appointment of Raymond Duignan as a Non-executive Director on 18 June 2015. He has extensive industry experience having set up the specialist investment bank Stamford Partners in the mid-1990s, advising the European food and drink industries.

The Company announced on 27 August 2015 that Vivienne Sparks is to step down from her position as Finance Director and this will be effective from 23 September 2015. Andrea Fearnley joined the business as Interim Finance Director on 21 September 2015. Andrea held senior finance roles, including Group Finance Director, from 2008 to 2014 with Global Invacom Holdings.

Outlook

Our strategy of investing in marketing to increase brand awareness and in turn revenues continues to work and we are confident of meeting market expectations for the year. Resilient underlying business in traditional channels, together with strong growth in online and international channels underpins our confidence for 2015 and beyond.

We continue to focus on supply chain efficiencies as a foundation for our robust gross margin, and we are maintaining a tight control on overheads.

Our current momentum in the UK is robust and this, together with opportunities in international markets and a strong new product pipeline, gives us confidence in the continued growth prospects for the Company.

John Clarke
Chairman

Stephen Moon
CEO

Consolidated statement of comprehensive income

Six months ended 30 June 2015

	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Unaudited twelve month ended 31 December 2014 £'000
Notes			
Revenue	5,243	4,419	8,032
Cost of goods	(2,194)	(1,802)	(3,265)
Gross profit	3,049	2,617	4,767
Underlying operating profit/(loss)	(330)	239	(192)
Depreciation and amortisation	(172)	(159)	(307)
Share-based payment charges	(539)	-	(1,208)
Exceptional items	4	(120)	(120)
Loss from operations	(1,041)	(40)	(1,827)
Finance income	2	1	4
Finance costs	(2)	(3)	(5)
Loss before taxation	(1,041)	(42)	(1,828)
Taxation	5	158	539
(Loss)/profit and total comprehensive expense for the period	(948)	116	(1,289)
Attributable to:			
Owners of the parent	(948)	116	(1,289)
(Loss)/profit and total comprehensive expense for the period	(948)	116	(1,289)
(Loss)/profit per share to owners of the parent			
Basic and diluted	6	(3.7p)	0.5p (5.5p)

All amounts relate to continuing operations.

Consolidated statement of financial position

30 June 2015

	Unaudited 30 June 2015 £'000	Unaudited 30 June 2014 £'000	Audited 31 December 2014 £'000
Assets			
Non-current assets			
Intangible assets	411	220	253
Plant and equipment	686	717	729
Deferred tax	803	329	710
Total non-current assets	1,900	1,266	1,692
Current assets			

Inventories	1,391	804	1,435
Trade and other receivables	2,213	1,962	1,042
Cash and cash equivalents	907	2,471	2,026
Total current assets	4,511	5,237	4,503
Total assets	6,411	6,503	6,195
Liabilities			
Current liabilities			
Trade and other payables	(2,370)	(1,672)	(1,685)
Borrowings	(65)	(65)	(65)
Total current liabilities	(2,435)	(1,737)	(1,750)
Net current assets	2,076	3,500	2,753
Non-current liabilities			
Borrowings	(16)	(81)	(49)
Total non-current liabilities	(16)	(81)	(49)
Total liabilities	(2,451)	(1,818)	(1,799)
Total net assets	3,960	4,685	4,396
Capital and reserves attributable to owners of the parent company			
Share capital	2,557	2,463	2,519
Share premium reserve	3,519	3,519	3,519
Employee benefit trust	(64)	-	(33)
Merger reserve	(907)	(907)	(907)
Retained earnings	(1,145)	(390)	(702)
Total equity	3,960	4,685	4,396

Consolidated statement of cash flows

Six months ended 30 June 2015

	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Unaudited year ended 31 December 2014 £'000
Cash flows from operating activities			
(Loss) / profit after tax	(948)	116	(1,289)
Adjustments for:			
Amortisation	38	25	55
Depreciation	134	134	252
Loss on sale of fixed assets	-	3	3
Net finance cost	-	2	1
Taxation	(93)	(158)	(539)
Share-based payment charges	539	-	1,208
Operating cash (outflow) / inflow before changes in working capital	(330)	122	(309)
Changes in inventories	(160)	353	(278)
Changes in trade and other receivables	(968)	(811)	(179)
Changes in trade and other payables	660	(139)	70
Total cash outflow from operations	(798)	(475)	(696)
Tax credits received	-	68	68
Total cash outflow from operating activities	(798)	(407)	(628)
Cash flow from investing activities			
Purchase of property, plant and equipment	(93)	(129)	(259)
Proceeds from sale of property, plant and equipment	-	-	-
Purchase of intangible assets	(196)	(51)	(114)
Interest received	2	1	5
Net cash outflow from investing activities	(287)	(179)	(368)
Cash flow from financing activities			
Proceeds from issue of share capital	-	2,300	2,300
Expenses paid on share issues	-	(125)	(125)
Decrease in borrowings	(32)	(32)	(65)
Interest paid	(2)	(3)	(5)
Net cash (outflow) / inflow from financing activities	(34)	2,140	2,105
Net (decrease) / increase in cash and cash equivalents	(1,119)	1,554	1,109

Opening cash and cash equivalents	2,026	917	917
Closing cash and cash equivalents	907	2,471	2,026

Consolidated statement of changes in equity

30 June 2015

	Share capital £'000	Share premium £'000	Preference shares / EBT £'000	Other reserve £'000	Retained earnings / (deficit) £'000	Total equity £'000
Balance at 31 December 2013	1,952	1,855	-	(907)	(506)	2,394
Comprehensive income:						
Profit for the period	-	-	-	-	116	116
Transactions with owners recorded directly in equity:						
Issue of shares - placing on 9 April 2014	511	1,789	-	-	-	2,300
Transaction costs of placing	-	(125)	-	-	-	(125)
Balance at 30 June 2014	2,463	3,519	-	(907)	(390)	4,685
Comprehensive income:						
Loss for the period	-	-	-	-	(1,407)	(1,407)
Transactions with owners recorded directly in equity:						
Issue of shares to the EBT - 15 August 2014	56	-	(56)	-	-	-
Exercise of share options	-	-	23	-	(23)	-
Recognition of share-based payments charge	-	-	-	-	1,118	1,118
Balance at 31 December 2014	2,519	3,519	(33)	(907)	(702)	4,396
Comprehensive income:						
Loss for the period	-	-	-	-	(948)	(948)
Transactions with owners recorded directly in equity:						
Issue of ordinary shares to EBT - 16 June 2015	38	-	(38)	-	-	-
Exercise of share options	-	-	7	-	(7)	-
Share-based payments	-	-	-	-	512	512
Balance at 30 June 2015	2,557	3,519	(64)	(907)	(1,145)	3,960

EBT Own shares held by the Employee Benefit Trust ('EBT') which will be used to settle options held by employees under the Group's Employee Share Option Plan.

Other reserve The other reserve arose as a result of applying the principles of reverse acquisition accounting following the demerger of SiS (Science in Sport) Limited from Provexis plc and represents the difference between the capital reserves of Science in Sport plc (the legal acquirer) and those of SiS (Science in Sport) Limited (the legal acquiree).

Notes to the interim financial information

For the six months ended 30 June 2015

1. Basis of preparation

This interim report has been prepared using the same accounting policies as those applied in the annual financial statements for the nine months ended 31 December 2014, and those expected to be adopted in the financial statements for the year ending 31 December 2015.

The Directors believe that the operating loss before depreciation, amortisation and impairment of intangibles, share-based payments and exceptional items measure provides additional useful information for shareholders on underlying trends and performance. This measure is used for internal performance analysis.

Underlying operating loss is not defined by IFRS and therefore may not be directly comparable with other companies' adjusted profit measures. It is not intended to be a substitute for, or superior to IFRS measurements of profit. A reconciliation of underlying operating profit to statutory operating profit is set out on the face of the statement of comprehensive income.

The condensed financial information herein has been prepared using accounting policies consistent with International Financial Reporting Standards in the European Union (IFRS). While the financial figures included in this interim report have been prepared in accordance with IFRS applicable to interim periods, this interim report does not contain sufficient information to constitute an interim financial report as defined in IAS 34.

The Company has taken the advantage of the exemption not to apply IAS 34 'Interim Financial Reporting' since compliance is not required by AIM listed companies.

This interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and has been neither audited nor reviewed by the Company's auditors, Moore Stephens LLP, pursuant to guidance issued by the Auditing Practices Board.

This interim report should be read in conjunction with the annual financial statements period ended 31 December 2014.

The Statutory Accounts for the last period ended 31 December 2014 were approved by the Board on 26 March 2015 and are filed at Companies House. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 of the Companies Act 2006.

2. Segmental reporting

The Directors have determined that only one operating segment exists under the terms of IFRS 8 'Operating Segments', as the Group is organised and operates as a single business unit.

3. Operating expenses

	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Unaudited year ended 31 December 2014 £'000
Sales and marketing costs	2,328	1,545	3,081
Operating costs	1,051	833	1,878
Depreciation and amortisation	172	159	307
Share-based payments	539	-	1,208
Exceptional items	-	120	120
Administrative costs	1,762	1,112	3,513
Total costs	4,090	2,657	6,594

4. Exceptional costs

	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Unaudited year ended 31 December 2014 £'000
Restructuring costs	-	120	120
	-	120	120

There were no exceptional costs in the 6 months ended 30 June 2015. In the prior year exceptional costs of £120,000 reflect the demerger from Provoxis and the restructuring to be a standalone business.

5. Taxation

The corporation tax and deferred tax for the six months ended 30 June 2015 has been calculated with reference to the estimated effective tax rate on the operating result for the full year.

6. Loss per share

Basic and diluted loss per share amounts are calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period.

	Unaudited six months ended 30 June 2015 £'000	Unaudited six months ended 30 June 2014 £'000	Unaudited year ended 31 December 2014 £'000
(Loss)/profit for the financial period	(948)	116	(1,289)
Number of shares	Number '000	Number '000	Number '000
Weighted average number of shares - basic and diluted	25,391	21,868	23,735
EPS summary			
Basic and diluted loss per share	(3.7)p	0.5p	(5.5p)

7. Share capital

The number of ordinary shares in issue as at 30 June 2015 is 25,568,545 shares (31 December 2014 25,185,457). On 16 June 2015 383,088 ordinary shares were issued to the EBT to satisfy STIP awards with respect to the previous periods performance.

The number of shares held by the EBT and referred to as Treasury shares as at 30 June 2015 was 643,932 shares (30 June 2014: nil, 31 December 2014: 328,125 shares).

Outstanding options have been granted to the Directors and employees of the Group under the STIP.

8. Cautionary statement

This document contains certain forward-looking statements with respect to the financial condition, results and operations of the business. These statements involve risk and uncertainty as they relate to events and depend on circumstances that will incur in the future. Nothing in this interim

report should be construed as a profit forecast.

9. Copies of the interim report

The interim report for the six months ended 30 June 2015 can be downloaded from the Company's website www.scienceinsport.com. Further copies of the interim report can be obtained by writing to the Company Secretary, Science in Sport plc, 16-18 Hatton Garden, Farringdon, London, EC1N 8AT.

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