



Half Year Report

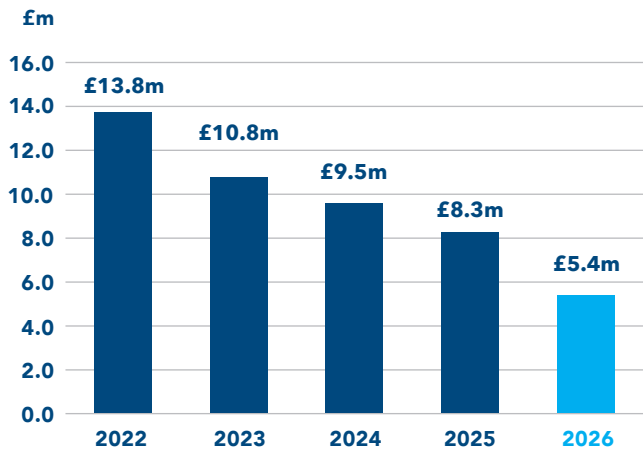
For the half year ending
7th March 2026



Society Registered No. 141R

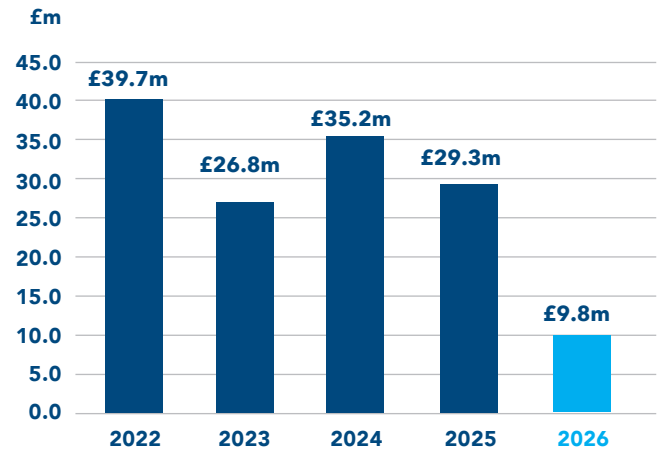
Trading performance

EBITDA* £5.4m

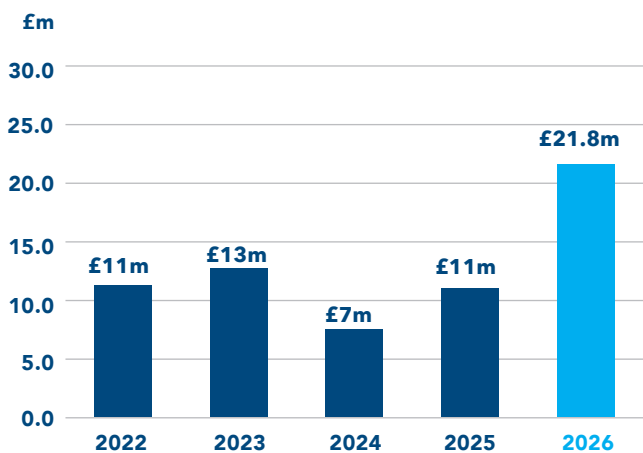


*EBITDA (earnings before interest, tax, depreciation and amortisation)
- a measure of profit generation from operating activities.

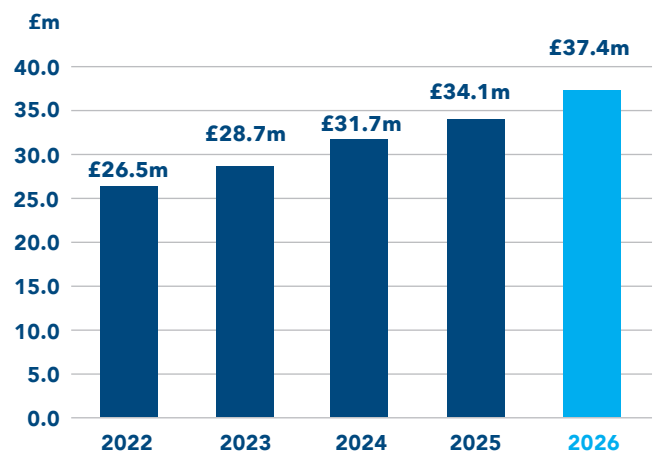
Cash balance £9.8m



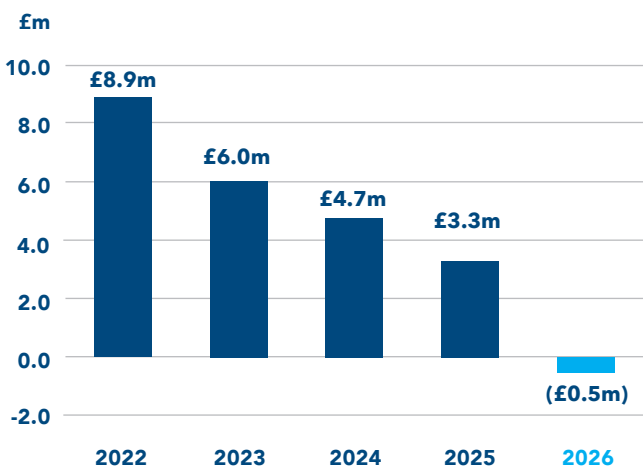
Investment spend £21.8m



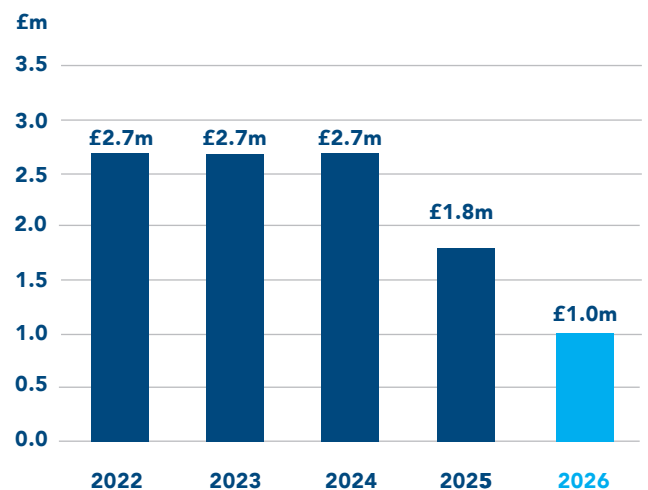
Personnel costs £37.4m



Trading surplus/(loss)* (£0.5m)

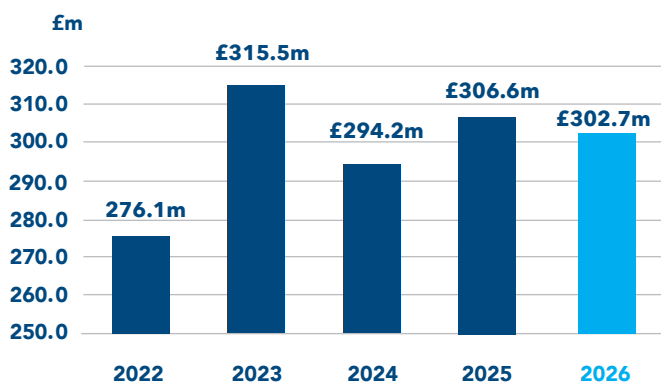


Cashback shared with members £1.0m



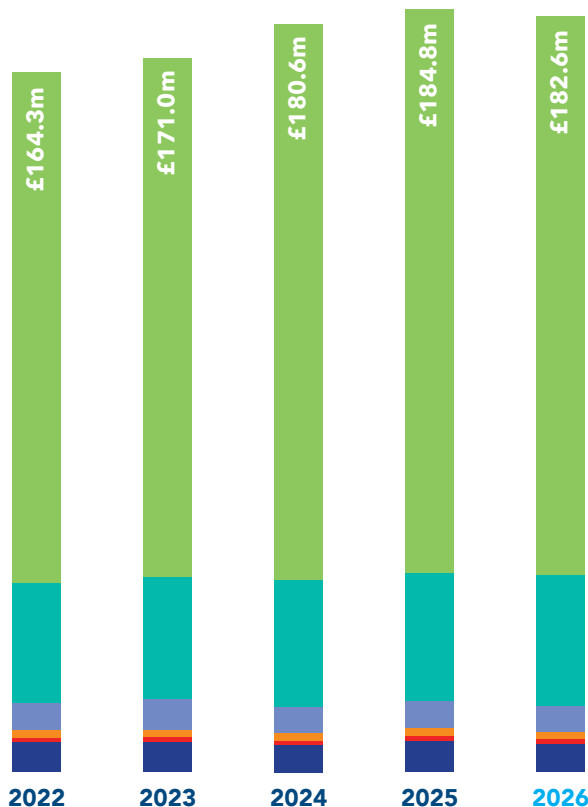
**Trading surplus – a measure of profit before tax, finance costs, joint ventures and member payments.

Net assets £302.7m



Turnover - broken down into trading area

	March 2022 £m	March 2023 £m	March 2024 £m	March 2025 £m	March 2026 £m
Food + Petrol	119.8	124.3	134.0	136.8	134.8
Pharmacy	28.1	30.6	30.7	30.9	31.7
Funeral	6.6	6.8	6.6	6.7	6.5
Travel	1.7	1.5	1.7	1.8	1.6
Post Office	0.9	1.0	1.0	1.0	1.1
Property	7.2	6.8	6.6	7.6	6.9
Total	164.3	171.0	180.6	184.8	182.6



Alison Hands, CEO overview

Increasing economic uncertainty and geo-political instability is affecting everyone across the UK. Rising costs are affecting both individuals and businesses alike, with restructures or adverse business results appearing in the news daily.

As well as facing domestic and international difficulties, we have continued to deal with the long-term impact of the cyber-attack on the Co-op Group, which took place late last spring and has had a significant lasting effect on our supply chain.

We've been working with the Co-op Group to recover levels of food availability and are undertaking measures to win customers back into our food stores. Another consideration is the pressure on the food convenience market as whole, which according to figures from Deloitte, has shown a 2% decline from Q4 2024 to Q4 in 2025. We also have to be mindful of consumers' changing priorities, with a move away from alcohol, tobacco and vape categories to more health-focussed choices.

With all those factors at play, I am proud to say that the first six months of our financial year have demonstrated our focus on long term financial security, as well as a

commitment to our Purpose Beyond Profit 2030 strategy, and making life better in our local communities.

Our performance

Our sales are down 1.2% on the previous half year. Although this is behind our budget by 3.8%, our strong cost control has ensured we are currently slightly ahead of budgeted EBITDA, though there are risks to maintaining this throughout the year.

The main area of sales underperformance is in food, but uncertainty around the war in the Middle East also causing people to delay or cancel travel bookings, which will have an impact on trading the rest of the year. As we progress, our bakery Gadsby's will feel the impact of its wholesale partner going in to administration.

Our post office area of the business continues to make a loss, however, it is a key service for our local communities which we subsidise.

Healthcare is seeing growth through pharmacy, with performance up by 2.5%, which is ahead of budget. This was driven by a strong delivery in services, specifically flu vaccinations. Due to good cost control, our funeral business also shows strong profit growth, and our property division continued to perform well, accounting for 58% of overall EBITDA.

Reference: Retail sector | Deloitte UK

We have had an insurance settlement for the business interruption caused by the Co-op Group's cyber-attack, receiving a significant amount of our claim thanks to the efforts of our finance and risk teams in managing the process.

We gave our frontline colleagues a profit share bonus in December last year, but the management bonus – paid to around 5% of colleagues including those leading our outlets – was dependant on receiving the necessary insurance funds.

Following the confirmation of the settlement from the insurers, and in agreement with the Board, a minimum management bonus was paid, acknowledging the work of our team as we navigate challenging external pressures, as well as leading change throughout our business to ensure we're sustainable for the long-term.

Personnel costs have continued to rise over recent years, with increases to National Living Wage and National Insurance. For most of our colleagues – equivalent to approximately 95 per cent of our workforce – a pay rise averaging 3.79 per cent has been approved this year, with these colleagues getting a pay rise of at least 50p per hour.

Going forward, we will need to maintain our rigorous attitude to costs and as ever, it is key that across all our activities, we weigh up profitability and long-term sustainability, alignment with our purpose, and our overall balance sheet.

Our total net assets have remained strong at £302.7m, providing a strong anchor for our current and future investment plans.

Our members

We were unable to pay a cashback bonus to members at the end of the last financial year due to our reduced trading profit, and to ensure we could maintain cashback on purchases throughout the year, as our members' share of our surplus. This will also be the case this year, if trading performance continues as expected. Cashback on purchases has seen over £1m shared with members this half year. And, to say thank you to members for their continued support, we are undertaking more enhanced cashback offers throughout the summer. So, please make sure you keep an eye out in our branches, in our member emails and on our social media channels to find out how you can boost your cashback balance.

Strategic investments

Throughout tough times, it's also important that we don't divert from necessary investments to ensure improved efficiency in our trading businesses.

These foundational investments are part of our Purpose Beyond Profit Strategy 2030 and alongside developing new areas of our business in healthcare and housing, will contribute to the planned upwards trajectory in trading profitability in the coming years – as you can see in the graph below.

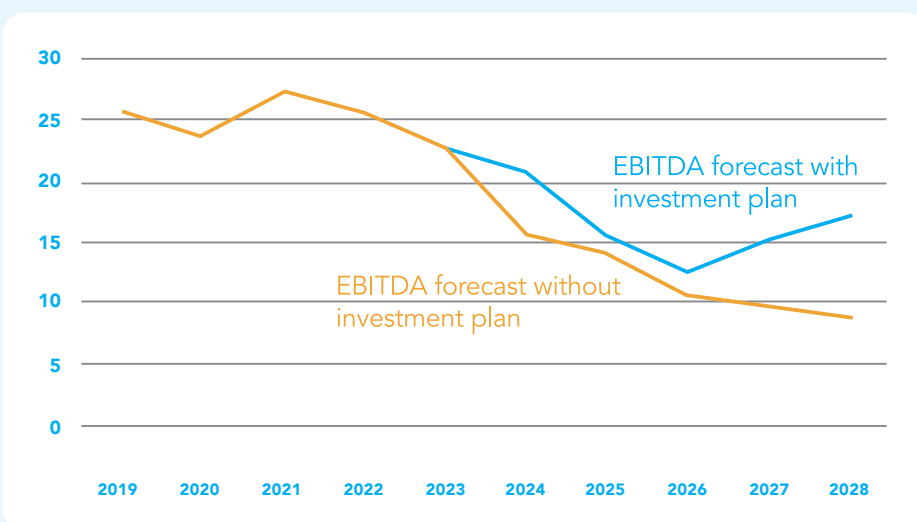
We have invested £21.8m in capital projects this half year. We now have Electronic Shelf Edge Labels in all our food stores which improve the customer experience, saves our colleagues time, and reduces paper.

New card payment devices have been introduced and soon, we will see rollout of new self-checkouts in many stores – with our friendly colleagues on hand if customers would prefer to use our tills.



We're making investments to improve efficiency in our trading business.

Full year EBITDA – long-term plan



Graph shown at the 2025 Annual Members Meeting



We've given our communities
£489,000
worth of support
this year.



Investment in IT infrastructure and cyber security across the business is constant; with work taking place in the next half year on our server performance and capacity.

We've opened a new food store in Donington and revamped ten outlets through our cyclical refresh programme, generating positive feedback coming from colleagues, members, and customers.

We are moving forward with our housing ambitions and have recently had a strategy for this work approved by our Board, which includes social housing, as well as exploring other purpose-led areas of work in this space. We'll have more to share at our Annual Members' Meeting at the end of the year.

Community work

As a co-operative, it's key we not only reinvest back into the business for continued growth and share benefits with our members, but that we also give back to local communities.

I'm inspired by the exceptional work that has been achieved through the first six months of this financial year.

We want to help develop more social enterprises locally, and we're already working with Chain Bridge Forge in Spalding, a living forge and heritage site. We're recently led a workshop with 20 budding changemakers looking to develop their ideas for wider social gain and we're looking forward to supporting more organisations in the future.

From our foundational partnership with Horizon Youth Zone in Grimsby which opened late in 2025, our continued development of our many community support programmes, including Wellbeing Walks and Community Cuppas, the role we play in our communities is integral to why we exist. You can find out more on pages 6 and 7.

Our board

Engagement of our members through the democratic process continues to be as important as ever, and with the election for new Directors coming up soon, this is your opportunity to influence the strategy and oversight of our Society.

It is also a time where we have to say goodbye to Directors, and in June our president Jane Moate will be leaving the Society after nine years on the Board. Jane has been an incredibly valued member, representing the views of our membership, and has played a vital role as we have navigated change over the last few years. Jane's calm and considered presence has been important around the Board table, and I would like to personally thank her for her support and challenge over my time as CEO. Finally, I would also like to thank our members, colleagues, customers and communities – your support helps to ensure the long-term stability of Lincolnshire Co-op and enables us to work together to make life better across Greater Lincolnshire and the surrounding areas.



President Jane Moate

Alison



Our programme of free **Wellbeing Walks** gives people the chance to get active and make new friends. We've set up **two new walks** this half year.



4

new **Community Cuppa** events are welcoming people through the doors for a chat and a brew.



Horizon Youth Zone

in Grimsby provides a safe, inspiring place for young people – open seven days a week with over 20 activities on offer for just **50p a visit.**

It will provide thousands of young people with a place to go, something to do – and signpost them to key services. We're proud to be a founder partner, contributing **£25,000.**





215 local worthy causes and charities shared in **£181,928** raised through our **Community Champions** scheme. You contribute each time you shop with your dividend card, donate to a collection box or give to a colleague's fundraising efforts. **Thank you!**



Our **Secret Santa campaign** made it easy to donate to **72 charities** that support local people in need, with drop-off points inside our food stores, pharmacies and travel branches.



The Fund for International Co-operative Development's mission is supporting co-operatives worldwide in rebuilding after crises and fostering peace through the power of co-operation. It's in its developmental stage and we've donated **£25,000** to help move it forward.



Vulnerable people felt the joy of Christmas last year, thanks to the overwhelming generosity of our community.



Society Registered No. 141R