



# Half Year Report

For the half year ending  
8th March 2025



Society Registered No. 141R





## CEO overview

### Alison Hands

It has been another busy six months for all our colleagues, with sales still in growth by 2% on the previous year, driven by food and petrol, at 2.4%, and property at 14.6% on the previous year. However, we have missed our sales budget by 2.5%, which is mainly driven by the food and petrol businesses, along with travel. But even with increasing costs due to the national living wage, and with poorer trading performance in food than planned, we have managed to control costs well which has resulted in our trading profit measure (known as EBITDA) hitting our budget for the first 6 months of the year. However, this was 13% down on the previous year, with the drivers being an additional £2.3m of personnel costs, of which £2.1m was due to the increases driven by the additional pay increases negotiated for our colleagues. With the increasing costs, particularly further rises in national living wage and National Insurance Contributions, and the required level of investment in the society over the next few years, although we will continue to offer cashback on purchases, we won't be able to pay a cashback bonus at the end of this year. Our financial focus needs to be on investing to grow the society for our long-term sustainability.

Although our food business has not hit the budget we set, it is worth noting that in a challenging environment, we have seen sales growth over the last two years at 14.5%, and have continued to be above the national grocery market trading performance. We opened two new food stores through this period in Laceby and Scartho, as well as completing four cyclical refreshes in Branston, Roman Bank in Skegness, Lincoln Road in Sleaford, and Wygate Park in Spalding. This has meant an investment of £5.6m into our food business, and these stores are seeing improved



performance and positive customer feedback. We intend to continue with this significant investment to ensure our local communities are served in well maintained branches.

Our pharmacy business has continued to grow, with sales up 0.6% on the previous year. Although the costs associated with pharmacy, and the continued challenges around NHS funding have meant our EBITDA was down 11.7% on the previous year. However, the new funding model recently announced by the government gives us opportunity to improve the profitability of pharmacy. This continues to be a strategic area of focus for us, with care for the community through pharmacy and extended services into rural communities. With the new funding models, we believe this is where Lincolnshire Co-op can help to bring solutions to communities.

Our funeral business has seen growth in sales by 1.4% on the previous year, with its profitability improving by 52%, primarily driven by strong cost control. Our travel business has had a more challenging sales period with sales down by 1% on the previous year. We are seeing less customers but they are spending more on big holidays, whereas the family holidays market at lower prices is in decline. This appears to be another indicator of cost of living pressures. But the business has controlled its costs well and has seen profitability growth of 34.5%.

Post office is another area where we continue to offer a valuable service to our local communities, with sales up by 1.7%. We are waiting to see how government will improve this funding model after many years of subsidising this service for the community. We have made a loss of £153k, in the first six months of this year, which is a small improvement on the same time as last year.

Our property business has had another good year, with EBITDA up 19% on the previous year. Income from the recently renovated Barbican property in Lincoln city centre is a key driver.



Our continued investment into the society, to enable long term growth and sustainability, is focused on our foundational infrastructure, with the primary focus being within IT, where we have invested £1.5m over the last six months. Our focused spend has supported new food ordering systems, improved wifi capability into our food branches, improved tills and systems in pharmacy, a digital payroll system, along with improving our cyber security systems. The importance of this has been evident in recent months with numerous cyber issues within the retail industry, and we are focused on ensuring we do our best to protect our own systems and data.

Our focus on the communities we serve is at the heart of everything we do, and this gives us our unique proposition for Lincolnshire and the surrounding area. We believe it is important we continue to support key activities, whether at a small or large scale. Whether it's our increased number of Wellbeing Walks, or our support for breakfast clubs across the region, our Community Cuppas, or our support for local food banks, seasonal toy gifting, or sanitary and toiletry banks, by working together, we have supported the health and wellbeing of so many local people across our trading area. We are equally looking forward to a new major community project coming in summer 2025, with our foundational partnership of the Grimsby Horizon Youth Zone, which will bring much needed support for young people at the start of their life journeys.

Lincolnshire Co-op, its members and colleagues, seeks to bring ideas, energy and resources to make life better in our communities, and this can only be realised by ensuring we continue to grow and remain sustainable for the future. This requires us to continue to invest and manage our business effectively, whilst mitigating the continued volatility around us. I'd like to thank our members and colleagues for their continued support.



## Trading performance

### Turnover £184.8m

2025	£184.8m
2024	£180.6m
2023	£171.0m
2022	£164.3m
2021	£156.3m

### Cash balance £29.3m

2025	£29.3m
2024	£35.2m
2023	£26.8m
2022	£39.7m
2021	£34.9m

### Trading surplus\* £3.3m

2025	£3.3m
2024	£4.7m
2023	£6.0m
2022	£8.9m
2021	£8.2m

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

### Cashback as a % of trading surplus 55%

2025	55%
2024	57%
2023	45%
2022	30%
2021	34%

### Personnel costs £34.1m

2025	£34.1m
2024	£31.7m
2023	£28.7m
2022	£26.5m
2021	£26.1m

### EBITDA\* £8.3m

2025	£8.3m
2024	£9.5m
2023	£10.8m
2022	£13.8m
2021	£13.1m

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



From  
September to March,  
**we raised  
£209,051**

through **Community Champions**,  
which was shared between  
**262** local good causes  
and charities.



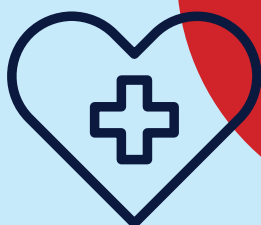
Since September,  
we've worked with our  
communities to introduce

**11** new **Wellbeing  
Walks** and  
**11** new **Community  
Cuppas**



**We donated  
£10,000**

to the Disasters Emergency  
Committee (DEC) appeal  
for Myanmar after the  
devastating earthquake.



**75**

of our colleagues are  
studying for an apprenticeship,  
ranging from GCSE to master's  
degree equivalents.



**Eleanor Monk** from  
**Louth Funeral Home**  
shadowed our CEO  
Alison Hands for the  
day during National  
Apprenticeships  
Week.

**We recognised  
over 70 colleagues**

who had gone above and beyond at  
our Spotlight Awards, as well as  
naming our stores of the year.

We loved saying thank  
you to our colleagues  
who have really made  
life better in their  
communities.



**£8.5m**

has been invested into  
**renewable energy**

through a Corporate Purchase Power  
Agreement we've signed with four other  
retail co-ops.

It means we'll buy 10,000  
megawatts of renewable energy  
over the next 10 years, covering  
around 50% of our emissions.



Find  
out  
more



scan  
me