AG BARR plc

Strong revenue and profit momentum for H2

4 August 2026

AG Barr's H127 trading update confirms the robustness of the group's multi-brand drinks portfolio, such that even with some temporary supply chain issues, the company is confident in delivering FY27E Adj. PBT expectations. H127 revenues have risen c.8% to £246m, despite a £10m lost sales opportunity in Q2. This reflects growth in the core brands, market share wins and the integration of Fentimans and Frobishers Juices. H127 operating margin is expected to be c.15% and is projected to increase in H227. We also continue to forecast significant operating free cashflow and hence reiterate our 800p/ share Fair Value estimate, equating to 1.7x EV/Revenues, c.15.5x PER and a c.3% dividend yield (cal 2027).

H127 revenue rises 8%, despite c.4% lost opportunity; H227E > 10%

AG Barr's H127 revenue is expected to rise c.8% to £246m, resulting from market share wins for IRN-BRU in England and Scotland, double digit growth from product innovations at Boost and a positive performance from Rubicon, along with the integration of Fentimans and Frobishers. This growth in the core brands and acquisitions offset weakness at Barr Brands and FUNKIN cocktails, and was despite some internal and external supply chain issues that impacted stock availability, resulting in c.£10m (c.4.4%) lost sales. Management confirms that these issues are being resolved and the manufacturing investment programme and the capacity upgrade at Milton Keynes are on track. See our recent initiation note "Brand-led, cash-generative and acquisitive" for more detail.

Robust c.15% operating margin in H127; strengthening into H227E

Whilst we have trimmed our FY27E revenue estimate by c.2% for the H127 disruption, we make no change to our £71m Adj. PBT estimate. Excellent cost control has delivered c.15% operating margin in H127 with a further increase anticipated in H227E from the benefits of integration and insourcing. Our forecast is slightly below consensus Adj. PBT estimates of £71.9m.

Multi-brand innovation strategy on track; reiterate 800p Fair Value

Whilst the supply chain disruption is a negative surprise, we view AG Barr's financial model of c.4%+ revenue growth p/a, 14%-16% operating margins and 19%-21% Adj. ROCE as underrated relative to peers on only c.12x cal 2027 PER.

Key financials & valuation metrics

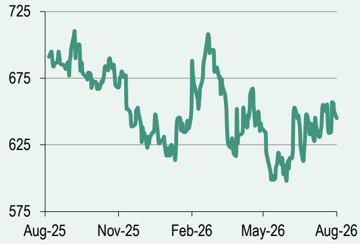
Year to 31 January (£m)	2025	2026	2027E	2028E	2029E
Revenue	420.4	437.3	481.3	505.4	531.1
Revenue growth (%)	*5.1*	*4.0*	*10.1*	*5.0*	*5.1*
Adj. PBT	58.5	65.8	71.0	78.3	85.7
Adj. PBT margin (%)	*13.9*	*15.0*	*14.8*	*15.5*	*16.1*
Adj. diluted EPS (p)	39.4	44.1	47.6	52.4	57.4
Dividend per share (p)	16.9	18.7	20.2	22.2	24.3
Net cashflow from operations	48.3	52.2	77.3	78.6	85.5
Net cash / (debt) /Adj. EBITDA (x)	0.9	0.4	0.0	0.2	0.4
EV / Sales (x, calendarised)		1.4	1.3	1.3	
PER (x, calendarised)		13.6	12.4	11.3	
Dividend yield (%, calendarised)		3.2	3.6	3.9	
Free cashflow yield (%, cal)		-1.0	5.1	6.6	

Source: Company data, Equity Development, Priced as at 3/8/26

Company data

EPIC	BAG
Price (last close)	645p
52 weeks Hi/Lo	715p/590p
Market cap	£716m
ED Fair Value / share	800p
Net cash / (debt) 2027E	£4m
Avg. daily volume (3m)	180k

Share price, p



Source: Investing.com

Description

A.G. Barr p.l.c. ("AG Barr") is a UK-focused multi-beverage business with a portfolio of market-leading brands including IRN-BRU, Rubicon, Boost and FUNKIN (these four comprising c.75% of revenues in FY26).

Established in 1875, AG Barr has grown to £437m revenues with adj. operating margin of 15% (FY26). In 2025/2026 AG Barr has further extended its range in functional wellness and adult soft drinks with the acquisitions of Fentimans Ltd, Frobishers Juices Ltd and Innate-Essence Limited (50.1%), producer of The Turmeric Co. and Raw Hydrate.

Next event

H1 27 results – 29 Sept 26

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AG Barr: Investment attractions overview

Investment Highlights

- AG Barr is a UK focused beverage brand builder with an impressive track record of consistent, profitable and cashflow generative growth over the past 21 years: driving 6% CAGR in revenues from £127m to £437m and 7% CAGR in Adj. PBT from £15.6m to £65.8m (FY05-FY26).
- Key to AG Barr's success is its differentiated business model offering 1) a diversified range of drinks brands and ability to acquire brands; 2) a track record of building those brands; 3) an integrated supply chain and 4) a UK focus.
- Experienced consumer leader Euan Sutherland joined as CEO in 2024 and has expanded the senior leadership team, bringing in talent from other consumer companies to work with established leaders within the group to increase the pace of innovation, expand distribution, grow market share and drive even greater efficiencies in its manufacturing processes.
- The group's financial model commitment is 4%+ revenue growth, 14%-16% adj. operating margin and 19%-21% Adj. ROCE, with an ambition to double in size. This model enables strong brand reinvestment, capacity expansion and consistent cash generation to fund acquisitions and dividends.

Risk Factors

- Price competition from larger, global competitors that would mean AG Barr would need to invest in gross margin to protect its price differential.
- Cost inflation, particularly in sugar, packaging and energy costs, lasting for longer or at a higher rate than expected, impacting profit margins if not able to pass on to consumers as higher prices (though management expects to be able to pass on sector-wide inflation).
- Supply chain disruption.
- Regulation changes, especially around sugar taxes, and any potential regulation around use of sweeteners, although AG Barr has already successfully adapted to higher sugar taxes with a c.50% reduction in sugar in (reformulated) products.
- Changing consumer trends towards healthier products and risks to perceptions of any brands in the portfolio, along with brand concentration risk, though brand diversification, new product development and acquisitions help offset this.
- Technology disruption and other risks to brand reputation.

Forecast Drivers

- We forecast 6.7% Revenue CAGR FY26-FY29E (incl recent acquisitions) led by the rebrand of IRN-BRU Zero, product innovation across brands, particularly in healthier and functional drinks, increased marketing and greater distribution.
- We assume the savings from increased manufacturing insourcing and production efficiencies are partly reinvested back into marketing, leading to operating margins of c.14%-16% and Adj. PBT CAGR of 9% FY26-FY29E.
- We expect c.80%-100% of Adj. PBT converts to net cashflow from operations yielding c.£120m of cumulative free cashflow pre acquisitions FY27E-FY29E to pay dividends and invest in M&A.

Valuation Overview

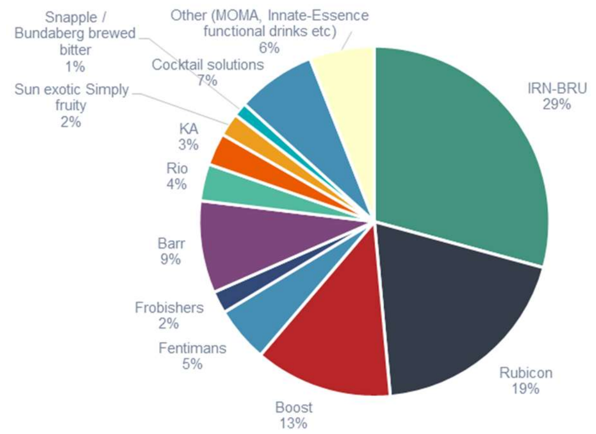
- AG Barr is trading on only 1.3x 2027 EV / Revenues, c.6.8x 2027 EV / Adj. EBITDA, c.12.4x 2027 PER, and offers a c.3.4% dividend yield and a c.5% FCF yield.
- This is significantly below its historic average valuation multiples of c.2x EV / Revenues, 11x EV / EBITDA, just under 20x PER and a c.5% FCF yield.
- With two recent acquisitions and a reacceleration in core brand revenue growth we see scope for AG Barr to rerate as investor confidence in growth increases. **We reiterate our Fair value estimate of 800p per share, equating to c.15.5x 2027 PER, c.8.5x 2027 EV / EBITDA and a c.4% FCF yield.**

Why invest? Accelerating innovation driving diversified brand growth

Strategy to reaccelerate growth across multiple brands

- AG Barr's history dates back 150 years to 1875 with its iconic brand IRN-BRU launched in 1901. However, following the acquisition of Rubicon in 2008 and Boost in 2022, IRN-BRU, whilst still central, has fallen from 45% of revenues in FY21 to less than a third of group revenues in FY26E.
- The group has a proven ability to build brands and has expanded into fast-growing functional wellness, sports and adult soft drinks (most recently through the acquisitions of Innate-Essence, Fentimans and Frobishers).
- Led by CEO Euan Sutherland who joined in 2024, AG Barr has expanded its management team and set out to double the pace of innovation and new product development across all its brands, leading to its financial commitment of 4%-6% revenue growth p/a, 14%-16% operating margin and c.20% ROCE.

An increasingly diversified portfolio of brands

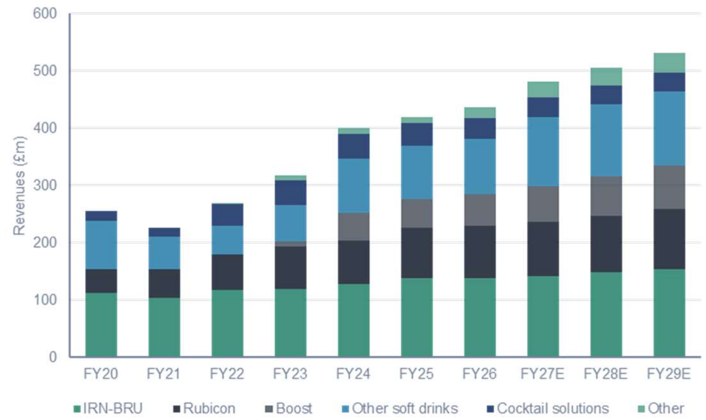


Source: Estimated split of FY27E revenue, Equity Development

Pace of new product launches doubling 2023-2026

Source: Company data

Revenue growth to reaccelerate to 4%-6%; 8% in H127



Source: Company data, Equity Development

A well invested, highly cash generative and acquisitive business

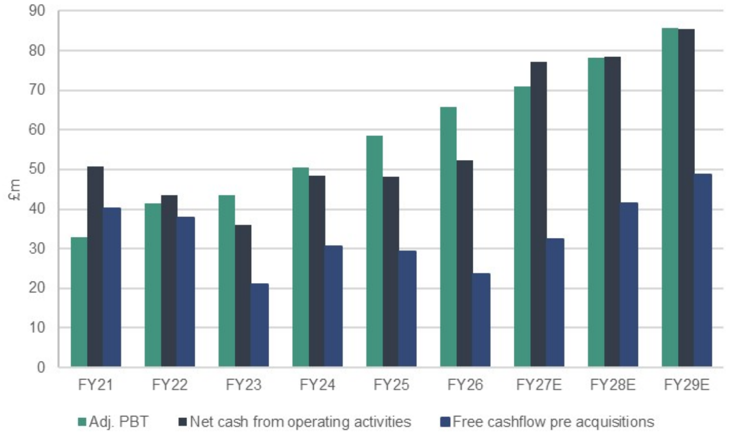
A strong balance sheet and ability to invest for growth

- AG Barr's attractive business model not only drives high margins and ROCE but excellent cashflow generation. With annual cash generation from operations of c.£75m+ (from FY27E), management can invest in the group's production capabilities and technology (c.£40m in FY27E and £30m-£35m p/a from FY28E), return c.£20m in dividends (a 2027 yield of c.3.5%) and continue to make acquisitions which fit the group's criteria.
- In our opinion, AG Barr can be rerated as investor confidence in revenue growth increases. **We reiterate our fair value estimate of 800p per share, equating to c.15.5x 2027 PER, c.8.5x 2027 EV / EBITDA and a c. 4% FCF yield.**

Share price has been unsettled by macro concerns

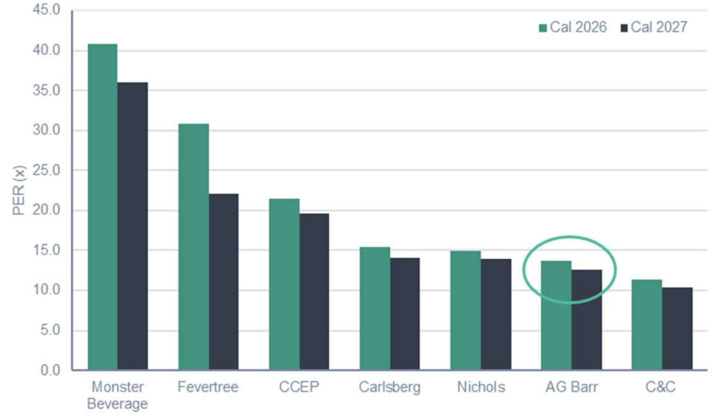
Source: Investing.com; Equity Development

High cash conversion - flexibility for dividends and M&A



Source: Company data, Equity Development

Trading on <15x 2027 PER, below historic average of 20x



Source: Company data, Equity Development

Changes to forecasts: a c.2% cut to revenue forecasts but no change to Adj. PBT

- Given the c.£10m lost revenue opportunity in H127 from stock availability issues, we reduce our FY27E revenue estimate by c.£8m. Conservatively, we assume no recovery of lost H127 revenues in FY28E. With a soft comparator, 5% revenue growth remains achievable and in line with management's 4%-6% growth guidance. The stock availability issues were linked to the group’s internal capability and capacity change programme and to third party manufacturing issues, and are now being resolved. Hence, we forecast an acceleration to c.12% revenue growth in H227, with the group’s operating margin strengthening from just under 15% in H127E to just over 15% in H227E.
- AG Barr has a proven ability to build brands (e.g. Boost) and has expanded into fast-growing functional wellness, sports and adult soft drinks (most recently through the acquisitions of Innate-Essence, Fentimans and Frobishers). We estimate that Frobishers and Fentimans will together add c.£35m to revenues in FY27E (after ceasing to trade in some loss-making geographies that do not make economic sense).

FY27E forecasts reflect the c.£10m revenue shortfall in H127 and management’s confidence in FY27E operating margins

	Actual / New forecasts			Old forecasts			% change		
Year-end 31 Jan (£m)	**2027E**	**2028E**	**2029E**	**2027E**	**2028E**	**2029E**	**2027A**	**2028E**	**2029E**
Group Revenue	481.3	505.4	531.1	489.3	513.8	539.8	-1.6	-1.6	-1.6
Revenue growth (%)	*10.1*	5.0	5.1	11.9	5.0	5.1			
Adj. operating profit	72.3	79.3	86.2	72.3	79.4	86.3	0.0	0.0	0.0
Adj. operating profit margin (%)	*15.0*	*15.7*	*16.2*	*14.8*	*15.4*	*16.0*			
Adj. PBT	71.0	78.3	85.7	71.0	78.3	85.7	0.0	0.0	0.0
Adj. PBT margin (%)	*14.8*	*15.5*	*16.1*	*14.5*	*15.2*	*15.9*			
Adjusted diluted EPS (p)	47.6	52.4	57.4	47.5	52.4	57.4	0.0	0.0	0.0
Adj. EPS growth (%)	7.7	10.3	9.4	7.7	10.3	9.4			
DPS (p)	20.2	22.2	24.3	20.1	22.2	24.3	0.0	0.0	0.0
Capex	40.0	32.5	32.5	40.0	32.5	32.5	0.0	0.0	0.0
Free cashflow	(8.1)	41.3	48.6	(8.5)	41.3	48.6	-4.6	0.0	0.0
Net financial cash / (debt)	12.3	31.3	55.3	11.9	30.8	54.9			
Total net cash /(debt) incl leases	4.2	23.1	47.0	3.8	22.7	46.6			
Net financial cash / (debt) / Adj. EBITDA (x)	0.1	0.3	0.5	0.1	0.3	0.5			
Total net cash / (debt) / Adj. EBITDA (x)	0.0	0.2	0.4	0.0	0.2	0.4			

Source: Company data, Equity Development

Financial forecast tables and assumptions

- Our detailed forecasts are shown below.

Brand / divisional analysis								
Year-end 31 January (£m)	**2022A**	**2023A**	**2024A**	**2025A**	**2026A***	**2027E**	**2028E**	**2029E**
IRN-BRU	118	119	128	138	139	142	148	154
Rubicon	63	75	76	88	90	94	100	106
Boost		7	48	50	57	62	68	75
Other soft drinks	50	65	95	92	97	121	125	129
Soft drinks	231	267	347	369	382.0	420.0	441.4	464.1
Cocktail solutions	37	43	43	40	35.8	34.0	34.0	34.0
Other (MOMA etc)	1	8	11	11	19.5	27.3	30.0	33.0
Total revenue	**269**	**318**	**400**	**420**	**437.3**	**481.3**	**505.4**	**531.1**
IRN-BRU	15	1	8	6	1	2.5	4	4
Rubicon	25	20	15	17	2	4.5	6	6
Boost			22	0	12	10.0	10	10
Other soft drinks	(12)	30	45	(3)	5	26	3	3
Soft drinks	10	16	30	6	4	10	5	5
Cocktail solutions	117	16	0	(6)	(11)	(5)	0	0
Other (MOMA etc)			28	8	73	40	10	10
Total revenue growth (%)	**18.3**	**18.2**	**25.9**	**5.1**	**4.0**	**10.1**	**5.0**	**5.1**
LFL revenue growth (ex-acquisitions)			**8.0**			**2.1**		

*Note: * brand split is estimated; Source: Company data, Equity Development*

- For FY27E we forecast stable gross margins given the dilutive impact of the acquisitions which is partly offset by the benefit of greater manufacturing insourcing.
- AG Barr hedges most of its key commodity input costs for the next 12 months with part hedged up to 18 months out.

Divisional analysis

Year-end 31 January (£m)	**2022A**	**2023A**	**2024A**	**2025A**	**2026A**	**2027E**	**2028E**	**2029E**
Soft drinks	230.6	266.6	346.6	368.8	382.0	420.0	441.4	464.1
Cocktail solutions	36.9	42.8	42.9	40.3	35.8	34.0	34.0	34.0
Other (MOMA etc)	1.1	8.2	10.5	11.3	19.5	27.3	30.0	33.0
Total revenue	**268.6**	**317.6**	**400.0**	**420.4**	**437.3**	**481.3**	**505.4**	**531.1**
Soft drinks	103.5	109.6	135.6	145.9	157.4	173.5	185.0	196.3
Cocktail solutions	14.7	16.2	15.4	14.8	13.6	12.9	12.9	12.9
Other (MOMA etc)	0.4	2.3	3.2	3.6	6.3	9.0	10.2	11.2
Gross profit	**118.6**	**128.1**	**154.2**	**164.3**	**177.3**	**195.3**	**208.0**	**220.4**
Soft drinks	44.9	41.1	39.1	39.6	41.2	41.3	41.9	42.3
Cocktail solutions	39.8	37.9	35.9	36.7	38.0	38.0	38.0	38.0
Other (MOMA etc)	36.4	28.0	30.5	31.9	32.3	32.8	33.8	33.8
Gross profit margin (%)	**44.2**	**40.3**	**38.6**	**39.1**	**40.5**	**40.6**	**41.2**	**41.5**
Change in gross margin (bps)	239	-382	-178	53	146	4	57	34

Source: Company data, Equity Development

- Management expects Adj. ROCE to be at the low end of the 19%-21% target range in FY27E given the temporary dilutive impact of the recent acquisitions. Our forecast is slightly below that.

Key group growth and margin metrics

Year-end 31 January	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Revenue growth (%)	18.3	18.2	25.9	5.1	4.0	10.1	5.0	5.1
Gross profit growth (%)	25.1	8.0	20.4	6.5	7.9	10.2	6.5	6.0
Adj. EBITDA growth (%)	14.4	4.3	10.8	12.5	10.0	15.4	11.3	8.7
Adj. Operating profit (%)	25.1	6.2	10.6	15.8	13.7	11.6	9.7	8.7
Adj. PBT growth (%)	26.5	5.1	15.6	16.1	12.5	8.0	10.3	9.4
Adj. diluted EPS growth (%)	8.8	21.8	13.3	17.7	12.2	7.7	10.3	9.4
DPS growth (%)	n/a	9.2	14.9	12.0	11.0	7.7	10.3	9.4
Gross profit margin (%)	44.2	40.3	38.6	39.1	40.5	40.6	41.2	41.5
Adj. EBITDA margin (%)	19.8	17.5	15.4	16.5	17.4	18.2	19.3	20.0
Adj. Operating margin (%)	15.6	14.0	12.3	13.6	14.8	15.0	15.7	16.2
Adj. PBT margin (%)	15.5	13.7	12.6	13.9	15.0	14.8	15.5	16.1
Distribution & selling costs / revenues (%)	15.5	15.3	13.3	12.2	13.2	13.2	13.2	13.1
Administration costs / revenues (%)	13.0	11.4	12.9	13.4	12.6	12.4	12.3	12.2
Op costs incl D&A / revenues (%)	28.3	26.5	26.0	26.8	25.2	26.4	25.5	25.3
Depreciation of PPE / sales (%)	3.1	2.6	2.4	2.1	2.0	2.3	2.6	2.7
Depreciation of ROUA / sales (%)	0.6	0.5	0.5	0.5	0.4	0.7	0.7	0.7
Tax rate (adj.) (%)	34.7	24.1	25.4	24.6	25.2	25.4	25.4	25.4
Adj. ROCE - Adj. PBT / Adj. Inv. cap (%)	19.9	18.0	18.4	20.8	20.4	18.3	18.3	19.1
Adj PBT / net operating cash conversion (%)	105	82	96	83	79	109	100	100

Source: Company data, Equity Development

- We assume employee costs and marketing rose in FY26 after talent investment and wage inflation (partly due to national insurance increases) and investment in several successful marketing campaigns, with more to come to support brand relaunches and new product development.
- We assume dividends rise in-line with adj. EPS growth.

Income statement

Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Group revenue	**268.6**	**317.6**	**400.0**	**420.4**	**437.3**	**481.3**	**505.4**	**531.1**
Cost of sales	(150.0)	(189.5)	(245.8)	(256.1)	(260.0)	(285.9)	(297.4)	(310.7)
Gross profit	**118.6**	**128.1**	**154.2**	**164.3**	**177.3**	**195.3**	**208.0**	**220.4**
Distribution & selling costs	(41.7)	(48.7)	(53.2)	(51.1)	(57.5)	(63.6)	(66.8)	(69.6)
Administration costs	(34.9)	(36.2)	(51.8)	(56.2)	(55.0)	(59.4)	(61.9)	(64.5)
Add back: D&A	11.2	11.0	12.3	12.2	11.3	15.5	18.3	19.9
Operating costs, Adj. ex D&A	**(65.4)**	**(73.9)**	**(92.7)**	**(95.1)**	**(101.2)**	**(107.6)**	**(110.3)**	**(114.2)**
Adj. EBITDA	**53.2**	**55.5**	**61.5**	**69.2**	**76.1**	**87.8**	**97.7**	**106.2**
Depreciation & amortisation	(11.2)	(11.0)	(12.3)	(12.2)	(11.3)	(15.5)	(18.3)	(19.9)
Adj. Operating profit	**41.9**	**44.5**	**49.2**	**57.0**	**64.8**	**72.3**	**79.3**	**86.2**
Finance costs	(0.4)	(0.9)	1.2	1.5	1.0	(1.3)	(1.0)	(0.6)
Adj. PBT	**41.5**	**43.6**	**50.4**	**58.5**	**65.8**	**71.0**	**78.3**	**85.7**
Exceptional costs	0.7	0.8	0.9	(5.3)	(3.2)	(4.1)	0.0	0.0
PBT	**42.2**	**44.4**	**51.3**	**53.2**	**62.6**	**67.0**	**78.3**	**85.7**
Tax	(14.4)	(10.5)	(12.8)	(13.5)	(15.9)	(17.0)	(19.9)	(21.8)
Adj. PAT	**27.1**	**33.1**	**37.6**	**44.1**	**49.2**	**53.0**	**58.4**	**63.9**
Reported PAT	27.8	33.9	38.5	39.7	46.7	50.0	58.4	63.9
No of fully diluted shares (m)	111.8	112.2	112.4	112.1	111.4	111.4	111.4	111.4
Adjusted diluted EPS (p)	**24.2**	**29.5**	**33.4**	**39.4**	**44.1**	**47.6**	**52.4**	**57.4**
DPS - ordinary (p)	12.0	13.10	15.05	16.86	18.71	20.2	22.2	24.3

Source: Company data, Equity Development

- Management has guided to £40m of capex in FY27E (the peak of the investment cycle) and £30m-£35m p/a thereafter. Acquisition spend includes £14.2m for Innate-Essence in July 2025, £13m for Frobishers in January 2026 and c.£40m for Fentimans in FY27E.

Cashflow statement

Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Adj. EBITDA	**53.2**	**55.5**	**61.5**	**69.2**	**76.1**	**87.8**	**97.7**	**106.2**
Add back Share based payments charge	1.2	2.0	2.1	2.4	2.5	2.8	3.0	3.3
Change in inventories	(4.3)	(4.5)	(1.8)	4.8	2.3	(1.4)	(1.3)	(1.5)
Change in trade receivables*	(5.6)	(7.6)	(3.4)	(13.0)	(2.1)	1.9	(4.1)	(4.4)
Change in trade payables*	7.7	4.3	0.0	1.5	(8.2)	7.4	3.3	3.8
Change in post-employment benefits	(2.3)	(4.9)	0.0	(3.3)	(1.3)	(0.1)	(0.1)	(0.1)
Working capital movement	**(4.5)**	**(12.7)**	**(5.2)**	**(10.0)**	**(9.3)**	**7.8**	**(2.2)**	**(2.2)**
Tax paid	(6.5)	(6.8)	(11.7)	(9.3)	(13.9)	(17.0)	(19.9)	(21.8)
Exceptionals (cash)		(2.7)	(0.4)	(3.6)	(3.2)	(4.1)	0.0	0.0
Other	0.0	0.6	2.2	(0.4)				
Net cash from operating activities	**43.4**	**35.9**	**48.5**	**48.3**	**52.2**	**77.3**	**78.6**	**85.5**
Net financial interest paid	(0.1)	(0.1)	1.3	1.2	1.5	(1.0)	(0.7)	(0.2)
Interest paid on lease liabilities					(0.2)	(0.3)	(0.3)	(0.3)
Lease payments (principal)	(1.5)	(1.7)	(1.9)	(2.1)	(2.1)	(3.6)	(3.7)	(3.9)
Capex	(5.0)	(14.6)	(17.8)	(19.2)	(30.4)	(40.0)	(32.5)	(32.5)
Acquisitions	(5.1)	(18.6)	(12.3)		(19.9)	(40.5)		
Disposals	1.1	1.6	0.6	1.0	2.7			
Total capex and M&A	(9.0)	(31.6)	(29.5)	(18.2)	(47.6)	(80.5)	(32.5)	(32.5)
Free cashflow	**32.8**	**2.5**	**18.4**	**29.2**	**3.8**	**(8.1)**	**41.3**	**48.6**
Dividends	(13.4)	(13.9)	(14.7)	(17.2)	(19.2)	(21.3)	(22.3)	(24.6)
Share buy backs / equity issues	(0.2)	(0.7)	(2.3)	(1.7)	(4.3)			
Other								
Net cashflow	**19.2**	**(12.1)**	**1.4**	**10.3**	**(19.7)**	**(29.3)**	**19.0**	**24.0**

Source: Company data, Equity Development

- We forecast net financial cash of c.£12m in FY27E, pre £8m leases, after the c.£40m Fentimans acquisition.

Net debt metrics

Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Gross financial debt	(0.3)	(0.7)	0.0	0.0	(40.0)	(40.0)	(40.0)	(40.0)
Net cash	68.7	53.6	53.6	63.9	81.6	52.3	71.3	95.3
Net financial cash / (debt)	**68.4**	**52.9**	**53.6**	**63.9**	**41.6**	**12.3**	**31.3**	**55.3**
Leases	(4.1)	(5.1)	(4.9)	(4.6)	(8.0)	(8.1)	(8.2)	(8.2)
Total net cash /(debt) incl leases	**64.3**	**47.8**	**48.7**	**59.3**	**33.6**	**4.2**	**23.1**	**47.0**
Net financial cash / (debt) / Adj. EBITDA (x)	1.3	1.0	0.9	0.9	0.5	0.1	0.3	0.5
Total net cash / (debt) / Adj. EBITDA (x)	**1.2**	**0.9**	**0.8**	**0.9**	**0.4**	**0.0**	**0.2**	**0.4**

Source: Company data, Equity Development

- We forecast net working capital at around 6%-9% of revenues, with a focus on working capital after some year-end timing impacts in FY26.
- After £30m of capex in FY26 we forecast £40m of capex in FY27E and £30m-£35m from FY28E, equating to c.6% of revenues.

Net working capital and capex metrics

Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Stock	24.2	34.7	36.5	31.7	31.7	33.1	34.4	36.0
Trade and other receivables	44.3	60.4	63.8	76.8	82.2	81.4	85.5	89.9
Trade payables and other liabilities	(54.0)	(72.3)	(70.3)	(73.2)	(74.6)	(82.0)	(85.3)	(89.2)
Net working capital	**14.5**	**22.8**	**30.0**	**35.3**	**39.3**	**32.5**	**34.6**	**36.7**
Net working capital as a % of revenue	**5.4**	**7.2**	**7.5**	**8.4**	**9.0**	**6.8**	**6.9**	**6.9**
Capex ex M&A / revenues (%)	1.9	4.6	4.5	4.6	7.0	8.3	6.4	6.1
Capex incl M&A / revenues (%)	3.4	9.9	7.4	4.3	10.9	16.7	6.4	6.1

Source: Company data, Equity Development

Balance sheet: Assets								
Year-end 31 January (£m)	**2022A**	**2023A**	**2024A**	**2025A**	**2026A**	**2027E**	**2028E**	**2029E**
Property, plant and equipment	93.8	102.5	109.0	118.0	145.6	174.6	194.0	211.9
Right of use assets	4.2	5.4	5.2	5.0	8.4	8.8	9.2	9.7
Goodwill	36.4	38.3	41.6	41.6	67.2	67.2	67.2	67.2
Other Intangible assets	62.2	77.9	88.8	87.6	95.1	134.3	132.5	130.7
Investment in jv's and associates	0.7	0.7						
Retirement benefit surplus		2.4	3.2	6.8	0.5	0.6	0.7	0.9
Trade and other receivables	1.5	1.5			1.1			
Non-current assets	**198.8**	**228.7**	**247.8**	**259.0**	**317.9**	**385.6**	**403.6**	**420.3**
Inventories	24.2	34.7	36.5	31.7	31.7	33.1	34.4	36.0
Trade and other receivables	44.3	60.4	63.8	76.8	82.2	81.4	85.5	89.9
Other financial (derivative) assets		0.1	0.0	0.2	0.0	0.0	0.0	0.0
Current tax assets	0.3		0.0	0.4	0.6	0.6	0.6	0.6
Cash & cash equivalents & s/t investments	68.7	53.6	53.6	63.9	81.6	52.3	71.3	95.3
Assets held for resale			0.0	0.9	0.2	0.2	0.2	0.2
Current assets	**137.5**	**148.8**	**153.9**	**173.9**	**196.3**	**167.6**	**192.0**	**221.9**
Total assets	**336.3**	**377.5**	**401.7**	**432.9**	**514.2**	**553.2**	**595.7**	**642.3**

Source: Company data, Equity Development

Balance sheet: Liabilities								
Year-end 31 January (£m)	**2022A**	**2023A**	**2024A**	**2025A**	**2026A**	**2027E**	**2028E**	**2029E**
Bank overdraft & s/t loans	(0.3)	(0.7)	0.0	0.0	(40.0)	0.0	0.0	0.0
Trade payables and other liabilities	(54.0)	(72.3)	(70.3)	(73.2)	(74.6)	(82.0)	(85.3)	(89.2)
Lease liabilities	(1.3)	(1.5)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Current tax liabilities		(0.7)	(0.7)	0.0	0.0	0.0	0.0	0.0
Provisions	(2.0)	(0.8)	(0.5)	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)
Other financial liabilities	(0.2)	(0.1)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)
Current liabilities	**(57.8)**	**(76.1)**	**(73.6)**	**(76.4)**	**(117.7)**	**(85.1)**	**(88.4)**	**(92.3)**
Capital employed	**278.5**	**301.4**	**328.1**	**356.5**	**396.5**	**468.0**	**507.2**	**550.0**
Bank borrowings					0.0	(40.0)	(40.0)	(40.0)
Lease liabilities	(2.8)	(3.6)	(3.1)	(2.8)	(6.2)	(6.3)	(6.4)	(6.4)
Deferred tax liabilities	(21.5)	(28.2)	(32.3)	(36.0)	(41.9)	(41.9)	(41.9)	(41.9)
Provisions					(0.7)	(0.7)	(0.7)	(0.7)
Post employment benefits	(1.0)				0.0	0.0	0.0	0.0
Other financial (derivative) liabilities			0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Contingent consideration	(5.0)	(0.8)			(2.0)	(2.0)	(2.0)	(2.0)
Non-current liabilities	**(25.3)**	**(31.8)**	**(35.4)**	**(38.9)**	**(50.9)**	**(91.0)**	**(91.1)**	**(91.1)**
Non-controlling interest in equity					(7.6)	(7.6)	(7.6)	(7.6)
Net assets	**253.2**	**269.6**	**292.7**	**317.6**	**338.0**	**369.4**	**408.5**	**451.3**
Shareholders' funds	**248.2**	**268.8**	**292.7**	**317.6**	**338.0**	**369.4**	**408.5**	**451.3**
Adj. invested capital	211.4	246.2	273.9	287.9	356.2	418.1	438.1	456.8
Average adj. invested capital	207.5	228.8	260.1	280.9	322.1	387.1	428.1	447.5

Source: Company data, Equity Development

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