

## 5\* strategy delivers another profit upgrade

25 November 2025

AO's impressive H126 results show strategic, customer-focussed progress. 14% revenue growth reflects market share gains, and Adj. PBT rose 10% despite payroll cost headwinds. AO's differentiated 5\* membership programme and sustained 5\* customer service underpin its success whilst improved profit trends in mobile and musicMagpie contribute to the positive outlook. We raise our FY26E Adj. PBT and Adj. EPS by 4%-6%, leading to a 6% increase in our Fair Value to 170p. Trading on only 14x cal 2026 PER, we believe AO is materially undervalued.

### H126 revenue +14%; market share gains and new mobile offer "Switch24"

AO's core B2C business launched 900 new products and won market share across all key categories leading to revenue +12%. AO's Five Star membership programme continues to gain traction with member spend, share of wallet and renewal rates all increasing, whilst November's Trustpilot review shows AO maintaining its **extremely high** 4.9/5\* rating with over 790,000 5\* customer reviews. Meanwhile, as part of its revised mobile offer, AO has launched "Switch24", a new proposition in the market enabling 5\* members the opportunity to buy the latest iPhones, from £17 per month, interest-free for 24 months, and upgrade every two years with a "value-lock" on the trade-in value.

### FY26E Adj. PBT raised c.6% to c.£50m; FY26E FCF also c.£50m

H126 Adj. PBT rose 10% to £18m, slightly ahead of expectations, and whilst profits are second-half weighted, management is confident that FY26E Adj. PBT will be at the upper-end of £45m-£50m prior guidance (raised in September). This is despite c.£8m of annualised national insurance headwinds and marketing investment and is due to +90bps of gross margin, an improving profit trend in post-pay mobile and a faster-than-expected turnaround in musicMagpie. H126 FCF was £57m, and even with some reversal of the significant working capital inflow, FY26E FCF guidance is now c.£50m, and management expects to complete the £10m share buyback by year-end (faster than we expected).

### Undervalued profit and cash generation; Fair Value raised again to 170p

We forecast AO will generate over £150m cumulative FCF FY26E-FY28E and a 21% CAGR in Adj. EPS FY26E-FY28E. Yet it trades on only c.14x cal 2026 PER, falling to c.11x cal 2027 PER, which we believe significantly undervalues AO's growth prospects. **Our Fair Value / share increases for the second time in three months, from 160p to 170p (a cal 2026 FCF yield of c.5%).**

#### Company data

|                         |          |
|-------------------------|----------|
| EPIC                    | LSE: AO  |
| Price (last close)      | 99p      |
| 52 weeks Hi/Lo          | 114p/83p |
| Market cap              | £560m    |
| ED Fair Value / share   | 170p     |
| Net cash / (debt) 2026E | £(2m)    |
| Avg. daily volume (3m)  | 549k     |

#### Share price, p



Source: Investing.com

#### Description

Founded in 2000 by CEO John Roberts, AO World ("AO") has grown to be the leading online retailer of major domestic appliances ("MDA") such as washing machines and fridges with 16% market share. The company also sells a wide variety of small domestic appliances ("SDA"), televisions ("AV"), mobile phones, consumer electricals and laptops. With a focus on brilliant service and two-person delivery, installation and recycling, the group has received over 790,000 Trustpilot reviews with an impressively high average score of 4.9/5. The group has also invested in its own recycling centre ensuring customers' electronic waste is dealt with responsibly.

#### Next event

FY26 trading update March 2026 (tbc)

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#### Key financials & valuation metrics

| Year to 31 Mar (£m)                     | 2024A   | 2025A   | 2026E   | 2027E   | 2028E   |
|-----------------------------------------|---------|---------|---------|---------|---------|
| Revenue                                 | 1,039.4 | 1,137.6 | 1,287.7 | 1,414.3 | 1,560.6 |
| Revenue growth (%)                      | -8.7    | 9.4     | 13.2    | 9.8     | 10.3    |
| Adj. PBT                                | 34.4    | 43.5    | 50.3    | 61.9    | 76.9    |
| Adj. PBT margin (%)                     | 3.3     | 3.8     | 3.9     | 4.4     | 4.9     |
| Adj. diluted EPS (p)                    | 4.1     | 5.3     | 6.1     | 7.5     | 9.3     |
| Adj. EPS growth (%)                     | 111     | 27      | 16      | 23      | 24      |
| Free cashflow*                          | 31.8    | 23.2    | 50.4    | 49.8    | 60.8    |
| Net cash / (debt) ^ /Adj. EBITDA (x)    | (0.5)   | (0.5)   | (0.0)   | 0.4     | 0.8     |
| EV / Sales (x, calendarised)            |         | 0.5     | 0.5     | 0.4     |         |
| EV / Adj. EBITDA (x, calendarised)      |         | 8.1     | 6.9     | 5.8     |         |
| PER (x, calendarised)                   |         | 16.9    | 13.9    | 11.2    |         |
| Free cashflow* yield (% , calendarised) |         | 7.4     | 8.5     | 9.9     |         |

\* pre-acquisitions; ^ including leases; Source: Company data, Equity Development, Priced as at 24/11/25

## AO World: Investment Attractions Overview

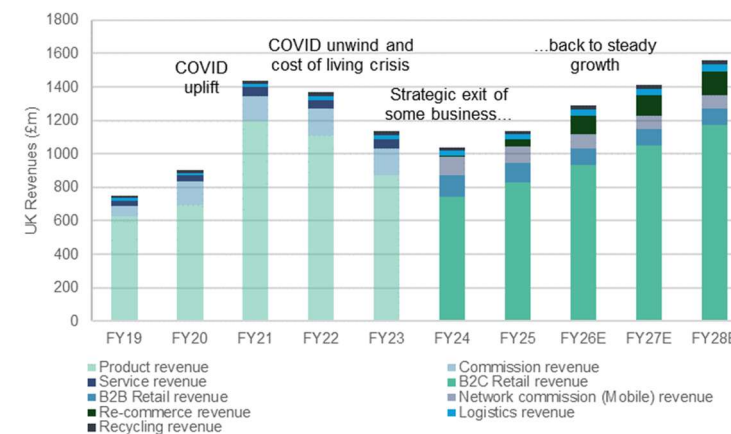
| Investment Highlights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Risk Factors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>An excellent track record of UK revenue growth: 21% CAGR FY11-FY20 (pre-COVID); return to 12% B2C Retail revenue growth in FY25 and in H126.</li> <li>5m additional customers shopped during COVID, experiencing AO's excellent customer service and total UK customer base is now c.12.6m (650k new customers in FY25).</li> <li>Nearly 900,000 Trustpilot reviews (as at mid-November) with an impressively high average score of 4.9/5, the highest in the sector.</li> <li>Plenty of scope to increase both major domestic appliances ("MDA") market share of 15% and market share in the wider £28bn Electricals market.</li> <li>"Pivot to profit" strategy successful with FY25 LFL Adj. PBT margin of 4.1%.</li> <li>An experienced, founder-led, management team that has been with the business through both high growth years and more challenging times.</li> </ul>                 | <ul style="list-style-type: none"> <li>Macro-economic pressures on disposable income.</li> <li>Irrational competitive pricing behaviour.</li> <li>Cost inflation, particularly wage inflation, impacting margin expansion potential.</li> <li>Supply chain disruption.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Forecast Drivers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Valuation Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"> <li>A broadly stable or favourable macro-economic backdrop of improving UK consumer confidence (-19 in November 2025), increasing mortgage approvals (66k in September 2025, +2%) and lower interest rates (4.0% in November 2025), albeit inflation is still high at 3.8% (October 2025).</li> <li>Increasing repeat AO customers, continuing the trend of the past decade, as AO extends its wider electricals product range, and more customers join AO's Five Star membership club.</li> <li>We assume revenue CAGR of 11% FY26E-FY28E.</li> <li>Operating leverage of fixed costs driving, and synergies at musicMagpie driving a c.77% increase in Adj. PBT to £77m in FY28E, an Adj. PBT margin of 4.9%, below management's medium-term ambition of 5%.</li> <li>Improving profitability and low capex requirements driving over £150m of cumulative free cashflow (FY26E-FY28E).</li> </ul> | <ul style="list-style-type: none"> <li>Trading on only 0.5x EV/Sales, c.7x EV/EBITDA and c.14x PER (our forecasts, all Calendar 2026E – "Cal 26E").</li> <li>Offers higher 2-year revenue and profit growth than most peers (on our forecasts) and a strong balance sheet with financial net cash of c.£62m (FY26E).</li> <li>The undrawn revolving credit facility of £120m was recently extended (from £80m) with existing lenders until October 2028, providing plenty of liquidity.</li> <li>Our blue-sky scenario, modelling the upper end of management's medium-term ambition of 10%-20% CAGR in Revenues and a 5.6% Adj. PBT margin in FY28E, suggests PBT could exceed £110m by FY28E (&gt;50% above our forecast).</li> <li><b>Our Fair Value of 170p equates to a 5% cal 2026 FCF yield, equivalent to c.11.5x cal 2026 EV/EBITDA and c.24x cal 2026 PER, c.1.1x our EPS CAGR FY25-FY28E.</b></li> </ul> |

## H126 trading momentum: execution of strategy paying off

### AO back to being a highly efficient growth machine

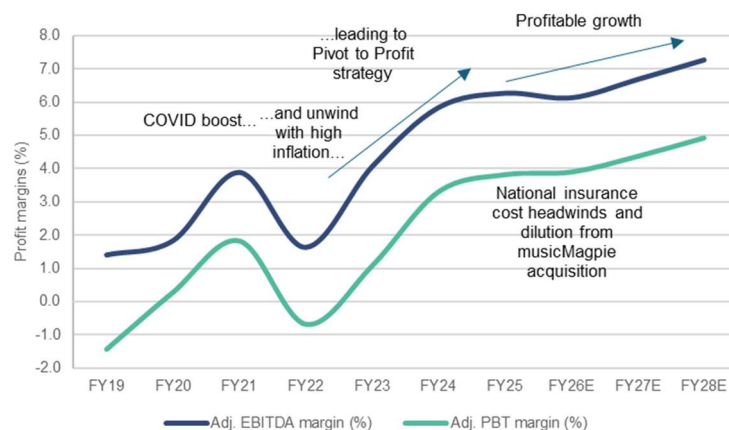
- Over the last five years, AO has dealt with the operational challenges of 60% sales growth during COVID and the subsequent unwind of supernormal growth, global supply chain disruption, abnormally high inflation in fuel, freight and wages, and a cost-of living crisis.
- AO has emerged a stronger, leaner business having exited its loss-making German operations and reset some of its UK unit economics through price increases, delivery charges, changing the delivery infrastructure for smaller goods and exiting some loss-making lines and trials.
- As a result, AO has returned to profitable revenue growth with 14% group revenue growth in H126, including 12% B2C Retail revenue growth (following on from 9% revenue growth in FY25).

### AO sustaining growth with 12% B2C Retail growth in H126...



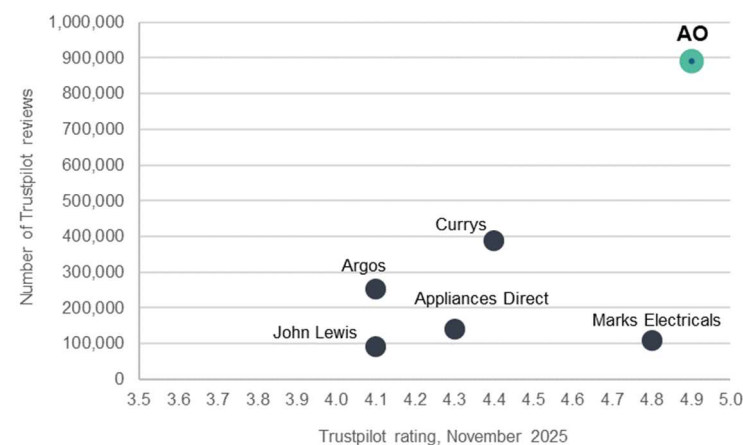
Source: Company data (note change in segmentation), Equity Development

### ... leading to a recovery in Group profit margins



Source: Company data, Equity Development

### Rated Excellent and given 5\* by nearly 800,000 customers



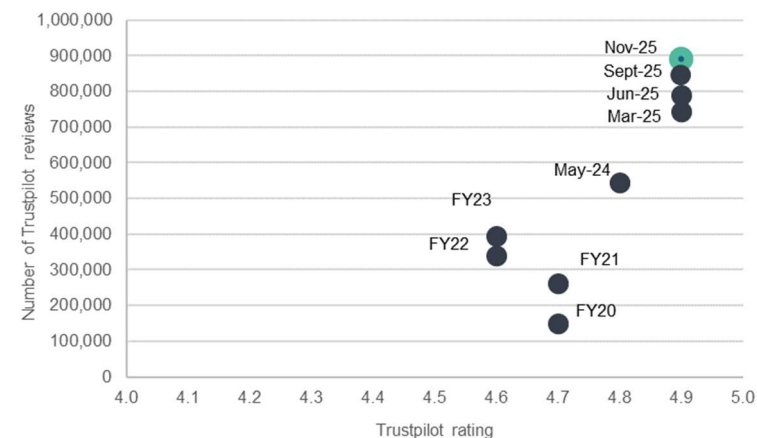
Source: Trustpilot, Equity Development

## Continued focus on excellent customer service attracts new and loyal customers

### What does customer service mean to AO?

- AO has customer values that it has lived by for 25 years, such as: “treat everyone like your Gran”; “do the right thing...always with an AO smile”; and “make decisions that would make your mum proud”.
- AO also has operational values such as: be creative and “have a growth mindset”; look for opportunities to do things better or differently; and take action, operate at speed and learn from your mistakes.
- That AO has not only maintained its very high Trustpilot rating, exceeding competitors, but improved it from FY20, as the number of reviews has increased five-fold from 150,000, is testament to the deep service culture, modelled by senior management. For our detailed analysis of AO's service, delivery and recycling offer see our report: [“Ready to grow, let's go”](#).

### AO's Trustpilot reviews – 4.9/5 service excellence sustained



Source: Trustpilot, Equity Development

### The AO Five Star membership offer...

#### Want to save £100s?

Become an AO Five Star member.



#### Free & unlimited delivery

Including next day where available. Totally free with no minimum order value, for a whole year. And for a little extra, you can add-on timeslots.



#### Member-only savings

Enjoy discounted prices across our product range and receive exclusive star deals handedpick every Wednesday.



#### Free Remove & Recycle

Save yourself a trip to the tip. We'll take away and recycle your old appliance when we deliver your new one.

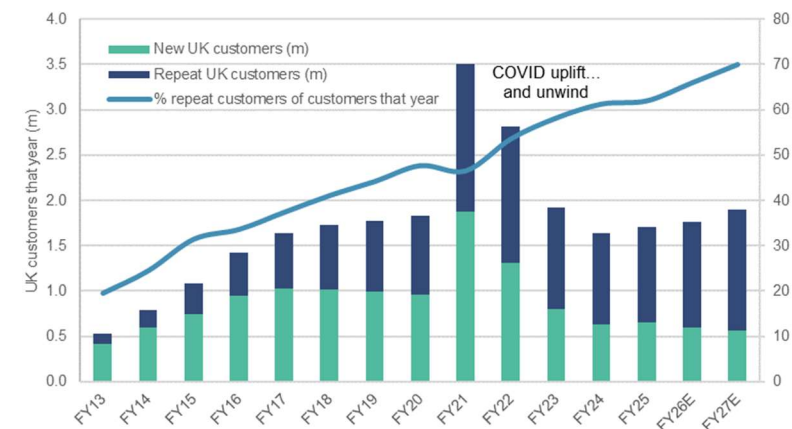


#### 100-day returns

Members get more time to decide. Changed your mind? Returns are easy-peasy.

Source: Company website

### ...helps to build a loyal, repeat customer base



Source: Company data, Equity Development

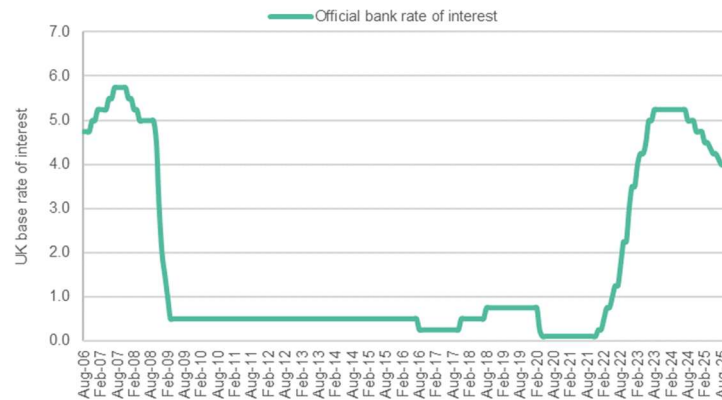
## AO ready to leverage any economic recovery

### A more positive medium-term macro outlook?

- Although c.65% of AO's sales are considered "distressed purchases" (i.e. replacement for broken machines), these are large items and consumers can trade down as well as up. Meanwhile c.35% of sales are more discretionary.
- UK consumer confidence and major purchase intentions have recovered since 2022 lows and whilst the 2024 UK Budget measures, and fears ahead of the 2025 UK Budget, have tempered further improvements in confidence in 2025, inflation has moderated to 3.8% in October 2025 and the Bank of England base interest rate was cut to 4.0% in August 2025.
- Ahead of the 2025 UK Budget on 26 November we note that the unemployment rate has risen to 5.0% (a consequence of higher payroll taxes and minimum wage increases, among other things).

Source: HM Treasury, Equity Development

### UK interest rates on their way down (Nov 2025 4.0%)



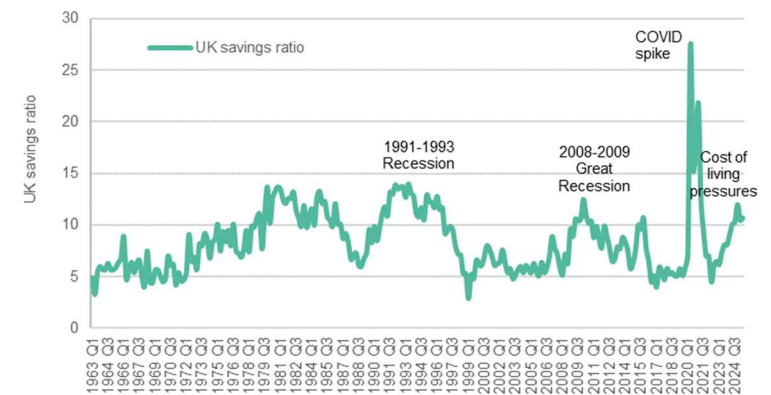
Source: Bank of England, ED analysis

### UK consumer confidence and major purchase intentions up



Source: GfK UK Consumer Confidence Barometer, powered by NIM, ED analysis

### High savings rates elevated implying spending power



Source: GfK UK Consumer Confidence Barometer, powered by NIM, ED analysis

## 4%-6% uplift in profit estimates for FY26E

### FY26E guidance for Adj. PBT at the upper-end of £45m-£50m; medium term ambition for over 5% Adj. PBT margin

- We forecast £50m Adj. PBT in FY26E, being c.£52m for the core business (after c.£8m cost headwinds) and a c.£2m loss from musicMagpie (up from £3m). We assume the H126 outcome of 90bps gross margin gains partly offsetting 110bps increased operational costs as a % of revenue, broadly continues in H226E.
- We forecast £62m Adj. PBT in FY27E being c.£62m for the core business and a break-even, neutral impact from musicMagpie.
- The post pay mobile business has moved from loss-making to run-rate profitable and improved commercial terms have been agreed in principle with the networks.
- Our Adj. EPS rises c.4% for FY26E reflecting a higher anticipated tax rate (29.5% not 28%), offset by the accelerated share buyback (£10m to complete by March 2026).

### Changes to group forecasts

|                                              |        | New forecasts |       |       | Old forecasts |       |       | % change |       |       |
|----------------------------------------------|--------|---------------|-------|-------|---------------|-------|-------|----------|-------|-------|
| Year-end 31 Jan (£m)                         | 2025A  | 2026E         | 2027E | 2028E | 2026E         | 2027E | 2028E | 2026E    | 2027E | 2028E |
| Group Revenue                                | 1,138  | 1,288         | 1,414 | 1,561 | 1,285         | 1,408 | 1,561 | 0.2      | 0.4   | (0.0) |
| Revenue growth (%)                           | 9.4    | 13.2          | 9.8   | 10.3  | 12.9          | 9.6   | 10.9  |          |       |       |
| Adj. EBITDA                                  | 71.1   | 78.8          | 94.4  | 113.2 | 78.5          | 94.4  | 110.4 | 0.4      | 0.0   | 2.6   |
| Adj. EBITDA margin (%)                       | 6.3    | 6.1           | 6.7   | 7.3   | 6.1           | 6.7   | 7.1   |          |       |       |
| Adj. PBT                                     | 43.5   | 50.3          | 61.9  | 76.9  | 47.5          | 61.5  | 76.6  | 5.7      | 0.7   | 0.4   |
| Adj. PBT margin (%)                          | 3.8    | 3.9           | 4.4   | 4.9   | 3.7           | 4.4   | 4.9   |          |       |       |
| Adjusted diluted EPS (p)                     | 5.3    | 6.1           | 7.5   | 9.3   | 5.8           | 7.6   | 9.5   | 4.4      | (1.4) | (1.7) |
| Adj. EPS growth (%)                          | 27.0   | 15.6          | 23.2  | 24.3  | 10.5          | 30.5  | 24.5  |          |       |       |
|                                              |        |               |       |       |               |       |       |          |       |       |
| Capex (incl M&A)                             | 33.5   | 12.1          | 13.3  | 14.7  | 12.1          | 13.2  | 14.7  | 0        | 0     | (0)   |
| Free cashflow pre acquisitions               | 23.2   | 50.4          | 49.8  | 60.8  | 39.5          | 49.5  | 60.3  | 27       | 1     | 1     |
|                                              |        |               |       |       |               |       |       |          |       |       |
| Net financial (debt) / cash                  | 25.5   | 61.9          | 107.7 | 164.5 | 56.0          | 96.5  | 152.8 |          |       |       |
| Total net (debt) / cash incl leases          | (35.9) | (1.5)         | 34.3  | 88.8  | (7.3)         | 31.2  | 85.5  |          |       |       |
| Net financial (debt) /cash / Adj. EBITDA (x) | 0.4    | 0.8           | 1.1   | 1.5   | 0.7           | 1.0   | 1.4   |          |       |       |
| Total net (debt) / cash / Adj. EBITDA (x)    | -0.5   | 0.0           | 0.4   | 0.8   | -0.1          | 0.3   | 0.8   |          |       |       |

Source: Company data, Equity Development

## Financial forecast tables

| Key growth and margin metrics                  |         |        |        |       |      |       |       |       |
|------------------------------------------------|---------|--------|--------|-------|------|-------|-------|-------|
| Year-end 31 Mar, £m                            | 2021    | 2022   | 2023   | 2024  | 2025 | 2026E | 2027E | 2028E |
| UK customers cumulative (m)                    | 9.2     | 10.5   | 11.3   | 11.9  | 12.6 | 13.2  | 13.7  | 14.3  |
| New UK customers (m)                           | 1.9     | 1.3    | 0.8    | 0.6   | 0.65 | 0.6   | 0.6   | 0.6   |
| Annual customers (m)                           | 3.5     | 2.8    | 1.9    | 1.6   | 1.7  | 1.8   | 1.9   | 2.2   |
| Repeat UK customers (m)                        | 1.6     | 1.5    | 1.1    | 1.0   | 1.1  | 1.2   | 1.3   | 1.6   |
| % repeat customers                             | 47      | 54     | 58     | 61    | 62   | 66    | 70    | 74    |
| % repeat customers of cumulative customer base | 22      | 16     | 11     | 9     | 9    | 9     | 10    | 12    |
| Revenue growth (%)                             | 58.8    | -17.6  | -16.8  | -8.7  | 9.4  | 13.2  | 9.8   | 10.3  |
| Gross profit growth (%)                        | 64.5    | -9.9   | -9.5   | 2.1   | 13.4 | 17.4  | 9.8   | 10.3  |
| Adj. EBITDA growth (%)                         | 236.0   | -65.3  | 106.3  | 31.2  | 17.5 | 10.7  | 19.8  | 20.0  |
| Adj. Operating profit (%)                      | -2200.5 | -115.5 | -375.8 | 112.3 | 21.5 | 13.5  | 29.4  | 23.4  |
| Adj. PBT growth (%)                            | 913.7   | -130.3 | -233.7 | 179.7 | 26.5 | 15.5  | 23.2  | 24.3  |
| Adj. EPS growth (%)                            |         |        | -577.5 | 110.8 | 26.8 | 15.6  | 23.2  | 24.3  |
| Gross profit margin (%)                        | 17.6    | 19.3   | 20.9   | 23.4  | 24.3 | 25.2  | 25.2  | 25.2  |
| Adj. EBITDA margin (%)                         | 3.9     | 1.6    | 4.1    | 5.8   | 6.3  | 6.1   | 6.7   | 7.3   |
| Adj. Operating margin (%)                      | 2.4     | -0.5   | 1.5    | 3.5   | 3.9  | 3.9   | 4.6   | 5.1   |
| Adj. PBT margin (%)                            | 1.8     | -0.7   | 1.1    | 3.3   | 3.8  | 3.9   | 4.4   | 4.9   |
| Marketing costs / sales (%)                    | 3.0     | 3.4    | 3.3    | 3.9   | 3.9  | 4.1   | 4.0   | 4.0   |
| Warehousing / sales (%)                        | 3.9     | 5.1    | 5.3    | 5.0   | 5.5  | 6.2   | 6.1   | 6.0   |
| Admin / sales (%)                              | 8.0     | 11.4   | 10.9   | 11.1  | 11.0 | 11.0  | 10.5  | 10.0  |
| Op. costs incl D&A /sales (%)                  | 15.9    | 19.9   | 19.9   | 20.0  | 22.4 | 21.3  | 20.6  | 20.0  |
| Op costs excl D&A /sales (%)                   | 13.8    | 17.7   | 16.9   | 17.7  | 18.0 | 19.0  | 18.5  | 17.9  |

Source: Company data, Equity Development

**Income statement: Revenue to operating profit**

| Year-end 31 Mar, £m          | 2021      | 2022      | 2023    | 2024    | 2025    | 2026E   | 2027E     | 2028E     |
|------------------------------|-----------|-----------|---------|---------|---------|---------|-----------|-----------|
| Group revenue                | 1660.9    | 1,368.3   | 1,138.6 | 1,039.3 | 1,137.6 | 1,287.7 | 1,414.3   | 1,560.6   |
| Cost of sales                | (1,368.4) | (1,104.9) | (900.3) | (796.0) | (855.4) | (963.6) | (1,058.3) | (1,167.8) |
| Gross profit                 | 292.5     | 263.4     | 238.3   | 243.3   | 276.1   | 324.1   | 356.0     | 392.8     |
| Other income                 | 0.8       | 1.8       | 0.7     | 0.6     | 0.1     |         |           |           |
| Marketing expenses           | (50.4)    | (46.1)    | (38.0)  | (40.5)  | (44.4)  | (52.8)  | (56.6)    | (62.5)    |
| Warehousing expenses         | (65.6)    | (69.6)    | (59.8)  | (52.2)  | (62.0)  | (79.2)  | (85.6)    | (93.6)    |
| Research & development       | (15.4)    |           |         |         |         |         |           |           |
| Admin costs                  | (132.2)   | (156.1)   | (124.1) | (115.0) | (125.7) | (142.0) | (149.0)   | (156.7)   |
| Adjusting items              |           | (0.9)     | (4.5)   |         | (22.9)  |         |           |           |
| Total operating expenses     | (263.6)   | (272.7)   | (226.4) | (207.7) | (255.0) | (274.0) | (291.2)   | (312.8)   |
| Add back D&A                 | 24.6      | 28.6      | 29.1    | 24.2    | 27.0    | 28.8    | 29.6      | 33.3      |
| Add back Adjusting items     | 10.3      | 1.3       | 4.5     | 0.0     | 22.9    | 0.0     | 0.0       | 0.0       |
| Operating costs, Adj. ex D&A | (228.7)   | (242.8)   | (192.8) | (183.5) | (205.1) | (245.3) | (261.6)   | (279.6)   |
| Adj. EBITDA                  | 64.5      | 22.4      | 46.2    | 60.4    | 71.1    | 78.8    | 94.4      | 113.2     |
| Depreciation of PPE          | (7.6)     | (8.1)     | (8.5)   | (5.9)   | (6.6)   | (8.9)   | (10.0)    | (11.1)    |
| Depreciation of ROUA         | (14.2)    | (16.7)    | (18.0)  | (16.0)  | (18.0)  | (16.5)  | (17.1)    | (20.3)    |
| Amortisation                 | (2.8)     | (3.8)     | (2.6)   | (2.4)   | (2.4)   | (3.3)   | (2.5)     | (1.9)     |
| Depreciation & amortisation  | (24.6)    | (28.6)    | (29.1)  | (24.2)  | (27.0)  | (28.8)  | (29.6)    | (33.3)    |
| Adj. Operating profit        | 39.9      | (6.2)     | 17.1    | 36.2    | 44.1    | 50.1    | 64.8      | 80.0      |

Source: Company data, Equity Development

### Income statement: Operating profit to EPS

| Year-end 31 Mar, £m           | 2021   | 2022   | 2023  | 2024   | 2025   | 2026E  | 2027E  | 2028E  |
|-------------------------------|--------|--------|-------|--------|--------|--------|--------|--------|
| Adj. Operating profit         | 39.9   | (6.2)  | 17.1  | 36.2   | 44.1   | 50.1   | 64.8   | 80.0   |
| Interest on financial debt    | (9.8)  | (0.6)  | (2.3) | (0.9)  | (0.2)  | (0.2)  | (0.2)  | (0.2)  |
| Interest on lease liabilities | (4.0)  | (4.3)  | (4.2) | (3.8)  | (3.1)  | (2.8)  | (2.8)  | (3.3)  |
| Other finance costs           |        | (0.7)  | (1.2) | (1.7)  | (2.0)  | (1.8)  | (1.8)  | (1.8)  |
| Interest receivable & other   | 4.3    | 2.6    | 2.9   | 4.5    | 4.8    | 4.9    | 1.9    | 2.2    |
| Finance costs                 | (9.5)  | (3.0)  | (4.8) | (1.9)  | (0.6)  | 0.2    | (2.9)  | (3.1)  |
| Adj. PBT                      | 30.4   | (9.2)  | 12.3  | 34.3   | 43.5   | 50.3   | 61.9   | 76.9   |
| Exceptional costs             | (10.3) | (1.3)  | (4.5) |        | (22.9) |        |        |        |
| PBT                           | 20.1   | (10.5) | 7.8   | 43.0   | 20.6   | 50.3   | 61.9   | 76.9   |
| Tax                           | (3.1)  | 7.2    | (1.2) | (10.7) | (10.9) | (14.8) | (18.3) | (22.7) |
| Adj. PAT                      | 27.3   | (2.0)  | 11.1  | 24.7   | 31.2   | 35.4   | 43.6   | 54.2   |
| Reported PAT                  | 17.0   | -3.3   | 6.6   | 24.7   | 9.7    | 35.4   | 43.6   | 54.2   |
| No of f/d shares (m)          | 482.0  | 485.6  | 564.5 | 598.2  | 593.3  | 583.3  | 583.3  | 583.3  |
| Adjusted diluted EPS (p)      | 5.7    | -0.4   | 2.0   | 4.1    | 5.3    | 6.1    | 7.5    | 9.3    |
| DPS (p)                       | 0      | 0      | 0     | 0      | 0      | 0      | 0      | 0      |

Source: Company data, Equity Development

### Cashflow statement

| Year-end 31 Mar, £m                             | 2021   | 2022    | 2023   | 2024   | 2025   | 2026E  | 2027E  | 2028E  |
|-------------------------------------------------|--------|---------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA                                     | 64.6   | 8.5     | 46.2   | 60.4   | 71.1   | 78.8   | 94.4   | 113.2  |
| Add back SBP charge                             | 3.3    | 5.8     | 5.3    | 6.7    | 7.3    | 8.1    | 9.7    | 11.6   |
| Change in inventories                           | (67.6) | 41.2    | 9.0    | (6.4)  | (4.2)  | (5.5)  | (9.2)  | (10.7) |
| Change in trade receivables                     | (35.9) | (8.3)   | 14.7   | 28.8   | 18.3   | (7.7)  | (10.8) | (12.5) |
| Change in trade payables                        | 162.0  | (101.8) | (43.0) | (25.6) | (23.5) | 20.0   | 17.4   | 19.9   |
| Change in provisions                            | 0.9    | 0.6     | 2.7    | (0.6)  | 0.4    | 0.0    | 0.0    | 0.0    |
| Working capital movement                        | 59.4   | (68.3)  | (16.6) | (3.8)  | (9.0)  | 6.7    | (2.7)  | (3.3)  |
| Exceptionals (cash)                             | (10.3) | (0.3)   |        |        | (2.1)  |        |        |        |
| Tax paid                                        | (2.4)  | 1.7     | 2.2    | (1.2)  | (9.3)  | (14.8) | (18.3) | (22.7) |
| Net cash from operating activities (pre-leases) | 114.6  | (52.6)  | 37.1   | 60.7   | 58.0   | 78.8   | 83.1   | 98.9   |
| Net financial interest paid                     | (2.3)  | (1.6)   | (3.5)  | (2.4)  | (1.3)  | 3.0    | (0.1)  | 0.2    |
| Interest paid on lease liabilities              | (4.0)  | (4.8)   | (4.2)  | (3.8)  | (3.4)  | (2.8)  | (2.8)  | (3.3)  |
| Lease payments (principal)                      | (17.6) | (24.3)  | (17.7) | (18.4) | (21.2) | (16.5) | (17.1) | (20.3) |
| Capex                                           | (6.3)  | (8.6)   | (2.1)  | (5.9)  | (8.9)  | (12.1) | (13.3) | (14.7) |
| M&A                                             | (2.8)  | (1.0)   | (0.1)  | (2.4)  | (24.7) |        |        |        |
| Disposals                                       |        |         | 0.1    |        | 0.1    |        |        |        |
| Capex                                           | (9.1)  | (9.6)   | (2.1)  | (8.3)  | (33.5) | (12.1) | (13.3) | (14.7) |
| Discontinued ops cashflow                       |        |         | (7.6)  | (0.1)  | (0.1)  |        |        |        |
| Free cashflow                                   | 81.6   | (92.9)  | 2.0    | 29.2   | (1.4)  | 50.4   | 49.8   | 60.8   |
| Dividends                                       | 0.0    | 0.0     | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Share buybacks / equity issues                  | 0.6    | 0.1     | 39.1   | 0.3    | (11.1) | (14.0) | (4.0)  | (4.0)  |
| Other                                           | (0.1)  |         | (2.5)  |        |        |        |        |        |
| Net cashflow                                    | 82.1   | (92.8)  | 38.6   | 29.5   | (12.5) | 36.4   | 45.8   | 56.8   |

Source: Company data, Equity Development

### Net debt metrics

| Year-end 31 Mar, £m                           | 2021   | 2022    | 2023   | 2024   | 2025   | 2026E  | 2027E  | 2028E  |
|-----------------------------------------------|--------|---------|--------|--------|--------|--------|--------|--------|
| Gross financial debt                          | 0.0    | (45.0)  | (10.0) | (2.1)  | (1.9)  | (1.9)  | (1.9)  | (1.9)  |
| Net cash                                      | 67.1   | 19.5    | 19.1   | 40.1   | 27.4   | 63.8   | 109.6  | 166.4  |
| Net financial (debt) / cash                   | 67.1   | (25.5)  | 9.1    | 38.0   | 25.5   | 61.9   | 107.7  | 164.5  |
| Leases                                        | (95.3) | (108.6) | (85.3) | (68.8) | (61.4) | (63.3) | (73.3) | (75.7) |
| Net (debt) / cash incl leases                 | (28.2) | (134.1) | (76.2) | (30.8) | (35.9) | (1.5)  | 34.3   | 88.8   |
| Net financial (debt) / cash / Adj. EBITDA (x) | 1.0    | (1.1)   | 0.2    | 0.6    | 0.4    | 0.8    | 1.1    | 1.5    |
| Total net (debt) / cash / Adj. EBITDA (x)     | (0.4)  | (6.0)   | (1.6)  | (0.5)  | (0.5)  | (0.0)  | 0.4    | 0.8    |

Source: Company data, Equity Development

### Balance sheet: Assets

| Year-end 31 Mar, £m           | 2021  | 2022  | 2023  | 2024  | 2025  | 2026E | 2027E | 2028E |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Property, plant and equipment | 32.8  | 32.7  | 20.9  | 20.1  | 27.1  | 30.2  | 33.5  | 37.1  |
| Right of use assets           | 74.3  | 86.6  | 69.4  | 56.2  | 51.6  | 53.5  | 63.5  | 65.9  |
| Intangible assets (Goodwill)  | 28.2  | 28.2  | 28.2  | 28.2  | 25.6  | 25.6  | 25.6  | 25.6  |
| Other intangible assets       | 15.6  | 12.2  | 9.6   | 9.6   | 13.2  | 9.9   | 7.4   | 5.6   |
| Other financial assets        |       |       |       | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Trade and other receivables   | 85.3  | 92.4  | 93.3  | 90.0  | 88.5  | 88.5  | 88.5  | 88.5  |
| Deferred tax assets           | 5.6   | 9.0   | 8.3   | 2.9   | 2.2   | 2.2   | 2.2   | 2.2   |
| Non-current assets            | 241.8 | 261.1 | 229.7 | 207.1 | 208.2 | 210.0 | 220.8 | 224.9 |
| Inventories                   | 139.6 | 97.0  | 73.1  | 79.5  | 88.5  | 94.0  | 103.3 | 114.0 |
| Trade and other receivables   | 166.2 | 169.7 | 137.8 | 115.1 | 102.5 | 110.2 | 121.1 | 133.6 |
| Current tax assets            | 1.0   | 1.9   | 0.6   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |
| Cash & cash equivalents       | 67.1  | 19.5  | 19.1  | 40.1  | 27.4  | 63.8  | 109.6 | 166.4 |
| Current assets                | 373.9 | 288.1 | 230.6 | 234.7 | 218.4 | 268.0 | 333.9 | 413.9 |

Source: Company data, Equity Development

### Balance sheet: Liabilities

| Year-end 31 Mar, £m                  | 2021    | 2022    | 2023    | 2024    | 2025    | 2026E   | 2027E   | 2028E   |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Bank overdraft & s/t loans           | 0.0     | (45.0)  | (10.0)  | (0.2)   | (0.2)   | (0.2)   | (0.2)   | (0.2)   |
| Trade payables and other liabilities | (411.4) | (313.9) | (249.5) | (225.6) | (207.7) | (227.7) | (245.0) | (265.0) |
| Lease liabilities                    | (21.4)  | (20.3)  | (17.8)  | (16.9)  | (18.5)  | (18.5)  | (18.5)  | (18.5)  |
| Other tax liabilities                |         |         |         | (0.6)   | (0.7)   | (0.7)   | (0.7)   | (0.7)   |
| Provisions                           | (0.1)   | (0.4)   | (1.2)   | (0.6)   | (0.5)   | (0.5)   | (0.5)   | (0.5)   |
| Other financial liabilities          |         |         |         |         |         |         |         |         |
| Current liabilities                  | (432.9) | (379.6) | (278.5) | (243.9) | (227.6) | (247.6) | (264.9) | (284.9) |
| Capital employed                     | 182.8   | 169.6   | 181.8   | 197.9   | 199.0   | 230.4   | 289.7   | 353.9   |
| Bank borrowings                      |         |         |         | (1.9)   | (1.7)   | (1.7)   | (1.7)   | (1.7)   |
| Lease liabilities                    | (73.9)  | (88.3)  | (67.5)  | (51.9)  | (42.9)  | (44.8)  | (54.8)  | (57.2)  |
| Deferred tax liabilities             | (2.3)   | 0.0     |         | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Provisions                           | (2.3)   | (2.5)   | (3.8)   | (3.9)   | (4.7)   | (4.7)   | (4.7)   | (4.7)   |
| Trade and other payables             | (7.9)   | (6.4)   | (4.8)   | (2.5)   | (5.2)   | (5.2)   | (5.2)   | (5.2)   |
| Other financial liabilities          |         |         |         |         |         |         |         |         |
| Non-current liabilities              | (86.4)  | (97.2)  | (76.1)  | (60.1)  | (54.5)  | (56.4)  | (66.4)  | (68.8)  |
| Net assets                           | 96.4    | 72.4    | 105.7   | 137.8   | 144.5   | 174.0   | 223.3   | 285.1   |
| Shareholders' funds                  | 96.4    | 72.4    | 105.7   | 137.8   | 144.5   | 174.0   | 223.3   | 285.1   |

Source: Company data, Equity Development

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