

## Undervalued 5\* power

18 June 2025

AO's FY25 results illustrate the power of its excellent customer service, rated 4.9/5 on Trustpilot. 12% growth in B2C Retail revenues and a focus on improved unit economics has led to LFL Adj. PBT rising 32% to £45m - and margin +80bps to 4.1%. As already announced, FY26E will bring significant cost headwinds and so Adj. PBT guidance is £40m-£50m (we are unchanged at £45m). However, the medium-term outlook for AO is encouraging given the revenue momentum and opportunity for further margin expansion. Trading on under 15x Cal 2026 PER and a 7.5% Cal 2026 FCF yield we believe AO is significantly underrated.

### FY25 LFL Adj. PBT rises an impressive 32% to £45m

AO attracted 650,000 new customers in FY25 whilst also generating over 60% of orders from repeat customers. At the same time, Trustpilot reviews have maintained an extremely impressive, sector-leading, 4.9/5 stars, helped by the rise of AO's Five Star membership club which we discussed in our initiation report "[Ready to grow, let's go](#)". As a result, FY25 group revenues rose 9% to £1.1bn and Adj. PBT rose 27% to £43.5m, including the acquisition of musicMagpie (which is performing in line with management's expectations). Whilst most of the group is doing very well, the mobile phone business was disappointing and has led to a £19.6m goodwill and asset impairment, but strategic action is planned for FY26.

### Medium term outlook encouraging despite cost headwinds in FY26E

AO added 1,500 new electrical products in FY25 to reach 9,000, ranging from drones to Smart tech products, and in the medium-term management is excited to leverage its customer service and loyalty in the wider £28bn electricals market. In FY26E however, c.£8m of national insurance headwinds and the consolidation of c.£6m annual losses at musicMagpie will limit profit growth. Thereafter we anticipate significant profit and cashflow growth.

### Revenue, profit and cashflow potential appeals; reiterate 150p Fair Value

Like other retailers, AO's share price has been impacted in recent months by weak consumer confidence following the increase in labour costs and "Trump's tariffs". However, UK consumer confidence, and the major purchase index, recovered a little in May which bodes well. We reiterate our 150p fair value, equivalent to a cal 2026 FCF yield of 5%.

#### Company data

EPIC	LSE: AO
Price (last close)	100.8p
52 weeks Hi/Lo	120p/86p
Market cap	£594m
ED Fair Value / share	150p
Net cash / (debt) 2025A	£(36)m
Avg. daily volume (3m)	357.5k

#### 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 750,000 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

1H26 Interim results w/c 24<sup>th</sup> Nov (tbc)

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#### Key financials & valuation metrics

Year to 31 Mar (£m)	2024	2025	2026E	2027E	2028E
Revenue	1,039.4	1,137.6	1,294.4	1,419.1	1,573.4
Revenue growth (%)	-8.7	9.4	13.8	9.6	10.9
Adj. PBT	34.4	43.5	45.2	59.1	74.0
Adj. PBT margin (%)	3.3	3.8	3.5	4.2	4.7
Adj. diluted EPS (p)	4.1	5.3	5.5	7.2	9.0
Adj. EPS growth (%)	111	27	4	31	25
Free cashflow*	31.8	23.2	38.1	47.4	58.2
Net cash / (debt) ^ /Adj. EBITDA (x)	(0.5)	(0.5)	(0.0)	0.4	0.8
EV / Sales (x, calendarised)	0.6	0.5	0.5	0.4	
EV / Adj. EBITDA (x, calendarised)	9.3	8.5	7.2	6.1	
PER (x, calendarised)	14.6	13.5	10.8	8.6	
Free cashflow* yield (% , calendarised)	4.2	5.7	7.5	9.2	

\* pre-acquisitions; ^ including leases; Source: Company data, Equity Development, Priced as at 17/06/25

## AO World: Investment Attractions Overview

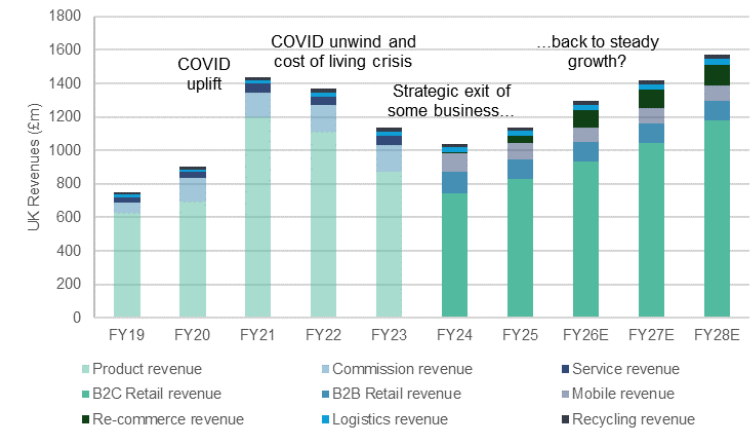
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> <li>An excellent track record of UK revenue growth: 21% CAGR FY11-FY20 (pre-COVID) and 12% B2C Retail revenue growth in FY25.</li> <li>5m additional customers shopped during COVID, experiencing AO's excellent customer service and total UK customer base is now c.12.6m (650k new customers in FY25).</li> <li>Over 780,000 Trustpilot reviews (as at mid-June) 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 more favourable macro-economic backdrop of improving UK consumer confidence, increasing mortgage approvals and lower inflation and interest rates.</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.70% increase in Adj. PBT to £74m in FY28E, an Adj. PBT margin of 4.7%, below management's medium-term ambition of 5%.</li> <li>Improving profitability and low capex requirements driving over £140m of cumulative free cashflow (FY26E-FY28E).</li> </ul>	<ul style="list-style-type: none"> <li>Trading on only 0.5x EV/Sales, 7.2x EV/EBITDA and c.15x 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.£25m (FY25).</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 5.7% Adj. PBT margin in FY28E, suggests PBT could exceed £110m by FY28E (&gt;50% above our forecast).</li> <li>Our Fair Value of 150p equates to a 5% cal 2026 FCF yield, equivalent to c.10.5x cal 2026 EV/EBITDA and c.22x cal 2026 PER, c.1x our EPS CAGR FY25-FY28E.</li> </ul>

## Highlights from FY25 results: Execution of strategy pays off

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

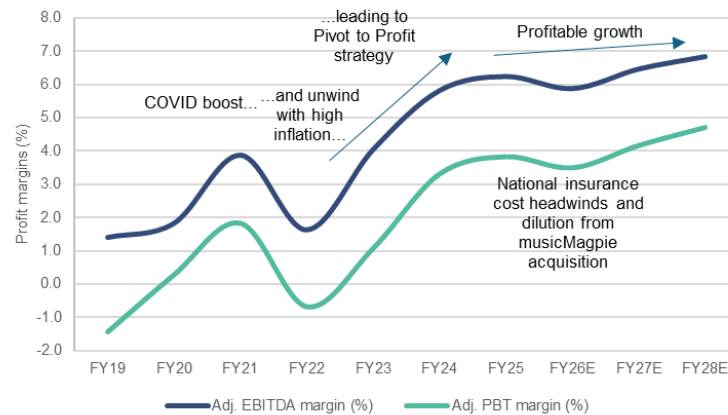
- Over the last five years, AO has dealt with the operational challenges of 60% sales growth during COVID and the subsequent unwind of supernormal growth, global supply chain disruption, abnormally high inflation in fuel, freight and wages, and a cost-of living crisis.
- AO has emerged a stronger, leaner 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 revenue growth with 7% LfL group revenue growth in FY25 leading to FY25 LfL Adj. PBT of c.£45m and a margin of 4.1% (pre musicMagpie which contributed £30 revenues and a £1.7m loss).

### AO back in growth with 12% B2C Retail growth in FY25...



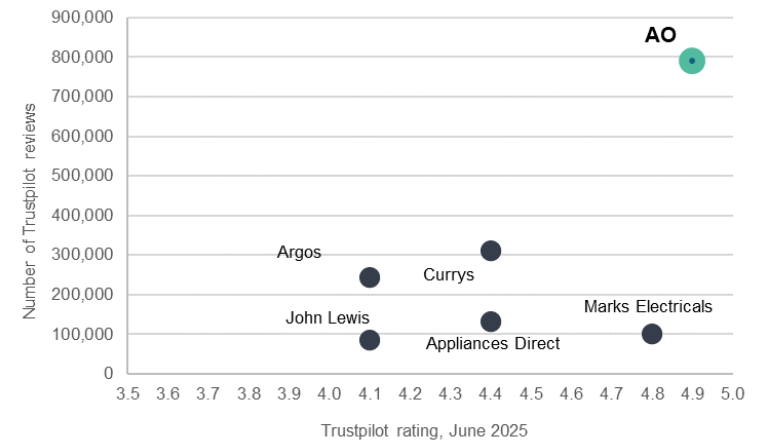
Source: Company data (note change in segmentation), Equity Development

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



Source: Company data, Equity Development

### Rated Excellent by c.780,000 customers



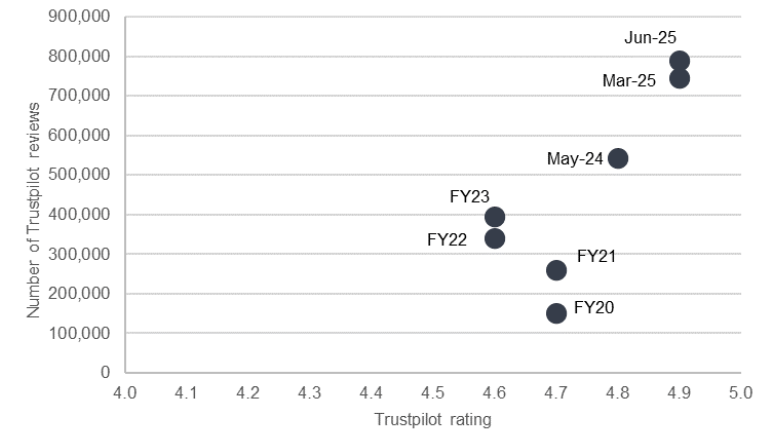
Source: Trustpilot, Equity Development

## Continued focus on excellent customer service attracts 650k new 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 remain high as business scales up



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 handpicked 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.

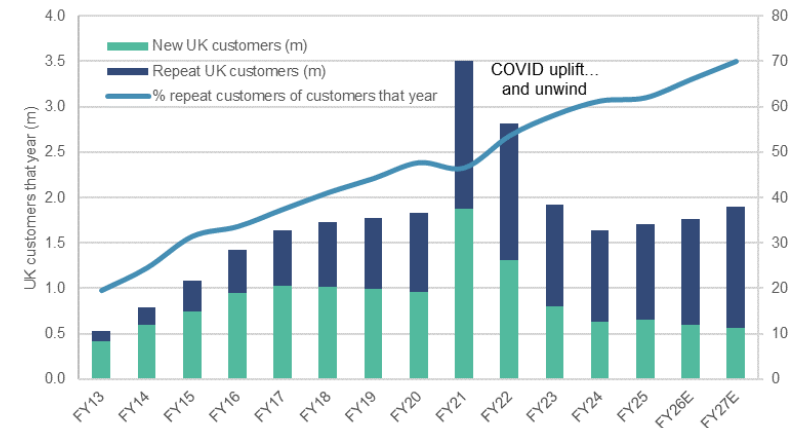


#### 100-day returns

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

### Example recent AO Trustpilot 5\* reviews (June 2025)...

★★★★★  Invited

#### Excellent service from start to finish

Excellent service from start to finish, communication excellent and delivery/installation perfect!

Date of experience: 12 June 2025

★★★★★  Invited

#### Easy to order

Easy to order, quick delivery and professionally installed

Date of experience: 16 June 2025

★★★★★  Invited

#### Beyond expectations

The delivery drivers went above and beyond expectations to ensure the delivery went smoothly.

Date of experience: 11 June 2025

★★★★★  Invited

#### Got just what I wanted.

Date of experience: 16 June 2025

★★★★★  Invited

#### Being a clever clog doesn't always pay!

New full height freezer delivered Friday, then, in shame, ordered matching full height fridge - delivered Monday. Same team - good team - both times in & out in 40 minutes- old gear out/new gear in.  
Being a tight axxx, I should have ordered both together and saved £100.  
None-the-less - 5\* to AO.COM

Date of experience: 16 June 2025

Source: Trustpilot

### ...illustrate why AO puts service at the heart of its offer

★★★★★  Invited

#### Great pair of guys delivering

Great pair of guys delivering. Such a difficult job lifting in our new appliance and removing our old one. They made it look easy

Date of experience: 16 June 2025

★★★★★  Invited

#### Great service

Great service, fast and friendly. Our washer was broken and we had the new one in installed and working with the old one recycled and all the packaging removed within 48 hours. Highly recommend.

Date of experience: 11 June 2025

★★★★★  Invited

#### Great service and quick delivery...

Great service and quick delivery without having to pay a premium

Date of experience: 16 June 2025

★★★★★  Invited

#### Cannot fault

Drivers broke down on the way to us and was waiting for recovery. They phoned me to let me know they were going to be late but will still deliver. I've had other deliveries that just didn't bother to turn up giving this exact excuse. It was so refreshing that they took time to let me know and after a really miserable time in this heat still delivered. Please pass my thanks to them they were fantastic and deserve a well learnt drink!!

Date of experience: 16 June 2025

Source: Trustpilot

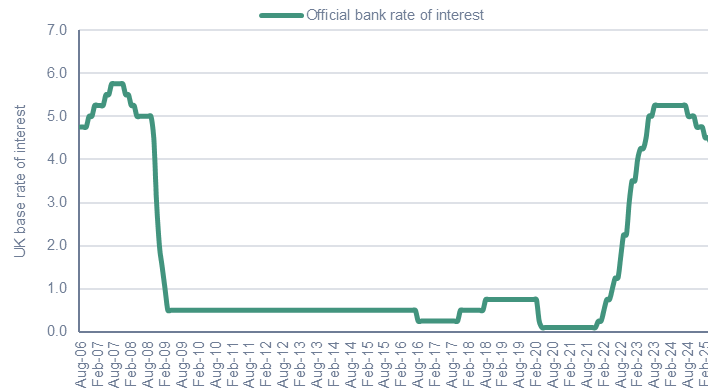
## AO ready to leverage an economic recovery

### 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 both measures dipped earlier in 2025, confidence returned in May. Whilst the inflationary impacts of the 2024 Autumn Budget have led CPI to increase to 3.5% in April 2025, the Bank of England base interest rate has been cut to 4.25% in May 2025.
- Consensus economic forecasts are for the base rate to be cut to 3.75% by 4Q25 and 3.5% by 4Q26. This bodes well but we would caution on any rise in unemployment (4.6% in April 2025), which may lead confidence to fall.

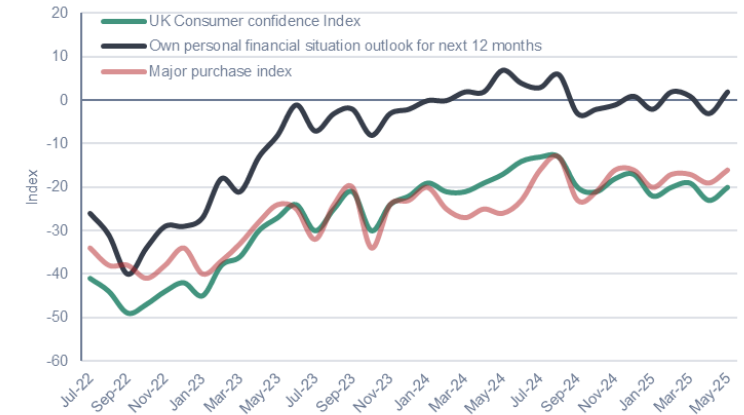
Source: HM Treasury, Equity Development

### UK interest rates on their way down (4Q25 est 3.75%)



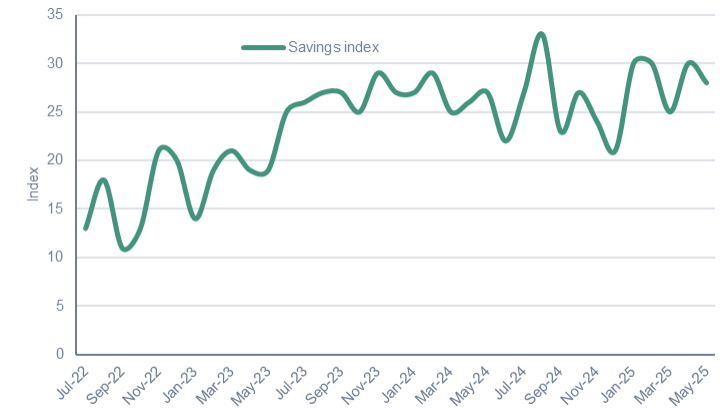
Source: Bank of England, ED analysis

### UK consumer confidence and major purchase intentions up



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

### Savings rates elevated implying spending power



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

## Only minimal changes to estimates

### FY26E guidance for revenue growth and Adj. PBT of £40m-£50m; medium term ambition for over 5% Adj. PBT margin

- Having updated our forecasts in March to include the acquisition of musicMagpie and the national insurance headwinds we make only minimal changes resulting from the (broadly in line) FY25 results.
- We forecast £45m Adj. PBT in FY26E being c.£48m for the core business (after c.£8m cost headwinds) and a c.£3m loss from musicMagpie.
- We forecast £59m Adj. PBT in FY27E being c.£59m for the core business and a break-even, neutral impact from musicMagpie.
- The mobile business is a current drag on group profitability, but AO has outlined several strategic actions and a commitment to not “fund material losses going forward”.

#### 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	1,294	1,419	1,573	1,294	1,424	1,588	0.0	(0.3)	(0.9)
Revenue growth (%)	9.4	13.8	9.6	10.9	14.2	10.0	11.5			
Adj. PBT	43.5	45.2	59.1	74.0	45.0	59.2	74.3	0.4	(0.2)	(0.3)
Adj. PBT margin (%)	3.8	3.5	4.2	4.7	3.5	4.2	4.7			
Adjusted diluted EPS (p)	5.3	5.5	7.2	9.0	5.6	7.4	9.3	(2.8)	(3.4)	(3.5)
Adj. EPS growth (%)	5.3	5.5	7.2	9.0	5.6	7.4	9.3			
Capex (incl M&A)	33.5	12.2	13.3	14.8	12.6	13.8	15.4	(3)	(4)	(4)
Free cashflow pre acquisitions	23.2	38.1	47.4	58.2	35.1	45.9	57.4	8	3	1
Net financial (debt) / cash	25.5	59.6	103.0	157.2	54.8	100.7	158.1			
Total net (debt) / cash incl leases	(35.9)	(3.8)	37.7	89.8	(18.0)	25.8	81.0			
Net financial (debt) / cash / Adj. EBITDA (x)	0.4	0.8	1.1	1.5	0.7	1.1	1.5			
Total net (debt) / cash / Adj. EBITDA (x)	-0.5	0.0	0.4	0.8	-0.2	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	13.8	9.6	10.9
Gross profit growth (%)	64.5	-9.9	-9.5	2.1	13.4	13.8	9.6	10.9
Adj. EBITDA growth (%)	236.0	-65.3	106.3	31.2	17.4	7.1	20.6	17.2
Adj. Operating profit (%)	-2200.5	-115.5	-375.8	112.3	21.5	7.6	31.3	23.7
Adj. PBT growth (%)	913.7	-130.3	-233.7	179.7	26.6	3.9	30.7	25.2
Adj. EPS growth (%)			-577.5	110.8	27.0	4.3	30.7	25.2
Gross profit margin (%)	17.6	19.3	20.9	23.4	23.4	24.3	24.3	24.3
Adj. EBITDA margin (%)	3.9	1.6	4.1	5.8	5.8	6.3	5.9	6.5
Adj. Operating margin (%)	2.4	-0.5	1.5	3.5	3.5	3.9	3.7	4.4
Adj. PBT margin (%)	1.8	-0.7	1.1	3.3	3.3	3.8	3.5	4.2
Marketing costs / sales (%)	3.0	3.4	3.3	3.9	3.9	3.9	3.9	3.9
Warehousing / sales (%)	3.9	5.1	5.3	5.0	5.5	5.7	5.7	5.7
Admin / sales (%)	8.0	11.4	10.9	11.1	11.0	11.1	10.3	9.8
Op. costs incl D&A /sales (%)	15.9	19.9	19.9	20.0	22.4	20.6	19.9	19.4
Op costs excl D&A /sales (%)	13.8	17.7	16.9	17.7	18.0	18.4	17.8	17.4

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	1,294.4	1,419.1	1,573.4
Cost of sales	(1,368.4)	(1,104.9)	(900.3)	(796.0)	(855.4)	(979.5)	(1,080.4)	(1,208.4)
Gross profit	292.5	263.4	238.3	243.3	276.1	314.1	344.4	381.9
Other income	0.8	1.8	0.7	0.6	0.1			
Marketing expenses	(50.4)	(46.1)	(38.0)	(40.5)	(44.4)	(50.5)	(55.4)	(61.4)
Warehousing expenses	(65.6)	(69.6)	(59.8)	(52.2)	(62.0)	(73.1)	(80.2)	(88.9)
Research & development	(15.4)							
Admin costs	(132.2)	(156.1)	(124.1)	(115.0)	(125.7)	(143.1)	(146.6)	(154.5)
Adjusting items		(0.9)	(4.5)		(22.9)			
Total operating expenses	(263.6)	(272.7)	(226.4)	(207.7)	(255.0)	(266.7)	(282.1)	(304.8)
Add back D&A	24.6	28.6	29.1	24.2	27.0	28.8	29.6	30.7
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)	(237.9)	(252.5)	(274.1)
Adj. EBITDA	64.5	22.4	46.2	60.4	71.1	76.2	91.9	107.8
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)	(17.8)
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)	(30.7)
Adj. Operating profit	39.9	(6.2)	17.1	36.2	44.1	47.4	62.3	77.0

Source: Company data, Equity Development

**Income statement: Operating profit to EPS**

<b>Year-end 31 Mar, £m</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Adj. Operating profit	39.9	(6.2)	17.1	36.2	<b>44.1</b>	<b>47.4</b>	<b>62.3</b>	<b>77.0</b>
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)	(2.7)	(2.8)	(2.9)
Other finance costs		(0.7)	(1.2)	(1.7)	(2.0)	(2.0)	(2.0)	(2.0)
Interest receivable & other	4.3	2.6	2.9	4.5	4.8	2.7	1.8	2.1
Finance costs	(9.5)	(3.0)	(4.8)	(1.9)	(0.6)	(2.2)	(3.2)	(3.0)
Adj. PBT	30.4	(9.2)	12.3	34.3	<b>43.5</b>	<b>45.2</b>	<b>59.1</b>	<b>74.0</b>
Exceptional costs	(10.3)	(1.3)	(4.5)		(22.9)			
PBT	20.1	(10.5)	7.8	43.0	<b>20.6</b>	<b>45.2</b>	<b>59.1</b>	<b>74.0</b>
Tax	(3.1)	7.2	(1.2)	(10.7)	(10.9)	(12.7)	(16.5)	(20.7)
Adj. PAT	27.3	(2.0)	11.1	24.7	<b>31.2</b>	<b>32.6</b>	<b>42.6</b>	<b>53.3</b>
Reported PAT	17.0	-3.3	6.6	24.7	9.7	32.6	42.6	53.3
No of f/d shares (m)	482.0	485.6	564.5	598.2	593.3	593.3	593.3	593.3
Adjusted diluted EPS (p)	5.7	-0.4	2.0	4.1	<b>5.3</b>	<b>5.5</b>	<b>7.2</b>	<b>9.0</b>
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	76.2	91.9	107.8
Add back SBP charge	3.3	5.8	5.3	6.7	7.3	7.8	9.4	11.1
Change in inventories	(67.6)	41.2	9.0	(6.4)	(4.2)	(12.2)	(9.7)	(12.0)
Change in trade receivables	(35.9)	(8.3)	14.7	28.8	18.3	(14.1)	(11.2)	(13.9)
Change in trade payables	162.0	(101.8)	(43.0)	(25.6)	(23.5)	23.9	17.2	21.5
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)	(2.4)	(3.7)	(4.4)
Exceptionals (cash)	(10.3)	(0.3)			(2.1)			
Tax paid	(2.4)	1.7	2.2	(1.2)	(9.3)	(12.7)	(16.5)	(20.7)
Net cash from operating activities (pre leases)	114.6	(52.6)	37.1	60.7	58.0	68.9	81.1	93.7
Net financial interest paid	(2.3)	(1.6)	(3.5)	(2.4)	(1.3)	0.5	(0.4)	(0.1)
Interest paid on lease liabilities	(4.0)	(4.8)	(4.2)	(3.8)	(3.4)	(2.7)	(2.8)	(2.9)
Lease payments (principal)	(17.6)	(24.3)	(17.7)	(18.4)	(21.2)	(16.5)	(17.1)	(17.8)
Capex	(6.3)	(8.6)	(2.1)	(5.9)	(8.9)	(12.2)	(13.3)	(14.8)
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)	(12.2)	(13.3)	(14.8)
Discontinued ops cashflow			(7.6)	(0.1)	(0.1)			
Free cashflow	81.6	(92.9)	2.0	29.2	(1.4)	38.1	47.4	58.2
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share buy backs / equity issues	0.6	0.1	39.1	0.3	(11.1)	(4.0)	(4.0)	(4.0)
Other	(0.1)		(2.5)					
Net cashflow	82.1	(92.8)	38.6	29.5	(12.5)	34.1	43.4	54.2

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	61.5	104.9	159.1
Net financial (debt) / cash	67.1	(25.5)	9.1	38.0	25.5	59.6	103.0	157.2
Leases	(95.3)	(108.6)	(85.3)	(68.8)	(61.4)	(63.3)	(65.3)	(67.4)
Net (debt) / cash incl leases	(28.2)	(134.1)	(76.2)	(30.8)	(35.9)	(3.8)	37.7	89.8
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	30.3	33.6	37.3
Right of use assets	74.3	86.6	69.4	56.2	51.6	53.5	55.5	57.6
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	212.9	216.8
Inventories	139.6	97.0	73.1	79.5	88.5	100.7	110.4	122.4
Trade and other receivables	166.2	169.7	137.8	115.1	102.5	116.6	127.9	141.8
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	61.5	104.9	159.1
Current assets	373.9	288.1	230.6	234.7	218.4	278.8	343.2	423.2

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)	(231.6)	(248.8)	(270.4)
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)	(251.5)	(268.7)	(290.3)
Capital employed	182.8	169.6	181.8	197.9	199.0	237.3	287.3	349.7
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)	(46.8)	(48.9)
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)	(58.4)	(60.5)
Net assets	96.4	72.4	105.7	137.8	144.5	180.9	228.9	289.2
Shareholders' funds	96.4	72.4	105.7	137.8	144.5	180.9	228.9	289.2

Source: Company data, Equity Development



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