

Begbies Traynor Group

20th February 2025

Resilient, undervalued, and growing

UK professional services consultancy Begbies Traynor has confirmed financial performance in 3Q25 was as expected and that FY25E will extend its track record for strong financial growth. We forecast 11% revenue growth and a high 15% Adjusted PBT margin. As we wrote in our in-depth report [“Diversification and track record merits higher rating”](#), the macro-economic environment remains supportive for Begbies and the group’s expansion into property advisory gives momentum which we believe is under-valued, trading on only c.9x cal 25 PER.

3Q25 on track and no change to FY25E expectations

Begbies’ short trading update confirms that “both divisions have been consistent with the Board’s expectations in the quarter” and that “with a strong pipeline and continued elevated activity levels, our expectations for the full year remain unchanged”. We forecast revenue of £152m for FY25E, +11%, comprising 9% for Business Recovery and Advisory services (to £105m) and 17% for Property Advisory services (to £47m), in part due to investments in value-accretive acquisitions.

Macro-economic pressures supportive into 2025

As corporates have started planning for higher employment costs and taxes because of the Autumn Budget, more are reporting being in financial distress. Begbies’ 4Q24 Red Flag Alert showed widespread concern across all 22 sectors, with a 50% increase in UK businesses in “critical” financial distress (to 46,853) and a 21% increase in those in “significant” financial distress (to 654,765). Meanwhile, total company insolvencies in 4Q24 remained at elevated levels of 1,850 p/m and we expect this to continue through 2025, supporting Begbies’ Business Recovery and Advisory division.

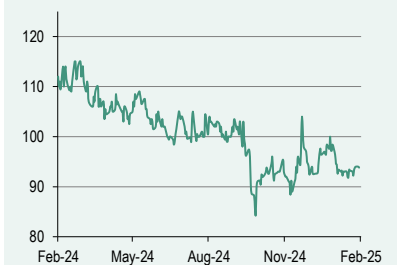
An undervalued, highly profitable and cashflow generative company

Begbies’ trades at a c.35% discount to its long-run average valuation multiples and a discount to peers. Offering highly profitable organic growth of 5%-6%, and free cashflow to fund both acquisitions and dividends, we see scope for a **significant rerating**, to 14x cal 25 PER and a 3% dividend yield.

Company Data

EPIC	BEG
Price (last close)	94.2p
52 weeks Hi / Lo	118p / 83p
Market cap	£151m
ED Fair Value / share	145p
Net financial debt, FY25E	£3m

Share Price, p



Source: investing.com

Description

Begbies Traynor Group (“Begbies”) is a leading UK business recovery, financial advisory and property services consultancy.

A multi-disciplinary national team of over 1,100 FTE professionals from over 45 local offices handle the largest number of corporate insolvency and restructuring appointments in the UK as well as providing market-leading services in corporate finance, financial advisory, valuations and property consultancy.

Next event: 4Q25 trading update, May 2025 (date tbc)

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Key Financials & Valuation multiples

Year to 30 April (£m)	2023	2024	2025E	2026E	2027E
Revenue	121.8	136.7	152.2	159.9	167.0
Revenue growth (%)	10.7	12.2	11.3	5.1	4.4
Adj. PBT*	20.7	22.0	23.0	23.3	24.6
Adj. PBT* margin (%)	17.0	16.1	15.1	14.6	14.7
Adj. diluted EPS (p)	10.1	9.9	10.3	10.4	11.0
Adj. EPS growth (%)	14.3	-1.4	3.6	1.3	5.5
Dividend per share (p)	3.8	4.0	4.1	4.2	4.4
Free cashflow pre acquisitions	14.1	12.4	13.4	16.7	17.9
Free cashflow post acquisitions	3.5	3.9	5.4	11.0	13.0
Net debt/(cash) incl leases /Adj. EBITDA (x)	0.2	0.5	0.5	0.4	0.1
EV / Sales (x, calendarised)		1.1	1.1	1.0	1.0
EV / Adj. EBITDA (x, calendarised)		5.7	5.5	5.3	5.0
PER (x, calendarised)		9.3	9.1	8.7	8.3
Dividend yield (%)		4.3	4.4	4.6	4.9
Free cashflow* yield (%)		8.5	10.1	11.3	12.0

Note: * pre-acquisition payments; Source: ED analysis; Share price at COB 19/2/25

Overview of Investment Attractions

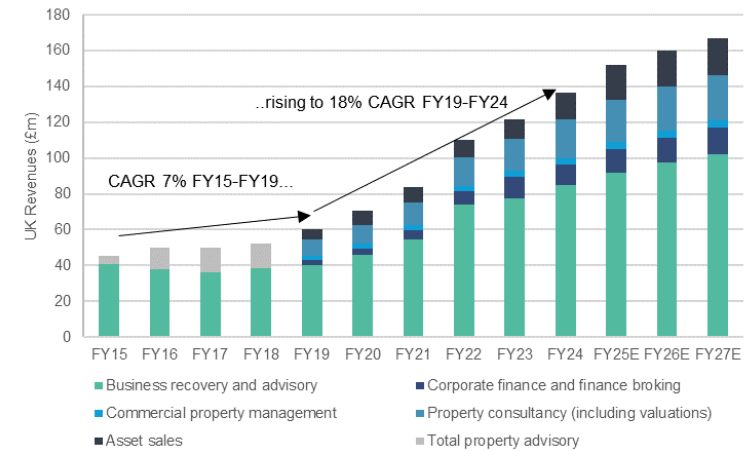
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> An impressive track record of growth with revenues tripling in the past decade to £137m in FY24, driven by both organic growth and successful acquisitions. This is testament to Begbies' resilience and growth through the economic cycle and the group's ability to attract highly qualified, trusted, professionals. An increasingly diversified business with c.40% of FY24 revenues from Begbies' corporate finance advisory, property advisory and transactional services offer. Adjusted PBT has increased six-fold to £22m (22% CAGR) and adjusted PBT margin has risen to over 16%, driving cumulative free cashflow pre acquisitions of over £56m (FY21-FY24). This ample free cashflow funds both value-accretive acquisitions and dividends (10 years CAGR 7%). An experienced, incentivised, founder-led management team at the helm. 	<ul style="list-style-type: none"> Although the group is more diversified than ever before, c.60% of revenues are from business recovery and advisory. If corporate insolvencies were to drop significantly from current levels, this would impact our organic revenue growth and profit margin assumptions (given operating deleverage). This would be partly offset by an anticipated cyclical increase in M&A and corporate finance advisory and finance broking activity. As a people-led business, recruitment and retention of high-quality staff is key. Begbies invests in its staff packages and training and for its 1,100+ Full-time Equivalent (FTE) employees. Liquidity risk if asset realisations were impacted, however Begbies has £35m of bank facilities, extendable until 2029. Integration risk for any future acquisitions, though Begbies' excellent track record provides reassurance.
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> Management's ambition is to grow mid-term revenues to £200m from its existing service offer through organic growth and acquisitions, with further possible growth from acquisitions of complementary professional services businesses. We expect inflationary pressures, particularly the cost of labour following the Autumn Budget, to keep levels of corporate distress and insolvency elevated. We forecast a 3% contribution from acquisitions in FY25E (5% in 1H25) and c.6% organic revenue CAGR FY24-FY27E to reach £167m revenues in FY27E. We do not forecast any further acquisitions but estimate that a 6% p/a revenue contribution from acquisitions would lead to c.£200m of revenues in FY28E. We forecast Adj. PBT margins remaining above 14.5% (despite national insurance increases impacting from FY26E) leading to c.4% organic Adj. PBT CAGR FY24-FY27E and free cashflow, pre acquisitions, of £13m-£18m p/a (FY25E-FY27E). 	<ul style="list-style-type: none"> Begbies is trading on only 1.1x EV/Revenues, 5.5x EV/Adj. EBITDA and c.9x PER (our forecasts, all Calendar 2025E – "cal 25E"). This is a c.35% discount to the group's average multiples over the past nine years of 1.6x EV/Revenues, c.9x EV/Adj EBITDA and c.14x PER. It is also a significant discount to our comparable valuation peers, despite offering similar, if not better, revenue and profit growth and similar high profit margins. Begbie's balance sheet is also strong with only £3.8m of net financial debt as at 31 October 2024 and leases of c.£11m. We forecast net debt incl leases / Adj. EBITDA of only 0.4x for FY25E. Management estimates that future contingent consideration payments will be £15.2m, satisfied by December 2027. Our fair value of 145p equates to a cal 25 FCF yield, pre acquisitions, of 6.6%, a c.3% dividend yield, a 14x PER, in-line with long-run averages, with potential for a premium to these averages.

An increasingly diversified, proven track record of growth

A people-driven, expanding service business

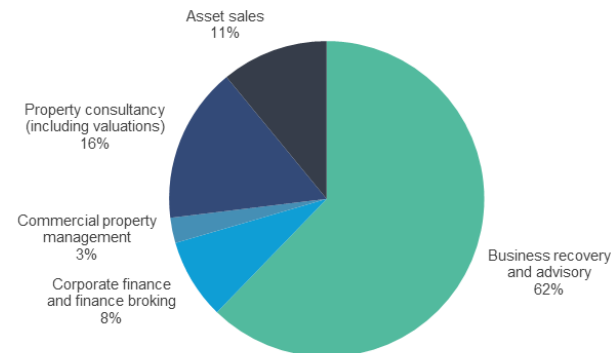
- Begbies Traynor is a leading business recovery, financial advisory and property services consultancy with specialist expertise in business recovery, advisory and corporate finance, valuations, asset sales and property transactions.
- As a people-led advisory business the company has doubled its (FTE) colleagues from c.550 in FY19 to over 1,100 by 1H25, driving revenue growth of 13% CAGR in the past decade to £137m in FY24.
- Moreover, as Begbies has invested in an increasingly diversified business, revenue growth has accelerated to 18% CAGR FY19-FY24.
- Its multi-disciplinary professional teams include insolvency practitioners, accountants, lawyers, financing professionals and chartered surveyors.

Revenues tripled in a decade to £137m, on track to £200m



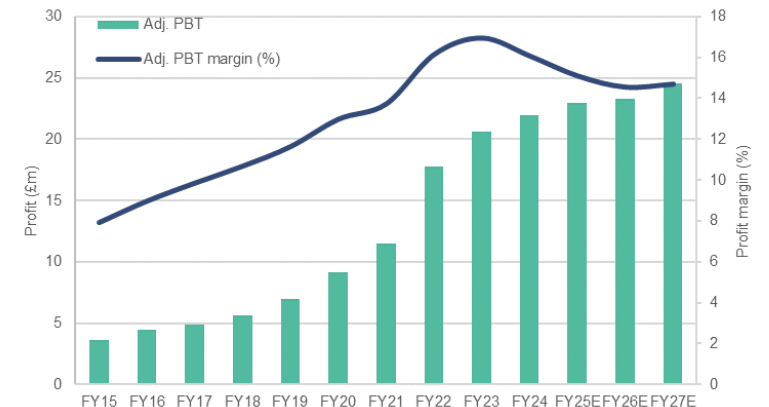
Source: Company historic data, ED forecasts and analysis

38% of FY24 Revenues are from services beyond insolvency



Source: Company historic data, ED forecasts and analysis

6-fold increase in Adjusted PBT to £22m, with high margins



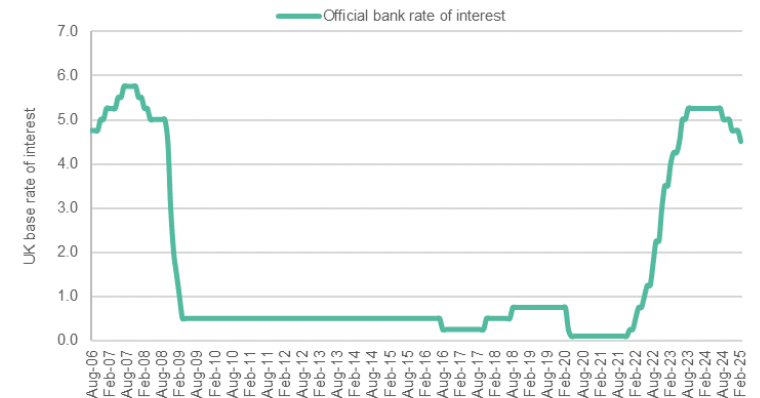
Source: Company historic data, ED forecasts and analysis

Business recovery to remain elevated for a prolonged period as inflationary pressures build

Macro-economic backdrop still tough for companies

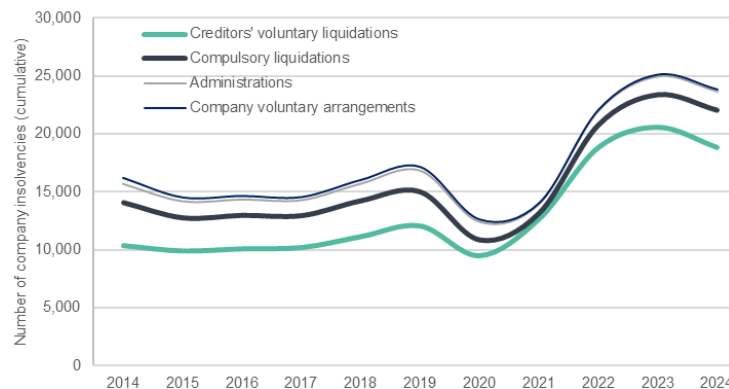
- After a record 25,000 corporate insolvencies in 2023 there were another 24,000 in 2024, c.60% above the average c.15,000 a year in 2014-2021.
- This elevated level reflects the challenges businesses face from the increase in inflation and the end of the 13-year period of very low interest rates.
- Moreover, levels of corporate distress remain at high levels, as evidenced in Begbies' 4Q24 Red Flag Alert report which shows c.655,000 UK businesses in "significant" financial distress, up 21% on 4Q23, with all 22 sectors experiencing greater distress.
- The number of businesses in "critical" financial distress rose by 50% to 47,000, with consumer facing sectors in particular highlighting the concerning state of the UK economy.

13 years of "free money" has come to an end...



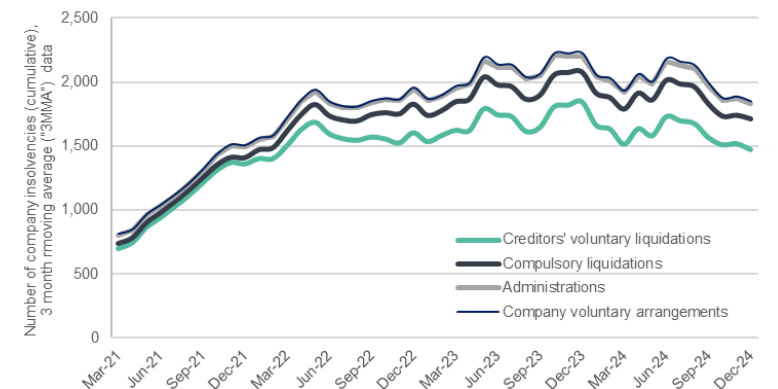
Source: Bank of England

...leading to a c.60% surge in insolvencies in 2023-2024



Source: ONS, The Insolvency Service, ED analysis

...which is expected to remain elevated into 2025

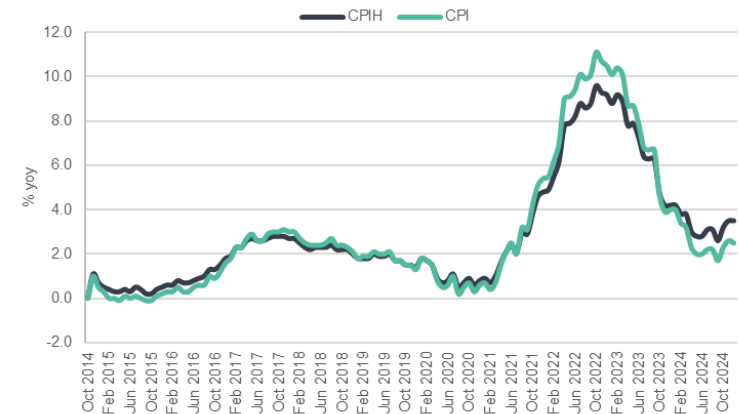


Source: ONS, The Insolvency Service, ED analysis

The Autumn 2024 Budget has caused further pressure

- Corporates bore the brunt of the planned tax rises in the Autumn Budget, with the 1.2% increase in employers' National Insurance contributions and the reduction in the employer threshold for NI reducing from £10,000 to £5,000 anticipated to raise £25bn.
- In addition, the National Living Wage for over 21s and the National Minimum Wage for 18 to 20-year-olds are set to increase a further 6.7% and 16.3% respectively from April 2025.
- These measures are (and will) increase labour costs and are already leading to both overall inflation accelerating from a low of 2.6% in September 2024 to 3.9% in January 2025 and rising unemployment (4.4% in November 2024).
- Consequently, consumer confidence has deteriorated to -22 in January 2025 and some companies are facing significant increased financial distress.

Overall inflation has reduced but macro-pressures remain



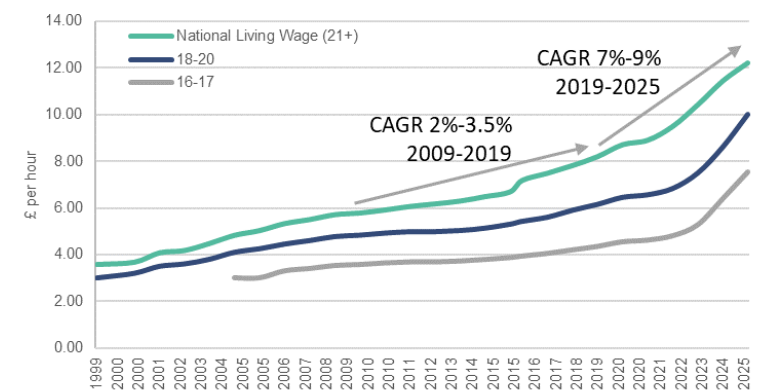
Source: ONS

Employee costs continue to rise



Source: ONS, ED analysis

Accelerating, above inflation, growth in National Living Wage



Source: Low Pay Commission, www.gov.uk, ED analysis

Property consultancy services is a resilient, consistent, growth business

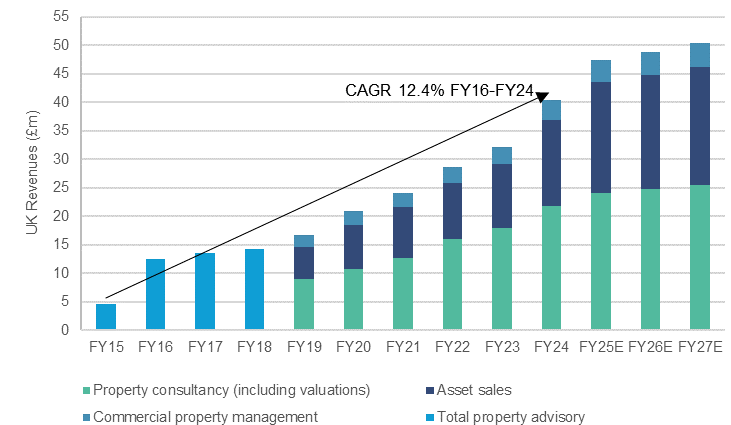
10 years of property experience and growth

- A decade after the acquisition of Yorkshire-based property consultancy, Eddisons, Begbies' strategic and geographic expansion of its property consultancy business, particularly in the last three years, has led to revenues tripling to £40m in FY24 and 442 staff.
- Under the Eddisons brand, Begbies has now become a well-regarded mid-tier national property consultancy.
- Operating profits have followed a similarly impressive trajectory and grown at a CAGR of 15.5% to reach £7.6m in FY24 with profit margins having been maintained at 16%-23% throughout (18.9% in FY24).
- This is particularly impressive given the number of acquired businesses Begbies has successfully integrated into the division.

Expansion potential to build on recent acquisitions

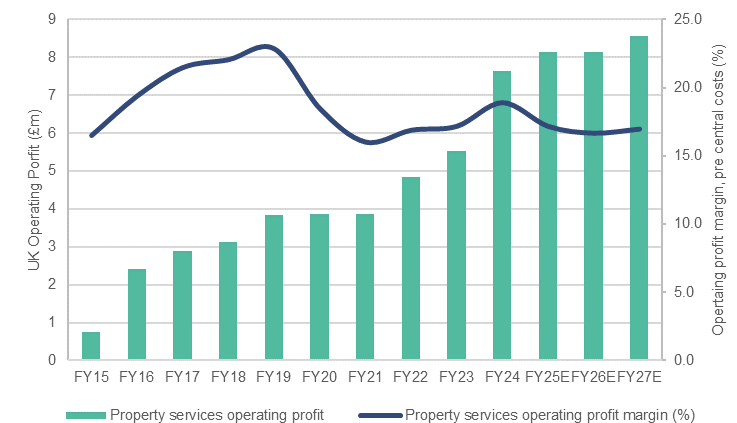
- Management believes the market remains fragmented and there is still great scope to make further acquisitions at attractive valuations to build out its geographic presence and range of services.
- To recap, in property consultancy Begbies acquired London-based Hargreaves Newberry Gyngell in 2021 for just under £1m (13 staff), Yorkshire-based Fernie Greaves in 2021, South-coast based Daniells Harrison in 2022 for max £3.5m (27 staff), Northampton-based Budworth Hardcastle in 2022 for max £2.7m (18 staff), and Lincolnshire-based Banks, Long & Co in 2023 for max £4.1m (38 staff with a strong agency team).
- In property auctions, Begbies acquired Nottingham-based firm SDL Auctions in 2023 for £3m (46 staff) and Mark Jenkinson in 2023 and in valuations the group acquired Andrew Forbes Limited in 2023 for £1m (18 staff).

Consistent growth for a decade; 12% CAGR since FY16



Source: Company historic data, ED forecasts and analysis

Resilient rather than cyclical; 16%-23% profit margins



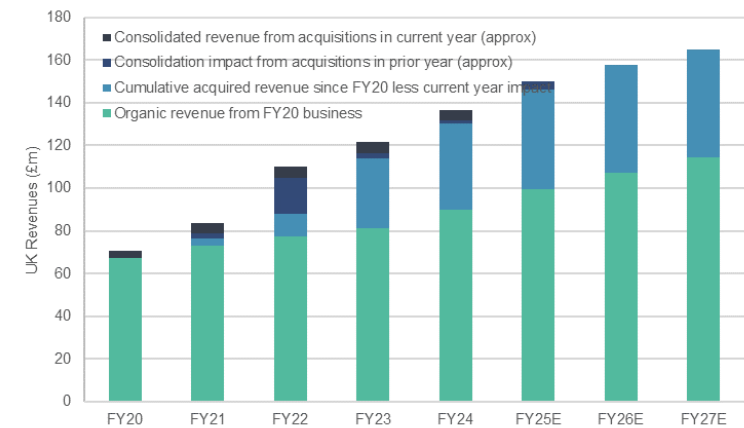
Source: Company historic data, ED forecasts and analysis

An undervalued, profitable, cashflow generating growth story

Professional services consolidator at a c.35% discount

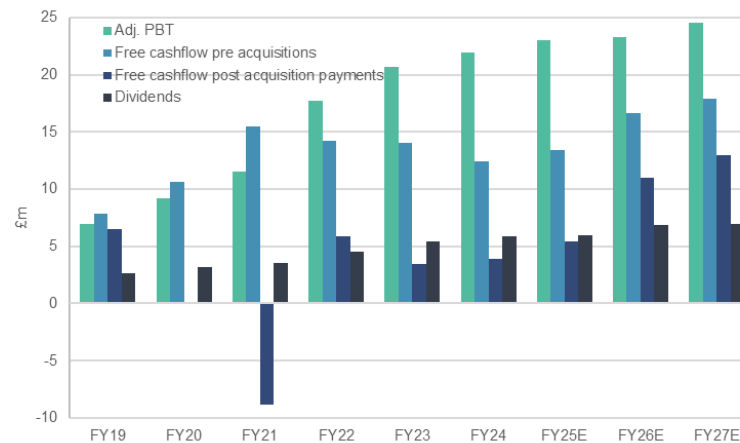
- Begbies' vision is to extend the scale and quality of its chosen professional services by continuing to build the offer organically and through acquisitions.
- Begbies' acquisition success is admirable, investing c.£64m FY20-FY24 for revenues of c.£50m and pre-tax profits of c.£12.5m, with a further £34m of potential earn-out payments (management estimates only £15m will be paid).
- Its financial discipline leads to a high c.16% Adj. PBT margin (FY24) and typically this converts into ample free cashflow to invest in further acquisitions and return to shareholders through generous dividends.
- We forecast nearly £50m of free cashflow pre-acquisitions FY25E-FY27E (over 30% of the current market cap) and we do not believe this attraction is reflected in Begbies' current 9x cal 25 PER and 4.4% dividend yield.

Diversified growth, boosted by acquisitions



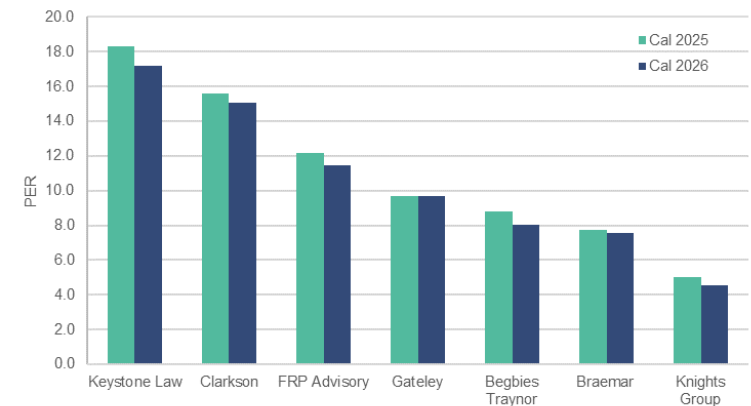
Source: Company historic data, ED forecasts and analysis

Free-cashflow supports acquisitions and dividend growth



Source: Company historic data, ED forecasts and analysis

Begbies' lowly PER of c.9x cal 25 undervalues its prospects



Source: Koyfin for consensus forecasts, ED analysis

Financial Forecast tables

Key group growth and margin metrics

Year-end 31 Mar, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenue growth (%)	17.4	18.9	31.2	10.7	12.2	11.3	5.1	4.4
Gross profit growth (%)	16.9	17.8	34.6	13.1	8.8	10.8	5.1	4.4
Adj. EBITDA growth (%)	23.1	22.4	19.8	10.5	7.4	5.8	2.2	4.9
Adj. Operating profit (%)	26.5	22.5	50.0	17.4	9.6	5.2	1.1	5.0
Adj. PBT growth (%)	30.9	25.8	54.3	16.3	6.4	4.6	1.3	5.5
Adj. EPS growth (%)	21.4	17.7	31.9	14.3	-1.4	3.6	1.3	5.5
DPS growth (%)	7.7	7.1	16.7	8.6	5.3	3.6	1.3	5.5
Gross profit margin (%)	42.8	42.4	43.5	44.4	43.1	42.9	42.9	42.9
Adj. EBITDA margin (%)	23.2	23.9	21.8	21.8	20.9	19.8	19.3	19.4
Adj. Operating margin (%)	14.4	14.8	16.9	17.9	17.5	16.5	15.9	16.0
Adj. PBT margin (%)	13.0	13.7	16.1	17.0	16.1	15.1	14.6	14.7
Op costs excl D&A /sales (%)	20.1	18.7	21.8	22.8	22.6	23.4	23.9	23.8
Tax rate (adj.) (%)	21.1	20.3	20.4	20.9	26.0	26.0	26.0	26.0

Source: Company historic data, ED forecasts and analysis

Divisional revenue analysis								
Year-end 30 April, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Business recovery and advisory	46.0	54.6	73.9	77.2	85.1	92	97	102
Corporate finance and finance broking	3.7	5.1	7.5	12.5	11.3	13	14	14
Business recovery and advisory	49.6	59.7	81.4	89.7	96.4	104.9	111.2	116.7
Commercial property management	2.4	2.6	2.8	3.0	3.5	4	4	4
Property consultancy (including valuations)	10.7	12.7	16.0	18.0	21.8	24	25	25
Asset sales	7.7	8.9	9.9	11.1	15.0	19	20	21
Property advisory	20.9	24.1	28.6	32.1	40.3	47.3	48.8	50.3
Total UK revenue	70.5	83.8	110.0	121.8	136.7	152.2	159.9	167.0
Business recovery and advisory	13.6	18.8	35.2	4.5	10.2	8.0	6.0	5.0
Corporate finance and finance broking	28.0	39.2	48.0	66.0	(9.7)	15.0	6.0	5.0
Business recovery and advisory	14.6	20.3	36.3	10.2	7.5	8.8	6.0	5.0
Commercial property management	16.3	5.3	8.1	7.6	18.6	10.0	3.0	3.0
Property consultancy (including valuations)	20.1	18.3	26.0	12.7	21.1	30.0	3.0	3.0
Asset sales	34.8	15.1	11.1	12.9	34.6	30.0	3.0	3.0
Property advisory	24.7	15.6	18.6	12.3	25.6	17.3	3.0	3.2
Total UK revenue growth (%)	17.4	18.9	31.2	10.7	12.2	11.3	5.1	4.4
Business recovery and advisory	65	65	67	63	62	60	61	61
Corporate finance and finance broking	5	6	7	10	8	9	9	9
Business recovery and advisory	70	71	74	74	70	69	70	70
Commercial property management	3	3	3	2	3	3	2	2
Property consultancy (including valuations)	15	15	15	15	16	16	15	15
Asset sales	11	11	9	9	11	13	13	12
Property advisory	30	29	26	26	30	31	30	30
Contribution to UK revenue	100	100	100	100	100	100	100	100

Source: Company historic data, ED forecasts and analysis

Divisional profit and return analysis

Year-end 30 April, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Business recovery and advisory services	11.6	14.7	21.0	24.3	25.5	27.5	28.2	29.7
Property advisory and transactional services	3.9	3.9	4.8	5.5	7.6	8.1	8.1	8.6
Unallocated corporate amounts	(5.3)	(6.2)	(7.2)	(8.0)	(9.2)	(10.5)	(10.9)	(11.5)
Operating profit*	10.1	12.4	18.6	21.8	23.9	25.2	25.4	26.7
Business recovery and advisory services	23.3	24.7	25.8	27.1	26.5	26.2	25.4	25.4
Property advisory and transactional services	18.5	16.1	16.9	17.2	18.9	17.2	16.7	17.0
Unallocated corporate amounts	(7.6)	(7.4)	(6.6)	(6.5)	(6.7)	(6.9)	(6.8)	(6.9)
Operating profit* margin (%)	14.4	14.8	16.9	17.9	17.5	16.5	15.9	16.0
Business recovery and advisory services	30.4	27.0	42.7	15.6	5.1	7.7	2.8	5.0
Property advisory and transactional services	0.9	0.4	24.9	14.2	38.1	6.7	0.0	5.0
Unallocated corporate amounts	13.0	16.4	16.9	10.1	15.7	13.4	4.5	4.9
Operating profit* growth yoy (%)	26.5	22.5	50.0	17.4	9.6	5.2	1.1	5.0
Business recovery and advisory services	60.0	80.5	76.6	79.5	70.9			
Property advisory and transactional services	11.1	5.4	5.0	3.0	8.6			
Unallocated corporate amounts	-5.5	0.4	2.9	1.9	(1.1)			
Consolidated net assets	65.6	86.3	84.5	84.3	78.4			
Business recovery and advisory services	19.3	18.3	27.4	30.5	36.0			
Property advisory and transactional services	34.8	72.3	97.2	184.6	88.6			
Operating profit* / y/e net assets (%)	15.4	14.4	22.0	25.9	30.5			

Note: * before non-underlying (amortisation and transaction) costs; Source: Company historic data, ED forecasts and analysis

Profit & Loss Summary: Revenue to Adjusted PBT

Year-end 30 April, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Group revenue	70.5	83.8	110.0	121.8	136.7	152.2	159.9	167.0
Direct costs	(40.3)	(48.3)	(62.2)	(67.7)	(77.8)	(87.0)	(91.4)	(95.4)
Gross profit	30.2	35.6	47.8	54.1	58.9	65.3	68.6	71.6
Other income	0.4	0.2	0.2	0.2	0.5	0.5	0.5	0.5
Operating costs, Adj. ex D&A	(14.2)	(15.7)	(24.0)	(27.8)	(30.8)	(35.5)	(38.2)	(39.7)
Adj. EBITDA, pre SBP	16.4	20.1	24.0	26.6	28.5	30.2	30.9	32.4
Share based payments	(0.1)	(1.0)	(1.6)	(1.3)	(0.6)	(1.2)	(1.2)	(1.2)
Depreciation of PPE	(0.7)	(0.8)	(1.0)	(1.1)	(1.1)	(1.1)	(1.6)	(1.8)
Depreciation of ROUA	(2.1)	(2.6)	(2.6)	(2.1)	(2.7)	(2.6)	(2.6)	(2.6)
Amortisation	(3.3)	(3.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)
Depreciation & amortisation	(6.2)	(6.6)	(3.9)	(3.4)	(4.0)	(3.8)	(4.2)	(4.4)
Adj. Operating profit	10.1	12.4	18.6	21.8	23.9	25.2	25.4	26.7
Interest on financial debt	(0.5)	(0.4)	(0.4)	(0.8)	(1.2)	(1.4)	(1.4)	(1.4)
Interest on lease liabilities	(0.5)	(0.4)	(0.4)	(0.3)	(0.7)	(0.7)	(0.7)	(0.7)
Other finance costs	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Interest receivable & other								
Finance costs	(1.0)	(0.9)	(0.8)	(1.2)	(1.9)	(2.2)	(2.2)	(2.2)
Adj. PBT	9.2	11.5	17.8	20.7	22.0	23.0	23.3	24.6

Source: Company historic data, ED forecasts and analysis

Profit & Loss Summary: Adjusted PBT to EPS

Year-end 30 April, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Adj. PBT	9.2	11.5	17.8	20.7	22.0	23.0	23.3	24.6
Acquisition consideration	(3.9)	(5.4)	(10.0)	(12.3)	(11.1)	(8.9)	(7.6)	(3.9)
Negative goodwill	2.2	0.2	2.0	4.3	0.8			
Acquisition costs	(0.6)	(0.4)	(0.2)	(0.4)	(0.3)			
Charge arising under Begbies put & call option	(0.9)	(0.9)						
Transaction costs	(3.2)	(6.5)	(8.2)	(8.4)	(10.6)	(8.9)	(7.6)	(3.9)
Amortisation of intangible assets on acquisition	(3.1)	(3.1)	(5.5)	(6.2)	(5.6)	(3.3)	(2.7)	(1.3)
Non-underlying costs	(6.3)	(9.6)	(13.7)	(14.7)	(16.2)	(12.2)	(10.3)	(5.2)
PBT	2.9	1.9	4.0	6.0	5.8	10.8	13.0	19.4
Adj tax	(1.9)	(2.3)	(3.6)	(4.3)	(5.7)	(6.0)	(6.0)	(6.4)
Non-underlying tax	(0.0)	0.6	(0.9)	1.2	1.4	3.2	2.7	1.4
Tax	(2.0)	(1.8)	(4.5)	(3.1)	(4.3)	(2.8)	(3.4)	(5.0)
Adj. PAT	7.2	9.2	14.1	16.3	16.3	17.0	17.2	18.2
Reported PAT	0.9	0.2	-0.5	2.9	1.5	8.0	9.6	14.3
No of f/d shares (m)	127.3	137.4	160.5	162.3	163.9	165.4	165.4	165.4
Adjusted diluted EPS (p)	5.7	6.7	8.8	10.1	9.9	10.3	10.4	11.0
DPS (p)	2.8	3.0	3.5	3.8	4.0	4.1	4.2	4.4

Note: * deemed remuneration under IFRS 3; Source: Company historic data, ED forecasts and analysis

Cashflow							
Year-end 30 April, £m	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Adj. EBITDA, pre SBP	20.1	24.0	26.6	28.5	30.2	30.9	32.4
Change in trade receivables*	(2.7)	(3.9)	(4.7)	(7.9)	(8.1)	(3.8)	(3.5)
Change in trade payables*	5.4	2.3	2.5	4.1	5.0	2.5	2.3
Change in provisions	(0.3)	0.4	(0.6)	(0.3)	(0.9)	0.0	0.0
Working capital movement	2.4	(1.2)	(2.7)	(4.1)	(4.0)	(1.3)	(1.2)
Tax paid	(2.3)	(3.6)	(5.3)	(6.7)	(6.0)	(6.0)	(6.4)
Net cash from operating activities (pre-leases, capex)	20.2	19.2	18.5	17.7	20.2	23.5	24.8
Net financial interest paid	(0.3)	(0.3)	(0.7)	(1.3)	(1.5)	(1.5)	(1.5)
Interest paid on lease liabilities	(0.5)	(0.5)	(0.4)	(0.8)	(0.7)	(0.7)	(0.7)
Lease payments (principal)	(2.7)	(3.2)	(2.4)	(1.9)	(2.6)	(2.6)	(2.6)
Capex	(1.2)	(1.0)	(1.0)	(1.5)	(2.0)	(2.1)	(2.2)
Net cashflow pre acquisitions	15.5	14.2	14.1	12.4	13.4	16.7	17.9
Acquisition costs	(0.4)	(0.2)	(0.4)	(0.3)			
Acquisition consideration payments net of cash acquired	(23.9)	(8.1)	(10.1)	(8.2)	(8.0)	(5.7)	(4.9)
Free cashflow post acquisitions	(8.8)	5.9	3.5	3.9	5.4	11.0	13.0
Dividends	(3.6)	(4.6)	(5.4)	(5.9)	(6.0)	(6.9)	(6.9)
Share buy backs / equity issues	20.9	0.5	0.2	(2.4)	(1.3)		
Other							
Net cashflow	8.5	1.8	(1.7)	(4.4)	(1.9)	4.1	6.0

Note: * excluding deemed remuneration liabilities; Source: Company historic data, ED forecasts and analysis

Net debt metrics

Year-end 30 April, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Gross financial debt	(10.0)	(5.0)	(5.0)	(5.0)	(7.0)	(7.0)	(7.0)	(7.0)
Net cash	7.2	8.0	9.7	8.0	5.6	3.7	7.8	13.9
Net financial (debt) / cash	(2.8)	3.0	4.7	3.0	(1.4)	(3.3)	0.8	6.9
Leases	(8.4)	(8.8)	(6.3)	(8.2)	(11.7)	(11.7)	(11.7)	(11.7)
Net (debt) / cash incl leases	(11.1)	(5.8)	(1.7)	(5.2)	(13.1)	(15.0)	(10.8)	(4.8)
Net financial debt (cash) / Adj. EBITDA (x)	0.2	(0.1)	(0.2)	(0.1)	0.1	0.1	(0.0)	(0.2)
Total net debt / (cash) / Adj. EBITDA (x)	0.7	0.3	0.1	0.2	0.5	0.5	0.4	0.1

Source: Company historic data, ED forecasts and analysis

Balance Sheet: Assets

Year-end 30 April, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Property, plant and equipment	1.8	2.1	2.0	2.0	2.2	3.1	3.7	4.0
Right of use assets	7.0	7.5	5.5	7.8	11.2	11.2	11.2	11.2
Intangible assets incl goodwill	59.4	77.9	75.3	73.4	72.4	69.0	66.2	64.8
Trade and other receivables (deemed remuneration)	4.6	4.0	4.2	5.2	2.8	0.0	0.0	0.0
Other financial assets						3.8	4.0	4.1
Deferred tax assets						0.0	0.0	0.0
Non-current assets	72.8	91.4	86.9	88.3	88.6	87.0	85.0	84.2
Trade and other receivables	36.5	44.9	49.7	55.6	63.3	70.5	74.1	77.4
Current tax assets	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3
Cash & cash equivalents	7.2	8.0	9.7	8.0	5.6	3.7	7.8	13.9
Current assets	43.7	52.8	59.4	63.6	69.2	74.5	82.2	91.5

Source: Company historic data, ED forecasts and analysis

Balance Sheet: Liabilities

Year-end 30 April, £m	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Bank overdraft & s/t loans						0.0	0.0	0.0
Trade payables and other liabilities	(22.2)	(32.9)	(37.2)	(42.6)	(50.0)	(55.0)	(57.4)	(59.7)
Lease liabilities	(2.2)	(3.0)	(1.7)	(1.6)	(2.1)	(2.1)	(2.1)	(2.1)
Current tax liabilities	(1.9)	(2.6)	(1.8)	(1.1)	0.0			
Provisions	(0.9)	(0.6)	(1.5)	(1.0)	(0.9)	(0.0)	(0.0)	(0.0)
Other financial liabilities								
Current liabilities	(27.2)	(39.0)	(42.2)	(46.3)	(53.0)	(57.1)	(59.6)	(61.9)
Capital employed	89.3	105.2	104.1	105.6	104.8	104.4	107.6	113.8
Bank borrowings	(10.0)	(5.0)	(5.0)	(5.0)	(7.0)	(7.0)	(7.0)	(7.0)
Lease liabilities	(6.1)	(5.8)	(4.6)	(6.7)	(9.6)	(9.6)	(9.6)	(9.6)
Deferred tax liabilities	(5.7)	(5.5)	(8.0)	(7.4)	(7.0)	(3.8)	(1.1)	0.2
Provisions	(1.9)	(2.6)	(2.0)	(2.1)	(2.9)	(2.9)	(2.9)	(2.9)
Trade and other payables								
Other financial liabilities								
Non-current liabilities	(23.8)	(19.0)	(19.6)	(21.2)	(26.4)	(23.2)	(20.6)	(19.2)
Net assets	65.6	86.3	84.5	84.3	78.4	81.2	87.0	94.6
Shareholders' funds	65.6	86.3	84.5	84.3	78.4	81.2	87.0	94.6

Source: Company historic data, ED forecasts and analysis

Employee analysis						
Year-end 30 April, £m	FY19	FY20	FY21	FY22	FY23	FY24
Partners	52	60	70	85	81	90
Staff	217	234	285	395	469	501
Fee earners	269	294	355	480	550	591
Support teams	43	44	45	68	70	63
Business recovery and financial advisory	312	338	400	548	620	654
Fee earners	173	237	237	268	279	328
Support teams	6	6	5	7	18	25
Property advisory and transactional services	179	243	242	275	297	353
Shared and support teams	60	61	68	77	61	67
Partners	52	60	70	85	81	90
Fee-earning staff	390	471	522	663	748	829
Fee earners	442	531	592	748	829	919
Support teams	109	111	118	152	149	155
Group total average FTE employees	551	642	710	900	978	1,074
Increase yoy (%)		17	11	27	9	10
Partners	9	9	10	9	8	8
Fee-earning staff	71	73	74	74	76	77
Fee-earners	80	83	83	83	85	86
Support teams	20	17	17	17	15	14
% of group average FTE employees	100	100	100	100	100	100
Ratio of fee earners to support teams	4.1	4.8	5.0	4.9	5.6	5.9

Source: Company historic data, ED analysis

Employee analysis continued						
Year-end 30 April, £m	FY19	FY20	FY21	FY22	FY23	FY24
Average income per Business recovery and advisory partner (£k)	833	827	853	957	1,107	1,071
Business recovery and financial advisory	161,015	168,810	168,161	169,548	163,084	163,086
Property advisory and transactional services	96,792	88,072	101,831	106,787	115,158	123,000
Average income per FTE fee earner	135,878	132,774	141,606	147,061	146,954	148,779
Average income per FTE employee	108,998	109,818	118,072	122,224	124,565	127,307
Difference between property income per fee earner and business advisory (%)	66	92	65	59	42	33
Total staff costs	34.7	41.4	52.3	67.7	74.3	81.7
Total staff costs as a % of revenues	57.7	58.7	62.4	61.5	61.0	59.7
Average staff cost £ per employee	55,973	57,122	59,080	66,258	68,576	69,267
% change	2.1	3.4	12.2	3.5	1.0	(1.7)

Source: Company historic data, ED analysis



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