Knights Group Holdings

Delivering on its strategic ambitions

21 November 2025

Knights' H126 trading update illustrates the power of its position as the leading consolidator in the premium, regional legal market. Revenues rose an impressive 30%, including a return to organic growth of 3%, and Adj. PBT rose 12%, despite absorbing increased national insurance costs and investing in AI and technology. From this strong performance, management is confident in achieving FY26E expectations. Yet even though Knights' share price has risen 16% in the past two months, it still only trades on 6x cal 2026 PER, significantly below our 230p/ share fair value estimate.

H126 revenues rose 30% as organic growth complements acquisitions

Knights' H126 revenues rose 30% to £103.2m as a return to organic growth of 3% was complemented by the recent strategic acquisitions of IBB Law, Birkett Long, Rix & Kay and Le Gros Solicitors. These acquisitions are all integrating well, with working capital benefits coming through under Knights' ownership. For more details on Knights' impressive, differentiated "corporatised law" business model please see our recent initiation note: "An attractive and undervalued regional consolidator".

Adj. PBT margin of 16% and on track for FY26E market expectations

Knights' adj. PBT rose 12% to £16.4m, a (still high) margin of 16%, down from 18.4% in H125, as Knights absorbed increases in payroll taxes, as well as invested in AI and technology. This was in-line with our forecasts (including our FY26E Adj. PBT margin of 16%), and with annualised staff churn remaining low (c.10%), the outlook for H226E is positive. Management is confident in delivering FY26E market expectations and so we make no changes to our forecasts at this stage.

A profitable, growth business; reiterate 230p/ share fair value estimate

In our view, Knights offers a compelling mix of organic and acquisitive growth, with net financial debt / EBITDA only 1.4x (FY26E). Whilst its share price has been on a rising trend, its valuation is still at a significant discount to peers and its historic trading range. Trading on only c.6x cal 2026 PER and offering a c.13% cal FCF yield (pre-acquisitions) we see scope for a significant rerating.

Key financials & valuation metrics

Year to 30 April (£m)	2024A	2025A	2026E	2027E	2028E
Revenue	150.0	162.0	201.5	213.4	224.0
Revenue growth (%)	*5.5*	*8.0*	*24.4*	*5.9*	*5.0*
Adj. PBT	25.3	28.0	32.6	35.9	39.9
Adj. PBT margin (%)	*16.9*	*17.3*	*16.2*	*16.8*	*17.8*
Adj. diluted EPS (p)	21.1	22.9	26.7	29.4	32.6
Dividend per share (p)	4.4	4.8	5.3	5.9	6.5
Free cashflow pre acquisitions*	9.5	5.7	15.6	23.1	22.3
Free cashflow post acquisitions	(1.9)	(24.4)	(1.0)	15.7	15.3
Net cash / (debt) /Adj. EBITDA (x)	(2.0)	(2.8)	(2.4)	(2.1)	(1.8)
EV / Sales (x, calendarised)		1.4	1.3	1.2	
PER (x, calendarised)		6.7	6.0	5.4	
Dividend yield (%, calendarised)		3.0	3.3	3.7	
Free cashflow* yield (%, calendarised)		8.0	13.4	14.7	

*Note: * pre-acquisition payments, Source: Company data, Equity Development, Priced as at 20/11/2025*

Company data

EPIC	KGH
Price (last close)	170.5p
52 weeks Hi/Lo	213p/100p
Market cap	£146m
ED Fair Value / share	230p
Net cash / (debt) 2025A	£119m
Avg. daily volume (3m)	165k

Share price, p

Source: Investing.com

Description

Knights Group Holdings plc ("Knights") is a high-growth, legal and professional services business, ranked within the UK's top 50 largest law firms by revenue. With over 1,150 FTE fee-earning employees across 32 offices nationwide, Knights offers national scale but with a premium, regional focus. FY25 Revenues are diversified across corporate (63%), personal (24%) and specialist legal services (13%).

Next event

H126 results 12 January 2026

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Knights: Overview of investment attractions

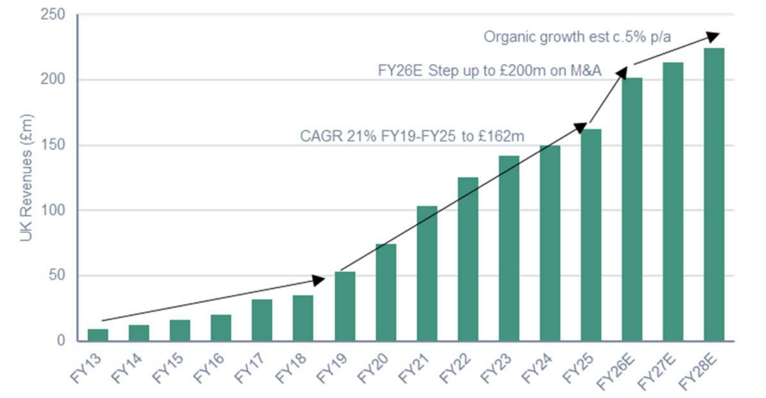
Investment Highlights	Risk Factors
• A differentiated business model and impressive growth record with revenues rising from £9m in FY13 to £162m in FY25, and £200m+ in FY26E, a 27% CAGR. • A proven active consolidator in the £3.8bn regional legal market, integrating 28 value-accretive acquisitions since IPO in 2018 and costing c.£180m, equivalent to just 1.1x EV/Sales and an average 9.4x EV/PBT post synergies. • An increasingly diversified range of legal services with 63% from corporate (including 29% from real estate, FY25), 24% from personal (including 16% from Private Wealth) and 13% from specialist legal services. • Sustainable, high, 16%-17% Adj. PBT margins leading to Adj PBT rising to £28m in FY25, a 9-year CAGR of 24%. Underlying high cash conversion post capex, funds acquisition and dividends. • An experienced, founder-led management team at the helm.	• As a people-led business, recruitment and retention of high-quality staff is key. Knights' track record of acquiring staff and retaining most is testament to its attractive "corporate" model. • The deployment of AI-enabled systems could be seen as a risk, but Knights has years of experience in using technology to increase staff productivity. Knights has also recently appointed John Earl to the new role of Chief Information and Technology Officer and intends to further explore AI tools and platforms to enhance productivity, mindful that local relationships are key to its success. • Diversification into other, specialist, niches of law, could bring increased risk. • Integration risk for any future acquisitions, though Knights' excellent track record provides reassurance. • Reputational brand risk, locally or regionally. • A reduction in interest on client monies, which has risen to 6.5% of revenues in FY24 and 5.5% in FY25 (£8.8m). We forecast a reduction to c.4% in FY26E but a sharper reduction would impact our profit forecasts (and vice versa).
Forecast Drivers	**Valuation Overview**
• Management's ambition is to double revenues in the medium term through organic growth and selective acquisitions. • We forecast c.5% organic revenue growth p/a to reach c.£224m in FY28E. We do not explicitly forecast any further acquisitions but estimate that each £10m investment from free cashflow could add c.£10m revenues or 5% growth p/a. • We forecast Adj. PBT margins remaining above 16%, despite higher depreciation, amortisation and interest from recent growth investments, leading to 12.5% CAGR in Adj. PBT (FY25-FY28E) and free cashflow, pre-acquisitions, of £15-£23m p/a.	• Although Knights' share price has risen 45% in the past 7 months from its low of 118p, Knights is still over 50% below its 2021-2022 trading range, despite being a bigger, more profitable business. • Trading on only 1.3x EV/Revenues, 5x EV / Adj. EBITDA and only c.6x Adj. PER (our forecasts, all Calendar 2026E – "cal 2026E"), Knights is trading c.50% below its historic multiples and its professional services peers (on an average c.9x cal 2026 EV/EBITDA and c.13x cal 2026 PER). • Our fair value of 230p/ share from diverse valuation metrics equates to c.1.5x EV/Revenues, 6x EV/Adj. EBITDA, c.8x PER, a 10% FCF yield (pre-acquisitions) and a 2.5% dividend yield (all cal 2026E), with potential for further upside.

A growing regional consolidator in the UK legal market

A unique corporate model attracts local firms to the group

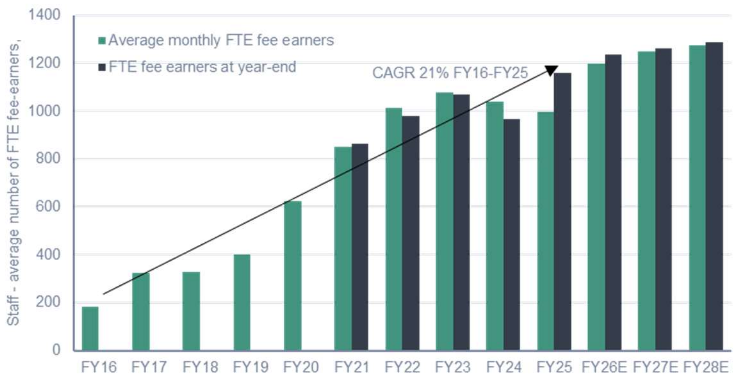
- Knights Group Holdings plc ("Knights") was bought in 2012 (when it was a LLP) by CEO David Beech and became the first legal firm to offer a different "corporate" model.
- Over the past 12 years, the group has grown revenues at an impressive 27% CAGR to reach £162m in FY25 and following the acquisitions of Thursfields Legal, IBB Law and Birkett Long in the past 12 months, we forecast over £200m revenues in FY26E.
- Acquisitions have also helped Knights expand from its core real estate and dispute resolution services, which accounted for 68% of revenues in FY18, to a broad range of services, with 56% coming from other services in FY25.
- Offering high PBT margins of 16%-17%, we anticipate Knights will continue its growth with 12.5% CAGR in Adj. PBT FY25-FY28E to almost £40m in FY28E, before any additional acquisitions.

An impressive track record of 27% CAGR FY13-FY26E



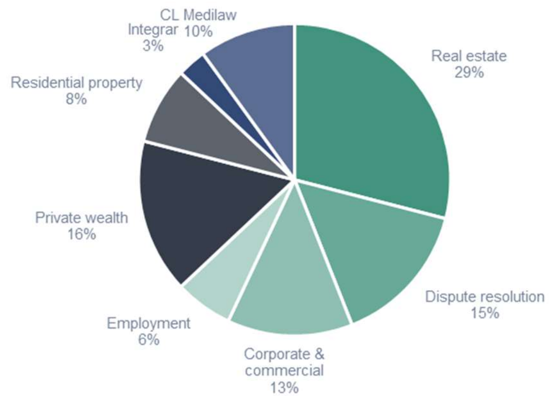
Source: Company data, Equity Development

…driven by 21% CAGR in staff (over 1,150 FTE by end FY25)



Source: Company data, Equity Development

…across a wide range of services, promoting collaboration



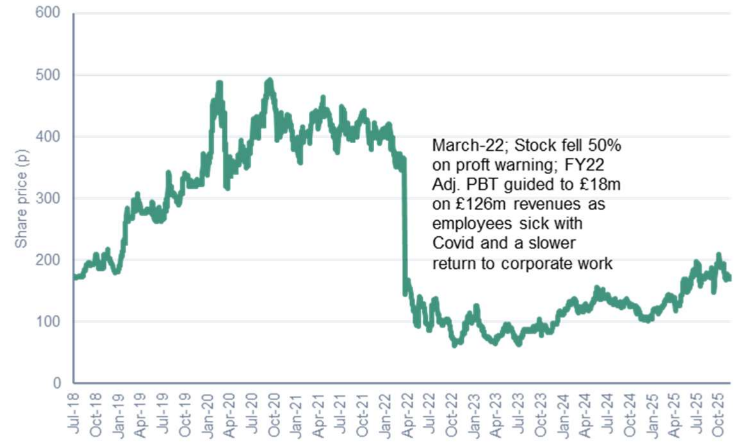
Source: Company data for FY25, Equity Development

An undervalued, profitable and self-funded growth business

Business has recovered but its valuation has not

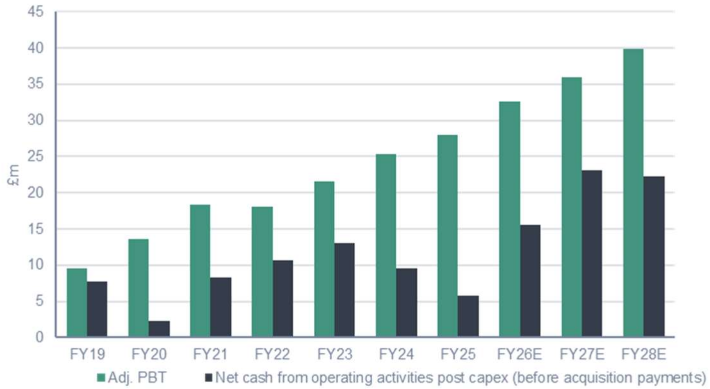
- Knights listed its shares on the AIM market in June 2018 with an IPO price of 180p and is part of the FTSE AIM 50 Index. Its share price reached a high of nearly 500p in 2020 but collapsed over 50% in March 2022 to c.150p from a Covid-induced profit warning (to £18m Adj. PBT in FY22, still a PBT margin of 14.4%). Knights' valuation multiples collapsed too (e.g. from an average of 3.8x EV/Sales in FY21 to 1.0x and from 15.3x EV/EBITDA in FY21 to 4.6x).
- Knights' current c.170p share price is at odds with the group's significant growth to Adj. PBT of £33m in FY26E (margin of 16%) and underlying cashflow-generative growth outlook.
- Knights is also significantly undervalued relative to peers, trading on just 6x cal 26 PER versus a range of 9x-19x. We balance several valuation metrics to derive our 230p fair value and see scope for a significant rerating.

Knights' share price since IPO: on a path to recovery



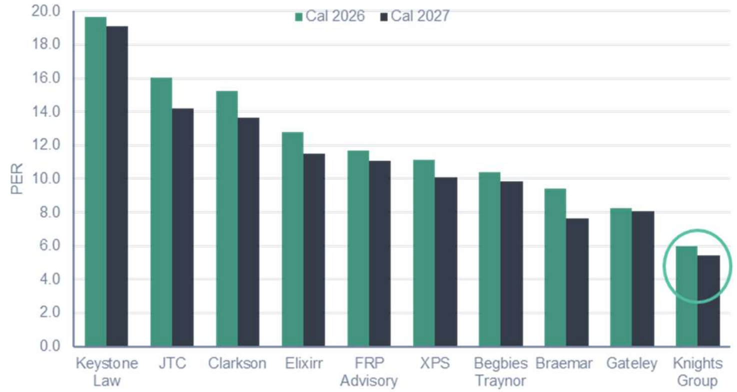
Source: Investing.com, Equity Development

Free cashflow supports acquisitions and dividend growth



Source: Company data, Equity Development

Knights' lowly PER of c.6x cal 2026



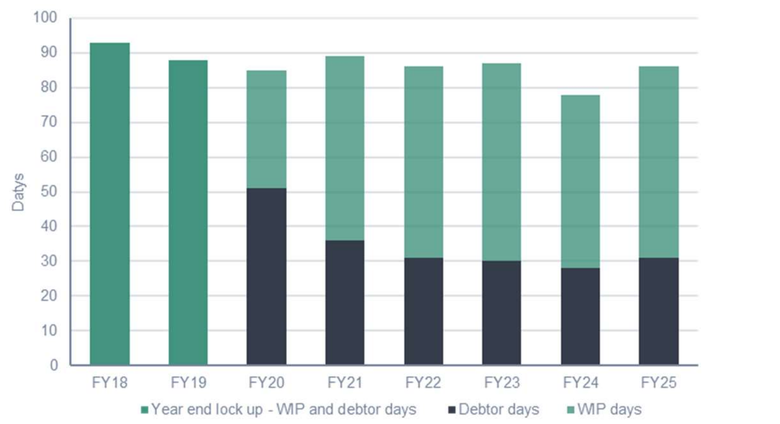
Source: Koyfin for consensus estimates, Equity Development

Cash generative with excellent working capital management

Financial discipline generates cash rewards

- One of Knights' key competitive advantages is its financial discipline and ability to collect fees in a timely manner. By applying its processes to acquired companies, Knights is able to improve working capital significantly – often halving "lock-up days".
- By end FY25 WIP days were 55 days (i.e. c.2 months) and debtors' days were an impressively low 31 days (i.e. c.1 month, versus an industry average of c.73). Hence, total "lock up days" were 86 (i.e. just under 3 months). Often acquisitions join the group with four to six months' (or more) worth of lock up.
- Capex has historically been a low 2%-3% of revenues on average. FY24 and FY25 saw increase for the £15m office refurbishment (completed in FY25). We forecast a return to more normal levels of capex (3.5% of revenues).

Lock up days still consistently low, despite acquisitions

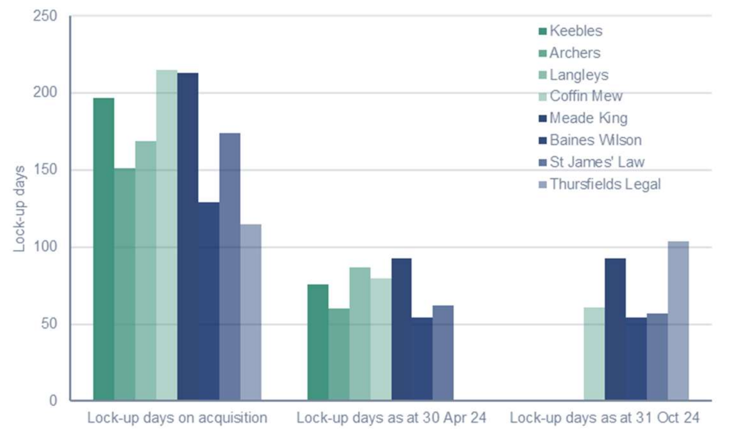


Source: Company data, Equity Development

Recent £15m office refurbishment investment completed

Source: Company data, Equity Development

Knights has more than halved lock up days on acquisitions



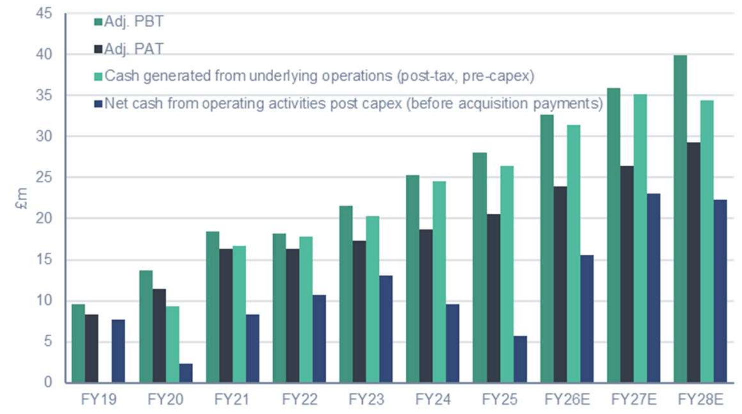
Source: Company data, Equity Development

High cash conversion funding acquisitions and dividends

We anticipate high cashflow conversion to fund growth

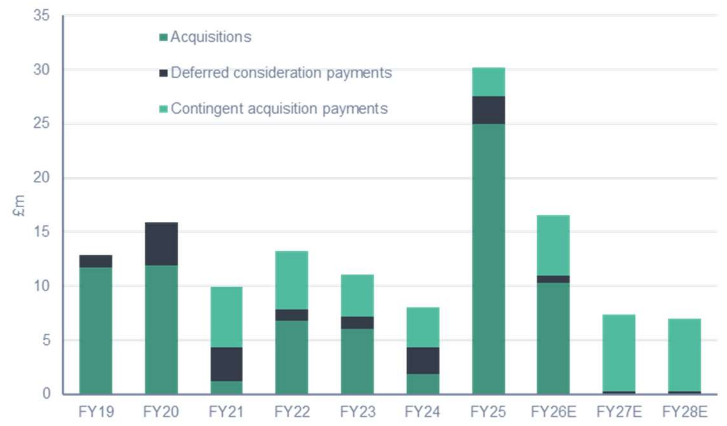
- Knights has averaged an impressive 110% underlying cashflow conversion (FY19-FY25, and 130% in FY25) based on underlying operating cashflow post tax (but pre capex and acquisitions) relative to underlying PAT.
- This cashflow, together with debt resources, has funded capex and acquisition spending of £153m (FY19-FY25).
- Looking ahead we forecast cumulative free cashflow, post-tax and capex, of c.£60m over FY26E-FY28E. From this we anticipate c.£30m of acquisition payments from acquisitions already announced and c.£4m-£5m of dividend payments p/a, leaving c.£10m of free-cashflow in FY27E-FY28E.
- As already alluded to, we estimate that each £10m invested could add c.£10m revenues or c.5% revenue growth.

FCF pre-acquisitions has averaged £8m FY19-FY25…



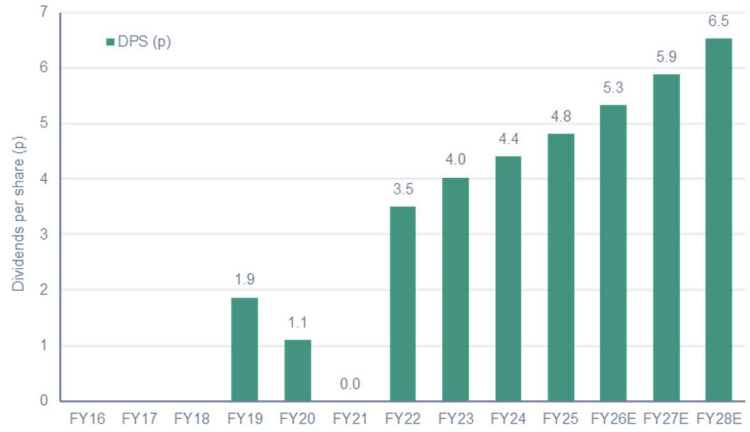
Source: Company data, Equity Development

..and acquisition spend has averaged £18m p/a FY19-FY25



Source: Company data, Equity Development

Dividends anticipated to rise to £4m-£5m p/a



Source: Company data, Equity Development

Comparable Company Growth and Margin Metrics										
Company	Share price	Market cap	Enterprise Value	2-year CAGR (%) Cal 2025-Cal 2027E				EBITDA margin	PBT margin	Net debt / EBITDA
	p	£m	£m	Sales	EBITDA	PBT	EPS	Cal 26, %	Cal 26, %	Cal 26, x
Bebgies Traynor	114.5	183	190	5.4	4.3	8.6	4.6	19.5	14.9	0.2
Braemar	236.5	74	80	4.8	7.6	16.3	18.7	13.1	9.0	0.4
Clarkson	3645	1,122	723	4.7	11.8	11.7	10.9	16.7	15.3	-4.2
Elixirr	792	378	408	13.9	16.1	17.4	14.1	29.2	26.4	0.7
FRP Advisory	140.5	338	306	5.5	5.1	9.0	4.2	27.2	24.2	-0.7
Gateley	113	154	160	2.6	5.7	4.5	3.8	15.1	13.0	0.2
JTC*	980	1,665	1,937	13.6	14.9	26.4	17.5	33.0	20.1	2.2
Keystone Law	648	206	198	5.7	5.9	4.3	3.2	12.1	12.4	-0.6
XPR	318	645	681	7.3	8.0	12.8	8.0	28.8	24.6	0.5
Average				**7.1**	**8.8**	**12.3**	**9.4**	**21.6**	**17.8**	**-0.1**
Knights	**171**	**146**	**265**	**8.2**	**9.8**	**11.4**	**11.4**	**26.1**	**16.6**	**2.3**

JTC share price and valuation multiples based on 980p as at 28th August 2025, the day before the announcement of a possible offer from Permira.
Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end
Source: KoyFin, Equity Development (share prices at 12 Sept 2025)

Fair value of 230p balances valuation metrics

- Our 230p fair value per share is derived by taking into account several valuation metrics and equates to:
    - 1.5x cal 2026 EV / Revenues, a discount to the sector average of 1.8x but more in-line with the average excluding JTC as an outlier (1.5x);
    - approximately 6x cal 2026 EV/EBITDA, a discount to the sector average of c.8.5x, partly to reflect Knights' relatively higher leverage ratios, but we would expect a rerating as net debt reduces;
    - approximately 8x cal 2026 PER (adj), a discount to the sector average of c.13x, partly to reflect Knights' relatively higher level of non-underlying costs as it undertakes acquisitions. As the impact of acquisition payments and transaction and reorganisation costs reduces we would anticipate a re-rating towards the sector average;
    - a cal 2026 dividend yield of 2.5%, lower than the peer group average reflecting Knights' higher investment in growth; and
    - a generous cal 2026 FCF yield (pre-acquisition payments) of c.10%.
- Hence, we see significant potential for a re-rating towards our fair value, subject to the risks described earlier.

Comparable Company Valuation Metrics

Company	EV/Sales (x)		EV/ EBITDA (x)		Mkt cap / PBT (x)		PER (x)		DPS yield (%)		FCF yield (%)	
	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027
Begbies Traynor	1.1	1.1	5.7	5.5	7.2	6.8	10.4	9.8	4.1	4.4	7.1	8.3
Braemar	0.6	0.5	4.4	4.0	5.9	4.9	9.4	7.6	3.0	3.3	18.3	23.2
Clarkson	1.1	1.1	6.7	6.0	11.4	10.1	15.3	13.7	3.2	3.3	7.5	8.6
Elixirr	2.3	2.1	7.8	7.2	8.0	7.2	12.8	11.5	3.2	3.4	9.5	10.7
FRP Advisory	1.8	1.7	6.6	6.3	8.2	7.7	11.7	11.1	4.3	4.3	7.1	7.6
Gateley	0.8	0.8	5.5	5.2	6.2	5.9	8.3	8.1	8.8	8.8	10.7	11.5
JTC	4.2	3.9	12.9	11.6	18.1	14.8	16.1	14.2	1.8	2.1	6.0	6.3
Keystone Law	1.8	1.7	14.6	13.8	14.7	14.2	19.7	19.1	3.5	3.5	4.8	4.9
XPS	2.5	2.3	12.5	11.6	18.5	16.7	11.2	10.1	1.8	2.0	3.2	3.5
Average	**1.8**	**1.7**	**8.5**	**7.9**	**10.9**	**9.8**	**12.7**	**11.7**	**3.7**	**3.9**	**8.2**	**9.4**
Knights at 171p	**1.3**	**1.2**	**4.9**	**4.5**	**4.2**	**3.1**	**6.0**	**5.4**	**3.3**	**3.7**	**14.1**	**15.4**
Knights at 230p FV	**1.5**	**1.4**	**5.8**	**5.4**	**5.6**	**5.1**	**8.1**	**7.3**	**2.5**	**2.7**	**10.5**	**11.5**

JTC share price and valuation multiples based on 980p as at 28th August 2025, the day before the announcement of a possible offer from Permira
Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end
Source: KoyFin, Equity Development (share prices at 20 November 2025)

Financial Forecast tables

- **Management has confirmed it is confident of delivering FY26E market expectations, and so ahead of the group's interim results we make no changes to our forecasts**.

Key group growth and margin metrics

Year-end 30 April	**2021A**	**2022A**	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Organic revenue growth (%)	-3.0	1.8	-0.2	1.9	**-0.3**	**5.0**	**5.0**	**5.0**
Acquired revenue growth (%)	42.0	19.9	13.3	3.6	8.3	19.4	0.9	0.0
Revenue growth (%)	**39.0**	**21.7**	**13.1**	**5.5**	**8.0**	**24.4**	**5.9**	**5.0**
Gross profit growth (%)	41.9	22.7	11.3	6.2	11.8	24.9	6.4	5.4
Adj. EBITDA growth (%)	41.5	8.0	21.7	15.9	**11.0**	**20.3**	**8.4**	**7.4**
Adj. Operating profit (%)	33.7	0.9	23.0	19.8	13.0	18.2	7.4	8.5
Adj. PBT growth (%)	**34.8**	**-1.6**	**19.0**	**17.4**	**10.6**	**16.5**	**10.1**	**11.0**
Adj. EPS growth (%)	**29.3**	**-1.2**	**3.1**	**5.8**	**8.3**	**16.6**	**10.1**	**11.0**
DPS growth (%)	n/a	n/a	15.1	9.4	9.1	11.0	10.1	11.0
Gross profit margin (%)	48.9	49.3	48.5	48.8	50.5	50.7	50.9	51.1
Adj. EBITDA margin (%)	24.6	21.8	23.5	25.8	26.5	25.6	26.2	26.8
Adj. Operating margin (%)	19.7	16.3	17.7	20.1	21.0	20.0	20.3	20.9
Adj. PBT margin (%)	**17.8**	**14.4**	**15.2**	**16.9**	**17.3**	**16.2**	**16.8**	**17.8**
Fee earner costs as a % of revenues	51.1	50.7	51.5	51.2	49.5	49.3	49.1	48.9
Other staff costs as a % of revenues	9.7	10.5	10.7	10.8	10.8	10.7	10.5	10.3
Staff costs (adj.) as a % of revenues	**60.8**	**61.2**	**62.2**	**62.0**	**60.3**	**60.0**	**59.6**	**59.2**
Op costs excl D&A /sales (%)	**15.7**	**17.6**	**18.7**	**18.8**	18.4	**18.2**	**18.0**	**17.8**
Tax rate (adj.) (%)	11.4	10.1	19.9	26.1	26.6	26.5	26.5	26.5

Source: Company data, Equity Development

Divisional revenue analysis

Year-end 30 April (£m)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025A
Real estate	13	16	26	0	47	41	43	47
Dispute resolution	11	18	20	0	27	23	24	24
Corporate & commercial	5	10	13	0	21	20	21	21
Employment	0	0	5	0	7	7	9	10
Corporate legal services	**28**	**44**	**64**	**0**	**101**	**91**	**97**	**102**
Private wealth	7	8	11	0	24	23	24	26
Residential property	0	0	0	0	0	10	10	13
Personal legal services	**7**	**8**	**11**	**0**	**24**	**33**	**34**	**39**
Integrar	0	0	0	0	0	7	4	5
CL Medilaw	0	0	0	0	0	11	13	16
Specialist legal services	**0**	**0**	**0**	**0**	**0**	**18**	**18**	**21**
Total revenues	**35**	**53**	**74**	**0**	**126**	**142**	**150**	**162**
Real estate	36	30	35		37	29	29	29
Dispute resolution	32	35	28		21	16	16	15
Corporate & commercial	13	19	17		16	14	14	13
Employment			6		6	5	6	6
Corporate legal services	**81**	**84**	**86**	**0**	**81**	**64**	**65**	**63**
Private wealth	19	16	14		19	16	16	16
Residential property						7	7	8
Personal legal services	**19**	**16**	**14**	**0**	**19**	**23**	**23**	**24**
Integrar						5	3	3
CL Medilaw						8	9	10
Specialist legal services						**13**	**12**	**13**
Total (% contribution)	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Company data, Equity Development

Income statement: Revenue to Adjusted PBT								
Year-end 30 April (£m)	**2021A**	**2022A**	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Group revenue	**103.2**	**125.6**	**142.1**	**150.0**	**162.0**	**201.5**	**213.4**	**224.0**
Direct (fee-earner) costs	(52.7)	(63.7)	(73.2)	(76.8)	(80.2)	(99.3)	(104.7)	(109.5)
Gross profit	**50.5**	**61.9**	**68.9**	**73.2**	**81.8**	**102.1**	**108.6**	**114.5**
Other income and interest revenue	1.3	1.3	6.7	10.4	9.6	9.3	9.8	10.3
Operating (other staff) costs, Adj. ex D&A	(16.2)	(22.1)	(26.5)	(28.2)	**(29.8)**	**(36.7)**	**(38.5)**	**(39.9)**
Adj. EBITDA	**25.4**	**27.4**	**33.4**	**38.7**	**42.9**	**51.7**	**56.0**	**60.2**
Depreciation of PPE	(1.3)	(2.0)	(2.4)	(2.7)	(3.4)	(4.7)	(5.7)	(6.1)
Depreciation of ROUA	(3.7)	(4.8)	(5.7)	(5.6)	(5.2)	(6.5)	(7.0)	(7.2)
Amortisation	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	0.0	0.0
Depreciation & amortisation	**(5.1)**	**(7.0)**	**(8.2)**	**(8.5)**	**(8.8)**	**(11.4)**	**(12.7)**	**(13.2)**
Adj. Operating profit	**20.3**	**20.5**	**25.2**	**30.2**	**34.1**	**40.3**	**43.3**	**46.9**
Interest on financial debt	(0.7)	(1.0)	(2.1)	(3.4)	(4.1)	(4.9)	(4.6)	(4.2)
Interest on lease liabilities	(1.2)	(1.4)	(1.5)	(1.5)	(2.2)	(2.7)	(2.8)	(2.8)
Other finance costs	0.0	0.0	0.1	0.1		0.0	0.0	0.0
Interest receivable & other			0.0	0.0	0.3			
Finance costs	**(1.9)**	**(2.3)**	**(3.6)**	**(4.9)**	**(6.1)**	**(7.7)**	**(7.4)**	**(7.0)**
Adj. PBT	**18.4**	**18.1**	**21.6**	**25.3**	**28.0**	**32.6**	**35.9**	**39.9**

Source: Company data, Equity Development

Income statement: Adjusted PBT to EPS								
Year-end 30 April (£m)	**2021A**	**2022A**	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Adj. PBT	**18.4**	**18.1**	**21.6**	**25.3**	**28.0**	**32.6**	**35.9**	**39.9**
Amortisation of acquired intangible assets	(2.6)	(3.8)	(3.4)	(3.6)	(4.0)	(4.0)	(4.0)	(4.0)
Contingent acquisition payments	(5.9)	(6.3)	(4.4)	(2.8)	(3.8)	(7.7)	(5.3)	(4.2)
Transaction costs	(1.2)	(1.0)	(1.0)	(1.5)	(2.0)	(1.9)	0.0	0.0
Redundancy and reorganisation staff costs	(1.5)	(2.1)	(1.4)	(1.3)	(2.5)	(1.9)	0.0	0.0
Loss/profit/impairment of assets/ROUA	(1.1)	(3.5)	(0.3)	(1.0)	(2.1)			
Share based payments	(0.6)	(0.4)						
Other			(0.0)	(0.0)	(1.1)			
Non underlying operating costs	(10.3)	(13.3)	(7.1)	(6.6)	(11.5)	(11.6)	(5.3)	(4.2)
Non underlying finance costs	0.0	0.0	(0.2)	(0.3)	(0.2)			
Non-underlying costs	**(12.9)**	**(17.1)**	**(10.7)**	**(10.5)**	**(15.7)**	**(15.6)**	**(9.4)**	**(8.3)**
PBT	**5.5**	**1.1**	**10.9**	**14.8**	**12.3**	**17.0**	**26.6**	**31.6**
Adj tax	(2.1)	(1.8)	(4.3)	(6.6)	(7.4)	(8.6)	(9.5)	(10.6)
Non-underlying tax	0.0	(1.7)	0.7	1.6	2.7	2.7	1.6	1.4
Tax	(2.1)	(3.6)	(3.6)	(5.0)	(4.7)	(5.9)	(7.9)	(9.1)
Adj. PAT	**16.3**	**16.3**	**17.3**	**18.7**	**20.6**	**24.0**	**26.4**	**29.3**
Reported PAT	**3.4**	**-2.5**	**7.3**	**9.8**	**7.6**	**11.1**	**18.7**	**22.5**
No of f/d shares (m)	83.2	84.1	86.5	88.6	89.8	89.8	89.8	89.8
Adjusted diluted EPS (p)	**19.6**	**19.4**	**20.0**	**21.1**	**22.9**	**26.7**	**29.4**	**32.6**
DPS (p)	**0.0**	**3.5**	**4.0**	**4.4**	**4.8**	**5.3**	**5.9**	**6.5**

Source: Company data, Equity Development

Cashflow statement

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Adj. EBITDA	**25.4**	**27.4**	**33.4**	**38.7**	**42.9**	**51.7**	**56.0**	**60.2**
Share based payments charge	1.4	0.8	1.2	1.1	1.2	1.4	1.6	1.7
Working capital movement	(5.4)	(2.5)	(5.2)	(3.5)	(5.1)	(5.3)	(4.8)	(8.3)
Tax paid	(2.1)	(4.1)	(2.4)	(5.4)	(5.8)	(7.1)	(7.9)	(9.1)
Interest paid on lease liabilities		(1.1)	(1.5)	(1.5)	(2.3)	(2.7)	(2.8)	(2.8)
Lease payments (principal)	(2.6)	(2.8)	(5.2)	(4.7)	(4.5)	(6.5)	(7.0)	(7.2)
Net cash from underlying op. activities	**16.7**	**17.7**	**20.3**	**24.6**	**26.5**	**31.4**	**35.1**	**34.4**
Underlying cash conversion as a % of PAT	*96*	*109*	*117*	*131*	*130*	*131*	*133*	*117*
Net financial interest paid	(1.8)	(1.0)	(2.1)	(3.0)	(3.9)	(4.9)	(4.6)	(4.2)
Non-underlying cash costs	(4.3)	(3.7)	(3.1)	(4.2)	(5.4)	(3.9)	0.0	0.0
Capex	**(2.3)**	**(2.4)**	**(1.9)**	**(7.9)**	**(11.5)**	**(7.1)**	**(7.5)**	**(7.8)**
Net cashflow pre acquisition payments	**8.3**	**10.7**	**13.1**	**9.5**	**5.7**	**15.6**	**23.1**	**22.3**
Contingent acquisition payments	(5.6)	(5.4)	(3.9)	(3.7)	(2.6)	(5.6)	(7.1)	(6.7)
Deferred acquisition payments	(3.2)	(1.1)	(1.2)	(2.4)	(2.6)	(0.6)	(0.3)	(0.3)
Acquisition costs	(1.2)	(6.8)	(6.0)	(1.9)	(25.0)	(10.3)		
…Net cash/debt acquired	(2.4)	(2.9)	(0.7)	(0.8)				
Acquisition consideration payments	**(12.4)**	**(16.2)**	**(11.8)**	**(8.9)**	**(30.2)**	**(16.6)**	**(7.4)**	**(7.0)**
Investment in joint venture				(2.6)				
Disposal of subsidiaries / discontinued ops			(1.1)					
Free cashflow post acquisitions	**(4.0)**	**(5.5)**	**0.2**	**(1.9)**	**(24.4)**	**(1.0)**	**15.7**	**15.3**
Dividends	0.0	(1.2)	(3.1)	(3.5)	(3.9)	(4.3)	(4.8)	(5.2)
Share buy backs / equity issues					(0.6)	(1.2)	(1.2)	(1.2)
Net cashflow	**(4.0)**	**(6.8)**	**(2.8)**	**(5.4)**	**(28.9)**	**(6.5)**	**9.7**	**8.9**

Source: Company data, Equity Development

Capex and acquisition metrics

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Capex	2.3	2.4	1.9	7.9	11.5	7.1	7.5	7.8
All acquisition payments	12.4	16.2	11.8	8.9	30.2	16.6	7.4	7.0
Capex & acquisition spend	**14.6**	**18.6**	**13.7**	**16.8**	**41.6**	**23.6**	**14.8**	**14.9**
Capex / revenues (%)	2.2	1.9	1.4	5.3	7.1	3.5	3.5	3.5
Acquisition spend / revenues (%)	12.0	12.9	8.3	5.9	18.6	8.2	3.4	3.1
Capex & acquisitions / revenues (%)	**14.2**	**14.8**	**9.7**	**11.2**	**25.7**	**11.7**	**6.9**	**6.6**

Source: Company data, Equity Development

Working capital metrics

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Debtor days	36	31	30	28	31			
WIP days	53	55	57	50	55			
Year end lock up - WIP and debtor days	**89**	**86**	**87**	**78**	**86**			
Total lock-up days, no exclusions	**97**	**103**	**105**	**116**	**113**			
Contract assets % of RRR	27.6	25.3	26.9	26.8	28.2	28.3	28.3	28.3
Trade and other receivables % of RRR	30.5	27.2	22.0	22.0	22.3	22.4	22.2	22.0
Trade and other payables % of RRR	-31.5	-17.2	-14.8	-13.4	-14.8	-16.0	-15.5	-13.3
Working capital % of RRR	**26.7**	**35.2**	**34.1**	**35.4**	**35.7**	**34.7**	**35.0**	**37.1**
Working capital outflow as a % of RRR	-5.3	-2.0	-3.6	-2.3	-2.8	-2.6	-2.2	-3.7

Note: "RRR" = run-rate revenues typically the same as revenues except in FY25 when defined as £181m; Source: Company data, Equity Development

Net debt metrics

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Gross financial debt	(24.1)	(33.2)	(33.3)	(40.6)	(70.7)	(70.7)	(70.7)	(70.7)
Net cash	4.8	4.1	4.0	5.5	5.9	(0.7)	9.1	17.9
Net financial cash / (debt)	**(19.3)**	**(29.1)**	**(29.2)**	**(35.2)**	**(64.8)**	**(71.4)**	**(61.6)**	**(52.8)**
Leases	(42.6)	(46.5)	(44.9)	(40.6)	(54.3)	(55.2)	(56.2)	(57.2)
Total net cash /(debt) incl leases	**(61.9)**	**(75.6)**	**(74.1)**	**(75.7)**	**(119.1)**	**(126.5)**	**(117.8)**	**(109.9)**
Net financial cash / (debt) / Adj. EBITDA (x)	(0.8)	(1.1)	(0.9)	(0.9)	(1.5)	(1.4)	(1.1)	(0.9)
Total net cash / (debt) / Adj. EBITDA (x)	**(2.4)**	**(2.8)**	**(2.2)**	**(2.0)**	**(2.8)**	**(2.4)**	**(2.1)**	**(1.8)**

Source: Company data, Equity Development

Balance sheet: Assets

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Property, plant and equipment	9.5	10.2	10.0	14.9	23.7	28.6	30.3	32.1
Right of use assets	40.4	40.7	38.2	34.0	46.6	50.1	51.1	52.1
Intangible assets incl goodwill	79.5	82.2	88.0	86.9	105.9	110.9	106.9	102.8
Other financial assets	0.0	1.1	1.7	4.2	3.3	3.3	3.3	3.3
Non-current assets	**129.5**	**134.2**	**137.9**	**140.0**	**179.5**	**192.9**	**191.6**	**190.4**
Contract assets (unbilled income)	28.5	31.8	38.2	40.2	51.0	57.1	60.5	63.5
Trade and other receivables	31.5	32.3	31.1	32.8	39.6	44.1	46.4	48.4
Other financial assets	0.0	1.3	0.3	0.4	0.4	0.4	0.4	0.4
Current tax assets	0.0	1.8	0.2	0.3	0.9	0.9	0.9	0.9
Cash & cash equivalents	4.8	4.1	4.0	5.5	5.9	(0.7)	9.1	17.9
Assets held for sale					1.3	1.3	1.3	1.3
Current assets	**64.8**	**71.3**	**73.8**	**79.1**	**99.0**	**103.1**	**118.6**	**132.4**

Source: Company data, Equity Development

Balance sheet: Liabilities								
Year-end 30 April (£m)	**2021A**	**2022A**	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Bank overdraft & s/t loans	(0.4)	(0.4)	(0.2)	(0.5)	(0.9)	(0.9)	(0.9)	(0.9)
Lease liabilities	(3.6)	(5.3)	(6.3)	(5.2)	(5.7)	(5.7)	(5.7)	(5.7)
Trade payables and other liabilities	(32.3)	(21.4)	(20.8)	(19.9)	(26.7)	(32.0)	(32.9)	(29.6)
Deferred consideration	(1.1)	(1.2)	(2.4)	(2.6)	(0.6)	(0.6)	(0.6)	(0.6)
Contract liabilities	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Provisions	(1.9)	(1.8)	(2.3)	(2.3)	(3.7)	(3.7)	(3.7)	(3.7)
Other incl liabilities held for sale		(0.4)			(0.9)	(0.9)	(0.9)	(0.9)
Current liabilities	**(40.3)**	**(30.7)**	**(32.3)**	**(30.7)**	**(38.5)**	**(43.8)**	**(44.7)**	**(41.4)**
Capital employed	**154.0**	**174.7**	**179.4**	**188.4**	**240.0**	**252.3**	**265.5**	**281.4**
Bank borrowings	(23.7)	(32.8)	(33.1)	(40.1)	(69.8)	(69.8)	(69.8)	(69.8)
Lease liabilities	(39.0)	(41.2)	(38.6)	(35.4)	(48.6)	(49.5)	(50.5)	(51.5)
Deferred tax liabilities	(5.7)	(8.3)	(8.4)	(8.3)	(11.2)	(10.0)	(10.0)	(10.0)
Provisions	(3.0)	(4.3)	(4.1)	(4.0)	(5.4)	(5.4)	(5.4)	(5.4)
Deferred consideration	0.0	(2.4)	(2.5)	(0.4)	(0.6)	(6.5)	(6.2)	(5.9)
Non-current liabilities	**(71.3)**	**(89.1)**	**(86.6)**	**(88.1)**	**(135.6)**	**(141.3)**	**(142.0)**	**(142.7)**
Net assets	**82.7**	**85.6**	**92.8**	**100.3**	**104.5**	**111.0**	**123.6**	**138.8**
Shareholders' funds	**82.7**	**85.6**	**92.8**	**100.3**	**104.4**	**111.0**	**123.6**	**138.8**

Source: Company data, Equity Development

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