

## FY24 results conclude a transformational year

29 April 2025

The year to 31 December 2024 was transformational for Mpac Group, with 5-year targets achieved ahead of schedule and a base established for the next phase of expansion and growth. FY24 revenue of £122.4m rose 7%YoY, with (adj.) EBIT +54%YoY (£12.0m). Having met 5-year targets only established in FY23, completed two major acquisitions and achieved an (adj.) PBT +50%YoY, threefold that of FY22, the scale of Mpac Group has been transformed. Mpac has confirmed that it is on track to meet FY25 market expectations and has initiated a new 5-year plan to double revenue.

- The acquisition of **Boston Conveyor & Automation** (BCA) adds expertise in robotic automation and a US-focussed domestic revenue base. The addition of **CSi Palletising**, leader in the design and manufacturer of end-of-line automation and palletising solutions, bolsters Group European presence, reducing the FY25 exposure to the US market to an estimated 30% of Group revenue.
- A **record closing order book** of £118.5m (FY23: £72.5m), the Group's strongest recorded, represents a step change in scale from previous periods and provides visibility for our FY25 revenue outlook. Mpac reports the Q1 25 order book at £103.5m, in line with expectations, and book-to-bill of 41%; a significant achievement in the current environment.
- Gross profitability improved strongly from 27.7% to 30.1%**; a 30.0% margin forms the basis of our profits outlook going forward.
- The Group achieved the **five-year target of an effective 10.0% (adj.) EBIT margin**, notably with 12.0% registered in H2 (H2 23: 9.1%): EBIT (adj.) of £12.0m grew 54%YoY. The timing of project completions was augmented by operating costs controlled at +4.2%YoY.
- Original Equipment (OE) revenue of £91.2m increased 11%YoY. Service at £31.2m represented 25.5% of total revenue; the Group maintains a 30% target within the renewed strategic outlook.
- The Group made a series of appointments, including a Chief Commercial Officer, bolstering an already highly capable management team (see Equity Development Report, '[COO joins Mpac for next phase of growth](#)') to drive the five 'Strategic Pillars' vision.

## Outlook and valuation

The strength of the year-end order book provides visibility for our FY25 outlook, and we see acquisitions combining to offset US-specific trade risks. We have raised our FY25 (adj.) EBIT outlook by 17.0% (£17.4m) reflecting the improvement in underlying profitability. **This highlights Mpac's lowly rating; based on FY25 EDE earnings, an EV/EBITDA of 3.8x is at a significant discount to a peer group average of 9.3x, and 6.7x EV/EBITDA at our Fair Value of 865p/share.**

### Company Data

EPIC	MPAC.L
Price (last close)	420p
52 weeks Hi/Lo	590p/330p
Market cap	£123m
ED Fair Value/share	865p
Proforma net debt	£37.5m

### Share Price, p



Source: Investing.com

### Description

Mpac Group is a specialist provider of high-speed packaging and automation systems employing c.1,100 people. The group comprises: Mpac Langen; Mpac Lambert; Mpac Switchback; Mpac BCA; CSi Palletising; SIGA Vision.

The Group generates over 90% of revenue internationally. Core customer verticals include the healthcare, food & beverage and clean energy sectors. Clients include Advent, AstraZeneca, Bausch & Lomb, Dexcom, Diageo, GSK, J&J, Kellogg's, Nestlé, Philips, P&G, 3M, and Unilever.

### Next event

AGM: May 2025

### Earnings Outlook

Yr to 31 Dec (£m)	2022	2023	2024	2025E	2026E
Revenue	97.7	114.2	122.4	218.1	233.1
EBITDA (adj)	6.8	10.7	15.3	26.5	29.7
Pre-Tax Profit (adj)	3.5	7.1	10.6	17.4	21.3
EPS (adj, p)	13.1	26.2	35.0	45.1	54.7
Net debt / (Cash)	4.7	(2.1)	37.5	29.1	15.1
P/E	32.2x	16.2x	12.1x	9.4x	7.7x
EV/EBITDA	14.7x	9.4x	6.6x	3.8x	3.4x
EBITDA (adj.) mrg	7.0%	9.4%	12.5%	12.1%	12.7%

Source: Company data, Equity Development estimates.<sup>1</sup> Koyfin data: see p. 10.

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## FY24 performance summary

**Revenue +7%**

**Gross margin 30.1%**

**Orders £119m**

As shown below, FY24 revenue grew 7%YoY to £122.4m. By geographical division: Americas revenue: +6%YoY to £60.3m (OE £44.9m, +10%YoY, Service £15.4m, -3%YoY); EMEA revenue: £46.9m -2%YoY (OE £33.8m -1%YoY, Service £13.1m -5% YoY); Asia Pacific revenue: £15.2m, +57%YoY (OE £12.5m, +65%YoY, Service £2.7m +29%YoY). As Mpac comments, the large scale of individual OE contracts can significantly alter the OE/Service contribution to total revenue.

The gross contribution (£36.8m) rose 16%YoY on an improvement in margin from 28.0% to 30.1%, whilst (adj.) EBIT of £12.0m increased 54%YoY, as anticipated, due to the timing of project completions (7% above EDE). The timing of major projects also reduced working capital by £7.4m and boosted cash from operations to £5.6m. Order intake grew 1%YoY to £119.0m, with a closing order book of £118.5m (FY23: £72.5m) providing good visibility for FY25 revenue outlook. The year-end cash position of £18.2m (FY23: £11.0m) followed significant acquisition activity: BCA in September 2024 (see '[Earnings enhancing acquisition broadens capabilities](#)'), and CSI Palletising in October ('[Major acquisition and equity raise. Fair Value raised to 865p](#)').

### FY 24 performance summary

£m	FY23	FY24E	FY24R	beta	YoY	H1 23	H2 23	H1 24	H2 24
Americas	56.7	62.4	60.3	-3%	6%	24.4	32.3	27.9	32.4
EMEA	47.8	50.2	46.9	-7%	-2%	23.2	24.6	24.7	22.2
Asia Pac	9.7	10.2	15.2	49%	57%	5.2	4.5	7.4	7.8
Sum OE	82.4	95.4	91.2	-4%	11%	35.2	47.2	44.6	46.6
Sum Service	31.8	34.4	31.2	-9%	-2%	17.6	14.2	15.4	15.8
Service/Revenue	27.8%	26.5%	25.5%			33.3%	23.1%	25.7%	25.3%
<b>Revenue</b>	<b>114.2</b>	<b>129.8</b>	<b>122.4</b>	-6%	7%	<b>52.8</b>	<b>61.4</b>	<b>60.0</b>	<b>62.4</b>
<b>Gross</b>	<b>31.6</b>	<b>36.3</b>	<b>36.8</b>	1%	16%	<b>12.6</b>	<b>19.0</b>	<b>16.9</b>	<b>19.9</b>
Margin	27.7%	28.0%	30.1%			23.9%	30.9%	28.2%	31.9%
EBIT Reported	3.9	8.3	3.4			(0.2)	4.1	3.1	0.3
<b>EBIT Adjusted</b>	<b>7.8</b>	<b>11.3</b>	<b>12.0</b>	7%	54%	<b>2.2</b>	<b>5.6</b>	<b>4.5</b>	<b>7.5</b>
Margin	6.8%	8.7%	9.8%			4.2%	9.1%	7.5%	12.0%
EBITDA Reported	6.8	11.3	6.7			1.0	5.8	4.5	2.2
<b>EBITDA Adjusted</b>	<b>10.7</b>	<b>14.3</b>	<b>15.3</b>	7%	43%	<b>3.4</b>	<b>7.3</b>	<b>5.9</b>	<b>9.4</b>
Margin	9.4%	11.0%	12.5%			6.4%	11.9%	9.8%	15.1%
PBT Reported	4.7	5.3	3.4			(0.1)	4.8	3.3	0.1
<b>PBT Adjusted</b>	<b>7.1</b>	<b>10.2</b>	<b>10.6</b>	4%	49%	<b>1.9</b>	<b>5.2</b>	<b>4.0</b>	<b>6.6</b>
PAT Reported	2.7	4.4	1.4			(0.7)	3.5	2.4	(1.7)
<b>PAT Adjusted</b>	<b>5.3</b>	<b>9.3</b>	<b>7.9</b>	-15%	49%	<b>1.4</b>	<b>3.9</b>	<b>3.1</b>	<b>4.8</b>
EPS Rptd Basic (p)	13.2	15.0	6.2			(3.4)	17.1	11.7	(7.5)
<b>EPS Adj. Dil. (p)</b>	<b>26.2</b>	<b>31.8</b>	<b>35.0</b>	10%	34%	<b>6.8</b>	<b>19.0</b>	<b>15.1</b>	<b>21.3</b>

Source: Company data, Equity Development estimates.

### Pension scheme update

Under IAS 19 the 31 December 2024 Group UK pension scheme yielded a £39.4m net surplus (2023: £32.2m), with £1.9m paid into the scheme, whilst the US scheme showed a £1.5m deficit reduced from £1.8m in 2023. Following the 30 June 2024 triennial valuation of the UK scheme which showed a £21.1m surplus, funding stands at 103%. The Company will continue to pay £2.0m annually into the scheme escrow account (+2.1% p.a.) but contributions cease at 110%. In our view the Group UK pension scheme continues to move towards a funding level which, as Mpac notes, should **permit risk transfer to an “alternative arrangement which the company would not be liable for”**.

## Key acquisitions expand opportunities

The pace and scale of Group acquisition activity underlines the significance of FY24 as a 'transformational' year. Although the current focus is on integration and financial de-leveraging following this phase, the Group notes that it remains attentive to further acquisition opportunities that fit its strategy.

### CSi Palletising

Acquired in October 2024 for a maximum consideration of £50.0m, CSi Palletising brings to the Group both key capabilities in end-of-line case transport palletising systems and automation middleware, and a range of additional opportunities for client engagement and cross-selling. A global leader in end-of-line packaging solutions, CSi is headquartered in Breda, Netherlands, with offices in Germany, France, Romania, the US and Mexico. The acquisition strengthens Mpac's European presence.

For the year to 31 December 2023 CSi recorded revenue of €71.5m (£60.0m) and has 450 employees, over 2,000 systems installed worldwide and a range of long-established major client relationships - PepsiCo, Nestlé, Mars, Lamb Weston, Mondelez and Unilever - including a number of key Mpac accounts. In addition to these long-standing client relationships, the top six of which extend back over 30 years, CSi brings to the Group portfolio:

- New capabilities in high quality palletising and materials handling systems design and manufacture, including established low-costs facilities in Romania.
- Expertise in robotics, Industry 4.0 automation middleware (CSi 'MOre'), and turnkey solutions.
- Full range of maintenance and after-market services across a global footprint.
- Established and self-sufficient leadership across all sites.

Mpac reports **good progress by CSi** in delivering on FY24 strategic objectives including customer diversification, bringing order intake from the largest customer to below 10% of total for the enlarged Group. The process of integration and performance is reported as progressing according to plan.

### Boston Conveyor & Automation (BCA)

Mpac acquired Boston Conveyor & Automation, Inc., (BCA) in September 2024, a specialist in robotic automation and conveyor solutions for food handling, hygienic conveyor systems and primary packaging, for a total of US\$17m (£13.0m).

Based in Newburyport, Massachusetts, BCA employs 50 staff and reported unaudited revenue for the 12 months 31 May 2024 of US\$14.0m (£11.0m). With systems operating upstream to Mpac's Langen and Switchback operations, BCA adds the ability to offer market-leading full-line packaging solutions for the food and healthcare sectors, with several clients in common with Mpac and past association with Langen in customer projects in the US.

### Siga Vision

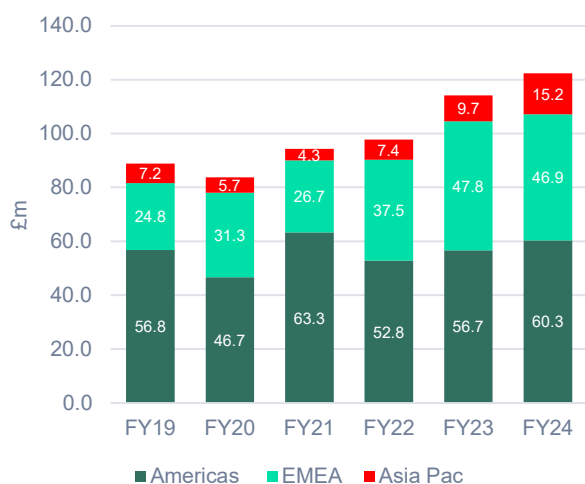
Mpac acquired SIGA in August 2024, adding software-based inspection and line control solutions in the food and beverage and healthcare sectors. The acquisition followed a long-established collaboration with Mpac for both product development and aftermarket services. Overall, SIGA brings another key element in provision of a full-line product and service offering for the Group.

## FY24 performance summary; order strength

As noted, order intake grew 1%YoY to £119.7m, with a closing order book of £118.5m (FY23: £72.5m):

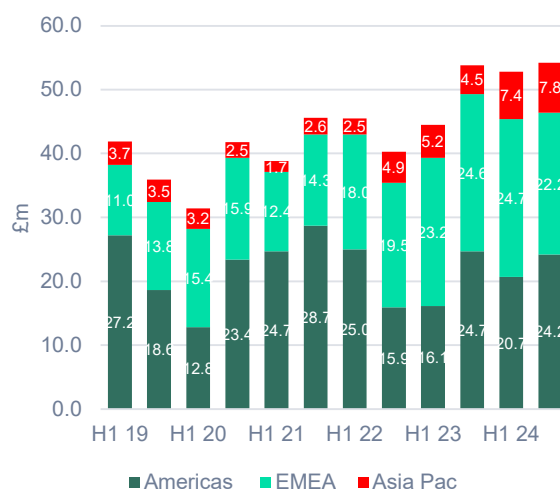
- OE order intake similarly grew 1%YoY to £87.0m; Mpac noted stability in its core markets.
- Service order intake grew 2%YoY to £32.7m.
- Service revenue comprised 25.5% of total; we note dilution of this contribution due to the higher proportion of OE revenue within the acquired BCA and CSI Palletising operations.

Revenue by division, annual, FY19 – FY24



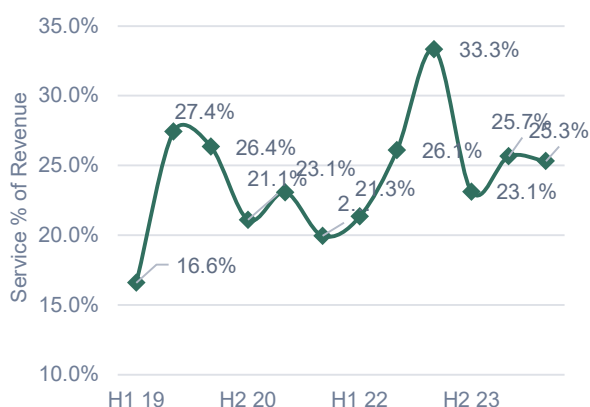
Source: Company data.

Revenue by division, semi-annual, H1 19 – H2 24



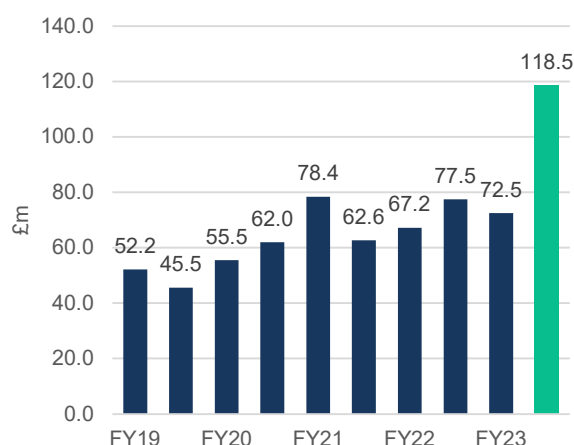
Source: Company data.

Service revenue contribution, skewed by OE



Source: Company data.

Closing order book: a step change in FY24



Source: Company data.

## Outlook boosted by gross margin improvement

The FY25 revenue outlook includes the uplift in contribution from acquired operations BCA and CSI Palletising. Integration of Rotterdam-based CSI Palletising is also expected to shift the proportion of total revenue contributed by the US/Americas towards Europe/EMEA. We expect gross profitability to remain at c.30%, contributing to a 17% increase to FY25 (adj.) EBIT outlook (£21.4m). Our FY26 (adj.) EBIT and (adj.) PBT outlook is unchanged.

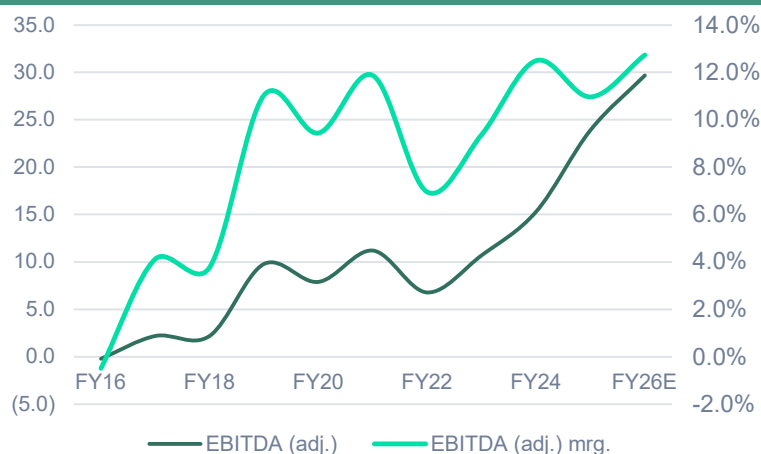
### Financial outlook

£m	FY24R	FY25E	YoY	Diff	FY26E	YoY	Diff
Americas	60.3	107.7	79%		116.1	8%	
EMEA	46.9	97.7	108%		103.5	6%	
Asia Pac	15.2	12.7	-16%		13.6	7%	
Sum OE	91.2	158.2	73%		167.7	6%	
Sum Service	31.2	59.8	92%		65.4	9%	
Service/Revenue	25.5%	27.4%	8%		28.1%	2%	
<b>Revenue</b>	<b>122.4</b>	<b>218.1</b>	<b>78%</b>		<b>233.1</b>	<b>7%</b>	
<b>Gross</b>	<b>36.8</b>	<b>65.4</b>	<b>78%</b>	<b>30%</b>	<b>69.9</b>	<b>7%</b>	<b>25%</b>
Margin	30.1%	30.0%			30.0%		
EBIT Reported	3.4	18.4			20.3		
<b>EBIT Adjusted</b>	<b>12.0</b>	<b>21.4</b>	<b>79%</b>	<b>17%</b>	<b>23.3</b>	<b>9%</b>	<b>0%</b>
Margin	9.8%	9.8%			10.0%		
EBITDA Reported	6.7	23.5			26.7		
<b>EBITDA Adjusted</b>	<b>15.3</b>	<b>26.5</b>	<b>73%</b>	<b>11%</b>	<b>29.7</b>	<b>12%</b>	<b>0%</b>
Margin	12.5%	12.1%			12.7%		
PBT Reported	3.4	9.4			13.3		
<b>PBT Adjusted</b>	<b>10.6</b>	<b>17.4</b>	<b>64%</b>	<b>3%</b>	<b>21.3</b>	<b>22%</b>	<b>-2%</b>
PAT Reported	1.4	5.1			7.9		
<b>PAT Adjusted</b>	<b>7.9</b>	<b>13.1</b>	<b>66%</b>	<b>4%</b>	<b>15.9</b>	<b>21%</b>	<b>0%</b>
EPS Rptd Basic (p)	6.2	17.6			27.2		
<b>EPS Adj. Dil. (p)</b>	<b>35.0</b>	<b>45.1</b>		<b>4%</b>	<b>54.7</b>		<b>0%</b>

Source: Company data, Equity Development estimates.

As illustrated our outlook indicates an improvement in (adj.) EBITDA profitability towards the 12% mark:

### (adj.) EBITDA outlook to FY26



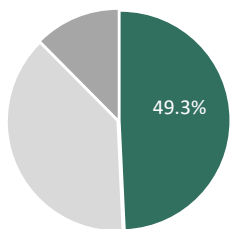
Source: Company data, Equity Development estimates.

## Regional performance: Americas

For FY24, the Americas division reported:

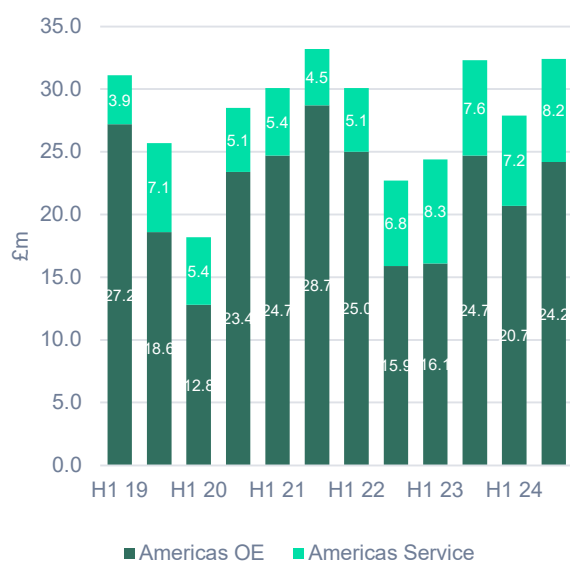
- Revenue of £60.3m, +6.3% YoY, 49.3% of Group total, comprising:
- Original Equipment: £44.9m, +10.0% YoY (H1: £20.7m, H2: £24.2m), 36.7% of Group revenue.
- Service: £15.4m, -3.1% YoY, 12.6% of Group total.

We note that, going forward, the acquisition of Netherlands-based CSI Palletising dilutes the Americas regional contribution to total revenue; we estimate that the proportion of FY25 E revenue derived from the US declines to 30% of Group total.



■ Americas ■ EMEA ■ Asia Pac

### Revenue semi-annual H1 19 - H2 24



■ Americas OE ■ Americas Service

Source: Company data.

### Annual outlook FY19 - FY25E



■ Americas OE ■ Americas Service

Source: Company data. Equity Development estimates.

### Revenue performance and outlook - Americas

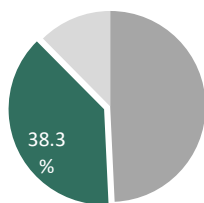
£m	H1 24	H2 24	FY23	FY24	FY25E	FY26E
Americas OE	20.7	24.2	40.8	44.9	77.6	84.1
Americas Service	7.2	8.2	15.9	15.4	30.0	31.9
<b>Americas</b>	<b>27.9</b>	<b>32.4</b>	<b>56.7</b>	<b>60.3</b>	<b>107.7</b>	<b>116.1</b>
<i>Pct of total</i>						
Americas OE	34.5%	38.8%	35.7%	36.7%	35.6%	36.1%
Americas Service	12.0%	13.1%	13.9%	12.6%	13.8%	13.7%
Americas	46.5%	51.9%	49.6%	49.3%	49.4%	49.8%
<i>YoY</i>						
Americas OE	28.6%	-2.0%	-0.2%	10.0%	72.9%	8.4%
Americas Service	-13.3%	7.9%	33.6%	-3.1%	95.0%	6.4%
Americas	14.3%	0.3%	7.4%	6.3%	78.6%	7.8%

Source: Source: Company data. Equity Development estimates

## Regional performance: EMEA

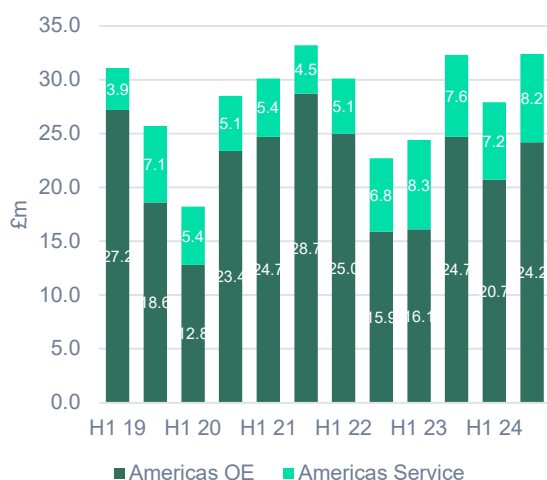
For FY24, the EMEA division reported:

- Revenue of £46.9m, -2%YoY%, 38.3% of Group total, comprising:
- Original Equipment: £33.8m, -1% YoY (H1: £18.0m, H2: £15.8m), 27.6% of Group revenue.
- Service: £13.1m, -5.1% YoY, 10.7% of Group total.



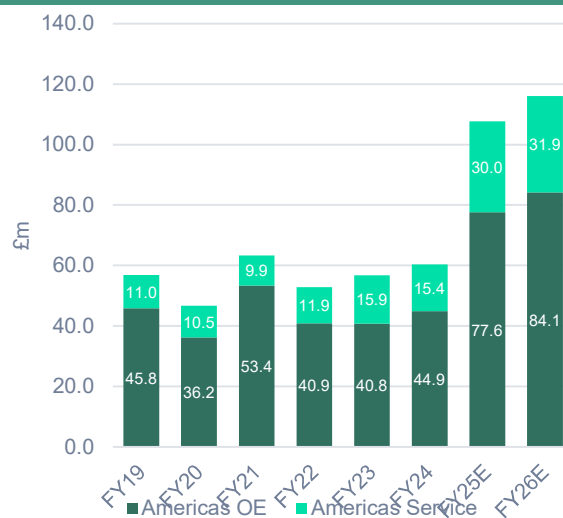
■ Americas ■ EMEA ■ Asia Pac

### Revenue semi-annual H1 19 - H2 24



Source: Company data.

### Annual outlook FY19 - FY25E

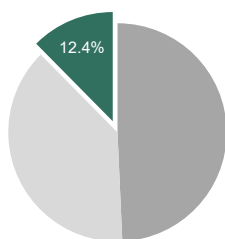


Source: Company data. Equity Development estimates.

### Revenue performance and outlook - EMEA

£m	H1 24	H2 24	FY23	FY24	FY25E	FY26E
EMEA OE	18.0	15.8	34.0	33.8	71.9	74.3
EMEA Service	6.7	6.4	13.8	13.1	25.8	29.2
EMEA	24.7	22.2	47.8	46.9	97.7	103.5
<i>Pct of total</i>						
EMEA OE	30.0%	25.3%	29.8%	27.6%	33.0%	31.9%
EMEA Service	11.2%	10.3%	12.1%	10.7%	11.8%	12.5%
EMEA	41.2%	35.6%	41.9%	38.3%	44.8%	44.4%
<i>YoY</i>						
EMEA OE	20.8%	-17.3%	22.3%	-0.6%	112.7%	3.3%
EMEA Service	-19.3%	16.4%	42.3%	-5.1%	97.1%	13.1%
EMEA	6.5%	-9.8%	27.5%	-1.9%	108.3%	5.9%

Source: Source: Company data. Equity Development estimates



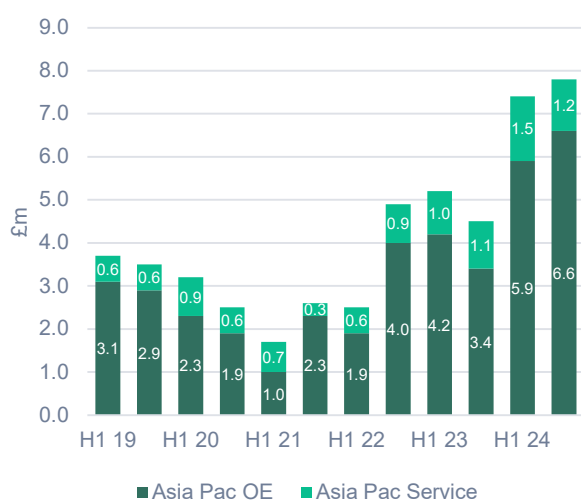
■ Americas ■ EMEA ■ Asia Pac

## Regional performance: Asia Pacific

For FY24, the APAC division reported:

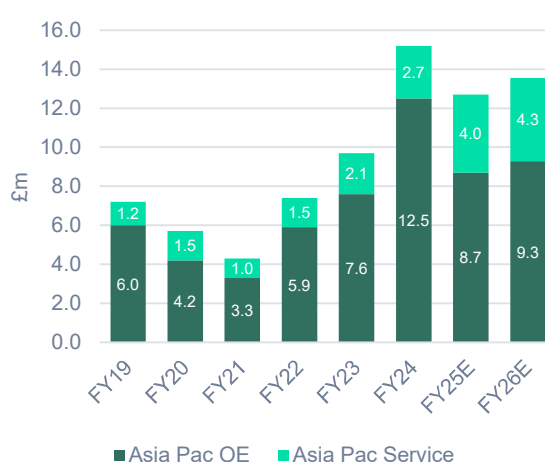
- Revenue of £15.2m, +57%YoY%, 12.2% of Group total, comprising:
- Original Equipment: £12.5m, +65% YoY (H1: £5.90m, H2: £6.6m), 10.2% of Group revenue.
- Service: £2.7m, +28.6% YoY, 2.2% of Group total.

### Revenue semi-annual H1 19 - H2 24



Source: Company data.

### Annual outlook FY19 - FY25E



Source: Company data. Equity Development estimates.

### Revenue performance and outlook – Asia Pacific

£m	H1 24	H2 24	FY23	FY24	FY25E	FY26E
Asia Pac OE	5.9	6.6	7.6	12.5	8.7	9.3
Asia Pac Service	1.5	1.2	2.1	2.7	4.0	4.3
Asia Pac	7.4	7.8	9.7	15.2	12.7	13.6
<i>Pct of total</i>						
Asia Pac OE	9.8%	10.6%	6.7%	10.2%	4.0%	4.0%
Asia Pac Service	2.5%	1.9%	1.8%	2.2%	1.8%	1.8%
Asia Pac	12.3%	12.5%	8.5%	12.4%	5.8%	5.8%
<i>YoY</i>						
Asia Pac OE	40.5%	94.1%	28.8%	64.5%	-30.4%	6.7%
Asia Pac Service	50.0%	9.1%	40.0%	28.6%	48.1%	6.7%
Asia Pac	42.3%	73.3%	31.1%	56.7%	-16.4%	6.7%

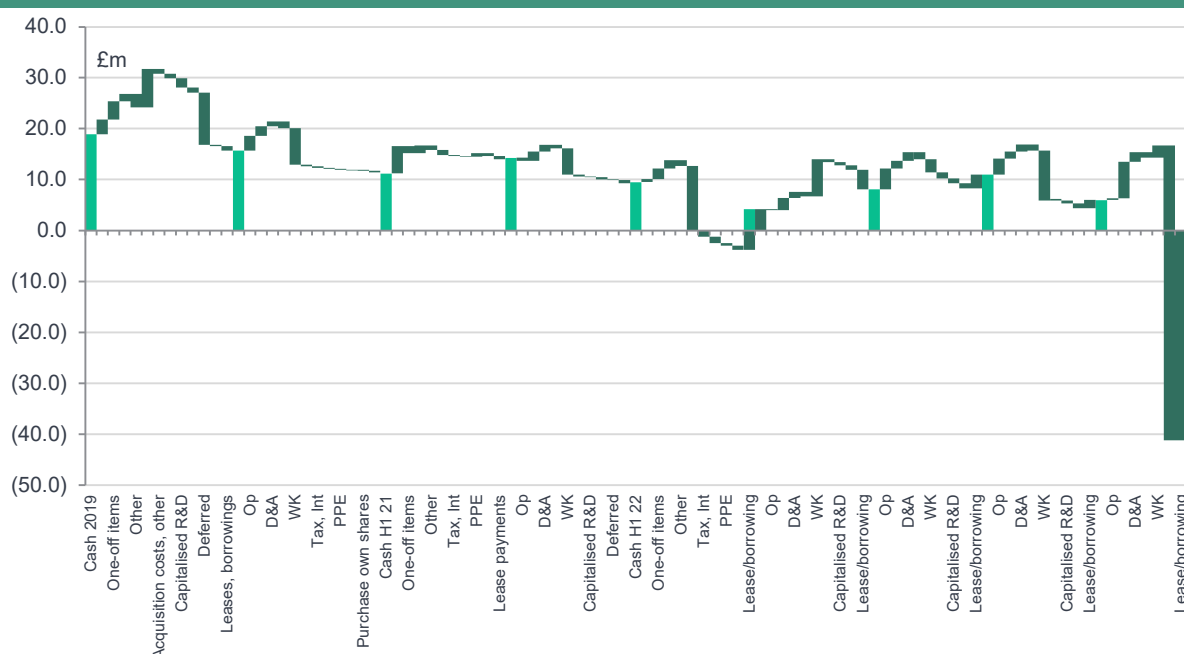
Source: Source: Company data. Equity Development estimates



## Cashflow

The Group closed the year with cash of £18.2m (FY23: £11.0m). Net operating cashflow before acquisitions: £5.6m (FY23: £13.1m) with an increase in working capital of £7.4m (FY23: £4.7m decrease) and defined benefit pension payments of £2.3m. Capex was moderate at £1.9m (FY23: £1.1m). Non-underlying one-off costs totalling £6.6m including £3.5m in acquisition costs and £2.1m in amortisation of intangibles (FY23: £1.6m). The Group exited its collaboration with Freyr Battery at its Customer Qualification Plant in Norway, resulting in one-off costs of £1.6m, following Freyr's decision to redesignate as 'T1 Energy' with a focus on solar power rather than storage batteries. The Group drew on £54.8m of borrowings and raised £28.4m in equity to fund the acquisition of BCA (£12.9m) and CSi Palletising (£50.0m). The Group entered into a 3-year HSBC £35.0m RCF in 2024 and a 2-year £12.0m term loan agreement, of which, in sum, £47.0m was utilised. The Group notes that it remains "well placed to react to opportunities, both organic and acquisition related, should they arise".

### Cashflow FY19 – H2 24 showing the impact of FY24 acquisitions



Source: Company data.

## Clear 'Five Pillars' strategy

Mpac has reiterated its strategy based on its expansion of its core food and beverage sector presence:

- 'Going for growth': to double revenue within the coming five years, having identified demand trends which result in reduced cyclical exposure, for example as customers respond to reduced demand for high value items and increased demand for affordable items, resulting in improved revenue visibility.
- 'Outstanding customer service': with the aim of deriving 30% of revenue from Service provision. We note the contribution potential for systems modification and upgrade enabled by acquired SIGA Vision.
- 'Operational excellence': including deployment into the facilities of acquired businesses of Group ERP systems in place in Wijchen, Tadcaster, Mississauga and Cleveland.
- 'Innovation': following successful 2024 launch of 'Ostro' addressing the mid-range market and demonstration at the November PackExpo of the new 'Horizon' toplayer system.
- 'People': including introduction of a Group HR Information System and further development of the 2023 'SafetyCube' health and safety initiative.

### Valuation considerations: unfairly rated

As shown below, we compare Mpac's current valuation (EV/EBITDA and PE) based on our FY26 outlook, and ED Fair Value (implied EV/EBITDA, PE), with a range of peers: Smiths Group plc, Weir Group plc, Trifast plc, Rotork plc, Sealed Air Corp., Oxford Instruments plc, Morgan Advanced Materials plc and Hill & Smith plc. Data is based on the +1 year forward consensus earnings outlook (*source: Koyfin*).

- The peer group market cap-weighted average EV/EBITDA of 9.3x and PE, 15.8x.
- Mpac FY26E EV/EBITDA of 3.4x, PE 7.7x.
- ED Mpac FV EV/EBITDA of 6.7x and PE, 15.8x.

As the chart indicates, Mpac trades at a significant discount to its peers:

#### Mpac shares relative valuation

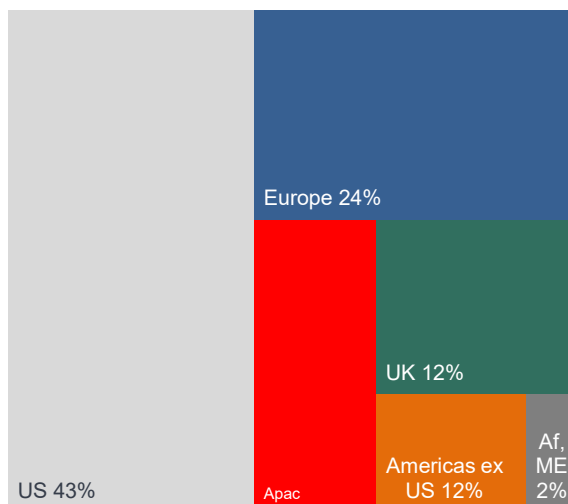


Source: Equity Development estimates, Koyfin. Best fit polynomial shown.

## Appendix I: Geographies and Verticals

Below we summarise FY24 revenue by customer location:

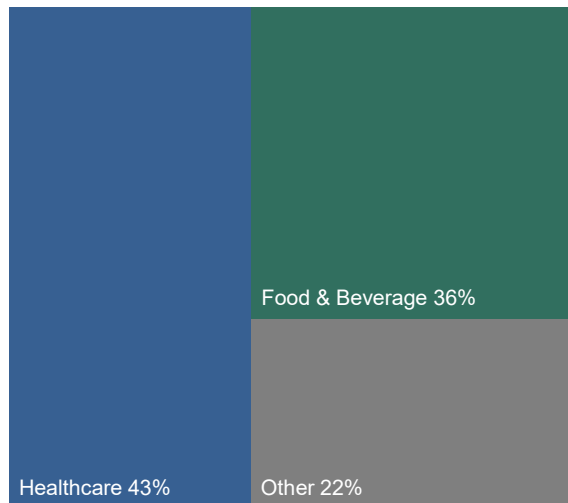
### FY24 revenue by geography



Source: Company data.

FY24 revenue by market vertical:

### FY24 revenue by vertical



Source: Company data.

## P&L

£m	H1 22	H2 22	H1 23	H2 23	H1 24	H2 24	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Revenue</b>	<b>50.6</b>	<b>47.1</b>	<b>52.8</b>	<b>61.4</b>	<b>60.0</b>	<b>62.4</b>	<b>94.3</b>	<b>97.7</b>	<b>114.2</b>	<b>122.4</b>	<b>218.1</b>	<b>233.1</b>
<b>Gross</b>	<b>10.7</b>	<b>13.7</b>	<b>12.6</b>	<b>19.0</b>	<b>16.9</b>	<b>19.9</b>	<b>28.9</b>	<b>24.4</b>	<b>31.6</b>	<b>36.8</b>	<b>65.4</b>	<b>69.9</b>
<i>Margin</i>	<i>21.1%</i>	<i>29.1%</i>	<i>23.9%</i>	<i>30.9%</i>	<i>28.2%</i>	<i>31.9%</i>	<i>30.6%</i>	<i>25.0%</i>	<i>27.7%</i>	<i>30.1%</i>	<i>30.0%</i>	<i>30.0%</i>
Sum operating costs	(9.5)	(11.0)	(10.4)	(13.4)	(12.4)	(12.4)	(20.1)	(20.5)	(23.8)	(24.8)	(44.0)	(46.6)
One-off costs	(1.8)	(2.1)	(2.4)	(1.5)	(1.4)	(7.2)	(0.5)	(3.9)	(3.9)	(8.6)	(3.0)	(3.0)
EBIT Reported	(0.6)	0.6	(0.2)	4.1	3.1	0.3	8.3	0.0	3.9	3.4	18.4	20.3
<b>EBIT Adjusted</b>	<b>1.2</b>	<b>2.7</b>	<b>2.2</b>	<b>5.6</b>	<b>4.5</b>	<b>7.5</b>	<b>8.8</b>	<b>3.9</b>	<b>7.8</b>	<b>12.0</b>	<b>21.4</b>	<b>23.3</b>
<i>Margin</i>	<i>2.4%</i>	<i>5.7%</i>	<i>4.2%</i>	<i>9.1%</i>	<i>7.5%</i>	<i>12.0%</i>	<i>9.3%</i>	<i>4.0%</i>	<i>6.8%</i>	<i>9.8%</i>	<i>9.8%</i>	<i>10.0%</i>
Amortisation	(0.3)	(0.6)	(0.3)	(0.5)	(0.4)	(0.6)	(0.6)	(0.9)	(0.8)	(1.0)	(1.8)	(2.2)
Depreciation	(1.0)	(1.0)	(0.9)	(1.2)	(1.0)	(1.3)	(1.8)	(2.0)	(2.1)	(2.3)	(3.3)	(4.2)
EBITDA Reported	0.7	2.2	1.0	5.8	4.5	2.2	10.7	2.9	6.8	6.7	23.5	26.7
<b>EBITDA Adjusted</b>	<b>2.5</b>	<b>4.3</b>	<b>3.4</b>	<b>7.3</b>	<b>5.9</b>	<b>9.4</b>	<b>11.2</b>	<b>6.8</b>	<b>10.7</b>	<b>15.3</b>	<b>26.5</b>	<b>29.7</b>
<i>Margin</i>	<i>4.9%</i>	<i>9.1%</i>	<i>6.4%</i>	<i>11.9%</i>	<i>9.8%</i>	<i>15.1%</i>	<i>11.9%</i>	<i>7.0%</i>	<i>9.4%</i>	<i>12.5%</i>	<i>12.1%</i>	<i>12.7%</i>
Financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial expense	(0.1)	(0.3)	(0.3)	(0.4)	(0.5)	(0.9)	(0.2)	(0.4)	(0.7)	(1.4)	(4.0)	(2.0)
PBT Reported	(0.5)	0.7	(0.1)	4.8	3.3	0.1	8.0	0.2	4.7	3.4	9.4	13.3
PBT Adjusted	1.1	2.4	1.9	5.2	4.0	6.6	<b>8.6</b>	<b>3.5</b>	<b>7.1</b>	<b>10.6</b>	<b>17.4</b>	<b>21.3</b>
Tax	(0.3)	(0.3)	(0.6)	(1.4)	(0.9)	(1.1)	(0.4)	(0.6)	(2.0)	(2.0)	(4.3)	(5.4)
PAT Reported	(0.8)	0.3	(0.7)	3.5	2.4	(1.7)	7.6	(0.4)	2.7	1.4	5.1	7.9
<b>PAT Adjusted</b>	<b>0.7</b>	<b>2.0</b>	<b>1.4</b>	<b>3.9</b>	<b>3.1</b>	<b>4.8</b>	<b>7.9</b>	<b>2.7</b>	<b>5.3</b>	<b>7.9</b>	<b>13.1</b>	<b>15.9</b>
Basic wtd. av. shares (m)	20.0	20.3	20.5	20.5	20.5	22.6	19.9	20.3	20.5	22.6	29.1	29.1
Diluted wtd. av. shares (m)	20.3	20.6	20.6	20.5	20.5	22.6	20.1	20.6	20.5	22.6	29.1	29.1
EPS Rptd Basic (p)	(4.0)	1.5	(3.4)	17.1	11.7	(7.5)	38.2	(2.0)	13.2	6.2	17.6	27.2
EPS Rptd Dil.(p)	(3.9)	1.5	(3.4)	17.1	11.7	(7.5)	37.9	(1.9)	13.2	6.2	17.6	27.2
EPS Adj. Basic (p)	3.5	9.9	6.8	19.0	15.1	21.3	39.7	13.3	26.2	35.0	45.1	54.7
<b>EPS Adj. Dil. (p)</b>	<b>3.4</b>	<b>9.7</b>	<b>6.8</b>	<b>19.0</b>	<b>15.1</b>	<b>21.3</b>	<b>39.4</b>	<b>13.1</b>	<b>26.2</b>	<b>35.0</b>	<b>45.1</b>	<b>54.7</b>

Source: Company data. Equity Development estimates. Estimated number of shares includes dilution from the FY24 equity raise.

## Cashflow

£m	H1 22	H2 22	H1 23	H2 23	H1 24	H2 24	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Operating profit</b>	<b>(0.6)</b>	<b>0.6</b>	<b>(0.2)</b>	<b>4.1</b>	<b>3.1</b>	<b>0.3</b>	<b>8.3</b>	<b>0.0</b>	<b>3.9</b>	<b>3.4</b>	<b>18.4</b>	<b>20.3</b>
One-off items	1.8	2.1	2.4	1.5	1.4	7.2	0.5	3.9	3.9	8.6	3.0	3.0
Amortisation	0.3	0.6	0.3	0.5	0.4	0.6	0.6	0.9	0.8	1.0	1.8	2.2
Depreciation	1.0	1.0	0.9	1.2	1.0	1.3	1.8	2.0	2.1	2.3	3.3	4.2
Other non-cash	0.4	(0.1)	0.0	0.0	0.0	0.0	0.4	0.3	0.0	0.0	3.0	3.0
Pension	(1.1)	(1.0)	(0.9)	(1.4)	(1.2)	(1.1)	(2.6)	(2.1)	(2.3)	(2.3)	(3.0)	(3.0)
Movement in working capital	(5.1)	(12.7)	7.3	(2.6)	(9.8)	2.4	(8.2)	(17.8)	4.7	(7.4)	6.2	(3.6)
<b>Cash generated by operations</b>	<b>(3.3)</b>	<b>(9.5)</b>	<b>9.8</b>	<b>3.3</b>	<b>(5.1)</b>	<b>10.7</b>	<b>0.8</b>	<b>(12.8)</b>	<b>13.1</b>	<b>5.6</b>	<b>32.7</b>	<b>26.1</b>
Acquisition costs, other	0.0	(0.8)	(0.4)	(0.4)	(0.1)	(1.3)	(0.3)	(0.8)	(0.8)	(1.4)	0.0	0.0
Tax (paid)/received	(0.2)	(0.2)	(0.3)	(0.8)	0.6	(2.2)	(0.1)	(0.4)	(1.1)	(1.6)	(4.3)	(5.4)
Net cash from operations	(3.5)	(10.5)	9.1	2.1	(4.6)	7.2	0.4	(14.0)	11.2	2.6	28.4	20.7
Acquisition	0.0	0.0	0.0	0.0	0.0	(54.8)	0.0	0.0	0.0	(54.8)	0.0	0.0
Sale of PPE	0.1	(0.1)	0.0	0.0	0.2	0.2	2.0	0.0	0.0	0.4	0.0	0.0
Capitalised R&D	(0.1)	(1.3)	(0.6)	(0.9)	(0.6)	(2.6)	(0.2)	(1.4)	(1.5)	(3.2)	(1.1)	(0.7)
Assets under const	0.0	0.0	0.0	0.0	0.0	0.0						
PPE	(0.6)	(0.4)	(0.5)	(0.6)	(1.0)	(0.9)	(1.5)	(1.0)	(1.1)	(1.9)	(10.0)	(1.0)
Acquired cashflow/deferred payment	0.0	(0.8)	0.0	0.0	0.0	0.0	(0.6)	(0.8)	0.0	0.0	(3.5)	(1.8)
<b>Net cash used in investing</b>	<b>(0.6)</b>	<b>(2.6)</b>	<b>(1.1)</b>	<b>(1.5)</b>	<b>(1.4)</b>	<b>(58.1)</b>	<b>(0.3)</b>	<b>(3.2)</b>	<b>(2.6)</b>	<b>(59.5)</b>	<b>(14.6)</b>	<b>(3.5)</b>
<b>Net OpFCF</b>	<b>(4.1)</b>	<b>(13.1)</b>	<b>8.0</b>	<b>0.6</b>	<b>(6.0)</b>	<b>(50.9)</b>	<b>0.1</b>	<b>(17.2)</b>	<b>8.6</b>	<b>(56.9)</b>	<b>13.8</b>	<b>17.3</b>
Borrowings	0.0	8.0	(3.0)	3.0	2.0	36.5	0.0	8.0	0.0	38.5	(8.0)	(8.0)
Interest paid	(0.1)	(0.2)	(0.3)	(0.4)	(0.3)	(0.9)	(0.3)	(0.3)	(0.7)	(1.2)	(4.0)	(2.0)
Purchase own shares	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
Lease payments	(0.6)	(0.5)	(0.4)	(0.7)	(0.6)	(0.6)	(0.9)	(1.1)	(1.1)	(1.2)	(0.5)	(0.5)
Net cash from financing	(0.7)	7.3	(3.7)	1.9	1.1	63.4	(1.4)	6.6	(1.8)	64.5	(12.5)	(10.5)
<b>Net increase in cash / equivalents</b>	<b>(4.8)</b>	<b>(5.8)</b>	<b>4.3</b>	<b>2.5</b>	<b>(4.9)</b>	<b>12.5</b>	<b>(1.3)</b>	<b>(10.6)</b>	<b>6.8</b>	<b>7.6</b>	<b>1.3</b>	<b>6.8</b>
Forex	(0.2)	0.5	(0.4)	0.4	(0.1)	(0.3)	0.3	0.3	0.0	(0.4)	0.0	0.0
<b>Cash at year end</b>	<b>9.5</b>	<b>4.2</b>	<b>8.1</b>	<b>11.0</b>	<b>6.0</b>	<b>18.2</b>	<b>14.5</b>	<b>4.2</b>	<b>11.0</b>	<b>18.2</b>	<b>19.5</b>	<b>26.2</b>

Source: Company data. Equity Development estimates.

## Balance Sheet

£m	H1 22	H2 22	H1 23	H2 23	H1 24	H2 24	FY21	FY22	FY23	FY24	FY25E	FY26E
Intangible assets	25.4	25.4	24.3	24.0	23.3	117.4	25.3	25.4	24.0	117.4	112.1	108.2
PPE net	4.2	4.0	4.0	4.1	4.4	5.8	4.0	4.0	4.1	5.8	12.5	9.3
Property	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Right of use	5.8	5.0	4.5	5.9	5.7	9.4	5.8	5.0	5.9	9.4	9.4	9.4
Employee benefits	59.7	31.5	35.2	32.2	33.0	39.4	35.7	31.5	32.2	39.4	39.4	39.4
Deferred tax, other	1.5	1.5	1.0	1.0	0.9	5.3	1.4	1.3	0.9	5.3	5.3	5.3
<b>Sum Fixed Assets</b>	<b>97.4</b>	<b>68.2</b>	<b>69.8</b>	<b>68.0</b>	<b>68.1</b>	<b>178.1</b>	<b>73.0</b>	<b>68.0</b>	<b>67.9</b>	<b>178.1</b>	<b>179.5</b>	<b>172.4</b>
Inventories	6.3	9.6	10.2	11.1	11.6	15.9	5.5	9.6	11.1	15.9	26.3	28.1
Trade receivables	33.8	46.7	44.0	46.8	52.6	59.4	34.5	46.7	46.8	59.4	98.9	99.6
Tax assets, Other	0.2	0.6	0.8	1.1	0.0	0.8	0.6	0.6	1.1	0.8	0.8	0.8
Cash, Equivalents	9.5	4.2	8.1	11.0	6.0	18.2	14.5	4.2	11.0	18.2	19.5	26.2
<b>Sum Current Assets</b>	<b>49.8</b>	<b>61.1</b>	<b>63.1</b>	<b>70.0</b>	<b>70.2</b>	<b>94.3</b>	<b>55.1</b>	<b>61.1</b>	<b>70.0</b>	<b>94.3</b>	<b>145.4</b>	<b>154.8</b>
Trade payables	(35.1)	(38.4)	(43.6)	(43.8)	(41.1)	(72.1)	(39.5)	(38.4)	(43.8)	(72.1)	(131.4)	(127.7)
Leases	(1.8)	(1.4)	(1.3)	(1.3)	(1.3)	(2.2)	(1.8)	(1.4)	(1.3)	(2.2)	(2.2)	(2.2)
Provisions	(1.2)	(1.0)	(1.0)	(0.9)	(0.7)	(2.8)	(0.6)	(1.0)	(0.9)	(2.8)	(2.8)	(2.8)
Tax, Other	(0.7)	(0.1)	(0.3)	(0.9)	(1.3)	(2.2)	(0.7)	(0.1)	(0.9)	(2.2)	(6.0)	(6.0)
Loans	0.0	(8.0)	(5.0)	(8.0)	(10.0)	(41.2)	0.0	(8.0)	(8.0)	(41.2)	(42.0)	(42.9)
<b>Sum Current Liabilities</b>	<b>(38.8)</b>	<b>(48.9)</b>	<b>(51.2)</b>	<b>(54.9)</b>	<b>(54.4)</b>	<b>(120.5)</b>	<b>(42.6)</b>	<b>(48.9)</b>	<b>(54.9)</b>	<b>(120.5)</b>	<b>(184.5)</b>	<b>(181.6)</b>
Borrowings	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(14.5)	(0.9)	(0.9)	(0.9)	(14.5)	(6.5)	1.5
Employee benefits	(2.8)	(2.1)	(1.7)	(1.8)	(1.6)	(1.5)	(2.5)	(2.1)	(1.8)	(1.5)	(3.0)	(3.0)
Tax	(20.6)	(11.1)	(12.4)	(11.4)	(8.3)	(19.1)	(12.5)	(11.1)	(11.4)	(19.1)	(6.8)	(6.8)
Leases	(4.0)	(3.9)	(3.4)	(4.9)	(4.6)	(7.5)	(4.2)	(3.9)	(4.9)	(7.5)	(3.4)	(3.4)
Deferred /other	0.0	0.0	0.0	0.0	0.0	(1.3)	0.0	0.0	0.0	(1.3)	(3.5)	(1.8)
<b>Net Assets</b>	<b>80.1</b>	<b>62.2</b>	<b>63.3</b>	<b>64.0</b>	<b>68.5</b>	<b>108.0</b>	<b>65.4</b>	<b>62.2</b>	<b>64.0</b>	<b>108.0</b>	<b>117.3</b>	<b>132.1</b>
Share Capital	5.0	5.1	5.1	5.1	5.1	7.5	5.0	5.1	5.1	7.5	7.5	7.5
Share Premium	26.0	26.0	26.0	26.0	26.0	61.8	26.0	26.0	26.0	61.8	66.0	72.9
Capital Reserve	3.8	2.1	2.9	3.8	3.6	3.6	3.7	2.1	3.8	3.6	3.6	3.6
Retained earnings	45.3	29.0	29.3	29.1	33.8	35.1	30.7	29.0	29.1	35.1	40.2	48.1
<b>Equity</b>	<b>80.1</b>	<b>62.2</b>	<b>63.3</b>	<b>64.0</b>	<b>68.5</b>	<b>108.0</b>	<b>65.4</b>	<b>62.2</b>	<b>64.0</b>	<b>108.0</b>	<b>117.3</b>	<b>132.1</b>
Net debt / (Cash)	(8.6)	4.7	(2.2)	(2.1)	4.9	(3.7)	(13.6)	4.7	(2.1)	37.5	29.1	15.1

Source: Company data. Equity Development estimates. Net debt is pre IFRS 16.

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