

Strategy driving progress, full year on track

16 October 2025

Having completed the [Fibo deal](#) earlier in the week, Norcros has followed up with a solid, above market H1 26 trading update and unchanged guidance. Strategic delivery through operational excellence and highly complementary M&A is clearly being executed well and, notwithstanding market variability, Norcros is maintaining forward momentum.

Aiming off for in-period timing differences, Norcros delivered a marginally better underlying revenue performance in H1 26 overall (ie +1% LFL yoy for both divisions and at group level) with the headline c.£184m also boosted by an additional trading week. In generating EBIT of c.£21.8m, a margin of c.11.9% represents a c.70bp yoy improvement from continuing operations (ie excluding JTSA) on our estimates. Consumer confidence metrics remained subdued in both the UK and South Africa despite interest rate reductions in the period, and end demand reflects this, so progress by Norcros appears to be hard-won and ahead of its underlying markets. Ending the half with c.£31m net debt represents a c.£5m reduction since the year end (and compares to £45m a year earlier). We would expect improved profitability and a more favourable working capital outcome yoy to be the key drivers here.

In the UK, a further c.80bp uplift in EBIT margin to 14.8% is flagged. As revenue was similar to the prior year – and volumes were probably slightly lower overall – this margin improvement was self-generated. Benefits from prior year warehousing and distribution actions will have contributed, but underlying margins were clearly robust among the larger UK operating companies (ie Triton, Merlyn and Grant Westfield). Selective investment supporting new products was also made in the period which may have been a drag on margin progress in the near term.

In South Africa, the previously announced closure of JTSA manufacturing operations was a significant H1 event and it will be reported as a discontinued operation in H1 26/FY26. Continuing operations (Tile Africa, TAL and House of Plumbing) also slightly bettered the prior year in underlying revenue terms. By deduction, a competitive trading environment has had some impact on the collective margin performance though profitability and cash generation remain positive overall.

Valuation: Norcros' share price ticked better on the Fibo deal confirmation and is up c.11% YTD (slightly less than the FTSE All-Share Index over the same time period). It also remains below our existing 300p per share value which we will review for trading newsflow and the Fibo acquisition when H1 26 results are reported in November. **Valuation remains undemanding on all metrics in our view, and we would expect ongoing strategic delivery to result in further shares' rerating.**

Company Data

EPIC	NXR
Price	288p
52 weeks Hi/Lo	304p/184p
Market cap	£250m
ED Fair Value / share	300p
Net debt	c.£31m
End H126, pre IFRS 16	
Avg. daily volume	246k

Share Price, p



Source: Investing.com

Description

Norcros is the leading B2B designer and supplier of branded bathroom and kitchen products in its UK/Ireland, Scandinavian, South African and selected export markets.

The portfolio of ten operating companies (6 UK, 1 Norway, 3 South Africa) is characterised by strong individual brands, together providing product breadth and channel diversity from a strong supply chain base.

Next events

H1'26 results: 20 November 2025

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Summary financials

Year to March (£m)	2024	2025	2026E	2027E	2028E
Revenue	392.1	368.1	389.2	429.2	449.6
EBITDA - ED*	46.6	46.4	52.1	59.5	61.6
Pre-Tax Profit - company norm	36.4	36.5	39.5	45.2	47.5
EPS FD - company norm (p)	32.1	32.4	34.6	39.5	41.5
DPS (p)	10.2	10.4	10.6	10.8	11.0
Net cash / (debt) pre-IFRS16 basis	(37.3)	(36.8)	(81.8)	(73.3)	(57.9)
P/E (x)	9.0	8.9	8.3	7.3	6.9
EV/EBITDA* (x)	6.3	6.3	6.5	5.6	5.1
Dividend yield (%)	3.5%	3.5%	3.7%	3.8%	3.8%

Source: Company, Equity Development. *pre-IFRS16, before pension cash

Norcros: Income Statement

Year end: March	£m	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
			IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Revenue		331.0	342.0	324.2	396.3	441.0	392.1	368.1	389.2	439.2	449.6
Gross Profit		124.2	124.5	118.4	140.8	169.3	165.0	159.9	167.4	188.9	193.3
EBITDA - pre IFRS16 & SBP		42.5	39.0	40.1	48.1	53.5	48.4	48.2	53.9	61.3	63.4
EBITDA - company		41.3	38.6	37.9	45.4	50.5	45.7	46.1	51.8	59.2	61.3
EBIT - company norm		34.4	32.3	33.7	41.8	47.3	43.2	43.2	48.2	55.4	57.3
Net Bank Interest		(1.8)	(1.6)	(1.5)	(0.8)	(3.7)	(5.2)	(5.0)	(6.9)	(8.3)	(7.9)
IFRS16 Interest		0.0	(1.9)	(1.7)	(1.7)	(1.8)	(1.6)	(1.7)	(1.8)	(1.9)	(1.9)
Other financial		(1.7)	(1.7)	(1.6)	(1.9)	(2.5)	(1.8)	(1.4)	(1.8)	(1.8)	(1.8)
Profit Before Tax (ED norm.)*		30.9	27.1	29.0	37.4	39.3	34.6	35.1	37.7	43.4	45.7
Profit Before Tax (company norm)		32.6	28.8	30.6	39.3	41.8	36.4	36.5	39.5	45.2	47.5
Intangible Amortisation		(3.5)	(3.7)	(3.7)	(3.7)	(6.2)	(6.5)	(6.5)	(6.5)	(6.5)	(6.5)
Other Non-Underlying Items		(4.3)	(9.3)	(3.8)	(0.2)	(12.0)	2.7	(28.0)	(6.8)	(5.3)	(1.8)
Profit Before Tax (reported)		25.4	15.0	18.5	33.0	21.7	32.6	2.0	26.2	33.4	39.2
Tax		(6.0)	(4.1)	(3.5)	(7.3)	(4.9)	(5.8)	1.5	(8.3)	(9.5)	(10.1)
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit After Tax (reported)		19.4	10.9	15.0	25.7	16.8	26.8	3.5	17.9	23.8	29.2
EPS FD - ED norm (p)		29.6	26.1	29.6	35.9	34.6	30.1	30.9	32.6	37.5	39.5
EPS FD - company norm (p)		31.7	28.2	31.1	38.2	37.4	32.1	32.4	34.6	39.5	41.5
EPS FD - reported (p)		23.9	13.5	18.6	31.2	18.8	29.8	3.9	19.9	26.4	32.3
Dividend per share (p)		8.4	3.1	8.2	10.0	10.2	10.2	10.4	10.6	10.8	11.0
Shares - Avge (m)		80.2	80.3	80.6	80.9	88.1	89.0	89.5	89.8	89.8	89.8
Shares - Period End (m)		80.9	80.6	80.8	81.0	89.3	89.6	89.8	89.8	89.8	89.8
Margins (%)											
Gross Profit		37.5	36.4	36.5	35.5	38.4	42.1	43.4	43.0	43.0	43.0
EBITDA - pre IFRS16 & SBP		12.8	11.4	12.4	12.1	12.1	12.3	13.1	13.8	14.0	14.1
EBITDA - company		12.5	11.3	11.7	11.5	11.5	11.7	12.5	13.3	13.5	13.6
EBIT company norm		10.4	9.4	10.4	10.6	10.7	11.0	11.7	12.4	12.6	12.8

Source: Company, Equity Development (ED). ED norm includes IAS19R administration & other financial costs

Norcross: Cash Flow Statement

Year end: March	£m	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
			IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
EBITDA pre IFRS16 & SBP		42.5	39.0	40.1	48.1	53.5	48.4	48.2	53.9	61.3	63.4
Change in working capital		(2.1)	(4.8)	21.8	(23.6)	(13.3)	3.3	(14.0)	(5.9)	(7.2)	(6.9)
Other		(5.1)	0.6	(1.9)	(1.2)	(2.5)	(2.7)	(5.9)	(6.1)	(1.7)	3.0
Operating Cash Flow		35.3	34.8	60.0	23.3	37.7	49.0	28.3	41.9	52.4	59.5
Tax paid		(4.6)	(5.3)	(3.5)	(6.5)	(7.7)	(5.6)	(3.4)	(7.5)	(8.6)	(9.1)
Investing Activities		(7.6)	(14.0)	(2.8)	(5.4)	(84.3)	(7.3)	(3.4)	(55.5)	(9.8)	(9.8)
Income from associates & JVs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible Fixed Assets purchased		(5.6)	(4.8)	(2.8)	(5.4)	(6.0)	(7.3)	(6.9)	(9.5)	(9.8)	(9.8)
Tangible Fixed Assets disposed		0.1	0.0	0.0	0.0	0.0	0.0	3.5	0.0	0.0	0.0
Intangibles		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition consideration		(2.1)	(9.2)	0.0	0.0	(78.3)	0.0	0.0	(46.0)	0.0	0.0
Disposal proceeds		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other business investments		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing Activities		(9.3)	(15.1)	(7.2)	(16.2)	(1.2)	(21.8)	(20.8)	(23.9)	(25.5)	(25.3)
Net finance income (cost)		(1.8)	(1.7)	(1.4)	(0.8)	(3.7)	(5.0)	(4.6)	(6.9)	(8.3)	(7.9)
IFRS16 interest		0.0	(1.8)	(1.8)	(1.7)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
IFRS16 lease capital repayments		0.0	(3.8)	(4.3)	(4.7)	(4.6)	(4.9)	(5.1)	(5.1)	(5.1)	(5.1)
Equity Issued		(0.9)	(0.8)	0.3	0.1	18.1	(0.8)	(0.1)	(0.8)	(0.8)	(0.8)
Dividends paid		(6.4)	(7.0)	0.0	(9.1)	(9.2)	(9.1)	(9.2)	(9.4)	(9.5)	(9.7)
Other		(0.2)	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0
Net Cash Flow		13.8	0.4	46.5	(4.8)	(55.5)	14.3	0.7	(45.0)	8.5	15.4
Opening cash/(net debt) pre IFRS16		(47.1)	(35.0)	(36.4)	10.5	8.6	(49.9)	(37.3)	(36.8)	(81.8)	(73.3)
Change in Net Cash		13.8	0.4	46.5	(4.8)	(55.5)	14.3	0.7	(45.0)	8.5	15.4
Other		(1.7)	(1.8)	0.4	2.9	(3.0)	(1.7)	(0.2)	0.0	0.0	0.0
Closing cash/(net debt) pre IFRS16		(35.0)	(36.4)	10.5	8.6	(49.9)	(37.3)	(36.8)	(81.8)	(73.3)	(57.9)
IFRS16 lease liabilities			(25.1)	(24.2)	(24.0)	(24.7)	(22.2)	(20.6)	(25.0)	(25.0)	(25.0)

Source: Company, Equity Development

Norcros: Balance Sheet

Year end: March	£m	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
			IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Non-Current Assets		138.0	150.8	141.2	158.8	226.8	224.5	200.2	250.2	251.6	251.6
Intangible Assets		94.9	96.5	93.6	90.3	167.1	161.2	153.5	191.0	184.5	178.0
Tangible Assets - Owned		42.3	29.0	28.0	29.0	24.8	28.1	21.8	31.1	35.5	39.8
Tangible Assets - RoU		0.0	20.6	19.6	19.9	20.0	18.0	16.7	16.7	16.7	16.7
Other Fixed Assets		0.8	4.7	0.0	19.6	14.9	17.2	8.2	11.5	14.9	17.1
Current Assets		169.5	188.7	171.0	200.7	216.2	200.8	187.8	206.9	219.4	242.5
Inventory		79.5	78.9	78.1	100.6	103.9	97.4	88.2	99.5	103.0	105.4
Trade Receivables		57.8	56.1	60.4	66.9	78.7	67.5	64.9	72.5	72.5	77.2
Other Debtors		5.0	6.4	4.2	5.8	4.6	5.1	12.0	11.1	11.7	12.3
Cash		27.2	47.3	28.3	27.4	29.0	30.8	22.7	23.7	32.2	47.6
Current Liabilities		(85.1)	(79.2)	(104.1)	(110.8)	(112.7)	(99.2)	(95.2)	(107.0)	(108.2)	(113.7)
Trade Payables		(44.6)	(41.2)	(49.5)	(56.6)	(50.8)	(45.4)	(48.2)	(57.1)	(53.3)	(53.6)
Other Creditors		(36.7)	(32.7)	(49.2)	(48.5)	(55.8)	(47.5)	(40.5)	(43.3)	(48.4)	(53.7)
IFRS16 Lease Liabilities			(5.2)	(5.4)	(5.7)	(6.1)	(6.3)	(6.5)	(6.5)	(6.5)	(6.5)
Short-term Debt		(3.8)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Current Liabilities		(96.7)	(155.9)	(59.7)	(48.4)	(119.9)	(103.7)	(84.9)	(134.5)	(133.6)	(132.6)
Long-term Debt		(58.4)	(83.6)	(17.8)	(18.8)	(78.9)	(68.1)	(59.5)	(105.5)	(105.5)	(105.5)
IFRS16 Lease Liabilities			(19.9)	(18.8)	(18.3)	(18.6)	(15.9)	(14.1)	(18.5)	(18.5)	(18.5)
Other Long-term Liabilities		(38.3)	(52.4)	(23.1)	(11.3)	(22.4)	(19.7)	(11.3)	(10.5)	(9.5)	(8.5)
Net Assets		125.7	104.4	148.4	200.3	210.4	222.4	207.9	215.7	229.2	247.8

Source: Company, Equity Development



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