

Earnings-enhancing Fibo deal completes

14 October 2025

In a strong strategic move, Norcros has announced the completion of the Fibo Holding AS acquisition first announced in July. It enhances the company's existing stable of brands in a higher growth segment and brings group exposure to adjacent markets, most notably Scandinavia. On our estimates, the deal enhances earnings by 13-14% in a full year along with new market opportunities for existing operations.

Fibo expands horizons: The acquisition of Fibo completed on 13 October following unconditional clearance from the UK CMA consistent with previous guidance ('before the end of October'). Fibo is a well-invested company with leading market positions in its primary Scandinavian markets (ie its native Norway plus Sweden). It expands Norcros' position in the wall covering market, bringing a second waterproof wall panel brand - complementary to Grant Westfield – plus product core and end market diversity. Fibo has a higher degree of manufacturing automation and significant capacity headroom for revenue growth. Waterproof wall panels are one of the fastest growing bathroom products segments. In addition, Norcros notes that Scandinavian markets are also fragmented providing further opportunity for both Fibo and, perhaps, other brands/products in the Norcros stable over time. Norcros has a strong track record in channel development across its company portfolio and Fibo establishes a local presence in new territories.

In the year to December 2024, Fibo reported revenue of c.£63m with an EBITDA margin of 11.3%. Trading thus far in FY25 has been positive at the headline level with revenue and EBITDA up by 7.2% and 28.7% respectively. Behind these figures, the UK performance (Fibo's largest export market at c.30% of sales) grew revenues by 23% in H1 - partly due to a weak comparator period - though other export markets softened in Q2. Norcros is paying £46m out of existing banking facilities and management expects end FY26 leverage to be in the order of 1.6x (slightly lower than when the deal was first announced in June). In our updated estimates, we have factored in 2-3% revenue growth and EBIT margins of c.13%. After associated interest costs, this translates to modest EPS norm enhancement in the current year and 13-14% in the following two full years.

Valuation: Having responded well initially, Norcros' share price has settled back at pre-deal announcement levels. With the noted EPS estimate uplift, conventional earnings metrics have ticked down since our last note, remaining on single-digit multiples. We will review our existing 300p per share fair value (already c.8% above current levels) with the H1 26 results but note that only a modest increase on our FY28E EBITDA subsequently is required to justify this level on a DCF basis.

Company Data

EPIC	NXR
Price (last close)	279p
52 weeks Hi/Lo	304p/184p
Market cap	£250m
ED Fair Value / share	300p
Net debt	£36.8m
End FY25, 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: November 20

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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)	8.7	8.6	8.1	7.1	6.7
EV/EBITDA* (x)	6.1	6.2	6.4	5.4	5.0
Dividend yield (%)	3.7%	3.7%	3.8%	3.9%	3.9%

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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