

Strategic actions gaining traction

While headline profitability was in line with the prior year, there was plenty of evidence in the FY25 results which demonstrated that strategic actions are working, notably in the UK. With operationally well-invested businesses, leading market positions and a strong balance sheet, Norcros has clear scope for both organic and acquisitive growth from this platform. Our estimated fair value for the company is now 300p per share.

FY25 results: UK bench strength rising

Group EBIT was in line with consensus and the prior year (marginally below our estimate) at £43.2m. For ongoing operations, revenue increased by 0.9% LFL CER with EBIT up c.£0.5m. UK operations performed relatively well throughout FY25 but delivered a particularly strong H2 profit performance. This follows actions taken to further strengthen brand positions through new product and service infrastructure developments. In contrast, South African operations were more challenged by local economy and market developments; EBIT dropped by c 30% here on comparable yoy revenues. Net debt ended FY25 modestly lower than a year earlier, with some investment in working capital absorbing the usual flow through to net cash. The full year dividend of 10.4p (including a proposed 6.9p final) is up 2% yoy.

Outlook: on track for progress

Management has maintained guidance for FY26; implicitly the regional mix is likely to tilt slightly more in favour of UK profitability at the expense of South Africa in our view (FY25 split 90:10). There is a partial blind spot here until the outcome of the JTSA strategic review is announced which will have a bearing on the shape of future earnings in the region. For now, we have made minor net changes to our estimates – with modest EPS upgrades to existing forecasts – and expect to see earnings growth in all three projected years.

Valuation: Margin improvements remain a key driver

Norcros' share price has participated in the wider market rally since its new financial year began but is only up 2% since the start of the calendar year. Starting from undemanding single-digit P/E multiples, the company's own cash flow characteristics and peer group valuation metrics warrant a fair value of 300p per share as Norcros moves towards delivering its strategic targets.

17 June 2025

Company Data

EPIC	NXR
Price (last close)	265p
52 weeks Hi/Lo	283p/184p
Market cap	£238m
ED Fair Value / share	300p
Net debt	£36.8m
End FY25, pre IFRS 16	
Avg. daily volume	116k

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, South African and selected export markets.

The portfolio of ten operating companies (6 UK, 4 South Africa) is characterised by strong individual brands, together providing product breadth and channel diversity from a strong supply chain base.

Next event

23 July - AGM

FY25 DPS final 7.0p (st AGM approval)

- 26 June - ex dividend
- 1 August – to be paid

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Summary financials

Year to March (£m)	2024	2025	2026E	2027E	2028E
Revenue	392.1	368.1	373.2	383.0	391.7
EBITDA - ED*	46.6	46.4	48.1	50.2	51.9
Pre-Tax Profit - company norm	36.4	36.5	38.2	40.3	42.0
EPS FD - company norm (p)	32.1	32.4	33.5	35.3	36.7
DPS (p)	10.2	10.4	10.6	10.8	11.0
Net cash / (debt) pre-IFRS16 basis	(37.3)	(36.8)	(29.5)	(17.1)	(0.5)
P/E (x)	8.3	8.2	7.9	7.5	7.2
EV/EBITDA* (x)	5.9	5.9	5.5	5.0	4.6
Dividend yield (%)	3.8%	3.9%	4.0%	4.1%	4.2%

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

FY25 results overview: solid platform, targeting growth

Pre-close guidance accurately flagged flat LFL revenues together with comparable yoy EBIT (slightly above consensus at £43.2m) and net debt of c.£37m. These 'same again' headline metrics belie a significant year of underlying progress and UK profitability – especially in the second half – was the stand-out feature of the year. With a maintained outlook and expectation of progress in FY26 and beyond and a strong and improving balance sheet funding position the Norcros team is creating plenty of opportunities for future growth.

Norcros: Divisional & Interim splits											
Mar y/e	£m	H124	H224	FY24	H125	H225	FY25	H125 v H124		FY24 v FY23	
								Reported	CER LFL	Reported	CER LFL
Group Revenue		201.6	190.5	392.1	188.4	179.7	368.1	-6.5%	0.1%	-6.1%	0.9%
UK		143.9	138.0	281.9	131.3	125.1	256.4	-8.8%	0.9%	-9.0%	1.1%
South Africa		57.7	52.5	110.2	57.1	54.6	111.7	-1.0%	-1.7%	1.4%	0.5%
Group EBIT		21.4	21.8	43.2	19.7	23.5	43.2	-7.9%		0.0%	
UK		18.7	19.7	38.4	17.8	22.0	39.8	-4.8%		3.6%	
South Africa		2.7	2.1	4.8	1.9	1.5	3.4	-29.6%		-29.2%	
£/ZAR		23.48		23.60	23.34		23.38	0.6%		0.9%	
Margins%		10.6%	11.4%	11.0%	10.5%	13.1%	11.7%	-10bp		+70bp	
UK		13.0%	14.3%	13.6%	13.6%	17.6%	15.5%	+60bp		+190bp	
South Africa		4.7%	4.0%	4.4%	3.3%	2.7%	3.0%	-140bp		-140bp	

Source: Company * Exited businesses (predominantly Johnson Tiles UK but also a small tail of Norcros Adhesives) contributed revenue/EBIT as follows: H124 c.£17m/£0.4m, FY24 c.£32m/£0.5m and H125 c.£4.5m/zero).

UK: clear progress despite subdued housing market

To provide some macroeconomic context for FY25 results, two quarter point UK base rate cuts (in November and February) followed one in August which represented the first reversal from a sharp increase observed from the end of 2021 through to mid-2023. An improving Q3 GfK Consumer Confidence trend reversed in January but ended Norcros' trading year slightly above October levels, though still firmly in negative territory (at -19). Housing transactions did show a reasonable recovery over FY24 - including a temporary year end boost ahead of Stamp Duty changes - and a depressed new build housing sector showed some signs of recovery towards the year end. Overall, this provided **a more stable but still restrained backdrop for Norcros' UK operating companies in FY25** in our view.

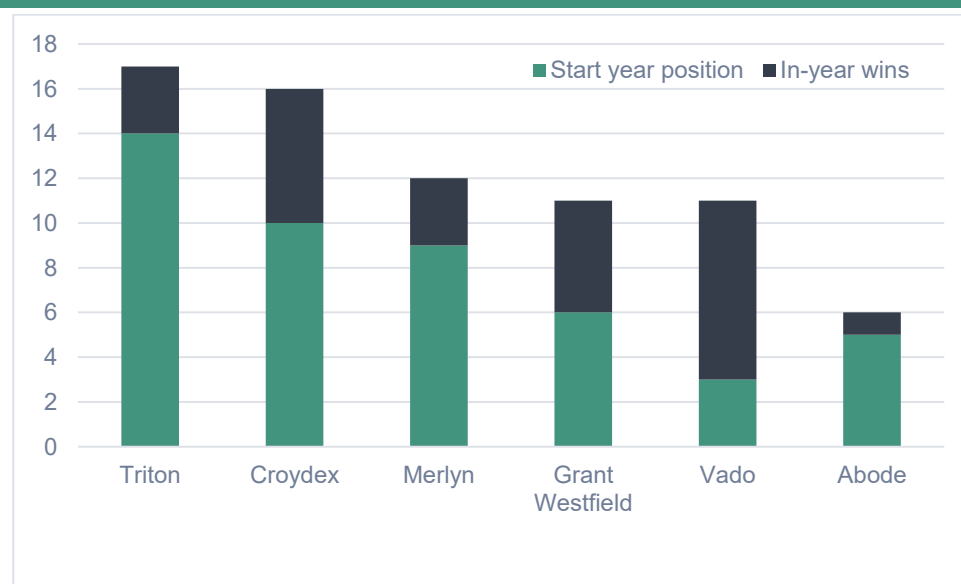
As shown in the table above, **underlying revenue progress was limited**, with a broadly consistent yoy performance across the year (ie LFL H1 +0.9%, FY +1.1%) for ongoing operations. Management considers that Norcros gained market in the year and this chimes with others in the sector (eg Wickes, Howden, Topps Tiles) who have all stated that the trade segment has outperformed retail channels. All brands are said to have performed strongly. Given overall top line progress, this suggests either some variance in underlying segments served (ie relative outperformance of weaker segments also) and/or gains on other non-financial metrics such as customer wins (see below).

While underlying revenues were relatively flat, a **good margin performance** in H1 (+60bp to 13.6%) was followed by an excellent one in H2 (+330bp to 17.6%) giving an overall uplift of 190bp for the year to a record 15.5%. Bearing in mind that there was no operational gearing benefit from higher revenues this is a notable performance. Mix may have partly contributed to this outcome, but we believe that operational efficiencies were more significant; Vado's warehouse consolidation and the merger of Merlyn and Grant Westfield's warehousing/distribution started to deliver benefits in FY25 and will, of course, be ongoing.

Margin progress was not at the expense of new product development with Triton (ENVI digital shower), Vado (Cameo bathroom furniture, a new category) and Grant Westfield (Naturepanel) and others all continuing to develop their product offer to reinforce and extend strong brand propositions. Grant Westfield was stated to be the fastest growing company in Norcros' UK stable, benefitting from new product launches and additional listings secured. In addition, we are aware that the company has been investing in its commercial sector sales resource and product offer whilst also developing a presence in international markets (eg Germany, USA). Following warehouse consolidation actions, Vado's Cameo launch has also been the springboard for broadening its customer penetration, securing 8 new listings with the existing top 20 Norcros UK customers. This is an important point, bringing together individual company strengths and group benefits, yielding cross-selling opportunities to customers and channels served by sister companies.

Though Vado clearly saw the most traction, the chart below shows that such progress was not unique with **listing gains also made by other Norcros companies**:

Norcros: Top 20 UK customers served by operating company



Source: Company

As a result, five of the six UK operating companies now serve more than ten of Norcros' top twenty UK customers. (Abode is an outlier but note that unlike its peers it is primarily focused on kitchens – specifically taps - rather than bathroom products.) The names of the top twenty customers is understandably not disclosed but includes leading bathroom retailers, housebuilders and DIY sheds. New listings and category launches obviously represent **an opportunity to grow even if the market does not** and also broaden the market opportunity for future new product launches. In a recovering volume environment, these benefits are amplified across all companies. Taking a step back, the exit from UK tile/adhesive manufacturing does not, at face value, appear to have had any discernible negative impact on operating companies' ability to access cross-sell opportunities

Outlook: Without calling an upturn in the markets served, the new listings wins and increased operational efficiencies noted above all underpin management's confidence in an expectation of further organic progress from UK operations in FY26. While the new year started in subdued fashion, recent trading has been more positive with LFL revenues to the end of May -1.1% overall. Wider market volatilities during this period mean that we should not read too much into this headline figure at this stage in our view. A further quarter point UK base rate cut in May, stable consumer confidence, real earnings growth and declining mortgage costs should all have more bearing as the year progresses. There are pockets of optimism in the housebuilding sector (20% of UK revenues in FY25) but we note that it will take a more sustained increase in starts to percolate through to completions to boost demand for Norcros products in this segment.

Lastly, Norcros continued to successfully manage its supply chain in FY25 including the development of a direct commercial relationship with Maersk. For the record, Norcros typically takes rolling forward FX cover for a significant proportion of the coming 12 months and so is insulated against short term currency movements.

South Africa: meeting regional challenges with definitive actions

There have also been progressive quarter point rate cuts from the SARB along with downward revisions to inflation expectations. However, the improvement in consumer confidence in evidence since Q423 stalled in the second half of Norcros' trading year and deteriorated sharply Q1 calendar 2025 due to Government budget uncertainties (increasing VAT rates) and wider international trade concerns. This was also reflected in a significant bond market reversal at the end of January with 10-year rates peaking above 11% before settling back to just above 10% currently. South Africa has an open economy and, to our eyes, business and consumer confidence still appears fragile and an uncertain foundation for future growth.

Compared to FY24, the **£/ZAR translation of South African earnings was in fact marginally favourable** to reported Norcros results in FY25. In local currency terms, there was a **small pick-up in LFL revenue performance** across the four operating companies in aggregate in H2 versus H1 with marginal yoy progress achieved for the year as a whole. Unlike FY24, load-shedding was not a recurring feature of South African energy supply but a recovery in economic activity does not appear to have naturally followed.

Despite a broadly stable revenue base, a **further step down in profitability** from South African operations was generated (approaching a 10-year low) with an EBIT margin down 140bp to 3.0% for the year. With both tile manufacturing (JTSA) and a branch (Tile Africa)/depot (House of Plumbing) property estate, South African operations have a higher relative fixed cost base compared to Norcros's UK operations. There was some cost inflation and also mitigating actions in the year, but we believe that the profit reduction was substantially due to price competition, especially in the over-supplied tile market, impacting profit margins.

JTSA generated c.£12m external revenues¹ and broke even prior to allocating South African divisional costs. As disclosed at the pre FY25 close stage, a strategic review is underway here and understood to be nearing its conclusion. Some form of remedial action seems likely though no definitive outline on intended measures has been indicated at this stage. We would expect a fuller update by the time of the Norcros AGM toward the end of July.

For the other South African operations in FY25, TAL Adhesives is understood to have extended its market-leading position while management changes were made at both House of Plumbing and Tile Africa (where a new ERP system was also implemented). Taken together with remedial actions at JTSA, we expect these actions to feed into progress and a more positive profile for the South African operations going forward.

Outlook: The first point to note is that the Rand has weakened against sterling thus far in FY26 and at the current £/ZAR 23.9 level represents a c.3% yoy translation headwind. The outlook for energy supply is currently expected to remain stable so the rate at which business and consumer confidence recovers is likely to be the key driver.

Combined revenues in the first two months of FY26 were -3.2% yoy; as in the UK, we do not see this as a representative read for the full year at this stage. The JTSA review will clearly absorb management time this year and the as yet unclear outcome will influence regional financial performance. Ex JTSA, we would expect to see modest improvements in revenue and profitability over the coming year.

¹ Around one third of output went to sister retail company, Tile Africa

Cash flow: modest inflow after inventory investment

Norcros ended FY25 with pre IFRS16 net debt of c.£37m, marginally lower than year earlier levels which represented **0.8x EBITDA** generated during the year.

Consistent with other group headline metrics discussed, **EBITDA slightly in excess of £46m** was in line with the prior year. Pension fund deficit recovery cash payments of £3.1m, were lower yoy solely due to timing effects, though there was an uptick in Other non-underlying cash outflows to c.£8m. The latter broadly equates to the exceptional operating costs recorded in the year (covering restructuring, ERP and legal costs), noting that timing differences probably means that they don't fully map 1:1.

Given broadly flat revenues, **working capital absorption of £14m** (split £10m in H1 and a further £4m in H2) was an atypical Norcros performance. The movement was largely due to inventory build with an overall increase in receivables also, despite some inflow in H2. Returning to inventories, management cited both some supply chain caution driving some contingency with c.£4m (of c.£10m in total) arising at JTSA, from a combination of kiln efficiency and weak end market effects.

Gross capex was slightly lower yoy just below £7m (split across tangibles and intangible spend) but still above c.£4.7m combined own asset depreciation and amortisation of internal intangibles). After £3.5m proceeds from a partial property disposal, net capex spend was relatively modest for the year.

Free cash flow (after lease costs) was c.£10m and this was substantially applied to ordinary dividend cash payments in the year.

Lastly, we note that Right of Use Assets and IFRS16 Lease Liabilities both reduced yoy on the end FY25 balance sheet (to £16.7m and £23.5m respectively). We assume that this reflects the aforementioned UK consolidation actions which have reduced overall property requirements.

Cash flow outlook: Balance sheet and cash optionality

In underlying terms, we expect Norcros to generate free cash flow (after lease costs) of c.£17m in FY26, rising above £20m in each of the following two years. On our projections, cash dividends look likely to absorb just over half of this in the current year but not much more than one third by FY28. As a result, Norcros is projected to effectively be ungeared by the end of FY28 on our estimates. This clearly provides scope for a faster rate of dividend growth than we currently project, additional M&A firepower (see below) or otherwise enhance shareholder distributions.

We should note that there could possibly be some ongoing non-recurring costs relating to ERP implementation (at Merlyn) and the JTSA strategic review. Against this, we note a property asset for sale (on the end FY25 balance sheet at £3.7m) and some inventory reduction and we might expect a neutral cash flow outcome as a worst case, subject to timing effects.

As announced on 13 March, trustee negotiations following the 1 April 2024 triennial actuarial valuation of Norcros' DB pension scheme means that pension cash contributions of c.£4m will continue for the current year and next, including an escrow account activation once a technical provision surplus has been attained. Significantly, from FY28, current expectations are for contributions to be **at or below c.£1m from FY28** and only to cover scheme administration fees if the above arrangements are insufficient to do so.

At the end of FY25, Norcros held gross debt of c.£60m (all non-current) within £130m banking facilities (to October 2027), with a further £70m accordion facility also available. Cash on hand at the year-end was c.£23m, including balances held in South Africa we believe. Management cites £60m-70m M&A headroom; the pipeline remains 'well-developed' and due diligence activities are said to be underway. Transactions are of course not guaranteed and, if forthcoming, the timing of completions is indeterminate at this stage. What we can say with confidence is that remains an opportunity for growth over and above the benefits to come from actions already taken and any market uplift that transpires over the next 12-18 months.

Outlook & estimates: maintaining course

Management has made no change to guidance for FY26. For the record, in the first two months of FY26, Norcros has noted yoy group revenue -1.8% LFL CER and we understand that the latest trading period has been stronger than these headline figures. Coinciding with turbulent international trade newsflow – not directly affecting Norcros operations but impacting consumer sentiment as noted earlier – we are not inclined to place too much weight on this performance at this stage. We would expect a further company trading update to come at the AGM on 23 July.

As far as our own estimates are concerned, **we have taken a slightly more conservative view on revenue progression in both reporting divisions and also adjusted margin expectations.** In the UK, we have modelled higher EBIT margins consistent with the reported FY25 level and while we expect progression in South Africa, this is now from a lower base level. After factoring in a modest £/ZAR headwind also, the net result is a marginal increase in our EBIT expectations for FY26 and FY27. Assuming that the (higher than we anticipated) FY25 pension administration cost prevails going forward, this nets down to modest PTP reductions which are more than compensated for at the EPS level by a 22% tax charge (versus 23% previously). These effects are summarised in the table below and we publish our FY28 estimates for the first time.

Norcros: Estimate changes

Year to March (£m)	FY25E	FY25A	%chg	FY26E	FY26E	%chg	FY27E	FY27E	%chg	FY28	FY28
				Was	New		Was	New		Was	New
Revenue	377.5	368.1	-2%	385.2	373.2	-3%	397.3	383.0	-4%	N/A	391.7
EBITDA - ED*	47.9	46.4	-3%	48.8	48.1	-1%	50.6	50.2	-1%	N/A	51.9
Pre-Tax Profit - company norm	37.2	36.5	-2%	38.1	38.2	0%	40.0	40.3	1%	N/A	42.0
EPS FD - company norm (p)	31.8	32.4	2%	32.7	33.5	2%	34.3	35.3	3%	N/A	36.7
DPS (p)	10.4	10.4	0%	10.6	10.6	0%	10.8	10.8	0%	N/A	10.8
Net cash / (debt) pre-IFRS16 basis	(34.7)	(36.8)	6%	(23.8)	(29.5)	24%	(12.7)	(17.1)	34%	N/A	0.0

Source: Equity Development

Historic and our projected financial statements are shown in more detail toward the end of this report.

Valuation: Fair value raised to 300p per share

UK equities have recovered well since international trade concerns spooked markets in early April. Companies perceived as cyclical in particular have amplified this rebound. **Norcros' share price** has participated to some extent though **is only just in positive territory now for the year to date** overall. The company has delivered against FY25 market expectations and guidance has remained robust.

All other things being equal, the pension cash outcome announced in March underpinned a boost to the company's valuation on a standalone basis. Adding in noted progress in the company's UK margin development and the share price performance of peer group companies there are clearly favourable further grounds for revisiting fair value estimates.

Based on an expectation of further progress towards management's medium term margin targets and prevailing peer group valuations, we lift our fair value for Norcros to 300p per share (previously 254p).

Single digit P/Es and mid-single digit EV/EBITDA multiples

At the current 265p share price, Norcros' prevailing conventional valuation metrics are:

- **P/E: current year 7.9x, reducing to 7.2x by FY28**
- **EV/EBITDA: 5.5x and 4.6x for the equivalent years.**

Margin progress to be a key driver of valuation

Updating our DCF analysis, the **current share price is effectively assuming no EBITDA growth beyond our FY28 estimate** (£53.7m). The 268p per share valuation that this generates compares to our previous 240p illustration. Having updated for FY25 results and rolled the model forward one year, we note that the pensions deficit recovery cash changes explain the majority of the uplift.

For illustration, sustaining our FY28 revenue projection (£392m, resulting from a 2.5% three-year CAGR), applying management's **15% EBIT margin target** and assuming this to be the 'steady state' level of group profitability going forward **yields a valuation of 330p per share**.

A faster organic revenue CAGR (which effectively assumes that Norcros achieves its above market growth targets on flat underlying markets) is not unrealistic. We think that it is also not unreasonable to expect further progress from UK margins over this period and for South African operations to generate high single-digit margins by the end of it which is what we believe would be required to reach the indicated level of profitability. In other words, we consider that further margin progression compared to our estimates can be a key driver of higher valuation levels under our DCF analysis.

The model of course makes **no allowance for M&A activity**. As we have commented, Norcros clearly has funding capacity to execute deals and its management is focused on bringing additional complementary businesses into the group as an additional value driver.

Discount to peer group: equivalence suggests 306p/share

Looking at Norcros' nearest UK-listed bathroom and kitchen peers (ie Howden, Volution and Stelrad), a comparison shows that the company is trading on almost a 50% P/E discount and over 40% on an EV/EBITDA basis

Against selected other UK-centric branded building products manufacturers and suppliers shown in the table below the corresponding discounts are smaller but still material at 30%+ and 20%+ respectively.

Norcros: Peer group comparison

	Market Cap	P/E (x)			EV/EBITDA (x)		Div Yield (%)
	£m	FY1	FY2	FY3	FY1	FY2	FY1
*Norcros plc	240	7.9	7.5	7.2	5.6	5.1	4.0%
Peer group 1		16.0	14.6	13.5	9.7	9.0	3.2%
Howden Joinery Group Plc	4778	18.9	17.1	15.2	10.3	9.7	2.5%
Volution Group plc	1216	19.2	17.9	17.0	13.5	12.2	1.7%
Stelrad Group PLC	182	9.9	8.9	8.2	5.4	5.2	5.5%
Peer group 2		12.8	11.2	10.0	7.0	6.6	3.7%
Genuit Group plc	989	15.5	14.0	12.8	9.0	8.5	3.2%
Marshalls plc	693	16.9	14.4	12.6	8.5	7.8	3.0%
Eurocell plc	160	9.1	6.5	5.8	4.1	3.5	4.2%
Epwin Group Plc	144	9.6	9.2	8.8	5.6	5.5	5.1%
The Alumasc Group plc	137	12.7	11.9		7.8	7.5	3.0%

Source: Koyfin (ex Norcros), *Equity Development (Norcros) calendarised

Taking another subset – **versus peer companies outside the FTSE 250**, of which Norcross is the largest – the P/E discount is still around 20%, though the EV/EBITDA discount is relatively modest. Alumasc is clearly on the best rating of these four peers. Applying the peer P/E in each of the three years to our Norcross EPS expectations (calendarised) and taking the average price generated, yields an **equivalent share price of 306p for Norcross**. We consider this to be a minimum benchmark for the company.

Financial summary

Norcross: 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	373.2	383.0	391.7
Gross Profit		124.2	124.5	118.4	140.8	169.3	165.0	154.6	156.7	160.9	164.5
EBITDA - pre IFRS16 & SBP		42.5	39.0	40.1	48.1	53.5	48.4	48.2	49.9	52.0	53.7
EBITDA - company		41.3	38.6	37.9	45.4	50.5	45.7	46.1	47.8	49.9	51.6
EBIT - company norm		34.4	32.3	33.7	41.8	47.3	43.2	43.2	44.7	46.6	48.1
Net Bank Interest		(1.8)	(1.6)	(1.5)	(0.8)	(3.7)	(5.2)	(5.0)	(4.8)	(4.6)	(4.4)
IFRS16 Interest		0.0	(1.9)	(1.7)	(1.7)	(1.8)	(1.6)	(1.7)	(1.7)	(1.7)	(1.7)
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	36.4	38.5	40.2
Profit Before Tax (company norm)		32.6	28.8	30.6	39.3	41.8	36.4	36.5	38.2	40.3	42.0
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)	(1.8)	(1.8)	(1.8)
Profit Before Tax (reported)		25.4	15.0	18.5	33.0	21.7	32.6	2.0	29.9	32.0	33.7
Tax		(6.0)	(4.1)	(3.5)	(7.3)	(4.9)	(5.8)	1.5	(8.0)	(8.5)	(8.8)
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	21.9	23.6	24.9
EPS FD - ED norm (p)		29.6	26.1	29.6	35.9	34.6	30.1	30.9	31.5	33.3	34.7
EPS FD - company norm (p)		31.7	28.2	31.1	38.2	37.4	32.1	32.4	33.5	35.3	36.7
EPS FD - reported (p)		23.9	13.5	18.6	31.2	18.8	29.8	3.9	24.3	26.1	27.5
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	42.0	42.0	42.0	42.0
EBITDA - pre IFRS16 & SBP		12.8	11.4	12.4	12.1	12.1	12.3	13.1	13.4	13.6	13.7
EBITDA - company		12.5	11.3	11.7	11.5	11.5	11.7	12.5	12.8	13.0	13.2
EBIT company norm		10.4	9.4	10.4	10.6	10.7	11.0	11.7	12.0	12.2	12.3

Source: 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	49.9	52.0	53.7
Change in working capital		(2.1)	(4.8)	21.8	(23.6)	(13.3)	3.3	(14.0)	(3.5)	(2.9)	(2.6)
Other		(5.1)	0.6	(1.9)	(1.2)	(2.5)	(2.7)	(5.9)	(1.1)	1.8	4.2
Operating Cash Flow		35.3	34.8	60.0	23.3	37.7	49.0	28.3	45.3	50.9	55.3
Tax paid		(4.6)	(5.3)	(3.5)	(6.5)	(7.7)	(5.6)	(3.4)	(7.2)	(7.6)	(8.0)
Investing Activities		(7.6)	(14.0)	(2.8)	(5.4)	(84.3)	(7.3)	(3.4)	(9.0)	(9.0)	(9.0)
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)	(9.0)	(9.0)	(9.0)
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	0.0	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)	(21.8)	(21.8)	(21.8)
Net finance income (cost)		(1.8)	(1.7)	(1.4)	(0.8)	(3.7)	(5.0)	(4.6)	(4.8)	(4.6)	(4.4)
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	7.3	12.4	16.6
Opening cash/(net debt) pre IFRS16		(47.1)	(35.0)	(36.4)	10.5	8.6	(49.9)	(37.3)	(36.8)	(29.5)	(17.1)
Change in Net Cash		13.8	0.4	46.5	(4.8)	(55.5)	14.3	0.7	7.3	12.4	16.6
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)	(29.5)	(17.1)	(0.5)
IFRS16 lease liabilities			(25.1)	(24.2)	(24.0)	(24.7)	(22.2)	(20.6)	(20.6)	(20.6)	(20.6)

Source: Company, Equity Development

Norcross: 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	201.4	202.5	201.0
Intangible Assets		94.9	96.5	93.6	90.3	167.1	161.2	153.5	147.0	140.5	134.0
Tangible Assets - Owned		42.3	29.0	28.0	29.0	24.8	28.1	21.8	26.2	30.4	34.4
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	15.9
Current Assets		169.5	188.7	171.0	200.7	216.2	200.8	187.8	199.8	217.0	237.8
Inventory		79.5	78.9	78.1	100.6	103.9	97.4	88.2	89.4	91.8	93.8
Trade Receivables		57.8	56.1	60.4	66.9	78.7	67.5	65.8	68.7	70.5	72.1
Other Debtors		5.0	6.4	4.2	5.8	4.6	5.1	11.1	11.7	12.3	12.9
Cash		27.2	47.3	28.3	27.4	29.0	30.8	22.7	30.0	42.4	59.0
Current Liabilities		(85.1)	(79.2)	(104.1)	(110.8)	(112.7)	(99.2)	(95.2)	(97.4)	(103.3)	(109.2)
Trade Payables		(44.6)	(41.2)	(49.5)	(56.6)	(50.8)	(45.4)	(46.0)	(46.7)	(47.9)	(49.0)
Other Creditors		(36.7)	(32.7)	(49.2)	(48.5)	(55.8)	(47.5)	(42.6)	(44.3)	(48.9)	(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)	(84.1)	(83.3)	(82.4)
Long-term Debt		(58.4)	(83.6)	(17.8)	(18.8)	(78.9)	(68.1)	(59.5)	(59.5)	(59.5)	(59.5)
IFRS16 Lease Liabilities			(19.9)	(18.8)	(18.3)	(18.6)	(15.9)	(14.1)	(14.1)	(14.1)	(14.1)
Other Long-term Liabilities		(38.3)	(52.4)	(23.1)	(11.3)	(22.4)	(19.7)	(11.3)	(10.5)	(9.7)	(8.8)
Net Assets		125.7	104.4	148.4	200.3	210.4	222.4	207.9	219.7	232.9	247.3

Source: Company, Equity Development.



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