

Strong momentum into FY27E and cash-resilient

31 March 2026

AG Barr's FY26 results confirm the strength of the group's multi-brand drinks portfolio and the successful execution of its strategy. Adj. operating margin rose 120bps to a robust 14.8% and over £50m of net operating cashflow has allowed for investment in both manufacturing capabilities and three significant brand acquisitions. Hence, we believe AG Barr is in a strong position to navigate any sector-wide inflation resulting from geo-political tensions. We reiterate our 800p Fair Value estimate, equating to 1.6x EV / Revenues, c.15x PER and a c.5% FCF yield (cal 2027).

FY26 results illustrate profitable, multi-brand strength and innovation

AG Barr's FY26 revenue rose 4% to £437m and Adj. PBT rose 12.5% to £65.8m as guided. Following pricing realignment of IRN-BRU and Rubicon, revenue growth accelerated in H226 and the group's operating margin rose 120bps to 14.8% for FY26 despite cost headwinds. Encouragingly, IRN-BRU is gaining share in England and new distribution channels and product innovation are driving good momentum in Rubicon and Boost. We discussed AG Barr's strategy in detail in our recent initiation note "[Brand-led, cash-generative and acquisitive](#)" and it is pleasing to see execution is on track.

Forecasts increased for recent acquisitions into high-growth categories

Management has confirmed that FY27 has started well and we forecast 12% revenue growth in FY27E, including c.8% from the recent acquisitions of Fentimans and Frobishers Juices. Together, these exciting brands in the growing adult soft drinks category bring growth and synergies. So, whilst we forecast they will be margin and ROCE dilutive in FY27E, we estimate they will be margin accretive by FY29E. Our Adj. PBT forecasts for FY27E and FY28E rise by 2%-5%.

Resilient against macroeconomic concerns; reiterate 800p Fair Value

AG Barr's share price has fallen over 10% in recent weeks on macro-economic concerns. But as a value-led, UK-focussed drinks business, with 12-18 month hedging policies for commodity sourcing, we believe the business is well-placed to navigate any secondary inflation impact. Management is targeting 4%+ revenue growth p/a, 14%-16% operating margins and 19%-21% Adj. ROCE but trades on only c.12x cal 2027 PER. Hence we see scope for a rerating, as confidence in execution grows.

Key financials & valuation metrics

Year to 31 January (£m)	2025	2026	2027E	2028E	2029E
Revenue	420.4	437.3	489.3	513.8	539.8
Revenue growth (%)	5.1	4.0	11.9	5.0	5.1
Adj. PBT	58.5	65.8	71.0	78.3	85.7
Adj. PBT margin (%)	13.9	15.0	14.5	15.2	15.9
Adj. diluted EPS (p)	39.4	44.1	47.5	52.4	57.4
Dividend per share (p)	16.9	18.7	20.1	22.2	24.3
Net cashflow from operations	48.3	52.2	76.9	78.6	85.5
Net cash / (debt) /Adj. EBITDA (x)	0.9	0.4	0.0	0.3	0.5
EV / Sales (x, calendarised)	1.5	1.3	1.2	1.2	
PER (x, calendarised)	14.1	13.1	11.9	10.8	
Dividend yield (% , calendarised)	3.0	3.2	3.6	3.9	
Free cashflow yield (% , cal)	0.9	-1.1	5.4	6.9	

Source: Company data, Equity Development, Priced as at 30/3/26

Company data

EPIC	BAG
Price (last close)	617p
52 weeks Hi/Lo	728p/602p
Market cap	£682m
ED Fair Value / share	800p
Net cash / (debt) 2026E	£34m
Avg. daily volume (3m)	185k

Share price, p



Source: Investing.com

Description

A.G. Barr p.l.c. ("AG Barr") is a UK-focused multi-beverage business with a portfolio of market-leading brands including IRN-BRU, Rubicon, Boost and FUNKIN (these four comprising c.75% of revenues in FY26).

Established in 1875, AG Barr has grown to £437m revenues with adj. operating margin of c.15% (FY26). In 2025/2026 AG Barr has further extended its range in functional wellness and adult soft drinks with the acquisitions of Fentimans Ltd, Frobishers Juices Ltd and Innate-Essence Limited (50.1%), producer of The Turmeric Co. and Raw Hydrate.

Next event

H1 27 Trading update – July 2026

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AG Barr: Investment attractions overview

Investment Highlights	Risk Factors
<ul style="list-style-type: none"> AG Barr is a UK focused beverage brand builder with an impressive track record of consistent, profitable and cashflow generative growth over the past 21 years: driving 6% CAGR in revenues from £127m to £437m and 7% CAGR in Adj. PBT from £15.6m to £65.8m (FY05-FY26). Key to AG Barr's success is its differentiated business model offering 1) a diversified range of drinks brands and ability to acquire brands; 2) a track record of building those brands; 3) an integrated supply chain and 4) a UK focus. Experienced consumer leader Euan Sutherland joined as CEO in 2024 and has expanded the senior leadership team, bringing in talent from other consumer companies to work with established leaders within the group to increase the pace of innovation, expand distribution, grow market share and drive even greater efficiencies in its manufacturing processes. The group's financial model commitment is 4%+ revenue growth, 14%-16% adj. operating margin and 19%-21% Adj. ROCE, with an ambition to double in size. This model enables strong brand reinvestment, capacity expansion and consistent cash generation to fund acquisitions and dividends. 	<ul style="list-style-type: none"> Price competition from larger, global competitors that would mean AG Barr would need to invest in gross margin to protect its price differential. Cost inflation, particularly in sugar, packaging and energy costs, lasting for longer or at a higher rate than expected, impacting profit margins if not able to pass on to consumers as higher prices (though management expects to be able to pass on sector-wide inflation). Supply chain disruption. Regulation changes, especially around sugar taxes, and any potential regulation around use of sweeteners, although AG Barr has already successfully adapted to higher sugar taxes with a c.50% reduction in sugar in (reformulated) products. Changing consumer trends towards healthier products and risks to perceptions of any brands in the portfolio, along with brand concentration risk, though brand diversification, new product development and acquisitions help offset this. Technology disruption and other risks to brand reputation.
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> We forecast 7.3% Revenue CAGR FY26-FY29E (incl recent acquisitions) led by the rebrand of IRN-BRU Zero, product innovation across brands, particularly in healthier and functional drinks, increased marketing and greater distribution. We assume the savings from increased manufacturing insourcing and production efficiencies are partly reinvested back into marketing, leading to operating margins of c.14%-16% and Adj. PBT CAGR of 9% FY26-FY29E. We expect c.80%-100% of Adj. PBT converts to net cashflow from operations yielding c.£120m of cumulative free cashflow pre acquisitions FY27E-FY29E to pay dividends and invest in M&A. 	<ul style="list-style-type: none"> Following recent macro-economic concerns AG Barr is trading on only 1.2x 2027 EV / Revenues, c.6.5x 2027 EV / Adj. EBITDA, c.12x 2027 PER, and offers a c.3.6% dividend yield and a c.6% FCF yield. This is significantly below its historic average valuation multiples of c.2x EV / Revenues, 11x EV / EBITDA, just under 20x PER and a c.5% FCF yield. With two recent acquisitions and a reacceleration in revenue growth we see scope for AG Barr to re-rate as investor confidence in growth increases. We reiterate our Fair value estimate of 800p per share, equating to c.15.5x 2027 PER, c.8.5x 2027 EV / EBITDA and a c.5% FCF yield.

AG Barr's FY26 highlights: Strong strategic progress and operating margins rise to c.15%

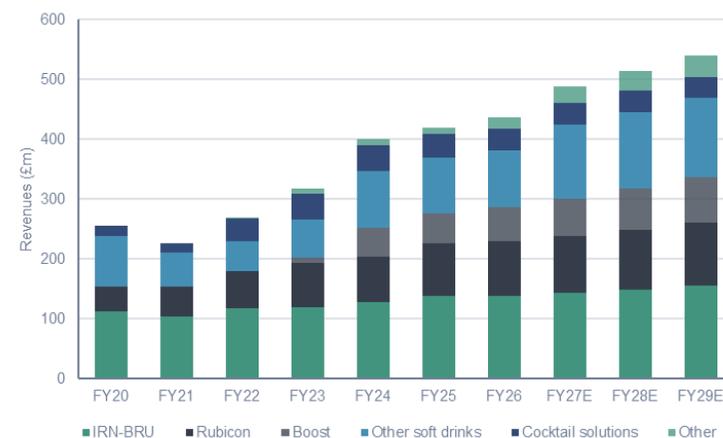
Strategy to drive growth across multiple brands

- AG Barr operates in the large and growing UK soft drinks market, that is also defensive, as it is a low-cost, every-day purchase for consumers.
- In FY26, management increased prices in certain key pack sizes for IRN-BRU and Rubicon, which was necessary to restore margin discipline (after cost inflation) and protect brand equity. This led to a temporary dip in volumes and group revenue growth to 3% in H126 but, combined with product innovation and increased distribution channels, a reacceleration to 5% group revenue growth in H226.
- At the same time the group benefitted from its multi-brand portfolio as Boost grew revenues an impressive 12% due to product innovation and brand development work, followed by distribution gains and increased marketing. In addition, the acquisition of Innate-Essence in July 2025 added £6m.

Good cost discipline leads to margin rise in 14%-16% range

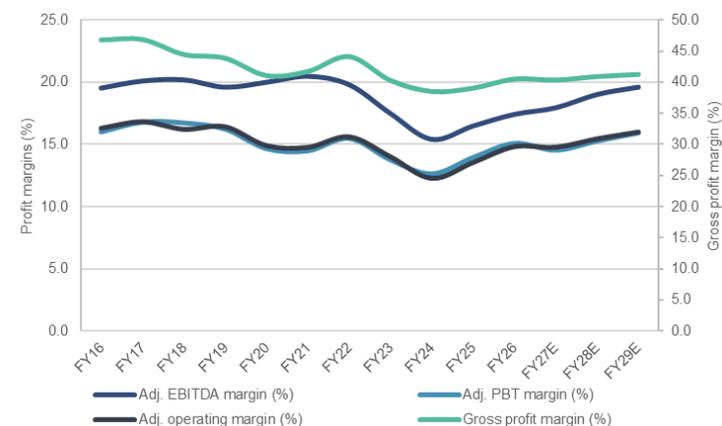
- AG Barr made impressive progress on profit margins in FY26. Gross margin rose 140bps to 40.5%; Adj. operating margin rose 120bps to 14.8%, and Adj. PBT margin rose 110bps to 15.0%.
- This was partly due to disciplined cost management of input costs, as some commodities remains a headwind (aluminium and soft fruits) whilst others have seen inflation ease (e.g. sugar). Labour costs continue to rise, but at a slower pace than before.
- AG Barr's multi-year capital investment projects have also continued to generate savings from improved service levels and production efficiencies, and this is expected to continue in FY27E.

FY26 Revenue + 4% to £437m; good momentum into FY27E



Source: Company data, Equity Development

FY26 Adj. operating margin +120bps to 14.8%



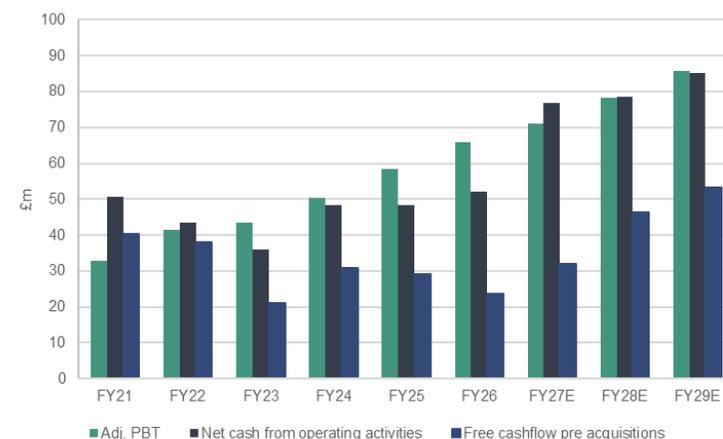
Source: Company data, Equity Development

AG Barr's FY26 highlights: excellent cashflow conversion and three brand acquisitions

Excellent cash generation funds capex, M&A and dividends

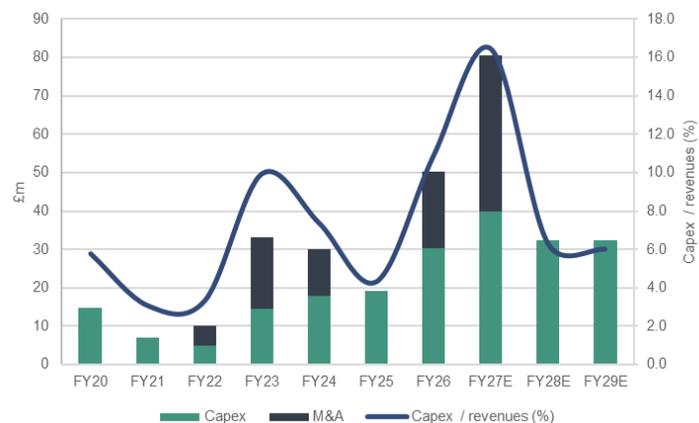
- Net cashflow from operations exceeded £50m in FY26 as operating cashflow conversion remains excellent, despite a £8m working capital outflow mainly due to the timing of supplier payments at the year-end. Working capital will continue to be a focus in FY27E.
- Capital expenditure rose to £30m as part of the group's strategic multi-year investment to upgrade its supply chain and increase production efficiency to enable more in-sourcing of production. Capex will peak at c.£40m in FY27E as capacity is increased to complete the in-sourcing of Boost production, then likely return to £30m-£35m p/a.
- The group also acquired 50.1% of Innate-Essence for £14.7m and Frobishers Juices for £12.9m in FY26. Despite this the group still had £42m net cash at bank at year end, ahead of its c.£40m acquisition of Fentimans in February.

Over £50m cash from operating activities in FY26...



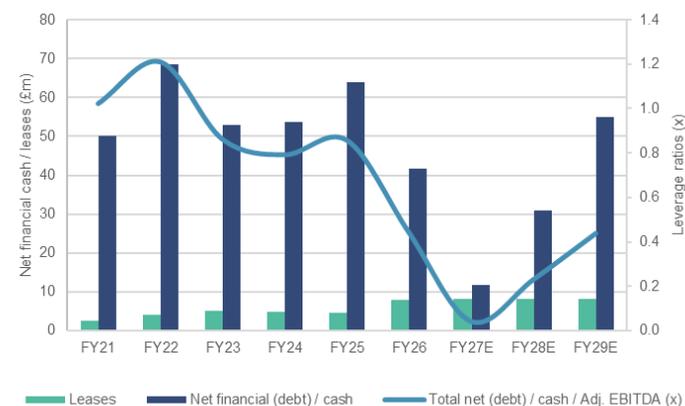
Source: Company data, Equity Development

...funding £50m capex and acquisition spend in FY26...



Source: Company data, Equity Development

...with net cash at bank still £42m at end FY26



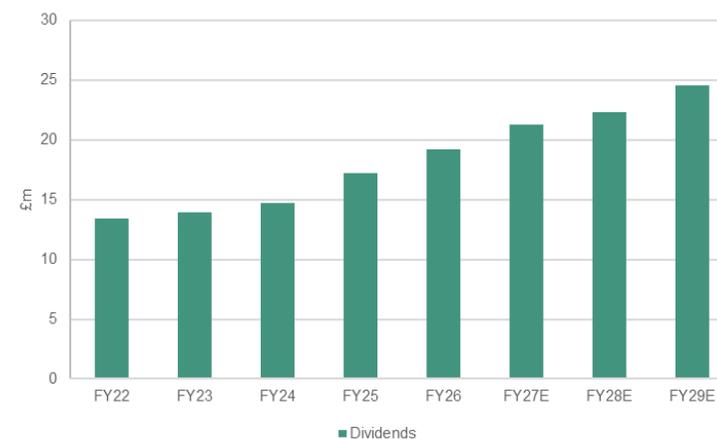
Source: Company data, Equity Development

AG Barr's FY26 highlights: dividend rises 11% and Adj. ROCE of 20.4%

A robust balance sheet

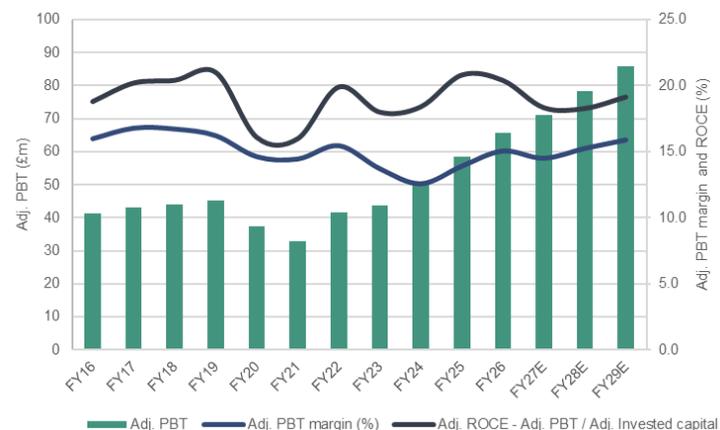
- To ensure financial resilience the group entered into a £40m short-term debt facility to support the Fentiman's acquisition in February, and £20m of this was repaid in mid-February.
- The group is in discussions with lenders and the Board has a high degree of confidence that a new facility will be finalised well before May 2026. In addition, the group has other funding options and believes the group could support up a debt capacity up to 2.5x EBITDA.
- Hence the Board has declared a full year dividend of 18.71p, +11%.
- In the following pages we present our new forecasts which include the integration of Fentimans and Frobishers, adding c.7% to group revenues and Adj. PBT by FY29E.

FY26 full year dividend +11% to 18.71p (declared)



Source: Company data, Equity Development

High Adj. ROCE of 20.4% within 19%-21% target range



Source: Company data, Equity Development

Share price has fallen with the market on macro concerns



Source: Investing.com; Equity Development

Changes to forecasts: the integration of Fentimans and Frobishers adds c.7% to group revenues

- AG Barr has a proven ability to build brands (e.g. Boost) and has expanded into fast-growing functional wellness, sports and adult soft drinks (most recently through the acquisitions of Innate-Essence, Fentimans and Frobishers). We estimate that Frobishers and Fentimans will together add c.£35m to revenues in FY27E (after ceasing to trade in some loss-making geographies that do not make economic sense).
- We estimate that the two brands will generate c.£2m operating profit before synergies and that in FY27E AG Barr will generate c.£2m cost synergies that will annualise to c.£4m in FY28E, before accessing a further potential c.£2m of manufacturing synergies when the brands can be in-sourced, probably not until FY29E. Offsetting this potential £8m of operating profit, we forecast c.£2m of interest costs from the acquisition consideration. Thus, we expect the brands will be margin and ROCE dilutive in FY27E, before rising as synergies are realised.

FY26 results were in-line with guidance/forecasts; FY27E forecasts rise to reflect acquisitions

Year-end 31 Jan (£m)	Actual / New forecasts			Old forecasts			% change		
	2026A	2027E	2028E	2026E	2027E	2028E	2026A	2027E	2028E
Group Revenue	437.3	489.3	513.8	437.3	456.2	480.7	0.0	7.3	6.9
<i>Revenue growth (%)</i>	4.0	11.9	5.0	4.0	4.3	5.4			
Adj. operating profit	64.8	72.3	79.4	64.3	68.6	73.5	0.8	5.4	8.0
<i>Adj. operating profit margin (%)</i>	14.8	14.8	15.4	14.7	15.0	15.3			
Adj. PBT	65.8	71.0	78.3	65.7	69.5	74.6	0.2	2.2	5.0
<i>Adj. PBT margin (%)</i>	15.0	14.5	15.2	15.0	15.2	15.5			
Adjusted diluted EPS (p)	44.1	47.5	52.4	44.5	47.1	50.5	-0.7	1.0	3.8
<i>Adj. EPS growth (%)</i>	12.2	7.7	10.3	13.0	5.8	7.3			
DPS (p)	18.7	20.1	22.2	19.1	20.2	21.6	-1.8	-0.1	2.7
Capex	30.4	40.0	32.5	30.0	40.0	27.5			
Free cashflow	3.8	(8.5)	41.3	5.0	24.1	42.3			
Net financial cash / (debt)	41.6	11.9	30.8	44.8	48.8	70.0			
Total net cash / (debt) incl leases	33.6	3.8	22.7	40.1	44.1	65.3			
Net financial cash / (debt) / Adj. EBITDA (x)	0.5	0.1	0.3	0.6	0.6	0.8			
Total net cash / (debt) / Adj. EBITDA (x)	0.4	0.0	0.2	0.5	0.5	0.7			

Source: Company data, Equity Development

Financial forecast tables and assumptions

- In addition to updating our forecasts for the FY26 results and integrating the acquisitions of Fentimans and Frobishers into our forecasts, we introduce FY29E forecasts.

Brand / divisional analysis								
Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A*	2027E	2028E	2029E
IRN-BRU	118	119	128	138	139	143	149	155
Rubicon	63	75	76	88	90	95	100	106
Boost		7	48	50	57	62	68	75
Other soft drinks	50	65	95	92	97	125	128	133
Soft drinks	231	267	347	369	382.0	424.3	445.8	468.6
Cocktail solutions	37	43	43	40	35.8	35.8	35.8	35.8
Other (MOMA etc)	1	8	11	11	19.5	29.3	32.2	35.4
Total revenue	269	318	400	420	437.3	489.3	513.8	539.8
IRN-BRU	15	1	8	6	1	3	4	4
Rubicon	25	20	15	17	2	5	6	6
Boost			22	0	12	10	10	10
Other soft drinks	(12)	30	45	(3)	5	29	3	3
Soft drinks	10	16	30	6	4	11	5	5
Cocktail solutions	117	16	0	(6)	(11)	0	0	0
Other (MOMA etc)			28	8	73	50	10	10
Total revenue growth (%)	18.3	18.2	25.9	5.1	4.0	11.9	5.0	5.1
LFL revenue growth (ex-acquisitions)			8.0			3.9		

Note: * brand split is estimated; Source: Company data, Equity Development

- For FY27E we forecast gross margins decline marginally given the dilutive impact of the acquisitions which is partly offset by the benefit of greater manufacturing insourcing.
- AG Barr hedges most of its key commodity input costs for the next 12 months with part hedged up to 18 months out.

Divisional analysis								
Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Soft drinks	230.6	266.6	346.6	368.8	382.0	424.3	445.8	468.6
Cocktail solutions	36.9	42.8	42.9	40.3	35.8	35.8	35.8	35.8
Other (MOMA etc)	1.1	8.2	10.5	11.3	19.5	29.3	32.2	35.4
Total revenue	268.6	317.6	400.0	420.4	437.3	489.3	513.8	539.8
Soft drinks	103.5	109.6	135.6	145.9	157.4	174.4	185.9	197.3
Cocktail solutions	14.7	16.2	15.4	14.8	13.6	13.6	13.6	13.6
Other (MOMA etc)	0.4	2.3	3.2	3.6	6.3	9.6	10.9	12.0
Gross profit	118.6	128.1	154.2	164.3	177.3	197.6	210.4	222.9
Soft drinks	44.9	41.1	39.1	39.6	41.2	41.1	41.7	42.1
Cocktail solutions	39.8	37.9	35.9	36.7	38.0	38.0	38.0	38.0
Other (MOMA etc)	36.4	28.0	30.5	31.9	32.3	32.8	33.8	33.8
Gross profit margin (%)	44.2	40.3	38.6	39.1	40.5	40.4	41.0	41.3
Change in gross margin (bps)	239	-382	-178	53	146	-16	57	34

Source: Company data, Equity Development

- Management expects Adj. ROCE to be at the low end of the 19%-21% target range in FY27E given the temporary dilutive impact of the recent acquisitions. Our forecast is just a little below that.

Key group growth and margin metrics

Year-end 31 January	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Revenue growth (%)	18.3	18.2	25.9	5.1	4.0	11.9	5.0	5.1
Gross profit growth (%)	25.1	8.0	20.4	6.5	7.9	11.4	6.5	5.9
Adj. EBITDA growth (%)	14.4	4.3	10.8	12.5	10.0	15.3	11.3	8.7
Adj. Operating profit (%)	25.1	6.2	10.6	15.8	13.7	11.6	9.8	8.7
Adj. PBT growth (%)	26.5	5.1	15.6	16.1	12.5	7.9	10.3	9.4
Adj. diluted EPS growth (%)	8.8	21.8	13.3	17.7	12.2	7.7	10.3	9.4
DPS growth (%)	n/a	9.2	14.9	12.0	11.0	7.7	10.3	9.4
Gross profit margin (%)	44.2	40.3	38.6	39.1	40.5	40.4	41.0	41.3
Adj. EBITDA margin (%)	19.8	17.5	15.4	16.5	17.4	17.9	19.0	19.7
Adj. Operating margin (%)	15.6	14.0	12.3	13.6	14.8	14.8	15.4	16.0
Adj. PBT margin (%)	15.5	13.7	12.6	13.9	15.0	14.5	15.2	15.9
Distribution & selling costs / revenues (%)	15.5	15.3	13.3	12.2	13.2	13.3	13.3	13.2
Administration costs / revenues (%)	13.0	11.4	12.9	13.4	12.6	12.4	12.3	12.2
Op costs incl D&A / revenues (%)	28.3	26.5	26.0	26.8	25.2	25.4	25.4	25.4
Depreciation of PPE / sales (%)	3.1	2.6	2.4	2.1	2.0	2.2	2.6	2.7
Depreciation of ROUA / sales (%)	0.6	0.5	0.5	0.5	0.4	0.7	0.7	0.7
Tax rate (adj.) (%)	34.7	24.1	25.4	24.6	25.2	25.4	25.4	25.4
Adj. ROCE - Adj. PBT / Adj. Inv. cap (%)	19.9	18.0	18.4	20.8	20.4	18.3	18.3	19.1
Adj PBT / net operating cash conversion (%)	105	82	96	83	79	108	100	100

Source: Company data, Equity Development

- We assume employee costs and marketing rose in FY26 after talent investment and wage inflation (partly due to national insurance increases) and investment in several successful marketing campaigns, with more to come to support brand relaunches and new product development.
- We assume dividends rise in-line with adj. EPS growth.

Income statement								
Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Group revenue	268.6	317.6	400.0	420.4	437.3	489.3	513.8	539.8
Cost of sales	(150.0)	(189.5)	(245.8)	(256.1)	(260.0)	(291.7)	(303.4)	(317.0)
Gross profit	118.6	128.1	154.2	164.3	177.3	197.6	210.4	222.9
Distribution & selling costs	(41.7)	(48.7)	(53.2)	(51.1)	(57.5)	(64.9)	(68.1)	(71.0)
Administration costs	(34.9)	(36.2)	(51.8)	(56.2)	(55.0)	(60.4)	(62.9)	(65.6)
Add back: D&A	11.2	11.0	12.3	12.2	11.3	15.5	18.3	19.9
Operating costs, Adj. ex D&A	(65.4)	(73.9)	(92.7)	(95.1)	(101.2)	(109.8)	(112.7)	(116.7)
Adj. EBITDA	53.2	55.5	61.5	69.2	76.1	87.8	97.7	106.2
Depreciation & amortisation	(11.2)	(11.0)	(12.3)	(12.2)	(11.3)	(15.5)	(18.3)	(19.9)
Adj. Operating profit	41.9	44.5	49.2	57.0	64.8	72.3	79.4	86.3
Finance costs	(0.4)	(0.9)	1.2	1.5	1.0	(1.3)	(1.0)	(0.6)
Adj. PBT	41.5	43.6	50.4	58.5	65.8	71.0	78.3	85.7
Exceptional costs	0.7	0.8	0.9	(5.3)	(3.2)	(4.1)	0.0	0.0
PBT	42.2	44.4	51.3	53.2	62.6	67.0	78.3	85.7
Tax	(14.4)	(10.5)	(12.8)	(13.5)	(15.9)	(17.0)	(19.9)	(21.8)
Adj. PAT	27.1	33.1	37.6	44.1	49.2	53.0	58.4	63.9
Reported PAT	27.8	33.9	38.5	39.7	46.7	49.9	58.4	63.9
No of fully diluted shares (m)	111.8	112.2	112.4	112.1	111.4	111.4	111.4	111.4
Adjusted diluted EPS (p)	24.2	29.5	33.4	39.4	44.1	47.5	52.4	57.4
DPS - ordinary (p)	12.0	13.10	15.05	16.86	18.71	20.1	22.2	24.3

Source: Company data, Equity Development

- Management has guided to £40m of capex in FY27E (the peak of the investment cycle) and £30m-£35m p/a thereafter. Acquisition spend includes £14.2m for Innate-Essence in July 2025, £13m for Frobishers in January 2026 and c.£40m for Fentimans in FY27E.

Cashflow statement								
Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Adj. EBITDA	53.2	55.5	61.5	69.2	76.1	87.8	97.7	106.2
Add back Share based payments charge	1.2	2.0	2.1	2.4	2.5	2.8	3.0	3.3
Change in inventories	(4.3)	(4.5)	(1.8)	4.8	2.3	(2.1)	(1.3)	(1.6)
Change in trade receivables*	(5.6)	(7.6)	(3.4)	(13.0)	(2.1)	0.5	(4.1)	(4.4)
Change in trade payables*	7.7	4.3	0.0	1.5	(8.2)	9.1	3.3	3.9
Change in post-employment benefits	(2.3)	(4.9)	0.0	(3.3)	(1.3)	(0.1)	(0.1)	(0.1)
Working capital movement	(4.5)	(12.7)	(5.2)	(10.0)	(9.3)	7.4	(2.3)	(2.2)
Tax paid	(6.5)	(6.8)	(11.7)	(9.3)	(13.9)	(17.0)	(19.9)	(21.8)
Exceptionals (cash)		(2.7)	(0.4)	(3.6)	(3.2)	(4.1)	0.0	0.0
Other	0.0	0.6	2.2	(0.4)				
Net cash from operating activities	43.4	35.9	48.5	48.3	52.2	76.9	78.6	85.5
Net financial interest paid	(0.1)	(0.1)	1.3	1.2	1.5	(1.0)	(0.7)	(0.2)
Interest paid on lease liabilities					(0.2)	(0.3)	(0.3)	(0.3)
Lease payments (principal)	(1.5)	(1.7)	(1.9)	(2.1)	(2.1)	(3.6)	(3.7)	(3.9)
Capex	(5.0)	(14.6)	(17.8)	(19.2)	(30.4)	(40.0)	(32.5)	(32.5)
Acquisitions	(5.1)	(18.6)	(12.3)		(19.9)	(40.5)		
Disposals	1.1	1.6	0.6	1.0	2.7			
Total capex and M&A	(9.0)	(31.6)	(29.5)	(18.2)	(47.6)	(80.5)	(32.5)	(32.5)
Free cashflow	32.8	2.5	18.4	29.2	3.8	(8.5)	41.3	48.6
Dividends	(13.4)	(13.9)	(14.7)	(17.2)	(19.2)	(21.3)	(22.3)	(24.6)
Share buy backs / equity issues	(0.2)	(0.7)	(2.3)	(1.7)	(4.3)			
Other								
Net cashflow	19.2	(12.1)	1.4	10.3	(19.7)	(29.7)	19.0	24.0

Source: Company data, Equity Development

- We forecast net financial cash of c.£12m in FY27E, pre £8m leases, after the c.£40m Fentimans acquisition.

Net debt metrics

Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Gross financial debt	(0.3)	(0.7)	0.0	0.0	(40.0)	(40.0)	(40.0)	(40.0)
Net cash	68.7	53.6	53.6	63.9	81.6	51.9	70.8	94.9
Net financial cash / (debt)	68.4	52.9	53.6	63.9	41.6	11.9	30.8	54.9
Leases	(4.1)	(5.1)	(4.9)	(4.6)	(8.0)	(8.1)	(8.2)	(8.2)
Total net cash /(debt) incl leases	64.3	47.8	48.7	59.3	33.6	3.8	22.7	46.6
Net financial cash / (debt) / Adj. EBITDA (x)	1.3	1.0	0.9	0.9	0.5	0.1	0.3	0.5
Total net cash / (debt) / Adj. EBITDA (x)	1.2	0.9	0.8	0.9	0.4	0.0	0.2	0.4

Source: Company data, Equity Development

- We forecast net working capital at around 6%-9% of revenues, with a focus on working capital after some year-end timing impacts in FY26.
- After £30m of capex in FY26 we forecast £40m of capex in FY27E and £30m-£35m from FY28E, equating to c.6% of revenues.

Net working capital and capex metrics

Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Stock	24.2	34.7	36.5	31.7	31.7	33.8	35.1	36.7
Trade and other receivables	44.3	60.4	63.8	76.8	82.2	82.8	86.9	91.3
Trade payables and other liabilities	(54.0)	(72.3)	(70.3)	(73.2)	(74.6)	(83.7)	(87.0)	(90.9)
Net working capital	14.5	22.8	30.0	35.3	39.3	32.9	35.0	37.1
Net working capital as a % of revenue	5.4	7.2	7.5	8.4	9.0	6.7	6.8	6.9
Capex ex M&A / revenues (%)	1.9	4.6	4.5	4.6	7.0	8.2	6.3	6.0
Capex incl M&A / revenues (%)	3.4	9.9	7.4	4.3	10.9	16.5	6.3	6.0

Source: Company data, Equity Development

Balance sheet: Assets								
Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Property, plant and equipment	93.8	102.5	109.0	118.0	145.6	174.6	194.0	211.9
Right of use assets	4.2	5.4	5.2	5.0	8.4	8.8	9.2	9.7
Goodwill	36.4	38.3	41.6	41.6	67.2	67.2	67.2	67.2
Other Intangible assets	62.2	77.9	88.8	87.6	95.1	134.3	132.5	130.7
Investment in jv's and associates	0.7	0.7						
Retirement benefit surplus		2.4	3.2	6.8	0.5	0.6	0.7	0.9
Trade and other receivables	1.5	1.5			1.1			
Non-current assets	198.8	228.7	247.8	259.0	317.9	385.6	403.6	420.3
Inventories	24.2	34.7	36.5	31.7	31.7	33.8	35.1	36.7
Trade and other receivables	44.3	60.4	63.8	76.8	82.2	82.8	86.9	91.3
Other financial (derivative) assets		0.1	0.0	0.2	0.0	0.0	0.0	0.0
Current tax assets	0.3		0.0	0.4	0.6	0.6	0.6	0.6
Cash & cash equivalents & s/t investments	68.7	53.6	53.6	63.9	81.6	51.9	70.8	94.9
Assets held for resale			0.0	0.9	0.2	0.2	0.2	0.2
Current assets	137.5	148.8	153.9	173.9	196.3	169.3	193.7	223.7
Total assets	336.3	377.5	401.7	432.9	514.2	554.8	597.4	644.0

Source: Company data, Equity Development

Balance sheet: Liabilities								
Year-end 31 January (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Bank overdraft & s/t loans	(0.3)	(0.7)	0.0	0.0	(40.0)	0.0	0.0	0.0
Trade payables and other liabilities	(54.0)	(72.3)	(70.3)	(73.2)	(74.6)	(83.7)	(87.0)	(90.9)
Lease liabilities	(1.3)	(1.5)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Current tax liabilities		(0.7)	(0.7)	0.0	0.0	0.0	0.0	0.0
Provisions	(2.0)	(0.8)	(0.5)	(1.1)	(1.2)	(1.2)	(1.2)	(1.2)
Other financial liabilities	(0.2)	(0.1)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)
Current liabilities	(57.8)	(76.1)	(73.6)	(76.4)	(117.7)	(86.8)	(90.1)	(94.0)
Capital employed	278.5	301.4	328.1	356.5	396.5	468.0	507.2	550.0
Bank borrowings					0.0	(40.0)	(40.0)	(40.0)
Lease liabilities	(2.8)	(3.6)	(3.1)	(2.8)	(6.2)	(6.3)	(6.4)	(6.4)
Deferred tax liabilities	(21.5)	(28.2)	(32.3)	(36.0)	(41.9)	(41.9)	(41.9)	(41.9)
Provisions					(0.7)	(0.7)	(0.7)	(0.7)
Post employment benefits	(1.0)				0.0	0.0	0.0	0.0
Other financial (derivative) liabilities			0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Contingent consideration	(5.0)	(0.8)			(2.0)	(2.0)	(2.0)	(2.0)
Non-current liabilities	(25.3)	(31.8)	(35.4)	(38.9)	(50.9)	(91.0)	(91.1)	(91.1)
Non-controlling interest in equity					(7.6)	(7.6)	(7.6)	(7.6)
Net assets	253.2	269.6	292.7	317.6	338.0	369.4	408.5	451.3
Shareholders' funds	248.2	268.8	292.7	317.6	338.0	369.4	408.5	451.3
Adj. invested capital	211.4	246.2	273.9	287.9	356.2	418.4	438.5	457.2
Average adj. invested capital	207.5	228.8	260.1	280.9	322.1	387.3	428.5	447.9

Source: Company data, Equity Development

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