

## Diversified, high organic growth drives upgrades

21 May 2026

BTG Consulting has announced an excellent end to FY26, with revenue rising c.10% to £169m, c. 2% above consensus expectations. This included 8% organic growth and has resulted in a c.6% increase in Adj. PBT versus FY25, c.4% ahead of consensus expectations. We raise our estimates to reflect BTG's multi-disciplined growth and its increased pipeline of restructuring engagements and demand for its advisory services. We also raise our Fair Value per share from 150p to 170p, equating to a c.6% cal 2027 FCF yield and c.14x cal 2027 PER.

### Better-than-expected 8% organic growth...

BTG has reported a strong end to FY26 as group revenue growth accelerated from 7.5% in H126 to c.12.5% in H226, resulting in 10% growth to £169m for FY26. 8% of this was organic growth from new and ongoing restructuring and administration engagements together with strong demand for the group's property advisory and auctions business and the completion of several corporate finance transactions. A further 2% growth was from the acquisitions of Kirkby Diamond and Network Auctions, both of which have integrated well and strengthened the group's platform for growth.

### ...drives FY26 profit c.4% above estimates

As a result of **operating leverage**, BTG expects to report Adj. EBITDA of £33.3m and Adj. PBT of £25.0m, c.4% above the mid-point of consensus estimates (and c.3% above ED estimates). Given that the macro-economic environment continues to be tough for many companies following the Middle East conflict (see also [BTG's Q126 Red Flag Alert](#)), we also raise our FY27E estimates by 1%-2%.

### A highly profitable and cashflow generative company on under 10x PER

BTG offers profitable organic growth, c.15% Adj, PBT margins, a strong balance sheet with only £1m net financial debt (FY26E), and free cashflow for both acquisitions and dividends, which to us justifies a re-rating. We raise our fair value per share from 150p to 170p, equating to a 6% cal 2027 FCF yield and 14x cal 2027 PER, in-line with historic trading averages.

#### Company data

EPIC	BTG
Price (last close)	116.5p
52 weeks Hi/Lo	127p/95p
Market cap	£188m
ED Fair Value / share	170p
Net cash / (debt) 2026E	£(11m)
Avg. daily volume (3m)	311k

#### Share price, p



Source: Investing.com

#### Description

BTG Consulting plc ("BTG", formerly Begbies Traynor Group plc) is a leading financial and real estate advisory firm.

A multi-disciplinary national team of over 1,300 colleagues (1,185 FTE) from 45 local offices and four offshore offices handle the largest number of corporate insolvency and restructuring appointments in the UK, as well as providing market-leading services in corporate finance, financial advisory, valuations and property consultancy.

#### Next event

FY26 results: 6th July 2026

#### Caroline Gulliver (Analyst)

0207 065 2690  
caroline.gulliver@equitydevelopment.co.uk

#### Andy Edmond

0207 065 2691  
andy@equitydevelopment.co.uk

#### Key financials & valuation metrics

Year to 30 April (£m)	2024	2025	2026E	2027E	2028E
Revenue	136.7	153.7	169.0	179.8	187.8
Revenue growth (%)	12.2	12.4	9.9	6.4	4.4
Adj. PBT	22.0	23.5	25.0	26.5	28.1
Adj. PBT margin (%)	16.1	15.3	14.8	14.7	14.9
Adj. diluted EPS (p)	9.9	10.5	11.1	11.7	12.4
Dividend per share (p)	4.0	4.3	4.6	4.8	5.1
Free cashflow pre acquisitions	12.4	19.4	11.4	16.8	17.9
Free cashflow post acquisitions	3.9	10.0	6.8	12.6	16.9
Net cash / (debt) * /Adj. EBITDA (x)	(0.5)	(0.3)	(0.3)	(0.2)	(0.1)
EV / Sales (x, calendarised)		1.2	1.2	1.1	
PER (x, calendarised)		10.7	10.1	9.6	
Dividend yield (% , calendarised)		3.8	4.1	4.3	
Free cashflow* yield (% , calendarised)		7.2	7.7	9.1	

Note: \* pre-acquisition payments, Source: Company data, Equity Development, Priced as at 20/5/26

## Overview of Investment Attractions

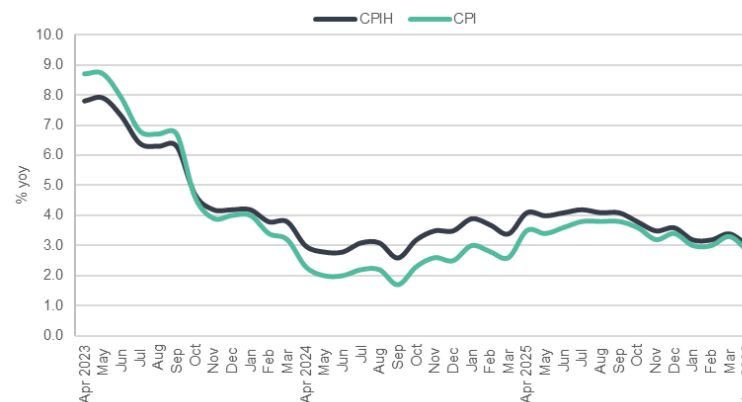
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> <li>An impressive track record of growth with revenues more than tripling in the past decade to £169m in FY26, driven by both organic growth and successful acquisitions.</li> <li>This is testament to BTG's resilience and growth through the economic cycle and the group's ability to attract highly qualified and trusted professionals.</li> <li>An increasingly diversified business with c.45% of FY25 revenues from BTG's business and corporate finance advisory, property advisory and transactional services offer.</li> <li>Adjusted PBT has increased six-fold to c.£25m in FY26 (19% CAGR) and adjusted PBT margin has risen to c.15%, driving cumulative free cashflow pre acquisitions of over £90m (FY21-FY26E). This ample free cashflow funds both value-accretive acquisitions and dividends (CAGR 7.5% since FY16).</li> <li>An experienced, incentivised and founder-led management team at the helm.</li> </ul>	<ul style="list-style-type: none"> <li>Although the group is more diversified than ever before, c.55% of revenues are from business recovery. If corporate insolvencies were to drop significantly from current levels, this would impact our organic revenue growth and profit margin assumptions (given operating deleverage). This would be partly offset by an anticipated cyclical increase in M&amp;A and corporate finance advisory and finance broking activity, and property transactional activity.</li> <li>As a people-led business, recruitment and retention of high-quality staff is key. BTG invests in its staff packages and training for its over 1,200 Full-time Equivalent (FTE) employees.</li> <li>Liquidity risk if asset realisations were impacted, however BTG has £35m of bank facilities, extendable until February 2029.</li> <li>Integration risk for any future acquisitions, though BTG's excellent track record provides reassurance.</li> </ul>
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> <li>Management's ambition is to grow mid-term revenues to £200m from its existing service offer through organic growth and acquisitions, with further possible growth from acquisitions of complementary professional services businesses.</li> <li>We expect inflationary pressures to keep levels of corporate distress and insolvency elevated.</li> <li>Having achieved c.8% organic growth in FY26 we forecast c.4% organic revenue CAGR FY27E-FY28E, together with c.2% contribution from the November 2025 acquisitions of Kirkby Diamond and Network Auctions to reach c.£190m revenues in FY28E. We do not forecast any further acquisitions but estimate that a 6% p/a revenue contribution from acquisitions would lead to over £200m of revenues in FY28E.</li> <li>We forecast Adj. PBT margins remaining c.14%-15% (despite national insurance increases impacting from FY26E) leading to c.6% Adj. PBT CAGR FY25-FY28E and free cashflow, pre acquisitions, of c.£17m p/a (FY27E-FY28E).</li> </ul>	<ul style="list-style-type: none"> <li>BTG is trading on only 1.1x EV/Revenues, c.5.7x EV/Adj. EBITDA and c.9.5x PER (our forecasts, all Calendar 2027E – "cal 27E").</li> <li>This is a c.30% discount to the group's average multiples over the past nine years of 1.6x EV/Revenues, c.9x EV/Adj EBITDA and c.14x PER.</li> <li>It is also still a discount to our comparable valuation peers, despite offering similar, if not better, revenue and profit growth and similar high profit margins.</li> <li>BTG's balance sheet is also strong with only £1m of net debt as at 30 April 2026 and leases of c.£10m. We forecast net debt incl leases / Adj. EBITDA of only 0.3x for FY26E. We estimate that future contingent consideration payments will be c.£6m, satisfied by December 2031.</li> <li>We raise our fair value per share from 150p to 170p, equating to a cal 27 FCF yield, pre acquisitions, of 6%, a 3% dividend yield, a 14x PER, broadly in-line with long-run averages, with potential for a premium to these averages.</li> </ul>

## Business recovery to remain elevated as inflationary pressures remain

### Macro-economic backdrop still tough for companies

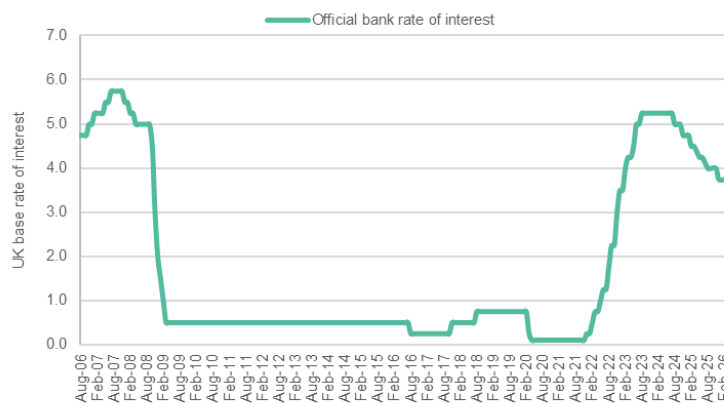
- Corporate insolvencies have reached a record c.24,000 p.a. for three years (2023-2025), c.60% above the average of c.15,000 a year in 2014-2021...
- ...reflecting the challenges businesses have faced from the prolonged period of inflation (increasing labour costs, higher tax burden, higher interest rates, potential higher energy costs following US-Iran conflict).
- Moreover, levels of corporate distress have accelerated again, as evidenced in BTG's Q126 Red Flag Alert report which shows c.634,867 UK businesses in "significant" financial distress, up 10% on Q125 and 62,193 UK businesses in "critical" financial distress, up 37% on Q125.
- Labour-intensive, discretionary consumer companies and real estate & property services businesses have been particularly impacted.

### Caution on the inflation outlook following US-Iran conflict



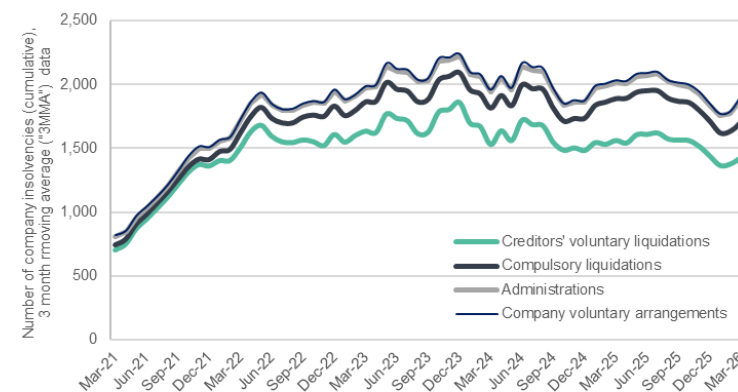
Source: ONS, Equity Development

### Interest rates held at 3.75% in April 2026 (for now)



Source: Bank of England, Equity Development

### An elevated level of insolvencies into 2026 for fourth year



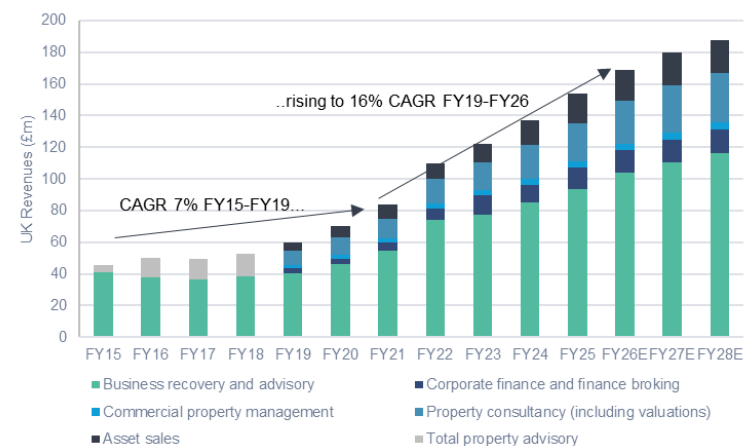
Source: ONS, The Insolvency Service, Equity Development

## An undervalued, profitable, cashflow generating growth story

### Professional services consolidator at a c.30% discount

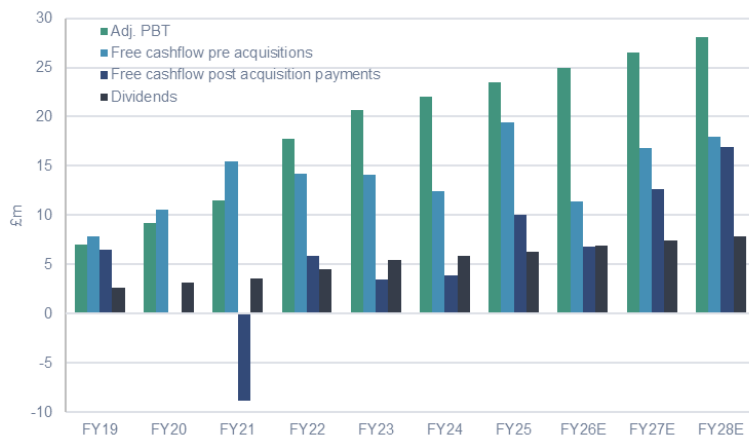
- BTG’s vision is to extend the scale and quality of its chosen professional services by continuing to build the offer organically and through acquisitions.
- BTG’s’ acquisition success is admirable, investing c.£71m FY20-FY26 for revenues of c.£57m and pre-tax profits of c.£13.5m, with a further £37m of potential earn-out payments (but not all has been earned/or likely to be).
- Its financial discipline leads to a high c.15% Adj. PBT margin (FY26) and typically this converts into ample free cashflow.
- We forecast over £50m of free cashflow pre-acquisitions FY27E-FY29E (c.25% of the current market cap), of which we estimate c.£6m will be paid out as deferred compensation, and we do not believe this attraction is reflected in BTG’s current c.9.5x cal 27 PER and c.4.3% dividend yield.

### Diversified growth across sectors, boosted by acquisitions



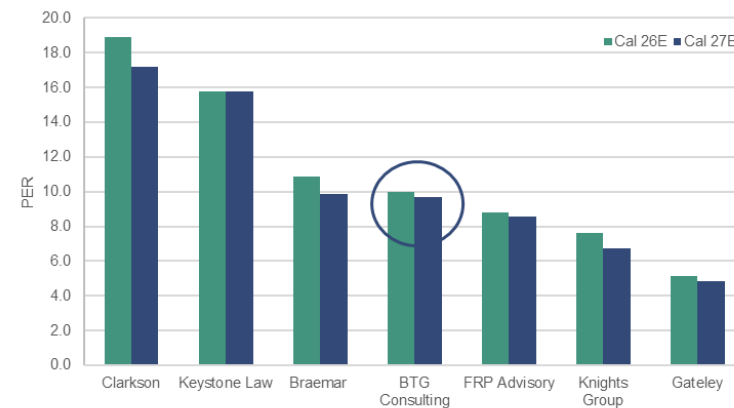
Source: Company data, Equity Development

### Free-cashflow supports acquisitions and dividend growth



Source: Company data, Equity Development

### BTG’s PER of c.9.5x cal 27 undervalues its prospects



Source: Koyfin for consensus estimates, Equity Development

## Financial Forecast tables

- We upgrade our FY26 estimates by 1%-3% to reflect the group's FY26 trading update and assume some of this better performance continues into FY27E.

### Small 2-3% upgrades to profit forecasts from 1% better organic revenue growth in FY26E

	2025	New forecasts			Old forecasts			% change		
		2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
<b>Year-end 30 April (£m)</b>										
Group Revenue	153.7	169.0	179.8	187.8	167.3	178.4	186.3	1.0	0.8	0.8
<i>Revenue growth (%)</i>	12.4	9.9	6.4	4.4	8.9	6.6	4.4			
Adj. EBITDA	31.7	33.3	35.1	36.8	32.3	34.6	36.3	3.1	1.6	1.6
<i>Adj. EBITDA margin (%)</i>	20.6	19.7	19.5	19.6	19.3	19.4	19.5			
Adj. PBT	23.5	25.0	26.5	28.1	24.2	26.1	27.6	3.4	1.5	1.5
<i>Adj. PBT margin (%)</i>	15.3	14.8	14.7	14.9	14.4	14.6	14.8			
Adjusted diluted EPS (p)	10.5	11.1	11.7	12.4	10.7	11.6	12.2	3.4	1.5	1.5
<i>Adj. EPS growth (%)</i>	5.6	5.9	5.7	5.8	2.4	7.7	5.7			
DPS (p)	4.3	4.6	4.8	5.1	4.5	4.8	5.1	2.3	0.4	0.4
Capex	1.8	2.3	2.4	2.5	2.3	2.4	2.5	0.0	0.0	0.0
Free cashflow post capex, pre-acquisitions	19.4	11.4	16.8	17.9	11.1	16.5	17.7	2.9	2.0	1.6
Free cashflow post capex, post-acquisitions	10.0	6.8	12.6	16.9	6.5	12.3	16.7	4.9	2.6	1.7
Net financial cash / (debt)	0.9	(1.0)	4.1	13.2	(1.1)	3.7	12.6			
Total net cash / (debt) incl leases	(9.1)	(11.0)	(5.9)	3.2	(11.1)	(6.3)	2.6			
Net financial cash / (debt) / Adj. EBITDA (x)	0.0	0.0	0.1	0.4	0.0	0.1	0.3			
Total net cash / (debt) / Adj. EBITDA (x)	(0.3)	(0.3)	(0.2)	(0.1)	(0.3)	(0.2)	(0.1)			

Source: Company data, Equity Development

**Key group growth and margin metrics**

Year-end 30 April	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Revenue growth (%)	18.9	31.2	10.7	12.2	12.4	9.9	6.4	4.4
Gross profit growth (%)	17.8	34.6	13.1	8.8	15.0	9.2	5.9	4.4
Adj. EBITDA growth (%)	22.4	19.8	10.5	7.4	11.1	4.9	5.5	4.9
Adj. Operating profit (%)	22.5	50.0	17.4	9.6	8.3	4.7	5.7	5.4
Adj. PBT growth (%)	25.8	54.3	16.3	6.4	6.9	6.3	6.2	5.8
Adj. EPS growth (%)	17.7	31.9	14.3	-1.4	5.6	5.9	5.7	5.8
DPS growth (%)	7.1	16.7	8.6	5.3	7.5	6.3	5.7	5.8
Gross profit margin (%)	42.4	43.5	44.4	43.1	44.0	43.7	43.5	43.5
Adj. EBITDA margin (%)	23.9	21.8	21.8	20.9	20.6	19.7	19.5	19.6
Adj. Operating margin (%)	14.8	16.9	17.9	17.5	16.9	16.1	15.9	16.1
Adj. PBT margin (%)	13.7	16.1	17.0	16.1	15.3	14.8	14.7	14.9
Op costs excl D&A /sales (%)	18.7	21.8	22.8	22.6	23.7	24.3	24.2	24.1
Tax rate (adj.) (%)	20.3	20.4	20.9	26.0	26.0	26.0	26.0	26.0

Source: Company data, Equity Development

Divisional revenue analysis								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Business recovery and advisory	54.6	73.9	77.2	85.1	94	104	110	116
Corporate finance and finance broking	5.1	7.5	12.5	11.3	13	14	15	15
<b>Business recovery and advisory</b>	<b>59.7</b>	<b>81.4</b>	<b>89.7</b>	<b>96.4</b>	<b>107.3</b>	<b>118.3</b>	<b>125.0</b>	<b>131.2</b>
Commercial property management	2.6	2.8	3.0	3.5	3.9	4.1	4.2	4
Property consultancy (including valuations)	12.7	16.0	18.0	21.8	24.4	26.8	30.2	31
Asset sales	8.9	9.9	11.1	15.0	18.1	19.8	20.4	21
<b>Property advisory</b>	<b>24.1</b>	<b>28.6</b>	<b>32.1</b>	<b>40.3</b>	<b>46.4</b>	<b>50.7</b>	<b>54.8</b>	<b>56.6</b>
<b>Total UK revenue</b>	<b>83.8</b>	<b>110.0</b>	<b>121.8</b>	<b>136.7</b>	<b>153.7</b>	<b>169.0</b>	<b>179.8</b>	<b>187.8</b>
Business recovery and advisory	18.8	35.2	4.5	10.2	10.5	11.3	6.0	5.0
Corporate finance and finance broking	39.2	48.0	66.0	(9.7)	17.6	3.0	3.0	5.0
<b>Business recovery and advisory</b>	<b>20.3</b>	<b>36.3</b>	<b>10.2</b>	<b>7.5</b>	<b>11.3</b>	<b>10.2</b>	<b>5.6</b>	<b>5.0</b>
Commercial property management	5.3	8.1	7.6	18.6	10.0	4.0	3.0	3.0
Property consultancy (including valuations)	18.3	26.0	12.7	21.1	12.0	13.5	12.9	3.0
Asset sales	15.1	11.1	12.9	34.6	20.6	5.0	3.0	3.0
<b>Property advisory</b>	<b>15.6</b>	<b>18.6</b>	<b>12.3</b>	<b>25.6</b>	<b>15.0</b>	<b>9.2</b>	<b>8.2</b>	<b>3.2</b>
<b>Total UK revenue growth (%)</b>	<b>18.9</b>	<b>31.2</b>	<b>10.7</b>	<b>12.2</b>	<b>12.4</b>	<b>9.9</b>	<b>6.4</b>	<b>4.4</b>
Business recovery and advisory	65	67	63	62	61	62	61	62
Corporate finance and finance broking	6	7	10	8	9	8	8	8
<b>Business recovery and advisory</b>	<b>71</b>	<b>74</b>	<b>74</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>69</b>	<b>70</b>
Commercial property management	3	3	2	3	3	2	2	2
Property consultancy (including valuations)	15	15	15	16	16	16	17	17
Asset sales	11	9	9	11	12	12	11	11
<b>Property advisory</b>	<b>29</b>	<b>26</b>	<b>26</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>31</b>	<b>30</b>
<b>Contribution to UK revenue</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Company data, Equity Development

Divisional profit and return analysis								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Business recovery and advisory services	14.7	21.0	24.3	25.5	28.4	29.5	31.2	32.8
Property advisory and transactional services	3.9	4.8	5.5	7.6	7.8	8.5	9.4	9.8
Unallocated corporate amounts	(6.2)	(7.2)	(8.0)	(9.2)	(10.3)	(10.9)	(11.9)	(12.4)
<b>Operating profit*</b>	<b>12.4</b>	<b>18.6</b>	<b>21.8</b>	<b>23.9</b>	<b>25.9</b>	<b>27.1</b>	<b>28.7</b>	<b>30.2</b>
Business recovery and advisory services	24.7	25.8	27.1	26.5	26.5	25.0	25.0	25.0
Property advisory and transactional services	16.1	16.9	17.2	18.9	16.8	16.8	17.1	17.4
Unallocated corporate amounts	(7.4)	(6.6)	(6.5)	(6.7)	(6.7)	(6.5)	(6.6)	(6.6)
<b>Operating profit* margin (%)</b>	<b>14.8</b>	<b>16.9</b>	<b>17.9</b>	<b>17.5</b>	<b>16.9</b>	<b>16.1</b>	<b>15.9</b>	<b>16.1</b>
Business recovery and advisory services	27.0	42.7	15.6	5.1	11.3	4.0	5.6	5.0
Property advisory and transactional services	0.4	24.9	14.2	38.1	2.2	9.2	10.1	5.0
Unallocated corporate amounts	16.4	16.9	10.1	15.7	11.6	6.1	9.0	4.1
<b>Operating profit* growth yoy (%)</b>	<b>22.5</b>	<b>50.0</b>	<b>17.4</b>	<b>9.6</b>	<b>8.3</b>	<b>4.7</b>	<b>5.7</b>	<b>5.4</b>
Business recovery and advisory services	80.5	76.6	79.5	70.9				
Property advisory and transactional services	5.4	5.0	3.0	8.6				
Unallocated corporate amounts	0.4	2.9	1.9	(1.1)				
<b>Consolidated net assets</b>	<b>86.3</b>	<b>84.5</b>	<b>84.3</b>	<b>78.4</b>				
Business recovery and advisory services	18.3	27.4	30.5	36.0				
Property advisory and transactional services	72.3	97.2	184.6	88.6				
<b>Operating profit* / y/e net assets (%)</b>	<b>14.4</b>	<b>22.0</b>	<b>25.9</b>	<b>30.5</b>				

Note: \* before non-underlying (amortisation and transaction) costs, Source: Company data, Equity Development

Income statement: Revenue to Adjusted PBT								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
<b>Group revenue</b>	<b>83.8</b>	<b>110.0</b>	<b>121.8</b>	<b>136.7</b>	<b>153.7</b>	<b>169.0</b>	<b>179.8</b>	<b>187.8</b>
Direct costs	(48.3)	(62.2)	(67.7)	(77.8)	(86.0)	(95.1)	(101.5)	(106.0)
<b>Gross profit</b>	<b>35.6</b>	<b>47.8</b>	<b>54.1</b>	<b>58.9</b>	<b>67.7</b>	<b>73.9</b>	<b>78.3</b>	<b>81.8</b>
Other income	0.2	0.2	0.2	0.5	0.4	0.4	0.4	0.4
Operating costs, Adj. ex D&A	(15.7)	(24.0)	(27.8)	(30.8)	(36.4)	<b>(41.1)</b>	<b>(43.6)</b>	<b>(45.3)</b>
<b>Adj. EBITDA, pre SBP</b>	<b>20.1</b>	<b>24.0</b>	<b>26.6</b>	<b>28.5</b>	<b>31.7</b>	<b>33.3</b>	<b>35.1</b>	<b>36.8</b>
Share based payments	(1.0)	(1.6)	(1.3)	(0.6)	(1.3)	(1.4)	(1.4)	(1.4)
Depreciation of PPE	(0.8)	(1.0)	(1.1)	(1.1)	(1.3)	(1.7)	(2.0)	(2.2)
Depreciation of ROUA	(2.6)	(2.6)	(2.1)	(2.7)	(3.1)	(3.0)	(3.0)	(3.0)
Amortisation	(3.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.0)	(0.0)
Depreciation & amortisation	(6.6)	(3.9)	(3.4)	(4.0)	(4.5)	(4.7)	(5.0)	(5.2)
<b>Adj. Operating profit</b>	<b>12.4</b>	<b>18.6</b>	<b>21.8</b>	<b>23.9</b>	<b>25.9</b>	<b>27.1</b>	<b>28.7</b>	<b>30.2</b>
Interest on financial debt	(0.4)	(0.4)	(0.8)	(1.2)	(1.5)	(1.3)	(1.3)	(1.3)
Interest on lease liabilities	(0.4)	(0.4)	(0.3)	(0.7)	(0.8)	(0.7)	(0.7)	(0.7)
Other finance costs	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Interest receivable & other								
Finance costs	(0.9)	(0.8)	(1.2)	(1.9)	(2.4)	(2.2)	(2.2)	(2.2)
<b>Adj. PBT</b>	<b>11.5</b>	<b>17.8</b>	<b>20.7</b>	<b>22.0</b>	<b>23.5</b>	<b>25.0</b>	<b>26.5</b>	<b>28.1</b>

Note: \* before non-underlying (amortisation and transaction) costs, Source: Company data, Equity Development

**Income statement: Adjusted PBT to EPS**

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
<b>Adj. PBT</b>	<b>11.5</b>	<b>17.8</b>	<b>20.7</b>	<b>22.0</b>	<b>23.5</b>	<b>25.0</b>	<b>26.5</b>	<b>28.1</b>
Acquisition consideration	(5.4)	(10.0)	(12.3)	(11.1)	(8.6)	(5.9)	(5.2)	(2.9)
Negative goodwill	0.2	2.0	4.3	0.8	0.1			
Acquisition costs	(0.4)	(0.2)	(0.4)	(0.3)				
Charge arising under Begbies put & call option	(0.9)							
<b>Transaction costs</b>	<b>(6.5)</b>	<b>(8.2)</b>	<b>(8.4)</b>	<b>(10.6)</b>	<b>(8.5)</b>	<b>(5.9)</b>	<b>(5.2)</b>	<b>(2.9)</b>
Amortisation of intangible assets on acquisition	(3.1)	(5.5)	(6.2)	(5.6)	(3.5)	(3.7)	(1.4)	(0.8)
<b>Non-underlying costs</b>	<b>(9.6)</b>	<b>(13.7)</b>	<b>(14.7)</b>	<b>(16.2)</b>	<b>(12.0)</b>	<b>(9.6)</b>	<b>(6.6)</b>	<b>(3.7)</b>
<b>PBT</b>	<b>1.9</b>	<b>4.0</b>	<b>6.0</b>	<b>5.8</b>	<b>11.5</b>	<b>15.4</b>	<b>19.9</b>	<b>24.4</b>
Adj tax	(2.3)	(3.6)	(4.3)	(5.7)	(6.1)	(6.5)	(6.9)	(7.3)
Non-underlying tax	0.6	(0.9)	1.2	1.4	0.9	1.5	1.3	0.8
Tax	(1.8)	(4.5)	(3.1)	(4.3)	(5.2)	(5.0)	(5.5)	(6.5)
<b>Adj. PAT</b>	<b>9.2</b>	<b>14.1</b>	<b>16.3</b>	<b>16.3</b>	<b>17.4</b>	<b>18.5</b>	<b>19.6</b>	<b>20.8</b>
Reported PAT	0.2	-0.5	2.9	1.5	<b>6.3</b>	<b>10.4</b>	<b>14.4</b>	<b>17.8</b>
No of f/d shares (m)	137.4	160.5	162.3	163.9	165.9	166.5	167.2	167.2
<b>Adjusted diluted EPS (p)</b>	<b>6.7</b>	<b>8.8</b>	<b>10.1</b>	<b>9.9</b>	<b>10.5</b>	<b>11.1</b>	<b>11.7</b>	<b>12.4</b>
<b>DPS (p)</b>	<b>3.0</b>	<b>3.5</b>	<b>3.8</b>	<b>4.0</b>	<b>4.3</b>	<b>4.6</b>	<b>4.8</b>	<b>5.1</b>

Note:: \* deemed remuneration under IFRS 3, Source: Company data, Equity Development

<b>Cashflow statement</b>								
<b>Year-end 30 April (£m)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>Adj. EBITDA, pre SBP</b>	<b>20.1</b>	<b>24.0</b>	<b>26.6</b>	<b>28.5</b>	<b>31.7</b>	<b>33.3</b>	<b>35.1</b>	<b>36.8</b>
Change in trade receivables*	(2.7)	(3.9)	(4.7)	(7.9)	(6.1)	(11.1)	(7.1)	(5.9)
Change in trade payables*	5.4	2.3	2.5	4.1	5.0	3.1	1.9	1.2
Change in provisions	(0.3)	0.4	(0.6)	(0.3)	0.0	0.0	0.0	0.0
Working capital movement	2.4	(1.2)	(2.7)	(4.1)	(1.1)	(8.0)	(5.2)	(4.7)
Tax paid	(2.3)	(3.6)	(5.3)	(6.7)	(4.4)	(6.5)	(5.5)	(6.5)
<b>Net cash from operating activities (pre-leases, capex)</b>	<b>20.2</b>	<b>19.2</b>	<b>18.5</b>	<b>17.7</b>	<b>26.2</b>	<b>18.8</b>	<b>24.3</b>	<b>25.6</b>
Net financial interest paid	(0.3)	(0.3)	(0.7)	(1.3)	(1.4)	(1.4)	(1.4)	(1.4)
Interest paid on lease liabilities	(0.5)	(0.5)	(0.4)	(0.8)	(0.8)	(0.7)	(0.7)	(0.7)
Lease payments (principal)	(2.7)	(3.2)	(2.4)	(1.9)	(2.9)	(3.0)	(3.0)	(3.0)
Capex	(1.2)	(1.0)	(1.0)	(1.5)	(1.8)	(2.3)	(2.4)	(2.5)
<b>Net cashflow pre acquisitions</b>	<b>15.5</b>	<b>14.2</b>	<b>14.1</b>	<b>12.4</b>	<b>19.4</b>	<b>11.4</b>	<b>16.8</b>	<b>17.9</b>
Acquisition costs	(0.4)	(0.2)	(0.4)	(0.3)				
Acquisition consideration payments net of cash acquired	(23.9)	(8.1)	(10.1)	(8.2)	(9.4)	(4.6)	(4.2)	(1.0)
<b>Free cashflow post acquisitions</b>	<b>(8.8)</b>	<b>5.9</b>	<b>3.5</b>	<b>3.9</b>	<b>10.0</b>	<b>6.8</b>	<b>12.6</b>	<b>16.9</b>
Dividends	(3.6)	(4.6)	(5.4)	(5.9)	(6.3)	(6.9)	(7.4)	(7.8)
Share buy backs / equity issues	20.9	0.5	0.2	(2.4)	(1.4)	(1.7)	(0.2)	
Other								
<b>Net cashflow</b>	<b>8.5</b>	<b>1.8</b>	<b>(1.7)</b>	<b>(4.4)</b>	<b>2.3</b>	<b>(1.9)</b>	<b>5.0</b>	<b>9.1</b>

Note: \* excluding deemed remuneration liabilities, Source: Company data, Equity Development

Net debt metrics								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Gross financial debt	(5.0)	(5.0)	(5.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Net cash	8.0	9.7	8.0	5.6	7.9	6.0	11.1	20.2
<b>Net financial cash / (debt)</b>	<b>3.0</b>	<b>4.7</b>	<b>3.0</b>	<b>(1.4)</b>	<b>0.9</b>	<b>(1.0)</b>	<b>4.1</b>	<b>13.2</b>
Leases	(8.8)	(6.3)	(8.2)	(11.7)	(10.0)	(10.0)	(10.0)	(10.0)
<b>Total net cash /(debt) incl leases</b>	<b>(5.8)</b>	<b>(1.7)</b>	<b>(5.2)</b>	<b>(13.1)</b>	<b>(9.1)</b>	<b>(11.0)</b>	<b>(5.9)</b>	<b>3.2</b>
Net financial cash / (debt) / Adj. EBITDA (x)	(0.1)	(0.2)	(0.1)	0.1	0.0	(0.0)	0.1	0.4
Total net cash / (debt) / Adj. EBITDA (x)	0.3	0.1	0.2	0.5	<b>(0.3)</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>(0.1)</b>

Source: Company data, Equity Development

Balance sheet: Assets								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Property, plant and equipment	2.1	2.0	2.0	2.2	3.0	3.6	4.0	4.3
Right of use assets	7.5	5.5	7.8	11.2	9.6	9.6	9.6	9.6
Intangible assets incl goodwill	77.9	75.3	73.4	72.4	69.1	65.3	63.9	63.1
Trade and other receivables (deemed remuneration)	4.0	4.2	5.2	2.8	2.8	3.1	3.3	3.4
<b>Non-current assets</b>	<b>91.4</b>	<b>86.9</b>	<b>88.3</b>	<b>88.6</b>	<b>84.5</b>	<b>81.6</b>	<b>80.7</b>	<b>80.4</b>
Trade and other receivables	44.9	49.7	55.6	63.3	70.0	80.8	87.7	93.4
Current tax assets	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Cash & cash equivalents	8.0	9.7	8.0	5.6	7.9	6.0	11.1	20.2
<b>Current assets</b>	<b>52.8</b>	<b>59.4</b>	<b>63.6</b>	<b>69.2</b>	<b>77.9</b>	<b>86.8</b>	<b>98.8</b>	<b>113.6</b>

Source: Company data, Equity Development

<b>Balance sheet: Liabilities</b>								
<b>Year-end 30 April (£m)</b>	<b>2021A</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Bank overdraft & s/t loans								
Trade payables and other liabilities	(22.2)	(32.9)	(37.2)	(42.6)	(52.2)	(55.3)	(57.1)	(58.3)
Lease liabilities	(2.2)	(3.0)	(1.7)	(1.6)	(2.8)	(2.8)	(2.8)	(2.8)
Current tax liabilities	(1.9)	(2.6)	(1.8)	(1.1)	(1.0)	(1.0)	(1.0)	(1.0)
Provisions	(0.9)	(0.6)	(1.5)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Other financial liabilities								
<b>Current liabilities</b>	<b>(27.2)</b>	<b>(39.0)</b>	<b>(42.2)</b>	<b>(46.3)</b>	<b>(57.0)</b>	<b>(60.1)</b>	<b>(61.9)</b>	<b>(63.1)</b>
<b>Capital employed</b>	<b>89.3</b>	<b>105.2</b>	<b>104.1</b>	<b>105.6</b>	<b>105.4</b>	<b>108.3</b>	<b>117.6</b>	<b>130.9</b>
Bank borrowings	(10.0)	(5.0)	(5.0)	(5.0)	(7.0)	(7.0)	(7.0)	(7.0)
Lease liabilities	(6.1)	(5.8)	(4.6)	(6.7)	(7.2)	(7.2)	(7.2)	(7.2)
Deferred tax liabilities	(5.7)	(5.5)	(8.0)	(7.4)	(6.5)	(5.0)	(5.0)	(5.0)
Provisions	(1.9)	(2.6)	(2.0)	(2.1)	(2.7)	(2.7)	(2.7)	(2.7)
Trade and other payables								
Other financial liabilities								
<b>Non-current liabilities</b>	<b>(23.8)</b>	<b>(19.0)</b>	<b>(19.6)</b>	<b>(21.2)</b>	<b>(23.4)</b>	<b>(21.9)</b>	<b>(21.9)</b>	<b>(21.9)</b>
<b>Net assets</b>	<b>65.6</b>	<b>86.3</b>	<b>84.5</b>	<b>84.3</b>	<b>82.0</b>	<b>86.5</b>	<b>95.7</b>	<b>109.0</b>
<b>Shareholders' funds</b>	<b>65.6</b>	<b>86.3</b>	<b>84.5</b>	<b>84.3</b>	<b>82.0</b>	<b>86.5</b>	<b>95.7</b>	<b>109.0</b>

Source: Company data, Equity Development

## Contacts

### Andy Edmond

Direct: 020 7065 2691

Tel: 020 7065 2690

[andy@equitydevelopment.co.uk](mailto:andy@equitydevelopment.co.uk)

### Hannah Crowe

Direct: 0207 065 2692

Tel: 0207 065 2690

[hannah@equitydevelopment.co.uk](mailto:hannah@equitydevelopment.co.uk)

**Equity Development Limited is regulated by the Financial Conduct Authority**

## Disclaimer

Equity Development Limited ('ED') is retained to act as financial adviser for its corporate clients, some or all of whom may now or in the future have an interest in the contents of this document. ED produces and distributes research for these corporate clients to persons who are not clients of ED. In the preparation of this report ED has taken professional efforts to ensure that the facts stated herein are clear, fair and not misleading, but makes no guarantee as to the accuracy or completeness of the information or opinions contained herein.

Any reader of this research should not act or rely on this document or any of its contents. This report is being provided by ED to provide background information about the subject of the research to relevant persons, as defined by the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Research produced and distributed by ED on its client companies is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent as defined by the FCA but is 'objective' in that the authors are stating their own opinions. This document is prepared for clients under UK law. In the UK, companies quoted on AIM are subject to lighter due diligence than shares quoted on the main market and are therefore more likely to carry a higher degree of risk than main market companies.

ED may in the future provide, or may have in the past provided, investment banking services to the subject of this report. ED, its directors or persons connected may at some time in the future have, or have had in the past, a material investment in the Company. ED, its affiliates, officers, directors and employees, will not be liable for any loss or damage arising from any use of this document to the maximum extent that the law permits.

More information is available on our website [www.equitydevelopment.co.uk](http://www.equitydevelopment.co.uk)

Contact: [info@equitydevelopment.co.uk](mailto:info@equitydevelopment.co.uk) | 020 7065 2690