Begbies Traynor Group

20 November 2025

Diversified advisory portfolio drives robust growth

Begbies' H1'26 revenue and Adj. PBT rose by 7% and 5% respectively, driven by strategic investment in staff, favourable macro-economic conditions and growth across its breadth of services. The company is confidently on track for FY26E revenue and profit expectations but is trading on only c 10x PER, well below our fair value of 150p (based on a 7% FCF yield).

H126 revenues +7% reflecting a strategically diversified advisory portfolio

Begbies has reported another 6 months of very good growth with revenues +c.7% to c.£82m, supported by investment in new senior fee-earners across its divisions. Begbies' core restructuring advisory business led with over 10% organic growth, offsetting a decline in financial advisory where weak confidence ahead of the UK Budget has delayed some transactions (that may complete in H226). Meanwhile Property advisory revenues (30% of group in FY25) rose 7% reflecting robust activity levels across valuation and asset advisory, asset sales and property auctions.

H126 Adj. PBT rises 5% and on track for FY26E consensus expectations

As anticipated, national insurance increases have cost c. 85bps of operating margin (£0.7m in H126) but efficiencies and an underlying improvement in margin, particularly in property advisory (where profits rose 25%), have reduced the overall impact to a c.50bps decrease in group operating margin (to a still high c.16%). As such, 1H26 Adj. PBT has risen c.5% to c.£12m and management is confident in delivering FY26E expectations (consensus FY26E Adj. PBT of £23.7m-£24.9m). We are forecasting £24.2m so we make no changes to our overall group forecasts.

A highly profitable and cashflow generative company on only c.10x PER

Begbies is well positioned, generating cashflow to invest in growth and capital returns (net debt £5.7m after £3.8m of acquisition payments, £2.2m dividends and £1.2m share buybacks). Meanwhile the macro-economic environment remains favourable with over 2,000 company insolvencies a month and Begbies' Q325 Red Flag Alert showed a dramatic 78% increase in UK businesses in "critical" financial distress (to 55,530). **Yet Begbies' is trading on only c.6x EV/EBITDA and is at a c. 30% discount to its long-run average valuation multiples and our fair value of 150p/share.**

Key financials & valuation metrics

Year to 30 April (£m)	2024	2025	2026E	2027E	2028E
Revenue	136.7	153.7	164.3	171.6	179.3
Revenue growth (%)	*12.2*	*12.4*	*6.9*	*4.4*	*4.5*
Adj. PBT	22.0	23.5	24.2	25.7	27.3
Adj. PBT margin (%)	*16.1*	*15.3*	*14.7*	*15.0*	*15.2*
Adj. diluted EPS (p)	9.9	10.5	10.8	11.5	12.2
Dividend per share (p)	4.0	4.3	4.4	4.7	5.0
Free cashflow pre acquisitions	12.4	19.4	16.2	16.9	17.3
Free cashflow post acquisitions	3.9	10.0	10.8	12.1	16.9
Net cash / (debt) * /Adj. EBITDA (x)	(0.5)	(0.3)	(0.2)	(0.1)	(0.2)
EV / Sales (x, calendarised)		1.2	1.2	1.1	
PER (x, calendarised)		10.7	10.2	9.6	
Dividend yield (%, calendarised)		3.8	4.0	4.3	
Free cashflow* yield (%, calendarised)		9.1	8.8	9.1	

*Note: * pre-acquisition payments, Source: Company data, Equity Development, Priced as at 19 Nov 2025*

Company data

EPIC	BEG
Price (last close)	115.5p
52 weeks Hi/Lo	127p/88p
Market cap	£180m
ED Fair Value / share	150p
Net cash / (debt) 2025A	£(9m)
Avg. daily volume (3m)	328k

Share price, p

Source: Investing.com

Description

Begbies Traynor Group ("Begbies") 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

H1'26 results 9th December 2025

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Overview of Investment Attractions

Investment Highlights

- An impressive track record of growth with revenues tripling in the past decade to £153m in FY25, driven by both organic growth and successful acquisitions.
- This is testament to Begbies' resilience and growth through the economic cycle and the group's ability to attract highly qualified and trusted professionals.
- An increasingly diversified business with c.45% of FY25 revenues from Begbies' business and corporate finance advisory, property advisory and transactional services offer.
- Adjusted PBT has increased six-fold to c.£23.5m in FY25 (20% CAGR) and adjusted PBT margin has risen to over 15%, driving cumulative free cashflow pre acquisitions of over £75m (FY21-FY25). This ample free cashflow funds both value-accretive acquisitions and dividends (CAGR 7.5% since FY16).
- An experienced, incentivised and founder-led management team at the helm.

Risk Factors

- 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&A and corporate finance advisory and finance broking activity, and property transactional activity.
- As a people-led business, recruitment and retention of high-quality staff is key. Begbies invests in its staff packages and training for its almost 1,200 Full-time Equivalent (FTE) employees.
- Liquidity risk if asset realisations were impacted, however Begbies has £35m of bank facilities, extendable until February 2029.
- Integration risk for any future acquisitions, though Begbies' excellent track record provides reassurance.

Forecast Drivers

- 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.
- We expect inflationary pressures, particularly the cost of labour following the Autumn 2024 Budget, to keep levels of corporate distress and insolvency elevated.
- We forecast c.5% organic revenue CAGR FY25-FY28E to reach c.£180m 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.
- We forecast Adj. PBT margins remaining c.15% (despite national insurance increases impacting from FY26E) leading to c.5% organic Adj. PBT CAGR FY25-FY28E and free cashflow, pre acquisitions, of c.£17m p/a (FY26E-FY28E).

Valuation Overview

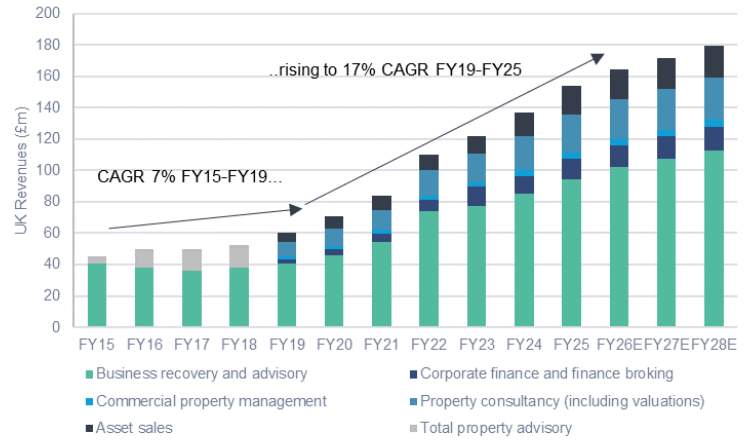
- Begbies is trading on only 1.2x EV/Revenues, 6.1x EV/Adj. EBITDA and c.10x PER (our forecasts, all Calendar 2026E – "cal 26E").
- This is a c.30% discount to the group's average multiples over the past nine years of 1.6x EV/Revenues, c.9x EV/Adj EBITDA and c.14x PER.
- It is also still a discount to our comparable valuation peers, despite offering similar, if not better, revenue and profit growth and similar high profit margins.
- Begbies' balance sheet is also strong with c.£5.7 m of net financial debt as at 31 October 2025 and leases of c.£12m. We forecast net debt incl leases / Adj. EBITDA of only 0.2x for FY26E. We estimate that future contingent consideration payments will be c.£9m, satisfied by December 2027.
- Our fair value of 150p equates to a cal 26 FCF yield, pre acquisitions, of c.7%, a c.3% dividend yield, a 13.5x PER, broadly in-line with long-run averages, with potential for a premium to these averages.

An increasingly diversified, proven track record of growth

A people-driven, expanding service business

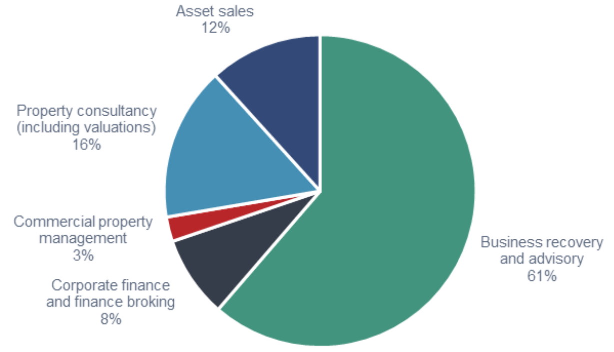
- Begbies Traynor is a leading business recovery, financial advisory and property services consultancy with specialist expertise in business recovery, advisory and corporate finance, valuations, asset sales and property transactions.
- As a people-led advisory business, the company has more than doubled its (FTE) colleagues from c.550 in FY19 to 1,185 in FY25, driving revenue growth of 13% CAGR in the past decade to c.£153m in FY25.
- Moreover, as Begbies has invested in an increasingly diversified business, revenue growth has accelerated to 17% CAGR FY19-FY25.
- Its multi-disciplinary professional teams include insolvency practitioners, accountants, lawyers, financing professionals and chartered surveyors.

Revenues tripled in a decade to £153m, on track to £200m



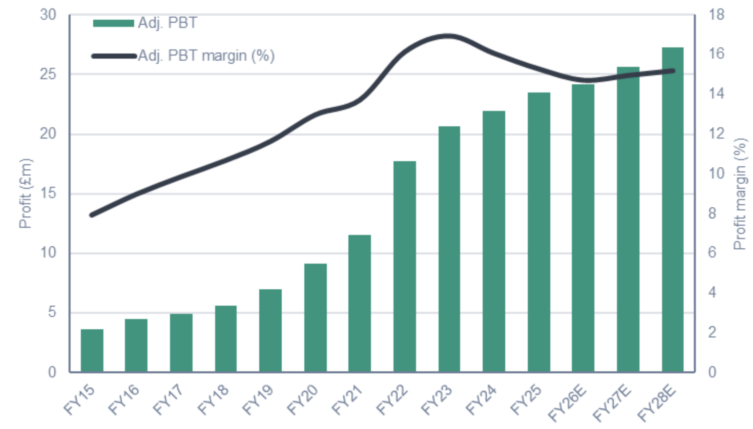
Source: Company data, Equity Development

c.45% of FY25 Revenues are services beyond insolvency



Source: Company data, Equity Development

6-fold increase in Adj. PBT to £23.5m, with high margins



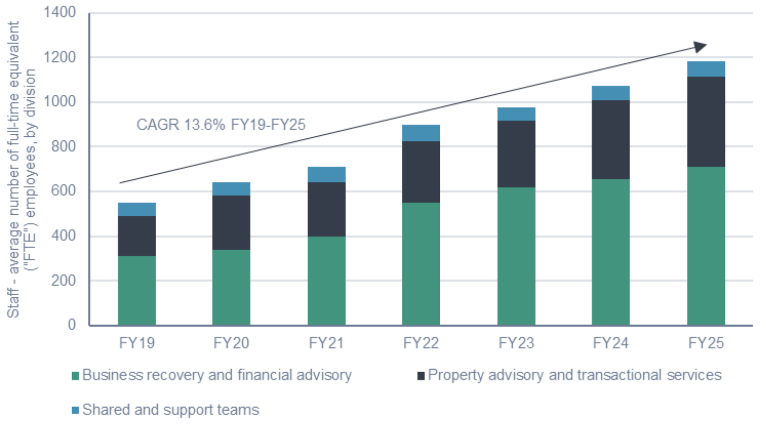
Source: Company data, Equity Development

A highly successful and efficient people business

Revenue growth driven by 14% CAGR in staff

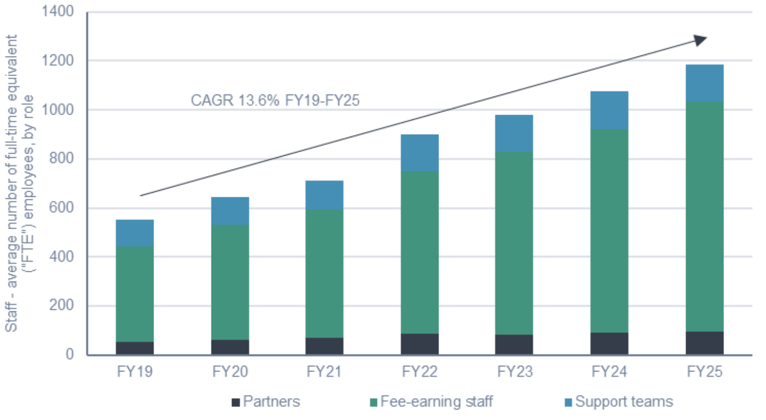
- Across the group, fee-earners make up 87% of the workforce and support team staff comprise 13% (down from 20% in FY19), meaning the ratio of fee-earners to support staff increased again in FY25, to a very high 6.8x.
- Impressively, Begbies has grown its staff base organically and through acquisition whilst also raising revenue per FTE employee to £130k in FY25, 19% above £109k in FY19.
- Hence, despite significant investment in new joiners every year, staff costs have fallen from a peak of 62.4% of revenues in FY21 to 61.5% in FY25.

Staff have more than doubled to c.1,200 FTE since FY19



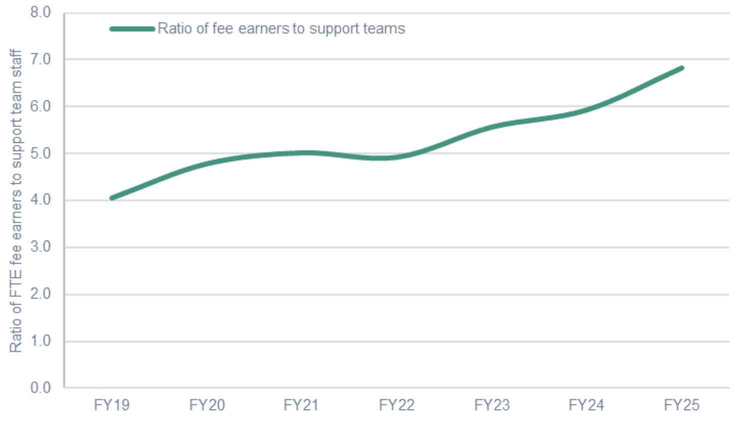
Source: Company data, Equity Development

Begbies has leveraged its partners and fee-earning staff…



Source: Company data, Equity Development

with the ratio of fee-earners to support teams rising to 6.8x



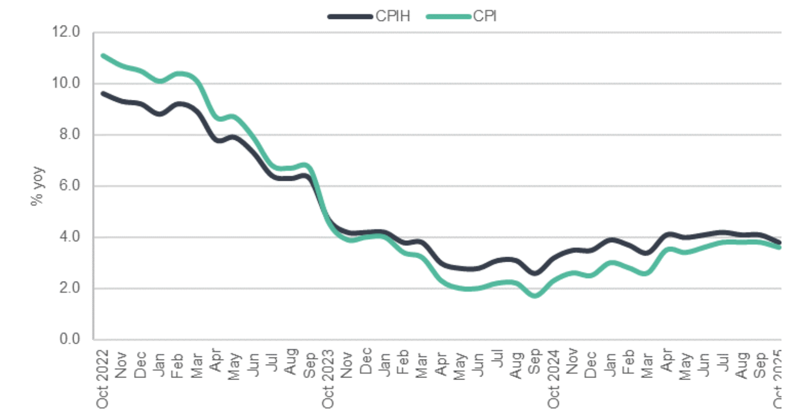
Source: Company data, Equity Development

Business recovery to remain elevated as inflationary pressures remain

Macro-economic backdrop still tough for companies

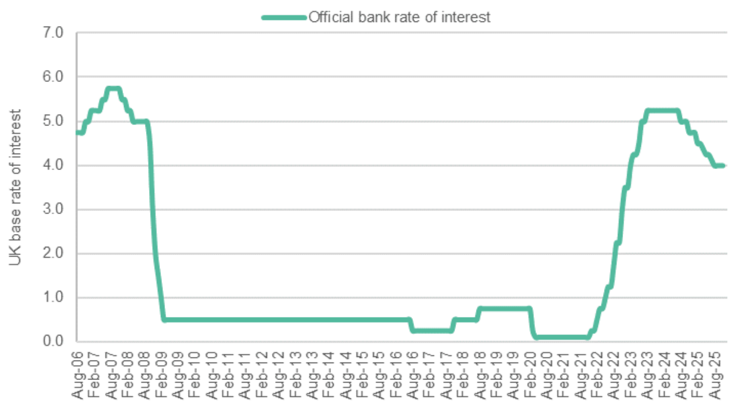
- After a record 25,000 corporate insolvencies in 2023 and 24,000 in 2024, c.60% above the average c.15,000 a year in 2014-2021, corporate insolvencies have risen again through 2025 to over 2,000 per month in the 9 months ended October 2025…
- …reflecting the challenges businesses face from the increase in inflation (driven by increasing labour costs and higher taxes) and weak confidence ahead of the UK Budget on 26 November 2025.
- Moreover, levels of corporate distress remain at high levels, as evidenced in Begbies' Q325 Red Flag Alert report which shows c.727,000 UK businesses in "significant" financial distress, up 15% on Q324 and 55,530 UK businesses in "critical" financial distress, up 78% on Q324.

Inflation persistent at 3.8% in October 2025



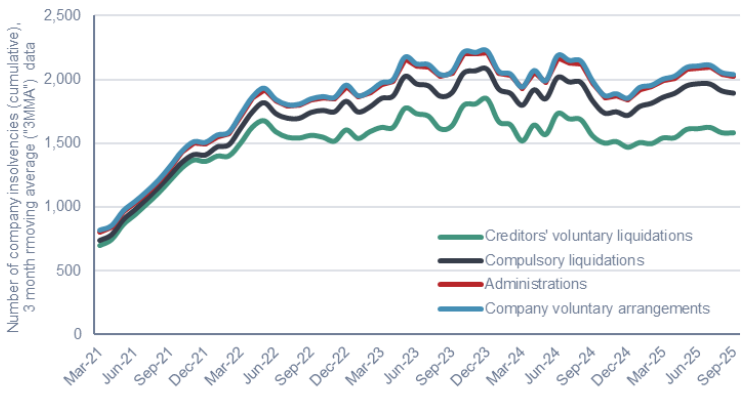
Source: Bank of England, Equity Development

Interest rates falling, but still 4% as at November 2025



Source: ONS, The Insolvency Service, Equity Development

A rising trend of insolvencies through 2025



Source: ONS, The Insolvency Service, Equity Development

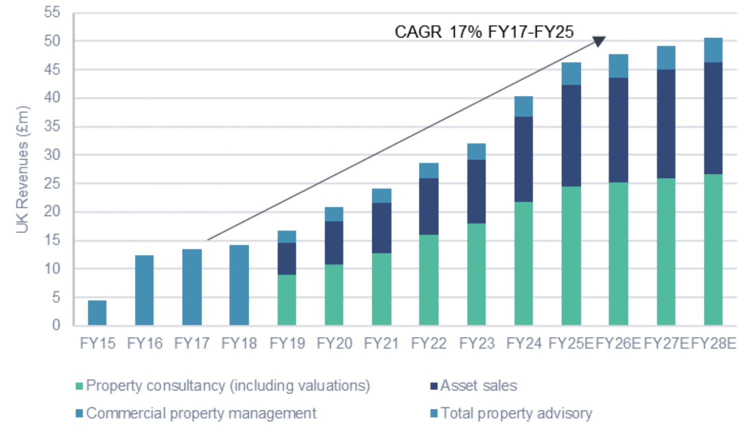
Property consultancy services is a resilient, consistent, growth business

10 years of property experience and growth

- A decade after the acquisition of Yorkshire-based property consultancy, Eddisons, Begbies' strategic and geographic expansion of its property consultancy business, particularly in the last three years, has led to revenues tripling to c.£46m in FY25E and 471 staff (+7% in FY25).
- Under the Eddisons brand, Begbies has now become a well-regarded mid-tier national property consultancy.
- Operating profits have followed a similarly impressive trajectory and grown at a CAGR of 15.5% to reach c.£8m in FY25E with profit margins having been maintained at 16%-23% throughout (c.17% in FY25E).
- This is particularly impressive given the number of acquired businesses Begbies has successfully integrated into the division.

Source: Company data, Equity Development

Consistent growth: 17% CAGR since FY17



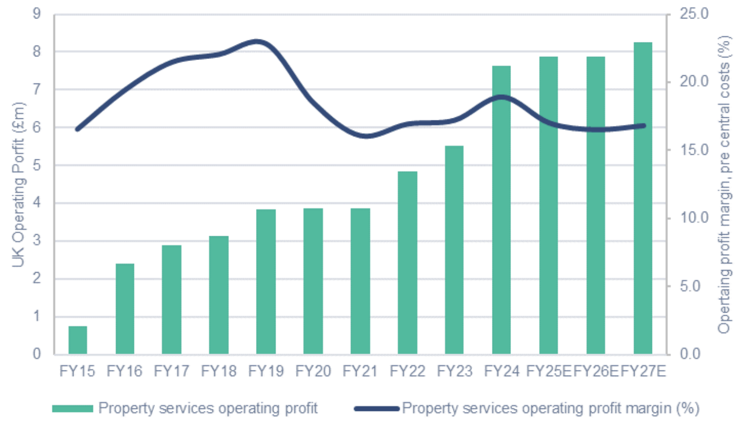
Source: Company data, Equity Development

Expansion potential to build on recent acquisitions

- Management believes the market remains fragmented and there is still great scope to make further acquisitions at attractive valuations to build out its geographic presence and range of services.
- To recap, in property consultancy Begbies acquired London-based Hargreaves Newberry Gyngell in 2021 for just under £1m (13 staff), Yorkshire-based Fernie Greaves in 2021, South-coast based Daniells Harrison in 2022 for max £3.5m (27 staff), Northampton-based Budworth Hardcastle in 2022 for max £2.7m (18 staff), and Lincolnshire-based Banks, Long & Co in 2023 for max £4.1m (38 staff with a strong agency team).
- In property auctions, Begbies acquired Nottingham-based firm SDL Auctions in 2023 for £3m (46 staff) and Mark Jenkinson in 2023, and in valuations, the group acquired Andrew Forbes Limited in 2023 for £1m (18 staff).

Source: Company data, Equity Development

Resilient rather than cyclical; 16%-23% profit margins



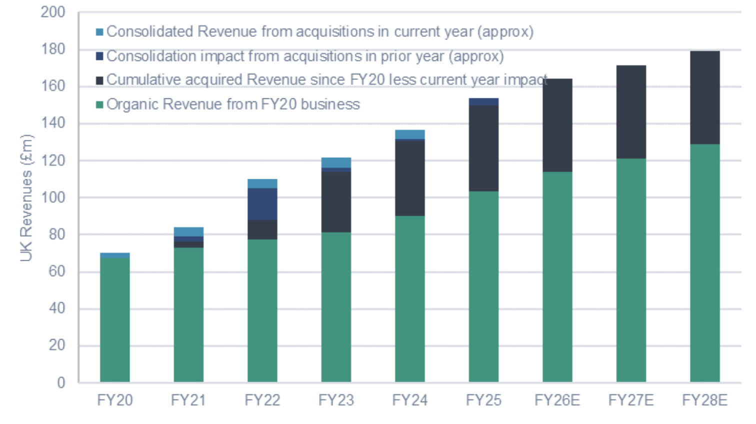
Source: Company data, Equity Development

An undervalued, profitable, cashflow generating growth story

Professional services consolidator at a c.30% discount

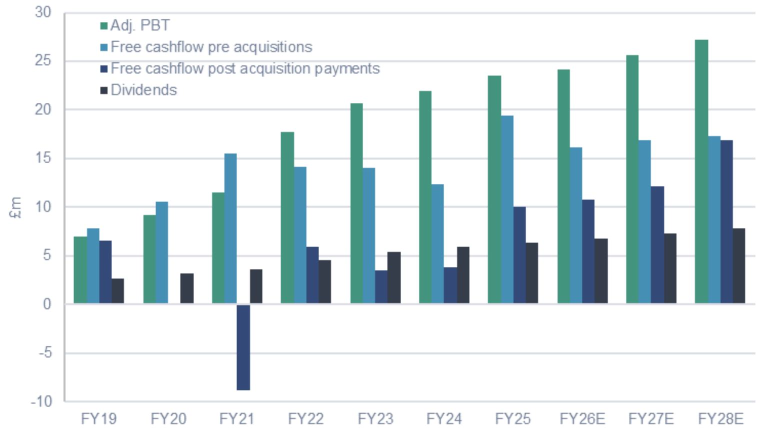
- Begbies' vision is to extend the scale and quality of its chosen professional services by continuing to build the offer organically and through acquisitions.
- Begbies' acquisition success is admirable, investing c.£64m FY20-FY24 for revenues of c.£50m and pre-tax profits of c.£12.5m, with a further £34m of potential earn-out payments (management estimates only £15m will be paid).
- Its financial discipline leads to a high c.15% Adj. PBT margin (FY25) and typically this converts into ample free cashflow.
- We forecast c.£50m of free cashflow pre-acquisitions FY26E-FY28E (c.30% of the current market cap), of which we estimate c.£12m will be paid out as deferred compensation, and we do not believe this attraction is reflected in Begbies' current c.10x cal 26 PER and 4.0% dividend yield.

Diversified growth, boosted by acquisitions



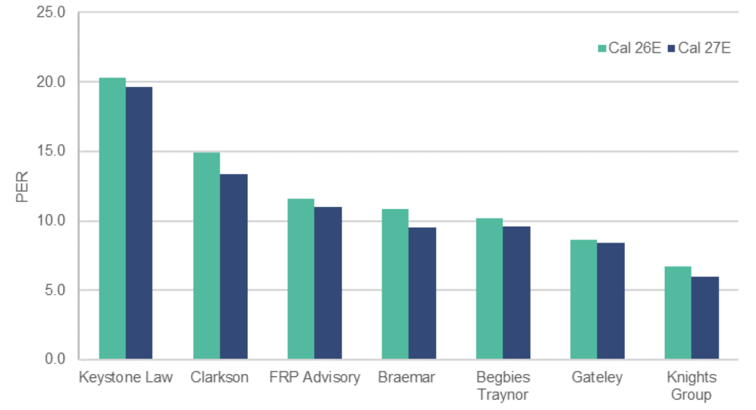
Source: Company data, Equity Development

Free-cashflow supports acquisitions and dividend growth



Source: Company data, Equity Development

Begbies' PER of c.10x cal '26 undervalues its prospects



Source: Koyfin for consensus estimates, Equity Development

Financial Forecast tables

- **Management has confirmed it is confident of delivering FY26E market expectations, and so ahead of the group's interim results we have made no changes to our forecasts**.

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	6.9	4.4	4.5
Gross profit growth (%)	17.8	34.6	13.1	8.8	15.0	6.2	4.4	4.5
Adj. EBITDA growth (%)	22.4	19.8	10.5	7.4	11.1	1.1	4.9	4.9
Adj. Operating profit (%)	22.5	50.0	17.4	9.6	8.3	1.9	5.6	5.6
Adj. PBT growth (%)	25.8	54.3	16.3	6.4	6.9	3.0	6.1	6.1
Adj. EPS growth (%)	17.7	31.9	14.3	-1.4	5.6	2.9	6.1	6.1
DPS growth (%)	7.1	16.7	8.6	5.3	7.5	2.9	6.1	6.1
Gross profit margin (%)	42.4	43.5	44.4	43.1	44.0	43.7	43.7	43.7
Adj. EBITDA margin (%)	23.9	21.8	21.8	20.9	20.6	19.5	19.6	19.7
Adj. Operating margin (%)	14.8	16.9	17.9	17.5	16.9	16.1	16.2	16.4
Adj. PBT margin (%)	13.7	16.1	17.0	16.1	15.3	14.7	15.0	15.2
Op costs excl D&A /sales (%)	18.7	21.8	22.8	22.6	23.7	24.5	24.4	24.3
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	102	107	113
Corporate finance and finance broking	5.1	7.5	12.5	11.3	13	14	15	15
Business recovery and advisory	**59.7**	**81.4**	**89.7**	**96.4**	**107.3**	**116.1**	**121.9**	**128.0**
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	25.4	26.2	27
Asset sales	8.9	9.9	11.1	15.0	18.1	18.8	19.4	20
Property advisory	**24.1**	**28.6**	**32.1**	**40.3**	**46.4**	**48.3**	**49.7**	**51.3**
Total UK revenue	**83.8**	**110.0**	**121.8**	**136.7**	**153.7**	**164.3**	**171.6**	**179.3**
Business recovery and advisory	18.8	35.2	4.5	10.2	10.5	8.5	5.0	5.0
Corporate finance and finance broking	39.2	48.0	66.0	(9.7)	17.6	6.0	5.0	5.0
Business recovery and advisory	**20.3**	**36.3**	**10.2**	**7.5**	**11.3**	**8.2**	**5.0**	**5.0**
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	4.0	3.0	3.0
Asset sales	15.1	11.1	12.9	34.6	20.6	4.0	3.0	3.0
Property advisory	**15.6**	**18.6**	**12.3**	**25.6**	**15.0**	**4.0**	**3.0**	**3.2**
Total UK revenue growth (%)	**18.9**	**31.2**	**10.7**	**12.2**	**12.4**	**6.9**	**4.4**	**4.5**
Business recovery and advisory	65	67	63	62	61	62	62	63
Corporate finance and finance broking	6	7	10	8	9	9	9	9
Business recovery and advisory	71	74	74	70	70	71	71	71
Commercial property management	3	3	2	3	3	2	2	2
Property consultancy (including valuations)	15	15	15	16	16	15	15	15
Asset sales	11	9	9	11	12	11	11	11
Property advisory	29	26	26	30	30	29	29	29
Contribution to UK revenue	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

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	29.6	31.0	32.6
Property advisory and transactional services	3.9	4.8	5.5	7.6	7.8	8.1	8.5	8.9
Unallocated corporate amounts	(6.2)	(7.2)	(8.0)	(9.2)	(10.3)	(11.3)	(11.7)	(12.1)
Operating profit*	**12.4**	**18.6**	**21.8**	**23.9**	**25.9**	**26.4**	**27.9**	**29.4**
Business recovery and advisory services	24.7	25.8	27.1	26.5	26.5	25.5	25.5	25.5
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)	(6.9)	(6.8)	(6.7)
Operating profit* margin (%)	**14.8**	**16.9**	**17.9**	**17.5**	**16.9**	**16.1**	**16.2**	**16.4**
Business recovery and advisory services	27.0	42.7	15.6	5.1	11.3	4.1	5.0	5.0
Property advisory and transactional services	0.4	24.9	14.2	38.1	2.2	4.0	4.8	5.0
Unallocated corporate amounts	16.4	16.9	10.1	15.7	11.6	9.7	3.4	3.4
Operating profit* growth yoy (%)	**22.5**	**50.0**	**17.4**	**9.6**	**8.3**	**1.9**	**5.6**	**5.6**
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)				
Consolidated net assets	**86.3**	**84.5**	**84.3**	**78.4**				
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				
Operating profit* / y/e net assets (%)	**14.4**	**22.0**	**25.9**	**30.5**				

*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**
Group revenue	**83.8**	**110.0**	**121.8**	**136.7**	**153.7**	**164.3**	**171.6**	**179.3**
Direct costs	(48.3)	(62.2)	(67.7)	(77.8)	(86.0)	(92.4)	(96.5)	(100.8)
Gross profit	**35.6**	**47.8**	**54.1**	**58.9**	**67.7**	**71.9**	**75.1**	**78.4**
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)	**(40.3)**	**(41.9)**	**(43.6)**
Adj. EBITDA, pre SBP	**20.1**	**24.0**	**26.6**	**28.5**	**31.7**	**32.0**	**33.6**	**35.3**
Share based payments	(1.0)	(1.6)	(1.3)	(0.6)	(1.3)	(1.3)	(1.3)	(1.3)
Depreciation of PPE	(0.8)	(1.0)	(1.1)	(1.1)	(1.3)	(1.7)	(1.8)	(1.9)
Depreciation of ROUA	(2.6)	(2.6)	(2.1)	(2.7)	(3.1)	(2.6)	(2.6)	(2.6)
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)	(4.4)	(4.4)	(4.5)
Adj. Operating profit	**12.4**	**18.6**	**21.8**	**23.9**	**25.9**	**26.4**	**27.9**	**29.4**
Interest on financial debt	(0.4)	(0.4)	(0.8)	(1.2)	(1.5)	(1.4)	(1.4)	(1.4)
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)
Adj. PBT	**11.5**	**17.8**	**20.7**	**22.0**	**23.5**	**24.2**	**25.7**	**27.3**

*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**
Adj. PBT	**11.5**	**17.8**	**20.7**	**22.0**	**23.5**	**24.2**	**25.7**	**27.3**
Acquisition consideration	(5.4)	(10.0)	(12.3)	(11.1)	(8.6)	(7.6)	(3.9)	(1.3)
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)							
Transaction costs	**(6.5)**	**(8.2)**	**(8.4)**	**(10.6)**	**(8.5)**	**(7.6)**	**(3.9)**	**(1.3)**
Amortisation of intangible assets on acquisition	(3.1)	(5.5)	(6.2)	(5.6)	(3.5)	(2.7)	(1.3)	(0.8)
Non-underlying costs	**(9.6)**	**(13.7)**	**(14.7)**	**(16.2)**	**(12.0)**	**(10.3)**	**(5.2)**	**(2.1)**
PBT	**1.9**	**4.0**	**6.0**	**5.8**	**11.5**	**13.9**	**20.5**	**25.2**
Adj tax	(2.3)	(3.6)	(4.3)	(5.7)	(6.1)	(6.3)	(6.7)	(7.1)
Non-underlying tax	0.6	(0.9)	1.2	1.4	0.9	2.0	1.0	0.3
Tax	(1.8)	(4.5)	(3.1)	(4.3)	(5.2)	(4.3)	(5.7)	(6.7)
Adj. PAT	**9.2**	**14.1**	**16.3**	**16.3**	**17.4**	**17.9**	**19.0**	**20.2**
Reported PAT	0.2	-0.5	2.9	1.5	**6.3**	**9.6**	**14.8**	**18.4**
No of f/d shares (m)	137.4	160.5	162.3	163.9	165.9	166.0	166.0	166.0
Adjusted diluted EPS (p)	**6.7**	**8.8**	**10.1**	**9.9**	**10.5**	**10.8**	**11.5**	**12.2**
DPS (p)	**3.0**	**3.5**	**3.8**	**4.0**	**4.3**	**4.4**	**4.7**	**5.0**

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

Cashflow statement

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Adj. EBITDA, pre SBP	**20.1**	**24.0**	**26.6**	**28.5**	**31.7**	**32.0**	**33.6**	**35.3**
Change in trade receivables*	(2.7)	(3.9)	(4.7)	(7.9)	(6.1)	(6.5)	(5.1)	(5.5)
Change in trade payables*	5.4	2.3	2.5	4.1	5.0	1.7	0.8	1.1
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)	(4.8)	(4.3)	(4.3)
Tax paid	(2.3)	(3.6)	(5.3)	(6.7)	(4.4)	(4.3)	(5.7)	(6.7)
Net cash from operating activities (pre-leases, capex)	**20.2**	**19.2**	**18.5**	**17.7**	**26.2**	**22.9**	**23.7**	**24.2**
Net financial interest paid	(0.3)	(0.3)	(0.7)	(1.3)	(1.4)	(1.5)	(1.5)	(1.5)
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)	(2.6)	(2.6)	(2.6)
Capex	(1.2)	(1.0)	(1.0)	(1.5)	(1.8)	(1.9)	(2.0)	(2.1)
Net cashflow pre acquisitions	**15.5**	**14.2**	**14.1**	**12.4**	**19.4**	**16.2**	**16.9**	**17.3**
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)	(5.4)	(4.8)	(0.4)
Free cashflow post acquisitions	**(8.8)**	**5.9**	**3.5**	**3.9**	**10.0**	**10.8**	**12.1**	**16.9**
Dividends	(3.6)	(4.6)	(5.4)	(5.9)	(6.3)	(6.8)	(7.3)	(7.8)
Share buy backs / equity issues	20.9	0.5	0.2	(2.4)	(1.4)	(1.4)	(0.7)	
Other								
Net cashflow	**8.5**	**1.8**	**(1.7)**	**(4.4)**	**2.3**	**2.6**	**4.1**	**9.1**

*Note: * excluding deemed renumeration 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	10.5	14.6	23.7
Net financial cash / (debt)	**3.0**	**4.7**	**3.0**	**(1.4)**	**0.9**	**3.5**	**7.6**	**16.7**
Leases	(8.8)	(6.3)	(8.2)	(11.7)	(10.0)	(10.0)	(10.0)	(10.0)
Total net cash /(debt) incl leases	**(5.8)**	**(1.7)**	**(5.2)**	**(13.1)**	**(9.1)**	**(6.5)**	**(2.4)**	**6.7**
Net financial cash / (debt) / Adj. EBITDA (x)	(0.1)	(0.2)	(0.1)	0.1	0.0	0.1	0.2	0.5
Total net cash / (debt) / Adj. EBITDA (x)	0.3	0.1	0.2	0.5	**(0.3)**	**(0.2)**	**(0.1)**	**(0.2)**

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	3.2	3.4	3.6
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	66.3	65.0	64.2
Trade and other receivables (deemed renumeration)	4.0	4.2	5.2	2.8	2.8	3.0	3.1	3.3
Non-current assets	**91.4**	**86.9**	**88.3**	**88.6**	**84.5**	**82.1**	**81.1**	**80.7**
Trade and other receivables	44.9	49.7	55.6	63.3	70.0	76.3	81.3	86.6
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	10.5	14.6	23.7
Current assets	**52.8**	**59.4**	**63.6**	**69.2**	**77.9**	**86.9**	**95.9**	**110.3**

Source: Company data, Equity Development

Balance sheet: Liabilities

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Bank overdraft & s/t loans								
Trade payables and other liabilities	(22.2)	(32.9)	(37.2)	(42.6)	(52.2)	(53.9)	(54.7)	(55.9)
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								
Current liabilities	**(27.2)**	**(39.0)**	**(42.2)**	**(46.3)**	**(57.0)**	**(58.7)**	**(59.5)**	**(60.7)**
Capital employed	**89.3**	**105.2**	**104.1**	**105.6**	**105.4**	**110.3**	**117.5**	**130.3**
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)	(6.5)	(6.5)	(6.5)
Provisions	(1.9)	(2.6)	(2.0)	(2.1)	(2.7)	(2.7)	(2.7)	(2.7)
Trade and other payables								
Other financial liabilities								
Non-current liabilities	**(23.8)**	**(19.0)**	**(19.6)**	**(21.2)**	**(23.4)**	**(23.4)**	**(23.4)**	**(23.4)**
Net assets	**65.6**	**86.3**	**84.5**	**84.3**	**82.0**	**86.9**	**94.1**	**106.9**
Shareholders' funds	**65.6**	**86.3**	**84.5**	**84.3**	**82.0**	**86.9**	**94.1**	**106.9**

Source: Company data, Equity Development

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