

Begbies Traynor Group



Multi-disciplined, cashflow-generating growth

23 May 2025

Begbies Traynor has concluded FY25 with a very strong performance. 12% revenue growth in FY25, from its multi-disciplined suite of services, has led to 7% growth in Adj. PBT and £19.4m in FCF pre-acquisitions (above expectations). Moreover, the macro-economic environment is supportive, and the pipeline of potential acquisitions is encouraging. We raise our FY25-FY27E Adj. PBT estimates 2%-5% and believe the group is significantly under-valued.

Double-digit, consistent revenue growth and UK economic travails

Begbies' FY25 revenue growth of c.12% to £153m was c.1% above consensus expectations. An impressive c.11% organic growth in Business recovery and advisory services to c.£107m sales, reflects Begbies' ability to advise on larger corporate restructurings as well as recruit senior professionals. Meanwhile Property advisory and transactional services grew revenues 15% (including 7% organically) to c.£46m, also reflecting hires across multiple services. Despite cost headwinds, Begbies maintained its divisional margins of 26% and 17% in 2H25, leading to Adj EBITDA +10% to £31.3m, Adj PBT +7% to £23.5m and free cashflow of £19.4m pre-acquisitions. This was c.£5m better than expected, in part due to excellent working capital management. This cashflow funded £9.3m of acquisition payments, £6.3m dividends and led to c.£1m net cash at year end.

As corporates have absorbed higher employment costs and taxes resulting from the Autumn Budget, Begbies' 1Q25 Red Flag Alert showed a 13% yoy increase in UK businesses in "critical" financial distress (to 45,416) and a 5% yoy increase in those in "significant" financial distress (to 579,276). Meanwhile, total company insolvencies in April 2025 returned to more than 2,000 p/m.

An undervalued, highly profitable and cashflow generative company

Begbies trades at a c. 35% discount to its long-run average valuation multiples and a discount to peers. With highly profitable organic growth of 5%-6%, and free cashflow to fund both acquisitions and dividends, we see scope for a material rerating from only 8.6x cal 2026 PER. We lift our fair value / share from 145p to 150p, based on c.13.5x cal 2026 PER and 3% cal 2026 dividend yield.

Company data

EPIC	BEG
Price (last close)	98p
52 weeks Hi/Lo	108p/84p
Market cap	£154m
ED Fair Value / share	150p
Net cash / (debt) 2024A	(£1.4m)
Avg. daily volume (3m)	225k

Share price, p



Source: Investing.com

Description

Begbies Traynor Group ("Begbies") is a leading UK business recovery, financial advisory and property services consultancy.

A multi-disciplinary national team of over 1,100 FTE professionals from over 45 local 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

FY25 results 8 July 2025

Key financials & valuation metrics

Year to 30 April (£m)	2023	2024	2025E	2026E	2027E
Revenue	121.8	136.7	153.3	161.1	168.2
Revenue growth (%)	10.7	12.2	12.1	5.1	4.4
Adj. PBT	20.7	22.0	23.5	24.2	25.7
Adj. PBT margin (%)	17.0	16.1	15.3	15.0	15.3
Adj. diluted EPS (p)	10.1	9.9	10.5	10.8	11.4
Dividend per share (p)	3.8	4.0	4.2	4.3	4.6
Free cashflow pre acquisitions	14.1	12.4	19.4	17.8	19.0
Free cashflow post acquisitions		3.9	10.1	12.1	14.1
Net cash / (debt) * /Adj. EBITDA (x)		(0.5)	(0.3)	(0.2)	(0.0)
EV / Sales (x, calendarised)		1.2	1.1	1.0	1.0
PER (x, calendarised)		9.5	9.2	8.7	8.2
Dividend yield (% , calendarised)		4.2	4.4	4.6	4.9
Free cashflow* yield (%)		10.6	11.4	11.6	12.3

Note: * pre-acquisition payments, Source: Company data, Equity Development, Priced as at 22 / 5 / 25

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Overview of Investment Attractions

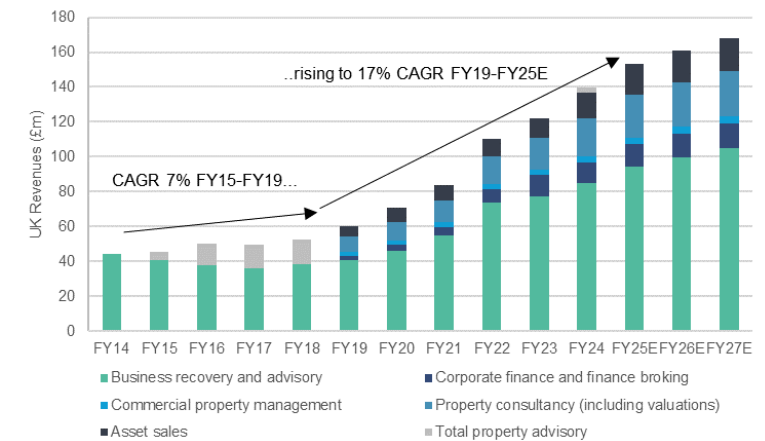
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> An impressive track record of growth with revenues tripling in the past decade to £153m in FY25, driven by both organic growth and successful acquisitions. This is testament to Begbies' resilience and growth through the economic cycle and the group's ability to attract highly qualified, trusted, professionals. An increasingly diversified business with c.40% of FY25 revenues from Begbies' corporate finance advisory, property advisory and transactional services offer. Adjusted PBT has increased six-fold to c.£23.5m in FY25E (21% CAGR) and adjusted PBT margin has risen to over 15%, driving cumulative free cashflow pre acquisitions of over £75m (FY21-FY25E). This ample free cashflow funds both value-accretive acquisitions and dividends (CAGR 7.5% since FY16). An experienced, incentivised, founder-led management team at the helm. 	<ul style="list-style-type: none"> Although the group is more diversified than ever before, c.60% of revenues are from business recovery and advisory. 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. As a people-led business, recruitment and retention of high-quality staff is key. Begbies invests in its staff packages and training and for its 1,100+ Full-time Equivalent (FTE) employees. Liquidity risk if asset realisations were impacted, however Begbies has £35m of bank facilities, extendable until 2029. Integration risk for any future acquisitions, though Begbies' excellent track record provides reassurance.
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> 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 Budget, to keep levels of corporate distress and insolvency elevated. We forecast c.5% organic revenue CAGR FY25-FY27E to reach £168m revenues in FY28E. We do not forecast any further acquisitions but estimate that a 6% p/a revenue contribution from acquisitions would lead to c.£200m of revenues in FY28E. We forecast Adj. PBT margins remaining above 15% (despite national insurance increases impacting from FY26E) leading to c.5% organic Adj. PBT CAGR FY25-FY27E and free cashflow, pre acquisitions, of £14m-£20m p/a (FY25E-FY27E). 	<ul style="list-style-type: none"> Begbies is trading on only 1.0x EV/Revenues, 5.2x EV/Adj. EBITDA and c.9x PER (our forecasts, all Calendar 2026E – "cal 26E"). This is a c.35% 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 a significant 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.£1m of net financial cash as at 30 April 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.£13m, satisfied by December 2027. Our fair value of 150p equates to a cal 26 FCF yield, pre acquisitions, of c.7.5%, 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

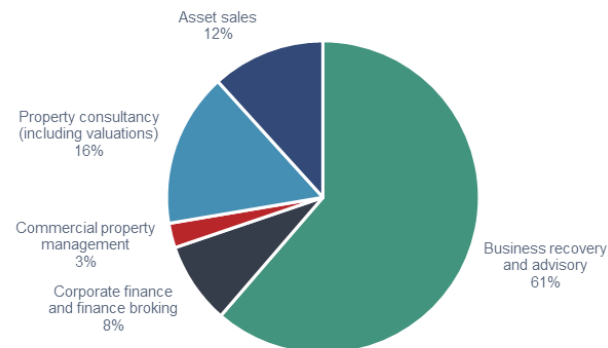
- Begbies Traynor is a leading business recovery, financial advisory and property services consultancy with specialist expertise in business recovery, advisory and corporate finance, valuations, asset sales and property transactions.
- As a people-led advisory business the company has doubled its (FTE) colleagues from c.550 in FY19 to over 1,100 by 1H25, 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



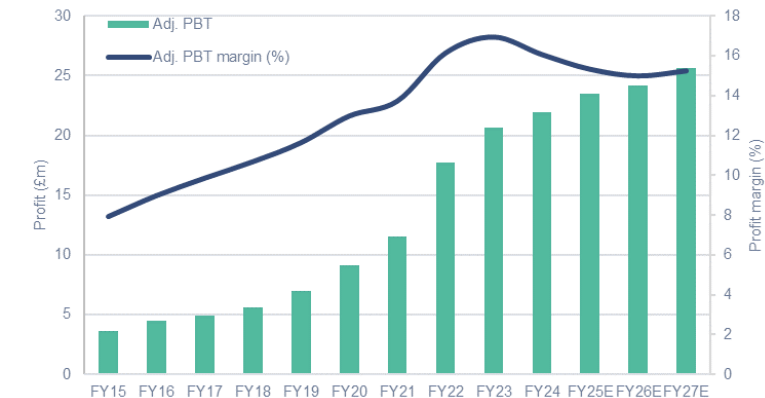
Source: Company data, Equity Development

c.40% of FY25E Revenues are services beyond insolvency



Source: Company data, Equity Development

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



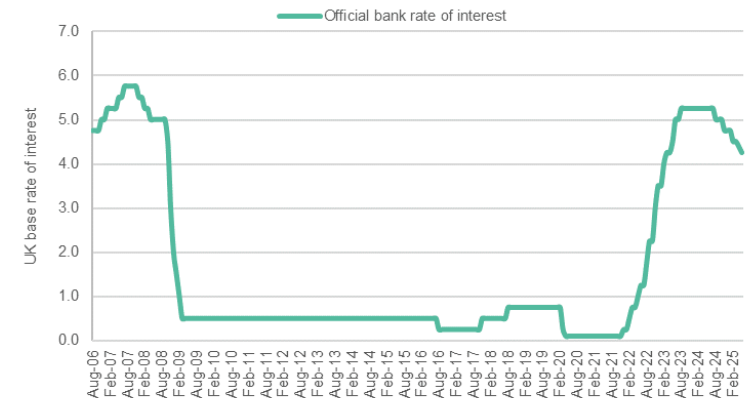
Source: Company data, Equity Development

Business recovery to remain elevated for a prolonged period as inflationary pressures build

Macro-economic backdrop still tough for companies

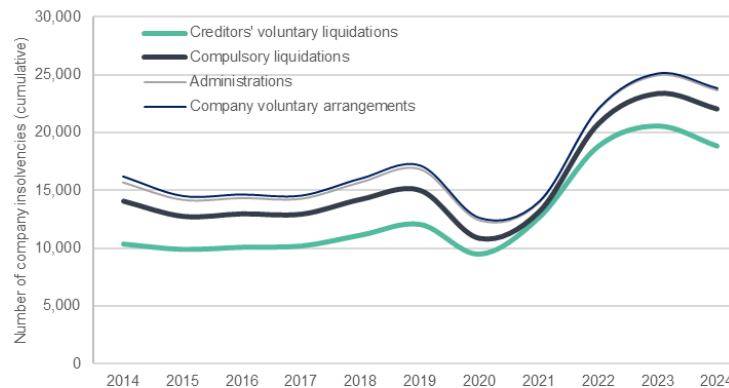
- After a record 25,000 corporate insolvencies in 2023 and 24,000 in 2024, c.60% above the average c.15,000 a year in 2014-2021, corporate insolvencies have risen again to over 2,000 per month in the 3 months ended April 2025, reflecting the challenges businesses face from the increase in inflation and the end of the 13-year period of very low interest rates.
- Moreover, levels of corporate distress remain at high levels, as evidenced in Begbies' 4Q24 Red Flag Alert report which shows c.655,000 UK businesses in "significant" financial distress, up 21% on 4Q23, with all 22 sectors experiencing greater distress.
- The number of businesses in "critical" financial distress rose by 50% to 47,000, with consumer facing sectors in particular highlighting the concerning state of the UK economy.

A decade+ of "free money" has come to an end (rate 4.25%)



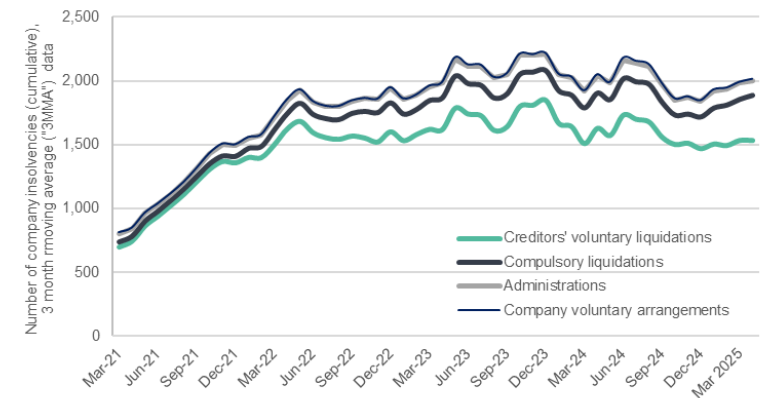
Source: Bank of England, Equity Development

...leading to a c.60% surge in insolvencies in 2023-2024



Source: ONS, The Insolvency Service, Equity Development

...and a rising trend into 1Q 2025

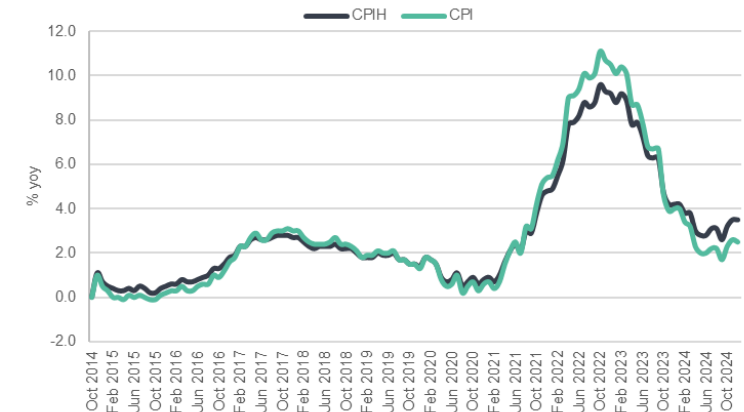


Source: ONS, The Insolvency Service, Equity Development

The Autumn 2024 Budget has caused further pressure

- Corporates bore the brunt of the planned tax rises in the Autumn Budget, with the 1.2% increase in employers' National Insurance contributions and the reduction in the employer threshold for NI reducing from £10,000 to £5,000 anticipated to raise £25bn.
- In addition, the National Living Wage for over 21s and the National Minimum Wage for 18 to 20-year-olds increased a further 6.7% and 16.3% respectively in April 2025.
- These measures are increasing labour costs and leading to overall inflation accelerating from a low of 2.6% in September 2024 to 4.1% in April 2025 and rising unemployment (4.5% in March 2025).
- Consequently, consumer confidence has deteriorated to -23 in April 2025 and many companies are facing significant increased financial distress.

Overall inflation has reduced but macro-pressures remain



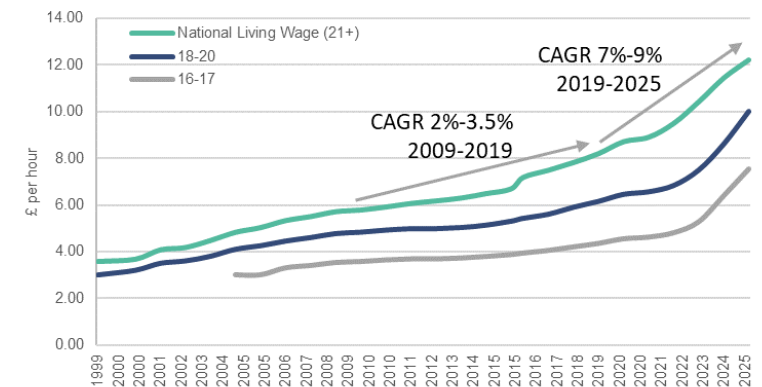
Source: ONS, Equity Development

Employee costs continue to rise



Source: : ONS, Equity Development

Above inflation growth in National Living Wage



Source: Low Pay Commission, www.gov.uk, 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.

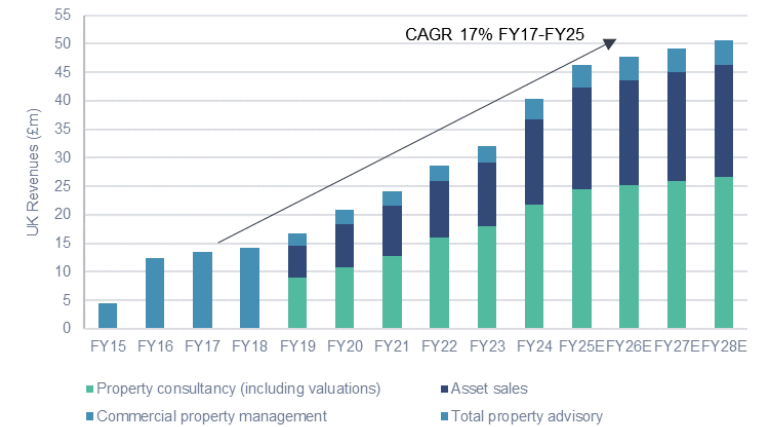
Source: Company data, Equity Development

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 Gynge 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).

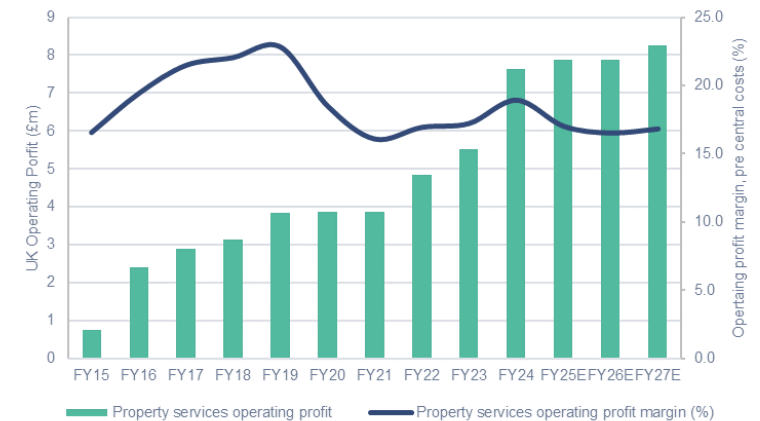
Source: Company data, Equity Development

Consistent growth: 17% CAGR since FY17



Source: Company data, Equity Development

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



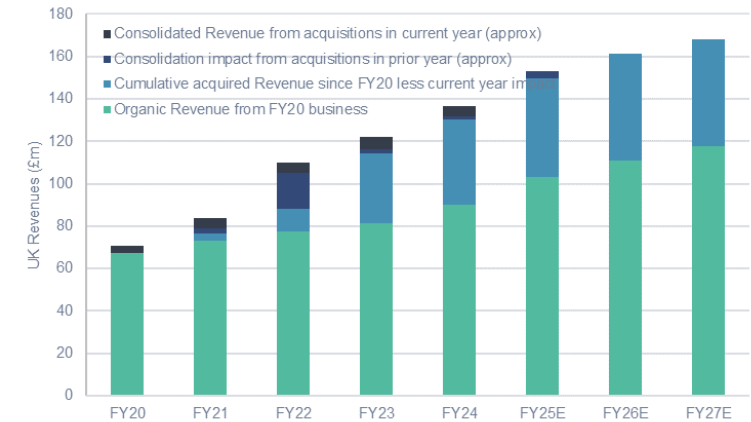
Source: Company data, Equity Development

An undervalued, profitable, cashflow generating growth story

Professional services consolidator at a c.35% discount

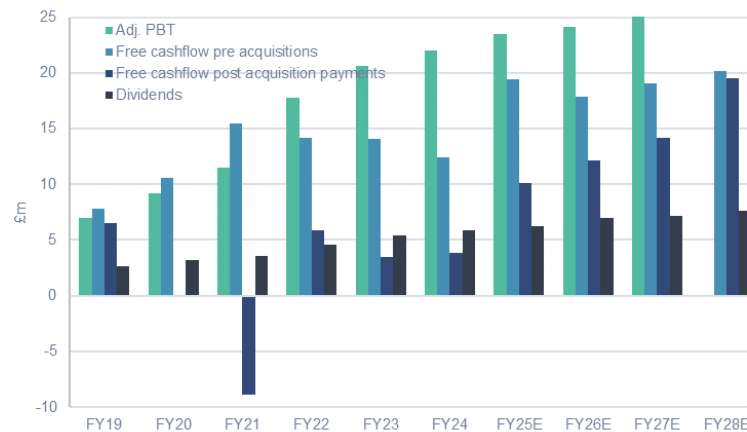
- Begbies' vision is to extend the scale and quality of its chosen professional services by continuing to build the offer organically and through acquisitions.
- Begbies' acquisition success is admirable, investing c.£64m FY20-FY24 for revenues of c.£50m and pre-tax profits of c.£12.5m, with a further £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 (FY25E) and typically this converts into ample free cashflow.
- We forecast over £55m of free cashflow pre-acquisitions FY26E-FY28E (c.35% of the current market cap), of which we estimate c.£13m will be paid out as deferred compensation, and we do not believe this attraction is reflected in Begbies' current 8.7x cal 26 PER and 4.6% dividend yield.

Diversified growth, boosted by acquisitions



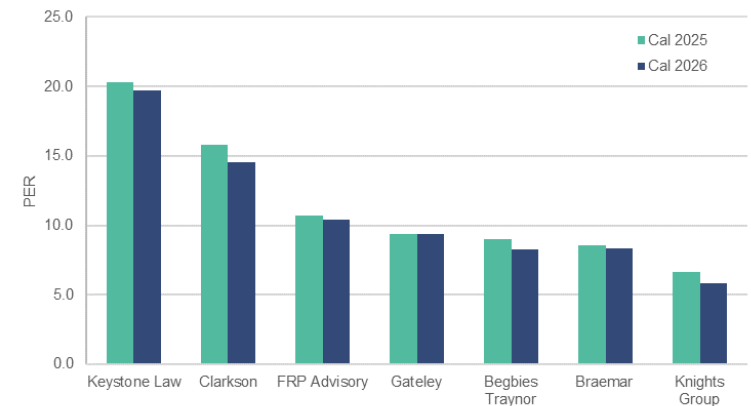
Source: Company data, Equity Development

Free-cashflow supports acquisitions and dividend growth



Source: Company data, Equity Development

Begbies' low PER of c.8.5x cal 26 undervalues its prospects



Source: Koyfin for consensus estimates, Equity Development

Financial Forecast tables

Changes to forecasts										
		New forecasts			Old forecasts			% change		
Year-end 30 April (£m)	2024A	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Group Revenue	136.7	153.3	161.1	168.2	152.2	159.9	167.0	0.7	0.8	0.7
Revenue growth (%)	12.2	12.1	5.1	4.4	11.3	5.1	4.4			
Adj. EBITDA	28.5	31.3	32.1	33.6	30.2	30.9	32.4	3.8	3.9	3.9
Adj. EBITDA margin (%)	20.9	20.4	19.9	20.0	19.8	19.3	19.4			
Adj. PBT	22.0	23.5	24.2	25.7	23.0	23.3	24.6	2.3	3.9	4.5
Adj. PBT margin (%)	16.1	15.3	15.0	15.3	15.1	14.6	14.7			
Adjusted diluted EPS (p)	9.9	10.5	10.8	11.4	10.3	10.4	11.0	2.0	3.5	4.2
Adj. EPS growth (%)	-1.4	5.7	2.8	6.2	3.6	1.3	5.5			
DPS (p)	4.0	4.2	4.3	4.6	4.1	4.2	4.4	2.0	3.5	4.2
Capex	1.5	1.5	1.6	1.7	2.0	2.1	2.2	-25.0	-25.0	-25.0
Free cashflow pre acquisitions	12.4	19.4	17.8	19.0	13.4	16.7	17.9	44.5	6.9	6.6
Free cashflow post acquisitions	3.9	10.1	12.1	14.1	5.4	11.0	13.0	86.1	10.5	9.0
Net financial cash / (debt)	(1.4)	0.9	4.6	10.9	(3.3)	0.8	6.9			
Total net cash /(debt) incl leases	(13.1)	(10.7)	(7.0)	(0.8)	(15.0)	(10.8)	(4.8)			
Net financial cash / (debt) / Adj. EBITDA (x)	-0.1	0.0	0.1	0.3	0.1	0.0	-0.2			
Total net cash / (debt) / Adj. EBITDA (x)	-0.5	-0.3	-0.2	0.0	0.5	0.4	0.1			

Source: Company data, Equity Development

Key group growth and margin metrics

Year-end 30 April	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Revenue growth (%)	17.4	18.9	31.2	10.7	12.2	12.1	5.1	4.4
Gross profit growth (%)	16.9	17.8	34.6	13.1	8.8	11.6	5.1	4.4
Adj. EBITDA growth (%)	23.1	22.4	19.8	10.5	7.4	9.8	2.4	4.9
Adj. Operating profit (%)	26.5	22.5	50.0	17.4	9.6	8.5	2.5	5.6
Adj. PBT growth (%)	30.9	25.8	54.3	16.3	6.4	7.0	2.8	6.2
Adj. EPS growth (%)	21.4	17.7	31.9	14.3	-1.4	5.7	2.8	6.2
DPS growth (%)	7.7	7.1	16.7	8.6	5.3	5.7	2.8	6.2
Gross profit margin (%)	42.8	42.4	43.5	44.4	43.1	42.9	42.9	42.9
Adj. EBITDA margin (%)	23.2	23.9	21.8	21.8	20.9	20.4	19.9	20.0
Adj. Operating margin (%)	14.4	14.8	16.9	17.9	17.5	16.9	16.5	16.7
Adj. PBT margin (%)	13.0	13.7	16.1	17.0	16.1	15.3	15.0	15.3
Op costs excl D&A /sales (%)	20.1	18.7	21.8	22.8	22.6	22.8	23.3	23.2
Tax rate (adj.) (%)	21.1	20.3	20.4	20.9	26.0	26.0	26.0	26.0

Source: Company data, Equity Development

Divisional revenue analysis								
Year-end 30 April (£m)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Business recovery and advisory	46.0	54.6	73.9	77.2	85.1	94	100	105
Corporate finance and finance broking	3.7	5.1	7.5	12.5	11.3	13	14	14
Business recovery and advisory	49.6	59.7	81.4	89.7	96.4	107.0	113.4	119.1
Commercial property management	2.4	2.6	2.8	3.0	3.5	3.9	4.0	4.1
Property consultancy (including valuations)	10.7	12.7	16.0	18.0	21.8	24.4	25.2	25.9
Asset sales	7.7	8.9	9.9	11.1	15.0	18.0	18.5	19.1
Property advisory	20.9	24.1	28.6	32.1	40.3	46.3	47.7	49.1
Total UK revenue	70.5	83.8	110.0	121.8	136.7	153.3	161.1	168.2
Business recovery and advisory	13.6	18.8	35.2	4.5	10.2	10.5	6.0	5.0
Corporate finance and finance broking	28.0	39.2	48.0	66.0	(9.7)	15.0	6.0	5.0
Business recovery and advisory	14.6	20.3	36.3	10.2	7.5	11.0	6.0	5.0
Commercial property management	16.3	5.3	8.1	7.6	18.6	10.0	3.0	3.0
Property consultancy (including valuations)	20.1	18.3	26.0	12.7	21.1	12.0	3.0	3.0
Asset sales	34.8	15.1	11.1	12.9	34.6	20.0	3.0	3.0
Property advisory	24.7	15.6	18.6	12.3	25.6	14.8	3.0	3.0
Total UK revenue growth (%)	17.4	18.9	31.2	10.7	12.2	12.1	5.1	4.4
Business recovery and advisory	65	65	67	63	62	61	62	62
Corporate finance and finance broking	5	6	7	10	8	8	9	9
Business recovery and advisory	70	71	74	74	70	70	70	71
Commercial property management	3	3	3	2	3	3	2	2
Property consultancy (including valuations)	15	15	15	15	16	16	16	15
Asset sales	11	11	9	9	11	12	11	11
Property advisory	30	29	26	26	30	30	30	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)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Business recovery and advisory services	11.6	14.7	21.0	24.3	25.5	27.8	28.6	30.0
Property advisory and transactional services	3.9	3.9	4.8	5.5	7.6	7.9	7.9	8.3
Unallocated corporate amounts	(5.3)	(6.2)	(7.2)	(8.0)	(9.2)	(9.7)	(9.9)	(10.2)
Operating profit*	10.1	12.4	18.6	21.8	23.9	25.9	26.6	28.1
Business recovery and advisory services	23.3	24.7	25.8	27.1	26.5	26.0	25.2	25.2
Property advisory and transactional services	18.5	16.1	16.9	17.2	18.9	17.0	16.5	16.8
Unallocated corporate amounts	(7.6)	(7.4)	(6.6)	(6.5)	(6.7)	(6.4)	(6.1)	(6.0)
Operating profit* margin (%)	14.4	14.8	16.9	17.9	17.5	16.9	16.5	16.7
Business recovery and advisory services	30.4	27.0	42.7	15.6	5.1	9.1	2.7	5.0
Property advisory and transactional services	0.9	0.4	24.9	14.2	38.1	3.1	0.0	4.9
Unallocated corporate amounts	13.0	16.4	16.9	10.1	15.7	5.6	1.1	3.3
Operating profit* growth yoy (%)	26.5	22.5	50.0	17.4	9.6	8.5	2.5	5.6
Business recovery and advisory services	60.0	80.5	76.6	79.5	70.9			
Property advisory and transactional services	11.1	5.4	5.0	3.0	8.6			
Unallocated corporate amounts	-5.5	0.4	2.9	1.9	(1.1)			
Consolidated net assets	65.6	86.3	84.5	84.3	78.4			
Business recovery and advisory services	19.3	18.3	27.4	30.5	36.0			
Property advisory and transactional services	34.8	72.3	97.2	184.6	88.6			
Operating profit* / y/e net assets (%)	15.4	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)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Group revenue	70.5	83.8	110.0	121.8	136.7	153.3	161.1	168.2
Direct costs	(40.3)	(48.3)	(62.2)	(67.7)	(77.8)	(87.6)	(92.1)	(96.1)
Gross profit	30.2	35.6	47.8	54.1	58.9	65.7	69.1	72.1
Other income	0.4	0.2	0.2	0.2	0.5	0.5	0.5	0.5
Operating costs, Adj. ex D&A	(14.2)	(15.7)	(24.0)	(27.8)	(30.8)	(34.9)	(37.5)	(39.0)
Adj. EBITDA, pre SBP	16.4	20.1	24.0	26.6	28.5	31.3	32.1	33.6
Share based payments	(0.1)	(1.0)	(1.6)	(1.3)	(0.6)	(1.2)	(1.2)	(1.2)
Depreciation of PPE	(0.7)	(0.8)	(1.0)	(1.1)	(1.1)	(1.2)	(1.4)	(1.5)
Depreciation of ROUA	(2.1)	(2.6)	(2.6)	(2.1)	(2.7)	(2.8)	(2.8)	(2.8)
Amortisation	(3.3)	(3.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.0)
Depreciation & amortisation	(6.2)	(6.6)	(3.9)	(3.4)	(4.0)	(4.2)	(4.3)	(4.3)
Adj. Operating profit	10.1	12.4	18.6	21.8	23.9	25.9	26.6	28.1
Interest on financial debt	(0.5)	(0.4)	(0.4)	(0.8)	(1.2)	(1.4)	(1.4)	(1.4)
Interest on lease liabilities	(0.5)	(0.4)	(0.4)	(0.3)	(0.7)	(1.0)	(1.0)	(1.0)
Other finance costs	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Interest receivable & other								
Finance costs	(1.0)	(0.9)	(0.8)	(1.2)	(1.9)	(2.4)	(2.4)	(2.4)
Adj. PBT	9.2	11.5	17.8	20.7	22.0	23.5	24.2	25.7

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

Income statement: Adjusted PBT to EPS

Year-end 30 April (£m)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Adj. PBT	9.2	11.5	17.8	20.7	22.0	23.5	24.2	25.7
Acquisition consideration	(3.9)	(5.4)	(10.0)	(12.3)	(11.1)	(8.9)	(7.6)	(3.9)
Negative goodwill	2.2	0.2	2.0	4.3	0.8			
Acquisition costs	(0.6)	(0.4)	(0.2)	(0.4)	(0.3)			
Charge arising under Begbies put & call option	(0.9)	(0.9)						
Transaction costs	(3.2)	(6.5)	(8.2)	(8.4)	(10.6)	(8.9)	(7.6)	(3.9)
Amortisation of intangible assets on acquisition	(3.1)	(3.1)	(5.5)	(6.2)	(5.6)	(3.3)	(2.7)	(1.3)
Non-underlying costs	(6.3)	(9.6)	(13.7)	(14.7)	(16.2)	(12.2)	(10.3)	(5.2)
PBT	2.9	1.9	4.0	6.0	5.8	11.3	13.9	20.5
Adj tax	(1.9)	(2.3)	(3.6)	(4.3)	(5.7)	(6.1)	(6.3)	(6.7)
Non-underlying tax	(0.0)	0.6	(0.9)	1.2	1.4	3.2	2.7	1.4
Tax	(2.0)	(1.8)	(4.5)	(3.1)	(4.3)	(2.9)	(3.6)	(5.3)
Adj. PAT	7.2	9.2	14.1	16.3	16.3	17.4	17.9	19.0
Reported PAT	0.9	0.2	-0.5	2.9	1.5	8.4	10.3	15.1
No of f/d shares (m)	127.3	137.4	160.5	162.3	163.9	165.9	165.9	165.9
Adjusted diluted EPS (p)	5.7	6.7	8.8	10.1	9.9	10.5	10.8	11.4
DPS (p)	2.8	3.0	3.5	3.8	4.0	4.2	4.3	4.6

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

Cashflow statement

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Adj. EBITDA, pre SBP	20.1	24.0	26.6	28.5	31.3	32.1	33.6
Change in trade receivables*	(2.7)	(3.9)	(4.7)	(7.9)	(5.5)	(3.7)	(3.3)
Change in trade payables*	5.4	2.3	2.5	4.1	5.3	2.5	2.3
Change in provisions	(0.3)	0.4	(0.6)	(0.3)	(0.9)	0.0	0.0
Working capital movement	2.4	(1.2)	(2.7)	(4.1)	(1.1)	(1.1)	(1.0)
Tax paid	(2.3)	(3.6)	(5.3)	(6.7)	(4.1)	(6.3)	(6.7)
Net cash from operating activities (pre-leases, capex)	20.2	19.2	18.5	17.7	26.2	24.6	25.9
Net financial interest paid	(0.3)	(0.3)	(0.7)	(1.3)	(1.5)	(1.5)	(1.5)
Interest paid on lease liabilities	(0.5)	(0.5)	(0.4)	(0.8)	(1.0)	(1.0)	(1.0)
Lease payments (principal)	(2.7)	(3.2)	(2.4)	(1.9)	(2.8)	(2.8)	(2.8)
Capex	(1.2)	(1.0)	(1.0)	(1.5)	(1.5)	(1.6)	(1.7)
Net cashflow pre acquisitions	15.5	14.2	14.1	12.4	19.4	17.8	19.0
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)	(9.3)	(5.7)	(4.9)
Free cashflow post acquisitions	(8.8)	5.9	3.5	3.9	10.1	12.1	14.1
Dividends	(3.6)	(4.6)	(5.4)	(5.9)	(6.3)	(7.0)	(7.2)
Share buy backs / equity issues	20.9	0.5	0.2	(2.4)	(1.5)	(1.4)	(0.7)
Other							
Net cashflow	8.5	1.8	(1.7)	(4.4)	2.4	3.7	6.2

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

Net debt metrics

Year-end 30 April (£m)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Gross financial debt	(10.0)	(5.0)	(5.0)	(5.0)	(7.0)	(7.0)	(7.0)	(7.0)
Net cash	7.2	8.0	9.7	8.0	5.6	7.9	11.6	17.9
Net financial cash / (debt)	(2.8)	3.0	4.7	3.0	(1.4)	0.9	4.6	10.9
Leases	(8.4)	(8.8)	(6.3)	(8.2)	(11.7)	(11.7)	(11.7)	(11.7)
Total net cash /(debt) incl leases	(11.1)	(5.8)	(1.7)	(5.2)	(13.1)	(10.7)	(7.0)	(0.8)
Net financial cash / (debt) / Adj. EBITDA (x)	0.2	(0.1)	(0.2)	(0.1)	0.1	0.0	0.1	0.3
Total net cash / (debt) / Adj. EBITDA (x)	0.7	0.3	0.1	0.2	0.5	(0.3)	(0.2)	(0.0)

Source: Company data, Equity Development

Balance sheet: Assets

Year-end 30 April (£m)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Property, plant and equipment	1.8	2.1	2.0	2.0	2.2	2.5	2.7	2.9
Right of use assets	7.0	7.5	5.5	7.8	11.2	11.2	11.2	11.2
Intangible assets incl. goodwill	59.4	77.9	75.3	73.4	72.4	69.0	66.2	64.8
Trade and other receivables (deemed remuneration)	4.6	4.0	4.2	5.2	2.8	3.5	3.7	3.8
Non-current assets	72.8	91.4	86.9	88.3	88.6	86.1	83.7	82.7
Trade and other receivables	36.5	44.9	49.7	55.6	63.3	68.2	71.7	74.8
Current tax assets	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3
Cash & cash equivalents	7.2	8.0	9.7	8.0	5.6	7.9	11.6	17.9
Current assets	43.7	52.8	59.4	63.6	69.2	76.4	83.6	93.0

Source: Company data, Equity Development

Balance sheet: Liabilities

Year-end 30 April (£m)	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E
Bank overdraft & s/t loans								
Trade payables and other liabilities	(22.2)	(32.9)	(37.2)	(42.6)	(50.0)	(55.3)	(57.8)	(60.1)
Lease liabilities	(2.2)	(3.0)	(1.7)	(1.6)	(2.1)	(2.1)	(2.1)	(2.1)
Current tax liabilities	(1.9)	(2.6)	(1.8)	(1.1)	0.0			
Provisions	(0.9)	(0.6)	(1.5)	(1.0)	(0.9)	(0.0)	(0.0)	(0.0)
Other financial liabilities								
Current liabilities	(27.2)	(39.0)	(42.2)	(46.3)	(53.0)	(57.4)	(60.0)	(62.2)
Capital employed	89.3	105.2	104.1	105.6	104.8	105.1	107.3	113.4
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)	(9.6)	(9.6)	(9.6)	(9.6)
Deferred tax liabilities	(5.7)	(5.5)	(8.0)	(7.4)	(7.0)	(5.8)	(3.1)	(1.8)
Provisions	(1.9)	(2.6)	(2.0)	(2.1)	(2.9)	(2.9)	(2.9)	(2.9)
Trade and other payables								
Other financial liabilities								
Non-current liabilities	(23.8)	(19.0)	(19.6)	(21.2)	(26.4)	(25.2)	(22.6)	(21.2)
Net assets	65.6	86.3	84.5	84.3	78.4	79.8	84.8	92.2
Shareholders' funds	65.6	86.3	84.5	84.3	78.4	79.8	84.8	92.2

Source: Company data, Equity Development

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