

H1 23 results: a robust base for expansion

For the six months to 31 March 2023, Benchmark Holdings reported revenue of £98.9m¹, +24.8%YoY (currency-adjusted +19%YoY), and (adj.) EBITDA¹ of £22.1m, +39.2%YoY (currency-adjusted +36%YoY), a 22.3% margin. Adjusted for the fair value of biological assets, the increase in (adj.) EBITDA was 47%YoY (£21.8m). **Underlying the strength of H1 performance, net operating cash inflow of £9.5m was almost 5x H1 22 levels**, with net debt reduced to £44.5m (FY22: £47.5m) and cash including facilities at £53.9m as of 22 May. **As CEO Trond Williksen commented, after three years of consolidation the Group is now in a position to enter a phase of organic expansion, with the potential for bolt on acquisitions in core areas - under strict criteria.** Q2 Group revenue was £44.4m, +13.1%YoY, and (adj.) EBITDA £11.1m, +31.7%YoY, 25.0% margin. H1 net debt totalled £44.5m, excluding lease liabilities; £66.4m inclusive of leases.

Business areas: consistent performance

Q2 **Genetics** revenue grew 14.3%YoY (+16.0%YoY currency-adjusted), 29.4% of total, backed by strong salmon eggs revenue +29%YoY, 69% of divisional total, offsetting a -9%YoY decline in shrimp demand. Expansion at Salten is on track and Chilean operations obtained disease-free status. EBITDA (adj.) grew 40.9%YoY to 28.1% of total (excluding centralised costs).

Q2 **Advanced Nutrition** declined 1.4%YoY (CER -10%YoY) in Q2, 51.0% of total, on lower demand from shrimp producers, notably in India and Vietnam, reflecting disease and climatic factors, reduced pond stocking and, consequently, softened demand for feed. Nevertheless, H1 remained positive at +7.8%YoY. Benchmark expects a return to normalised stock levels and an expected recovery in demand. The business area, at 51% of Q2 EBITDA, remains a mainstay of profitability.

Q2 **Health** revenue grew an impressive 76.8%YoY (CER also +78%YoY) to 19.6% of total, and contributed 21.2% of (adj.) EBITDA, despite seasonally low demand for sea lice treatments. Increased adoption led to 32%YoY growth in the contribution from Ectosan[®]Vet and Clean Treat[®] (£5.4m), with strong sales (£3.3m) of Salmosan[®]Vet backed by renewed marketing

Outlook maintained

At this stage we maintain our FY23 outlook. We expect revenue drivers in the core Advanced Nutrition business area to normalise and gather pace towards the year end. Revenue in Genetics continues to be driven by firm demand for salmon eggs; we note the pace of diversification in Iceland and Chile. Likewise, demand in Health should accelerate in line with sea lice seasonal demand. Benchmark reports that, having completed consultations, it plans to maintain a dual listing on Euronext Growth Oslo and LSE AIM, and continue to review listing on the Oslo Børs.

Our fair value for Benchmark remains 63p/share.

Outlook to FY24					
Yr to 30 Sep.(£m)	2020	2021	2022	2023E	2024E
Revenue	105.6	125.1	158.3	174.4	198.3
EBITDA (adj)	14.5	19.4	31.2	36.5	43.0
Pre-Tax (adj)	(20.5)	(9.0)	(23.2)	(5.6)	1.6
EPS (adj, p)	(4.9)	(1.9)	(4.6)	(2.1)	(1.1)
Net debt/(cash) ²	27.1	56.9	47.5	53.4	46.0
EV/EBITDA	24.7x	18.4x	11.5x	9.8x	8.3x

Source: Company data, Equity Development estimates. PE, N.M. ¹ Currency adjusted data: revenue H1 +19%YoY, Q2 +9%YoY; (adj.) EBITDA excluding biological asset fair value, H1 +42%YoY, Q2 +28%YoY. ² Net debt excluding lease liabilities.

Company Data

	AIM: BMK
EPIC	
Price (last close)	42p
52 weeks Hi/Lo	55p/33p
Market cap	£310m
ED Fair Value / share	63p
Proforma net debt / (cash) ²	£47.5m

Share Price, p



Source: ADVFN

Description

Benchmark Holdings PLC develops products and biotechnology solutions for the aquaculture sector, to improve sustainability, animal quality and health and welfare, yields and profitability. The Group is focused on Genetics, to improve stocks and the resilience of species; Advanced Nutrition is specific to early stages of animal development; and Health for sea lice treatments. The Group has operations in the UK, Norway, the US, Chile, Colombia, Iceland, Belgium, Thailand, Vietnam and China.

Next event: Q3 results (August)

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Q2 23 performance highlights

Revenue

Total H1 revenue of £98.9m grew 24.8%YoY, or 19%YoY on a currency-adjusted basis. Although overall H1 revenue performance was strong, 54% of total (Genetics and Health) grew a combined 43.6%YoY, whilst Advanced Nutrition grew only 7.8%YoY. Moreover, growth of 30%YoY in Genetics (CER +31%YoY) and 78%YoY in Health (CER +79%) was largely not impacted by currency movement, in contrast to Advanced Nutrition, where 8%YoY growth was reduced to a -4%YoY decline once currency adjusted.

This pattern was repeated for Q2, with advances of 14%YoY in Genetics and 77%YoY in Health matched in CER numbers (+16%YoY and +78%YoY respectively), a combined +33.1%YoY, or 49.0% of total, whilst Advanced Nutrition revenue declined -1%YoY or -10%YoY when CER-adjusted.

Gross, EBIT, EBITDA

Q2 gross profit of £24.8m grew 23.9%YoY (CER-adjusted +20%YoY), a 55.9% margin for the quarter, and for H1, £49.1m, +24%YoY, a 49.6% margin. Q2 EBIT (adj.) was £5.9 (reported basis, £0.4m), compared to £5.7m in Q1, with R&D spend held flat at £1.4m (Q2 22: £1.6m), and operating costs of £12.3m, excluding one-off costs. Adjusted Q2 EBIT is calculated excluding £3.8m of amortisation of intangibles. H1 (adj.) EBIT was £11.7m, with £8.7m of intangible amortisation added back. Q2 depreciation and amortisation of £9.0m compared to £10.0m a year earlier, with Q2 (adj.) EBITDA of £11.1m; £9.7m excluding the change in the fair value of biological assets.

Q2 business area performance

- **Genetics** recorded currency-resilient growth in revenue and EBITDA improvement. Q2 salmon eggs sold increased 8.6%YoY to 63.0m, with revenue contribution +29%YoY to 69% of total. Sales of shrimp breeders and post larvae declined 9%YoY (15% of total).
- As noted, Q2 **Advanced Nutrition** revenue declined 1.4%YoY (-10.0% CER) reflecting reduced stocking levels resulting from a combination of disease – we highlight a common range of vibrio bacterial infections - and interruptions to the production cycle caused by extreme weather events associated with climate change. Benchmark reported particular problems in India and Vietnam.
- Revenue growth (+77%YoY) in the **Health business area** reflected growing awareness and adoption of Benchmark's Ectosan®Vet and Clean Treat® sea lice treatment process, despite the usual seasonal reduction in demand in the sea lice cycle, and progress in integrating into planned well boat construction via partnerships with MMC and Salt Ship Design.

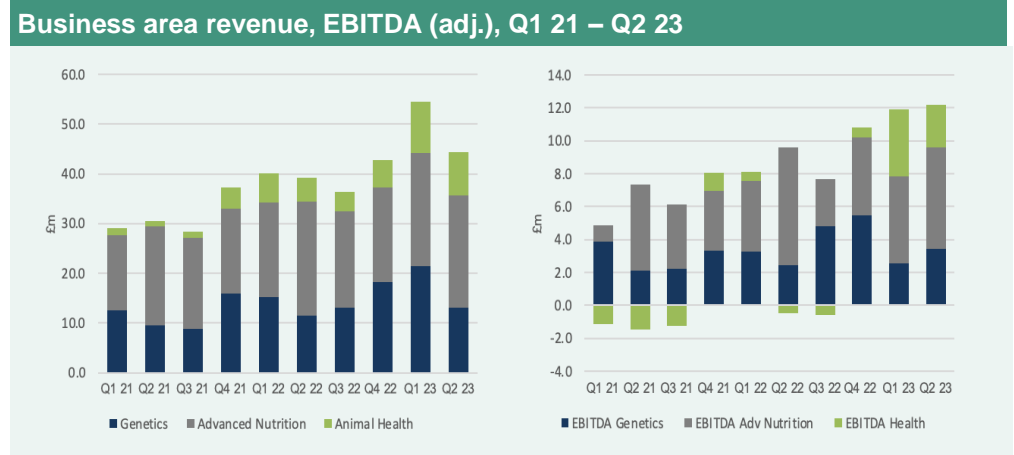
P&L summary, quarterly Q1 22 – Q2 23

£m	Q1 22	Q2 22	Q1 23	Q2 23	Q2 YoY	CER YoY
Genetics	15.195	11.408	21.439	13.042	14.3%	16.0%
Adv Nutrition	19.059	22.974	22.680	22.644	-1.4%	-10.0%
Animal Health	5.777	4.916	10.385	8.692	76.8%	78.0%
Inter segment	(0.017)	(0.065)	(0.009)	(0.011)		
Revenue	40.014	39.233	54.495	44.367	13.1%	9.0%
Gross	19.499	20.023	24.227	24.818	23.9%	
Margin	48.7%	51.0%	44.5%	55.9%		
EBITDA (adj.)	7.425	8.425	10.967	11.093	31.7%	28.0%
Margin	18.6%	21.5%	20.1%	25.0%		

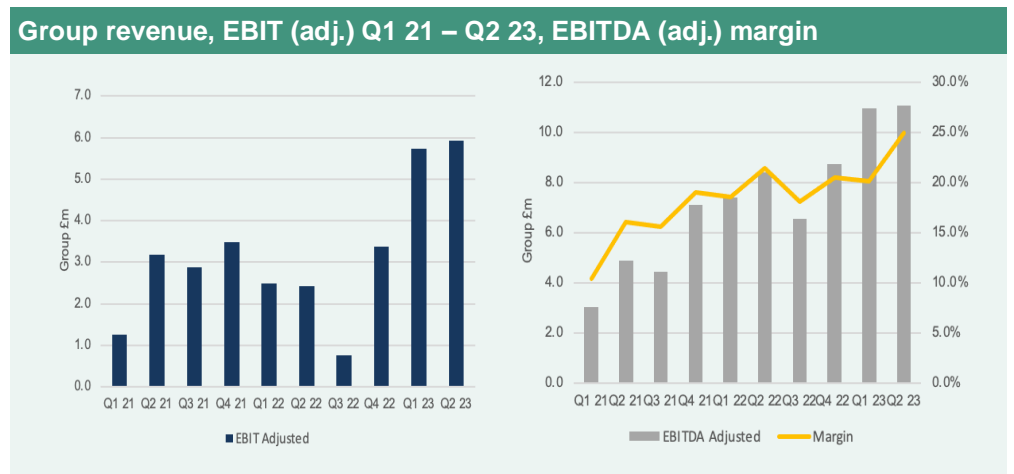
Source: Company data. CER: constant currency-adjusted.

Q2 operational overview

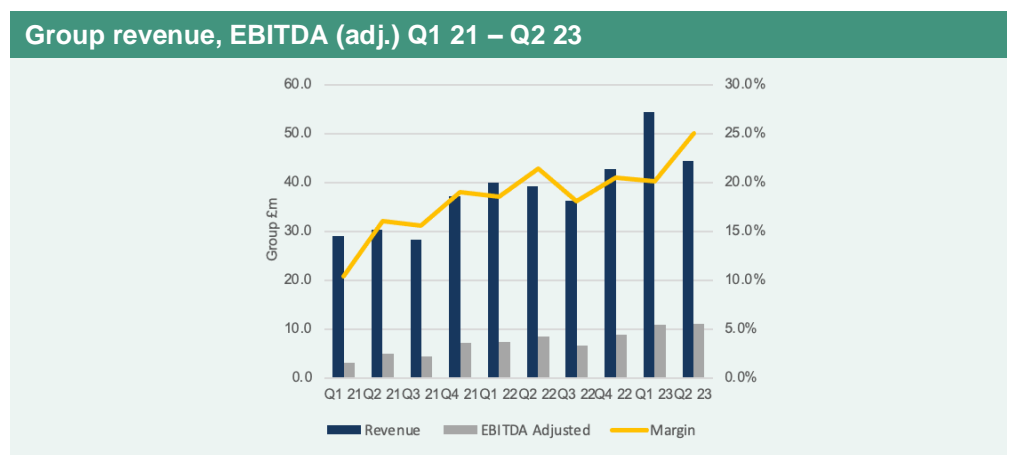
The following charts summarise the quarterly evolution of Business Area and Group performance. We note in particular, (adj.) EBIT profitability, which captures the value of amortised intangibles.



Source: Company data.



Source: Company data.



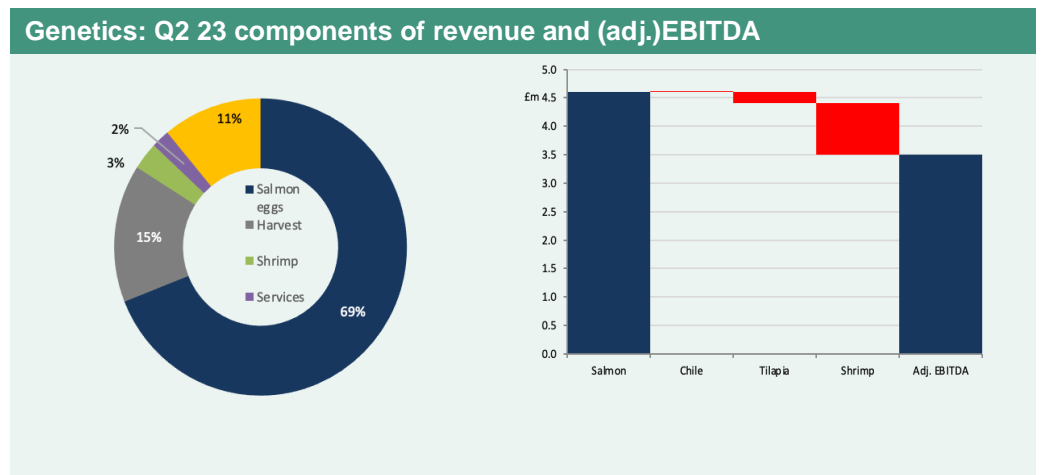
Source: Company data.

Genetics business area

Genetics recorded:

- Q2 revenue of £13.0m, +14.3%YoY, 29.4% of total (sum excluding centralised costs).
- H1 revenue of £34.5m, +29.6%YoY, 34.9% of total.

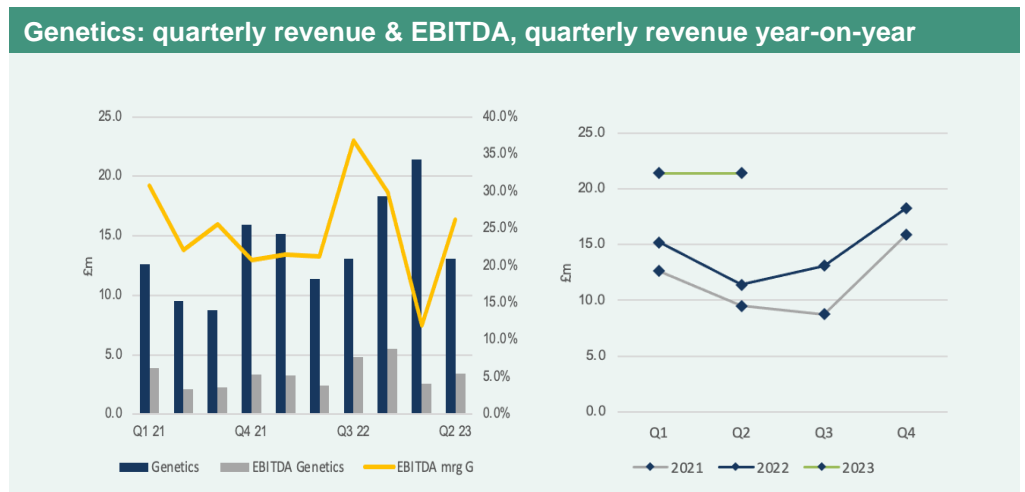
As illustrated below, revenue from salmon eggs comprised 69% of quarterly total, with volume production +8.6%YoY to 63m, derived from Norway and Iceland. Benchmark reported capacity at the Salten facility of 140m eggs p.a., and on track to reach 150m eggs p.a. from FY24. The overall target remains 400m p.a., comprising: Norway 150m; Iceland 20m; Chile 50m. Progress included attainment of 'disease free' accreditation in Chile from the regulator, Senapesca, opening production to export. Q2 shrimp sales declined 9%YoY (H1, -15%YoY) as commercialisation trials continue. A review of the tilapia business model is underway.



Source: Company data.

The resulting evolution of Q2 EBITDA was as follows:

- Adjusted EBITDA: £3.4m (Q2 22: £2.4m) +40.9%YoY, 26.2% margin (Q2 22: 21.3% margin).
- Adjusted EBITDA net of fair value movement in biological assets: £2.0m, +52%YoY.
- Adjusted EBITDA net of fair value movement and at constant exchange rate, +67%YoY.



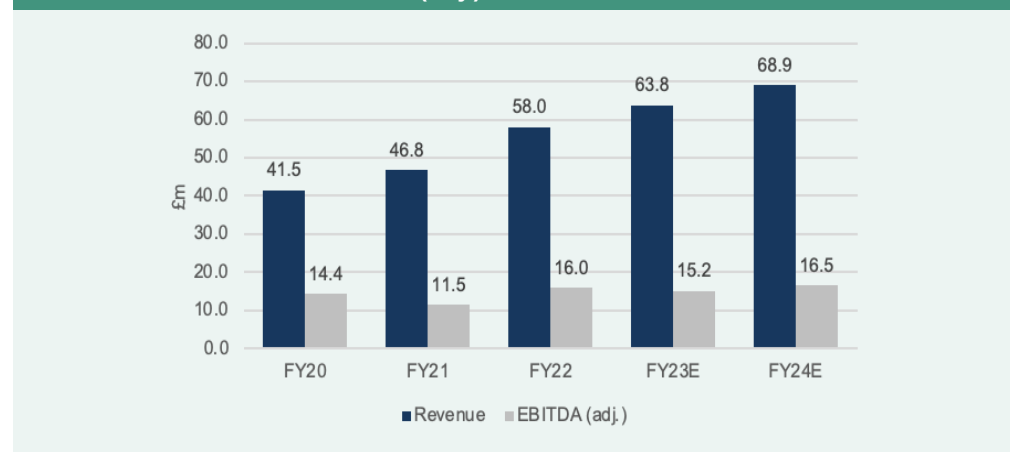
Source: Company data. Equity Development estimates. Data excludes currency effects.

Outlook to FY24

Illustrated below, our FY23 outlook is unchanged: 10%YoY top line growth and progress towards a c.24% adj.) EBITDA margin, in line with the September 2022 Capital Markets Day 3-5 year Genetics business area targets:

- Organic growth and development of markets for salmon, shrimp and tilapia.
- Revenue growth of 10% - 15% p.a.
- Target EBITDA (adj.) margin of 22% - 27%.

Genetics revenue and EBITDA (adj.) outlook to FY24



Source: Company data, Equity Development estimates.

Advanced Nutrition

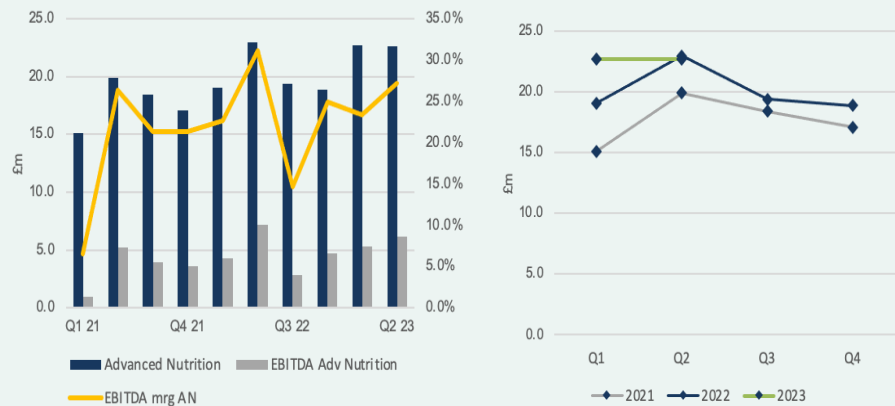
Advanced Nutrition recorded:

- Q2 revenue of £22.6m, -1.4%YoY, 51.0% of total (excluding centralised costs).
- H1 revenue of £45.3m, +7.8%YoY, 45.8% of total.

Q2 revenue by product area was dominated by Artemia, at 48%, Diets comprising 41% and Health probiotics of 11%. As noted, a combination of factors – disease and climate-related – resulted in the end-customer de-stocking in the major shrimp market (70% of total in the business area) and reduced product demand. By contrast, marine fish markets performed well. Benchmark reports that it expects a recovery in demand as inventory levels are rebuilt. The resulting evolution of Q2 EBITDA was as follows:

- Adjusted EBITDA: £6.169m (Q2 22: £7.2m) -13.8%YoY, 27.2% margin (Q2 22: 31.1% margin).
- Adjusted EBITDA, currency adjusted: -21%YoY.

Advanced Nutrition: quarterly revenue & EBITDA, quarterly revenue year-on-year

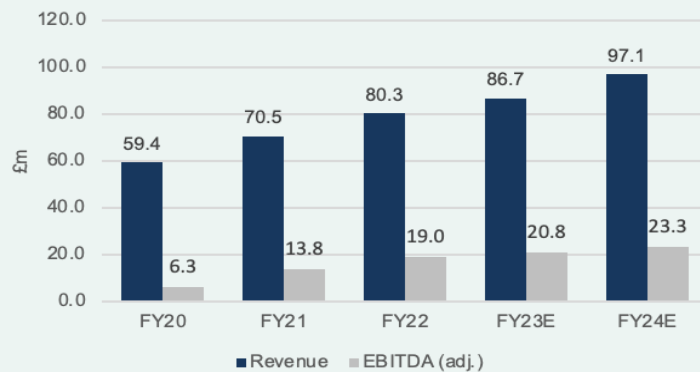


Source: Company data, Equity Development estimates. Data excludes currency effects.

Outlook to FY24

For FY 23 we maintain our 8.0%YoY revenue growth outlook and full year (adj.) EBITDA margin at 24.0%.

Advanced Nutrition: revenue and EBITDA (adj.) outlook to FY24



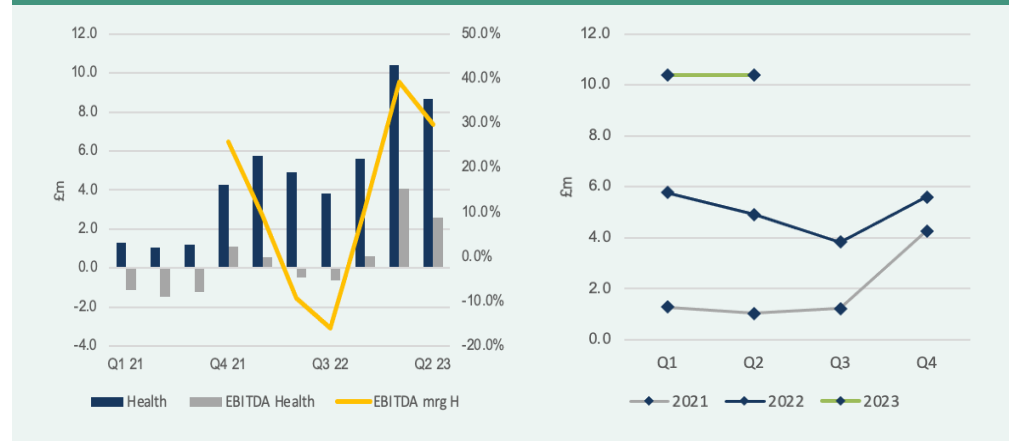
Source: Company data, Equity Development estimates.

Health

Health recorded:

- Q2 revenue of £8.7m, +76.8%YoY, 19.6% of total (excluding centralised costs).
- H1 revenue of 19.1m, +78.4%YoY, 19.3% of total.

At a time of year when sea lice activity is low, revenue growth was propelled by growing interest in and implementation of Benchmark's proprietary Ectosan[®]Vet and Clean Treat[®] salmon sea lice treatment, comprising £5.4m in Q2, +32%YoY and £12.9m +50.0%YoY for the half. Benchmark reports ongoing collaboration with well boat designers and builders – including partners MMC (www.mmcfirstprocess.com) and Salt Ship Design www.saltship.com – to incorporate its system into new infrastructure. In addition, demand for Salmosan[®]Vet sea lice treatment was strong, with Q2 revenue of £3.3m +3.3x and H1 revenue of £6.2m +1.9x.

Health Q1 21 – Q2 23 revenue & EBITDA; year-on-year comparison


Source: Company data, Equity Development estimates. Data excludes currency effects.

Our FY23-24 Health Business Area outlook is shown below.

Divisional revenue, EBITDA (adj.) outlook to FY24

Yr to 30 Sep (£m)	FY20	FY21	FY22	FY23E	FY24E
Revenue	10.8	7.8	20.1	24.0	32.4
YoY		-27.5%	157.1%	19.3%	35.0%
EBITDA (adj.)	-12.9	-2.7	0.1	6.0	8.1
Mrg	N.M.	N.M.	0.5%	25.0%	25.0%

Source: Company data, Equity Development estimates.

Quarterly financial performance

Summary of Group quarterly performance, Q1 22 – Q2 23.

Quarterly performance Q1 22 to Q2 23						
£m	Q1 22	Q2 22	Q1 23	Q2 23	Q2 YoY	H1 23
Genetics	15.195	11.408	21.439	13.042	14.3%	34.481
Advanced Nutrition	19.059	22.974	22.680	22.644	-1.4%	45.324
Health	5.777	4.916	10.385	8.692	76.8%	19.077
Inter segment	(0.017)	(0.065)	(0.009)	(0.011)		(0.020)
Revenue	40.014	39.233	54.495	44.367	13.1%	98.862
Gross	19.499	20.023	24.227	24.818	23.9%	49.045
Margin	48.7%	51.0%	44.5%	55.9%		49.6%
Sum Op-ex	(12.074)	(11.598)	(13.260)	(13.725)	18.3%	(26.985)
One-off costs	0.000	0.908	(0.972)	(1.716)		(2.688)
EBIT Reported	(1.458)	(0.708)	(0.122)	0.416		0.294
EBIT Adjusted	2.482	2.420	5.735	5.932	145%	11.667
Margin	6.2%	6.2%	10.5%	13.4%		0.0%
Amortisation	(4.388)	(4.484)	(5.502)	(4.410)		(9.912)
Depreciation	(4.495)	(5.557)	(4.615)	(4.551)		(9.166)
EBITDA Genetics	3.263	2.428	2.563	3.420	40.9%	5.983
EBITDA Adv N.	4.320	7.154	5.297	6.169	-13.8%	11.466
EBITDA Health	0.547	(0.454)	4.067	2.583		6.650
Corp	(0.705)	(0.703)	(0.960)	(1.079)		(2.039)
EBITDA Reported	7.425	9.333	9.995	9.377	0.5%	19.372
EBITDA Adjusted	7.425	8.425	10.967	11.093	31.7%	22.060
Margin	18.6%	21.5%	20.1%	25.0%	16.4%	22.3%
Financial income	0.119	1.930	7.508	0.791		8.143
Financial expense	(2.343)	(2.684)	(7.286)	(3.223)		(10.353)
PBT Reported	(3.682)	(1.462)	0.100	(2.016)	37.9%	(1.916)
PBT Adjusted	0.258	1.666	5.957	3.500	110.1%	9.457
Tax	(1.427)	(2.189)	(0.779)	(0.704)		(1.483)
PAT Reported	(5.109)	(3.651)	(0.679)	(2.720)		(3.399)
PAT Adjusted	(1.169)	(0.523)	5.178	2.796		7.974
Net rptd	(5.109)	(3.651)	(0.679)	(2.720)		(3.399)
Net adj	(1.169)	(0.523)	5.178	2.796		7.974
EPS rptd basic (p)	(0.79)	(0.55)	(0.18)	(0.39)		(0.57)
EPS adj basic (p)	(0.21)	(0.09)	0.64	0.37		1.00
EPS adj dil (p)	(0.21)	(0.09)	0.64	0.36		0.99

Source: Company data, Equity Development estimates. EPS loss is not shown diluted.

Outlook to FY24

The table below summarises our revenue and EBITDA (adj.) outlook to FY24 by business area, and comparison with the revenue trends which we estimate are needed to meet the 5-year average of company strategic targets.

Divisional revenue, EBITDA (adj.) outlook to FY24						
Yr to 30 Sep (£m)	FY22	Q1 23	Q2 23	H1 23	FY23E	FY24E
Revenue						
Genetics	58.0	21.4	13.0	34.5	63.8	68.9
Advanced Nutrition	80.3	22.7	22.6	45.3	86.7	97.1
Health	20.1	10.4	8.7	19.1	24.0	32.4
Inter segment	(0.2)	(0.0)	(0.0)	(0.0)	(0.2)	(0.2)
Revenue	158.3	54.5	44.4	98.9	174.4	198.3
Year-on-year						
Genetics	24.0%	41.1%	14.3%	29.6%	10.0%	8.0%
Advanced Nutrition	13.8%	19.0%	-1.4%	7.8%	8.0%	12.0%
Health	157.1%	79.8%	76.8%	78.4%	19.3%	35.0%
Pct of total ex internal						
Genetics	36.6%	39.3%	29.4%	34.9%	36.6%	34.7%
Advanced Nutrition	50.7%	41.6%	51.0%	45.8%	49.7%	48.9%
Health	12.7%	19.1%	19.6%	19.3%	13.8%	16.3%
EBITDA (adj.)						
Genetics	16.0	2.6	3.4	6.0	15.2	16.5
Advanced Nutrition	19.0	5.3	6.2	11.5	20.8	23.3
Health	0.1	4.1	2.6	6.7	6.0	8.1
EBITDA YoY						
Genetics	38.6%	-21.5%	40.9%	5.1%	-5.0%	8.9%
Advanced Nutrition	37.8%	22.6%	-13.8%	-0.1%	9.4%	12.0%
Health	N.M.	N.M.	N.M.	N.M.	N.M.	35.0%
EBITDA mrg						
Genetics	27.5%	12.0%	26.2%	17.4%	23.8%	24.0%
Advanced Nutrition	23.7%	23.4%	27.2%	25.3%	24.0%	24.0%
Health	0.5%	39.2%	29.7%	34.9%	25.0%	25.0%
<i>Company target-based:</i>						
Revenue						
Genetics	58.0				65.3	73.4
Advanced Nutrition	80.3				86.3	92.8
Health	20.1				28.6	37.1
Sum	158.4				180.2	203.3
ED estimate	158.3				174.4	198.3

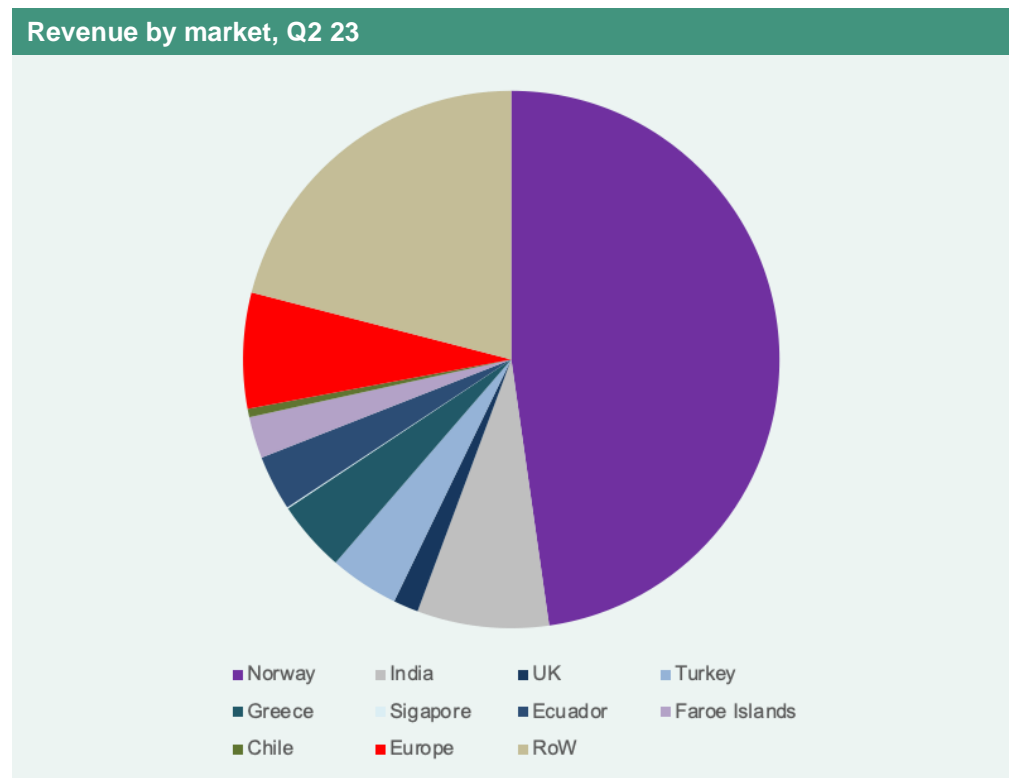
Source: Company data, Equity Development estimates.

Appendix I: revenue by operation and market

Q2 23 distribution of revenue (pre inter-segment) shows a widely-distributed presence in a range of markets, albeit with a strong presence in Norway.

Revenue by segment and market, Q2 23				
Q2 23 (£m)	Genetics	AN	Health	Total
Norway	16.884	0.090	8.295	25.269
India		4.203		4.203
UK	0.737	0.019	0.042	0.798
Turkey	0.006	2.204		2.210
Greece		2.269		2.269
Singapore		0.039		0.039
Ecuador	0.020	1.740		1.760
Faroe Islands	1.095		0.229	1.324
Chile	0.012	0.002	0.254	0.268
Europe	2.062	1.622		3.684
RoW	0.622	10.484		11.106
Inter-segment	0.001	0.008	1.565	1.574
Corporate/inter-segment				(0.009)
Sum	21.439	22.680	10.385	54.495

Source: Company data.



Source: Company data.

FINANCIAL SUMMARY

Summary P&L: FY20 – FY24E					
£m	FY20	FY21	FY22	FY23E	FY24E
Genetics	41.5	46.8	58.0	63.8	68.9
Advanced Nutrition	59.4	70.5	80.3	86.7	97.1
Health	10.8	7.8	20.1	24.0	32.4
Inter segment	(6.1)	(0.1)	(0.2)	-0.2	-0.2
Revenue	105.6	125.1	158.3	174.4	198.3
Gross	55.0	65.6	83.1	88.9	103.1
<i>Margin</i>	<i>52.1%</i>	<i>52.4%</i>	<i>52.5%</i>	<i>51.0%</i>	<i>52.0%</i>
COGS	(50.6)	(59.5)	(75.1)	(85.4)	(95.2)
R&D	(7.3)	(7.0)	(6.7)	(6.8)	(7.7)
Other	(33.3)	(38.2)	(44.7)	(45.1)	(51.7)
Equity inv.	0.2	(0.9)	(0.6)	(0.6)	(0.7)
Sum operating costs	(40.5)	(46.1)	(51.9)	(52.4)	(60.2)
One-off costs	(2.1)	(0.2)	0.0	(3.0)	0.0
EBIT Reported	(10.9)	(5.4)	(7.9)	(5.6)	3.9
EBIT Adjusted	7.9	10.8	9.1	(2.6)	3.9
<i>Margin</i>	<i>7.4%</i>	<i>8.6%</i>	<i>5.8%</i>	<i>N.M.</i>	<i>2.0%</i>
Amortisation	(16.6)	(16.3)	(19.2)	(19.2)	(19.2)
Depreciation	(6.6)	(8.4)	(19.9)	(19.9)	(19.9)
EBITDA Reported	12.4	19.3	31.2	33.5	43.0
EBITDA Adjusted	14.5	19.4	31.2	36.5	43.0
<i>Margin</i>	<i>13.7%</i>	<i>15.6%</i>	<i>19.7%</i>	<i>20.9%</i>	<i>21.7%</i>
Financial income	1.1	4.2	4.7	5.0	5.5
Financial expense	(12.8)	(8.0)	(20.1)	(8.0)	(7.8)
PBT Reported	(22.6)	(9.2)	(23.2)	(8.6)	1.6
PBT Adjusted	(3.8)	7.0	(6.2)	(5.6)	1.6
Tax	(0.2)	(2.4)	(7.3)	(8.8)	(9.8)
PAT Reported	(22.8)	(11.6)	(30.5)	(17.4)	(8.2)
PAT Adjusted	(4.0)	4.6	(13.5)	(14.4)	(8.2)
Basic wtd. Av. shares (m)	625.5	669.5	698.2	733.4	733.4
Diluted wtd. av. shares (m)	626.9	674.1	704.5	737.7	737.7
EPS rptd basic (p)	(5.26)	(1.93)	(4.60)	(2.51)	(1.12)
EPS adj basic (p)	(2.27)	0.49	(2.16)	(2.10)	(1.12)

Source: Company data, Equity Development estimates.

Summary P&L: Quarterly to Q2 23

£m	Q1 22	Q2 22	Q1 23	Q2 23	H1 22	H1 23
Genetics	15.2	11.4	21.4	13.0	26.6	34.5
Advanced Nutrition	19.1	23.0	22.7	22.6	42.0	45.3
Health	5.8	4.9	10.4	8.7	10.7	19.1
Inter segment	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)	(0.0)
Revenue	40.0	39.2	54.5	44.4	79.2	98.9
Gross	19.5	20.0	24.2	24.8	39.5	49.0
<i>Margin</i>	48.7%	51.0%	44.5%	55.9%	49.9%	49.6%
COGS	(20.5)	(19.2)	(30.3)	(19.5)	(39.7)	(49.8)
R&D	(1.6)	(1.6)	(1.6)	(1.4)	(3.2)	(3.0)
Other	(9.9)	(10.0)	(11.8)	(12.3)	(19.9)	(24.0)
Equity inv.	(0.5)	(0.0)	0.1	0.0	(0.5)	0.1
Sum operating costs	(12.1)	(11.6)	(13.3)	(13.7)	(23.7)	(27.0)
One-off costs	0.0	0.9	(1.0)	(1.7)	0.9	(2.7)
EBIT Reported	(1.5)	(0.7)	(0.1)	0.4	(2.2)	0.3
EBIT Adjusted	2.5	2.4	5.7	5.9	4.9	11.7
<i>Margin</i>	6.2%	6.2%	10.5%	13.4%	0.0%	0.0%
Amortisation	(4.4)	(4.5)	(5.5)	(4.4)	(8.9)	(9.9)
Depreciation	(4.5)	(5.6)	(4.6)	(4.6)	(10.1)	(9.2)
EBITDA Reported	7.4	9.3	10.0	9.4	16.8	19.4
EBITDA Adjusted	7.4	8.4	11.0	11.1	15.9	22.1
<i>Margin</i>	18.6%	21.5%	20.1%	25.0%	20.0%	22.3%
Financial income	0.1	1.9	7.5	0.8	2.0	8.1
Financial expense	(2.3)	(2.7)	(7.3)	(3.2)	(5.0)	(10.4)
PBT Reported	(3.7)	(1.5)	0.1	(2.0)	(5.1)	(1.9)
PBT Adjusted	0.3	1.7	6.0	3.5	1.9	9.5
Tax	(1.4)	(2.2)	(0.8)	(0.7)	(3.6)	(1.5)
PAT Reported	(5.1)	(3.7)	(0.7)	(2.7)	(8.8)	(3.4)
PAT Adjusted	(1.2)	(0.5)	5.2	2.8	(1.7)	8.0
Basic wtd. Av. shares (m)	681.3	681.3	710.1	724.5	681.3	724.5
Diluted wtd. av. shares (m)	687.1	687.1	714.4	728.8	687.1	728.8
EPS rptd basic (p)	(0.79)	(0.55)	(0.18)	(0.39)	(1.34)	(0.57)
EPS adj basic (p)	(0.21)	(0.09)	0.64	0.37	(0.30)	1.00

Source: Company data, Equity Development estimates.

Summary Cashflow FY20 – FY24E

£m	FY20	FY21	FY22	FY23E	FY24E
Net reported	(31.9)	(11.6)	(30.5)	(17.4)	(8.2)
PPE depreciation	7.0	5.0	8.6	8.9	8.9
RoU depreciation	2.1	3.3	11.3	11.0	11.0
Amortisation	19.4	16.3	19.2	19.2	19.2
Disposals net	(15.3)	0.0	(0.0)	(0.0)	0.0
Finance (net)	9.6	6.5	18.1	3.0	2.3
Forex, other	(0.1)	(0.9)	(4.9)	0.0	0.7
Share-based payments	1.7	0.8	1.2	1.0	1.0
Tax	0.3	2.4	7.3	8.8	9.8
Operating Cash Flow	(7.2)	22.0	30.3	34.5	44.6
Working capital					
(Increase)/Decrease inventories	3.7	(3.6)	(5.4)	(1.2)	(4.3)
(Increase)/Decrease in receivables	4.2	(8.2)	(8.5)	(3.3)	(0.0)
Increase/(Decrease) in payables	5.0	5.5	6.9	3.5	6.6
Increase/(Decrease) in bio/agri assets	(7.5)	(5.4)	(6.1)	(2.0)	(2.0)
Provisions	(0.3)	(0.0)	1.1	(0.0)	0.0
Change, working capital	5.2	(11.6)	(12.0)	(3.1)	0.3
Cash generated by operations	(2.0)	10.4	18.3	31.3	44.9
Tax (paid)/received	(2.1)	(4.6)	(7.4)	(7.3)	(8.8)
Net cash from operations	(4.1)	5.8	10.8	24.1	36.1
Investing activities	0.0	0.3	0.0	0.0	0.0
Disposals, invsts	41.4	(0.5)	1.4	(8.0)	0.0
PPE	(5.9)	(17.7)	(10.8)	(7.0)	(7.4)
Intangibles	(5.3)	(5.0)	(1.9)	(1.0)	(1.0)
Interest / Other	0.1	0.1	0.1	0.0	0.0
Net cash used in investing	30.4	(23.1)	(11.2)	(16.0)	(8.4)
Net OpFCF	26.3	(17.3)	(0.4)	8.1	27.7
Financing activities					
Share issue (net)	41.7	0.8	20.2	11.4	0.0
Borrowings (net)	(1.8)	(3.1)	(6.9)	(5.0)	(5.0)
Interest paid	(7.7)	(7.7)	(9.6)	(8.0)	(7.8)
Lease payments	(2.1)	(4.6)	(10.5)	(10.5)	(10.5)
Other	0.0	(0.0)	0.0	(0.6)	0.0
Net cash from financing	30.1	(14.7)	(6.9)	(12.8)	(23.3)
Net increase in cash / equivalents	56.5	(32.0)	(7.3)	(4.7)	4.4
Cash start	16.1	71.6	39.5	36.4	31.7
Forex	(0.9)	(0.2)	4.3	(1.8)	0.0
Cash end	71.6	39.5	36.4	31.7	36.1

Source: Company data, Equity Development estimates.

Summary Cashflow: Quarterly to Q2 23

£m	Q1 22	Q2 22	Q1 23	Q2 23	H1 22	H1 23
Net reported	(5.1)	(3.7)	(0.7)	(2.7)	(8.8)	(3.4)
PPE depreciation	2.0	2.2	2.0	2.2	4.2	4.2
RoU depreciation	2.5	3.4	2.6	2.3	5.9	4.9
Amortisation	4.4	4.5	5.5	4.4	13.7	9.9
Disposals net	0.0	0.0	(0.0)	0.0	0.0	(0.0)
Finance (net)	2.1	1.4	(0.5)	1.9	3.5	1.4
Forex, other	0.5	(0.0)	0.4	(1.5)	0.5	(1.2)
Share-based payments	0.3	0.3	0.3	0.2	0.7	0.5
Tax	1.4	2.2	0.8	0.7	3.6	1.5
Operating Cash Flow	8.1	10.3	10.3	7.5	18.4	17.8
Working capital						
(Increase)/Decrease inventories	(0.9)	(0.7)	1.6	0.9	(1.6)	2.5
(Increase)/Decrease in receivables	2.7	(2.6)	4.0	2.1	0.1	6.1
Increase/(Decrease) in payables	(7.7)	(2.6)	(9.6)	(4.0)	(10.3)	(13.7)
Increase/(Decrease) in bio/agri assets	(0.1)	(1.5)	3.3	(2.4)	(1.6)	0.9
Provisions	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Change, working capital	(6.0)	(7.4)	(0.8)	(3.4)	(13.5)	(4.2)
Cash generated by operations	2.1	2.8	9.6	4.1	4.9	13.6
Tax (paid)/received	(1.0)	(2.0)	(1.5)	(2.6)	(3.0)	(4.1)
Net cash from operations	1.1	0.8	8.1	1.4	2.0	9.5
Investing activities	0.0	0.0	0.0	0.0	0.0	0.0
Disposals, invsts	0.0	(0.0)	0.0	(8.3)	(0.0)	(8.3)
PPE	(1.9)	(3.2)	(1.8)	(1.4)	(5.1)	(3.3)
Intangibles	(0.7)	(0.8)	(0.0)	(0.2)	(1.5)	(0.3)
Interest / Other	0.0	0.0	(0.3)	0.7	0.0	0.4
Net cash used in investing	(2.6)	(4.1)	(2.2)	(9.3)	(6.6)	(11.4)
Net OpFCF	(1.4)	(3.2)	5.9	(7.9)	(4.7)	(2.0)
Financing activities						
Share issue (net)	20.1	0.1	11.6	(0.3)	20.2	11.4
Borrowings (net)	(0.6)	(0.3)	(4.4)	9.2	(0.9)	4.8
Interest paid	(1.9)	(1.9)	(2.2)	(1.9)	(3.8)	(4.1)
Lease payments	(2.7)	(2.0)	(2.2)	(2.5)	(4.8)	(4.7)
Other	0.0	0.0	(0.6)	0.0	0.0	(0.6)
Net cash from financing	14.9	(4.1)	2.2	4.6	10.7	6.8
Net increase in cash / equivalents	13.4	(7.4)	8.1	(3.3)	6.0	4.9
Cash start	39.5	52.7	36.4	42.8	39.5	36.4
Forex	(0.2)	1.0	(1.8)	(0.9)	0.8	(2.6)
Cash end	52.7	46.3	42.8	38.6	46.3	38.6

Source: Company data, Equity Development estimates.

Summary Balance sheet: FY20 – FY24E

£m	FY20	FY21	FY22	FY23E	FY24E
Fixed Assets					
Intangible assets	247.0	229.0	245.3	227.1	208.9
PPE net	65.6	78.8	81.9	69.0	56.5
RoUse assets	10.3	25.5	27.0	27.0	27.0
Equity investees	3.7	3.4	3.1	3.1	3.1
Other invsts	0.0	0.0	0.0	0.0	0.0
Bio/agri assets	16.6	21.2	20.9	20.9	20.9
Sum Fixed Assets	343.3	358.0	378.2	347.1	316.4
Current Assets					
Inventories	18.9	20.9	29.8	31.1	35.3
Trade receivables	39.4	46.5	56.4	59.7	59.8
Bio/agri assets	15.8	17.1	25.8	25.8	25.8
Cash, Equivalents	71.6	39.5	36.4	31.7	36.1
Sum Current Assets	145.8	124.0	148.4	148.2	157.0
Total Assets	489.0	482.0	526.6	495.4	473.4
Current Liabilities					
Trade payables	(45.7)	(46.7)	(44.3)	(47.8)	(54.3)
Loans	(5.3)	(10.7)	(17.1)	(17.1)	(17.1)
Tax	(4.3)	(5.6)	(10.2)	(10.2)	(10.2)
Provisions	0.0	(0.6)	(1.6)	0.0	0.0
Sum Current Liabilities	(55.4)	(63.5)	(73.3)	(75.1)	(81.6)
Total Assets less Current Liabilities	433.7	418.5	453.3	420.3	391.8
Long-term Liabilities					
Borrowings	(103.8)	(109.7)	(93.0)	(88.0)	(83.0)
Other	(1.8)	(0.9)	(9.0)	0.0	0.0
Tax	(32.6)	(28.2)	(28.0)	(6.8)	(6.8)
Sum Long-term liabilities	(138.2)	(138.9)	(130.0)	(94.8)	(89.8)
Total liabilities	(193.6)	(202.4)	(203.3)	(169.9)	(171.5)
Net Assets	295.4	279.6	323.3	325.5	301.9
Capital & Reserves					
Share Capital	0.7	0.7	0.7	0.7	0.7
Additional paid-in capital	399.6	400.7	420.8	459.3	443.9
Capital Reserve	0.0	0.0	0.0	0.0	0.0
Retained earnings	(142.2)	(154.2)	(185.1)	(203.5)	(211.7)
Hedging reserve	(9.7)	(5.9)	(0.7)	(1.0)	(1.0)
Forex reserve	40.7	30.5	77.7	60.0	60.0
Non-controlling interest	6.3	7.9	9.9	10.0	10.0
Equity	295.4	279.6	323.3	325.5	301.9
Net debt / (cash), excl. leases	27.1	56.9	47.5	53.4	46.0

Source: Company data, Equity Development estimates.

Summary Balance Sheet: Quarterly to Q2 23

£m		Q1 23	Q2 23
Fixed Assets			
	Intangible assets	224.6	215.1
	PPE net	80.5	77.2
	RoUse assets	23.9	22.4
	Equity investees	3.0	3.1
	Other invsts	0.4	0.0
	Bio/agri assets	24.9	20.6
	Sum Fixed Assets	357.4	338.4
Current Assets			
	Inventories	28.2	27.1
	Trade receivables	51.2	48.4
	Bio/agri assets	17.2	22.6
	Cash, Equivalents	42.8	38.6
	Sum Current Assets	139.3	136.8
	Total Assets	496.7	475.1
Current Liabilities			
	Trade payables	(35.3)	(29.7)
	Loans	(16.2)	(22.1)
	Tax	(10.3)	(8.4)
	Provisions	(1.6)	(1.6)
	Sum Current Liabilities	(63.4)	(61.8)
	Total Assets less Current Liabilities	433.3	413.3
Long-term Liabilities			
	Borrowings	(88.0)	(82.9)
	Other	(4.4)	(6.3)
	Tax	(25.1)	(24.3)
	Sum Long-term liabilities	(117.4)	(113.4)
	Total liabilities	(180.8)	(175.3)
	Net Assets	315.9	299.9
Capital & Reserves			
	Share Capital	0.7	0.7
	Additional paid-in capital	432.4	37.9
	Capital Reserve	0.0	0.0
	Retained earnings	(186.1)	202.0
	Hedging reserve	(1.3)	(1.3)
	Forex reserve	59.9	54.4
	Non-controlling interest	10.3	5.4
	Equity	315.9	299.9
	Net debt / (cash), excl. leases	37.9	44.5

Source: Company data, Equity Development estimates.



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