

Successful strategy deserves a higher rating

12 January 2026

Knights' H126 results were as announced at its update in November and illustrate the power of its position as the leading consolidator in the premium, regional legal market. Revenues rose an impressive 30%, including a return to organic growth of 2.6%, and Adj. PBT rose 12.5%, despite absorbing increased national insurance costs and investing in AI, led by a new CTO. Operating cashflow conversion has been excellent and momentum has continued into H226, hence management is confident in achieving FY26E expectations. Yet Knights still only trades on 6.5x cal 2026 PER and under 6x cal 2027 PER. Given the successful H126 and positive outlook we raise our Fair Value/per share from 230p to 255p, equivalent to c.8x cal 2027 PER.

Delivering profitable, sustainable growth in H126

Knights' return to organic growth of 2.6% in H126 was complemented by the acquisitions of IBB Law, Birkett Long, Rix & Kay and Le Gros Solicitors which further extend Knight's geographic reach and pool of talented lawyers. These acquisitions are all integrating well, with improving working capital. Group lock-up days has reduced from 98 to 95 days and annualised staff churn has fallen to only 9%. For more on Knights' impressive, "corporatised law" business model please see our initiation note: ["An attractive and undervalued regional consolidator"](#).

Adj. EBITDA +19% and on track for FY26E market expectations

Knights' adj. EBITDA rose 19% to £25.5m and adj. PBT rose 12.5% to £16.4m, a (still high) margin of 15.9%. Net cash from adj. operating activities rose to £14.7m (excellent 122% conversion) and net debt of £75m was after c.£15m of acquisition consideration. The Board is proposing a 10% increase in the interim dividend and, encouragingly, organic growth momentum has continued into H226.

Fair Value / per share raised 11% to 255p, equivalent to c.6x EV/EBITDA

Whilst Knights' share price has been on a rising trend, its valuation is still at a significant discount to peers and its historic range. Trading on only c.6x cal 2027 PER and offering a 12.5% cal FCF yield (pre-acquisitions) we see scope for a significant rerating, to 6x cal 2027 EV/EBITDA and 8x PER.

Company data

EPIC	KGH
Price (last close)	186p
52 weeks Hi/Lo	213p/112.5p
Market cap	£159m
ED Fair Value / share	255p
Net cash / (debt) 2025A	£119m
Avg. daily volume (3m)	117k

Share price, p



Source: Investing.com

Description

Knights Group Holdings plc ("Knights") is a high-growth, legal and professional services business, ranked within the UK's top 50 largest law firms by revenue. With over 1,250 FTE fee-earning employees across 32 offices nationwide, Knights offers national scale but with a premium, regional focus. FY25 Revenues are diversified across corporate (63%), personal (24%) and specialist legal services (13%).

Next event

FY26 trading update May 2026 (tbc)

Key financials & valuation metrics

Year to 30 April (£m)	2024A	2025A	2026E	2027E	2028E
Revenue	150.0	162.0	201.5	213.4	224.0
Revenue growth (%)	5.5	8.0	24.4	5.9	5.0
Adj. PBT	25.3	28.0	32.6	35.9	39.9
Adj. PBT margin (%)	16.9	17.3	16.2	16.8	17.8
Adj. diluted EPS (p)	21.1	22.9	26.7	29.5	32.7
Dividend per share (p)	4.4	4.8	5.3	5.9	6.5
Free cashflow pre acquisitions*	9.5	5.7	14.1	21.4	20.7
Free cashflow post acquisitions	(1.9)	(24.4)	(2.1)	14.0	13.7
Net cash / (debt) /Adj. EBITDA (x)	(2.0)	(2.8)	(2.5)	(2.2)	(1.9)
EV / Sales (x, calendarised)		1.5	1.4	1.3	
PER (x, calendarised)		7.3	6.5	5.9	
Dividend yield (% , calendarised)		2.8	3.1	3.4	
Free cashflow* yield (% , calendarised)		6.8	11.4	12.5	

Note: * pre-acquisition payments, Source: Company data, Equity Development, Priced as at 9/1/2026

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Knights: Overview of investment attractions

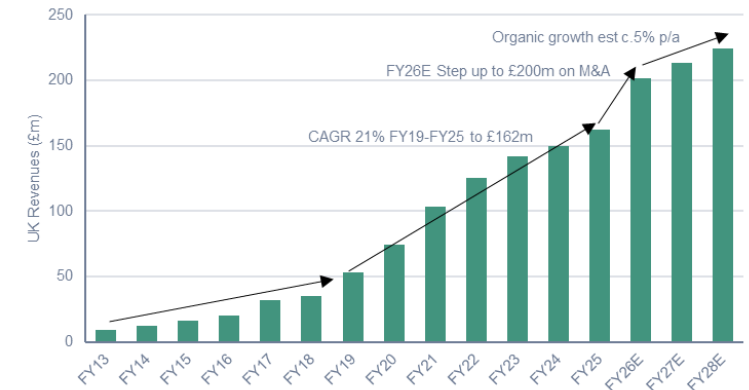
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> A differentiated business model and impressive growth record with revenues rising from £9m in FY13 to £162m in FY25, and £200m+ in FY26E, a 27% CAGR. A proven active consolidator in the £3.8bn regional legal market, integrating 28 value-accretive acquisitions since IPO in 2018 and costing c.£180m, equivalent to just 1.1x EV/Sales and an average 9.4x EV/PBT post synergies. An increasingly diversified range of legal services with 63% from corporate (including 29% from real estate, FY25), 24% from personal (including 16% from Private Wealth) and 13% from specialist legal services. Sustainable, high, 16%-17% Adj. PBT margins leading to Adj PBT rising to £28m in FY25, a 9-year CAGR of 24%. Underlying high cash conversion post capex, funds acquisition and dividends. An experienced, founder-led management team at the helm. 	<ul style="list-style-type: none"> As a people-led business, recruitment and retention of high-quality staff is key. Knights' track record of acquiring staff and retaining most is testament to its attractive "corporate" model. The deployment of AI-enabled systems could be seen as a risk, but Knights has years of experience in using technology to increase staff productivity. Knights has also recently appointed John Earl to the new role of Chief Information and Technology Officer and intends to further explore AI tools and platforms to enhance productivity, mindful that local relationships are key to its success. Diversification into other, specialist, niches of law, could bring increased risk. Integration risk for any future acquisitions, though Knights' excellent track record provides reassurance. Reputational brand risk, locally or regionally. A reduction in interest on client monies, which has risen to 6.5% of revenues in FY24 and 5.5% in FY25 (£8.8m). We forecast a reduction to c.4% in FY26E but a sharper reduction would impact our profit forecasts (and vice versa).
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> Management's ambition is to double revenues in the medium term through organic growth and selective acquisitions. We forecast c.5% organic revenue growth p/a to reach c.£224m in FY28E. We do not explicitly forecast any further acquisitions but estimate that each £10m investment from free cashflow could add c.£10m revenues or 5% growth p/a. We forecast Adj. PBT margins remaining above 16%, despite higher depreciation, amortisation and interest from recent growth investments, leading to 12.5% CAGR in Adj. PBT (FY25-FY28E) and free cashflow, pre-acquisitions, of £14-£21m p/a. 	<ul style="list-style-type: none"> Although Knights' share price has risen 70% in 2025 from its low of 106p, Knights is still significantly below its 2021-2022 trading range, despite being a bigger, more profitable business. Trading on only 1.3x EV/Revenues, c.5x EV / Adj. EBITDA and only c.6x Adj. PER (our forecasts, all Calendar 2027E – "cal 2027E"), Knights is trading c.40%-50% below its historic multiples and its professional services peers (on an average c.8x cal 2027 EV/EBITDA and c.11.5x cal 2027 PER). Our fair value of 255p/ share from diverse valuation metrics equates to c.1.6x EV/Revenues, 6x EV/Adj. EBITDA, c.8x PER, a 9% FCF yield (pre-acquisitions) and a 2.5% dividend yield (all cal 2027E), with potential for further upside.

A growing regional consolidator in the UK legal market

A unique corporate model attracts local firms to the group

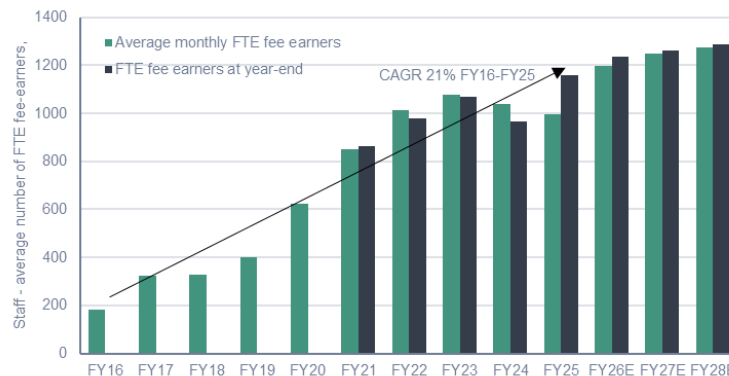
- Knights Group Holdings plc ("Knights") was bought in 2012 (when it was an LLP) by CEO David Beech and became the first legal firm to offer a different "corporate" model.
- Over the past 12 years, the group has grown revenues at an impressive 27% CAGR to reach £162m in FY25 and following the acquisitions of Thursfields Legal, IBB Law and Birkett Long in the past 12 months, we forecast over £200m revenues in FY26E.
- Acquisitions have also helped Knights expand from its core real estate and dispute resolution services, which accounted for 68% of revenues in FY18, to a broad range of services, with 56% coming from other services in FY25.
- Offering high PBT margins of 16%-17%, we anticipate Knights will continue its growth with 12.5% CAGR in Adj. PBT FY25-FY28E to almost £40m in FY28E, before any additional acquisitions.

An impressive track record of 27% CAGR FY13-FY26E



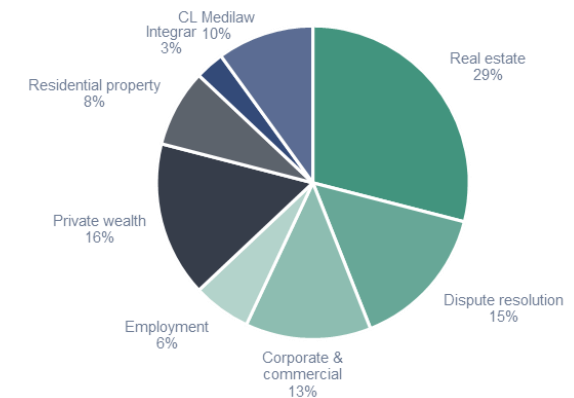
Source: Company data, Equity Development

...driven by 21% CAGR in staff (over 1,150 FTE by end FY25)



Source: Company data, Equity Development

...across a wide range of services, promoting collaboration



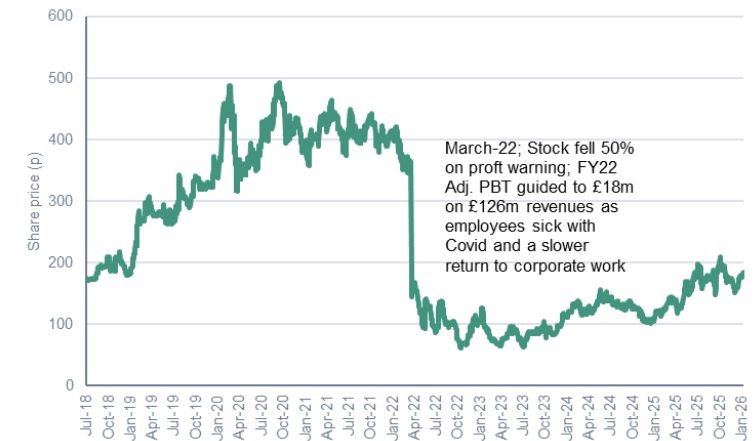
Source: Company data for FY25, Equity Development

An undervalued, profitable and self-funded growth business

Business has recovered but its valuation has not

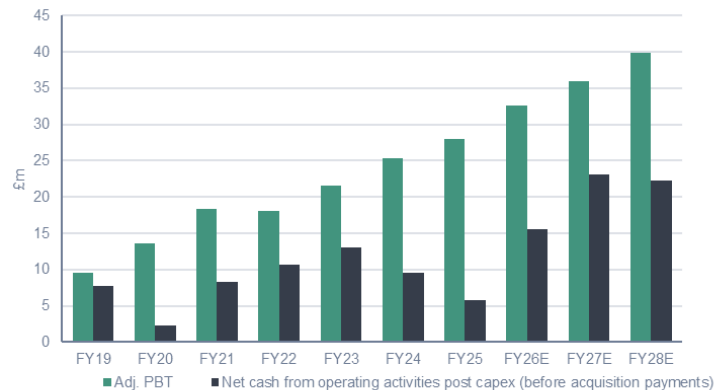
- Knights listed its shares on the AIM market in June 2018 with an IPO price of 180p and is part of the FTSE AIM 50 Index. Its share price reached a high of nearly 500p in 2020 but collapsed over 50% in March 2022 to c.150p from a Covid-induced profit warning (to £18m Adj. PBT in FY22, still a PBT margin of 14.4%). Knights' valuation multiples collapsed too (e.g. from an average of 3.8x EV/Sales in FY21 to 1.0x and from 15.3x EV/EBITDA in FY21 to 4.6x).
- Knights' current c.186p share price is at odds with the group's significant growth to Adj. PBT of £33m in FY26E (margin of 16%) and underlying cashflow-generative growth outlook.
- Knights is also significantly undervalued relative to peers, trading on just 6x cal 27 PER versus a range of 7x-19x. We balance several valuation metrics to derive our 255p fair value and see scope for a significant rerating.

Knights' share price since IPO: on a path to recovery



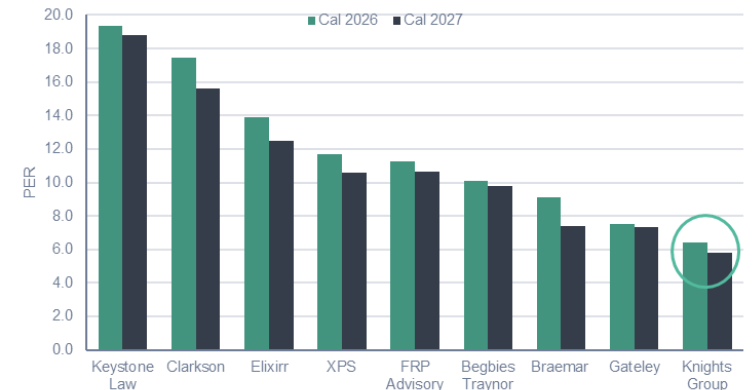
Source: Investing.com, Equity Development

Free cashflow supports acquisitions and dividend growth



Source: Company data, Equity Development

Knights' lowly PER of c.6x cal 2027



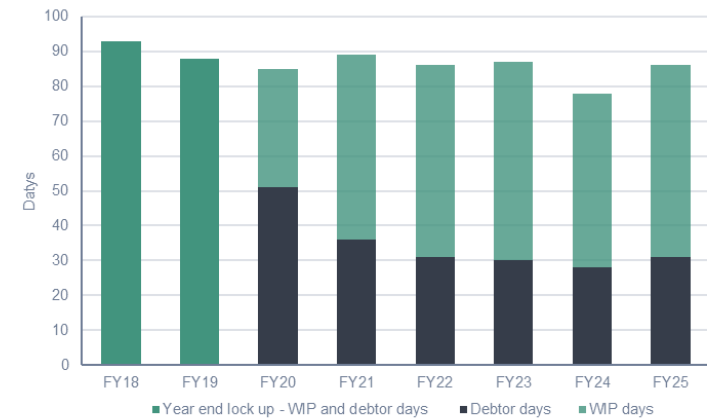
Source: Koyfin for consensus estimates, Equity Development

Cash generative with excellent working capital management

Financial discipline generates cash rewards

- One of Knights' key competitive advantages is its financial discipline and ability to collect fees in a timely manner. By applying its processes to acquired companies, Knights is able to improve working capital significantly – often halving “lock-up days”.
- By end FY25 WIP days were 55 days (i.e. c.2 months) and debtors' days were an impressively low 31 days (i.e. c.1 month, versus an industry average of c.73). Hence, total “lock up days” were 86 (i.e. just under 3 months). Often acquisitions join the group with four to six months' (or more) worth of lock up.
- Capex has historically been a low 2%-3% of revenues on average. FY24 and FY25 saw increase for the £15m office refurbishment (completed in FY25). We forecast a return to more normal levels of capex (3.5% of revenues).

Lock up days still consistently low, despite acquisitions



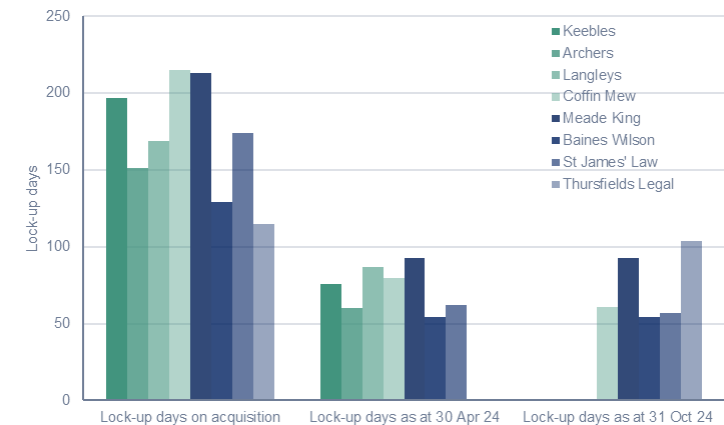
Source: Company data, Equity Development

Recent £15m office refurbishment investment completed



Source: Company data, Equity Development

Knights has more than halved lock up days on acquisitions



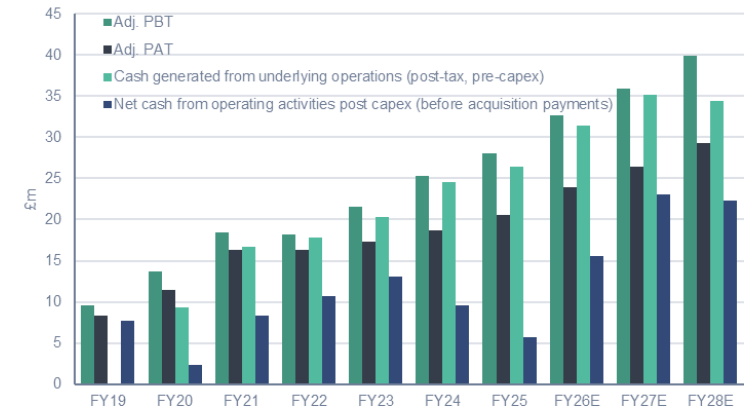
Source: Company data, Equity Development

High cash conversion funding acquisitions and dividends

We anticipate high cashflow conversion to fund growth

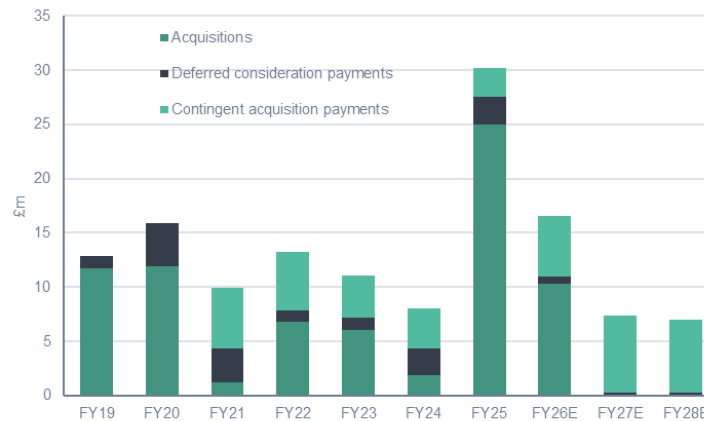
- Knights has averaged an impressive 110% underlying cashflow conversion (FY19-FY25, and 130% in FY25, with 122% in H126) based on underlying operating cashflow post tax (pre capex / acquisitions) to underlying PAT.
- This cashflow, together with debt resources, has funded capex and acquisition spending of £153m (FY19-FY25).
- Looking ahead we forecast cumulative free cashflow, post-tax and capex, of c.£60m over FY26E-FY28E. From this we anticipate c.£30m of acquisition payments from acquisitions already announced and c.£4m-£5m of dividend payments p/a, leaving c.£10m of free-cashflow in FY27E-FY28E.
- As already alluded to, we estimate that each £10m invested could add c.£10m revenues or c.5% revenue growth.

FCF pre-acquisitions has averaged £8m FY19-FY25...



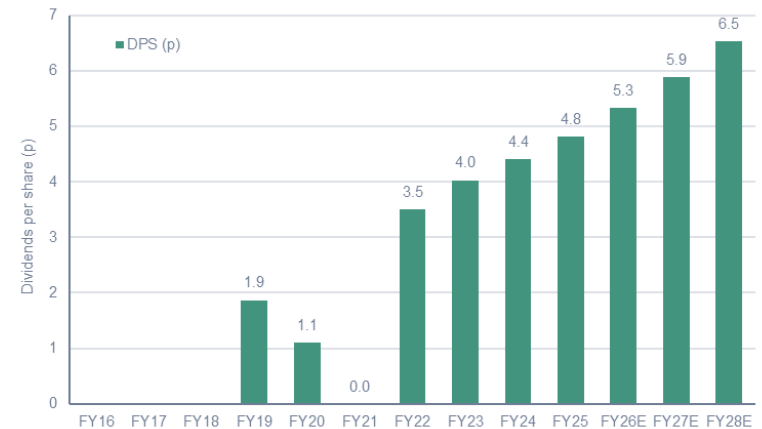
Source: Company data, Equity Development

...and acquisition spend has averaged £18m p/a FY19-FY25



Source: Company data, Equity Development

Dividends anticipated to rise to £4m-£5m p/a



Source: Company data, Equity Development

Raised Fair value/per share of 255p balances undemanding valuation metrics

- We raise our fair value per share from 230p to 255p, taking into account several valuation metrics (moving from 2026 to 2027) and equates to:
 - 1.5x cal 2027 EV / Revenues, in-line with the average;
 - approximately 6x cal 2027 EV/EBITDA, a discount to the sector average of c.8x, partly to reflect Knights' relatively higher leverage ratios, but we would expect a re-rating as net debt reduces;
 - approximately 8x cal 2027 PER (adj), a discount to the sector average of c.11.5x, partly to reflect Knights' relatively higher level of non-underlying costs as it undertakes acquisitions. As the impact of acquisition payments and transaction and reorganisation costs reduces we would anticipate a re-rating towards the sector average;
 - a cal 2026 dividend yield of c.2.5%, lower than the peer group average reflecting Knights' higher investment in growth; and
 - a generous cal 2027 FCF yield (pre-acquisition payments) of c.9% (our forecasts).
- Hence, we see significant potential for a re-rating towards our fair value, subject to the risks described earlier.

Comparable Company Valuation Metrics

Company	EV/Sales (x)		EV/ EBITDA (x)		Mkt cap / PBT (x)		PER (x)		DPS yield (%)		FCF yield (%)	
	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027
Begbies Traynor	1.1	1.1	5.9	5.6	7.4	6.9	10.1	9.8	4.0	4.3	6.9	8.0
Braemar	0.6	0.5	4.4	4.0	5.8	4.8	9.1	7.4	3.0	3.4	18.6	23.5
Clarkson	1.4	1.3	8.2	7.4	13.0	11.6	17.4	15.6	2.8	2.9	6.5	7.5
Elixirr	2.5	2.3	8.4	7.8	8.7	7.8	13.9	12.5	2.9	3.1	8.8	9.9
FRP Advisory	1.7	1.6	6.4	6.1	7.9	7.3	11.3	10.7	4.4	4.4	7.4	7.9
Gateley	0.8	0.7	5.1	4.7	5.6	5.3	7.5	7.3	9.8	9.8	11.9	12.6
Keystone Law	1.7	1.6	14.3	13.5	14.2	13.8	19.3	18.8	3.6	3.6	4.8	5.0
XPS	2.7	2.5	13.8	12.9	19.6	17.8	11.7	10.6	1.7	1.8	3.0	3.6
Average	1.6	1.5	8.3	7.7	10.3	9.4	12.5	11.6	4.0	4.2	8.5	9.8
Knights at 186p	1.3	1.3	5.2	4.8	4.5	3.1	6.4	5.8	3.0	3.2	12.9	15.7
Knights at 255p FV	1.6	1.5	6.3	5.9	6.1	5.6	8.8	8.0	2.2	2.4	9.4	11.4

*Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end
 Source: KoyFin, Equity Development (share prices at 9 January 2026)*

Comparable Company Growth and Margin Metrics

Company	Share price	Market cap	Enterprise Value	2-year CAGR (%) Cal 2025-Cal 2027E				EBITDA margin	PBT margin	Net debt / EBITDA
				Sales	EBITDA	PBT	EPS			
	p	£m	£m					Cal 26, %	Cal 26, %	Cal 26, x
Begbies Traynor	117.5	189	190	6.4	5.2	9.1	6.1	19.4	14.8	0.3
Braemar	230	72	80	4.8	7.6	16.3	18.7	13.1	9.0	0.4
Clarkson	4165	1,285	723	4.5	11.2	10.8	10.4	16.7	15.3	-4.1
Elixir	860	410	408	14.0	16.1	17.4	14.1	29.2	26.4	0.7
FRP Advisory	135	326	306	6.4	5.8	9.7	4.2	27.1	24.1	-0.6
Gateley	102.5	139	160	5.2	7.7	5.2	3.8	14.9	12.5	0.4
Keystone Law	638	202	195	6.2	5.9	3.4	1.8	12.0	12.6	-0.6
XPS	339.5	694	198	7.3	8.0	12.6	8.0	28.8	24.2	0.6
Average				6.8	8.4	10.6	8.4	20.1	17.3	-0.4
Knights	186	146	265	8.3	9.5	14.3	11.7	25.8	17.1	2.4

Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end
Source: Koyfin, Equity Development (share prices at 9 January 2026)

Financial Forecast tables

- Management has confirmed it is confident of delivering FY26E market expectations, and with H126 results in-line with our expectations we make only minimal tweaks to our forecasts.

Key group growth and margin metrics

Year-end 30 April	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Organic revenue growth (%)	-3.0	1.8	-0.2	1.9	-0.3	5.0	5.0	5.0
Acquired revenue growth (%)	42.0	19.9	13.3	3.6	8.3	19.4	0.9	0.0
Revenue growth (%)	39.0	21.7	13.1	5.5	8.0	24.4	5.9	5.0
Gross profit growth (%)	41.9	22.7	11.3	6.2	11.8	24.4	6.4	5.4
Adj. EBITDA growth (%)	41.5	8.0	21.7	15.9	11.0	18.8	8.5	7.4
Adj. Operating profit (%)	33.7	0.9	23.0	19.8	13.0	17.6	9.6	8.0
Adj. PBT growth (%)	34.8	-1.6	19.0	17.4	10.6	16.6	10.4	10.8
Adj. EPS growth (%)	29.3	-1.2	3.1	5.8	8.3	16.7	10.4	10.8
DPS growth (%)	n/a	n/a	15.1	9.4	9.1	11.1	10.4	10.8
Gross profit margin (%)	48.9	49.3	48.5	48.8	50.5	50.5	50.7	50.9
Adj. EBITDA margin (%)	24.6	21.8	23.5	25.8	26.5	25.3	25.9	26.5
Adj. Operating margin (%)	19.7	16.3	17.7	20.1	21.0	19.9	20.6	21.2
Adj. PBT margin (%)	17.8	14.4	15.2	16.9	17.3	16.2	16.9	17.8
Fee earner costs as a % of revenues	51.1	50.7	51.5	51.2	49.5	49.5	49.3	49.5
Other staff costs as a % of revenues	9.7	10.5	10.7	10.8	10.8	10.8	10.6	10.8
Staff costs (adj.) as a % of revenues	60.8	61.2	62.2	62.0	60.3	60.3	59.9	60.3
Op costs excl D&A /sales (%)	15.7	17.6	18.7	18.8	18.4	18.5	18.3	18.5
Tax rate (adj.) (%)	11.4	10.1	19.9	26.1	26.6	26.5	26.5	26.5

Source: Company data, Equity Development

Divisional revenue analysis

Year-end 30 April (£m)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025A
Real estate	13	16	26	0	47	41	43	47
Dispute resolution	11	18	20	0	27	23	24	24
Corporate & commercial	5	10	13	0	21	20	21	21
Employment	0	0	5	0	7	7	9	10
Corporate legal services	28	44	64	0	101	91	97	102
Private wealth	7	8	11	0	24	23	24	26
Residential property	0	0	0	0	0	10	10	13
Personal legal services	7	8	11	0	24	33	34	39
Integrar	0	0	0	0	0	7	4	5
CL Medilaw	0	0	0	0	0	11	13	16
Specialist legal services	0	0	0	0	0	18	18	21
Total revenues	35	53	74	0	126	142	150	162
Real estate	36	30	35		37	29	29	29
Dispute resolution	32	35	28		21	16	16	15
Corporate & commercial	13	19	17		16	14	14	13
Employment			6		6	5	6	6
Corporate legal services	81	84	86	0	81	64	65	63
Private wealth	19	16	14		19	16	16	16
Residential property						7	7	8
Personal legal services	19	16	14	0	19	23	23	24
Integrar						5	3	3
CL Medilaw						8	9	10
Specialist legal services						13	12	13
Total (% contribution)	100	100	100	100	100	100	100	100

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	103.2	125.6	142.1	150.0	162.0	201.5	213.4	224.0
Direct (fee-earner) costs	(52.7)	(63.7)	(73.2)	(76.8)	(80.2)	(99.7)	(105.2)	(110.0)
Gross profit	50.5	61.9	68.9	73.2	81.8	101.7	108.2	114.1
Other income and interest revenue	1.3	1.3	6.7	10.4	9.6	9.8	10.4	10.9
Operating (other staff) costs, Adj. ex D&A	(16.2)	(22.1)	(26.5)	(28.2)	(29.8)	(37.3)	(39.1)	(40.6)
Adj. EBITDA	25.4	27.4	33.4	38.7	42.9	51.0	55.3	59.4
Depreciation of PPE	(1.3)	(2.0)	(2.4)	(2.7)	(3.4)	(4.7)	(5.2)	(5.7)
Depreciation of ROUA	(3.7)	(4.8)	(5.7)	(5.6)	(5.2)	(6.1)	(6.2)	(6.3)
Amortisation	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.1)	0.0	0.0
Depreciation & amortisation	(5.1)	(7.0)	(8.2)	(8.5)	(8.8)	(10.9)	(11.4)	(12.0)
Adj. Operating profit	20.3	20.5	25.2	30.2	34.1	40.1	43.9	47.5
Share of joint ventures						1.2	1.2	1.2
Interest on financial debt	(0.7)	(1.0)	(2.1)	(3.4)	(4.1)	(5.7)	(6.1)	(5.6)
Interest on lease liabilities	(1.2)	(1.4)	(1.5)	(1.5)	(2.2)	(3.0)	(3.0)	(3.1)
Other finance costs	0.0	0.0	0.1	0.1		0.0	0.0	0.0
Interest receivable & other			0.0	0.0	0.3			
Finance costs	(1.9)	(2.3)	(3.6)	(4.9)	(6.1)	(8.6)	(9.1)	(8.7)
Adj. PBT	18.4	18.1	21.6	25.3	28.0	32.6	36.0	39.9

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	18.4	18.1	21.6	25.3	28.0	32.6	36.0	39.9
Amortisation of acquired intangible assets	(2.6)	(3.8)	(3.4)	(3.6)	(4.0)	(4.0)	(4.0)	(4.0)
Contingent acquisition payments	(5.9)	(6.3)	(4.4)	(2.8)	(3.8)	(8.1)	(5.3)	(4.2)
Transaction costs	(1.2)	(1.0)	(1.0)	(1.5)	(2.0)	(1.9)	0.0	0.0
Redundancy and reorganisation staff costs	(1.5)	(2.1)	(1.4)	(1.3)	(2.5)	(1.9)	0.0	0.0
Loss/profit/impairment of assets/ROUA	(1.1)	(3.5)	(0.3)	(1.0)	(2.1)	(2.8)		
Share based payments	(0.6)	(0.4)						
Other			(0.0)	(0.0)	(1.1)	(1.0)		
Non underlying operating costs	(10.3)	(13.3)	(7.1)	(6.6)	(11.5)	(15.8)	(5.3)	(4.2)
Non underlying finance costs	0.0	0.0	(0.2)	(0.3)	(0.2)			
Non-underlying costs	(12.9)	(17.1)	(10.7)	(10.5)	(15.7)	(19.8)	(9.4)	(8.3)
PBT	5.5	1.1	10.9	14.8	12.3	12.8	26.7	31.7
Adj tax	(2.1)	(1.8)	(4.3)	(6.6)	(7.4)	(8.7)	(9.6)	(10.6)
Non-underlying tax	0.0	(1.7)	0.7	1.6	2.7	3.5	1.6	1.4
Tax	(2.1)	(3.6)	(3.6)	(5.0)	(4.7)	(5.2)	(7.9)	(9.1)
Adj. PAT	16.3	16.3	17.3	18.7	20.6	24.0	26.5	29.4
Reported PAT	3.4	-2.5	7.3	9.8	7.6	7.6	18.8	22.5
No of f/d shares (m)	83.2	84.1	86.5	88.6	89.8	89.8	89.8	89.8
Adjusted diluted EPS (p)	19.6	19.4	20.0	21.1	22.9	26.7	29.5	32.7
DPS (p)	0.0	3.5	4.0	4.4	4.8	5.3	5.9	6.5

Source: Company data, Equity Development

Cashflow statement

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Adj. EBITDA	25.4	27.4	33.4	38.7	42.9	51.0	55.3	59.4
Share based payments charge	1.4	0.8	1.2	1.1	1.2	1.4	1.5	1.7
Working capital movement	(5.4)	(2.5)	(5.2)	(3.5)	(5.1)	(5.5)	(4.8)	(8.3)
Tax paid	(2.1)	(4.1)	(2.4)	(5.4)	(5.8)	(6.2)	(7.9)	(9.1)
Interest paid on lease liabilities		(1.1)	(1.5)	(1.5)	(2.3)	(3.0)	(3.0)	(3.1)
Lease payments (principal)	(2.6)	(2.8)	(5.2)	(4.7)	(4.5)	(6.1)	(6.2)	(6.3)
Net cash from underlying op. activities	16.7	17.7	20.3	24.6	26.5	31.7	34.9	34.2
<i>Underlying cash conversion as a % of PAT</i>	96	109	117	131	130	132	132	117
Net financial interest paid	(1.8)	(1.0)	(2.1)	(3.0)	(3.9)	(5.7)	(6.1)	(5.6)
Non-underlying cash costs	(4.3)	(3.7)	(3.1)	(4.2)	(5.4)	(4.9)	0.0	0.0
Capex	(2.3)	(2.4)	(1.9)	(7.9)	(11.5)	(7.1)	(7.5)	(7.8)
Net cashflow pre acquisition payments	8.3	10.7	13.1	9.5	5.7	14.1	21.4	20.7
Contingent acquisition payments	(5.6)	(5.4)	(3.9)	(3.7)	(2.6)	(5.6)	(7.1)	(6.7)
Deferred acquisition payments	(3.2)	(1.1)	(1.2)	(2.4)	(2.6)	(0.6)	(0.3)	(0.3)
Acquisition costs	(1.2)	(6.8)	(6.0)	(1.9)	(25.0)	(10.3)		
...Net cash/debt acquired	(2.4)	(2.9)	(0.7)	(0.8)				
Acquisition consideration payments	(12.4)	(16.2)	(11.8)	(8.9)	(30.2)	(16.6)	(7.4)	(7.0)
Investment in joint venture				(2.6)				
Disposal of subsidiaries / discontinued ops			(1.1)			0.4		
Free cashflow post acquisitions	(4.0)	(5.5)	0.2	(1.9)	(24.4)	(2.1)	14.0	13.7
Dividends	0.0	(1.2)	(3.1)	(3.5)	(3.9)	(4.3)	(4.8)	(5.2)
Share buy backs / equity issues					(0.6)	(1.2)	(1.2)	(1.2)
Net cashflow	(4.0)	(6.8)	(2.8)	(5.4)	(28.9)	(7.5)	8.1	7.2

Source: Company data, Equity Development

Capex and acquisition metrics

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Capex	2.3	2.4	1.9	7.9	11.5	7.1	7.5	7.8
All acquisition payments	12.4	16.2	11.8	8.9	30.2	16.6	7.4	7.0
Capex & acquisition spend	14.6	18.6	13.7	16.8	41.6	23.6	14.8	14.9
Capex / revenues (%)	2.2	1.9	1.4	5.3	7.1	3.5	3.5	3.5
Acquisition spend / revenues (%)	12.0	12.9	8.3	5.9	18.6	8.2	3.4	3.1
Capex & acquisitions / revenues (%)	14.2	14.8	9.7	11.2	25.7	11.7	6.9	6.6

Source: Company data, Equity Development

Working capital metrics

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Debtor days	36	31	30	28	31			
WIP days	53	55	57	50	55			
Year end lock up - WIP and debtor days	89	86	87	78	86			
Total lock-up days, no exclusions	97	103	105	116	113			
Contract assets % of RRR	27.6	25.3	26.9	26.8	28.2	28.3	28.3	28.3
Trade and other receivables % of RRR	30.5	27.2	22.0	22.0	22.3	22.4	22.2	22.1
Trade and other payables % of RRR	-31.5	-17.2	-14.8	-13.4	-14.8	-16.0	-15.5	-13.3
Working capital % of RRR	26.7	35.2	34.1	35.4	35.7	34.8	35.1	37.1
Working capital outflow as a % of RRR	-5.3	-2.0	-3.6	-2.3	-2.8	-2.7	-2.2	-3.7

Note: "RRR" = run-rate revenues typically the same as revenues except in FY25 when defined as £181m; Source: Company data, Equity Development

Net debt metrics

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Gross financial debt	(24.1)	(33.2)	(33.3)	(40.6)	(70.7)	(80.7)	(80.7)	(80.7)
Net cash	4.8	4.1	4.0	5.5	5.9	8.3	16.4	23.6
Net financial cash / (debt)	(19.3)	(29.1)	(29.2)	(35.2)	(64.8)	(72.4)	(64.3)	(57.0)
Leases	(42.6)	(46.5)	(44.9)	(40.6)	(54.3)	(55.2)	(56.1)	(57.0)
Total net cash /(debt) incl leases	(61.9)	(75.6)	(74.1)	(75.7)	(119.1)	(127.5)	(120.4)	(114.1)
Net financial cash / (debt) / Adj. EBITDA (x)	(0.8)	(1.1)	(0.9)	(0.9)	(1.5)	1.4	1.2	1.0
Total net cash / (debt) / Adj. EBITDA (x)	(2.4)	(2.8)	(2.2)	(2.0)	(2.8)	2.5	2.2	1.9

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	9.5	10.2	10.0	14.9	23.7	26.0	28.3	30.5
Right of use assets	40.4	40.7	38.2	34.0	46.6	47.5	48.5	49.4
Intangible assets incl goodwill	79.5	82.2	88.0	86.9	105.9	118.6	114.6	110.6
Other financial assets	0.0	1.1	1.7	4.2	3.3	3.3	3.3	3.3
Non-current assets	129.5	134.2	137.9	140.0	179.5	195.5	194.7	193.7
Contract assets (unbilled income)	28.5	31.8	38.2	40.2	51.0	57.1	60.5	63.5
Trade and other receivables	31.5	32.3	31.1	32.8	39.6	44.3	46.6	48.6
Other financial assets	0.0	1.3	0.3	0.4	0.4	0.4	0.4	0.4
Current tax assets	0.0	1.8	0.2	0.3	0.9	0.9	0.9	0.9
Cash & cash equivalents	4.8	4.1	4.0	5.5	5.9	8.3	16.4	23.6
Assets held for sale					1.3	1.3	1.3	1.3
Current assets	64.8	71.3	73.8	79.1	99.0	112.2	126.0	138.3

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	(0.4)	(0.4)	(0.2)	(0.5)	(0.9)	(0.9)	(0.9)	(0.9)
Lease liabilities	(3.6)	(5.3)	(6.3)	(5.2)	(5.7)	(5.7)	(5.7)	(5.7)
Trade payables and other liabilities	(32.3)	(21.4)	(20.8)	(19.9)	(26.7)	(32.0)	(32.9)	(29.6)
Deferred consideration	(1.1)	(1.2)	(2.4)	(2.6)	(0.6)	(0.6)	(0.6)	(0.6)
Contract liabilities	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Provisions	(1.9)	(1.8)	(2.3)	(2.3)	(3.7)	(3.7)	(3.7)	(3.7)
Other incl liabilities held for sale		(0.4)			(0.9)	(0.9)	(0.9)	(0.9)
Current liabilities	(40.3)	(30.7)	(32.3)	(30.7)	(38.5)	(43.8)	(44.7)	(41.4)
Capital employed	154.0	174.7	179.4	188.4	240.0	264.0	276.0	290.7
Bank borrowings	(23.7)	(32.8)	(33.1)	(40.1)	(69.8)	(79.8)	(79.8)	(79.8)
Lease liabilities	(39.0)	(41.2)	(38.6)	(35.4)	(48.6)	(49.5)	(50.4)	(51.4)
Deferred tax liabilities	(5.7)	(8.3)	(8.4)	(8.3)	(11.2)	(10.2)	(10.2)	(10.2)
Provisions	(3.0)	(4.3)	(4.1)	(4.0)	(5.4)	(5.4)	(5.4)	(5.4)
Deferred consideration	0.0	(2.4)	(2.5)	(0.4)	(0.6)	(6.5)	(6.2)	(5.9)
Non-current liabilities	(71.3)	(89.1)	(86.6)	(88.1)	(135.6)	(151.4)	(152.0)	(152.7)
Net assets	82.7	85.6	92.8	100.3	104.5	112.5	124.0	138.0
Shareholders' funds	82.7	85.6	92.8	100.3	104.4	112.5	124.0	138.0

Source: Company data, Equity Development

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