

Investment strategy paying off; undervalued growth

6 July 2026

Knights' FY26 results once again illustrate its increasing power as the leading consolidator in the premium, regional legal market. FY26 revenues rose an impressive 28% to £207.7m and FY26 Adj. PBT rose 19% to £33.2m, a strong 16% Adj. PBT margin, despite cost headwinds. Working capital improved again, to only 84 days "lock-up", driving a reduction in leverage and underpinning a 17% increase in the FY26 total dividend to 5.63p per share (above our expectations). Encouragingly, FY27E has had a "positive start" yet Knights still only trades on 6x cal 2027 PER. We believe this undervalues Knights' organic growth momentum and impressive acquisition track record. We raise our Fair Value/ share from 255p to 315p, equivalent to 7x cal 2027 EV/EBITDA and 10x cal 2027 PER.

Strategy paying off with 12% organic growth in H226

Over the past five years, Knights' strategy of investing in people, premium offices and technology has led to a doubling of revenues to £208m. Staff are happy (with a high employee net promoter score of +46) and staff churn is a low 10%. This is helping drive organic growth and bodes well for FY27E and beyond. At the same time, FY26 EBITDA and operating profit margins remained high at 24.8% and 19.6%, despite increases in national insurance and investment in AI and technology. We conservatively forecast c.5.5% organic revenue growth driving 8% CAGR in Adj. PBT (FY26-FY29E).

Acquisition integration expertise and a strong balance sheet

Knights' strong culture of entrepreneurial energy, employee cross-sector collaboration and operational and working capital discipline is being increasingly recognised within the legal market. Building on its track record of 29 acquisitions over 14 years, management notes that the "pipeline of opportunities" is the "healthiest" it has seen for some time and that the previously announced discussions with Moore Barlow LLP are continuing to progress.

Trading on only 6x cal 2027 PER; undervalued for its quality growth

Knights' share price has risen 27% since its low in April and yet trades at a significant discount to peers. Offering highly profitable, cashflow generative growth, we see scope for a significant re-rating.

Company data	
EPIC	KGH
Price (last close)	188p
52 weeks Hi/Lo	213p/145p
Market cap	£161m
ED Fair Value / share	315p
Net cash / (debt) 2026	£117m
Avg. daily volume (3m)	183k



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 1,220 fee-earning employees across 29 offices nationwide, Knights offers national scale but with a premium, regional focus. Revenues are diversified across corporate (63%), personal (24%) and specialist legal services (13%) (FY25).

Next event
H127 Trading update Nov 2026 (tbc)

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Key financials & valuation metrics					
Year to 30 April (£m)	2025A	2026A	2027E	2028E	2029E
Revenue	162.0	207.7	221.0	233.1	244.8
Revenue growth (%)	8.0	28.3	6.4	5.5	5.0
Adj. PBT	28.0	33.2	36.4	39.3	42.1
Adj. PBT margin (%)	17.3	16.0	16.5	16.9	17.2
Adj. diluted EPS (p)	22.9	27.1	29.8	32.2	34.4
Dividend per share (p)	4.8	5.6	6.0	6.4	6.9
Free cashflow pre acquisitions*	5.7	25.9	22.0	20.3	24.2
Free cashflow post acquisitions	(24.4)	9.5	14.6	13.3	21.9
Net cash / (debt) /Adj. EBITDA (x)	(2.8)	(2.3)	(2.0)	(1.8)	(1.5)
EV / Sales (x, calendarised)		1.3	1.3	1.2	
PER (x, calendarised)		6.5	6.0	5.6	
Dividend yield (% , calendarised)		3.1	3.3	3.6	
Free cashflow* yield (% , calendarised)		13.8	12.4	13.6	

Note: * pre-acquisition payments, Source: Company data, Equity Development, Priced as at 3/7/26

Knights: Overview of investment attractions

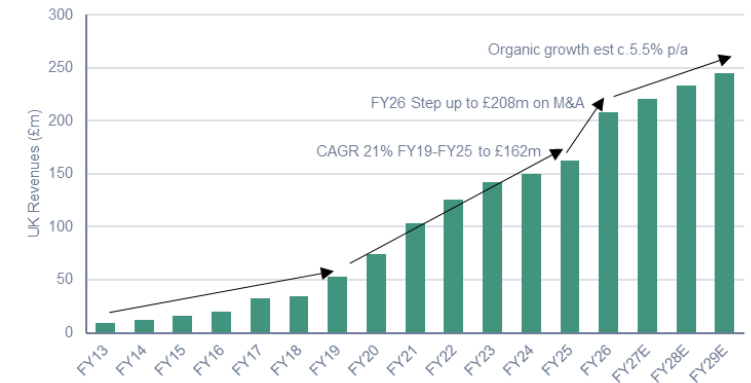
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> • A differentiated business model and impressive growth record with revenues rising from £9m in FY13 to £208m in FY26, a 27% CAGR. • A proven active consolidator in the £3.8bn regional legal market, integrating 29 value-accretive acquisitions 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 £33.2m in FY26, a decade CAGR of 21%. • 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 was 4.7% of revenues in FY26. We forecast a reduction to c.4% by FY29E 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.5.5% organic revenue growth p/a to reach c.£245m in FY29E. 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 8.3% CAGR in Adj. PBT (FY26-FY29E) and free cashflow, pre-acquisitions, of c.£22m p/a. 	<ul style="list-style-type: none"> • Although Knights' share price has risen 74% from its low of 105p in December 2024, 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.25%-40% below its professional services peers (on an average c.6.5x cal 2027 EV/EBITDA and c.10.5x cal 2027 PER). • Reflecting the group's good momentum, we raise our fair value from 255p/share to 315p/share, equating to 7x EV/Adj. EBITDA, c.10x PER, a 7.5% FCF yield (pre-acquisitions) and a 2% dividend yield (all cal 2027E).

A growing regional consolidator in the UK legal market

A unique corporate model attracts local firms to the group

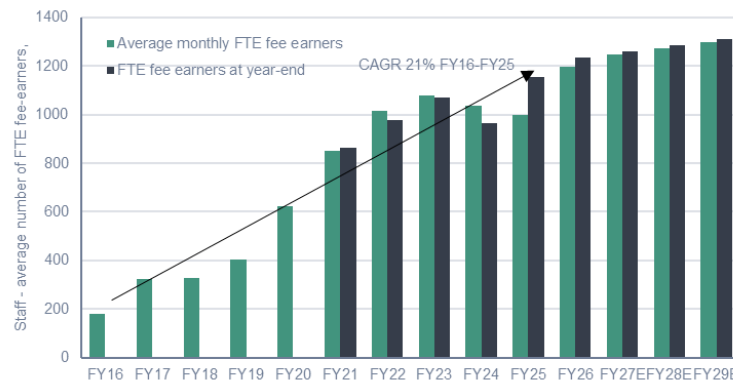
- Knights Group Holdings plc (“Knights”) was bought in 2012 (when it was an LLP) by CEO David Beech and became the first legal firm to offer a different “corporate” model (see [our initiation note](#) for more details).
- Over the past 13 years, the group has grown revenues at an impressive 27% CAGR to reach £208m in FY26 through both organic growth and acquisitions.
- 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 8.3% CAGR in Adj. PBT FY26-FY29E to c.£42m in FY29E, before any additional acquisitions.

An impressive track record of 27% CAGR FY13-FY26



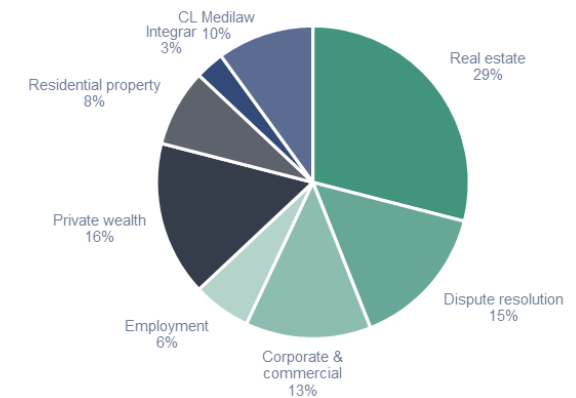
Source: Company data, Equity Development

...driven by 21% CAGR in staff



Source: Company data, Equity Development

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



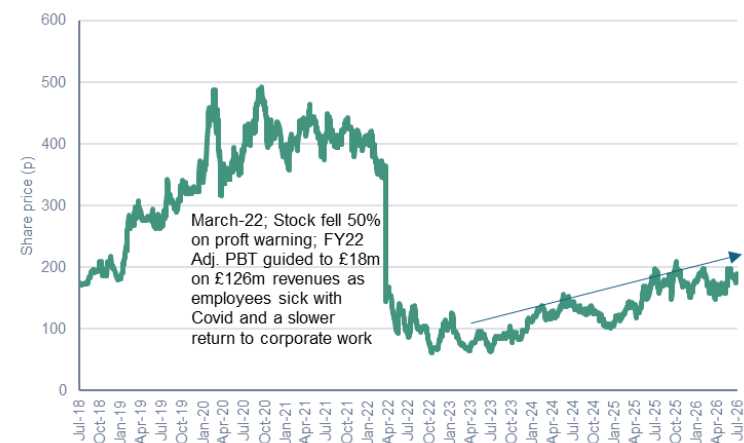
Source: Company data for FY25, Equity Development

An undervalued, profitable and self-funded growth business

Business has recovered but its valuation has not

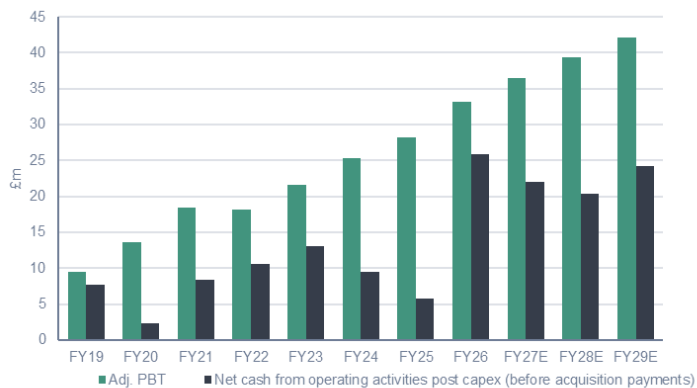
- Knights listed its shares on the AIM market in June 2018 with an IPO price of 180p and is part of the FTSE AIM 50 Index. Its share price reached a high of nearly 500p in 2020 but collapsed over 50% in March 2022 to c.150p from a Covid-induced profit warning (to £18m Adj. PBT in FY22, still a PBT margin 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 188p share price, although up 27% since April, is still at odds with the group's significant growth to Adj. PBT of £33.2m in FY26 (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 4x-16x. We balance several valuation metrics to derive our 315p fair value and see scope for a significant re-rating.

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



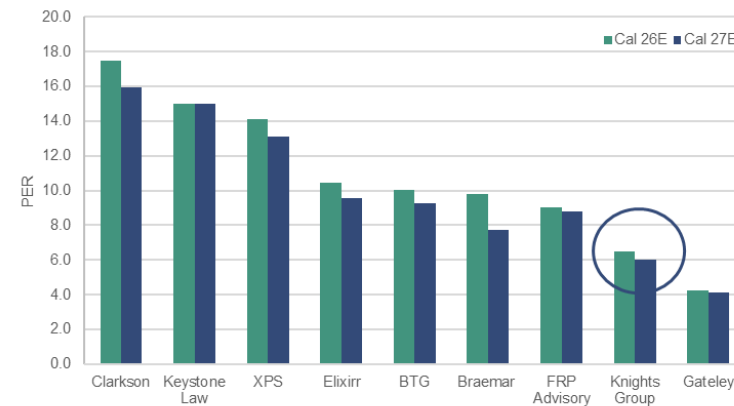
Source: Investing.com, Equity Development

Free cashflow supports acquisitions and dividend growth



Source: Company data, Equity Development

Knights' lowly PER of c.6x cal 2027



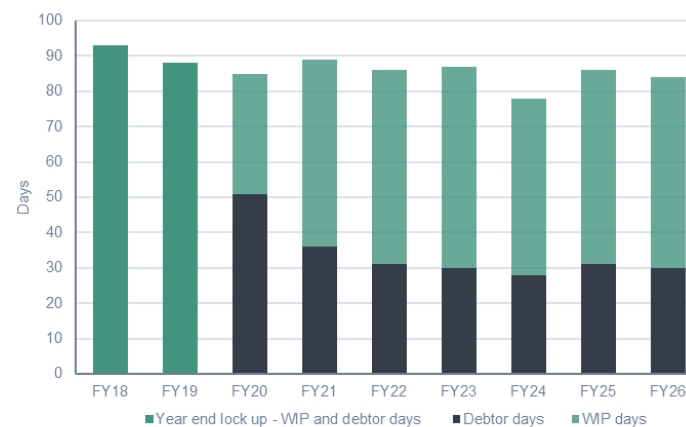
Source: Koyfin for consensus estimates, Equity Development

Cash generative with excellent working capital management

Financial discipline generates cash rewards

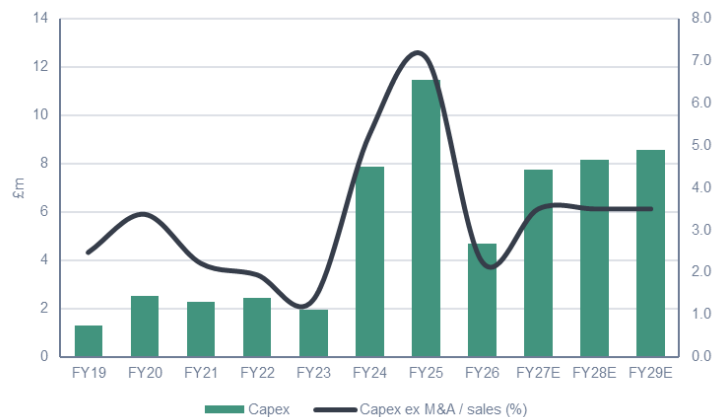
- One of Knights' key competitive advantages is its financial discipline and ability to collect fees in a timely manner. By applying its processes to acquired companies, Knights is able to improve working capital significantly – often halving “lock-up days”.
- By end FY26 WIP days were 54 days (i.e. c.2 months) and debtors' days were an impressively low 30 days (i.e. c.1 month, versus an industry average of c.73). Hence, total “lock up days” were 84 (i.e. 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. FY24 and FY25 saw increase for the £15m office refurbishment and FY26 saw a return to £6m (£4.7m net of disposals). We forecast capex equal to 3.5% of revenues.

Lock up days still consistently low, despite acquisitions



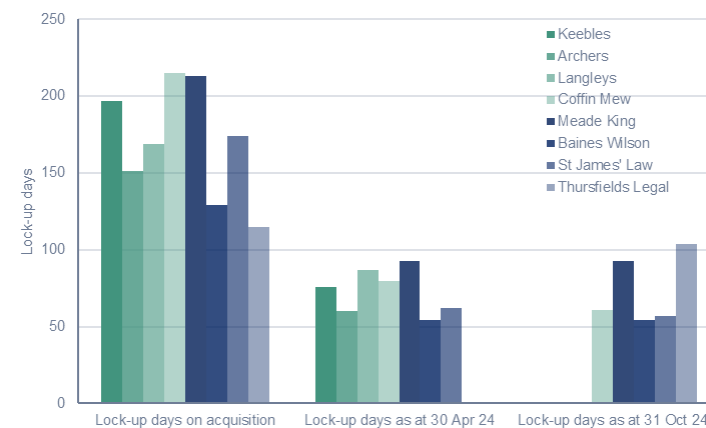
Source: Company data, Equity Development

FY26 Capex drops after office refurbishment completed



Source: Company data, Equity Development

Knights has more than halved lock-up days on acquisitions



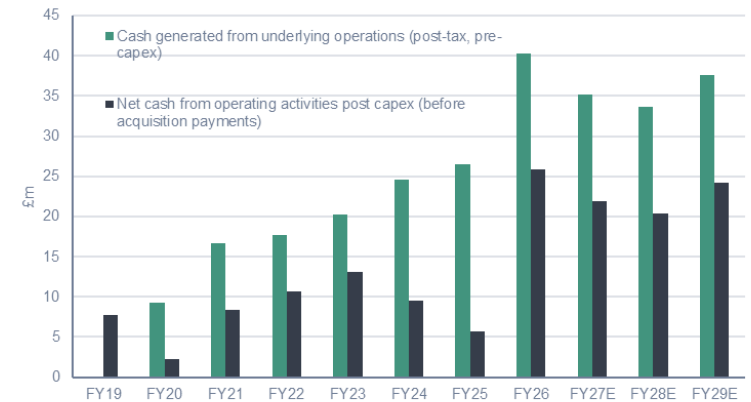
Source: Company data, Equity Development

High cash conversion funding acquisitions and dividends

High cashflow conversion funds growth and dividends

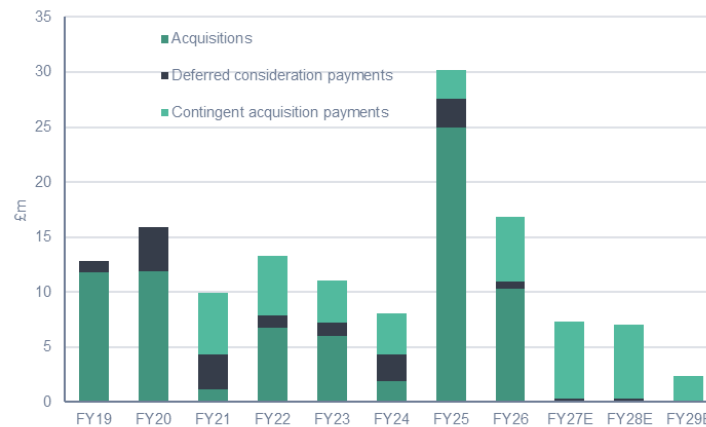
- In FY26, Knights' underlying cashflow conversion rose to a very impressive 163% (from 130% in FY25 and 111% FY19-FY25) based on underlying operating cashflow post tax (pre capex / acquisitions) to underlying PAT.
- This high cashflow generation, together with debt, has funded £175m of capex and acquisitions (FY19-FY26).
- Looking ahead, we forecast cumulative free cashflow, post-tax and £25m capex, of c.£67m over FY27E-FY29E. From this we anticipate c.£17m of acquisition payments (over 3 years) and c.£5m-£6m of dividend payments p/a, leaving c.£30m of cumulative net cashflow FY27E-FY29E.
- As already alluded to, we estimate that each £10m invested could add c.£10m revenues or c.5% revenue growth.

FY26 FCF rises to £26m before £17m acquisition payments



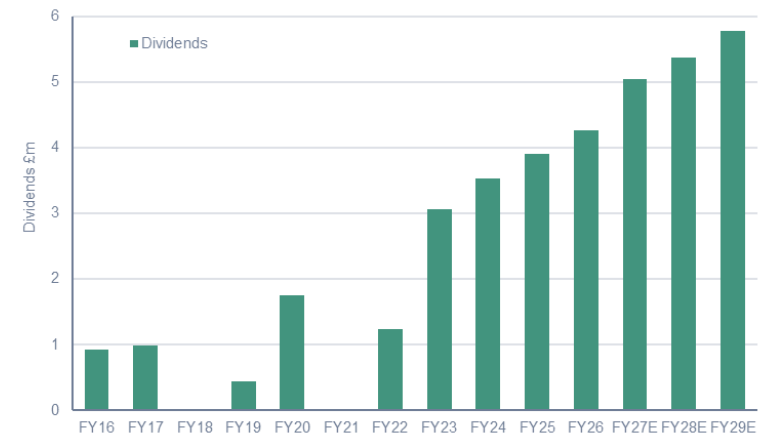
Source: Company data, Equity Development

..and acquisition spend has averaged £18m p/a FY19-FY26



Source: Company data, Equity Development

Dividends anticipated to rise to £5m-£6m p.a.



Source: Company data, Equity Development

Raised Fair value per share of 315p balances undemanding valuation metrics

- Our increased fair value per share of 315p takes into account several valuation metrics and equates to:
 - 1.7x cal 2027 EV / Revenues, reflecting Knights organic growth momentum and acquisition track record;
 - approximately 7x cal 2027 EV/EBITDA, similar to the sector average of c.6.5x, reflecting Knights' progress on reducing its leverage ratios and strong balance sheet with a recently extended RCF facility of £159m to July 2029;
 - approximately 10x cal 2027 PER (adj), similar to the sector average of c.10.5x, reflecting Knights' reduction in the relative size of its future contingent and deferred acquisition payments;
 - a cal 2027 dividend yield of c.2%, lower than the peer group average reflecting Knights' higher investment in growth; and
 - a cal 2027 FCF yield (pre-acquisition payments) of c.8% (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
BTG Consulting	1.1	1.1	5.9	5.5	7.3	6.7	10.0	9.2	4.3	4.3	7.7	9.0
Braemar	0.6	0.5	4.4	3.9	6.5	5.0	9.8	7.7	2.9	2.9	15.9	18.8
Clarkson	1.4	1.4	8.7	7.9	13.1	11.8	17.5	15.9	2.6	2.7	6.8	7.2
Elixirr	2.0	1.8	6.6	6.1	6.8	6.2	10.5	9.6	3.8	4.1	11.2	13.0
FRP Advisory	1.4	1.4	5.3	5.0	6.6	6.3	9.0	8.8	5.2	5.2	8.7	9.0
Gateley	0.5	0.5	3.4	3.2	3.2	2.9	4.3	4.2	18.5	18.5	19.8	23.7
Keystone Law	1.3	1.3	11.3	10.8	11.7	11.0	15.0	15.0	4.6	4.6	5.3	6.7
XPS	2.8	2.6	9.8	9.1	10.1	9.0	14.1	13.1	4.3	4.6	6.9	7.1
Average	1.4	1.3	6.9	6.4	8.2	7.4	11.3	10.4	5.8	5.9	10.3	11.8
Knights at 188p	1.3	1.3	5.2	4.9	4.5	3.1	6.5	6.0	3.0	3.2	11.7	13.3
Knights at 315p FV	1.8	1.7	7.3	6.8	7.6	7.0	10.9	10.1	1.8	1.9	7.0	7.9

*Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end
Source: KoyFin, Equity Development (share prices at 3 July 2026)*

Comparable Company Growth and Margin Metrics

Company	Share price	Market cap	Enterprise Value	2-year CAGR (%) 2025-Cal 2027E				EBITDA margin	PBT margin	Net debt / EBITDA
				Sales	EBITDA	PBT	EPS			
	p	£m	£m					Cal 26, %	Cal 26, %	Cal 26, x
BTG Consulting	117	189	200	7.9	4.6	15.4	9.5	19.4	14.8	0.3
Braemar	238	76	80	4.8	10.5	15.4	23.4	13.0	8.4	0.2
Clarkson	4,474	1,374	1,003	8.1	13.0	25.7	11.8	16.6	15.1	-3.2
Elixirr	690	347	367	15.9	16.8	13.8	10.5	30.0	27.5	0.4
FRP Advisory	115	277	249	8.3	7.8	13.8	8.7	26.8	23.8	-0.6
Gateley	54	73	99	6.1	6.2	16.9	0.0	14.5	11.6	0.9
Keystone Law	539	170	156	5.9	5.0	1.0	0.0	11.9	12.4	-0.9
XPS	321	656	775	6.8	7.2	23.6	6.6	28.7	23.4	1.5
Average				8.0	8.9	15.7	8.8	20.1	17.1	-0.2
Knights	188	119	280	15.5	12.9	4.3	14.2	25.2	16.7	2.3

*Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end
Source: KoyFin, Equity Development (share prices at 3 July 2026)*

Financial Forecast tables

- Knights' reported FY26 results are slightly above the results guided to in May 2026 at the time of the [FY26 trading update](#).
- Hence, we have made a few modest changes to our forecasts to reflect the detailed FY26 results. The final dividend declared of 3.69p was 4.5% ahead of our expectations and leads to a full year dividend of 5.63p, up 17% on FY25. Capital expenditure fell to £6m, further offset by £1.3m of disposal proceeds.

FY26 results marginally ahead of guidance

	2025	Actual/New forecasts			Old forecasts			% change		
		2026A	2027E	2028E	2026E	2027E	2028E	2026A	2027E	2028E
Year-end 30 April (£m)										
Group Revenue	162.0	207.7	221.0	233.1	206.6	218.8	229.7	0.5	1.0	1.5
<i>Revenue growth (%)</i>	8.0	28.3	6.4	5.5	27.6	5.9	5.0			
Adj. EBITDA	42.9	51.5	55.2	58.3	51.3	55.6	59.8	0.4	-0.8	-2.5
<i>Adj. EBITDA margin (%)</i>	26.5	24.8	25.0	25.0	24.8	25.4	26.0			
Adj. PBT	28.0	33.2	36.4	39.3	32.9	36.2	40.1	0.7	0.8	-1.8
<i>Adj. PBT margin (%)</i>	17.3	16.0	16.5	16.9	15.9	16.5	17.4			
Adjusted diluted EPS (p)	22.9	27.1	29.8	32.2	26.9	29.6	32.8	0.6	0.7	-1.9
<i>Adj. EPS growth (%)</i>	8.3	17.4	9.9	7.9	17.7	9.8	10.8			
DPS (p)	4.8	5.6	6.0	6.4	5.4	5.9	6.6	4.5	0.7	-1.9
Capex	11.5	4.7	7.7	8.2	7.2	7.7	8.0	-35.3	1.0	1.5
Free cashflow post capex, pre-acquisitions	5.7	25.9	21.7	20.0	21.1	21.8	21.1	22.9	-0.5	-5.0
Free cashflow post capex, post-acquisitions	(24.4)	9.5	14.3	13.0	4.9	14.4	14.1	92.8	-0.7	-7.5
Net financial cash / (debt)	(64.8)	(65.4)	(57.4)	(51.0)	(65.4)	(57.0)	(49.4)	0.1	0.7	3.2
Total net cash / (debt) incl leases	(119.1)	(116.6)	(109.4)	(103.9)	(120.6)	(113.1)	(106.4)			
Net financial cash / (debt) / Adj. EBITDA (x)	(1.5)	(1.3)	(1.0)	(0.9)	(1.3)	(1.0)	(0.8)			
Total net cash / (debt) / Adj. EBITDA (x)	(2.8)	(2.3)	(2.0)	(1.8)	(2.4)	(2.0)	(1.8)			

Source: Company data, Equity Development

- We also introduce our FY29E forecasts, assuming a continuation of mid-single digit organic growth and a small amount of operating and financial leverage.

Key group growth and margin metrics								
Year-end 30 April	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Organic revenue growth (%)	1.8	-0.2	1.9	-0.3	7.0	5.5	5.5	5.0
Acquired revenue growth (%)	19.9	13.3	3.6	8.3	21.3	0.9	0.0	0.0
Revenue growth (%)	21.7	13.1	5.5	8.0	28.3	6.4	5.5	5.0
Gross profit growth (%)	22.7	11.3	6.2	11.8	27.5	6.6	5.7	5.2
Adj. EBITDA growth (%)	8.0	21.7	15.9	11.0	20.0	7.2	5.7	5.3
Adj. Operating profit (%)	0.9	23.0	19.8	13.0	19.0	7.7	5.9	5.3
Adj. PBT growth (%)	-1.6	19.0	17.4	10.6	17.6	9.9	7.9	7.0
Adj. EPS growth (%)	-1.2	3.1	5.8	8.3	17.4	9.9	7.9	7.0
DPS growth (%)	n/a	15.1	9.4	9.1	17.0	5.9	7.9	7.0
Gross profit margin (%)	49.3	48.5	48.8	50.5	50.2	50.3	50.4	50.5
Adj. EBITDA margin (%)	21.8	23.5	25.8	26.5	24.8	25.0	25.0	25.1
Adj. Operating margin (%)	16.3	17.7	20.1	21.0	19.6	19.9	20.0	20.0
Adj. PBT margin (%)	14.4	15.2	16.9	17.3	16.0	16.5	16.9	17.2
Fee earner costs as a % of revenues	50.7	51.5	51.2	49.5	49.8	49.7	49.6	49.5
Other staff costs as a % of revenues	10.5	10.7	10.8	10.8	11.0	10.8	10.7	10.6
Staff costs (adj.) as a % of revenues	61.2	62.2	62.0	60.3	60.8	60.5	60.3	60.1
Op costs excl D&A /sales (%)	17.6	18.7	18.8	18.4	18.9	18.9	18.8	18.7
Tax rate (adj.) (%)	10.1	19.9	26.1	26.6	25.6	25.6	25.6	25.6

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)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Group revenue	125.6	142.1	150.0	162.0	207.7	221.0	233.1	244.8
Direct (fee-earner) costs	(63.7)	(73.2)	(76.8)	(80.2)	(103.4)	(109.8)	(115.6)	(121.2)
Gross profit	61.9	68.9	73.2	81.8	104.3	111.2	117.5	123.6
Other income and interest revenue	1.3	6.7	10.4	9.6	10.8	11.2	11.2	11.2
Operating (other staff) costs, Adj. ex D&A	(22.1)	(26.5)	(28.2)	(29.8)	(39.3)	(41.8)	(43.8)	(45.8)
Adj. EBITDA	27.4	33.4	38.7	42.9	51.5	55.2	58.3	61.4
Depreciation of PPE	(2.0)	(2.4)	(2.7)	(3.3)	(4.9)	(5.1)	(5.6)	(6.1)
Depreciation of ROUA	(4.8)	(5.7)	(5.6)	(5.2)	(5.8)	(6.0)	(6.2)	(6.3)
Amortisation	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	0.0	0.0
Depreciation & amortisation	(7.0)	(8.2)	(8.5)	(8.6)	(10.7)	(11.2)	(11.8)	(12.4)
Adj. Operating profit	20.5	25.2	30.2	34.3	40.8	43.9	46.5	49.0
Share of joint ventures					0.8	0.8	0.8	0.8
Interest on financial debt	(1.0)	(2.1)	(3.4)	(4.1)	(5.5)	(5.5)	(5.2)	(4.8)
Interest on lease liabilities	(1.4)	(1.5)	(1.5)	(2.2)	(2.9)	(2.8)	(2.8)	(2.9)
Other finance costs	0.0	0.1	0.1					
Interest receivable & other		0.0	0.0	0.3				
Finance costs	(2.3)	(3.6)	(4.9)	(6.1)	(8.4)	(8.3)	(8.0)	(7.7)
Adj. PBT	18.1	21.6	25.3	28.2	33.2	36.4	39.3	42.1

Source: Company data, Equity Development

Income statement: Adjusted PBT to EPS

Year-end 30 April (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Adj. PBT	18.1	21.6	25.3	28.2	33.2	36.4	39.3	42.1
Amortisation of acquired intangible assets	(3.8)	(3.4)	(3.6)	(4.0)	(5.3)	(5.3)	(5.3)	(5.3)
Contingent acquisition payments	(6.3)	(4.4)	(2.8)	(3.8)	(8.1)	(7.6)	(6.6)	(2.4)
Transaction costs	(1.0)	(1.0)	(1.5)	(2.0)	(3.5)	0.0	0.0	0.0
Redundancy and reorganisation staff costs	(2.1)	(1.4)	(1.3)	(2.5)	(2.0)	0.0	0.0	0.0
Loss/profit/impairment of assets/ROUA	(3.5)	(0.3)	(1.0)	(2.1)	(4.1)			
Share based payments	(0.4)				(0.0)			
Other		(0.0)	(0.0)	(1.1)	0.4			
Non underlying operating costs	(13.3)	(7.1)	(6.6)	(11.5)	(17.3)	(7.6)	(6.6)	(2.4)
Non underlying finance costs	0.0	(0.2)	(0.3)	(0.2)	(0.4)			
Non-underlying costs	(17.1)	(10.7)	(10.5)	(15.7)	(23.0)	(12.9)	(11.9)	(7.7)
PBT	1.1	10.9	14.8	12.3	10.1	23.6	27.5	34.4
Adj tax	(1.8)	(4.3)	(6.6)	(7.4)	(8.5)	(9.3)	(10.1)	(10.8)
Non-underlying tax	(1.7)	0.7	1.6	2.7	3.0	1.7	1.5	1.0
Tax	(3.6)	(3.6)	(5.0)	(4.7)	(5.5)	(7.7)	(8.5)	(9.8)
Adj. PAT	16.3	17.3	18.7	20.6	24.7	27.1	29.3	31.3
Reported PAT	-2.5	7.3	9.8	7.6	4.6	15.9	18.9	24.6
No of f/d shares (m)	84.1	86.5	88.6	89.8	91.0	91.0	91.0	91.0
Adjusted diluted EPS (p)	19.4	20.0	21.1	22.9	27.1	29.8	32.2	34.4
DPS (p)	3.5	4.0	4.4	4.8	5.6	6.0	6.4	6.9

Source: Company data, Equity Development

Cashflow statement								
Year-end 30 April (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Adj. EBITDA	27.4	33.4	38.7	42.9	51.5	55.2	58.3	61.4
Share based payments charge	0.8	1.2	1.1	1.2	1.3	1.4	1.5	1.6
Working capital movement	(2.5)	(5.2)	(3.5)	(5.1)	2.4	(4.9)	(8.6)	(6.4)
Tax paid	(4.1)	(2.4)	(5.4)	(5.8)	(6.2)	(7.7)	(8.5)	(9.8)
Interest paid on lease liabilities	(1.1)	(1.5)	(1.5)	(2.3)	(2.4)	(2.8)	(2.8)	(2.9)
Lease payments (principal)	(2.8)	(5.2)	(4.7)	(4.5)	(4.7)	(6.0)	(6.2)	(6.3)
Net cash from underlying op. activities	17.7	20.3	24.6	26.5	41.8	35.2	33.6	37.6
<i>Underlying cash conversion as a % of PAT</i>	<i>109</i>	<i>117</i>	<i>131</i>	<i>130</i>	<i>163</i>	<i>130</i>	<i>115</i>	<i>120</i>
Net financial interest paid	(1.0)	(2.1)	(3.0)	(3.9)	(6.1)	(5.5)	(5.2)	(4.8)
Non-underlying cash costs	(3.7)	(3.1)	(4.2)	(5.4)	(5.1)	0.0	0.0	0.0
Capex	(2.4)	(1.9)	(7.9)	(11.5)	(4.7)	(7.7)	(8.2)	(8.6)
Net cashflow pre acquisition payments	10.7	13.1	9.5	5.7	25.9	22.0	20.3	24.2
Contingent acquisition payments	(5.4)	(3.9)	(3.7)	(2.6)	(5.9)	(7.1)	(6.7)	(2.4)
Deferred acquisition payments	(1.1)	(1.2)	(2.4)	(2.6)	(0.6)	(0.3)	(0.3)	0.0
Acquisition costs	(6.8)	(6.0)	(1.9)	(25.0)	(10.3)			
...Net cash/debt acquired	(2.9)	(0.7)	(0.8)					
Acquisition consideration payments	(16.2)	(11.8)	(8.9)	(30.2)	(16.8)	(7.4)	(7.0)	(2.4)
Investment in joint venture			(2.6)					
Disposal of subsidiaries / discontinued ops		(1.1)			0.4			
Free cashflow post acquisitions	(5.5)	0.2	(1.9)	(24.4)	9.5	14.6	13.3	21.9
Dividends	(1.2)	(3.1)	(3.5)	(3.9)	(4.3)	(5.0)	(5.4)	(5.8)
Share buy backs / equity issues				(0.6)	(1.2)	(1.2)	(1.2)	(1.2)
Net cashflow	(6.8)	(2.8)	(5.4)	(28.9)	4.0	8.4	6.7	14.9

Source: Company data, Equity Development

Capex and acquisition metrics

Year-end 30 April (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Capex	2.4	1.9	7.9	11.5	4.7	7.7	8.2	8.6
All acquisition payments	16.2	11.8	8.9	30.2	16.8	7.4	7.0	2.4
Capex & acquisition spend	18.6	13.7	16.8	41.6	21.5	15.1	15.2	10.9
Capex / revenues (%)	1.9	1.4	5.3	7.1	2.3	3.5	3.5	3.5
Acquisition spend / revenues (%)	12.9	8.3	5.9	18.6	8.1	3.3	3.0	1.0
Capex & acquisitions / revenues (%)	14.8	9.7	11.2	25.7	10.4	6.8	6.5	4.5

Source: Company data, Equity Development

Working capital metrics

Year-end 30 April (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Debtor days	31	30	28	31	30			
WIP days	55	57	50	55	54			
Year end lock up - WIP and debtor days	86	87	78	86	84			
Total lock-up days, no exclusions	103	105	116	113				
Contract assets % of RRR	25.3	26.9	26.8	28.2	26.1	26.1	26.1	26.1
Trade and other receivables % of RRR	27.2	22.0	22.0	22.3	21.1	21.0	20.9	20.8
Trade and other payables % of RRR	-17.2	-14.8	-13.4	-14.8	-17.1	-16.6	-14.4	-13.3
Working capital % of RRR	35.2	34.1	35.4	35.7	30.1	30.5	32.6	33.7
Working capital outflow as a % of RRR	-2.0	-3.6	-2.3	-2.8	1.1	-2.2	-3.7	-2.6

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)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Gross financial debt	(33.2)	(33.3)	(40.6)	(70.7)	(71.5)	(71.5)	(71.5)	(71.5)
Net cash	4.1	4.0	5.5	5.9	6.0	14.4	21.1	36.0
Net financial cash / (debt)	(29.1)	(29.2)	(35.2)	(64.8)	(65.4)	(57.1)	(50.4)	(35.5)
Leases	(46.5)	(44.9)	(40.6)	(54.3)	(51.1)	(52.0)	(52.9)	(53.8)
Total net cash /(debt) incl leases	(75.6)	(74.1)	(75.7)	(119.1)	(116.6)	(109.1)	(103.3)	(89.4)
Net financial cash / (debt) / Adj. EBITDA (x)	(1.1)	(0.9)	(0.9)	(1.5)	1.3	1.0	0.9	0.6
Total net cash / (debt) / Adj. EBITDA (x)	(2.8)	(2.2)	(2.0)	(2.8)	2.3	2.0	1.8	1.5

Source: Company data, Equity Development

Balance sheet: Assets

Year-end 30 April (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Property, plant and equipment	10.2	10.0	14.9	23.7	25.4	28.0	30.6	33.0
Right of use assets	40.7	38.2	34.0	46.6	42.1	43.0	43.9	44.8
Intangible assets incl goodwill	82.2	88.0	86.9	105.9	112.2	106.8	101.6	96.3
Other financial assets	1.1	1.7	4.2	3.3	1.6	1.6	1.6	1.6
Non-current assets	134.2	137.9	140.0	179.5	181.3	179.5	177.7	175.8
Contract assets (unbilled income)	31.8	38.2	40.2	51.0	54.3	57.7	60.9	63.9
Trade and other receivables	32.3	31.1	32.8	39.6	43.6	46.2	48.5	50.8
Other financial assets	1.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4
Current tax assets	1.8	0.2	0.3	0.9	0.2	0.2	0.2	0.2
Cash & cash equivalents	4.1	4.0	5.5	5.9	6.0	14.4	21.1	36.0
Assets held for sale				1.3	0.1	0.1	0.1	0.1
Current assets	71.3	73.8	79.1	99.0	104.6	118.9	131.2	151.4

Source: Company data, Equity Development

Balance sheet: Liabilities								
Year-end 30 April (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Bank overdraft & s/t loans	(0.4)	(0.2)	(0.5)	(0.9)	(0.3)	(0.3)	(0.3)	(0.3)
Lease liabilities	(5.3)	(6.3)	(5.2)	(5.7)	(6.0)	(6.0)	(6.0)	(6.0)
Trade payables and other liabilities	(21.4)	(20.8)	(19.9)	(26.7)	(35.4)	(36.6)	(33.5)	(32.4)
Deferred consideration	(1.2)	(2.4)	(2.6)	(0.6)	(0.9)	(0.9)	(0.9)	(0.9)
Contract liabilities	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Provisions	(1.8)	(2.3)	(2.3)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)
Other incl liabilities held for sale	(0.4)			(0.9)	0.0	0.0	0.0	0.0
Current liabilities	(30.7)	(32.3)	(30.7)	(38.5)	(46.3)	(47.5)	(44.4)	(43.3)
Capital employed	174.7	179.4	188.4	240.0	239.6	251.0	264.5	283.9
Bank borrowings	(32.8)	(33.1)	(40.1)	(69.8)	(71.2)	(71.2)	(71.2)	(71.2)
Lease liabilities	(41.2)	(38.6)	(35.4)	(48.6)	(45.2)	(46.1)	(47.0)	(47.9)
Deferred tax liabilities	(8.3)	(8.4)	(8.3)	(11.2)	(10.6)	(10.6)	(10.6)	(10.6)
Provisions	(4.3)	(4.1)	(4.0)	(5.4)	(5.9)	(5.9)	(5.9)	(5.9)
Deferred consideration	(2.4)	(2.5)	(0.4)	(0.6)	(1.6)	(1.3)	(1.0)	(1.0)
Non-current liabilities	(89.1)	(86.6)	(88.1)	(135.6)	(134.5)	(135.1)	(135.7)	(136.6)
Net assets	85.6	92.8	100.3	104.5	105.1	115.9	128.8	147.3
Shareholders' funds	85.6	92.8	100.3	104.4	105.1	115.9	128.8	147.3

Source: Company data, Equity Development

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