McBride plc

15 September 2026

Strategic strength; macro-economic uncertainty

McBride's FY26 Adj. EBITDA of £80m and Adj. PBT of c.£49m have come in c.2% above recently revised estimates, evidence of the group's resilience, market leadership and strategy. Looking ahead, volumes in early FY27E are in-line with management's expectations, but raw material costs are likely to rise further as geo-political tensions continue. Management is ready to mitigate inflation but in the meantime the group's strategic acquisition of Eurotab and its significant contract manufacturing partnership with Vestacy illustrate the group's multiple levers for growth. Trading on only 7.5x our cal 2027 EPS, we believe McBride's rating materially undervalues the group's high 27% ROCE. We reiterate our 265p Fair Value, equating to c.10x cal 2027 PER.

FY26 Adj. PBT £49m, slightly above tempered guidance

McBride warned in June that the Middle East conflict has led to sustained inflation in some of its raw materials that have caused a temporary pricing lag. As a result, Adj. PBT fell 6% to £48.8m on 0.4% volume growth from private label, but this was slightly ahead of our £48.0m forecast.

Market leader strength with Eurotab acquisition and Vestacy partnership

Whilst the macro-economic situation has been a headwind, McBride's strategic momentum has continued with product innovation and structural cost savings. Its Transformation program has delivered over £15m cumulative net benefits in FY26 and is on track for £50m by 2028. In addition, McBride acquired Eurotab in April for €40m and announced a £170m contract manufacturing partnership with Vestacy in August, both of which are earnings enhancing.

Current trading in-line with expectations; Fair Value retained at 265p

Management comments that volumes in early FY27E are in line with their expectations, but that with volatile oil prices impacting raw material prices it seems "further price rises [are] increasingly likely". The group is ready to react to pass on higher input costs and so, for now, in anticipation of a small time lag we reduce our FY27E Adj. PBT by c.2% and forecast broadly stable Adj. PBT. With market leadership strength and a robust balance sheet we retain our recently raised 265p Fair Value per share, equivalent to c.10x cal 2027 PER.

Key financials & valuation metrics

Year to 30 June (£m)	2025	2026	2027E	2028E	2029E
Revenue	926.5	934.2	1,035.5	1,159.5	1,221.2
Revenue growth (%)	*-0.9*	*0.8*	*10.8*	*12.0*	*5.3*
Adj. PBT	54.9	48.8	48.6	65.7	74.5
Adj. PBT margin (%)	*5.9*	*5.2*	*4.7*	*5.7*	*6.1*
Adj. diluted EPS (p)	21.1	20.6	21.6	29.6	32.4
Dividend per share (p)	3.0	3.1	3.3	4.4	4.9
Adj. operating free cashflow	93.9	56.7	69.2	99.1	108.1
Free cashflow	28.9	(2.0)	(35.3)	26.7	29.8
Net cash / (debt) /Adj. EBITDA (x)	(1.2)	(1.5)	(2.1)	(1.5)	(1.3)
EV / Sales (x, calendarised)		0.5	0.4	0.4	
PER (x, calendarised)		9.1	7.5	6.2	
Dividend yield (%, calendarised)		1.7	2.0	2.4	
Free cashflow yield (%, calendarised)		-0.4	3.8	8.3	

Source: Company data, Equity Development, Priced as at 14th Sept 2026

Company data

EPIC	MCB
Price (last close)	192p
52 weeks Hi/Lo	212p/106p
Market cap	£325m
ED Fair Value / share	265p
Net cash / (debt) 2026	£(123m)
Avg. daily volume (3m)	210k

Share price, p

Source: Investing.com

Description

McBride plc ("McBride") is the European market leader in private label and contract manufactured household cleaning products.

It manufactures from 17 factories (including 3 acquired with Eurotab): 15 across Europe and one each in Malaysia and Vietnam. McBride supplies 90% of the top 50 European grocery retailers, generating £934m revenues in FY26.

Next event

AGM November 2026 (tbc)

H127 trading update January 2027 (tbc)

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Overview of McBride's investment attractions

Investment Highlights

- McBride is the European market leader in private label household cleaning products with a c.30% market share, c. 2x its nearest competitor. The company is proud of its reputation for expertly making everyday value cleaning products.
- The group has recovered from unprecedented high-cost inflation in 2022 and grown revenues to over £930m and adj. operating profits to of c.£60m+, a 6%-7% margin (FY24-FY26).
- Private-label penetration of the European market has stabilised at c.35% of volumes but there are growth opportunities for McBride from product innovation, winning new contracts and building share in certain product markets (e.g. Laundry) and geographies (e.g. Germany and Spain).
- McBride has a strong focus on sustainability and innovation to reduce carbon and non-recyclable packaging. As such, McBride is the only major private label players signed up to science-based targets ("SBT").

Risk Factors

- Rapid high-cost inflation, though having been through this in 2022 and introduced input cost hedges and quarterly pricing reviews there would be less of a time lag between passing cost inflation on in prices now (i.e. 3 months).
- Irrational competitive pricing behaviour, from either branded producers or smaller private label producers.
- Loss of a major contract with a large supermarket chain (though McBride has over 150 customers and the top 10 customers account for only 54% of revenues).
- Supply chain disruption, leading to a drop in customer service levels ("CSL") though having 17 factories across Europe and Asia diversifies this risk.
- Technology disruption, though the roll out of the latest ERP software is progressing to plan.
- Brand reputation risk, for product health or sustainability issues or other reasons.

Forecast Drivers

- The group's tailored divisional strategies underpin our group organic revenue growth of 1%-2% FY26E-FY28E which is a mix of volume growth and price investment/product mix. Eurotab adds c.6% in FY27E and Vestacy adds c. 16% by FY29E.
- Management's Transformation and Excellence programme to save £50m over 5 years, leading to annualised £15m cost savings in FY26, is back-end weighted to FY27E/FY28E. We forecast this will help offset cost headwinds and lead to a c.6%-7% op. margin FY26E-FY28E.
- We forecast high conversion of Adj. EBITDA to adj. operating free cashflow of £70m-£110m (FY27E-FY29E). This funds capex of c.£30m-£40m p/a, the reinstated dividend, a £20m share buy-back, the acquisition of Eurotab (£34.5m) and investment in the Vestacy partnership (£17m).

Valuation Overview

- Despite having rallied 15% in recent weeks, McBride is trading on only 0.4x EV/Revenues, 4.7x EV / Adj. EBITDA and c.7.5x Adj. PER (our forecasts, all Calendar 2027E – "cal 2027E") and offers a c.9% FCF yield (cal 2028E), despite offering a high Adj. ROCE (25%-30%).
- This is at the low end of McBride's historic trading range (average PER 13.6x for 2019-2024 excluding 2021/2022 losses) and is significantly lower than other consumer stocks. We expect McBride to rerate as investor confidence in sustaining and growing Adj. EBITDA margins increases (noting cost increases).
- As McBride has no direct comparable companies we take a wide basket of 16 consumer stocks, split into three groups, and conclude McBride's current fair value should at least equate to c.5x EV/EBITDA and 10x PER (cal 2027).

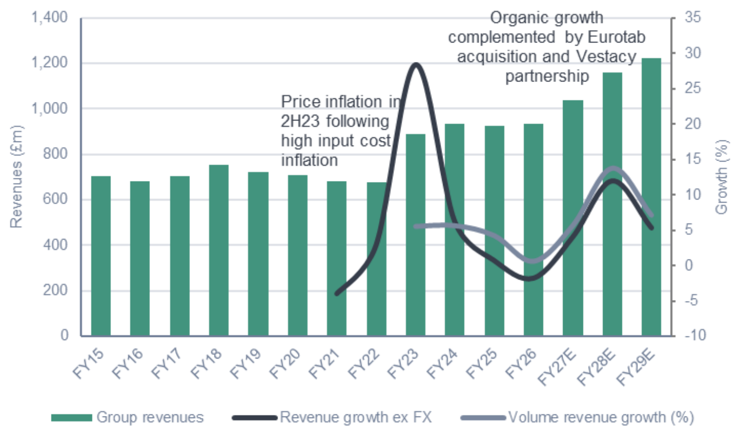
Hence, we reiterate our Fair Value of 265p per share.

Highlights from FY26 results: resilient multi-product, multi-geography revenues

Product innovation supporting business wins

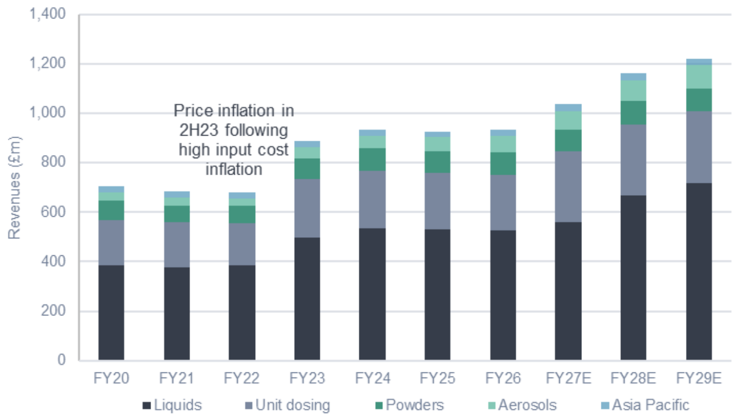
- FY26 revenues rose 0.8% to £934.2m but fell 1.8% in constant currency terms as 0.4% volume growth from private label was offset by softer demand in contract manufacturing.
- Overall, management is pleased with the level of product innovation such as in highly concentrated dishwash tablets and in "quick-wash" laundry liquids.
- By division, Liquids revenues fell 0.7%, partly hit by short-term service challenges in the UK and Italy, and unit-dosing revenues fell 1.1%, despite 0.7% growth in private label. But this was offset by growth in Powders (+3.7%), Aerosols (+14.3%, boosted by new contract wins in Germany) and Asia-Pacific (+9.7%).

Resilient revenues in FY26 of £934m; +0.8%



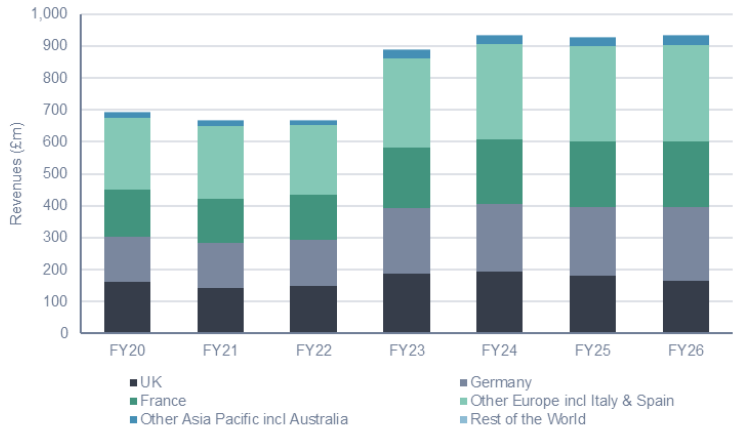
Source: Company data, Equity Development

Growth in Aerosols, Powders offset weakness in Liquids



Source: Company data, Equity Development

Weakness in the UK (-7%) offset by 6% growth in Germany



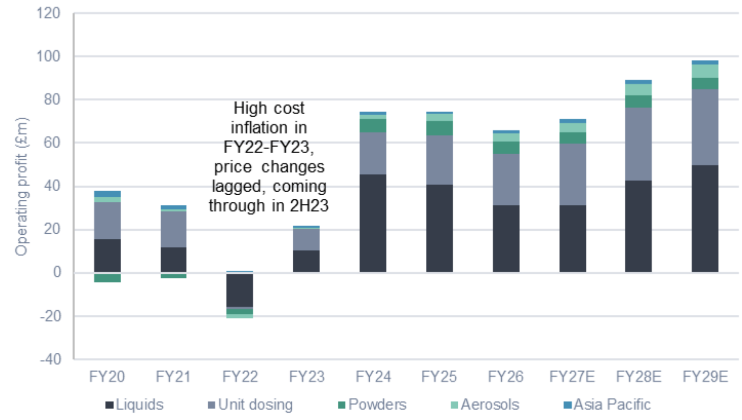
Source: Company data, Equity Development

Highlights from FY26 results: 6.3% adj. operating margin despite cost headwinds

Geo-political tensions impacting input costs and profits

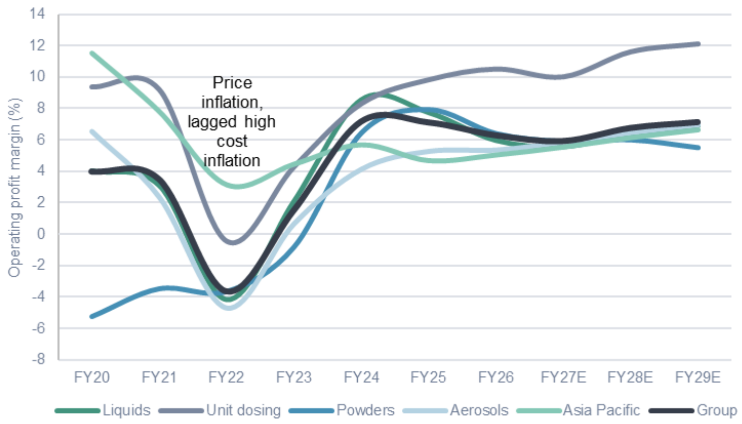
- FY26 Adj. operating profit fell 7% to £59m, -9% at constant exchange rates. As a result, Adj. operating margin contracted 120bps to 6.3%. This is mostly due to the 4Q pricing lag as input costs increased due to rising oil prices.
- Having faced high-cost inflation in FY22-FY23; McBride now has quarterly pricing reviews and so input price rises are passed on far more quickly now.
- Liquids was the division hit hardest with its operating margin falling 300bps to 5.3% in H226 (also in part due to some one-off gains in FY25).
- Nevertheless, the cumulative net benefits of the Transformation program reached £15m in FY26 and McBride is on track for £50m net benefits by 2028.
- At this stage, management expects adj. operating margins to recover during Q227, after price increases and subject to input cost changes.

FY26 Adj. operating profit falls 7% to £59m on pricing lag



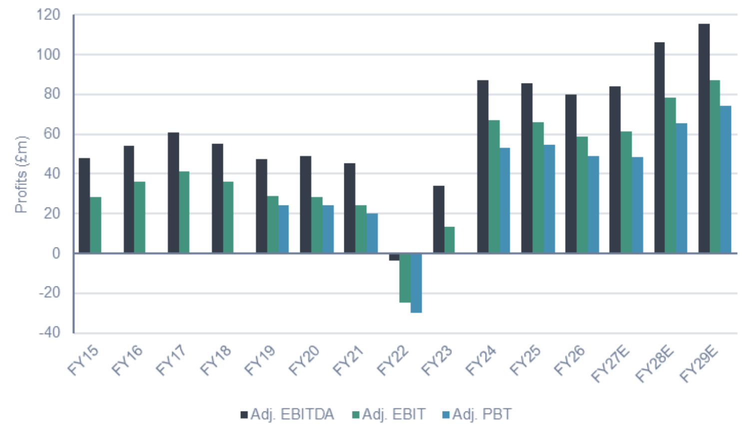
Source: Company data, Equity Development

Divisional adj. operating margins towards c.6%



Source: Company data, Equity Development

Step change in profitability maintained for 3 years



Source: Company data, Equity Development

Growth levers: strategically important acquisition of Eurotab group…

A complementary and strategically aligned acquisition…

- In line with its growth strategy, McBride has announced a binding offer for Eurotab Group ("Eurotab"), a leading privately-owned manufacturer of cleaning "solid-format" tablets including dishwashing tablets, using precision powder compaction technology. The group also manufactures moisture absorbing solutions and disinfecting bleach tablets.
- Operating its two main specialised factories in France and a smaller one in Turkey, Eurotab will strengthen McBride's position as a leading European detergent producer by expanding product lines, deepening customer relationships and adding new markets.
- In addition, Eurotab has free production capacity that will help address McBride's capacity constraints within McBride's highly profitable unit dosing division. This will support future growth (with lower capex requirements) and enhance security of supply and customer service levels.

A market leader in cleaning tablets

Source: Company data, Equity Development

…at an attractive €40m price, just 0.6x EV/Revenues…

- The anticipated purchase price is €38.2m, dependent on Eurotab's closing 12-month EBITDA at completion, plus €1.8m for acquired tax losses (which are much higher).
- For the year-ended 30 June 2026, Eurotab is expected to report €65m revenue implying an EV/Revenue multiple of 0.6x.
- For more detail see our report: A strategic earnings-accretive acquisition.

Source: Company data, Equity Development

…and 3.1x EBITDA post synergies

- The expected purchase price (€38.2m) also represents an underlying EBITDA multiple of 5.2x (implying EBITDA of c.€7.3m and EBITDA margin of 11.2%) or 4.6x net of the value of acquired tax losses which the Group expects to use over time.
- What's more, the total acquisition price is only c. 3.1x EBITDA post synergies, suggesting EBITDA of up to €13m or £11m by FY29E. We estimate the synergies will accrue over 3 years, with more in FY28E and FY29E.

Source: Company data, Equity Development

…and a strategically important partnership with Vestacy

A transformational business win

- In line with its growth strategy, McBride has announced it has secured two long-term (5-8 year) contract manufacturing agreements with E.H. Group B.V. (Vestacy).
- McBride will manufacture a variety of household products which are currently produced by a third-party supplier for Vestacy and are focused on the laundry markets (a strategic priority for McBride). Calgon is the leading water softener for washing machines and Woolite is a leading laundry brand for wools.
- McBride will also acquire two dedicated manufacturing facilities in Spain and Portugal for a nominal consideration and produce from several of its own European sites, to optimise efficiency and product travel times.

Market-leading brands across several categories

Source: Company data

Vestacy, owned by Advent International, ex Reckitt

- Vestacy was born out of the disposal by Reckitt Benckiser Group plc ("Reckitt") of its "Essential Home" business to private equity investor Advent International, L.P. in July 2025, for up to US$4.8bn (of which up to $1.3bn was deferred and contingent consideration). Reckitt continues to own 30%.
- The two factories in Granollers (Spain) and Porto Alto (Portugal) are expected to transfer to McBride in early calendar 2027 and the new capacity across the other McBride sites is expected to be fully operational in early calendar 2028.

Partnership funded by both parties

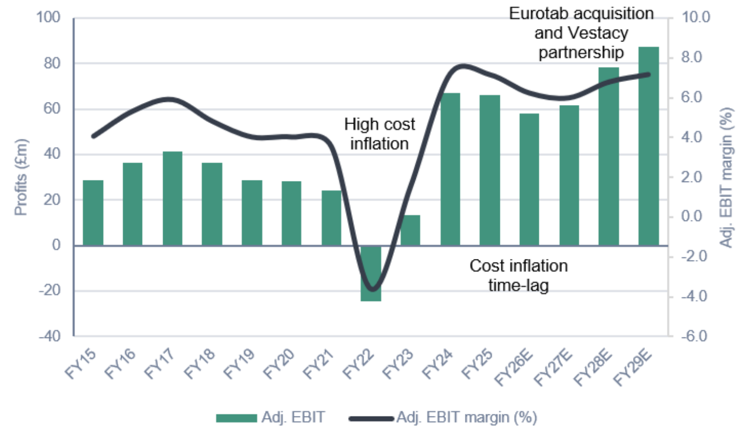
- Vestacy will fund most of the additional equipment required for capacity needs across the McBride production network, totalling £34m (€40m) which minimises the upfront capital requirement for McBride.
- McBride will fund c.£12m (€14m) transition and project costs (FY26E-FY28E with most falling in FY27E) and c.£5m specific capex over FY27E-FY28E, with most falling in FY28E.
- For more detail see our report: Strategic partnership drives FY29E PBT uplift.

Why invest? A profitable and cashflow generative market leader in private label household cleaning

Over 8% Adj. EBITDA margin driving cashflow

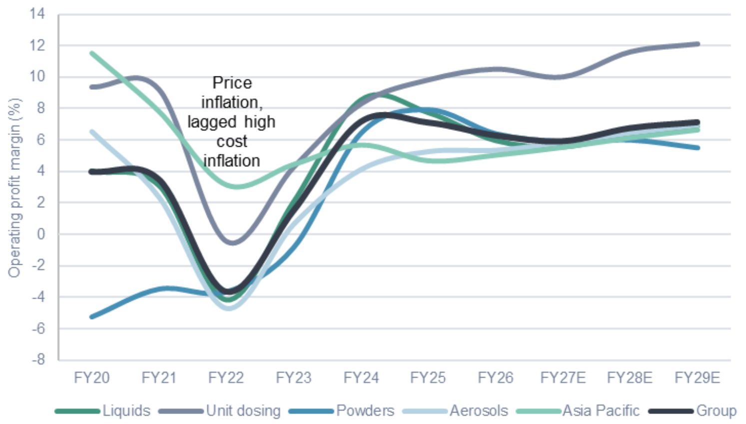
- McBride's robust business model has generated revenues of over £900m and adj. operating profits of c.£60m-£65m for three years now – a step change from FY15-FY21.
- The company's "Compass" strategy for each of its five divisions and its Transformation and Excellence cost saving plans, backed by investment in technology and data, have already yielded results, with more to come.
- We forecast c.80%-95% conversion from Adj. EBITDA to adj. operating cashflow of £70m-£110m p/a (FY27E-FY29E) allowing for c.£30m-£40m capex investment p/a, the return of dividends, share buybacks and acquisitions.

Growing from a new level of c.£60m Adj. operating profit



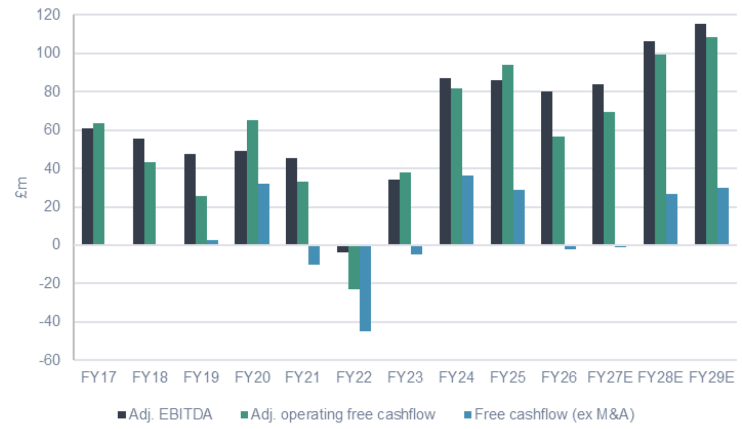
Source: Company data, Equity Development

Tailored divisional strategies driving higher profit margins



Source: Company data, Equity Development

Very high conversion of profits to adj. operating cash



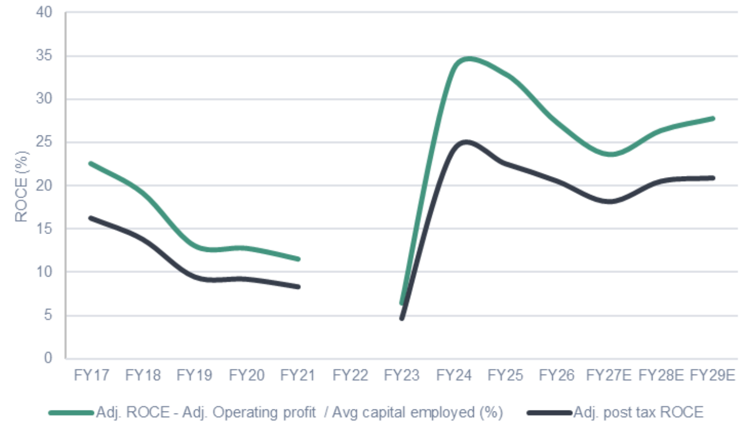
Source: Company data, Equity Development

An underrated business with high returns

Rating significantly below our 265p/share fair value

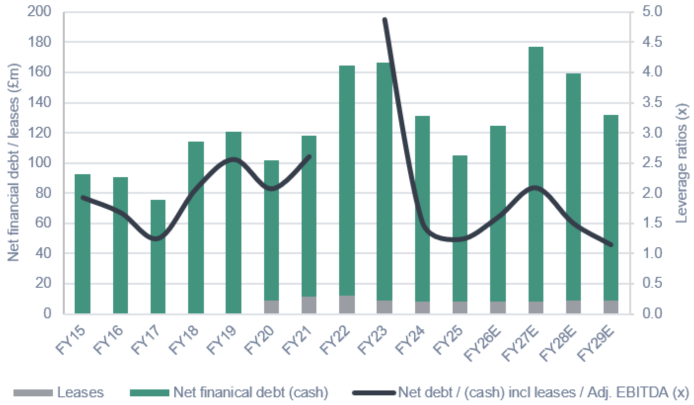
- With the recovery in profits, alongside strategic investment in facilities, technology, partnerships and acquisitions, has come a step change in return on capital employed (“ROCE”) to above 25%+ (adj. operating profits / adj. capital employed; management’s internal target is 25%; FY26 27%). Even with the cost increases and time-lag we forecast c.28% ROCE by FY29E.
- Yet despite improving profitability, reinstating a dividend and announcing a £20m share buy-back, along with the Eurotab acquisition and Vestacy partnership, McBride trades on 0.4x cal 2027 EV/Revenues and c.7.5x cal 2027 PER.
- Our Fair Value of 265p per share (raised in August) equates to undemanding valuation multiples of 0.5x EV/Revenues, c.6x EV/Adj. EBITDA, c.10x PER (all cal 2027) and c.6% FCF yield in cal 2028.

Adj. ROCE forecast build to 28%, above 25% target



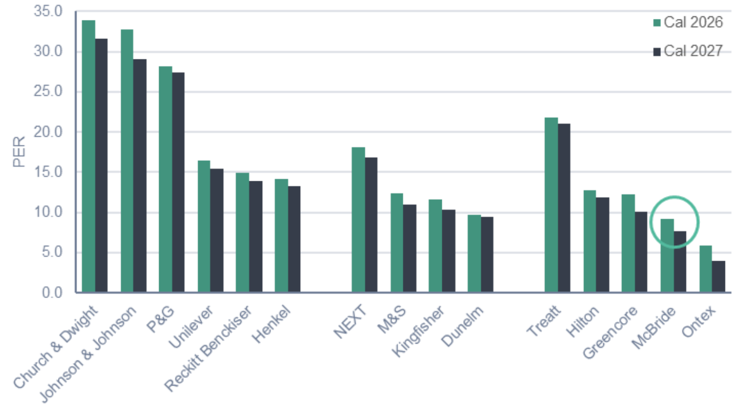
FY22 was loss-making; Source: Company data, Equity Development

Net debt / Adj. EBITDA to peak at c.2.1x in FY27E



Source: Company data, Equity Development

Undervalued versus a wide range of consumer stocks



Source: Koyfin for consensus estimates, Equity Development

Financial Forecast tables

Changes to group forecasts resulting from FY26 results

		New forecasts			Old forecasts			% Change		
Year-end 30 Jun (£m)	**2026A**	**2027E**	**2028E**	**2029E**	**2027E**	**2028E**	**2029E**	**2027E**	**2028E**	**2029E**
Group Revenue	934.2	1,035.5	1,159.5	1,221.2	1,034.1	1,158.2	1,220.1	0.1	0.1	0.1
Revenue growth (%)	*0.8*	10.8	12.0	5.3	*10.9*	*12.0*	*5.3*			
Adj. EBITDA	80.0	84.0	106.3	115.3	84.9	106.8	115.9	-1.1	-0.4	-0.5
Adj. EBITDA margin (%)	*8.6*	8.1	9.2	9.4	*8.2*	*9.2*	*9.5*			
Adj. EBIT	59.0	61.6	78.6	87.3	61.8	78.3	87.1	-0.2	0.3	0.2
Adj. EBIT margin (%)	*6.3*	5.9	6.8	7.2	*6.0*	*6.8*	*7.1*			
Adj. PBT	48.8	48.6	65.7	74.5	49.6	67.5	76.3	-1.9	-2.6	-2.4
Adj. PBT margin (%)	*5.2*	4.7	5.7	6.1	*4.8*	*5.8*	*6.3*			
Adjusted diluted EPS (p)	20.6	21.6	29.6	32.4	22.3	30.8	33.7	-3.1	-3.9	-3.6
Adj. EPS growth (%)	*(2.1)*	4.9	36.7	9.6	*5.6*	*37.8*	*9.3*			
DPS (p)	3.1	3.3	4.4	4.9	3.2	4.4	4.8			
Capex	30.9	33.6	37.6	39.6	33.3	37.3	34.2	1	1	16
Free cashflow (ex M&A)	(2.0)	(0.8)	26.7	29.8	(7.8)	27.8	40.0	-89	-4	-26
Net financial cash / (debt)	(116.7)	(172.4)	(156.3)	(139.2)	(168.6)	(151.0)	(123.2)	2	4	13
Total net cash /(debt) incl leases	(122.8)	(178.5)	(162.5)	(145.5)	(177.1)	(159.6)	(131.9)	1	2	10
Net financial cash / (debt) / Adj. EBITDA (x)	(1.5)	(2.1)	(1.5)	(1.2)	(2.0)	(1.4)	(1.1)			
Total net cash / (debt) / Adj. EBITDA (x)	(1.5)	(2.1)	(1.5)	(1.3)	(2.1)	(1.5)	(1.1)			

Note: Forecasts assume the proposed Eurotab acquisition is completed on 30 June 2026 and consolidated from 1 July 2026; Source: Company data, Equity Development

Divisional revenue analysis

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Liquids	383.9	497.9	532.8	529.6	526.0	558.5	666.3	716.4
Unit dosing	171.5	234.2	233.6	228.9	226.3	286.4	289.3	292.2
Powders	68.6	85.9	92.8	85.5	88.7	87.8	92.7	92.2
Aerosols	31.9	46.2	50.9	58.9	67.3	76.0	83.5	91.9
Asia Pacific	22.4	24.8	24.7	23.6	25.9	26.9	27.7	28.5
Total revenue	**678.3**	**889.0**	**934.8**	**926.5**	**934.2**	**1,035.5**	**1,159.5**	**1,221.2**
Group revenue growth (%)	(0.6)	31.1	5.2	(0.9)	0.7	10.9	12.0	5.3
Group FX impact (%)	(3.5)	2.7	(1.0)	(1.6)	2.4	0.8	0.0	0.0
Liquids	5.6	27.3	7.7	0.9	(3.1)	5.4	19.3	7.5
Unit dosing (organic)	(1.9)	33.9	0.7	(0.3)	(3.8)	1.0	1.0	1.0
Powders	7.2	22.7	9.2	(6.0)	0.7	(1.7)	5.6	(0.5)
Aerosols	(2.1)	40.8	11.6	18.3	10.5	12.0	10.0	10.0
Asia Pacific	(6.7)	6.9	8.3	(5.6)	7.5	3.0	3.0	3.0
Organic revenue growth, ex FX (%)	**2.9**	**28.4**	**6.2**	**0.7**	**(1.8)**	**4.0**	**12.0**	**5.3**
Liquids		5.0	6.6	3.5	0.5	7.3	21.1	9.5
Unit dosing		13.2	6.2	2.4	(3.0)	3.0	3.0	3.0
Powders		(9.5)	(3.9)	(4.4)	2.0	0.3	7.8	1.5
Aerosols			6.6	21.4	15.0	10.0	10.0	10.0
Asia Pacific			9.0	6.3	0.0	5.0	5.0	5.0
Organic sales volume growth (%)		**5.6**	**5.7**	**4.3**	**0.7**	**5.8**	**13.9**	**7.2**
Implied group price/mix effect (%)		**22.8**	0.5	(3.6)	(2.3)	(1.7)	(1.8)	(1.8)

Note: Organic growth includes the partnership with Vestacy but excludes the acquisition of Eurotab; Source: Company data, Equity Development

- We forecast the £17m p/a cost saving programme helps to offset the time-lag impact of rising input costs, leading to a group operating profit margin of 6%-7%, though management's medium term margin ambitions are higher. At the group's 2024 capital markets event, management set out medium term operating margin targets of: 7%-10% for Liquids; 8%-11% for Unit dosing; 4%-7% for Powders; 7%-10% for Aerosols and 9%-12% for Asia-Pacific. FY26 is the third year of the 5-year cost savings programme with the savings back-end weighted to years 4 / 5 (i.e. FY27E / FY28E). For every £1m of cost saving that is retained, operating profit increases by 1.5%.

Divisional operating profit analysis

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Liquids	(15.9)	10.5	45.6	41.0	31.4	31.1	42.8	49.6
Unit dosing	(0.8)	10.0	19.4	22.5	23.8	28.7	33.6	35.4
Powders	(2.5)	(0.7)	6	6.8	5.7	5.2	5.6	5.1
Aerosols	(1.5)	0.3	2.1	3.1	3.6	4.4	5.4	6.4
Asia Pacific	0.7	1.1	1.4	1.1	1.3	1.5	1.7	1.9
Corporate costs	(4.5)	(7.7)	(7.4)	(8.4)	(6.8)	(9.3)	(10.4)	(11.0)
Total operating profit	**(24.5)**	**13.5**	**67.1**	**66.1**	**59.0**	**61.6**	**78.6**	**87.3**
Liquids	(4.1)	2.1	8.6	7.7	6.0	5.6	6.4	6.9
Unit dosing	(0.5)	4.3	8.3	9.8	10.5	10.0	11.6	12.1
Powders	(3.6)	(0.8)	6.5	8.0	6.4	5.9	6.0	5.5
Aerosols	(4.7)	0.6	4.1	5.3	5.3	5.8	6.4	6.9
Asia Pacific	3.1	4.4	5.7	4.7	5.0	5.5	6.1	6.6
Corporate	(0.7)	(0.9)	(0.8)	(0.9)	(0.7)	(0.9)	(0.9)	(0.9)
Total operating profit margin (%)	**(3.6)**	**1.5**	**7.2**	**7.1**	**6.3**	**5.9**	**6.8**	**7.2**
Liquids			37.8	40.5	27.0			
Unit dosing			32.8	35.4	38.0			
Powders			21.5	30.0	28.6			
Aerosols			17.7	23.1	21.4			
Asia Pacific			15.9	15.1	15.3			
Adjusted ROCE*	**(11.5)**	**6.4**	**33.5**	**33.0**	**27.3**	**23.7**	**26.4**	**27.8**

*Note: * Adj. Operating profit / Average capital employed (%); Source: Company data, Equity Development*

- We expect 0%-2% organic revenue growth FY27E-FY29E comprising 1%-4% volume growth offset by pricing investment/mix of c.2% (this may change depending upon how long temporary price increases last). This is then supplemented by the partnership with Vestacy building scale and the acquisition of Eurotab. Management's ambition is 2% organic revenue growth p/a with medium term volume growth of 4% in Liquids; 3%-4% in Unit dosing; flat volumes in Powders, over 10% volume growth in Aerosols and 8% volume growth in Asia-Pacific.
- We forecast broadly stable Adj. PBT in FY27E and then growth from the Vestacy partnership, the Eurotab acquisition, organic operating profit growth and financial deleveraging. We forecast 5% Adj. EPS in FY27E due to a lower tax rate and the share buy back, rising to 37% in FY28E from partnership integration, acquisition synergies and utilisation of tax losses.

Key group growth and margin metrics

Year-end 30 June	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Revenue growth (%)	(0.6)	31.1	5.2	(0.9)	0.8	10.8	12.0	5.3
Gross profit growth (%)	(19.5)	38.2	32.0	(1.7)	0.7	10.8	13.2	5.3
Adj. EBITDA growth (%)	n/m	n/m	155	(1.5)	(6.8)	5.0	26.5	8.5
Adj. Operating profit (%)	n/m	n/m	397	(1.5)	(10.7)	4.4	27.6	11.1
Adj. PBT growth (%)	n/m	n/m	n/m	3.4	(11.1)	(0.3)	35.2	13.3
Adj. EPS growth (%)	n/m	n/m	n/m	(2.7)	(2.1)	4.9	36.7	9.6
DPS growth (%)					3.3	4.9	36.7	9.6
Gross profit margin (%)	28.1	29.7	37.2	36.9	36.9	36.9	37.3	37.3
Adj. EBITDA margin (%)	(0.5)	3.8	9.3	9.3	8.6	8.1	9.2	9.4
Adj. Operating margin (%)	(3.6)	1.5	7.2	7.1	6.3	5.9	6.8	7.2
Adj. PBT margin (%)	(4.4)	0.0	5.7	5.9	5.2	4.7	5.7	6.1
Distribution costs / revenues (%)	9.5	8.8	8.7	9.2	9.4	9.4	9.3	9.3
Administrative costs / revenues (%)	21.9	18.9	21.0	20.6	21.2	21.5	21.2	20.8
Op costs incl D&A / revenues (%)	32.1	28.5	30.3	30.2	31.4	32.1	30.9	30.5
D&A / revenues (%)	3.1	2.3	2.1	2.1	2.2	2.2	2.4	2.3
Op costs excl D&A / revenues (%)	28.7	25.8	27.9	27.7	28.3	28.8	28.1	27.8
Tax rate (adj.) (%)	31.4	n/m	27.9	31.5	24.8	23.2	22.3	24.8

Source: Company data, Equity Development

- We see Group Adj. PBT rising to c.£74.5m by FY29E, after the temporary profit impact in FY26 and FY27E, and Adj. EPS rising to c.32p in FY29E, a CAGR of 16%:

Income statement

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Group revenue	**678.3**	**889.0**	**934.8**	**926.5**	**934.2**	**1,035.5**	**1,159.5**	**1,221.2**
Cost of sales	(487.5)	(625.4)	(586.9)	(584.4)	(589.7)	(653.7)	(727.3)	(765.9)
Gross profit	190.8	263.6	347.9	342.1	344.5	381.9	432.2	455.2
Distribution costs	(64.3)	(77.9)	(81.3)	(85.5)	(87.7)	(97.2)	(107.7)	(113.4)
Administrative costs	(148.8)	(168.4)	(196.3)	(190.5)	(197.8)	(223.1)	(245.9)	(254.4)
Impairment losses / losses on PPE disposal	(2.2)	(3.8)	(3.2)	0.0	0.0	0.0	0.0	0.0
Add back: D&A	20.9	20.6	20.0	19.7	21.0	22.4	27.7	28.0
Operating costs, Adj. ex D&A	(194.4)	(229.5)	(260.8)	(256.3)	(264.5)	(297.8)	(325.9)	(339.9)
Adj. EBITDA	**(3.6)**	**34.1**	**87.1**	**85.8**	**80.0**	**84.0**	**106.3**	**115.3**
Depreciation & amortisation	(20.9)	(20.6)	(20.0)	(19.7)	(21.0)	(22.4)	(27.7)	(28.0)
Adj. Operating profit	**(24.5)**	**13.5**	**67.1**	**66.1**	**59.0**	**61.6**	**78.6**	**87.3**
Finance costs	(5.1)	(13.2)	(14.0)	(11.2)	(10.2)	(13.0)	(12.9)	(12.9)
Adj. PBT	**(29.6)**	**0.3**	**53.1**	**54.9**	**48.8**	**48.6**	**65.7**	**74.5**
Amortisation of acquired intangible assets	(2.6)	(2.4)	(2.0)	(1.9)	(1.3)	(1.3)	(1.3)	(1.3)
Exceptional operating costs	(2.4)	(0.8)	(0.8)	(4.0)	(7.6)	(11.7)	(5.0)	(5.0)
Exceptional finance costs	(3.5)	(12.2)	(3.8)	0.0	0.0	0.0	0.0	0.0
PBT	(35.3)	(15.1)	46.5	49.0	**39.9**	**35.6**	**59.4**	**68.2**
Tax	11.3	3.6	(13.2)	(15.8)	(9.9)	(8.5)	(13.5)	(17.2)
Adj. PAT	(20.3)	(0.0)	38.3	37.6	**36.7**	**37.4**	**51.1**	**56.0**
Reported PAT	(24.0)	(11.5)	33.3	33.2	30.0	27.1	45.9	51.0
No of f/d shares (m)	174.0	174.1	176.9	178.5	177.9	172.7	172.7	172.7
Adjusted diluted EPS (p)	**-11.7**	**0.0**	**21.7**	**21.1**	**20.6**	**21.6**	**29.6**	**32.4**
DPS (p)				**3.1**	**3.3**	**4.4**	**4.9**	**3.1**

Source: Company data, Equity Development

- After capex of c.£30m-£40m, dividend payments of c.£5m-£8m and c.£5m+ on share buybacks for the employee benefit trust ("EBT") we forecast £27m of net cashflow p/a from FY28E, to reduce net debt or fund acquisitions (after the £34.5m in FY27E), or further shareholder returns (after the anticipated £20m buy-back in FY26/FY27E).

Cashflow statement

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Adj. EBITDA, pre SBP	**(3.6)**	**34.1**	**87.1**	**85.8**	**80.0**	**84.0**	**106.3**	**115.3**
Add back: Share based payments charge	0.0	0.5	1.6	1.6	1.6	1.8	1.9	2.1
Change in inventories	(25.7)	(2.7)	0.6	(2.4)	(8.4)	(19.4)	(12.1)	(8.7)
Change in trade receivables*	(27.4)	(1.3)	(5.2)	9.9	(2.3)	(15.4)	(18.9)	(9.4)
Change in trade payables*	37.8	11.1	0.0	6.2	(9.0)	24.0	27.6	14.5
Working capital movement	(15.3)	7.1	(4.6)	13.7	**(19.7)**	**(10.8)**	**(3.4)**	**(3.6)**
Pension scheme funding	(4.0)	(4.0)	(4.0)	(7.0)	(5.7)	(5.7)	(5.7)	(5.7)
Other		0.3	1.6	(0.2)	0.5			
Adj. free operating cashflow	**(22.9)**	**38.0**	**81.7**	**93.9**	**56.7**	**69.2**	**99.1**	**108.1**
Net financial interest paid	(2.7)	(11.1)	(10.5)	(7.5)	(6.9)	(12.7)	(12.6)	(12.6)
Interest paid on lease liabilities	(0.4)	(0.3)	(0.3)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)
Lease payments (principal)	(5.0)	(4.3)	(4.5)	(4.2)	(4.5)	(3.3)	(3.5)	(3.7)
Tax paid	(0.1)	(1.8)	(5.1)	(17.9)	(7.8)	(8.5)	(13.5)	(17.2)
Exceptionals (cash)	(4.1)	(1.4)	(1.0)	(3.2)	(7.6)	(11.7)	(5.0)	(5.0)
Other incl refinancing costs	(1.8)	(12.3)	(5.5)	(1.8)	(0.6)			
Capex incl M&A (net)	(7.8)	(11.6)	(18.5)	(30.0)	(30.9)	(33.6)	(68.1)	(39.6)
Free cashflow	**(44.8)**	**(4.8)**	**36.3**	**28.9**	**(2.0)**	**(35.3)**	**26.7**	**29.8**
Dividends					(5.2)	(5.4)	(5.6)	(7.7)
Share buy backs / equity issues	(0.2)	0.0	(2.8)	(2.4)	(12.8)	(15.0)	(5.0)	(5.0)
Other (incl. FX)	(0.5)	(0.7)	0.2	(0.2)				
Net cashflow	**(45.5)**	**(5.5)**	**33.7**	**26.3**	**(20.0)**	**(55.7)**	**16.1**	**17.1**

Source: Company data, Equity Development

Net debt metrics

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Gross financial debt	(156.9)	(159.1)	(132.4)	(131.1)	(181.9)	(181.9)	(181.9)	(181.9)
Net cash	4.5	1.6	9.3	34.2	65.2	9.5	25.6	42.7
Net financial cash / (debt)	**(152.4)**	**(157.5)**	**(123.1)**	**(96.9)**	**(116.7)**	**(172.4)**	**(156.3)**	**(139.2)**
Leases	(12.0)	(9.0)	(8.4)	(8.3)	(6.1)	(6.2)	(6.2)	(6.3)
Total net cash /(debt) incl leases	**(164.4)**	**(166.5)**	**(131.5)**	**(105.2)**	**(122.8)**	**(178.5)**	**(162.5)**	**(145.5)**
Net financial (cash) / debt / Adj. EBITDA (x)	(42.3)	4.6	1.4	1.1	1.5	2.0	1.4	1.1
Total net (cash) / debt / Adj. EBITDA (x)	**(45.7)**	**4.9**	**1.5**	**1.2**	**1.6**	**2.1**	**1.5**	**1.1**

Source: Company data, Equity Development

Balance sheet: Assets

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026A	2027E	2028E	2029E
Property, plant and equipment	122.9	117.8	114.4	120.3	123.5	160.9	161.4	163.2
Right of use assets	11.3	8.5	8.1	7.9	5.7	6.1	6.5	6.9
Goodwill	19.7	19.7	19.7	19.8	19.8	19.8	19.8	19.8
Intangible assets	7.3	6.5	9.8	18.3	28.3	38.2	49.4	61.3
Derivative financial instruments	1.9	4.5	1.7	0.3	0.1	0.1	0.1	0.1
Deferred tax assets & other tax assets	29.7	41.6	42.8	38.2	41.2	41.2	41.2	41.2
Non-current assets	**192.8**	**198.6**	**196.5**	**204.8**	**218.6**	**266.3**	**278.4**	**292.5**
Inventories	118.9	121.5	119.6	123.4	132.6	152.0	164.1	172.8
Trade and other receivables	145.4	145.7	148.8	139.1	142.2	157.6	176.5	185.9
Current tax assets	3.9	2.3	2.1	3.6	1.1	1.1	1.1	1.1
Other financial (derivative) assets	0.6	0.6	0.3	0.2	0.5	0.5	0.5	0.5
Cash & cash equivalents	4.5	1.6	9.3	34.2	65.2	9.5	25.6	42.7
Current assets	**273.3**	**271.7**	**280.1**	**300.5**	**341.6**	**320.7**	**367.8**	**403.0**

Source: Company data, Equity Development

Balance sheet: Liabilities								
Year-end 30 June (£m)	**2022A**	**2023A**	**2024A**	**2025A**	**2026A**	**2027E**	**2028E**	**2029E**
Bank overdraft & s/t loans	(60.5)	(49.3)	(67.4)	(69.8)	(76.8)	(76.8)	(76.8)	(76.8)
Trade payables and other liabilities	(206.9)	(219.6)	(220.1)	(228.0)	(220.9)	(244.9)	(272.4)	(286.9)
Lease liabilities	(3.9)	(3.5)	(3.1)	(3.7)	(2.2)	(2.2)	(2.2)	(2.2)
Current tax liabilities	(5.3)	(6.7)	(12.9)	(7.2)	(9.0)	(9.0)	(9.0)	(9.0)
Provisions	(3.4)	(2.7)	(2.2)	(2.7)	(1.5)	(1.5)	(1.5)	(1.5)
Other financial liabilities	0.0	(1.8)	(0.4)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)
Current liabilities	**(280.0)**	**(283.6)**	**(306.1)**	**(311.8)**	**(310.7)**	**(334.7)**	**(362.2)**	**(376.7)**
Capital employed	**218.6**	**200.1**	**200.3**	**200.8**	**249.5**	**252.3**	**284.0**	**318.7**
Bank borrowings	(96.4)	(109.8)	(65.0)	(61.3)	(105.1)	(105.1)	(105.1)	(105.1)
Lease liabilities	(8.1)	(5.5)	(5.3)	(4.6)	(3.9)	(4.0)	(4.0)	(4.1)
Deferred tax liabilities	(4.7)	(5.1)	(6.0)	(6.7)	(7.1)	(7.1)	(7.1)	(7.1)
Provisions	(3.8)	(2.6)	(1.4)	(1.6)	(2.4)	(2.4)	(2.4)	(2.4)
Post employment benefits	(16.1)	(26.6)	(29.4)	(24.9)	(19.9)	(14.2)	(8.5)	(2.8)
Other financial liabilities				(0.1)	0.0	0.0	0.0	0.0
Non-current liabilities	**(129.1)**	**(149.6)**	**(107.1)**	**(99.2)**	**(138.4)**	**(132.8)**	**(127.1)**	**(121.5)**
Net assets	**57.0**	**37.1**	**63.4**	**94.3**	**111.1**	**119.6**	**156.8**	**197.2**
Shareholders' funds	**57.0**	**37.1**	**63.4**	**94.3**	**111.1**	**119.6**	**156.8**	**197.2**

Source: Company data, Equity Development

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