McBride plc

Strategic partnership drives c.16% FY29E PBT uplift

28 August 2026

McBride has announced a transformational business win, with a strategic contract manufacturing partnership for laundry liquids with Vestacy. The two long-term contracts are anticipated to generate £170m revenues at maturity, driving a c.16% increase in our FY29E revenues, Adj. PBT and Adj. EPS. Investing only c. £17m, the partnership is highly earnings accretive. Both this partnership and the recent strategic acquisition of Eurotab Group, highlight the group's multiple levers for profitable growth. To reflect this, we raise our Fair Value per share by 8% to 265p, equating to 10x cal 2027 PER. Trading on only 6.3x our revised cal 2027 EPS, we believe McBride's rating materially undervalues the group's high ROCE.

Strategic partnership with Vestacy, costing only c.£17m

McBride has announced two long-term (5-8 years) contract manufacturing agreements with E.H. Group B.V. ("Vestacy"), the global home care company behind brands including Calgon, Woolite, Air Wick, Cillit Bang and Mortein. McBride has agreed to acquire two dedicated manufacturing facilities in Spain and Portugal for a nominal consideration and will also manufacture a variety of household products for Vestacy from its existing sites across Belgium, Italy, Poland, the UK and France. Vestacy will fund £34m of additional equipment, whilst McBride will fund only c.£5m capex (mostly in FY28E) and c.£12m of transition and project costs (across FY26E-FY28E).

Highly earnings accretive with c.8% uplift in FY28E and c.16% in FY29E

This results in an anticipated £170m of revenues by FY29E, at a similar operating margin to the group (i.e. c.7%), driving a c.16% revenue and Adj. PBT uplift by FY29E. Net debt is expected to increase by up to £25m at its peak in H228E reflecting the investment in capacity expansion, transition costs and working capital needs, but is well within the group's financial covenants.

Multiple levers of growth; Fair Value raised 8% to 265p per share

This strategic partnership complements the group's acquisition of Eurotab Group in April, and both add production volumes and incremental value for shareholders. Reflecting our higher profit forecasts we raise our Fair Value from 245p to 265p per share, equivalent to c.10x cal 2027 PER.

Key financials & valuation metrics

Year to 30 June (£m)	2024	2025	2026E	2027E	2028E
Revenue	934.8	926.5	932.7	1,034.1	1,158.2
Revenue growth (%)	*5.2*	*-0.9*	*0.7*	*10.9*	*12.0*
Adj. PBT	53.1	54.9	48.0	49.6	67.5
Adj. PBT margin (%)	*5.7*	*5.9*	*5.1*	*4.8*	*5.8*
Adj. diluted EPS (p)	21.7	21.1	21.2	22.3	30.8
Dividend per share (p)	0.0	3.0	3.0	3.2	4.4
Adj. operating free cashflow	81.7	93.9	74.9	63.4	101.2
Free cashflow	36.3	28.9	13.6	(42.3)	27.8
Net cash / (debt) / Adj. EBITDA (x)	(1.5)	(1.2)	(1.6)	(2.1)	(1.5)
EV / Sales (x, calendarised)			0.4	0.3	0.3
PER (x, calendarised)			7.7	6.3	5.2
Dividend yield (%, calendarised)			1.9	2.3	2.7
Free cashflow yield (%, calendarised)			1.0	3.6	12.3

Source: Company data, Equity Development, Priced as at 27 Aug 2026

Company data

EPIC	MCB
Price (last close)	167p
52 weeks Hi/Lo	172p/106p
Market cap	£292m
ED Fair Value / share	265p
Net cash / (debt) 2026E	£(125m)
Avg. daily volume (3m)	214k

Share price, p

Source: Investing.com

Description

McBride plc ("McBride") is the European market leader in private label 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 £927m revenues in FY25.

Next event

FY26 results - 15 September 2026

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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 £900m and adj. operating profits to over £65m in both FY24 and FY25 (a c.7% operating margin).
- 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 53% of revenues).
- Supply chain disruption, leading to a drop in customer service levels ("CSL") though having 14 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 £17m cost savings, is back-end weighted to FY27E/FY28E. We forecast this will help offset cost headwinds and lead to a 6%-7% op. margin FY26E-FY28E.
- We forecast almost 100% conversion of Adj. EBITDA to adj. operating free cashflow of £70m-£100m (FY26E-FY29E). This funds capex of c.£30m-£35m 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

- McBride is trading on only 0.3x EV/Revenues, 4.0x EV / Adj. EBITDA and c.6.3x Adj. PER (our forecasts, all Calendar 2027E – "cal 2027E") and offers a c.12% 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.
- As McBride has no direct comparable companies we take a wide basket of 16 consumer stocks, split into three groups, and conclude McBride's fair value should at least equate to c.5x EV/EBITDA and 10x PER (cal 2027).

  Hence, reflecting our raised profit estimates, we raise our Fair Value of 245p to 265p per share.

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 years) 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.

Partnership impact – significantly earnings accretive

- The following table shows the estimated impact of the contract manufacturing partnership on McBride.
- We forecast that Vestacy will add c.£170m of revenues at maturity, as per guidance. We assume c.£25m of revenues in H227E, building to c.£45m in H128E and c.£85m in H228E (c.£130m for FY28E) before reaching c.£170m in FY29E when production has been fully integrated into McBride's facilities.
- We assume over 90% of revenues will fall into the "Liquids" division and c.8% will fall into "Powders".
- We estimate there will be some start up costs leading to a small c.£3m negative impact in FY27E, building to c.£5m Adj. PBT in FY28E and c.£10m Adj. PBT in FY29E, a margin of c.6%, in line with the group average. This leads to a material 8% increase in our FY28E Adj. PBT forecast and a significantly earnings accretive 16% uplift in our FY29E Adj. PBT estimate.
- We also assume c.£12m of one-off transition and project costs with the cash impact falling c.£9m in FY27E and c.£3m in FY28E.
- We further anticipate c.£5m of additional capex, falling c.£1m in FY27E and c.£4m in FY28E.
- Together with a working capital increase this leads to our forecast net debt including leases rising to c.£177m in FY27E (2.1x / Adj. EBITDA) before falling in FY28E and FY29E.
- Consequently, we forecast Group Adj. ROCE falling to 25% in FY27E but rising to nearly 30% in FY29E.

Partnership impact - adding around 8% to Adj. PBT in FY28E and c.16% to revenues and Adj. PBT by FY29E

£m, unless stated	McBride pre-partnership				Vestacy estimated impact			McBride post-partnership			% change		
Year-end 30 Jun, £m	FY26E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Group revenue	**932.7**	**1,008.9**	**1,029.3**	**1,050.7**	**25.2**	**128.9**	**169.3**	**1,034.1**	**1,158.2**	**1,220.1**	**2.5**	**12.5**	**16.1**
Revenue growth (%)	*0.7*	*8.2*	*2.0*	*2.1*				*10.9*	*12.0*	*5.3*			
Adj. EBITDA*	79.6	85.7	100.7	103.9	-0.8	6.1	12.0	84.9	106.8	115.9	-0.9	6.0	11.6
Adj. EBITDA margin (%)	*8.5*	*8.5*	*9.8*	*9.9*	-3.2	4.7	7.1	*8.2*	*9.2*	*9.5*			
Adj. EBIT	59.1	64.6	73.9	77.0	-2.9	4.4	10.2	61.8	78.3	87.1	-4.5	5.9	13.2
Adj. EBIT margin (%)	*6.3*	*6.4*	*7.2*	*7.3*	-11.4	3.4	6.0	*6.0*	*6.8*	*7.1*			
Adj. PBT	**49.2**	**52.4**	**62.5**	**66.0**	**-2.9**	**5.0**	**10.3**	**49.6**	**67.5**	**76.3**	**-5.5**	**7.9**	**15.6**
Adj. PBT margin (%)	*5.3*	*5.2*	*6.1*	*6.3*	-11.5	3.8	6.1	*4.8*	*5.8*	*6.3*			
Adjusted diluted EPS (p)	**21.7**	**23.6**	**28.6**	**29.1**	**-1.3**	**2.2**	**4.5**	**22.3**	**30.8**	**33.7**	**-5.4**	**7.6**	**15.6**
Adj. EPS growth (%)	*3.0*	*8.9*	*21.1*	*1.8*				*5.6*	*37.8*	*9.3*			
Dividend per share (p)	3.1	3.4	4.1	4.1				3.2	4.4	4.8			
Total net (debt) incl leases	(124.7)	(162.5)	(146.0)	(129.7)	(14.6)	(13.5)	(2.2)	(177.1)	(159.6)	(131.9)	9	9	2
Net (debt) / Adj. EBITDA (x)	(1.6)	(1.9)	(1.5)	(1.2)				(2.1)	(1.5)	(1.1)			

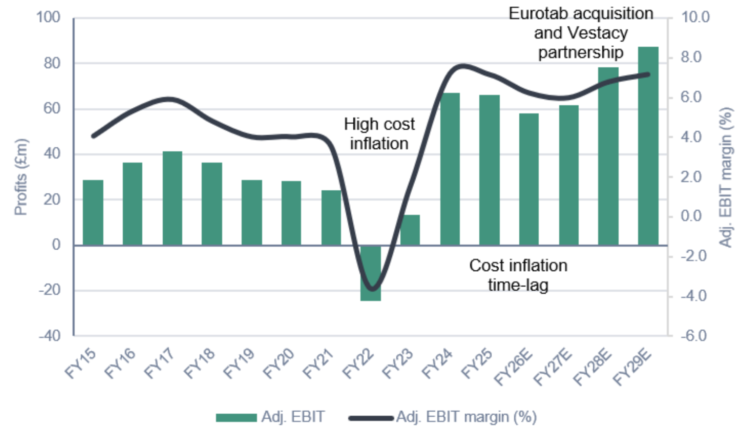
Source: Company data, Equity Development

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

Over 8% Adj. EBITDA margin driving cashflow

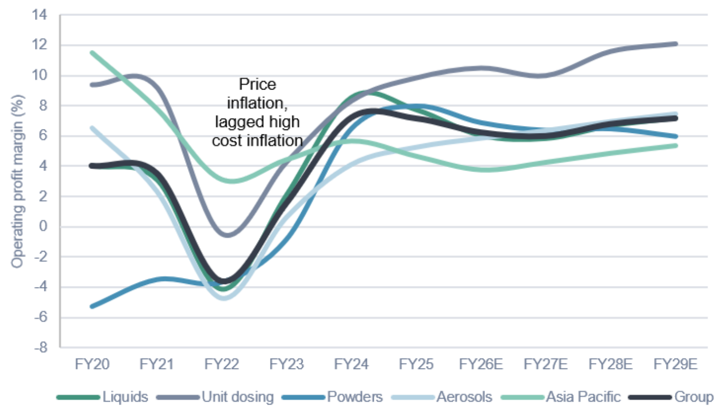
- McBride's robust business model, generating revenues of c.£700m and adj. operating profits of c.£24m-£42m FY15-FY21, faltered in 2022 as high cost-inflation led to temporary operating losses.
- However, from that difficult period has grown a bigger, more profitable business with revenues of over £900m and adj. operating profits of over £65m in FY24 and FY25 (and nearly £60m in FY26E despite cost rises).
- 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.95% conversion from Adj. EBITDA to adj. operating cashflow of £70m-£100m p/a (FY26E-FY29E) allowing for c.£30m-£35m capex investment p/a, the return of dividends, share buybacks and acquisitions.

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



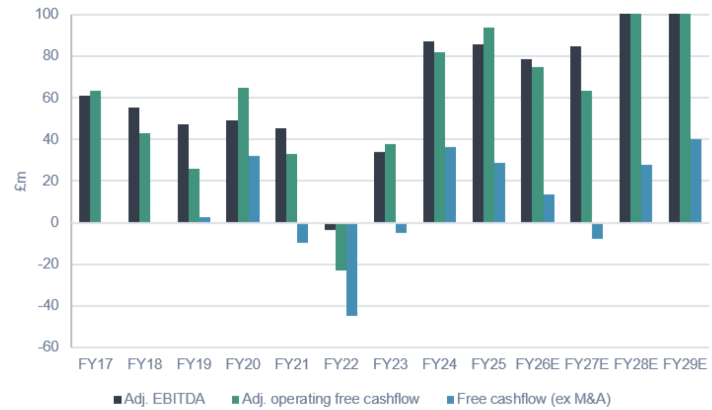
Source: Company data, Equity Development

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

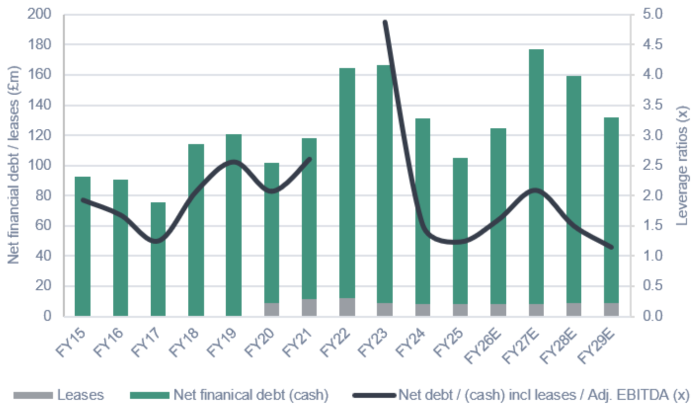
Rating significantly below our 265p/share fair value

- 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%). Even with the cost increases and time-lag we forecast a build to 30% ROCE in FY29E.
- Yet despite improving profitability, reinstating a dividend and announcing a £20m share buy-back, along with the Eurotab acquisition, McBride only trades on 0.3x cal 2027 EV/Revenues and c.6.3x cal 2027 PER.
- Our raised Fair Value of 265p per share equates to undemanding valuation multiples of 0.5x EV/Revenues, c.5.5x EV/Adj. EBITDA, c.10x PER (all cal 2027) and c.8% FCF yield in cal 2028.

Adj. ROCE forecast build to 30%, above 25% target

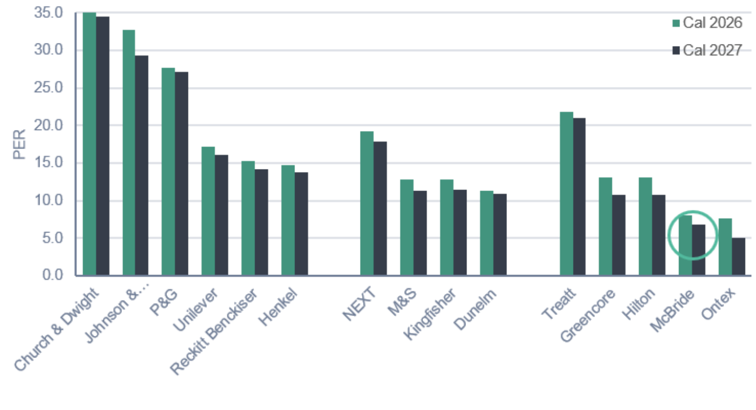
FY22 was loss-making; Source: Company data, Equity Development

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 strategic partnership with Vestacy

		New forecasts			Old forecasts			% Change		
Year-end 30 Jun (£m)	**2026E**	**2027E**	**2028E**	**2029E**	**2027E**	**2028E**	**2029E**	**2027E**	**2028E**	**2029E**
Group Revenue	932.7	1,034.1	1,158.2	1,220.1	1,008.9	1,029.3	1,050.7	2.5	12.5	16.1
Revenue growth (%)	*0.7*	*10.9*	*12.0*	*5.3*	*8.2*	*2.0*	*2.1*			
Adj. EBITDA	78.4	84.9	106.8	115.9	85.7	100.7	103.9	-0.9	6.0	11.6
Adj. EBITDA margin (%)	*8.4*	*8.2*	*9.2*	*9.5*	*8.5*	*9.8*	*9.9*			
Adj. EBIT	57.9	61.8	78.3	87.1	64.6	73.9	77.0	-4.5	5.9	13.2
Adj. EBIT margin (%)	*6.2*	*6.0*	*6.8*	*7.1*	*6.4*	*7.2*	*7.3*			
Adj. PBT	48.0	49.6	67.5	76.3	52.4	62.5	66.0	-5.5	7.9	15.6
Adj. PBT margin (%)	*5.1*	*4.8*	*5.8*	*6.3*	*5.2*	*6.1*	*6.3*			
Adjusted diluted EPS (p)	21.2	22.3	30.8	33.7	23.6	28.6	29.1	-5.4	7.6	15.6
Adj. EPS growth (%)	*0.4*	*5.6*	*37.8*	*9.3*	*8.9*	*21.1*	*1.8*			
DPS (p)	3.0	3.2	4.4	4.8	3.4	4.1	4.1			
Capex	30.0	33.3	37.3	34.2	32.5	33.1	33.8	2	13	1
Free cashflow (ex M&A)	13.6	(7.8)	27.8	40.0	6.5	27.1	28.1	-220	3	42
Net financial cash / (debt)	(116.3)	(168.6)	(151.0)	(123.2)	(154.0)	(137.4)	(121.0)	9	10	2
Total net cash /(debt) incl leases	(124.7)	(177.1)	(159.6)	(131.9)	(162.5)	(146.0)	(129.7)	9	9	2
Net financial cash / (debt) / Adj. EBITDA (x)	(1.5)	(2.0)	(1.4)	(1.1)	(1.8)	(1.4)	(1.2)			
Total net cash / (debt) / Adj. EBITDA (x)	(1.6)	(2.1)	(1.5)	(1.1)	(1.9)	(1.5)	(1.2)			

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**	**2026E**	**2027E**	**2028E**	**2029E**
Liquids	383.9	497.9	532.8	529.6	531.2	563.8	671.7	721.9
Unit dosing	171.5	234.2	233.6	228.9	223.7	283.8	286.6	289.5
Powders	68.6	85.9	92.8	85.5	86.6	85.8	90.8	90.4
Aerosols	31.9	46.2	50.9	58.9	68.1	76.9	84.6	93.0
Asia Pacific	22.4	24.8	24.7	23.6	22.9	23.8	24.5	25.3
Total revenue	**678.3**	**889.0**	**934.8**	**926.5**	**932.7**	**1,034.1**	**1,158.2**	**1,220.1**
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	(2.0)	5.3	19.1	7.5
Unit dosing (organic)	(1.9)	33.9	0.7	(0.3)	(4.5)	1.0	1.0	1.0
Powders	7.2	22.7	9.2	(6.0)	(1.0)	(1.7)	5.8	(0.5)
Aerosols	(2.1)	40.8	11.6	18.3	13.0	12.0	10.0	10.0
Asia Pacific	(6.7)	6.9	8.3	(5.6)	(5.0)	3.0	3.0	3.0
Organic revenue growth, ex FX (%)	**2.9**	**28.4**	**6.2**	**0.7**	**(1.6)**	**4.1**	**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. FY26E 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	2026E	2027E	2028E	2029E
Liquids	(15.9)	10.5	45.6	41.0	32.1	32.9	44.9	51.9
Unit dosing	(0.8)	10.0	19.4	22.5	23.4	28.3	33.2	35.0
Powders	(2.5)	(0.7)	6	6.8	5.9	5.5	5.9	5.4
Aerosols	(1.5)	0.3	2.1	3.1	4.0	4.9	5.9	6.9
Asia Pacific	0.7	1.1	1.4	1.1	0.9	1.0	1.2	1.4
Corporate costs	(4.5)	(7.7)	(7.4)	(8.4)	(8.4)	(10.9)	(12.7)	(13.4)
Total operating profit	**(24.5)**	**13.5**	**67.1**	**66.1**	**57.9**	**61.8**	**78.3**	**87.1**
Liquids	(4.1)	2.1	8.6	7.7	6.0	5.8	6.7	7.2
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	6.9	6.4	6.5	6.0
Aerosols	(4.7)	0.6	4.1	5.3	5.9	6.4	7.0	7.5
Asia Pacific	3.1	4.4	5.7	4.7	3.8	4.3	4.9	5.4
Corporate	(0.7)	(0.9)	(0.8)	(0.9)	(0.9)	(1.1)	(1.1)	(1.1)
Total operating profit margin (%)	**(3.6)**	**1.5**	**7.2**	**7.1**	**6.2**	**6.0**	**6.8**	**7.1**
Liquids			37.8	40.5				
Unit dosing			32.8	35.4				
Powders			21.5	30.0				
Aerosols			17.7	23.1				
Asia Pacific			15.9	15.1				
Adjusted ROCE*	**(11.5)**	**6.4**	**33.5**	**33.0**	**28.1**	**25.2**	**27.6**	**29.6**

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

- We expect 0%-2% organic revenue growth FY26E-FY28E 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 a 13% decline in Adj. PBT in FY26E and growth in FY27E and thereafter from the Vestacy partnership, the Eurotab acquisition, organic operating profit growth and financial deleveraging. We forecast Adj. EPS is flat in FY26E due to a lower tax rate and the £20m share buy back, and c.6% in FY27E, rising to 38% 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	2026E	2027E	2028E	2029E
Revenue growth (%)	(0.6)	31.1	5.2	(0.9)	0.7	10.9	12.0	5.3
Gross profit growth (%)	(19.5)	38.2	32.0	(1.7)	(0.4)	10.9	13.2	5.3
Adj. EBITDA growth (%)	n/m	n/m	155	(1.5)	(8.7)	8.4	25.7	8.6
Adj. Operating profit (%)	n/m	n/m	397	(1.5)	(12.3)	6.6	26.8	11.2
Adj. PBT growth (%)	n/m	n/m	n/m	3.4	(12.6)	3.3	36.2	13.1
Adj. EPS growth (%)	n/m	n/m	n/m	(2.7)	0.4	5.6	37.8	9.3
DPS growth (%)					0.4	5.6	37.8	9.3
Gross profit margin (%)	28.1	29.7	37.2	36.9	36.5	36.5	36.9	36.9
Adj. EBITDA margin (%)	(0.5)	3.8	9.3	9.3	8.4	8.2	9.2	9.5
Adj. Operating margin (%)	(3.6)	1.5	7.2	7.1	6.2	6.0	6.8	7.1
Adj. PBT margin (%)	(4.4)	0.0	5.7	5.9	5.1	4.8	5.8	6.3
Distribution costs / revenues (%)	9.5	8.8	8.7	9.2	9.1	9.1	9.0	9.0
Administrative costs / revenues (%)	21.9	18.9	21.0	20.6	21.2	21.4	21.1	20.8
Op costs incl D&A / revenues (%)	32.1	28.5	30.3	30.2	31.3	31.4	30.6	30.2
D&A / revenues (%)	3.1	2.3	2.1	2.1	2.2	2.2	2.5	2.4
Op costs excl D&A / revenues (%)	28.7	25.8	27.9	27.7	28.1	28.3	27.7	27.4
Tax rate (adj.) (%)	31.4	n/m	27.9	31.5	27.5	25.9	25.0	27.5

Source: Company data, Equity Development

- We see Group Adj. PBT rising to c.£76m by FY29E, after the temporary profit impact in FY26E and FY27E, and Adj. EPS rising to c.34p in FY29E, a CAGR of 12%:

Income statement

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
Group revenue	**678.3**	**889.0**	**934.8**	**926.5**	**932.7**	**1,034.1**	**1,158.2**	**1,220.1**
Cost of sales	(487.5)	(625.4)	(586.9)	(584.4)	(592.0)	(656.4)	(730.5)	(769.6)
Gross profit	190.8	263.6	347.9	342.1	340.6	377.7	427.7	450.5
Distribution costs	(64.3)	(77.9)	(81.3)	(85.5)	(85.1)	(94.4)	(104.6)	(110.2)
Administrative costs	(148.8)	(168.4)	(196.3)	(190.5)	(197.6)	(221.5)	(244.7)	(253.2)
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	20.4	23.2	28.4	28.8
Operating costs, Adj. ex D&A	(194.4)	(229.5)	(260.8)	(256.3)	**(262.3)**	**(292.8)**	**(320.9)**	**(334.6)**
Adj. EBITDA	**(3.6)**	**34.1**	**87.1**	**85.8**	**78.4**	**84.9**	**106.8**	**115.9**
Depreciation & amortisation	(20.9)	(20.6)	(20.0)	(19.7)	(20.4)	(23.2)	(28.4)	(28.8)
Adj. Operating profit	**(24.5)**	**13.5**	**67.1**	**66.1**	**57.9**	**61.8**	**78.3**	**87.1**
Finance costs	(5.1)	(13.2)	(14.0)	(11.2)	(10.0)	(12.2)	(10.8)	(10.8)
Adj. PBT	**(29.6)**	**0.3**	**53.1**	**54.9**	**48.0**	**49.6**	**67.5**	**76.3**
Amortisation of acquired intangible assets	(2.6)	(2.4)	(2.0)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)
Exceptional operating costs	(2.4)	(0.8)	(0.8)	(4.0)	(9.0)	(8.7)	(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	37.1	38.9	60.6	69.4
Tax	11.3	3.6	(13.2)	(15.8)	(10.7)	(10.6)	(15.6)	(19.6)
Adj. PAT	(20.3)	(0.0)	38.3	37.6	34.8	36.7	50.6	55.3
Reported PAT	(24.0)	(11.5)	33.3	33.2	26.3	28.4	45.0	49.8
No of f/d shares (m)	174.0	174.1	176.9	178.5	164.4	164.4	164.4	164.4
Adjusted diluted EPS (p)	**-11.7**	**0.0**	**21.7**	**21.1**	**21.2**	**22.3**	**30.8**	**33.7**
DPS (p)				3.0	3.0	3.2	4.4	4.8

Source: Company data, Equity Development

- After capex of c.£30m-£35m, dividend payments of c.£5m-£6m 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 FY26E).

Cashflow statement

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
Adj. EBITDA, pre SBP	**(3.6)**	**34.1**	**87.1**	**85.8**	**78.4**	**84.9**	**106.8**	**115.9**
Add back: Share based payments charge	0.0	0.5	1.6	1.6	1.8	1.9	2.1	2.3
Change in inventories	(25.7)	(2.7)	0.6	(2.4)	(1.6)	(22.6)	(11.7)	(3.5)
Change in trade receivables*	(27.4)	(1.3)	(5.2)	9.9	(0.9)	(15.2)	(18.6)	(9.3)
Change in trade payables*	37.8	11.1	0.0	6.2	3.0	20.0	28.3	14.9
Working capital movement	(15.3)	7.1	(4.6)	13.7	0.4	(17.8)	(2.0)	2.1
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)				
Adj. free operating cashflow	**(22.9)**	**38.0**	**81.7**	**93.9**	**74.9**	**63.4**	**101.2**	**114.7**
Net financial interest paid	(2.7)	(11.1)	(10.5)	(7.5)	(9.0)	(11.8)	(10.5)	(10.5)
Interest paid on lease liabilities	(0.4)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.3)
Lease payments (principal)	(5.0)	(4.3)	(4.5)	(4.2)	(4.2)	(4.4)	(4.7)	(5.0)
Tax paid	(0.1)	(1.8)	(5.1)	(17.9)	(10.7)	(10.6)	(15.6)	(19.6)
Exceptionals (cash)	(4.1)	(1.4)	(1.0)	(3.2)	(7.0)	(10.7)	(5.0)	(5.0)
Other incl refinancing costs	(1.8)	(12.3)	(5.5)	(1.8)				
Capex incl M&A (net)	(7.8)	(11.6)	(18.5)	(30.0)	(30.0)	(67.8)	(37.3)	(34.2)
Free cashflow	**(44.8)**	**(4.8)**	**36.3**	**28.9**	**13.6**	**(42.3)**	**27.8**	**40.0**
Dividends					(5.4)	(5.0)	(5.2)	(7.2)
Share buy backs / equity issues	(0.2)	0.0	(2.8)	(2.4)	(27.0)	(5.0)	(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**	**(18.8)**	**(52.3)**	**17.6**	**27.8**

Source: Company data, Equity Development

Net debt metrics

Year-end 30 June (£m)	2022A	2023A	2024A	2025A	2026E	2027E	2028E	2029E
Gross financial debt	(156.9)	(159.1)	(132.4)	(131.1)	(131.7)	(131.7)	(131.7)	(131.7)
Net cash	4.5	1.6	9.3	34.2	15.4	(36.9)	(19.3)	8.5
Net financial cash / (debt)	**(152.4)**	**(157.5)**	**(123.1)**	**(96.9)**	**(116.3)**	**(168.6)**	**(151.0)**	**(123.2)**
Leases	(12.0)	(9.0)	(8.4)	(8.3)	(8.4)	(8.5)	(8.6)	(8.7)
Total net cash /(debt) incl leases	**(164.4)**	**(166.5)**	**(131.5)**	**(105.2)**	**(124.7)**	**(177.1)**	**(159.6)**	**(131.9)**
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	2026E	2027E	2028E	2029E
Property, plant and equipment	122.9	117.8	114.4	120.3	123.7	161.2	161.9	160.5
Right of use assets	11.3	8.5	8.1	7.9	8.4	8.9	9.4	10.0
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	26.4	35.6	46.1	55.6
Derivative financial instruments	1.9	4.5	1.7	0.3	0.3	0.3	0.3	0.3
Deferred tax assets & other tax assets	29.7	41.6	42.8	38.2	38.2	38.2	38.2	38.2
Non-current assets	**192.8**	**198.6**	**196.5**	**204.8**	**216.8**	**264.0**	**275.7**	**284.3**
Inventories	118.9	121.5	119.6	123.4	125.0	147.6	159.3	162.8
Trade and other receivables	145.4	145.7	148.8	139.1	140.0	155.3	173.9	183.2
Current tax assets	3.9	2.3	2.1	3.6	3.6	3.6	3.6	3.6
Other financial (derivative) assets	0.6	0.6	0.3	0.2	0.2	0.2	0.2	0.2
Cash & cash equivalents	4.5	1.6	9.3	34.2	15.4	(36.9)	(19.3)	8.5
Current assets	**273.3**	**271.7**	**280.1**	**300.5**	**284.2**	**269.8**	**317.6**	**358.3**

Source: Company data, Equity Development

Balance sheet: Liabilities								
Year-end 30 June (£m)	**2022A**	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**	**2029E**
Bank overdraft & s/t loans	(60.5)	(49.3)	(67.4)	(69.8)	(69.8)	(69.8)	(69.8)	(69.8)
Trade payables and other liabilities	(206.9)	(219.6)	(220.1)	(228.0)	(231.0)	(251.0)	(279.3)	(294.2)
Lease liabilities	(3.9)	(3.5)	(3.1)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)
Current tax liabilities	(5.3)	(6.7)	(12.9)	(7.2)	(7.2)	(7.2)	(7.2)	(7.2)
Provisions	(3.4)	(2.7)	(2.2)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
Other financial liabilities	0.0	(1.8)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Current liabilities	**(280.0)**	**(283.6)**	**(306.1)**	**(311.8)**	**(314.8)**	**(334.8)**	**(363.1)**	**(378.0)**
Capital employed	**218.6**	**200.1**	**200.3**	**200.8**	**212.3**	**277.4**	**291.0**	**297.6**
Bank borrowings	(96.4)	(109.8)	(65.0)	(61.3)	(61.9)	(61.9)	(61.9)	(61.9)
Lease liabilities	(8.1)	(5.5)	(5.3)	(4.6)	(4.7)	(4.8)	(4.9)	(5.0)
Deferred tax liabilities	(4.7)	(5.1)	(6.0)	(6.7)	(6.7)	(6.7)	(6.7)	(6.7)
Provisions	(3.8)	(2.6)	(1.4)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Post employment benefits	(16.1)	(26.6)	(29.4)	(24.9)	(19.2)	(13.5)	(7.8)	(2.1)
Other financial liabilities				(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Non-current liabilities	**(129.1)**	**(149.6)**	**(107.1)**	**(99.2)**	**(94.2)**	**(88.6)**	**(83.0)**	**(77.4)**
Net assets	**57.0**	**37.1**	**63.4**	**94.3**	**92.1**	**110.4**	**147.3**	**187.2**
Shareholders' funds	**57.0**	**37.1**	**63.4**	**94.3**	**92.1**	**110.4**	**147.3**	**187.2**

Source: Company data, Equity Development

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