Supreme PLC

FY26 a record year and solid foundation for growth

1 July 2026

For the year to 31 March 2026, Supreme reported revenue of £270.2m, +17%YoY, (our est. £267.0m), gross profit (including forex) of £78.9m, +7%YoY (est. £79.2m), and (adj.) EBITDA of £40.6m (est. £40.7m). Reported EPS (adj.) for the year was 18.9p (ED est. 19.6p) compared to 21.6p in FY25. The Group closed the year net cash positive at £7.5m[1] (FY25: £1.2m), with debt reduced from £12.3m to £7.4m. The Group proposes a final dividend of 3.8p/ share, taking the full year dividend to 5.4p/share, +4%YoY.

Divisional performance reflected the pace of acquisitive change

- **The Electricals** division (renamed **Electricals & Household** including the acquired 1001 cleaning brand) recorded revenue of £52.8m (est. £53.0m) -10.3%YoY as expected, with the usual H2 bias (£30.0m (H2 25 £33.4m) vs H1 £22.8m (H1 25 £25.5m). The exit of Panasonic from the UK market required remedial action, whilst lighting revenue reflected the Group exit from fittings. 1001 contributed £2.0m. Our FY27/28 revenue outlook is £50.0m and £52.0m.

- **Vaping** division revenue of £148.1m, +14.8%YoY was above ED estimates of £145m, reflecting Supreme's market reach and ability to guide its customers through the transition, post disposable vapes ban on 1 June 2025, towards reusable pods. The Group notes the potential impact of the Vaping Products Duty (VPD) in October with manufacturing and packaging preparations underway. FY27/28 revenue is inflated by c.£40m to account for the impact of VPD, with an underlying estimate of £125m (-16%YoY) and £130m (+4%YoY) and no impact on profitability.

- **Drinks & Wellness** division revenue of £69.3m, +60%YoY, matched our estimates of £69.0m, with H1 at £32.9m and H2, £36.4m, described by the Group as a category *"transformed"* with growth in all aspects, sports nutrition, teas, soft drinks and weight management products. Our FY27E, +30%YoY, reflects a full year contribution from SlimFast.

FY27 has started positively

The Group reports a *"positive start"* to FY27 and trading in line with market expectations. Having invested £22.3m in the acquisition of SlimFast and 1001 carpet care (expected to generate £6.5m in annualised adj. EBITDA), and £6.0m in manufacturing cap-ex, the Group maintains a strategy which has demonstrated the combination of three key elements: (i) rapid entry into and development of new verticals (notably Drinks and Wellness), (ii) the ability to adjust to changing market conditions, as demonstrated in the vaping segment, and (iii) establishment of manufacturing and distribution systems ('The Ark') to support scale and efficiency. **Our Fair Value remains 237p/share** (to which the current price sits at a 35% discount), indicative of a FY27 P/E of 8.3x and EV/EBITDA of 4.6x.

Key financials & valuation metrics

Yr to March 31 (£m)	2024A	2025A	2026A	2027E
Revenue	221.2	231.1	270.2	305.0
EBITDA (adj)	38.1	39.7	40.6	39.0
EPS (adj, p)	19.8	20.5	18.4	19.1
DPS (p)	3.7	5.2	5.4	4.6
Net cash / (debt)	10.4	1.2	7.5	6.3
EV/EBITDA	4.7x	4.5x	4.4x	4.6x
P/E	8.0x	7.7x	8.6x	8.3x
Div yield	*2.3%*	*3.3%*	*3.4%*	*2.9%*

Source: Company data. Equity Development estimates. [1] Net debt excludes lease obligations with cash of £7.5m resulting in IFRS16 net debt of £7.4m, pre IFRS 16 net cash of £7.5m.

Company data

EPIC	SUP.L
Price (last close)	158p
52 weeks Hi/Lo	199p/123p
Market cap	£185m
ED Fair Value / share	237p
Net cash / (debt) 2026A	£7.5m
Avg. daily volume (3m)	132,399

Share price, p

Source: Investing.com

Description

Supreme is the manufacturer, supplier and brand owner of fast-moving consumer products in three categories: Electricals (batteries, lighting), Vaping and Drinks & Wellness (health and soft drinks, beverages).

It supplies leading brands such as Aldi, Amazon, Asda, B&M, Costcutter, Halfords, Home Bargains, Iceland, Morrisons, The Range, Sainsbury's, Tesco, Waitrose and HM Prison & Probation Service.

The Group has over 3,300 active business accounts with over 55,000 branded retail outlets.

Next event

AGM Trading statement - Sept 2026

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FY26 performance summary

As shown below, FY26 divisional revenue performance was close to our forecasts (overall 1.2% above), reflected at gross level (0.4% variance) and (adj.) EBITDA (0.3%), a difference in margin of 0.2%. Op-ex included £3.9m related to acquisitions (of which £2.3m related to Clearly Drinks, £0.2m for 'The Hive' and £0.2m for overseas expansion consultancy fees).

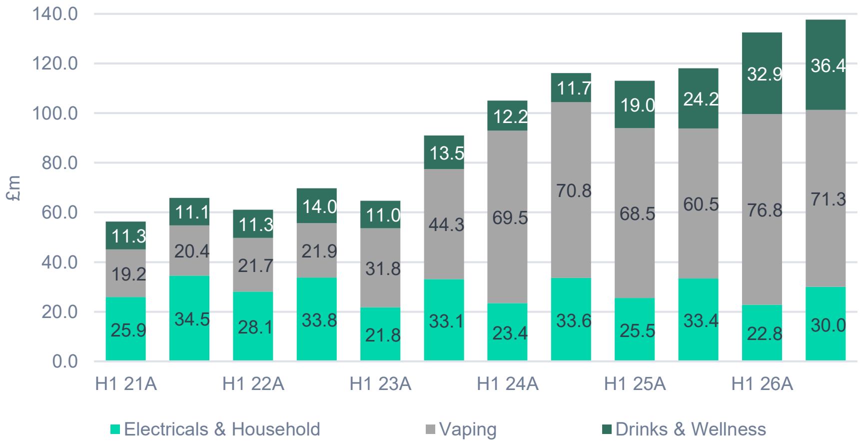
FY26 results

£m	EDE	FY26A	*Diff*	*YoY*	H1 25A	H2 25A	H1 26A	H2 26A
Electricals & Household	53.0	52.8	*-0.3%*	*-10.3%*	25.5	33.4	22.8	30.0
Vaping	145.0	148.1	*2.1%*	*14.8%*	68.5	60.5	76.8	71.3
Drinks & Wellness	69.0	69.3	*0.4%*	*60.3%*	19.0	24.2	32.9	36.4
Revenue	**267.0**	**270.2**	*1.2%*	*16.9%*	**113.0**	**118.1**	**132.6**	**137.7**
Gross pre forex	77.9	77.6	*-0.4%*	*7.2%*	33.5	38.9	37.7	37.7
Margin	*29.2%*	*28.7%*	*-1.5%*		*29.6%*	*33.0%*	*28.4%*	*27.4%*
Gross inc forex	79.2	78.9	*-0.3%*	*7.1%*	34.1	39.6	38.4	38.4
Margin	*29.6%*	*29.2%*	*-1.5%*		*30.1%*	*33.6%*	*28.9%*	*27.9%*
Op costs	(50.0)	(50.4)	*0.9%*	*22.5%*	(20.6)	(20.6)	(25.5)	(25.0)
EBIT rptd.	29.2	28.5	*-2.3%*	*-12.3%*	13.5	19.0	12.9	15.6
EBIT adj.	**30.7**	**29.3**	*-4.4%*	*-7.8%*	**15.3**	**20.8**	**13.5**	**15.8**
Margin	*11.5%*	*10.8%*	*-5.6%*		*13.6%*	*17.6%*	*10.1%*	*11.5%*
EBITDA rptd.	39.2	39.8	*1.5%*	*-1.8%*	16.6	23.8	18.0	21.8
EBITDA adj.	**40.7**	**40.6**	*-0.3%*	*2.1%*	**18.5**	**21.3**	**18.5**	**22.0**
Margin	*15.2%*	*15.0%*			*16.3%*	*18.0%*	*14.0%*	*16.0%*
EPS (adj. basic, p)		18.9						
Net cash / (debt) pre IFRS 16		7.5						
Net cash / (debt) IFRS 16		(7.4)						

Source: Company data, Equity Development estimates.

The table below illustrates semi-annual progression:

Business category revenue to H2 '26



Source: Company data.
Following the acquisition of 1001 the Group renamed 'Electricals' as 'Electricals & Household' to include household products. FY25 results were accordingly restated: Electricals from £53.4m to £58.9m and Drinks & Wellness from £48.8m to £43.2m.

FY26 performance and FY27 outlook

The key features of FY26 performance were:

- Navigating the pace of change in the vaping market, inclusive of the June 2025 ban on disposables and forthcoming Vaping Products Duty (VPD), the Group was well-prepared in managing the transition to reusable pods and instituting retail sales practices. Overall revenue grew 2%YoY; gross profitability was 31.8% (FY25: 36.4%). Although expected to contract in FY26, the Vaping category registered 15%YoY growth.

- Development in the Drinks & Wellness category, adding manufacturing capacity for Typhoo tea, and acquisition of SlimFast, resulting in 60%YoY growth to contribute 25.6% of total (FY24: 9.1%). Gross profitability of 31.0% was close to that of vaping. The Group added a 40,000 sq.ft. protein powder manufacturing facility ('The Hive').

As illustrated below, following FY26 performance which closely matched our estimates, we have amended our FY27 outlook as follows:

- Revenue maintained at £305.0m, +4%YoY (inclusive of VPD).

- Gross profitability reduced from 27.1% to 26.8% due to the impact of ongoing costs affecting materials and manufacturing inputs (notably energy costs), partially offset by increased in-house manufacturing capacity and operational efficiencies.

- Change to estimated (adj.) EBITDA from £40.0m to £39.0m (13.1% margin to 12.8% margin).

- We note that within the Drinks & Wellness category the Group has "begun investing in on-the-ground infrastructure in the territory" and is "exploring opportunities in the Middle East and China regions," noting "international expansion has always been a strategic aspiration for us; it is now becoming a commercial reality".

FY26 performance and FY27 outlook

Yr to 31 March (£m)	FY26E Prior E	FY26A Result	vs EDE	YoY	FY27E Prior E	FY27E New E	Change	YoY
Electricals & Household	53.0	52.8	*0%*	*-10%*	50.0	50.0	*0%*	*-5%*
Vaping	145.0	148.1	*2%*	*15%*	165.0	165.0	*0%*	*11%*
Drinks & Wellness	69.0	69.3	*0%*	*60%*	90.0	90.0	*0%*	*30%*
Revenue	**267.0**	**270.2**	*1%*	*17%*	**305.0**	**305.0**	*0%*	*13%*
Gross inc forex	79.2	78.9	*0%*	*7%*	82.8	81.8	*-1%*	*4%*
Mrg	*29.6%*	*29.2%*			*27.1%*	*26.8%*		
EBIT Reported	29.2	28.5	*-2%*	*-12%*	29.8	28.3	*-5%*	*-1%*
EBIT Adjusted	**30.7**	**29.3**	*-4%*	*-8%*	**30.3**	**28.8**	*-5%*	*-2%*
Mrg	*11.5%*	*10.8%*			*9.9%*	*9.4%*		*-13%*
EBITDA Reported	39.2	39.8	*2%*	*-2%*	39.5	38.5	*-2%*	*-3%*
EBITDA Adjusted	**40.7**	**40.6**	*0%*	*2%*	**40.0**	**39.0**	*-2%*	*-4%*
Mrg	*15.2%*	*15.0%*			*13.1%*	*12.8%*		
PBT Reported	27.4	26.7	*-3%*	*-14%*	28.0	27.0	*-4%*	*1%*
PBT Adjusted	**28.9**	**27.5**	*-5%*	*-9%*	**28.5**	27.5	*-4%*	*0%*
PAT Reported	20.7	18.6	*-10%*	*-21%*	21.1	19.5	*-8%*	*5%*
PAT Adjusted	**22.2**	**19.4**	*-12%*	*-15%*	**21.6**	**20.0**	*-8%*	*3%*
EPS adj. dil. (p)	**19.6**	**18.4**	*-6%*	*-10%*	**20.0**	**19.1**	*-5%*	*4%*

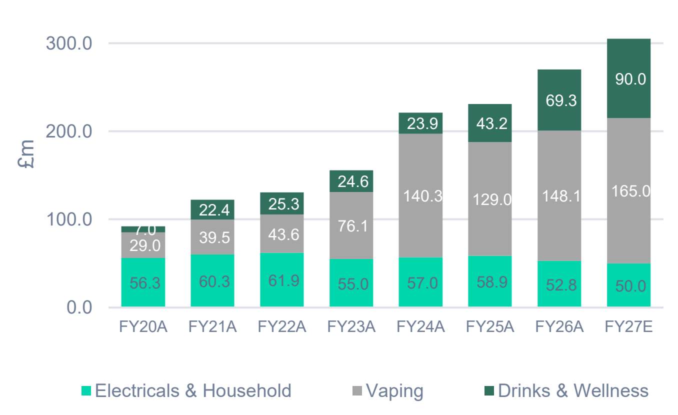
Source: Company data, Equity Development estimates.

Outlook to FY27:

We note the apparent increase in revenue in the Vaping category due to imposition of the Vaping Products Duty, estimated at c. £40m overall.

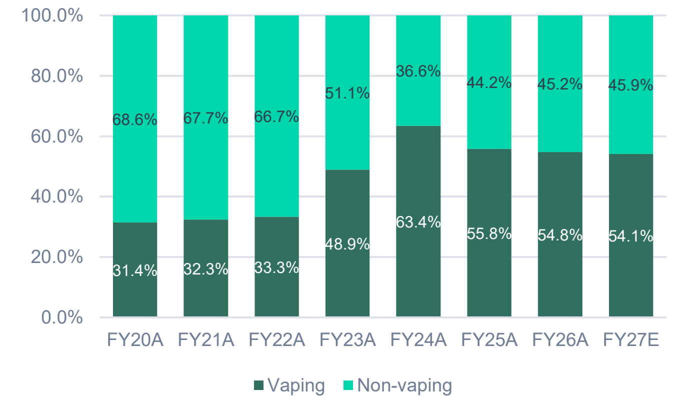
We expect stabilisation in gross profitability but have revised FY27 (adj.) EBITDA from £40m to £39m.

Business category revenue outlook to FY27E



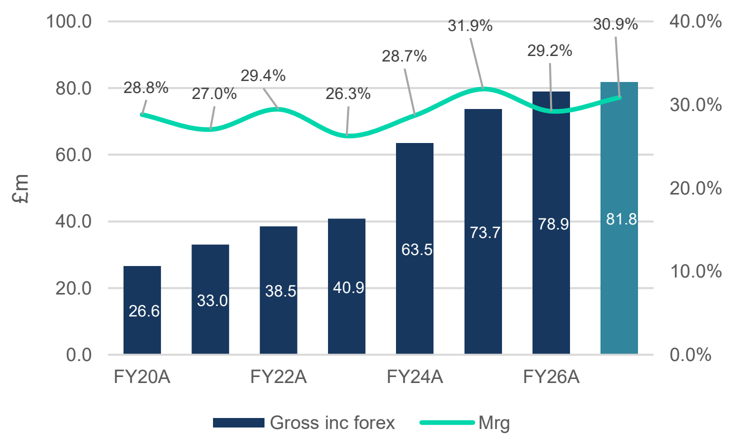
Source: Company data, Equity Development estimates.

Non-vaping revenue proportion



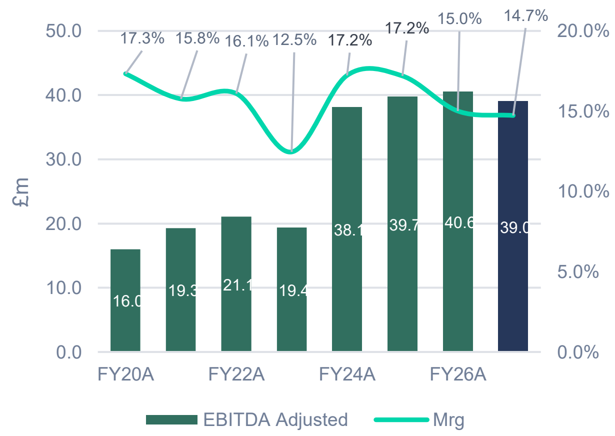
Source: Company data, Equity Development estimates.

Gross margin outlook to FY27E



Source: Company data, Equity Development estimates.

EBITDA (adj.) outlook to FY27E



Source: Company data, Equity Development estimates.

Electricals & Household business category

FY26 revenue was £52.8m, -10.3%YoY, with a gross margin of 17.1% compared to 20.7% in FY25.

Supreme renamed the division Electricals & Household to include the acquisition of the 1001 cleaning brand. As a result, FY25 revenue was restated, Electricals & Household from £53.4m to £58.9m and Drinks & Wellness from £48.8m to £43.2m. The contribution from batteries was impacted by the "unexpected" exit of Panasonic from the UK, necessitating replacement from other brands; whilst this succeeded, there was a hiatus. In addition, Amazon moved to a direct supply model thus eliminating Supreme's reseller channel. We estimate FY26 revenue of £34m (FY25E £38m).

The company indicated that despite these changes, gross margins across electrical products "remain resilient". Lighting continued to decline, accelerated by the exit from the fittings market, and loss of a customer in Ireland. The Group reports that neither development was unexpected, whilst lighting remains a "non-core category".

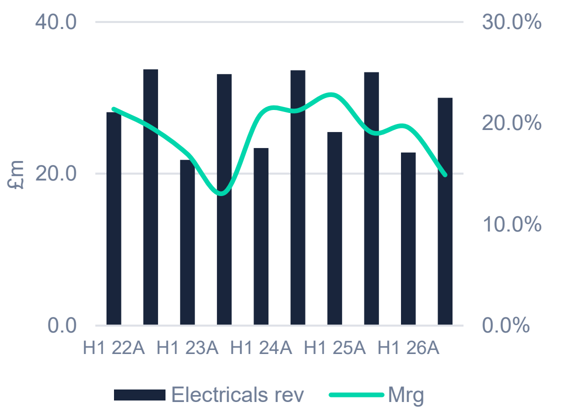
In FY26 we foresee a lighting revenue contribution of £17m (FY25 £20.9m). The Group reports that the 1001 cleaning brand, acquired in FY26, "performed solidly since joining the Group", generating revenue of £2.0m. We estimate a revenue contribution of £10m in FY27. As Supreme implies, the focus in the Electrical & Household has shifted away from 'staples' such as batteries and lighting, which we see as replacement rather than growth opportunities, towards new brands such as 1001.

Revenue, gross to FY27E

£m	H1 22A	H2 22A	H1 23A	H2 23A	H1 24A	H2 24A	H1 25A	H2 25A	H1 26A	H2 26A
Electricals rev	28.1	33.8	21.8	33.1	23.4	33.6	25.5	33.4	22.8	30.0
Gross	6.0	6.6	3.7	4.3	4.9	7.1	5.8	6.4	4.5	4.5
Mrg	*21.4%*	*19.6%*	*17.0%*	*13.1%*	*20.9%*	*21.2%*	*22.8%*	*19.1%*	*19.6%*	*14.9%*
£m	**FY20A**	**FY21A**	**FY22A**	**FY23A**	**FY24A**	**FY25A**	**FY26A**	**FY27E**		
Electricals rev	56.3	60.3	61.9	55.0	57.0	58.9	52.8	50.0		
YoY		*7.2%*	*2.6%*	*-11.2%*	*3.8%*	*3.3%*	*-10.3%*	*-5.3%*		
Gross	11.8	11.3	12.6	8.0	12.0	12.2	9.0	10.6		
Gross mrg	*20.9%*	*18.7%*	*20.4%*	*14.6%*	*21.1%*	*20.7%*	*17.1%*	*21.2%*		

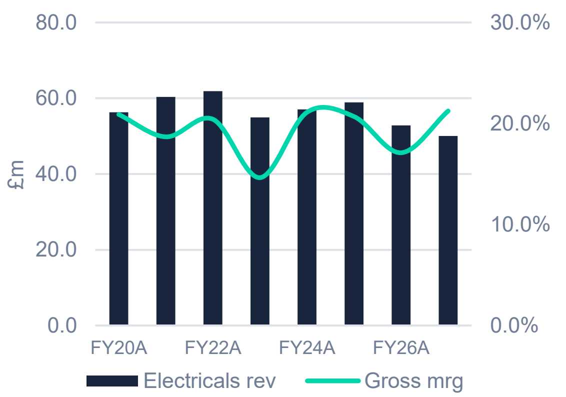
Source: Company data, Equity Development estimates.

Revenue, gross, semi-annual to H2 26A



Source: Company data.

Revenue, gross, annual to FY27E



Source: Company data, Equity Development estimates.

Vaping business category

- FY26 revenue £148.1m, +14.8%YoY, gross margin 31.8% (FY25: 36.4%).

In response to the UK ban on disposable vapes (1 June 2025) the Group noted retention of all major retail customers, providing guidance on the transition towards reusable (pod) products, also adding new brands such as IVG (www.ivapegreat.com) and Hayati (www.hayativape.co.uk).

Maintaining manufacturing at the Manchester facility (c.70m units p.a.) the Group reports "encouraging growth in contract manufacturing within the 10ml segment" from which it expects to benefit as smaller producers face adjustment to the packaging and labelling requirements of the Vaping Products Duty (VPD) from 1 October 2026. The VPD adds a flat-rate excise duty of £2.20 per 10ml of vaping liquid, which we estimate will inflate Supreme's FY27 vaping revenue by c.£40m.

A Vaping Duty Stamp is also required on all products; products will also incur VAT in addition to the VPD. Accordingly, in preparation, Supreme has adjusted manufacturing to accommodate digitised tax stamps, and reviewed packaging and warehousing operations. As a result "Supreme is confident that the forthcoming VPD regime represents an opportunity for the Group" to take market share, in effect benefitting from the challenges facing smaller competitors.

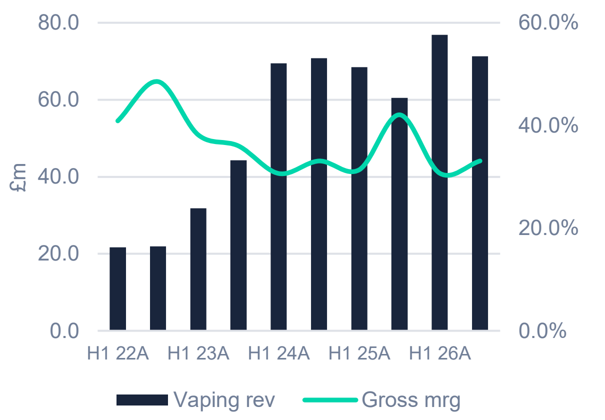
In FY27 we expect revenue of £165.0m (pre-VPD underlying £125.0m), and a gross contribution (i.e. excluding VPD impact) of £37.8m (an effective 30.2% margin).

Revenue, gross to FY27E

£m	**H1 22A**	**H2 22A**	**H1 23A**	**H2 23A**	**H1 24A**	**H2 24A**	**H1 25A**	**H2 25A**	**H1 26A**	**H2 26A**
Vaping rev	21.7	21.9	31.8	44.3	69.5	70.8	68.5	60.5	76.8	71.3
Gross	8.9	10.6	12.1	16.0	21.3	23.4	21.5	25.4	23.6	23.6
Gross mrg	*40.9%*	*48.5%*	*38.1%*	*36.0%*	*30.6%*	*33.1%*	*31.4%*	*42.1%*	*30.7%*	*33.1%*
£m	**FY20A**	**FY21A**	**FY22A**	**FY23A**	**FY24A**	**FY25A**	**FY26A**	**FY27E**		
Vaping rev	**29.0**	**39.5**	**43.6**	**76.1**	**140.3**	**129.0**	**148.1**	**165.0**		
YoY		*36.2%*	*10.2%*	*74.6%*	*84.4%*	*-8.1%*	*14.8%*	*11.4%*		
Gross	11.7	16.4	19.5	28.1	44.7	46.9	47.0	37.8		
Gross mrg	*40.2%*	*41.4%*	*44.7%*	*36.9%*	*31.9%*	*36.4%*	*31.8%*	*30.2%*		

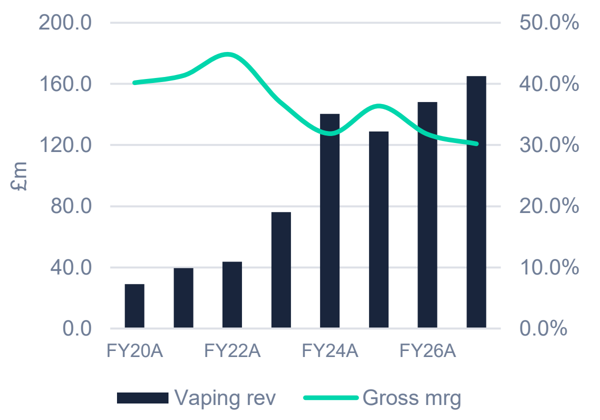
Source: Company data, Equity Development estimates. FY27E gross margin shown is adjusted for VPD.

Revenue, gross, semi-annual to H2 26A



Source: Company data.

Revenue, gross, annual to FY27E



Source: Company data, Equity Development estimates. Note that FY27 gross margin is adjusted for the impact of the VPD.

Drinks & Wellness business category

- FY26 revenue £69.3m, +60%YoY, gross margin 31.0% (FY25: 30.7%).

Within the business category, Supreme reported:

- Soft Drinks revenue of £26.3m, +41%YoY augmented by sales to Group customers and additional brand launches enabled by the addition of the new Clearly Drinks pilot line manufacturing investment. We estimate the contribution from Sports & Nutrition at c.£21.0m for the year. Supreme reports that data from the survey group Nielsen indicates that its Sci-MX V-Gain is the UK's fastest-growing vegan powder on the market, and further capacity investment – the 40,000 sq ft wellness manufacturing facility ('The Hive').

- Typhoo Tea "*performed solidly*"; we estimate revenue of £15.0m, backed by streamlined branding and a dedicated manufacturing facility ('The Plant'), producing 380m tea bags; output is expected to double in FY27. We estimate that SlimFast, acquired from Glanbia for £20.6m (ED report 'Acquisition of SlimFast UK and Europe', 20 October 2025), contributed c.£8.0m revenue in FY26; we estimate £22.0m in FY27. The Group also expanded in the Far East with the launch of *Juicy Protein* in Hong Kong via the Circle K 350-store convenience network (www.circlek.hk).

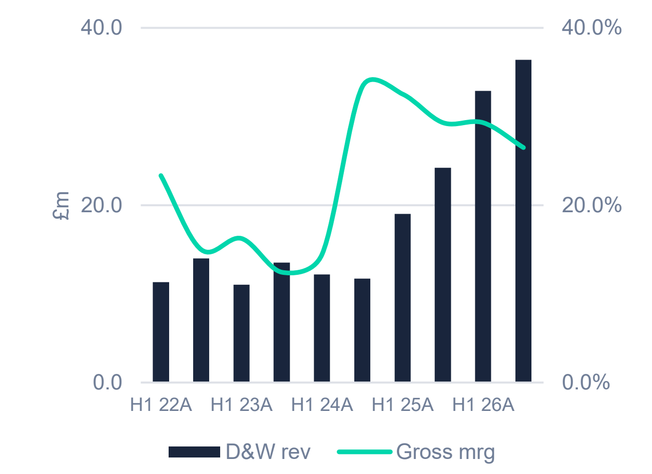
For FY27 we expect revenue of £90.0m and a gross margin of 35.5%.

Revenue, gross to FY27E

£m	**H1 22A**	**H2 22A**	**H1 23A**	**H2 23A**	**H1 24A**	**H2 24A**	**H1 25A**	**H2 25A**	**H1 26A**	**H2 26A**
D&W rev	11.3	14.0	11.0	13.5	12.2	11.7	19.0	24.2	32.9	36.4
Gross	2.6	2.1	1.8	1.7	1.8	3.9	6.2	7.1	9.6	9.6
Gross mrg	*23.3%*	*15.0%*	*16.2%*	*12.4%*	*14.5%*	*33.4%*	*32.5%*	*29.3%*	*29.3%*	*26.5%*
£m	**FY20A**	**FY21A**	**FY22A**	**FY23A**	**FY24A**	**FY25A**	**FY26A**	**FY27E**		
D&W rev	7.0	22.4	25.3	24.6	23.9	43.2	69.3	90.0		
YoY		*219.2%*	*13.1%*	*-3.0%*	*-2.6%*	*80.8%*	*60.3%*	*29.9%*		
Gross	2.4	4.3	4.7	3.5	5.7	13.3	21.5	31.9		
Gross mrg	*34.9%*	*19.2%*	*18.7%*	*14.1%*	*23.7%*	*30.7%*	*31.0%*	*35.5%*		

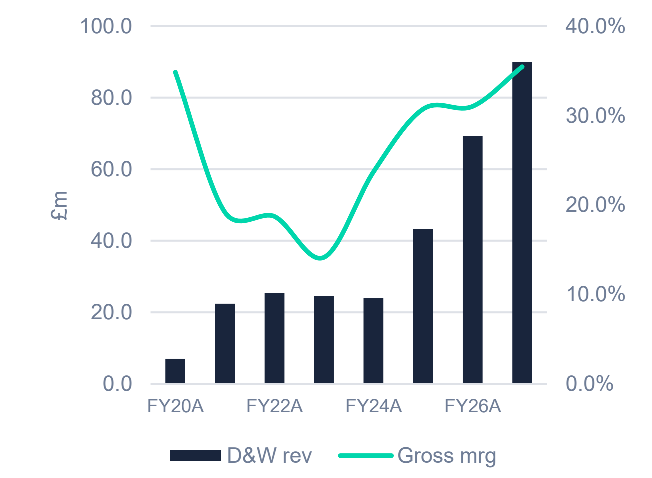
Source: Company data, Equity Development estimates.

Revenue, gross, semi-annual to H2 26A



Source: Company data.

Revenue, gross, annual to FY27E



Source: Company data, Equity Development estimates.

Cashflow: strong cash preservation

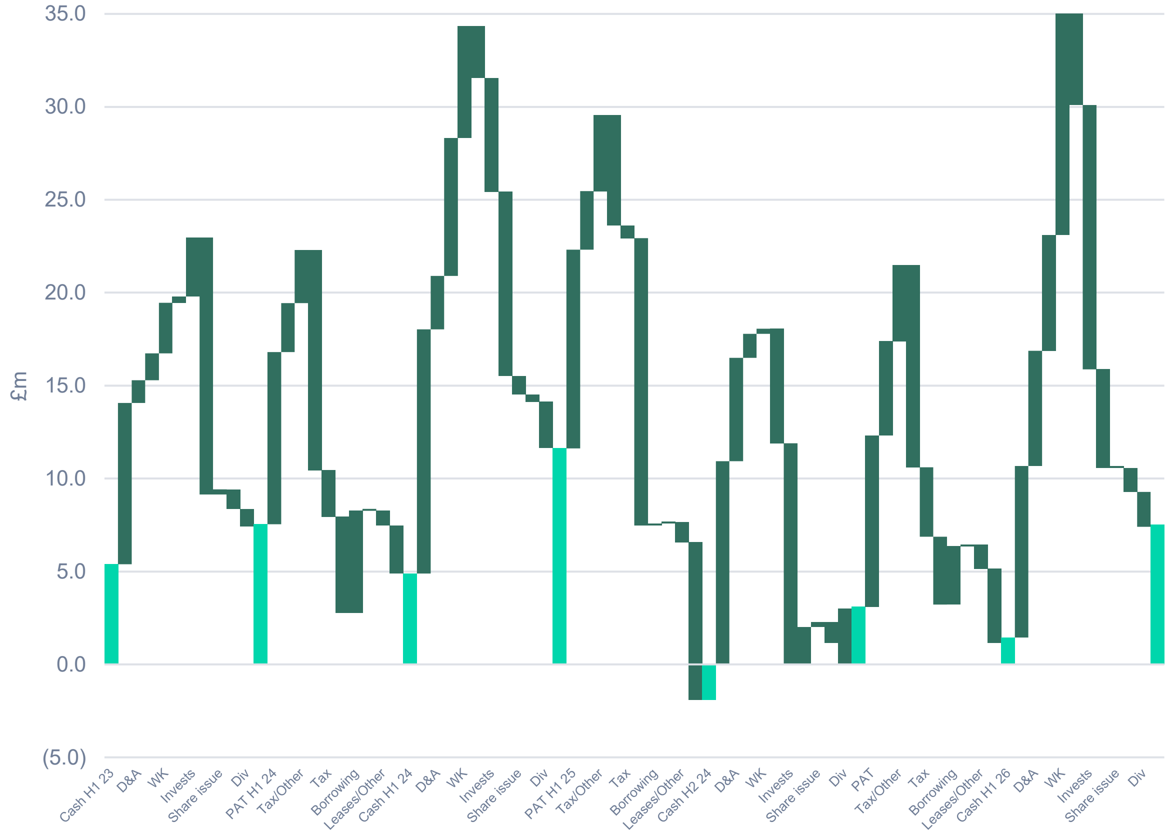
The principal movements were:

- Reported PBT (£26.7m) was £4.2m below FY25 due to the £1.5m increase in adjusted items, following the credit in respect of the Typhoo purchase, depreciation on increased cap-ex and amortisation of the acquired brands of Typhoo and SlimFast (totalling £2.5m).
- Operating cashflow increased from £25.1m to £32.4m, based on similar (adj.) EBITDA (£40.6m) but a swing in working capital from £(6.9m) to a £1.4m contribution; tax paid increased from £6.8m to £9.1m.
- Net cashflow included £2.7m of debt repayment, £1.8m in lease payments and cap-ex increased from £3.2m in FY25 to £6.0m. Acquisitions absorbed £12.9m (net of cash acquired) compared to £25.6m in FY25. The Group recorded year-end net cash of £7.514m with no bank debt; lease obligations totalled £13.551m.
- Dividend payment was £5.9m (25% of FY25 PAT) with £5.4m indicated for FY26.

As the following chart illustrates, the Group continues to manage cash prudently (i.e. in positive territory) despite an active strategy of acquisition, diversification and investment in production capacity.

For example, 'The Hive' Wellness manufacturing facility should cost £4.0m increasing production capacity from 1.8m to 4.0m units p.a., increasing revenue potential from £17m to £30m; similarly, investment of £1.2m in 'The Plant', should generate capacity for 800m teabags p.a. to generate £10-£12m in revenue annually.

Cashflow, semi-annual to H2 26A:

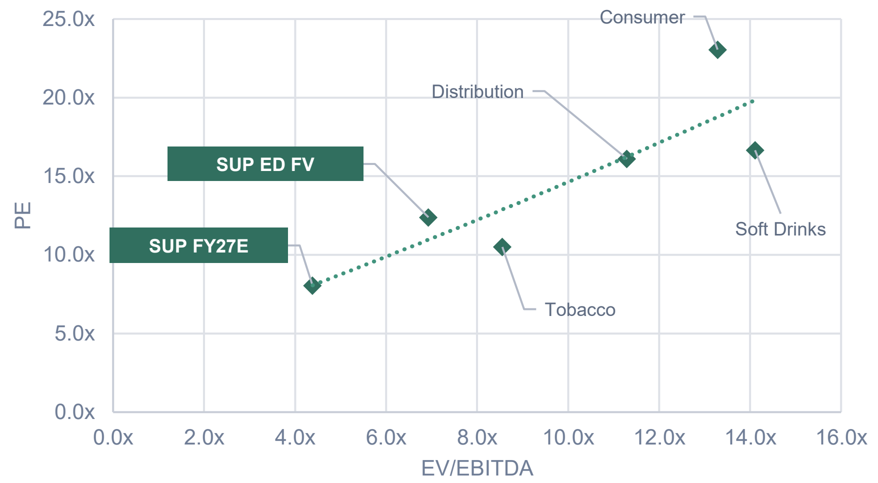


Source: Company data.

Valuation considerations

Supreme trades on a FY27(E) EV/EBITDA of 4.6x and P/E of 8.3x, representing a significant discount to market cap-weighted averages amongst peers in Supreme's product segment range: **Distributors** - Diploma, Bunzl, Ferguson, Travis Perkins, 11.3x / 1.1x; **Consumer Staples** - Unilever, P&G, Nestlé, Walmart, PepsiCo, Reckitt, 13.3x / 23.1x; **Tobacco** - BATS, Philip Morris, Altria, Imperial Brands, 8.6x / 10.5x; **Soft Drinks** – PepsiCo Inc., The Coca-Cola Company, Fevertree, A.G. Barr, 14.1x / 16.7x (*source: Koyfin*).

Comparative valuation vs peer groups



Source: Equity Development estimates. Koyfin.

Peer group company valuations

Ticker	Name	Mkt cap (£m)	EV/Rev	EV/EBITDA	PER
DPLM	Diploma	9,503	4.2x	15.6x	22.7x
BNZL	Bunzl	8,452	0.7x	7.0x	11.0x
FERG	Ferguson Enterprises Inc.	31,298	1.1x	11.6x	16.1x
TPK	Travis Perkins	1,218	0.3x	4.7x	15.1x
UL	Unilever	99,349	2.0x	9.2x	12.6x
PG	The Procter & Gamble Company	262,611	3.3x	11.8x	16.3x
NSRGY	Nestlé S.A.	200,290	2.3x	11.1x	14.3x
WMT	Walmart Inc.	696,751	1.0x	15.3x	30.1x
RKT	Reckitt Benckiser Group	31,283	2.3x	8.1x	11.2x
BATS	British American Tobacco	102,548	3.9x	8.0x	10.0x
PM	Philip Morris International Inc.	213,218	5.8x	13.1x	16.3x
MO	Altria Group Inc.	93,252	5.3x	8.2x	9.8x
IMBBY	Imperial Brands	21,374	2.5x	5.7x	6.3x
IGR	IG Design Group	71	0.5x	5.7x	12.2x
KITW	Kitwave Group	251	0.3x	4.8x	7.5x
UPR	Uniphar	1,022	0.4x	7.9x	13.3x
PEP	PepsiCo Inc.	146,247	1.8x	9.1x	12.4x
FEVR	Fevertree Drinks	934	1.6x	12.7x	22.0x
BAG	A.G. BARR	718	1.1x	6.1x	10.1x
KO	The Coca-Cola Company	269,048	6.0x	17.0x	19.1x

Source: Koyfin.

A peer group-based sum-of-parts indicates a higher value

The sum-of-parts indicative valuation shown below is based on the market cap-weighted average valuations for each of the three most representative product groups - Consumer Staples, Tobacco and Soft Drinks – aligned with the three new business categories, Electrical & Household, Vaping, and Drinks & Wellness, each pro-rata to contribution to gross profits. The inputs are:

- Supreme FY27 ED estimated (adj.) EBITDA.
- Contribution to total Group gross profit (pre-forex) of each Business Category (company-reported and ED estimated).
- Peer group market cap-weighted EV/EBITDA multiples.
- Latest year-end Group net debt (cash).
- Group shares in issue.

Sum-of-parts valuation based on cross-reference with peer groups

FY27E (ad.) EBITDA	**% of gross**	**Peer**	**EV/EBITDA**	**EV £m**
Electricals	13.2%	Consumer	13.3x	68.6
Vaping	47.0%	Tobacco	8.6x	157.0
D&W	39.8%	Soft drinks	14.1x	218.9
EV indicated (£m)				**444.6**
Indicated EV/EBITDA multiple				11.4x
Net cash / (debt) (£m)				7.50
FY27 E indicated equity (£m)				452.1
Per share value indicated (p)				**385.3**

Source: Equity Development estimates. Koyfin.

The sum-of-parts exercise indicates a FY27 equity value per share of 385p/share.

P&L

£m	H1 25A	H2 25A	H1 26A	H2 26A	FY23A	FY24A	FY25A	FY26A	FY27E
Electricals & Household	25.5	33.4	22.8	30.0	33.6	57.0	58.9	52.8	50.0
Vaping	68.5	60.5	76.8	71.3	70.8	140.3	129.0	148.1	165.0
Drinks & Wellness	19.0	24.2	32.9	36.4	11.7	23.9	43.2	69.3	90.0
Revenue	**113.0**	**118.1**	**132.6**	**137.7**	**105.1**	**118.1**	**231.1**	**270.2**	**305.0**
Gross pre forex	33.5	38.9	37.7	37.7	34.5	62.4	72.4	77.6	80.3
Gross margin	*29.6%*	*33.0%*	*28.4%*	*27.4%*	*29.7%*	*28.2%*	*31.3%*	*28.7%*	*30.3%*
Gross inc forex	**34.1**	**39.6**	**38.4**	**38.4**	**35.0**	**63.5**	**73.7**	**78.9**	**81.8**
Mrg	*30.1%*	*33.6%*	*28.9%*	*27.9%*	*30.1%*	*28.7%*	*31.9%*	*29.2%*	*30.9%*
Sum Op-ex	(20.6)	(20.6)	(25.5)	(25.0)	(16.1)	(31.5)	(41.2)	(50.4)	(53.5)
One-off costs	1.8	(1.8)	(0.6)	(0.2)	(1.1)	(0.6)	0.0	(0.8)	(0.5)
One off gain	0.0	0.7	0.0	0.0	0.0	0.0	0.7	0.0	0.0
EBIT Reported	13.5	19.0	12.9	15.6	18.9	31.4	32.5	28.5	28.3
EBIT Adjusted	**15.3**	**20.8**	**13.5**	**15.8**	**20.1**	**32.0**	**31.8**	**29.3**	**28.8**
Mrg	*13.6%*	*17.6%*	*10.1%*	*11.5%*	*17.3%*	*14.5%*	*13.7%*	*10.8%*	*10.9%*
Depreciation	(2.3)	(4.2)	(3.8)	(3.9)	(2.0)	(3.8)	(6.4)	(7.7)	(6.7)
Amortisation	(0.9)	(0.7)	(1.3)	(2.3)	(1.5)	(2.3)	(1.5)	(3.5)	(3.5)
EBITDA Reported	16.6	23.8	18.0	21.8	21.8	37.5	40.5	39.8	38.5
EBITDA Adjusted	**18.5**	**21.3**	**18.5**	**22.0**	**22.9**	**38.1**	**39.7**	**40.6**	**39.0**
Mrg	*16.3%*	*18.0%*	*14.0%*	*16.0%*	*19.7%*	*17.2%*	*17.2%*	*15.0%*	*14.7%*
Financial income	0.12	0.04	0.01	0.05	0.14	0.15	0.16	0.06	0.50
Financial expense	(0.7)	(1.0)	(0.7)	(1.1)	(1.3)	(2.0)	(1.8)	(1.9)	(1.8)
PBT Reported	12.9	18.0	12.2	14.5	17.2	29.5	30.9	26.7	27.0
PBT Adjusted	**14.7**	**15.5**	**12.7**	**14.8**	**18.3**	**30.1**	**30.2**	**27.5**	**27.5**
Tax	(2.2)	(5.2)	(3.0)	(5.3)	(4.7)	(7.7)	(7.4)	(8.3)	(7.5)
Reported tax rate	*17.1%*	*28.8%*	*24.4%*	*36.5%*	*27.1%*	*26.1%*	*23.9%*	*31.0%*	*27.8%*
PAT Reported	10.7	12.8	9.2	9.4	12.6	21.8	23.5	18.6	19.5
PAT Adjusted	**12.5**	**10.3**	**9.7**	**9.7**	**13.7**	**22.4**	**22.8**	**19.4**	**20.0**
Amortisation & tax items	0.5	0.0	0.0	2.4	0.0	2.6	0.0	3.5	3.5
PAT Adjusted	**13.0**	**12.8**	**9.2**	**11.8**	**12.6**	**24.4**	**23.5**	**22.1**	**23.0**
Diluted wtd. av. shares (m)	120.4	120.5	120.5	120.2	123.7	123.7	120.5	120.2	120.2
EPS rptd. basic (p)	9.2	11.0	7.8	8.0	10.7	18.6	20.2	15.5	16.6
EPS adj. dil. (p)	**10.8**	**10.6**	**7.6**	**9.8**	**10.2**	**19.8**	**20.5**	**18.4**	**19.1**

Source: Company data. Equity Development estimates.

Cashflow

Yr to March 31 (£m)	H1 25A	H2 25A	H1 26A	H2 26A	FY23A	FY24A	FY25A	FY26A	FY27E
PAT Reported	10.7	12.8	9.2	9.2	12.0	22.4	23.5	18.4	19.5
One-off items	1.3	(5.4)	0.4	(0.2)	0.8	0.2	(4.2)	0.3	0.0
Depreciation	2.3	4.2	3.8	3.9	2.2	3.8	6.4	7.7	6.7
Amortisation	0.9	1.4	1.3	2.3	0.9	1.7	2.3	3.5	3.5
Tax	2.2	5.2	3.0	5.3	2.5	7.7	7.4	8.3	7.5
Finance/other	0.6	1.5	0.7	1.1	(0.0)	2.4	2.1	1.8	1.3
Operating Cash Flow	**17.9**	**19.7**	**18.4**	**21.6**	**18.4**	**38.2**	**37.6**	**40.0**	**38.5**
(Increase)/Decrease inventories	(6.8)	4.8	(5.3)	4.5	2.9	1.2	(2.0)	(0.8)	(0.5)
(Increase)/Decrease in receivables	3.5	(4.5)	(0.6)	(4.8)	(0.7)	(14.7)	(0.9)	(5.3)	1.5
Increase/(Decrease) in payables	(2.7)	(0.0)	(5.0)	12.6	(0.0)	7.7	(2.7)	7.6	(9.0)
Movement in working capital	**(5.9)**	**0.3**	**(10.9)**	**12.3**	**2.2**	**(5.8)**	**(5.7)**	**1.4**	**(8.0)**
Cash generated by operations	**12.0**	**20.0**	**7.5**	**34.0**	**20.6**	**32.4**	**31.9**	**41.5**	**30.6**
Tax (paid)/received	(0.7)	(6.2)	(3.7)	(5.3)	(1.3)	(5.3)	(6.8)	(9.1)	(7.5)
Net cash from operations	**11.3**	**13.8**	**3.8**	**28.6**	**19.3**	**27.1**	**25.1**	**32.4**	**23.1**
Interest received	0.1	0.1	0.0	0.1	0.0	0.0	0.2	0.1	0.0
Intangibles	(0.1)	0.0	(1.4)	(11.6)	0.0	(0.1)	(0.1)	(12.9)	0.0
PPE	(1.1)	(2.1)	(2.6)	(3.4)	(1.3)	(5.3)	(3.1)	(6.0)	(6.0)
Acquisition	(15.6)	(10.0)	0.0	0.0	(10.1)	(2.5)	(25.6)	0.0	0.0
Sale of PPE	0.9	0.1	0.3	0.7	4.0	0.1	1.0	1.0	0.0
Deferred, other	0.3	0.1	0.0	(0.0)	(0.2)	(3.5)	0.3	0.0	(9.1)
Net cash used in investing	(15.5)	(11.9)	(3.6)	(14.2)	(7.6)	(11.3)	(27.3)	(17.9)	(15.1)
Net OpFCF	**(4.2)**	**1.9**	**0.1**	**14.4**	**11.7**	**15.8**	**(2.2)**	**14.6**	**8.0**
Borrowings (net)	0.0	2.0	3.1	(5.3)	(1.3)	(4.4)	2.0	(2.2)	0.0
Share issue	0.1	0.3	0.0	0.0	0.3	(1.0)	0.3	0.0	0.0
Interest paid	(0.4)	(0.4)	(0.2)	(1.1)	(0.8)	0.0	(0.8)	(1.3)	(2.5)
Leases	(0.7)	(0.7)	(1.1)	(0.1)	(1.0)	(1.2)	(1.4)	(1.3)	(1.3)
Dividend	(3.7)	(2.1)	(4.0)	(1.9)	(5.4)	(4.3)	(5.8)	(5.9)	(5.4)
Net cash from financing	**(5.0)**	**(1.1)**	**(2.2)**	**(8.5)**	**(8.2)**	**(11.6)**	**(6.1)**	**(10.7)**	**(9.2)**
Net change cash	(9.2)	0.8	(2.1)	5.9	3.5	4.2	(8.4)	3.9	(1.2)
Cash start	11.6	2.4	3.2	1.7	3.9	7.5	11.6	3.2	7.5
Forex	(0.1)	0.0	0.5	(0.1)	0.1	(0.1)	(0.1)	0.5	0.0
Cash end	**2.4**	**3.2**	**1.7**	**7.5**	**7.5**	**11.6**	**3.2**	**7.5**	**6.3**

Source: Company data. Equity Development estimates.

Balance sheet

Yr to March 31 (£m)	H1 25A	H1 26A	FY23A	FY24A	FY25A	FY26A	FY27E
Intangible assets	19.3	22.7	15.3	13.7	21.2	39.3	35.8
PPE net	15.4	32.1	20.8	21.4	30.8	32.0	31.3
RoU	12.7	0.0	0.0	0.0	0.0	0.0	0.0
Investments	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Sum Fixed Assets	**47.6**	**54.8**	**36.1**	**35.1**	**52.0**	**71.4**	**67.1**
Inventories	32.3	42.6	25.6	24.4	36.3	37.1	37.6
Trade receivables	35.1	42.8	20.9	35.6	42.2	47.5	46.0
Financial insts	0.3	0.2	0.0	0.0	0.8	0.5	0.5
Cash	2.4	1.7	7.5	11.6	3.2	7.5	6.3
Sum Current Assets	**70.2**	**87.2**	**54.0**	**71.7**	**82.5**	**92.6**	**90.4**
Total Assets	**117.8**	**142.0**	**90.1**	**106.8**	**134.6**	**164.0**	**157.5**
Trade payables	(28.4)	(29.7)	(26.1)	(27.3)	(33.7)	(50.8)	(41.8)
Bank borrowings	(1.0)	(7.3)	(4.3)	(1.3)	(2.0)	0.0	0.0
Tax, Other	(8.9)	(6.5)	(3.2)	(5.5)	(6.4)	(5.1)	(5.1)
Sum Current Liabilities	**(38.2)**	**(43.5)**	**(34.3)**	**(34.0)**	**(43.4)**	**(57.3)**	**(48.3)**
Total Assets less Current Liabilities	79.5	98.5	55.8	72.7	91.2	106.7	109.2
Borrowing/leases	(13.1)	(14.3)	(14.3)	(13.4)	(12.1)	(13.6)	(13.6)
Tax/Provisions	(1.1)	(1.4)	(1.6)	(1.3)	(2.1)	(3.4)	(3.4)
Sum Long-term liabilities	(14.2)	(16.5)	(15.9)	(14.8)	(14.7)	(16.9)	(15.9)
Total liabilities	**(52.4)**	**(59.9)**	**(50.2)**	**(48.8)**	**(58.1)**	**(74.2)**	**(64.2)**
Net Assets	65.4	82.1	40.0	58.0	76.5	89.8	93.3
Share Capital	11.7	11.7	11.7	11.7	11.7	11.7	11.7
Share Premium	7.6	7.7	7.4	7.4	7.7	7.7	(6.3)
Merger Reserve	(22.0)	(22.0)	(22.0)	(22.0)	(21.9)	(22.0)	(22.0)
Retained earnings	63.8	79.5	39.8	56.8	74.6	86.8	109.8
Equity	**65.3**	**81.7**	**40.0**	**58.0**	**76.5**	**89.8**	**93.3**
Net cash / (debt) pre IFRS 16	1.4	(5.7)	3.2	10.4	1.2	7.5	6.3

Source: Company data. Equity Development estimates.

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