



Victorian Plumbing Group plc

Considerable untapped potential

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3 December 2025

Victorian Plumbing's FY25 results illustrate the strength of its market-leading, profitable and cash-flow generative business. In this initiation report we review the group's attractive investment thesis and conclude the 40% sell-off in the past 12 months significantly undervalues the group's potential. We initiate coverage with a 110p Fair Value equating to 1.1x EV / Revenues, c.11x EV/EBITDA and a c.5% FCF yield (cal 2026).

UK bathroom market leadership delivering profitable growth

Victorian Plumbing has successfully come through a period of significant change: the completion of the new £21m 544k sq ft warehouse, the £22.5m acquisition of Victoria Plum in May 2024 and a launch into homewares this summer. FY25 Revenues rose 5% to a record £310m as its UK bathroom market share rose 140bps to 21.5%, and Adj. PBT (ex MFI) also rose 5% to £24.3m, despite labour cost headwinds. Underpinning Victorian Plumbing's success is a further increase in trade customers, now 24% of group, and 42% growth in its adjacent category of tiles and flooring, to 6% of group.

Homewares and furniture launch has started well; costs controlled

Building on management's entrepreneurial expertise, the relaunch of MFI has started well, and though it is early days, initial Trustpilot customer reviews have been excellent (4.7/5*). Start-up costs have been limited to £2.5m and guidance for FY26E is a P&L investment of £2.6m-£3.4m, comfortably funded from operational cashflows (FY25 net financial cash £17.7m). Although just how quickly the business scales up is difficult to gauge, with gross profit funding marketing investment we forecast disciplined investment of c.£3m p/a until break-even, estimated in FY29E.

2025 sell-off leaves the shares well below our Fair Value 110p / per share

We value the bathrooms business on 9x cal 2026 EV/EBITDA (implying over £330m EV, c.1x Revenues, nearly 100p per share) with the potential for the homewares business to be worth c.£45m (3x cal 2028 EV / Revenues), adding another c.15p per share. **Hence, we see scope for a significant re-rating as confidence builds in management's strategy.**

Key financials & valuation metrics

Year to 30 September (£m)	2024	2025	2026E	2027E	2028E
Revenue	295.7	310.0	330.3	352.8	381.2
Revenue growth (%)	3.7	4.8	6.5	6.8	8.0
Adj. EBITDA*	27.2	31.8	33.7	36.5	40.5
Adj. EBITDA margin (%)	9.2	10.3	10.2	10.4	10.6
Adj. PBT*	23.1	21.8	21.7	24.2	27.7
Adj. PBT margin (%)	7.8	7.0	6.6	6.9	7.3
Adj. diluted EPS* (p)	5.3	5.6	5.2	5.5	6.3
Dividend per share (p)	1.6	2.2	2.3	2.4	2.7
Free cashflow	(29.1)	10.7	16.3	18.2	21.1
Net cash / (debt) /Adj. EBITDA (x)	(1.3)	(1.3)	(0.7)	(0.4)	0.0
EV / Sales (x, calendarised)		0.8	0.8	0.7	0.7
PER (x, calendarised)		12.9	13.5	12.5	10.8
Dividend yield (% , calendarised)		3.0	3.2	3.5	3.8
Free cashflow yield (% , calendarised)		5.2	7.2	8.1	9.4

*Pre share-based payments; Source: Company data, Equity Development, Priced as at 2/12/25

Company data

EPIC	VIC
Price (last close)	72p
52 weeks Hi/Lo	122p / 58p
Market cap	£239m
ED Fair Value / share	110p
Net cash / (debt) 2025A	£(40m)
Avg. daily volume (3m)	368k

Share price, p



Source: Investing.com

Description

Victorian Plumbing Group plc ("Victorian Plumbing") is the UK market leader in bathroom furniture and accessories with 21.5% market share in 2024. Offering an extensive range of over 150 brands and 36,000 products across all price points, the group sells online to both consumers and trade customers (24% of FY25 revenues). Having successfully extended into the adjacent category of tiles and flooring, the group entered the complementary homewares and furniture category in 2025 under the MFI brand.

Next event

AGM February 2026 (tbc)

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Victorian Plumbing: Investment attractions overview

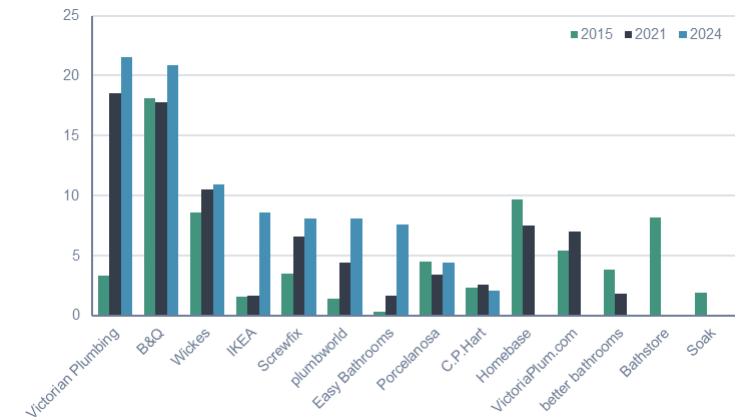
Investment Highlights	Risk Factors
- Victorian Plumbing has grown rapidly over the past 25 years to become the UK's market leader in bathrooms with 21.5% market share, from just 3.3% in 2015. - As an online category specialist with over 36,000 products and 150 brands, Victorian Plumbing consolidated its 50% jump in active customers and 78% increase in revenues during the COVID pandemic (FY19-FY21), and has continued to grow, resulting in 15% revenue CAGR for FY18-FY25. - Increasing trade customers to 24% of group and expanding into tiles and flooring has given the group access to new markets and customers. Building on this success, in July 2025, management relaunched the MFI brand, acquired as part of its acquisition of Victoria Plum, as an online brand to compete in the unconsolidated £21bn homewares and furniture market. - The group is led by its entrepreneurial founder, Mark Radcliffe, and an experienced management team.	- Falling discretionary income and/ or rising unemployment contributing to a weak macro-economic environment in the UK. - Housing transactions falling and/ or rising interest rates. - Irrational competitive pricing behaviour, including by any struggling competitors trying to clear stock. - Cost inflation, particularly in marketing costs or in wage inflation, lasting for longer or at a higher rate than expected, impacting profit margins. - Supply chain disruption and/ or rising shipping prices impacting either own-label brands or third-party brands. - Technology disruption including customer data breaches, and risks to the continuity of taking online orders. - Other risks to brand reputation.
Forecast Drivers	Valuation Overview
- The group's strategic initiatives with trade customers and category range expansion, together with a more positive macro-economic outlook of improving housing transactions and accumulated savings, underpin our 7% GACR in revenues FY25-FY28E. - We assume marketing efficiencies lead to a robust and modestly rising Adj. EBITDA margin of 11.4% in FY28E for the core bathrooms business (from 11.0% in FY25), leading to a group Adj. EBITDA margin of 10.6% by FY28E, up from 10.3% in FY25 (including MFI). - We forecast high cashflow conversion and free cashflow of c.£16m in FY26E, rising to c.£21m in FY28E, after c.£6m of capex p/a. This funds dividends of c. £7m-£8m p/a and a reduction in net leverage (including leases).	- Victorian Plumbing is trading on 0.8x 2026 EV / Revenues, 7.5x 2026 EV / Adj. EBITDA, 13.5x 2026 PER and offers a c.3% dividend yield and a c.7% FCF yield. - This is towards the low end of Victoria Plumbing's post-COVID trading range after the c.40% decline in the share price in the past 12 months, which we think undervalues the group's potential. - As management intends to limit the operating losses the group absorbs whilst MFI is building scale, we think it is appropriate to value the business as two distinct parts. - We value the core bathrooms (and tiles and flooring) business on c.9x cal 2026 EV/EBITDA equivalent to c.1.0x EV / Revenues and an equity value per share of nearly 100p. We then value the MFI business on c.3x our forecast cal 2028 revenues of £15m to yield a valuation of c.£45m or 14p per share.

Market share winning, well-invested, market leader in UK bathrooms

Range authority and category leadership

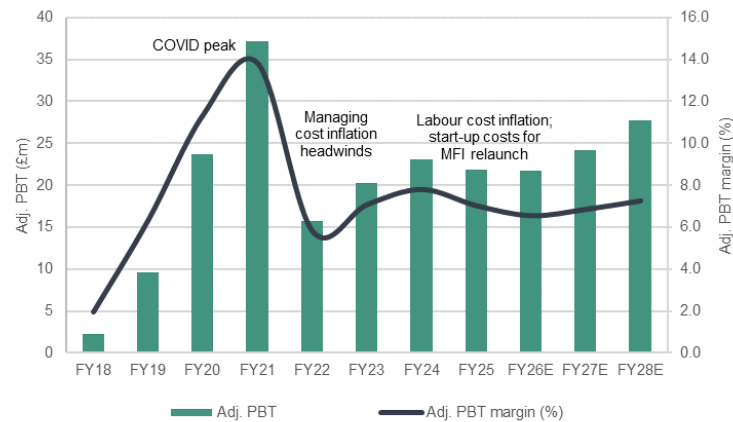
- Victorian Plumbing's rise to UK bathroom market leadership with 21.5% share, from just 3% share 10 years ago, has been very impressive, particularly considering the strong competition in the market.
- Yet, the company has continued to invest, in warehouse capacity for future growth, and in the acquisition of Victoria Plum in 2024, to both gain customers and eliminate a competitor with a similar name that was impacting marketing efficiency.
- As a result, brand awareness has risen to 70%, active customers have risen to over 700k and total orders rose 6% to 1.08 million in FY25, driving record revenues of £310m with 24% from trade customers.

From 3.3% to 21.5% UK bathrooms market share in 10 years



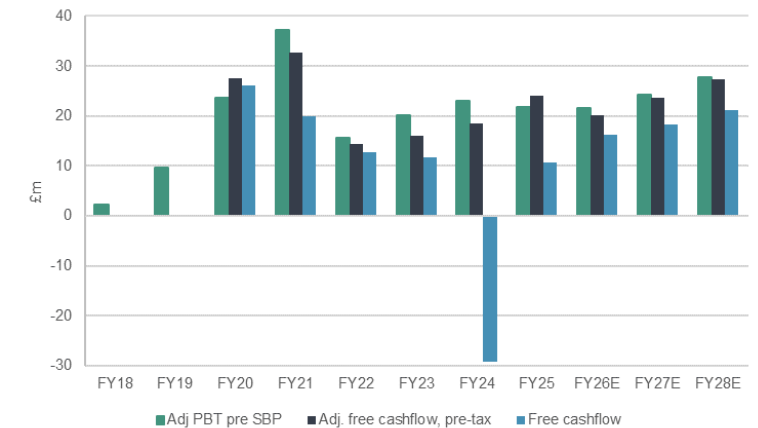
Source: Company data, Mintel, Equity Development

8% FY25 Adj. PBT margin despite cost headwinds...



Note: Adj. PBT pre share-based payments; Source: Company data, Equity Development

...and high operating cash conversion



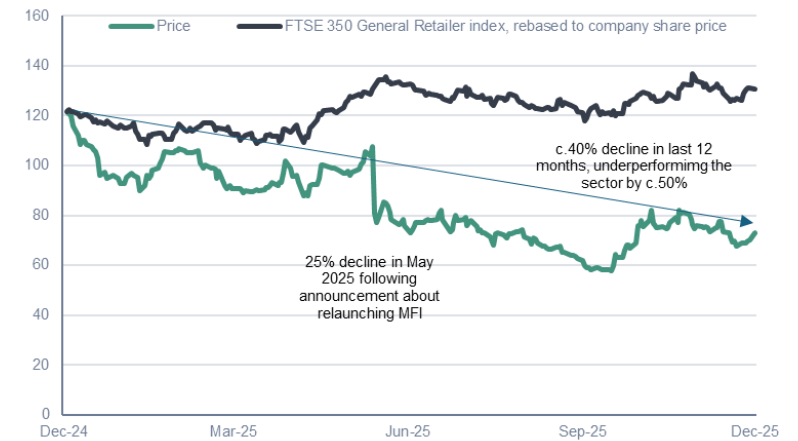
Source: Company data, Equity Development

High cash generation funds cost-controlled opportunity in homewares and furniture

Share price weakness undervalues core business

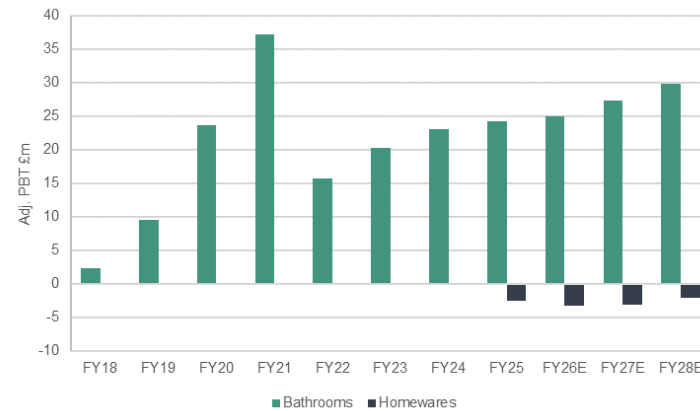
- Despite the group's operational and strategic success, the group's stock price has fallen 40% in the past twelve months and underperformed the FTSE 350 General Retailers index by c.50%.
- Some of this is attributed to investors' lack of confidence in management's decision to expand into the homewares and furniture category under the MFI brand, acquired as part of the Victoria Plum acquisition.
- The initial launch of MFI has gone well, with initial Trustpilot reviews averaging an impressive 4.7/5*, but perhaps more encouragingly start-up costs have been limited to £2.5m and we forecast will be limited to c.£3m p/a.
- We value the core bathrooms business on c.9x cal 2026 EV / EBITDA yielding an EV of c.£330m and an implied equity value of nearly 100p per share; and estimate the MFI business could add up to 15p per share initially.

Victorian Plumbing has underperformed by c.50%



Source: Investing.com; Equity Development

MFI start-up investment contained at c. £3m p/a



Source: Company data, Equity Development

Sum of the parts: valuation multiple sensitivity analysis

- 8x-10x cal 2026 EV / EBITDA derives an Enterprise Value for the group's core bathroom, tiles & flooring business of c.£300m-£370m.
- Forecasting the rate of growth for MFI is difficult at this early stage. We cautiously suggest 2x-4x our cal 2028 revenues of £15m implying a c.£30m-c.£60m valuation, with potential for more as scale builds.

			Bathrooms & Tiles EV / EBITDA multiple		
			8.0x	9.0x	10.0x
			£297m	£334m	£371m
Homewares	2.0x	£30m	92p	104p	115p
EV / Revenue	3.0x	£45m	97p	108p	119p
Multiple	4.0x	£59m	101p	113p	124p

Source: Equity Development

Why invest?

A rapid rise to become the UK's leading bathroom retailer, despite strong competition

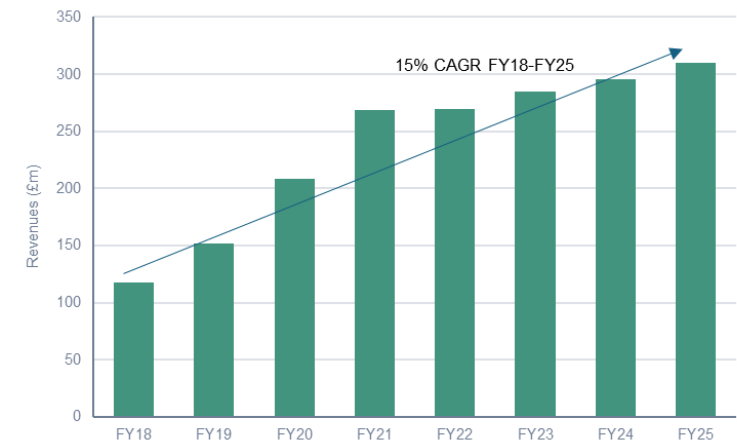
Market leader in bathrooms within 25 years

- Victorian Plumbing was founded by CEO Mark Radcliffe in 2000, who, with his background in e-commerce, saw an opportunity to launch an online bathroom retailer.
- From its first headquarters in 2004, to its first own brand in 2005, to its first (and only) showroom in 2009, to its first 110k sq ft warehouse in 2013, Victorian Plumbing has consistently invested in its growth.
- Hence when the COVID pandemic hit, and consumers turned to online retailers and invested in their homes, Victorian Plumbing was well placed.
- By 2021 the group had passed 3 million cumulative orders, active customers had jumped 50% from FY19 to 565k in FY21, and revenues accelerated to £270m in FY21, +78% from two years earlier.

Continued to gain market share post COVID...

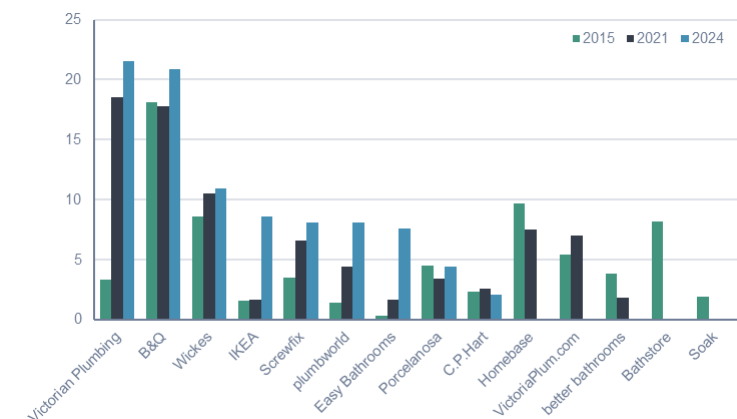
- Hence from just 3.3% UK market share in 2015, Victorian Plumbing grew its share to 18.5% in 2021 and continued to grow to 21.5% in 2024 (+300bps), leading to a Sales CAGR of 15% FY18-FY25.
- Victorian Plumbing has succeeded in a very competitive market, against some big established retailers, where other online retailers have failed (e.g. better bathrooms, Bathstore, Soak) and at the expense of store-based retailers such as Homebase.
- In this report we illustrate Victorian Plumbing's competitive advantages which have allowed this, including through its acquisition of competitor Victoria Plum in 2024.

15% CAGR in revenues, through COVID and beyond



Source: Company data, Equity Development

...despite tough competition and changing dynamics



Source: Company data, Mintel industry reports, Equity Development

Offering range and brand authority across bathroom products and growing in tiles and flooring

An established reputation as a category specialist

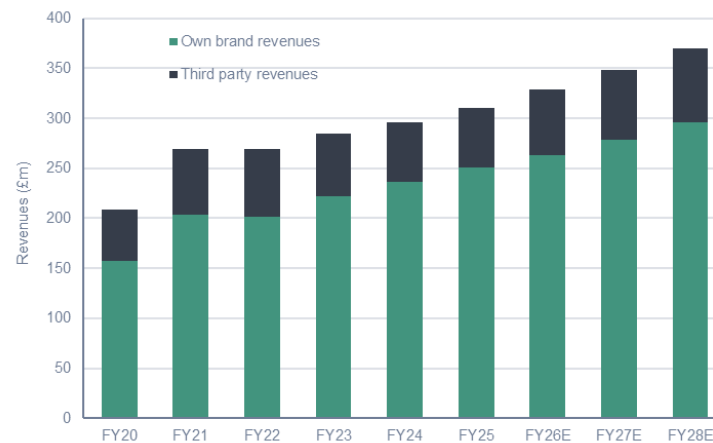
- As the leading online bathroom specialist for 25 years, Victorian Plumbing has steadily grown to over 36,000 products, across more than 150 brands, including over 25 own brands.
- These offer customers an incredible choice, across a spectrum of price points, and in FY24 Victorian Plumbing attracted 40 million unique visitors to its website.
- Leveraging its customer base, management introduced the product-adjacent category of tiles and flooring in 2020 to complete its bathroom offer, and in FY25 tiles and flooring had grown to £17.6m of revenues, 5.7% of group.

Bathroom furniture and accessories range authority



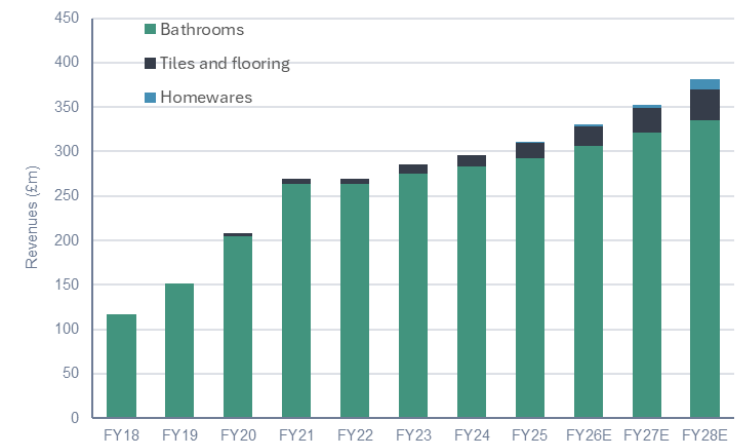
Source: Company data, Equity Development

Revenues split c.80% own-brands / 20% third-party brands



Source: Company data, Equity Development

Tiles and flooring have grown to 6% of group revenues



Source: Company data, Equity Development

Attracting increasing trade customers as well as consumers

Trade customer revenue CAGR of 21% FY20-FY25

- Given Victorian Plumbing's position as the leading bathroom specialist, it's no surprise that the company has attracted trade customers as well as consumers.
- Over the five years from FY20-FY25, trade customer revenues have grown at a CAGR of 21% and accounted for 24% group revenues in FY25.
- Victorian Plumbing offers trade customers a dedicated app offering exclusive deals and promotions, along with faster delivery and the ability to manage multiple project lists. Although this costs gross margin, this is offset by greater marketing efficiency as trade customers spend more frequently.
- Victorian Plumbing's ability to attract trade customers has given it the ability to compete and gain share at the same time as B&Q and Wickes.

Trade credit and exclusive prices attract trade customers



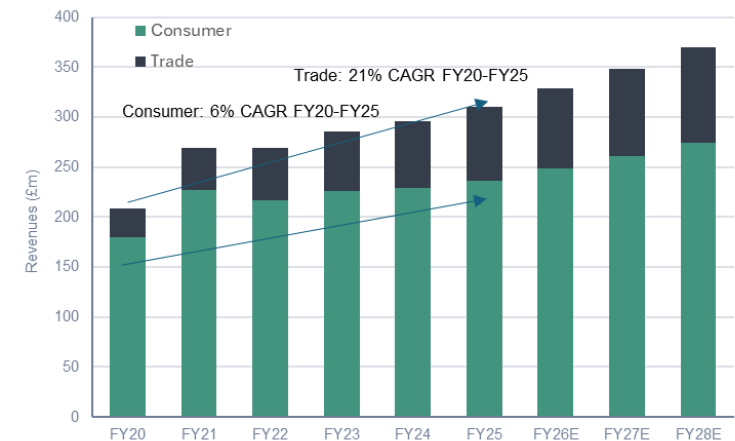
Source: Company website

Huge range of brands give category authority and choice



Source: Company data

Trade customers account for 24% of group revenues



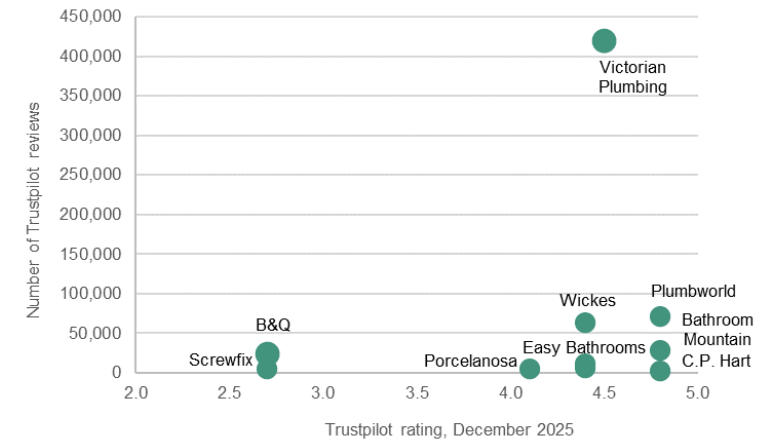
Source: Company data, Equity Development

Trusted customer service with a 4.5* Trustpilot rating and improving marketing efficiencies

Leveraging marketing spend more effectively

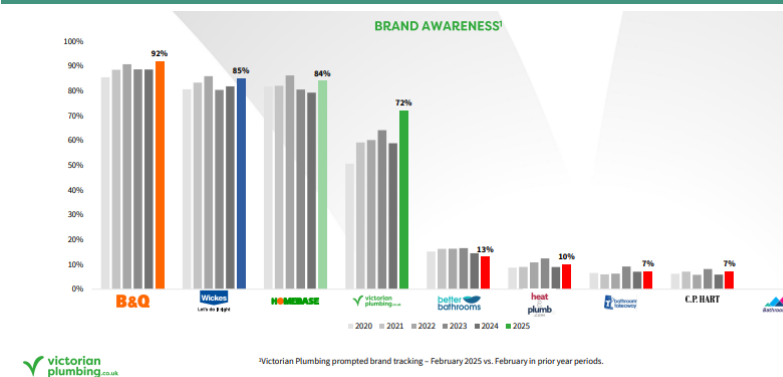
- As an online retailer, marketing costs have typically been at least 25% of revenues for Victorian Plumbing (a significant £84m in FY25, of which an increasing proportion is on brand marketing).
- However, the presence of a competitor with a very similar name, meant that for every £1 spent on marketing, some of this benefitted Victoria Plum, making Victorian Plumbing less able to compete, on a LFL basis, with key competitors, such as B&Q and Wickes.
- The £22.5m acquisition of Victoria Plum in 2024 was thus as much about removing this competitive obstacle as it was gaining customers.
- As a result, brand awareness, which had been rising, has jumped to 70% in summer 2025 (and 72% in February 2025, which is seasonally higher).

Over 400,000 Trustpilot reviews with an average 4.5*



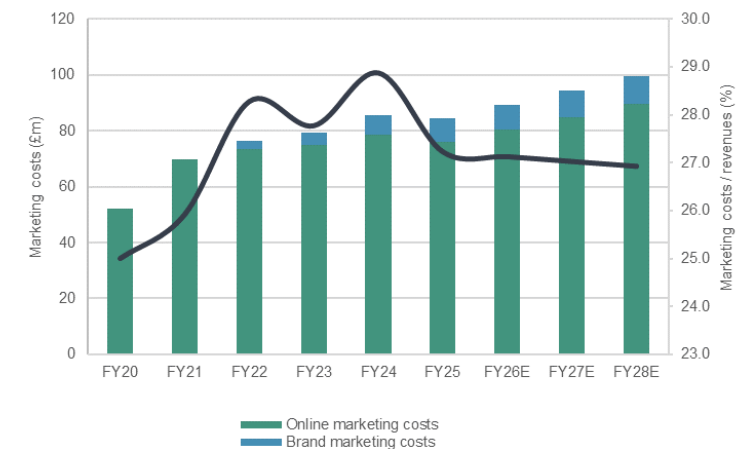
Source: Trustpilot, Equity Development

Improving brand awareness, to 70%+



Source: Company data, Equity Development

Marketing efficiencies post Victoria Plum acquisition



Source: Company data, Equity Development

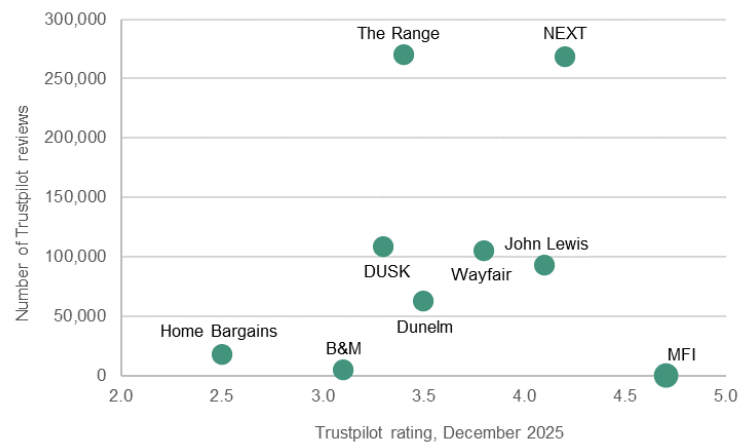
New opportunity in homewares and furniture as MFI brand is relaunched

An exciting opportunity in an unconsolidated £21bn market

- As part of the Victoria Plum acquisition, the company bought the MFI brand, and with excess warehouse capacity and a track record in taking share in bathrooms, tiles and flooring (even in very competitive markets), management decided to relaunch MFI as an online homewares brand.
- The opportunity is big as the UK market for homewares and furniture is c.£21bn (depending upon definition), and is unconsolidated, as market leader Dunelm only has c.8% share.
- Management's approach in the start-up phase is to reinvest most of the gross profit back into marketing to grow revenues, thus limiting the pre-tax loss to c.£3m p/a after c.£2.5m of people and property costs and c.£0.5m of depreciation and finance interest.

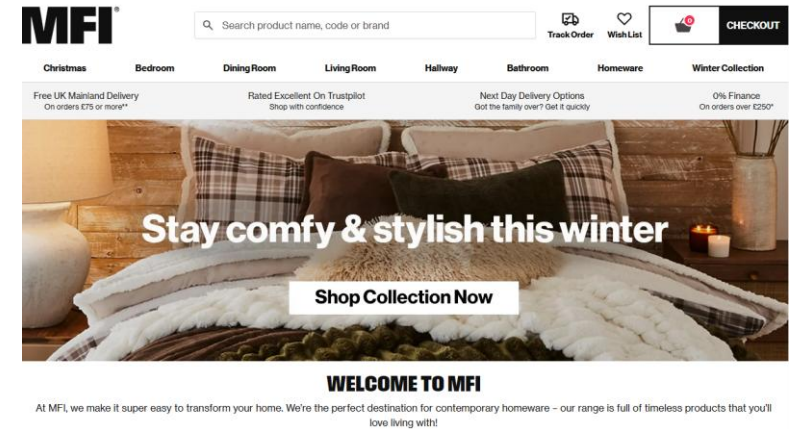
Source: Dunelm Group plc Annual Report 2025

Early days, but 4.7/5* on Trustpilot so far...higher than many



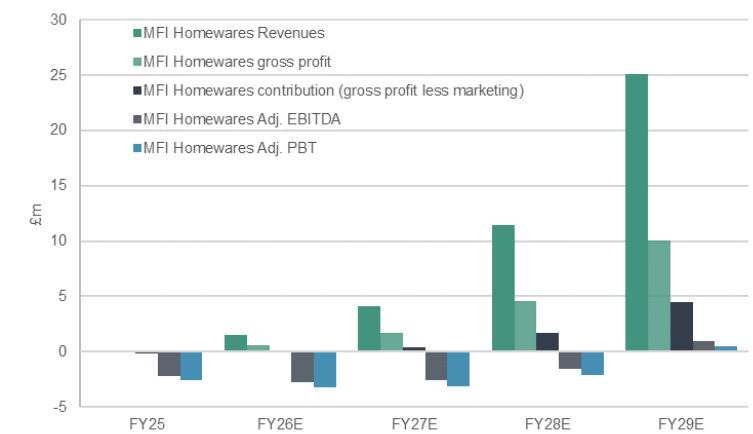
Source: Trustpilot, Equity Development

MFI relaunched with a broad range of homewares



Source: Company website

We forecast £25m revenues and breakeven in 4 years



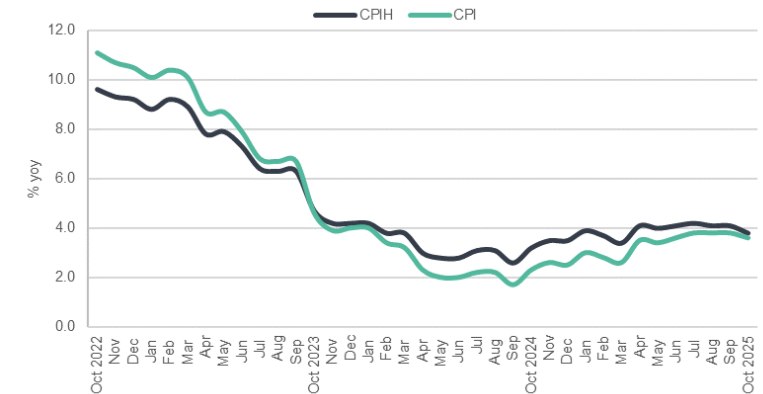
Source: Company data, Equity Development

Ready to leverage any post-Budget economic recovery

A more positive medium-term macro outlook?

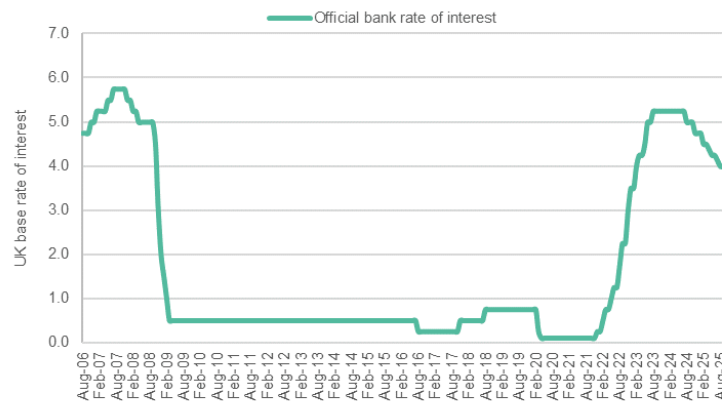
- Investing in a new bathroom typically costs over £1,000 and Victorian Plumbing's average order value of £287 (FY25) reflects a mix of "project" baskets over £1,000 and smaller orders.
- As a "big-ticket" discretionary expense, home renovation is closely correlated with real disposable income changes, consumer confidence and often substituted with holiday spend.
- Although there was some caution ahead of the UK Budget in November, UK consumer confidence and major purchase intentions have recovered since 2022 lows, and inflation has moderated to 3.8% in October 2025 and the Bank of England base interest rate was cut to 4.0% in August 2025.

Inflation steady at c.4%



Source: GfK UK Consumer Confidence Barometer, powered by NIM, Equity Development

UK interest rates on their way down (Nov 2025 4.0%)



Source: Bank of England, Equity Development

UK consumer confidence and major purchase intentions up

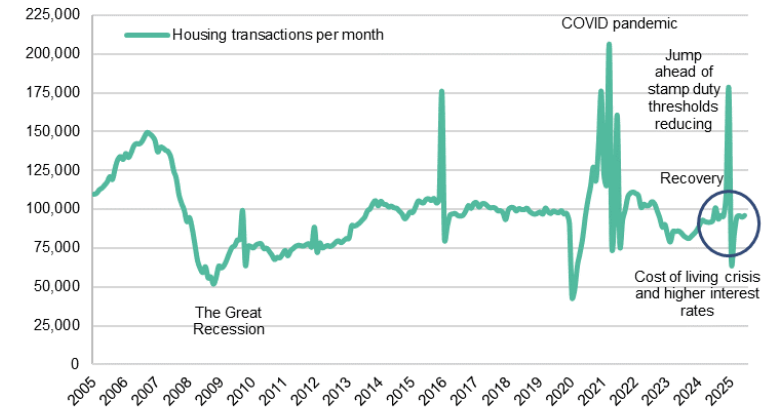


Source: GfK UK Consumer Confidence Barometer, powered by NIM, Equity Development

Housing market recovering and accumulated savings

- Also, encouragingly for home renovation spend, UK housing transactions have recovered to nearly c.100k per month, with mortgage approvals back to c.65k per month.
- At the same time, the UK savings ratio has risen to over 10% (in common with previous recessionary macro-economic environments), implying a build-up of savings that can be accessed as consumer confidence returns.
- So, whilst cost of living pressures remain, and the freeze on income tax thresholds to 2031 will drag more people into higher tax brackets over the next few years, there are signs of optimism, which underpin our forecasts.

UK housing transactions recovered to nearly 100k p/m



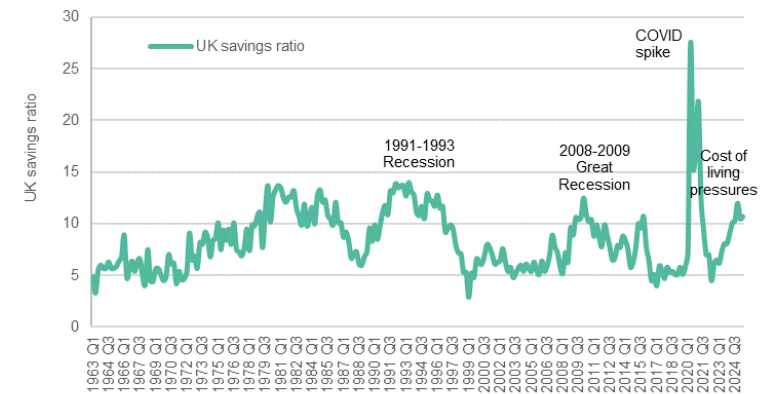
Source:

UK mortgage approvals also recovering to c.65k p/m



Source: Bank of England, ED analysis

High savings rates elevated implying spending power



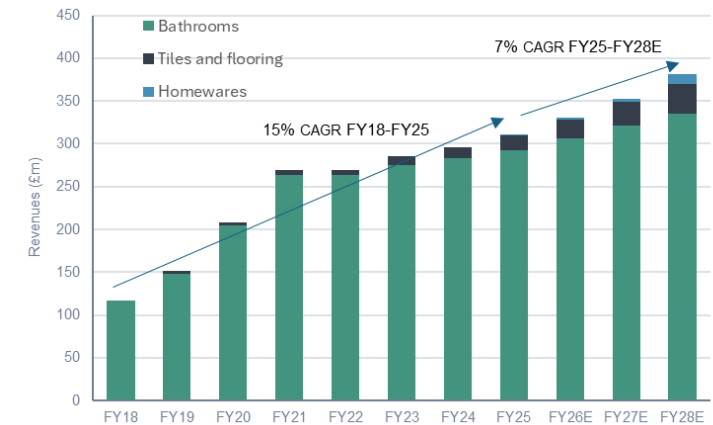
Source: ONS, Equity Development

Forecasting profitable growth

7% CAGR in revenues driving 8% CAGR in Adj. PBT

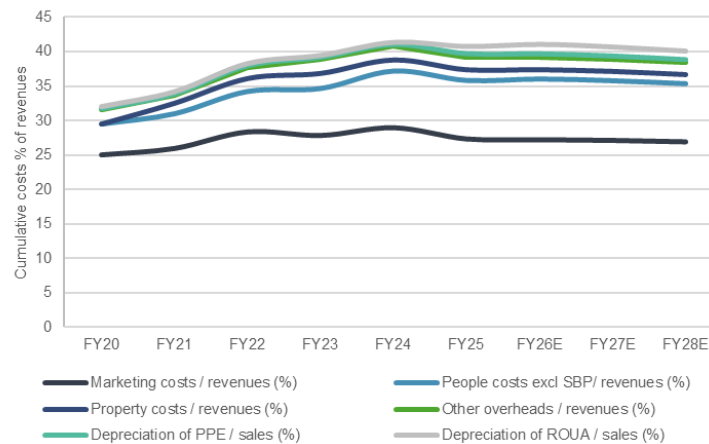
- We forecast a revenue CAGR of 7% for FY25-FY28E, supported by the ongoing gradual shift to online retailing (post the COVID unwind), increasing housing transactions, increasing brand awareness, growth in trade customers and product range expansion in tiles, flooring, homewares and furniture.
- Our gross margin and cost assumptions reflect the changing mix of products, leverage within the core bathrooms business and the start-up costs for MFI, leading to Adj. EBITDA and Adj. PBT CAGR of c.8% for FY25-FY28E.
- FY25 benefitted from a lower tax rate (15%) that we expect will normalise over the next two years which lowers our Adj. EPS CAGR of c.4%.

Increasing brand awareness (et al) driving revenue growth



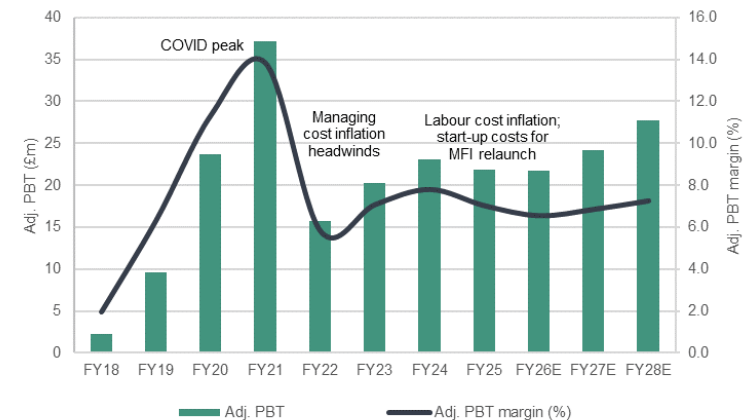
Source: Company data, Equity Development

Operating costs controlled at c.40% of revenues...



Source: Company data, Equity Development

...leading to c.7% Adj. PBT margin despite MFI launch



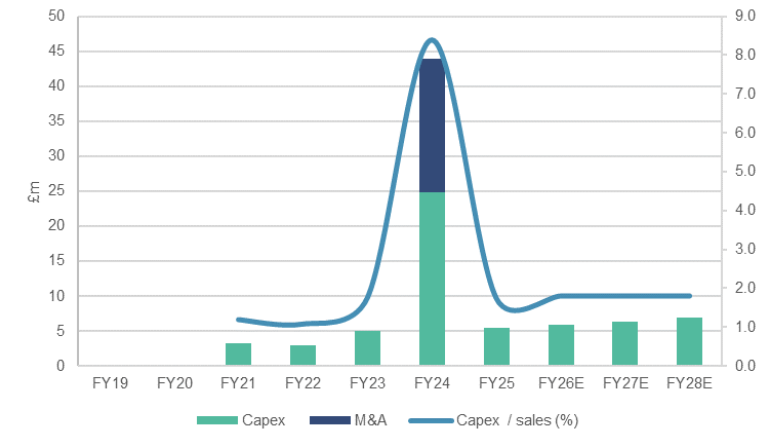
Note: pre share-based payments; Source: Company data, Equity Development

Well invested, with a new warehouse, and cashflow generative

Streamlined, new warehouse operations, ready for growth

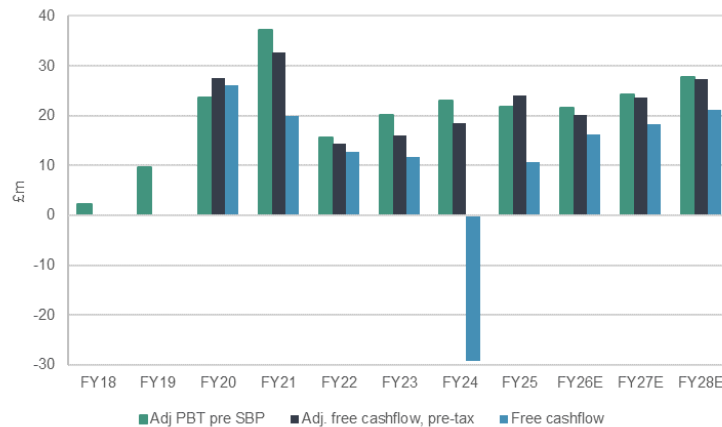
- In 2024, Victorian Plumbing invested c.£21m in a new 544k sq ft warehouse. Following the acquisition of Victoria Plum and consolidation process, the group transitioned and streamlined its operations so now all bathroom products are distributed from the new Leyland warehouse whilst the 130k sq ft Warehouse B in Skelmersdale distributes tiles & flooring; the 50k sq ft Warehouse C in Skelmersdale distributes homewares sold under MFI, and the 110k sq ft Warehouse A in Skelmersdale is vacant, ready for growth in MFI.
- Hence, for a total annual property cost of £10.5m (including lease costs) the group has plenty of capacity for growth without further significant investment.
- We therefore forecast the majority of Adj. PBT converting to free cashflow.

Benefits of FY24 investment coming through



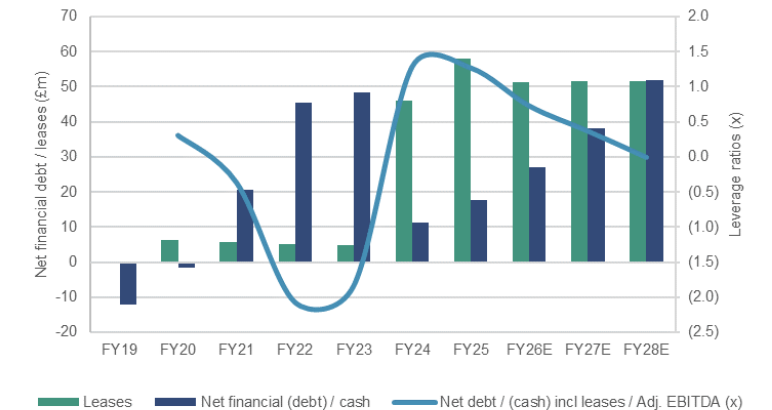
Source: Company data, Equity Development

Almost 100% of Adj. PBT converts to op. cashflow...



Source: Company data, Equity Development

...leading to net cash building and leverage ratios falling



Source: Company data, Equity Development

Group led by an entrepreneurial and experienced leadership management team

Victorian Plumbing's Board of Directors



- **Mark Radcliffe, CEO**, founded Victorian Plumbing in 2000 and has led the business ever since. Prior to that time, Mark had established a number of successful ecommerce businesses, including Coral Phones.



- **Daniel Barton, CFO**, joined in August 2022. In April 2023, he succeeded Paul Meehan as Chief Financial Officer and was appointed as the Group's Senior Information Risk Owner. He was previously Deputy Chief Financial Officer and Chief Transformation Officer at DWF Group plc and prior to that was Deputy Chief Financial Officer and Company Secretary at Wilmington plc. Daniel qualified as a chartered accountant (FCA) at PwC, where he worked in various roles.



- **Philip Bowcock, Chairman**, was appointed as a Director and Chair at IPO on 16 June 2021. He has extensive listed company experience, having been CEO of William Hill plc between June 2016 and September 2019, and before that CFO. Prior to joining William Hill, he was CFO of Cineworld Group PLC from 2011 until June 2015 and has had many other finance-related roles, including Finance Director at Luminar PLC and Financial Controller, and Head of Corporate Development at Barratt Developments plc. Philip is currently CEO of Travelex.



- **Damian Sanders, Senior Independent NED**, was appointed at IPO on 16 June 2021. Damian is chair of the Audit and Risk Committee and a member of the Nomination Committee. Damian has over 20 years of experience as a senior equity audit partner at Deloitte, acting as adviser and corporate governance specialist for a number of FTSE Boards. He is also CFO of THG plc.



- **Dianne Walker, Independent NED**, was appointed on 14 June 2022. Dianne is chair of the Remuneration Committee and a member of the Audit Committee and Remuneration Committee. Dianne is a Chartered Accountant (FCA) and previously spent 12 years at PwC in a senior management role in the North West practice. Dianne is currently a Non-Executive Director of Inspired plc, Development Bank of Wales plc and many private companies.

Source: Company website

Victorian Plumbing's Executive Leadership Team, in addition to CEO Mark Radcliffe and CFO Daniel Barton



- **Stephnie Judge, Group Managing Director**, joined in 2013 as personal assistant to Mark Radcliffe. In 2016, Stephnie was promoted to the position of General Manager and then in March 2020 as Managing Director.



- **Kate Tyson, MFI Managing Director**, Kate joined as Director of Finance in May 2023, and in May 2025 moved to Director of Homeware for our MFI business. She held several roles at DWF Group plc between January 2020 and May 2023, latterly as Head of Finance (Legal Advisory). Prior to her time at DWF, Kate spent over 14 years at PwC, working in both Forensic Services and Audit after qualifying as a chartered accountant (FCA) in 2008.



- **Neil Radcliffe, Product Director**, was appointed in October 2011. Neil is also a director and secretary of Radcliffe Property Management Limited. Neil was also a director of Coral Phones Limited from June 2000 until its dissolution in July 2022, Varologic Limited from April 2007 until its dissolution in June 2015, and Metergy Limited from March 2010 until its dissolution in June 2014.



- **Leighan Mason, Chief Technology Officer**, joined in February 2019. Prior to joining Victorian Plumbing, Leighan worked for webuyanycar.com as a Software Architect between October 2015 to February 2019 and prior to that held a range of software architect and engineering positions with Swinton Insurance and 3M.



- **Joe Pascoe, Chief Marketing Officer**, joined in November 2012 as Marketing Manager. In January 2016, Joe left Victorian Plumbing to be a Marketing Manager at Immediate Media Co. until February 2017 where he re-joined Victorian Plumbing as a Senior Marketing Manager. In December 2018, Joe was promoted to Chief Marketing Officer.
- **Jan Meadows, Director of Finance**

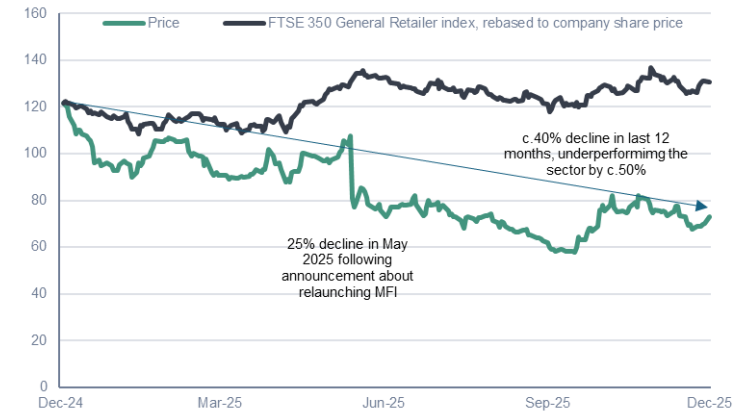
Source: Company website

Valuation considerations - recent sell off undervalues potential

Comparable companies – home retailers in the UK and US

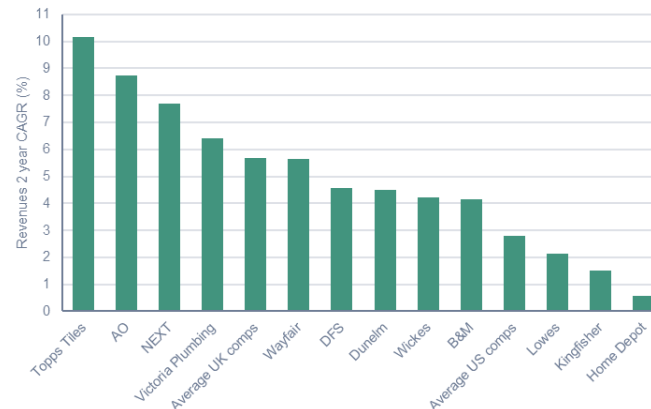
- In our view, investors tend to value consumer discretionary stocks on peer group multiples looking out 1-2 years to account for different growth rates.
- However, peer group valuations move around through an economic cycle, as do DCF valuations which are sensitive to the assumed discount rate. It can also be difficult to accurately reflect the probability of unpredictable events that can particularly impact discretionary retailers (such as COVID, wars inducing high inflation, supply chain disruption, budget changes etc).
- Our peer group for Victorian Plumbing includes 8 UK home-focused retailers of varying market cap sizes covering bathrooms, tiles, homewares and/or are online retailers, and three US DIY & Home retailers (Home Depot, Lowe's and online retailer Wayfair), for a contrasting frame of reference.

Victorian Plumbing's stock price has fallen 40% in last year



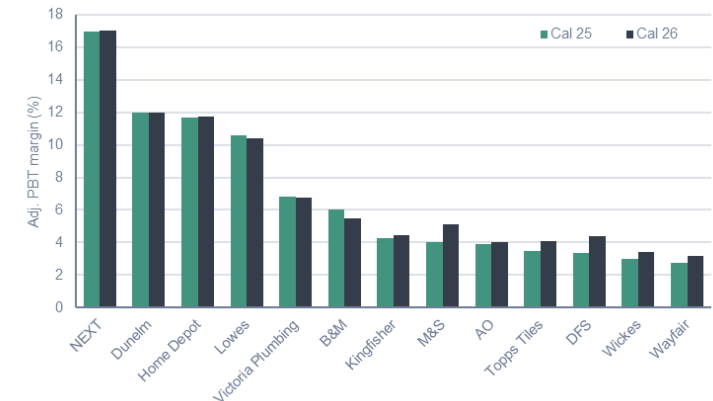
Source: Investing.com, Equity Development

Yet the group offers one of the highest sales growth rates...



Source: Koyfin for consensus forecasts, Equity Development

...and a higher Adj. PBT margin than many

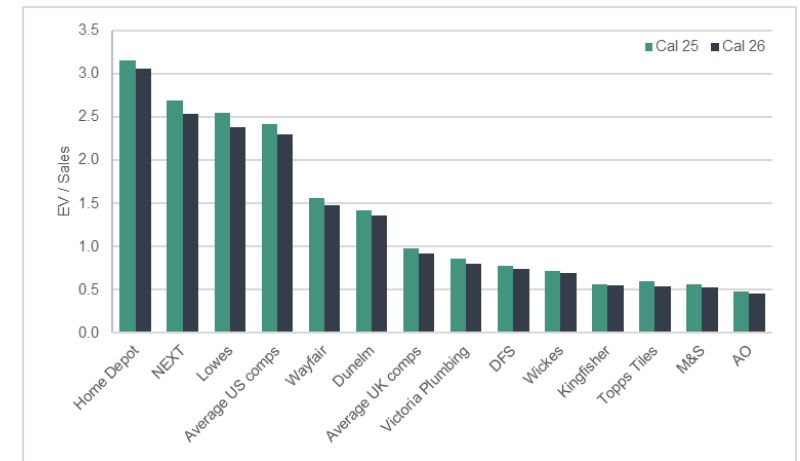


Source: Koyfin for consensus forecasts, Equity Development

Recent sell off undervalues Victorian Plumbing's potential

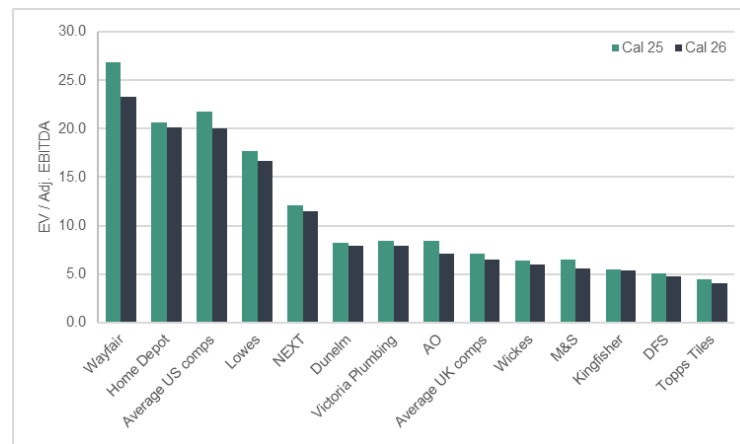
- Victorian Plumbing has underperformed the FTSE 350 General Retailer index by 50% in the past year, despite winning market share and offering 7% CAGR in revenues FY25-FY28E and a robust c.7% Adj. PBT margin.
- Part of this weakness is due to investor caution over investment in the MFI brand relaunch and expansion into homewares and furniture. As already discussed, we see the cost downside as limited, hence we value the two parts of the group separately.
- We value the core bathroom business on 9x cal 2026 EV / EBITDA, broadly in-line with Victoria Plumbing's post-COVID average (range c.7x-11x), deriving an enterprise value of c.£330m, and an equity value per share of nearly 100p. Valuing the Homewares potential is more tricky at this early stage but we suggest 3x revenues, driving our total 110p fair value p/s.

US and higher margin retailers attract higher EV / Sales



Source: Koyfin for consensus forecasts, Equity Development

US peers significantly higher rated than UK peers



Source: Koyfin for consensus forecasts, Equity Development

Sum of the parts: valuation multiple sensitivity analysis

- 8x-10x cal 2026 EV / EBITDA derives an Enterprise Value for the group's core bathroom, tiles & flooring business of c.£300m-£370m.
- Forecasting the rate of growth for MFI is difficult at this early stage. We cautiously suggest 2x-4x our cal 2028 revenues of £15m implying a c.£30m-c.£60m valuation, with potential for more as scale builds.

			Bathrooms & Tiles EV / EBITDA multiple		
			8.0x	9.0x	10.0x
			£297m	£334m	£371m
Homewares	2.0x	£30m	92p	104p	115p
EV / Revenue	3.0x	£45m	97p	108p	119p
Multiple	4.0x	£59m	101p	113p	124p

Source: Equity Development

General and Home Retail Growth and Margin Metrics – UK and US companies										
	Share price	Market cap	Enterprise Value	2 year CAGR FY25-FY27E				Adj. EBITDA margin	Adj. PBT margin	Net debt / EBITDA
	p	£m	£m	Sales	EBITDA	PBT	EPS	Cal 25, %	Cal 25, %	Cal 25, x
AO World	106.5	597	599	8.7	33.2	11.6	8.0	5.8	3.9	0.0
DFS	157.75	369	816	4.6	6.5	35.5	37.4	15.3	3.4	2.7
Dunelm Group	1107	2,230	2,570	4.5	3.8	4.9	5.1	17.1	12.0	1.1
Kingfisher	307.9	5,270	7,179	1.5	2.5	5.6	11.8	10.2	4.3	1.5
Marks and Spencer	342.45	6,906	9,216	12.9	6.8	28.3	4.7	8.7	4.0	1.7
NEXT	14075	16,355	17,886	7.7	5.5	9.4	11.9	22.2	16.9	1.0
Topps Tiles	43.25	85	169	10.2	8.8	31.6	41.4	13.5	3.5	2.3
Wickes	231	541	1,167	4.2	6.0	17.5	17.3	11.3	3.0	3.4
Average UK				5.7	7.6	9.4	6.4	13.1	6.3	1.8
Home Depot (US)				0.6	-0.3	-1.2	-1.5	15.2	11.7	2.2
Lowe's (US)				2.1	0.6	-1.5	1.0	14.4	10.6	3.1
Wayfair (US)				5.7	16.4	27.6	28.3	5.8	2.8	2.0
Average US				2.8	5.6	8.3	9.3	11.8	8.3	2.5
Victorian Plumbing	72	236	270	6.4	7.6	8.4	9.5	10.2	6.8	1.1

Note: All profits are adjusted for exceptionals; averages exclude outliers Source: KoyFin, Equity Development (share prices at 2 December 2025)

Selected Home Retail Valuation Metrics – UK and US companies

Company	EV/Sales (x)		EV/ EBITDA (x)		Mkt cap / PBT (x)		PER (x)		Dividend yield (%)		FCF yield (%)	
	Cal 2025	Cal 2026	Cal 2025	Cal 2026	Cal 2025	Cal 2026	Cal 2025	Cal 2026	Cal 2025	Cal 2026	Cal 2025	Cal 2026
AO World	0.5	0.5	8.4	7.1	12.4	11.2	17.8	15.8	0.0	0.0	8.4	7.6
DFS	0.8	0.7	5.0	4.7	10.3	7.6	14.3	10.5	1.3	3.2	29.1	12.7
Dunelm Group	1.4	1.4	8.3	8.0	10.3	9.8	14.0	13.3	4.1	4.2	8.3	7.0
Kingfisher	0.6	0.5	5.5	5.3	9.6	9.0	13.5	12.4	3.9	4.2	9.8	7.6
Marks and Spencer	0.6	0.5	6.5	5.6	10.5	7.7	13.3	10.9	1.2	1.8	3.8	6.4
NEXT	2.7	2.5	12.1	11.5	14.5	13.6	19.6	18.1	3.9	2.2	4.6	5.1
Topps Tiles	0.6	0.5	4.5	4.0	8.8	6.6	13.3	9.6	6.9	7.5	0.9	11.6
Wickes	0.7	0.7	6.4	6.0	11.2	9.4	14.4	12.2	4.8	5.2	6.2	7.4
Average UK	1.0	0.9	7.1	6.5	10.9	9.4	15.0	12.9	3.3	3.5	8.9	8.2
Home Depot (US)	3.2	3.1	20.7	20.1	24.2	23.3	31.6	30.6	2.0	2.0	3.1	3.4
Lowe's (US)	2.5	2.4	17.7	16.7	19.8	18.8	26.2	24.9	1.5	1.5	4.4	3.7
Wayfair (US)	1.6	1.5	26.9	23.3	52.1	42.7	59.2	46.9	0.0	0.0	2.2	3.1
Average US	2.4	2.3	21.7	20.0	32.0	28.3	39.0	34.1	1.2	1.2	3.2	3.4
Victorian Plumbing	0.9	0.8	8.4	7.9	10.9	10.4	14.4	13.7	2.8	2.8	6.4	8.1

Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end; Source: KoyFin, Equity Development (share prices at 2 December 2025)

Financial Forecast tables

Divisional analysis: Bathrooms (including tiles and flooring)

Year-end 30 September (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Active customers ('000)	638	608	634	699	713	734	771	810
Total orders ('000)	906	880	932	1,022	1,080	1,134	1,191	1,250
Average order value ("AOV") (£)	297	306	306	289	287	290	293	296
Revenues	268.8	269.4	285.1	295.7	309.9	328.8	348.7	369.8
Revenue growth (%)	28.8	0.2	5.8	3.7	4.8	6.1	6.1	6.1
Gross margin (%)	48.5	44.9	47.2	50.0	49.4	49.4	49.4	49.3
Gross profit	130.5	121.0	134.6	147.8	153.1	162.5	172.1	182.3
Online marketing costs	(69.7)	(73.6)	(75.0)	(78.5)	(76.1)	(80.4)	(84.9)	(89.7)
Brand marketing costs	0.0	(2.6)	(4.2)	(6.9)	(8.3)	(8.8)	(9.3)	(9.9)
Marketing costs	(69.7)	(76.2)	(79.2)	(85.4)	(84.4)	(89.2)	(94.3)	(99.6)
Contribution: gross profit less marketing	60.8	44.8	55.4	62.4	68.7	73.3	77.8	82.7
People costs excluding SBP	(13.7)	(16.1)	(19.7)	(24.7)	(26.0)	(27.6)	(28.9)	(30.3)
Property costs	(4.1)	(5.1)	(6.3)	(4.8)	(3.3)	(3.5)	(3.8)	(4.0)
Other overhead costs	(2.8)	(4.1)	(5.7)	(5.7)	(5.4)	(5.7)	(6.0)	(6.4)
Operating costs Adj. ex D&A, marketing	(20.6)	(25.3)	(31.7)	(35.2)	(34.7)	(36.8)	(38.7)	(40.7)
Operating costs, Adj. ex D&A	(90.3)	(101.5)	(110.9)	(120.6)	(119.1)	(126.0)	(133.0)	(140.3)
Adj. EBITDA	40.2	19.5	23.7	27.2	34.0	36.5	39.1	42.0
Adj. EBITDA margin (%)	15.0	7.2	8.3	9.2	11.0	11.1	11.2	11.4
Depreciation and amortisation	(3.0)	(3.5)	(3.8)	(4.7)	(7.6)	(8.4)	(9.5)	(10.3)
Net finance costs	0.0	(0.3)	0.3	0.6	(2.1)	(3.2)	(2.3)	(2.0)
Adj. PBT pre SBP	37.2	15.7	20.2	23.1	24.3	24.9	27.3	29.8
Adj. PBT margin (%)	13.8	5.8	7.1	7.8	7.8	7.6	7.8	8.0

Source: Company data, Equity Development

Divisional analysis: Homewares

Year-end 30 September (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Total orders ('000)					4	48	120	300
Average order value ("AOV") (£)					30	31.5	34.7	38.1
Revenues					0.1	1.5	4.2	11.4
<i>Revenue growth (%)</i>								
<i>Gross margin (%)</i>					45	40	40	40
Gross profit					0.1	0.6	1.7	4.6
Marketing costs					(0.2)	(0.5)	(1.2)	(2.9)
Contribution: gross profit less marketing					(0.1)	0.1	0.4	1.7
People costs excluding SBP					(0.6)	(1.8)	(2.0)	(2.2)
Property costs					(1.5)	(1.0)	(1.1)	(1.1)
Other overhead costs					0.0	0.0	0.0	0.0
Operating costs Adj. ex D&A, marketing					(2.1)	(2.8)	(3.0)	(3.3)
Operating costs, Adj. ex D&A					(2.3)	(3.3)	(4.3)	(6.1)
Adj. EBITDA					(2.2)	(2.7)	(2.6)	(1.6)
<i>Adj. EBITDA margin (%)</i>								
Depreciation and amortisation					(0.2)	(0.4)	(0.4)	(0.4)
Net finance costs					(0.1)	(0.1)	(0.1)	(0.1)
Adj. PBT pre SBP					(2.5)	(3.2)	(3.1)	(2.1)
<i>Adj. PBT margin (%)</i>								

Source: Company data, Equity Development

- Taking our divisional forecasts together leads to our group forecasts shown below.
- Revenue growth of c. 6%-8% p/a and Adj. EBITDA margins rising from 10.2% in FY26E to 10.6% in FY28E as the homewares business gains scale.
- Our gross margin estimates balance the changing mix of products as tiles and homewares are lower margin than bathrooms.
- Whilst our group marketing costs reflect leverage in bathrooms (and increasing trade customers), offset by investment and growing scale in homewares.

Key group growth and margin metrics

Year-end 30 September	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Revenue growth (%)	28.8	0.2	5.8	3.7	4.8	6.5	6.8	8.0
Gross profit growth (%)	41.8	(7.3)	11.2	9.8	3.7	6.4	6.5	7.5
Adj. EBITDA growth (%)	53.4	(51.5)	21.5	14.8	17.0	6.0	8.3	10.8
Adj. Operating profit (%)	55.0	-57.0	24.4	13.1	6.8	3.9	6.5	12.0
Adj. PBT growth (%)	57.0	(57.8)	28.7	14.4	(5.5)	(0.7)	11.7	14.4
Adj. diluted EPS growth (%)	27.6	(59.7)	23.3	12.3	7.0	(7.6)	6.1	14.4
DPS growth (%)			(50.0)	15.0	33.5	0.0	0.0	10.0
Gross profit margin (%)	48.5	44.9	47.2	50.0	49.4	49.4	49.2	49.0
Adj. EBITDA margin (%)	15.0	7.2	8.3	9.2	10.3	10.2	10.4	10.6
Adj. Operating margin (%)	11.0	4.5	5.6	6.6	7.3	6.7	6.7	7.0
Adj. PBT margin (%)	11.0	4.4	5.7	6.8	6.6	5.7	6.0	6.5
Marketing costs / revenues (%)	25.9	28.3	27.8	28.9	27.3	27.2	27.1	26.9
People costs / revenues (%)	5.1	6.0	6.9	8.4	8.6	8.9	8.8	8.5
Property costs / revenues (%)	1.5	1.9	2.2	1.6	1.6	1.4	1.4	1.3
Other overheads / revenues (%)	1.0	1.5	2.0	1.9	1.7	1.7	1.7	1.7
Op costs excl D&A / revenues (%)	33.6	37.7	38.9	40.8	39.2	39.2	38.9	38.4
Tax rate (adj.) (%)	19.6	21.0	24.3	25.1	15.1	21.0	25.0	25.0

Note: Profit metrics exclude share-based payments; Source: Company data, Equity Development

- We forecast revenues growing at a CAGR of 7% to c.£380m in FY28E, leading to Adj. PBT rising to c.£28m, a group Adj. PBT margin of 6.5%.

Income statement

Year-end 30 September (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Group revenue	268.8	269.4	285.1	295.7	310.0	330.3	352.8	381.2
Cost of sales	(138.3)	(148.4)	(150.5)	(147.9)	(156.8)	(167.2)	(179.1)	(194.3)
Gross profit	130.5	121.0	134.6	147.8	153.2	163.1	173.8	186.9
Marketing costs	(69.7)	(76.2)	(79.2)	(85.4)	(84.6)	(89.7)	(95.5)	(102.5)
People costs, pre SBP	(13.7)	(16.1)	(19.7)	(24.7)	(26.6)	(29.4)	(30.9)	(32.5)
Property costs	(4.1)	(5.1)	(6.3)	(4.8)	(4.8)	(4.5)	(4.8)	(5.1)
Other overhead costs	(2.8)	(4.1)	(5.7)	(5.7)	(5.4)	(5.7)	(6.0)	(6.4)
Operating costs, Adj. ex D&A	(90.3)	(101.5)	(110.9)	(120.6)	(121.4)	(129.4)	(137.2)	(146.4)
Adj. EBITDA	40.2	19.5	23.7	27.2	31.8	33.7	36.5	40.5
Depreciation & amortisation	(3.0)	(3.5)	(3.8)	(4.7)	(7.8)	(8.8)	(9.9)	(10.7)
Adj. Operating profit pre SBP	37.2	16.0	19.9	22.5	24.0	25.0	26.6	29.8
Share-based payments ("SBP")	(7.7)	(3.9)	(3.9)	(3.1)	(1.4)	(3.0)	(3.0)	(3.0)
Finance costs	0.0	(0.3)	0.3	0.6	(2.2)	(3.3)	(2.4)	(2.1)
Adj. PBT pre SBP	37.2	15.7	20.2	23.1	21.8	21.7	24.2	27.7
Adj. PBT	29.5	11.8	16.3	20.0	20.4	18.7	21.2	24.7
Exceptional operating costs	(9.4)			(0.8)	(8.2)	(4.6)		
Exceptional finance costs					(2.8)	(0.7)		
PBT	20.1	11.8	15.5	9.0	15.1	18.7	21.2	24.7
Tax	(5.4)	(2.6)	(3.8)	(3.5)	(2.2)	(3.9)	(5.3)	(6.2)
Adj. PAT pre SBP	29.9	12.4	15.3	17.3	18.5	17.1	18.2	20.8
Reported PAT	14.7	9.2	11.7	5.5	12.9	14.7	15.9	18.5
No of f/d shares (m)	315.8	325.1	325.2	327.5	327.7	327.7	327.7	327.7
Adjusted diluted EPS (p)	9.5	3.8	4.7	5.3	5.7	5.2	5.5	6.3
DPS (p)		1.1	1.4	1.6	2.2	2.3	2.4	2.7

Note: includes discontinued Victoria Plum; Source: Company data, Equity Development

- We forecast a minimal net working capital inflow and adj. free operating cashflow of £35m in FY26E, rising to £42m in FY28E (after investing in homewares launch).
- After lease payments on the new warehouse of c.£8m-£9m and capex of c.£6m-£7m we forecast adj. free cashflow pre-tax of c.£20m in FY26E, rising to £27m in FY28E.
- After tax of c. £4m-£6m we forecast free cashflow of c.£16m in FY26E, rising to c.£21m in FY28E, and after ordinary dividend payments of c.£7m-£8m we forecast £9m-£14m of net cashflow p/a, to fund acquisitions or further shareholder returns.

Cashflow statement

Year-end 30 September (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Adj. EBITDA, pre SBP	40.2	19.5	23.7	27.2	31.8	33.7	36.5	40.5
Change in inventories	(9.4)	(1.5)	(0.3)	(0.5)	(3.4)	(1.6)	(1.8)	(2.6)
Change in trade receivables*	(0.8)	(0.2)	(0.3)	(1.1)	1.4	(0.5)	(0.5)	(0.7)
Change in trade payables*	7.3	1.1	(3.7)	(4.1)	5.0	3.0	3.4	4.4
FV loss on derivatives	(0.4)	(0.6)	0.3	0.9	(0.5)	0.0	0.0	0.0
Working capital movement	(3.3)	(1.2)	(4.0)	(4.8)	2.5	0.9	1.0	1.1
Adj. free operating cashflow	36.9	18.3	19.7	22.4	34.3	34.7	37.6	41.6
Net financial interest paid	(0.1)	(0.1)	0.5	1.0	0.4	0.4	0.7	1.0
Interest paid on lease liabilities	(0.3)	(0.2)	(0.2)	(3.0)	(3.3)	(3.7)	(3.1)	(3.1)
Lease payments (principal)	(0.8)	(0.9)	(0.9)	(0.8)	(0.7)	(5.2)	(5.3)	(5.3)
Tax paid	(3.4)	(1.4)	(2.1)	(2.5)	(1.7)	(3.9)	(5.3)	(6.2)
Exceptionals (cash)	(9.1)	0.0	(0.6)	(3.5)	(1.7)	0.0	0.0	0.0
Other incl VAT timing differences			0.4	1.2	(1.6)			
Capex	(3.2)	(2.9)	(5.0)	(24.8)	(5.4)	(5.9)	(6.4)	(6.9)
Acquisitions / discontinued items				(19.1)	(9.6)			
Adj. free cashflow pre-tax	32.6	14.3	16.0	18.6	24.0	20.2	23.5	27.3
Free cashflow	20.0	12.8	11.8	(29.1)	10.7	16.3	18.2	21.1
Dividends	(14.9)	0.0	(10.6)	(4.8)	(5.8)	(7.2)	(7.6)	(8.2)
Share buy backs / equity issues	11.2							
Other	5.9							
Net cashflow	22.2	12.8	1.2	(33.9)	4.9	9.1	10.7	12.9

Note: Cashflow from discontinued items in FY25 relates to Victoria Plum; Source: Company data, Equity Development

- We forecast net financial cash rising from £17.7m in FY25 to £52m in FY28, offsetting the capitalised leases, mostly relating to the new warehouse.

Net debt metrics

Year-end 30 September (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Gross financial debt	(12.0)	0.0	2.0	0.0	0.0	0.0	0.0	0.0
Net cash	32.7	45.5	46.4	11.2	17.7	26.8	37.5	50.4
Net financial cash / (debt)	20.7	45.5	48.4	11.2	17.7	26.8	37.5	50.4
Leases	(5.8)	(5.0)	(4.8)	(46.1)	(57.9)	(51.3)	(51.4)	(51.6)
Total net cash /(debt) incl leases	14.9	40.5	43.6	(34.9)	(40.2)	(24.5)	(13.9)	(1.2)
Net financial cash / (debt) / Adj. EBITDA (x)	(0.5)	(2.3)	(2.0)	(0.4)	(0.6)	(0.8)	(1.0)	(1.2)
Total net cash / (debt) / Adj. EBITDA (x)	(0.4)	(2.1)	(1.8)	1.3	1.3	0.7	0.4	(0.0)

Source: Company data, Equity Development

Balance sheet: Assets

Year-end 30 September (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Property, plant and equipment	1.7	1.4	4.9	27.8	26.8	26.7	26.6	26.7
Right of use assets	5.3	4.5	4.3	45.4	47.3	48.0	48.6	49.3
Goodwill			0.0	18.8	18.8	18.8	18.8	18.8
Intangible assets	2.7	3.3	4.0	4.7	4.7	6.7	8.0	8.9
Non-current assets	9.7	9.3	13.2	96.7	97.6	100.2	102.0	103.7
Inventories	32.4	33.9	34.2	43.7	45.6	47.2	49.0	51.6
Trade and other receivables	4.9	5.1	4.8	6.9	7.5	8.0	8.5	9.2
Other financial (derivative) assets	0.0	0.7	0.4			0.0	0.0	0.0
Current tax assets	1.0	0.0				0.0	0.0	0.0
Cash & cash equivalents	32.7	45.5	46.4	11.2	17.7	26.8	37.5	50.4
Current assets	71.0	85.2	85.8	61.8	70.8	82.0	95.0	111.2

Source: Company data, Equity Development

Balance sheet: Liabilities

Year-end 30 September (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Bank overdraft & s/t loans								
Trade payables and other liabilities	(36.0)	(37.9)	(38.0)	(44.2)	(45.0)	(48.0)	(51.4)	(55.8)
Contract liabilities	(7.9)	(7.1)	(5.4)	(9.5)	(6.8)	(6.8)	(6.8)	(6.8)
Lease liabilities	(0.9)	(0.9)	(1.0)	(3.1)	(3.6)	(3.6)	(3.6)	(3.6)
Current tax liabilities	0.0	(0.3)	(1.8)	(0.2)	(1.1)	(1.1)	(1.1)	(1.1)
Provisions	(0.1)	(0.2)	(0.2)	(1.0)	(0.2)	(0.2)	(0.2)	(0.2)
Other financial liabilities						0.0	0.0	0.0
Current liabilities	(44.9)	(46.4)	(46.4)	(58.0)	(56.7)	(59.7)	(63.1)	(67.5)
Capital employed	35.8	48.1	52.6	100.5	111.7	122.6	134.6	149.0
Bank borrowings								
Lease liabilities	(4.9)	(4.1)	(3.8)	(43.0)	(47.5)	(47.7)	(47.8)	(48.0)
Deferred tax liabilities	(0.1)	0.0	0.0	(2.8)	(1.6)	(1.6)	(1.6)	(1.6)
Provisions			0.0	(1.9)	(2.0)	(2.0)	(2.0)	(2.0)
Post employment benefits						0.0	0.0	0.0
Other financial liabilities			0.0	(0.5)	0.0	0.0	0.0	0.0
Non-current liabilities	(5.0)	(4.1)	(3.8)	(48.2)	(51.1)	(51.3)	(51.4)	(51.6)
Net assets	30.8	44.0	48.8	52.3	60.6	71.2	82.5	95.9
Shareholders' funds	30.8	44.0	48.8	52.3	60.6	71.2	82.5	95.9

Source: Company data, Equity Development

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