Supreme PLC

H1 27 results: growth across all divisions

24 November 2026

For the six months to 30 September 2026 Supreme reported revenue of £143.9m, +9%YoY, gross profit of £40.6m, +6%YoY, a 28.2% margin (H1 26: 28.9%) and (adj.) EBITDA of £18.8m, a 13.0% margin (H1 26: 14.0%), inclusive of investment in both established and newly acquired brands. We note H1 net debt of £17.6m; this reflects a £30.2m investment in pre-duty Vaping inventory, which is expected to unwind by year-end, returning the Group to positive net cash position.

Growth across all divisions augmented by acquisitions

- **Vaping** revenue rose +7%YoY to £82.1m, 57% of total, reflecting demand ahead of the introduction of Vaping Products Duty (VPD) on 1 October 2026 and wider distribution of *Hayati* and *IVG*. As noted, the Group invested £30.2m in pre-duty inventory to support retailers through the transitional period up to 31 March 2027. The division contributed gross profit of £24.5m, 61.5% of the total (pre-forex).
- **Drinks & Wellness** revenue rose +15%YoY to £37.7m, attributable to SlimFast (adding £11.9m in revenue), partly offset by (knowingly variable) Soft Drinks contract manufacturing. The division contributed gross profit of £11.7m, 29.4% of the total.
- **Electricals & Household** revenue rose +5%YoY to £24.0m, with 1001 adding £1.5m, more than offsetting the expected decline in Electricals demand, and a gross profit contribution of £3.6m.

Outlook unchanged. Investing in brands and efficiency

The Group reports a 'solid start' to H2 ahead of the Christmas season with FY27 performance expected to be in line with market expectations, excluding any impact from Poundland[1]. The pre-duty inventory investment is expected to unwind in H2, returning the Group to an adjusted net cash position by year-end. Our FY27 revenue and adjusted profit estimates are unchanged.

The Group has evidently prepared for the implementation of the VPD, has continued to invest in production facilities, including *The Hive*, and is investing in reinforcing its established brands and those newly acquired. This reinforces the recurring trend evident over the past six years, with the transition to new products and markets recently led by Drinks & Wellness products.

Our Fair Value remains 237p/share, an implied 7.6x FY27 EV/EBITDA.

Key financials & valuation metrics

Yr to March 31 (£m)	FY24A	FY25A	FY26A	FY27E
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	5.0	5.4	5.4
Net cash / (debt)	10.4	1.2	7.5	6.5
EV/EBITDA	4.2x	4.0x	4.0x	4.1x
P/E	6.2x	6.0x	6.6x	6.4x
Div yield	*3.0%*	*4.1%*	*4.4%*	*4.4%*
(adj.) EBITDA Margin	*17.2%*	*17.2%*	*15.0%*	*12.8%*

Source: Company data. Equity Development estimates. [1]The Group notes analysts' consensus at the time of publication of revenue of £302.1m and (adj.) EBITDA of £39.6m. The Group had reported a £460,000 receivables exposure to Poundland.

Company data

EPIC	SUP.L
Price (last close)	122p
52 weeks Hi/Lo	175p/121p
Market cap	£143m
ED Fair Value / share	237p
Net cash / (debt) H1 27A	£(17.6)m
Avg. daily volume (3m)	79,794

Share price, p



Source: Investing.com

Description

Supreme is a manufacturer, supplier and brand owner of fast-moving consumer products in three categories: Electricals & Household (batteries, lighting, cleaning products), Vaping, and Drinks & Wellness (sports nutrition, weight management, soft drinks and tea).

It supplies leading retailers 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 3,000 active business accounts with around 55,000 retail outlets.

Next event

FY27 results - July 2027

Mike Jeremy (Analyst)
0207 065 2690
mike.jeremy@equitydevelopment.co.uk

Hannah Crowe
0207 065 2692
hannah@equitydevelopment.co.uk

Please refer to the important disclosures shown on the back page and note that this information is **Non-independent** and categorised as **Marketing Material**

H1 27 performance

H1 27 performance highlights

- Revenue of £143.9m, rose +9%YoY, an incremental £11.3m. SlimFast (£11.9m) and 1001 (£1.5m) contributed £13.4m of new revenue, alongside increased branded vape volumes from *Hayati* and *IVG* – broadly offsetting the (anticipated) decline in legacy Electricals and lower non-recurring Soft Drinks contract manufacturing revenue.
- Gross profit (inc. forex) of £40.6m, rose +6%YoY, a 28.2% margin (H1 26: 28.9%), reflecting the combination of lower margin branded vapes and pricing pressure in Electricals, with other category margins stable.
- (adj.) EBITDA of £18.8m, rose +1%YoY, a 13.0% margin (H1 26: 14.0%). Gross profit added £2.2m, which was largely absorbed by the decision to increase marketing resources for Supreme's leading brands and for those recently acquired. Transport and logistics costs also increased in line with revenue.
- Admin costs were £29.0m (H1 26: £25.5m), also reflecting investment in VPD preparation - manufacturing line upgrades, duty-stamp application and tracking systems, packaging changes, and development of the post-duty product portfolio.
- Profit before tax was £10.5m (H1 26: £12.2m) reflecting higher amortisation, depreciation and finance costs (£1.1m vs £0.7m), whilst adjusting items totalling £0.6m included a £0.4m Poundland provision for bad debt.
- As a result basic EPS was 6.4p (H1 26: 7.7p), on an adjusted basis, 8.7p (H1 26: 9.1p).
- The proposed interim dividend is 1.6p/share (matching H1 26: 1.6p), payable on 11 January 2027 (ex-dividend 3 December 2026).

Source: Company data.

H1 27 performance summary

£m	**FY26A**	**H1 25A**	**H2 25A**	**H1 26A**	**H2 26A**	**H1 27A**	***YoY***
Electricals & Household	52.8	25.5	33.4	22.8	30.0	24.0	*5.3%*
Vaping	148.1	68.5	60.5	76.8	71.3	82.1	*6.9%*
Drinks & Wellness	69.3	19.0	24.2	32.9	36.4	37.7	*14.7%*
Revenue	**270.2**	**113.0**	**118.1**	**132.6**	**137.7**	**143.9**	*8.5%*
Gross pre forex	**77.6**	**33.5**	**38.9**	**37.7**	**39.9**	**39.9**	*5.9%*
Margin	*28.7%*	*29.6%*	*33.0%*	*28.4%*	*29.0%*	*27.7%*	
Gross inc. forex	78.9	34.1	39.6	38.4	40.6	40.6	*5.7%*
Margin	*29.2%*	*30.1%*	*33.6%*	*28.9%*	*29.5%*	*28.2%*	
Op costs	(50.4)	(20.6)	(20.6)	(25.5)	(25.0)	(29.0)	*13.8%*
EBIT rptd.	28.5	13.5	19.0	12.9	15.6	11.6	*-10.2%*
EBIT adj.	**29.3**	**15.3**	**17.2**	**13.5**	**15.8**	**12.2**	*-9.2%*
Margin	*10.8%*	*13.6%*	*14.6%*	*10.1%*	*11.5%*	*8.5%*	
EBITDA rptd.	39.8	16.6	23.8	18.0	21.8	18.1	*1.0%*
EBITDA adj.	**40.6**	**18.5**	**21.3**	**18.5**	**22.0**	**18.8**	*1.3%*
Margin	*15.0%*	*16.3%*	*18.0%*	*14.0%*	*16.0%*	*13.0%*	

Source: Company data.

FY27 outlook unchanged

Our FY27 outlook remains:

- Revenue of £305.0m. H1 27A represents 47% of our estimate, implying H2 27E revenue of £161.1m.
- Gross profit (inc. forex) of £83.1m, largely unchanged, a 27.2% margin, and excluding the VPD.
- EBITDA (adj.) of £39.0m. H1 27A represents 48% of our full year estimate, implying H2 27E of £20.2m.
- Admin costs: FY27E £54.m (H1 27A represents 53.4%), implying H2 27E of £25.3m, inclusive of expected marketing investment in SlimFast and other brands.

Estimates unchanged

Summarised below, our outlook excludes an estimated c.£20m of additional Vaping revenue from VPD, matched by a commensurate increase in COGS, therefore with no impact on (adj.) EBIT or EBITDA. Our estimates exclude any potential further impact from developments at Poundland.

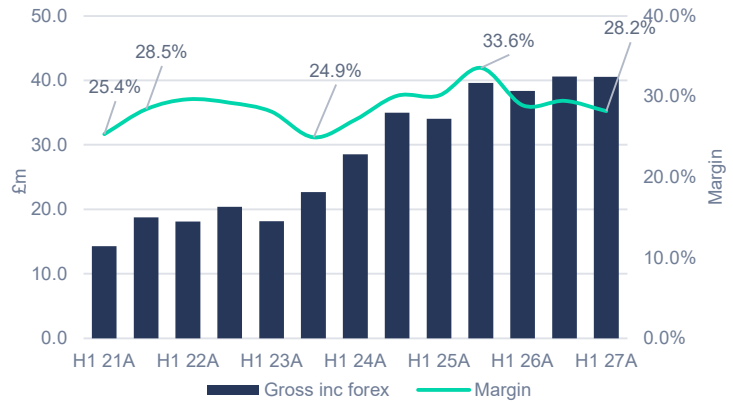
Outlook to FY27E

Yr to 31 March (£m)	FY27E Prior E	FY27E New E	Change	YoY
Revenue	**305.0**	**305.0**	*0%*	*13%*
Gross inc forex	81.8	83.1	*2%*	*5%*
Margin	*26.8%*	*27.2%*		
EBIT Reported	28.3	28.2	*0%*	*-1%*
EBIT Adjusted	**28.8**	**28.8**	*0%*	*-2%*
Margin	*9.4%*	*9.4%*		*-13%*
EBITDA Reported	38.5	38.4	*0%*	*-3%*
EBITDA Adjusted	**39.0**	**39.0**	*0%*	*-4%*
Margin	*12.8%*	*12.8%*		
PBT Reported	27.0	26.9	*0%*	*1%*
PBT Adjusted	27.5	27.5	*0%*	*0%*
PAT Reported	19.5	19.4	*0%*	*4%*
PAT Adjusted	**20.0**	**20.0**	*0%*	*3%*
EPS adj. dil. (p)	**19.1**	**19.1**	*0%*	*3%*

Source: Company data, Equity Development estimates.

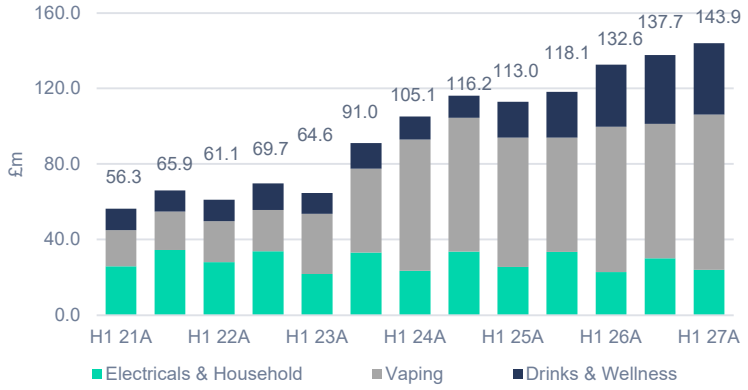
Summary performance trends

Semi-annual gross profit to H1 27A



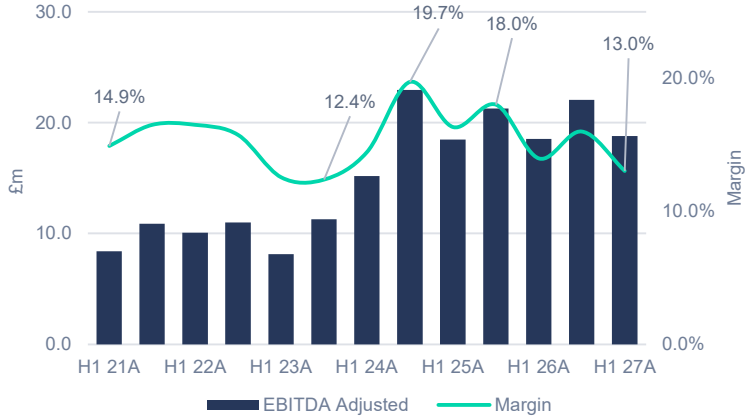
Source: Company data, Equity Development estimates.

Semi-annual revenue by business category



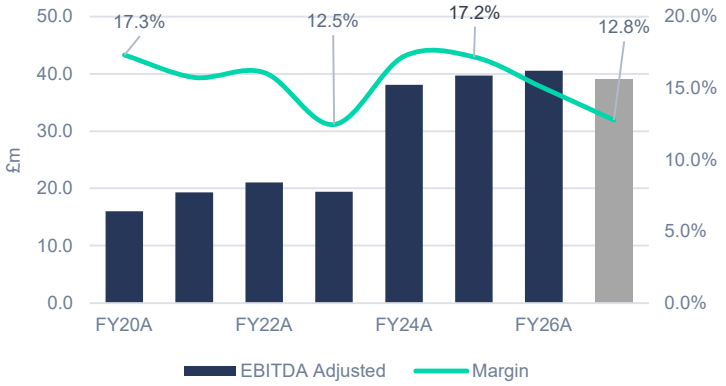
Source: Company data. Total revenue indicated.

Semi-annual (adj.) EBITDA performance



Source: Company data.

Trend and outlook to FY27E (adj.) EBITDA



Source: Company data.

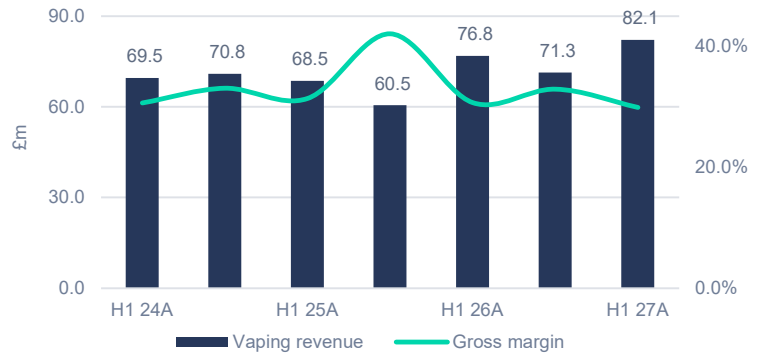
Vaping business category

H1 performance: preparatory to VPD implementation

Revenue of £82.1m resulted in gross profit of £24.5m (H1 26: £23.6m), a 29.9% margin (H1 26: 30.7%), reflecting a greater mix of lower margin branded vapes. The Group reported demand ahead of VPD implementation, and wider distribution of *Hayati* and IVG pre-filled pods. The Group also invested in pre-duty inventory of pods and liquids to support retailers through the transitional period to 31 March 2027, adding £30.2m in working capital. We estimate that the Vaping Products Duty increases the average price of a 10 ml e-liquid adding £2.64 (VPD+VAT) to the prior (RRP) price of £1.20. As the Group notes, its excise warehouse status means that duty is deferred to point of sale. Overall, its Manchester facility capacity of over 200m bottles a year makes Supreme the largest maker of e-liquid products. We expect that the implementation of the VPD will place pressure on sub-scale manufacturers in contrast to Supreme's capacity to expand.

Source: Company data. [1] Use of vapes and other novel tobacco and nicotine products among adults in Great Britain, ASH, July 2026.

Semi-annual revenue, gross profitability



Source: Company data. Equity Development analysis.

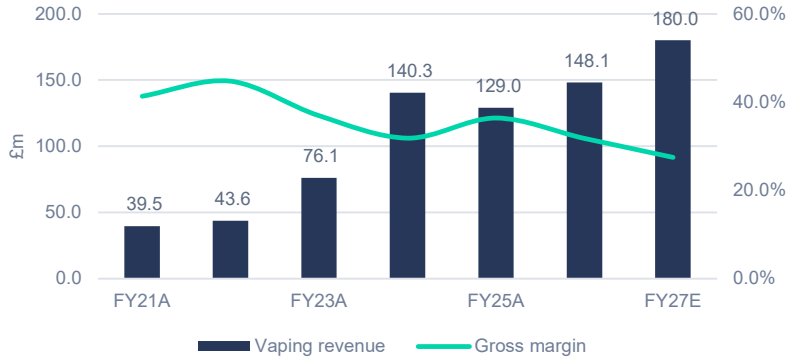
Summary and outlook

6 months (£m)	H1 24A	H2 24A	H1 25A	H2 25A	H1 26A	H2 26A	H1 27A
Vaping revenue	69.5	70.8	68.5	60.5	76.8	71.3	82.1
YoY	*119%*	*60%*	*-1%*	*-15%*	*12%*	*18%*	*7%*
Gross	21.3	23.4	21.5	25.4	23.6	23.5	24.5
Gross margin	*30.6%*	*33.1%*	*31.4%*	*42.1%*	*30.7%*	*32.9%*	*29.9%*

Annual (£m)	**FY21A**	**FY22A**	**FY23A**	**FY24A**	**FY25A**	**FY26A**	**FY27E**
Vaping revenue	**39.5**	**43.6**	**76.1**	**140.3**	**129.0**	**148.1**	**180.0**
YoY	*36.2%*	*10.2%*	*74.6%*	*84.4%*	*-8.1%*	*14.8%*	*21.5%*
Gross	16.4	19.5	28.1	44.7	46.9	47.0	49.5
Gross margin	*41.4%*	*44.7%*	*36.9%*	*31.9%*	*36.4%*	*31.8%*	*27.5%*

Source: Company data. Equity Development estimates.

Annual performance and outlook



Source: Company data. Equity Development estimates.

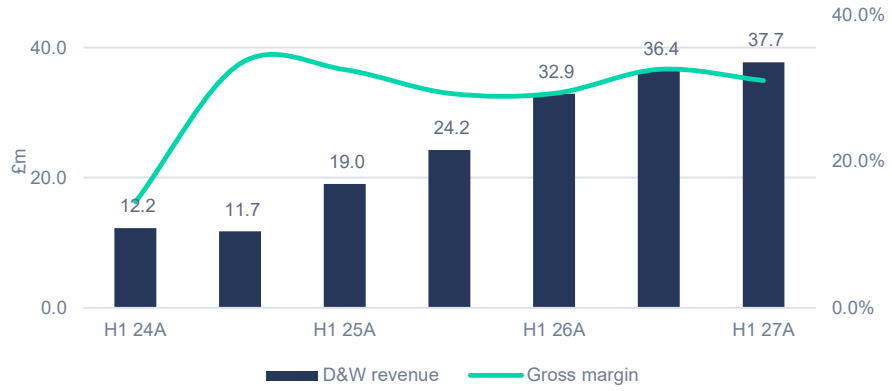
Drinks & Wellness business category

H1 performance

- Drinks & Wellness revenue rose 15%YoY to £37.7m (26% of Group), with gross profit £11.7m (H1 26: £9.6m), a 31% margin (H1 26: 29%). The Group noted strong performance from the acquired SlimFast, contributing £11.9m of revenue, supported by new products addressing growing use of GLP-1 weight-loss medications. Supreme plans increased marketing investment in H2. Overall, divisional growth was led by SlimFast, partly offset by lower Soft Drinks revenue from contract manufacturing, where demand is known to vary. The Group commenced manufacturing at *The Hive* wellness manufacturing facility, more than doubling capacity. H1 saw energy drinks licensing agreements with Carabao (now stocked in Morrisons) and Tonino Lamborghini, both manufactured at the Clearly Drinks facility.
- Inclusive of the impact of acquisitions, our FY27 revenue outlook is +8%YoY.

Source: Company data.

Semi-annual revenue, gross profitability



Source: Company data. Equity Development analysis.

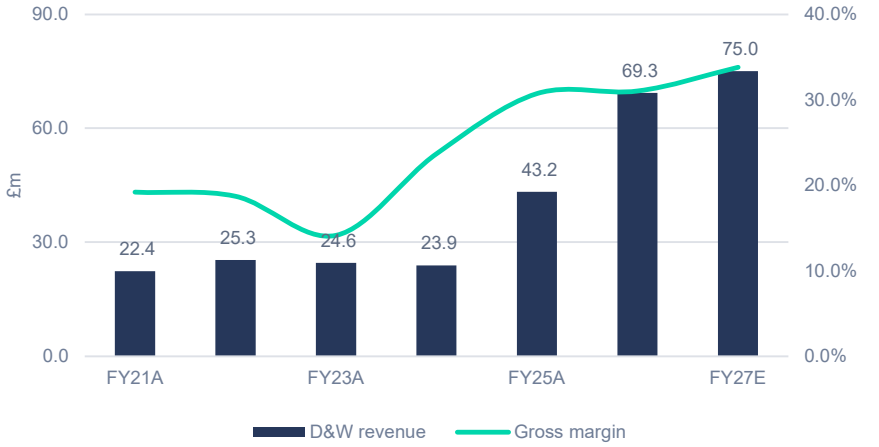
Summary and outlook

6 months (£m)	H1 24A	H2 24A	H1 25A	H2 25A	H1 26A	H2 26A	H1 27A
D&W revenue	12.2	11.7	19.0	24.2	32.9	36.4	37.7
YoY	*11%*	*-13%*	*56%*	*107%*	*73%*	*50%*	*15%*
Gross	1.8	3.9	6.2	7.1	9.6	11.9	11.7
Gross margin	*14.5%*	*33.4%*	*32.5%*	*29.3%*	*29.3%*	*32.6%*	*31.1%*

Annual (£m)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27E
D&W revenue	22.4	25.3	24.6	23.9	43.2	69.3	75.0
YoY	*219.2%*	*13.1%*	*-3.0%*	*-2.6%*	*80.8%*	*60.3%*	*8.2%*
Gross	4.3	4.7	3.5	5.7	13.3	21.5	25.4
Gross margin	*19.2%*	*18.7%*	*14.1%*	*23.7%*	*30.7%*	*31.0%*	*33.8%*

Source: Company data. Equity Development estimates.

Annual performance and outlook



Source: Company data. Equity Development estimates.

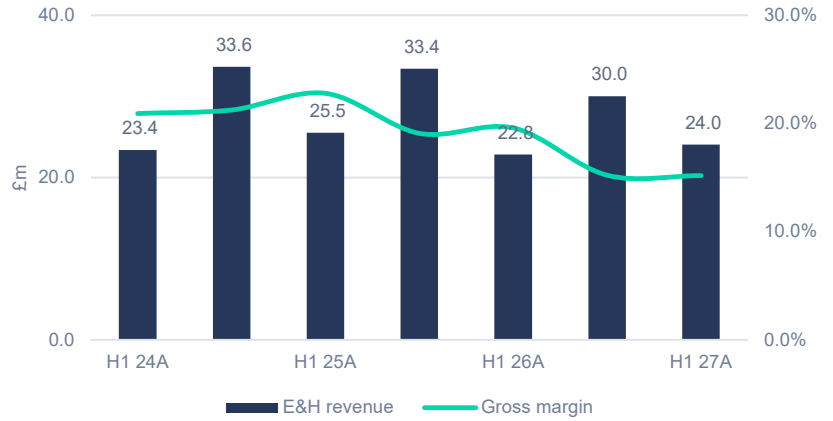
Electricals & Household business category

H1 performance

- Electricals & Household revenue was £24.0m, +5%YoY (H1 26: £22.8m) with gross profit of £3.6m, a 15.2% margin (H1 26: 19.6%). Without the contribution from 1001, H1 revenue of £22.53m would have been 1% lower YoY (H1 26: £22.82m). The Group reports that batteries and lighting products, which remain profitable, are being "managed for value": battery revenue increased at lower margins, whilst lighting declined in both revenue and margin.
- *1001*, the cleaning products brand, acquired on 1 September 2025, added £1.5m in revenue offsetting the decline in the contribution from legacy Electricals products. During the period 1001 expanded its product range to include dedicated pet products, a "*stand-out performer*"; whilst household cleaning remained a high-growth category, particularly in the discount retail segment, and the Group expects to build on H1 momentum.

Source: Company data.

Semi-annual revenue, gross profitability



Source: Company data. Equity Development analysis.

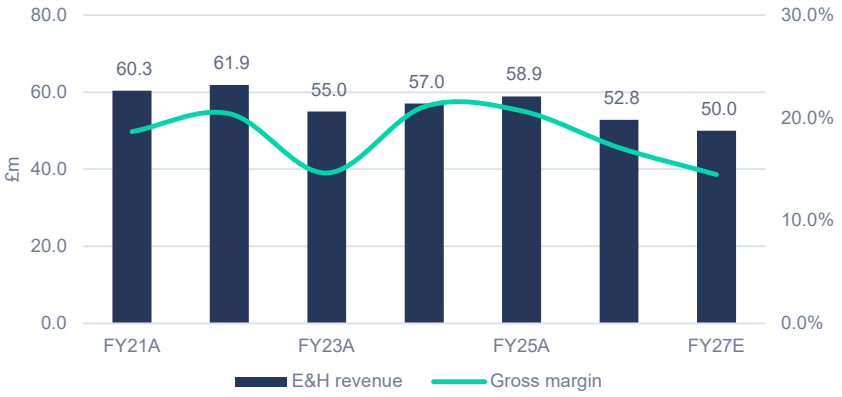
Summary and outlook

6 months (£m)	H1 24A	H2 24A	H1 25A	H2 25A	H1 26A	H2 26A	H1 27A
E&H revenue	23.4	33.6	25.5	33.4	22.8	30.0	24.0
YoY	*7%*	*1%*	*9%*	*-1%*	*-10%*	*-10%*	*5%*
Gross	4.9	7.1	5.8	6.4	4.5	4.6	3.6
Gross margin	*20.9%*	*21.2%*	*22.8%*	*19.1%*	*19.6%*	*15.2%*	*15.2%*

Annual (£m)	FY21A	FY22A	FY23A	FY24A	FY25A	FY26A	FY27E
E&H revenue	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	11.3	12.6	8.0	12.0	12.2	9.0	7.3
Gross margin	*18.7%*	*20.4%*	*14.6%*	*21.1%*	*20.7%*	*17.1%*	*14.5%*

Source: Company data. Equity Development estimates.

Annual performance and outlook



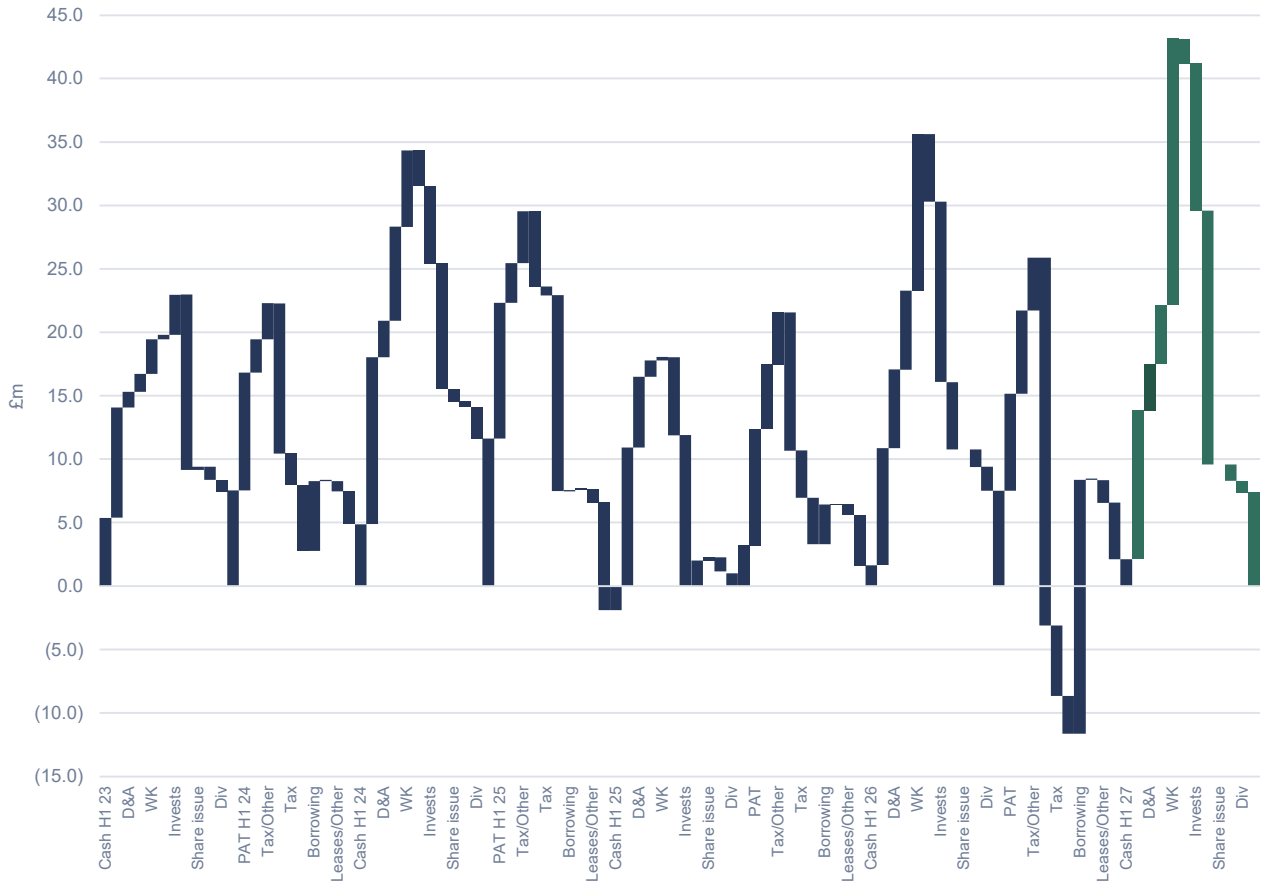
Source: Company data. Equity Development estimates.

Cashflow

The principal H1 cashflow movements were:

- Net cash from operations resulted in an outflow of £16.2m (H1 26: £3.8m inflow), after a working capital outflow of £(29.0)m (H1 26: £(10.9)m), principally reflecting the planned £30.2m investment in pre-duty Vaping inventory (inventories £61.5m vs £37.1m as at 31 March 2026). This inventory impact is expected to unwind as stock sells through in H2.
- H1 capex was £2.6m (H1 26: £2.5m), principally completion of The Hive fit out and manufacturing adaptations within Vaping preparatory to the introduction of VPD. Acquisition-related payments were £0.4m (1001 deferred consideration).
- Dividends paid were £4.5m (H1 26: £4.0m), with net borrowings of £20.0m resulting in a net cash outflow of £5.4m (H1 26: £1.5m). Adjusted net debt (pre-IFRS 16) was £17.6m (30 September 2025: £4.1m; 31 March 2026: £7.5m net cash), or £31.8m including £14.2m of IFRS 16 leases, with £20.3m of facilities unutilised. The Group expects to return to an adjusted net cash position by year-end.
- The chart below shows cashflow from H1 23 to H1 27, with our projection to year-end FY27.

Cashflow, semi-annual to FY27 E

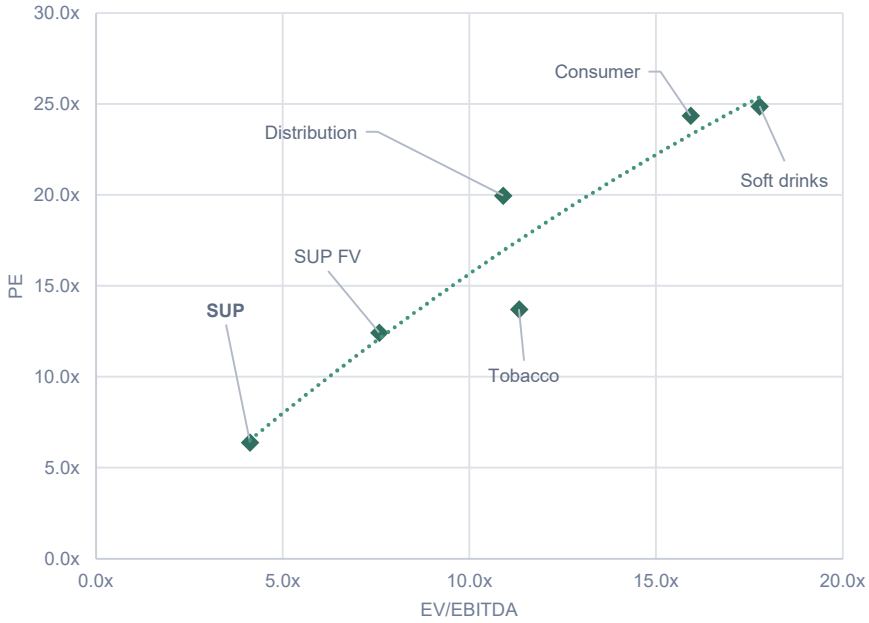


Source: Company data. Equity Development estimates.

Valuation considerations

Supreme trades on a FY27E EV/EBITDA of **4.1x** and **P/E of 6.4x**, representing a significant discount to market cap-weighted averages amongst peers in Supreme's product segment range: Distributors - Diploma, Bunzl, Travis Perkins, **10.9x / 20.0x**; Consumer Staples - Unilever, P&G, Nestlé, Walmart, PepsiCo, Reckitt, **15.9x / 24.4x**; Tobacco - BATS, Philip Morris, Altria, Imperial Brands, **11.3x / 13.7x**; Soft Drinks – PepsiCo Inc., The Coca-Cola Company, Monster Beverage, Fevertree, A.G. Barr, **17.8x / 24.9x** (source: Koyfin).

Comparative valuation vs peer groups



Source: Equity Development estimates. Koyfin.

Peer group company valuations

Ticker	Company	Mkt cap (£m)	EV/Rev	EV/EBITDA	PE
DPLM	Diploma	8,875	4.5x	16.8x	23.9x
BNZL	Bunzl	9,164	0.9x	9.5x	15.4x
TPK	Travis Perkins	1,305	0.4x	6.4x	20.6x
UL	Unilever	105,272	3.0x	13.1x	17.9x
PG	Procter & Gamble	300,226	4.6x	17.0x	24.3x
NSRGY	Nestlé	200,438	3.1x	15.1x	18.9x
WMT	Walmart	776,351	1.4x	22.0x	44.3x
RKT	Reckitt Benckiser	35,593	3.4x	12.4x	16.4x
BATS	British American Tobacco	94,636	4.9x	10.3x	12.1x
PM	Philip Morris International	219,442	7.6x	17.0x	22.0x
MO	Altria Group	95,247	7.0x	11.1x	13.1x
IMBBY	Imperial Brands	21,129	3.0x	6.9x	7.7x
PEP	PepsiCo	148,160	2.4x	12.3x	16.7x
FEVR	Fevertree Drinks	1,018	2.4x	19.1x	32.4x
BAG	A.G. BARR	664	1.5x	8.3x	12.6x
KO	Coca-Cola	319,100	8.8x	25.2x	29.0x
MNST	Monster Beverage	65,407	8.3x	27.3x	38.0x
APN	Applied Nutrition	732	3.5x	14.4x	20.6x

Source: Koyfin.

Peer group-based sum-of-parts valuation

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 business categories, Electricals & 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 reported Group net cash / (debt) (30 September 2026).
- 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 & Household	8.8%	Consumer	15.9x	54.8
Vaping	60.3%	Tobacco	11.3x	266.3
Drinks & Wellness	30.9%	Soft drinks	17.8x	213.9
EV indicated (£m)				**535.1**
Indicated EV/EBITDA				13.7x
Net cash / (debt) (£m)				(17.59)
FY27 E indicated equity (£m)				517.5
Per share value indicated (p)				**431**

Source: Equity Development estimates. Koyfin.

The sum-of-parts exercise indicates a FY27 equity value per share of 431p/share.

Appendix I: WPC price trend – less relevant

As shown below, the price of Whey Protein Concentrate (WPC) reached a new high €5,123/tonne, +77%YoY, surpassing the previous 2022 high of €4,068 by 26%. Analysis by vespertool.com (VPLab) indicates that the price surge reflects demand outstripping capacity as usage broadened from sports nutrition to include products such as drinks and meal replacements. However, there are recent indications that prices may stabilise or revert as additional production is introduced and buyers delay purchase anticipating lower prices.

Supreme notes that it has diversified away from WPC to include other protein sources such as soya; another example of the Group's ability to respond to changing trends. We therefore regard the WPC price trend of limited relevance to Supreme's cost structure.

Whey protein concentrate (WPC) US (€/ton)



Source: https://www.clal.it/en/?section=whey_usa

Appendix II: Vaping trends and the VPD

Vaping Products Duty (VPD)

Introduced on 1 October 2026, the Vaping Products Duty has resulted in an increase in the average price of a 10 ml e-liquid adding £2.64 in VPD and VAT to the prior price of £1.20. Similarly VPD+VAT adds £26.40 to the price of a 100ml shortfill, from £15.00 to £41.40. However, we note that retailers are not required to pass on the full VPD and may instead choose to absorb part (or all) of the increase. *Totally Vapour* (25 June 2026) estimates that VPD will on average increase vape prices by c.40%.

Vaping overtakes smoking

The July '26 ASH survey[1] indicates that vaping has overtaken cigarette smoking. An estimated 7.8% of adults vape daily versus 6.6% smoking cigarettes, whilst an estimated 3.3m vapers are ex-smokers. The study Fact Sheet reports:

- 2012 – 2026: vaping prevalence rose from 1.7% to 10.3% but slowed after 2024.
- Currently there are an estimated 5.5m vapers in Great Britain. Of current smokers, 30% also vape (1.7m); amongst ex-smokers 19% vape (3.3m); and amongst those who have never smoked, 1.5% have vaped (400,000). Vaping has plateaued across all age groups, is highest amongst those aged 25-40 and has remained at 11% amongst those aged 18-24 since 2021.

P&L

£m	H1 25A	H2 25A	H1 26A	H2 26A	H1 27A	FY23A	FY24A	FY25A	FY26A	FY27E
Electricals & Household	25.5	33.4	22.8	30.0	24.0	55.0	57.0	58.9	52.8	50.0
Vaping	68.5	60.5	76.8	71.3	82.1	76.1	140.3	129.0	148.1	180.0
Drinks & Wellness	19.0	24.2	32.9	36.4	37.7	24.6	23.9	43.2	69.3	75.0
Revenue	**113.0**	**118.1**	**132.6**	**137.7**	**143.9**	**155.6**	**221.2**	**231.1**	**270.2**	**305.0**
Gross pre forex	33.5	38.9	37.7	39.9	39.9	39.6	62.4	72.4	77.6	82.1
Gross margin	*29.6%*	*33.0%*	*28.4%*	*29.0%*	*27.7%*	*25.4%*	*28.2%*	*31.3%*	*28.7%*	*26.9%*
Gross inc forex	**34.1**	**39.6**	**38.4**	**40.6**	**40.6**	**40.9**	**63.5**	**73.7**	**78.9**	**83.1**
Margin	*30.1%*	*33.6%*	*28.9%*	*29.5%*	*28.2%*	*26.3%*	*28.7%*	*31.9%*	*29.2%*	*27.2%*
Sum Op-ex	(20.6)	(20.6)	(25.5)	(25.0)	(29.0)	(28.2)	(31.5)	(41.2)	(50.4)	(54.3)
One-off costs	(1.8)	1.8	(0.6)	(0.2)	(0.6)	(0.8)	(0.6)	0.0	(0.8)	(0.6)
One off gain	0.0	0.7	0.0	0.0	0.0	2.8	0.0	0.7	0.0	0.0
EBIT Reported	13.5	19.0	12.9	15.6	11.6	15.4	31.4	32.5	28.5	28.2
EBIT Adjusted	**15.3**	**17.2**	**13.5**	**15.8**	**12.2**	**16.3**	**32.0**	**31.8**	**29.3**	**28.8**
Margin	*13.6%*	*14.6%*	*10.1%*	*11.5%*	*8.5%*	*10.5%*	*14.5%*	*13.7%*	*10.8%*	*9.4%*
Depreciation	(2.3)	(4.2)	(3.8)	(3.9)	(4.3)	(2.2)	(3.8)	(6.4)	(7.7)	(6.3)
Amortisation	(0.9)	(0.7)	(1.3)	(2.3)	(2.3)	(0.9)	(2.3)	(1.5)	(3.5)	(3.9)
EBITDA Reported	16.6	23.8	18.0	21.8	18.1	18.6	37.5	40.5	39.8	38.4
EBITDA Adjusted	**18.5**	**21.3**	**18.5**	**22.0**	**18.8**	**19.4**	**38.1**	**39.7**	**40.6**	**39.0**
Margin	*16.3%*	*18.0%*	*14.0%*	*16.0%*	*13.0%*	*12.5%*	*17.2%*	*17.2%*	*15.0%*	*12.8%*
Financial income	0.12	0.04	0.01	0.05	0.01	0.03	0.15	0.16	0.06	0.50
Financial expense	(0.7)	(1.0)	(0.7)	(1.1)	(1.1)	(1.0)	(2.0)	(1.8)	(1.9)	(1.8)
PBT Reported	12.9	18.0	12.2	14.5	10.5	14.4	29.5	30.9	26.7	26.9
PBT Adjusted	**14.7**	**15.5**	**12.7**	**14.8**	**11.1**	**15.3**	**30.1**	**30.2**	**27.5**	**27.5**
Tax	(2.2)	(5.2)	(3.0)	(5.3)	(2.8)	(2.5)	(7.7)	(7.4)	(8.3)	(7.5)
Reported tax rate	*17.1%*	*28.8%*	*24.4%*	*36.5%*	*27.0%*	*20.0%*	*26.1%*	*23.9%*	*31.0%*	*27.9%*
PAT Reported	10.7	12.8	9.2	9.4	7.6	12.1	21.8	23.5	18.6	19.4
PAT Adjusted	**12.5**	**10.3**	**9.7**	**9.7**	**8.3**	**12.9**	**22.4**	**22.8**	**19.4**	**20.0**
Amortisation & tax items	0.5	0.0	0.0	2.4	2.6	1.8	2.6	0.0	3.5	3.5
PAT Adjusted	**13.0**	**12.8**	**9.2**	**11.8**	**10.2**	**13.8**	**24.4**	**23.5**	**22.2**	**22.9**
Diluted wtd. av. shares (m)	120.4	120.5	120.5	120.2	117.9	123.5	123.7	120.5	120.2	120.2
EPS rptd. basic (p)	9.2	11.0	7.8	8.0	6.5	10.3	18.6	20.2	15.4	16.5
EPS adj. dil. (p)	**10.8**	**10.6**	**7.6**	**9.8**	**8.7**	**11.2**	**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	H1 27A	FY23A	FY24A	FY25A	FY26A	FY27E
PAT Reported	10.7	12.8	9.2	9.2	7.7	12.0	22.4	23.5	18.4	19.4
One-off items	1.3	(5.4)	0.4	(0.2)	0.2	0.8	0.2	(4.2)	0.3	0.0
Depreciation	2.3	4.2	3.8	3.9	4.3	2.2	3.8	6.4	7.7	6.3
Amortisation	0.9	1.4	1.3	2.3	2.3	0.9	1.7	2.3	3.5	3.9
Tax	2.2	5.2	3.0	5.3	2.8	2.5	7.7	7.4	8.3	7.5
Finance/other	0.6	1.5	0.7	1.1	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**	**18.4**	**38.2**	**37.6**	**40.0**	**38.4**
(Increase)/Decrease inventories	(6.8)	4.8	(5.3)	4.5	(24.4)	2.9	1.2	(2.0)	(0.8)	(0.5)
(Increase)/Decrease in receivables	3.5	(4.5)	(0.6)	(4.8)	(6.4)	(0.7)	(14.7)	(0.9)	(5.3)	1.5
Increase/(Decrease) in payables	(2.7)	(0.0)	(5.0)	12.6	1.8	(0.0)	7.7	(2.7)	7.6	(9.0)
Movement in working capital	**(5.9)**	**0.3**	**(10.9)**	**12.3**	**(29.0)**	**2.2**	**(5.8)**	**(5.7)**	**1.4**	**(8.0)**
Cash generated by operations	**12.0**	**20.0**	**7.5**	**34.0**	**(10.6)**	**20.6**	**32.4**	**31.9**	**41.5**	**30.4**
Tax (paid)/received	(0.7)	(6.2)	(3.7)	(5.3)	(5.6)	(1.3)	(5.3)	(6.8)	(9.1)	(7.5)
Net cash from operations	**11.3**	**13.8**	**3.8**	**28.6**	**(16.2)**	**19.3**	**27.1**	**25.1**	**32.4**	**22.9**
Interest received	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.2	0.1	0.5
Intangibles	(0.1)	0.0	(1.4)	(11.6)	0.0	0.0	(0.1)	(0.1)	(12.9)	0.0
PPE	(1.1)	(2.1)	(2.6)	(3.4)	(2.6)	(1.3)	(5.3)	(3.1)	(6.0)	(6.0)
Acquisition	(15.6)	(10.0)	0.0	0.0	(0.4)	(10.1)	(2.5)	(25.6)	0.0	0.0
Sale of PPE	0.9	0.1	0.3	0.7	0.0	4.0	0.1	1.0	1.0	0.0
Deferred, other	0.3	0.1	0.0	(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)	(3.0)	(7.6)	(11.3)	(27.3)	(17.9)	(14.6)
Net OpFCF	**(4.2)**	**1.9**	**0.1**	**14.4**	**(19.2)**	**11.7**	**15.8**	**(2.2)**	**14.6**	**8.3**
Borrowings (net)	0.0	2.0	3.1	(5.3)	20.0	(1.3)	(4.4)	2.0	(2.2)	0.0
Share issue	0.1	0.3	0.0	0.0	0.0	0.3	(1.0)	0.3	0.0	0.0
Interest paid	(0.4)	(0.4)	(0.2)	(1.1)	(0.4)	(0.8)	0.0	(0.8)	(1.3)	(1.8)
Leases	(0.7)	(0.7)	(1.1)	(0.1)	(1.2)	(1.0)	(1.2)	(1.4)	(1.3)	(1.3)
Dividend	(3.7)	(2.1)	(4.0)	(1.9)	(4.5)	(5.4)	(4.3)	(5.8)	(5.9)	(6.3)
Net cash from financing	**(5.0)**	**(1.1)**	**(2.2)**	**(8.5)**	**13.9**	**(8.2)**	**(11.6)**	**(6.1)**	**(10.7)**	**(9.4)**
Net change cash	(9.2)	0.8	(2.1)	5.9	(5.2)	3.5	4.2	(8.4)	3.9	(1.1)
Cash start	11.6	2.4	3.2	1.7	7.5	3.9	7.5	11.6	3.2	7.5
Forex	(0.1)	0.0	0.5	(0.1)	(0.2)	0.1	(0.1)	(0.1)	0.5	0.0
Cash end	**2.4**	**3.2**	**1.7**	**7.5**	**2.1**	**7.5**	**11.6**	**3.2**	**7.5**	**6.5**

Source: Company data. Equity Development estimates.

Balance sheet

Yr to March 31 (£m)	H1 25A	H1 26A	H1 27A	FY23A	FY24A	FY25A	FY26A	FY27E
Intangible assets	19.3	22.7	37.0	15.3	13.7	21.2	39.3	44.5
PPE net	15.4	32.1	29.5	20.8	21.4	30.8	32.0	31.7
RoU	12.7	0.0	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	0.0
Sum Fixed Assets	**47.6**	**54.8**	**66.5**	**36.1**	**35.1**	**52.0**	**71.4**	**76.3**
Inventories	32.3	42.6	61.5	25.6	24.4	36.3	37.1	37.6
Trade receivables	35.1	42.8	54.0	20.9	35.6	42.2	47.5	46.0
Financial insts	0.3	0.2	0.5	0.0	0.0	0.8	0.5	0.5
Cash	2.4	1.7	2.1	7.5	11.6	3.2	7.5	6.5
Sum Current Assets	**70.2**	**87.2**	**118.1**	**54.0**	**71.7**	**82.5**	**92.6**	**90.5**
Total Assets	**117.8**	**142.0**	**184.6**	**90.1**	**106.8**	**134.6**	**164.0**	**166.8**
Trade payables	(28.4)	(29.7)	(51.7)	(26.1)	(27.3)	(33.7)	(50.8)	(41.8)
Bank borrowings	(1.0)	(7.3)	(19.7)	(4.3)	(1.3)	(2.0)	0.0	0.0
Tax, Other	(8.9)	(6.5)	(3.3)	(3.2)	(5.5)	(6.4)	(5.1)	(5.1)
Sum Current Liabilities	**(38.2)**	**(43.5)**	**(76.2)**	**(34.3)**	**(34.0)**	**(43.4)**	**(57.3)**	**(48.3)**
Total Assets less Current Liabilities	79.5	98.5	108.5	55.8	72.7	91.2	106.7	118.5
Borrowing/leases	(13.1)	(14.3)	(12.8)	(14.3)	(13.4)	(12.1)	(13.6)	(12.3)
Tax/Provisions	(1.1)	(1.4)	(1.7)	(1.6)	(1.3)	(2.1)	(3.4)	(3.4)
Sum Long-term liabilities	(14.2)	(16.5)	(15.3)	(15.9)	(14.8)	(14.7)	(16.9)	(15.6)
Total liabilities	**(52.4)**	**(59.9)**	**(91.5)**	**(50.2)**	**(48.8)**	**(58.1)**	**(74.2)**	**(63.9)**
Net Assets	65.4	82.1	93.2	40.0	58.0	76.5	89.8	102.9
Share Capital	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7
Share Premium	7.6	7.7	7.7	7.4	7.4	7.7	7.7	7.7
Merger Reserve	(21.9)	(21.7)	(21.3)	(22.0)	(22.0)	(21.9)	(22.0)	(22.0)
Retained earnings	63.8	79.5	89.8	39.8	56.8	74.6	86.8	99.9
Equity	**65.4**	**82.1**	**93.2**	**40.0**	**58.0**	**76.5**	**89.8**	**102.9**
Net cash / (debt) pre IFRS 16	1.4	(5.7)	(17.6)	3.2	10.4	1.2	7.5	6.5

Source: Company data. Equity Development estimates.

Contacts

Andy Edmond
Direct: 020 7065 2691
Tel: 020 7065 2690
andy@equitydevelopment.co.uk

Hannah Crowe
Direct: 0207 065 2692
Tel: 0207 065 2690
hannah@equitydevelopment.co.uk

Equity Development Limited is regulated by the Financial Conduct Authority

Disclaimer

Equity Development Limited ('ED') is retained to act as financial adviser for its corporate clients, some or all of whom may now or in the future have an interest in the contents of this document. ED produces and distributes research for these corporate clients to persons who are not clients of ED. In the preparation of this report ED has taken professional efforts to ensure that the facts stated herein are clear, fair and not misleading, but makes no guarantee as to the accuracy or completeness of the information or opinions contained herein.

Any reader of this research should not act or rely on this document or any of its contents. This report is being provided by ED to provide background information about the subject of the research to relevant persons, as defined by the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Research produced and distributed by ED on its client companies is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent as defined by the FCA but is 'objective' in that the authors are stating their own opinions. This document is prepared for clients under UK law. In the UK, companies quoted on AIM are subject to lighter due diligence than shares quoted on the main market and are therefore more likely to carry a higher degree of risk than main market companies.

ED may in the future provide, or may have in the past provided, investment banking services to the subject of this report. ED, its directors or persons connected may at some time in the future have, or have had in the past, a material investment in the Company. ED, its affiliates, officers, directors and employees, will not be liable for any loss or damage arising from any use of this document to the maximum extent that the law permits.

More information is available on our website www.equitydevelopment.co.uk