

Strategic growth and considerable potential

Victorian Plumbing's strong underlying H126 results are further evidence of the success of its market-leading, profitable and cashflow generative business. H126 Adj. EBITDA rose 11.8% to £17m, excluding the £1.8m planned strategic investment in homewares under the MFI brand. Trading on only c.7.5x cal 2027 EV/EBITDA and c.13.5x cal 2027 PER, its shares today are well below our 110p Fair Value per share (equivalent to a c.5% cal 2027 FCF yield).

H126 revenue rises 10.5% and Adj. EBITDA increases 11.8% (ex MFI)

Victorian Plumbing has had a very good H126, with retail revenue (ex MFI) rising 9.2% to £166.7m, driven by an 8% increase in website visitors and a 12% increase in orders, winning market share in bathrooms and tiles and flooring. The relaunch of MFI contributed a further £0.5m of homewares revenue, and third-party haulage revenue added another £1.6m following the [£2.3m acquisition of Sovereign Transport Services Limited](#) ("Sovereign") in January. Good cost control and 80bps of marketing efficiencies (whilst increasing brand awareness to 73%) contributed to the 11.8% increase in Adj. EBITDA to £17.0m (ex MFI).

Ample cashflow funds investment in MFI; generating 5* reviews

Underlying FCF from operations was stable at a robust £12.9m in H126 (84% conversion), allowing for the planned strategic investment into the £21bn homewares segment. Under the MFI brand, the group has expanded its homewares offering from 600 to 5,500 products and initial reviews are very favourable with an average customer Trustpilot score of 4.7/5. Losses of £1.8m at MFI are as planned, bringing group H126 Adj. PBT to £9.4m, down 20%. Reflecting continued confidence in the group, the Board has declared a 5.7% increase in the interim dividend to 0.74p.

Current trading good; on track for FY26E expectations; underrated

UK consumer confidence fell 4 points to -25 in April in response to geopolitical tensions, yet Victorian Plumbing has delivered mid-single-digit revenue growth in its first 6 weeks of H226 (April to mid-May). Hence, whilst staying vigilant to potential inflationary pressure and factoring in a more subdued consumer environment, management still anticipates FY26E revenue and Adjusted PBT in line with market expectations of £329.5m and £21.8m respectively. We have not made any material changes to our forecasts and continue to view the group as underrated for its growth potential.

Key financials & valuation metrics

Year to 30 September (£m)	2024	2025	2026E	2027E	2028E
Revenue	295.7	310.0	330.1	349.9	374.2
Revenue growth (%)	3.7	4.8	6.5	6.0	6.9
Adj. PBT*	23.1	21.8	21.8	24.1	27.4
Adj. PBT margin (%)	7.8	7.0	6.6	6.9	7.3
Adj. diluted EPS* (p)	5.3	5.6	5.3	5.5	6.3
Dividend per share (p)	1.6	2.2	2.3	2.4	2.7
Free cashflow	(29.1)	10.7	14.0	19.4	22.0
Net cash / (debt) /Adj. EBITDA (x)	(1.3)	(1.3)	(0.8)	(0.4)	(0.0)
EV / Sales (x, calendarised)		0.9	0.8	0.8	0.7
PER (x, calendarised)		14.1	14.7	13.7	12.0
Dividend yield (% , calendarised)		2.8	2.9	3.2	3.5
Free cashflow yield (% , calendarised)		4.5	6.0	7.8	8.9

*Pre share-based payments; Source: Company data, Equity Development, Priced as at 18 May 2026

19 May 2026

Company data

EPIC	VIC
Price (last close)	78.5p
52 weeks Hi/Lo	90p / 57p
Market cap	£255m
ED Fair Value / share	110p
Net cash / (debt) 2026E	£(28m)
Avg. daily volume (3m)	292k

Share price, p



Source: Investing.com

Description

Victorian Plumbing Group plc ("Victorian Plumbing") is the UK market leader in bathroom furniture and accessories with over 21.5% market share. Offering an extensive range of over 150 brands and 43,000 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

FY26 trading update Oct 2026 (tbc)

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Victorian Plumbing: Investment attractions overview

Investment Highlights	Risk Factors
<ul style="list-style-type: none"> 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 specialist with over 43,000 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 and 10.5% in H126. Increasing trade customers to 24% of group (FY25) 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 has been led by its entrepreneurial founder, Mark Radcliffe, and an experienced management team. Stephnie Judge became CEO in April 2026. 	<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> The group's strategic initiatives with trade customers and category range expansion (into tiles, flooring and homewares) underpin our 6.5% GACR in revenues FY25-FY28E. We assume marketing efficiencies lead to a robust and modestly rising Adj. EBITDA margin of 11.8% in FY28E for the core bathrooms business (from 11.0% in FY25), leading to a group Adj. EBITDA margin of 10.8% by FY28E, up from 10.3% in FY25 (including MFI). We forecast high cashflow conversion and free cashflow of c.£13m in FY26E (post-acquisition), 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). 	<ul style="list-style-type: none"> Victorian Plumbing is trading on 0.8x EV / Revenues, 7.6x EV / Adj. EBITDA, 13.7x PER and offers a c.3% dividend yield and a c.8% FCF yield (all cal 2027). As management intends to limit the operating losses the group absorbs whilst MFI builds scale, we consider it 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 at c.3x our forecast cal 2028 revenues of £15m, implying a valuation of c.£45m, or 14p per share.

Highlights from the H126 results

Winning market share and marketing efficiencies...

- Victorian Plumbing has had a strong H126, with retail revenue (ex MFI) rising 9.2% to £166.7m, driven by a 12% increase in orders and market share gains.
- Tiles and flooring had particularly strong growth of 84% to £14m, accounting for 8% of revenue, up from 5%. This mix impact led to the c.3% reduction in Average Order Value to £274 and an increase in the own-label mix to 83% of revenues from 80%.
- The relaunch of MFI contributed a further £0.5m of homewares revenue, and third-party haulage revenue added another £1.6m following the acquisition of Sovereign Transport Services Limited ("Sovereign") in January; driving total group revenue growth of 10.5%.
- Gross margin was broadly stable at 50.2% for the core bathroom business, but overall fell 50bps to 49.7%, reflecting the growth in lower gross margin tiles and flooring.
- Operating costs were well controlled; 80bps of marketing efficiencies (whilst increasing brand awareness to 73%) contributed to the 11.8% increase in Adj. EBITDA (ex MFI) to £17.0m.
- Including the MFI investment, Adj. EBITDA rose 1% to £15.4m, while Adj. PBT fell 20% to £9.4m, reflecting higher depreciation and amortisation (up £1.9m to £4.6m) and increased finance costs (up £1m to £2m) following the planned new distribution centre investment.
- £2.5m of capital expenditure was offset by a £2.2m working capital inflow, leading to £12.9m free cashflow from operations. After £2.2m net acquisition spend, £2.9m taxes and £4.7m dividends, net cash increased £3m to a substantial period end net cash position of £21m, pre £53m leases. The group also has a £30m undrawn RCF.

...drives 12% growth in Adj. EBITDA, pre MFI investment

H126 group results

Year-end 30 Sept, £m	1H26	1H25	% change
Bathrooms	152.7	145.1	5.2
Tiles and flooring	14.0	7.6	84.2
Victorian Plumbing	166.7	152.7	9.2
MFI (Homewares)	0.5	0	
Retail	167.2	152.7	9.5
Haulage (third party)	1.6	0	
Group revenue	168.8	152.7	10.5
Adj. EBITDA ex MFI	17.0	15.2	11.8
Adj. EBITDA*	15.4	15.2	1.3
Adj. EBITDA margin (%)	9.1	10.0	-83bps
Adj. PBT*	9.4	11.8	(20.3)
Adj. PBT* margin (%)	6.6	7.0	-48bps
Adj. diluted EPS (p)*	2.3	2.8	(17.9)
Interim dividend per share (p)	0.74	0.70	5.7
Adj. free cashflow from operations	12.9	12.9	
Net financial (debt) / cash	21.2	10.9	
Total net (debt) / cash	(31.4)	(39.3)	

*Pre share-based payments of £1m in H126

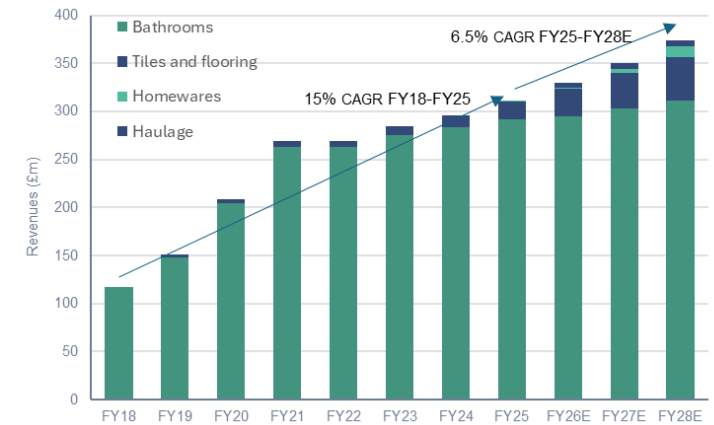
Source: Company data, Equity Development

Victorian Plumbing extends market leadership in bathrooms and grows in tiles and flooring

Increased product range helping drive market share gains

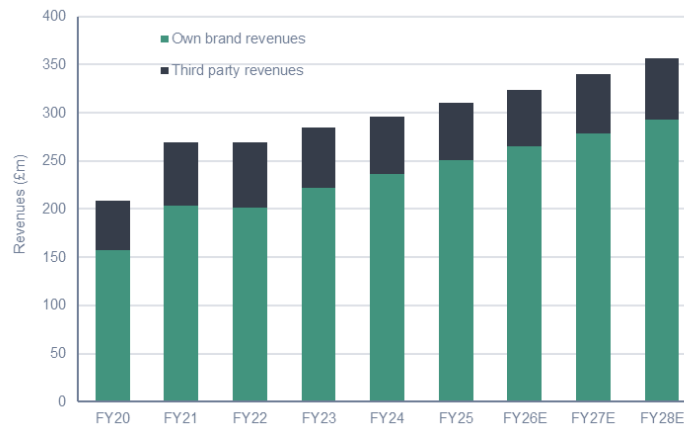
- Victorian Plumbing has grown its bathroom market share from 3.3% in 2015 to over 21.5%, and management believes there is further structural growth to come from the consumer shift online.
- Victoria Plumbing's own-label revenue mix was stable at c.80% for core bathroom products (with own-label gross margin maintained at c.54%).
- Trade customers accounted for 23% of revenue in H126 (slightly down from 24% in FY25 as the increasing mix of tiles and flooring increases the consumer mix). Nevertheless, there is considerable opportunity to increase trade penetration, given that trade customers account for c.50% of the wider market (hence the group's dedicated app and trade credit offer). Investment in sports sponsorship has also increased awareness among trade customers.

10.5% revenue growth in H126



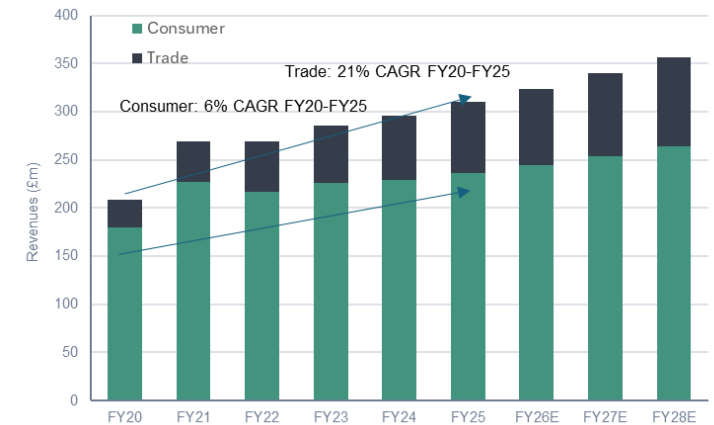
Source: Company data, Equity Development

Own-label mix rises to 83% in H126 (c.80% for bathrooms)



Source: Company data, Equity Development

Trade customers accounted for 23% of H126 revenues



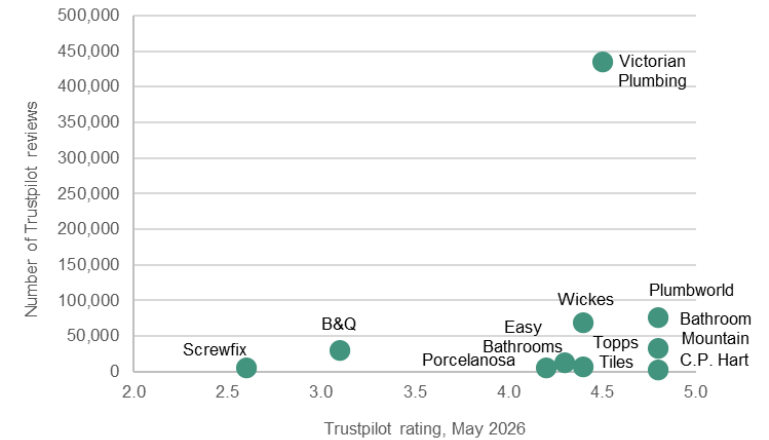
Source: Company data, Equity Development

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

Leveraging marketing spend more effectively

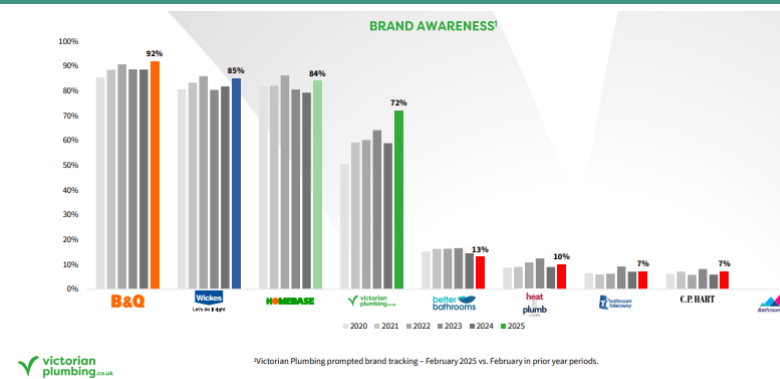
- As an online retailer, marketing costs have typically been at least 25% of revenues for Victorian Plumbing and up to 29% (a significant £84m in FY25).
- However, the presence of a competitor with a very similar name meant that for every £1 spent on marketing, some benefitted Victoria Plum, making Victorian 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 therefore as much about removing this competitive obstacle as it was about gaining customers.
- As a result, brand awareness, which had been rising, has jumped to 73% in H126, while marketing costs have fallen 80bps to 28% of revenues; 25% on online marketing (-30bps) and 3% on brand marketing (-50bps).

Over 430,000 Trustpilot reviews with an average 4.5*



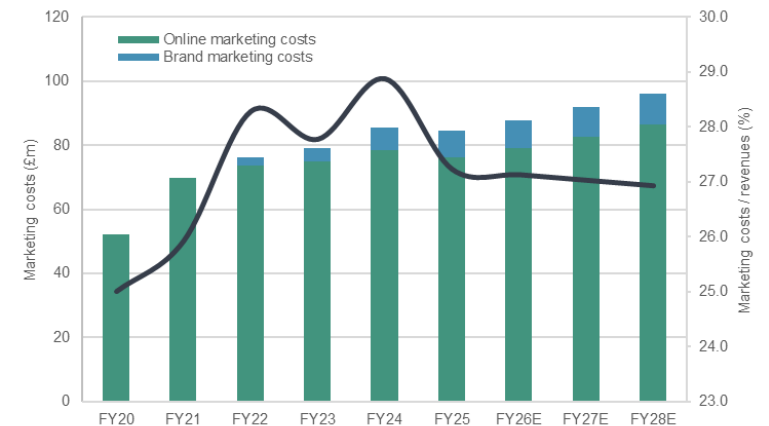
Source: Trustpilot, Equity Development

Continued improving brand awareness, to 73% in H126



Source: Company data, Equity Development

Marketing efficiencies post Victoria Plum acquisition



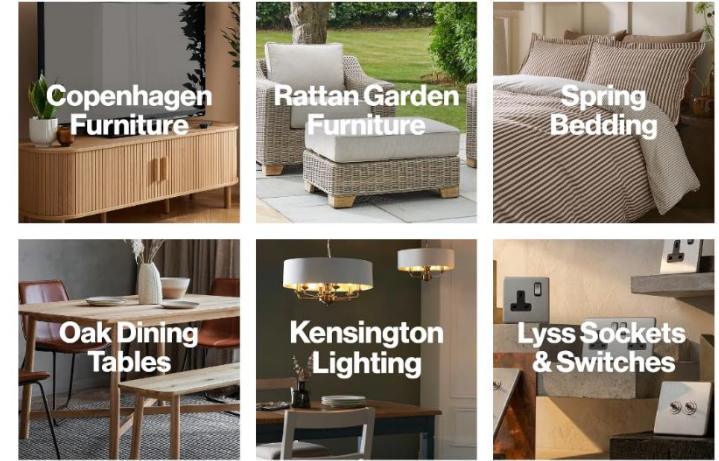
Source: Company data, Equity Development

MFI brand makes a good start, garnering 5* reviews

An exciting opportunity in an unconsolidated £21bn market

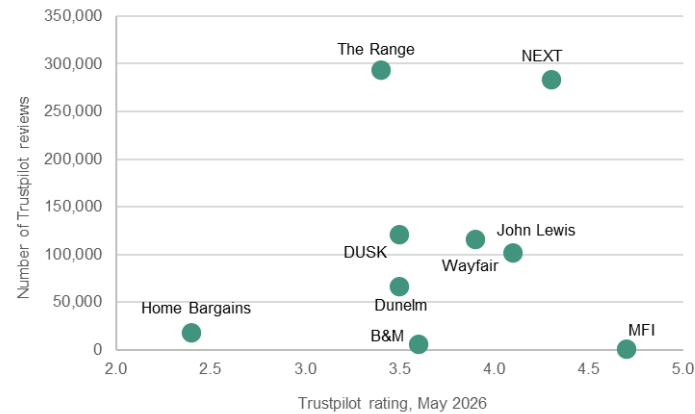
- As part of the Victoria Plum acquisition, the company bought the MFI brand, and with excess warehouse capacity and a track record in taking share in bathrooms, tiles and flooring (even in very competitive markets), management decided to relaunch MFI as an online homewares brand.
- From a soft launch in July 2025 with 600 products the range has grown to 5,500 SKUs across multiple categories, driving 545,000 visitors to the website and revenues of £0.5m in H126.
- Management’s approach in the start-up phase is to reinvest most of the gross profit (initial gross margin of 30%-40% as sourced from the UK) 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 (for FY26E; 1H26 Adj. PBT was a planned loss of £1.8m).

MFI relaunched with a broad range of homewares



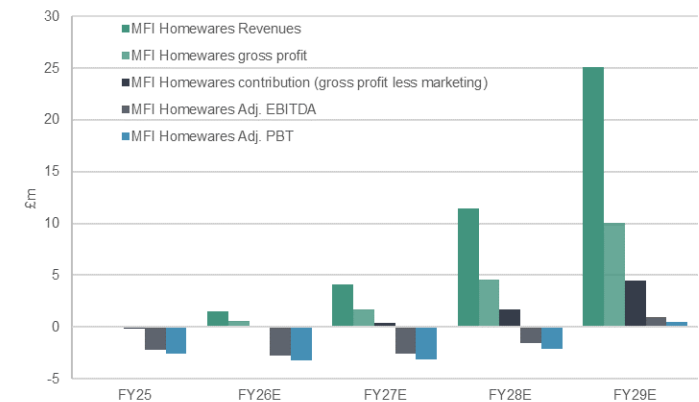
Source: Company website

Early days, but 4.7/5* from over 700 reviews on Trustpilot



Source: Trustpilot, Equity Development

We forecast £25m revenues and breakeven in 4 years



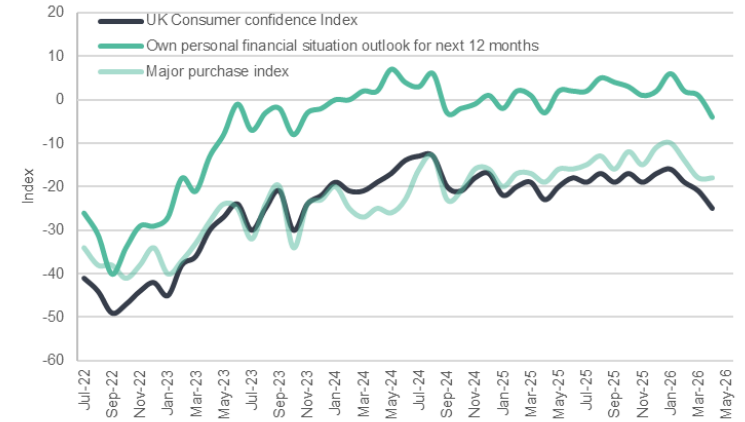
Source: Company data, Equity Development

Solid current trading, despite the subdued macro-economic background

c.5% revenue growth on 6 weeks April to mid-May

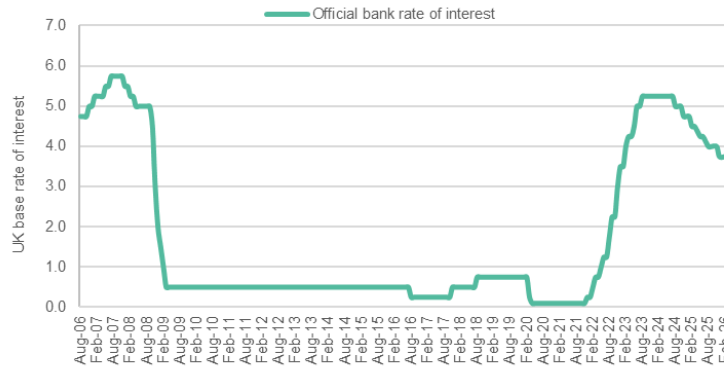
- Investing in a new bathroom typically costs over £1,000 and Victorian Plumbing's average order value of £274 (H126) reflects a mix of "project" baskets over £1,000 and smaller orders.
- As a "big-ticket" discretionary expense, home renovation is closely correlated with real disposable income changes, consumer confidence and often substituted with holiday spend.
- Hence, whilst consumer confidence has taken a dip in April following the US-Iran war and the potential impact on energy prices, Victorian Plumbing has impressively continued to grow revenues in "mid-single-digits" for the 6 weeks to mid-May.

UK consumer confidence and major purchase intentions dip



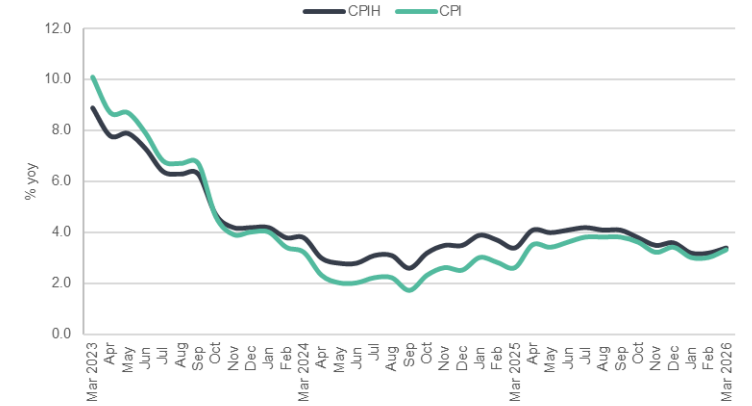
Source: GfK UK Consumer Confidence Barometer, powered by NIM, Equity Development

UK interest rates held at 3.75% in April 2026...



Source: Bank of England, Equity Development

...but potential for rising inflation, and rates to come

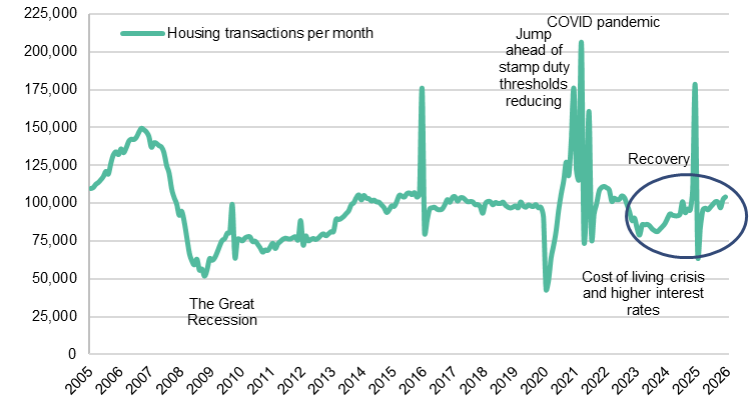


Source: ONS data, Equity Development

Housing market steady and accumulated savings

- Encouragingly for home renovation spend, UK housing transactions have recovered to 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 the outlook for inflation and interest rates is uncertain, 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, the macro-economic outlook shows some support for bathroom spend.

UK housing transactions recovered to c.100k p/m



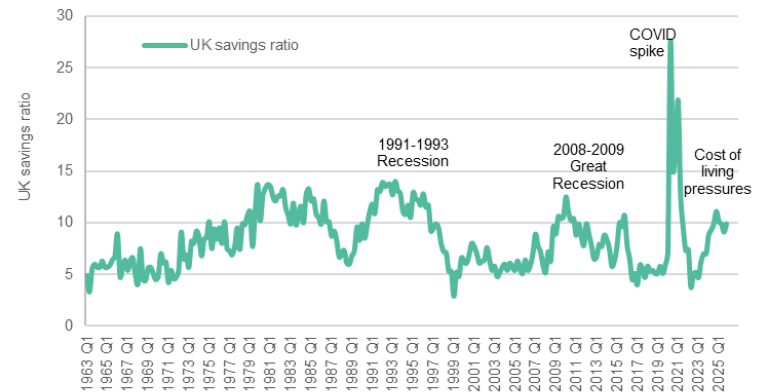
Source: ONS data, Equity Development

UK mortgage approvals steady at over 60k per month



Source: Bank of England, Equity Development

High savings rates elevated implying spending power



Source: ONS, Equity Development

Implied H226 revenue estimates factor in subdued UK consumer environment

- Management has confirmed that the group has not seen any material cost increases to date resulting from the Middle East conflict, however they are vigilant to potential inflationary pressure.
- Our H226E revenue growth estimate (including haulage) of 2.5% allows for some consumer weakness within bathrooms.
- Whereas our Adj. PBT estimate of £12.3m assumes c.7% H226E growth coming from seasonality of brand marketing and further marketing efficiencies.

Management confident in delivering FY26E consensus revenue estimates of £329.5m and Adj. PBT expectations of £21.8m

Year-end 30 Sept (£m)							% change		
	H125	H225	FY25	H126	H226E	FY26E	H126	H226E	FY26E
Group Revenue	152.7	157.3	310.0	168.8	161.3	330.1	10.5	2.5	6.5
Adj. EBITDA	15.2	16.6	31.8	15.4	18.8	34.2	1.3	13.2	7.5
Adj. EBITDA margin (%)	10.0	10.6	10.3	9.1	11.7	10.4			
Adj. PBT	11.8	10.0	21.8	9.4	12.3	21.7	-22.2	6.8	-8.5
Adj. PBT margin (%)	7.7	6.4	7.0	5.6	7.6	6.6			
Adjusted diluted EPS (p)	2.8	2.9	5.7	2.3	2.9	5.2	-17.9	2.6	-7.5
DPS (p)	0.7	1.5	2.2	0.7	1.5	2.3	5.7	4.7	5.0
Capex (incl M&A)	3.0	2.4	5.4	4.7	4.6	9.3			
Adj. Free cashflow from operations	12.9	11.1	24.0	12.9	7.8	20.7			
Net financial cash / (debt)	10.9		17.7	21.2		23.9			
Total net cash /(debt) incl leases	(39.3)		(40.2)	(31.4)		(27.4)			

Source: Company data, Equity Development

Management confident in meeting FY26E profit expectations of c.£21.8m Adj. PBT

- We have made only minimal changes to our overall group forecasts at this stage.

Minor changes to profit forecasts

	2025	New forecasts			Old forecasts			% change		
		2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Year-end 30 Sept (£m)										
Group Revenue	310.0	330.1	349.9	374.2	330.3	352.8	381.2	-0.1	-0.8	-1.8
Revenue growth (%)	4.8	6.5	6.0	6.9	6.5	6.8	8.0			
Adj. EBITDA*	31.8	33.8	36.6	40.0	33.7	36.8	40.8	0.3	-0.7	-1.8
Adj. EBITDA margin (%)	10.3	10.2	10.4	10.7	10.2	10.4	10.7			
Adj. PBT*	21.8	21.8	24.1	27.4	21.7	24.2	27.7	0.6	-0.2	-1.1
Adj. PBT margin (%)	7.0	6.6	6.9	7.3	6.6	6.9	7.3			
Adjusted diluted EPS* (p)	5.7	5.3	5.5	6.3	5.2	5.5	6.3	0.6	-0.2	-1.1
Adj. EPS growth (%)	7.0	-7.0	5.1	13.5	-7.6	6.0	14.5			
DPS (p)	2.2	2.3	2.4	2.7	2.3	2.4	2.7			
Capex	5.4	5.9	6.3	6.7	5.9	6.4	6.9	(0.1)	(0.8)	(1.8)
Adj. free cashflow from operations	24.0	21.3	24.7	28.1	20.2	23.7	27.5	5.6	4.1	2.3
Net financial cash / (debt)	17.7	24.5	36.3	50.1	23.4	34.2	47.3			
Total net cash /(debt) incl leases	(40.2)	(26.8)	(15.1)	(1.4)	(27.9)	(17.2)	(4.3)			
Net financial cash / (debt) / Adj. EBITDA (x)	0.6	0.7	1.0	1.3	0.7	0.9	1.2			
Total net cash / (debt) / Adj. EBITDA (x)	-1.3	-0.8	-0.4	0.0	-0.8	-0.5	-0.1			

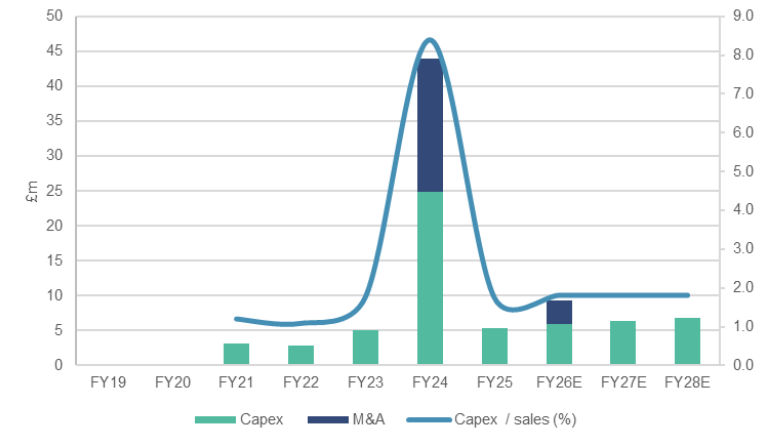
* Pre: share-based payments; Source: Company data, Equity Development

Well invested, with a new warehouse, and cashflow generative

Streamlined, new warehouse operations, ready for growth

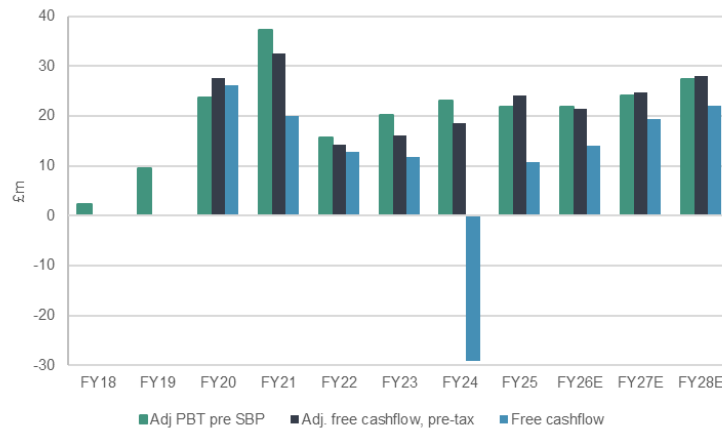
- In 2024, Victorian Plumbing invested c.£21m in a new 544k sq ft warehouse. Following the acquisition of Victoria Plum and the subsequent consolidation, the group transitioned and streamlined its operations, with all bathroom products now distributed from the new Leyland warehouse. Meanwhile, the 130k 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



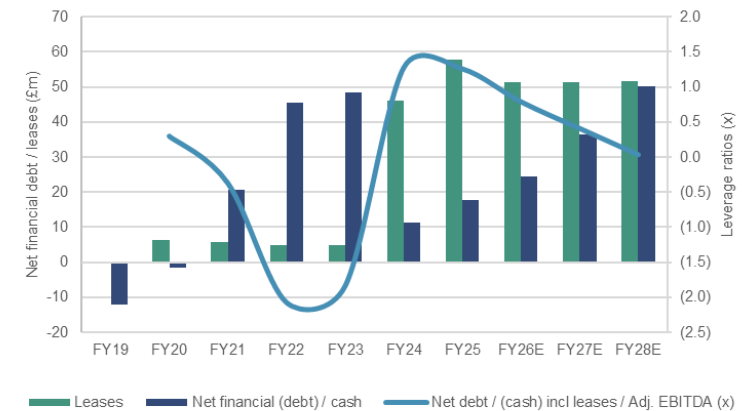
Source: Company data, Equity Development

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



Source: Company data, Equity Development

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



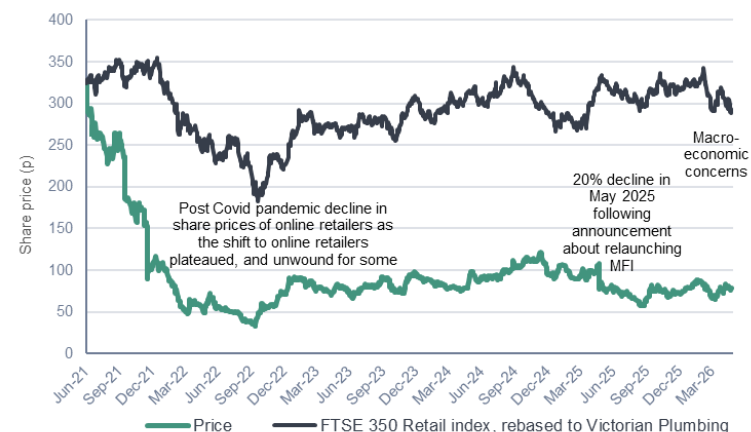
Source: Company data, Equity Development

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

Macro-economic concerns holding back retail share prices

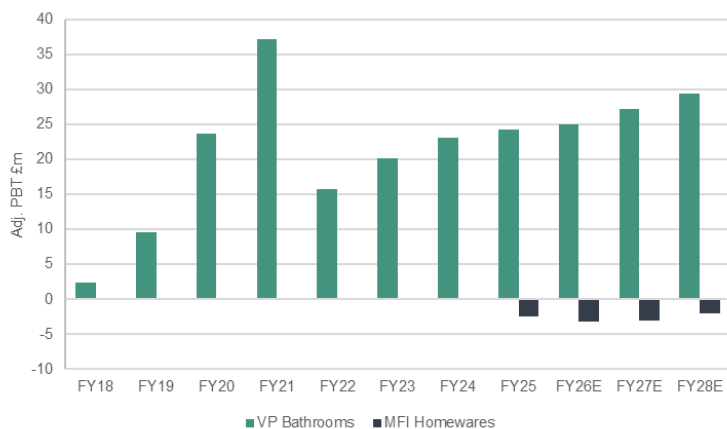
- Victorian Plumbing’s share price had started to recover some of its underperformance versus the FTSE 350 General Retail index during Q4 of 2025 and into 2026, reaching 88p in February 2026.
- However, the economic uncertainty caused by the Middle East conflict has understandably negatively impacted discretionary retailers since March.
- Nevertheless, we view Victorian Plumbing as a long-term winner in its sector, with a robust balance sheet and good profit margins.
- Hence, we continue to 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 14p per share initially.

Victorian Plumbing below our 110p fair value



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
		£298m	£335m	£372m
Homewares	2.0x £30m	92p	103p	114p
EV / Revenue	3.0x £45m	96p	108p	119p
Multiple	4.0x £59m	101p	112p	124p

Source: Equity Development

General and Home Retail Growth and Margin Metrics – UK and US companies										
	Share price p	Market cap £m	Enterprise Value £m	2 year CAGR FY25-FY27E				Adj. EBITDA margin Cal 26, %	Adj. PBT margin Cal 26, %	Net debt / EBITDA Cal 26, x
				Sales	EBITDA	PBT	EPS			
AO World	86.5	481	482	6.8	11.1	13.0	15.5	6.5	4.1	0.0
B&M	157.4	1,582	3,802	4.2	4.6	7.4	9.5	12.4	4.9	3.1
DFS	120	278	722	2.4	3.9	14.2	12.5	15.9	4.6	2.6
Dunelm Group	724.5	1,459	1,804	3.7	4.0	4.6	3.8	16.7	11.6	1.1
Kingfisher	273.3	4,584	6,461	1.8	3.9	7.2	10.3	10.3	4.4	1.4
Marks and Spencer	320.2	6,486	8,827	5.9	14.1	25.5	22.5	9.1	4.9	1.7
NEXT	12455	14,311	16,013	4.7	2.1	4.7	8.2	22.4	17.2	1.1
Topps Tiles	34	67	160	4.2	8.2	28.8	22.5	13.3	3.5	2.4
Wickes	170.8	393	1,034	4.8	7.1	15.1	17.9	11.3	3.3	3.3
Average UK				4.1	6.6	11.1	12.5	13.1	6.5	1.9
Home Depot (US)				5.4	5.3	8.4	6.8	15.0	11.5	2.0
Lowe's (US)				7.1	6.8	8.7	6.9	14.1	10.1	2.7
Wayfair (US)				5.9	14.1	25.9	27.2	6.3	2.9	1.6
Average US				6.2	8.7	14.3	13.6	11.8	8.2	2.1
Victorian Plumbing	78.5	257	283	6.6	10.3	15.2	18.3	10.2	6.8	0.8

Note: All profits are adjusted for exceptionals; averages exclude outliers Source: KoyFin, Equity Development (share prices at 18 May 2026)

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 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027	Cal 2026	Cal 2027
AO World	0.4	0.3	5.6	5.0	8.8	7.7	12.8	11.2	0.0	0.0	9.1	9.9
B&M	0.6	0.6	5.2	4.9	5.5	5.1	7.4	6.7	6.1	6.8	12.2	13.8
DFS	0.7	0.7	4.2	4.0	5.6	4.9	7.7	6.9	3.8	5.4	16.2	16.5
Dunelm Group	1.0	0.9	5.8	5.6	6.8	6.5	9.2	8.9	6.6	7.1	10.4	11.0
Kingfisher	0.5	0.5	4.8	4.6	7.9	7.4	10.6	9.8	4.7	4.8	11.1	9.3
Marks and Spencer	0.5	0.5	5.3	4.9	7.3	6.4	10.4	9.1	2.0	2.7	5.7	7.4
NEXT	2.2	2.1	10.0	9.5	11.7	11.0	15.7	14.6	2.3	2.7	6.0	6.1
Topps Tiles	0.5	0.5	4.0	3.7	6.3	4.9	8.0	6.5	8.8	9.6	11.2	16.0
Wickes	0.6	0.6	5.4	5.3	7.0	5.9	9.5	7.8	6.4	7.0	6.2	9.1
Average UK	0.8	0.7	5.6	5.3	7.4	6.6	10.1	9.0	4.5	5.1	9.8	11.0
Home Depot (US)	2.6	2.5	17.6	16.7	20.2	18.8	26.5	24.6	2.3	2.5	3.9	4.0
Lowe's (US)	2.2	2.1	15.3	14.5	17.4	16.2	23.2	21.4	1.7	1.8	4.5	4.9
Wayfair (US)	0.9	0.8	14.0	12.2	26.4	19.7	27.9	20.8	0.0	0.0	4.8	6.2
Average US	1.9	1.8	15.6	14.5	21.4	18.2	25.9	22.3	1.3	1.4	4.4	5.0
Victorian Plumbing	0.8	0.8	8.3	7.5	11.4	9.9	15.0	12.6	2.5	2.9	6.7	8.2

Note: All profits are adjusted for exceptionals; all estimates are calendarised to a December year-end; Source: KoyFin, Equity Development (share prices at 18 May 2026)

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	1,150	1,208	1,268
Average order value ("AOV") (£)	297	306	306	289	287	281	281	281
Revenues	268.8	269.4	285.1	295.7	309.9	323.4	339.6	356.6
<i>Revenue growth (%)</i>	28.8	0.2	5.8	3.7	4.8	4.4	5.0	5.0
<i>Gross margin (%)</i>	48.5	44.9	47.2	50.0	49.4	50.0	50.0	50.0
Gross profit	130.5	121.0	134.6	147.8	153.1	161.6	169.9	178.1
Online marketing costs	(69.7)	(73.6)	(75.0)	(78.5)	(76.1)	(79.1)	(82.7)	(86.5)
Brand marketing costs	0.0	(2.6)	(4.2)	(6.9)	(8.3)	(8.7)	(9.1)	(9.6)
Marketing costs	(69.7)	(76.2)	(79.2)	(85.4)	(84.4)	(87.8)	(91.8)	(96.0)
Contribution: gross profit less marketing	60.8	44.8	55.4	62.4	68.7	73.9	78.1	82.1
People costs excluding SBP	(13.7)	(16.1)	(19.7)	(24.7)	(26.0)	(27.7)	(28.8)	(29.9)
Property costs	(4.1)	(5.1)	(6.3)	(4.8)	(3.3)	(3.9)	(4.1)	(4.4)
Other overhead costs	(2.8)	(4.1)	(5.7)	(5.7)	(5.4)	(5.7)	(6.0)	(6.3)
Operating costs Adj. ex D&A, marketing	(20.6)	(25.3)	(31.7)	(35.2)	(34.7)	(37.3)	(38.9)	(40.5)
Operating costs, Adj. ex D&A	(90.3)	(101.5)	(110.9)	(120.6)	(119.1)	(125.1)	(130.7)	(136.5)
Adj. EBITDA	40.2	19.5	23.7	27.2	34.0	36.5	39.2	41.6
<i>Adj. EBITDA margin (%)</i>	15.0	7.2	8.3	9.2	11.0	11.3	11.5	11.7
Depreciation and amortisation	(3.0)	(3.5)	(3.8)	(4.7)	(7.6)	(8.3)	(9.6)	(10.1)
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	25.0	27.3	29.5
<i>Adj. PBT margin (%)</i>	13.8	5.8	7.1	7.8	7.8	7.7	8.0	8.3

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%-7% p/a and Adj. EBITDA margins rising from 10.2% in FY26E to 10.7% 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	6.0	6.9
Gross profit growth (%)	41.8	(7.3)	11.2	9.8	3.7	5.9	5.8	6.5
Adj. EBITDA growth (%)	53.4	(51.5)	21.5	14.8	17.0	6.3	8.1	9.5
Adj. Operating profit (%)	55.0	-57.0	24.4	13.1	6.8	4.5	5.9	11.1
Adj. PBT growth (%)	57.0	(57.8)	28.7	14.4	(5.5)	(0.1)	10.7	13.5
Adj. diluted EPS growth (%)	27.6	(59.7)	23.3	12.3	7.0	(7.0)	5.1	13.5
DPS growth (%)			(50.0)	15.0	33.5	5.0	7.0	10.0
Gross profit margin (%)	48.5	44.9	47.2	50.0	49.4	49.2	49.0	48.8
Adj. EBITDA margin (%)	15.0	7.2	8.3	9.2	10.3	10.2	10.4	10.7
Adj. Operating margin (%)	11.0	4.5	5.6	6.6	7.3	6.7	6.7	7.1
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	26.8	26.6	26.4
People costs / revenues (%)	5.1	6.0	6.9	8.4	8.6	8.9	8.8	8.6
Property costs / revenues (%)	1.5	1.9	2.2	1.6	1.6	1.5	1.5	1.5
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	38.9	38.6	38.1
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 6.5% to c.£374m in FY28E, leading to Adj. PBT rising to c.£27m, 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	330.1	349.9	374.2
Cost of sales	(138.3)	(148.4)	(150.5)	(147.9)	(156.8)	(167.8)	(178.3)	(191.5)
Gross profit	130.5	121.0	134.6	147.8	153.2	162.2	171.6	182.7
Marketing costs	(69.7)	(76.2)	(79.2)	(85.4)	(84.6)	(88.3)	(93.1)	(98.9)
People costs, pre SBP	(13.7)	(16.1)	(19.7)	(24.7)	(26.6)	(29.5)	(30.8)	(32.0)
Property costs	(4.1)	(5.1)	(6.3)	(4.8)	(4.8)	(4.9)	(5.2)	(5.5)
Other overhead costs	(2.8)	(4.1)	(5.7)	(5.7)	(5.4)	(5.7)	(6.0)	(6.3)
Operating costs, Adj. ex D&A	(90.3)	(101.5)	(110.9)	(120.6)	(121.4)	(128.4)	(135.0)	(142.7)
Adj. EBITDA	40.2	19.5	23.7	27.2	31.8	33.8	36.6	40.0
Depreciation & amortisation	(3.0)	(3.5)	(3.8)	(4.7)	(7.8)	(8.7)	(10.0)	(10.5)
Adj. Operating profit pre SBP	37.2	16.0	19.9	22.5	24.0	25.1	26.6	29.5
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	21.8	24.1	27.4
Adj. PBT	29.5	11.8	16.3	20.0	20.4	18.8	21.1	24.4
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	18.8	21.1	24.4
Tax	(5.4)	(2.6)	(3.8)	(3.5)	(2.2)	(3.9)	(5.3)	(6.1)
Adj. PAT pre SBP	29.9	12.4	15.3	17.3	18.5	17.2	18.1	20.6
Reported PAT	14.7	9.2	11.7	5.5	12.9	14.9	15.9	18.3
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	5.3	5.5	6.3
DPS (p)		1.1	1.4	1.6	2.2	2.3	2.4	2.7

*pre share based payments; 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 £41m 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 £28m in FY28E.
- After acquisitions and tax of c. £4m-£6m, we forecast free cashflow of c.£14m in FY26E, rising to c.£22m in FY28E, and after ordinary dividend payments of c.£7m-£8m we forecast £7m-£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	33.8	36.6	40.0
Change in inventories	(9.4)	(1.5)	(0.3)	(0.5)	(3.4)	(1.7)	(1.4)	(2.0)
Change in trade receivables*	(0.8)	(0.2)	(0.3)	(1.1)	1.4	(0.5)	(0.5)	(0.6)
Change in trade payables*	7.3	1.1	(3.7)	(4.1)	5.0	3.2	3.0	3.8
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	1.1	1.2
Adj. free operating cashflow	36.9	18.3	19.7	22.4	34.3	34.8	37.6	41.2
Net financial interest paid	(0.1)	(0.1)	0.5	1.0	0.4	0.4	0.6	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)	(4.2)	(4.2)	(4.3)
Tax paid	(3.4)	(1.4)	(2.1)	(2.5)	(1.7)	(3.9)	(5.3)	(6.1)
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)	(6.3)	(6.7)
Acquisitions / discontinued items				(19.1)	(9.6)	(3.4)		
Adj. free cashflow pre-tax	32.6	14.3	16.0	18.6	24.0	21.3	24.7	28.1
Free cashflow	20.0	12.8	11.8	(29.1)	10.7	14.0	19.4	22.0
Dividends	(14.9)	0.0	(10.6)	(4.8)	(5.8)	(7.2)	(7.6)	(8.2)
Share buy backs / equity issues	11.2					(0.1)		
Other	5.9							
Net cashflow	22.2	12.8	1.2	(33.9)	4.9	6.8	11.8	13.8

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	24.5	36.3	50.1
Net financial cash / (debt)	20.7	45.5	48.4	11.2	17.7	24.5	36.3	50.1
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)	(26.8)	(15.1)	(1.4)
Net financial cash / (debt) / Adj. EBITDA (x)	(0.5)	(2.3)	(2.0)	(0.4)	(0.6)	(0.7)	(1.0)	(1.3)
Total net cash / (debt) / Adj. EBITDA (x)	(0.4)	(2.1)	(1.8)	1.3	1.3	0.8	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	29.6	29.0	28.4
Right of use assets	5.3	4.5	4.3	45.4	47.3	47.8	48.4	48.9
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	6.3	7.1	7.7
Non-current assets	9.7	9.3	13.2	96.7	97.6	102.5	103.2	103.9
Inventories	32.4	33.9	34.2	43.7	45.6	47.3	48.8	50.8
Trade and other receivables	4.9	5.1	4.8	6.9	7.5	8.0	8.5	9.1
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	24.5	36.3	50.1
Current assets	71.0	85.2	85.8	61.8	70.8	79.8	93.6	110.0

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)	(48.2)	(51.2)	(54.9)
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)	(59.9)	(62.9)	(66.6)
Capital employed	35.8	48.1	52.6	100.5	111.7	122.5	133.9	147.2
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	95.7
Shareholders' funds	30.8	44.0	48.8	52.3	60.6	71.2	82.5	95.7

Source: Company data, Equity Development

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