

Multi-category growth ahead of expectations

Victorian Plumbing has exceeded expectations with over 11% revenue growth in H2'26. Market share wins across multiple product categories underpinned the group's success and the relaunch of MFI has gone particularly well, increasing management's confidence in the group's opportunity in homewares. Start-up losses at MFI were c.£1m more than expectations but still well controlled and group FY26 Adj. PBT of c.£22m is c.1% ahead of estimates. Shares are trading on under 8x cal 2027 EV/EBITDA, and we reiterate our 110p Fair value per share, equivalent to a c.6% cal 2027 FCF yield.

FY26 revenue rises 11% to c.£344m, 4% ahead of estimates

Victorian Plumbing has continued its H126 success of 10.5% revenue growth with c.11.4% growth in H226. All parts of the business contributed to the c.4% beat to our and consensus estimates, with an impressive 13% increase in orders in FY26 offsetting a 5% decline in AOV to drive c.8% growth in the core bathroom business to £334m, 3% ahead of our forecast. Within this tiles and flooring rose 76% to £31m, winning market share in this adjacent category, and revenue from trade customers rose 6% to £78m. The relaunch of MFI in homewares has gone very well and with c.8,000 products now available, and an average customer Trustpilot rating of 4.7/5*, revenues rose to £3m, ahead of our £1.5m estimate. Meanwhile the [£2.3m acquisition of Sovereign Transport Services Limited](#) ("Sovereign") in January added £7m of third-party haulage revenue, ahead of our £5m estimate.

£22m Adj. PBT, also ahead despite controlled investment in MFI launch

Underlying Adj. PBT from the core business rose to c.£26m with a stable 7.8% margin we estimate, whilst losses from MFI were still controlled at c.£4m, albeit c.£1m more than planned as higher marketing costs drove higher revenues.

£25m net cash and well positioned to win market share; Under-rated

UK consumer confidence helpfully rose another point to -13 in September, 12 points higher than the lows in April, but we are mindful of the potential for rising inflation and interest rates. Nevertheless, we believe the group is well positioned to capture more market share and reflecting the group's strong FY26 performance we raise our Adj. PBT forecasts by c.3.5% for FY27E / FY28E. Offering cashflow-generative growth and a c.8% FCF yield, we believe the group is under-rated on c.14x Cal 2027 PER.

Key financials & valuation metrics					
Year to 30 September (£m)	2024	2025	2026E	2027E	2028E
Revenue	295.7	310.0	344.1	365.8	391.3
Revenue growth (%)	3.7	4.8	11.0	6.3	7.0
Adj. PBT*	23.1	21.8	22.1	25.0	28.4
Adj. PBT margin (%)	7.8	7.0	6.4	6.8	7.3
Adj. diluted EPS* (p)	5.3	5.6	5.3	5.7	6.5
Dividend per share (p)	1.6	2.2	2.3	2.4	2.7
Free cashflow	(29.1)	10.7	14.6	20.0	22.7
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	15.1	13.9	12.1
Dividend yield (% , calendarised)		2.8	2.8	3.0	3.3
Free cashflow yield (% , calendarised)		4.5	5.9	7.7	8.8

*Pre share-based payments; Source: Company data, Equity Development, priced as at 12 October 2026

13 October 2026

Company data

EPIC	VIC
Price (last close)	82p
52 weeks Hi/Lo	90p / 64p
Market cap	£263m
ED Fair Value / share	110p
Net cash / (debt) 2026E	£(26m)
Avg. daily volume (3m)	250k

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 (23% of FY26 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 results - 8 December 2026

Caroline Gulliver (Analyst)

0207 065 2690
caroline.gulliver@equitydevelopment.co.uk

Hannah Crowe

0207 065 2692
hannah@equitydevelopment.co.uk

Victorian Plumbing: Investment attractions overview

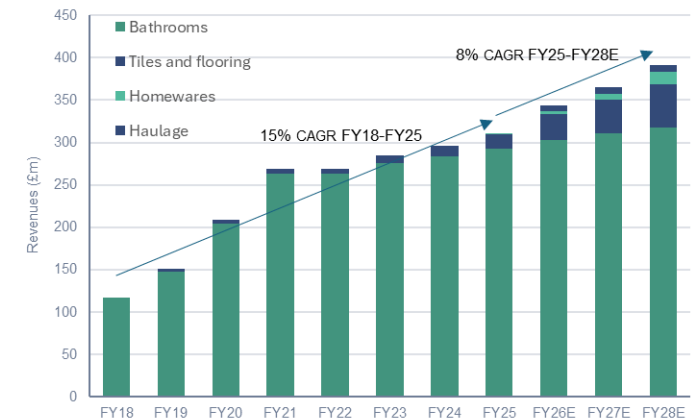
Investment Highlights	Risk Factors
- Victorian Plumbing has grown rapidly over the past 25 years to become the UK's market leader in bathrooms, with > 21.5% market share, from just 3.3% in 2015. - As an online specialist with over 43,000 products and 150 brands, Victorian Plumbing consolidated its 50% 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 c.11% in FY26. - Increasing trade customers to 23% of group (FY26) 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.	- 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 (into tiles, flooring and homewares) underpin our c.8% CAGR in revenues FY25-FY28E. - We assume marketing efficiencies lead to a robust and modestly rising Adj. EBITDA margin of 11.6% in FY28E for the core bathrooms business (from 11.0% in FY25), leading to a group Adj. EBITDA margin of 10.5% by FY28E, up from 10.3% in FY25 (including MFI). - We forecast high cashflow conversion and free cashflow of c.£15m in FY26E (post-acquisition), rising to c.£23m 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 EV / Revenues, 7.7x EV / Adj. EBITDA, 13.9x 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 2027 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.£50m, or 15p per share.

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

Increased product range helping drive market share gains

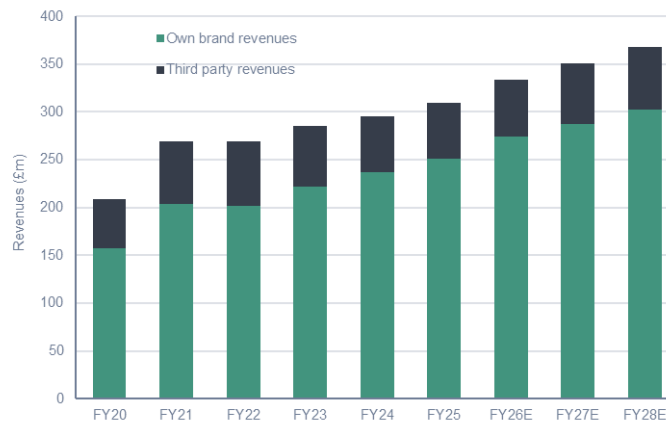
- Victorian Plumbing has grown its bathroom market share from 3.3% in 2015 to over 21.5%, and management believes there is further structural growth to come from the consumer shift online.
- Victorian Plumbing's own-label revenue mix was stable at c.80% for core bathroom products (with own-label gross margin maintained at c.54%).
- Trade customers accounted for 23% of revenue in FY26 (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.

11% revenue growth in FY26



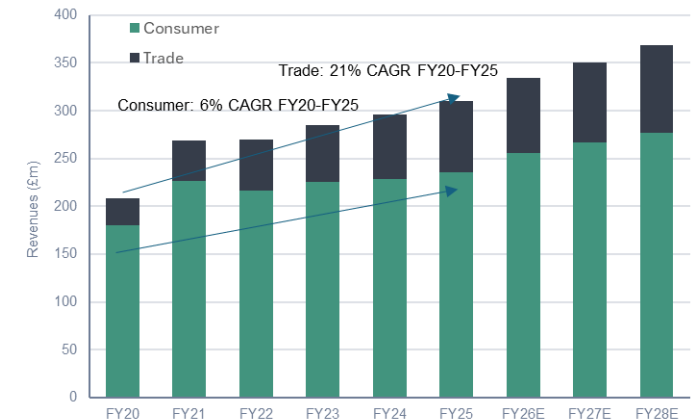
Source: Company data, Equity Development

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



Source: Company data, Equity Development

Trade customers accounted for 23% of FY26 revenues



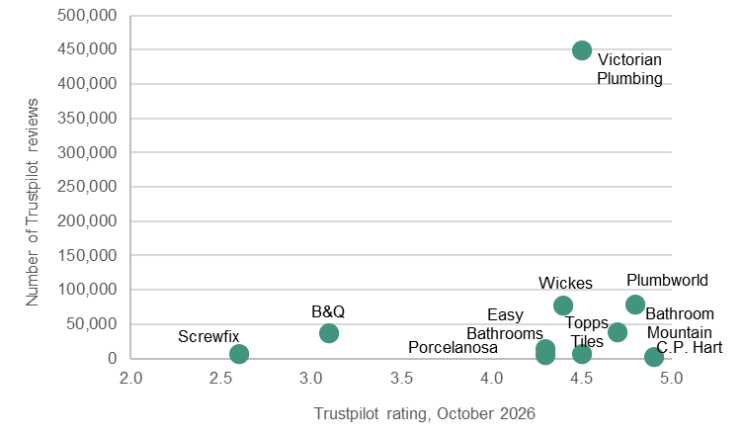
Source: Company data, Equity Development

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

Leveraging marketing spend more effectively

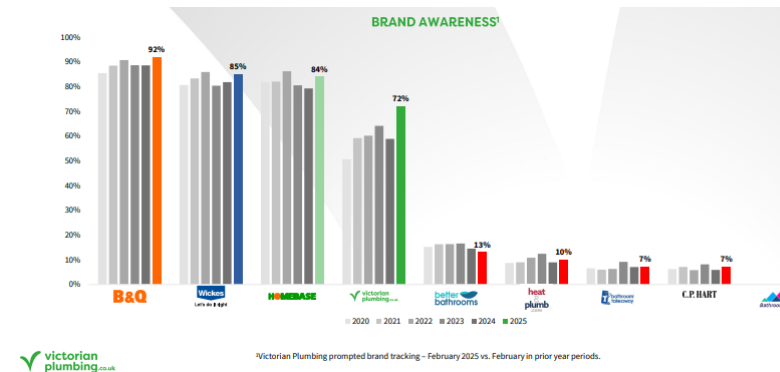
- As an online retailer, marketing costs have typically been at least 25% of revenues for Victorian Plumbing and up to 29% (a significant £84m in FY25).
- However, the presence of a competitor with a very similar name meant that for every £1 spent on marketing, some benefitted Victoria Plum, making Victorian 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).

450,000 Trustpilot reviews with an average 4.5*



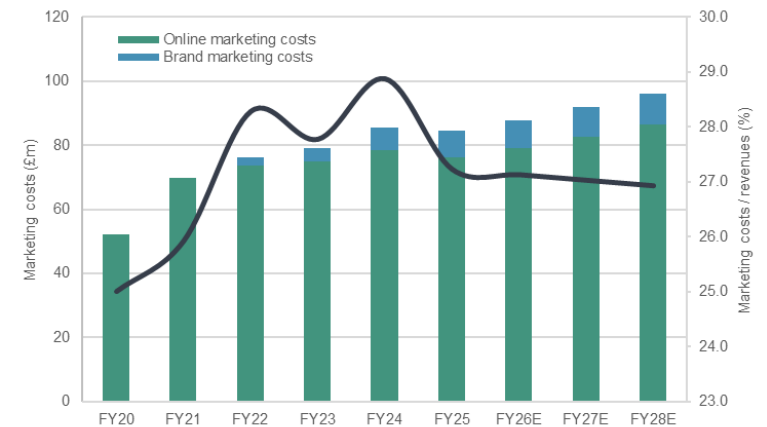
Source: Trustpilot, Equity Development

Continued improving brand awareness, to 73% in H126



Source: Company data, Equity Development

Marketing efficiencies post Victoria Plum acquisition



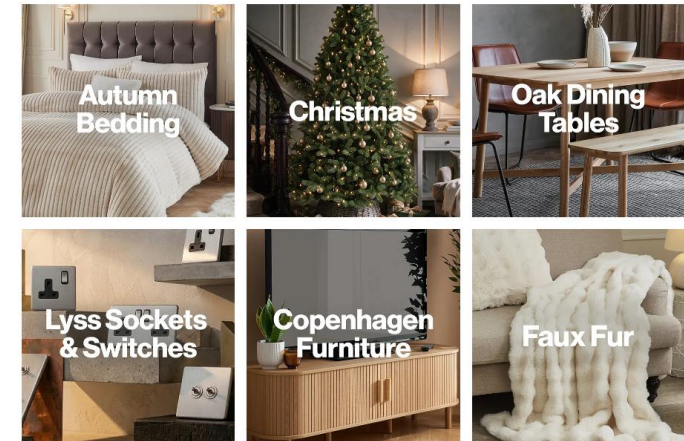
Source: Company data, Equity Development

MFI brand makes a good start, garnering 5* reviews

An exciting opportunity in an unconsolidated £21bn market

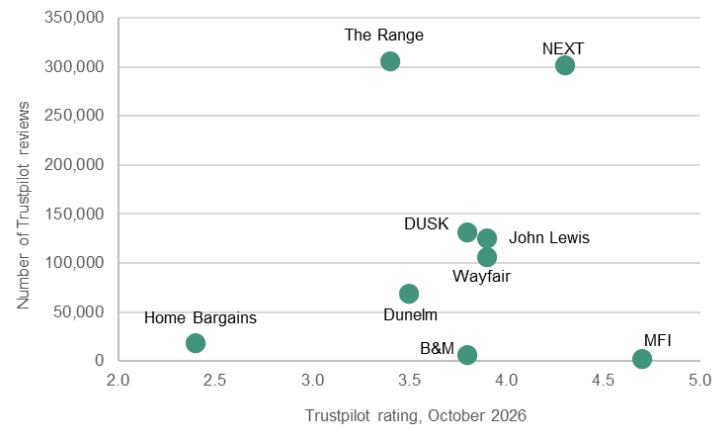
- As part of the Victoria Plum acquisition, the company bought the MFI brand, and with excess warehouse capacity and a track record in taking share in bathrooms, tiles and flooring (even in very competitive markets), management decided to relaunch MFI as an online homewares brand.
- From a soft launch in July 2025 with 600 products the range had grown to 5,500 SKUs, driving 545,000 visitors to the website and revenues of £0.5m in H126, and further increased to c.8,000 SKUs and £3m by September 2026.
- 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.£4m in FY26 (H126 was a loss of £1.8m).

MFI relaunched with a broad range of homewares



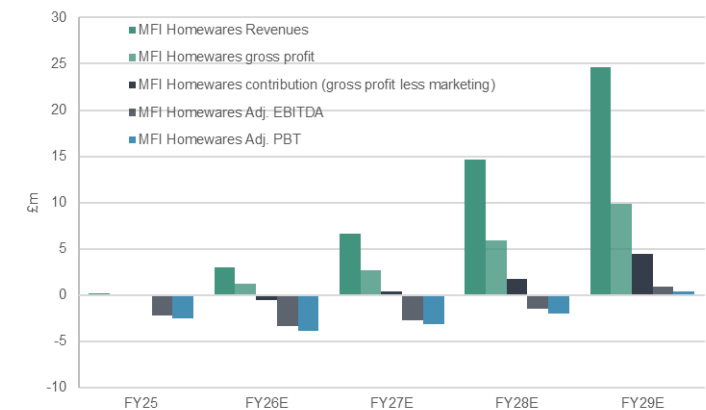
Source: Company website

Early days, but 4.7/5* from over 2,000 reviews on Trustpilot



Source: Trustpilot, Equity Development

We forecast c.£25m revenues and breakeven in 4 years



Source: Company data, Equity Development

Strong trading sustained in H226; vigilant for inflationary pressure

Core Victorian Plumbing revenues rise c.6.5% in H226

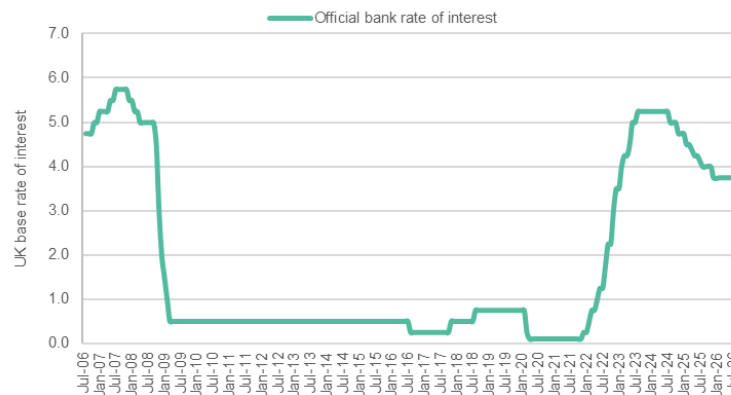
- Investing in a new bathroom typically costs over £1,000 and Victorian Plumbing's average order value of £273 (FY26) reflects a mix of "project" baskets over £1,000 and smaller orders.
- As a "big-ticket" discretionary expense, home renovation is closely correlated with real disposable income changes, consumer confidence and often substituted with holiday spend.
- Hence, the improvement in UK consumer confidence from April-September 2026 helpfully offset the weakness from January-April 2026 following the US-Iran war. However, looking ahead, fuel prices have risen c.30% yoy and we remain vigilant for inflationary pressure leading to higher interest rates.

UK consumer confidence and major purchase intentions up



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

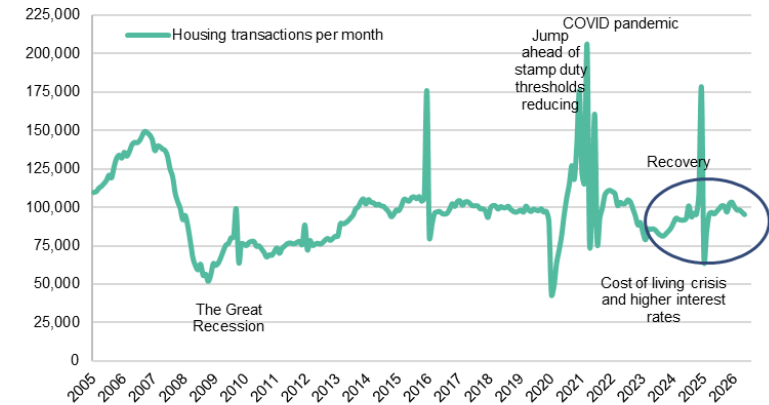
UK interest rates held at 3.75% in September 2026...



Housing market has been steady and accumulated savings

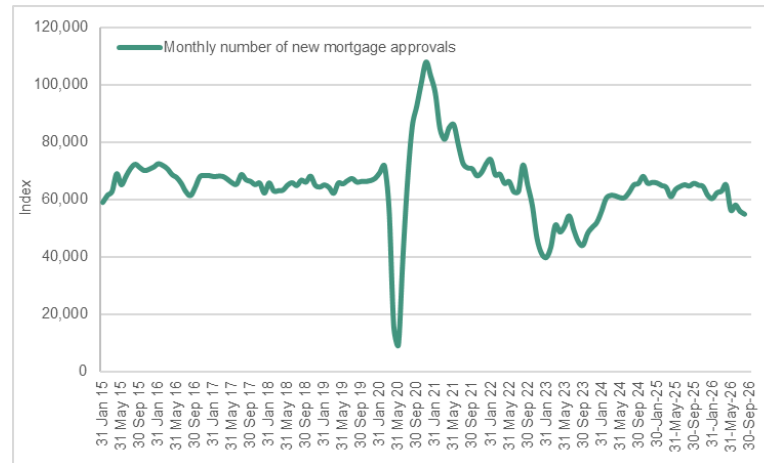
- Encouragingly for home renovation spend, UK housing transactions have recovered to c.95k-100k per month, and mortgage approvals had recovered back to c.65k per month. More recently though mortgage approvals have slipped to an average c.55k per month, down 13% year-on-year.
- At the same time, the UK savings ratio had risen to over 10% and 9% in Q226 (in common with previous recessionary macro-economic environments), implying a build-up of savings that can be accessed when needed.
- 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



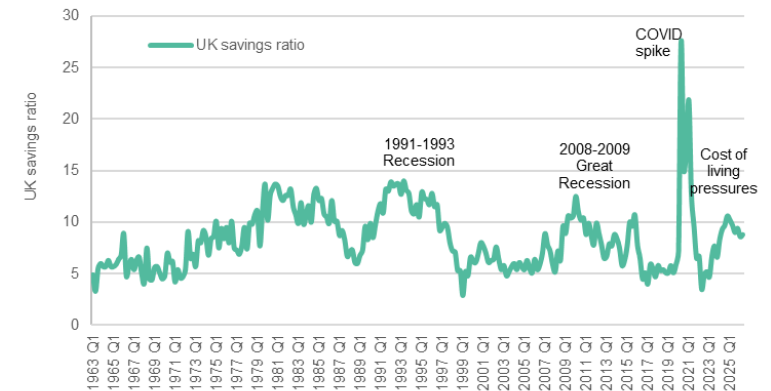
Source: ONS data, Equity Development

UK mortgage approvals had recovered to over 60k p/m



Source: Bank of England, Equity Development

High savings rates elevated implying spending power



Source: ONS, Equity Development

A strong H226 performance leading to forecast revenue and profit increases

A 4%-5% upgrade to revenues and a 1%-4% increase to our Adj. PBT estimates

		New forecasts			Old forecasts			% change		
Year-end 30 Sept (£m)	2025	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Bathrooms	292.3	303.0	310.4	317.9	295.3	303.0	310.8	2.6	2.5	2.3
Tiles and flooring	17.6	31.0	40.3	50.4	28.2	36.6	45.8	10.1	10.1	10.1
Victorian Plumbing	309.9	334.0	350.7	368.3	323.4	339.6	356.6	3.3	3.3	3.3
MFI (Homewares)	0.1	3.0	6.7	14.6	1.5	4.2	11.4	100.0	60.0	28.0
Retail	310.0	337.1	357.4	382.9	325.0	343.8	368.0	3.7	4.0	4.0
Haulage (third party)	0.0	7.0	8.4	8.4	5.1	6.1	6.1	36.7	36.7	36.7
Group Revenue	310.0	344.1	365.8	391.3	330.1	349.9	374.2	4.2	4.5	4.6
Revenue growth (%)	4.8	11.0	6.3	7.0	6.5	6.0	6.9			
Adj. EBITDA*	31.8	34.1	37.5	41.2	33.8	36.6	40.0	0.9	2.6	2.9
Adj. EBITDA margin (%)	10.3	9.9	10.3	10.5	10.2	10.4	10.7			
Adj. PBT*	21.8	22.1	25.0	28.4	21.8	24.1	27.4	1.4	3.5	3.7
Adj. PBT margin (%)	7.0	6.4	6.8	7.3	6.6	6.9	7.3			
Adjusted diluted EPS* (p)	5.7	5.3	5.7	6.5	5.3	5.5	6.3	1.4	3.5	3.7
Adj. EPS growth (%)	7.0	-5.7	7.3	13.7	-7.0	5.1	13.5			
DPS (p)	2.2	2.3	2.4	2.7	2.3	2.4	2.7	0.0	0.0	0.0
Capex	5.4	6.2	6.6	7.0	5.9	6.3	6.7	4.2	4.5	4.6
Adj. free cashflow from operations	24.0	22.0	25.5	29.1	21.3	24.7	28.1	3.2	3.2	3.6
Net financial cash / (debt)	17.7	25.1	37.5	52.1	24.5	36.3	50.1			
Total net cash /(debt) incl leases	(40.2)	(26.1)	(13.9)	0.5	(26.8)	(15.1)	(1.4)			
Net financial cash / (debt) / Adj. EBITDA (x)	0.6	0.7	1.0	1.3	0.7	1.0	1.3			
Total net cash / (debt) / Adj. EBITDA (x)	-1.3	(0.8)	(0.4)	0.0	(0.8)	(0.4)	(0.0)			

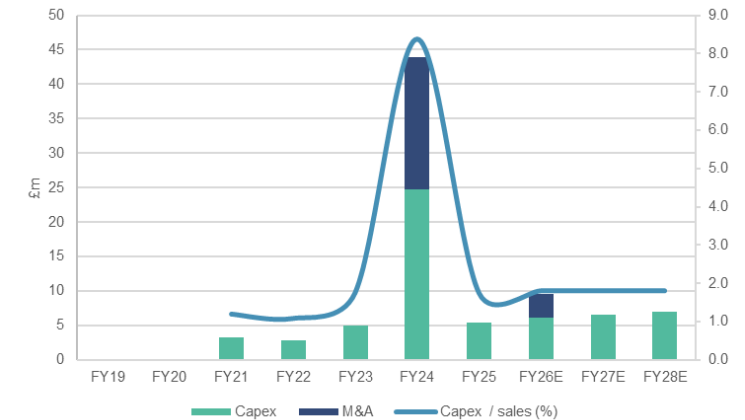
* Pre: share-based payments; Source: Company data, Equity Development

Well invested, with a new warehouse, and cashflow generative

Streamlined, new warehouse operations, ready for growth

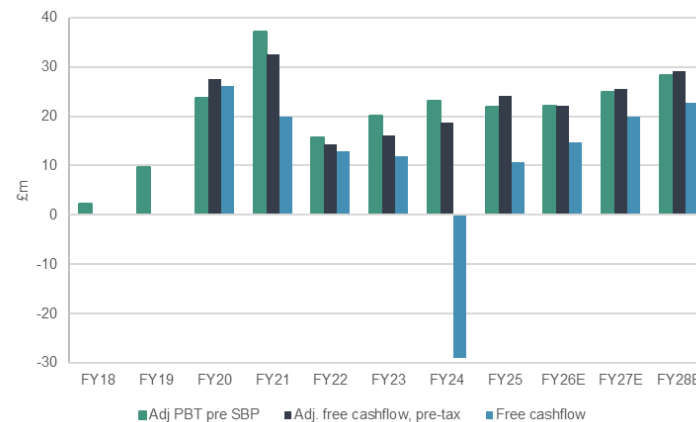
- In 2024, Victorian Plumbing invested c.£21m in a new 544k sq ft warehouse. Following the acquisition of Victoria Plum and the subsequent consolidation, the group transitioned and streamlined its operations, with all bathroom products now distributed from the new Leyland warehouse. Meanwhile, the 130k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



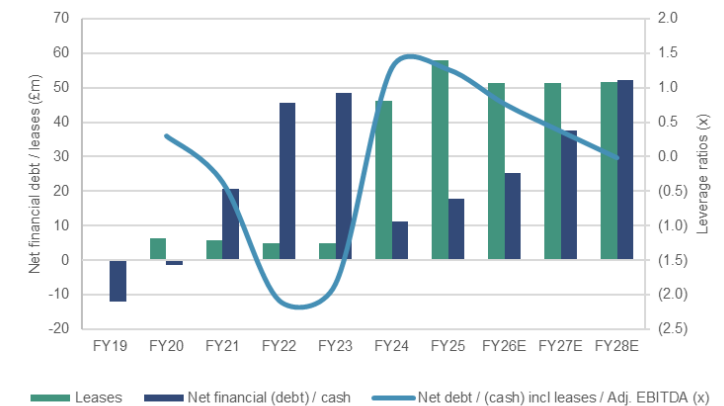
Source: Company data, Equity Development

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



Source: Company data, Equity Development

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



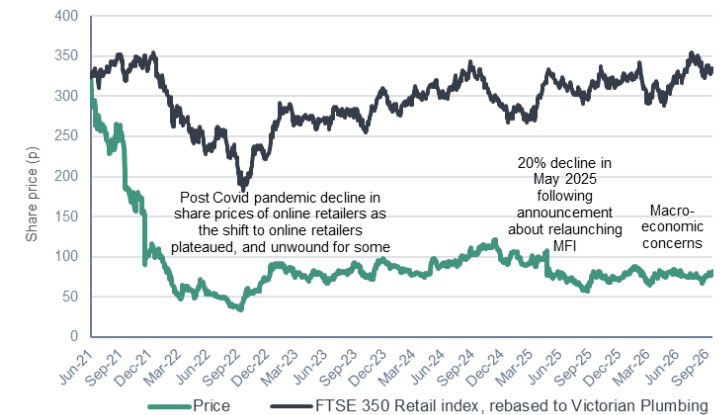
Source: Company data, Equity Development

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

Macro-economic concerns holding back retail share prices

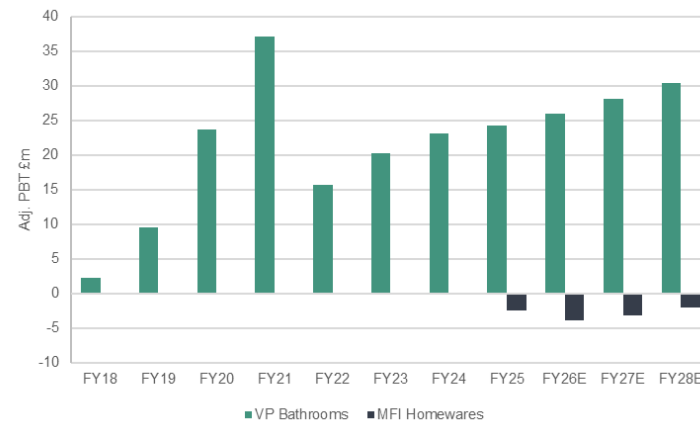
- Victorian Plumbing's share price had started to recover some of its underperformance versus the FTSE 350 General Retail index during Q4 of 2025 and into 2026, reaching 88p in February 2026.
- However, the economic uncertainty caused by the Middle East conflict has negatively impacted discretionary 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.£340m 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 below our 110p fair value



Source: Investing.com; Equity Development

MFI start-up investment contained at c. £4m in FY26



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-£380m.
- Forecasting the rate of growth for MFI is difficult at this early stage. We cautiously suggest 2x-4x our cal 2028 revenues of £17m implying a c.£30m-c.£70m valuation, with potential for more as scale builds.

			Bathrooms & Tiles EV / EBITDA multiple		
			8.0x	9.0x	10.0x
			£306m	£344m	£382m
Homewares	2.0x	£34m	96p	107p	119p
EV / Revenue	3.0x	£51m	101p	113p	124p
Multiple	4.0x	£68m	106p	118p	130p

Source: Equity Development

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	749	786	825
Total orders ('000)	906	880	932	1,022	1,080	1,225	1,286	1,350
Average order value ("AOV") (£)	297	306	306	289	287	273	273	273
Revenues	268.8	269.4	285.1	295.7	309.9	334.0	350.7	368.3
Revenue growth (%)	28.8	0.2	5.8	3.7	4.8	7.8	5.0	5.0
Gross margin (%)	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	166.9	175.5	184.0
Online marketing costs	(69.7)	(73.6)	(75.0)	(78.5)	(76.1)	(81.7)	(85.4)	(89.3)
Brand marketing costs	0.0	(2.6)	(4.2)	(6.9)	(8.3)	(8.9)	(9.4)	(9.9)
Marketing costs	(69.7)	(76.2)	(79.2)	(85.4)	(84.4)	(90.6)	(94.8)	(99.2)
Contribution: gross profit less marketing	60.8	44.8	55.4	62.4	68.7	76.3	80.7	84.8
People costs excluding SBP	(13.7)	(16.1)	(19.7)	(24.7)	(26.0)	(28.8)	(29.9)	(31.0)
Property costs	(4.1)	(5.1)	(6.3)	(4.8)	(3.3)	(4.1)	(4.3)	(4.5)
Other overhead costs	(2.8)	(4.1)	(5.7)	(5.7)	(5.4)	(5.9)	(6.2)	(6.5)
Operating costs Adj. ex D&A, marketing	(20.6)	(25.3)	(31.7)	(35.2)	(34.7)	(38.7)	(40.4)	(42.0)
Operating costs, Adj. ex D&A	(90.3)	(101.5)	(110.9)	(120.6)	(119.1)	(129.4)	(135.3)	(141.2)
Adj. EBITDA	40.2	19.5	23.7	27.2	34.0	37.5	40.2	42.7
Adj. EBITDA margin (%)	15.0	7.2	8.3	9.2	11.0	11.2	11.5	11.6
Depreciation and amortisation	(3.0)	(3.5)	(3.8)	(4.7)	(7.6)	(8.3)	(9.7)	(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	26.0	28.2	30.4
Adj. PBT margin (%)	13.8	5.8	7.1	7.8	7.8	7.8	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	96	192	384
Average order value ("AOV") (£)					30	31.5	34.7	38.1
Revenues					0.1	3.0	6.7	14.6
<i>Revenue growth (%)</i>								
<i>Gross margin (%)</i>					45	40	40	40
Gross profit					0.1	1.2	2.7	5.9
Marketing costs					(0.2)	(1.8)	(2.3)	(4.1)
Contribution: gross profit less marketing					(0.1)	(0.6)	0.3	1.8
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)	(4.6)	(5.4)	(7.4)
Adj. EBITDA					(2.2)	(3.4)	(2.7)	(1.5)
<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)	(3.9)	(3.2)	(2.0)
<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 11% in FY26 and c.-6%-7% p/a from FY27E.
- Adj. EBITDA margins rising from 10.2% in FY26E to 10.5% 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	11.0	6.3	7.0
Gross profit growth (%)	41.8	(7.3)	11.2	9.8	3.7	9.7	6.0	6.6
Adj. EBITDA growth (%)	53.4	(51.5)	21.5	14.8	17.0	7.3	9.9	9.8
Adj. Operating profit (%)	55.0	-57.0	24.4	13.1	6.8	5.8	7.9	11.2
Adj. PBT growth (%)	57.0	(57.8)	28.7	14.4	(5.5)	1.3	13.0	13.7
Adj. diluted EPS growth (%)	27.6	(59.7)	23.3	12.3	7.0	(5.7)	7.3	13.7
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	48.9	48.7	48.5
Adj. EBITDA margin (%)	15.0	7.2	8.3	9.2	10.3	9.9	10.3	10.5
Adj. Operating margin (%)	11.0	4.5	5.6	6.6	7.3	6.5	6.7	7.0
Adj. PBT margin (%)	11.0	4.4	5.7	6.8	6.6	5.6	6.0	6.5
Marketing costs / revenues (%)	25.9	28.3	27.8	28.9	27.3	26.9	26.6	26.4
People costs / revenues (%)	5.1	6.0	6.9	8.4	8.6	8.9	8.7	8.5
Property costs / revenues (%)	1.5	1.9	2.2	1.6	1.6	1.5	1.5	1.4
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	38.4	38.0
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 8% to c.£391m 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	344.1	365.8	391.3
Cost of sales	(138.3)	(148.4)	(150.5)	(147.9)	(156.8)	(175.9)	(187.6)	(201.5)
Gross profit	130.5	121.0	134.6	147.8	153.2	168.1	178.1	189.8
Marketing costs	(69.7)	(76.2)	(79.2)	(85.4)	(84.6)	(92.5)	(97.1)	(103.3)
People costs, pre SBP	(13.7)	(16.1)	(19.7)	(24.7)	(26.6)	(30.6)	(31.9)	(33.2)
Property costs	(4.1)	(5.1)	(6.3)	(4.8)	(4.8)	(5.1)	(5.4)	(5.6)
Other overhead costs	(2.8)	(4.1)	(5.7)	(5.7)	(5.4)	(5.9)	(6.2)	(6.5)
Operating costs, Adj. ex D&A	(90.3)	(101.5)	(110.9)	(120.6)	(121.4)	(134.0)	(140.6)	(148.6)
Adj. EBITDA	40.2	19.5	23.7	27.2	31.8	34.1	37.5	41.2
Depreciation & amortisation	(3.0)	(3.5)	(3.8)	(4.7)	(7.8)	(8.7)	(10.1)	(10.7)
Adj. Operating profit pre SBP	37.2	16.0	19.9	22.5	24.0	25.4	27.4	30.5
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	22.1	25.0	28.4
Adj. PBT	29.5	11.8	16.3	20.0	20.4	19.1	22.0	25.4
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	19.1	22.0	25.4
Tax	(5.4)	(2.6)	(3.8)	(3.5)	(2.2)	(4.6)	(6.2)	(7.1)
Adj. PAT pre SBP	29.9	12.4	15.3	17.3	18.5	17.5	18.7	21.3
Reported PAT	14.7	9.2	11.7	5.5	12.9	15.1	16.5	19.1
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	5.7	6.5
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 £42.5m 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.£22m in FY26E, rising to £29m in FY28E.
- After acquisitions and tax of c. £4m-£6m, we forecast free cashflow of c.£15m in FY26E, rising to c.£23m in FY28E, and after ordinary dividend payments of c.£7m-£8m we forecast £7m-£15m 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	34.1	37.5	41.2
Change in inventories	(9.4)	(1.5)	(0.3)	(0.5)	(3.4)	(3.8)	(1.7)	(2.1)
Change in trade receivables*	(0.8)	(0.2)	(0.3)	(1.1)	1.4	(0.7)	(0.5)	(0.6)
Change in trade payables*	7.3	1.1	(3.7)	(4.1)	5.0	6.0	3.4	4.0
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	1.6	1.2	1.3
Adj. free operating cashflow	36.9	18.3	19.7	22.4	34.3	35.7	38.7	42.5
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)	(4.2)	(4.2)	(4.3)
Tax paid	(3.4)	(1.4)	(2.1)	(2.5)	(1.7)	(4.0)	(5.5)	(6.4)
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)	(6.2)	(6.6)	(7.0)
Acquisitions / discontinued items				(19.1)	(9.6)	(3.4)		
Adj. free cashflow pre-tax	32.6	14.3	16.0	18.6	24.0	22.0	25.5	29.1
Free cashflow	20.0	12.8	11.8	(29.1)	10.7	14.6	20.0	22.7
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	7.4	12.4	14.6

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 c.£25m in FY26E 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	25.1	37.5	52.1
Net financial cash / (debt)	20.7	45.5	48.4	11.2	17.7	25.1	37.5	52.1
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)	(26.1)	(13.9)	0.5
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	29.7	29.1	28.6
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	6.5	7.4	8.1
Non-current assets	9.7	9.3	13.2	96.7	97.6	102.8	103.6	104.4
Inventories	32.4	33.9	34.2	43.7	45.6	49.4	51.1	53.2
Trade and other receivables	4.9	5.1	4.8	6.9	7.5	8.2	8.7	9.3
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	25.1	37.5	52.1
Current assets	71.0	85.2	85.8	61.8	70.8	82.6	97.3	114.6

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)	(51.0)	(54.4)	(58.4)
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)	(62.7)	(66.1)	(70.1)
Capital employed	35.8	48.1	52.6	100.5	111.7	122.7	134.8	148.8
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	71.5	83.4	97.3
Shareholders' funds	30.8	44.0	48.8	52.3	60.6	71.5	83.4	97.3

Source: Company data, Equity Development

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

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Contact: info@equitydevelopment.co.uk | 020 7065 2690