

## 4imprint Group

### Holding steady against uncertain backdrop

**4imprint's AGM statement outlines flat revenues year-on-year for the first four months, with order intake levels running around 2% down and stable average order values. We view this as a respectable result against the continuing uncertain macroeconomic backdrop. While the threat of the most severe tariffs may have receded for now, the impact is still likely to be felt in H225 even if lower tariff levels are agreed, as existing stock and goods in transit sell through. Suppliers (and distributors) await clarity to inform their decision-making, with supply chains inevitably disrupted. With its strong balance sheet and market positioning, 4imprint is better placed than many in the sector both to weather the disruption and to build further market share. Our forecasts had already factored in a softer macroeconomic backdrop, and we leave them unchanged at this juncture.**

Year end	Revenue (\$m)	PBT (\$m)	EPS (¢)	DPS (¢)	P/E (x)	Yield (%)
12/23	1,326.5	140.7	377.85	215.00	12.4	4.6
12/24	1,367.9	154.4	416.27	240.00	11.3	5.1
12/25e	1,320.0	144.1	388.27	255.00	12.1	5.4
12/26e	1,390.1	156.3	417.66	270.00	11.2	5.7

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. DPS excludes special dividends.

### US policy vacillations affect planning

Uncertainty is the most difficult backdrop to plan against, and large swings in potential outcomes from trade policies and tariffs continue to affect both suppliers and distributors. The 90-day freeze to allow for further trade negotiations between the US and China expires on 12 July, at which point there may be either a decision on tariff rates or a further extension. Either way, the repercussions will play out in the second half of the year and through FY26. The reactions of US consumers to the impending resultant inflation will likely also filter through to the confidence in the corporate market, which is already braced for price increases. We would hope for greater clarity by 4imprint's interim results in early August.

### Steady hands at the tiller

4imprint has a strong balance sheet (end FY24 net cash of \$148m), allowing it flexibility in how it handles the market challenges, as it did across the COVID-affected trading periods. Its strong supplier relationships are a real asset in these conditions, although there are likely to be some shifts in sourcing. This will depend on the eventual differential between tariffs on Chinese imports and those from other markets. 4imprint's key strength remains its ability to flex the marketing levers to manage the balancing act between top line and operating margin.

### Valuation: Still well below DCF

4imprint's share price is down 24% year-to-date, but the valuation remains well ahead of the marketing services sector, reflecting its earnings quality, attractive cash conversion and distribution policies, in our view. A discounted cash flow (WACC of 9%, terminal growth of 3%, as before) gives an implied value of £52.35/share, down from March's figure of £52.89 on exchange rates, but still well ahead of the current share price.

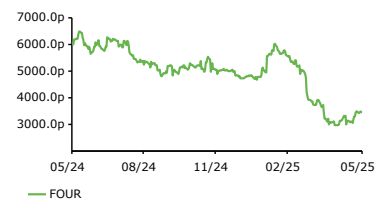
### AGM trading update

Media

21 May 2025

<b>Price</b>	<b>3,510.00p</b>
<b>Market cap</b>	<b>£989m</b>
	\$1.34/£
Net cash at end FY24	\$148.0m
Shares in issue	28.2m
Free float	97.6%
Code	FOUR
Primary exchange	LSE
Secondary exchange	N/A

### Share price performance



%	1m	3m	12m
Abs	26.2	(27.9)	(37.9)
52-week high/low		5,910.3p	2,653.8p

### Business description

4imprint Group is a leading direct marketer of promotional products in the United States, Canada, the UK and Ireland. In FY24, 98% of revenues were generated in the US and Canada.

### Next events

H125 results	6 August 2025
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### Analyst

Fiona Orford-Williams	+44 (0)20 3077 5700
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[tmt@edisongroup.com](mailto:tmt@edisongroup.com)

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**Exhibit 1: Financial summary**

	\$000s	2022	2023	2024	2025e	2026e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>						
<b>Revenue</b>		<b>1,140.3</b>	<b>1,326.5</b>	<b>1,367.9</b>	<b>1,320.0</b>	<b>1,390.1</b>
Cost of Sales		(818.7)	(924.6)	(932.5)	(897.6)	(945.3)
Gross Profit		321.6	401.9	435.4	422.4	444.8
<b>EBITDA</b>		<b>106.4</b>	<b>142.6</b>	<b>155.1</b>	<b>145.2</b>	<b>156.4</b>
<b>Operating profit (before amort. and excepts.)</b>		<b>102.9</b>	<b>136.2</b>	<b>148.1</b>	<b>138.1</b>	<b>149.3</b>
Intangible Amortisation		0.0	0.0	0.0	0.0	0.0
Exceptionals		0.0	0.0	0.0	0.0	0.0
Pensions and share options		(0.8)	(1.1)	(1.4)	(2.9)	(2.0)
<b>Operating Profit</b>		<b>102.9</b>	<b>136.2</b>	<b>148.1</b>	<b>138.1</b>	<b>149.3</b>
Net Interest		0.8	4.5	6.3	6.0	7.0
Net pension finance charge		0.0	0.0	0.0	0.0	0.0
<b>Profit Before Tax (norm)</b>		<b>103.7</b>	<b>140.7</b>	<b>154.4</b>	<b>144.1</b>	<b>156.3</b>
<b>Profit Before Tax (IFRS)</b>		<b>103.7</b>	<b>140.7</b>	<b>154.4</b>	<b>144.1</b>	<b>156.3</b>
Tax		(23.6)	(34.5)	(37.2)	(35.3)	(38.3)
<b>Profit After Tax (norm)</b>		<b>80.1</b>	<b>106.2</b>	<b>117.2</b>	<b>108.8</b>	<b>118.0</b>
<b>Profit After Tax (IFRS)</b>		<b>80.1</b>	<b>106.2</b>	<b>117.2</b>	<b>108.8</b>	<b>118.0</b>
Discontinued businesses		0.0	0.0	0.0	0.0	0.0
<b>Net income (norm)</b>		<b>80.1</b>	<b>106.3</b>	<b>117.2</b>	<b>109.6</b>	<b>118.1</b>
<b>Net income (IFRS)</b>		<b>80.1</b>	<b>104.4</b>	<b>117.2</b>	<b>108.8</b>	<b>118.0</b>
<b>Average Number of Shares Outstanding (m)</b>						
Average Number of Shares Outstanding (m)		28.1	28.1	28.2	28.2	28.3
EPS - normalised fully diluted (c)		285.6	377.9	416.3	388.3	417.7
EPS - (IFRS) (c)		285.0	377.0	415.3	387.4	417.5
Dividend per share (c)		160.0	215.0	240.0	255.0	270.0
Special dividend per share (c)		200.0	0.0	250.0	0.0	0.0
<b>Gross Margin (%)</b>						
Gross Margin (%)		28.2	30.3	31.6	32.0	32.0
<b>EBITDA Margin (%)</b>						
EBITDA Margin (%)		9.5	10.8	11.3	11.0	11.3
<b>Operating Margin (before GW and except.) (%)</b>						
Operating Margin (before GW and except.) (%)		9.0	10.3	10.8	10.5	10.7
<b>BALANCE SHEET</b>						
<b>Fixed Assets</b>		<b>47.9</b>	<b>51.4</b>	<b>58.0</b>	<b>55.0</b>	<b>52.0</b>
Intangible Assets		1.0	1.0	1.0	1.0	1.0
Other intangible assets		1.0	0.5	0.3	0.3	0.3
Tangible Assets		29.3	34.7	49.3	47.9	46.5
Right of use assets		13.1	11.4	4.2	2.6	1.0
Deferred tax assets		2.4	3.8	3.2	3.2	3.2
Retirement benefit asset		1.2	0.0	0.0	0.0	0.0
<b>Current Assets</b>		<b>192.4</b>	<b>186.9</b>	<b>229.5</b>	<b>210.8</b>	<b>273.3</b>
Stocks		18.1	13.6	17.1	17.0	18.1
Debtors		87.5	68.4	64.4	60.3	64.8
Cash and short-term deposits		86.8	104.5	147.6	133.1	190.1
Other		0.0	0.4	0.4	0.4	0.4
<b>Current Liabilities</b>		<b>(87.4)</b>	<b>(91.3)</b>	<b>(96.9)</b>	<b>(91.7)</b>	<b>(94.6)</b>
Creditors		(86.0)	(89.9)	(95.0)	(89.8)	(92.7)
Short term borrowings		0.0	0.0	0.0	0.0	0.0
Lease liabilities		(1.4)	(1.4)	(1.9)	(1.9)	(1.9)
<b>Long Term Liabilities</b>		<b>(12.7)</b>	<b>(12.5)</b>	<b>(5.5)</b>	<b>(5.5)</b>	<b>(5.5)</b>
Long term borrowings		0.0	0.0	0.0	0.0	0.0
Lease liabilities		(12.3)	(10.9)	(3.4)	(3.4)	(3.4)
Other long term liabilities		(0.4)	(1.6)	(2.1)	(2.1)	(2.1)
<b>Net Assets</b>		<b>140.2</b>	<b>134.5</b>	<b>90.7</b>	<b>168.6</b>	<b>225.3</b>
<b>CASH FLOW</b>						
<b>Operating Cash Flow</b>		<b>101.3</b>	<b>166.9</b>	<b>162.1</b>	<b>161.3</b>	<b>167.6</b>
Net Interest		0.7	3.9	6.3	6.0	7.0
Tax		(20.8)	(33.8)	(35.8)	(36.4)	(39.2)
Capex		(8.0)	(9.7)	(19.6)	(4.1)	(4.0)
Acquisitions/disposals		(1.7)	0.0	0.0	0.0	0.0
Pension contributions		(4.4)	(6.5)	0.0	0.0	0.0
Financing		(0.9)	2.5	(2.0)	(0.9)	(0.9)
Dividends		(18.7)	(110.8)	(65.5)	(139.9)	(73.7)
Other/ Capital portion of lease repayments		(2.4)	5.3	(1.4)	(0.5)	0.0
Net Cash Flow		45.2	17.8	44.1	(14.5)	56.8
<b>Opening net debt/(cash and short-term deposits)</b>		<b>(41.6)</b>	<b>(86.8)</b>	<b>(104.5)</b>	<b>(147.6)</b>	<b>(133.1)</b>
Net impact of disposals etc		0.0	0.0	0.0	0.0	0.0
Other		0.0	0.0	(1.0)	0.0	0.0
<b>Closing net debt/(cash)</b>		<b>(86.8)</b>	<b>(104.5)</b>	<b>(147.6)</b>	<b>(133.1)</b>	<b>(189.9)</b>

Source: Company accounts, Edison Investment Research

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