

Growing from strength to strength

8 July 2025

Begbies Traynor's FY25 results convincingly illustrate the strength of its multi-disciplinary professional advisory team. FY25 revenue rose 12% to £153.7m, including 10% organic growth, and Adj. PBT margin remained high at 15.3%. FCF pre acquisitions of £19.4m funded acquisitions, share buy-backs and progressive dividends. Moreover, the macro-economic environment continues to be supportive and with an increased insolvency order book management is confident in FY26E growth. We raised our fair value to 150p in May 2025, equivalent to c.13.5x cal 2026 PER, and believe Begbies' shares remain materially underrated.

A decade of profitable growth and sustained high profit margins

Begbies has concluded FY25 with Adj. PBT of £23.5m, an increase of 7%, being its tenth consecutive year of profit growth (an impressive decade CAGR of 20.2%). Begbies' strategic expansion to over 1,300 colleagues has enabled the group to take on larger and more complex insolvency cases as well as expand its financial advisory, property consultancy and property auction services (among others). By leveraging support staff, average income per FTE employee has risen nearly 20% to £130k in FY25 compared to FY19, driving high profit margins and cashflow conversion.

An increased insolvency order book and encouraging outlook

Approximately 55% of revenues come from business recovery advice and the insolvency order book has increased 9% to £78.6m at the end of April 2025. Moreover, the number of UK insolvencies and administrations rose again in May 2025 as businesses absorbed increased labour costs. Hence with encouraging activity levels across all its diversified services, Begbies is confident in delivering profitable growth in FY26E (consensus Adj. PBT £23.7m-£25.0m).

Undervalued growth and cashflow prospects at under 10x cal 2026 PER

Begbies' share price has risen 13% since its FY25 trading update in May, yet still trades at a c. 30% discount to its long-run average valuation multiples and a discount to peers. With highly profitable organic growth and free cashflow to fund both acquisitions and dividends, we see scope for a material rerating. Our fair value of 150p equates to a c.7% cal 2026 FCF yield (pre-acquisitions).

Key financials & valuation metrics

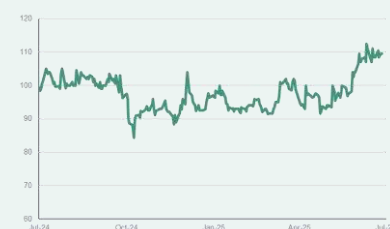
Year to 30 April (£m)	2024	2025	2026E	2027E	2028E
Revenue	136.7	153.7	164.3	171.6	179.3
Revenue growth (%)	12.2	12.4	6.9	4.4	4.5
Adj. PBT	22.0	23.5	24.2	25.7	27.3
Adj. PBT margin (%)	16.1	15.3	14.7	15.0	15.2
Adj. diluted EPS (p)	9.9	10.5	10.8	11.5	12.2
Dividend per share (p)	4.0	4.3	4.4	4.7	5.0
Free cashflow pre acquisitions	12.4	19.4	16.2	16.9	17.3
Free cashflow post acquisitions	3.9	10.0	10.8	12.1	16.9
Net cash / (debt) * /Adj. EBITDA (x)	(0.5)	(0.3)	(0.2)	(0.1)	(0.2)
EV / Sales (x, calendarised)		1.2	1.2	1.1	
PER (x, calendarised)		10.4	9.9	9.3	
Dividend yield (% , calendarised)		3.9	4.1	4.4	
Free cashflow* yield (% , calendarised)		9.5	9.2	9.4	

Note: * pre-acquisition payments, Source: Company data, Equity Development, Priced as at 7/7/ 25

Company data

EPIC	BEG
Price (last close)	111p
52 weeks Hi/Lo	113p/83p
Market cap	£177m
ED Fair Value / share	150p
Net cash / (debt) 2025A	£0.9m
Avg. daily volume (3m)	265k

Share price, p



Source: Investing.com

Description

Begbies Traynor Group ("Begbies") is a leading financial and real estate advisory firm.

A multi-disciplinary national team of over 1,300 colleagues (1,185 FTE) from 45 local offices and four offshore offices handle the largest number of corporate insolvency and restructuring appointments in the UK, as well as providing market-leading services in corporate finance, financial advisory, valuations and property consultancy.

Next event

AGM 1Q Trading update
18 September 2025

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Overview of Investment Attractions

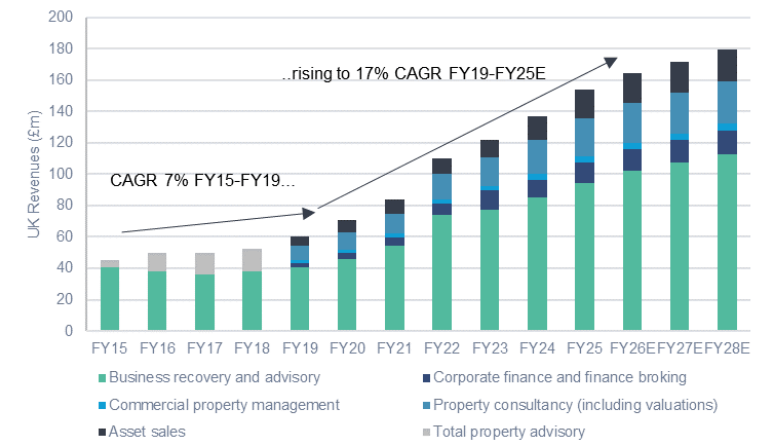
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> An impressive track record of growth with revenues tripling in the past decade to £153m in FY25, driven by both organic growth and successful acquisitions. This is testament to Begbies' resilience and growth through the economic cycle and the group's ability to attract highly qualified, trusted, professionals. An increasingly diversified business with c.45% of FY25 revenues from Begbies' business and corporate finance advisory, property advisory and transactional services offer. Adjusted PBT has increased six-fold to £23.5m in FY25 (20% CAGR) and adjusted PBT margin has risen to over 15%, driving cumulative free cashflow pre acquisitions of over £75m (FY21-FY25). This ample free cashflow funds both value-accretive acquisitions and dividends (CAGR 7.5% since FY16). An experienced, incentivised, founder-led management team at the helm. 	<ul style="list-style-type: none"> Although the group is more diversified than ever before, c.55% of revenues are from business recovery. If corporate insolvencies were to drop significantly from current levels, this would impact our organic revenue growth and profit margin assumptions (given operating deleverage). This would be partly offset by an anticipated cyclical increase in M&A and corporate finance advisory and finance broking activity and property transactional activity. As a people-led business, recruitment and retention of high-quality staff is key. Begbies invests in its staff packages and training and for its almost 1,200 Full-time Equivalent (FTE) employees. Liquidity risk if asset realisations were impacted, however Begbies has £35m of bank facilities, extendable until February 2029. Integration risk for any future acquisitions, though Begbies' excellent track record provides reassurance.
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> Management's mid-term ambition is to grow revenues to £200m from its existing service offer through organic growth and acquisitions, with further possible growth from acquisitions of complementary professional services businesses. We expect inflationary pressures, particularly the cost of labour following the Autumn 2024 Budget, to keep levels of corporate distress and insolvency elevated. We forecast c.5% organic revenue CAGR FY25-FY28E to reach c.£180m revenues in FY28E. We do not forecast any further acquisitions but estimate that a 6% p/a revenue contribution from acquisitions would lead to over £200m of revenues in FY28E. We forecast Adj. PBT margins remaining c.15% (despite national insurance increases impacting from FY26E) leading to c.5% organic Adj. PBT CAGR FY25-FY28E and free cashflow, pre acquisitions, of c.£17m p/a (FY26E-FY28E). 	<ul style="list-style-type: none"> Begbies is trading on only 1.2x EV/Revenues, 5.9x EV/Adj. EBITDA and c.9.9x PER (our forecasts, all Calendar 2026E – "cal 26E"). This is a c.30% discount to the group's average multiples over the past nine years of 1.6x EV/Revenues, c.9x EV/Adj EBITDA and c.14x PER. It is also a significant discount to our comparable valuation peers, despite offering similar, if not better, revenue and profit growth and similar high profit margins. Begbies' balance sheet is also strong with c.£1m of net financial cash as at 30 April 2025 and leases of c.£10m. We forecast net debt incl leases / Adj. EBITDA of only 0.2x for FY26E. We estimate that future contingent consideration payments will be c.£12m, satisfied by December 2027. Our fair value of 150p equates to a cal 26 FCF yield, pre acquisitions, of c.7%, a c.3% dividend yield, a 13.5x PER, broadly in-line with long-run averages, with potential for a premium to these averages.

An increasingly diversified, proven track record of growth

A people-driven, expanding service business

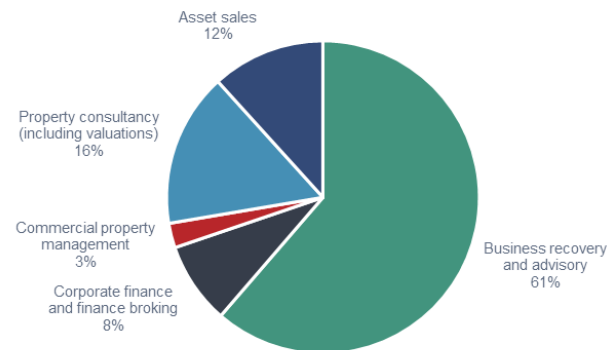
- Begbies Traynor is a leading financial and real estate advisory firm with specialist expertise in business restructuring and recovery; financial advisory; deal advisory; funding solutions; asset valuations, sales, auctions and advisory (across property, businesses and other assets), and other areas.
- As a people-led advisory business the company has more than doubled its (FTE) colleagues from c.550 in FY19 to 1,185 in FY25, driving revenue growth of 13% CAGR in the past decade to c.£153m in FY25.
- Moreover, as Begbies has invested in an increasingly diversified business, revenue growth has accelerated to 17% CAGR FY19-FY25.
- Its multi-disciplinary professional teams include insolvency practitioners, accountants, lawyers, financing professionals and chartered surveyors.

Revenues tripled in a decade to £153m, on track to £200m



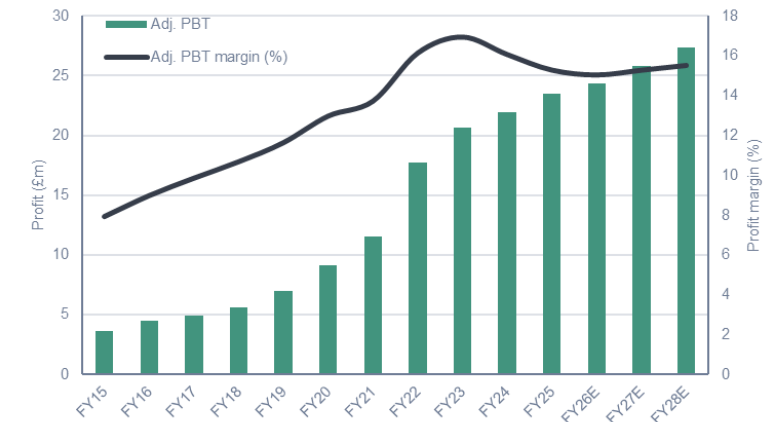
Source: Company data, Equity Development

c.45% of FY25 Revenues are services beyond insolvency



Source: Company data, Equity Development

6-fold increase in Adj. PBT to £23.5m, with high margins



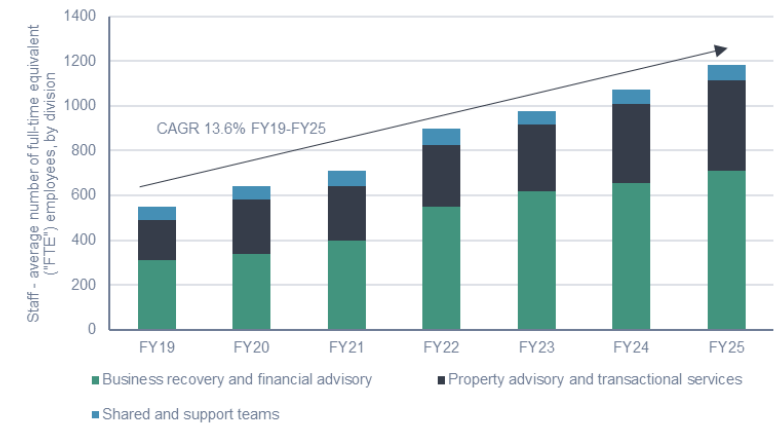
Source: Company data, Equity Development

A highly successful and efficient people business

Revenue growth driven by 14% CAGR in staff

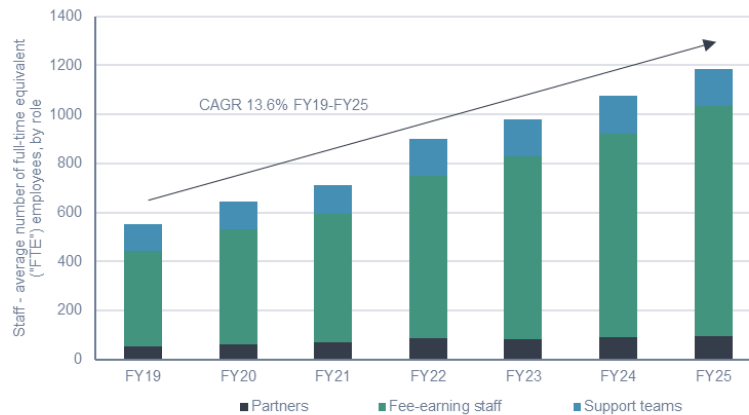
- Across the group, fee-earners make up 87% of the workforce and support team staff comprise 13% (down from 20% in FY19), meaning the ratio of fee-earners to support staff increased again in FY25, to a very high 6.8x.
- Impressively, Begbies has grown its staff base organically and through acquisition whilst also raising revenue per FTE employee to £130k in FY25, 19% above £109k in FY19.
- Hence despite significant investment in new joiners every year, staff costs have fallen from a peak of 62.4% of revenues in FY21 to 59.7% in FY24.

Staff have more than doubled to c.1,200 FTE since FY19



Source: Company data, Equity Development

Begbies has leveraged its partners and fee-earning staff...



Source: Company data, Equity Development

with the ratio of fee-earners to support teams rising to 6.8x



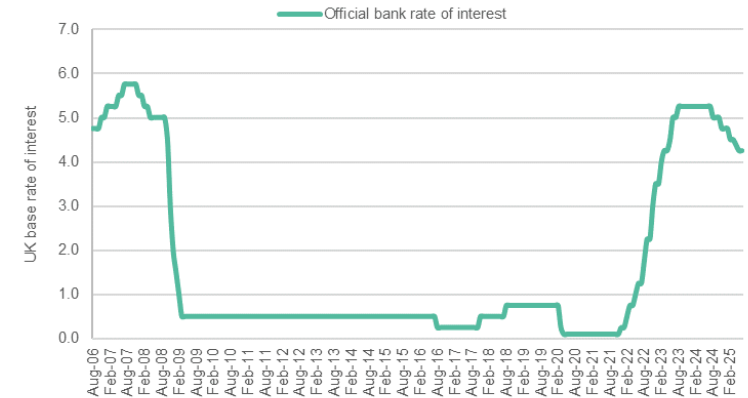
Source: Company data, Equity Development

Business recovery to remain elevated for a prolonged period as inflationary pressures build

Macro-economic backdrop still tough for companies

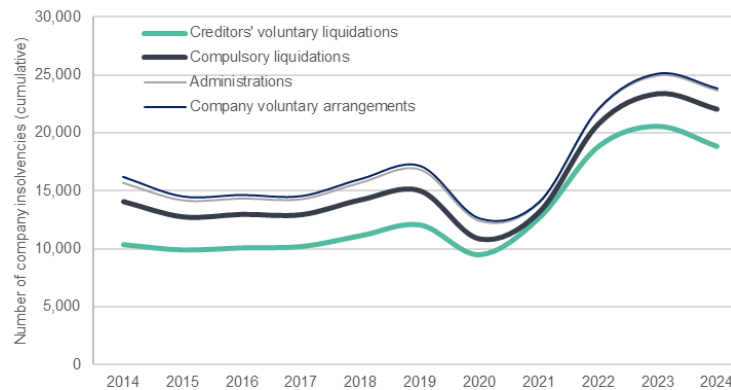
- After a record 25,000 corporate insolvencies in 2023 and 24,000 in 2024, c.60% above the average c.15,000 a year in 2014-2021, corporate insolvencies have risen again to over 2,000 per month in the 5 months ended May 2025 (and > 2,200 in May), reflecting the challenges businesses face from increased labour costs and other inflation.
- Moreover, levels of corporate distress remain at high levels, as evidenced in Begbies' 1Q25 Red Flag Alert report which shows c.579,000 UK businesses in "significant" financial distress, up 4.5% yoy, with consumer-facing industries with high labour costs facing particular stress.
- The number of businesses in "critical" financial distress rose by 13% yoy to 45,000.

A decade+ of "free money" has come to an end (rate 4.25%)



Source: Bank of England, Equity Development

...leading to a c.60% surge in insolvencies in 2023-2024



Source: ONS, The Insolvency Service, Equity Development

...and a rising trend into 1H 2025

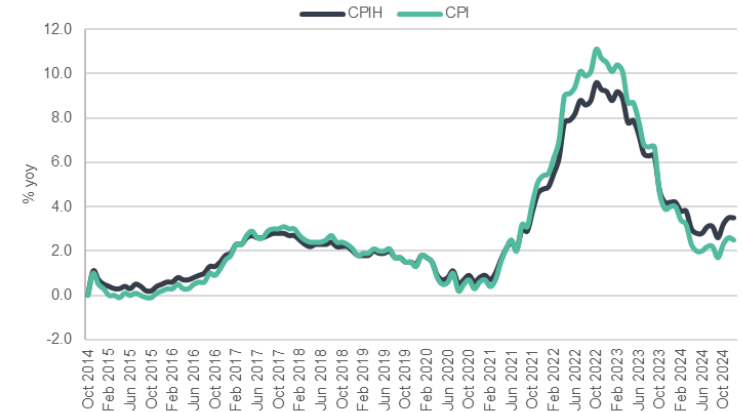


Source: ONS, The Insolvency Service, Equity Development

The Autumn 2024 Budget has caused further pressure

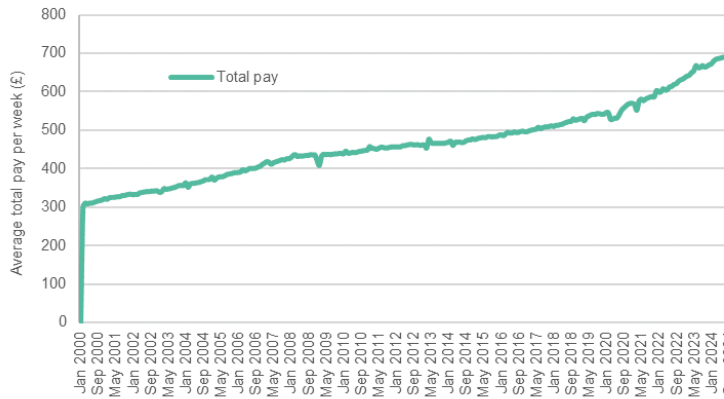
- Corporates bore the brunt of the planned tax rises in the Autumn Budget, with the 1.2% increase in employers' National Insurance contributions and the reduction in the employer threshold for NI reducing from £10,000 to £5,000 anticipated to raise £25bn.
- In addition, the National Living Wage for over 21s and the National Minimum Wage for 18 to 20-year-olds increased a further 6.7% and 16.3% respectively in April 2025.
- These measures are increasing labour costs and leading to overall inflation accelerating from a low of 2.6% in September 2024 to 4.0% in May 2025 and rising unemployment (4.6% in April 2025).
- Consequently, consumer confidence has deteriorated (-18 in June 2025) and many companies are facing significant increased financial distress.

Overall inflation has reduced but macro-pressures remain



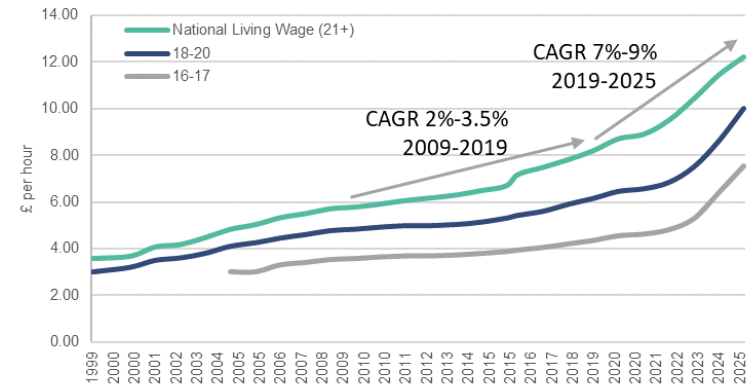
Source: ONS, Equity Development

Employee costs continue to rise



Source: : ONS, Equity Development

Above inflation growth in National Living Wage



Source: Low Pay Commission, www.gov.uk, Equity Development

Property consultancy services is a resilient, consistent, growth business

10 years of property experience and growth

- A decade after the acquisition of Yorkshire-based property consultancy, Eddisons, Begbies' strategic and geographic expansion of its property consultancy business, particularly in the last three years, has led to revenues tripling to £46m in FY25 and 471 staff (+7% in FY25).
- Under the Eddisons brand, Begbies has now become a well-regarded mid-tier national property consultancy.
- Operating profits have followed a similarly impressive trajectory and grown at a CAGR of 15.5% to reach £8m in FY25 with profit margins having been maintained at 16%-23% throughout (17% in FY25).
- This is particularly impressive given the number of acquired businesses Begbies has successfully integrated into the division.

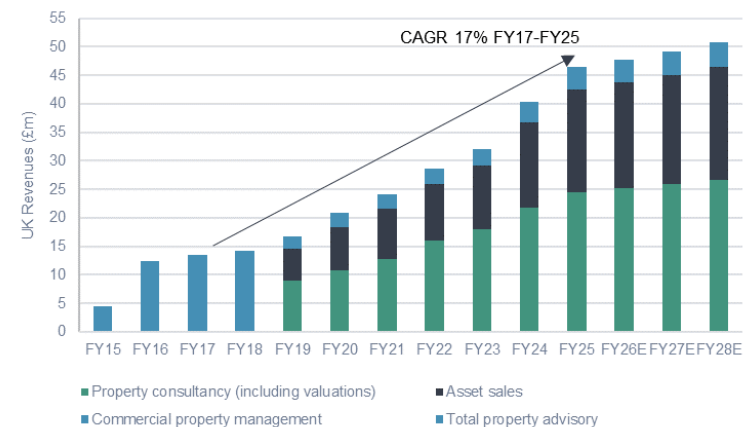
Source: Company data, Equity Development

Expansion potential to build on recent acquisitions

- Management believes the market remains fragmented and there is still great scope to make further acquisitions at attractive valuations to build out its geographic presence and range of services.
- To recap, in property consultancy Begbies acquired London-based Hargreaves Newberry Gyngell in 2021 for just under £1m (13 staff), Yorkshire-based Fernie Greaves in 2021, South-coast based Daniells Harrison in 2022 for max £3.5m (27 staff), Northampton-based Budworth Hardcastle in 2022 for max £2.7m (18 staff), and Lincolnshire-based Banks, Long & Co in 2023 for max £4.1m (38 staff with a strong agency team).
- In property auctions, Begbies acquired Nottingham-based firm SDL Auctions in 2023 for £3m (46 staff) and Mark Jenkinson in 2023 and in valuations the group acquired Andrew Forbes Limited in 2023 for £1m (18 staff).

Source: Company data, Equity Development

Consistent growth: 17% CAGR since FY17



Source: Company data, Equity Development

Resilient rather than cyclical: 16%-23% profit margins



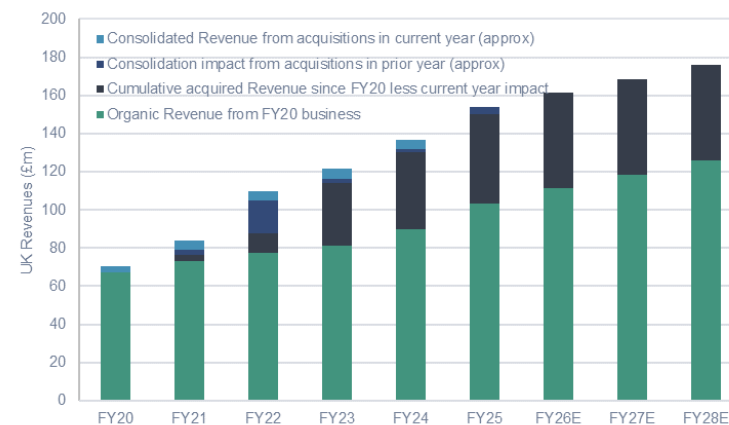
Source: Company data, Equity Development

An undervalued, profitable, cashflow generating growth story

Professional services consolidator at a c.30% discount

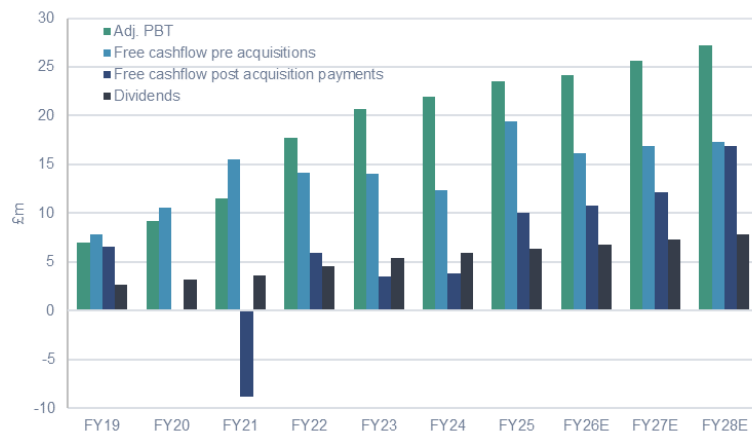
- Begbies' vision is to extend the scale and quality of its chosen professional services by continuing to build the offer organically and through acquisitions.
- Begbies' acquisition success is admirable, investing c.£64m FY20-FY24 for revenues of c.£50m and pre-tax profits of c.£12.5m, with only a further £12m of potential earn-out payments (cash impact).
- Its financial discipline leads to a high c.15% Adj. PBT margin (FY25) and typically this converts into ample free cashflow.
- We forecast c.£50m of free cashflow pre-acquisitions FY26E-FY28E (c.30% of the current market cap), of which we estimate c.£12m will be paid out as deferred compensation, and we do not believe this attraction is reflected in Begbies' current 9.9x cal 26 PER and 4.1% dividend yield.

Diversified growth, boosted by acquisitions



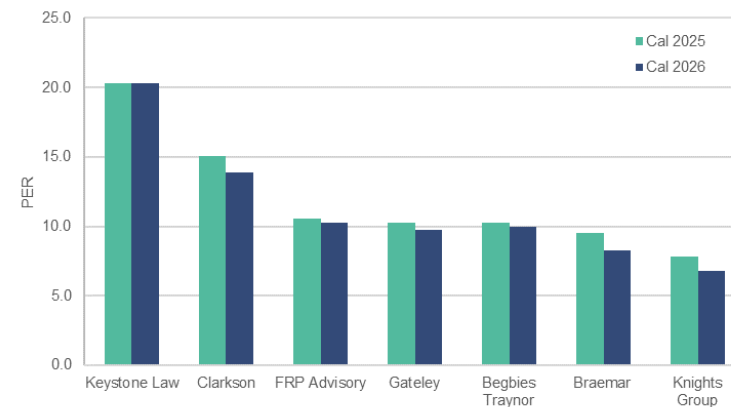
Source: Company data, Equity Development

Free-cashflow supports acquisitions and dividend growth



Source: Company data, Equity Development

Begbies' low PER of c.10x cal '26 undervalues its prospects



Source: Koyfin for consensus estimates, Equity Development

Financial Forecast tables

- As FY25 results were in-line with the FY25 trading update guidance in May we have made minimal changes to our estimates (having already upgraded by 2%-4%).
- The FY25 dividend of 4.3p was c.2% ahead of our 4.2p forecast.

Changes to forecasts										
		New forecasts			Old forecasts			% change		
Year-end 30 April (£m)	2024A	2025A	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Group Revenue	136.7	153.7	164.3	171.6	153.3	161.1	168.2	0.2	2.0	2.0
Revenue growth (%)	12.2	12.4	6.9	4.4	12.1	5.1	4.4			
Adj. EBITDA	28.5	31.7	32.0	33.6	31.3	32.1	33.6	1.2	-0.1	-0.1
Adj. EBITDA margin (%)	20.9	20.6	19.5	19.6	20.4	19.9	20.0			
Adj. PBT	22.0	23.5	24.2	25.7	23.5	24.2	25.7	0.0	0.1	0.1
Adj. PBT margin (%)	16.1	15.3	14.7	15.0	15.3	15.0	15.3			
Adjusted diluted EPS (p)	9.9	10.5	10.8	11.5	10.5	10.8	11.4	0.0	0.1	0.0
Adj. EPS growth (%)	-1.4	5.6	2.9	6.1	5.7	2.8	6.2			
DPS (p)	4.0	4.3	4.4	4.7	4.2	4.3	4.6	1.7	1.8	1.8
Capex	1.5	1.8	1.9	2.0	1.5	1.6	1.7	20.0	20.0	20.0
Free cashflow pre acquisitions	12.4	19.4	16.2	16.9	19.4	17.8	19.0	-0.1	-9.2	-11.2
Free cashflow post acquisitions	3.9	10.0	10.8	12.1	10.1	12.1	14.1	-1.2	-11.1	-14.4
Net financial cash / (debt)	(1.4)	0.9	3.5	7.6	0.9	4.6	10.9			
Total net cash /(debt) incl leases	(13.1)	(9.1)	(6.5)	(2.4)	(10.7)	(7.0)	(0.8)			
Net financial cash / (debt) / Adj. EBITDA (x)	-0.1	0.0	0.1	0.2	0.0	0.1	0.3			
Total net cash / (debt) / Adj. EBITDA (x)	-0.5	-0.3	-0.2	-0.1	-0.3	-0.2	0.0			

Source: Company data, Equity Development

- We introduce 2028E estimates following the 2025 results:

Key group growth and margin metrics								
Year-end 30 April	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Revenue growth (%)	18.9	31.2	10.7	12.2	12.4	6.9	4.4	4.5
Gross profit growth (%)	17.8	34.6	13.1	8.8	15.0	6.2	4.4	4.5
Adj. EBITDA growth (%)	22.4	19.8	10.5	7.4	11.1	1.1	4.9	4.9
Adj. Operating profit (%)	22.5	50.0	17.4	9.6	8.3	1.9	5.6	5.6
Adj. PBT growth (%)	25.8	54.3	16.3	6.4	6.9	3.0	6.1	6.1
Adj. EPS growth (%)	17.7	31.9	14.3	-1.4	5.6	2.9	6.1	6.1
DPS growth (%)	7.1	16.7	8.6	5.3	7.5	2.9	6.1	6.1
Gross profit margin (%)	42.4	43.5	44.4	43.1	44.0	43.7	43.7	43.7
Adj. EBITDA margin (%)	23.9	21.8	21.8	20.9	20.6	19.5	19.6	19.7
Adj. Operating margin (%)	14.8	16.9	17.9	17.5	16.9	16.1	16.2	16.4
Adj. PBT margin (%)	13.7	16.1	17.0	16.1	15.3	14.7	15.0	15.2
Op costs excl D&A /sales (%)	18.7	21.8	22.8	22.6	23.7	24.5	24.4	24.3
Tax rate (adj.) (%)	20.3	20.4	20.9	26.0	26.0	26.0	26.0	26.0

Source: Company data, Equity Development

Divisional revenue analysis								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Business recovery and advisory	54.6	73.9	77.2	85.1	94	102	107	113
Corporate finance and finance broking	5.1	7.5	12.5	11.3	13	14	15	15
Business recovery and advisory	59.7	81.4	89.7	96.4	107.3	116.1	121.9	128.0
Commercial property management	2.6	2.8	3.0	3.5	3.9	4.1	4.2	4
Property consultancy (including valuations)	12.7	16.0	18.0	21.8	24.4	25.4	26.2	27
Asset sales	8.9	9.9	11.1	15.0	18.1	18.8	19.4	20
Property advisory	24.1	28.6	32.1	40.3	46.4	48.3	49.7	51.3
Total UK revenue	83.8	110.0	121.8	136.7	153.7	164.3	171.6	179.3
Business recovery and advisory	18.8	35.2	4.5	10.2	10.5	8.5	5.0	5.0
Corporate finance and finance broking	39.2	48.0	66.0	(9.7)	17.6	6.0	5.0	5.0
Business recovery and advisory	20.3	36.3	10.2	7.5	11.3	8.2	5.0	5.0
Commercial property management	5.3	8.1	7.6	18.6	10.0	4.0	3.0	3.0
Property consultancy (including valuations)	18.3	26.0	12.7	21.1	12.0	4.0	3.0	3.0
Asset sales	15.1	11.1	12.9	34.6	20.6	4.0	3.0	3.0
Property advisory	15.6	18.6	12.3	25.6	15.0	4.0	3.0	3.0
Total UK revenue growth (%)	18.9	31.2	10.7	12.2	12.4	6.9	4.4	4.5
Business recovery and advisory	65	67	63	62	61	62	62	63
Corporate finance and finance broking	6	7	10	8	9	9	9	9
Business recovery and advisory	71	74	74	70	70	71	71	71
Commercial property management	3	3	2	3	3	2	2	2
Property consultancy (including valuations)	15	15	15	16	16	15	15	15
Asset sales	11	9	9	11	12	11	11	11
Property advisory	29	26	26	30	30	29	29	29
Contribution to UK revenue	100	100	100	100	100	100	100	100

Note: 2025 sub-division breakdown is an estimate; Source: Company data, Equity Development

Divisional profit and return analysis								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Business recovery and advisory services	14.7	21.0	24.3	25.5	28.4	29.6	31.0	32.6
Property advisory and transactional services	3.9	4.8	5.5	7.6	7.8	8.1	8.5	8.9
Unallocated corporate amounts	(6.2)	(7.2)	(8.0)	(9.2)	(10.3)	(11.3)	(11.7)	(12.1)
Operating profit*	12.4	18.6	21.8	23.9	25.9	26.4	27.9	29.4
Business recovery and advisory services	24.7	25.8	27.1	26.5	26.5	25.5	25.5	25.5
Property advisory and transactional services	16.1	16.9	17.2	18.9	16.8	16.8	17.1	17.4
Unallocated corporate amounts	(7.4)	(6.6)	(6.5)	(6.7)	(6.7)	(6.9)	(6.8)	(6.7)
Operating profit* margin (%)	14.8	16.9	17.9	17.5	16.9	16.1	16.2	16.4
Business recovery and advisory services	27.0	42.7	15.6	5.1	11.3	4.1	5.0	5.0
Property advisory and transactional services	0.4	24.9	14.2	38.1	2.2	4.0	4.8	5.0
Unallocated corporate amounts	16.4	16.9	10.1	15.7	11.6	9.7	3.4	3.4
Operating profit* growth yoy (%)	22.5	50.0	17.4	9.6	8.3	1.9	5.6	5.6
Business recovery and advisory services	80.5	76.6	79.5	70.9				
Property advisory and transactional services	5.4	5.0	3.0	8.6				
Unallocated corporate amounts	0.4	2.9	1.9	(1.1)				
Consolidated net assets	86.3	84.5	84.3	78.4				
Business recovery and advisory services	18.3	27.4	30.5	36.0				
Property advisory and transactional services	72.3	97.2	184.6	88.6				
Operating profit* / y/e net assets (%)	14.4	22.0	25.9	30.5				

Note: * before non-underlying (amortisation and transaction) costs, Source: Company data, Equity Development

Income statement: Revenue to Adjusted PBT								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Group revenue	83.8	110.0	121.8	136.7	153.7	164.3	171.6	179.3
Direct costs	(48.3)	(62.2)	(67.7)	(77.8)	(86.0)	(92.4)	(96.5)	(100.8)
Gross profit	35.6	47.8	54.1	58.9	67.7	71.9	75.1	78.4
Other income	0.2	0.2	0.2	0.5	0.4	0.4	0.4	0.4
Operating costs, Adj. ex D&A	(15.7)	(24.0)	(27.8)	(30.8)	(36.4)	(40.3)	(41.9)	(43.6)
Adj. EBITDA, pre SBP	20.1	24.0	26.6	28.5	31.7	32.0	33.6	35.3
Share based payments	(1.0)	(1.6)	(1.3)	(0.6)	(1.3)	(1.3)	(1.3)	(1.3)
Depreciation of PPE	(0.8)	(1.0)	(1.1)	(1.1)	(1.3)	(1.7)	(1.8)	(1.9)
Depreciation of ROUA	(2.6)	(2.6)	(2.1)	(2.7)	(3.1)	(2.6)	(2.6)	(2.6)
Amortisation	(3.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.0)	(0.0)
Depreciation & amortisation	(6.6)	(3.9)	(3.4)	(4.0)	(4.5)	(4.4)	(4.4)	(4.5)
Adj. Operating profit	12.4	18.6	21.8	23.9	25.9	26.4	27.9	29.4
Interest on financial debt	(0.4)	(0.4)	(0.8)	(1.2)	(1.5)	(1.4)	(1.4)	(1.4)
Interest on lease liabilities	(0.4)	(0.4)	(0.3)	(0.7)	(0.8)	(0.7)	(0.7)	(0.7)
Other finance costs	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Interest receivable & other								
Finance costs	(0.9)	(0.8)	(1.2)	(1.9)	(2.4)	(2.2)	(2.2)	(2.2)
Adj. PBT	11.5	17.8	20.7	22.0	23.5	24.2	25.7	27.3

Note: * before non-underlying (amortisation and transaction) costs, Source: Company data, Equity Development

Income statement: Adjusted PBT to EPS

Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Adj. PBT	11.5	17.8	20.7	22.0	23.5	24.2	25.7	27.3
Acquisition consideration	(5.4)	(10.0)	(12.3)	(11.1)	(8.6)	(7.6)	(3.9)	(1.3)
Negative goodwill	0.2	2.0	4.3	0.8	0.1			
Acquisition costs	(0.4)	(0.2)	(0.4)	(0.3)				
Charge arising under Begbies put & call option	(0.9)	0.0						
Transaction costs	(6.5)	(8.2)	(8.4)	(10.6)	(8.5)	(7.6)	(3.9)	(1.3)
Amortisation of intangible assets on acquisition	(3.1)	(5.5)	(6.2)	(5.6)	(3.5)	(2.7)	(1.3)	(0.8)
Non-underlying costs	(9.6)	(13.7)	(14.7)	(16.2)	(12.0)	(10.3)	(5.2)	(2.1)
PBT	1.9	4.0	6.0	5.8	11.5	13.9	20.5	25.2
Adj tax	(2.3)	(3.6)	(4.3)	(5.7)	(6.1)	(6.3)	(6.7)	(7.1)
Non-underlying tax	0.6	(0.9)	1.2	1.4	0.9	2.0	1.0	0.3
Tax	(1.8)	(4.5)	(3.1)	(4.3)	(5.2)	(4.3)	(5.7)	(6.7)
Adj. PAT	9.2	14.1	16.3	16.3	17.4	17.9	19.0	20.2
Reported PAT	0.2	-0.5	2.9	1.5	6.3	9.6	14.8	18.4
No of f/d shares (m)	137.4	160.5	162.3	163.9	165.9	166.0	166.0	166.0
Adjusted diluted EPS (p)	6.7	8.8	10.1	9.9	10.5	10.8	11.5	12.2
DPS (p)	3.0	3.5	3.8	4.0	4.3	4.4	4.7	5.0

Note: * deemed remuneration under IFRS 3, Source: Company data, Equity Development

Cashflow statement								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Adj. EBITDA, pre SBP	20.1	24.0	26.6	28.5	31.7	32.0	33.6	35.3
Change in trade receivables*	(2.7)	(3.9)	(4.7)	(7.9)	(6.1)	(6.5)	(5.1)	(5.5)
Change in trade payables*	5.4	2.3	2.5	4.1	5.0	1.7	0.8	1.1
Change in provisions	(0.3)	0.4	(0.6)	(0.3)	0.0	0.0	0.0	0.0
Working capital movement	2.4	(1.2)	(2.7)	(4.1)	(1.1)	(4.8)	(4.3)	(4.3)
Tax paid	(2.3)	(3.6)	(5.3)	(6.7)	(4.4)	(4.3)	(5.7)	(6.7)
Net cash from operating activities (pre-leases, capex)	20.2	19.2	18.5	17.7	26.2	22.9	23.7	24.2
Net financial interest paid	(0.3)	(0.3)	(0.7)	(1.3)	(1.4)	(1.5)	(1.5)	(1.5)
Interest paid on lease liabilities	(0.5)	(0.5)	(0.4)	(0.8)	(0.8)	(0.7)	(0.7)	(0.7)
Lease payments (principal)	(2.7)	(3.2)	(2.4)	(1.9)	(2.9)	(2.6)	(2.6)	(2.6)
Capex	(1.2)	(1.0)	(1.0)	(1.5)	(1.8)	(1.9)	(2.0)	(2.1)
Net cashflow pre acquisitions	15.5	14.2	14.1	12.4	19.4	16.2	16.9	17.3
Acquisition costs	(0.4)	(0.2)	(0.4)	(0.3)				
Acquisition consideration payments net of cash acquired	(23.9)	(8.1)	(10.1)	(8.2)	(9.4)	(5.4)	(4.8)	(0.4)
Free cashflow post acquisitions	(8.8)	5.9	3.5	3.9	10.0	10.8	12.1	16.9
Dividends	(3.6)	(4.6)	(5.4)	(5.9)	(6.3)	(6.8)	(7.3)	(7.8)
Share buy backs / equity issues	20.9	0.5	0.2	(2.4)	(1.4)	(1.4)	(0.7)	
Other								
Net cashflow	8.5	1.8	(1.7)	(4.4)	2.3	2.6	4.1	9.1

Note: * excluding deemed remuneration liabilities, Source: Company data, Equity Development

Net debt metrics								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Gross financial debt	(5.0)	(5.0)	(5.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Net cash	8.0	9.7	8.0	5.6	7.9	10.5	14.6	23.7
Net financial cash / (debt)	3.0	4.7	3.0	(1.4)	0.9	3.5	7.6	16.7
Leases	(8.8)	(6.3)	(8.2)	(11.7)	(10.0)	(10.0)	(10.0)	(10.0)
Total net cash /(debt) incl leases	(5.8)	(1.7)	(5.2)	(13.1)	(9.1)	(6.5)	(2.4)	6.7
Net financial cash / (debt) / Adj. EBITDA (x)	0.1	0.2	0.1	(0.1)	0.0	0.1	0.2	0.5
Total net cash / (debt) / Adj. EBITDA (x)	(0.3)	(0.1)	(0.2)	(0.5)	(0.3)	(0.2)	(0.1)	(0.2)

Source: Company data, Equity Development

Balance sheet: Assets								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Property, plant and equipment	2.1	2.0	2.0	2.2	3.0	3.2	3.4	3.6
Right of use assets	7.5	5.5	7.8	11.2	9.6	9.6	9.6	9.6
Intangible assets incl goodwill	77.9	75.3	73.4	72.4	69.1	66.3	65.0	64.2
Trade and other receivables (deemed remuneration)	4.0	4.2	5.2	2.8	2.8	3.0	3.1	3.3
Non-current assets	91.4	86.9	88.3	88.6	84.5	82.1	81.1	80.7
Trade and other receivables	44.9	49.7	55.6	63.3	70.0	76.3	81.3	86.6
Current tax assets	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Cash & cash equivalents	8.0	9.7	8.0	5.6	7.9	10.5	14.6	23.7
Current assets	52.8	59.4	63.6	69.2	77.9	86.9	95.9	110.3

Source: Company data, Equity Development

Balance sheet: Liabilities								
Year-end 30 April (£m)	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Bank overdraft & s/t loans								
Trade payables and other liabilities	(32.9)	(37.2)	(42.6)	(50.0)	(52.2)	(53.9)	(54.7)	(55.9)
Lease liabilities	(3.0)	(1.7)	(1.6)	(2.1)	(2.8)	(2.8)	(2.8)	(2.8)
Current tax liabilities	(2.6)	(1.8)	(1.1)	0.0	(1.0)	(1.0)	(1.0)	(1.0)
Provisions	(0.6)	(1.5)	(1.0)	(0.9)	(1.0)	(1.0)	(1.0)	(1.0)
Other financial liabilities								
Current liabilities	(39.0)	(42.2)	(46.3)	(53.0)	(57.0)	(58.7)	(59.5)	(60.7)
Capital employed	105.2	104.1	105.6	104.8	105.4	110.3	117.5	130.3
Bank borrowings	(5.0)	(5.0)	(5.0)	(7.0)	(7.0)	(7.0)	(7.0)	(7.0)
Lease liabilities	(5.8)	(4.6)	(6.7)	(9.6)	(7.2)	(7.2)	(7.2)	(7.2)
Deferred tax liabilities	(5.5)	(8.0)	(7.4)	(7.0)	(6.5)	(6.5)	(6.5)	(6.5)
Provisions	(2.6)	(2.0)	(2.1)	(2.9)	(2.7)	(2.7)	(2.7)	(2.7)
Trade and other payables								
Other financial liabilities								
Non-current liabilities	(19.0)	(19.6)	(21.2)	(26.4)	(23.4)	(23.4)	(23.4)	(23.4)
Net assets	86.3	84.5	84.3	78.4	82.0	86.9	94.1	106.9
Shareholders' funds	86.3	84.5	84.3	78.4	82.0	86.9	94.1	106.9

Source: Company data, Equity Development

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