

16 September 2025

## 5\* Momentum

AO's 1H26 trading update yesterday has once again proven the power of its 5\* customer service focussed business model. Group revenue is expected to increase 13%, with B2C Retail revenues +11%, and FY26E Adj. PBT is anticipated to be at the upper end of the previous guidance range (now £45m-£50m). Moreover with c.£70m net cash at the half year end, AO is launching its first £10m share buyback. In this report we review AO's attractive investment case and raise our cal 2026 Adj. PBT by 5%, Adj. EPS by 6% and our fair value by c.7% from 150p to 160p. Hence, even though the stock has recovered some its summer weakness with a rise back to 95p, it is still materially below our fair value.

### 1H26 B2C retail revenues rise 11%; Trustpilot reviews confirm 5\* service

AO has confirmed that the good momentum it saw in its FY25 results has continued into 1H26 with expected revenue growth of 13% (including the acquisition of musicMagpie) and B2C Retail revenues +11%. Management mentions that its Five Star membership programme continues to go from strength to strength whilst our September Trustpilot review comparison shows AO maintaining its extremely high 4.9/5 \* rating with over 750,000 5\* customer reviews.

### FY26E Adj. PBT range narrowed from £40m-£50m to £45m-£50m

As we discussed in "[Undervalued 5\\* power](#)", in FY26E AO faces c.£8m of national insurance headwinds and the consolidation of c.£6m annual losses at musicMagpie whilst also working on a solution for losses in its mobile business, yet its core business is strong and hence management is refining its Adj. PBT guidance to the upper end of its range. As a result, we raise our FY26E Adj. PBT 5% from £45.2m to £47.5m.

### £10m share buyback launched; Fair Value raised from 150p to 160p

With c.£70m cash at 30 September and an undrawn £120m RCF, along with significant free cashflow generation, AO has announced its first ever share buyback of £10m. Trading on only c.13x cal 2026 PER and over an 8% FCF yield, we believe AO is significantly underrated for its growth prospects. We raise our fair value to 160p, equivalent to a cal 2026 FCF yield of c.5%.

#### Company data

EPIC	LSE: AO
Price (last close)	95p
52 weeks Hi/Lo	114p/83p
Market cap	£535m
ED Fair Value / share	160p
Net cash / (debt) 2025A	£(36)m
Avg. daily volume (3m)	441k

#### Share price, p



Source: Investing.com

#### Description

Founded in 2000 by CEO John Roberts, AO World ("AO") has grown to be the leading online retailer of major domestic appliances ("MDA") such as washing machines and fridges with 16% market share. The company also sells a wide variety of small domestic appliances ("SDA"), televisions ("AV"), mobile phones, consumer electricals and laptops. With a focus on brilliant service and two-person delivery, installation and recycling, the group has received over 750,000 Trustpilot reviews with an impressively high average score of 4.9/5. The group has also invested in its own recycling centre ensuring customers' electronic waste is dealt with responsibly.

#### Next event

1H26 Interim results 25<sup>th</sup> Nov

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#### Key financials & valuation metrics

Year to 31 Mar (£m)	2024A	2025A	2026E	2027E	2028E
Revenue	1,039.4	1,137.6	1,284.5	1,408.2	1,561.0
Revenue growth (%)	-8.7	9.4	12.9	9.6	10.9
Adj. PBT	34.4	43.5	47.5	61.5	76.6
Adj. PBT margin (%)	3.3	3.8	3.7	4.4	4.9
Adj. diluted EPS (p)	4.1	5.3	5.8	7.6	9.5
Adj. EPS growth (%)	111	27	11	31	25
Free cashflow*	31.8	23.2	39.5	49.5	60.3
Net cash / (debt) ^ /Adj. EBITDA (x)	(0.5)	(0.5)	(0.1)	0.3	0.8
EV / Sales (x, calendarised)		0.5	0.4	0.4	
EV / Adj. EBITDA (x, calendarised)		7.8	6.6	5.6	
PER (x, calendarised)		16.7	13.3	10.6	
Free cashflow* yield (% , calendarised)		6.3	8.3	10.2	

\* pre-acquisitions; ^ including leases; Source: Company data, Equity Development, Priced as at 15/9/25

## AO World: Investment Attractions Overview

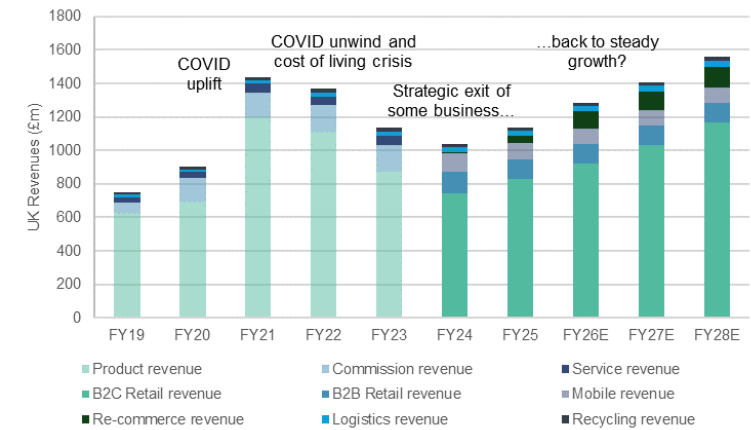
Investment Highlights	Risk Factors
<ul style="list-style-type: none"> <li>• An excellent track record of UK revenue growth: 21% CAGR FY11-FY20 (pre-COVID); 12% B2C Retail revenue growth in FY25 and 11% in 1H26.</li> <li>• 5m additional customers shopped during COVID, experiencing AO's excellent customer service and total UK customer base is now c.12.6m (650k new customers in FY25).</li> <li>• Over 840,000 Trustpilot reviews (as at mid-September) with an impressively high average score of 4.9/5, the highest in the sector.</li> <li>• Plenty of scope to increase both major domestic appliances ("MDA") market share of 15% and market share in the wider £28bn Electricals market.</li> <li>• "Pivot to profit" strategy successful with FY25 LFL Adj. PBT margin of 4.1%.</li> <li>• An experienced, founder-led, management team that has been with the business through both high growth years and more challenging times.</li> </ul>	<ul style="list-style-type: none"> <li>• Macro-economic pressures on disposable income.</li> <li>• Irrational competitive pricing behaviour.</li> <li>• Cost inflation, particularly wage inflation, impacting margin expansion potential.</li> <li>• Supply chain disruption.</li> </ul>
Forecast Drivers	Valuation Overview
<ul style="list-style-type: none"> <li>• A more favourable macro-economic backdrop of improving UK consumer confidence (-17 in August 2025), increasing mortgage approvals (65k in July 2025, +3%) and lower interest rates (4.0% in August 2025), albeit inflation is still high at 4.2% (July 2025).</li> <li>• Increasing repeat AO customers, continuing the trend of the past decade, as AO extends its wider electricals product range and more customers join AO's Five Star membership club.</li> <li>• We assume revenue CAGR of 11% FY26E-FY28E.</li> <li>• Operating leverage of fixed costs driving, and synergies at musicMagpie driving a c.70% increase in Adj. PBT to £77m in FY28E, an Adj. PBT margin of 4.9%, below management's medium-term ambition of 5%.</li> <li>• Improving profitability and low capex requirements driving c.£150m of cumulative free cashflow (FY26E-FY28E).</li> </ul>	<ul style="list-style-type: none"> <li>• Trading on only 0.4x EV/Sales, 6.6x EV/EBITDA and c.13x PER (our forecasts, all Calendar 2026E – "Cal 26E").</li> <li>• Offers higher 2-year revenue and profit growth than most peers (on our forecasts) and a strong balance sheet with financial net cash of c.£25m (FY25).</li> <li>• The undrawn revolving credit facility of £120m was recently extended (from £80m) with existing lenders until October 2028, providing plenty of liquidity.</li> <li>• Our blue-sky scenario, modelling the upper end of management's medium-term ambition of 10%-20% CAGR in Revenues and a 5.7% Adj. PBT margin in FY28E, suggests PBT could exceed £110m by FY28E (&gt;50% above our forecast).</li> <li>• Our Fair Value of 160p equates to a 5% cal 2026 FCF yield, equivalent to c.11x cal 2026 EV/EBITDA and c.22x cal 2026 PER, c.1x our EPS CAGR FY25-FY28E.</li> </ul>

## 1H26 trading momentum: execution of strategy paying off

### AO back to being a highly efficient growth machine

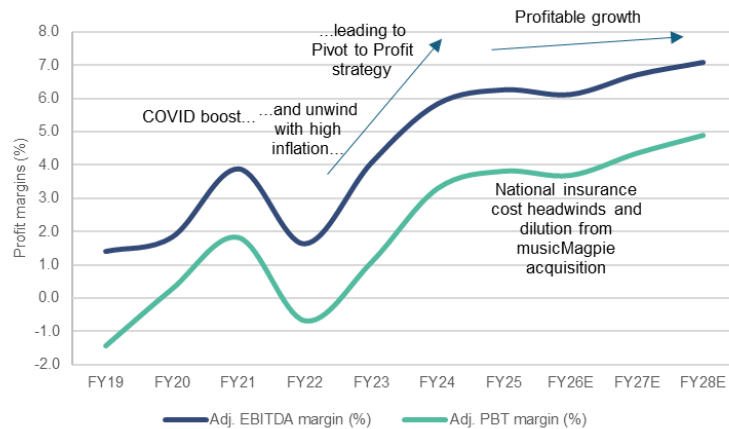
- Over the last five years, AO has dealt with the operational challenges of 60% sales growth during COVID and the subsequent unwind of supernormal growth, global supply chain disruption, abnormally high inflation in fuel, freight and wages, and a cost-of living crisis.
- AO has emerged a stronger, leaner business having exited its loss-making German operations and reset some of its UK unit economics through price increases, delivery charges, changing the delivery infrastructure for smaller goods and exiting some loss-making lines and trials.
- As a result, AO has returned to profitable revenue growth with 13% group revenue growth in 1H26, including 11% B2C Retail revenue growth (following on from 9% revenue growth in FY25).

### AO back in growth with 12% B2C Retail growth in FY25...



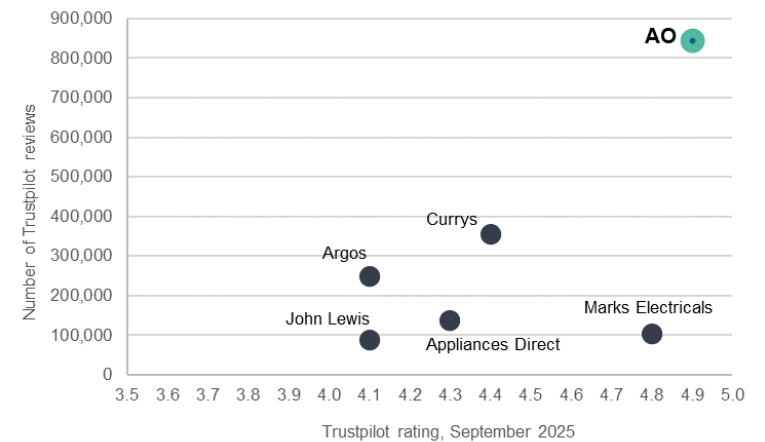
Source: Company data (note change in segmentation), Equity Development

### ... leading to a recovery in Group profit margins



Source: Company data, Equity Development

### Rated Excellent and given 5\* by over 750,000 customers



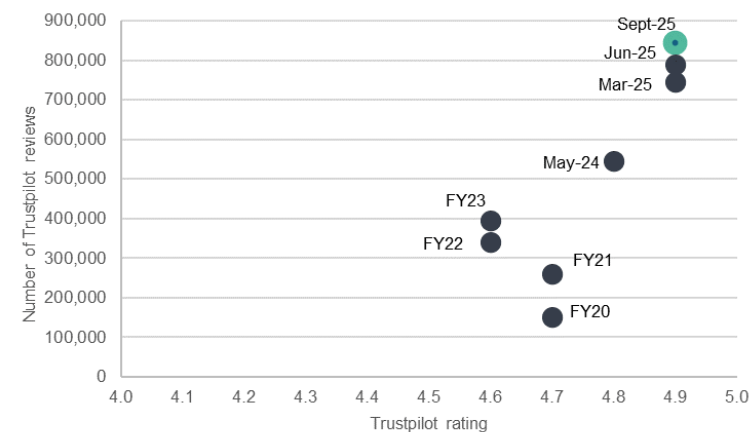
Source: Trustpilot, Equity Development

## Continued focus on excellent customer service attracts new and loyal customers

### What does customer service mean to AO?

- AO has customer values that it has lived by for 25 years, such as: “treat everyone like your Gran”; “do the right thing...always with an AO smile”; and “make decisions that would make your mum proud”.
- AO also has operational values such as: be creative and “have a growth mindset”; look for opportunities to do things better or differently; and take action, operate at speed and learn from your mistakes.
- That AO has not only maintained its very high Trustpilot rating, exceeding competitors, but improved it from FY20, as the number of reviews has increased five-fold from 150,000, is testament to the deep service culture, modelled by senior management. For our detailed analysis of AO’s service, delivery and recycling offer see our report: [“Ready to grow, let’s go”](#).

### AO’s Trustpilot reviews remain high as business scales up



Source: Trustpilot, Equity Development

### The AO Five Star membership offer...

#### Want to save £100s?

Become an AO Five Star member.



#### Free & unlimited delivery

Including next day where available. Totally free with no minimum order value, for a whole year. And for a little extra, you can add-on timeslots.



#### Member-only savings

Enjoy discounted prices across our product range and receive exclusive star deals handedpick every Wednesday.



#### Free Remove & Recycle

Save yourself a trip to the tip. We'll take away and recycle your old appliance when we deliver your new one.

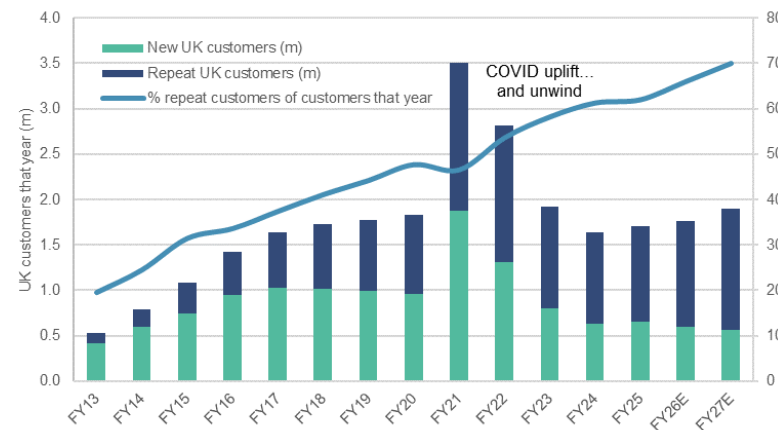


#### 100-day returns

Members get more time to decide. Changed your mind? Returns are easy-peasy.

Source: Company website

### ...helps to build a loyal, repeat customer base



Source: Company data, Equity Development

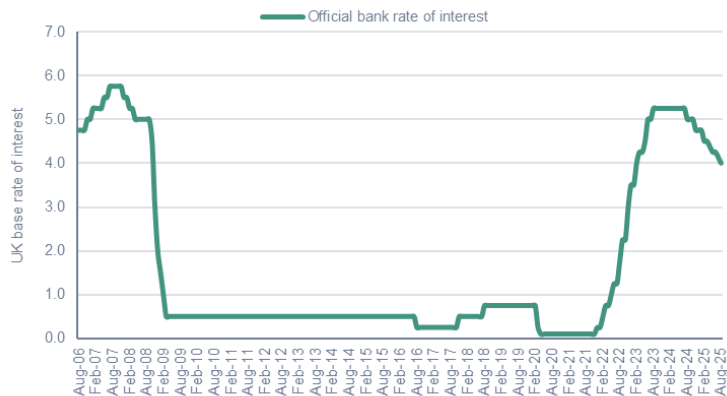
## AO ready to leverage an economic recovery

### A more positive medium-term macro outlook?

- Although c.65% of AO’s sales are considered “distressed purchases” (i.e. replacement for broken machines), these are large items and consumers can trade down as well as up. Meanwhile c.35% of sales are more discretionary.
- UK consumer confidence and major purchase intentions have recovered since 2022 lows and whilst both measures dipped earlier in 2025, confidence returned in May. Whilst the inflationary impacts of the 2024 Autumn Budget have led CPI to increase to 3.8% in July 2025, the Bank of England base interest rate has been cut to 4.0% in August 2025.
- Consensus economic forecasts are for the base rate to be cut to 3.75% by 4Q25 and 3.5% by 4Q26. This bodes well but we would caution on any rise in unemployment (4.7% in September), which may lead confidence to fall.

Source: HM Treasury, Equity Development

### UK interest rates on their way down (4Q25 est 3.75%)



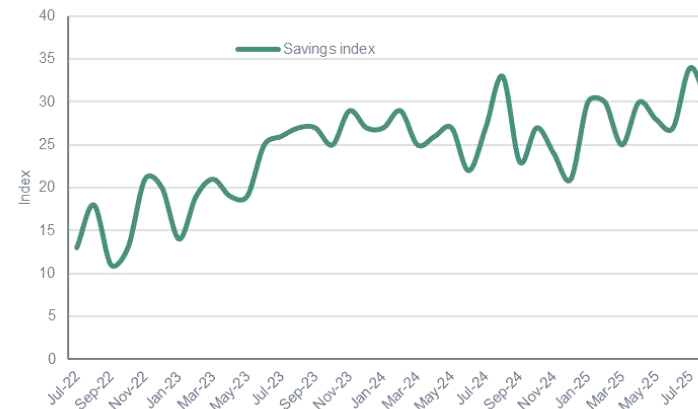
Source: Bank of England, ED analysis

### UK consumer confidence and major purchase intentions up



Source: GfK UK Consumer Confidence Barometer, powered by NIM, ED analysis

### Savings rates elevated implying spending power



Source: GfK UK Consumer Confidence Barometer, powered by NIM, ED analysis

## 5%-6% uplift in profit estimates for FY26E and beyond

### FY26E guidance for revenue growth and Adj. PBT of £45m-£50m; medium term ambition for over 5% Adj. PBT margin

- We forecast £47.5m Adj. PBT in FY26E being c.£50m for the core business (after c.£8m cost headwinds) and a c.£3m loss from musicMagpie.
- We forecast £61.6m Adj. PBT in FY27E being c.£62m for the core business and a break-even, neutral impact from musicMagpie.
- The mobile business is a current drag on group profitability, but AO has outlined several strategic actions and a commitment to not “fund material losses going forward”.
- We forecast the up to £10m share buyback lifts Adj. EPS a further 1%-2%.

#### Changes to group forecasts

	2025A	New forecasts			Old forecasts			% change		
		2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Year-end 31 Jan (£m)										
Group Revenue	1,138	1,285	1,408	1,561	1,294	1,419	1,573	(0.8)	(0.8)	(0.8)
<i>Revenue growth (%)</i>	9.4	12.9	9.6	10.9	13.8	9.6	10.9			
Adj. EBITDA	71.1	78.5	94.4	110.4	76.2	91.9	107.8	3.0	2.7	2.5
Adj. EBITDA margin (%)	6.3	6.1	6.7	7.1	5.9	6.5	6.8			
Adj. PBT	43.5	47.5	61.5	76.6	45.2	59.1	74.0	5.1	4.0	3.5
<i>Adj. PBT margin (%)</i>	3.8	3.7	4.4	4.9	3.5	4.2	4.7			
Adjusted diluted EPS (p)	5.3	5.8	7.6	9.5	5.5	7.2	9.0	6.1	5.9	5.4
<i>Adj. EPS growth (%)</i>	27.0	10.6	30.5	24.5	4.3	30.7	25.2			
Capex (incl M&A)	33.5	12.1	13.2	14.7	12.2	13.3	14.8	(1)	(1)	(1)
Free cashflow pre acquisitions	23.2	39.5	49.5	60.3	38.1	47.4	58.2	4	4	4
Net financial (debt) / cash	25.5	56.0	96.5	152.8	59.6	103.0	157.2			
Total net (debt) / cash incl leases	(35.9)	(7.3)	31.2	85.5	(3.8)	37.7	89.8			
Net financial (debt) /cash / Adj. EBITDA (x)	0.4	0.7	1.0	1.4	0.8	1.1	1.5			
Total net (debt) / cash / Adj. EBITDA (x)	-0.5	-0.1	0.3	0.8	0.0	0.4	0.8			

Source: Company data, Equity Development

## Financial forecast tables

Key growth and margin metrics								
Year-end 31 Mar, £m	2021	2022	2023	2024	2025	2026E	2027E	2028E
UK customers cumulative (m)	9.2	10.5	11.3	11.9	12.6	13.2	13.7	14.3
New UK customers (m)	1.9	1.3	0.8	0.6	0.65	0.6	0.6	0.6
Annual customers (m)	3.5	2.8	1.9	1.6	1.7	1.8	1.9	2.2
Repeat UK customers (m)	1.6	1.5	1.1	1.0	1.1	1.2	1.3	1.6
% repeat customers	47	54	58	61	62	66	70	74
% repeat customers of cumulative customer base	22	16	11	9	9	9	10	12
Revenue growth (%)	58.8	-17.6	-16.8	-8.7	9.4	12.9	9.6	10.9
Gross profit growth (%)	64.5	-9.9	-9.5	2.1	13.4	14.1	9.6	10.9
Adj. EBITDA growth (%)	236.0	-65.3	106.3	31.2	17.4	<b>10.4</b>	<b>20.2</b>	<b>17.0</b>
Adj. Operating profit (%)	-2200.5	-115.5	-375.8	112.3	21.5	12.8	30.2	23.1
Adj. PBT growth (%)	913.7	-130.3	-233.7	179.7	26.6	9.2	29.3	24.5
Adj. EPS growth (%)			-577.5	110.8	27.0	<b>10.6</b>	<b>30.5</b>	<b>24.5</b>
Gross profit margin (%)	17.6	19.3	20.9	23.4	23.4	<b>24.5</b>	<b>24.5</b>	<b>24.5</b>
Adj. EBITDA margin (%)	3.9	1.6	4.1	5.8	5.8	<b>6.1</b>	<b>6.7</b>	<b>7.1</b>
Adj. Operating margin (%)	2.4	-0.5	1.5	3.5	3.5	3.9	4.6	5.1
Adj. PBT margin (%)	1.8	-0.7	1.1	3.3	3.3	<b>3.7</b>	<b>4.4</b>	<b>4.9</b>
Marketing costs / sales (%)	3.0	3.4	3.3	3.9	3.9	3.9	3.9	3.9
Warehousing / sales (%)	3.9	5.1	5.3	5.0	5.5	5.7	5.7	5.7
Admin / sales (%)	8.0	11.4	10.9	11.1	11.0	11.1	10.4	9.9
Op. costs incl D&A /sales (%)	15.9	19.9	19.9	20.0	22.4	20.6	19.9	19.4
Op costs excl D&A /sales (%)	13.8	17.7	16.9	17.7	18.0	18.4	17.8	17.4

Source: Company data, Equity Development

Income statement: Revenue to operating profit								
Year-end 31 Mar, £m	2021	2022	2023	2024	2025	2026E	2027E	2028E
Group revenue	1660.9	1,368.3	1,138.6	1,039.3	1,137.6	1,284.5	1,408.2	1,561.0
Cost of sales	(1,368.4)	(1,104.9)	(900.3)	(796.0)	(855.4)	(969.6)	(1,062.9)	(1,178.2)
Gross profit	292.5	263.4	238.3	243.3	276.1	315.0	345.3	382.8
Other income	0.8	1.8	0.7	0.6	0.1			
Marketing expenses	(50.4)	(46.1)	(38.0)	(40.5)	(44.4)	(50.1)	(55.0)	(60.9)
Warehousing expenses	(65.6)	(69.6)	(59.8)	(52.2)	(62.0)	(72.6)	(79.6)	(88.2)
Research & development	(15.4)							
Admin costs	(132.2)	(156.1)	(124.1)	(115.0)	(125.7)	(142.5)	(146.0)	(153.9)
Adjusting items		(0.9)	(4.5)		(22.9)			
Total operating expenses	(263.6)	(272.7)	(226.4)	(207.7)	(255.0)	(265.2)	(280.5)	(303.0)
Add back D&A	24.6	28.6	29.1	24.2	27.0	28.8	29.6	30.7
Add back Adjusting items	10.3	1.3	4.5	0.0	22.9	0.0	0.0	0.0
Operating costs, Adj. ex D&A	(228.7)	(242.8)	(192.8)	(183.5)	(205.1)	(236.5)	(250.9)	(272.4)
Adj. EBITDA	64.5	22.4	46.2	60.4	71.1	78.5	94.4	110.4
Depreciation of PPE	(7.6)	(8.1)	(8.5)	(5.9)	(6.6)	(8.9)	(10.0)	(11.0)
Depreciation of ROUA	(14.2)	(16.7)	(18.0)	(16.0)	(18.0)	(16.5)	(17.1)	(17.8)
Amortisation	(2.8)	(3.8)	(2.6)	(2.4)	(2.4)	(3.3)	(2.5)	(1.9)
Depreciation & amortisation	(24.6)	(28.6)	(29.1)	(24.2)	(27.0)	(28.8)	(29.6)	(30.7)
Adj. Operating profit	39.9	(6.2)	17.1	36.2	44.1	49.8	64.8	79.7

Source: Company data, Equity Development

**Income statement: Operating profit to EPS**

Year-end 31 Mar, £m	2021	2022	2023	2024	2025	2026E	2027E	2028E
Adj. Operating profit	39.9	(6.2)	17.1	36.2	44.1	49.8	64.8	79.7
Interest on financial debt	(9.8)	(0.6)	(2.3)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)
Interest on lease liabilities	(4.0)	(4.3)	(4.2)	(3.8)	(3.1)	(2.7)	(2.8)	(2.9)
Other finance costs		(0.7)	(1.2)	(1.7)	(2.0)	(2.0)	(2.0)	(2.0)
Interest receivable & other	4.3	2.6	2.9	4.5	4.8	2.7	1.7	2.0
Finance costs	(9.5)	(3.0)	(4.8)	(1.9)	(0.6)	(2.2)	(3.3)	(3.2)
Adj. PBT	30.4	(9.2)	12.3	34.3	43.5	47.5	61.5	76.6
Exceptional costs	(10.3)	(1.3)	(4.5)		(22.9)			
PBT	20.1	(10.5)	7.8	43.0	20.6	47.5	61.5	76.6
Tax	(3.1)	7.2	(1.2)	(10.7)	(10.9)	(13.3)	(17.2)	(21.4)
Adj. PAT	27.3	(2.0)	11.1	24.7	31.2	34.2	44.3	55.1
Reported PAT	17.0	-3.3	6.6	24.7	9.7	34.2	44.3	55.1
No of f/d shares (m)	482.0	485.6	564.5	598.2	593.3	588.0	582.7	582.7
Adjusted diluted EPS (p)	5.7	-0.4	2.0	4.1	5.3	5.8	7.6	9.5
DPS (p)	0	0	0	0	0	0	0	0

Source: Company data, Equity Development

<b>Cashflow statement</b>								
<b>Year-end 31 Mar, £m</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Adj. EBITDA	64.6	8.5	46.2	60.4	71.1	78.5	94.4	110.4
Add back SBP charge	3.3	5.8	5.3	6.7	7.3	8.1	9.7	11.3
Change in inventories	(67.6)	41.2	9.0	(6.4)	(4.2)	(11.1)	(9.6)	(11.8)
Change in trade receivables	(35.9)	(8.3)	14.7	28.8	18.3	(13.2)	(11.1)	(13.8)
Change in trade payables	162.0	(101.8)	(43.0)	(25.6)	(23.5)	21.4	17.0	21.3
Change in provisions	0.9	0.6	2.7	(0.6)	0.4	0.0	0.0	0.0
Working capital movement	59.4	(68.3)	(16.6)	(3.8)	(9.0)	(3.0)	(3.7)	(4.4)
Exceptionals (cash)	(10.3)	(0.3)			(2.1)			
Tax paid	(2.4)	1.7	2.2	(1.2)	(9.3)	(13.3)	(17.2)	(21.4)
Net cash from operating activities (pre leases)	114.6	(52.6)	37.1	60.7	58.0	70.3	83.1	95.9
Net financial interest paid	(2.3)	(1.6)	(3.5)	(2.4)	(1.3)	0.5	(0.5)	(0.3)
Interest paid on lease liabilities	(4.0)	(4.8)	(4.2)	(3.8)	(3.4)	(2.7)	(2.8)	(2.9)
Lease payments (principal)	(17.6)	(24.3)	(17.7)	(18.4)	(21.2)	(16.5)	(17.1)	(17.8)
Capex	(6.3)	(8.6)	(2.1)	(5.9)	(8.9)	(12.1)	(13.2)	(14.7)
M&A	(2.8)	(1.0)	(0.1)	(2.4)	(24.7)			
Disposals			0.1		0.1			
Capex	(9.1)	(9.6)	(2.1)	(8.3)	(33.5)	(12.1)	(13.2)	(14.7)
Discontinued ops cashflow			(7.6)	(0.1)	(0.1)			
Free cashflow	81.6	(92.9)	2.0	29.2	(1.4)	39.5	49.5	60.3
Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share buybacks / equity issues	0.6	0.1	39.1	0.3	(11.1)	(9.0)	(9.0)	(4.0)
Other	(0.1)		(2.5)					
Net cashflow	82.1	(92.8)	38.6	29.5	(12.5)	30.5	40.5	56.3

Source: Company data, Equity Development

Net debt metrics								
Year-end 31 Mar, £m	2021	2022	2023	2024	2025	2026E	2027E	2028E
Gross financial debt	0.0	(45.0)	(10.0)	(2.1)	(1.9)	(1.9)	(1.9)	(1.9)
Net cash	67.1	19.5	19.1	40.1	27.4	57.9	98.4	154.7
Net financial (debt) / cash	67.1	(25.5)	9.1	38.0	25.5	56.0	96.5	152.8
Leases	(95.3)	(108.6)	(85.3)	(68.8)	(61.4)	(63.3)	(65.3)	(67.4)
Net (debt) / cash incl leases	(28.2)	(134.1)	(76.2)	(30.8)	(35.9)	(7.3)	31.2	85.5
Net financial (debt) /cash / Adj. EBITDA (x)	1.0	(1.1)	0.2	0.6	0.4	0.7	1.0	1.4
Total net (debt) / cash / Adj. EBITDA (x)	(0.4)	(6.0)	(1.6)	(0.5)	(0.5)	(0.1)	0.3	0.8

Source: Company data, Equity Development

Balance sheet: Assets								
Year-end 31 Mar, £m	2021	2022	2023	2024	2025	2026E	2027E	2028E
Property, plant and equipment	32.8	32.7	20.9	20.1	27.1	30.2	33.5	37.1
Right of use assets	74.3	86.6	69.4	56.2	51.6	53.5	55.5	57.6
Intangible assets (Goodwill)	28.2	28.2	28.2	28.2	25.6	25.6	25.6	25.6
Other intangible assets	15.6	12.2	9.6	9.6	13.2	9.9	7.4	5.6
Other financial assets				0.0	0.0	0.0	0.0	0.0
Trade and other receivables	85.3	92.4	93.3	90.0	88.5	88.5	88.5	88.5
Deferred tax assets	5.6	9.0	8.3	2.9	2.2	2.2	2.2	2.2
Non-current assets	241.8	261.1	229.7	207.1	208.2	209.9	212.7	216.5
Inventories	139.6	97.0	73.1	79.5	88.5	99.6	109.2	121.0
Trade and other receivables	166.2	169.7	137.8	115.1	102.5	115.7	126.9	140.7
Current tax assets	1.0	1.9	0.6	0.0	0.0	0.0	0.0	0.0
Cash & cash equivalents	67.1	19.5	19.1	40.1	27.4	57.9	98.4	154.7
Current assets	373.9	288.1	230.6	234.7	218.4	273.2	334.5	416.4

Source: Company data, Equity Development

<b>Balance sheet: Liabilities</b>								
<b>Year-end 31 Mar, £m</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Bank overdraft & s/t loans	0.0	(45.0)	(10.0)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Trade payables and other liabilities	(411.4)	(313.9)	(249.5)	(225.6)	(207.7)	(229.1)	(246.1)	(267.4)
Lease liabilities	(21.4)	(20.3)	(17.8)	(16.9)	(18.5)	(18.5)	(18.5)	(18.5)
Other tax liabilities				(0.6)	(0.7)	(0.7)	(0.7)	(0.7)
Provisions	(0.1)	(0.4)	(1.2)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)
Other financial liabilities								
<b>Current liabilities</b>	<b>(432.9)</b>	<b>(379.6)</b>	<b>(278.5)</b>	<b>(243.9)</b>	<b>(227.6)</b>	<b>(249.0)</b>	<b>(266.0)</b>	<b>(287.3)</b>
Capital employed	182.8	169.6	181.8	197.9	199.0	234.2	281.2	345.7
Bank borrowings				(1.9)	(1.7)	(1.7)	(1.7)	(1.7)
Lease liabilities	(73.9)	(88.3)	(67.5)	(51.9)	(42.9)	(44.8)	(46.8)	(48.9)
Deferred tax liabilities	(2.3)	0.0		0.0	0.0	0.0	0.0	0.0
Provisions	(2.3)	(2.5)	(3.8)	(3.9)	(4.7)	(4.7)	(4.7)	(4.7)
Trade and other payables	(7.9)	(6.4)	(4.8)	(2.5)	(5.2)	(5.2)	(5.2)	(5.2)
Other financial liabilities								
<b>Non-current liabilities</b>	<b>(86.4)</b>	<b>(97.2)</b>	<b>(76.1)</b>	<b>(60.1)</b>	<b>(54.5)</b>	<b>(56.4)</b>	<b>(58.4)</b>	<b>(60.5)</b>
Net assets	96.4	72.4	105.7	137.8	144.5	177.8	222.7	285.2
Shareholders' funds	96.4	72.4	105.7	137.8	144.5	177.8	222.7	285.2

Source: Company data, Equity Development

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