

13 May 2026

## Increased focus on driving UK/European potential

**In a strategic update, Norcros is proposing to exit trading in South Africa by exploring options to sell its operations there in the next twelve months. This would increase the company's focus on UK/European market development in its core bathroom products segments.**

**Norcros' South African operations** generated £99.4m revenue and £6.7m EBIT pre-central costs in FY25 (Rand equivalents c. ZAR 2,325 and c. ZAR 157 respectively). Adding back local depreciation charges suggests EBITDA c.£8m for the period. End FY25 segment net assets (ex the closed Johnson Tiles SA business) were c.£30m-35m - including c.£6.5m goodwill) inferring that an exit multiple of c.4x EBITDA would generate proceeds broadly in line with net assets. The operations comprise a significant bathroom retailer (Tile Africa, 50%+ sales), trade-oriented House of Plumbing (c.25%) and a leading tile adhesive business (TAL, c.20%) under strong, autonomous leadership team. Together they offer a number of related segment exposures to a prospective buyer noting that there is already concentration in the overall market. In its FY26 pre-close statement, management noted that Norcros SA revenue was modestly ahead y-o-y (+0.3% in local FX).

**What does the Norcros SA exit means for the ongoing business** is a key question. Having broadened product, segment and geographic exposure in the core bathrooms market in the UK and, latterly, Europe (via Fibo) we would expect future M&A to follow a similar path. End FY26 net debt of £67m (c.1.2x leverage) is likely to be significantly lower following the SA disposal in our view. In the context of a £150m RCF to 2029 (with options to extend, plus a £70m accordion) and relatively low fixed capital requirements we consider that the company is in a strong position to accelerate expansionary ambitions subject to the right M&A opportunities arising. The company's track record is strong in this regard; the application of disposal proceeds to replace SA earnings/increase group profit potential overall in due course will be a critical future value driver.

**Valuation:** At this early stage in the potential sale process, we are not speculating on the full financial implications of transactions. Even before acquisitions, we would expect any dilutive impact of the exited SA profitability to be partly mitigated by associated reductions in net interest costs and possible central cost allocation adjustments. Over the coming 12-24 months, we would expect to see a re-rating in Norcros' valuation with some initial dilution effects being superseded by enhanced group profitability and prospects including M&A. **For now, our estimates and Fair Value of 397p / share (36% above the current share price) remain unchanged.**

### Company Data

EPIC	NXR
Price	292p
52 weeks Hi/Lo	374p/224p
Market cap	£263m
ED Fair Value / share	397p
Net debt	c.£67m
End FY26, pre IFRS 16	
Avg. daily volume	132k

### Share Price, p



Source: Investing.com

### Description

Norcros is the leading designer and supplier of branded mid/premium bathroom products in its UK/Ireland, Scandinavian, South African and selected export markets.

The portfolio of operating companies (6 UK, 1 Norway, 3 South Africa) is characterised by category-leading individual brands, product breadth and B2B channel diversity from a strong supply chain base.

### Next events

FY 26 results – 11 June 2026

### Summary financials

Year to March (£m)	2024	2025	2026E	2027E	2028E
Revenue	392.1	368.1	389.2	429.2	449.6
EBITDA - ED*	46.6	46.4	52.8	60.2	62.3
Pre-Tax Profit - company norm	36.4	36.5	39.9	45.4	47.7
EPS FD - company norm (p)	32.1	32.4	35.2	39.9	41.9
DPS (p)	10.2	10.4	11.0	11.2	11.6
Net cash / (debt) pre-IFRS16 basis	(37.3)	(36.8)	(75.1)	(64.7)	(48.0)
P/E (x)	9.1	9.0	8.3	7.3	7.0
EV/EBITDA* (x)	6.4	6.4	6.4	5.4	5.0
Dividend yield (%)	3.5%	3.6%	3.8%	3.8%	3.9%

Source: Company, Equity Development. \*pre-IFRS16, before pension cash

### Toby Thorrington (Analyst)

0207 065 2690  
[toby@equitydevelopment.co.uk](mailto:toby@equitydevelopment.co.uk)

### Andy Edmond

0207 065 2691  
[andy@equitydevelopment.co.uk](mailto:andy@equitydevelopment.co.uk)

**Norcross: Income Statement**

Year end: March	£m	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
			IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
<b>Revenue</b>		<b>331.0</b>	<b>342.0</b>	<b>324.2</b>	<b>396.3</b>	<b>441.0</b>	<b>392.1</b>	<b>368.1</b>	<b>389.2</b>	<b>439.2</b>	<b>449.6</b>
Gross Profit		124.2	124.5	118.4	140.8	169.3	165.0	159.9	167.4	188.9	193.3
<b>EBITDA - pre IFRS16 &amp; SBP</b>		<b>42.5</b>	<b>39.0</b>	<b>40.1</b>	<b>48.1</b>	<b>53.5</b>	<b>48.4</b>	<b>48.2</b>	<b>54.6</b>	<b>62.0</b>	<b>64.1</b>
<b>EBITDA - company</b>		<b>41.3</b>	<b>38.6</b>	<b>37.9</b>	<b>45.4</b>	<b>50.5</b>	<b>45.7</b>	<b>46.1</b>	<b>51.8</b>	<b>59.2</b>	<b>61.3</b>
<b>EBIT - company norm</b>		<b>34.4</b>	<b>32.3</b>	<b>33.7</b>	<b>41.8</b>	<b>47.3</b>	<b>43.2</b>	<b>43.2</b>	<b>48.2</b>	<b>55.4</b>	<b>57.3</b>
Net Bank Interest		(1.8)	(1.6)	(1.5)	(0.8)	(3.7)	(5.2)	(5.0)	(6.5)	(8.1)	(7.7)
IFRS16 Interest		0.0	(1.9)	(1.7)	(1.7)	(1.8)	(1.6)	(1.7)	(1.8)	(1.9)	(1.9)
Other financial		(1.7)	(1.7)	(1.6)	(1.9)	(2.5)	(1.8)	(1.4)	(2.2)	(2.0)	(2.0)
<b>Profit Before Tax (ED norm)*</b>		<b>30.9</b>	<b>27.1</b>	<b>29.0</b>	<b>37.4</b>	<b>39.3</b>	<b>34.6</b>	<b>35.1</b>	<b>37.7</b>	<b>43.4</b>	<b>45.7</b>
<b>Profit Before Tax (company norm)</b>		<b>32.6</b>	<b>28.8</b>	<b>30.6</b>	<b>39.3</b>	<b>41.8</b>	<b>36.4</b>	<b>36.5</b>	<b>39.9</b>	<b>45.4</b>	<b>47.7</b>
Intangible Amortisation		(3.5)	(3.7)	(3.7)	(3.7)	(6.2)	(6.5)	(6.5)	(6.5)	(6.5)	(6.5)
Other Non-Underlying Items		(4.3)	(9.3)	(3.8)	(0.2)	(12.0)	2.7	(28.0)	(7.2)	(5.5)	(2.0)
<b>Profit Before Tax (reported)</b>		<b>25.4</b>	<b>15.0</b>	<b>18.5</b>	<b>33.0</b>	<b>21.7</b>	<b>32.6</b>	<b>2.0</b>	<b>26.2</b>	<b>33.4</b>	<b>39.2</b>
Tax		(6.0)	(4.1)	(3.5)	(7.3)	(4.9)	(5.8)	1.5	(5.5)	(9.5)	(10.1)
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	(9.0)	0.0	0.0
<b>Profit After Tax (reported)</b>		<b>19.4</b>	<b>10.9</b>	<b>15.0</b>	<b>25.7</b>	<b>16.8</b>	<b>26.8</b>	<b>3.5</b>	<b>11.7</b>	<b>23.8</b>	<b>29.2</b>
<b>EPS FD - ED norm (p)</b>		<b>29.6</b>	<b>26.1</b>	<b>29.6</b>	<b>35.9</b>	<b>34.6</b>	<b>30.1</b>	<b>30.9</b>	<b>22.7</b>	<b>37.7</b>	<b>39.7</b>
<b>EPS FD - company norm (p)</b>		<b>31.7</b>	<b>28.2</b>	<b>31.1</b>	<b>38.2</b>	<b>37.4</b>	<b>32.1</b>	<b>32.4</b>	<b>35.2</b>	<b>39.9</b>	<b>41.9</b>
<b>EPS FD - reported (p)</b>		<b>23.9</b>	<b>13.5</b>	<b>18.6</b>	<b>31.2</b>	<b>18.8</b>	<b>29.8</b>	<b>3.9</b>	<b>13.1</b>	<b>26.5</b>	<b>32.5</b>
<b>Dividend per share (p)</b>		<b>8.4</b>	<b>3.1</b>	<b>8.2</b>	<b>10.0</b>	<b>10.2</b>	<b>10.2</b>	<b>10.4</b>	<b>11.0</b>	<b>11.2</b>	<b>11.5</b>
<b>Shares - Avge (m)</b>		<b>80.2</b>	<b>80.3</b>	<b>80.6</b>	<b>80.9</b>	<b>88.1</b>	<b>89.0</b>	<b>89.5</b>	<b>89.4</b>	<b>89.4</b>	<b>89.4</b>
<b>Shares - Period End (m)</b>		<b>80.9</b>	<b>80.6</b>	<b>80.8</b>	<b>81.0</b>	<b>89.3</b>	<b>89.6</b>	<b>89.8</b>	<b>89.9</b>	<b>89.9</b>	<b>89.9</b>
<b>Margins (%)</b>											
<b>Gross Profit</b>		<b>37.5</b>	<b>36.4</b>	<b>36.5</b>	<b>35.5</b>	<b>38.4</b>	<b>42.1</b>	<b>43.4</b>	<b>43.0</b>	<b>43.0</b>	<b>43.0</b>
<b>EBITDA - pre IFRS16 &amp; SBP</b>		<b>12.8</b>	<b>11.4</b>	<b>12.4</b>	<b>12.1</b>	<b>12.1</b>	<b>12.3</b>	<b>13.1</b>	<b>14.0</b>	<b>14.1</b>	<b>14.3</b>
<b>EBITDA - company</b>		<b>12.5</b>	<b>11.3</b>	<b>11.7</b>	<b>11.5</b>	<b>11.5</b>	<b>11.7</b>	<b>12.5</b>	<b>13.3</b>	<b>13.5</b>	<b>13.6</b>
<b>EBIT company norm</b>		<b>10.4</b>	<b>9.4</b>	<b>10.4</b>	<b>10.6</b>	<b>10.7</b>	<b>11.0</b>	<b>11.7</b>	<b>12.4</b>	<b>12.6</b>	<b>12.8</b>

Source: Company, Equity Development (ED). ED norm includes IAS19R administration & other financial costs

**Norcross: Cash Flow Statement**

Year end: March	£m	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
			IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
EBITDA pre IFRS16 & SBP		42.5	39.0	40.1	48.1	53.5	48.4	48.2	54.6	62.0	64.1
Change in working capital		(2.1)	(4.8)	21.8	(23.6)	(13.3)	3.3	(14.0)	(7.8)	(6.9)	(6.8)
Other		(5.1)	0.6	(1.9)	(1.2)	(2.5)	(2.7)	(5.9)	(5.6)	(0.9)	3.7
<b>Operating Cash Flow</b>		<b>35.3</b>	<b>34.8</b>	<b>60.0</b>	<b>23.3</b>	<b>37.7</b>	<b>49.0</b>	<b>28.3</b>	<b>41.2</b>	<b>54.2</b>	<b>61.1</b>
<b>Tax paid</b>		<b>(4.6)</b>	<b>(5.3)</b>	<b>(3.5)</b>	<b>(6.5)</b>	<b>(7.7)</b>	<b>(5.6)</b>	<b>(3.4)</b>	<b>(5.0)</b>	<b>(8.6)</b>	<b>(9.1)</b>
<b>Investing Activities</b>		<b>(7.6)</b>	<b>(14.0)</b>	<b>(2.8)</b>	<b>(5.4)</b>	<b>(84.3)</b>	<b>(7.3)</b>	<b>(3.4)</b>	<b>(51.0)</b>	<b>(9.8)</b>	<b>(9.8)</b>
Income from associates & JVs		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tangible Fixed Assets purchased		(5.6)	(4.8)	(2.8)	(5.4)	(6.0)	(7.3)	(6.9)	(9.5)	(9.8)	(9.8)
Tangible Fixed Assets disposed		0.1	0.0	0.0	0.0	0.0	0.0	3.5	4.5	0.0	0.0
Intangibles		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition consideration		(2.1)	(9.2)	0.0	0.0	(78.3)	0.0	0.0	(46.0)	0.0	0.0
Disposal proceeds		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other business investments		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Financing Activities</b>		<b>(9.3)</b>	<b>(15.1)</b>	<b>(7.2)</b>	<b>(16.2)</b>	<b>(1.2)</b>	<b>(21.8)</b>	<b>(20.8)</b>	<b>(23.7)</b>	<b>(25.5)</b>	<b>(25.5)</b>
Net finance income (cost)		(1.8)	(1.7)	(1.4)	(0.8)	(3.7)	(5.0)	(4.6)	(6.5)	(8.1)	(7.7)
IFRS16 interest		0.0	(1.8)	(1.8)	(1.7)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
IFRS16 lease capital repayments		0.0	(3.8)	(4.3)	(4.7)	(4.6)	(4.9)	(5.1)	(5.1)	(5.1)	(5.1)
Equity Issued		(0.9)	(0.8)	0.3	0.1	18.1	(0.8)	(0.1)	(0.8)	(0.8)	(0.8)
Dividends paid		(6.4)	(7.0)	0.0	(9.1)	(9.2)	(9.1)	(9.2)	(9.5)	(9.7)	(10.1)
Other		(0.2)	0.0	0.0	0.0	0.0	(0.2)	0.0	0.0	0.0	0.0
<b>Net Cash Flow</b>		<b>13.8</b>	<b>0.4</b>	<b>46.5</b>	<b>(4.8)</b>	<b>(55.5)</b>	<b>14.3</b>	<b>0.7</b>	<b>(38.4)</b>	<b>10.4</b>	<b>16.7</b>
<b>Opening cash/(net debt) pre IFRS16</b>		<b>(47.1)</b>	<b>(35.0)</b>	<b>(36.4)</b>	<b>10.5</b>	<b>8.6</b>	<b>(49.9)</b>	<b>(37.3)</b>	<b>(36.8)</b>	<b>(75.1)</b>	<b>(64.7)</b>
<b>Change in Net Cash</b>		<b>13.8</b>	<b>0.4</b>	<b>46.5</b>	<b>(4.8)</b>	<b>(55.5)</b>	<b>14.3</b>	<b>0.7</b>	<b>(38.4)</b>	<b>10.4</b>	<b>16.7</b>
Other		(1.7)	(1.8)	0.4	2.9	(3.0)	(1.7)	(0.2)	0.1	0.0	0.0
<b>Closing cash/(net debt) pre IFRS16</b>		<b>(35.0)</b>	<b>(36.4)</b>	<b>10.5</b>	<b>8.6</b>	<b>(49.9)</b>	<b>(37.3)</b>	<b>(36.8)</b>	<b>(75.1)</b>	<b>(64.7)</b>	<b>(48.0)</b>
<b>IFRS16 lease liabilities</b>			<b>(25.1)</b>	<b>(24.2)</b>	<b>(24.0)</b>	<b>(24.7)</b>	<b>(22.2)</b>	<b>(20.6)</b>	<b>(25.1)</b>	<b>(25.1)</b>	<b>(25.1)</b>

Source: Company, Equity Development

**Norcros: Balance Sheet**

Year end: March	£m	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
			IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
<b>Non-Current Assets</b>		<b>138.0</b>	<b>150.8</b>	<b>141.2</b>	<b>158.8</b>	<b>226.8</b>	<b>224.5</b>	<b>200.2</b>	<b>244.4</b>	<b>245.8</b>	<b>245.8</b>
Intangible Assets		94.9	96.5	93.6	90.3	167.1	161.2	153.5	190.9	184.4	177.9
Tangible Assets - Owned		42.3	29.0	28.0	29.0	24.8	28.1	21.8	26.6	31.0	35.3
Tangible Assets - RoU		0.0	20.6	19.6	19.9	20.0	18.0	16.7	15.3	15.3	15.3
Other Fixed Assets		0.8	4.7	0.0	19.6	14.9	17.2	8.2	11.7	15.1	17.3
<b>Current Assets</b>		<b>169.5</b>	<b>188.7</b>	<b>171.0</b>	<b>200.7</b>	<b>216.2</b>	<b>200.8</b>	<b>187.8</b>	<b>205.5</b>	<b>219.0</b>	<b>242.9</b>
Inventory		79.5	78.9	78.1	100.6	103.9	97.4	88.2	96.1	99.1	101.4
Trade Receivables		57.8	56.1	60.4	66.9	78.7	67.5	64.9	74.7	74.9	79.7
Other Debtors		5.0	6.4	4.2	5.8	4.6	5.1	12.0	6.1	6.1	6.1
Cash		27.2	47.3	28.3	27.4	29.0	30.8	22.7	28.6	39.0	55.7
<b>Current Liabilities</b>		<b>(85.1)</b>	<b>(79.2)</b>	<b>(104.1)</b>	<b>(110.8)</b>	<b>(112.7)</b>	<b>(99.2)</b>	<b>(95.2)</b>	<b>(105.6)</b>	<b>(108.1)</b>	<b>(114.8)</b>
Trade Payables		(44.6)	(41.2)	(49.5)	(56.6)	(50.8)	(45.4)	(48.2)	(58.5)	(54.9)	(55.2)
Other Creditors		(36.7)	(32.7)	(49.2)	(48.5)	(55.8)	(47.5)	(40.5)	(40.5)	(46.7)	(53.0)
IFRS16 Lease Liabilities			(5.2)	(5.4)	(5.7)	(6.1)	(6.3)	(6.5)	(6.6)	(6.6)	(6.6)
Short-term Debt		(3.8)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-Current Liabilities</b>		<b>(96.7)</b>	<b>(155.9)</b>	<b>(59.7)</b>	<b>(48.4)</b>	<b>(119.9)</b>	<b>(103.7)</b>	<b>(84.9)</b>	<b>(133.9)</b>	<b>(132.9)</b>	<b>(131.9)</b>
Long-term Debt		(58.4)	(83.6)	(17.8)	(18.8)	(78.9)	(68.1)	(59.5)	(103.7)	(103.7)	(103.7)
IFRS16 Lease Liabilities			(19.9)	(18.8)	(18.3)	(18.6)	(15.9)	(14.1)	(18.5)	(18.5)	(18.5)
Other Long-term Liabilities		(38.3)	(52.4)	(23.1)	(11.3)	(22.4)	(19.7)	(11.3)	(11.6)	(10.7)	(9.7)
<b>Net Assets</b>		<b>125.7</b>	<b>104.4</b>	<b>148.4</b>	<b>200.3</b>	<b>210.4</b>	<b>222.4</b>	<b>207.9</b>	<b>210.4</b>	<b>223.7</b>	<b>242.0</b>

Source: Company, Equity Development

## Contacts

### Andy Edmond

Direct: 020 7065 2691

Tel: 020 7065 2690

[andy@equitydevelopment.co.uk](mailto:andy@equitydevelopment.co.uk)

### Hannah Crowe

Direct: 0207 065 2692

Tel: 0207 065 2690

[hannah@equitydevelopment.co.uk](mailto:hannah@equitydevelopment.co.uk)

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More information is available on our website [www.equitydevelopment.co.uk](http://www.equitydevelopment.co.uk)

Contact: [info@equitydevelopment.co.uk](mailto:info@equitydevelopment.co.uk) | 020 7065 2690