

4imprint

Trading update

Good performance against a difficult backdrop

4imprint's trading update indicates no change to full year guidance and estimates, despite a challenging trading backdrop of wavering corporate confidence in an unstable economic and political environment. This has affected new customer acquisition more than it has affected transactions by existing customers, which is testament to the quality of the latter group. This in turn is a function of the group's flexible marketing mix, including brand awareness. 4imprint had cash resources of \$137m at end October (lease debt only) and has completed its programme to extend its main distribution centre, which should allow for a meaningful uplift in the dividend.

Year end	Revenue (\$m)	PBT* (\$m)	EPS* (c)	DPS** (c)	P/E (x)	Yield (%)
12/22	1,140	103.7	285.6	160.0	24.5	2.3
12/23	1,327	140.7	377.9	215.0	18.5	3.1
12/24e	1,394	150.0	404.6	240.0	17.3	3.4
12/25e	1,484	159.3	423.3	255.0	16.5	3.6
12/26e	1,580	170.1	451.2	270.0	15.5	3.9

Note: *PBT and EPS (fully diluted) are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **Excluding special dividends.

The combination of high interest rates, political uncertainty, inflation and extreme weather events has undermined confidence within 4imprint's wide-ranging US corporate customer base. This has carried through from H124 and it is too early to say how many of the underlying issues may have been resolved post the elections.

Year-to-date (to end October) order count is up 2%, implying some modest further weakening since the half year in both new and existing customer ordering patterns. Nevertheless, 4imprint has held its gross margins for the 10 months to end October at around 32% (H124: 32.1%) and operating margins remain 'in double digits' (Edison's full year forecast is for 10.3%). The end October cash figure of \$137m is ahead of our year-end projection of \$134m.

Media

12 November 2024

Price **£54.40**

Market cap **£1,532m**

US\$1.29/£

Net cash and short-term deposits at 30 September 2024 \$137m

Shares in issue 28.17m

Free float 97.6%

Code FOUR

Primary exchange LSE

Secondary exchange N/A

Share price performance



Business description

4imprint Group is a leading direct marketer of promotional products in the United States, Canada, the UK and Ireland. In FY23, 98% of revenues were generated in the United States and Canada.

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