

FY21 results: the strategy delivers

17th March 2022

FY21 results reflected the fruits of Mpac's strategic initiatives, underpinned by growth in the US and the *One Mpac* integration process. EBITDA (adj.) grew +42%YoY to £11.2m, which was ahead of our outlook of £10.3m. Order intake crossed the £100m mark for the first time.

- An important lead indicator for future performance, Group order intake grew 41%YoY to £117.9m (FY20: £83.9m) - surpassing the £100m mark for the first time - with a closing order book of £78.4m, +41%YoY (FY20: £55.5m).
- FY21 revenue grew 13%YoY to £94.3m (ED estimate: £97.5m) led by 36%YoY growth in the Americas to £63.3m, (67% of total), and 16%YoY growth in Group Original Equipment (OE) revenue to £74.1m, 79% of total.
- EBITDA (adjusted) grew 42%YoY to £11.2m, 9% ahead of our estimate (£10.3m), with an 9.3% margin, 131bp above our outlook.
- Profit before tax (adjusted) was £8.6m, +37%YoY (H1 20: £2.8m), whilst underlying EPS (adjusted, basic) was 39.7p/share (FY20: 31.6p).

We see FY21 cashflow management as impressive given the challenging circumstances of the year, i.e. the impact of COVID-19 on demand and operating conditions, followed by the impact of the recovery from COVID-19 restrictions on supply chains and energy prices. Backed by underlying profitability and sound working capital management, including inventory build, the period-end cash balance was £14.5m, net £13.6m, compared to £11.2m in H1, net £10.3m.

Performance highlights and medium-term strategy. The contribution of strong demand from the Americas, where the US alone contributed 60% of revenue, is clear, with demand from Europe (18% of total) an additional driver to order intake. The group opened its US headquarters and showcase facility in Q3. Mpac Switchback in the US continued to trade strongly, ahead of management expectations. Cashflow management provides tangible evidence of the improvements in operational efficiency resulting from the **One Mpac** initiative, for example in global ERP, unified engineering, CRM and project management. This carefully planned initiative should remain important in the light of industry-wide challenges of supply chain pressure or components and materials costs. The clean energy diversification with FREYR Battery, for prototype volume production of lithium-ion battery cells, remains on track for completion of the initial development line in Q4 22.

Outlook: continued progress in profitability and cashflow management. As a harbinger of future growth, an order book exceeding £100m underpins our outlook to FY24, albeit mindful of uncertainties arising around European security and continued pressure on energy prices. Our outlook:

- FY22E: revenue of £105.0m, +11.3%YoY, EBITDA (adj.) of £11.6m, +3.8%YoY (unchanged).
- FY23E: revenue of £112.5.0m, +7.1%YoY, EBITDA (adj.) of £12.5m, +7.3%YoY (unchanged).
- FY24E: revenue of £122.2m, +8.7%YoY, EBITDA (adj.) of £13.4m, +7.4%YoY.

Mpac aims for double-digit top line growth over the medium-term, focusing on the healthcare and food & beverage sectors – both areas of robust demand - and an EBIT profitability target of 10%. The Group continues to appraise acquisition opportunities where there is potential to broaden solutions on offer and customer base.

Our outlook places Mpac on a prospective FY23 EV/EBITDA of 8.6x and PE of 11.3x; for FY24, 8.0x and 10.6x respectively. Our fair value for Mpac shares remains 660p.

Company Data

EPIC	AIM: MPAC
Price (last close)	464p
52 weeks Hi/Lo	665p/371p
Market cap	£95.6m
ED Fair Value / share	660p
Proforma net cash	£13.6m

Share Price, p



Source: ADVFN

Description

Mpac Group is a specialist provider of high-speed packaging and automation systems employing c.500 people. The group comprises: Mpac Langen; Mpac Lambert; and, acquired in 2020, Mpac Switchback.

The Group generates 92% of revenue internationally. Core customer verticals include the healthcare, food/beverage and clean energy sectors. Clients include as 3M, J&J, Nestlé, GSK, P&G, Philips Advent, AstraZeneca, Unilever, Kellogg's, Diageo and Bausch & Lomb.

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FY21 performance: USA leads

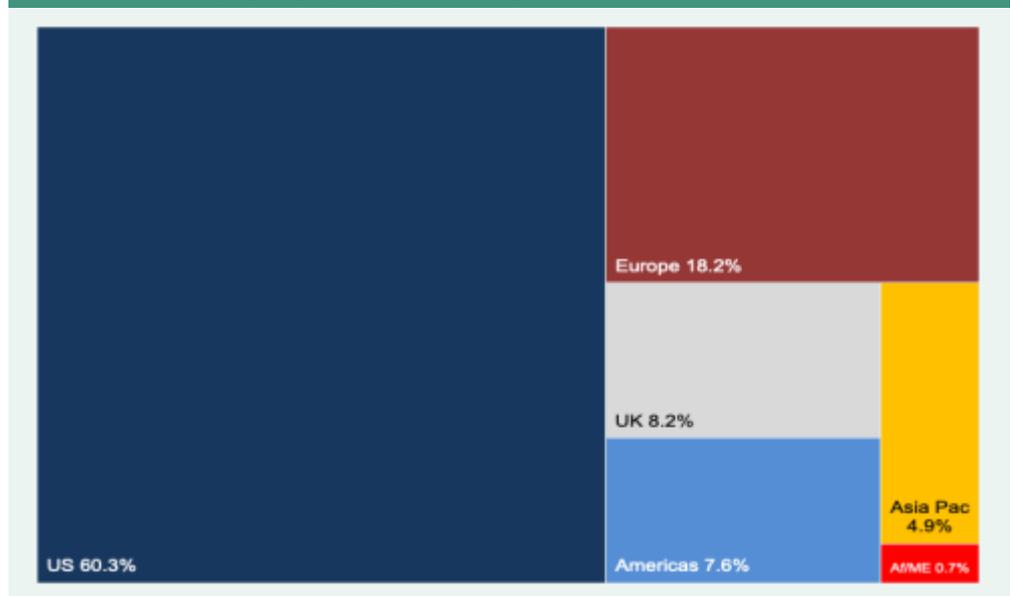
Order book indicates momentum

We note that, at £78.4m, the FY21 period-end order book stood 50.2% above the level recorded in FY19, compared to revenue up 6.2% over the same period. Of the 41%YoY increase in overall order intake, to £117.9m, 38%YoY growth excluded the impact of the acquisition of Mpac Switchback; Mpac noted the impact in customer diversification.

As illustrated below, demand from the Americas region as a whole was at the forefront of FY21 performance, led by the US.

- Revenue from the Americas region +35.5%YoY (£63.3m), contributed 67.1% of total, with the US alone comprising 60.3% of total. Americas performance exceeded our outlook by 2.3% - significant because of the scale of contribution to Group total - with Original Equipment revenue in this region (£53.4m, 84.4% of regional total) leading the way, +47.5%YoY.
- EMEA region revenue declined by 14.7% to £26.7m, however rebounding from a 19.5%YoY decline (£12.4m) in H1 to £14.3m (-10.1%YoY) in H2. Mpac highlighted a number of factors: the timing of orders, Covid 19-related restrictions in Europe, and the diversion of production of Lambert and Langen equipment at the Wijchen Netherlands site to meet demand from the Americas. The revenue contribution from services, £9.3m (35% of regional total), remained firm, +22%YoY.
- Asia Pacific (APAC) revenue – predominantly food & beverage-related - declined 25%YoY to £4.3m (4.6%of total revenue). This reflected stringent COVID-19 travel restrictions, albeit with a rebound from £1.7m in H1 to £2.6m in H2.

FY21 revenue by geography, percentage of total



Source: Company data. Shows % of total.

Gross margin ahead of our outlook, costs below

Reflecting a combination of management diligence and the early fruits of the **One Mpac** integration initiative, profitability remained firm, reflected in a gross margin of 30.6% (ED Est 30.1%), compared to 29.0% in FY20. Costs remained under control: distribution costs of £6.8m were 2.9% below our estimate, admin costs similarly (£12.4m), 3.1% less than we expected, and total op-ex of £21.0m was 4.3% lighter.

Consequently EBIT (adj.) of £8.8m (9.3% margin) rose 35.4%YoY and EBITDA (adj.) profitability was similarly firm at an 11.9% margin compared to 9.4% a year earlier.

FY21 performance

P&L					
Y/e 31 Dec, £m	FY19	FY20	FY21	YoY	Vs ED Est
Order book Y/E	52.2	55.2	78.4	42.0%	
Equipment revenue	69.4	64.1	74.1	15.6%	-1.0%
Service revenue	19.4	19.6	20.2	3.1%	-10.6%
Revenue	88.8	83.7	94.3	12.7%	-3.2%
Gross Sum	26.0	24.3	28.9	18.9%	-1.4%
Gross Margin	29.3%	29.0%	30.6%	5.6%	59bps
COGS	(62.8)	(59.4)	(65.4)	10.1%	-4.1%
Distribution	(7.2)	(6.8)	(6.8)	0.0%	-2.9%
Admin	(10.3)	(9.9)	(12.4)	25.3%	-3.1%
Other	(0.8)	(1.1)	(0.9)	-18.2%	-25.0%
Sum Op-ex	(18.3)	(17.8)	(20.1)	12.9%	-4.3%
EBIT Reported	5.3	2.9	8.3	186.2%	84.4%
EBIT Adjusted	7.7	6.5	8.8	35.4%	6.0%
Margin	8.7%	7.8%	9.3%	20.2%	82bps
EBITDA Reported	7.4	4.3	10.7	148.8%	57.4%
EBITDA Adjusted	9.8	7.9	11.2	41.8%	8.7%
Margin	11.0%	9.4%	11.9%	25.8%	131 bps
PBT Reported	5.6	2.9	8.2	182.8%	78.3%
PBT Adjusted	7.5	6.3	8.6	36.5%	6.2%
Tax	0.5	1.3	(0.4)		
PAT Reported	6.1	4.2	7.8	85.7%	
PAT Adjusted	7.8	6.3	7.9	25.4%	11.3%
EPS Reported Basic (p)	30.5	21.0	39.2	86.0%	
EPS Reported Diluted (p)	30.3	20.9	38.9	86.0%	
EPS Adjusted Basic (p)	39.1	31.6	39.7	25.6%	11.5%
EPS Adjusted Diluted (p)	38.7	31.4	39.4	25.6%	11.5%

Source: Company data. Comparison to Equity Development FY21 estimates

COVID-19: response to the impact on travel and supply chain

The pandemic impacted operations in two widely experienced respects: the restrictions on travel imposed during the early part of FY21, and the impact of a general global economic recovery on, in particular, the availability of electronic components.

Mpac responded to the restrictions on physical travel using increased digital solutions and communications with customers. Supply chain issues were met by the extension of (several) OE build lead times, and the resilience of long-standing supplier relationships.

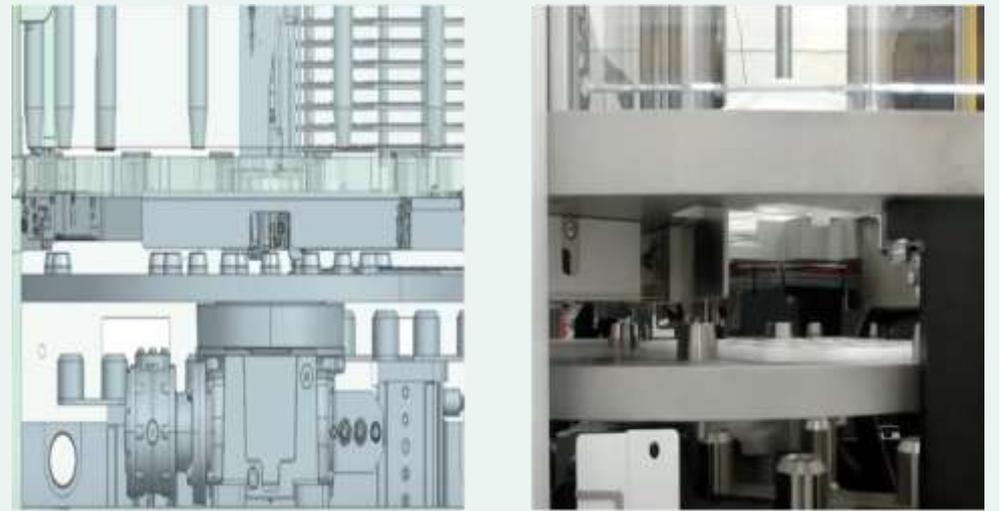
One Mpac initiative and Mpac Cube

The **One Mpac** five-year 'single entity' operational vision underpins the range of initiatives - such as a global ERP system, unified engineering processes, CRM deployment and project management systems - which are now bearing fruit.

This is evident in the strong grip on profitability reported in FY21 and it also frames cross-selling opportunities, particularly across the Mpac Lambert, Mpac Langen and Mpac Switchback product ranges in the US. This is accompanied by the launch of **Mpac Cube**, which sits along Mpac Lambert, Mpac Langen and Mpac Switchback as a fourth services brand comprising product services and digital products: engineering solutions including digital and implementation simulation, and training, reflecting the increased use and availability of digital technology and Industry 4.0-enabled systems.

The 'digital twin' example illustrated below shows how an engineered process is fully simulated, in working sequence, in digital format (see: <https://mpac-group.com/mpac-cube/advanced-engineering/>).

Mpac Cube digital simulation



Source: Company data

Developing the clean energy vertical

In mid-2021 Mpac entered the renewable energy sector with its contract with FREYR Battery (NYSE: FREY, mkt. cap. US\$1.09bn) to supply casting and unit cell assembly equipment for its 24M-based SemiSolid lithium-ion battery technology at its Customer Qualification Plant in Mo I Rana in Norway (<https://www.equitydevelopment.co.uk/research/clean-energy-equipment-contract-win>).

The Mpac development line is due for completion in Q4 2022.

Sound cashflow management

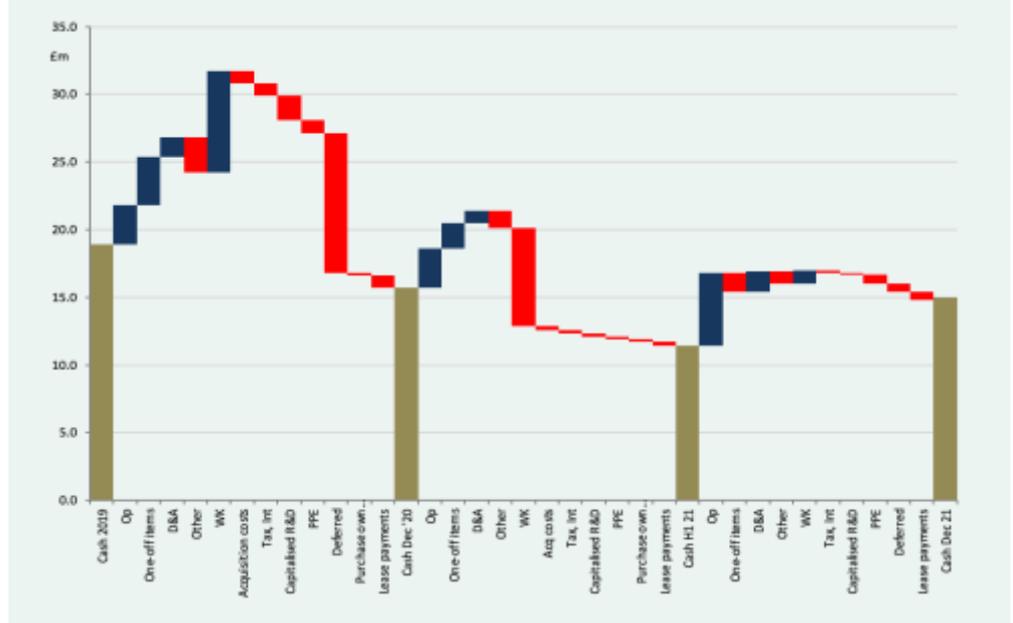
As illustrated in the cashflow waterfall shown below, Mpac improved on its H1 cash position of £11.2m (net £10.3m), ending the year at £14.5m (net £13.6m). This featured:

- Inclusive of a £2.6m contribution to defined employee pension schemes, operating cashflow improved from £5.3m in FY20 to £9.0m. Working capital absorbed £8.2m, due to inventory build of £2.2m and a £4.4m increase in contract assets. Movement in working capital was concentrated in H1, at £(7.2)m versus £(1.0)m in H2. As a result, full year cash generated by operations was £0.8m.
- Expenditure on PPE of £1.5m was comparable to FY20 (£1.2m), with capitalised R&D reduced to £0.2m (FY20: £1.2m). The performance-based (year to 30 September 2021) deferred consideration in respect of the acquisition of Switchback of £0.6m was paid in October 2021.
- The three-year performance-based targets in respect of the acquisition of Lambert Engineering were not met – although Mpac noted that Lambert's trading performance remains strong - so that the deferred consideration of £2.4m was reflected as a credit to non-underlying administrative expenses.

The net non-underlying contribution recorded was £0.4m, comprising: deferred unpaid consideration, less interest, of £2.3m; profit on disposal of the Coventry facility of £0.3m; pension admin costs of £(1.0)m; and acquisition costs and acquired amortisation of £(2.0)m.

The Group retains its three-year, June 2019, £10.0m HSBC revolving credit facility, which remains unutilised and available to support growth initiatives.

Mpac FY19 – FY21 cashflow bridge



Source: Company data

Pensions provision reflected some improvement in markets

The triennial review of Group pension schemes is scheduled for July 2024. At 31 December 2021 the UK scheme surplus (under IAS 19) was £35.7m compared with £14.0m a year earlier, a consequence of asset appreciation and the strategy of liability matching. The US pension schemes net deficit of £2.5m compared to a £3.0m deficit in FY20. The Group continues top-up payments of £1.9m p.a.; the FY21 cashflow impact was £2.6m compared to £3.0m in FY20.

Three initiatives

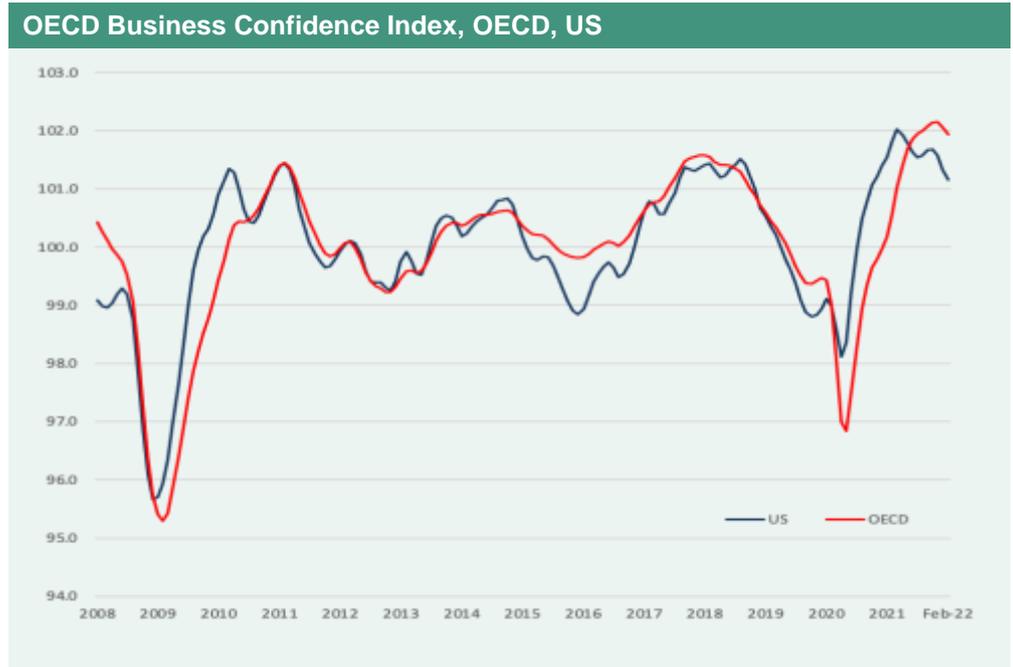
Mpac's five-year plan to integrate its systems and operations worldwide, with **One Mpac** at the core, is well underway. At FY21 results Mpac reiterated its three key priorities:

- Going for Growth.** This is based on the regional sales approach established in 2021, as exhibited in the new US headquarters and showcase facility as the basis of cross selling its Mpac Lambert, Mpac Langen and Mpac Switchback product ranges, and the establishment of an Americas healthcare services business unit. Following a review, the Group also launched a new branded website, www.mpac-group.com.
- Make service a business,** with the aim of deriving 30% of revenue from ongoing services. Following a review, the Group launched **Mpac Cube**, drawing together all aspects of the services offering in a unified services and technology support division aligned with digital technologies and Industry 4.0 capabilities (including Internet-of-Things integration), one aspect of which is the replication of (interrupted) on-site services by remote/digital offerings.
- Operational efficiency.** **One Mpac** provides the platform for improvements in operational efficiency, notably cross-utilisation of resources across the Group, e.g. the deployment of a single ERP and business blueprint at facilities in Mpac Mississauga in Canada and Tadcaster in the UK, with the initial deployment at Mpac Wijchen in the Netherlands.

Outlook: positives in perspective

The pace of events in Europe and wider ramifications mean that the latest OECD Business Confidence Index data, for February 2022 - which we have tracked as a medium-term indicator of underlying demand for Mpac's global operations - has only limited predictive value.

Nevertheless, an element of current negative inflationary pressures - affecting energy, components and materials - results from the recovery from the COVID-19 pandemic which focused attention since March 2020.



Source: OECD Business Confidence Index

Outlook to FY24

Our estimates to FY24 equate to:

- Revenue FY20-24 CAGR of 9.9% (FY21-24: 9.0%).
- EBITDA FY20-24 CAGR of 14.1% (FY21-24: 6.2%).
- EBITDA medium-term margin: 11.0%.
- Cash (net) generation at a FY20-24 CAGR of 18.5% (FY21-24: 28.4%).

Mpac Group performance to FY24E							
Yr to 31 Dec (£m)	2019	2020	2021	2022E	2023E	2024E	CAGR 20-24
Revenue	88.8	83.7	94.3	105.0	112.5	122.2	9.9%
EBITDA (adj)	9.8	7.9	11.2	11.6	12.5	13.4	14.1%
Mrg	11.0%	9.4%	11.9%	11.1%	11.1%	11.0%	
Pre-Tax Profit (adj)	7.5	6.3	8.6	8.8	9.8	10.8	14.4%
EPS (adj, p)	38.7	31.4	39.4	38.0	41.3	43.9	8.8%
Net debt / (Cash)	(18.0)	(14.6)	(13.6)	(16.8)	(24.7)	(28.8)	18.5%
P/E	12.2x	15.1x	12.0x	12.5x	11.5x	10.8x	
EV/EBITDA	11.1x	13.8x	9.8x	9.4x	8.8x	8.1x	
Price /sales			1.01x	0.91x	0.85x	0.78x	
Price/book			1.44x	1.42x	1.45x	1.40x	
ROE			14.2%	12.1%	11.5%	12.7%	
ROCE			10.6%	10.3%	11.2%	12.6%	
FCF/sh		63.7	4.0	45.0	52.1	33.3	
Price/FCF		7.4x	118.8x	10.5x	9.1x	14.2x	

Source: Company data, Equity Development estimates

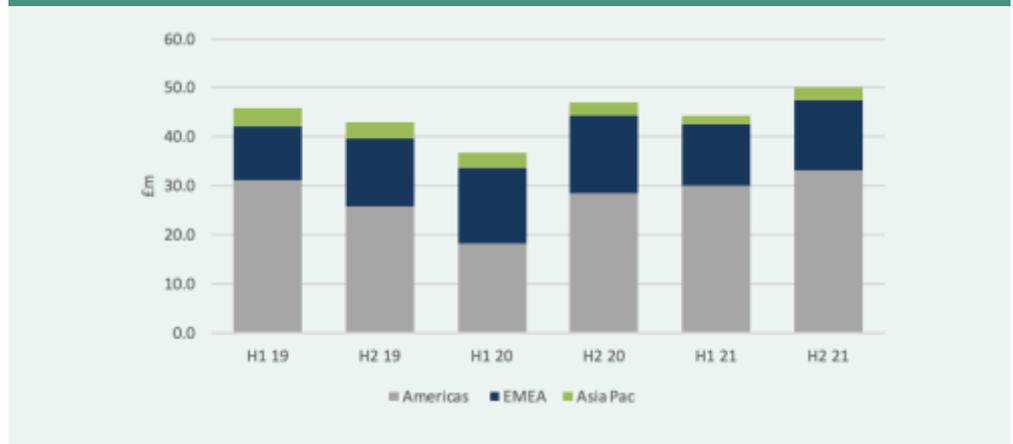
Valuation

The resulting impact on valuation places Mpac on a prospective FY22 PE of 12.2x. This compares to a machinery and manufacturers' Q4 21 average (US) of 25.7x (source: csimarket.com) and a prospective FY22 EV/EBITDA multiple of 19.4x, price/sales ratio of 2.6x.

- FY23(E) EV/EBITDA, 8.6x; PE, 11.3x
- FY24(E) EV/EBITDA, 8.0x; PE, 10.6x.

Semi-annual revenue

Semi-annual revenue H1 19 – H2 21



Source: Company data

Semi-annual regional revenue H1 19 – H2 21

£m	H1 19	H2 19	H1 20	H2 20	H1 21	H2 21
Americas OE	27.2	18.6	12.8	23.4	24.7	28.7
Americas Service	3.9	7.1	5.4	5.1	5.4	4.5
Americas	31.1	25.7	18.2	28.5	30.1	33.2
Americas Service/Total	12.5%	27.6%	29.7%	17.9%	17.9%	13.6%
EMEA OE	7.9	9.7	12.0	11.7	8.3	9.1
EMEA Service	3.1	4.1	3.4	4.2	4.1	5.2
EMEA	11.0	13.8	15.4	15.9	12.4	14.3
EMEA Service/Total	28.2%	29.7%	22.1%	26.4%	33.1%	36.4%
Asia Pac OE	3.1	2.9	2.3	1.9	1.0	2.3
Asia Pac Service	0.6	0.6	0.9	0.6	0.7	0.3
Asia Pac	3.7	3.5	3.2	2.5	1.7	2.6
Asia Pac Service/Total	16.2%	17.1%	28.1%	24.0%	41.2%	11.5%
Sum OE	38.2	31.2	27.1	37.0	34.0	40.1
Sum Service	7.6	11.8	9.7	9.9	10.2	10.0
Revenue	45.8	43.0	36.8	46.9	44.2	50.1
Service/Total	16.6%	27.4%	26.4%	21.1%	23.1%	20.0%
OE YoY			-29.1%	18.6%	25.5%	8.4%
Service YoY			27.6%	-16.1%	5.2%	1.0%
Rev YoY			-19.7%	9.1%	20.1%	6.8%

Source: Company data

P&L: FY19 – FY24E

P&L Year to 31 Dec (£m)	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equipment revenue	69.4	64.1	74.1	82.8	88.6	96.5
Service revenue	19.4	19.6	20.2	22.2	23.9	25.7
Revenue	88.8	83.7	94.3	105.0	112.5	122.2
Gross Sum	26.0	24.3	28.9	32.2	34.6	37.8
<i>Gross Margin</i>	<i>29.3%</i>	<i>29.0%</i>	<i>30.6%</i>	<i>30.7%</i>	<i>30.8%</i>	<i>30.9%</i>
COGS	(62.8)	(59.4)	(65.4)	(72.8)	(77.8)	(84.5)
Distribution	(7.2)	(6.8)	(6.8)	(8.2)	(8.8)	(9.5)
Admin	(10.3)	(9.9)	(12.4)	(13.3)	(14.1)	(15.3)
Other	(0.8)	(1.1)	(0.9)	(1.7)	(1.8)	(2.0)
Sum operating costs	(18.3)	(17.8)	(20.1)	(23.2)	(24.7)	(26.8)
One-off costs	(2.4)	(3.6)	(0.5)	(3.6)	(3.6)	(3.6)
EBIT Reported	5.3	2.9	8.3	5.4	6.4	7.4
EBIT Adjusted	7.7	6.5	8.8	9.0	10.0	11.0
<i>Margin</i>	<i>8.7%</i>	<i>7.8%</i>	<i>9.3%</i>	<i>8.6%</i>	<i>8.9%</i>	<i>9.0%</i>
Amortisation	(0.2)	(0.3)	(0.6)	(0.7)	(0.6)	(0.5)
Depreciation	(1.9)	(1.1)	(1.8)	(1.9)	(1.9)	(1.9)
EBITDA Reported	7.4	4.3	10.7	8.0	8.9	9.8
EBITDA Adjusted	9.8	7.9	11.2	11.6	12.5	13.4
<i>Margin</i>	<i>11.0%</i>	<i>9.4%</i>	<i>11.9%</i>	<i>11.1%</i>	<i>11.1%</i>	<i>11.0%</i>
Financial income	0.0	0.0	0.0	0.0	0.0	0.0
Financial expense	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
PBT Reported	5.6	2.9	8.2	5.2	6.2	7.2
PBT Adjusted	7.5	6.3	8.6	8.8	9.8	10.8
Tax	0.5	1.3	(0.4)	(1.2)	(1.5)	(2.0)
PAT Reported	6.1	4.2	7.8	4.0	4.7	5.2
PAT Adjusted	7.8	6.3	7.9	7.6	8.3	8.8
Basic wtd. Av. shares (m)	20.0	20.0	19.9	19.9	19.9	19.9
Diluted wtd. av. shares (m)	20.1	20.1	20.1	20.1	20.1	20.1
EPS Reported Basic (p)	30.5	21.0	39.2	20.2	23.5	26.1
EPS Reported Diluted (p)	30.3	20.9	38.9	20.1	23.3	25.9
EPS Adjusted Basic (p)	39.1	31.6	39.7	38.3	41.5	44.2
EPS Adjusted Diluted (p)	38.7	31.4	39.4	38.0	41.3	43.9

Source: Company data, Equity Development estimates

Cashflow: FY19 – FY24E

Year to 31 December (£m)	FY19	FY20	FY21	FY22E	FY23E	FY24E
Operating profit	5.3	2.9	8.3	5.4	6.4	7.4
One-off items	2.4	3.6	0.5	3.6	3.6	3.6
Amortisation	0.2	0.3	0.6	0.7	0.6	0.5
Depreciation	1.9	1.1	1.8	1.9	1.9	1.9
Other non-cash	0.3	0.4	0.4	0.0	0.0	0.0
Pension	(2.9)	(3.0)	(2.6)	(3.0)	(3.0)	(3.0)
Operating Cash Flow	7.2	5.3	9.0	8.6	9.5	10.4
Working capital						
(Increase)/Decrease inventories	(0.2)	0.2	(2.2)	(0.5)	1.4	(0.4)
(Increase)/Decrease in contract assets	(2.4)	(1.7)	(4.4)	(1.0)	(2.0)	(3.0)
(Increase)/Decrease in receivables	4.7	(0.6)	1.0	(0.5)	1.4	(0.4)
Increase/(Decrease) in payables	2.8	4.1	(1.1)	4.5	3.1	4.1
(Increase)/Decrease in contract liabilities	(7.4)	5.4	(0.7)	(2.0)	(3.0)	(4.0)
Increase / Decrease in provisions	0.4	0.1	(0.8)	0.0	0.0	0.0
Movement in working capital	(2.1)	7.5	(8.2)	0.4	1.0	(3.7)
Cash generated by operations	5.1	12.8	0.8	9.0	10.4	6.7
Acquisition costs	(1.0)	(0.9)	(0.3)	0.0	0.0	0.0
Tax (paid)/received	1.0	(0.7)	(0.1)	0.0	0.0	0.0
Net cash from operations	5.1	11.2	0.4	9.0	10.4	6.7
Investing activities						
Interest received	0.0	0.0	0.0	0.0	0.0	0.0
Sale of PPE	0.2	0.2	2.0	0.0	0.0	0.0
Capitalised R&D	(0.3)	(1.8)	(0.2)	(0.2)	(0.2)	(0.2)
Assets under construction	(0.6)	0.0	0.0	0.0	0.0	0.0
PPE	(1.4)	(1.2)	(1.5)	(1.6)	(1.7)	(1.7)
Acquired cashflow/deferred payment	(10.6)	(10.3)	(0.6)	(3.3)	0.0	0.0
Net cash used in investing	(12.7)	(13.1)	(0.3)	(5.1)	(1.9)	(1.9)
Net OpFCF	(7.6)	(1.9)	0.1	3.9	8.6	4.7
Financing activities						
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0
Interest paid	(0.1)	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)
Purchase own shares	(0.1)	(0.2)	(0.2)	0.0	0.0	0.0
Lease payments	(1.0)	(0.9)	(0.9)	(0.5)	(0.5)	(0.5)
Net cash from financing	(1.2)	(1.3)	(1.4)	(0.7)	(0.7)	(0.7)
Net increase in cash / equivalents	(8.8)	(3.2)	(1.3)	3.2	7.9	4.0
Cash at beginning of year	27.9	18.9	15.5	14.5	17.7	25.6
Forex	(0.2)	(0.2)	0.3	0.0	0.0	0.0
Cash at year end	18.9	15.5	14.5	17.7	25.6	29.7
Net debt / (Cash)	(18.0)	(14.6)	(13.6)	(16.8)	(24.7)	(28.8)

Source: Company data, Equity Development estimates

Balance sheet: FY19 – FY24E

Year to 31 December (£m)	FY19	FY20	FY21	FY22E	FY23E	FY24E
Fixed Assets						
Intangible assets	16.9	27.4	25.3	21.3	20.7	20.2
PPE net	5.6	5.1	4.0	3.7	3.4	3.3
Property	0.8	0.8	0.8	0.8	0.8	0.8
Right of use	4.7	4.0	5.8	5.8	5.8	5.8
Employee benefits	20.4	14.0	35.7	35.7	35.7	35.7
Deferred tax, other	1.7	1.8	1.4	1.4	1.4	1.4
Sum Fixed Assets	50.1	53.1	73.0	68.7	67.8	67.2
Current Assets						
Inventories	3.2	3.5	5.5	6.0	4.6	5.0
Trade receivables	28.0	32.2	34.5	34.5	30.8	33.5
Tax assets	0.4	0.8	0.6	0.6	0.6	0.6
Cash, Equivalents	18.9	15.5	14.5	17.7	25.6	29.7
Sum Current Assets	50.5	52.0	55.1	58.9	61.7	68.8
Total Assets	100.6	105.1	128.1	127.6	129.5	136.0
Current Liabilities						
Trade payables	(30.9)	(41.1)	(39.5)	(44.0)	(47.1)	(51.2)
Leases	(0.9)	(0.8)	(1.8)	(1.8)	(1.8)	(1.8)
Provisions	(1.3)	(1.4)	(0.6)	(0.6)	(0.6)	(0.6)
Tax, Other	(0.7)	(0.4)	(0.7)	(0.7)	(0.7)	(0.7)
Sum Current Liabilities	(33.8)	(43.7)	(42.6)	(47.1)	(50.2)	(54.3)
Total Assets less Current Liabilities	66.8	61.4	85.5	80.5	79.3	81.7
Long-term Liabilities						
Borrowings	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)
Employee benefits	(3.1)	(3.0)	(2.5)	(3.0)	(3.0)	(3.0)
Tax	(8.8)	(6.8)	(12.5)	(6.8)	(6.8)	(6.8)
Leases	(3.9)	(3.4)	(4.2)	(3.4)	(3.4)	(3.4)
Deferred consideration	(2.6)	(2.9)	0.0	0.0	0.0	0.0
Sum Long-term liabilities	(19.3)	(17.0)	(20.1)	(14.1)	(14.1)	(14.1)
Total liabilities	(53.1)	(60.7)	(62.7)	(61.2)	(64.3)	(68.4)
Net Assets	47.5	44.4	65.4	66.4	65.2	67.6
Capital & Reserves						
Share Capital	5.0	5.0	5.0	5.0	5.0	5.0
Share Premium	26.0	26.0	26.0	24.2	18.3	17.5
Capital Reserve	5.2	5.2	3.7	3.7	5.2	5.2
Retained earnings	11.3	8.2	30.7	33.5	36.7	39.9
Equity	47.5	44.4	65.4	66.4	65.2	67.6
Net debt / (Cash)	(18.0)	(14.6)	(13.6)	(16.8)	(24.7)	(28.8)

Source: Company data, Equity Development estimates

Appendix I: P&L semi-annual performance

P&L H1 19 - H2 21						
£m	H1 19	H2 19	H1 20	H2 20	H1 21	H2 21
Americas	31.1	25.7	18.2	28.5	30.1	33.2
EMEA	11.0	13.8	15.4	15.9	12.4	14.3
Asia Pac	3.7	3.5	3.2	2.5	1.7	2.6
Revenue	45.8	43.0	36.8	46.9	44.2	50.1
Gross Sum	13.1	12.9	11.3	13.0	14.8	14.1
<i>Gross Margin</i>	<i>28.6%</i>	<i>30.0%</i>	<i>30.7%</i>	<i>27.7%</i>	<i>33.5%</i>	<i>28.1%</i>
COGS	(32.7)	(30.1)	(25.5)	(33.9)	(29.4)	(36.0)
Distribution	(3.1)	(4.1)	(3.3)	(3.5)	(3.1)	(3.7)
Admin	(5.0)	(5.3)	(4.9)	(5.0)	(6.4)	(6.0)
Other	(0.4)	(0.4)	(0.5)	(0.6)	(0.5)	(0.4)
Sum Op-ex	(8.5)	(9.8)	(8.7)	(9.1)	(10.0)	(10.1)
EBIT Reported	2.8	2.5	1.3	1.6	2.9	5.4
EBIT Adjusted	4.6	3.1	2.6	3.9	4.8	4.0
<i>Margin</i>	<i>10.0%</i>	<i>7.2%</i>	<i>7.1%</i>	<i>8.3%</i>	<i>10.9%</i>	<i>8.0%</i>
EBITDA Reported	3.6	3.8	2.0	2.3	3.8	6.9
EBITDA Adjusted	5.4	4.4	3.3	4.6	5.7	5.5
<i>Margin</i>	<i>11.8%</i>	<i>10.2%</i>	<i>9.0%</i>	<i>9.8%</i>	<i>12.9%</i>	<i>11.0%</i>
Financial income	0.0	0.0	0.0	0.0	0.0	0.0
Financial expense	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
One-off (net)	0.2	0.1	0.2	(0.2)	(0.1)	0.0
PBT Reported	2.9	2.5	1.5	1.3	2.8	5.4
PBT Adjusted	4.5	3.0	2.5	3.8	4.7	3.9
Tax (adj)	(0.3)	0.3	(0.3)	0.3	(1.0)	0.3
Tax	(0.3)	0.8	(0.2)	1.5	(0.7)	0.3
PAT Reported	2.6	3.5	1.3	2.9	2.1	5.7
PAT Adjusted	4.2	3.6	2.2	4.1	3.7	4.2
EPS Reported Basic (p)	13.0	17.5	6.5	14.5	10.6	28.6
EPS Reported Diluted (p)	13.0	17.4	6.4	14.4	10.5	28.4
EPS Adjusted Basic (p)	21.0	18.0	11.0	20.5	18.6	21.1
EPS Adjusted Diluted (p)	20.9	17.9	10.9	20.4	18.5	20.9

Source: Company data



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