

Smiths News

Set to deliver on FY26 expectations

H126 results

Smiths News' H126 results saw adjusted PBT in line with market expectations. The expected FY26 operational improvements of more than £4m are progressing to plan, and the company is on track to meet FY26 adjusted PBT expectations of £37.2m with a slightly stronger H2 performance supported by the positive impact of the FIFA 2026 World Cup on the collectables business. Our FY26 P&L estimates are unchanged, while FCF improves due to better working capital. Valuations of companies with similar characteristics support our 96p/share (95p previously) DCF valuation as does the company's solid track record of sensible capital allocation and healthy dividends.

Year end	Revenue (£m)	EPS (p)	DPS (p)	PBT (£m)	P/E (x)	Yield (%)
8/24	1,103.7	10.28	7.15	39.1	6.4	10.8
8/25	1,064.0	11.14	8.55	39.1	5.9	13.0
8/26e	1,032.1	10.76	5.25	37.1	6.1	8.0
8/27e	1,000.6	10.49	5.25	35.9	6.3	8.0

Note: PBT is equivalent to adjusted operating profit, EPS are on a company reported, adjusted basis.

FY26 on track, supported by slighter higher H2 profits

H126 total revenues declined by 3.9% to £515.7m, within the guided range. Revenues expanded by 13.3% in collectables and 35.1% in growth verticals, including recycling where revenue growth was over 50%. H126 adjusted operating profit of £18.3m (-5.7% y-o-y) is expected to be slightly higher in H2, supported by the impact of the World Cup on collectables, while anticipated cost synergies in excess of £4m are on track. Strong H1 FCF generation of £21.2m benefited from improvements in working capital. An unchanged 1.75p interim dividend is comfortably covered by 5.2p of adjusted EPS. The company expects to achieve market expectations of £37.2m adjusted PBT for FY26.

Potential catalysts from healthy opportunity pipeline

Management highlight a good pipeline including in new categories, such as books and optical/hearing care, and in recycling, including coffee cups and waste electronic and electrical equipment. The expected October 2027 introduction of the UK DRS provides a good opportunity for Smiths to grow its recycling activities. We agree with the company that it is well-placed to play a part in the UK DRS given its experience and footprint, and believe DRS-related newsflow could be a catalyst for the stock later in 2026 and into 2027.

Minor changes to forecasts with attractive upside

Our FY26 P&L forecasts are unchanged while our FCF forecast improves due to better working capital. Our FY27 adjusted PBT forecast has been shaved by 1.8% reflecting ongoing investments in the costs base to support growth ambitions. Our DCF valuation rises to 96p/share (95p previously), supported by the company's solid track record (see Exhibits 3–6) and our analysis of companies with similar characteristics. Risks include execution risk and the potential impact of TGJones store closures.

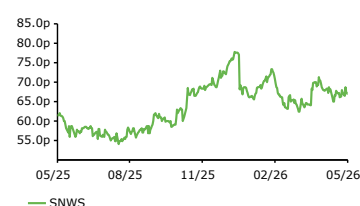
Industrial support services

26 May 2026

Price 66.00p
Market cap £163m

Net cash/(debt) as at 28 February 2026 £7.8m
 Shares in issue 247.7m
 Code SNWS
 Primary exchange LSE
 Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(5.7)	(7.3)	30.5
52-week high/low		74.0p	49.3p

Business description

Smiths News is the UK's largest newspaper and magazine distributor with a c 55% market share covering over 22,000 outlets in England and Wales. It has a range of long-term exclusive distribution contracts with major publishers, supplying a mix of supermarkets and independent retailers.

Next events

Full year results November 2026

Analyst

Jonathan Day +44 (0)20 3077 5700

industrials@edisongroup.com

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Smiths News at a glance

Smiths News is the UK's largest wholesaler of newspapers and magazines with a 55% market share. The company delivers from its 34 locations every day of the week to more than 22,000 outlets and also collects and credits unsold copies. Returns are processed in a matter of hours and Smiths also organises unsold copies for recycling by accredited partners. Smiths News Recycle extends this capability to include paper, cardboard and plastics and positions the company well for potential growth from new recycling initiatives including the UK Deposit Return Scheme (DRS) and new categories such as vapes, coffee cups and small electricals. Newspapers and magazines accounted for c 90% of revenues in FY25, with this category expected to decline by 3–5% per year. Mitigating this decline is growth from margin-accretive collectables such as trading cards and stickers, with demand driven by the English Premier League, UEFA Champions League and franchised collections such as Pokémon. The company has a solid track record of operational improvements of c £4–5m per year. Smiths News' footprint and expertise in final mile deliveries has enabled its expansion into additional solutions for the B2B sector in categories such as books, greeting cards and optical and hearing care.

The decline of newspaper and magazine distribution is well understood, with the company guiding to revenue contraction of 3–5% per year. It is mitigating this decline with growth in collectables and new verticals. Margins in collectables are higher than in newspapers and magazines, which is positive for mix. Recent years have seen sensible capital allocation reflected in healthy ordinary dividends, supported by special dividends in 2024 and 2025. The balance sheet is robust with the company in a net cash position as at H126. Despite the solid track record and supportive dividend policy, the shares continue to trade at a significant discount to our 96p discounted cash flow (DCF) valuation. Analysis of companies with similar characteristics supports our DCF, with Smiths News trading at a discount versus this group despite generally better metrics (see Exhibit 7). Our 96p DCF implies upside of c 40%. In the longer term there is the potential for Smiths to offset the pressure on the top line from growth in new verticals such as recycling. Risks include execution around operational efficiencies and successfully growing in new verticals, changes in consumer habits affecting the collectables business and the potential for TGJones store closures to negatively affect newspaper and magazine revenues.

H126 in line, on track to meet FY26 expectations

Smiths News reported solid profitability despite an expected revenue decline in its H126 results. The 3.9% total revenue decline contained three key elements. The 4.1% decline in core newspaper and magazine distribution was resilient and within the guided range of a 3–5% reduction. 96% of newspaper and magazine revenues to 2029 have now been secured following the renewal of a long-term contract with the Guardian Newspaper Group. The decline in volume in newspapers and magazines continues to be steady and almost identical to what the company has experienced over the last three to four years, while cover price inflation continues to be a feature of the market. The company does not expect a material impact on the trends in H2 compared to H1, despite upcoming events, including the FIFA 2026 World Cup. Collectables (3.9% of FY25 revenues) saw solid revenue growth of 13.3%, while the company made good progress in growth verticals (revenues not disclosed), where revenue grew by 35.1%. This was supported by good progress in recycling (revenue growth of over 50%), where the company has been working with waste brokers.

Adjusted operating profit expected to be slightly higher in H2

H126 operating profit of £18.3m was down 5% y-o-y, driven primarily by the 3.9% revenue decline. H226 adjusted operating profit is expected to be slightly higher than H1, supported by the impact of the FIFA 2026 World Cup and Pokémon on the collectables business. Targeted cost savings for FY26 of c £4m are on track. Internal investment is progressing as planned, with investment in technology and systems expected to provide the foundations to enable the delivery of additional contracts across growth verticals. Free cash flow (FCF) of £21.2m was strongly supported by working capital, resulting in a net cash position of £7.8m at the end of H1. Adjusted EPS of 5.2p per share comfortably supports the unchanged 1.75p interim dividend. Operational improvements on both the cost and revenue side are progressing to plan. Importantly, the company reiterated its ability to achieve operational efficiencies of c £4–5m per year, driven by initiatives such as technology and footprint improvement.

On track for full year adjusted operating profit of £37.2m

The H1 results put Smiths News on track to meet FY26 expectations for adjusted operating profit of £37.2m. The company is exploring new growth opportunities in recycling, including coffee cups and waste electronic and electrical equipment. New categories continue to make progress, with book distribution delivering c 30,000 books per week, and the company is onboarding an internal optical and hearing care provider for overnight delivery services. In the longer term, the expected introduction of the UK DRS in October 2027 could present an additional growth opportunity, with Smiths News well-positioned to service retailers requiring manual collection of single-use plastic and metal drinks containers given its established track record with recycling collection and sortation in newspaper and magazines. These opportunities support the company's strategy of broadening its early-morning supply chain management expertise and leveraging its existing infrastructure to overlay products and additional services across Smiths News' established UK footprint.

Exhibit 1: Full and half-year results summary

	2022	H1	H2	2023	H1	H2	2024	H1	H2	2025	H1 26
Total revenue	1,089.3	550.1	541.8	1,091.9	539.8	563.9	1,103.7	536.4	527.6	1,064.0	515.7
% change	-1.8%	1.0%	-0.5%	0.2%	-1.9%	4.1%	1.1%	-0.6%	-6.4%	-3.6%	-3.9%
Cost of goods sold	(1,016.6)	(512.4)	(507.0)	(1,019.4)	(504.9)	(525.6)	(1,030.5)	(499.1)	(489.8)	(988.9)	(478.3)
% change	-1.9%	0.9%	-0.3%	0.3%	-1.5%	3.7%	1.1%	-1.1%	-6.8%	-4.0%	-4.2%
Gross profit	72.7	37.7	34.8	72.5	34.9	38.3	73.2	37.3	37.8	75.1	37.4
Gross margin	6.7%	6.9%	6.4%	6.6%	6.5%	6.8%	6.6%	7.0%	7.2%	7.1%	7.3%
Total admin expenses	(35.0)	(17.4)	(16.4)	(33.8)	(16.2)	(17.7)	(33.9)	(17.8)	(18.1)	(35.9)	(19.2)
% change	3.2%	-2.8%	-4.1%	-3.4%	-6.9%	7.9%	0.3%	9.9%	2.3%	5.9%	7.9%
Income from JV	0.3	0.1	0.0	0.1	0.1	(0.3)	(0.2)	0.0	(0.1)	(0.1)	0.2
Total adjusted operating profit	38.1	20.4	18.4	38.8	18.8	20.3	39.1	19.4	19.7	39.1	18.3
% change	-3.8%	6.8%	-3.2%	1.8%	-7.8%	10.3%	0.8%	3.2%	-3.0%	0.0%	-5.7%
Total adjusted operating profit margin	3.5%	3.7%	3.4%	3.6%	3.5%	3.6%	3.5%	3.6%	3.7%	3.7%	3.5%

Source: Company data, Edison Investment Research

On the horizon: Positives outweigh the negatives

Potential TGJones store closures but Smith News only services half of the estate

There is the risk of some potential ripples in the newspaper and magazines business due to anticipated TGJones store closures. TGJones stores represent the rebranded WHSmith high street bookshops that were acquired by Modella Capital in 2025. Modella cites challenging retail conditions. Management explained that in the past Smiths News has seen a degree of transfer of both newspaper sales and mainstream magazines from stores that have been closed to other outlets and that this has helped mitigate the impact of store closures. While the transfer of specialist magazine titles to other outlets has been less successful, Smith News has experience of working with the publishers to try to help access some of those sales, as specialist titles are sticky where customers are concerned. It is also important to remember that the exact number, type and location of TGJones store closures has yet to be finalised and while recent press reports mentioned up to 150 stores (BBC, 6 May 2026), Smiths News emphasised that it only services half the TGJones estate, which adds a further variable to the assessment of any potential impact.

Opportunity pipeline is healthy including the UK DRS

Smiths News is seeing many opportunities in the recycling business, including vapes, small waste electrical and electronic equipment (WEEE), coffee cups and the UK DRS. According to management, the July 2025 appointment of Adam Wylie as managing director of Smiths News Recycle has brought a highly commercial approach that has strengthened credibility and helped build relationships for the division.

The UK DRS is expected to commence in October 2027 in England, Scotland and Northern Ireland, supported by government legislation that requires its introduction by this date. Regulation is pending that would allow the scheme to be introduced in Wales at the same time. Smiths News anticipates that a tender document will be made available by Exchange for Change (the official operator of the DRS) in mid-2026 and expects to tender for manual collection

on a national basis, although it acknowledges there could be national or regional solutions. Large waste managers lack the manual collection capabilities of Smiths News whose proven track record of collection and sortation/recycling of newspapers and magazines is relatively unique. This may provide an opportunity for Smiths to be a subcontractor for manual collections. The company pointed out that manual collection is most likely to be used by smaller grocery retailers. Retailers having the option of different approaches including an automated machine, a smart bin or an app-based solution. Barcode recognition will be the primary way in which containers are identified. While grocery retailers in urban areas with selling space below 100m² can choose to participate, a similar scheme in Ireland saw lower footfall for retailers that chose not to offer recycling. The company expects contracts being awarded before the end of December 2026 and, if successful, expects to be paid to collect containers as well as for reverse sortation where credits are likely to be split between the retailer and the sorter.

We agree with Smith News that it is well-placed to play a part in the UK DRS given the company's experience and footprint and believe DRS-related newsflow could be a catalyst for the stock later in 2026 and into 2027. Such recycling schemes are not new, having been implemented in more than 50 countries globally, with those countries seeing higher recycling rates post implementation. Combined with the additional pipeline opportunities, we see more positives than negatives (the potential TGJones store closures) on the horizon, albeit the timing of each is unlikely to align.

Minor changes to forecasts

Following Smiths News' H126 results, we make minor changes to our forecasts. Our FY26 P&L forecasts are unchanged, while we increase our FY26 cash flow forecast to reflect the stronger H126 cash flow generation, which was supported by improved working capital. We now see working capital as broadly flat in FY26.

Our FY27 revenue expectations are little changed, while we nudge down our adjusted operating profit forecasts by 1.6% as there will be no FIFA 2026 World Cup impact in 2027 and the company makes c £1–2m from this, and while some of the decline should be offset by growth from new verticals, the overall impact is a marginal reduction. Our FY27 net cash forecast declines due to working capital changes and the small reduction in our operating profit forecast, but remains positive and above FY26 levels.

Exhibit 2: Minor changes to forecasts

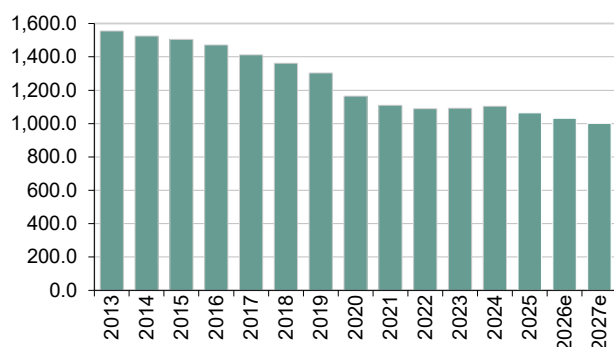
	FY25	FY26e			FY27e		
£m		Old	New	change	Old	New	change
Revenue	1,064.0	1,032.1	1,032.1	0.0%	1,001.1	1,000.6	-0.1%
Y-o-y % change	-3.6%	-3.0%	-3.0%	-	-3.0%	-3.1%	-
EBITDA - Edison basis	42.1	40.1	40.1	0.0%	39.5	38.9	-1.6%
Y-o-y % change	-1.2%	-4.7%	-4.7%	-	-1.6%	-3.2%	-
EBITDA - Reported pre IFRS 16	40.7	38.6	38.6	0.0%	38.0	37.4	-1.6%
Y-o-y % change	2.5%	-5.1%	-5.1%	-	-1.7%	-3.3%	-
Total adjusted operating profit	39.1	37.1	37.1	0.0%	36.5	35.9	-1.7%
Y-o-y % change	0.0%	-5.0%	-5.0%	-	-1.8%	-3.4%	-
PBT adjusted, company basis	35.8	34.4	34.4	0.0%	34.2	33.6	-1.8%
Y-o-y % change	5.0%	-3.8%	-3.8%	-	-0.7%	-2.6%	-
EPS - adjusted company basis (p)	11.1	10.8	10.8	0.0%	10.7	10.5	-1.8%
Y-o-y % change	9.7%	-3.4%	-3.4%	-	-0.7%	-2.5%	-
DPS (p)	8.6	7.3	7.3	0.0%	7.3	7.3	0.0%
Y-o-y % change	19.6%	-15.2%	-15.2%	-	0.0%	0.0%	-
Net cash/(debt) (pre IFRS 16)	3.3	0.2	6.4	3133%	21.5	12.0	-44.1%
Y-o-y % change	N/A	N/A	N/A	-	N/A	N/A	-

Source: Company data, Edison Investment Research

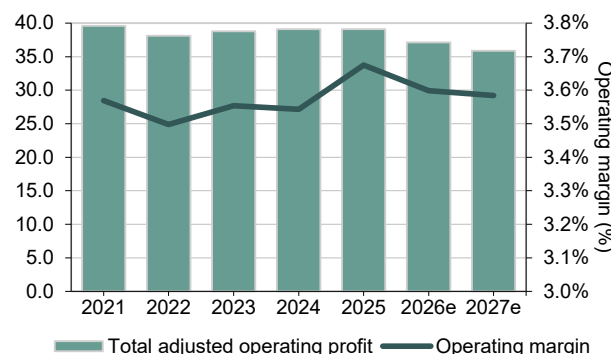
Valuation: DCF supported by track record and comps

Our updated DCF valuation for Smiths News is little changed following the H126 results, moving to 96p from 95p previously. The stock does not appear expensive on absolute multiples such as P/E (6.1x FY26e) and EV/EBITDA (4.0x FY26e) despite trading above long-term averages. It also trades at an attractive 17.6% FY26e FCF yield.

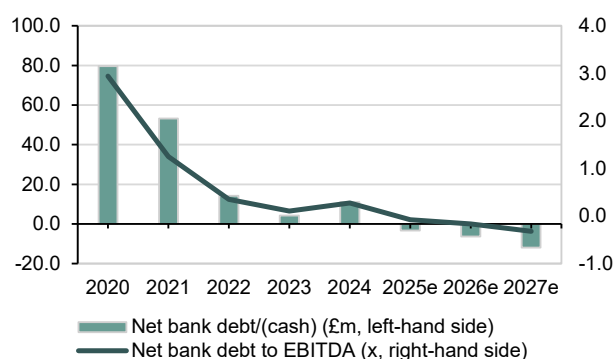
In recent years Smiths News has maintained a solid track record of profits and margins, despite revenues from the core business of newspaper and magazine delivery being under pressure. Capital allocation has been sensible, with shareholders receiving healthy dividends, including special dividends in 2024 and 2025.

Exhibit 3: Revenues, £m


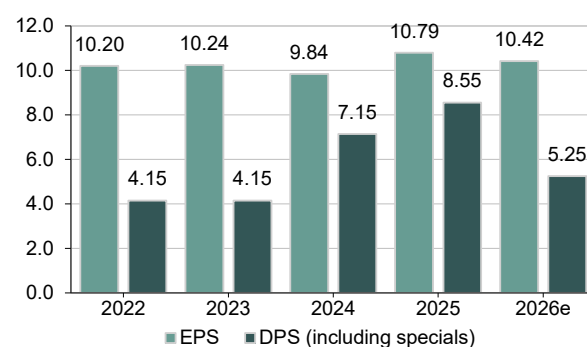
Source: Edison Investment Research, company data

Exhibit 4: Adjusted operating profit (£m, LHS) and margin (% , RHS)


Source: Edison Investment Research, company data

Exhibit 5: Net debt (£m, LHS) and net debt/EBITDA (RHS)


Source: Edison Investment Research, company data

Exhibit 6: EPS and DPS


Source: Edison Investment Research, company data

While Smiths News has risks, such as the potential impact of the expected TGJones store closures, as we have discussed above there are opportunities ahead that could help drive the shares towards our DCF valuation. Below we show that our DCF is supported by our analysis of companies with similar characteristics.

Shares appear undervalued compared to companies with similar characteristics

We were curious to see if other stocks with similar characteristics traded at similarly low absolute valuations. Screening companies in the €100–500m market capitalisation range that are listed in Europe with a yield above 4%, revenue growth below 3%, EBIT growth below 5%, a five-year net sales growth CAGR of less than 1%, forecast sales growth of less than 1% and operating margins of less than 5% resulted in the list below. Smiths News trades at a significant discount to the median valuation metrics for these companies despite having above-median margins and a better five-year sales growth CAGR. Although the companies come from a range of sectors, we note the inclusion of Posti Group, which is likely to have similar revenue pressures in its traditional postal activities to Smiths News and yet it trades at a higher valuation. We also note Smiths News' higher dividend yield, which appears well-supported on our current forecasts.

It is noteworthy that Smiths News trades at such a wide discount to this group despite having better metrics, and we believe this is supportive for the valuation of the stock.

Exhibit 7: Valuation compared to companies with similar characteristics

Name	Yield (gross, indicated)	Y1 sales growth	Y1 op inc growth	GICS sub industry	Country	Est P/E Y1	Est P/E Y2	Est EV/EBITDA	FCF yield	Operating margin	Market cap	Last 5 years sales CAGR	Forecast 1Y sales %
FDM GROUP HOLDINGS	9.9%	-31%	-74%	IT consulting & other services	Britain	11.0x	8.3x		17.4%	4.1%	128.44m	-8.8%	-8.3%
POSTI GROUP	9.5%	-5%	-23%	Air freight & logistics	Finland	9.8x	7.7x	4.3x	24.0%	4.2%	360.05m	-1.7%	-0.6%
SMITHS NEWS	8.4%	-4%	3%	Distributors	Britain	6.4x	6.4x	3.5x	31.0%	3.8%	188.69m	-1.3%	0.8%
QUADIENT	6.6%	-5%	-2%	Technology hardware, storage & peripherals	France	5.9x	5.7x	4.4x	16.7%	-0.8%	394.32m	-1.0%	-1.0%
HAWESKO HOLDING	5.0%	-3%	-23%	Food retail	Germany	13.1x	11.1x	6.1x	18.3%	2.7%	179.67m	-3.4%	1.0%
CREST NICHOLSON HOLDINGS	4.5%	-1%	-22%	Homebuilding	Britain	15.0x	12.8x	5.9x	-5.9%	4.0%	206.81m	-3.8%	-3.1%
ZUMTOBEL GROUP AG	4.3%	-3%	-33%	Electrical components & equipment	Austria	14.0x	6.9x	2.4x	0.0x	2.4%	150.58m	-0.5%	-6.7%
AKWEL	4.2%	-5%	-24%	Automotive parts & equipment	France	17.2x	14.2x	1.7x	17.4%	3.2%	191.65m	-4.9%	-14.0%
Medians	5.8%	-4.2%	-23.0%			12.0x	8.0x	4.3x	17.4%	3.5%		-2.6%	-2.0%
SMITHS NEWS PLC	8.4%	-3.6%	2.7%			6.4x	6.4x	3.5x	31.0%	3.8%		-1.3%	0.8%
Premium/discount						-47%	-20%	-20%					

Source: Bloomberg, Edison Investment Research

Healthy upside from a potential re-rating

Finally, we show the range of P/E valuations for the company based on our forecasts. This illustrates the potential upside were the shares to re-rate. A multiple of 8x implies upside of c 30%, while 10x implies upside of c 60%. We have shown above that companies with similar characteristics trade at multiples of c 12x on FY1 P/E and 8x on FY2 P/E, which implies that Smiths News' valuation might be somewhat overlooked by the market.

Likely catalysts for such a re-rating include the narrowing of the valuation gap versus stocks with similar characteristics given Smiths News' better than median metrics, as well as the potential for the company to arrest the decline or even deliver a degree of positive revenue growth over the medium to longer term as collectables and new verticals become large enough to compensate for the decline in newspapers and magazines.

Exhibit 8: Valuation potential at a range of P/E multiples

EPS (p)	2026e		2027e	
	10.76		10.49	
P/E multiple	Implied price (p)	± (%)	Implied price (p)	± (%)
4.0x	43.0	-35%	41.9	-36%
5.0x	53.8	-18%	52.4	-21%
6.0x	64.6	-2%	62.9	-5%
7.0x	75.3	14%	73.4	11%
8.0x	86.1	30%	83.9	27%
9.0x	96.8	47%	94.4	43%
10.0x	107.6	63%	104.9	59%
11.0x	118.3	79%	115.4	75%
12.0x	129.1	96%	125.8	91%
13.0x	139.9	112%	136.3	107%

Source: Edison Investment Research

Exhibit 9: Financial summary

£m	2019	2020	2021	2022	2023	2024	2025	2026e	2027e
Year end 31 August	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT									
Revenue	1,303.5	1,164.5	1,109.6	1,089.3	1,091.9	1,103.7	1,064.0	1,032.1	1,000.6
Cost of Sales	(1,217.5)	(1,091.4)	(1,036.2)	(1,016.6)	(1,019.4)	(1,030.5)	(988.9)	(958.3)	(927.8)
Gross Profit	86.0	73.1	73.4	72.7	72.5	73.2	75.1	73.8	72.8
EBITDA	60.1	40.4	44.9	42.9	42.7	42.6	42.1	40.1	38.9
Normalised operating profit	44.0	35.4	40.6	39.3	39.9	40.0	39.1	37.1	35.9
Share-based payments	(0.4)	(0.3)	(1.0)	(1.2)	(1.1)	(0.9)	0.0	0.0	0.0
Total adjusted operating profit	43.6	35.1	39.6	38.1	38.8	39.1	39.1	37.1	35.9
Amortisation of acquired intangibles	(0.1)	(0.2)	0.0	(4.4)	0.0	0.0	0.0	0.0	0.0
Exceptionals	(7.2)	(7.8)	(1.9)	(2.5)	0.1	0.0	(1.6)	(1.0)	(1.0)
Impairment	0.0	(6.0)	(1.6)	1.2	0.0	0.9	3.7	0.0	0.0
Other financial costs	0.0	0.9	3.5	2.5	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	(0.3)	0.0	(0.6)	0.0	0.0	0.0	0.0
Reported operating profit	36.3	22.0	39.3	34.9	38.3	40.0	41.2	36.1	34.9
Net Interest	(6.0)	(7.2)	(8.7)	(7.0)	(6.5)	(5.9)	(3.3)	(2.7)	(2.3)
Joint ventures & associates (post tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	38.0	28.2	31.9	32.3	33.4	34.1	35.8	34.4	33.6
Profit Before Tax (reported)	30.3	14.8	30.6	27.9	31.8	34.1	37.9	33.4	32.6
Reported tax	(8.4)	(2.8)	(4.3)	(4.5)	(6.7)	(8.6)	(9.6)	(8.4)	(8.1)
Profit After Tax (norm)	29.6	25.4	27.6	27.8	26.7	25.5	26.2	26.1	25.4
Profit After Tax (reported)	21.9	12.0	26.3	23.4	25.1	25.5	28.3	25.1	24.4
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations	(53.4)	(18.7)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	29.6	25.4	27.6	27.8	26.7	25.5	26.2	26.1	25.4
Net income (reported)	(31.5)	(6.7)	26.2	23.4	25.1	25.5	28.3	25.1	24.4
Basic average number of shares outstanding (m)	246.4	244.5	243.5	238.5	237.3	240.3	242.4	242.4	242.4
EPS - basic normalised (p)	12.01	10.39	11.33	11.66	11.25	10.61	10.81	10.76	10.49
EPS - diluted normalised (p)	11.98	10.28	10.83	11.03	10.68	10.16	10.47	10.42	10.16
EPS - basic reported (p)	(12.78)	(2.74)	10.76	9.81	10.58	10.61	11.67	10.35	10.07
EPS - adjusted, company basis (p)	11.45	9.59	10.32	10.20	10.24	10.28	11.14	10.76	10.49
Dividend (p)	1.00	0.00	1.50	4.15	4.15	7.15	8.55	5.25	5.25
Revenue growth (%)	N/A	-10.7%	-4.7%	-1.8%	0.2%	1.1%	-3.6%	-3.0%	-3.1%
Gross Margin (%)	6.6%	6.3%	6.6%	6.7%	6.6%	6.6%	7.1%	7.1%	7.3%
EBITDA Margin (%)	4.6%	3.5%	4.0%	3.9%	3.9%	3.9%	4.0%	3.9%	3.9%
Normalised Operating Margin (%)	3.4%	3.0%	3.7%	3.6%	3.7%	3.6%	3.7%	3.6%	3.6%
BALANCE SHEET									
Fixed Assets	31.5	66.5	47.1	41.9	38.6	47.5	48.9	42.4	36.4
Intangible Assets	10.1	4.0	2.3	1.7	1.9	2.4	2.5	2.9	3.3
Tangible Assets	10.9	9.4	9.4	8.6	8.8	9.7	10.7	10.2	10.2
Investments & other	10.5	53.1	35.4	31.6	27.9	35.4	35.7	29.3	22.9
Current Assets	181.2	165.9	139.1	147.5	156.7	132.1	125.1	124.7	131.6
Stocks	16.2	14.1	13.2	15.6	17.7	18.0	12.6	14.4	14.0
Debtors	124.2	101.2	106.6	95.7	101.1	106.2	103.4	101.1	98.1
Cash & cash equivalents	24.0	50.6	19.3	35.3	37.3	7.0	8.2	8.2	18.7
Other	16.8	0.0	0.0	0.9	0.6	0.9	0.9	0.9	0.9
Current Liabilities	(229.7)	(283.9)	(167.5)	(157.2)	(158.9)	(135.3)	(133.3)	(132.5)	(129.2)
Creditors	(173.7)	(139.5)	(136.5)	(140.3)	(141.5)	(128.5)	(127.2)	(126.4)	(123.1)
Tax and social security	0.0	(1.7)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0
Short-term borrowings	(46.1)	(130.1)	(21.2)	(8.0)	(10.0)	0.0	0.0	0.0	0.0
Other	(9.9)	(12.6)	(9.5)	(8.9)	(7.4)	(6.8)	(6.1)	(6.1)	(6.1)
Long-Term Liabilities	(57.3)	(30.1)	(76.4)	(64.2)	(52.7)	(47.6)	(31.2)	(21.6)	(15.1)
Long-term borrowings	(49.3)	0.0	(50.1)	(39.1)	(30.2)	(17.6)	(1.7)	1.4	1.4
Other long-term liabilities	(8.0)	(30.1)	(26.3)	(25.1)	(22.5)	(30.0)	(29.5)	(23.0)	(16.5)
Net Assets	(74.3)	(81.6)	(57.7)	(32.0)	(16.3)	(3.3)	9.5	13.0	23.7
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	(74.3)	(81.6)	(57.7)	(32.0)	(16.3)	(3.3)	9.5	13.0	23.7
CASH FLOW									
Op Cash Flow before WC and tax	60.1	40.4	44.9	42.9	42.7	42.6	42.1	40.1	38.9
Working capital	(3.9)	(5.3)	(1.8)	2.8	(5.5)	(18.4)	4.6	(0.4)	0.2
Exceptional & other	(7.7)	(13.4)	(1.3)	(4.4)	(1.6)	(0.0)	2.1	(1.0)	(1.0)
Tax	(2.6)	0.0	(6.3)	(5.3)	(6.6)	(8.5)	(8.8)	(8.4)	(8.1)
Other	(22.9)	1.7	5.9	13.8	7.4	6.7	9.4	7.6	7.6
Net operating cash flow	23.0	23.4	41.4	49.8	36.4	22.4	49.4	38.0	37.5
Capex	(8.1)	5.3	(2.4)	(1.9)	(3.4)	(4.4)	(4.5)	(4.2)	(4.7)
Acquisitions/disposals	0.0	(10.2)	6.5	14.0	(0.3)	0.0	0.0	0.0	0.0
Net interest	(5.1)	(8.0)	(9.4)	(8.0)	(5.3)	(4.5)	(3.0)	(2.5)	(2.1)
Equity financing	0.0	(0.7)	(2.6)	(2.6)	(1.7)	(3.3)	(1.6)	(1.1)	(1.1)
Dividends	0.1	(2.2)	(1.0)	(5.9)	(9.6)	(10.6)	(17.2)	(20.6)	(12.6)
Other	(2.8)	(15.6)	(5.9)	(6.4)	(6.1)	(5.9)	(8.8)	(6.5)	(6.5)
Net Cash Flow	7.1	(8.0)	26.6	39.0	10.0	(6.3)	14.3	3.1	10.5
Opening net debt/(cash)	79.3	72.1	79.7	53.2	14.2	4.2	11.0	(3.3)	(6.4)
FX	0.1	(0.1)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash movements	0.0	0.5	0.1	0.0	0.0	(0.5)	0.0	0.0	0.0
Closing net debt/(cash)	72.1	79.7	53.2	14.2	4.2	11.0	(3.3)	(6.4)	(16.9)

Source: Company data, Edison Investment Research

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