EDISON

The Pebble Group

On track, with further tender offer

H125 trading update

Media

11 July 2025

Pebble Group's H125 update indicates trading is on track to meet FY25 market expectations, despite a difficult macroeconomic backdrop and currency headwinds. We have made small forecast revisions to reflect the latter. Facilisgroup is starting to see the benefits of investment shifting from product development to sales and marketing, translating into new partner wins, while Brand Addition's order values are picking up, with new contract wins set to contribute from H225. The group has healthy and improving cash conversion, with net cash at end H125 of £6.0m (excluding leases). A further share buyback via tender of up to £6.5m is set to be launched later this month, following the previous £3.6m programme, completed in May.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
12/23	124.2	9.9	4.59	1.20	10.6	2.5
12/24	125.3	9.7	4.43	1.85	10.9	3.8
12/25e	126.6	7.7	3.70	1.95	13.1	4.0
12/26e	131.7	8.5	4.16	2.10	11.7	4.3

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

Incremental improvements in both businesses

At Facilisgroup, the update points to promising progress in new partner wins. Gross merchandise value, a key indicator of the health of the business, is slightly up on the prior year, as it was at the time of the 3 June AGM update. Purchases through the group's preferred suppliers are now in line, implying a better recent trading period, having been slightly below at the previous update. At Brand Addition, total orders by value were 7% shy of prior year in early June, with H125 revenues now expected to be 4% softer. New contract wins should boost the H2 performance. We have made a precautionary 1% and 5% trim to our revenue and operating profit forecasts respectively to reflect currency and the uncertain macroeconomic backdrop. The potential imposition of further tariffs may lead to more substantive impacts, with the outlook likely to be clearer by the interim results, scheduled for 9 September.

Further tender offer planned

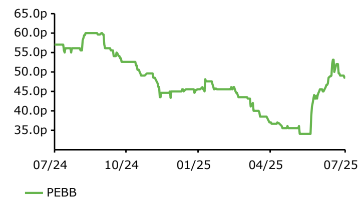
With peak spend on Facilisgroup now complete, Pebble is generating surplus cash and prioritising returns to shareholders. It intends to launch a further share buyback programme, with full details expected on 21 July. The previous programme ended in June, with £3.6m (£1.4m in FY24 and £2.2m in FY25). This new tender is for up to £6.5m. Our modelling builds in the buybacks as they happen, so our projection of year-end net cash (excluding leases) of £16.1m is before any associated spend.

Valuation

Difficult trading conditions have continued to weigh on the share prices of the peer sets we use for both Facilisgroup and Brand Addition in our sum-of-the-parts valuation. The performance of UK marketing services stocks has been particularly poor, with share prices dropping 20% on average, while the US SaaS stocks used have fallen by 14%. In contrast, Pebble's share price is up 7%, supported by the steady trading and share buyback. Our peer-derived implied valuation for the group is now 68p per share, from 71p in March, still 40% ahead of the current level.

Price	**48.50p**
Market cap	**£77m**
Net cash excluding leases as at 30 June 2025	£6.0m
Shares in issue	159.4m
Free float	80.2%
Code	PEBB
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	6.6	40.1	(12.6)
52-week high/low		58.8p	32.6p

Business description

The Pebble Group provides digital commerce, products and related services to the global promotional products industry through two focused, complementary and differentiated businesses: Facilisgroup and Brand Addition.

Next events

H125 results	9 September

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Exhibit 1: Financial summary

£000s	2022	2023	2024	2025e	2026e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue	134,025	124,171	125,268	126,550	131,716
Cost of Sales	(81,279)	(69,988)	(69,816)	(72,439)	(74,968)
Gross Profit	52,746	54,183	55,452	54,111	56,747
EBITDA	18,042	15,978	16,687	15,874	16,920
Operating profit (before amort. and excepts.)	12,896	10,447	10,265	8,174	8,920
Amortisation of acquired intangibles	(1,420)	(1,901)	(2,100)	(500)	(500)
Exceptionals	0	0	0	0	0
Share-based payments	(1,253)	(548)	458	(1,200)	(1,200)
Reported operating profit	10,223	7,998	8,623	6,474	7,220
Net Interest	(520)	(589)	(545)	(473)	(401)
Joint ventures & associates (post tax)	0	0	0	0	0
Exceptionals	0	0	0	0	0
Profit Before Tax (norm)	12,376	9,858	9,720	7,701	8,519
Profit Before Tax (reported)	9,703	7,409	8,078	6,001	6,819
Reported tax	(2,448)	(1,614)	(1,712)	(1,320)	(1,500)
Profit After Tax (norm)	9,674	7,709	7,387	6,007	6,645
Profit After Tax (reported)	7,255	5,795	6,366	4,681	5,319
Minority interests	0	0	0	0	0
Discontinued operations	0	0	0	0	0
Net income (normalised)	9,674	7,709	7,387	6,007	6,645
Net income (reported)	7,254	5,795	6,366	4,680	5,318
Average Number of Shares Outstanding (m)	167	167	166	162	159
EPS - normalised (p)	5.78	4.60	4.44	3.71	4.17
EPS - normalised fully diluted (p)	5.77	4.59	4.43	3.70	4.16
EPS - basic reported (p)	4.33	3.46	3.83	2.89	3.34
Dividend (p)	0.60	1.20	1.85	1.95	2.10
Revenue growth (%)	16.4	(7.4)	0.9	1.0	4.1
Gross Margin (%)	39.4	43.6	44.3	42.8	43.1
EBITDA Margin (%)	13.5	12.9	13.3	12.5	12.8
Normalised Operating Margin	9.6	8.4	8.2	6.5	6.8
BALANCE SHEET					
Fixed Assets	69,786	69,894	69,166	67,525	65,684
Intangible Assets	60,002	61,306	61,757	60,757	59,457
Tangible Assets	9,492	8,306	7,123	6,482	5,941
Investments & other	292	282	286	286	286
Current Assets	65,198	57,908	59,254	58,852	63,852
Stocks	15,447	11,852	12,095	12,219	12,718
Debtors	34,693	30,158	30,651	30,511	31,756
Cash & cash equivalents	15,058	15,898	16,459	16,073	19,329
Other	0	0	49	49	49
Current Liabilities	39,045	30,840	30,214	28,643	29,585
Creditors	36,413	28,965	28,562	26,991	27,933
Tax and social security	1,063	381	0	0	0
Short-term borrowings / leases	1,569	1,494	1,652	1,652	1,652
Other	0	0	0	0	0
Long-Term Liabilities	10,350	8,495	6,830	6,830	6,830
Long-term borrowings/leases	7,490	6,130	5,185	5,185	5,185
Other long-term liabilities	2,860	2,365	1,645	1,645	1,645
Net Assets	85,589	88,467	91,376	90,904	93,121
Minority interests	0	0	0	0	0
Shareholders' equity	85,589	88,467	91,376	90,904	93,121
CASH FLOW					
Operating Cash Flow	18,061	15,960	16,687	16,374	16,920
Working capital	(3,362)	708	(1,213)	(1,554)	(802)
Exceptional & other	19	(18)	0	0	0
Tax	(1,712)	(2,517)	(2,655)	(1,320)	(1,500)
Net operating cash flow	13,006	14,133	12,819	13,499	14,618
Capex	(8,379)	(8,530)	(6,762)	(5,700)	(5,800)
Acquisitions/disposals	0	0	0	0	0
Net interest	(520)	(589)	(86)	(473)	(401)
Equity financing	0	(395)	(1,416)	(2,209)	0
Dividends	0	(1,005)	(2,005)	(2,943)	(3,103)
Other (including lease payments)	(1,737)	(165)	(2,175)	(2,059)	(2,059)
Net Cash Flow	2,370	3,449	375	115	3,256
Opening net debt/(cash)	(4,279)	(5,999)	(8,274)	(9,622)	(9,737)
FX	655	(1,192)	186	0	0
Other non-cash movements	(1,305)	18	787	0	(19)
Closing net debt/(cash)	(5,999)	(8,274)	(9,622)	(9,737)	(12,974)
Closing net debt/(cash) excluding leases	(15,058)	(15,898)	(16,459)	(16,073)	(19,329)

Source: Company accounts, Edison Investment Research

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