The Pebble Group

H125 results

Pushing more value through platform

The Pebble Group's interim results are in line with July's update and show it is on track to meet full-year expectations. New business won on both sides of the group is offsetting some of the impact from weak market conditions affecting levels of marketing spend. The increased investment in sales and marketing is helping to build momentum at Facilisgroup, which grew its Partner (customer) base from 239 to 248 in the half year. Gross merchandise value across the platform increased by 4% over H124, with a small uplift in spend through the preferred supplier base. The recent tender offer returned £6.5m to shareholders. Along with dividends and the share buyback, the return now totals £11.7m. Net cash on 8 September was £1.2m.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
12/23	124.2	9.9	4.59	1.20	11.1	2.4
12/24	125.3	9.7	4.43	1.85	11.5	3.6
12/25e	126.6	7.9	3.99	1.95	12.8	3.8
12/26e	131.7	8.5	4.46	2.10	11.4	4.1

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

Market share growth is the key goal

With Facilisgroup's platform in place, and a rolling programme of updates to ensure that it stays optimised, the focus is now on driving the top line through increasing Partner numbers and by helping them grow. Gross merchandise value (GMV) across the platform increased by 4% over H124, with a small uplift in spend through the preferred supplier base. With tariff-induced disruption settling for now, these two key indicators should start to move more in line. At Brand Addition, the macroeconomic malaise continues to weigh on orders from existing customers, but this has been partially offset by new clients coming onboard, underpinning expectations for H225 and FY26. Pipelines for both businesses remain good.

Strong cash conversion

Pebble's normal pattern is for a cash outflow in H1 followed by a stronger cash inflow in H2. With the capital expenditure at Facilisgroup trending down, there has been greater emphasis on operating expenditure, in leadership, teams and processes, all with an eye to driving faster top-line growth. This investment remains the top priority for cash allocation, followed by dividends and further return of capital through buybacks. Management has indicated that there also may be non-organic opportunities through acquisition.

Valuation: Remains well below peers despite gain

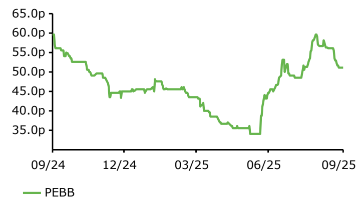
Difficult trading conditions have continued to depress the share prices of both Facilisgroup and Brand Addition's peers in our sum-of-the-parts valuation. The performance of UK marketing services stocks has been exceptionally poor, with share prices dropping 25% on average year to date, while the US SaaS stocks used have fallen by 12%. In contrast, Pebble's share price is up 12%, supported by steady trading, the share buyback and August's tender offer at above the trading price. Our peer-derived implied valuation for the group is 77p (up from 68p per share in July, reflecting the reduced share count), 51% ahead of the current level.

Media

9 September 2025

Price	**51.00p**
Market cap	**£76m**
Net cash at 8 Sept 2025	£1.2m
Shares in issue	148.7m
Free float	71.3%
Code	PEBB
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(10.5)	12.1	(10.4)
52-week high/low		59.5p	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

Trading update	Mid-Jan 2026

Analyst

Fiona Orford-Williams +44 (0)20 3077 5700

tmt@edisongroup.com

Edison profile page

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Resilient H125 laying the groundwork for resumption of growth

The health of the promotional products industry is closely tied to corporate confidence, and it is North American sentiment that sets the tone. Here, uncertainty over the macroeconomic backdrop and around tariffs, particularly in Q1, is still weighing on decision-making. Pebble has been working hard to align its offering and its sales structure to take full advantage of both the current soft conditions and to position for when conditions improve.

At **Facilisgroup**, this involves paying close attention to Partner (client) relationships, borne out in high levels of retention. Partner numbers as at 6 September were 248, from 239 at the year-end, but this masks 18 new wins offset by three Partners being acquired and a churn rate of six (which includes those deliberately cycled out). On average, Partners trade $6.2m across the platform, in a range from $2m to $70m. Newly onboarded Partners will tend to be at the lower end of the range, growing their businesses as they take advantage of the platform's capabilities. GMV was 4% ahead of H124 (which will be reflected in increased technology subscription fees for FY26), while the amount transacted through preferred suppliers grew at a lower rate of 1%. This reflects a degree of forward ordering earlier in the year, when tariff impacts were front and centre of supply discussions, and we would expect these trading patterns to revert to growth in line with GMV.

The leadership team has been significantly strengthened with the addition of a chief revenue officer and a VP of sales.

Exhibit 1: Summary H125 performance

£m	H124	H125	change
Facilisgroup revenue	9	9	-3%
Brand Addition revenue	52	50	-4%
Group revenue	61	59	-4%
Facilisgroup gross profit margin	100.0%	100.0%	
Brand Addition gross profit margin	35.3%	35.7%	
Group gross profit margin	44.7%	45.1%	
Facilisgroup adjusted EBITDA	4	4	-12%
Brand Addition adjusted EBITDA	5	4	-16%
Group adjsuted EBITDA	7	6	-16%
Brand Addition adjusted EBITDA margin	8.8%	7.6%	
Facilisgroup adjsuted EBITDA margin	47.7%	43.7%	
Group adjusted EBITDA margin	12.1%	10.5%	

Source: Company accounts

At **Brand Addition**, last year's new client wins are helping to counter some of the weakness in spend from existing clients (no client losses in its top 30 clients). As at 7 September, orders received for FY25 stood at £82.3m, which is slightly behind the prior year, but management expects the full-year figure to match the prior year. Gross margin remains above 35%, and we would expect the adjusted EBITDA margin to recover as volumes rebuild.

Valuation

We appraise Pebble's valuation on a sum-of-the-parts basis, using a selection of quoted US stocks with a predominantly SaaS business model for Facilisgroup and a peer set of UK marketing services companies for Brand Addition.

When we last carried out this exercise in July, the US stocks had decreased on average by 17.9% over the year to date. Since then, the performance has improved and share prices are now on average 11.5% behind where they stood at the start of the year.

The story for the UK marketing stocks is considerably less encouraging. In July, they were posting losses of 25.9% and this has now increased to 28.7%, although as revenue forecasts have been pulled back, their average EV/sales multiple has expanded.

Based on the relevant peer group averages of current year EV/sales and FY25 and FY26 EV/EBITDA, and on the reduced share count, we now derive a value for the group of 77p, up from 68p in July. Within this, Facilisgroup represents 53% of the total, down from 64%. This is 51% ahead of the current market price.

Exhibit 2: 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	8,374	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	6,674	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	7,901	8,519
Profit Before Tax (reported)	9,703	7,409	8,078	6,201	6,819
Reported tax	(2,448)	(1,614)	(1,712)	(1,364)	(1,500)
Profit After Tax (norm)	9,674	7,709	7,387	6,163	6,645
Profit After Tax (reported)	7,255	5,795	6,366	4,837	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	6,163	6,645
Net income (reported)	7,254	5,795	6,366	4,836	5,318
Average Number of Shares Outstanding (m)	167	167	166	154	149
EPS - normalised (p)	5.78	4.60	4.44	4.00	4.47
EPS - normalised fully diluted (p)	5.77	4.59	4.43	3.99	4.46
EPS - basic reported (p)	4.33	3.46	3.83	3.14	3.58
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	6.6	6.8
BALANCE SHEET					
Fixed Assets	69,786	69,894	69,166	67,725	65,884
Intangible Assets	60,002	61,306	61,757	60,957	59,657
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	46,005	51,213
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	3,227	6,690
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	78,258	80,682
Minority interests	0	0	0	0	0
Shareholders' equity	85,589	88,467	91,376	78,258	80,682
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)	(1,364)	(1,500)
Net operating cash flow	13,006	14,133	12,819	13,455	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)	(15,209)	0
Dividends	0	(1,005)	(2,005)	(2,746)	(2,895)
Other (including lease payments)	(1,737)	(165)	(2,175)	(2,059)	(2,059)
Net Cash Flow	2,370	3,449	375	(12,732)	3,463
Opening net debt/(cash)	(4,279)	(5,999)	(8,274)	(9,622)	3,610
FX	655	(1,192)	186	0	0
Other non-cash movements	(1,305)	18	787	(500)	(19)
Closing net debt/(cash)	(5,999)	(8,274)	(9,622)	3,610	165
Closing net debt/(cash) excluding leases	(15,058)	(15,898)	(16,459)	(3,227)	(6,690)

Source: Company accounts, Edison Investment Research

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London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom