



## Financial Review



# A resilient, cash generative, profitable performance

## Andrew Mallows

CFO

“The Group's robust cash flow generation continues to support deleveraging alongside ongoing investment for growth.”

98%

Cash conversion

1.6x

Leverage ratio



## Financial Review continued

### Summary statement of income

	2025 £'000	2024 £'000	Change £'000	Change %
<b>System sales*</b>	<b>434,985</b>	<b>425,575</b>	<b>9,410</b>	<b>2%</b>
<b>Statutory revenue</b>	<b>142,152</b>	<b>139,206</b>	<b>2,946</b>	<b>2%</b>
Cost of sales	(57,394)	(55,887)	(1,507)	3%
<b>Gross profit</b>	<b>84,758</b>	<b>83,319</b>	<b>1,439</b>	<b>2%</b>
Administrative expenses	(49,513)	(48,198)	(1,315)	3%
<b>Adjusted EBITDA</b>	<b>35,245</b>	<b>35,121</b>	<b>124</b>	<b>0%</b>
Depreciation & amortisation of software	(6,146)	(6,072)	(74)	1%
Finance expense	(5,558)	(7,378)	1,820	(25%)
Foreign exchange	349	(386)	735	-
<b>Adjusted profit before tax</b>	<b>23,890</b>	<b>21,285</b>	<b>2,605</b>	<b>12%</b>
Tax expense	(6,574)	(4,743)	(1,831)	39%
<b>Adjusted profit after tax</b>	<b>17,316</b>	<b>16,542</b>	<b>774</b>	<b>5%</b>
Amortisation of acquired intangibles	(10,296)	(10,156)	(140)	-
Share-based payment expense	(874)	(1,480)	606	-
Non-recurring items	-	(444)	444	-
Tax on adjusting items	2,831	2,822	9	-
<b>Statutory profit</b>	<b>8,977</b>	<b>7,284</b>	<b>1,693</b>	<b>23%</b>
<b>Total Profit and Other Comprehensive Income</b>	<b>8,498</b>	<b>7,633</b>	<b>865</b>	<b>11%</b>

\* Restated to reflect 2024 year-end restatement as detailed in note 1 of the 2024 Annual Report.

Adjusted EBITDA increased by 0.2% to £35.2m (2024: £35.1m) primarily as a result of modest growth in System sales being offset by cost of sales and overhead increases of 3% each.

Depreciation and amortisation of software decreased by 1% to £6.1m (2024: £6.1m) demonstrating the capital light nature of the Group's substantially franchised business.

The finance expense decreased by 25% to £5.6m (2024: £7.4m) due to debt repayments and reductions in the base rate. The Group also took proactive steps to reduce the cost of its banking facilities. The Group entered into a UK pooling arrangement with its primary lender (HSBC) to allow it to offset cash balances which previously attracted no interest. The Group subsequently entered into an agreement with HSBC to provide the whole debt facility, which reduced both the interest margin and the administrative costs of the previous syndicate of four lenders.



## Financial Review continued

The average interest rate payable in 2025 reduced to 6.4% (2024: 7.6%). The interest margin at the start of 2025 was 2.5%, but following both the reduction in leverage ratio and our renegotiated margin, the interest margin had reduced to 1.7% by the end of the year.

Foreign exchange differences reflect the realised and unrealised gains or losses primarily associated with internal and external debt funding arrangements for both the Pirtek acquisition and the Pirtek intercompany loans.

The overall effective tax rate increased to 29.4% (2024: 20.9%) as a result of higher tax rates in the US and in overseas operations. The prior year also included a credit related to a prior over-provision and the recognition of a deferred tax asset.

Statutory profit after tax rose by 23% to £9.0m (2024: £7.3m).

### Earnings per share

The Adjusted and basic EPS are shown in the table below:

	2025 £'000	2025 EPS p	2024 £'000	2024 EPS p	Change p	Change %
<b>Adjusted profit after tax</b>	<b>17,316</b>	<b>9.00</b>	<b>16,542</b>	<b>8.59</b>	<b>0.41</b>	<b>4.8%</b>
Amortisation of acquired intangibles	(10,296)	(5.35)	(10,156)	(5.28)	(0.07)	1.3%
Share based payment	(874)	(0.45)	(1,480)	(0.77)	0.32	(41.6%)
Non-recurring costs	-	-	(444)	(0.23)	0.23	(100.0%)
Tax on adjusting items	2,831	1.47	2,822	1.47	0.00	0.0%
<b>Statutory profit after tax</b>	<b>8,977</b>	<b>4.67</b>	<b>7,284</b>	<b>3.78</b>	<b>0.89</b>	<b>23.4%</b>

The total number of Ordinary Shares in issue on 31 December 2025 and 31 December 2024 was 193,784,080.

The Employee Benefit Trust ("EBT") started the period holding 1,247,122 Ordinary Shares, purchased 1,531,094 Ordinary Shares and disposed of 674,892 Ordinary Shares in respect of the exercise of employees' share options. The EBT therefore ended the period holding 2,103,324 Ordinary Shares.

On 31 December 2025, there were 13,319,157 shares under option (6.9% of the total number of Ordinary Shares), of which 3,551,310 had vested and were exercisable.

The total number of Ordinary Shares in issue on 31 December 2025, net of the EBT holding was 191,680,756 (31 December 2024: 192,536,958), and the basic weighted average number of Ordinary Shares in issue for the year was 192,317,519 (2024: 192,221,395).

Adjusted basic EPS increased by 4.8% to 9.00p (2024: 8.59p), and basic earnings per share increased by 23.4% to 4.67p (2024: 3.78p).

### Cash flow and working capital

A summary of the Group cash flow for the period is set out in the table below:

	2025 £'000	2024 £'000
<b>Adjusted EBITDA</b>	<b>35,245</b>	<b>35,121</b>
Non-recurring costs	-	(444)
Working capital movements	(798)	(1,577)
<b>Adjusted cash generated from operations</b>	<b>34,447</b>	<b>33,100</b>
Taxes paid	(5,608)	(3,991)
Purchases of PPE	(996)	(1,470)
Proceeds from sale of PPE	1,104	248
Purchase/capitalisation of software	(2,104)	(1,657)
Purchase of IP	-	(9)
Net bank loans repaid	(15,720)	(9,250)
Overdraft utilised	7,542	-
Interest paid bank and other loan	(4,315)	(6,704)
Lease payments	(4,391)	(4,264)
Funds supplied to the EBT	(2,000)	(300)
Funds received from the EBT	460	223
Dividends paid	(4,711)	(4,429)
Other net movements	(1,270)	(776)
<b>Net cash movement</b>	<b>2,438</b>	<b>721</b>
Net cash at beginning of period	12,921	12,278
Exchange differences on cash and cash equivalents	(66)	(78)
<b>Net cash at end period</b>	<b>15,293</b>	<b>12,921</b>



## Financial Review continued

### Cash flow and working capital continued

The Group generated Adjusted cash from operating activities of £34.5m (2024: £33.1m) resulting in a cash conversion rate of 98% (2024: 94%).

Taxes paid increased to £5.6m (2024: £4.0m) and relate to both the UK and international quarterly payments. The 2024 tax payments benefited from the previously mentioned prior-year adjustments.

Property, Plant and Equipment purchases were £1.0m (2024: £1.5m) and related primarily to plant and equipment additions in the DLO businesses. The software purchases of £2.1m (2024: £1.7m) represent the capitalised component of our ongoing investment in developing our global IT platform.

Bank loans repaid represented both the £7.5m term loan repayments and an £8.0m repayment of the RCF. Interest paid reflects the cost of servicing this debt. Lease payments remain the same as the previous year.

Purchase of shares by the EBT of £2.0m relates to the re-commencement of the share purchase programme announced in October 2024.

Dividends paid reflect the combined cash cost of the final 2024 dividend and the 2025 interim dividend paid in 2025.

### Net debt

The net debt of the Group may be summarised as follows:

	31 December 2025 £'000	31 December 2024 £'000	Change £'000	Change %
Cash	15,293	12,921	2,372	18%
Overdraft	(7,542)	-	(7,542)	(100%)
Term loan	(32,500)	(40,000)	7,500	(19%)
RCF	(29,465)	(37,431)	7,966	(21%)
Loan fee	653	689	(36)	(5%)
Hire purchase debt	(2,006)	(1,266)	(740)	58%
<b>Adjusted (net debt)/net cash</b>	<b>(55,567)</b>	<b>(65,087)</b>	<b>9,520</b>	<b>(15%)</b>
Other lease debt	(9,648)	(9,975)	327	(3%)
<b>(Net Debt)/Net cash</b>	<b>(65,215)</b>	<b>(75,062)</b>	<b>9,847</b>	<b>(13%)</b>

During the year, the term loan balance was reduced by £7.5m (2024: £10.0m) in accordance with the banking agreement and the RCF was reduced by £8.0m (2024: increased by £0.5m). Adjusted net debt, the metric used in calculating compliance with our banking covenants, reduced to £55.6m (31 December 2024: £65.1m). This reduced the leverage ratio to 1.6x Adjusted EBITDA, down from 1.9x at the end of 2024, which was in line with management's expectations and comfortably within banking covenants.

### Dividend

The Board is pleased to propose a final dividend of 1.30 pence per share (2024: 1.30p per share), giving a total dividend for the year of 2.50p (2024: 2.40p), an increase of 4%. Subject to shareholder approval at the AGM on 30 April 2026, the final dividend will be paid on 22 May 2026 to those shareholders on the register at the close of business on 8 May 2026.

**Andrew Mallows**

CFO  
24 March 2026