

Corporate

 Current price **34.5p**

 Sector **Healthcare Equipment & Services**

 Code **TLY.L**

 AIM **AIM**

Share Performance



Source: Thomson Reuters, Allenby Capital

Share Data

 Market Cap (£m) **62.9**

 Shares in issue (m) **182.3**

 52 weeks High **43.25p** Low **20.6p**

 Financial year end **March**

Source: Company Data, Allenby Capital

Key Shareholders

Richard Sneller 11.13%

Stonehage Fleming IM 10.09%

Premier Miton 9.68%

Columbia Threadneedle Inv 6.33%

Liontrust Inv 4.46%

D & M Newlands 3.96%

Unicorn AM 3.16%

Source: Company Data, Allenby Capital

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Totally plc (TLY.L)

Acquisition presents significant new opportunities for TLY

Energy Fitness Professionals (EFP) is a strategically important addition to the Group's service proposition, introducing Totally to a fast-growing market in the field of workplace wellbeing. EFP has built up a blue-chip list of corporate clients and Totally now has the opportunity to offer EFP's services to its own extensive customer base, including the NHS, as well as adding additional services to the platform such as physiotherapy and virtual GP. We expect more bolt-on acquisitions to be concluded in the months ahead that will further strengthen the Group's healthcare delivery proposition. Group profit forecasts remain unchanged at this time although year end cash has been reduced by £1m to £14.6m following the acquisition.

A major player in workplace wellbeing and corporate fitness services - EFP was founded in 1990 by Alan Gallacher and Robert Radford, both of whom will remain with the business. It is the UK's largest privately-owned corporate fitness provider and has built an impressive list of prestigious blue-chip clients over the past several years.

- Mental and physical wellbeing services** – EFP provides services to support employee wellbeing in the workplace including gym management, gym design and mental wellbeing, the latter being delivered through its digital platform “Health Hub”. Totally has committed additional funds of up to £0.5m to further develop Health Hub into a market leading platform. Forming part of Totally's buy & build strategy, EFP provides the Group with the opportunity to offer diversification across its contracts and enhance its services targeting workplace wellness, including physical and mental health and wellbeing services. The Acquisition also presents the opportunity to deliver enhanced digital services, which complement the existing service offerings of Totally and EFP.
- Consideration of up to £1.3m** – The total consideration for the acquisition is up to £1.3m in cash on a cash free/debt free basis. The initial consideration will be satisfied by the payment of £1.0m and up to £0.3m on a deferred basis dependent upon the audited financial performance of EFP for the financial year ending March 2023. The earn-out target for FY2023 would, if met in full, result in EFP's trading returning to pre-COVID levels. In the year to March 2021 EFP reported revenues of £983,708 and a profit before tax of £444,691, which included the impact of both government support and the COVID pandemic.
- Further bolt-on acquisitions likely in the coming months** - The acquisition is in line with the Group's buy & build strategy that was reiterated in Totally's interim results in November, that “the Board will accelerate the buy and build strategy that was implemented when the current management team was assembled some years ago. The Group is in advanced discussions with a number of bolt-on businesses that would strengthen its proposition and bring further earnings enhancing opportunities”.

Year End: March	2020A	2021A	2022E	2023E	2024E
REVENUE (£m)	105.9	113.7	122.9	134.8	145.5
ADJ. EBITDA (£m)	4.0	5.0	5.5	6.5	8.5
ADJ. PBT (£m)	1.4	2.5	3.1	4.1	6.1
ADJ. EPS (p)	1.19	1.49	1.81	2.29	3.29
NET CASH (£m)	8.9	14.8	14.6	16.0	19.1
DIVIDEND (p)	0.50	0.50	0.75	0.75	0.85
PER (x)	29.3	23.3	19.2	15.2	10.6
YIELD	1.4%	1.4%	2.2%	2.2%	2.4%

Source: Totally plc; Allenby Capital

*Adjusted PBT excludes amort. of acquired contracts (20: £2.8m, 21: £2.5m, 22: £2.3m, 23: £1.8m, 24: £1.0m)

Summary financials & forecasts

Y/E March	£m 2020A	£m FY 2021A	£m FY 2022E	£m FY 2023E	£m FY 2024E
PROFIT & LOSS SUMMARY					
Revenue	105.9	113.7	122.9	134.8	145.5
Gross profit	19.2	20.8	22.0	24.1	26.7
margin	18.1%	18.3%	17.9%	17.9%	18.3%
Total operating costs	-15.1	-16.5	-16.5	-17.6	-18.2
as a % of revenue	14.3%	14.5%	13.4%	13.1%	12.5%
Underlying EBITDA	4.0	5.0	5.5	6.5	8.5
margin	3.8%	4.4%	4.5%	4.8%	5.8%
Depreciation	-2.0	-2.0	-2.0	-2.0	-2.0
Amortisation	-0.3	-0.3	-0.3	-0.3	-0.3
Underlying profit/(loss) before tax	1.4	2.5	3.1	4.1	6.1
Amortisation of acquired contracts	-2.8	-2.5	-2.3	-1.8	-1.0
Exceptional items	-0.5	0.0	0.0	0.0	0.0
Statutory profit/(loss) before tax	-3.4	0.1	0.8	2.3	5.1
Weighted Average Shares (fully diluted)	155.7	184.7	184.8	184.8	184.8
Underlying EPS (pence)	1.2	1.5	1.8	2.3	3.2
Dividend	0.50	0.50	0.75	0.75	0.85
CASH FLOW					
Net movement in working capital	-0.6	4.7	-0.8	-1.2	-1.5
Net cash inflow from operating activities	2.9	9.2	4.8	5.4	7.1
Net cash outflow from investing activities	-8.6	-0.7	-2.2	-1.1	-1.0
Net cash inflow/(outflow) from financing activities	7.1	-2.6	-2.9	-2.9	-3.0
Cash and cash equivalents at end of the year	8.9	14.8	14.6	16.0	19.1
BALANCE SHEET					
Non-current assets	45.0	41.8	40.7	39.1	38.4
Current assets (excluding cash)	11.4	8.9	7.0	6.0	5.0
Cash	8.9	14.8	14.6	16.0	19.1
Total Assets	65.3	65.5	62.2	61.1	62.5
Liabilities					
Current liabilities	-26.1	-27.1	-24.1	-22.0	-19.5
Non-current liabilities	-4.8	-4.4	-4.4	-4.4	-4.4
Total Liabilities	-30.9	-31.5	-28.5	-26.4	-23.9
Net Assets	34.4	34.0	33.8	34.7	38.6
Net (debt)/cash	8.9	14.8	14.6	16.0	19.1

Source: Totally; Allenby

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