Company Note

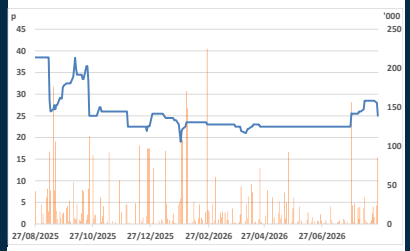
Interims

26 August 2026

Corporate

Current price	**25.0p**
Sector	**Support Services**
Code	**EMR.L**
Listing	**AIM**

Share Performance



	1m	3m	12m
EMR.L	+11%	+11%	-35%

Source: Thomson Reuters, Allenby Capital

Share Data		
Market Cap (£m)		**12.5**
Shares in issue (m)		**49.1**
52 weeks (p)	High	Low
	38.5	**19.0**
Financial year end		**December**

Source: Company Data, Allenby Capital

Key Shareholders	
AV Martin (Chair)	27.93%
HM van Heijst	17.89%
Stichting Hendricks FO	12.47%
TrinityBridge	5.95%
UBS	5.13%
The Ramsey Partnership Fund	4.90%
Beleggingsclub't Stockpaert	3.51%

Source: Company Data, Allenby Capital

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Empresaria Group plc (EMR.L)

H1 PBT up 256% – forecasts further upgraded from £5.2m to £6.2m

Empresaria delivered a strong first half result in spite of challenging markets continuing to impact some of its businesses. Showing a new segmental analysis along three service lines, the outstanding performer was Global Workforce Solutions (previously Offshore Services). Our forecasts for EMR were only upgraded in July but results from the cost discipline programme and other initiatives have exceeded the Board's expectations such that guidance for adjusted PBT has been raised from £5.2m to at least £6.2m. Our forecasts have been revised to reflect this, still in our view, prudent guidance.

- **Resilient performance against continuing market challenges** – The global market in which the Group operates, continues to be challenging with economic pressures and geo-political uncertainty. Despite these headwinds Empresaria, under its new Board has managed to deliver solid growth in net fee income (NFI) which has translated into a strong recovery in profits. Net debt was stable at £17.0m (FY25: £17.1m)
- **Adjusted PBT ahead by c.256%** - Despite market headwinds, the 5% growth in NFI coupled with improved margins from disciplined cost management, has resulted in adjusted PBT increasing by 256% to £3.2m, the best H1 outcome for the Group since H1 22. Particularly strong results were achieved by Global Workforce Solutions (GWS) and headway.
- **Board now guiding to at least £6.2m of adjusted PBT** - The Board considers that although there are still four months trading to go in the current financial year it has sufficient confidence to increase guidance from at least £5.2m to at least £6.2m.
- **Impact from high effective tax rate** – Due to withholding taxes on dividends and interest paid abroad as well as the inability to fully offset central costs in the UK, the effective rate of tax is high at 60-65%. This, together with interest charges on borrowings, reduces the impact of the profit growth that is reflected in earnings. We would hope for a gradual reduction in the effective rate over time as UK losses are reduced and profits increased.
- **Forecasts further upgraded** – We upgraded expectations following July's H1 trading update raising PBT forecasts from £4.1m to £5.2m. However, the Group has seen a better than expected impact from the cost discipline programme undertaken by the new Board, as well as improved management oversight across all service lines. Consequently, the Board now expects that adjusted PBT for the year will be at least £6.2m, an increase of 19% against previous guidance and 51% higher than our original expectation of £4.1m. Consequently, we have now raised our forecast from £5.2m to £6.2m
- **Conclusion** – The continued strength of GWS, combined with management's self-help agenda, has proven an effective pathway to improved Group profitability. The key remaining constraints are balance sheet leverage and the high effective tax rate, both of which currently limit the extent to which operating profit growth converts into attributable earnings. Management recognises these challenges and is taking steps to address them. On an EV/EBITDA of 1.9x and EV/NFI of 0.6x against a sector average of 8.5x and 1.0x respectively, we believe the shares are undervalued, with delivery on debt reduction, tax efficiency and profit recovery expected to act as catalysts for a re-rating.

Year End: December					
(£m)	**2023A**	**2024A**	**2025A**	***2026E (OLD)***	**2026E (NEW)**
NFI	57.5	50.4	47.3	*48.0*	**48.0**
ADJ. EBITDA	11.7	10.7	12.1	*13.7*	**14.7**
ADJ. PBT	3.5	2.2	4.0	*5.2*	**6.2**
ADJ. BASIC EPS (p)	0.6	-1.0	-0.6	*0.5*	**1.1**
NET (DEBT)/CASH (£m)	-11.1	-15.5	-17.1	*-16.1*	**-16.1**
EV/EBITDA (x)	2.0	2.6	2.4	*2.1*	**1.9**
PER (x)	40.9	-	-	*49.1*	**22.1**

Source: Company; Allenby Capital. Allenby Capital acts as Nomad & Broker to Empresaria Group plc (EMR.L).

Please refer to the last page of this communication for all required disclosures and risk warnings.

EXHIBIT 1: SUMMARY FIRST HALF FINANCIALS

	H1 26A	%	H1 25A	2025A
	£m	*change*	£m	£m
INCOME STATEMENT				
ADJUSTED				
Revenue	117.7	*-0.1%*	117.8	239.0
Cost of sales	-93.2	*-1.3%*	-94.4	-191.7
Net Fee Income	**24.5**	*4.7%*	**23.4**	**47.3**
GP margin	*20.8%*	*4.8%*	*19.9%*	*19.8%*
Administrative expenses	-17.4	*-4.9%*	-18.3	-35.2
as a % of NFI	*71.0%*	*-9.2%*	*78.2%*	*74.4%*
Adjusted EBITDA	**7.1**	*39.2%*	**5.1**	**12.1**
as a % of NFI	*29.0%*	*33.0%*	*21.8%*	*25.6%*
Share based charges	-0.1	*0.0%*	-0.1	0.0
Depreciation & software amortisation	-0.6	*0.0%*	-0.6	-1.2
Depreciation of RoU assets	-2.4	*-11.1%*	-2.7	-5.2
Adjusted operating profit	**4.0**	*135.3%*	**1.7**	**5.7**
as a % of NFI	*16.3%*	*124.7%*	*7.3%*	*12.1%*
Finance income	0.3	*-25.0%*	0.4	0.7
Finance expense	-1.1	*-8.3%*	-1.2	-2.4
Adjusted profit before tax	**3.2**	*255.6%*	**0.9**	**4.0**
Tax	-1.9	*375.0%*	-0.4	-2.6
Effective rate	*59.4%*	*33.6%*	*44.4%*	*65.0%*
Adjusted gross post tax profit	1.2	*140.0%*	0.5	1.4
Minority charge	-1.0	*11.1%*	-0.9	-1.7
Adjusted net post tax profit/(loss)	**0.2**		**-0.4**	**-0.3**
STATUTORY				
Adjusted operating profit	4.0	*135.3%*	1.7	5.7
Exceptional items	-0.5	*66.7%*	-0.3	-2.0
Impairment of goodwill	0.0		0.0	-5.3
Profit/(loss) on business disposal	0.7		0.0	0.0
Amortisation of acquired goodwill	-0.3	*-40.0%*	-0.5	-1.1
Statutory operating profit/(loss)	**3.9**	*333.3%*	**0.9**	**-2.7**
as a % of NFI	*15.9%*	*313.9%*	*3.8%*	*-5.7%*
Finance income	0.3	*-25.0%*	0.4	0.7
Finance expense	-1.1	*-8.3%*	-1.2	-2.4
Statutory profit/(loss) before tax	**3.1**	*3000.0%*	**0.1**	**-4.4**
Tax	-1.9	*171.4%*	-0.7	-3.2
Effective rate	*61.3%*		*n/a*	*n/a*
Statutory gross post tax profit	1.2		-0.6	-7.6
Minority charge	-1.0	*11.1%*	-0.9	-1.7
Statutory net post tax profit	**0.2**		**-1.5**	**-9.3**
EPS basic	**0.40**		**-0.80**	**-0.61**
BALANCE SHEET				
Non-current assets	34.2	*-17.2%*	41.3	37.6
Current assets	56.2	*1.4%*	55.4	58.2
Total assets	90.4	*-6.5%*	96.7	95.8
Current liabilities	-52.1	*4.4%*	-49.9	-71.7
Non-current liabilities	-18.4	*1.1%*	-18.2	-3.9
Total liabilities	-70.5	*3.5%*	-68.1	-75.6
Net assets	**19.9**	*-30.4%*	**28.6**	**20.2**
Net current assets/(liabilities)	**4.1**	*-25.5%*	**5.5**	**-13.5**
Net (debt)/cash	**-17.0**	*5.6%*	**-16.1**	**-17.1**
CASH FLOW				
Operating cash flow before WC movement	6.7	*39.6%*	4.8	10.1
Net WC	-1.3		1.3	3.0
Interest & Tax	-2.3	*9.5%*	-2.1	-5.4
Cash generated from operating activities	3.1	*-22.5%*	4.0	7.7
Cash from investing activities	0.4	*300.0%*	0.1	-0.3
Cash from finance activities	-5.6	*24.4%*	-4.5	-5.6
Net change in cash	**-2.1**	*425.0%*	**-0.4**	**1.8**

Source: Empresaria Group

Commentary on results

Income statement

GWS is stand out performer in H1

Revenue: While Group revenue in the first six months was flat yoy at £117.7m, there was a marked contrast between the Group's three new service lines with Global Workforce Solutions (GWS) being the stand out performer, while Operational Outsourcing (OO) and Specialist Recruitment (SR) did relatively well in challenging market conditions with broadly unchanged revenue in constant currency (CC).

NFI +5% yoy and +10% in CC

NFI: Overall performance at the NFI level was better with growth of 5% (10% in CC) to £24.5m, again reflecting the growth in the higher margin GWS business.

Strong focus on cost disciplines and stronger NFI results in adjusted operating profit rising by 135% yoy to £4.0m

Adjusted operating profit: A strong focus on overhead control saw administrative expenses (before D&A, share based charges and exceptional items) fall by 5% yoy to £17.4m, or 71% of NFI (H1 25: 78%). The combination of higher NFI and lower costs led to a 39% increase in adjusted EBITDA to £7.1m and a 135% increase in adjusted operating profit to £4.0m representing an improved conversion rate of NFI into adjusted operating profit of 16.4% (H1 25: 7.4%). This focus on cost discipline has proven highly effective and its continuance into H2 provides the platform for the upgrade to our forecasts.

Adjusted PBT rises 256% to £3.2m

Adjusted PBT: Net interest was unchanged at £0.8m leading to a 256% improvement in underlying profit before tax to £3.2m (H1 25: £0.9m).

Effective tax rate remains very high at c.60%

Tax: The effective tax rate remains high at 59.4% of adjusted PBT compared to 44% in the comparative period. There are multiple reasons for this high effective rate: a) withholding tax costs on dividends received from overseas subsidiaries - particularly GWS; b) interest payments on intercompany loans; c) unrelieved UK losses. The Board anticipates that its strategy to eliminate losses and reduce central costs will help to lower the effective tax charge in future years.

Minority charges broadly unchanged

Minority charges: At £1.0m,were broadly unchanged on the £0.9m charge a year earlier which, combined with the tax deductions, led to an adjusted post tax and minorities profit of £0.2m (H1 25: loss of £0.4m). **EPS:** Basic weighted average shares in issue were unchanged yoy at 49.1m and adjusted EPS was 0.6p and no dividend was declared.

Balance Sheet

RCF extended to October 2027 and trading well within covenants

Net assets decreased marginally from the year end position standing at £19.9m at the end of the period with net current assets of £4.1m against net current liabilities of £13.5m at the year end. The change is due to £14.5m of bank loans being reclassified as non-current since the year-end following an extension of the RCF of £15m (since reduced to £14.5m following the sale of Skillhouse) for a further 13 months to October 2027. The Group still trades comfortably within its credit facility covenants with a net debt/EBITDA of 1.7x (target of <2.2x) and interest cover of 6.3x (target <4.0x).

Cash Flow

Operating cash inflow of £6.7m before WC

The Group generated operating cash flow of £6.7m before working capital movements and £3.1m net of working capital, taxes and interest. Free cash flow[1] fell to £2.7m (5.5p per share) from £3.7m (7.5p per share) in the comparative period, being primarily a function of a £2.6m swing in working capital from an inflow of £1.3m to an outflow of £1.3m moderated by the profits generated in the period compared to losses in H1 25.

[1] operating profit less capex

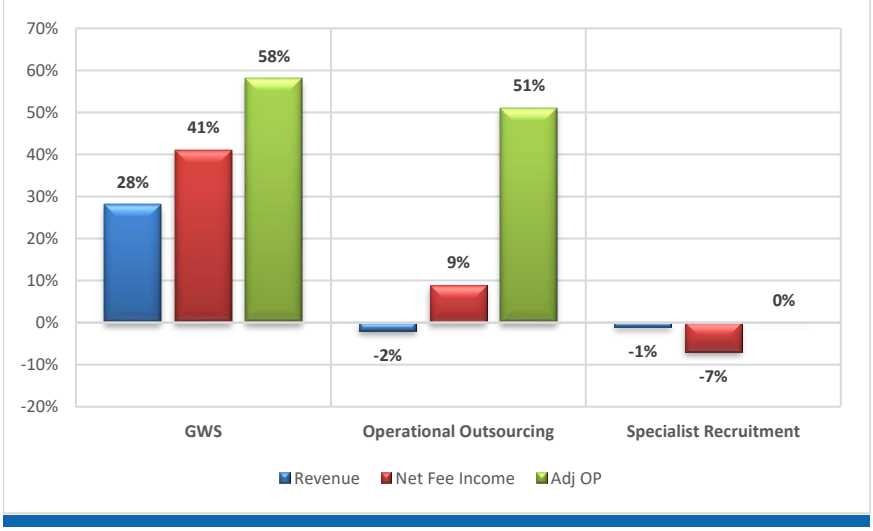
Results by service line

New segmentation along three service lines

The reconstituted Board has segmented the business along three service lines which it believes best aligns with how the Group now operates. These are **Global Workforce Solutions** being the activities of Indian-based IMS and previously known as the Offshore Services Division; **Operational Outsourcing** and **Specialist Recruitment**.

The relative performance of each service line in the first half in £ sterling can be seen in Exhibit 2 below.

EXHIBIT 2: H1 26 CONSTANT CURRENCY GROWTH YOY BY SERVICES LINE



Source: Empresaria Group.

Note: Although the percentage change in adjusted operating profit for Specialist Recruitment is shown as zero, the business delivered a turnaround from a loss of £0.3m in H1 25 to a profit of £0.2m.

Even distribution of NFI by service line

All three service lines contributed to NFI with an even split between the three: GWS contributing 33% to NFI, Operational Outsourcing 34% and Specialist Recruitment 35%.

However, this percentage contribution has changed since FY25 when the split was respectively, 29%, 30% and 43% the change being driven by the strong H1 performance from GWS and a yoy decline in NFI from Specialist Recruitment.

We discuss the first half performance of each service line below.

Global Workforce Solutions (GWS)

Record of strong growth over its 20+ year history

Previously known as the Offshore Services division of Empresaria, the company behind GWS is Interactive Manpower Solutions or IMS which is based in Ahmedabad, India and in which Empresaria has a 72% shareholding. IMS has grown strongly over its 20+ year history and specialises in outsourcing its client's entire delivery engine, re-engineering it in an offshore, low-cost environment and providing a complete service delivery to them.

These services are delivered through a combination of onshore client-focused solution design teams and offshore delivery hubs, with teams based in India and the Philippines. Engagements are typically multi-year and outcomes-led, with the aim of improving its customers' operational performance, scalability and cost efficiency.

EXHIBIT 3: HALF YEAR FINANCIAL SUMMARY FOR GWS

	H1 26A	%	CC	H1 25A	2025A
	£m	*change*	*growth %*	£m	£m
Revenue	15.7	*14%*	*28%*	13.8	28.8
NFI	**8.1**	*26%*	*41%*	**6.4**	**13.8**
NFI margin	*52%*	*11%*		*46%*	*48%*
Adjusted operating profit	**4.5**	*41%*	*58%*	**3.2**	**7.0**
as a % of NFI	*56%*	*11%*		*50%*	*51%*
Proportion of total Group NFI	*33%*			*27%*	*29%*

Source: Empresaria Group

41% CC growth in NFI and 58% in operating profit

Following a strong 2025 in which the business delivered NFI growth of 16% in constant currency (CC) and 30% growth in operating profit, in the half year to June, GWS delivered further growth of 41% in NFI and 58% in operating profit, again in constant currency. In £ sterling terms, revenue grew by 14% to £15.7m, NFI by 26% to £8.1m and adjusted operating profit by 41% to £4.5m.

Solid growth in billable seats in US but flat in UK

Although UK billable seats were unchanged year-on-year, reflecting limited cyclical support from the UK recruitment market, US billed seats increased 21% and have now delivered four consecutive quarters of sequential growth. This points to a higher-quality growth mix within GWS and supports the case for continued margin resilience.

Recruitment services still largest element..

The offshore recruitment service is delivered by **IMS People Possible** and in the half year this continued to account for the largest element of GWS' business by revenue.

…but faster growth being delivered by non-recruitment offshore services…

However, the fastest growth is being delivered by its four non-recruitment facing divisions being **IMS Decimal** (offshore accounting and financial back-office services), **IMS Datawise** (offshore back-office services to US industries including banking, financial, automotive, insurance, real estate, etc.), **IMS nHance** (offshore marketing solutions for a variety of sectors) and **IMS Nucleii** (offshore managed IT & support).

…accounting for 28% of GWS revenues in H1 vs just 13% in 2023

These services accounted for 28% of GWS' revenues in H1 26 and its growth over recent years can be illustrated by the fact that in FY23 they generated just 13% of its revenues reflecting the ongoing success of its diversification strategy.

Currently, EMR's most strategically valuable asset

GWS/IMS remains, in our view, the most strategically attractive asset within Empresaria. Its exposure to the US market, coupled with momentum in the newer non-recruitment verticals, supports a more compelling medium-term growth outlook and reinforces its importance to the Group's investment case.

Operational Outsourcing

Typically driven by outsourced labour-intensive process management

Under the new, revised service lines, Operational Outsourcing provides Empresaria with a more recurring, service-led revenue stream, supported by long-term client relationships and embedded delivery models. Traditional recruitment services remain part of the mix, but the financial profile of the division is principally driven by outsourced labour-intensive process management.

headway, operating in Germany and Austria, is focused on operational staffing and industrial services. Its model is centred on taking responsibility for workforce availability, process execution, quality, productivity and performance across clients' recurring operational processes. The business is exposed to structurally recurring end-markets such as logistics, food retail, manufacturing, industrial services, defence, healthcare and life sciences.

In Latin America, Alternattiva and Grupo Solimano provide outsourcing, temporary staffing, talent search and training services across Chile and Peru. Outsourcing is focused mainly on retail and manufacturing, while the more traditional recruitment activities serve telecoms, banking and finance, and logistics.

EXHIBIT 4: HALF YEAR FINANCIAL SUMMARY FOR OPERATIONAL OUTSOURCING

	H1 26A	%	CC	H1 25A	2025A
	£m	*change*	*growth %*	£m	£m
Revenue	66.7	*1%*	*-2%*	66.2	132.4
NFI	**8.4**	*13%*	*9%*	**7.4**	**14.4**
NFI margin	*13%*	*13%*		*11%*	*11%*
Adjusted operating profit	**1.9**	*58%*	*51%*	**1.2**	**2.2**
as a % of NFI	*23%*	*39%*		*16%*	*15%*
Proportion of total Group NFI	*34%*			*32%*	*30%*

Source: Empresaria Group

Growth in Europe and Chile offset by a decline in Peru…

In H1, growth in Europe and Chile was offset by a decline in the activities in Peru. Thus, revenue declined in CC by 2% although translated to £ sterling an increase of 1% was reported.

…however, effective cost management resulted in a 58% increase in adjusted operating profit

Cost management, particularly in Europe, helped deliver an improvement in NFI of 13% (9% CC) and adjusted operating profit growth of 58% (51% CC). There was a positive impact in Germany from turning around a challenging contract in the prior year and a focus on removing low margin contracts. In Peru there has been a general reduction in client demand, reducing revenue and profit. The business continues to is focus on cost efficiency and increasing sales.

Specialist Recruitment

The subsidiary companies comprising this service line are **Become, ConSol Partners, Greycoat Lumleys, LMA, Medical Recruitment Strategies, Monroe Consulting Group** and **Rishworth Aviation.**

Traditional temp and perm recruitment with consultancy and SoW services

The brands in the Specialist Recruitment service line provide specialist sector expertise through permanent placement, temporary and contract recruitment as well as consultancy or statement-of-work projects. Consultant's knowledge and expertise in their niche sectors enables them to provide tailored talent solutions for clients and candidates in their local markets.

In the UK and the US, the Group offers recruitment services to the digital and creative, IT, domestic staffing and catering & hospitality, business support services and healthcare sectors. In Asia Pacific there is provision for executive search services into industrial, consumer, healthcare, professional services and IT from offices in Indonesia, Thailand, Malaysia and the Philippines, as well as recruitment specifically for the insurance and financial services sectors from Singapore and the global aviation sector from Singapore and New Zealand.

EXHIBIT 5: HALF YEAR FINANCIAL SUMMARY FOR SPECIALIST RECRUITMENT

	H1 26A	%	CC	H1 25A	2025A
	£m	change	growth %	£m	£m
Revenue	36.0	-6%	-1%	38.2	78.9
NFI	**8.7**	-13%	-7%	**10.0**	**20.2**
NFI margin	*24%*	*-8%*		*26%*	*26%*
Adjusted operating profit	**0.2**	*n/a*	*51%*	**-0.3**	**0.0**
as a % of NFI	*2%*	*n/a*		*-3%*	*0%*
Proportion of total Group NFI	*35%*			*43%*	*43%*

Source: Empresaria Group

Flat revenues reflecting tough markets but focus on cost management resulted in a turnaround from losses of £0.3m to a profit of £0.2m.

Still reflecting challenging staffing macros across geographies, the first half performance from Specialist Recruitment was flat at the CC level with revenues of £36.0m, down 6% yoy when translated into £ sterling. The NFI margin declined from 26% to 24% resulting in a reduction in NFI of 7% in CC and 13% as reported. However, a focus on strong cost management resulted in a turnaround from an adjusted operating loss of £0.3m to a profit of £0.2m. While moving in the right direction results from this division are still way below their true potential and for the moment the business is only likely to show improvements through self-help initiatives such as that seen in these results.

Skillhouse was sold during the period to management and the recruitment-to-recruitment brand McCall was closed following continuing losses. Excluding both brands permanent recruitment revenue fell by 3% while temp was down 1%. Two continuing brands remain loss-making — the IT operations in the UK and US, and executive search in Singapore — but management action is beginning to show through. Cost reduction and restructuring initiatives have reduced losses versus the prior year, with both businesses demonstrating improved momentum into the end of Q2. Successful execution here represents a clear self-help opportunity within Specialist Recruitment.

In Asia Pacific, Monroe Consulting delivered a small improvement in adjusted operating profit, despite challenging economic conditions and disruption from energy market volatility and Middle East-related supply-chain pressures. US healthcare was a bright spot, with growth in the period and new client wins expected to support further delivery in H2. Management's focus is now on improving staff productivity across the division, which will be critical to rebuilding profitability and improving operating leverage.

Forecasts

Forecasts upgraded in July…

We upgraded our expectations following the first-half trading update in July H1 trading update note.

…while retaining a degree of caution

While the H1 results provided further evidence of improved operational execution and cost controls, continuing difficult market conditions across parts of the Group's activities still justified retaining a degree of caution.

The Board has increased guidance from "at least" £5.2m to "at least" £6.2m and our forecasts are similarly increased

Nevertheless, given the latest assessment of outcomes from the internal cost discipline programme and management oversight across service lines, **the new Board has now increased guidance from £5.2m to at least £6.2m**. Consequently, in light of the Board's confidence, we are raising our forecasts for adjusted PBT from £5.2m to £6.2m and adjusted EPS from 0.5p to 1.1p.

But still implies a slight yoy reduction in H2 PBT…

This upgraded guidance still implies a 3% yoy reduction to the adjusted PBT of £3.1m achieved in the second half of last year and a 6% sequential reduction on the £3.2m reported for H1 of the current year.

…suggesting continued prudence and potential to revisit forecasts later in the year

This suggests there remains a meaningful prudence buffer in our numbers and subject to continued trading progress through Q3 and Q4, we would anticipate scope to revisit forecasts later in the year.

Conclusion

Clear signs of operational progress

Empresaria's H1 results show clear operational progress, with stronger NFI, improved cost discipline and a significant uplift in adjusted profitability. GWS remains the key positive, delivering strong growth and attractive margins, while Operational Outsourcing also benefited from better cost control.

Upgraded guidance indicates increasing confidence at Board level despite ongoing challenges

The Board's upgraded but still prudent guidance suggests increasing confidence that restructuring benefits and tighter management oversight are beginning to feed through. Challenges remain, however. Specialist Recruitment is still constrained by weak market conditions and remains reliant on self-help, while parts of Latin America are softer.

Need to see operational gains converted into stronger EPS

At Group level, high tax, minority interests and net debt continue to dilute improved operating performance. The key test is whether Empresaria can sustain GWS momentum, rebuild Specialist Recruitment profitability and convert operational gains into stronger earnings and cash generation. Management recognises these challenges and is already taking steps to address them.

Shares remain undervalued on an EV/EBITDA of 1.9x and EV/NFI of 0.6x

Trading on an EV/EBITDA of 1.9x and EV/NFI of 0.6x against a sector average of 8.5x and 1.0x respectively, we believe the shares are already undervalued on fundamentals. In addition, delivery on debt reduction, tax efficiency and profit recovery are likely to act as catalysts for a further re-rating.

Income statement and forecasts

EXHIBIT 6: INCOME STATEMENT				
Y/E December	**FY 2023A**	**FY 2024A**	**FY 2025A**	**FY 2026E**
	£m	**£m**	**£m**	**£m**
ADJUSTED				
Total revenue	250.3	246.2	239.0	239.0
Cost of sales	(192.8)	(195.8)	(191.7)	(191.0)
Net Fee Income	**57.5**	**50.4**	**47.3**	**48.6**
NFI margin	*23.0%*	*20.5%*	*19.8%*	*20.3%*
Admin expenses (before D&A and SBP)	(45.8)	(39.7)	(35.2)	(33.9)
as a % of NFI	*18.3%*	*16.1%*	*14.7%*	*14.2%*
Adjusted EBITDA	**11.7**	**10.7**	**12.1**	**14.7**
as a % of NFI	*20.3%*	*21.2%*	*25.6%*	*30.6%*
Share based charges	0.3	(0.1)	-	-
Depreciation & software amortisation	(6.9)	(6.8)	(6.4)	(6.6)
Adjusted operating profit	5.1	3.8	5.7	8.1
CONVERSION RATIO	*8.9%*	*7.5%*	*12.1%*	*16.9%*
Finance income	0.6	0.8	0.7	0.7
Finance expense	(2.2)	(2.4)	(2.4)	(2.6)
Adjusted profit before tax	**3.5**	**2.2**	**4.0**	**6.2**
Tax	(1.6)	(1.2)	(2.6)	(3.8)
Effective rate	*45.7%*	*54.5%*	*65.0%*	*62.0%*
Adjusted post tax profit	1.9	1.0	1.4	2.4
Minorities	(1.6)	(1.5)	(1.7)	(1.8)
Adjusted net post tax profit/(loss)	**0.3**	**(0.5)**	**(0.3)**	**0.6**
STATUTORY				
Adjusted operating profit	5.1	3.8	5.7	8.1
Exceptional items	(0.6)	(4.1)	(2.0)	-
Fair value charge on acquisition of non-controlling shares	(0.1)	(0.4)	-	-
Impairment of goodwill	(1.5)	(1.1)	(5.3)	-
Loss on business disposal	-	(0.6)	-	-
Amortisation of acquired intangible assets	(1.2)	(1.2)	(1.1)	(1.0)
Statutory operating profit/(loss)	**1.7**	**(3.6)**	**(2.7)**	**7.1**
Finance income	0.6	0.8	0.7	0.7
Finance expense	(2.2)	(2.4)	(2.4)	(2.6)
Statutory profit/(loss) before tax	**0.1**	**(5.2)**	**(4.4)**	**5.2**
Tax	(1.4)	(3.7)	(3.2)	(3.8)
Statutory post tax profit	(1.3)	(8.9)	(7.6)	1.4
Minorities	(1.6)	(1.5)	(1.7)	(1.8)
Statutory net post tax profit/(loss)	**(2.9)**	**(10.4)**	**(9.3)**	**(0.4)**
Weighted average shares basic	49.1	49.1	49.1	49.1
Weighted average shares diluted	49.8	51.1	49.9	49.9
Year-end shares	49.9	49.9	49.9	49.9
EPS (p)				
Statutory	(5.9)	(21.2)	(18.9)	(0.9)
Adjusted	**0.6**	**(1.0)**	**(0.6)**	**1.1**
Diluted EPS (p)				
Statutory	(5.8)	(20.4)	(18.6)	(0.7)
Adjusted	**0.6**	**(1.0)**	**(0.6)**	**1.1**
Final dividend (p)	0.0	0.0	0.0	0.0
Total dividend (p)	**0.0**	**0.0**	**0.0**	**0.0**

Source: Empresaria Group plc; Allenby Capital

Balance Sheet and forecasts

EXHIBIT 7: BALANCE SHEET				
Y/E December	FY 2023A	FY 2024A	FY 2025A	FY 2026E
	£m	£m	£m	£m
Assets				
Non-current assets				
Property, plant & equipment	2.4	1.6	1.4	1.4
Right of use assets	6.4	5.9	6.4	6.4
Goodwill	29.7	26.6	21.6	21.6
Other intangible assets	6.9	5.7	4.3	3.8
Deferred tax assets	5.7	4.0	3.9	3.7
Non-current assets	**51.1**	**43.8**	**37.6**	**36.9**
Current assets				
Trade receivables	31.0	29.7	29.5	30.0
Other receivables	13.7	9.8	11.1	11.0
Cash and Cash equivalents	17.1	17.2	17.6	18.1
Current assets	**61.8**	**56.7**	**58.2**	**59.1**
Total Assets	**112.9**	**100.5**	**95.8**	**96.0**
Liabilities				
Current liabilities				
Trade payables	(2.0)	(2.0)	(2.5)	(2.4)
Borrowings	(18.7)	(18.5)	(34.7)	(19.7)
Accruals	(18.0)	(14.8)	(16.3)	(16.5)
Pilot bonds	(0.3)	(0.2)	(0.2)	-
Other payables	(11.2)	(9.8)	(9.9)	(9.9)
Lease liabilities	(4.3)	(5.0)	(5.4)	(5.4)
Tax liability	(1.3)	(1.0)	(2.7)	(2.5)
Current liabilities	**(53.8)**	**(49.3)**	**(69.2)**	**(54.0)**
Non-current liabilities				
Borrowings	(9.2)	(14.0)	-	(14.5)
Lease liabilities	(2.6)	(1.2)	(1.2)	(1.2)
Defined benefit pension liability	-	(0.4)	(0.4)	(0.4)
Deferred tax liability	(2.4)	(2.2)	(2.3)	(2.3)
Non-current liabilities	**(14.2)**	**(17.8)**	**(3.9)**	**(18.4)**
Total liabilities	**(68.0)**	**(67.1)**	**(73.1)**	**(72.4)**
Net Assets	**44.9**	**33.4**	**22.7**	**23.6**
Net current assets	**8.0**	**7.4**	**(11.0)**	**5.1**
Total equity & liabilities	**112.9**	**100.5**	**95.8**	**96.0**

BALANCE SHEET RATIOS	FY 2023A	FY 2024A	FY 2025E	FY 2026E
	£m	£m	£m	£m
Long-term financial debts	(9.2)	(14.0)	-	(14.5)
Short term financial debts	(18.7)	(18.5)	(34.7)	(19.7)
Gross debt	(27.9)	(32.5)	(34.7)	(34.2)
Cash and cash equivalents (excluding pilot bonds)	17.1	17.2	17.6	18.1
Net (debt) / cash	**(10.8)**	**(15.3)**	**(17.1)**	**(16.1)**
Acid test (Current Assets less inventory / Current Liabilities)	1.1	1.2	0.8	1.1
Equity	44.9	33.4	22.7	23.6
Gearing (Net Debt: Equity)	*24.1%*	*45.8%*	*75.3%*	*68.3%*
Net debt/ adj. EBITDA (x)	0.9	1.4	1.4	1.1

Source: Empresaria Group plc; Allenby Capital

Cash flow and forecasts

EXHIBIT 8: CASH FLOW				
Y/E December	**FY 2023A**	**FY 2024A**	**FY 2025A**	**FY 2026E**
	£m	**£m**	**£m**	**£m**
Operating cash flow				
Profit for year	-1.3	-8.9	-7.6	1.3
Depreciation	6.9	6.8	6.4	6.6
Intangible amortisation	1.2	1.2	1.1	0.0
Impairment of goodwill	1.5	1.5	5.3	0.0
Taxation expense recognised in income statement	1.4	3.7	3.2	3.9
Fair value charge on acquisition of non-controlling interests	0.1	0.4	0.0	0.0
Share based payments	-0.3	0.1	0.0	0.0
Net finance costs	1.6	1.6	1.7	1.9
Cash generated from operations before working capital movements	11.1	7.0	10.1	13.7
(Increase)/Decrease in trade receivables	0.2	-0.2	0.7	-1.0
(Decrease)/Increase in trade payables	-0.4	-0.9	2.3	-0.1
Net movement in WC	-0.2	-1.1	3.0	-1.1
Cash generated from operations	10.9	5.9	13.1	12.6
Interest paid	-2.2	-2.4	-2.4	-2.6
Income taxes paid	-3.2	-2.1	-3.0	-2.0
Net cash from operating activities	**5.5**	**1.4**	**7.7**	**8.0**
Cash flows from investing activities				
Purchase of PP&E	-1.4	-0.8	-1.0	-1.0
Finance income	0.6	0.8	0.7	0.7
Net cash used in investing activities	**-0.8**	**0.0**	**-0.3**	-0.3
Cash flows from financing activities				
Purchase of own shares	-0.3	0.0	0.0	0.0
Further shares acquired in existing subsidiaries	-0.1	-0.2	-0.2	0.0
Proceeds from bank borrowings/loan	1.0	5.2	1.1	0.0
Increase/(decrease) in borrowings	-1.7	-0.6	-0.3	-0.5
Repayment of loan	-0.4	-0.1	0.0	0.0
Payment of obligations under leases	-5.4	-5.3	-5.4	-5.4
Increase/(Decrease) in invoice discount facilities	-0.3	1.4	1.0	1.0
Dividends paid	-0.7	-0.5	0.0	0.0
Dividends paid to minority shareholders in subsidiaries	-0.9	-0.8	-1.8	-1.8
Net cash from/(used in) financing activities	**-8.8**	**-0.9**	**-5.6**	**-6.7**
Net increase in cash and cash equivalents	**-4.1**	**0.5**	**1.8**	**0.5**
FX	-1.1	-0.4	-1.4	0.0
Cash and cash equivalents at beginning of period	22.3	17.1	17.2	17.6
Cash and cash equivalents at end of period	**17.1**	**17.2**	**17.6**	**18.1**

Source: Empresaria Group plc; Allenby Capital

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