PROGRESSIVE EQUITY RESEARCH

8 March 2019

THE PANOPLY

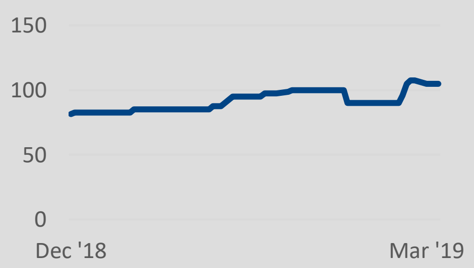
SOFTWARE AND COMPUTER SERVICES

TPX.L

105p

Market Cap: £44.4m

SHARE PRICE (p)



12m high/low	107.5p/81.5p

Source: LSE Data

KEY INFORMATION

Enterprise value	£40.9m
Index/market	AIM
Next news	FY 19 results, Jul-19
Gearing	N/A
Interest cover	N/A

THE PANOPLY IS A RESEARCH CLIENT OF PROGRESSIVE

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Transforming Business

The Panoply is an innovative provider of digital transformation (and related) services to the UK and European marketplace, aiming to achieve rapid growth both through acquisition and organically. Following its December 2018 IPO, the group has completed four associated deals, and made three small subsequent acquisitions. We initiate coverage in this document and will return in future notes to different aspects of the business and its component parts.

- **Positive market backdrop** – the market for IT services, and related segments, is growing and evolving rapidly. The financial services and public sectors, both major buyers of technology, continue to require changes and upgrades. Other "old economy" market segments are under increasing pressure to adopt technology and "digitalise" their models or risk losing out to fast-paced tech-driven new entrants.
- **Innovative model** – The Panoply is a fast-moving and lean business, able to flex its approach to suit market changes or take advantage of tactical opportunities. The group aims mainly to acquire cash-generative and EBITDA-positive targets and hopes to add value through organic growth post-acquisition. Smaller start-up investments may also be considered. Cost synergies are not a major part of the plan – the upside is anticipated through sales performance and "sum of the parts" benefits.
- **Strong early evidence** – the group was only established in 2016 but its early track record is strong. The acquisitions completed with the successful IPO have shown strong organic growth, and the DVLA contract win demonstrates the value in being part of a larger group.
- **Financial estimates** – we publish financial estimates, noting that the H1 FY19 period just reported only carried a modest level of group overhead. We also highlight the fact that, if the acquired businesses perform strongly post-acquisition, additional deferred consideration shares will be issued – increasing the share count over time. With hopefully-cautious expectations for the organic performance, and bearing in mind these dynamics, we have reached the forecasts shown below and later in this document.

Many "buy and build" platforms struggle with overly-indebted structures or unrealistic expectations around synergies and upside. We believe that The Panoply is adopting a more cautious and pragmatic approach which, coupled with its exposure to exciting areas of technology, could make it an interesting and fast-growing business for many years to come.

FYE MAR (£M)	2016	2018	2019E	2020E	2021E
Revenue	10.6	18.5	21.1	25.8	27.5
Adj EBITDA	1.7	3.3	3.0	3.3	3.6
Fully Adj PBT	1.7	3.2	2.9	3.2	3.4
Fully Adj EPS (p)*	4.0	6.9	3.7	3.8	4.1
EV/Sales (x)	4.0	2.2	2.7	2.5	2.3
EV/EBITDA (x)	25.3	12.3	18.8	19.6	17.7
PER (x)	26.4	15.2	28.5	27.3	25.9

Source: Company Information and Progressive Equity Research estimates
**** Fully adj. EPS is calculated on fully-diluted shares in issue at the period end.***

Investment thesis

The Panoply is a recent (December 2018) IPO, specialising in the market of digital transformation. This market segment is experiencing high levels of demand, as companies in all sectors of the economy move to update and transform their businesses through the use of technology.

The group itself is also taking advantage of these technological advances – running a low-cost and lean group structure, and light on bureaucracy. The Panoply aims to grow rapidly, driven by acquisition, but also focussing heavily on post-acquisition performance. The model is heavily weighted towards incentivising and rewarding strong post-acquisition trading, with significant shares issued contingent upon growth in EBITDA following acquisition. In the event of negative performance during the earn out period, The Panoply has the ability to claw back any consideration paid. This helps reduce risk and ensure that deals should always be earnings-enhancing.

The areas of investment and potential future deal flow are in mainstream and well-known areas of tech spend; the group is not about acquiring "bleeding edge" technology or IP, although it may choose to invest in certain areas such as cyber security, where growing an in-house team may be better than paying high multiples for other businesses.

The Panoply is therefore aiming to buy into similar/adjacent service areas, but not with too much overlap between acquired businesses. The five key growth clusters are:

- Experience (user experience, content management, web design etc),
- XaaS (provision of multiple requirements on an "as a Service" basis, such as Software, Platforms, Infrastructure etc) – essentially Cloud-based delivery,
- Intelligence (Big Data, Machine Learning, AI etc),
- Transformation (change management, moving to Agile development) and
- Automation (automated test tools, Robotic Process Automation etc).

These areas clearly encompass many of the technology sector's brightest fields, so hopefully represent fertile ground on which to build a thriving and fast-growing group.

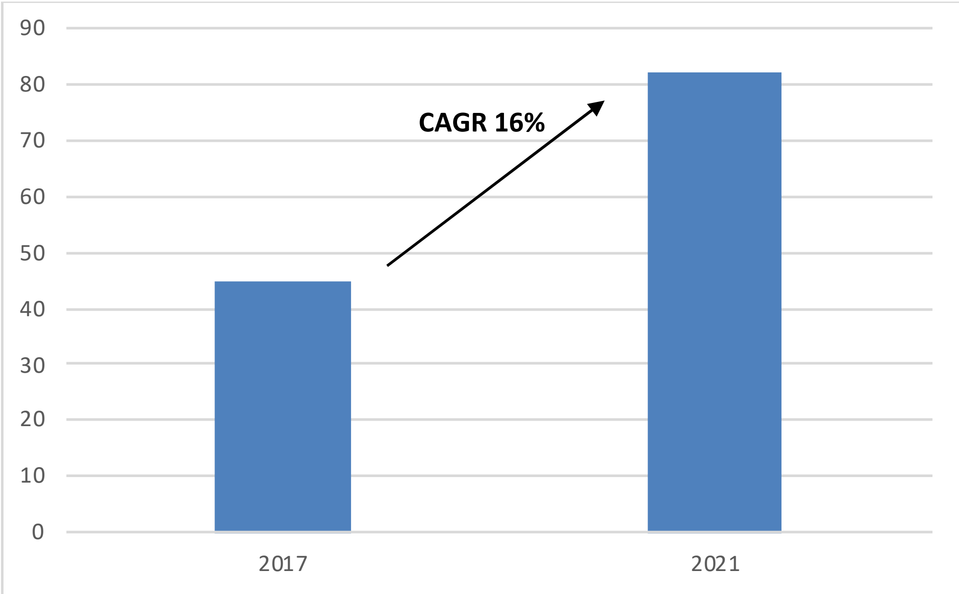
Indeed, the early evidence is of good success – high levels of pro forma organic growth within the four (now seven) acquired entities, and in particular a major win with DVLA which would have been difficult (or impossible) to win without the benefit of the combined scale and credibility of the enlarged post-IPO platform.

Overall, The Panoply is offering investors access to some exciting and high-growth areas of technology, with a "different" and seemingly attractive operating and acquisition model. The business is already profitable and cash generative. With our anticipation of dividend payments commencing in 2020, there is also an emerging dividend story. There are risks, as with all ventures, which we describe on page nine. Nevertheless, we suggest that investors spend time to learn about the group, meet with management and delve into the various acquisitions and end markets to understand the potentially-exciting metrics and growth areas to which The Panoply is exposed.

Vast market with much to go for

We believe there is a material market opportunity for Digital transformation services. Market research house IDC forecast the annual market for digital transformation services in EMEA to grow to US$82bn by 2021.

Digital Transformation market 2017-2021E (US$bn)



Source: International Data Corporation data

Global growth is expected to follow a similar trajectory. A recent report from Zion Market Research confirmed their expectation that the global market will grow to US$432bn by 2023, a 19% CAGR.

Key drivers of digital transformation services market growth include the growing traction of a number of technologies, including cloud computing, the internet of things, big data and artificial intelligence.

To quote a recent Forbes article[1] – "Digital transformation will continue to change how we do business - in every industry"

Key players in Digital Transformation include the likes of Dell EMC, IBM, Microsoft and SAP in the vendor space, but also consulting firms Accenture and Cap Gemini. Clearly these are major multinational organisations and multiples of the Panoply in size. Nevertheless, with the market growing by cUS$9bn annually in EMEA alone until 2023, taking just a small part of the anticipated market growth could drive a material uplift in The Panoply's revenue.

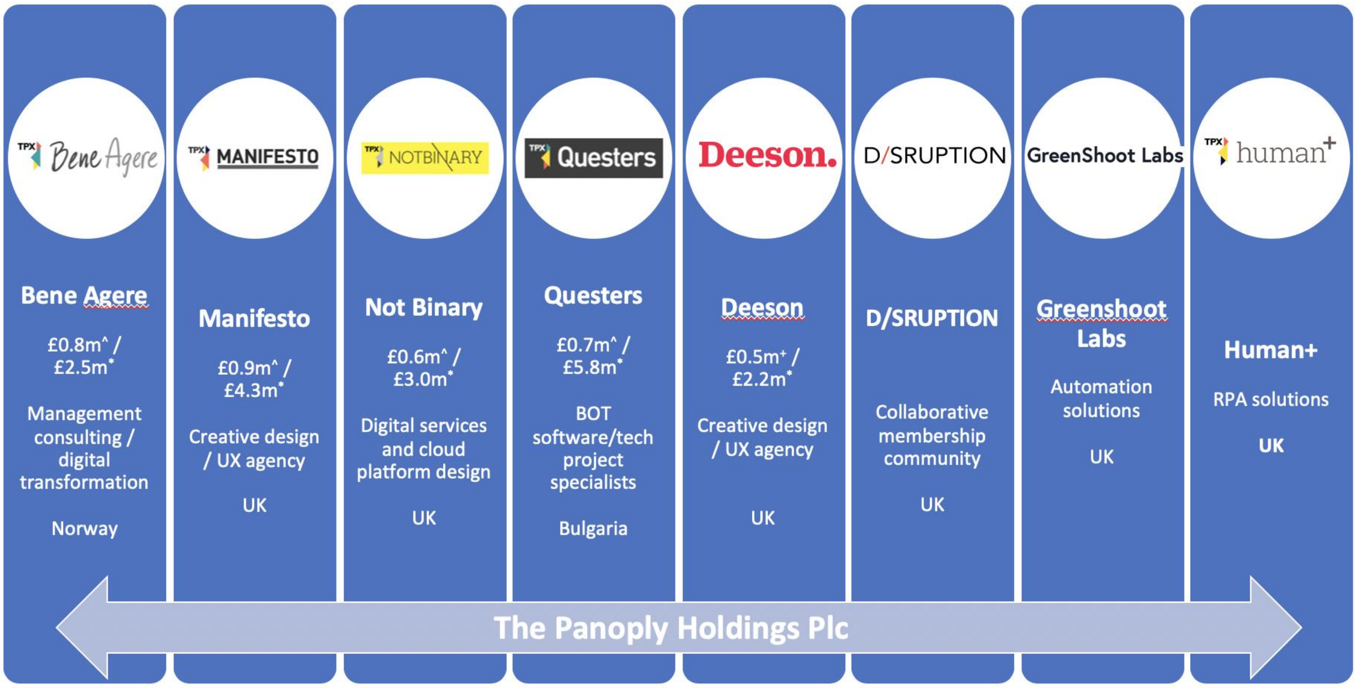
[1]https://www.forbes.com/sites/danielnewman/2018/09/11/top-10-digital-transformation-trends-for-2019/#2517832a3c30

The Group as it stands

Panoply Holdings was established as a vehicle to acquire technology service companies. The group's strategy is to build geographic clusters of complementary businesses, and post-acquisition, drive organic growth in its acquisitions via a combination of cross-selling, upselling and upscaling. Target companies are primarily service based, with annual turnover up to £10m, typically already profitable and demonstrate potential for synergies with the existing business.

Since formation in 2016, the group has made seven acquisitions and created a new subsidiary (Human+). The current group structure is summarised in the following chart, with each of the eight investments discussed thereafter.

The Panoply – Group structure



Source: Progressive Equity Research
**** Turnover. ^ Adjusted EBITDA. * Net Operating Profit After Tax, all for the 12 months ending March 2018***

TPX Bene Agere

Based in Norway, TPX Bene Agere is a boutique strategy and management consultancy focussed on designing and delivering business transformation programmes.

TPX Bene Agere's customers include Karsten Moholt, Arendals Fossekompani, KONGSBERG GRUPPEN, Lindstow and Spleis. The company was also heavily involved in the Digital Norway initiative, a collaboration of a number of major organisations in Norway to enable sharing and more efficient digitalisation across many types of business.

TPX Bene Agere is both growing and profitable, having reported turnover of £2.5m for the twelve months ending March 2018 and adjusted EBITDA of £0.8m for the same period. (2017 £2.0m and £0.2m respectively). The company currently has 12 employees.

Website: http://www.beneagere.no

TPX Manifesto

TPX Manifesto is an award-wining digital experience agency based in London. The company offers creative design and technical build and integration of digital products and services, especially content management and marketing automation. The group has a strong presence in not-for profit sector, but also provides services to commercial organisations.

Key clients include The National Trust, Alzheimers Society and The Health Foundation.

TPX Manifesto reported turnover of £4.3m for the twelve months ending March 2018, with adjusted EBITDA of £0.9m (12 months to December 2016 £4.0m and £0.9m respectively). The company had an average of 43 employees for that period.

Website: https://manifesto.co.uk

TPX NotBinary

Founded in 2017, TPX NotBinary is a digital services company that helps organisations and businesses across the public, private and third sectors to implement digital change programmes based upon modern cloud computing platforms. The business is organised into three practices, software development, data and automation and partnerships. In the latter, the company works with blue-chip partners such as Darktrace, Amazon Web Services and Microsoft Azure.

Key clients include the BBC, DVLA, the East-West Rail company and Unilever.

For the twelve months ending March 2018, TPX NotBinary reported turnover of £3.0m and adjusted EBITDA of £0.6m. For the 15 months ending March 2018, the company employed an average of nine staff.

Website: https://notbinary.co.uk

TPX Human+

In February 2019, The Panoply announced the formation of TPX Human+, a wholly-owned subsidiary of Not Binary providing of robotic process automation services, primarily to the government and not for profit industries. The Group has entered into strategic partnerships with Blue Prism, UiPath and Thougtonomy. TPX human+ will act as an implementation partner to these vendors as well as providing other related consultancy services. Gartner estimates the worldwide market size of RPA C&SI services was $1.5 billion in 2017, growing at over 50% year over year.

Website: https://www.human-plus.co.uk

TPX Questers

Founded in 2007, TPX Questers is a London based distributed software development company. The company designs, builds and manages dedicated, highly-skilled IT teams over a diverse set of technologies in various industries, and in addition can provide infrastructure and office facilities. With a focus on complex software development, the company has recruited over 1000 engineers from Eastern Europe since formation, the majority of these are still fully engaged with Questers or its client's spin-outs.

Key clients include Funding Circle, IMD Lausanne, Schonfield and Bosch Software Innovations.

TPX Questers reported turnover of £5.8m for the twelve months ending March 2018, with adjusted EBITDA of £0.7m. For the 15 months to March 2018, the group employed an average of 146 staff.

Website: https://www.questers.com

Deeson (to be rebranded TPX Manifesto)

In December 2018, The Panoply announced the acquisition of Deeson, a UK-based multi-disciplinary digital agency. Founded in 2001, Deeson specialises in high profile content-managed websites and digital products and has a blue-chip client base including Johnson & Johnson, ITV, BDO, Robbie Williams, Royal Collection Trust, Imperial War Museums, and the National Crime Agency.

Initial consideration of £1.35m was paid. Deeson is growing and profitable, reporting turnover of £2.2m for the year to September 2018 and net profit after tax of £0.48m for the period. Management's expectation is for the deal to be immediately earnings enhancing.

Post-acquisition, Deeson will be integrated into the Manifesto division given the operational overlap between the two.

Website: https://www.deeson.co.uk

D/SRUPTION

In January 2019, The Panoply announced the acquisition of D/SRUPTION. Through its magazine, newsletter, research papers and events, D/SRUPTION currently reaches the senior management within many large organisations involved in digital transformation. The business has over 17,500 subscribers, including representatives from 88 of the FTSE100, numerous Government departments, Fortune 500 companies and other large organisations.

Initial consideration for D/SRUPTION is £50,000 payable in shares. The business has been acquired to provide a marketing platform for the Panoply group companies to leverage and to increase awareness of the Group's capabilities amongst digital transformation decision-makers in large organisations. Post-acquisition, D/SRUPTION will retain remain editorially independent from its parent.

Website: https://disruptionhub.com

TPX GreenShoot Labs

In February 2019, The Panoply announced the acquisition of Greenshoot Labs, a UK-based provider of enterprise digital solutions using applied Artificial Intelligence ("AI") and conversational interfaces. GreenShoot Labs' key customers include a global accounting firm where GreenShoot Labs is creating an AI auditor. Other recent work includes the first chatbot supporting cybercrime victims, which is currently in testing by UK police forces. GreenShoot Labs also recently received significant media coverage for their voice-enabled AI football coach, created to promote awareness of STEM careers amongst young people.

The acquisition terms include no initial consideration and additional consideration only payable if GreenShoot Labs achieves positive EBITDA during the earn-out period.

Website: https://www.greenshootlabs.com

Revenue models

TPX Bene Agere, TPX Manifesto (Deeson), and TPX Not Binary typically provide services on a "time and materials" basis where clients are invoiced for time spent on a project at a day rate plus additional expenses incurred. A limited number of projects have been undertaken on a fixed-price or milestone basis, and we understand some of the group's larger clients work on this basis.

TPX Questers charges clients an initial fee for sourcing new developers, followed by a monthly management fee for ongoing services, which are normally paid in advance.

Management team

Non-Executive Chairman - Mark Smith

Mark has held several senior roles in creative and innovative communication businesses. He began his career as a chartered accountant at Touche Ross & Co. (Deloitte). He then spent 30 years at Chime Communications, which was acquired by Providence Private Equity in 2015.

Mark is currently chairman of Holiday Extras, a market leader in the provision of online ancillary travel services, a position which he has held for 15 years. He is also a non-executive director at The Dods Group, an AIM listed intelligence, media, training and events company, operating in over 50 countries.

Chief Executive Officer and Co-Founder - Neal Gandhi

Neal is a serial tech entrepreneur having co-founded four companies that exited successfully with a combined value of £117m. He co-founded his first company at the age of 21 and, under the brand name of Jungle.com, that company went on to be sold to GUS for £37m. In 1996 he co-founded Xplora and sold it to USWeb in 1998.

Neal then co-founded Attenda, a managed services consultancy which went on to be sold for £72m; one part to Telecity Plc and the other to Darwin Private Equity. In 2006 he founded QuickStart Global, an off-shore IT service provider, which grew rapidly, and in 2010 was listed in the Sunday Times Tech Track 100 at number 3, his second company in that list with Attenda having been listed at number 2 in 2001.

Chief Financial Officer and Co-Founder - Oliver Rigby

Oliver qualified as an accountant with MRI Moores Rowland LLP in 2006 before spending six years as an adviser in corporate finance with Daniel Stewart and Deloitte. Oliver acted as a Nominated Adviser to the AIM Market of the London Stock Exchange and was one of their youngest Qualified Executives.

Prior to co-founding The Panoply, Oliver set up Growth Company FD Limited in 2012 to provide part-time CFO and corporate finance support to growing businesses. He has worked with clients across a range of sectors and sizes including AIM listed Magnolia Petroleum Plc and privately-owned Uplands Retail Limited which has a turnover of over £60m.

Non-Executive Director - Christopher Sweetland

Chris qualified as a chartered accountant with KPMG before spending 9 years overseas in a variety of financial roles with PepsiCo Inc. In 1989, when he was CFO for the Central Europe Beverages Division, he was recruited by WPP to be part of their small central team.

Chris retired from his role as WPP Deputy Group Finance Director in 2016 having spent 27 years helping build the company and having been involved in all aspects of operations, investor relations and the many acquisitions that built that group. Chris also represented WPP on the boards of a number of companies both in the UK and overseas.

Non-Executive Director - Isabel Kelly

Isabel is the founder of Profit with Purpose, a social purpose consultancy working with companies and non-profits. She is also a 'Resident Expert' at the Skoll Centre, Said Business School, Oxford University, where she is researching the organisational structures used by businesses to deliver social impact.

In 2002 Marc Benioff, CEO of Salesforce.com, hired Isabel to establish the Salesforce Foundation internationally (now Salesforce.org). For 12 years she grew and led an international team delivering technology, grants and programmes in 110 countries, as well as generating revenue of $12m to fund the work. Isabel worked at Oxfam and Amnesty International for 12 years prior to joining Salesforce.

Chief Innovation Officer - Jim Bowes

Jim has spent the last 7 years building and growing TPX Manifesto - the award-winning digital agency specialising in digital transformation, technology, content and strategic experience design that is part of The Panoply's UK Cluster.

Jim set up the London based business in 2011, designing digital services and products around the needs of users. He has worked in digital for the last 20 years, including roles at Barclays, Cancer Research UK and the Greater London Authority.

As Chief Innovation Officer for The Panoply Jim focuses on bringing the skills of the organisation together to solve future-focussed client challenges and producing content that looks at how technology is impacting our lives.

This includes the podcast AlexaSTOP! and a weekly tech show, de:code, on Hoxton Radio. An optimist, he spoke at the 2018 SXSW conference about what digital technology can do for us all - believing the best is yet to come.

Chief of Staff - Sarah Vick

Sarah is a non-exec chair, director and board advisor to digital agencies and creative technology businesses. She advises the management teams of TPX Manifesto, TPX NotBinary, TPX Bene Agere and TPX Questers.

Prior to this Sarah spent 18 years in global leadership roles in digital agencies. She was the Managing Director of digital agency Reading Room, and a member of the board that sold the business to an AIM listed company in 2015, after helping it to grow to 250 people globally. Before becoming MD Sarah was the Strategy Director at Reading Room, starting her career in digital project management.

Risks and challenges

The Panoply, in common with any organisation with both scale and ambition, faces a number of strategic and tactical challenges, and risks to its business. The table below highlights some that we consider most relevant and describes management's actions to mitigate and/or manage them.

The Panoply – Risks and Challenges

Risk	Mitigation
Execution Risk The Panoply's business model is highly dependent on the group's ability to identify, acquire and successfully integrate acquisitions into the group.	Although there can be no guarantee that the group will be able to identify and successfully integrate suitable acquisition targets into the group, members of the management team have a strong track record in the technology sector, managing businesses and M&A.
Macro risk There is a degree of economic uncertainty in the near-term macro-economic environment which may result in an overall reduction in IT spending which may limit the group's ability to grow revenue.	The Panoply's Board of Directors regularly review the macro-economic and political situations affecting the territories where the group operates. The outcome of these reviews has direct input into management decision making.
Credit Risk Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.	Credit risk arising from cash and cash equivalents has historically been managed by the local entity. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The majority of cash is held at DNB, Barclays, Aldermore Bank, Lloyds Bank, HSBC Bank and Handelsbanken. Credit risk relating to account receivable balances is managed by each local entity by analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.
Liquidity Risk Liquidity risk refers to the group's ability to meet short-term financial demands.	Cash flow forecasting is performed by each local entity of the Group and aggregated by group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Surplus cash held by operating entities over and above balances required for working capital management will be transferred to Group treasury where it will be invested as appropriate.
Interest rate risk Interest rate risk is the risk that movements in interest rates negatively impact the value or income earning potential of an investment or alternatively a liability.	The Group has currently no debt and therefore minimal interest rate risk. If and when it is decided that long term borrowing is required, the Group will analyse its interest rate exposure on a dynamic basis, performing scenario analysis taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.
Foreign exchange risk Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. The Group operates internationally. It is exposed to foreign exchange risk from various currency exposures, primarily with respect to Bulgarian Lev, Norwegian Krone and Australian Dollars.	Management has a policy to require Group Companies to manage their foreign exchange risk against their functional currency by hedging their exchange rate exposure using forward exchange contracts where applicable. There are no forward exchange contracts under the period of review.

Source: Company materials / Progressive Equity Research estimates.

H1 2019 delivery

Reported in December 2018, in our view, the Panoply's maiden interim results demonstrate that the company has made a positive start to life on public markets. In addition, management's confident commentary on current trading reassures on the near-term outlook. Revenue growth (+48% YoY) was strong driven by new business wins and a strong contribution from public-sector clients. Customer growth and customer retention levels were firm during the period, and margin expansion (+117pp) was a further highlight of the announcement.

- **Impressive revenue growth:** Revenue for the six months ending September 18 was up 48% YoY to £10.1m, reflecting growth in public sector business and also a number of new client wins, notably, the DVLA (now the group's single largest client) and also News International, Christian Aid and Seatgeek. All five business lines made a positive contribution to revenue growth.
- **Good customer growth and retention:** The combined group billed 90 customers during the (six-month) reporting period. In comparison, group members billed a total of 114 clients in the fifteen-month period ending March-18. Customer retention levels were also firm. 41% of customers billed during the six-months to September 2018 had been previously billed during 2016 and 2017.
- **Strong Margin expansion:** Revenue growth and tight cost-control drove an improvement in adjusted EBITDA, which increased by 66% YoY to £2.2m. The result was a 117pp improvement in margin to 19%. (17.9% H1 18A). Forecast margins will be lower as costs related to the small central team and plc board are added.
- **Cash generation impacted by IPO and associated costs:** The group reported net cash from operations of 40k for the period. Although a small positive, this represents a material decline on the £1.3m announced for the comparable period. The main causes of the reduction were IPO and associated costs for the first four transactions. The period also saw an increase in debtors to £4.1m (vs £3.0m at 31 March 2018), driven by growth in revenues.
- **Positive trading commentary:** Trading post-period end has remained strong, with performance in line with market expectations. With each of the group's seven acquisitions made to date subject to deferred compensation, management have flagged their expectation of "significant" further earnout consideration to be issued.

In just over two years since inception, the business is already EBITDA positive and cash generative. In our view this is evidence of both rapid deployment of the Panoply platform, but also the clever combination of the businesses acquired so far.

Financials

- Our full Financial Summary table is shown on page 13. We expect revenues to grow to £27.5m FY 2021E, vs £15.6m for the twelve months ending March 2018 (21% CAGR). Our forecasts are based upon the group in its current structure and include growth from new and existing customers. With increased cross-selling a strategic aim, we also expect the group to deliver increasing sales of new products to existing clients.
- We forecast FY 2019E adjusted EBITDA of £3.0m, with growth (in both absolute EBITDA and margin) in FY 2020E. Our FY 2019E estimates reflect a more normalised level of staff costs and the creation of a small central team and plc board following the IPO. Both of these provide an additional governance layer as well as capacity for the group to make further acquisitions. These costs are included within our estimates, however our forecasts do not include the impact of additional acquisitions that the central team has been built to deliver on.
- In this report we present estimates of both reported and fully-adjusted EPS. For the former we use an estimated average number of shares in issue during the respective reporting period. For the latter, we use period-end shares outstanding. At this time, we understand this is the methodology that The Panoply will use in future financial reporting. For clarity, we have presented both numbers of shares in the Financial Summary table on page 13.
- The Panoply has made seven acquisitions to date, with the consideration for each subject to deferred consideration. Our forecasts assume growth in the underlying EBITDA of the four key subsidiaries and therefore that additional consideration will become payable.

  We are forecasting the issuance of an aggregate 27.2m new shares during FY 2019E and FY 2020E for deferred consideration. These estimates are based on a share price floor of 74p - as built into the acquisition agreements.

  The table on the following page demonstrates the EPS sensitivity to The Panoply share price and the underlying EBITDA performance of the four key subsidiaries. As the table shows, EPS by 2020 is highly sensitive to both inputs.

  At the current share price of 105p, the number of shares to be issued would be about eight million lower than the same profit scenario using the IPO price. The result would be a significant improvement in EPS compared to our base case.

  Any under or over performance of our forecasts results in fewer or additional shares being issued for the deferred consideration. As the table demonstrates, if aggregate EBITDA of the key subsidiaries exceeds our forecasts by £2m over the 2019-2020E period, we forecast that an additional 9m of shares will be issued. Note, although this represents a material uplift in the share count, EPS still increases.
- We expect the group to deliver positive free cash flow in each of our forecast periods. This reflects our anticipated improvements in profitability, and also tight working capital and capital expenditure management.

2020E EPS sensitivity to subsidiary EBITDA and prevailing share price

CONSIDERATION SHARES TO BE ISSUED 2019E+2020E

	Underlying aggregate EBITDA of subsidiaries (£m) (2019E+2020E)				
Share Price (p)	**7.1**	**8.1**	**9.1**	**10.1**	**11.1**
74	18.3	22.7	27.2	31.7	36.2
105	12.9	16.0	19.2	22.3	25.5
115	11.8	14.6	17.5	20.4	23.3
150	9.0	11.2	13.4	15.6	17.8

IMPLIED FULLY DILUTED SHARES, PERIOD END 2020E
(I.E. CURRENT BASE + 2019E ISSUANCE + 2020E ISSUANCE)

	Underlying aggregate EBITDA of subsidiaries (£m) (2019E+2020E)				
Share Price (p)	**7.1**	**8.1**	**9.1**	**10.1**	**11.1**
74	64.5	69.0	73.4	77.9	82.4
105	59.1	62.3	65.4	68.5	71.7
115	58.0	60.9	63.7	66.6	69.5
150	55.2	57.4	59.7	61.9	64.1

IMPLIED EPS 2020E*

	Underlying EBITDA of subsidiaries (£m) (2019E+2020E)				
Share Price (p)	**7.1**	**8.1**	**9.1**	**10.1**	**11.1**
74	3.0	3.5	3.8	4.2	4.5
105	3.3	3.8	4.3	4.8	5.2
115	3.3	3.9	4.4	4.9	5.3
150	3.5	4.1	4.7	5.3	5.8

DELTA VS CENTRAL CASE

	Underlying EBITDA of subsidiaries (£m) (2019E+2020E)				
Share Price (p)	**7.1**	**8.1**	**9.1**	**10.1**	**11.1**
74	-22%	-10%	0%	9%	17%
105	-14%	0%	12%	24%	34%
115	-13%	2%	15%	27%	39%
150	-9%	8%	23%	37%	50%

Source: Progressive Equity Research estimates

Underlying EBITDA includes an assumed uplift over our central-case forecasts for central costs. Our aggregate FY 19E + FY 20E adjusted EBITDA is £6.4m.

Financial Summary: The Panoply

Year end: March (£m unless shown)

PROFIT & LOSS	**2016**	**2018 15 Months**	**2019E**	**2020E**	**2021E**
Revenue	10.6	18.5	21.1	25.8	27.5
Adj EBITDA	1.7	3.3	3.0	3.3	3.6
Adj EBIT	1.6	3.2	2.9	3.2	3.4
Fully Adj PBT	1.7	3.2	2.9	3.2	3.4
Reported EPS (p) +	3.9	4.6	2.7	4.1	4.3
Fully Adj EPS (p) +	4.0	6.9	3.7	3.8	4.1
Dividend per share (p)	0.0	0.0	0.0	0.7	0.7
Avg shares outstanding (non-dil.)	40.6	40.6	57.0	69.2	69.2
Period-end Shares outstanding (Dil. m)	42.3	42.3	62.7	73.4	73.4
CASH FLOW & BALANCE SHEET	**2016**	**2018**	**2019E**	**2020E**	**2021E**
Operating cash flow	1.3	2.7	1.9	3.0	3.6
Free Cash flow	0.0	1.2	1.5	2.6	2.7
FCF per share (p)	0.0	2.9	3.5	6.1	6.3
Acquisitions	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Shares issued	0.0	0.6	5.0	0.0	0.0
Net cash flow	0.0	1.9	1.5	2.6	2.7
Overdrafts / borrowings	0.0	0.0	0.0	0.0	0.0
Cash & equivalents	1.6	3.5	4.9	7.5	10.2
Net (Debt)/Cash	1.6	3.5	4.9	7.5	10.2
NAV AND RETURNS	**2016**	**2018**	**2019E**	**2020E**	**2021E**
Net asset value	2.2	3.6	20.0	22.8	25.2
NAV/share (p)	5.3	8.4	47.3	53.8	59.5
Net Tangible Asset Value	0.3	0.3	0.2	0.2	0.1
NTAV/share (p)	0.8	0.7	0.6	0.4	0.3
Average equity	1.9	2.9	11.8	21.4	24.0
Post-tax ROE (%)	89.4%	111.2%	24.5%	15.0%	14.3%
METRICS	**2016**	**2018**	**2019E**	**2020E**	**2021E**
Revenue growth		74.3%	14.1%	22.3%	6.5%
Adj EBITDA growth		96.6%	(9.6%)	11.0%	6.5%
Adj EBIT growth		95.8%	(10.0%)	10.9%	6.8%
Adj PBT growth		94.1%	(10.2%)	10.9%	6.8%
Adj EPS growth		74.5%	(46.8%)	4.3%	5.6%
Dividend growth		0.0%	N/A	N/A	10.0%
Adj EBIT margins		17.4%	13.7%	12.4%	12.4%
VALUATION	**2016**	**2018**	**2019E**	**2020E**	**2021E**
EV/Sales (x)*	4.0	2.2	2.7	2.5	2.3
EV/EBITDA (x)*	25.3	12.3	18.8	19.6	17.7
EV/EBIT (x)*	26.1	12.8	19.7	20.5	18.4
PER (x)	26.4	15.2	28.5	27.3	25.9
Dividend yield	N/A	N/A	N/A	0.6%	0.7%
FCF yield		2.8%	3.3%	5.8%	6.0%

Source: Company information and Progressive Equity Research estimates. + Reported EPS is calculated using average shares in issue during the period. + Fully adj. EPS is calculated using fully-diluted shares in issue at the period end. * Enterprise valuation calculations reflect forward market capitalisation and indebtedness.

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