

18 November 2024

Begbies Traynor Group plc

Half-year trading update

Notice of half year results

Strong financial performance with double digit revenue and profit growth

Begbies Traynor Group plc (the 'company' or the 'group'), the professional services consultancy, announces an update on trading for the six months ended 31 October 2024.

- Strong year on year financial performance
 - Revenue and adjusted profit before tax increased by c.16%, with a good balance of organic and acquired growth
 - Free cash flow increased by c.8%
 - Net debt at 31 October 2024 of £3.8m reflects acquisition earn out payments of £4.1m, share buy-backs of £0.8m and dividends of £2.0m (30 April 2024: net debt of £1.4m, 31 October 2023: net cash of £1.1m)
- Launch of £1.5m share buyback programme to settle deferred consideration obligations, which completed on 7 November 2024
- Confident of delivering market expectations* for the full year to 30 April 2025, which would extend our ten year financial track record of profitably growing the business

Operational highlights - growth across both divisions

- Business recovery and advisory
 - Business recovery: organic growth driven by increased team size and positive levels of new instructions reflecting continued favourable market conditions
 - Advisory: strong organic growth driven by advisory, special situations M&A and financing engagements
- Property advisory
 - Asset sales: strong growth driven by property auction volumes (organic and acquired)
 - Consultancy: continuing organic growth in building consultancy instructions together with on-going investment in growing the team
 - Valuations: robust activity levels reflecting supportive market volumes

National insurance costs

The increase in employer national insurance rates announced by the UK Government in its Budget on 30 October 2024 will impact our business from April 2025. We estimate the combination of lowering the earnings threshold at which employers start paying national insurance contributions together with the increase in rate will in aggregate increase our employment costs by c.£1.25m per annum. We are reviewing options to mitigate the impact where possible.

Guidance for the current year to 30 April 2025 remains unchanged.

Half year results

The group will report its half year results for the six months ended 31 October 2024 on Tuesday 10 December 2024. There will be a webcast and conference call for analysts at 9.00am. This will be hosted by Ric Traynor, Executive Chairman and Nick Taylor, Group Finance Director.

Please contact begbies@mhpgroup.com if you would like to receive details.

* current range of analyst forecasts for adjusted PBT of £23.0m-£24.3m (as compiled by the group)

Ric Traynor, Executive Chairman of Begbies Traynor Group plc, commented:

"We have made a very good start to the year with double digit growth in revenue and profits driven by positive momentum across the group. This gives us confidence that we will deliver market expectations for the year as a whole.

"Additional headwinds for UK business from increased employment costs and the prospect of higher for longer interest rates are likely to extend the period of elevated insolvency levels, increasing the need for advice and support from our insolvency and business recovery professionals."

Enquiries please contact:

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