



## Financials



Source: Eikon Thomson Reuters

## Market data

EPIC/TKR	MCL
Price (p)	180p
12m High (p)	180.0
12m Low (p)	123.0
Shares (m)	129.5
Mkt Cap (£m)	233
EV (£m)	213
Free Float*	60%
Market	AIM

\*As defined by AIM Rule 26

## Description

Morses Club (MCL) is number two in UK home credit. It is growing this business organically and by acquisition, and is developing a range of related products, where it has a competitive advantage.

## Company information

CEO	Paul Smith
CFO	Andy Thomson
Non-ex. Ch.	Stephen Karle

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[www.morsesclubplc.com](http://www.morsesclubplc.com)

## Key shareholders

Hay Wain	36.82%
Woodford Inv. Mgt.	9.33%
Miton Asset Mgt.	9.03%
Artemis Inv. Mgt.	6.95%
JO Hambro	6.74%
Majedie Asset Mgt.	5.34%
Blackrock	4.15%
Legal and General	3.22%

## Diary

2 May 2019	FY Results
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## Analyst

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## MORSES CLUB PLC

## Home collect and online lending acquisitions

On 26 February, MCL announced the acquisition of the online lender CURC Transatlantic for a consideration of ca.£8.5m. Curo has a net loan book of ca.£10m and 50,000 customers. This deal is strategic in that it transforms the online lending business with a much-enhanced decision engine, infrastructure, carefully selected customers and all for a discount to book. MCL also announced the acquisitions of Eccles Savings and Loans, on 31 January, and of Hays Credit LLP, on 12 February. These add ca.5,700 customers (there were 230,000 at MCL's 1H FY'19) and may be characterised as a resumption of add-on deals in the core business.

- **Impact on FY'20:** Eccles and Hays should enhance statutory earnings by ca.2% and we have seen a further small uplift from the trading statement. However, in its first year, Curo will reduce them. The net effect to our adjusted FY'20 pre-tax profit estimate is a reduction of 6% to £23.2m, from £24.6m.
- **Outlook:** Curo is expected, by us and MCL, to be earnings enhancing in FY'21 as the business rebuilds its book post takeover. Perhaps more important are the strategic benefits from the deal, which include online scale economies, improved data analytics, robust new infrastructure and lower investment cost.
- **Valuation:** We detailed a range of valuation approaches and sensitivities in our note, 'Bringing home collect into the 21st century', published 2 February 2017, and do so again in the section below. The range in absolute valuation methodologies is marginally reduced to 169p-219p.
- **Risks:** Credit risk is high (albeit inflated by accounting rules) but MCL adopts the right approach to affordability and credit assessment. Regulatory risk is a factor, although high customer satisfaction suggests a limited need for change. MCL was the first major HCC firm to receive full FCA authorisation.
- **Investment summary:** MCL is operating in an attractive market and has a dual-fold strategy that should deliver improved performance from existing businesses and new growth options. MCL conservatively manages risk and compliance, especially in new areas. The agent network is the competitive advantage over remote lenders. The valuation appears an anomaly, and we forecast a 4.4% February 2019 dividend yield, with cover of 1.7x (adj. earnings).

## Financial summary and valuation

Year-end Feb (£m)	2015	2016	2017	2018	2019E*	2020E*
Reported revenue	89.9	90.6	99.6	116.6	119.3	143.3
Total impairments	-22.9	-18.8	-24.3	-30.4	-27.0	-36.0
Total costs	-51.4	-53.4	-56.7	-65.6	-68.8	-81.7
EBITDA	16.5	19.3	19.9	22.1	25.2	27.5
Adjusted PBT	13.0	16.8	17.7	19.2	21.8	23.2
Statutory PBT	58.5	10.4	11.2	16.1	18.7	20.3
Statutory EPS (p)	46.5	6.1	6.6	10.1	11.7	12.8
Adj. EPS (p)	8.1	10.2	10.8	11.7	13.5	14.3
P/adj. earnings (x)	22.2	17.6	16.7	15.3	13.4	12.6
P/BV (x)	2.4	4.2	3.8	3.5	3.4	3.2
P/tangible book	2.7	5.2	4.5	4.0	3.8	3.5
Dividend yield	n/m	n/m	3.6%	3.9%	4.4%	5.0%

Source: Hardman &amp; Co Research \* IFRS9 basis

## CURO Transatlantic Limited (CTL)

On 26 February, MCL announced the acquisition of various assets of CTL. The total consideration for the acquisition is ca£8.5m (4% of MCL's market capitalisation) paid in cash, 50% on completion and the balance over 5 months (depending on the final valuation of the acquired loan book).

### What is being bought

MCL is acquiring:

£8.5m consideration is discount to book being acquired

MCL very selective on which customers it has bought

Also getting infrastructure, including much enhanced credit decision engine

And a modern call centre

Not buying majority of customer base, mis-selling liability, brands

- ▶ Gross receivables (before any collection provisions), of ca.£19m (net uncertain but we estimate ca.£9.5m). As the consideration is £8.5m, the price paid is at a discount to the loan book alone. Morses Club has been highly selective in picking customers. It has not, for example, taken any who have been identified by CTL's many reviews as having any mis-selling risk, and all but a handful have been cases where lending has been written under the current regulatory guidelines. We understand this means that MCL is taking on less than 10% of CTL's customers.

- ▶ All the existing infrastructure of CTL, including its decision platform. Management advises that the decision engine is a significant enhancement to one in MCL's subsidiary Dot Dot Loans (CTL has much more data and a longer history). The output from this engine has been reviewed by MCL staff and external due diligence advisers, and we understand produces better results than Dot Dot Loans' current system.

A fully modernised call centre and online lending capabilities. All of CTL's current employees (ca.200) have become employees of MCL, including analytics, marketing and IT teams. Not included in the purchase:

- ▶ Over 90% of customers
- ▶ Any mis-selling liability for historical business activity
- ▶ The potentially toxic brand (Wage Day Advance) nor Juo Loans, (set up in 2017 to offer guarantor loans but very few written).

### CTL's recent underlying performance

CTL's US parent gave some disclosure in its *year-end results*. The financial reporting is not under IFRS9 and 4Q'18 was a period when the book was being run down. The book peaked in September 2018 and fell back to the December 2018 levels leaving the company on a falling trend but still above the December 2017 levels. Typically, in such harvesting periods, profits are abnormally high. We believe the customer trends, business mix and franchise growth evident from this report present a reasonable view of the business, noting the EBITDA/financial numbers are not directly comparable with what MCL will report. The US parent commented:

"Excluding costs associated with the Redress Claims, CTL's United Kingdom business performance is fundamentally stable and improving.

43% revenue growth 4Q'18 on 4Q'17

Customer acquisition 23,500 in 4Q'18 at cost of £57.7 per customer (Dot Dot Loans average ca.£70).

End-2018 receivables up 41% on end-2017, customer numbers up 21%  
Average loans up from £332 to £389

Revenue mix:

1-3 month products 29%

4-6 months 62%

7-12 months 6%

>12 months 3%

CTL in administration for claims around when it was a pay-day lender; it has not operated in that business for some years

We estimate ca.40% of book will mature before MCL can re-start lending; will drag on FY'20 earnings

- ▶ CTL generated £1.7 million (\$2.2 million) of positive Adjusted EBITDA in the fourth quarter of 2018 on 43% revenue growth over the same time period in 2017 (CTL incurred a \$55.3 million segment operating loss in the fourth quarter of 2018 taking into account the United Kingdom Redress Claims and related costs referenced above).
- ▶ CTL's newly acquired customers in the United Kingdom have increased from approximately 16,500 in the fourth quarter of 2017 to approximately 23,500 in the fourth quarter of 2018, with cost per account decreasing from approximately £60.6 to approximately £57.7 over the same time period in 2017.
- ▶ CTL's gross receivables increased from approximately £13.9 million in the fourth quarter of 2017 to approximately £19.6 million in the fourth quarter of 2018 and active customers in good standing have increased from approximately 41,800 to approximately 50,400 over the same time period in 2017.
- ▶ CTL's 4 to 6 month product earning assets grew from approximately £7.5 million in the fourth quarter of 2017 to approximately £11.1 million in the fourth quarter of 2018. Similarly, 2 to 3 month product earning assets for CTL improved from approximately £2.4 million in the fourth quarter of 2017 to approximately £3.4 million in the fourth quarter of 2018. Finally, CTL's revenue mix improved with 1 to 3 month revenue decreasing from 47% of gross revenue to 29% between 2017 and 2018, and 4 to 6 month revenue increasing from 53% of gross revenue in 2017 to 62% of gross revenue in 2018. Additionally, 6% of CTL's revenue in 2018 came from 7 to 12 month revenue and 3% from CTL's Juo offering (neither of which contributed to gross revenue in 2017)."

## Why CTL was in pre-pack administration

The business has seen significant changes having started life as a pay-day lender. It could not, however, escape this history. While it has not made pay day loans for some years, the 2017 accounts included a £909k charge for customer redress provisions. In 2018, there was a significant increase in the number of these claims, which arose from its historical affordability, creditworthiness and responsible lending practices. As an indication of the scale of the problem, the group attempted to agree a scheme of arrangement, which would cap its redress claims at £17.9m (NAV end-2017 was £11.5m). Like Wonga, customer redress claims eventually forced the business into administration. However, these claims have nothing to do with the profitable new business written in 2018.

## Post-acquisition management

Ahead of the administration, CTL stopped all new lending. It also closed the website immediately on takeover and we understand the platform is being transferred from the US parent's systems and onto MCL's. This may take a few weeks and, once complete, the Dot Dot Loans website will be the access route and brand for all customers. Given the average duration of the book is ca.2.5 months, being closed for the best part of a month is likely to see receivables fall by up to 40%. The receivables will be replaced by cash but MCL will be starting from a much smaller book than the one acquired. We expect this to be re-built rapidly; however, there will be a dip in profitability.

Clear segregation between customers  
MCL has taken and those with  
administrator

All customers were advised at the time of the administration of their new contacts (“good” ones going to MCL, “bad” ones to the administrator). If a non-transferred customer contacts MCL, they are immediately directed to the administrator. The considerable resource that CTL had in handling mis-selling claims is thus now free for other work. We understand that in the first week of ownership there have been no non-transferred customers who have required servicing by CTL staff. MCL is not taking on any of the liability associated with the previous mis-selling claims. The old brands have been terminated. We understand that, both from a direct and indirect perspective, the fact the business is being bought out of administration should not affect it operationally.

Cultures compatible... all recent lending  
been on current regulatory framework

We understand that the culture at CTL is compatible with MCL. It is not driven by sales targets and has been fully compliant with current regulations on new lending (MCL not buying old lending). The acquisition by MCL is likely to be seen as a relief for staff who, for the past two years, will have been battered by mis-selling claims and an unknown future.

## Strategic implications

In its release, management commented that “This acquisition fits well with the Company’s stated strategic priority to increase its online offering in response to a growing demand. The acquisition also adds a sizeable customer base of around 50,000, increasing the Company’s overall customer base by over 20%.”

In our view, the strategic aspects of the deal are:

Loan size, duration, repayment patterns  
all compatible with MCL

- ▶ The average loan size per customer, at £382, is broadly similar to that of MCL (Hardman 2020E £327). Dot Dot Loans has been moving away from its initial focus on very short-term lending and is in CTL’s current sweet spot of 4-6 months. Single bullet repayment loans had been a reducing proportion of CTL’s new business and MCL will not be offering this product.

Economies of scale and saved investment

- ▶ The deal materially increases the scale of the online business as CTL brings ca.50k customers, adding over a fifth to MCL’s existing base.

MCL buying proven business model not  
speculative start up

- ▶ We have previously outlined the conservative corporate culture of MCL (see our notes, ‘*Quality street*’ (19/07/18) and ‘*Sustainable growth from focus on quality*’ (23/10/18)) and this deal fits that culture. Excluding the dip in new business around the acquisition, which should be recovered during CY’19, CTL’s new lending is profitable. MCL is not buying a speculative investment, which may or may not deliver profits in the future, but it has acquired a proven model that is currently working.

Opportunity in due course for further  
product diversity

- ▶ There is: (i) product diversity (online lending will be a material contributor in FY’21); (ii) broader geographical diversity; and (iii) a guarantor loans capability, although this is not a high priority for MCL in 2019.

Opportunistic deal not start of strategic  
trend to buy out of administration

- ▶ We believe this was an opportunistic acquisition. We believe MCL would buy distressed loan books if they met all the appropriate regulatory regimes and were a good fit for its business strategy. Loss making companies in this sector could be an opportunity; however, we see only in-fill deals, not transformational ones.

FY'20 as book re-built through this year.  
Company's claim to earnings enhancing in  
FY'21 credible given performance of  
business

## Impact on estimates

For our FY'20 estimates, we have assumed an incremental £15m of revenue, £6.2m of provisions, £9.5m of administration cost and £850k in financing cost. We will provide 2021 estimates with the results on 2 May.

It is worth noting that, from a purely accounting perspective, MCL will have added significant loan balances, which if it had originated organically would have seen material IFRS9 up-front impairment charges. The economics are unchanged, but the build option would have seen lower initial profits than the acquire option.

## Home collect acquisitions

### Eccles Savings and Loans

3k customers plus loans of £1.4m

On 31 January, MCL announced the acquisition of Eccles Savings & Loans Limited. Eccles Finance is a family-run business, which has been active in home collected credit for more than 50 years. Based in the North West of England, Eccles Finance has 3,000 customers and loan balances of ca.£1.4m. Eccles Finance is authorised and regulated by the Financial Conduct Authority.

Typical of add-on deals for MCL; willing seller of sub-scale business

We believe that Eccles typifies the type of transaction where MCL can add value. The business had no external debt but, as is often the case with family-run operations, had been in decline for some years. The figure below shows the debtor book is down 32% in the past five reported years (investors should note the financial year-end of August reflects the reduction from the seasonal peak in December and is consistent with the £1.4m current book). Pressures from ever-increasing regulation, dis-economies of falling scale and the opportunity to crystallise value in a single transaction make for a willing seller. We also believe that MCL is seen as an attractive buyer given the relative stability of the business.

Key figures on Eccles Savings and Loans LLP (£)					
Year-end 31 August	2013	2014	2015	2016	2017
Debtors	1,450,115	1,322,367	1,144,554	1,089,135	990,454

Source: Company report and accounts filled at Companies House, Hardman & Co Research

### Hays Credit LLP

2.7k customers and loans of ca.£1.6m

On 12 February, MCL announced the acquisition of Hays Credit LLP. Hays is a family-run business, which has been operating since 1957, providing loans to ca.2,700 customers across the North East of England. Hays has outstanding balances of ca.£1.6m. Hays is regulated by the Financial Conduct Authority and is a member of the Consumer Credit Association.

Key figures on Hays Credit LLP (£)					
Year-end 30 April	2014	2015	2016	2017	2018
Post-tax profit in year	n/d	n/d	470,184	486,354	410,696
Debtors	1,814,829	1,627,736	1,691,577	1,951,226	1,649,550

Source: Company report and accounts filled at Companies House, Hardman & Co Research

### Financial effect

These deals add ca.2% to our FY'20 adjusted pre-tax profit forecast

In combination, these businesses have added 5,700 customers, or 2.5% to MCL's customer base. On historical deals, a number of customers have not met MCL's credit standards and so the net effect is likely to be less than this. We had previously assumed £3m of revenue and associated costs in FY'20 estimates. With these deals, we have now increased this to £5m of revenue and added £1m to costs and £0.5m impairments giving a net profit increase of £1.5m. We expect further add-on deals to be announced throughout the year.

# Financials and valuation

## Impact on estimates

Estimate changes						
Year-end Feb	2019E			2020E		
	Old	New	% change	Old	New	% change
<b>Profit and loss (£m)</b>						
Reported revenue	119.3	119.3	0%	129.8	143.3	10%
Total impairments	-26.0	-27.0	4%	-29.9	-36.0	21%
Total costs (inc. temp. comm.)	-69.8	-68.8	-1%	-73.9	-81.7	11%
EBITDA	24.8	25.2	2%	27.9	27.5	-2%
Adjusted pre-tax	21.8	21.8	0%	24.6	23.2	-6%
Statutory pre-tax	18.6	18.7	0%	21.7	20.3	-7%
Statutory EPS (p)	11.7	11.7	0%	13.7	12.8	-7%
Adjusted EPS (p)	13.4	13.5	0%	15.2	14.3	-6%
Dividend (p)	8.0	8.0	0%	9.0	9.0	0%
<b>Balance sheet (£m)</b>						
Amounts receivable	74.0	74.0	0%	76.8	86.8	13%
Borrowings	14.0	14.0	0%	10.0	20.0	100%
Equity	68.8	68.8	0%	75.3	74.1	-2%

Source: Hardman & Co Research

The *trading update* indicated the underlying book growth was ca.1.5% ahead of our forecasts. We have increased our FY'20 revenue and impairments to reflect this beat.

## Profit and loss

Profit and loss						
Year-end February (£m)	2015	2016	2017	2018	2019E *	2020E *
Existing operations	22.5	84.7	96.2	116.6	126.0	128.8
IFRS9 income effect	0	0	0	0	-6.8	-5.5
Acquisitions during period	67.4	5.8	3.3	0	0.1	20.0
<b>Total revenue</b>	<b>89.9</b>	<b>90.6</b>	<b>99.6</b>	<b>116.6</b>	<b>119.3</b>	<b>143.3</b>
Impairment charge	-22.9	-18.8	-24.3	-30.4	-33.8	-41.5
IFRS9 impairments, net effect					6.8	5.5
Ongoing agent commission	-17.7	-18.5	-21.2	-23.6	-26.7	-29.9
Temporary agent commissions		-0.7	-1.2	-4.4	-1.9	-1.0
<b>Gross profit</b>	<b>49.3</b>	<b>52.6</b>	<b>52.9</b>	<b>58.2</b>	<b>63.7</b>	<b>76.4</b>
Administration expenses pre-excep. and intang. amortis.	-32.8	-33.3	-33.0	-36.1	-38.5	-48.9
Depreciation (incl. goodwill impairment, amortis. of IT)	-0.9	-0.9	-1.3	-1.5	-1.7	-1.9
Operating profit pre-excep. and amortisation	<b>15.6</b>	<b>18.4</b>	<b>18.6</b>	<b>20.6</b>	<b>23.5</b>	<b>25.6</b>
Adjusted financing costs	-2.6	-1.6	-0.9	-1.5	-1.7	-2.4
<b>Adjusted profit before tax</b>	<b>13.0</b>	<b>16.8</b>	<b>17.7</b>	<b>19.2</b>	<b>21.8</b>	<b>23.2</b>
Income tax	-2.7	-3.5	-3.7	-4.0	-4.4	-4.6
<b>Adjusted post-tax profit</b>	<b>10.3</b>	<b>13.3</b>	<b>14.0</b>	<b>15.2</b>	<b>17.4</b>	<b>18.5</b>

Source: MCL, Hardman & Co Research \* IFRS 9 basis

## Balance sheet

Balance sheet						
@ end-February (£000)	2015	2016	2017	2018	2019E *	2020E *
<b>Non-current</b>						
Goodwill	294	1,326	2,834	2,834	3,334	4,000
Intangible assets	10,391	9,052	7,058	5,520	4,328	3,504
Property, plant and equipment	936	1,182	763	822	647	794
Amounts receivable from customers	1,507	679	395	265	200	100
Deferred tax	0	0	0	0	927	927
<b>Total non-current assets</b>	<b>13,128</b>	<b>12,239</b>	<b>11,050</b>	<b>9,441</b>	<b>9,436</b>	<b>9,325</b>
<b>Current assets</b>						
<b>Receivables</b>	<b>53,976</b>	<b>56,152</b>	<b>60,833</b>	<b>72,563</b>	<b>73,760</b>	<b>86,711</b>
Trade/other receivables	26,216	1,554	2,019	2,039	1,554	1,554
Cash and cash equivalents	8,650	3,755	3,985	4,868	5,768	5,236
Total current assets	88,842	61,461	66,837	79,470	81,083	93,501
<b>Total assets</b>	<b>101,970</b>	<b>73,700</b>	<b>77,887</b>	<b>88,911</b>	<b>90,518</b>	<b>102,825</b>
<b>Current liabilities</b>						
Trade and other payables	-3,274	-7,452	-5,892	-6,695	-7,695	-8,695
<b>Total current liabilities</b>	<b>-3,274</b>	<b>-7,452</b>	<b>-5,892</b>	<b>-6,695</b>	<b>-7,695</b>	<b>-8,695</b>
Net current (liabilities)/assets	85,568	54,009	60,945	72,775	73,388	84,806
<b>Non-current liabilities</b>						
Financial liabilities – borrowings	0	-9,000	-10,000	-15,552	-14,000	-22,000
Deferred tax	-2,614	-1,879	-617	-144	0	0
Total non-current liabilities	-2,614	-10,879	-10,617	-15,696	-14,000	-22,000
<b>Total liabilities</b>	<b>-5,888</b>	<b>-18,331</b>	<b>-16,509</b>	<b>-22,391</b>	<b>-21,695</b>	<b>-30,695</b>
<b>Net assets</b>	<b>96,082</b>	<b>55,369</b>	<b>61,378</b>	<b>66,520</b>	<b>68,823</b>	<b>74,130</b>

Source: MCL, Hardman & Co Research \* IFRS9 basis



## Cashflow

Cashflow statement						
Year-end February (£000)	2015	2016	2017	2018	2019E *	2020E *
Profit (loss) before tax	58,565	10,374	11,219	16,133	18,634	20,261
Depreciation	596	736	544	563	575	453
Impairment of goodwill	56	42	0	0	0	0
Amortisation of intangibles	8,574	5,683	4,412	2,950	2,630	2,890
Share-based payment expenses	0	0	126	431	431	431
Gain on acquisitions	-51,961	-32	0	0	0	0
Loss on disposal of plant, property and equipment	40	146	134	0	0	0
(Increase)/decrease in debtors	-14,803	27,532	-1,918	-11,604	-1,655	-1,453
Dividend in Specie to Perpignon	0	-31,129	0	0	0	0
Increase/decrease in creditors	4,768	2,548	-1,640	1,846	1,000	1,500
Interest paid	1	647	927	1,456	1,700	2,400
Taxation paid	-800	-1,737	-4,078	-4,536	-4,865	-5,250
<b>Net cash inflow/(outflow) from op. activities</b>	<b>5,036</b>	<b>14,810</b>	<b>9,726</b>	<b>7,239</b>	<b>18,467</b>	<b>21,231</b>
Cashflows from investing activities						
Purchase of intangibles	-416	-2,523	-1,029	-1,412	-1,531	-2,082
Purchase of property, plant and equipment	-343	-1,152	-125	-622	-400	-600
Disposal of assets	0	501	0	0	0	0
Purchase of subsidiaries	0	-7,383	-5,695	0	-2,000	-11,000
Cash acquired on acquisitions	5,120	0	0	0	0	0
<b>Net cash outflow from investing activities</b>	<b>4,361</b>	<b>-10,558</b>	<b>-6,849</b>	<b>-2,034</b>	<b>-3,931</b>	<b>-13,682</b>
Cashflows from financing activities						
Net borrowing	0	9,000	1,000	6,000	-1,552	8,000
Interest paid	-1	-647	-927	-1,904	-1,700	-2,400
Dividends	-2,000	-17,500	-2,720	-8,418	-10,383	-11,681
<b>Net cash inflow from financing activities</b>	<b>-2,001</b>	<b>-9,147</b>	<b>-2,647</b>	<b>-4,322</b>	<b>-13,635</b>	<b>-6,081</b>
Net increase in cash and cash equivalents	7,396	-4,895	230	883	900	-532
Opening cash and cash equivalents	1,253	8,650	3,755	3,985	4,868	5,768
Closing cash and cash equivalents	8,650	3,755	3,985	4,868	5,768	5,236

Source: MCL, Hardman & Co Research \* IFRS 9 basis

## Valuation

Average valuation upside on absolute measures 8%

We detailed all the assumptions used in our valuation methodologies in our note, '*Bringing home collect into the 21st century*', [published 2 February 2017]. Post these changes, our absolute valuation techniques now imply an average of 201p. The peer valuations have a range of 143.9p to 201.4p and an average of 172.6p.

### Summary of different valuation techniques

	Implied price (p)	Upside (%)
Gordon Growth Model (GGM)	218.9	22%
Dividend Disc. Model (DDM)	169.2	-6%
<b>Average absolute measures</b>	<b>194.0</b>	<b>8%</b>

Source: Hardman & Co Research

## GGM

### GGM and sensitivities

	Base	+1% ROE	+1% COE	+0.5% G
Return on equity	25%	26%	25%	25%
Cost of equity	11%	11%	12%	11%
Growth	5.5%	5.5%	5.5%	6%
Price/book value (x)	3.5	3.7	3.0	3.8
Premium for near-term outperformance	20%	20%	20%	20%
Adjusted price/book value (x)	4.3	4.5	3.6	4.6
Book value 2020E (£m)	66.6	66.6	66.6	66.6
Valuation (£m)	283.5	298.0	239.9	303.8
<b>Valuation per share (p)</b>	<b>218.9</b>	<b>230.1</b>	<b>185.2</b>	<b>234.6</b>
Variance (per share)		11.2	-33.7	15.7

Source: Hardman & Co Research

## Broad peer comparisons

Given market events, peer comparisons do not appear particularly helpful at the moment.

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