23 January 2024

HARDMAN&CO.

H&T

Growing pawnbroking core will drive other services

In our 15 March 2023 initiation, *Pawnbroking royalty, with strong, profitable growth*, and later notes, we have highlighted the strong market for pawnbroking and why H&T, as the market leader, is uniquely placed to take advantage of these opportunities. Subsequent to the initiation, we had raised our pledge book forecast twice, and we do so again with the latest *trading statement*. In this note, we explore how pawnbroking growth is a key driver to the retail offering, pawnbroking scrap and gold purchase, with varying degrees of time lag. Like many in the retail space, H&T faced the challenge of customers focusing on lower-value, lower-margin items in the key run-up to Xmas 2023. We have cut 2023E PBT by £3m (11%).

- **Core pawnbroking:** The key long-term investment message for us was the continued growth in core pawnbroking (aggregate gross lending £260m +19%, pledge book up 30%). Demand continued to gather momentum through 2023, at a time of reduced market supply. We believe H&T's strong balance sheet, continued investment in its stores and economies of scale mean it is well-placed to seize opportunities.
- **Trading update:** The key short-term message was the challenge in retail. While volumes rose 3% 4Q'23 on 4Q'22, the value fell 3% with a shift towards lower-priced items, especially new jewellery (33% of sales value, up from 25%). Other divisions performed broadly in line with expectations and costs were controlled.
- **Valuation:** We use a range of valuation approaches, including a Gordon Growth Model (GGM), a Discounted Dividend Model (DDM) and a Discounted Cashflow Model (DCF). On the assumptions we detail below, the average indicative valuation is 503p. As H&T is a growing business, there is upside potential moving forward the base year.
- **Risks:** H&T's customers are cash-constrained. Its money laundering, stolen goods risk and other regulatory controls are appropriate to pawnbroking. We believe sentiment to the industry is a specific risk, which needs careful communication to overcome. Inflation risk to the cost base is also a specific short-term consideration.
- **Investment summary:** H&T is focused on delivering the opportunity in its core pawnbroking and related retail businesses. Having gained pawnbroking market share, and with the collapse of most other competitors, its strong balance sheet means it is structurally well-positioned to finance demand for small-sum, short-term credit. This generates a strategic, long-term competitive advantage from which to grow earnings. For 2023, there is growing customer demand from the cost-of-living crisis, with few alternative, regulated competitors.

Financial summary and valuation

Year-end Dec (£000)	2020	2021	2022	2023E	2024E	2025E
Revenue	129,115	121,995	173,941	212,880	237,042	267,976
Gross profit	82,799	76,355	101,916	120,998	143,354	156,825
Total expenses	(65,915)	(65,155)	(69,607)	(80,419)	(95,081)	(105,484)
Pre-tax profit	15,632	7,862	19,005	26,926	31,996	35,078
Fully diluted EPS (p)	32.11	15.43	37.15	46.83	54.55	59.81
DPS (p)	8.5	12.0	15.0	16.8	18.5	19.5
Receivables	55,751	72,449	104,046	131,000	150,000	160,000
Inventories	27,564	28,421	35,469	36,229	38,764	40,703
Cash	34,453	17,638	12,229	9,200	17,081	22,758
Shareholders' funds	134,549	136,618	164,119	178,325	195,159	213,865
PE ratio (x)	10.9	22.7	9.4	7.5	6.4	5.9
Dividend yield	2.4%	3.4%	4.3%	4.8%	5.3%	5.6%

Source: H&T, Hardman & Co Research

Finance and credit services

Source: Refinitiv

Market data

EPIC/TKR	**HAT**
Price (p)	**351.0**
12m high (p)	502.0
12m low (p)	307.0
Shares (m)	43.99
Mkt cap (£m)	154.4
EV 1H'23 (£m)	175.2
Free float*	86.3%
Country of listing	UK
Currency of listing	GBP
Market	AIM

**As defined by AIM Rule 26*

Description

H&T's products include pawnbroking, jewellery retail, cheque cashing, Western Union money transfer and Foreign Exchange, offered through 273 stores and online. 65% of 1H'23 gross profits were generated from pawnbroking, and 13% from retail.

Company information

CEO	Chris Gillespie
CFO	Diane Giddy
Chair	Simon Walker
NEDs	Robert van Breda, Lawrence Guthrie, Catherine Nunn, James Thornton (SID), Sally Veitch, Toni Wood

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Key shareholders (2 Dec'23)

Octopus Investments	11.84%
Fidelity	9.95%
Close Bros	8.85%
Stichting Value	4.61%
Artemis	4.37%
Canaccord Gen WM	3.50%
Premier Miton	3.16%
HL / II Execution only	9.15%

Diary

13 March	FY results

Analyst

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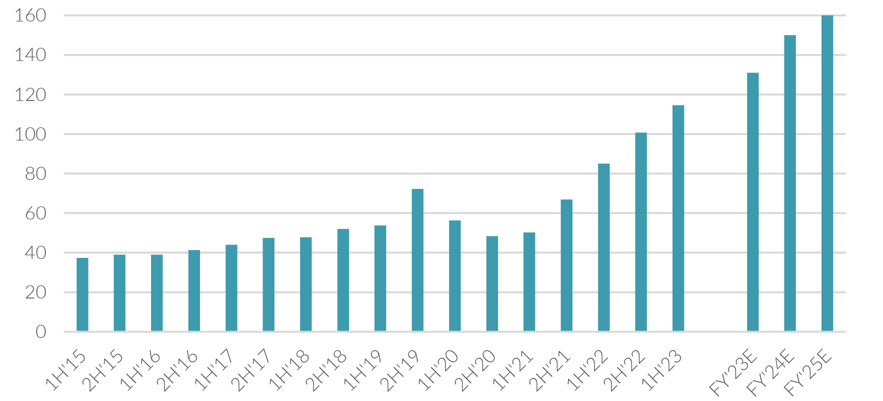
Pawnbroking driving other services

Pawnbroking

Upgraded pledge book forecast for third time in a year

The trading statement indicated the pledge book had grown 30% in FY'23 (1H'23 14%) driven by gross new lending (FY'23 £260m vs. £218m in FY'22). We have upgraded our forecasts for the third time in a year. We note that demand for lending has been growing consistently through the period, across all customer segments and all geographies. The median loan size was £201 (30 June 2023: £200), redemption rates are consistent at ca.85% and the loan-to-value ratios remain at ca.65%. The broad growth and consistency in pledge metrics, is especially important in considering the sustainability of the growth. H&T is growing customer numbers, and assuming they have the same good experience as previous ones, this bodes well for recurring business. We have raised our end-2024/25 forecast pledge book by a further £15m, to £150m and £160m, respectively. The chart below shows the strength of this line in recent years.

H&T's net pledge book – includes accrued income and impairment (£m)



Source: H&T, Hardman & Co Research

Less competition at a time of growing demand and H&T uniquely placed to take advantage of it

In our previous notes, we have explored the factors driving this growth, including the near total withdrawal of non-pawnbroking, regulated small-sum, short-term lenders, as well as the factors driving increased demand. At this time of reduced supply and increased demand, H&T's strong balance sheet, the largest national store network, robust governance and focus on this business line have all led to it optimising the opportunities (see: *Pawnbroking royalty, with strong, profitable growth,* published 15 March 2023; *Pawnbroking's current appeal,* published 1 June 2023; and *Delivering the pawnbroking growth opportunity,* published 25 August 2023).

Additional trading statement comments include limited exposure to watches in the pledge book. It has also been increasing pricing.

We draw investors' attention to the following additional comments in the trading statement:

- The challenges in the watch market are not having a material effect on the pawnbroking business. H&T has been conservative, taking pledges on these assets (the value of the pledge book secured on watches at the year-end reduced by ca.£1.25m relative to 30 June with loans secured on watches currently represented 15% of the pledge book, down from 17% at 30 June 2023). The pledge book has still grown despite limiting this area of activity.

- The growth has come at a time when H&T increased its pricing, despite which loan demand to date in January has been particularly strong.

Jewellery and watch retail

Trading update highlights both short-term challenges and the long-term competitive advantages

H&T is the sixth-largest jewellery and watch retailer in the UK and, on our estimates, will generate nearly a sixth of its profits over the next two years from this activity. In looking at the trading statement, we see two conflicting experiences. In the short term, as with many retailers, the value of sales was disappointing as customers did not spend in the key run up to Christmas. This is the key driver to the cut in our group profit estimates. However, the structural advantages in H&T's proposition, which should see good growth over the long term, were also evident.

Near-term challenges

Volumes up but value down on mix change as customers bought lower-value items

The key comments from the trading statement are "*sales by volume of items increased 3% relative to the fourth quarter of 2022…. As a result of the changed mix of sales, volume and blended margin, overall sales in the quarter fell 3% by value year on year, with a consequent reduction in gross profit earned. This was particularly apparent in December, which followed a more encouraging November*". The run up to Christmas is the critical period for sales and customers did not spend as they have in the past. In particular, H&T noted a shift to new items (62% of sales by volume in the quarter (4Q'22: 53%) and 33% of sales by value (4Q'22: 25%). In particular, sales of new earrings and coins (which attract a lower margin) were particularly buoyant.

Reduced our revenues and margins, with adverse effect on 2023 profits of £3m against previous forecast

The challenging environment was clear from the recent comments in the *Ramsdens results* and *Watches of Switzerland trading update,* since when H&T shares have fallen 5%. For our forecasts, we have reduced our 2023 revenue by £4m and our margin from 34% to 30%, which reduces the retail reported profits by £3m. We have carried forward the lower sales in 2024 and 2025, reflecting a more conservative stance; although, they remain very dependent on customer spending patterns, which have shown volatility (November had been encouraging before the disappointing December). We have assumed a slight reversion of the adverse mix effects but still cut 2024 and 2025 margin estimates by 4% to 35%.

Long-term strong competitive positioning

Strong growth in the pledge bodes well for future growth in low-margin inventory

Although there is some variance between products (watches lower, jewellery higher), and in specific periods, as a rule, pledge-sourced inventory is at a lower cost than other sources. Jewellery can be brought in to stores/online relatively rapidly, but watches go through a servicing process, which can take a couple of months. Once in inventory, it will take some time before the items are then sold. The overall lag between pledge book growth and benefit to retail thus reflects the period of the pledge, any servicing and the inventory period; over time, though, a growing pledge book is good for above-average-margin inventory volume growth.

Growing pledge book and retail customer base positive for future retail sales volumes

Assuming the growing number of pledge book customers have the same good experience as in the past (and reflected in excellent Trust Pilot scores), they are more likely to be become retail customers should their cash position improve. The growth in retail volumes (ca.3% 4Q on 4Q) is also indicative of a growth in retail customer numbers. For those retail customers using H&T for the first time, it is probable that their experience of a pawnbroker is positive too. Overall, growing customer numbers is a positive for the franchise.

H&T's low-cost proposition did see volume growth in this period

In previous reports, we have highlighted that H&T's retail offering is at a lower pricing point than the jewellery market average. At a time when customers appear price sensitive, this positioning is likely to have been a factor in the growing customer numbers.

Having largest, national network of stores helps convert pledge-sourced items into sales

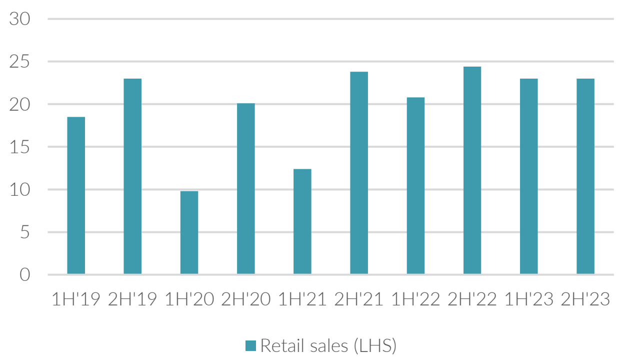
Having a broad, national network of pawnbroking stores is a competitive advantage in selling the increased number of items from the growing pledge book to the retail market.

- H&T's broad coverage means that each item can be placed in the stores most likely to sell it (items are never put up for sale in the same store as they were pledged). For example, the Brighton store is close to the antique jewellery stores in the Laines, certain other stores are more likely to sell pure gold items, while others are more likely to sell watches.
- Additionally, the large network makes it more convenient for the customer to view items ahead of purchase (which occurs in the majority of online sales). The chart below highlights the growing importance of online sale origination.

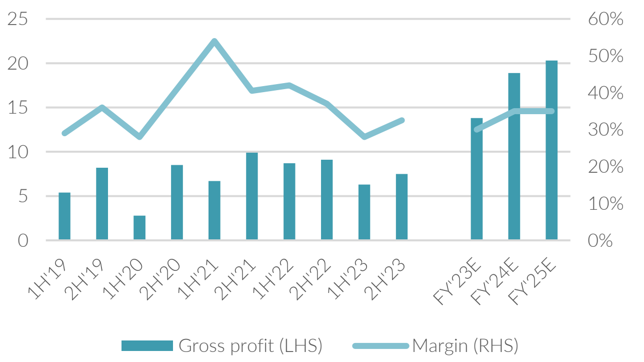
Pre-owned has good ESG impact

Looking to the future, H&T's pre-owned bias is increasingly attractive to customers who have ESG considerations, even though the most recent period saw a focus on lower-cost new items.

Total retail and online sales (£m)



Retail gross profit (£m) and margin (%)



Source: H&T, Hardman & Co Research

Many synergies in having jewellery retailer alongside pawnbroking

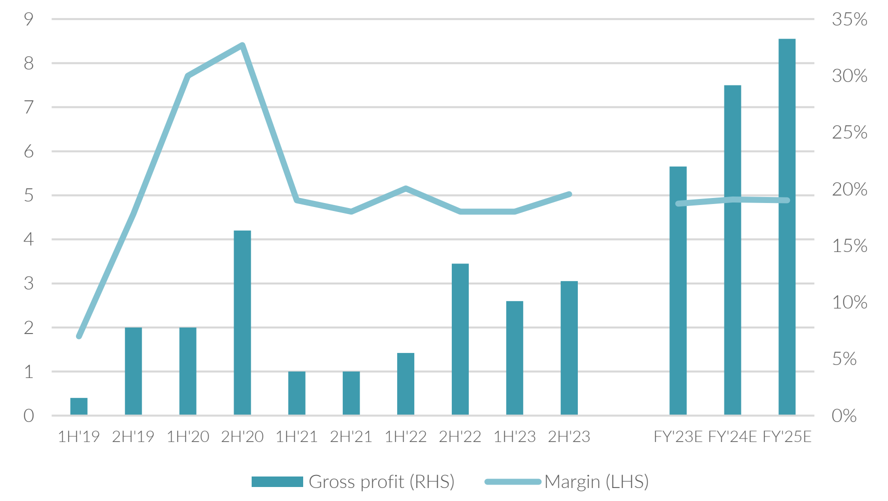
We detail the many synergies and competitive advantages of having the jewellery retail arm sitting alongside the pawnbroking arm in the *Investment attractions* section of our initiation note, *Pawnbroking royalty, with strong, profitable growth*.

Pawnbroking scrap

Items damaged beyond repair, slow-moving or surplus to group's requirements are smelted down as scrap. If customer behaviour is unchanged, it is directly related to the pledge book size.

Pawnbroking scrap comprises all other proceeds from gold scrap sales of H&T's inventory assets, other than those reported within gold purchasing. The items that are damaged beyond repair, are slow-moving or are surplus to the group's requirements, or not deemed suitable for the retail arm, are smelted and sold at the current gold spot price, minus a small commission. As the pledge book grows and matures, the volume of items released for scrap rises commensurately. For our forecasts, we have assumed revenue as being a consistent percentage of the opening pledge assets for the previous five years (i.e. no change in customer behaviour). The growing pledge book directly feeds through to higher scrap revenue and profits in the subsequent period.

Pawnbroking scrap profits (LHS, £m) and margin (RHS, %)



Source: H&T, Hardman & Co Research

Trading statement comments 18% purchasing volume growth

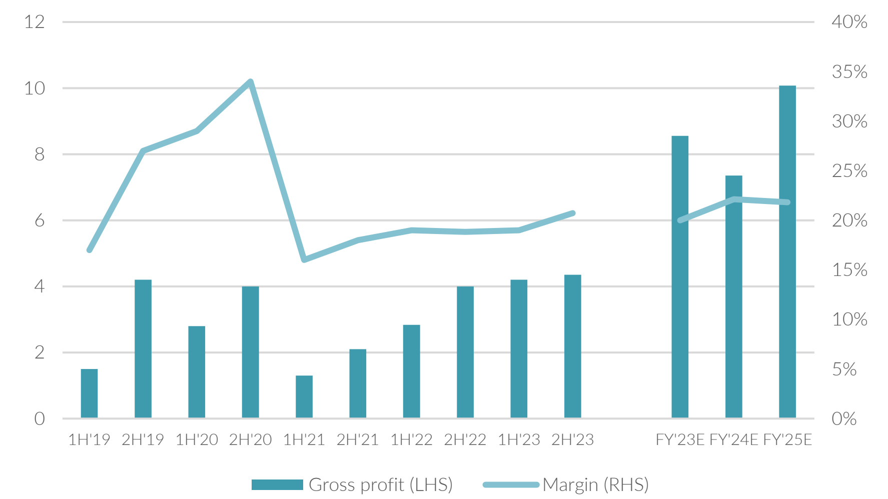
In the trading statement, H&T commented that purchasing volumes were up 18%, which is a little behind our forecast but within the normal noise for this line.

Purchasing

Customers can access funds by choosing to sell items, mainly pre-owned jewellery and watches, to H&T rather than to use the items as pledge for pawnbroking loan

Customers can access funds by choosing to sell items, mainly pre-owned jewellery and watches, to H&T, rather than to use the items as a pledge for a pawnbroking loan. The majority that chose to do so have had a pawnbroking loan at a previous time and may now have alternative, less personal items or take the view they will be unable to repay a loan. An increasing number of pawnbroking clients is likely to see increasing gold purchasing by HAT with a delay between customer growth and purchases. For our forecasts, we have not taken a view on the gold price directly; rather, we have taken the average revenue for the previous four years, built in adjustment for pledge book growth and the average margin over the same period and used that for our forecasting purposes. In the trading statement, margins were said to be broadly stable in line with our expectation, so there is no change in estimates.

Purchasing (LHS, £m) and margin (RHS, %)



Source: H&T, Hardman & Co Research

Trading update: other issues

Other services

FX double-digit growth

The trading update comments on other services were:

- Full-year foreign exchange revenues grew 11% to ca.£6.3m (2022: £5.7m) with transaction volumes up 18% year-on-year. This is marginally below our £6.5m estimate and the company noted "*Good progress is being made in delivering the strategic growth potential of this product. However, it is taking longer than anticipated to achieve forecast volumes and revenues. Momentum continued to build throughout the second half of the year, including in the fourth quarter and into 2024.*"

- "*As expected, demand for money transfer remains subdued, with transaction volumes down year on year as pressure on disposable income led customers to remit and receive funds less often. This dynamic applies across all geographies and currencies. Cheque cashing volumes and commissions were broadly flat year on year.*" We have not changed our forecasts for these services.

Rising administration and finance costs

Increase in National Living Wage affects both low- and medium-paid staff and we may see further above-inflation increases in future

As we flagged in the January monthly, "*In November, the government announced the National Living Wage (minimum wage) for adults will rise by 9.8% from April. We had been expecting an increase closer to expected inflation.*" In addition to the direct impact on the lowest paid staff, investors should bear in mind:

- There is a need to ensure appropriate differentials between experienced and inexperienced employees, and so the increase at the lower salary brackets is also likely to affect higher ones.

- An increase well above inflation in 2024 increases the probability of further above-inflation increases in the future. A change of government may increase this probability even further. There is, therefore, a swing in the growth rate of costs in addition to the first-year impact.

In the trading statement, H&T commented that "*As previously advised, firm action on costs was taken in H2 2023 and as a result, cost inflation moderated relative to H1 2023 as expected. The Group remains subject to cost inflation which is above headline inflation rates, in particular following the forthcoming 10% rise in minimum wage from April 2024, and as a result of price increases by key suppliers. Action will continue to be taken to control costs and deliver ongoing cost efficiencies.*" We have reduced our costs forecast by £0.5m, but given the above-expected NLW uplift effective from April, we have raised them by £8.3m (2024) and £13.5m (2025).

Interest costs rising with volume and base rate. Additional, long-term financing put in place, creating optionality but at higher spread.

Our *January monthly* also warned of higher financing, noting to both fund the balance sheet growth but also because "*H&T's recent additional term funding is at a spread of 4% over base rate (i.e. costing ca.£0.925m annually).*" The latter is above the spread of existing facilities, reflecting the long-term nature of the facility. On top of balance sheet growth, H&T will continue to open stores, refurbish existing ones, invest in technology and offer a range of other options (such as M&A, which may or may not come to fruition). Accordingly, we have increased our finance costs by £0.9m in 2024 and £1.2m in 2025.

Financials

Our forecast reduction in 2023 is driven by retail, while costs are the most important factor thereafter. The growth in the pledge book has had a modest effect in 2023 with greater impacts in later years. Given the falling profit estimates, we have also cut our dividend forecasts.

Profit & loss (£000)

Year-end Dec	2023E			2024E			2025E		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue	218,470	212,880	-3%	228,791	237,042	4%	244,389	267,976	10%
Gross profit	124,792	120,998	-3%	139,329	143,354	3%	149,922	156,825	5%
Total expenses	(80,933)	(80,419)	-1%	(86,780)	(95,081)	10%	(91,902)	(105,484)	15%
Pre-tax	30,320	26,926	-11%	37,971	31,996	-16%	43,613	35,078	-20%
EPS (p)	52.73	46.83	-11%	64.74	54.55	-16%	74.4	59.8	-20%
DPS (p)	18.8	16.8	-11%	22.0	18.5	-16%	25.0	19.5	-22%
Receivables	125,000	131,000	5%	135,000	150,000	11%	145,000	160,000	10%
Inventories	36,229	36,229	0%	38,764	38,764	0%	40,703	40,703	0%
Cash	16,987	9,200	-46%	26,839	17,081	-36%	36,524	22,758	-38%
Shareholders' funds	180,041	178,325	-1%	199,817	195,159	-2%	222,505	213,865	-4%

Source: H&T Report and Accounts, Hardman & Co Research

Profit & loss (£000)

Year-end Dec	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	124,697	143,025	160,213	129,115	121,995	173,941	212,880	237,042	267,976
Costs of sales	(46,567)	(54,781)	(58,852)	(46,316)	(45,640)	(72,025)	(91,882)	(93,689)	(111,150)
Gross profit	**78,130**	**88,244**	**101,361**	**82,799**	**76,355**	**101,916**	**120,998**	**143,354**	**156,825**
Other direct expenses - impairments	(20,846)	(25,881)	(20,798)	(6,438)	(6,012)	(11,756)	(10,718)	(11,880)	(11,616)
Other direct expenses	(32,594)	(32,855)	(40,044)	(43,750)	(40,239)	(47,779)	(54,409)	(60,469)	(65,911)
Total other direct expenses	**(53,440)**	**(58,736)**	**(60,842)**	**(50,188)**	**(46,251)**	**(59,535)**	**(65,127)**	**(72,349)**	**(77,527)**
Admin. expenses	(12,234)	(13,272)	(18,031)	(15,727)	(18,904)	(21,828)	(26,011)	(34,612)	(39,573)
Recurring operating profit	12,456	16,236	22,488	16,884	11,200	20,553	29,861	36,393	39,725
Non-recurring expenses				-	(2,099)	-			
Operating profit	**12,456**	**16,236**	**22,488**	**16,884**	**9,101**	**20,553**	**29,861**	**36,393**	**39,725**
Investment revenues	-	3	-	5	8	-	-	-	-
Finance costs	(567)	(2,468)	(2,405)	(1,257)	(1,247)	(1,548)	(2,935)	(4,397)	(4,647)
Profit before tax	**11,889**	**13,771**	**20,083**	**15,632**	**7,862**	**19,005**	**26,926**	**31,996**	**35,078**
Tax	(2,396)	(2,818)	(3,393)	(3,070)	(1,818)	(4,093)	(6,328)	(7,999)	(8,770)
Attributable underlying profit	**9,493**	**10,953**	**16,690**	**12,562**	**6,044**	**14,912**	**20,598**	**23,997**	**26,309**
Fully diluted EPS (p)	25.91	29.59	43.80	32.11	15.43	37.15	46.83	54.55	59.81
DPS (p)	10.5	11.0	4.7	8.5	12.0	15.0	16.75	18.5	19.5
Dividend cover (x)	2.5	2.7	9.3	3.8	1.3	2.5	2.8	2.9	3.1

Source: H&T Report and Accounts, Hardman & Co Research

Balance sheet (£000)									
@ 31 Dec	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Goodwill	17,643	17,643	19,580	19,330	19,330	20,969	21,233	21,233	21,233
Other intangibles	331	343	3,889	2,729	1,892	6,368	7,782	9,196	10,610
Property, plant and equipment	6,381	6,032	7,739	8,635	11,101	13,045	16,000	16,000	15,500
Right of use assets	23,073	20,159	21,147	18,337	17,400	18,991	18,500	19,176	19,852
Deferred tax assets	1,988	1,683	2,180	2,822	1,726	251	35	35	35
Total non-current assets	**49,416**	**45,860**	**54,535**	**51,853**	**51,449**	**59,624**	**63,550**	**65,640**	**67,230**
Inventories	34,102	29,262	29,157	27,564	28,421	35,469	36,229	38,764	40,703
Trade and other receivables	63,089	73,379	90,891	55,751	72,449	104,046	131,000	150,000	160,000
Other current assets	665	877	714	1	0	0	0	0	0
Cash and cash equivalents	8,676	11,414	12,003	34,453	17,638	12,229	9,200	17,081	22,758
Total current assets	106,532	114,932	132,765	117,769	118,508	151,744	176,428	205,845	223,461
Total assets	**155,948**	**160,792**	**187,300**	**169,622**	**169,957**	**211,368**	**239,978**	**271,485**	**290,691**
Trade and other payables	(8,362)	(6,015)	(10,578)	(10,807)	(10,154)	(9,097)	(12,000)	(12,000)	(12,000)
Lease liabilities	(237)	(249)	(4,890)	(3,568)	(3,191)	(3,743)	(4,243)	(4,743)	(5,243)
Tax payable	(1,033)	(842)	(2,066)	(1,972)	(375)	(937)	(937)	(937)	(937)
Total current liabilities	**(9,632)**	**(7,106)**	**(17,534)**	**(16,347)**	**(13,720)**	**(13,777)**	**(17,180)**	**(17,680)**	**(18,180)**
Borrowings	(21,810)	(24,888)	(26,000)	-	-	(15,000)	(30,000)	(40,000)	(40,000)
Lease liability	(26,789)	(23,724)	(19,670)	(17,077)	(15,792)	(16,326)	(12,828)	(17,500)	(18,000)
Long-term provisions, incl. retirement	(1,313)	(1,253)	(1,490)	(1,649)	(3,827)	(2,146)	(1,646)	(1,146)	(646)
Total non-current liabilities	**(49,912)**	**(49,865)**	**(47,160)**	**(18,726)**	**(19,619)**	**(33,472)**	**(44,474)**	**(58,646)**	**(58,646)**
Share capital	1,872	1,883	1,987	1,993	1,993	2,193	2,200	2,210	2,220
Share premium	26,641	27,152	33,179	33,486	33,486	49,423	50,391	51,356	52,321
Retained earnings	67,926	74,821	87,475	99,105	101,174	112,537	125,768	141,627	159,358
EBT share reserve	(35)	(35)	(35)	(35)	(35)	(34)	(34)	(34)	(34)
Total equity	**96,404**	**103,821**	**122,606**	**134,549**	**136,618**	**164,119**	**178,325**	**195,159**	**213,865**
No. of shares at year-end	37.4	37.7	39.7	39.9	39.9	43.9	44.0	44.0	44.0
NAV per share (p)	257.5	275.7	308.5	337.5	342.7	374.3	405.4	443.7	486.2

Source: H&T Report and Accounts, Hardman & Co Research

Valuation

Summary

Range of valuation approaches, including GGM, DCF and DDM

Average of all is 503p

We apply a range of different valuation approaches, as shown below, and give some of the key sensitivities to our assumptions. Our Gordon Growth Model (GGM) indicates a fair value of 630p, the dividend discount model (DDM) 406p and the discounted cashflow (DCF) model 473p. We believe the differences in strategy and business model make comparisons with the closest listed peer, Ramsdens, of limited value.

GGM

GGM valuation, at 630p, captures value added and growth

Looking at H&T, the assumptions were outlined in our initiation report, and we show them in the table below.

GGM and key sensitivities

	Base	+1% RoE	+1% CoE	+0.5% G
RoE	13%	14%	13%	13%
CoE, post-tax	10%	10%	11%	10%
G	5%	5%	5%	55%
P/BV (x)	1.3	1.4	1.2	1.3
Disc./prem. re near-term performance	10%	10%	10%	10%
P/BV (x)	1.4	1.5	1.3	1.4
BV Dec'23E (p/sh)	440	440	440	440
Valuation (p/sh)	630	678	572	637
Variance (p/sh)		49	(58)	8

Source: Hardman & Co Research

DDM

DDM valuation 406p

Using the assumptions detailed in our initiation, the implied valuation on the DDM is 406p. The terminal value accounts for 34% of the total value. In terms of sensitivity to assumptions, an 11% CoE, the value would be 385p.

DCF

DCF valuation 473p

A DCF analysis is complicated by H&T, as is the case for any lender needing to use cash as its working capital, and, again, the assumptions were outlined in our initiation. The terminal value accounts for 35% of the value (pre-balance sheet allocation). In terms of sensitivity to assumptions, an 11% CoE, the value would be 360p.

"Peer" companies

The only listed "peer" is Ramsdens (RFX). However, in making comparisons, there are some very important business model, size and strategy differences, which means that any comparison needs to be treated with caution. RFX is currently trading on a 12-month forward consensus P/E of 8.6x, against consensus for H&T of 5.4x. RFX's current dividend yield is 5.1%, against H&T's 4.7%, and RFX's forward yield is 5.1%, vs. consensus's 6.1% for H&T.[1] There is no consistency in these relative ratings.

[1] All sourced from Refinitiv, as at 23 January 2024

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(Disclaimer Version 8 – Effective from August 2018)

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