

EPE Special Opportunities Limited
(“ESO” or the “Company”)

Trading Statement

The Board of EPE Special Opportunities is pleased to provide an update on the Company's performance for the year ended 31 January 2025.

- The Company and its portfolio have faced a challenging environment during the year ended 31 January 2025 against the backdrop of an uncertain and complex economic landscape. The Board and Investment Advisor continue to manage the Company prudently, prioritising liquidity and securing the financial position of the portfolio. Given the economic context, overall M&A activity has remained subdued and market valuations have been depressed, limiting the opportunities for new acquisitions and disposals in the period. The operational improvements and progress made against long term value creation plans within the portfolio, position our businesses for sustained growth as macro economic conditions stabilise.
- The unaudited estimate of the Net Asset Value (“NAV”) per share of the Company as at 31 January 2025 was 328 pence, representing an increase of 1 per cent. on the NAV per share of 324 pence as at 31 January 2024. The unaudited estimate has been prepared using the Company’s historic valuation methodology and accounting principles.
- The share price of the Company as at 31 January 2025 was 149 pence, representing a decrease of 10 per cent. on the share price of 165 pence as at 31 January 2024.
- In January 2025, Luceco released a trading update for the year ended 31 December 2024, announcing results ahead of market expectations. The group announced sales in the region of £240 million, achieving organic growth of 5 per cent. on the prior year on a constant currency basis. The business delivered strong Q4 trading, with impressive sales growth in the Residential RMI division as well as the Residential EV Charger division, which delivered quarterly year-on-year growth of circa 50%. The business expects to generate operating profit in the region of £28.5 – 29.0 million for the year. Luceco completed two acquisitions in the period, acquiring D-Line, a supplier of cable management solutions, for £8.6 million initial consideration and up to £3.8m million contingent consideration in March 2024, and CMD, a wiring accessories manufacturer for commercial premises, for £30.0 million consideration in October 2024. The business’ balance sheet remains robust with net debt of 1.7x LTM EBITDA as at 31 December 2024, within the target range of 1.0-2.0x.
- Whittard of Chelsea (“Whittard”) delivered pleasing growth across its sales channels. The UK retail store estate performed strongly, achieving 6% like for like sales growth and opening new stores in Oxford Circus, Gatwick Airport and Victoria Station. Whittard has continued to develop its international channels, with expansion in the US market underpinned by new customer wins with key retailer accounts, including Sam’s Club. The business has also continued to improve its customer proposition, with a new customer loyalty programme launched in the period.
- The Rayware Group (“Rayware”) continued to face headwinds to trading performance, but has made progress on the development of its overall channel strategy in the period. In August 2024 Rayware launched a new retail channel, with its first store opened in Swindon. Rayware’s US channel achieved pleasing growth, securing new customer wins. Rayware appointed a CEO in May-24, Jamie O’Brien, who brings to the business over 20 years’ leadership experience in the branded consumer sector. During the period, the Company, through its subsidiary ESO Investments 1 Limited, invested £3.5 million to reduce Rayware’s senior debt and has a £1.0 million contingent guarantee outstanding to third-party lenders as at 31 January 2025.
- Pharmacy2U (“P2U”) maintained strong organic growth during the period and accelerated its underlying growth trajectory via acquisition. The integration of LloydsDirect was approved by the CMA in March 2024, delivering material additional scale to the platform and synergy opportunities. In April 2024, P2U expanded its offering to include pet care, via the acquisition of The PharmaPet Co.
- David Phillips (“DP”) continues to experience profitability headwinds but enters the year with an encouraging pipeline. In July 2024, Ben Munn joined the business as CEO, with over 25 years of experience in the real estate sector. In January 2025, the Company, through its subsidiary ESO Investments 1 Limited, invested £0.7 million to support the business.

- Denzel’s achieved top line growth, expanding their offering within key retailers and securing new accounts. The business’ marketing activity has been supported by new partnerships such as the collaboration with Battersea Dogs & Cats Home, launched in June 2024.
- The Company had cash balances of £11 million¹ as at 31 January 2025. In July 2024, the Company agreed the extension of the maturity of £4.0 million of unsecured loan notes to July 2025. In the period, the Company repurchased 3.0 million zero dividend preference (“ZDP”) shares. Following this buyback, the Company has 9.5 million ZDP shares remaining in issue, maturing in December 2026. The Company has no other third-party debt outstanding. In the period, the Company completed ordinary share buybacks in the market totalling 0.6 million ordinary shares at a weighted average share price of 152 pence.
- As at 31 January 2025, the Company’s unquoted portfolio was valued at a weighted average EBITDA to enterprise value multiple of 7.8x and the portfolio has a low level of third-party leverage with net debt at 1.2x EBITDA in aggregate.

Mr Clive Spears, Chairman, commented: “Due to the complex business conditions faced in the period, the priority of the Board, Investment Advisor and portfolio management teams has been to ensure the resilience of the Company and its portfolio against these headwinds. Value creation plans are in place within the portfolio to generate future growth, with close monitoring of progress maintained. Prudent action has been taken to preserve liquidity and to manage the capital structure of the Company. The Board would like to extend their thanks to the Investment Advisor and portfolio management teams for their efforts through a demanding period and look forward to updating shareholders on further progress at the half year.”

The person responsible for releasing this information on behalf of the Company is Amanda Robinson of Langham Hall Fund Management (Jersey) Limited.

Note 1: Company liquidity is stated inclusive of cash held by subsidiaries in which the Company is the sole investor.

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