APN Applied Nutrition PLC

Applied Nutrition delivers 51% sales growth but holds FY27 guidance as cash conversion halves

Following the Preliminary Results · 16 November 2026

FY26 REVENUE	ADJUSTED EBITDA	FREE CASH FLOW CONVERSION	YEAR-END NET CASH
£161.6m	£43.3m	33.5%	£15.9m
▲ up 50.9% on £107.1m	▲ up 40.1% on £30.9m	▼ against 72.4% in FY25	▼ excludes IFRS 16 liabilities; cash was £18.5m a year earlier

Share price, past 12 months

Daily close; latest price as at 16:27 on 13 November 2026 · Ticker Data API



Applied Nutrition's preliminary results today confirmed the year to 31 July 2026 that the August trading update had already sketched out. Revenue rose 50.9% to £161.6m and adjusted EBITDA (operating profit before interest, tax, depreciation, amortisation and one-off items) rose 40.1% to £43.3m. The board said "very strong" momentum had continued into the first quarter of FY27. Even so, it left its FY27 expectations unchanged at approximately £205m of revenue and £49m of adjusted EBITDA. Cash lagged profit by a wide margin. Inventories nearly doubled to £44.5m, free cash flow fell 35.8% to £10.6m and free cash flow conversion dropped to 33.5% from 72.4%. Net cash ended the year at £15.9m after the roughly £12m Nutrablend acquisition in the US.

Over the longer run, the record is strong. Revenue was £86.2m in FY24, and during FY26 management raised its revenue guidance from about £140m to £148m and then £160m before beating it. The FY27 numbers point to a lower margin, though: £49m on £205m is 23.9%, against 26.8% in FY26. The company blames lower-margin US white-label sales and dearer whey protein. With the shares at 316.33p on results day, a market value of £791m, the investment case now depends on two things. The first is whether the strong first quarter turns into higher numbers. The second is whether the stock built up in FY26 sells through and turns back into cash during the second half.

> **“Together, these investments give us the infrastructure, capacity and platform to support the next phase of growth.”**
>
> **Thomas Ryder**, CEO · Preliminary Results, 16 November 2026

Grocery shelves and licensed sweets brands drove the year

Applied Nutrition formulates and mostly manufactures its own sports nutrition and wellness products at Knowsley, near Liverpool. It sells largely business to business, through retailers and distributors in more than 90 countries. That model explains both its high margins and its exposure: the company carries the stock and gives credit terms, and its customers own the shopper. B2B revenue was £146.9m of the £161.6m total. Direct-to-consumer sales grew 51% to £14.7m.

The growth was broad. In the UK, sales to grocers rose 180% and the company now has a presence across all the major UK grocery retailers. High-street health retail rose more than 65%, and the Holland & Barrett joint business plan was extended. Abroad, Latin America grew more than 190% and Asia-Pacific almost 60%. The Middle East recovered after distributor and registration changes in FY25. Among the 50 largest B2B customers, 48 grew, 45 of them by double or triple digits. No single customer accounted for 10% of revenue.

The product range is moving well beyond the gym. The relaunched Critical Whey grew 142%. The SLUSH PUPPiE collaboration sold well. A first out-licensing deal with Morrisons put Applied Nutrition's name on high-protein foods aimed at people taking GLP-1 weight-loss drugs. By product, protein rose to £53.2m from £32.0m and intra-workout to £28.3m from £13.2m. The shift towards protein has a cost, because it makes whey prices more important to the margin.

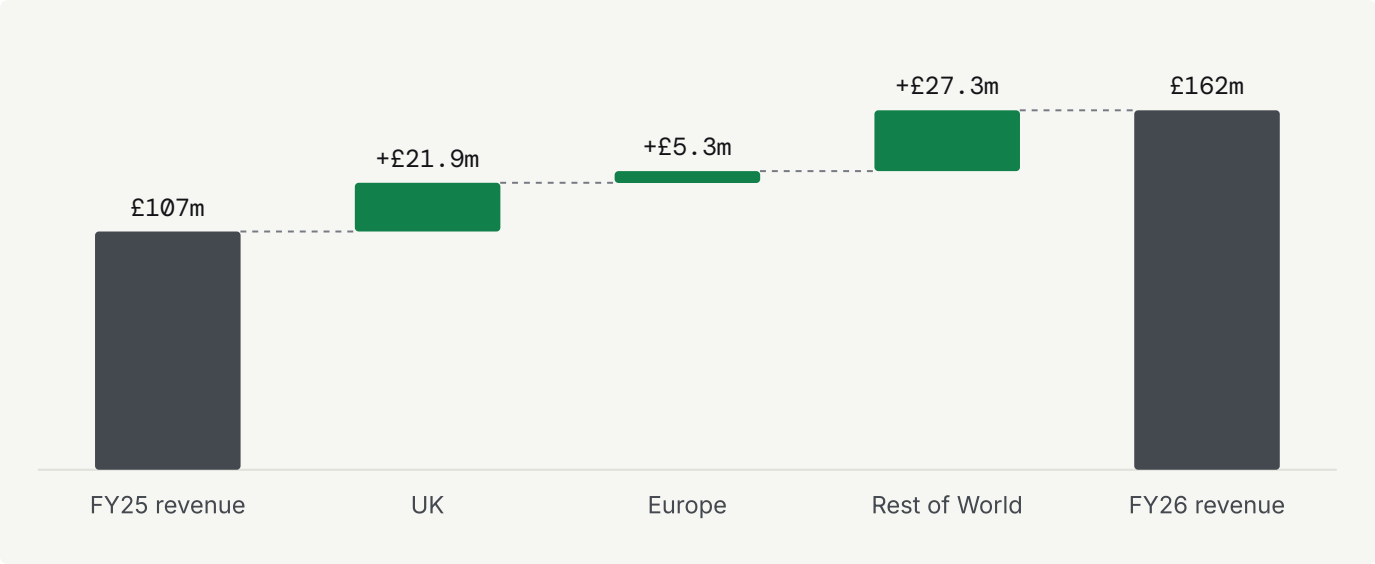
The most consequential move was in the US. On 1 June the company bought the trade and most of the assets of Nutrablend, a supplement manufacturer in Buffalo, New York. It paid £11.9m in total and took on no liabilities. Because the former owners wanted a quick sale, the deal produced a £0.6m bargain-purchase gain. The site gives the group production capacity of c.$300m of annual revenue in the US. It also gives a base for the Mondelēz licence covering SOUR PATCH KIDS and SWEDISH FISH products, and the SOUR PATCH KIDS range launched in 2,200 Walmart and 1,300 GNC corporate stores from August 2026. In the UK, a production extension due before Christmas should lift capacity to c.£300m of annual revenue, and a new distribution centre and head office is expected to be operational in H2 FY27.

FIGURE	VALUE	CHANGE
UK revenue FY26	£70.3m	+45% +on £48.4m
Europe revenue FY26	£20.9m	+34% +on £15.6m
Rest of World revenue FY26	£70.4m	+63% +on £43.1m
UK grocery sales growth FY26	180%	+180%
D2C revenue FY26	£14.7m	+51% +on £9.8m
Protein category revenue FY26	£53.2m	+66% from £32.0m

FIGURE	VALUE	CHANGE
Nutrablend total consideration Completed 1 June 2026	£11.9m	
US production capacity acquired	c.$300m of revenue per year	

Sources: Preliminary Results RNS, 16 Nov 2026; Preliminary Results RNS, note 5, 16 Nov 2026; Preliminary Results RNS, note 4, 16 Nov 2026

Where FY26 revenue growth came from



Each step is the change in that region's revenue by destination as reported in note 5. Nutrablend contributed £1.6m of the total, leaving organic growth of £52.9m.

Profits rose 40% while every margin measure slipped

Revenue rose 50.9% to £161.6m, with organic growth of 49.4% once the £1.6m from Nutrablend is stripped out. The second half was the stronger one at about £87.1m, against £74.5m in the first half. Earlier in the year management had expected the reverse. Adjusted EBITDA of £43.3m matched the figure given in August exactly, and revenue came in slightly above the £160m flagged then.

Profit grew more slowly than sales. Gross margin fell 190 basis points to 44.1%. The company puts most of that down to mid-single-digit pay rises for production staff and to extra labour shuttling stock to off-site storage while the new distribution centre is built, which it expects to end by the third quarter of FY27. Administrative costs rose to 18.9% of revenue from 18.2%. That reflected 30 basis points more advertising and 80 basis points of listed-company and director costs in the first full year after the October 2024 IPO, partly offset by 80 basis points of efficiencies elsewhere. Adjusted EBITDA margin therefore fell to 26.8% from 28.9%.

The extra revenue earned less than the old revenue did. The £54.5m rise in sales added £22.0m of gross profit and £12.4m of adjusted EBITDA. That works out at 40% and 23% respectively, below the group's FY25 margins of 46% and 29%. On these numbers, extra capacity has not yet produced operating leverage (profits growing faster than sales).

Statutory figures were clean. Operating profit rose 44.5% to £40.6m and basic EPS rose 45.2% to 12.2p. The only adjusting item was a £1.0m net charge for the acquisition and the restart of the US site, against £1.7m of IPO costs in FY25. Adjusted EPS was 12.5p. The effective tax rate was 25.4%, and no final dividend was declared.

FIGURE	VALUE	CHANGE
Gross margin FY26	44.1%	−46% down 190 bps from
Gross profit FY26	£71.3m	+45% +on £49.3m
Statutory operating profit FY26	£40.6m	+45% +on £28.1m
Basic and diluted EPS FY26	12.2p	+45% +on 8.4p
Adjusted basic and diluted EPS FY26	12.5p	+37% +on 9.1p
H2 revenue H2 FY26	c.£87.1m	+46% H2 FY25: £59.5m
Administrative expenses as % of revenue FY26	18.9%	FY25: 18.2%
Acquisition-related net charge FY26	£1m	−41% FY25: £1.7m IPO costs

Sources: Preliminary Results RNS, 16 Nov 2026

A doubled stock pile absorbed most of the year's profit

Before working-capital movements the business generated £41.9m of operating cash flow. Cash generated from operations was £18.6m, down 15.1% on the year. The difference went into stock and debtors. Inventories rose by £18.0m to £44.5m, finished goods almost tripling to £27.9m. Receivables rose £15.4m, and higher payables of £10.1m covered only part of the gap. Working capital, defined as inventories plus receivables less payables, rose 68% to £55.6m against revenue growth of 50.9%.

On year-end balances, inventory equals 180 days of FY26 cost of sales, against 144 days a year earlier. Payables also stretched, to 127 days of cost of sales from 108. These are rough measures, because the balances include non-trade items and the stock acquired with Nutrablend. Still, they show the build outrunning growth, part-funded by suppliers. The company says the excess came mainly from deliberate stock building, including restocking the US business, which had much less working capital than it needed when bought. Debtors adjusted for prepaid stock grew 51.7%, in line with sales. The bad-debt provision did rise to £1.5m from £0.7m, and balances more than 60 days old carried a 19.4% expected loss rate.

Free cash flow, which excludes acquisition spending, came to £10.6m after tax. Total cash fell £2.3m to £15.9m once the £11.8m paid for Nutrablend is included. There is no borrowing beyond £4.0m of lease liabilities. The group also has an undrawn £30.0m revolving credit facility from Royal Bank of Scotland at 1.7% over SONIA, with a 2:1 net leverage covenant and 3:1 interest cover. A full draw would equal less than 0.7 times FY26 adjusted EBITDA, so the covenant is a distant constraint. The £10m accordion on top is uncommitted.

The second half of FY26 will not be the last cash outflow. Management expects working capital to rise faster than revenue in H1 FY27 because of the US restocking and because new whey is costing more than the stock already held. Tax paid will also be higher than FY26's £6.6m, and planned capital spending is about £4.0m on the distribution centre and £2.5m on manufacturing. No dividend is planned before FY28.

31 Jul 2026 against the prior period

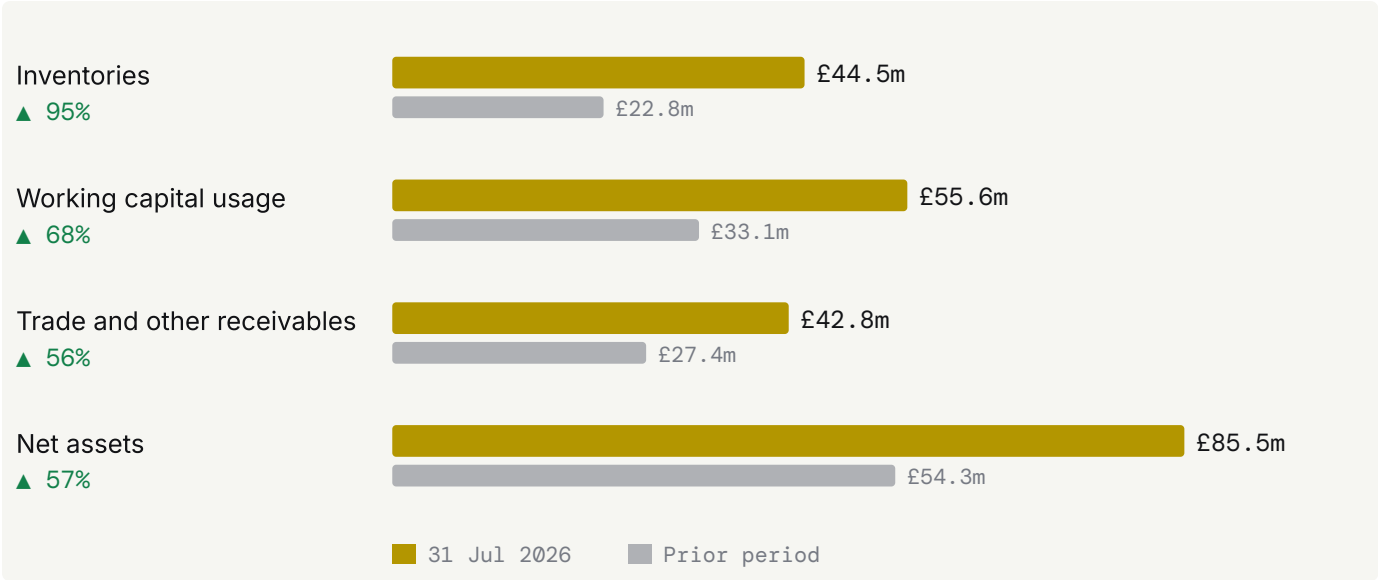


FIGURE	VALUE	CHANGE
Inventories 31 Jul 2026	£44.5m	+95% from £22.8m
Working capital usage 31 Jul 2026	£55.6m	+68% +from £33.1m
Net cash generated from operations FY26	£18.6m	−15% from £21.9m
Free cash flow (after tax) FY26	£10.6m	−36% from £16.5m
Trade and other receivables 31 Jul 2026	£42.8m	+56% from £27.4m
Undrawn revolving credit facility 31 Jul 2026	£30m	
Planned FY27 capital spending FY27	approximately £4.0m plus £2.5m	
Net assets 31 Jul 2026	£85.5m	+58% from £54.3m

Sources: Preliminary Results RNS, balance sheet, 16 Nov 2026; Preliminary Results RNS, 16 Nov 2026; Preliminary Results RNS, note 2.2, 16 Nov 2026; Preliminary Results RNS, CFO review, 16 Nov 2026

> **“We have never been short of ambition, but our focus remains simple: make great products, move quickly and keep earning the trust of our customers and consumers.”**
>
> **Thomas Ryder**, CEO · Preliminary Results, 16 November 2026

A strong first quarter, but FY27 numbers left alone

The board reports that market share gains continued in the first quarter of FY27. Still, it described it as prudent to keep market expectations where they were. Revenue therefore stays at £205m and adjusted EBITDA at £49m, figures first given on 26 August. They imply revenue growth of 27% but EBITDA growth of only 13%.

The gap is the margin. £49m on £205m is 23.9%, against 26.8% in FY26, a fall of 290 basis points. Management calls this a slight decrease and gives two reasons. First, more revenue will come from the US, where white-label manufacturing earns less. In June the company said Nutrablend should add at least $30m of FY27 revenue at a high single-digit EBITDA margin. Second, whey protein will cost more on average than in FY26, even though recent prices have been falling, and Critical Whey's success has raised the share of whey-based sales. Price increases to customers have offset part of the cost.

How much of the margin fall is just mix matters for the case. On a rough calculation, stripping out the lower-margin US revenue leaves the core business with an implied margin decline nearer 100 basis points, which fits the word slight. Gross margin may also improve once off-site storage ends. Against that, management's own forecast shows no margin recovery within FY27.

Management's guidance record during FY26 was good. Revenue guidance moved from £140m in March to about £148m in June and £160m in August, and the outturn was £161.6m. The next dates to watch are completion of the UK extension before Christmas, any trading statement in the coming weeks (one is pencilled in for around 3 December, though the company has not confirmed it) and the H1 FY27 results, which will show whether the expected working-capital outflow has peaked.

FIGURE	VALUE	CHANGE
FY27 revenue expectation FY27	c.£205m	unchanged since 26 Aug 2026
FY27 adjusted EBITDA expectation FY27	c.£49m	+13% +year-on-year, unchanged since 26 Aug 2026
Nutrablend FY27 revenue contribution FY27	at least $30m	at high single-digit EBITDA margin
FY26 revenue guidance, March FY26	c.£140m	
FY26 revenue guidance, June FY26	c.£148m	

Sources: Preliminary Results RNS, 16 Nov 2026; FY26 Trading Update, 26 Aug 2026; Company guidance, 1 Jun 2026; Company guidance, 23 Mar 2026

A £791m price already assumes the plan is delivered

At 316.33p on results day, Applied Nutrition is valued at £791m across 250m shares. Against FY26 statutory profit after tax of £30.6m, that is about 26 times earnings. After deducting the £15.9m of net cash, it is about 16 times the £49m of FY27 EBITDA management expects. Those multiples price in growth

continuing well beyond FY27, and they assume reported profit eventually turns into cash at something like the FY25 rate, not the FY26 one.

The shares have already moved a long way. They traded between 162.00p and 355.26p over the past 52 weeks and are up 0.7% so far this year. Results that confirm numbers published in August give little new to push the price higher. The obvious ways to a higher valuation are an upgrade to FY27 or clear evidence of better cash conversion.

The register adds two cross-currents. Ryder Holdings, the chief executive's vehicle, sold 4.5m shares at £2.75 on 11 September and still holds 32.46%. The chief operating officer sold 2.5m shares on the same day, and the chief financial officer sold 550,000 shares in June. On the other side, ten disclosed short positions add up to 6.53% of the shares. Scepticism of that size can deepen a fall after a disappointment or speed up a rise after good news.

FIGURE	VALUE	CHANGE
Market capitalisation 16 Nov 2026	£791m	
Share price 16 Nov 2026 (results day)	316.33p	+4.0% +on the day
52-week range	162.00p - 355.26p	
Ryder Holdings sale 11 Sep 2026	4,500,000 shares at £2.75	
Ryder Holdings stake disclosed 14 Sep 2026	32.46%	
Disclosed short positions latest 4 Nov 2026	6.53% of shares	

Sources: Ticker market data, 16 Nov 2026; Director/PDMR Shareholding RNS, 11 Sep 2026; Holding(s) in Company RNS, 14 Sep 2026; Disclosed short positions, Ticker research database

Shares ran hot into results that only confirmed August

The shares went into the announcement on a strong run. At the 315.5p close on 13 November, they were up 9.4% over the month and 4.6% over the week, and stood above all their main moving averages. The 50-day average of 287.03p sat above the 200-day average of 272.52p, the usual sign of a long-term uptrend. Momentum gauges looked stretched, with the 14-day relative strength index at 73.8, a level conventionally read as overbought. The close finished above the upper Bollinger band on volume 1.58 times the 20-day average after a period of unusually narrow trading ranges. That pattern often comes before a larger move, without saying which way.

Some caution sat under the surface. The 50-day average had been falling through October, and the heaviest volume day of the previous fortnight, 6 November, closed lower. The shares also absorbed the September director sales at 275p and kept rising, which suggests buyers were not put off by the selling.

On results day the shares traded between 302.50p and 317.00p and stood at 316.33p, up 3.95%. Nearby, 306.63p has acted as support (a level where buying has repeatedly halted falls), as has 285.13p further down. Overhead, 346.76p has acted as resistance (a level where rallies have stalled), and the 52-week high of 355.26p was set on 11 August. A close below 285.13p would put the medium-term uptrend in question. A move through 346.76p on heavy volume would show the market reading these results as a confirmation of growth.

FIGURE	VALUE	CHANGE
Results-day trading range 16 Nov 2026	302.50p - 317.00p	
52-week high	355.26p	
Year-to-date share price change to 16 Nov 2026	+0.7%	+0.7%

Sources: Ticker market data, 16 Nov 2026

The case for and against

FOR

The case for starts with demand that is broad and still accelerating. Every region grew by at least 34%, the second half beat the first, and 48 of the top 50 customers bought more. Distribution is widening: all the major UK grocers, Walmart and GNC in the US, and licensed brands that bring in shoppers who have never bought sports nutrition. The capacity bought or being built, c.$300m in Buffalo and c.£300m in the UK, is far larger than FY27's £205m revenue expectation, so growth will not be held back by factories. Management raised revenue guidance three times in FY26 and then beat it. On that view, leaving FY27 unchanged after a very strong first quarter is caution, not a warning. Much of the guided margin fall comes from lower-margin US revenue, and gross margin should recover once off-site storage ends. With £15.9m of net cash and an undrawn £30.0m facility, the stock build can be funded without strain.

AGAINST

The case against starts with cash. Of £41.9m of operating cash flow before working capital, only £18.6m survived the stock and debtor build. Free cash flow conversion more than halved to 33.5%, and inventory days rose from 144 to 180. Management expects another outflow in H1 FY27, at a time when the tax bill and capital spending both rise. The margin trend has also been one-way: lower gross margin, lower EBITDA margin, lower incremental margins on the new revenue, and a forecast of lower margin again in FY27. Whey protein costs are expected to rise, and UK retail volumes grew only 0.8% year on year in September, which makes it harder to keep passing price rises on. All UK manufacturing sits on one site. The chief executive's vehicle and the chief operating officer sold around £19m of shares at 275p in September. At 16 times guided EBITDA after cash, the valuation leaves little room for any of these to go wrong.

WHAT TO WATCH

The evidence that would settle it will arrive over the next six months. Any FY27 upgrade at the next trading statement or the H1 results would support the case for. So would inventory and working capital falling in absolute terms in the second half, with the US restocking shown to be a one-off. Signs that price increases have covered whey costs, with gross margin holding around 44% once off-site storage ends, would also count for it. The case against gains ground if the revolving facility is drawn to fund stock, if inventory or debtor days keep lengthening, if there is a stock write-down or a margin below the guided level, or if there are further sizeable director sales. Completion of the UK extension before Christmas and the new distribution centre in H2 FY27 are the operational milestones to check against.

Risks

- Whey protein: management expects average whey costs to be higher in FY27 than in FY26, and whey-based products now make up a larger share of sales. If customers or shoppers resist further price rises, the margin could fall below the 23.9% the guidance implies.
- Working capital: inventory nearly doubled to £44.5m and a further outflow is expected in H1 FY27. If stock does not sell through, cash conversion stays weak and write-downs become possible.
- Supplier funding: payables rose faster than revenue. A tightening of supplier terms would absorb cash and could push the group to draw on its £30.0m revolving facility at 1.7% over SONIA.
- Concentration of production: all UK manufacturing and most warehousing sit across two buildings on a single Knowsley site, so a fire, flood or equipment failure there would hit most of the group's revenue.
- US execution: Nutrablend has to be restocked and integrated while the SOUR PATCH KIDS rollout continues, and white-label sales there earn lower margins than the core business.
- Insider supply: the chief executive's vehicle still holds 32.46% after selling 4.5m shares in September. Further sales by directors could weigh on the shares.

THE OTHER VIEW

A more sceptical reading treats FY26 as the point where Applied Nutrition's economics started to weaken, not as a temporary investment phase. Each margin measure fell: gross margin by 190 basis points, adjusted EBITDA margin from 28.9% to 26.8%, and incremental margins on the new revenue to 40% at gross level and 23% at EBITDA level. The FY27 guidance shows a further fall, with no recovery inside the forecast period. The explanations offered for each step (pay rises, temporary storage labour, US mix, whey costs) are individually plausible, but they keep arriving, and growth increasingly comes from grocery, white-label and licensed products where the company has less pricing power. Meanwhile working capital rose by about 41p for every extra £1 of revenue and supplier credit stretched. On this reading the strong first quarter is real, but it is being bought with margin and cash. Holding guidance would then be an honest signal, and the September share sales at 275p would show where insiders thought value lay. If that is right, a valuation of 16 times guided EBITDA after cash prices in a return to FY25-style cash conversion that the business has not yet shown it can deliver at its new scale.

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