Accsys Technologies

AGM update

Solid progress from solid wood

General industrials

Accoya wood progress in FY20 to date continues to validate the business model and expansion undertaken last year. The new Tricoya project is also progressing albeit with commissioning slipping by some months into H2 calendar 2020. Our existing model accommodates these effects and we have made no changes save for adding FY22 estimates for the first time. For now, on our unchanged estimates, we continue to contend that the current valuation is underpinned by Accoya.

Year end	Revenue (€m)	EBITDA* (€m)	PBT* (€m)	EPS* (€)	P/E (x)	EV/EBITDA (x)
03/18	60.9	(3.5)	(8.8)	(0.07)	N/A	N/A
03/19	75.2	0.9	(6.2)	(0.04)	N/A	186.1
03/20e	87.5	4.7	(4.0)	(0.04)	N/A	39.0
03/21e	110.0	10.4	(2.4)	(0.03)	N/A	18.2

Note: *EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Accoya ahead, Tricoya build slips

All of the commercial markers of progress in developing Accoya have been ticked in FY20 to date with improvements in volume, pricing and gross margins all noted in the first five months of the year. Moreover, demand in each of the end markets currently served is said to be strong and the expanded Arnhem facility is being fully utilised. The new Tricoya facility timescale slippage does take the near-term gloss off Accoya's progress but management reiterated that long-term profit expectations for the Tricoya business stream are unchanged. There is scope for rebalancing our FY21 expectations more towards Accoya at the expense of Tricoya; however, our current modelling remains within achievable ranges for both in our view so we have made no estimate revisions at this stage. For the record, this note also includes commentary on the FY19 results, including FY22 estimates for the first time.

Full expansion agenda

As previously announced, CEO Paul Clegg is to step down when a replacement is appointed and this process is ongoing. The new person's brief will include managing the Hull facility commissioning process, likely further expansion at Arnhem as well as progressing active discussions with partners for new overseas plants in North America (Accoya) and Malaysia (Tricoya). These are all live work streams now and each will require funding, with the European investments likely to be quantified during this financial year. Our model will be adjusted to incorporate expected costs and benefits of these projects as they are announced.

Valuation: Accoya underpins valuation

As before, our DCF approach generates the current share price from the Arnhem Accoya operations alone (5% inflation assumed and carrying the end FY19 group debt position). We will revisit the valuation impact of the new Tricoya facility once the operational ramp-up and all associated costs are clarified. The prospective new international manufacturing partnerships represent further valuation upside but are likely to take longer to crystallise.

14 October 2019

Price	**100.0p**
Market cap	**£118m**
	€1.12/£
Net debt (€m) at end March 2019	50.1
Shares in issue	118.0m
Free float	90.6%
Code	AXS
Primary exchange	LSE
Secondary exchange	Euronext Amsterdam

Share price performance

%	1m	3m	12m
Abs	(0.6)	(0.3)	11.5
Rel (local)	(2.2)	(2.1)	2.7
52-week high/low		82p	59p

Business description

Accsys Technologies is a chemical technology company focused on the development and commercialisation of a range of transformational technologies based on the acetylation of solid wood and wood elements for use as high performance, environmentally sustainable construction materials.

Next event

H120 results	November - tbc

Analyst

Toby Thorrington +44 (0)20 3077 5721

industrials@edisongroup.com

Edison profile page

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AGM update

Further volume growth at Arnhem

Accsys grew Accoya sales volumes by 33% in the first five months of FY20 to 22,916m^3 with an associated 43% uplift in wood revenues to €32.6m. In addition to increased volume, improved underlying pricing from previously announced January increases and some favourable mix effects contributed to this headline performance. There has been growth in all customer sub-categories – and managing the balance of customer demand is an ongoing challenge – but implicitly 'open market' segment sales were relatively firmer and such mix effects are usually favourable for gross margin development also. Given annual capacity now of 60,000m^3 and allowing for the scheduled two-week maintenance shut down during this period, this suggests that the expanded Arnhem facility is running pretty well at its full run rate on a pro-rated basis. This is a confirmation of the successfully executed and stable capacity expansion first demonstrated in H219. In parallel, preparation and planning for the fourth Arnhem reactor (a further 20,000m^3 capacity addition) appears to be advancing and we note the more definitive language being used here (eg 'once operational… will provide'). The timescale and funding route for advancing this project are to be clarified; the next update is expected during FY20 and the build programme to operational status could be a further 18 to 24 months after that.

Lastly, discussions with a potential partner for a new Accoya plant in the US are said to be ongoing. No partner names have been disclosed yet, so we assume that the scoping process is still at relatively early stages. Given that North America can be considered a larger-scale homogeneous market, project investment is therefore likely to be a significant undertaking even allowing for potential modular capacity development.

Birthing pains for Tricoya facility, business model intact

According to management, end market demand for the Tricoya panels currently being manufactured by Medite from chipped Accoya wood has remained strong. We would expect to see some revenue growth in this segment for Accsys, albeit constrained by Arnhem capacity until the dedicated Tricoya newbuild facility comes online. It is under construction at the Saltend Chemicals Park near Hull and we are now informed that it is expected to be operational 'in the second half of calendar 2020'. This represents slippage from 'mid 2020' guidance previously, though it is unclear as to how many months difference this equates to. As before, we understand that the wood handling capability is well advanced and the acetylation tower is being rebuilt progressively adding process equipment at the same time. As a result of the delay, 'significant' additional capital costs have been incurred; these are still to be quantified externally as is the expected split between partners. Given likely negotiations around contractual terms, a lack of clarity here is not surprising. There are clear commercial considerations for Accsys with a trade-off between time and cost to complete. The most important message from management is that there is no change to the business model or expected long-term profitability of the facility.

The previously announced feasibility study for a prospective new Malaysian Tricoya facility with partner PETRONAS Chemicals is said to be progressing and, as one would expect, is being informed by the Hull construction process. Consequently, the decision point is now not likely before H2 calendar 2020.

FY19 results overview

Attaining a small positive EBITDA outturn (€0.9m) was a significant milestone for Accsys in FY19 with a strong increase in Accoya profitability following capacity expansion exceeding other group development and corporate costs. As well as expanding Arnhem, construction of the new Tricoya facility at Hull commenced during the year and this was reflected in a rising group net debt position.

Exhibit 1: Accsys Technologies interim and divisional splits

Year end March; €m	H1	H2	2018	H1	H2	2019	% change y-o-y	
							H119	FY19
Group revenue	**28.3**	**32.6**	**60.9**	**31.6**	**43.6**	**75.2**	**11.6%**	**23.4%**
Accoya	**28.3**	**32.4**	**60.7**	**31.1**	**42.8**	**73.9**	**9.9%**	**21.7%**
Wood revenue	26.2	30.1	**56.3**	28.1	38.9	**66.9**	7.1%	**18.8%**
Licence income	0	0	**0**	0.5	0.5	**1.0**	N/m	**N/m**
R&D	2.1	2.3	**4.4**	2.5	3.4	**5.9**	19.6%	**35.1%**
Tricoya	**0**	**0**	**0.2**	**0.5**	**0.8**	**1.2**	**N/m**	**522.5%**
Group optg profit norm	**(4.3)**	**(2.3)**	**(6.6)**	**(3.0)**	**0.0**	**(3.1)**	**-28.5%**	**-53.4%**
Accoya	0.0	2.0	**2.0**	1.3	4.2	**5.5**	N/m	**176.7%**
Tricoya	(1.2)	(1.2)	**(2.5)**	(1.3)	(0.8)	**(2.1)**	8.8%	**-12.8%**
R&D	(0.7)	(0.7)	**(1.4)**	(0.6)	(0.5)	**(1.1)**	-16.7%	**-20.7%**
Corporate	(2.3)	(2.4)	**(4.7)**	(2.5)	(2.8)	**(5.3)**	5.2%	**12.6%**
Accoya sales volume m^3	19,826	22,850	**42,676**	21,379		**49,716**	7.8%	**16.5%**
Split Accoya: Tricoya*	83:17		**81:19**	75:25		**74:26**		

Source: Accsys Technologies. Note: *Arnhem volume split.

Accoya: Volume ramps up and converts to material profit uplift

The successful commissioning of the third acetylation reactor at Arnhem was the key event in FY19, raising processing capacity there by 50% to 60,000m^3 per annum. It came onstream around the middle of the fiscal year and the enlarged facility was running at full utilisation by the year end, facilitating a c 22% revenue uplift for this reporting division. Sales derived directly from acetylated wood increased by 18.8% and we note that sales grew in all three disclosed segments, as follows:

- acetylated wood (Medite and FINSA partnership agreements; producers of panels from chipped Accoya wood) +52% and to just over 17% of total wood sales (+400bp y-o-y),
- solid wood supply (partnership agreement for with Cerdia, formerly Rhodia Acetow) + c 14% (and c 20% of total wood sales), and
- other third-party solid wood sales +c 13% y-o-y (c 63% of total shipments, -300bp vs FY18).

Underlying sales volumes rose by 16.5% in the year (to 49,716m^3). Inferred price inflation of c 2% then was the product of higher pricing to all three of the customer groups above, including an uplift in January 2019. Average unit pricing per cubic metre is lower in the partnership agreements so the faster growth delivered here – most notably with Medite and FINSA – will have served to temper average selling price development at divisional level. (Note that capacity constraints throughout the year meant that all customer segments were on allocation, a situation that clearly needs to be managed sensitively.) This development mix also has a dilutive impact on the manufacturing gross margin though higher volumes drove an overall uplift here, which was supplemented by c €1m of licence revenue received and an increase in other Accoya-related income (including acetic acid by-product sales).

Looking at the H1/H2 split, there are a couple of points to make. Firstly, the annual maintenance shutdown occurred in H1 in both years and H118 financial performance was additionally influenced by Arnhem expansion preparation. The benefit of increased capacity is clear in H219 with significant uplifts in Accoya wood revenue and profitability evident in Exhibit 1.

Outlook: FY20 is set to be an important year in affirming the potential of Accoya. Most obviously, there is an opportunity to sell an additional c 10,000m^3 of processed wood from the full year availability of the third reactor. With existing customers on volume allocation to date, there should be a natural uptake here and, in H120, volume growth to Medite and FINSA will be keenly watched. These two customers produce Tricoya panels and represent the anchor market outlets for Tricoya volumes expected to be produced at Hull when it comes on stream. At the same time, third-party customer demand pull-through will be required for absorbing additional capacity in the year and, more crucially, provide an indication of the ability to do so when the current Medite/FINSA volumes migrate across to the Hull facility. Having flagged that planning for a fourth reactor at Arnhem is underway, management is demonstrating confidence that underlying demand is good and growing. From a strategic perspective, aspirations to establish manufacturing facilities in the US and Asia have been flagged by management and discussions with potential partners are underway.

We note that Nasdaq First North, Copenhagen-listed Cleantech Building Materials (CBM) has recently undertaken a debt-for-equity-swap and secured third-party financing via a further equity issue to construct an Accoya production JV facility with Nantong Acetic Acid Chemical Company with an initial 160,000m^3 design capacity. CBM currently owns an exclusive licence to distribute Accoya wood in China and establishing local production was one of the licence conditions. This is a significant undertaking, which we assume would require significant input from Accsys, but no timetable has been assigned to this project as far as we are aware. Asia-Pacific overall represented c 8% of Accsys group revenue in FY19 and China is believed to represent only a portion of this. Other markets in the region remain directly accessible to Accsys; it remains to be seen how CBM's intentions play out and how this influences Accsys's discussions and strategy there.

Tricoya: Developing markets, building capacity

This section refers to Tricoya performance as reported divisionally. As a reminder, Tricoya is acetylated wood in chipped form; all of the solid wood sales originate from the Arnhem facility and are sold as Accoya, but partners Mediate and FINSA currently chip this material for use in their licenced panel products. Of the €1.2m divisional FY19 revenue recorded, broadly half came from Tricoya finished wood panel sales sourced from these partners and re-sold by Accsys to further develop markets and applications. The remaining c €0.6m was licence income (and the FY18 €0.2m divisional revenue comparator was all licence income). Increased licence income, which mostly drops straight through, together with product sales net of cost of goods sold, lifted the gross profit contribution by almost €0.5m. This was partly offset by higher opex in the year, including average headcount increasing to 12 (from four in the prior year) leading to a reduced overall divisional operating loss for the year versus FY18 to c €2.1m (a c €0.3m improvement).

Construction progress with the new purpose-built Tricoya facility at Hull was well underway at the fiscal year end. Civil engineering project delays relating to site structure reinforcement (but not processing plant performance) were flagged previously with the year-end update. Management confirmed that the project has been 'substantially progressed'; the front-end wood handling section has been constructed and most of the other plant is already onsite though there was no specific site rectification update. At that time, the plant was expected to be fully constructed and operational by mid calendar 2020.

Net assets associated with the Tricoya segment reduced modestly from €49.0m to €47.6m; we believe that a tax credit meant that the loss after tax was smaller than its pre-tax equivalent. More importantly, consistent with the construction programme, the composition of year end net assets changed significantly. Tangible fixed assets (ie property, plant and equipment) increased by c €28m to €49.9m, largely assets under construction, with a comparable reduction in cash and equivalents on hand (to €6.9m within the TTL entity[1]) at the balance sheet date. By virtue of the supply of lower

[1] **TTL** (owns the Tricoya IP, shareholders: 76% Accsys, 8.5% BP Ventures, 11.5% Medite, 4.1% BGF/Volantis) holds a 60.7% shareholding in **TVUK** (owns the Hull facility, other shareholders: 31.3% BP Chemicals, 8.0% Medite). Source: Annual Report 2019, p24

priced Accoya to Medite to facilitate market development, Accsys's ownership of TTL rose to 76% (from 75.1% at the last year end).

The other notable development during FY19 was the agreement with Petronas (announced on 9 January) to undertake a feasibility study for prospective joint funding for the design, build and operation of a Tricoya production plant and an integrated, closed-loop acetic anhydride facility in Malaysia. The scoping period is expected to take at least18 months and will include market intelligence gathering and input from the construction process underway at Hull. No figures on scale have been indicated at this stage and it will clearly depend on the perceived market opportunity.

Outlook: Clearly, completing the physical construction phase of the new Hull facility will be the key strategic focus of this year. In FY20, immediate Tricoya volume requirements and market development activity will continue to be met from Accoya wood processed at the Arnhem facility. At the same time, costs associated with a rising employee base and the Malaysian feasibility study are likely to result in an increased operating loss in the current year. For example, an operational labour force of 31 people has been indicated to run the Hull plant, so we would expect to see a material increase in numbers by the end of FY20, probably back-end loaded. Beyond this, we have assumed that the facility becomes operational during FY21; for the record, our model currently incorporates the solid wood production equivalent of c 14,000m^3 in FY21 and c 20,000m^3 from the Hull facility.

Other cost categories see a modest overall increase

For completeness, in the other reported operating profit categories shown in Exhibit 1, Corporate costs rose by €0.6m to €5.3m (reducing to 7.0% of revenue from 7.7% in the prior year) while expensed R&D costs came in c €0.3m lower year-on-year at €1.1m. The latter movement most likely reflected a prior year peak in Tricoya development and/or additional IP costs capitalised in FY19.

Higher debt follows capacity expansion investment

Over the course of FY19, Accsys increased its net debt position by c €46m to slightly above €50m at the year end. We view the delivery of €0.9m positive EBITDA as a significant development but the current investment phase was clearly the material driver behind the headline net debt movement.

Operating cash flow was marginally improved (with a €1.4m outflow compared to €1.8m in the prior year) but the composition was very different to that seen in FY18. Most obviously, a year-on-year improvement in EBITDA in excess of €4m and from a loss to a €0.9m positive contribution was notable, driven by Accoya expansion. As discussed earlier and shown in Exhibit 1, this increase was second-half weighted and the corollary of this is the receivables-led €2.6m net working capital outflow (compared to a payables-led €2.8m inflow in the prior year). Both years included a small absorption by inventory. In FY18, executive bonuses were subject to a one-off prior year catch up which did not recur in FY19 so also appears as a favourable comparator in the latest reported year.

Continuing down the cash flow statement a tax receipt from the Dutch tax authorities more than offset cash interest costs in the year. Group capex totalled c €49m of which c €35m was spent in H1 (just over half at Hull with the acquisition of previously leased land and buildings at Arnhem and investment in the third reactor there being the notable items). The c €14m spend in H2 was dominated by progressing the new Hull facility; while the level was lower than seen in H1, it was in line with our reset expectations from when the need for site rectification actions were announced. At a much lower level, capitalised costs associated with both tangible and intangible asset development were just over €0.7m for the year.

After the above effects, the FY19 group free cash outflow came to c €50m. Just under €1m share issue proceeds (subscribed by BP Chemicals for TVUK funding) were received in H2 and, added to the previously reported €5.7m subscription by VP Participaties BV in H1, brought the net cash outflow for the year down to c €43m. Additional finance leases relating to Arnhem infrastructure and FX movements explained the remaining movement in headline net debt referred to above.

Cash flow outlook: Ahead of definitive expansion project announcements, we expect free cash flow to improve in each of our estimate years, with declining outflows in the first two years before achieving a small inflow in FY22. In the near term, completion and commissioning of the Hull facility will continue to be a significant cash flow line item and we have factored in €11m of capex for this purpose in FY20. Otherwise, rising profitability and EBITDA will be partly offset by rising interest and tax payments and we currently project that capex for existing and under construction operations will settle at c €9m in FY21 and FY22. These projections do not include further spending for capacity expansion at Arnhem. As referenced earlier, management has unsurprisingly flagged that it is actively considering the addition of a fourth Accoya reactor (the capacity of each of the preceding three has been 20,000m^3 per annum). We will incorporate this in our earnings model when it is announced.

Growing demand, estimates unchanged and positive FY22 PBT

Volume growth with named partners (specifically Cerdia, Medite and FINSA), other third-party customers and in international markets as well as the UK is further affirmation of the acceptance of Accoya and Tricoya products. A rapid uptake in utilisation of new capacity and reference to customers remaining on allocation were also indicators of strengthening demand in FY19 and in FY20 to date. With the increased capacity available, repeating these characteristics throughout FY20 would put Accsys in a strong position to transition Tricoya volumes away from Arnhem to Hull when the latter facility becomes operational during FY21. At the same time, this will represent a good litmus test of Accoya demand as processing capacity is freed up to address that market.

We made no substantive changes to our model following the FY19 results, but net debt expectations for FY20 and FY21 were modestly higher reflecting a slightly higher than anticipated FY19 base year. Hull is now expected to come on stream slightly later; subject to definitive timing, this may not be inconsistent with our existing FY21 estimates (ie c 50% of annual, total capacity volume and a c 37% gross margin). Hence, we leave these assumptions unchanged for now. We have also added FY22 projections and they contain the expected attainment of a positive PBT outcome for the first time.

Exhibit 2: Accsys Technologies revised estimates

	EPS, fully diluted, normalised (€)			PBT, normalised (€m)			EBITDA (€m)		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
FY19	(0.04)	(0.04)	---	(6.0)	(6.2)	-3.3	2.0	0.9	-55.0
FY20e	(0.04)	(0.04)	---	(4.0)	(4.0)	---	4.7	4.7	---
FY21e	(0.03)	(0.03)	---	(2.4)	(2.4)	---	10.4	10.4	---
FY22e	N/A	0.01	N/A	N/A	4.4	N/A	N/A	16.9	N/A

Source: Accsys Technologies accounts, Edison Investment Research. Note: FY19 old = estimate; new = actual.

Exhibit 3: Financial summary

€m	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Year end 31 March	UK GAAP	UK GAAP	UK GAAP	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS											
Revenue	15.002	18.822	33.512	46.077	52.769	56.529	60.911	75.153	87.530	109.974	127.541
Cost of Sales	(15.050)	(15.474)	(25.753)	(33.842)	(34.597)	(42.175)	(47.270)	(56.517)	(63.844)	(77.470)	(86.978)
Gross Profit	(0.048)	3.348	7.759	12.235	18.172	14.354	13.641	18.636	23.685	32.504	40.563
EBITDA	(10.386)	(7.944)	(4.111)	(1.275)	2.384	(1.484)	(3.500)	0.903	4.703	10.360	16.895
Operating Profit (before GW and except.)	(12.545)	(10.200)	(6.488)	(3.750)	(0.288)	(4.197)	(6.577)	(3.063)	(0.135)	2.322	8.657
Intangible Amortisation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Exceptionals	(2.281)	0.000	(0.726)	(2.670)	0.000	0.033	(1.650)	(1.440)	0.000	0.000	0.000
Other	0.000	(0.430)	(0.905)	(1.098)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Operating Profit	(14.826)	(10.630)	(8.119)	(7.518)	(0.288)	(4.164)	(8.227)	(4.503)	(0.135)	2.322	8.657
Net Interest	(0.086)	(0.038)	(0.071)	(0.135)	(0.178)	(0.300)	(2.174)	(3.117)	(3.900)	(4.700)	(4.300)
Profit Before Tax (norm)	(12.631)	(10.238)	(6.559)	(3.885)	(0.466)	(4.497)	(8.751)	(6.180)	(4.035)	(2.378)	4.357
Profit Before Tax (statutory)	(14.912)	(10.668)	(8.190)	(7.653)	(0.466)	(4.463)	(10.401)	(7.620)	(4.035)	(2.378)	4.357
Tax	0.536	(0.355)	(0.699)	(0.607)	(0.402)	(0.666)	0.251	0.782	(1.506)	(1.700)	(2.137)
Profit After Tax (norm)	(12.095)	(11.023)	(8.163)	(5.590)	(0.868)	(5.163)	(8.500)	(5.397)	(5.541)	(4.078)	2.220
Profit After Tax (statutory)	(14.376)	(11.023)	(8.889)	(8.260)	(0.868)	(5.129)	(10.150)	(6.837)	(5.541)	(4.078)	2.220
Average Number of Shares Outstanding (m)	80.7	83.9	87.5	88.5	89.6	90.4	111.2	116.3	118.0	118.0	118.0
EPS - normalised (€)	(0.15)	(0.13)	(0.09)	(0.06)	(0.01)	(0.05)	(0.07)	(0.04)	(0.04)	(0.03)	0.01
EPS - statutory (€)	(0.18)	(0.13)	(0.10)	(0.09)	(0.01)	(0.05)	(0.08)	(0.05)	(0.04)	(0.03)	0.01
Dividend per share (€)	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00	0.00
Gross Margin (%)	-0.32	17.8	23.2	26.6	34.4	25.4	22.4	24.8	27.1	29.6	31.8
EBITDA Margin (%)	-69.2	-42.2	-12.3	-2.8	4.5	-2.6	-5.7	1.2	5.4	9.4	13.2
Operating Margin (before GW and except.) (%)	-83.6	-54.2	-19.4	-8.1	-0.5	-7.4	-10.8	-4.1	-0.2	2.1	6.8
BALANCE SHEET											
Fixed Assets	34.715	31.425	29.413	29.562	31.252	32.520	71.488	116.062	125.143	126.524	127.705
Intangible Assets	7.579	8.226	8.333	10.014	10.980	10.839	10.657	10.790	10.576	10.362	10.148
Tangible Assets	25.614	22.271	20.740	19.548	20.272	21.681	60.831	105.272	114.567	116.162	117.557
Investments	1.522	0.928	0.340	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Current Assets	32.387	29.638	26.161	24.066	22.590	61.268	63.505	36.524	34.406	38.017	41.527
Stocks	3.120	4.860	6.053	7.894	8.345	11.796	13.125	14.008	11.824	10.348	7.618
Debtors	3.000	3.439	4.091	3.912	4.967	7.402	9.178	12.198	15.464	20.551	25.099
Cash	24.574	20.467	15.185	10.786	8.186	41.173	39.698	8.857	3.857	3.857	5.549
Current Liabilities	(3.649)	(3.621)	(5.821)	(10.701)	(9.842)	(14.599)	(21.414)	(26.419)	(29.648)	(32.667)	(35.138)
Creditors	(3.385)	(3.357)	(5.557)	(10.437)	(9.488)	(14.144)	(18.029)	(19.997)	(23.226)	(26.245)	(28.716)
Short term borrowings	(0.264)	(0.264)	(0.264)	(0.264)	(0.354)	(0.455)	(3.385)	(6.422)	(6.422)	(6.422)	(6.422)
Long Term Liabilities	(1.960)	(1.924)	(1.871)	(1.799)	(1.947)	(22.718)	(40.084)	(52.508)	(61.783)	(67.833)	(67.833)
Long term borrowings	(1.960)	(1.924)	(1.871)	(1.799)	(1.947)	(22.718)	(40.084)	(52.508)	(61.783)	(67.833)	(67.833)
Other long term liabilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Assets	61.493	55.518	47.882	41.128	42.053	56.471	73.495	73.659	68.118	64.041	66.261
CASH FLOW											
Operating Cash Flow	(3.717)	(8.938)	(3.257)	(3.873)	0.452	(1.304)	(1.756)	(1.374)	5.427	9.547	17.326
Net Interest	(0.019)	(0.038)	(0.102)	(0.138)	(0.186)	(0.248)	(0.671)	(1.180)	(4.300)	(4.500)	(4.100)
Tax	0.000	0.795	0.344	0.263	0.229	(0.745)	(2.013)	1.674	(1.506)	(1.700)	(2.137)
Capex	0.888	0.501	(1.054)	(1.108)	(4.052)	(2.608)	(29.895)	(48.915)	(13.897)	(9.397)	(9.397)
Acquisitions/disposals	0.000	0.000	0.000	0.000	0.956	18.317	0.000	0.000	0.000	0.000	0.000
Financing	(0.178)	3.597	(1.130)	0.461	0.124	0.050	26.728	6.619	0.000	0.000	0.000
Dividends	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Cash Flow	(3.026)	(4.083)	(5.199)	(4.395)	(2.477)	13.462	(7.607)	(43.176)	(14.275)	(6.050)	1.692
Opening net debt/(cash)	(27.596)	(22.350)	(18.279)	(13.050)	(8.723)	(5.885)	(18.000)	3.771	50.073	64.348	70.398
Finance leases initiated	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	(2.220)	0.012	(0.030)	0.068	(0.361)	(1.347)	(14.164)	(3.126)	0.000	0.000	(0.000)
Closing net debt/(cash)	(22.350)	(18.279)	(13.050)	(8.723)	(5.885)	(18.000)	3.771	50.073	64.348	70.398	68.706

Source: Company accounts, Edison Investment Research

EDISON

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Australia

New Zealand

United Kingdom

United States

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
1,185 Avenue of the Americas
3rd Floor, New York, NY 10036
United States of America

Sydney +61 (0)2 8249 8342
Level 12, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia