

# Laboratorios Farmacéuticos ROVI

FY17 results

## Steady as she grows

Laboratorios Farmacéuticos ROVI (ROVI) reported FY17 operating revenue of €275.6m (+ 4%), driven by strong growth in the toll manufacturing business (+8%). The speciality pharmaceutical business grew 3%, within which biosimilar enoxaparin reported fledgling sales of €1.5m despite only being available in Germany since September 2017. This asset remains a key driver of top-line growth in the near term and operating profit growth in the medium term. The R&D pipeline progressed in 2017 with the long-acting DORIA (schizophrenia) and letrozole (breast cancer) having entered Phase III and Phase I clinical-stage development respectively. Our revised valuation is €0.96bn.

Year end	Operating revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/16	265.2	30.3	0.58	0.18	27.8	1.1
12/17	275.6	20.3	0.40	0.12	40.4	0.7
12/18e	293.6	16.4	0.31	0.09	52.1	0.6
12/19e	314.9	27.1	0.52	0.16	31.1	1.0

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

## Biosimilar enoxaparin key top-line growth driver

ROVI is at a major inflection point. Its internally developed biosimilar enoxaparin (Enoxaparin Becat, EB) is the first to launch into a major European market. ROVI reported €1.5m in EB sales (€1m of which were booked in December alone in Germany). Guidance of €20-30m for 2018 EB sales seems reasonable and acceleration of sales in 2018 and 2019 will depend on growth in Germany and on launching in further European countries; we expect manufacturing capacity constraints to ease from H218 enabling further launches.

## Portfolio of drugs growing ahead of the market

Flagship drug Hibor (bemiparin) grew 7% in Spain and 1% internationally. In-licensed products, Volutsa, Neparvis and the hypercholesterolemia and respiratory franchises are also driving prescription drug sales growth (+30.2%, N/A, 16.9% 17.7% respectively in 2017), offsetting mature portfolio declines.

## EBITDA margin decline reflects higher R&D

Reported FY17 EBITDA of €30.5m (-22%) was a function of improved gross margin, offsetting lower non-recurring sales items and higher R&D spend on the ISM (in situ micro particle implants) pipeline. Sustainable long-term growth is dependent on successful R&D investment and we would expect a near-term fluctuation in the margin to pave the way to long-term margin expansion from 2020.

## Valuation: €0.96bn or €19.1/share

We value ROVI at €0.96bn or €19.1/share versus €0.98bn or €19.6/share previously. We have increased R&D expenses in 2018-22e and lowered 2018e revenues, rolled forward our model and updated the net debt position to €2.5m (at 31 December). Our valuation is underpinned by the sales potential of biosimilar enoxaparin and the base business retaining stable, low single-digit growth rates. A stable dividend with a three-year average 35% payout ratio also adds value.

## Pharma & biotech

27 February 2018

**Price** €16.15  
**Market cap** €808m

Net debt (€m) at 31 December 2017	2.5
Shares in issue	50.0m
Free float	11.86%
Code	ROVI
Primary exchange	Madrid
Secondary exchange	N/A

## Share price performance



%	1m	3m	12m
Abs	2.9	(2.0)	13.4
Rel (local)	10.1	(0.5)	8.3
52-week high/low	€17.2	€13.5	

## Business description

Laboratorios Farmacéuticos ROVI is a fully integrated Spanish speciality pharmaceutical company involved in the development, in-licensing, manufacture and marketing of small molecule and speciality biologic drugs, with a particular expertise in low molecular weight heparin (LMWH).

## Next events

Biosimilar enoxaparin launch in select European countries	Ongoing
Risperidone-ISM Phase III data	2019

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## FY17 revenue growth in line with market growth

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ROVI reported operating revenue of €275.6m for FY17 (+ 4%), driven by strong growth in the toll manufacturing business (+8%) and 3% growth in the speciality pharmaceutical business (FY17: €214.3m reported revenues). Highlights include:

- The speciality pharmaceutical business consists of recently launched biosimilar enoxaparin (EB), the low molecular weight heparin (Hibor) and more than 30 marketed products across nine core franchises. Hibor sales in Spain grew 7% (FY17: €58.8m) and 1% in international markets (FY17: €25.1m). While Hibor sales accelerated through Q417 and we forecast 4% growth in Hibor in Spain in 2018, the major unknown is if and when competitor Techdow will submit a dossier for its biosimilar enoxaparin (Inhixa). Biosimilar enoxaparin reported fledgling sales of €1.5m despite only being available in Germany since September 2017 (€1m of which were booked in December alone in Germany).
- In the portfolio of in-licensed products, Volutsa (benign prostate hyperplasia, in-licensed from Astellas) grew 30.2% to €9.0 in FY17, and Neparvis (heart failure, in-licensed from Novartis and launched in Spain in December 2016) posted €4.7m in FY17. Growth in the respiratory and cholesterol franchises (17.7% and 16.9% respectively in 2017) also helped offset the slowdown in off-patent/mature products.
- ROVI expects mid-single digit growth in operating revenues for 2018. This guidance includes €20-30m EB sales, which seems reasonable. Acceleration of EB sales in 2018 and 2019 will depend on growth in Germany (one of the largest enoxaparin markets in Europe by value) and on launching in further countries in Europe.
- We have reduced our FY18 operating revenue forecast to €293.6 vs €294.7m. Our forecasts for biosimilar enoxaparin remain unchanged at €26.7m in 2018.
- Higher volumes of injectable sales in the toll manufacturing business (+13.2%) and Hibor units positively affected the mix and, as a consequence, ROVI reported a 230bp improvement in gross margin.
- Reported EBITDA decreased to €30.5m in FY17 (-22%), leading to a lower EBITDA margin of 11.1% vs 14.8% in 2016. However, in the comparable period in 2016, the P&L benefited from €4.0m in non-recurring revenue (as a result of the creation of a JV between ROVI and Enervit for the distribution of nutritional products in Spain and Portugal). 2017 saw a significant rise in R&D expenses (62%) to €28.3m to support investment in portfolio products Risperidone-ISM and Letrozole ISM, which entered Phase III and Phase I clinical trials respectively. Excluding the R&D expenses in 2017 and 2016 and the impact of the non-recurring revenues in 2016, EBITDA for the 'ongoing business' as reported by ROVI increased by 11% to €58.7m (€52.8m in 2016).

## Investors should focus on longer-term margin growth prospects

While measuring EBITDA for the 'ongoing business' helps to see the profitability (and growth) of the underlying business as it stands currently, fluctuations in R&D and SG&A costs are likely to vary as management looks to maximise return on internal investment by investing in R&D and SG&A as necessary and should be seen as part and parcel of the business. ROVI has given guidance for R&D expenses (October 2017 DORIA presentation) in the region of €32m pa in 2018-19 and \$22m in 2020 and 2021 to support clinical trials for Risperidone-ISM and Letrozole ISM.

EB is a product of the R&D invested by ROVI and the ramp-up of enoxaparin sales has longer-term positive implications for gross margin and EBITDA development, mainly through operational

leverage. Enoxaparin could be a high-margin product (similar to Hibor) and, although ROVI does not disclose divisional margins, we believe gross margins of around 65-75% for enoxaparin and Hibor are not unreasonable assumptions. Furthermore, after the costs of the initial launch period are met, we do not believe total SG&A for the group will grow in line with sales, given enoxaparin will not require the same level of marketing support as a branded product. In the near term, operating margins will be affected by the increased R&D spend relating to the Phase III risperidone and Phase I letrozole trials. We note that our forecasts peak sales of €76.2m (2025) for Risperidone-ISM are conservative.

We expect operating margins to further decrease in 2018 (from 10.7% in 2016 and 6.9% in 2017) to 4.6% in 2018, mainly due to higher R&D expenses but also to the increase in SG&A to support new product launches. We anticipate margin growth from 2019 to 7.7%, mainly due to operational leverage as we still anticipate c €32m in R&D costs in 2019. We forecast an absolute 1.3% improvement in operating margin from 10.7% in 2016 to 12.0% in 2020; margins should continue to ramp up beyond this period as the operational leverage from enoxaparin sales starts to flow through to the P&L, while R&D levels will decrease to €22m pa in 2020-21.

## **Enoxaparin Becat commercial strategy**

ROVI has set out a clear strategy to launch a biosimilar enoxaparin into key countries in the EU ex Spain. As expected, the first launch in Germany has occurred. As of 31 December 2017, national registration approval has been granted in 13 out of the 26 countries (Germany, France, the UK, Italy, Norway, Sweden, Austria, Hungary, Slovenia, Estonia, Latvia, Slovakia and Bulgaria). The national phase of the decentralised procedure (DCP) in the rest of the 26 countries in the EU (excluding Lithuania) is expected to be completed, with marketing authorisation granted at local country level in 2018. We forecast launch in the UK, Italy and France within 18 months. Launch timings are dependent on capacity coming online; ROVI will have limited initial capacity over the next 12 months as manufacturing lines are gradually approved by the regulators.

ROVI has 20 years of expertise in the low molecular weight heparin (LMWH) market and, apart from Sanofi, no other company has this level of experience in Europe. ROVI's vertically integrated manufacturing process is a competitive advantage. It owns the IP/registration dossier on its biosimilar enoxaparin, has a full API manufacturing process production, filing and packaging) and has the distribution structure in place. Its vertical integration across the board reduces the cost structure for its biosimilar enoxaparin. ROVI will manufacture the API, and fill and package its biosimilar enoxaparin. ROVI has therefore been investing significant capex (€19.9m in 2017, €18.1m in 2016) to increase capacity in all its plants, including its San Sebastian de los Reyes plant (approved by authorities in Europe) and Julian Camarillo plant (approved by authorities in Europe, the US, Korea, Brazil and Gulf countries) ahead of a potential launch. ROVI acquired the San Sebastian de Los Reyes plant for a €4m investment (in 2015). This investment increases the annual production capacity by 120 million syringes.

ROVI already has a strong presence in the Spanish heparin market (with Hibor) and the launch of biosimilar enoxaparin outside Spain will further substantiate its heparin portfolio. While ROVI expects to continue promoting Hibor in Spain (and Portugal) in the near term (patent expiry in October 2019), there is less visibility beyond that point as the strategy ROVI employs will be dependent on the evolution of the Spanish LMWH market and whether competitors (including Techdow) launch any competing biosimilar enoxaparin, Sanofi's pricing tactics and whether Hibor's competitive profile holds.

## Forecast €160m peak sales in Europe alone

Ultimately, the factors determining ROVI's success in each individual market in Europe, the US and the rest of the world will be a function of pricing, the number of new entrants, potential for interchangeability, growth in existing patient demographics and the potential for non-anticoagulant indications. Unit growth drivers include an increasing prevalence of thromboembolic diseases worldwide related to demographics and growing underlying patient numbers (both surgical and medical). Non-anticoagulant indications represent upside.

ROVI will stagger the European launch schedule, partly determined by near-term capacity constraints as mentioned above. We forecast launch in the UK and Italy in 2018 and France in 2019, while we assume launch in Spain in 2020. We have focused on modelling launches in the key European markets in the near term. However, ROVI's actual launch into each country could vary in timing versus our assumptions. In Europe we assume ROVI will launch its biosimilar enoxaparin at a price discount to Lovenox/Clexane and can achieve a peak penetration of 20%. We assume competitor biosimilars will launch not long after ROVI. We note that Chinese pharmaceutical company, Shenzhen Techdow Pharmaceutical (Techdow), has launched its biosimilar enoxaparin (Inhixa) in Germany and the UK.

ROVI intends to launch the product in emerging markets through partners. Lovenox sales in these markets were €0.5bn in 2017 (source: Sanofi 2017 annual report). We assume a 25% royalty rate on sales in these markets (based on 20% penetration and at a price discount to current Lovenox/Clexane pricing). ROVI would likely receive upfront payments as part of any licensing deal; we have not factored this into our model or valuation. We forecast total peak sales of €160.2m, which include Europe and the international opportunity ex-US. In the US market, ROVI is in advanced discussions with a partner. Once an agreement has been announced, the enoxaparin dossier will need to be resubmitted. Given the lack of visibility on the timing and launch ahead of a partnering agreement, we currently assume no sales for the US opportunity.

## Valuation

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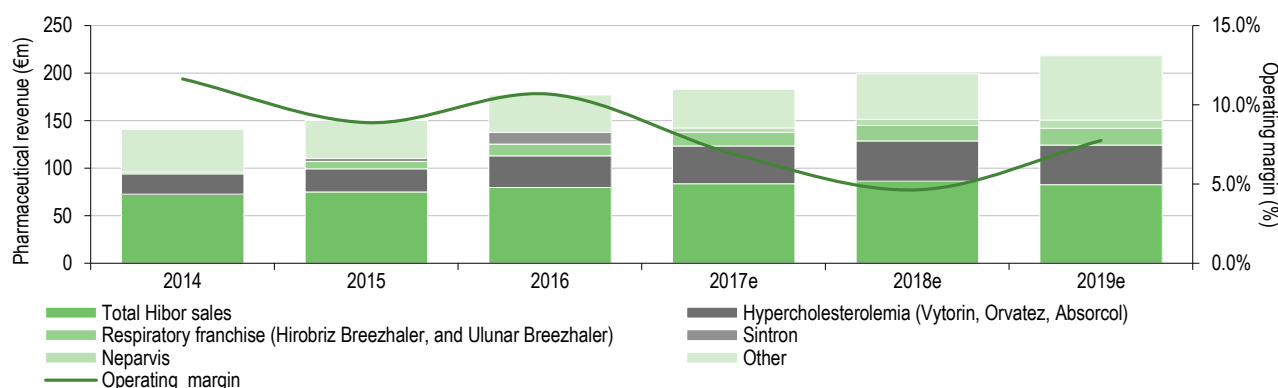
We revise our valuation of ROVI to €0.96bn or €19.1/share from €0.98bn or €19.6/share previously. The main changes to our forecasts are increased R&D expenses in 2018-19 to €32m pa and to \$22m in 2020 and 2021 to support clinical trials for Risperidone-ISM and Letrozole ISM, which entered Phase III and Phase I trials respectively in 2017. While our 2018 forecast for biosimilar enoxaparin remains unchanged at €26.6m, we have tweaked sales assumptions for the prescription drug pharmaceuticals portfolio.

We roll forward our DCF model in time and update for net debt of €2.5m at 31 December. We use a three-stage DCF valuation; we utilise our sales and P&L model out to 2026, from 2027 to 2030 we apply a transition growth rate (reflecting that the company is growing at a high rate during our forecast period) and, finally, we apply a 2.0% terminal growth rate (terminal value represents 60% of our total ROVI valuation). Our standard discount rate assumption for companies with approved products and minimal development risk is 10%. We use a 15% tax rate from 2030. The current tax rate is c 8%, but over time this is expected to normalise to a mid-teens percentage.

**Exhibit 1: Three-stage DCF valuation**

	(€m)
Sum of DCF for forecast period to 2025	318
Sum of DCF for growth 2026 to 2030 (transition period)	166
Terminal value	474
Enterprise value	958
Net cash/(debt) at 31 December 2017	(2.5)
<b>Value of equity</b>	<b>955.3</b>
<b>Value per share</b>	<b>€19.1</b>
Discount rate	10%
Terminal growth rate	2.0%
Number of shares outstanding (m)	50
Source: Edison Investment Research	

For biosimilar enoxaparin in Europe and international (ex-US) markets, our peak sales forecasts include in-market sales in the four major countries (the UK, Germany, France and Italy), initially with a launch in Spain in 2020 after Hibor's patent expires in October 2019. We model a decline in Hibor sales post patent expiration. We also include a modest revenue growth contribution from in-licensed products and the toll manufacturing business (growing by 2% a year) until 2020. Our peak sales estimate for Risperidone-ISM is €76.2m. We assume launch in 2021 in Europe. Our sales forecasts are risk-adjusted (we assume 90% probability of success given its Phase III status and position as a new formulation of a widely available drug). Our Risperidone-ISM peak sales are conservative and have yet to be updated post the DORIA presentation.

**Exhibit 2: Total pharmaceutical revenue including key franchises**


Source: Edison Investment Research

**Valuation sensitivity to biosimilar enoxaparin**

As described in our initiation report, [Ace of Spain](#), the potential market for biosimilar enoxaparin is significant in Europe and in international markets (ex-US), with our peak sales forecasts based on assumed penetration rates that we believe are achievable. How the market transpires will depend on the number of new entrants, pricing and underlying volume growth. Unit growth in the LMWH market is increasing, and use in other non-anticoagulant indications could drive upside to our forecasts. However, more than three or four other biosimilar entrants could put pressure on pricing in the market and thus on our 20% peak penetration assumptions. We note that, all other things being equal, a 5% increase or decrease in peak market share (equivalent to €30m in peak sales) and the trajectories required to reach that, would generate a c €3/share increase or decrease in our valuation, respectively.

**Financials**

ROVI reported 4% growth in operating revenue to €275.6m in 2017 (vs 8% to €265.2m in 2016, aided by strong growth in the toll manufacturing business. The prescription-based pharmaceutical

products business posted 3% growth in sales in 2017. Total revenue (which includes recognition of government grants on non-financial assets at €1.8m) was reported at €277.4m in 2017 (vs €266.7m in 2016).

For FY18, ROVI has guided to mid-single digit revenue growth in operating revenue, which includes a €20-30m contribution from EB. We forecast 6.5% growth in operating revenues in 2018 to €293.6m, and our forecast includes a €26.7m contribution for biosimilar enoxaparin. For 2019 and 2020 we forecast operating revenues of €314.9m and €335.0m, respectively. We expect both years to benefit from the ongoing enoxaparin roll out and growth in the newer in-licensed portfolio to offset loss of sales in off-patent products. We forecast Hibor growth to 2018 but a decline in sales from 2019, following increased competition from enoxaparin biosimilars and lower-priced Lovenox.

We forecast 2018 operating profit of €13.6m, translating to a large dip in operating margin to 4.6%, as we expect operating costs in 2018 to be affected by higher R&D costs relating to the ISM portfolio and enoxaparin-related launch costs (we increase R&D expense from €26m to €32m and SG&A from €109mn to €116mn). Gross margins increased (60.7% in 2017 vs 58.3% in 2016). Given the product mix of the business, we would expect some volatility at the gross margin level from year to year (the proprietary heparins are higher-margin than in-licensed products). However, as enoxaparin sales ramp up and account for a higher proportion of overall sales, this should translate to a steady growth in gross margins, with the caveat being pricing. In the longer term we expect operational leverage from the fully vertically integrated LMWH manufacturing and distribution business to aid margin expansion.

We expect operating margins to further decrease in 2018 (from 10.7% in 2016 and 6.9% in 2017) to 4.6% in 2018, mainly due to higher R&D expenses but also to the small increase in SG&A to support new product launches. We anticipate margin growth from 2019 to 7.7% mainly due to operational leverage as we still anticipate c €32m in R&D costs in 2019. We forecast an absolute 1.3% improvement in operating margin from 10.7% in 2016 to 12.0% in 2020; margins should continue to ramp up beyond this period as the operational leverage from enoxaparin sales starts to flow through to the P&L, while R&D levels will decrease to €22m pa in 2020-21.

The effective tax rate of 1.6% in FY17 (6.4% in 2016) reflects the deduction of existing R&D expenses and the capitalisation of tax losses from Frosst Ibérica (as of 31 December 2017, Frosst Ibérica tax losses amounted to €35.1m, of which €1.5m was used to offset 2017 income tax liability). ROVI expects to maintain a mid-single digit effective tax rate for the foreseeable future.

Over the last few years ROVI has been investing heavily in manufacturing capex ahead of its enoxaparin launch and also to increase capacity at its three manufacturing plants. Of the €19.9m capex spent in 2017 (€18.1m in 2016), c 34% related to maintenance capex.

ROVI maintains a low leveraged capital structure. At 31 December 2017 ROVI's debt position of €43.2m consisted of €30.9m in bank borrowings (long-term debt) and €12.3m in government debt (at 0% interest). At 31 December 2017 ROVI's net debt was €2.5m (we do not include financial assets available for sale in our calculation of net debt).

In December 2017 ROVI announced a loan of up to €45m from the European Investment Bank (EIB). This funding is to support ROVI's investments in research, development and innovation (R&D&i), which concentrate on technologies for the administration and prolonged release of drugs. ROVI can access the €45m during a period of 24 months starting from the contract date. However, it should be noted that ROVI has no commitment to draw down the loan. The EIB loan has a maturity date of 2029, there is a three-year grace period under the terms and conditions, and financial conditions (ie applicable interest rates, repayment periods, etc.) are favourable to ROVI (exact terms are undisclosed). We have not included the €45m in our forecasts as we have no certainty on whether some or all of it will be withdrawn, or on the timing.



**Exhibit 3: Financial summary**

Accounts: IFRS, Year-end: December, €m	2014	2015	2016	2017	2018e	2019e
<b>PROFIT &amp; LOSS</b>						
Hibor revenue	72.7	75.1	79.7	83.9	86.3	82.6
Enoxaparin revenue	0.0	0.0	0.0	1.5	26.7	44.5
Other (Pharma & Manufacturing)	165.4	170.9	185.5	190.3	180.7	187.8
Operating revenues	238.0	246.0	265.2	275.6	293.6	314.9
Cost of sales	(94.6)	(97.1)	(112.0)	(110.2)	(120.4)	(127.5)
Gross profit	143.5	148.9	153.1	165.5	173.2	187.4
Gross margin %	60.3%	60.5%	57.8%	60.0%	59.0%	59.5%
SG&A (expenses)	(97.8)	(101.7)	(101.9)	(108.5)	(116.6)	(119.7)
R&D costs	(12.0)	(16.5)	(17.5)	(28.3)	(32.0)	(32.0)
Other income/(expense)	2.9	1.0	5.6	1.8	1.8	1.8
EBITDA (reported)	36.6	31.8	39.3	30.5	26.4	37.5
Depreciation and amortisation	(8.9)	(10.0)	(11.0)	(11.5)	(12.8)	(13.5)
Normalised Operating Income	29.2	23.8	30.7	21.8	17.1	27.4
Reported Operating Income	27.7	21.8	28.3	19.0	13.6	24.0
Operating Margin %	11.6%	8.9%	10.7%	6.9%	4.6%	7.6%
Finance income/(expense)	(2.1)	(0.9)	(0.5)	(0.9)	(0.7)	(0.3)
Exceptionals and adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Normalised PBT	27.1	22.9	30.3	20.3	16.4	27.1
Reported PBT	25.6	20.9	27.9	17.5	12.9	23.6
Income tax expense (includes exceptionals)	(1.5)	(1.1)	(1.8)	(0.3)	(0.7)	(1.2)
Normalised net income	25.6	21.8	28.5	20.0	15.7	25.9
Reported net income	24.1	19.8	26.1	17.2	12.3	22.4
Basic average number of shares, m	49.8	49.5	49.0	50.0	50.0	50.0
Basic EPS (€)	0.48	0.40	0.53	0.34	0.25	0.45
Normalised EPS (€)	0.51	0.44	0.58	0.40	0.31	0.52
Dividend per share (€)	0.17	0.14	0.18	0.12	0.09	0.16

**BALANCE SHEET**

Property, plant and equipment	73.6	81.8	82.8	89.1	95.6	102.6
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets	17.2	18.9	24.9	27.1	27.1	23.7
Other non-current assets	8.5	9.1	13.1	14.1	14.1	14.1
Total non-current assets	99.3	109.8	120.8	130.2	136.8	140.3
Cash and equivalents	26.7	29.3	41.4	40.7	35.9	39.8
Inventories	67.6	63.9	67.4	75.5	69.3	69.9
Trade and other receivables	63.7	57.0	53.8	49.7	56.3	56.1
Other current assets	4.1	3.9	4.5	2.2	2.2	2.2
Total current assets	162.0	154.1	167.1	168.2	163.7	168.0
Non-current loans and borrowings	32.0	32.6	20.8	27.0	22.4	20.7
Other non-current liabilities	8.7	7.2	7.2	6.4	5.9	5.3
Total non-current liabilities	40.7	39.8	28.0	33.5	28.2	26.0
Trade and other payables	55.0	45.7	59.9	52.9	63.9	62.3
Current loans and borrowings	4.3	10.1	13.0	16.2	4.7	1.6
Other current liabilities	2.8	3.3	3.6	4.1	4.1	4.1
Total current liabilities	62.1	59.2	76.4	73.2	72.6	68.0
Equity attributable to company	158.5	164.8	183.4	191.7	199.7	214.2

**CASH FLOW STATEMENT**

Profit before tax	25.6	20.9	27.9	17.5	12.9	23.6
Depreciation and amortisation	8.9	10.0	11.0	11.5	12.8	13.5
Share based payments	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	2.5	(1.1)	(2.7)	(1.2)	0.7	0.3
Movements in working capital	(7.4)	2.3	12.7	(9.8)	10.0	(2.5)
Interest paid / received	(2.7)	(0.6)	0.0	0.0	(1.1)	(0.7)
Income taxes paid	(3.9)	(2.0)	(3.4)	0.1	(0.7)	(1.2)
Cash from operations (CFO)	23.0	29.4	45.5	18.0	34.7	33.0
Capex	(25.1)	(19.9)	(18.1)	(19.9)	(19.4)	(17.1)
Acquisitions & disposals net	0.0	0.0	0.0	0.0	0.0	0.0
Other investing activities	16.6	0.6	1.7	0.7	0.4	0.4
Cash used in investing activities (CFIA)	(8.5)	(19.3)	(16.3)	(19.2)	(19.0)	(16.7)
Net proceeds from issue of shares	(2.0)	(5.1)	(0.5)	0.5	0.0	0.0
Movements in debt	2.7	5.9	(9.7)	9.0	(16.2)	(4.7)
Other financing activities	(8.0)	(8.3)	(6.9)	(9.0)	(4.3)	(7.9)
Cash from financing activities (CFF)	(7.3)	(7.6)	(17.1)	0.5	(20.5)	(12.5)
Cash and equivalents at beginning of period	19.4	26.7	29.3	41.4	40.7	35.9
Increase/(decrease) in cash and equivalents	7.3	2.6	12.1	(0.7)	(4.8)	3.8
Cash and equivalents at end of period	26.7	29.3	41.4	40.7	35.9	39.8
Net (debt) cash	(9.6)	(13.5)	7.6	(2.5)	8.9	17.4

Source: Company accounts, Edison Investment research

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