EDISON

# Rank Group

Capital markets day

## A leading multi-channel operator

Travel & leisure

**Rank Group aims to be the UK's leading omni-channel gaming operator and, as outlined at its capital markets day, the strategies for its Venues and Digital verticals are clearly interlinked. With an open architecture platform, Digital is well positioned to leverage the existing retail customer base and a single wallet (piloting in autumn 2017) could be a game changer for Grosvenor digital. Meanwhile, the core Venues businesses are being reinvigorated and remain highly cash generative. With its progressive dividend policy and potential online upside, Rank's calendar 6.9x 2017e EV/EBITDA appears low.**

| Year end | Revenue* (£m) | EBITDA** (£m) | PBT** (£m) | EPS** (p) | DPS (p) | P/E (x) | Yield (%) |
|---|---|---|---|---|---|---|---|
| 06/15 | 738.3 | 126.3 | 74.1 | 14.6 | 5.6 | 15.0 | 2.6 |
| 06/16 | 753.0 | 128.2 | 77.4 | 15.4 | 6.5 | 14.3 | 3.0 |
| 06/17e | 764.0 | 127.0 | 76.0 | 15.3 | 7.1 | 14.3 | 3.2 |
| 06/18e | 785.0 | 133.0 | 81.5 | 16.4 | 8.2 | 13.4 | 3.7 |
| 06/19e | 813.0 | 140.0 | 88.0 | 17.7 | 8.8 | 12.4 | 4.0 |

Note: *Revenue is before customer incentives. **Normalised, excluding amortisation of acquired intangibles, one-off and exceptional items

## Digital is the growth driver

Rank's digital strategy hinges on its ability to leverage its dominance in retail bingo and casino. The Bede gaming platform has enabled a much better product offering, including new games from third-party suppliers, live casino and the introduction of a highly successful sportsbook. Across the division, recent KPI performance is encouraging, with Grosvenor digital reporting a 46% y-o-y increase in actives and Mecca digital average revenue per user (ARPU) increasing by 30% y-o-y. The single wallet is due to be piloted in autumn 2017 and could be a game changer.

## Enhancing the Venues proposition

Mecca venues are implementing new initiatives to attract a younger demographic, utilising existing assets (eg theme nights for incremental admissions) as well as building new Luda sites on the high street. As part of its c £50m annual capex programme, Rank will construct three Luda sites this autumn for c £2.4m, with an expected three- to four-year payback. Depending on planning permission, the aim is to roll out a further 10 next year. Modernisation programmes for Grosvenor Casinos are ongoing, evidenced by the successful refurbishment of Nottingham and Leeds. Major initiatives are also planned for enhancing the nine London casinos, which currently comprise 45% of Grosvenor venues' EBITDA.

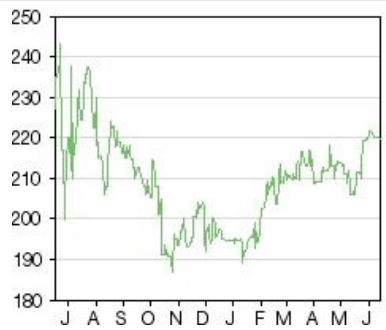
## Valuation: Calendar 6.9x 2017e EV/EBITDA

Rank's calendar 2017e EV/EBITDA of 6.9x is meaningfully below the peer average. It has more retail consumer exposure than pure online peers, but substantially more digital upside. From the current triennial review, Rank faces none of the FOBT risks and might even benefit if it is allowed more machines. An expected move into net cash by CY18 underpins a progressive dividend policy and provides the firepower for potential M&A. Our forecasts remain unchanged.

**14 June 2017**

| | |
|---|---|
| **Price** | **219.5p** |
| **Market cap** | **£858m** |
| Net debt (£m) at 31 December 2016 | 33.0 |
| Shares in issue | 390.7m |
| Free float | 29% |
| Code | RNK |
| Primary exchange | LSE |
| Secondary exchange | N/A |

### Share price performance




| % | 1m | 3m | 12m |
|---|---|---|---|
| Abs | 6.6 | 3.3 | (5.1) |
| Rel (local) | 5.7 | 0.9 | (23.1) |
| 52-week high/low | | 243.0p | 186.8p |

### Business description

Rank Group is a gaming-based leisure and entertainment company. Its Grosvenor and Mecca brands are market leaders in UK multi-channel gaming and it also has operations in Spain and Belgium. In FY16 86% of revenues came from its venues and 14% from its digital operations.

### Next events

| | |
|---|---|
| FY results | 17 August 2017 |

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Edison profile page


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## Capital markets day: Interlinking verticals

At its capital markets day in May, management discussed the strategies for each of its key businesses. Rank aims to be the UK's leading multi-channel gaming operator, with its dominance in Venues feeding directly to growth in Digital. As previously discussed, there are five components to the group's strategy:

- Creating a compelling multi-channel offer:
  - A seamless experience online, on mobile and in venue, with single accounts and wallets.
- Building digital capability:
  - An open-architecture platform allowing Rank to integrate best-in-class suppliers.
- Developing existing venues and building new sites:
  - Three Luda sites are planned for autumn 2017, with the aim of a further 10 next year.
  - Refurbishments and enhancements across the casino estate (Leeds, Nottingham, London).
- Investing in brands and marketing:
  - New customer service hub (Sheffield); new data analytics.
- Using technology to drive efficiency and improve customer experience:
  - Neon casino management system; new server-based slots and Mecca Max units.

## Grosvenor Casinos (53% of revenues)

### Largest UK casino operator

Grosvenor is the largest operator by venue of UK casinos, with 65 operating licences in 54 venues. With 1.6m active customers, its current market share is 37%, based on number of visits. Strict UK rules on granting new casino licences represent a considerable barrier to entry, but at the same time limit venue expansion. The casino market attracts over 20m visits per year with 14m in the provinces and 6m in London. Gaming handle totals £7.4bn and the sector generates gaming revenues (ex slots) of £1.0bn with an average spend per head of £48. For Rank, spend per visit is £40 in provinces and £98 in London. Average revenue and profit per club is £7.3m and £1.2m, respectively. The nine London casinos are recreational rather than high-end casinos (where trading is more volatile), but they attract a more internationally diverse and higher-spending customer base than provincial casinos.

**Potential material revenue uplift if Grosvenor is permitted more machines**

The casino industry is lobbying for an increase in the number of machines permitted in casinos. Rank has petitioned for the ratio of machines to tables in the 2005 Act 'small' casinos to be increased from 2:1 to 3:1 and for the allowance for the 1968 Casinos Act to be harmonised at the same level, ie 3:1 rather than the present 20.

Currently, 65% of Grosvenor Casino income is derived from casino games, with machine revenues at 23%. Grosvenor has 1,280 gaming machines in its venues and they generate £89m pa in revenue. If successful, Rank could double the number of machines and we believe that a 50% revenue uplift from FY19/FY20 would be very feasible. Although there would be an associated capex increase for the necessary refurbishments/ relocations to accommodate additional machines, the uplift equates to £45m of high-margin incremental revenues for Grosvenor per annum.

**Exhibit 1: UK casino operating licences market share**

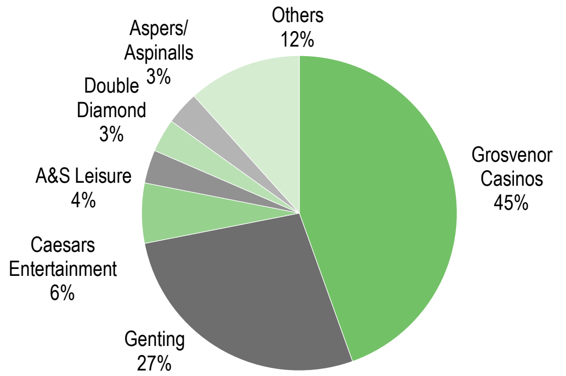
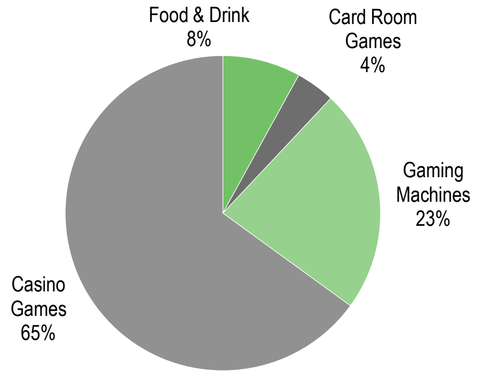



**Exhibit 2: Current casino income mix**




Source: Rank Group, Edison Investment Research

### Strategic plan

Rank has been implementing numerous initiatives within the Casino vertical to manage costs, while driving top line growth. This includes several refurbishment plans and technology enhancements. In particular, the introduction of a single wallet (piloting in autumn 2017) is expected to have a positive impact on converting existing retail to multi-channel and thereby enhancing the experience for the core retail customers.

### Cost base restructuring

- Project One (completed outside London):
  - Standardisation of employment contracts.
  - The major focus is now on London, which comprises 40% of revenues and 45% of EBITDA.
- Project Refocus: £6m of savings through management delayering and other operational savings. £1m is expected in Q417, with the remaining £5m in FY18.

### Technology investment to drive multi-channel play

- Single account wallet, piloting in autumn 2017.
- The Neon casino cash desk system (via IGS/Playtech) was implemented in July 2016.
- Machines, table and loyalty system being rolled out from June 2017.

### Refurbishments

- Provincial venue development: Introducing new leisure based offerings in major provincial centres, with notable refurbishments in Nottingham (£3.0m) and Leeds (£2.7m).
- London: A modernisation programme is due in the Piccadilly and Golden Horseshoe Casinos, at a combined cost of £3.2m. Management is also considering other incentivisation plans, as well as potentially relocating some of the London casinos in the medium term, as leases expire.

## Mecca Bingo (29% of revenues)

With 85 clubs, Rank is the second largest UK land-based bingo operator, after Gala Retail. In FY16 Mecca venues derived 14% of revenues from main-stage bingo, 41% from interval games, 33% from amusement machines and 12% from food and drink. Despite the industry decline there are still almost 2.5 million regular bingo players, 5% of British adults, with a female C2DE demographic skew.

Exhibit 3: UK bingo market share by venues

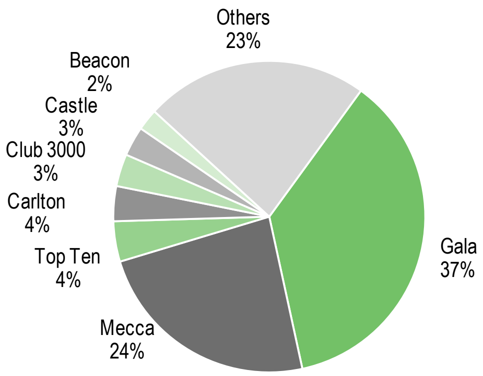
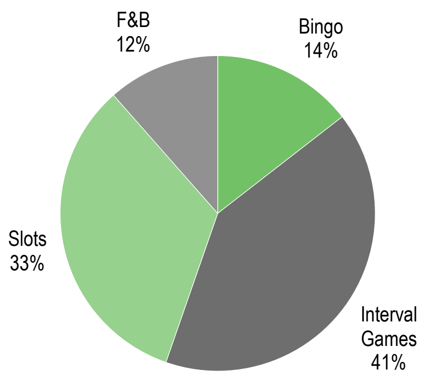



Exhibit 4: FY16 Mecca revenue mix




Source: Rank Group, Edison Investment Research

### Strategic plan: Attracting the new while keeping the old

The challenge is clearly how to innovate the clubs to attract younger players while retaining the loyal older age group. To mitigate the industry trend of declining customers, Rank is implementing robust cost control, as well as improved service and better upselling to increase spend per visit.

- **Technology enhancements**
  - Mecca Max tablets illustrate the opportunity for multi-channel gaming at Mecca, and for widening the customer base. With c 13,500 units, they are played by about a third of customers, whose average bingo spend is reportedly four times that of a paper player. Moreover, Max customers are two-thirds as likely to play online and thus have a much higher level of brand engagement, particularly when they can play the same games on whichever channel they choose – Max units, slot machines, mobile or desktop.
  - Although the single wallet and account will focus on Grosvenor in the near term, we expect Rank to migrate Mecca customers to a single wallet in due course, enhancing the experience for the customer and the marketing opportunities for Mecca.
- **Maintaining admissions levels**
  - Rank has had early success with new concepts, experimenting with a variety of Bingo theme nights to attract different audiences (students and young professionals). Early trials were hugely popular and sold out quickly to a significantly different customer base. We expect the increase in new admissions to largely offset the decline in the traditional customer base. Importantly, these new concepts are likely to contribute to like-for-like income growth.
- **Cost controls**
  - Reduction in operating hours: from an average of 71,000 hours per week in FY16 to 65,000 hours per week in Q317.
  - Tighter promotional spend, to focus on profitable admissions: spend declined from 8.9% of revenue in FY16 to 6.3% of revenue in Q317.
- **Product innovation**
  - Rank has introduced new games and additional titles, increased events and brought in a more flexible bingo calendar. Enhanced menus are also being added in selected clubs.

### New Luda bingo clubs

The most important development within Mecca Bingo has been the creation of a completely new bingo brand, Luda, which will be rolled out at clubs and online. It is designed to be a smaller city centre offering, located on a high footfall location and to appeal to a different, younger demographic.

The format will have a coffee lounge at the front, a limited hot food offer, a bingo lounge and an electric lounge with c 40-50 gaming machines. Bingo will be played mainly on mobile devices and players can dip in and out of games (similar to Enracha's Spanish model), although they will also link into some of the bigger prize games such as the National Bingo Game. With a compact footprint of 2,500-5000 square feet, capacity is expected to be 100-150 vs 800-1,000 for an average Mecca club.

After some initial resistance with local authorities, Rank has received planning permission for four sites in 2017 and the company aims to build out three of them by autumn (Leeds, Weston-Super-Mare and Walsall). Additional roll-out will be dependent on appropriate planning permissions, but management hopes to build a further 10 sites next year.

The initial three sites are expected to cost c £2.4m, at £800k/unit, with a three- to four-year payback. With the benefit of experience, management expects any additional sites to cost c £500k per unit, thus a chain of 50-100 Luda sites would cost £25-50m, but could generate £5-10m of EBITDA pa. We believe the majority of this would be incremental, offsetting the Mecca decline, such that divisional profits should start to rise from FY19/FY20 (beyond our forecast period).

## Digital (14% of revenues)

### Bede: Flexible open architecture

Central to Rank's plan to improve its digital offering and offer true multi-channel gaming was the development of a new gaming platform. In January 2015 Rank appointed a relatively small software supplier, Bede Gaming, to provide a completely new platform with a flexible open architecture, allowing Rank to integrate third parties, as well as its own IP.

This is designed to allow Rank to select best-in-class suppliers across different product categories, integrate them rapidly and differentiate itself. Rank is Bede's biggest customer so the development process has been highly collaborative. It invested £3.5m into Bede by way of a convertible loan note and has the option to convert it into 17.5% of the share capital before June 2018 (implying a valuation for Bede of £20m).

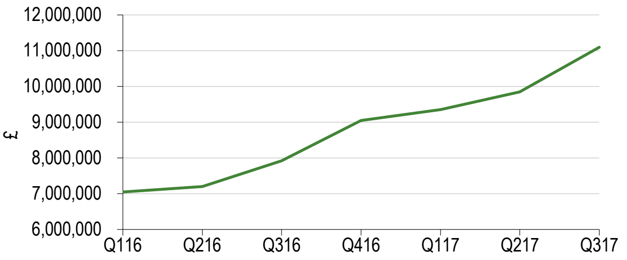
Although the launch in 2016 suffered numerous migration issues, these were fully resolved by the end of the calendar year. As evidenced by the recent trading update, Grosvenor digital is demonstrating consistently strong growth at 35% and meccabingo.com has returned to growth (albeit a modest 2%). Recent product enhancements include a sportsbook (supplied by Kambi Solutions), an improved poker product, a new VIP microsite to meccabingo.com, and a range of new games and content from leading suppliers such as NetEnt and NYX.

### Grosvenorcasinos.com

Despite being the biggest UK land-based casino operator, Rank only has a 2-3% share of the fragmented UK online casino market. Only about 3% of its 1.35 million venues customers gamble at grosvenorcasinos.com, yet Rank believes that 50% of them gamble online. On the other hand, about half its digital customers come from the venues. The new Bede gaming platform has enabled a much better product offering, including new games from third-party suppliers and the introduction of sports betting from autumn 2016. The Kambi sportsbook has engaged with 27,000 customers since launch and is proving a key product for acquisition and retention, with a win margin of 6.5%. Live Casino has been moved from Riga to Malta, and is beginning to scale well. Moreover, venues are now beginning to be incentivised to cross-market and the introduction of a single account and wallet could be a game-changer.

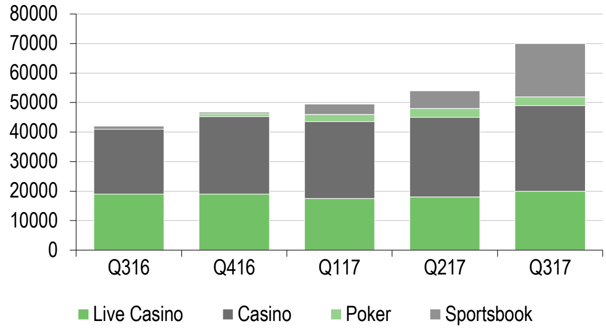
Grosvenor digital is showing sustained gross gaming revenue (GGR) growth, which has been driven by a 46% increase in actives. The trading update on 18 May reported a revenue increase of 35% and we expect continued growth at 30%, implying c £90m of revenues by FY20 (and £20m EBITDA), which would still only be a 6% market share.

**Exhibit 5: Grosvenor digital GGR**




Source: Rank Group

**Exhibit 6: Grosvenor digital quarterly active split**



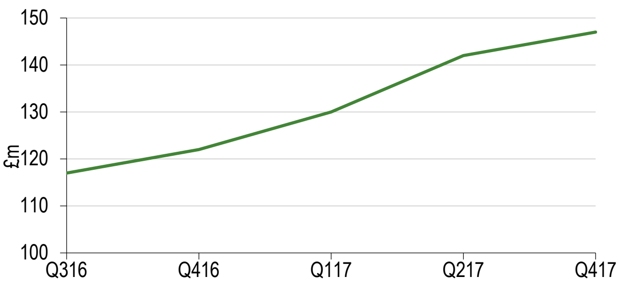

Source: Rank Group

## Meccabingo.com

Mecca entered the online market in 2006 and we believe it was a top four brand up until about 2012, when the market became increasingly competitive. Meccabingo.com has a market share of c 9% and the Bede platform is now performing much more robustly, as evidenced by the material improvements in Mecca's product offering (better bonusing, more side games, increased cross-sell). ARPU growth (see Exhibit 7 below) has been driven by platform capabilities, and a strong slots and games performance has contributed to a 16% y-o-y increase in GGR and a 30% growth in ARPU.

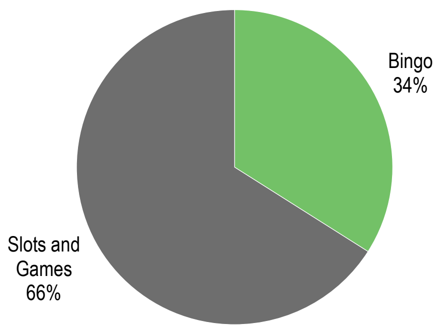
Our forecast FY18 revenue growth of 7% (Exhibit 9) could be conservative and, although the single wallet will initially focus on Grosvenor digital, we believe this is a meaningful opportunity in the medium term for Meccabingo.com.

**Exhibit 7: Mecca digital ARPU**




Source: Rank Group, Edison Investment Research

**Exhibit 8: Mecca digital product split (GGR)**




Source: Rank Group, Edison Investment Research

## A single account and wallet system

Rank has c 2.9 million customers across its 148 venues and digital operations; at the moment they have to sign up separately for each channel. The aim is that they should only need to register once, online or in-venue, and have a single wallet that they can access at gaming touch points in-venue or online, to fund, play or withdraw. At the same time it will give Rank a more complete picture of its customers, allowing more tailored and personalised marketing and loyalty programmes, as well as more effective social responsibility tools. Currently the only real example of such a solution is the Coral Connect system (powered by Playtech) that was rolled out in May 2014. In a June 2015 presentation Gala Coral reported that it had over 200k new digital sign-ups in the first year alone and that a Connect customer was more than twice as valuable and much cheaper to recruit.

## Financials

Our forecasts remain unchanged following the capital markets day. Please see February Outlook note for a detailed discussion on financials.

**Exhibit 9: Half-yearly results and estimates**

| Year to June £m | FY15 | H116 | H216 | FY16 | H117 | H217e | FY17e | FY18e | FY19e |
|---|---|---|---|---|---|---|---|---|---|
| Grosvenor venues | 401.1 | 205.1 | 203.0 | 408.1 | 202.0 | 203.0 | 405.0 | 409.0 | 417.0 |
| Mecca venues | 224.4 | 109.8 | 111.7 | 221.5 | 108.0 | 109.0 | 217.0 | 214.0 | 212.0 |
| grosvenorcasinos.com | 22.3 | 13.9 | 16.6 | 30.5 | 19.3 | 21.7 | 41.0 | 53.3 | 69.2 |
| meccabingo.com | 65.2 | 33.2 | 33.0 | 66.2 | 33.1 | 34.9 | 68.0 | 72.7 | 76.3 |
| Digital | 87.5 | 47.1 | 49.6 | 96.7 | 52.4 | 56.6 | 109.0 | 126.0 | 145.5 |
| Enracha | 25.3 | 12.2 | 14.5 | 26.7 | 16.2 | 16.8 | 33.0 | 36.0 | 38.6 |
| **Revenue*** | **738.3** | **374.2** | **378.8** | **753.0** | **378.6** | **385.4** | **764.0** | **785.0** | **813.0** |
| Grosvenor venues | 87.1 | 43.0 | 40.8 | 83.8 | 38.8 | 41.7 | 80.5 | 83.2 | 86.5 |
| Mecca venues | 41.6 | 20.8 | 21.9 | 42.7 | 19.2 | 23.0 | 42.2 | 41.5 | 40.0 |
| Digital | 20.2 | 10.1 | 8.7 | 18.8 | 10.1 | 11.1 | 21.2 | 24.4 | 28.8 |
| Enracha | 4.1 | 2.2 | 2.9 | 5.1 | 3.7 | 3.3 | 7.0 | 7.5 | 8.0 |
| Central costs | (26.7) | (13.4) | (8.8) | (22.2) | (12.1) | (11.8) | (23.9) | (23.6) | (23.3) |
| **EBITDA** | **126.3** | **62.7** | **65.5** | **128.2** | **59.7** | **67.3** | **127.0** | **133.0** | **140.0** |
| EBITDA margin % | 17.1% | 16.8% | 17.3% | 17.0% | 15.8% | 17.5% | 16.6% | 16.9% | 17.2% |
| Depreciation/amortisation | (42.3) | (22.3) | (23.5) | (45.8) | (23.1) | (23.9) | (47.0) | (48.0) | (49.0) |
| Grosvenor venues | 63.4 | 30.9 | 30.0 | 60.9 | 26.1 | 28.9 | 55.0 | 57.2 | 60.5 |
| Mecca venues | 28.9 | 14.3 | 18.6 | 32.9 | 13.3 | 17.2 | 30.5 | 30.0 | 29.0 |
| UK digital | 17.2 | 8.0 | 5.9 | 13.9 | 7.3 | 8.2 | 15.5 | 18.4 | 22.8 |
| Enracha | 2.6 | 1.4 | 2.2 | 3.6 | 2.9 | 2.6 | 5.5 | 6.0 | 6.5 |
| Central costs | (28.1) | (14.2) | (14.7) | (28.9) | (13.0) | (13.5) | (26.5) | (26.6) | (27.8) |
| **Operating profit (norm)** | **84.0** | **40.4** | **42.0** | **82.4** | **36.6** | **43.4** | **80.0** | **85.0** | **91.0** |
| Group margin | 11.4% | 10.8% | 11.1% | 10.9% | 9.7% | 11.3% | 10.5% | 10.8% | 11.2% |
| Net interest | (9.9) | (3.0) | (2.0) | (5.0) | (2.1) | (1.9) | (4.0) | (3.5) | (3.0) |
| **Profit before tax (norm)** | **74.1** | **37.4** | **40.0** | **77.4** | **34.5** | **41.5** | **76.0** | **81.5** | **88.0** |

Source: Rank Group accounts, Edison Investment Research. Note: *Revenue is before customer incentives.

**Exhibit 10: Financial summary**

| £m | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|---|---|---|---|---|---|---|
| Year end 30 June | IFRS | IFRS | IFRS | IFRS | IFRS | IFRS |
| **PROFIT & LOSS** | | | | | | |
| Revenue | 707.7 | 738.3 | 753.0 | 764.0 | 785.0 | 813.0 |
| Cost of Sales | (409.2) | (414.2) | (418.8) | (437.8) | (449.6) | (461.6) |
| Gross Profit | 298.5 | 324.1 | 334.2 | 326.2 | 335.3 | 351.5 |
| EBITDA | 116.0 | 126.3 | 128.2 | 127.0 | 133.0 | 140.0 |
| Operating Profit (before amort. and except.) | 72.4 | 84.0 | 82.4 | 80.0 | 85.0 | 91.0 |
| Intangible Amortisation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exceptionals | (46.5) | 2.1 | 9.3 | (2.4) | 0.0 | 0.0 |
| Operating Profit | 25.9 | 86.1 | 91.7 | 77.6 | 85.0 | 91.0 |
| Net Interest | (9.9) | (9.9) | (5.0) | (4.0) | (3.5) | (3.0) |
| Other finance adjustments* | (1.6) | (1.7) | (1.1) | (0.9) | 0.0 | 0.0 |
| Profit Before Tax (norm) | 62.5 | 74.1 | 77.4 | 76.0 | 81.5 | 88.0 |
| Profit Before Tax (FRS 3) | 14.4 | 74.5 | 85.6 | 72.7 | 81.5 | 88.0 |
| Tax on norm PBT | (13.9) | (17.0) | (17.4) | (16.3) | (17.5) | (18.9) |
| Profit After Tax (norm) | 48.6 | 57.1 | 60.0 | 59.7 | 64.0 | 69.1 |
| Profit After Tax (FRS 3) | 0.5 | 57.5 | 68.2 | 56.4 | 64.0 | 69.1 |
| Average Number of Shares Outstanding (m) | 390.7 | 390.7 | 390.7 | 390.7 | 390.7 | 390.7 |
| EPS - normalised (p) | 12.4 | 14.6 | 15.4 | 15.3 | 16.4 | 17.7 |
| EPS - (IFRS) (p) | 5.2 | 19.1 | 18.2 | 14.2 | 16.4 | 17.7 |
| Dividend per share (p) | 4.5 | 5.6 | 6.5 | 7.1 | 8.2 | 8.8 |
| Gross Margin (%) | 42.2 | 43.9 | 44.4 | 42.7 | 42.7 | 43.2 |
| EBITDA Margin (%) | 16.4 | 17.1 | 17.0 | 16.6 | 16.9 | 17.2 |
| Operating Margin (before GW and except.) (%) | 10.2 | 11.4 | 10.9 | 10.5 | 10.8 | 11.2 |
| **BALANCE SHEET** | | | | | | |
| Fixed Assets | 613.3 | 607.2 | 614.1 | 621.0 | 626.0 | 625.0 |
| Intangible Assets | 390.2 | 395.7 | 404.3 | 405.0 | 406.0 | 407.0 |
| Tangible Assets | 217.5 | 204.0 | 202.0 | 208.0 | 212.0 | 210.0 |
| Deferred tax/other | 5.6 | 7.5 | 7.8 | 8.0 | 8.0 | 8.0 |
| Current Assets | 87.9 | 123.4 | 100.5 | 107.0 | 116.2 | 118.4 |
| Stocks | 3.1 | 2.8 | 2.9 | 3.0 | 3.2 | 3.4 |
| Debtors | 37.7 | 31.0 | 36.6 | 37.0 | 38.0 | 40.0 |
| Cash | 47.1 | 89.6 | 61.0 | 67.0 | 75.0 | 75.0 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Liabilities | (168.4) | (309.4) | (173.9) | (182.0) | (184.5) | (189.0) |
| Creditors (incl provisions) | (164.0) | (184.5) | (159.5) | (167.0) | (170.0) | (174.0) |
| Short term borrowings | (4.4) | (124.9) | (14.4) | (15.0) | (14.5) | (15.0) |
| Long Term Liabilities | (290.5) | (126.8) | (188.1) | (165.0) | (135.0) | (90.0) |
| Long term borrowings | (179.7) | (17.6) | (87.8) | (75.0) | (55.0) | (20.0) |
| Other long term liabilities | (110.8) | (109.2) | (100.3) | (90.0) | (80.0) | (70.0) |
| Net Assets | 242.3 | 294.4 | 352.6 | 381.0 | 422.7 | 464.4 |
| **CASH FLOW** | | | | | | |
| Operating Cash Flow | 55.0 | 146.6 | 110.2 | 115.2 | 130.0 | 136.0 |
| Net Interest | (8.1) | (7.5) | (5.0) | (3.0) | (3.0) | (2.5) |
| Tax | (19.1) | (2.2) | (31.1) | (13.7) | (16.3) | (15.8) |
| Capex | (44.3) | (31.9) | (52.7) | (50.0) | (48.0) | (46.0) |
| Acquisitions/disposals | 0.3 | (1.0) | 16.2 | 0.0 | 0.0 | 0.0 |
| Financing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends | (16.4) | (18.6) | (22.7) | (26.6) | (30.9) | (33.6) |
| Net Cash Flow | (32.6) | 85.4 | 14.9 | 22.0 | 31.8 | 38.1 |
| Opening net debt/(cash) | 104.1 | 137.0 | 52.9 | 41.2 | 23.0 | (5.5) |
| HP finance leases initiated | (2.3) | (3.1) | (2.8) | (3.0) | (3.0) | (3.0) |
| Other | 2.0 | 1.8 | (0.4) | (0.8) | (0.3) | (0.6) |
| Closing net debt/(cash) | 137.0 | 52.9 | 41.2 | 23.0 | (5.5) | (40.0) |

Source: Rank Group accounts, Edison Investment Research