

# Entertainment One

FY18 results

On course to double EBITDA by 2020

An excellent performance from Family & Brands and strong growth in Television offset declines in Film to deliver EBITDA growth of 11%, which is in line with forecasts. The group is in good shape entering FY19 and is on track to deliver to its five-year plan to double EBITDA by 2020. The shares are on a c 40% P/E and c 20% EV/EBITDA discount to global peers and we believe they offer good value.

Year end	Revenue (£m)	EBITDA (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
03/17	1082.7	160.2	129.9	20.0	1.3	14.5	0.4
03/18	1044.5	177.3	144.4	21.9	1.4	13.2	0.5
03/19e	1208.6	193.4	154.9	23.6	1.5	12.2	0.5
03/20e	1353.3	215.0	177.0	26.8	1.6	10.8	0.6

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

## Family & Television growth outweighs Film declines

Revenues declined 4% in FY18, although with the mix of growth continuing to come from the higher-margin Family & Brands and Television divisions, overall EBITDA growth of 11% was in line with forecasts, as was adjusted EPS of 21.9p. A near tripling of revenues from *PJ Masks* and strong growth from *Peppa Pig* underpinned a 56% increase in Family revenues. A solid slate of drama, increased deliveries for *Designated Survivor* and the full-year impact of the Renegade acquisition supported 19% growth from Television. This was offset by a 32% decline in Film, which delivered the targeted £10m of costs savings but released fewer titles.

## Outlook: Family roll-out continues, solid FTD pipeline

In FY19 we forecast another strong year from *Peppa Pig*, which continues to expand in newer markets, and from *PJ Masks*, which we believe could overtake *Peppa Pig* in terms of revenues by 2021. We expect a more stable performance from Film, although with only 25% of budgeted investment targeted at film content, it is the smaller part of the newly merged Film, Television and Digital (FTD) division. The production pipeline looks solid with a healthy mix of new and renewed content, although with only 40% of Television content committed due to variations in the commissioning cycles, visibility is lower than typical. We trim our FY19 EBITDA forecast by 2%, taking account of the impact of IFRS15, and introduce an EBITDA forecast of £215m for 2020; in line with management's five-year plan to double EBITDA.

## Valuation: Discount to peers no longer justified

The shares trade at a c 20% EBITDA discount and c 40% P/E discount to global peers on FY19 multiples. While an element of discount may be warranted given the weak cash conversion in recent years, the risk profile of the group has considerably improved and this discount seems exaggerated. More than two-thirds of film and television content is now generated from own productions, where eOne has a greater degree of control and more limited financial exposure, key subsidiaries are under full ownership and Family has an expanding portfolio of global properties.

Media

22 May 2018

**Price** 289p  
**Market cap** £1,332m

Net debt (£m) March 2018	314.5
Shares in issue	461m
Free float	90%
Code	ETO
Primary exchange	LSE (FTSE 250)
Secondary exchange	N/A

### Share price performance



### Business description

Entertainment One is a leading international entertainment company that sources, selects and sells films and television content. Its library contains over 40,000 film and TV titles, 4,500 half-hours of TV programming and 45,000 music tracks.

### Next events

Interim 2019 results	September 2018
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### Analysts

Bridie Barrett	+44 (0)20 3077 5700
Fiona Orford-Williams	+44 (0)20 3077 5739

[media@edisongroup.com](mailto:media@edisongroup.com)
[Edison profile page](#)

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## FY18 results update

### Results highlights: EBITDA growth driven by Family and Television

**Revenue** of £1,045m fell 4% year-on-year (y-o-y) (2% constant ccy) with a very strong performance from Family & Brands (+56%) and Television (+19%) mitigating declines in Film (-32%). While revenues were 3pp short of our forecasts due to a much weaker performance in Film, **EBITDA** of £177.3m was slightly ahead, increasing 11% y-o-y given the growth from higher-margin divisions. After absorbing a 15% increase in finance costs related to the 2016 refinancing (£29.3m), this growth flowed through to adjusted PBT at £144.4m and EPS of 21.9p, in line with forecasts.

Reported PBT of £77.6m includes share-based payments of £12.5m, a significant increase to FY17 (£5.0m) principally due to a higher award to the CEO, Darren Throop and the increase in the share price over 2017. It also includes one-off charges of £7.1m (FY17: £40.8m) relating largely to the re-shaping of the Film distribution business and £7.5m owing to adjustments to the fair value of financial instruments (£6.3m).

eOne **invested** £448m in content and productions, a 10% increase on the £408m invested in FY17 with the majority of the increase directed towards own productions: 64% of total investment. Overall, 40% of this was financed through production financing (which decreased to £118.7m at the year end), with the balance financed by eOne. The expanding production slate (£74m investment in content to amortisation gap) £21m working capital and catch up tax payments (£32m) weighed on corporate **cash conversion**, which decreased to 38% (FY17: 52%). **Year-end net debt** of £314.5m (1.8x EBITDA) was in line with our forecast and includes the £52m equity issue in March and £118m of acquisition payments for the balance of Mark Gordon Company (MGC). The board is proposing a full-year dividend of 1.4p per share, up 8% on FY17.

**IFRS15** will primarily affect reporting in the Family & Brands division where the recognition of minimum guarantees will be spread over the life of the contract, rather than up front. Given the strong growth in licencing, in 2018 management indicate that this would have reduced revenues and EBITDA by £15.5m (to £1,029.0m) and £13.6m (to £163.7m) respectively. In FY19 the impact on underlying EBITDA is estimated at less than £2m as much of this unwinds.

#### Exhibit 1: Summary FY18 results

£m	FY17	FY18e	FY18a	y-o-y change	difference to forecast
Television revenues	452.7	498.0	539.0	19%	8%
Family revenues	88.6	131.1	138.6	56%	6%
Film revenues	594.2	507.0	402.2	(32%)	(21%)
Eliminations	(52.8)	(60.0)	(35.3)	(33%)	(41%)
<b>Total revenues</b>	<b>1,082.7</b>	<b>1,076.1</b>	<b>1,044.5</b>	<b>(4%)</b>	<b>(3%)</b>
Television EBITDA	62.8	65.2	72.0	15%	10%
Family EBITDA	55.6	71.5	82.3	48%	15%
Film EBITDA	52.7	50.0	35.1	(33%)	(30%)
Eliminations	(10.9)	(11.5)	(12.1)	11%	5%
<b>Total EBITDA</b>	<b>160.2</b>	<b>175.1</b>	<b>177.3</b>	<b>11%</b>	<b>1%</b>
EBITDA margin	14.8%	16.3%	17.0%	15%	4%
PBT - adjusted	129.9	145.7	144.4	11%	(1%)
PBT - reported	35.9	85.6	77.6	116%	(9%)
<b>EPS – adjusted (p)</b>	<b>20.0</b>	<b>22.1</b>	<b>21.9</b>	<b>10%</b>	<b>(1%)</b>
EPS – reported (p)	2.7	11.6	14.4	433%	24%
Investment in content and productions	408.1	473.0	444.6	9%	(6%)
<b>Net debt</b>	<b>187.5</b>	<b>300.2</b>	<b>314.5</b>	<b>68%</b>	<b>5%</b>
IPF	152.3	183.8	118.7	(22%)	(35%)
IFRS consolidated net debt	339.8	484.0	429.8	26%	(11%)
Group gearing (x EBITDA)	1.2	1.7	1.8		

Source: eOne, Edison Investment Research

## Divisional performance

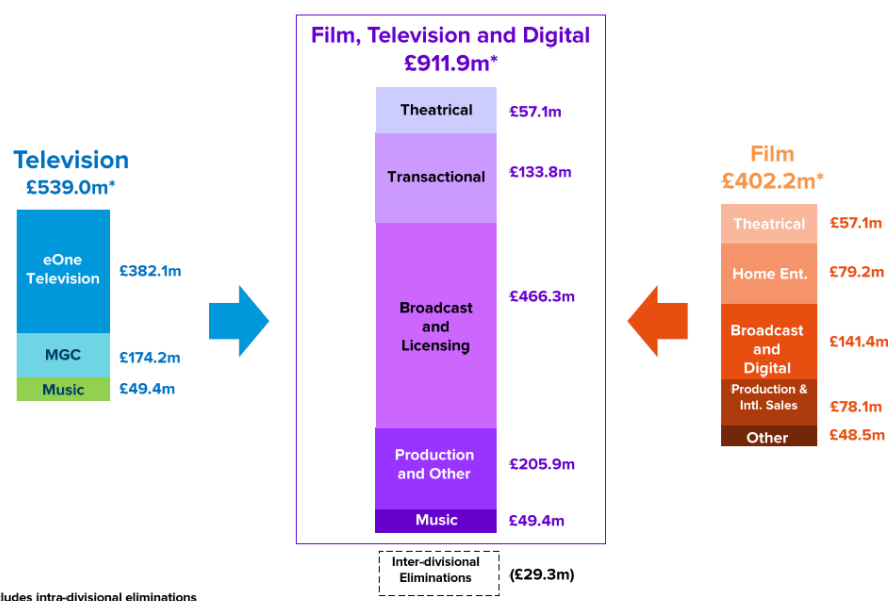
**Family & Brands – excellent performance from *PJ Masks* and *Peppa Pig*:** FY18 EBITDA increased 48%, with margins at 59.4% 3.4pp down on FY17 due to the very strong growth from *PJ Masks*, which has a higher royalty share included in gross margin, as well as infrastructure and brand management costs. Revenues from *Peppa Pig* (which accounts for c 65% of Family revenues) performed well across all categories, increasing by 21% overall. *PJ Masks* goes from strength to strength. Total retail sales were \$1bn in 2017, not far short of the \$1.3bn generated by *Peppa Pig*, and brand revenues increased 261% to £48.8m.

**Television – strong year for drama:** total investment in Television increased only modestly y-o-y and total half-hours of content delivered were down. However, the mix shifted towards higher-value scripted drama in the period and the delivery of some of the MGC projects in production last year, notably a higher volume of *Designated Survivor* and *Youth & Consequences*, resulted in a 15% increase in EBITDA to £72.0m.

**Film – lower release volumes and restructuring:** against a relatively strong comparison, which included *the BFG* and *The Girl on the Train*, Film division revenues decreased 32% and EBITDA 33%. Release volumes were down across all categories. Theatrical revenues decreased 41% with the number of titles released down to 85 (FY17: 102 individual releases). Lower volumes similarly affected sales within the home entertainment (-47%) and broadcast and digital categories (-25%) and production and international sales saw no production deliveries from Sierra in the period accounting for much of its 28% decline in revenues.

**New segmental reporting:** the acquisition in January of the final 49% of the MGC has enabled eOne to fully merge its film, television and digital businesses, mirroring the evolution of the industry, which increasingly shares talent and distribution partners across these once distinct segments. From H119, the group will have two divisions: FTD and Family & Brands (Exhibit 2). By merging the sales teams, integrating the support structures and finally streamlining the management structure, eOne expects to make annualised cost savings of approximately £13-15m by 2020 (equivalent to c 1pp of revenues).

**Exhibit 2: New FTD division**



Source: eOne

## Outlook: Strong family, FTD integration

Management expects another strong year of revenue and EBITDA group from Family, with some reduction in overall margin due to mix effects generated by the rapid growth of *PJ Masks*. The integration benefits are expected to become more evident across FTD in the current year; budgeting 50% of the targeted £13-£15m 2020 cost savings, and with Film on a more stable footing, the increased investment in content over FY18 should also be evident in divisional growth.

**Family:** Management expects to have sold c 2,000 live licensing and merchandising contracts by the end of FY19 (1,500 in FY18) and we expect growth to remain strong in 2019 and 2020.

- **Peppa Pig:** in more mature markets, the brand is being refreshed with an additional 117 shows in production, with delivery beginning this financial year through to 2021, which should stimulate ongoing interest. There remains considerable scope for growth in China where it launched on CCTV in 2016 and where the brand continues to generate significant levels of exposure across VOD platforms, helping it to double its licencing deals. Furthermore, the brand remains relatively under developed in the US, Germany and Japan. The global partnership with Merlin Entertainments is a strong vindication of the brand's evergreen status, two in-park attractions were opened in Germany and Italy and the first stand-alone attraction is expected to open in China during 2018.
- **PJ Masks:** the US is the main market but with the recent premiere on key VOD platforms in China (including Tencent, iQiyi and Youku), and other key markets yet to commence, there remains considerable growth potential for *PJ Masks*, which has already generated strong licencing interest and we believe could overtake *Peppa Pig* in terms of revenue contribution within three years. Season two started to air in the US in January 2018, and season three has been green lit for production.

**FTD:** eOne continues to scale its production activities, both organically and via acquisition (eg, the recent acquisition of Whizz Kid). Across the merged division, investment in content is expected to increase by c 21% to £529m with the increases largely directed towards television and own produced content, in line with the group's strategy. We expect continued double-digit revenue growth from Television and, with an easier basis of comparison, a more stable performance from Film overall. The restructuring of the US distribution business delivered £10m of savings in 2018 and targeted £13-£15m of merger savings, of which c 50% are expected to be delivered in the current year, should also support the margins.

- **Television:** eOne is budgeting for over 1,000 half-hours of content to be acquired or produced, (FY18: 887) with a considerably raised FY19 budget for own production of £305m (FY18: £237m) against £45m acquired. *The Rookie*, a straight-to-series order by ABC and sold internationally by eOne, looks set to be a key new format for the group, and we are encouraged by the renewals of some of eOne's newer formats (*Burden of Truth* S2, *Private Eyes* S3, *Mary Kills People* S3) along with the MGC Heritage series. ABC's recent announcement that it would not commission a third season of *Designated Survivor* could leave a c £8-9m revenue gap (c 2% to EPS). It is possible that the format will be picked up by another broadcaster, or made up with other commissions; for now we make no change to our estimates. But with only 40% of the FY19 budget green lit or committed, there is less visibility to revenues this year (FY18: 60%).
- **Film:** management expects c 140 releases in FY19 (80 unique titles), broadly similar to 2018, with a release pipeline weighted towards its strategic production partners including Amblin and Makeready. In total, £100m is budgeted for acquired content including *The House with a Clock on its Walls* (Amblin), *On the Basis of Sex* (Participant), *Backseat* (Annapurna). The production budget is £70m across approximately 10 titles that are at various stages of production and development of which *A Million Little Pieces*, *Official Secrets*, *Stan and Ollie* and *Nekromancer* are likely to be released in the current financial year.

## Forecasts: On track for 2020 target to double EBITDA

We present our divisional KPI forecasts on the new basis in Exhibit 3 below and show our forecasts in full in Exhibit 7. We update our FY19 forecasts taking account of the better performance of Family & Brands and Television relative to Film and along with the move to IFRS 15 (in forecasts, not historic figures); overall, we trim our FY19e EBITDA forecast by 2% and EPS by 4%.

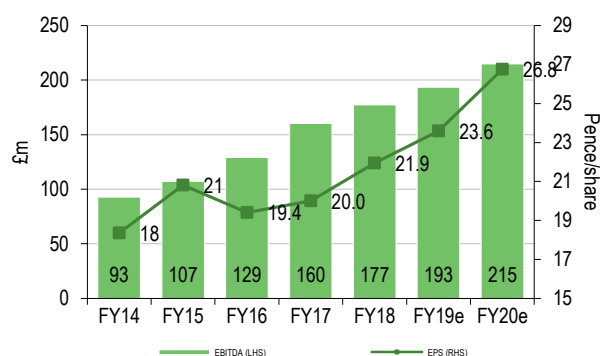
In November 2014 the group unveiled its new strategy, to 'double the size of the group in the next five years', which we interpret to mean to double EBITDA by 2020. We believe eOne is on track to achieve this target. We introduce forecasts for 2020, which assume a 7% increase in content and production investment and continued strong growth from Family, which with the full benefit of the targeted £13-£15m cost savings, underpins our forecast EBITDA of £215m in 2020.

<b>Exhibit 3: KPI history and forecast</b>						
<b>KPI summary</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>
FTD - investment in acquired content (£m)	165.9	119.9	180.5	150.7	145.0	130.0
FTD - investment in productions (£m)	113.0	92.8	222.3	290.0	384.0	446.0
Family - investment in content & production (£m)	1.9	5.8	5.3	9.6	13.5	15.0
Total content and production investment (£m)	280.8	218.5	408.1	450.3	542.5	591.0
% budget invested in in own productions	40%	42%	54%	64%	71%	71%
Half hours produced/ acquired (Television)	752	998	1023	939	> 1000*	
No. theatrical releases (Film)	227	210	172	144	140*	
Box office (\$m)	308	259	337	208		
Family licences	600	847	1083	1500	2000*	
Family retail sales (\$bn)	1.0	1.1	1.5	2.4		
% TV pipeline green lit at start of financial year	N/A	N/A	61%	60%	40%	
Library valuation (\$bn)	0.8	1.5	1.7			
<b>Revenues (£m)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>
FTD	729	741.2	996.8	911.9	1,060.0	1,190.0
Growth		2%	34%	-9%	16%	12%
Family	60.8	66.6	88.6	138.6	158.6	174.5
Growth		10%	33%	56%	14%	10%
Inter company	- 4	- 5	- 3	-6	-10	-11
<b>Group revenues</b>	<b>785.8</b>	<b>802.7</b>	<b>1082.7</b>	<b>1044.5</b>	<b>1208.6</b>	<b>1353.3</b>
Revenue growth		2%	35%	-4%	16%	12%
<b>EBITDA (£m)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>
FTD EBITDA	90.9	92	115.5	107.1	115.5	133.9
FTD EBITDA margin	12.5%	12.4%	11.6%	11.7%	10.9%	11.3%
Family EBITDA	23.8	43.3	55.6	82.3	90.4	95.1
Family EBITDA margin	39.1%	65.0%	62.8%	59.4%	57.0%	54.5%
Intercompany eliminations	-7.4	-6.2	-10.9	-12.1	-12.5	-14.0
<b>Group EBITDA</b>	<b>107.3</b>	<b>129.1</b>	<b>160.2</b>	<b>177.3</b>	<b>193.4</b>	<b>215.0</b>
Group EBITDA margin	13.7%	16.1%	14.8%	17.0%	16.0%	15.9%

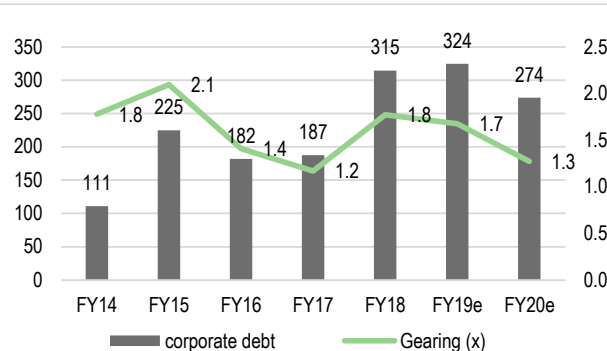
Source: eOne, Edison Investment Research. Note: \*Company plan.

Over the last three years, despite 18% CAGR growth in EBITDA, earnings progress has been held back (2% CAGR, Exhibit 4) due mainly to the dilutive impact of the December 2015 four for nine rights issue and refinancing of the debt. The group has now absorbed this dilution and over the next two years we expect more of the improved operational performance to translate to earnings growth. With the group on a steadier financial footing, with full operational control over key subsidiaries, there may be scope to refinance the £355m of bonds (costing 6.875%) which have their first call date in December 2018; the most recent £70m tranche were issued at 105.75% in February 2018.

Management is targeting net debt to EBITDA ratio of 1.8x in FY19; based on our EBITDA forecast, this would imply some caution related to working capital requirements and the investment to amortisation gap.

**Exhibit 4: EBITDA and EPS trends**


Source: eOne, Edison Investment Research

**Exhibit 5: Net debt trends (net debt / group EBITDA)**


Source: eOne, Edison Investment Research

## Valuation

The group is in good shape entering FY19, with more than two-thirds of film and television content now generated from its own productions where it has a greater degree of control, a more streamlined FTD business, key subsidiaries under full control and an expanding Family portfolio.

Compared to peers across the media sector (Exhibit 6), eOne's EBIT and P/E multiples are at a c 40% discount, although in terms of EBITDA the discount is c 20%. Applying FY1 EBITDA multiples of its more direct peers (DHX Media -10.7x for Family and Lionsgate 12.6x - for FTD), we derive a sum-of-the-parts valuation for the group of 377p (c 352p if production finance is also treated as debt); while UK shares tend to trade on a discount to North American peers, there remains considerable upside potential on this basis.

On the basis of the March 2017 library valuation by Salem Partners, the current EV is 76% covered by [the value of its library](#). This valuation takes account of anticipated future revenues from the existing portfolio of brands and titles, but it does not capture the value of titles in development, or the value of future content creation or distribution from eOne's production and sales network.

**Exhibit 6: Peer comparison**

	EV/EBITDA (x)			EV/EBIT last (x)			P/E last (x)		
	last	FY1	FY2	last	FY1	FY2	last	FY1	FY2
eOne EV including PF	10.0	9.1	8.2	10.2	9.4	8.4	12.9	11.9	10.5
eOne EV excluding PF	9.3	8.5	7.7	9.5	8.7	7.9	12.9	11.9	10.5
<b>Total peer average</b>	<b>19.4</b>	<b>9.5</b>	<b>8.9</b>	<b>21.8</b>	<b>17.5</b>	<b>13.3</b>	<b>19.2</b>	<b>18.5</b>	<b>16.7</b>
Sub sector average:									
Kids content	15.8	10.3	9.0	34.3	23.9	19.4	14.0	26.2	22.0
Production & distribution	82.7	12.9	11.4	40.8	27.7	14.8	31.6	16.4	82.7
Television	6.6	6.0	5.8	14.2	10.9	8.8	18.4	15.8	6.6
Exhibitors	12.6	9.1	8.1	18.0	20.4	15.3	21.5	19.7	17.3
Majors	10.7	10.6	11.1	12.8	11.9	11.2	16.3	14.9	13.9

Source: Bloomberg, Edison Investment Research (eOne forecasts). Note: Priced at 18 May. PF: production finance.



**Exhibit 7: Financial summary**

	£m	2015	2016	2017	2018e	2019e	2020e
Year end 31 March		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>							
Revenue		785.8	802.7	1,082.7	1,044.5	1,208.6	1,353.3
Cost of Sales		(578.0)	(610.1)	(822.9)	(793.8)	(918.5)	(1,028.5)
Gross Profit		207.8	192.6	259.8	250.7	290.1	324.8
EBITDA		107.3	129.1	160.2	177.3	193.4	215.0
Operating Profit		103.6	124.7	155.3	173.7	188.9	210.0
Amortisation of intangibles		(22.2)	(27.4)	(41.9)	(39.6)	(37.0)	(37.0)
Exceptional items		(17.9)	(16.6)	(40.8)	(7.1)	(7.0)	0.0
Share based payment charge		(3.4)	(5.7)	(5.0)	(12.6)	(13.5)	(14.0)
JV tax, finance costs, dep'n		0.1	(1.6)	0.0	0.0	0.0	0.0
Operating Profit		60.2	73.4	67.6	114.4	131.4	159.0
Net Interest		(14.8)	(20.6)	(25.4)	(29.3)	(34.0)	(32.9)
Exceptional finance items		(1.4)	(6.5)	(6.3)	(7.5)	0.0	0.0
Profit Before Tax (norm)		88.8	104.1	129.9	144.4	154.9	177.0
Profit Before Tax (FRS 3)		44.0	47.9	35.9	77.6	97.4	126.0
Tax (reported)		(2.7)	(7.7)	(12.3)	0.6	(22.4)	(29.0)
Tax (adjustment for normalised earnings)		(16.8)	(16.8)	(14.8)	(28.5)	(8.6)	(6.4)
Profit After Tax (before non-controlling interests) (norm)		69.3	79.6	102.8	116.5	123.9	141.6
Profit After Tax (before non-controlling interests) (FRS3)		41.2	40.2	23.6	78.2	75.0	97.1
Non-controlling interests		0.0	(3.7)	(11.9)	(13.7)	(10.5)	(11.5)
Average Number of Shares, Diluted (m)		332.9	379.8	432.7	447.6	480.9	486.3
EPS - normalised (p)		20.8	19.4	20.0	21.9	23.6	26.8
EPS - FRS 3 (p)		12.7	9.8	2.7	14.8	13.9	18.2
Dividend per share (p)		1.1	1.2	1.3	1.4	1.5	1.6
Gross Margin (%)		26.4	24.0	24.0	24.0	24.0	24.0
EBITDA Margin (%)		13.7	16.1	14.8	17.0	16.0	15.9
Operating Margin (before GW and except) (%)		13.2	15.5	14.3	16.6	15.6	15.5
<b>BALANCE SHEET</b>							
Non-current Assets		538.4	890.7	972.7	936.9	977.0	964.3
Intangible Assets (incl Investment in programmes)		473.9	808.2	870.6	805.4	855.5	854.3
Tangible Assets		6.1	60.1	72.8	104.3	104.8	104.8
Deferred tax/Investments		58.4	22.4	29.3	27.2	16.7	5.2
Current Assets		634.3	752.0	928.3	899.1	924.1	942.6
Stocks		52.0	51.1	48.6	39.6	39.6	39.6
Investment in content rights		221.1	241.3	269.8	253.4	262.6	266.1
Debtors		289.9	351.3	476.5	486.9	546.9	586.9
Cash		71.3	108.3	133.4	119.2	75.0	50.0
Current Liabilities		(488.3)	(568.7)	(679.4)	(691.5)	(697.0)	(707.0)
Creditors		(398.7)	(470.7)	(574.6)	(514.7)	(520.2)	(530.2)
Short term borrowings		(89.6)	(98.0)	(104.8)	(176.8)	(176.8)	(176.8)
Long Term Liabilities		(319.6)	(413.6)	(464.6)	(438.7)	(434.5)	(346.5)
Long term borrowings		(295.9)	(309.1)	(368.3)	(375.6)	(371.4)	(283.4)
Other long term liabilities		(23.7)	(104.5)	(96.3)	(63.1)	(63.1)	(63.1)
Net Assets		364.8	660.4	757.0	705.8	769.5	853.4
<b>CASH FLOW</b>							
Operating Cash Flow		271.9	298.8	425.3	470.9	587.7	725.6
Net Interest		(13.4)	(10.3)	(24.3)	(26.2)	(34.0)	(32.9)
Tax		(10.8)	(17.7)	(18.4)	(32.5)	(26.9)	(29.0)
Capex		(4.8)	(8.6)	(3.5)	(3.2)	(5.0)	(5.0)
Acquisitions/disposals		(104.3)	(226.0)	(9.6)	(118.5)	(5.0)	0.0
Investment in content rights and TV programmes		(280.8)	(218.5)	(373.6)	(437.4)	(542.5)	(580.0)
Proceeds on issue of shares		0.0	194.5	(19.2)	52.0	0.0	0.0
Dividends		(2.9)	(4.0)	(8.3)	(13.0)	(14.3)	(15.7)
Net Cash Flow		(145.1)	8.2	(31.7)	(107.9)	(40.0)	63.0
Opening net debt/(cash)		165.1	314.2	299.7	339.7	433.2	473.2
Movements in exchangeable notes		0.0	0.0	0.0	14.5	0.0	0.0
Other including forex		(4.0)	6.3	(8.3)	(0.1)	0.0	0.0
Closing IFRS debt/(cash)		314.2	299.7	339.7	433.2	473.2	410.2
<b>ANALYSIS OF NET DEBT</b>							
Production finance		89.3	118.0	152.3	118.7	148.8	136.6
Net debt		224.9	181.7	187.4	314.5	324.5	273.6
Gearing		2.1	1.4	1.2	1.8	1.7	1.3

Source: eOne, Edison Investment Research