

XP Power

H118 results

Strong demand drives record performance in H1

XP Power reported strong H1 revenue and earnings growth, despite significant currency headwinds. Order intake remained robust, providing good support going into H218. While management's expectations for FY18 are unchanged, we have revised our forecasts to reflect currency moves and tightness in the supply chain. This results in normalised EPS upgrades of 0.2% in FY18 and 2.4% in FY19. Post the recent acquisitions, we believe the company's more comprehensive product range positions it well to grow market share further.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/16	129.8	28.6	115.3	71.0	31.0	2.0
12/17	166.8	36.1	147.0	78.0	24.3	2.2
12/18e	198.9	42.2	177.6	82.0	20.1	2.3
12/19e	219.4	47.2	198.4	85.0	18.0	2.4

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

H118 sees continuation of strong growth

XP reported revenue growth of 16% y-o-y for H118; taking into account currency headwinds, constant currency growth (cc) reached 25% and cc like-for-like (l-f-l) growth was 13%. This resulted in normalised operating profit growth of 19% and a 50bp increase in the operating margin to 22.2%. Normalised EPS grew 24% y-o-y. XP saw strong demand from all end markets, particularly semiconductor manufacturing, boosted by the contributions from the Comdel and Glassman High Voltage acquisitions.

Outlook still positive; some tightness in supply chain

Order growth of 9% y-o-y (17% cc, 10% cc l-f-l) underlines the strength of demand, and the order backlog at the end of H118 was 6.5% higher h-o-h. The company highlighted that tightness in the component supply chain was likely to have an impact on gross margins from H218. We have revised our forecasts to reflect the stronger dollar in H2 and the impact of more expensive components. While this results in revenue upgrades of 2.6% in FY18 and 4.8% in FY19, normalised EPS only increases 0.2% in FY18 and 2.4% in FY19.

Valuation: Reflects consistently profitable growth

On a P/E basis, XP is trading at a premium to global power converter companies and at a more than 10% discount to UK electronics companies, with a dividend yield at the top end of the range. XP generates EBITDA and EBIT margins at the top end of its peer group. We see scope for upgrades to earnings estimates from cross-selling and further market share gains.

Tech hardware & equipment

30 July 2018

Price **3,570p**

Market cap **£682m**

\$1.32£1

Net debt (£m) at end H118 46.5

Shares in issue 19.1m

Free float 90%

Code XPP

Primary exchange LSE

Secondary exchange N/A

Share price performance



% 1m 3m 12m

Abs 0.6 0.6 42.9

Rel (local) (0.3) (2.0) 37.7

52-week high/low 3,740p 2,480p

Business description

XP Power is a developer and designer of power control solutions with production facilities in China, Vietnam and the US, and design, service and sales teams across Europe, the US and Asia.

Next events

Q3 trading update 8 October

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Review of H118 results

Exhibit 1: Half-year results highlights

£m	H118	H117	y-o-y
Revenues	93.2	80.2	16.2%
Gross profit	43.5	37.6	15.7%
Gross margin	46.7%	46.9%	(0.2%)
EBITDA	23.6	19.9	18.6%
EBITDA margin	25.3%	24.8%	0.5%
Normalised operating profit	20.7	17.4	19.0%
Normalised operating margin	22.2%	21.7%	0.5%
Reported operating profit	18.9	14.5	30.3%
Reported operating margin	20.3%	18.1%	2.2%
Normalised PBT	20.3	17.3	17.3%
Normalised PAT	16.6	13.0	27.7%
Reported net income, after MI	14.6	10.9	33.9%
Normalised diluted EPS (p)	83.7	67.3	24.4%
Reported basic EPS (p)	76.4	57.2	33.6%
Net debt/(cash)	46.5	(8.0)	N/A

Source: XP Power

XP reported H118 revenue growth of 16% y-o-y; on a cc basis growth was 25%, and on a cc l-f-l basis growth was 13%. The US\$/£ rate was an average of 1.39 for H118 compared to 1.26 in H117; with the vast majority of XP's revenues priced in dollars, the strengthening of sterling had a material impact on reported revenues in H118. Since the end of H118 it has declined to 1.32, compared to an average of 1.32 in H217, so should have less impact in H2. Demand was generally strong from key end markets, boosted by new designs going into production. Revenues from own-design XP products grew 20% y-o-y, making up 78% of total revenues (vs 75% in H117 and FY17).

Gross profit was 15.7% higher y-o-y, resulting in a 20bp decline in the gross margin to 46.7%. While gross profit benefited from the stronger pound (170bp positive effect), this was offset by tightness in the components market, which is resulting in longer lead times and in some cases price pressure. XP has been trying to counter this by building its level of safety stock for critical components to ensure it can deliver to customers' schedules.

Operating costs benefited from the stronger pound to the tune of £1.9m; this was offset by the inclusion of costs from the Comdel and Glassman acquisitions. The company noted that it continues to invest in building its engineering teams in all regions to continue to differentiate its products from low-cost Asian competitors.

Normalised operating profit excludes acquired amortisation of £1.0m, £0.4m in acquisition-related costs and £0.4m in charges relating to accounting policy changes. The normalised margin increased 50bp y-o-y to 22.2%.

The company incurred a reported tax charge of 20.5% for H118. On an adjusted basis the rate was 18.7%, higher than our 17% forecast for FY18/19, and the company's original guidance of 15-17%. It has now amended the range to 17-19%.

The company announced a Q2 dividend of 17p per share, in line with our forecast.

New divisional disclosure reflects acquisitions

The company historically has given a revenue breakdown by end market: technology, industrial and healthcare. To reflect the recent acquisitions (Comdel, Glassman) the company has now removed semiconductor manufacturing from the technology division and reports this as a fourth segment. It

now also reports revenues by type of product, reflecting the broadening of the product range to encompass RF power supplies and high voltage/high power products.

Exhibit 2: Revenue by geography and end market							
£m	H118	H117	y-o-y		H118	H117	y-o-y
Europe				Asia			
Semi manufacturing	0.2	0.1	100.0%	Semi manufacturing	0.5	0.9	-44.4%
Technology	2.9	3.3	-12.1%	Technology	0.5	1.7	-70.6%
Industrial	21.0	21.5	-2.3%	Industrial	4.1	2.3	78.3%
Healthcare	5.6	4.5	24.4%	Healthcare	1.4	2.2	-36.4%
Total	29.7	29.4	1.0%	Total	6.5	7.1	-8.5%
N. America				Group			
Semi manufacturing	24.2	11.8	105.1%	Semi manufacturing	24.9	12.8	94.5%
Technology	5.6	3.7	51.4%	Technology	9.0	8.7	3.4%
Industrial	14.0	15.3	-8.5%	Industrial	39.1	39.1	0.0%
Healthcare	13.2	12.9	2.3%	Healthcare	20.2	19.6	3.1%
Total	57.0	43.7	30.4%	Total	93.2	80.2	16.2%

Source: XP Power

Exhibit 3: Revenues by geography and product type							
£m	H118	H117	y-o-y		H118	H117	y-o-y
Europe				Asia			
AC-DC power supplies	24.0	23.7	1.3%	AC-DC power supplies	5.2	5.6	-7.1%
DC-DC supplies	4.6	4.8	-4.2%	DC-DC supplies	0.5	0.7	-28.6%
High voltage low power	0.9	0.7	28.6%	High voltage low power	0.6	0.3	100.0%
High voltage high power	0.1	0	N/A	High voltage high power	0	0	N/A
RF power supplies	0	0	N/A	RF power supplies	0	0	N/A
Other	0.1	0.2	-0.5	Other	0.2	0.5	-0.6
Total	29.7	29.4	1.0%	Total	6.5	7.1	-11.3%
N. America				Group			
AC-DC power supplies	42.2	36.5	15.6%	AC-DC power supplies	71.4	65.8	8.5%
DC-DC supplies	3.1	2.6	19.2%	DC-DC supplies	8.2	8.1	1.2%
High voltage low power	3.1	4.2	-26.2%	High voltage low power	4.6	5.2	-11.5%
High voltage high power	1.0	0	N/A	High voltage high power	1.1	0.0	N/A
RF power supplies	7.6	0	N/A	RF power supplies	7.6	0.0	N/A
Other	0	0.4	-1	Other	0.3	1.1	-72.7%
Total	57.0	43.7	30.4%	Total	93.2	80.2	16.2%

Source: XP Power

All figures above are on a reported basis. The company noted that in US dollar terms, Asia grew 1% y-o-y, Europe 11% and North America 44% (22% organic). The vast majority of Comdel and Glassman revenues are generated in North America, with a large exposure to semiconductor manufacturing. This exposure combined with the strong levels of demand from a buoyant sector drove the 95% growth from semiconductor manufacturing customers. The company noted that it is seeing good demand from all sectors.

Also on a US dollar basis, healthcare revenues grew 14% y-o-y, helped by new design wins going into production. Industrial revenues grew 10% y-o-y, technology revenues grew 13% y-o-y and semiconductor manufacturing revenues grew 115% y-o-y (organic 68%).

Acquisitions expand addressable market

The Glassman acquisition completed in May, contributing just over one month's revenue (£1.2m) and net profit (£0.3m) in H118. H118 represented the first full period for Comdel (acquired in September 2017), which contributed revenues of \$10.4m (£7.5m). XP estimates that the moves via acquisition into the high voltage and RF power markets have expanded its addressable market by 75% (\$2bn). The company now believes it has a wide enough product range that customers can come to them for all of their power requirements, which should enable XP to offer a better service and improve customer stickiness. The company continues to consider making further acquisitions, although we expect a pause while it digests the recent deals.

Order intake growth

XP received orders worth £101.4m in H118, up 9% y-o-y, up 17% in cc and 10% on a cc l-f-l basis. On a quarterly basis, Q118 bookings were up 8.9% y-o-y and Q218 bookings were up 8.2% y-o-y, although declined 2% on a q-o-q basis. Book-to-bill for H118 was 1.09x (Q1 1.10, Q2 1.08). Backlog at the end of H118 stood at £85.5m (+6.5% h-o-h).

Manufacturing update: Vietnam II on stream next year

In H118, XP Power produced 70% of its power converters in the Vietnam facility, up from 60% a year ago. The company intends to increase this percentage, reserving its China facility for newer, more complex products.

The company made good progress in constructing the second facility in Vietnam. It is scheduled to be finished by the end of Q418 with production expected to start in H119. Of the \$6.5m cost, the company has incurred \$1.5m to date. Once complete, the facility will increase the volume that can be manufactured in-house in Asia by \$130m to \$300m.

Debt facility increased to fund Glassman acquisition

When XP acquired Comdel last year, it entered into a \$40m revolving credit facility with HSBC and Fifth Third Bank, with which it also has access to a \$20m accordion facility. In May this year, XP increased the revolving facility to \$85m to fund the \$44.5m Glassman acquisition and retained the \$20m accordion facility. XP is paying interest at LIBOR+1% on the drawn amount (£58.6m/\$77.9m at the end of H118) and LIBOR+0.4% on the undrawn amount.

Outlook and changes to forecasts

Management anticipates its full-year performance will meet existing expectations, while sounding a note of caution over the tightness in the component supply market.

We have revised our forecasts to reflect the impact of higher component prices on gross margins, as well as the weakening of the pound versus the dollar since the end of H118. We now use an average rate of \$1.35/£ for FY18 and \$1.32/£ for FY19, down from \$1.40/£ for both years. We have increased our tax rate assumption to 18% from 17% for both years.

Exhibit 4: Changes to forecasts

£m	FY18e		Change	y-o-y	FY19e		Change	y-o-y
	Old	New			Old	New		
Revenues	193.9	198.9	2.6%	19.2%	209.4	219.4	4.8%	10.3%
Gross profit	89.8	90.8	1.1%	17.0%	97.1	100.4	3.4%	10.6%
Gross margin	46.3%	45.6%	(0.6%)	(0.9%)	46.3%	45.7%	(0.6%)	0.1%
EBITDA	48.5	49.2	1.4%	18.1%	53.1	55.0	3.5%	11.7%
EBITDA margin	25.0%	24.8%	(0.3%)	(0.2%)	25.4%	25.1%	(0.3%)	0.3%
Normalised operating profit	42.8	43.5	1.6%	19.6%	47.1	49.0	3.9%	12.5%
Normalised operating profit margin	22.1%	21.9%	(0.2%)	0.1%	22.5%	22.3%	(0.2%)	0.4%
Reported operating profit	41.4	41.7	0.7%	28.4%	45.9	47.8	4.0%	14.5%
Reported operating margin	21.4%	21.0%	(0.4%)	1.5%	21.9%	21.8%	(0.1%)	0.8%
Normalised PBT	41.7	42.2	1.2%	16.8%	45.6	47.2	3.6%	11.9%
Reported PBT	40.3	40.4	0.2%	25.4%	44.4	46.0	3.7%	14.0%
Normalised net income	34.4	34.4	0.2%	20.8%	37.6	38.5	2.4%	11.7%
Reported net income	33.2	32.9	(1.0%)	16.1%	36.6	37.5	2.5%	14.1%
Normalised basic EPS (p)	180.0	180.4	0.2%	20.8%	196.7	201.5	2.4%	11.7%
Normalised diluted EPS (p)	177.2	177.6	0.2%	20.8%	193.7	198.4	2.4%	11.7%
Reported basic EPS (p)	173.8	172.1	(1.0%)	16.0%	191.5	196.3	2.5%	14.1%
Dividend per share (p)	82.0	82.0	0.0%	5.1%	85.0	85.0	0.0%	3.7%
Net debt/(cash)	38.3	44.8	16.9%	397.8%	25.8	32.7	26.7%	(27.0%)

Source: Edison Investment Research

Valuation

XP generates EBITDA and EBIT margins at the top end of the peer group. Due to acquisitions, revenue growth is higher than the peer group. On a P/E basis, the company is trading at a premium to global power converter companies and at a discount to UK electronics companies, with a dividend yield at the top end of the range. We see scope for upgrades to earnings estimates from cross-selling and further market share gains. In the longer term, we expect to see the company make further acquisitions to drive growth.

Exhibit 5: Peer group financial metrics

	Market cap (m)	Share price	Listing ccy	Revenue growth			EBITDA margin			EBIT margin		
				CY17	CY18e	CY19e	CY17	CY18e	CY19e	CY17	CY18e	CY19e
XP Power	682	3570	GBP	28.5%	19.2%	10.3%	25.0%	24.8%	25.1%	21.8%	21.9%	22.3%
Cosel*	48822	1312	JPY	18.3%	11.1%	4.2%	20.9%	21.4%	21.5%	17.7%		
Delta Electronics	268846	103.5	TWD	4.3%	4.3%	5.9%	13.3%	12.5%	12.8%	8.8%	8.2%	9.1%
Advanced Energy Industries	2314	58.83	USD	38.7%	15.7%	6.7%	31.3%	32.7%	32.3%	29.9%	32.0%	32.9%
Comet Holdings	705	90.9	CHF	31.9%	3.7%	2.4%	14.5%	12.2%	15.5%	11.6%	9.9%	12.6%
CML Microsystems**	90	525	GBP	14.2%	5.4%	3.6%	30.7%	32.5%	32.4%	13.9%	14.4%	14.7%
Diploma	1525	1347	GBP	18.1%	5.5%	3.5%	16.2%	18.4%	18.6%	15.2%	17.4%	17.7%
Electrocomponents**	3214	727.4	GBP	12.8%	8.0%	5.6%	11.6%	13.0%	13.6%	10.1%	11.3%	11.8%
Gooch & Housego***	378	1527.5	GBP	30.2%	8.9%	3.8%	17.3%	18.7%	19.0%	11.9%	15.7%	15.8%
TT Electronics	404	248	GBP	-36.8%	14.2%	11.4%	9.1%	10.7%	11.4%	5.6%	6.9%	7.5%
Average power converter companies				23.3%	8.7%	4.8%	20.0%	19.7%	20.5%	17.0%	16.7%	18.2%
Average UK electronics companies				7.7%	8.4%	5.6%	17.0%	18.7%	19.0%	11.3%	13.1%	13.5%

Source: Bloomberg. Note: Priced at 25 July 2018. *CY17=y/e 31 May 2018; **CY17=y/e 31 March 2018; ***CY17=y/e 30 September 2017.

Exhibit 6: Peer valuation multiples

	P/E (x)			EV/EBITDA (x)			Div yield		
	CY17	CY18e	CY19e	CY17	CY18e	CY19e	CY17	CY18e	CY19e
XP Power	24.3	20.1	18.0	16.6	14.0	12.6	2.2%	2.3%	2.4%
Cosel	14.6	13.3	12.6	6.6	5.7	5.5	2.4%	2.7%	2.9%
Delta Electronics	15.0	15.5	13.4	8.2	8.4	7.7	4.8%	4.7%	5.1%
Advanced Energy Industries	13.2	11.4	10.6	9.0	7.5	7.1	0.0%	0.0%	0.0%
Comet Holdings	19.8	22.3	16.8	11.2	12.8	9.8	1.7%	1.7%	2.0%
CML Microsystems	21.9	21.5	20.3	7.8	7.0	6.8	1.5%	1.5%	1.6%
Diploma	27.1	24.6	23.4	20.6	17.2	16.5	1.7%	1.9%	2.0%
Electrocomponents	20.9	20.9	18.8	16.5	13.7	12.4	0.7%	2.0%	2.3%
Gooch & Housego	37.9	27.2	25.7	19.3	16.3	15.5	0.7%	0.7%	0.8%
TT Electronics	18.9	19.5	15.5	11.0	8.2	6.9	2.3%	2.5%	2.8%
Average power converter companies	15.7	15.6	13.4	8.8	8.6	7.5	2.2%	2.3%	2.5%
Average UK electronics companies	25.3	22.7	20.7	15.0	12.5	11.6	1.4%	1.8%	1.9%

Source: Bloomberg. Note: Priced at 25 July 2018.

Exhibit 7: Financial summary

	£'m	2012	2013	2014	2015	2016	2017	2018e	2019e
31-December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT									
Revenue		93.9	101.1	101.1	109.7	129.8	166.8	198.9	219.4
Cost of Sales		(49.0)	(51.5)	(51.0)	(55.1)	(67.8)	(89.2)	(108.1)	(119.0)
Gross Profit		44.9	49.6	50.1	54.6	62.0	77.6	90.8	100.4
EBITDA		23.3	26.0	27.6	29.7	33.0	41.7	49.2	55.0
Normalised operating profit		21.0	23.3	24.5	25.9	28.8	36.4	43.5	49.0
Amortisation of acquired intangibles		0.0	0.0	0.0	0.0	(0.4)	(0.6)	(1.4)	(1.2)
Exceptionals		0.0	0.0	0.0	(0.3)	(0.4)	(3.3)	(0.4)	0.0
Share-based payments		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported operating profit		21.0	23.3	24.5	25.6	28.0	32.5	41.7	47.8
Net Interest		(0.8)	(0.4)	(0.2)	(0.2)	(0.2)	(0.3)	(1.4)	(1.8)
Joint ventures & associates (post tax)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional & other financial		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)		20.2	22.9	24.3	25.7	28.6	36.1	42.2	47.2
Profit Before Tax (reported)		20.2	22.9	24.3	25.4	27.8	32.2	40.4	46.0
Reported tax		(4.5)	(4.5)	(4.8)	(5.5)	(6.3)	(3.6)	(7.3)	(8.3)
Profit After Tax (norm)		15.7	18.4	19.5	20.2	22.3	28.8	34.7	38.7
Profit After Tax (reported)		15.7	18.4	19.5	19.9	21.5	28.6	33.1	37.7
Minority interests		(0.2)	(0.2)	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Discontinued operations		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)		15.5	18.2	19.4	20.0	22.1	28.5	34.4	38.5
Net income (reported)		15.5	18.2	19.4	19.7	21.3	28.3	32.9	37.5
Basic average number of shares outstanding (m)		19	19	19	19	19	19	19	19
EPS - basic normalised (p)		81.67	95.84	102.12	105.28	116.22	149.36	180.36	201.53
EPS - diluted normalised (p)		81.35	95.05	101.07	104.32	115.33	147.00	177.57	198.42
EPS - basic reported (p)		81.67	95.84	102.12	103.70	112.02	148.31	172.08	196.30
Dividend (p)		50	55	61	66	71	78	82	85
Revenue growth (%)		(9.4)	7.7	0.0	8.5	18.3	28.5	19.2	10.3
Gross Margin (%)		47.8	49.1	49.6	49.8	47.8	46.5	45.6	45.7
EBITDA Margin (%)		24.8	25.7	27.3	27.0	25.4	25.0	24.8	25.1
Normalised Operating Margin		22.4	23.0	24.2	23.6	22.2	21.8	21.9	22.3
BALANCE SHEET									
Fixed Assets		52.8	53.3	56.1	65.4	73.2	88.1	127.2	131.2
Intangible Assets		38.1	39.1	40.5	48.2	53.0	63.9	92.3	93.8
Tangible Assets		13.2	12.7	14.4	16.1	19.1	22.5	33.2	35.7
Investments & other		1.5	1.5	1.2	1.1	1.1	1.7	1.7	1.7
Current Assets		39.3	42.2	47.0	53.5	65.7	83.5	93.2	108.2
Stocks		19.8	20.4	25.2	28.7	32.2	37.8	48.0	52.8
Debtors		14.2	15.4	16.0	17.5	21.5	23.8	30.0	33.1
Cash & cash equivalents		4.1	5.0	3.8	4.9	9.2	15.0	11.2	18.3
Other		1.2	1.4	2.0	2.4	2.8	6.9	4.0	4.0
Current Liabilities		(20.2)	(22.4)	(18.6)	(19.8)	(25.8)	(25.1)	(29.1)	(31.6)
Creditors		(11.1)	(12.7)	(14.4)	(14.6)	(16.1)	(21.4)	(25.4)	(27.9)
Tax and social security		(1.6)	(1.1)	(1.7)	(1.2)	(3.3)	(3.5)	(3.5)	(3.5)
Short term borrowings		(7.3)	(8.5)	(2.5)	(4.0)	(5.5)	0.0	0.0	0.0
Other		(0.2)	(0.1)	0.0	0.0	(0.9)	(0.2)	(0.2)	(0.2)
Long Term Liabilities		(10.6)	(3.7)	(4.2)	(10.0)	(6.2)	(29.6)	(61.6)	(56.6)
Long term borrowings		(7.4)	0.0	0.0	(4.6)	0.0	(24.0)	(56.0)	(51.0)
Other long term liabilities		(3.2)	(3.7)	(4.2)	(5.4)	(6.2)	(5.6)	(5.6)	(5.6)
Net Assets		61.3	69.4	80.3	89.1	106.9	116.9	129.6	151.1
Minority interests		(0.2)	(0.2)	(0.1)	(0.8)	(0.8)	(0.9)	(1.0)	(1.1)
Shareholders' equity		61.1	69.2	80.2	88.3	106.1	116.0	128.6	150.0
CASH FLOW									
Op Cash Flow before WC and tax		23.3	26.0	27.6	29.7	33.0	41.7	49.2	55.0
Working capital		4.2	(0.3)	(4.1)	(4.6)	(6.1)	0.4	(12.3)	(5.4)
Exceptional & other		0.4	(0.5)	1.9	0.6	5.1	(6.3)	(0.4)	0.0
Tax		(4.3)	(5.0)	(3.6)	(4.7)	(4.1)	(6.1)	(4.4)	(8.3)
Net operating cash flow		23.6	20.2	21.8	21.0	27.9	29.7	32.1	41.3
Capex		(4.7)	(3.2)	(5.8)	(5.4)	(6.8)	(10.1)	(15.5)	(11.2)
Acquisitions/disposals		(1.6)	0.1	0.1	(8.3)	0.1	(18.3)	(35.6)	0.0
Net interest		(0.5)	(0.3)	(0.1)	(0.1)	(0.2)	(0.2)	(1.4)	(1.8)
Equity financing		(0.5)	0.1	(0.2)	0.0	0.2	(0.2)	0.0	0.0
Dividends		(9.1)	(10.1)	(11.0)	(12.2)	(13.1)	(14.2)	(15.5)	(16.2)
Other		0.5	0.2	0.1	0.2	0.0	0.0	0.0	0.0
Net Cash Flow		7.7	7.0	4.9	(4.8)	8.1	(13.3)	(35.8)	12.1
Opening net debt/(cash)		18.6	10.6	3.5	(1.3)	3.7	(3.7)	9.0	44.8
FX		0.3	0.1	(0.1)	(0.2)	(0.5)	0.7	0.0	0.0
Other non-cash movements		0.0	0.0	0.0	0.1	(0.2)	(0.1)	0.0	0.0
Closing net debt/(cash)		10.6	3.5	(1.3)	3.7	(3.7)	9.0	44.8	32.7

Source: XP Power, Edison Investment Research

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