

EMIS Group

FY20 results

Back on the growth track

Throughout FY20, EMIS focused on helping its customer base in the fight against COVID-19, adapting its solutions to support testing and treatment of the disease and the vaccine roll-out programme. EMIS reported flat revenue and adjusted operating profit for the year and has indicated that it expects growth to resume in FY21. Development of the EMIS-X platform, started in 2018, positions the company well to meet the evolving needs of the healthcare sector, opening up opportunities in health data analytics and collaboration between the health and life sciences sectors.

Year end	Revenue (£m)	PBT* (£m)	Diluted EPS* (p)	EMIS adj. dil EPS** (p)	DPS (p)	P/E (x)
12/19	159.5	41.0	53.5	51.1	31.2	20.6
12/20	159.5	43.4	56.4	50.4	32.0	19.6
12/21e	164.1	43.8	56.2	53.2	34.0	19.7
12/22e	172.7	46.5	59.7	57.4	35.0	18.5

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **EMIS adjusted EPS – cash accounts for development costs and excludes exceptional items and amortisation of acquired intangibles.

FY20: Stable performance despite pandemic

EMIS reported flat revenues and adjusted operating profit for FY20, helped by the Pinnacle Systems acquisition in March, with an adjusted EPS decline of 1%. EMIS Health saw revenue growth of 7% y-o-y due to stronger demand for mobile working solutions. EMIS Enterprise saw a 12% revenue decline as it was more difficult to sign new business and implementations were delayed. The company increased net cash by 70% to £53m at year-end, helped by a £7m VAT deferral.

Forecasting a return to growth

Throughout FY20, the company was focused on supporting its customers and workforce while continuing with its product development roadmap. COVID-19 has acted as a catalyst to speed up the adoption of digital healthcare, highlighting the importance of innovative and connected software. Management expects to return to growth in FY21, which should accelerate in FY22/23 as investment in product development starts to pay off. We have made minor changes to our forecasts: FY21 and FY22 adjusted EPS increase by 0.2% and 1.0% respectively and we introduce FY23 forecasts.

Valuation: At a discount to peers

Compared to a global group of healthcare software peers, EMIS trades at a discount on all valuation metrics. EMIS generates significantly higher operating profit margins but, with slightly slower revenue growth, generates lower earnings growth. Its dividend yield is significantly ahead of the group. Key to closing the discount will be evidence that revenue growth is returning to the company's medium-term goal of mid- to high single digits, in turn driving stronger earnings growth. We note that EMIS has good visibility (recurring revenue was 82% in FY20) and a strong balance sheet with no debt.

Software & comp services

22 March 2021

Price 1,104p
Market cap £699m

Net cash (£m) at end FY20	53.0
Shares in issue	63.3m
Free float	98%
Code	EMIS
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	1.5	4.2	35.6
Rel (local)	0	0.5	(1.1)
52-week high/low	1,188p	884p	

Business description

EMIS is a software supplier to the UK healthcare market, with two divisions. EMIS Health supplies integrated care technology to the NHS, including primary, community, acute and social care. EMIS Enterprise is a business-to-business software provider to the healthcare market, including medicines management, partner businesses, patient-facing services and healthcare analytics.

Next events

AGM 6 May 2021

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Review of FY20 results

Exhibit 1: FY20 results highlights					
£'000s	FY19a	FY20e	FY20a	Diff	y-o-y
Revenues	159,507	158,807	159,453	0.4%	(0.0%)
Normalised operating profit	40,794	42,847	43,020	0.4%	5.5%
Normalised operating margin	25.6%	27.0%	27.0%	(0.0%)	
Reported operating profit	26,827	34,543	35,776	3.6%	33.4%
EMIS adjusted* operating profit	39,273	37,847	39,266	3.7%	(0.0%)
EMIS adjusted* operating margin	24.6%	23.8%	24.6%	0.8%	
Normalised EPS (p)	53.5	55.7	56.4	1.1%	5.4%
Reported EPS (p)	36.0	46.2	48.1	4.1%	33.5%
EMIS adjusted* EPS (p)	51.1	49.3	50.4	2.3%	(1.2%)
Dividend per share (p)	31.2	32.0	32.0	0.0%	2.6%
Net cash/(debt)	31,099	45,061	53,008	17.6%	70.4%

Source: EMIS, Edison Investment Research. Note: *EMIS adjusted measures cash account for development costs and exclude exceptional items and amortisation of acquired intangibles.

EMIS reported flat revenues y-o-y at the group level, with 4% growth in recurring revenues which represented 82% of group revenue. Pinnacle Systems contributed revenue of £2.2m from the date of acquisition; underlying revenue declined 1.4% y-o-y. The company won £28m in new business in the year, despite the customer base being focused on dealing with COVID-19. Adjusted operating profit was also flat y-o-y, coming in 3.7% ahead of our forecast (down 1.8% once Pinnacle System's £0.7m contribution is excluded). This translated into a 1.2% decrease in adjusted diluted EPS (due to higher diluted average share count compared to FY19). The company noted that it did not furlough any staff nor make any redundant.

The company reported two exceptional items in FY20: a £1.02m credit due to the reduction in contingent consideration for Dovetail and £0.78m income, which was the final receipt from the disposal of Specialist & Care in FY18.

Net cash grew by 70% y-o-y, helped by operating cash flow of £52.4m, which was boosted by the deferred VAT payment of £7.3m. The company reduced capex in FY20 to £2.9m (FY19: £5.8m) and benefited from the £2.5m proceeds from the old head office disposal. Capitalised development costs of £6.6m were lower than our £8.0m forecast. The company spent £2.9m to acquire Pinnacle Systems in March, paid £0.8m in final deferred contingent consideration for Dovetail and acquired the remaining 10% of Dovetail for £0.6m.

The company announced a final dividend of 16p per share to make a full year dividend of 32p per share (in line with our forecast).

Divisional performance

Exhibit 2 summarises revenues and operating profit by division.

EMIS Health: Revenue +7%, adjusted operating profit +8%

The division managed to grow revenues 6.9% y-o-y. H1 revenues were slightly stronger than H2, reflecting a boost in hardware sales as customers kitted out their staff for mobile working. This resulted in adjusted operating profit growth of 7.8% and margin expansion from 23.1% to 23.3%.

Exhibit 2: Divisional performance, FY19–20

£m	FY19a	FY20e	FY20a	Diff	y-o-y
<u>Revenues</u>					
EMIS Health	100.9	105.4	107.8	2.2%	6.9%
EMIS Enterprise	58.6	53.4	51.7	-3.1%	(11.9%)
Total	159.5	158.8	159.5	0.4%	(0.0%)
<u>Adjusted operating profit</u>					
EMIS Health	23.3	24.8	25.1	1.2%	7.8%
EMIS Enterprise	17.5	14.6	15.7	7.7%	(10.4%)
Central costs	(1.5)	(1.5)	(1.5)	0.7%	0.3%
Total adjusted operating profit	39.3	37.8	39.3	3.7%	(0.0%)
<u>Reported operating profit</u>					
EMIS Health	16.0	25.7	23.8	-7.5%	48.6%
EMIS Enterprise	12.3	10.3	13.5	30.7%	9.5%
Central costs	(1.5)	(1.5)	(1.5)	0.7%	0.3%
Total reported operating profit	26.8	34.5	35.8	3.6%	33.4%
<u>Adjusted operating margin</u>					
EMIS Health	23.1%	23.5%	23.3%	(0.2%)	0.2%
EMIS Enterprise	29.9%	27.3%	30.4%	3.1%	0.5%
Total adjusted operating margin	24.6%	23.8%	24.6%	0.8%	0.0%
<u>Reported operating margin</u>					
EMIS Health	15.9%	24.4%	22.1%	(2.3%)	6.2%
EMIS Enterprise	21.0%	19.3%	26.1%	6.7%	5.1%
Total reported operating margin	16.8%	21.8%	22.4%	0.7%	5.6%

Source: EMIS, Edison Investment Research

In **Primary Care**, the business in England successfully transitioned to the GP IT Futures framework. In Scotland, EMIS continues to maintain its PCS system. In Northern Ireland, it secured an extension to the GP Systems of Choice framework until April 2022 and it will continue to deliver GP systems under the existing arrangements. In Wales, the company's contract has been extended until the end of FY21 while the Welsh government undertakes a new tender for services. EMIS has not lost any practices in Wales. Overall, EMIS maintained its 57% share of the UK GP market.

EMIS made various enhancements to EMIS Web, including adding capability for Fast Healthcare Interoperability Resource (FHIR). As a standard for exchanging healthcare information, this is an important feature that will support EMIS's strategy to both develop its own interoperable products and partner with other technology providers.

In **Community Care**, the company maintained its number two position with market share of 20% (FY19: 21%). The company retained its joint leadership position in **Acute A&E** at 21% (FY19 23%).

EMIS Enterprise: Revenue -12%, adjusted operating profit -10%

EMIS Enterprise saw an 11.9% revenue decline in FY20 – it was more difficult to sign new business and some implementations were delayed due to lockdown. Good control over costs limited the decline in adjusted operating profit to 10.4%, with the margin increasing from 29.9% to 30.4%.

Community pharmacy maintained its leading position and market share increased by 2pp to 38%. Overall demand was down as fewer patients visited pharmacies. The Outcomes4Health solution from Pinnacle Systems was selected for use in the vaccination programme in England and is being used in 1,400 vaccination centres (all venues except hospitals). As at 1 March, it had supported 14.9m vaccinations. **Hospital pharmacy** maintained its number two position with a market share of 36% (FY19: 35%).

EMIS launched its first cloud-based ProScript Connect module – Clinical Service Hub – which enables customers to deliver and record services they provide under the Patient Group Directions initiative.

EMIS launched **EMIS-X** Analytics in October 2020 and the response to date has been positive. The company has secured pilot contracts with 25 NHS organisations for the Explorer analytics product.

EMIS has also supported large-scale epidemiological COVID-19 research with NHS England and researchers from Oxford University and the London School of Tropical Hygiene and Medicine. It has also contracted with Oxford University and a global biopharmaceutical business to help recruit and screen patients for a major clinical research project in the treatment of COVID-19.

EMIS is collaborating with a top five global pharmaceutical company to implement a neural network – according to EMIS, this will be the first non-image-based AI deployed in healthcare. It will be implemented in EMIS Web to help early detection of atrial fibrillation and reduce the occurrence of strokes across the UK.

Patient generally saw an increase in all metrics through the year, with the one exception being GP appointment bookings due to the lack of availability of appointment slots and an unwillingness by many patients to consult their GPs during the worst of the pandemic. Patient Access expects to launch its Smart Pharmacy service in 2021 – this will enable patients to order, track and opt for home delivery of their medications from their local pharmacy. Patient also worked with Pinnacle Systems during the year to provide Patient Access Connect, a new GP patient referral service (part of Patient Access for Professionals) that allows practice staff to triage patients and refer them to a community pharmacy in instances where they do not need to see a GP.

Exhibit 3: Patient performance statistics

	FY19	FY20	y-o-y
Patient Access registered users - m	8.4	11.7	39%
Appointment bookings (digital or face-to-face) - m	6.7	2.5	-63%
Repeat prescriptions - m	20.2	23.5	16%
Private pharmacy consultations	14,000	41,415	196%
Pharmacy NHS flu vaccinations	8,700	15,356	77%
Patient.info unique users - m	42	80	90%
Patient.info pages viewed - m	109	166	52%

Source: EMIS

EMIS increased the number of **partners** that offer products which interoperate with EMIS systems to 143 from 113 at the end of FY19.

Outlook and changes to forecasts

Management expects a return to growth in FY21 and expects product development to drive higher growth from FY22 (within the 5–9% range projected at the capital markets day in November 2018)¹. The company believes that EMIS-X offers significant potential for growth, from both the NHS and life sciences sectors in the medium term. Management also expects that EMIS's flexible business model will enable it to adapt to the proposed changes to the NHS, which call for the integration of health and social care within Integrated Care System organisations, replacing the current system of Clinical Commissioning Groups (CCGs). M&A is a possibility, although management noted that it was not keen on buying expensive start-ups and cited the Pinnacle Systems acquisition as an example of the type of business that is attractive.

We have revised our forecasts to reflect FY20 results, with minor changes to our FY21 and FY22 forecasts. We introduce forecasts for FY23.

¹ [Unveiling EMIS-X](#), 4 December 2018

Exhibit 4: Changes to estimates

£'000s	FY21e				FY22e				FY23e	
	Old	New	Change	y-o-y	Old	New	Change	y-o-y	New	y-o-y
Revenues	164,130	164,139	0.0%	2.9%	169,626	172,741	1.8%	5.2%	182,448	5.6%
Normalised operating profit	43,443	43,440	(0.0%)	1.0%	45,413	46,169	1.7%	6.3%	49,038	6.2%
Normalised operating margin	26.5%	26.5%	(0.0%)		26.8%	26.7%	(0.0%)		26.9%	
Reported operating profit	36,417	36,443	0.1%	1.9%	39,941	40,918	2.4%	12.3%	44,330	8.3%
EMIS adjusted operating profit	40,843	41,100	0.6%	4.7%	43,813	44,429	1.4%	8.1%	47,298	6.5%
Adjusted operating margin	24.9%	25.0%	0.2%		25.8%	25.7%	(0.1%)		25.9%	
Normalised EPS (p)	56.4	56.2	(0.4%)	(0.4%)	58.9	59.7	1.2%	6.2%	63.3	6.2%
Reported EPS (p)	47.5	47.3	(0.4%)	(1.6%)	52.1	53.1	2.0%	12.2%	54.3	2.3%
EMIS adjusted EPS (p)	53.1	53.2	0.2%	5.4%	56.9	57.4	1.0%	8.0%	57.7	0.5%
Dividend per share (p)	34.0	34.0	0.0%	6.3%	35.0	35.0	0.0%	2.9%	36.0	2.9%
Net cash/(debt)	55,518	53,763	(3.2%)	1.4%	69,540	68,435	(1.6%)	27.3%	84,939	24.1%

Source: Edison Investment Research

Valuation

We have widened our peer group to include companies involved in healthcare analytics and medicines management. The tables below show how EMIS compares in terms of financial performance (Exhibit 5) and valuation metrics (Exhibit 6). EMIS is at the top of its peer group in terms of EBIT margins but is at the lower end in terms of revenue growth and consequently earnings growth. It trades at a discount to the peer group average/median on all metrics, with a dividend yield at the top end of the group. Reacceleration of growth will be a key driver of upside. We note that EMIS has c £50m in net cash plus further credit lines (£30m undrawn bank facility plus £30m accordion) available to invest in growth if suitable M&A opportunities present themselves.

Exhibit 5: Peer financial metrics

Company	EBIT margin			EBITDA margin			Rev growth			EPS growth		
	CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1
EMIS	26.5	26.7	26.9	34.0	34.2	33.9	2.9	5.2	5.6	(0.4)	6.2	6.2
EMIS - adjusted	25.0	25.7	25.9	34.0	34.2	33.9	2.9	5.2	5.6	5.4	8.0	0.5
Allscripts Healthcare Solutions	8.9	9.4	9.0	16.3	17.3	17.8	(8.0)	1.6	1.6	(7.7)	13.9	10.1
Cegedim	6.6	7.1	7.6	20.4	20.9	21.3	-1.8	3.0	4.0	524.1	19.1	13.5
Cerner Corp	20.7	21.4	22.2	32.5	33.2	33.2	5.7	5.2	4.8	11.2	12.6	11.8
Computer Programs and Systems	N/A	N/A	N/A	17.3	18.7	20.2	4.1	5.6	7.7	11.4	14.6	12.0
Craneware	28.0	27.5	27.6	34.5	34.1	33.9	4.9	6.1	7.7	0.5	2.2	6.6
CompuGroup	14.8	16.1	17.7	21.8	23.0	24.0	19.3	5.5	4.1	3.4	13.9	10.3
Health Catalyst	(14.3)	(7.2)	(14.5)	(6.2)	0.8	6.3	20.7	20.6	20.0	N/A	N/A	N/A
Inovalon Holdings	28.4	20.9	17.6	35.9	36.6	37.8	13.3	10.3	8.6	20.3	22.8	18.9
Nexus	13.8	15.0	17.0	23.2	23.8	25.4	12.8	9.9	6.2	15.0	19.9	34.0
NextGen Healthcare	15.2	14.6	15.1	20.1	19.8	20.8	2.3	4.4	4.2	16.5	2.3	7.0
Omniceal	13.7	15.0	14.6	21.2	22.3	23.3	22.4	11.9	12.7	39.2	12.0	8.8
OPTIMIZERx Corp	N/A	N/A	N/A	8.0	19.9	27.2	28.6	32.5	55.3	121.3	83.1	111.1
Pharmagest Interactive	26.7	26.8	26.9	30.2	31.1	31.7	8.3	11.9	11.3	14.3	15.7	12.4
Tabula Rasa HealthCare	(7.2)	(5.0)	(5.0)	8.2	9.7	12.0	14.8	16.1	19.4		177.4	24.0
Average	12.9	13.5	13.0	20.2	22.2	23.9	10.5	10.3	12.0	64.1	31.5	21.6
Median	14.3	15.0	16.1	20.8	21.6	23.6	10.6	8.0	7.7	14.6	14.6	12.0

Source: Edison Investment Research, Refinitiv (as at 17 March)

Exhibit 6: Peer valuation metrics

	Share	Market	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		P/E (x)		Div yield (%)	
	price	cap (m)	CY	NY	CY	NY	CY	NY	CY	NY	CY	NY
EMIS	£11.04	699	3.9	3.7	11.6	10.9	14.9	14.0	19.7	18.5	3.1	3.2
EMIS - adjusted profitability			3.9	3.7	11.6	10.9	15.7	14.5	20.8	19.2	3.1	3.2
Allscripts Healthcare Solutions	\$15.37	2152	1.2	1.2	7.3	6.8	13.3	12.5	21.9	19.2	0.0	0.0
Cegedim	€ 24.70	347	1.2	1.2	5.9	5.6	18.2	16.4	19.8	16.6	0.0	0.0
Cerner Corp	\$72.20	22114	3.8	3.7	11.8	11.0	18.6	17.1	22.9	20.3	1.1	0.8
Computer Programs and Systems	\$32.68	479	2.0	1.9	11.4	10.0	N/A	15.9	13.3	11.6	4.9	4.9
Craneware	£22.00	590	10.3	9.7	29.9	28.6	36.9	35.4	47.2	46.2	0.0	0.0
CompuGroup	€ 71.25	3838	4.3	4.1	19.8	17.7	29.2	25.3	36.6	32.2	0.8	0.8
Health Catalyst	\$47.66	2099	8.8	7.3							0.0	0.0
Inovalon Holdings	\$27.41	4258	6.7	6.1	18.6	16.5	23.5	29.0	36.8	29.9	0.0	0.0
Nexus	€ 57.20	903	4.8	4.4	20.9	18.5	35.1	29.4	52.4	43.7	0.3	0.4
NextGen Healthcare	\$19.35	1296	2.2	2.1	11.1	10.8	14.7	14.6	20.0	19.6	0.0	0.0
Omniceil	\$140.88	6064	5.5	4.9	26.1	22.1	40.4	32.9	39.9	35.6	N/A	N/A
OPTIMIZERx Corp	\$52.54	883	15.7	11.8	196.1	59.4	N/A	N/A	118.7	64.9	N/A	N/A
Pharmagest Interactive	€ 98.20	1494	8.7	7.8	29.0	25.1	32.7	29.2	45.5	39.3	1.1	1.2
Tabula Rasa HealthCare	\$44.55	1100	3.9	3.4	47.7	34.9	N/A	N/A	287.4	103.6		
Average			5.7	5.0	33.5	20.6	26.3	23.4	58.6	37.1	0.7	0.7
Median			4.6	4.2	19.8	17.7	26.3	25.3	36.8	32.2	0.0%	0.0%

Source: Edison Investment Research, Refinitiv (as at 17 March)

Exhibit 7: Financial summary

	£'000s	2016	2017	2018	2019	2020e	2021e	2022e	2023e
Year end 31 December									
PROFIT & LOSS									
Revenue		158,712	160,354	149,710	159,507	159,453	164,139	172,741	182,448
Cost of Sales		(14,151)	(14,674)	(14,236)	(15,407)	(20,335)	(15,387)	(16,751)	(18,549)
Gross Profit		144,561	145,680	135,474	144,100	139,118	148,752	155,990	163,899
EBITDA		52,288	49,222	48,919	55,632	53,536	55,740	59,069	61,938
Operating Profit (before amort. of acq. intang, SBP and except.)		38,897	34,895	32,991	40,794	43,020	43,440	46,169	49,038
EMIS adjusted operating profit		38,753	37,406	35,890	39,273	39,266	41,100	44,429	47,298
Amortisation of acquired intangibles		(6,639)	(6,717)	(6,202)	(7,317)	(6,824)	(5,557)	(3,812)	(3,268)
Exceptionals		(6,714)	(16,988)	1,657	(5,360)	1,802	0	0	0
Share-based payments		(473)	(550)	(766)	(1,290)	(1,440)	(1,440)	(1,440)	(1,440)
Operating Profit		25,071	10,640	27,680	26,827	36,558	36,443	40,918	44,330
Net Interest		(237)	(299)	(180)	(498)	(501)	(500)	(500)	(500)
Profit Before Tax (norm)		39,159	35,192	33,426	41,038	43,377	43,798	46,527	49,396
Profit Before Tax (FRS 3)		25,333	10,937	28,115	27,071	36,915	36,801	41,276	44,688
Tax		(5,208)	(2,074)	(5,355)	(5,022)	(6,794)	(6,992)	(7,842)	(10,502)
Profit After Tax (norm)		32,175	27,989	26,447	33,697	35,658	35,476	37,687	40,011
Profit After Tax (FRS3)		20,125	8,863	22,760	22,049	30,121	29,809	33,433	34,186
Average Number of Shares Outstanding (m)		62.8	62.9	63.0	62.9	62.9	63.0	63.0	63.0
EPS - normalised & diluted (p)		49.4	43.1	40.4	53.5	56.4	56.2	59.7	63.3
EPS - EMIS adjusted & diluted (p)		49.2	47.0	45.0	51.1	50.4	53.2	57.4	57.7
EPS - FRS 3 (p)		30.4	12.8	36.1	36.0	48.1	47.3	53.1	54.3
Dividend (p)		23.4	25.8	28.4	31.2	32.0	34.0	35.0	36.0
Gross Margin (%)		91.1%	90.8%	90.5%	90.3%	87.2%	90.6%	90.3%	89.8%
EBITDA Margin (%)		32.9%	30.7%	32.7%	34.9%	33.6%	34.0%	34.2%	33.9%
Operating Margin (before GW and except.) (%)		24.5%	21.8%	22.0%	25.6%	27.0%	26.5%	26.7%	26.9%
BALANCE SHEET									
Fixed Assets		133,292	122,979	117,920	101,089	105,518	101,319	98,765	96,756
Intangible Assets		110,953	100,844	96,807	82,345	85,295	80,238	76,326	72,959
Tangible Assets		22,187	22,037	21,000	18,399	19,870	19,870	20,370	20,870
Other fixed assets		152	98	113	345	353	1,211	2,069	2,927
Current Assets		46,088	56,900	53,107	67,278	87,170	91,659	108,099	126,598
Stocks		1,815	1,633	1,264	657	613	613	613	613
Debtors		39,970	40,148	36,223	33,047	29,993	33,727	35,495	37,489
Cash		4,303	13,991	15,620	31,099	53,008	53,763	68,435	84,939
Current Liabilities		(56,158)	(65,131)	(60,169)	(55,700)	(63,370)	(55,645)	(58,509)	(61,741)
Creditors		(51,425)	(65,131)	(60,169)	(55,060)	(62,380)	(54,655)	(57,519)	(60,751)
Lease liabilities		0	0	0	(640)	(990)	(990)	(990)	(990)
Short term borrowings		(4,733)	0	0	0	0	0	0	0
Long Term Liabilities		(9,080)	(6,734)	(8,199)	(8,469)	(10,180)	(8,340)	(6,831)	(7,436)
Long term borrowings		0	0	0	0	0	0	0	0
Lease liabilities		0	0	0	(3,294)	(5,891)	(5,380)	(4,869)	(4,358)
Other long-term liabilities		(9,080)	(6,734)	(8,199)	(5,175)	(4,289)	(2,960)	(1,962)	(3,078)
Net Assets		114,142	108,014	102,659	104,198	119,138	128,994	141,525	154,176
CASH FLOW									
Operating Cash Flow		43,657	48,834	49,873	50,059	64,138	46,280	60,166	63,176
Net Interest		(324)	(356)	(214)	(93)	(54)	(500)	(500)	(500)
Tax		(7,655)	(8,139)	(5,830)	(4,466)	(11,684)	(8,322)	(8,840)	(9,385)
Capex		(12,084)	(11,342)	(12,767)	(13,119)	(9,491)	(11,800)	(12,300)	(12,300)
Acquisitions/disposals		(1,790)	329	(9,269)	5,152	(953)	(2,000)	0	0
Financing		881	571	906	(2,369)	1,324	(500)	(500)	(500)
Dividends		(14,006)	(15,476)	(21,070)	(18,745)	(19,860)	(20,893)	(21,842)	(22,475)
Net Cash Flow		8,679	14,421	1,629	16,419	23,420	2,266	16,184	18,015
Opening net debt/(cash)		9,109	430	(13,991)	(15,620)	(31,099)	(53,008)	(53,763)	(68,435)
Finance leases initiated		0	0	0	(940)	(1,511)	(1,511)	(1,511)	(1,511)
Other		0	0	0	0	0	(0)	0	0
Closing net debt/(cash)		430	(13,991)	(15,620)	(31,099)	(53,008)	(53,763)	(68,435)	(84,939)

Source: EMIS, Edison Investment Research

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