

EMIS Group

FY18 results

Returning to innovative roots

After a year of improving the customer-facing elements of the business and investing in development resources, EMIS has entered FY19 ready to accelerate the pace of innovation in healthcare technology. Its presence in each care setting gives it a strong position from which to develop software that provides a single view of the patient as well as applications that mitigate the pressures on front-line clinicians and allow patients to manage their own care more effectively.

Year end	Revenue (£m)	PBT* (£m)	Dil EPS* (p)	EMIS adj. dil. EPS** (p)	DPS (p)	P/E (x)
12/17	160.4	35.2	43.1	47.0	25.8	24.2
12/18	170.1	35.1	42.7	47.3	28.4	24.5
12/19e	178.7	42.3	54.2	51.3	30.0	19.3
12/20e	187.2	46.2	59.3	56.5	32.0	17.6

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.

FY18: Fixing problems, starting technology upgrade

EMIS reported FY18 revenues and profits substantially in line with our forecasts. Net cash was higher than forecast due to a lower final cost to fix the NHS Digital support issues as well as lower working capital requirements. Much of the year was spent improving customer service across the group and developing the technology roadmap to upgrade EMIS Web and align with the NHS Long-Term Plan. We have revised our forecasts to reflect slightly better growth in Community Pharmacy (CP) and Acute, upgrading adjusted diluted EPS by 3.6% in FY19 and 3.5% in FY20.

Outlook: Evolving technology to meet NHS requirements and drive growth from other sources

With previous customer support issues resolved and the customer service function strengthened across the group, the business is now focused on driving innovation in healthcare software. By April, half of EMIS's developers will be working on the build of the EMIS-X platform. By the summer, the company should know if it has been selected for the IT Futures framework for GP software in England – our forecasts assume no change in market share or revenue per practice. The Patient marketplace is scheduled for launch in H219; this is a key plank in the company's strategy to drive growth from the private sector.

Valuation: IT Futures decision the next catalyst

The share price has gained 21% over the last three months, following confirmation that the NHS Digital service issue had been resolved within the budgeted provision, but EMIS continues to trade at a discount to peers on P/E basis. Uncertainty over the outcome of IT Futures is likely to weigh on the share price in the short term (decision expected in the summer); while we think it highly unlikely that EMIS would not be selected for the framework, there is still uncertainty around pricing, technical requirements and the future competitive environment. In the longer term, evidence that the company is making progress towards the targets set at the recent capital markets day will be the key catalyst for share price upside.

Software and comp services

26 March 2019

Price 1,044p
Market cap £661m

Net cash (£m) at end FY18	15.6
Shares in issue	63.3m
Free float	98%
Code	EMIS
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	10.6	20.8	34.0
Rel (local)	11.1	12.4	30.9
52-week high/low	1,050p	788p	

Business description

EMIS is a clinical software supplier to the primary, community and acute care markets in the UK and provides software to the community pharmacy and specialist ophthalmology markets. Its Patient business provides medical and wellbeing information as well as transactional services to patients.

Next events

H119 trading update	July 2019
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Review of FY18 results

Exhibit 1: FY18 results highlights					
£000s	FY17	FY18e	FY18	Change	y-o-y
Revenues	160,354	170,420	170,070	(0.2%)	6.1%
Normalised operating profit	34,895	36,360	34,709	(4.5%)	(0.5%)
Reported operating profit	10,640	28,642	28,740	0.3%	170.1%
EMIS adjusted* operating profit	37,406	37,336	37,608	0.7%	0.5%
Normalised EPS (p)	43.1	45.4	42.7	(6.1%)	(0.9%)
Reported EPS (p)	12.8	36.2	36.1	(0.4%)	181.7%
EMIS adjusted EPS (p)	47.0	47.0	47.3	0.6%	0.5%
Net cash/(debt)	13,991	4,196	15,620	272.3%	11.6%

Source: EMIS, Edison Investment Research. Note: *Cash accounts for development costs and excludes exceptional items and amortisation of acquired intangibles.

Exhibit 2: Divisional revenues and profitability					
£m	FY17	FY18e	FY18	Difference	y-o-y
Revenues					
Primary, Community & Acute Care	117.6	122.3	121.7	(0.5%)	3.5%
Community Pharmacy	21.9	24.6	25.0	1.8%	14.4%
Specialist & Care (S&C)	18.0	20.2	20.4	0.7%	13.2%
Patient	2.9	3.3	3.0	(9.2%)	3.9%
Total revenues	160.4	170.4	170.1	(0.2%)	6.1%
Adjusted operating profit					
Primary, Community & Acute Care	34.9	33.8	33.6	(0.7%)	-3.7%
Community Pharmacy	5.6	7.3	7.6	4.2%	34.6%
Specialist & Care	0.1	1.0	1.1	8.7%	699.3%
Patient	(1.9)	(3.4)	(3.2)	(5.1%)	71.3%
Central costs	(1.4)	(1.4)	(1.5)	3.8%	7.1%
Total adjusted operating profit	37.4	37.3	37.6	0.7%	0.5%
Reported operating profit					
Primary, Community & Acute Care	9.5	25.2	24.7	(2.1%)	160.5%
Community Pharmacy	4.8	6.0	6.4	5.6%	34.3%
Specialist & Care	(0.7)	0.4	0.5	24.5%	(161.6%)
Patient	(1.5)	(1.5)	(1.3)	(14.8%)	(11.8%)
Central costs	(1.4)	(1.4)	(1.5)	3.8%	7.1%
Total reported operating profit	10.6	28.7	28.7	0.3%	170.1%
Adjusted operating margin					
Primary, Community & Acute Care	29.7%	27.7%	27.6%	(0.1%)	(2.1%)
Community Pharmacy	25.7%	29.6%	30.2%	0.7%	4.5%
Specialist & Care	0.8%	5.1%	5.5%	0.4%	4.7%
Patient	(64.9%)	(102.2%)	(106.9%)	(4.7%)	(42.0%)
Total adjusted operating margin	23.3%	21.9%	22.1%	0.2%	(1.2%)

Source: EMIS, Edison Investment Research

EMIS reported 6.1% revenue growth in FY18, marginally below our forecast. Recurring revenues made up 83% of total revenues and grew 5.4% y-o-y. Primary, Community and Acute Care revenues came in slightly below our forecast, but were up 3.5% year-on-year, helped by the signing of a perpetual licence in the acute business for legacy software. CP saw strong growth of 14.4%, as it benefited from the roll-out of ProScript Connect to its direct customer base. Specialist and Care grew 13.2% y-o-y, as new contracts signed in FY17 took full effect in FY18. Patient revenues only grew 3.9% y-o-y, with H218 revenues flat versus H118. The company noted that changes in Google algorithms reduced traffic in H2.

Adjusted operating profit was marginally ahead of our forecast, resulting in an adjusted operating margin of 22.1%. This declined from the 23.3% achieved in FY17 mainly due to increased investment in headcount to deal with the customer support issues, but also to support the development of the EMIS-X platform.

Adjusted diluted EPS of 47.3p was slightly higher than we forecast and grew 0.5% y-o-y, tracking the growth in adjusted operating profit.

The company announced a final dividend of 14.2p per share, to make a full year dividend of 28.4p (+10% y-o-y).

On a reported basis, the company benefited from a £1.7m exceptional credit. In FY17, the company had made an £11.2m provision to cover the costs of the NHS Digital service issue uncovered early last year. The company ended up resolving the issues for a total cost of £9.5m. This credit was offset by higher than expected amortisation of capitalised development costs – overall reported EPS was substantially in line with our forecast.

At year-end, net cash stood at £15.6m, c £11m ahead of our forecast. Of the difference, £1.7m was accounted for by the lower than expected exceptional charge. The remainder was due to lower than expected working capital at year-end.

Update on strategic priorities

With the customer support issue in England now resolved, EMIS's strategic priorities are:

- **Being selected for the IT Futures framework.** The pre-procurement phase has several weeks more to run after which the formal 45-day procurement phase starts. The company expects to hear whether it has been successful in the summer. EMIS believes it is well positioned going into this phase, as the core capabilities required for the new framework are largely already available in EMIS Web. In addition, it has been developing solutions to meet the non-core capabilities.
- **Developing the EMIS-X platform.**¹ Development of the platform is well underway, with close to half of developers to be focused on it from April. This will be the core platform that all EMIS software will be based on. It is being developed to align with the NHS Long-Term Plan, which recognises that the NHS needs a single view of a patient's interactions across the entire healthcare spectrum. The company has also boosted its clinical team to 64 – this includes doctors, nurses, consultants and pharmacists – to ensure its products not only work well with existing clinical processes but also maintain the highest levels of patient safety. The company has received approval from NHS Digital to shift data from its own datacentres to Amazon Web Services.

Business update

Primary, Community and Acute Care (72% of FY18 revenues)

In **Primary Care**, the company grew its share of the UK GP market by 1% to 57%. The company was selected for the NHS National Services Scotland (NSS) framework to supply software to Scottish GPs (where it has a market share of c 54%). The company expects to develop software on the EMIS-X platform to meet the requirements of the new framework.

Since the start of 2018, the company has been working to strengthen its customer support function. It has invested in a new service management software solution, ServiceNow, which will be used across all three care settings and by Egton; the roll-out started towards the end of Q1. The software will provide one online portal for all support and training requirements.

¹ Unveiling EMIS-X, December 2018

In conjunction with Patient and Primary Care, Egton launched the Online Triage solution towards the end of last year; 74 practices have since signed up to use it. Egton is also seeing strong demand for its digitisation service (converting paper records to digital records).

The **Community Care** business grew its market share from 17% to 20% over the year and maintained its number two position, with 100% customer retention. As highlighted at interim results last year, the business completed all 18 outstanding legacy contracts by year end. The business has 37 customers and won 90 new deals in FY18, which ranged from new software installations to training packages. Management sees scope for growing this market, with various greenfield areas that it could supply. An example is the hospice sector; it supplied clinical systems to 11 additional hospices in FY18.

The direction of the NHS is towards increasing interoperability between different care settings. Within primary care, via EMIS Web GP users can access 149 partner products from 104 different partners. In community care, all customers can use EMIS software to securely exchange data with other local services. The business is focused on working with the recently formed integrated care system areas – these evolved out of the sustainability and transformation partnerships that were formed in 2016 – and bring together NHS organisations and local councils.

The **Acute** business moved to a joint leadership position in A&E (from 19% to 22% market share) and maintained its number two position in hospital pharmacy (from 29% to 36% market share). As for community care, the vast majority of legacy contracts were completed (29 out of 30, with the remaining project expected to be completed in H119). Aside from the sale of a perpetual licence for legacy software to the Northern Territory Government of Australia, the business also won two new contracts for Symphony and one to deploy EMIS Health software into hospital pharmacy. It has also re-engaged in the national rollout of Symphony in Wales.

Community Pharmacy (15% of FY18 revenues)

This business continues to perform well. A market share of 37% was maintained, as was its position as joint market leader. The rollout of ProScript to direct customers is 95% complete. In FY18 CP signed up 54 new group customer branches and c £1.4m in contracted value.

The work the group has undertaken to improve customer service was extended to CP. The division saw a 16% reduction in support calls per customer per month in 2018 and a 19% improvement in its overall customer service satisfaction score.

Specialist and Care (12% of FY18 revenues)

The Specialist software business maintained its leadership position for diabetic retinopathy screening software in England, although its share slipped to 74% from 76%. It is working with the national NHS diabetic eye screening programme to increase screening intervals to free up capacity and increase the number of patients that can be screened.

The Care screening business maintained its leading position in outsourced diabetic eye screening. It extended contracts with Central Mersey and Ireland DESP and won a new contract for digital surveillance of optical coherence tomography for Ireland. The profitability of this business improved as a result of the restructuring and the ramp up of new contracts that started in 2017.

Patient (2% of FY18 revenues)

As planned, the business launched version two of the Patient Access app in H118. This means that video consultation and online triage can be offered via the app. Over H218, unique users booking appointments with the app increased by 25% and those ordering repeat medications increased by 44%.

The majority of revenues in this business are generated from advertising. Since the end of H118, a change in Google algorithms reduced traffic to the patient.info site and had a negative impact on advertising revenues in H218, such that Patient H218 revenues were marginally lower than in H118. We note that Patient.info has been affected by Google search algorithms changing in the past; in our view this is an ongoing cost of doing business when the majority of traffic is generated via Google.

In H218, the business focused on building Patient Access for Professionals (known as the Patient marketplace). This will include community pharmacy and other health professional services such as physiotherapy and is due for launch in H219, at which point we would expect revenues to start to ramp up.

Product development

In addition to the work underway to build the EMIS-X platform, product development is ongoing within each business line. Examples include:

- EMIS Mobile: app for community care, available on Apple, Android and Windows devices.
- Digital child health functionality to support the NHS Healthy Children programme.
- A solution to enable sharing of data from GPs and the Child Protection Information Service with A&E.
- Falsified Medicines Directive module for ProScript Connect.
- Technology to support the delivery of Patient Group Direction services within pharmacies, eg smoking cessation, flu jabs, travel vaccinations. This will link into the upcoming Patient marketplace.
- As a result of the acquisition of Dovetail in October 2018, the company is developing blockchain technology and expects to provide more information on this in the coming months.

The company now has a core technology team totalling 450, up 150 over the year, and expects nearly half this number will be working on the development of EMIS-X by 1 April.

Outlook and changes to forecasts

The company expects to generate revenue growth at a similar rate to FY18 and adjusted operating profit growth in the mid-single digits. We have revised our forecasts to take account of the following:

- **Revenues:** we have reduced our forecasts for Patient to reflect the lower level of traffic in H218. We have increased our revenue growth assumption for CP and Acute Care based on a higher than expected rate of growth in FY18. Overall, our revenue forecast increases by 1.1% in FY19 and 1.6% in FY20.
- **Adjusted operating profit:** higher revenues result in an increase in adjusted operating profit of 3.1% in FY19 and 4.3% in FY20.
- **Adjusted EPS:** higher operating profitability drives adjusted EPS increases of 3.6% in FY19 and 3.5% in FY20.
- **Operating leases:** the company will report according to IFRS 16 from 1 January 2019. It had previously expected to capitalise c £7.5m of operating leases with c £8m in related financial liabilities. It has now reduced this to c £3.5m with a smaller impact on lease costs and depreciation.
- **Capex:** we have reduced FY19 and FY20 tangible capex from £7.0m per year to £6.2m per year.
- **Capitalised development costs:** we have increased the rate of capitalisation in FY19 and FY20 from £5.5m per year to £7.0m. We have also increased the related amortisation.

- **Dividend:** we have slightly increased our dividend forecasts for FY19 (29.8p to 30.0p) and FY20 (31.4p to 32.0p) reflecting a pay-out ratio of c 55%.
- **Net cash:** we forecast higher net cash at the end of FY19 and FY20 due to the higher than expected net cash position at the end of FY18. The company guided to close to neutral cash impact from working capital in FY19, compared to the cash inflow of £8.2m from working capital in FY18.

Exhibit 3: Changes to forecasts

£'000s	FY19e		Change	y-o-y	FY20e		Change	y-o-y	FY21e		y-o-y
	Old	New			Old	New			Old	New	
Revenues	176,780	178,742	1.1%	5.1%	184,144	187,170	1.6%	4.7%	195,906	4.7%	
Normalised operating profit	38,999	41,846	7.3%	20.6%	42,180	45,790	8.6%	9.4%	48,482	5.9%	
Reported operating profit	31,281	33,122	5.9%	15.2%	34,701	37,305	7.5%	12.6%	41,234	10.5%	
EMIS adjusted operating profit	38,797	39,993	3.1%	6.3%	42,207	44,015	4.3%	10.1%	47,852	8.7%	
Normalised diluted EPS - p	49.8	54.2	8.8%	27.0%	54.5	59.3	8.7%	9.3%	62.7	5.8%	
Reported basic EPS - p	40.2	43.2	7.5%	19.7%	45.1	48.5	7.7%	12.5%	53.6	10.4%	
EMIS adjusted diluted EPS - p	49.5	51.3	3.6%	8.5%	54.6	56.5	3.5%	10.1%	61.7	9.3%	
Dividend per share - p	29.8	30.0	0.7%	5.6%	31.4	32.0	1.9%	6.7%	34.0	6.3%	
Net cash/(debt)	10,686	26,628	149.2%	70.5%	23,454	40,205	71.4%	51.0%	60,154	49.6%	

Source: Edison Investment Research

Valuation

The EMIS share price has increased 21% over the last 18 months, following confirmation that the NHS Digital service issue had been resolved within the budgeted provision. However, it continues to trade at a discount to peers on a P/E, EV/EBIT and EV/EBITDA basis for FY19e and FY20e (we use our normalised forecasts to calculate these multiples, as we believe this is on the same basis as consensus forecasts for peers). The company generates operating margins at the top end of its peer group, but generates revenue growth just below the average for the group.

Uncertainty over the outcome of IT Futures is likely to weigh on the share price in the short term; although we think it is highly unlikely the company would not be selected for the framework, there is still uncertainty around the price that can be charged and the precise requirements of the software as well as the future competitive environment. In the longer term, evidence that the company is making progress towards the targets set at the recent capital markets day (revenue growth 5–9%, operating margins approaching 30%) will be the key catalysts for share price upside.

Exhibit 4: Peer group valuation multiples

	EV/Sales (x)			P/E (x)			EV/EBIT (x)			EV/EBITDA (x)			Div yield		
	LY	CY	NY	LY	CY	NY	LY	CY	NY	LY	CY	NY	LY	CY	NY
EMIS	3.4	3.2	3.1	23.9	18.8	17.2	16.6	13.8	12.6	11.2	10.3	9.6	2.8%	2.9%	3.1%
EMIS (cash R&D)	3.4	3.2	3.1	21.5	19.9	18.0	15.4	14.4	13.1						
AllScripts	1.3	1.2	1.2	13.8	14.7	13.2	8.3	12.1	11.3	5.6	7.1	6.6	0.0%	0.0%	0.0%
Cegedim	1.1	1.1	1.1	17.7	13.6	11.2	17.6	13.7	11.8	6.8	6.4	5.9	0.0%	2.5%	3.8%
Cerner	3.4	3.2	3.0	23.2	21.8	19.9	17.9	17.1	15.7	11.6	10.7	9.9	0.0%	0.0%	0.0%
Craneware	10.5	8.9	7.7	47.5	39.8	34.6	37.5	31.2	27.0	32.8	27.5	23.9	1.2%	1.3%	1.5%
CompuGroup	4.3	4.2	4.2		21.5	21.2		21.4	20.5	16.9	15.9	15.5	1.0%	0.9%	1.0%
Nexus	2.7	2.5	2.3	36.5	29.8	25.3	20.3	18.1	15.8	13.9	11.5	10.5	0.7%	0.7%	0.8%
NexGen Healthcare	2.0	1.9	1.8	22.4	20.6	17.6	16.7	15.0	11.7	12.3	11.3	10.1	0.0%	0.0%	0.0%
Average	3.6	3.3	3.0	26.8	23.1	20.4	19.7	18.4	16.3	14.3	12.9	11.8	0.4%	0.8%	1.0%
Median	2.7	2.5	2.3	22.8	21.5	19.9	17.8	17.1	15.7	12.3	11.3	10.1	0.0%	0.7%	0.8%
Discount to peer average				(9%)	(17%)	(14%)	(16%)	(25%)	(22%)	(21%)	(20%)	(18%)			

Source: Edison Investment Research, Refinitiv. Note: Priced at 25 March.

Exhibit 5: Peer group financial metrics

	Y/E	Market cap m	EBIT margin			EBITDA margin			Rev growth			EPS growth			
			LY	CY	NY	LY	CY	NY	LY	CY	NY	LY	CY	NY	
EMIS	31-Dec	£661	20.4%	23.4%	24.5%	30.2%	31.3%	32.1%	6.1%	5.1%	4.7%	(0.9%)	27.0%	9.3%	
EMIS (cash R&D)			22.1%	22.4%	23.5%							0.5%	10.1%	9.3%	
AllScripts	31-Dec	\$1,696	15.2%	10.2%	10.5%	22.5%	17.4%	17.9%	16.8%	2.8%	3.8%	16.1%	-6.7%	11.9%	
Cegedim	31-Dec	€ 373	6.4%	8.0%	9.0%	16.6%	17.2%	17.8%	2.3%	3.6%	3.5%	66.7%	29.6%	21.8%	
Cerner	31-Dec	\$18,476	18.8%	18.5%	18.8%	29.3%	29.5%	29.7%	4.4%	7.0%	7.0%	2.9%	6.6%	9.4%	
Craneware	30-Jun	£674	28.1%	28.5%	28.5%	32.1%	32.3%	32.2%	18.5%	18.7%	15.3%	15.1%	19.4%	14.9%	
CompuGroup	31-Dec	€ 2,795	0.0%	19.7%	20.7%	25.4%	26.4%	27.4%	23.1%	1.7%	-0.7%			1.5%	
Nexus	31-Dec	€ 397	13.4%	13.9%	14.9%	19.6%	21.8%	22.4%	14.6%	8.5%	7.2%	11.3%	22.7%	17.7%	
NexGen Healthcare	31-Mar	\$1,750		12.2%	12.8%	15.5%	16.5%	17.1%	18.1%	-0.8%	5.4%	5.9%	6.0%	8.6%	17.0%
Average			13.5%	15.9%	16.8%	23.1%	23.1%	23.6%	11.3%	6.8%	6.0%	19.7%	13.4%	13.5%	
Median			13.4%	13.9%	15.5%	22.5%	21.8%	22.4%	14.6%	5.4%	5.9%	13.2%	14.0%	14.9%	

Source: Edison Investment Research, Refinitiv. Note: As at 25 March.

Exhibit 6: Financial summary

	£'000s	2014	2015	2016	2017	2018	2019e	2020e	2021e
Year end 31 December									
PROFIT & LOSS									
Revenue		137,639	155,898	158,712	160,354	170,070	178,742	187,170	195,906
Cost of Sales		(12,782)	(12,955)	(14,151)	(14,674)	(14,686)	(17,106)	(18,240)	(19,434)
Gross Profit		124,857	142,943	144,561	145,680	155,384	161,637	168,930	176,472
EBITDA		47,645	51,964	52,288	49,222	51,361	55,990	60,118	63,255
Operating Profit (before amort. of acq. intang, SBP and except.)		34,787	37,123	38,897	34,895	34,709	41,846	45,790	48,482
EMIS adjusted operating profit		32,639	36,553	38,753	37,406	37,608	39,993	44,015	47,852
Amortisation of acquired intangibles		(6,269)	(6,509)	(6,639)	(6,717)	(6,860)	(7,724)	(7,485)	(6,248)
Exceptionals		873	(18,500)	(6,714)	(16,988)	1,657	0	0	0
Share-based payments		(270)	(684)	(473)	(550)	(766)	(1,000)	(1,000)	(1,000)
Operating Profit		29,121	11,430	25,071	10,640	28,740	33,122	37,305	41,234
Net Interest		(543)	(449)	(237)	(299)	(185)	(200)	(200)	(200)
Profit Before Tax (norm)		34,206	36,625	39,159	35,192	35,139	42,282	46,226	48,918
Profit Before Tax (FRS 3)		28,540	10,932	25,333	10,937	29,170	33,558	37,741	41,670
Tax		(5,719)	(5,558)	(5,208)	(2,074)	(5,548)	(6,376)	(7,171)	(7,917)
Profit After Tax (norm)		27,617	29,801	32,175	27,989	27,854	34,249	37,443	39,624
Profit After Tax (FRS3)		22,821	5,374	20,125	8,863	23,622	27,182	30,570	33,753
Ave. Number of Shares Outstanding (m)		62.8	62.7	62.8	62.9	63.0	63.0	63.0	63.0
EPS - normalised & diluted (p)		42.8	46.0	49.4	43.1	42.7	54.2	59.3	62.7
EPS - EMIS adjusted & diluted (p)		39.4	45.1	49.2	47.0	47.3	51.3	56.5	61.7
EPS - FRS 3 (p)		35.3	7.2	30.4	12.8	36.1	43.2	48.5	53.6
Dividend (p)		18.4	21.2	23.4	25.8	28.4	30.0	32.0	34.0
Gross Margin (%)		90.7%	91.7%	91.1%	90.8%	91.4%	90.4%	90.3%	90.1%
EBITDA Margin (%)		34.6%	33.3%	32.9%	30.7%	30.2%	31.3%	32.1%	32.3%
Operating Margin (before GW and except.) (%)		25.3%	23.8%	24.5%	21.8%	20.4%	23.4%	24.5%	24.7%
BALANCE SHEET									
Fixed Assets		166,415	143,546	133,292	122,979	117,920	113,387	105,910	98,525
Intangible Assets		139,397	121,383	110,953	100,844	96,807	89,538	82,425	75,404
Tangible Assets		24,313	22,032	22,187	22,037	21,000	23,100	22,100	21,100
Other fixed assets		2,705	131	152	98	113	749	1,385	2,021
Current Assets		37,221	39,800	46,088	56,900	53,107	70,569	87,118	108,106
Stocks		1,550	1,206	1,815	1,633	1,264	1,264	1,264	1,264
Debtors		28,732	33,893	39,970	40,148	36,223	39,176	41,023	42,938
Cash		6,939	4,701	4,303	13,991	15,620	30,128	42,830	61,904
Current Liabilities		(67,665)	(63,819)	(56,158)	(65,131)	(60,169)	(63,861)	(66,793)	(69,033)
Creditors		(54,763)	(51,960)	(51,425)	(65,131)	(60,169)	(62,986)	(65,918)	(68,158)
Short term borrowings		(12,902)	(11,859)	(4,733)	0	0	(875)	(875)	(875)
Long Term Liabilities		(21,063)	(12,481)	(9,080)	(6,734)	(8,199)	(8,741)	(3,437)	(1,440)
Long term borrowings		(5,854)	(1,951)	0	0	0	(2,625)	(1,750)	(875)
Other long term liabilities		(15,209)	(10,530)	(9,080)	(6,734)	(8,199)	(6,116)	(1,687)	(565)
Net Assets		114,908	107,046	114,142	108,014	102,659	111,354	122,798	136,158
CASH FLOW									
Operating Cash Flow		44,856	42,711	43,657	48,834	49,873	56,054	61,203	64,380
Net Interest		(445)	(422)	(324)	(356)	(214)	(200)	(200)	(200)
Tax		(5,247)	(6,896)	(7,655)	(8,139)	(5,830)	(7,659)	(12,800)	(9,039)
Capex		(15,161)	(14,058)	(12,084)	(11,342)	(12,767)	(13,700)	(13,700)	(13,000)
Acquisitions/disposals		(9,959)	(4,587)	(1,790)	329	(9,269)	(1,000)	(800)	(800)
Financing		(1,578)	492	881	571	906	(500)	(500)	(500)
Dividends		(10,792)	(14,532)	(14,006)	(15,476)	(21,070)	(18,487)	(19,626)	(20,893)
Net Cash Flow		1,674	2,708	8,679	14,421	1,629	14,508	13,577	19,949
Opening net debt/(cash)		13,491	11,817	9,109	430	(13,991)	(15,620)	(26,628)	(40,205)
HP finance leases initiated		0	0	0	0	0	(3,500)	0	0
Other		0	0	0	0	0	0	0	(0)
Closing net debt/(cash)		11,817	9,109	430	(13,991)	(15,620)	(26,628)	(40,205)	(60,154)

Source: EMIS, Edison Investment Research

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