EDISON

Blancco Technology Group

FY18 results

Growth back in focus

Software & comp services

Blancco reported FY18 results marginally ahead of its recent trading update; despite the focus on stabilising the business and improving internal controls, profitability was maintained over the year. The new management team's focus on three key markets (Mobile, Enterprise and IT Asset Disposition (ITAD)) and targeted investment in R&D should help the company maintain its market leadership and lead to a reacceleration of revenue growth.

Year end	Revenue (£m)	Adj. operating profit* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
06/17	26.9	3.2	2.65	0.7	41.8	0.6
06/18	27.5	3.3	4.61	0.0	24.0	N/A
06/19e	30.1	2.8	2.38	0.0	46.4	N/A
06/20e	33.2	3.6	3.33	0.0	33.2	N/A

Note: *Adjusted operating profit (AOP) and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

FY18 results reflect restructuring

With the interim management team focused on putting the company on a stronger financial footing, the focus was more on customer retention than new customer wins during FY18. Management is confident that it now has the necessary financial and operational controls within the business. Revenues increased 2.1% y-o-y (5% in constant currency), while firm control of costs resulted in an adjusted operating margin of 12%, effectively flat y-o-y. Year-end net debt was £2.7m, compared to net cash of £1.7m at end FY17 and net debt of £3.4m at end H118.

Focus on three key markets to reinvigorate growth

After a strategic review, the new management team has decided to focus on building the business from its already strong installed base of customers, with a focus on three key markets: Mobile, Enterprise/Data Centre and ITAD. To maintain market leadership, the company is increasing its investment in R&D and is keen to develop channel partnerships to widen the reach of its software. We have increased our cost base forecast for FY19 to reflect the increased investment, resulting in an adjusted operating margin of 9.3% for FY19. We forecast revenue growth of 10.4% and an adjusted operating margin of 10.8% for FY20. By the end of FY19, we expect all material contingent considerations on previous acquisitions to have been paid out.

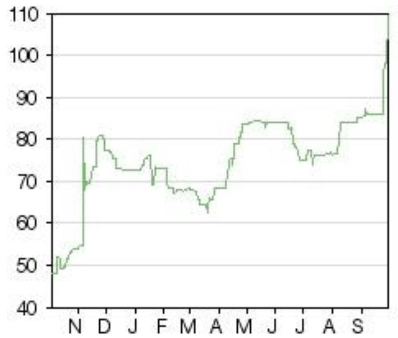
Valuation: Reflects stabilisation

The stock has gained 46% since the July trading update, as confidence has increased that the business has stabilised and the new management team has been put in place. The stock is trading at a discount to its peer groups on EV/sales and EV/EBITDA multiples, with revenue growth and EBITDA profitability at the low end of the range. Evidence that growth is reaccelerating should provide support to the share price. Material partnership announcements could provide upside to our forecasts and the share price.

2 October 2018

Price	**110.5p**
Market cap	**£71m**
	$1.32:£1
Net debt (£m) at end FY18	2.7
Shares in issue	64.0m
Free float	95.6%
Code	BLTG
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	28.8	46.0	93.8
Rel (local)	30.9	48.2	88.8
52-week high/low		109.5p	48.0p

Business description

Blancco Technology Group develops and sells data erasure and mobile diagnostics software. Its headquarters are in the US and it has sales offices in 15 countries around the world.

Next events

AGM	12 December

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Edison profile page

Blancco Technology Group is a research client of Edison Investment Limited

Review of FY18 results

Exhibit 1: Annual results highlights

Year end June (£m)	FY17	FY18e	FY18	% diff	% y-o-y
Revenues	26.9	27.2	27.5	1.2	2.1
Gross profit	25.8	25.9	26.4	1.8	2.3
Gross margin (%)	95.9%	95.5%	96.1%	0.6	0.1
EBITDA	5.0	5.5	5.9	5.6	18.0
EBITDA margin (%)	18.4%	20.4%	21.3%	0.9	2.9
Normalised operating profit	3.2	3.0	3.3	9.1	4.1
Normalised operating profit margin (%)	11.9%	11.2%	12.1%	0.9	0.2
Reported operating profit	(2.7)	(0.2)	(0.4)	86.4	(85.8)
Reported operating margin (%)	(10.0%)	(0.8%)	(1.4%)	(0.6)	8.6
Normalised PBT	2.9	2.8	3.1	11.1	6.0
Reported PBT	(1.9)	(0.5)	(0.3)	(36.1)	(82.9)
Normalised net income	1.5	1.8	2.9	59.8	90.5
Reported net income	(5.0)	(0.8)	0.3	(141.7)	(106.8)
Normalised basic EPS (p)	2.6	2.89	4.63	59.8	74.9
Normalised diluted EPS (p)	2.6	2.89	4.61	59.3	74.3
Reported basic EPS (p)	(8.8)	(1.3)	0.5	(141.7)	(106.2)
Dividend per share (p)	0.70	0.0	0.0	N/A	N/A
Net debt/(cash)	(1.7)	2.9	2.7	7.2	(256.5)

Source: Blancco Technology Group

Blancco reported FY18 results that were marginally ahead of our forecasts, which had recently been updated to reflect the July trading update. The company achieved modest revenue growth of 2.1% (5% in constant currency) for the year, with a 1.4% decline in H118 and 4.4% growth in H218. As a result of the cost-cutting implemented during the year, adjusted operating profit increased 4.1% y-o-y, resulting in a margin of 12.1%, slightly higher than a year ago. The main difference between actual and forecast normalised net income was a lower than expected normalised tax rate of 3.4% compared to our 22.7% forecast.

Net debt at year-end stood at £2.7m. The company made several exceptional payments during FY18: £1.4m in restructuring costs, £1.2m in contingent consideration and £1.9m in tax.

Exhibit 2: Invoiced revenues* by type

Invoiced revenues (£m)	H117	H217	H118	H218	FY17	FY18	FY18 constant currency
End of life (EOL) erasure	7.9	7.3	6.5	8.2	15.2	14.7	
Mobile erasure	2.8	3.5	3.6	3.3	6.3	6.9	
Active erasure	0.4	0.3	0.4	0.4	0.7	0.8	
Professional services	0.9	0.6	0.6	0.5	1.5	1.1	
Erasure total revenues	**12.0**	**11.7**	**11.1**	**12.4**	**23.7**	**23.5**	
Diagnostics revenues	**1.9**	**2.2**	**1.7**	**2.3**	**4.1**	**4.0**	
Total revenues	**13.9**	**13.9**	**12.8**	**14.7**	**27.8**	**27.5**	
Year-on-year growth (%)							
End of life erasure			(18%)	13%		(3%)	(1%)
Mobile erasure			29%	(5%)		10%	14%
Active erasure			0%	17%		4%	5%
Professional services			(33%)	(20%)		(28%)	(25%)
Erasure total revenues			**(8%)**	**6%**		**(1%)**	
Diagnostics revenues			**(11%)**	**5%**		**0%**	**5%**
Total revenues			**(8%)**	**6%**		**(1%)**	**2%**

Source: Blancco Technology Group. Note: *Recognises volume and subscription sales at invoice, rather than spreading subscription sales over the term of the subscription.

Exhibit 2 shows the progress of revenues by type over the last four half-year periods. We note that the company is unlikely to report in this format in the future, as it is now selling products on the basis of type of customer rather than type of erasure. In some cases, customers will take both erasure and diagnostics solutions and it is difficult to split out the revenues. H218 group invoiced sales rebounded, after a decline in H118.

We note that after a weak half-year for end-of-life in H118, revenues recovered in H218, resulting in a small decline for the year. Mobile erasure saw growth for the full year, with significant contract wins in each region. Active erasure saw minimal growth over the year. Diagnostics revenues were flat year-on-year – the wind-down of some pre-acquisition Xcaliber contracts was offset by a large one-off contract in Asia Pacific.

Business update: Back on the front foot

As the company was going through a period of review and restructuring to put it on a stronger financial footing during H118 and went through a transition of the management team through FY18, the focus was not on driving new sales but on supporting the existing client base. Management now believes it has the right company structure and financial controls in place, and has decided that it will focus on the three key markets of Mobile, Enterprise/Data Centres and ITAD. Through FY19 it will work to reinvigorate the sales process and to target R&D on the first two markets.

Mobile: Demand for combined erasure and diagnostics

The mobile market has several sources of demand for erasure and diagnostics software. Phones are sold through retail locations, such as carrier-owned stores, and customers will often return phones to those locations for repair or will trade them in to upgrade to a new handset. Second-hand phones are available for sale from a variety of specialist companies such as Redeem or Flip4New. In both cases, second-hand phones will need to be wiped before they can be sold.

For faulty phones, diagnostic software is vital to ascertain why a phone is not working and how it can be fixed. Blancco's diagnostic software is used by a large US carrier. Between February and November 2017, this customer used the software to test 1.3m so-called faulty mobile devices, of which only 0.6m were confirmed to have a fault. This meant that 0.7m devices did not need to be sent off for further investigation and repair, saving c $80 per device, or $56m in total.

There are multiple types of companies involved in the mobile market: carriers, retailers, buyback/trade-in companies, phone repair companies and third-party logistics and warehouse operators. The company sees a number of smaller and similar-sized competitors, but none with a fully comprehensive erasure/diagnostics solution. The company is keen to focus its R&D to develop solutions that address the whole mobile asset lifecycle.

Contract progress in FY18

The business has signed a renewed contract with a major US mobile carrier, worth more than $10m for the period up to March 2021. The contract covers 6,000 retail stores and renews the existing diagnostics contract as well as providing a combined diagnostics/erasure product to process second-hand phones. Blancco also signed a new contract worth $1m for in-store diagnostics for a major South Korean mobile carrier. With 13m subscribers and 1,100 retail stores, we believe this to be LG.

Enterprise/data centre: Emerging growth opportunity

Demand for erasure within the enterprise tends to be driven by the requirement to manage the data lifecycle within a business. In some cases, this will involve active erasure, ie erasure of specific files within a live environment, and in others, end-of-life erasure as PCs or servers are retired from use, sent off for repair or repurposed to be used elsewhere in the business. Blancco is focusing first on the data centre market, which has a regular cycle of asset investment.

Blancco has low penetration of this market, mainly due to lack of awareness by customers. One avenue to explore is working with OEMs such as Dell and HP to integrate Blancco's software with their products. R&D is focused on developing a robust API architecture to enable this, as well as developing analytics tools.

Active erasure has seen limited take-up to date, often because before companies can erase data in a live environment, they need to know where exactly that data is stored within the company's infrastructure (for example, multiple back-ups could exist). Blancco is considering working with data discovery software companies to provide a complete solution to find and erase critical data.

Contract progress in FY18

Blancco renewed a contract with a major multinational technology company to use the Data Centre Erasure solution to decommission servers in 20 of its data centres. The company expanded its relationship with a large multinational cloud-based software application provider to deploy the Data Centre Erasure solution in six new data centres opened in FY18. Blancco also signed a contract with a global major retailer to use the Drive Eraser solution on returned electronic purchases in locations across EMEA.

ITAD: Solid customer base, relatively mature market

Blancco has a well-established position as the leading supplier of erasure software to the ITAD companies; the company aims to maintain this position. It is a more mature market and as Blancco has such a strong market position, it is likely to be a slower growth business line. As such, it is not the main focus for R&D but should benefit from efforts to develop product enhancements for the other two markets.

Contract progress in FY18

Blancco renewed a contract with a major multinational ITAD company, which has more than 1,000 enterprise customers, for its Drive Eraser solution for an additional multi-year term.

Route to market: Shifting focus to the channel

The company has historically generated the vast majority of revenues via direct sales. It has a number of resellers but to date this has not generated a large contribution to revenues. During H218, it signed new distribution agreements with Arrow Electronics and Ingram Micro. It also launched its Erasure as a Service offering through its new Managed Service Provider Partner programme, leading to deals with 14 global and regional partners including Fujitsu and Techchef.

The company recently hired a new head of business development, Anders Klemmer, to focus on building partnerships with manufacturers, software companies and system integrators in the enterprise and mobile markets.

Outlook and changes to forecasts

Invoiced sales for the first two months of FY19 are ahead of the prior year period. Management expects to meet market expectations for revenue growth in FY19. It has, however, decided to increase investment in R&D, and expects this to have an impact on adjusted operating profit in FY19, but that this investment should help accelerate revenue growth and margins in FY20.

The debt facility was extended by 12 months to October 2020. At year-end the company had drawn down £8.9m of the £12.4m facility. At the end of FY18, there was a total of £2.2m in contingent consideration recorded on the balance sheet. We estimate that this equates to c £1.4m owing from the Tabernus acquisition and £1.0m owing from the Xcaliber acquisition. We forecast a pay-out of

£2.4m in FY19 (reflects discount unwind), but we note that the company highlighted the possibility of settling the Tabernus consideration in equity rather than cash.

Exhibit 3: Changes to estimates

Year end June (£m)	FY19e old	FY19e new	% change	% y-o-y	FY20e new	% y-o-y
Revenues	**30.0**	**30.1**	**0.2**	**9.5**	**33.2**	**10.4**
Gross profit	28.5	28.6	0.2	8.3	31.6	10.4
Gross margin (%)	95.0%	95.0%	0.0	(1.1)	95.0%	0.0
EBITDA	**6.5**	**5.8**	**(11.2)**	**(1.2)**	**7.0**	**21.6**
EBITDA margin (%)	**21.7%**	**19.2%**	**(2.5)**	**(2.1)**	**21.2%**	**2.0**
Normalised operating profit*	**3.3**	**2.8**	**(15.8)**	**(16.0)**	**3.6**	**28.6**
Normalised operating profit margin (%)	**11.1%**	**9.3%**	**(1.8)**	**(2.8)**	**10.8%**	**1.5**
Reported operating profit	(0.2)	(0.8)	366.3	109.2	(0.0)	(99.9)
Reported operating margin (%)	(0.6%)	(2.7%)	(2.1)	(1.3)	0.0%	2.7
Normalised PBT	2.9	2.4	(18.2)	(21.5)	3.2	33.3
Reported PBT	(0.8)	(1.4)	85.0	319.0	(0.4)	(71.9)
Normalised net income	1.9	1.5	(20.4)	(48.3)	2.1	39.7
Reported net income	(1.3)	(1.7)	35.9	(613.2)	(0.8)	(52.3)
Normalised basic EPS (p)	**3.00**	**2.39**	**(20.4)**	**(48.3)**	**3.34**	**39.7**
Normalised diluted EPS (p)	**3.00**	**2.38**	**(20.7)**	**(48.3)**	**3.33**	**39.7**
Reported basic EPS (p)	(2.1)	(2.8)	35.9	(613.2)	(1.3)	(52.3)
Dividend per share (p)	0.0	0.0	N/A	N/A	0.0	N/A
Net debt	**1.8**	**3.7**	**106.4**	**35.8**	**1.7**	**(54.5)**

Source: Edison Investment Research. Note: *Equivalent to Blancco's adjusted operating profit.

Valuation

Despite gaining 46% since the July trading update, Blancco is trading at a discount to all peer groups on an EV/sales and EV/EBITDA basis. On a P/E basis, it is trading broadly in line with UK peers and at a discount to US peers. Its forecast revenue growth and EBITDA profitability are towards the lower end of its peers. Evidence that the focus on the three key markets is accelerating revenue growth should provide support to the share price.

Exhibit 4: Peer operating and valuation metrics

	Market cap (m)	Sales FY1 (m)	Sales growth 1FY (%)	Sales growth 2FY (%)	EBITDA margin 1FY (%)	EBITDA margin 2FY (%)	EV/ sales 1FY (x)	EV/ sales 2FY (x)	EV/ EBITDA 1FY (x)	EV/ EBITDA 2FY (x)	PE 1FY (x)	PE 2FY (x)	EPS grth 1FY	EPS grth 2FY
Blancco	**£71**	**30.1**	**9.5**	**10.4**	**19.2**	**21.2**	**2.4**	**2.2**	**12.7**	**10.4**	**46.4**	**33.2**	**(48.3)**	**39.7**
UK cybersecurity														
Avast	£2,765	823.1	26.1	7.5	54.1	52.9	6.0	5.6	11.1	10.5	13.7	12.5	N/A	9.7
GB Group	£882	132.5	10.7	9.9	22.3	22.3	6.6	6.0	29.4	26.7	39.8	36.1	77.9	10.3
Sophos Group	£2,379	731.3	14.1	13.9	12.9	20.5	4.6	4.0	35.3	19.5	57.0	48.6	(207)	17.4
UK high growth software														
Craneware	£883	79.0	17.8	17.3	32.4	32.6	14.0	12.0	43.3	36.7	64.2	54.1	17.4	18.7
Dotdigital Group	£291	43.7	36.6	29.5	29.0	28.4	6.4	5.0	22.2	17.5	32.7	26.5	23.7	23.3
Ideagen	£350	44.0	21.8	11.4	30.2	31.2	7.9	7.1	26.2	22.8	33.5	29.8	397.1	12.5
Average			**21.2**	**14.9**	**30.2**	**31.3**	**7.6**	**6.6**	**27.9**	**22.3**	**40.2**	**34.6**	**61.8**	**15.3**
Median			**19.8**	**12.7**	**29.6**	**29.8**	**6.5**	**5.8**	**27.8**	**21.1**	**36.7**	**32.9**	**23.7**	**14.9**
Global cybersecurity														
Cyberark	$2,645	323.2	23.5	18.8	23.8	24.3	7.0	5.9	29.3	24.2	49.9	42.6	130.1	17.0
FireEye	$3,350	826.9	10.1	7.3	12.2	13.5	3.9	3.6	31.9	26.9	711	107	N/A	N/A
Fortinet	$15,194	1783.3	19.3	14.3	24.4	25.7	7.7	6.7	31.5	26.1	54.0	46.6	206.3	15.9
F-Secure	€ 497	194.7	14.7	17.5	6.1	10.3	2.1	1.8	34.9	17.7	104	40.1	(56.5)	160.0
Imperva	$1,641	351.0	9.1	11.5	13.0	14.5	3.5	3.2	27.2	21.8	176	51.8	(185.7)	239.3
Qualys	$3,539	278.8	20.8	18.5	37.3	37.4	11.1	9.3	29.7	25.0	60.5	51.3	17.2	18.0
Secureworks	$1,106	519.3	11.0	9.4	N/A	1.9	2.0	1.9	N/A	97.5	N/A	N/A	N/A	N/A
Average			**15.5**	**13.9**	**19.5**	**18.2**	**5.3**	**4.6**	**30.7**	**34.2**	**193**	**56.6**		
Median			**14.7**	**14.3**	**18.4**	**14.5**	**3.9**	**3.6**	**30.6**	**25.0**	**82.4**	**48.9**		
Data management software														
Barracuda Networks	$3,190	747.0	6.8	8.2	16.3	19.2	3.6	3.4	22.4	17.6	41.1	34.6	(905.4)	18.7
Commvault Systems	$2,597	332.0	26.8	21.5	13.6	16.3	7.3	6.0	53.3	36.7	212	100	(210.3)	111.8
Mimecast	$5,491	708.0	37.4	27.5	14.6	15.8	7.8	6.2	53.7	39.0	91.4	63.4	(153.8)	44.2
Proofpoint	$2,765	823.1	26.1	7.5	54.1	52.9	6.0	5.6	11.1	10.5	13.7	12.5	N/A	9.7
Average			**24.3**	**16.2**	**24.6**	**26.0**	**6.2**	**5.3**	**35.1**	**25.9**	**89.5**	**52.6**		
Median			**26.4**	**14.9**	**15.4**	**17.7**	**6.6**	**5.8**	**37.8**	**27.1**	**66.3**	**49.0**		

Source: Edison Investment Research, Bloomberg. Note: Prices at 26 September 2018.

Exhibit 5: Financial summary

£m	2015	2016	2017	2018	2019e	2020e
30-June	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue	15.0	21.2	26.9	27.5	30.1	33.2
Cost of Sales	(0.5)	(1.9)	(1.1)	(1.1)	(1.5)	(1.7)
Gross Profit	14.6	19.3	25.8	26.4	28.6	31.6
EBITDA	4.2	5.4	5.0	5.9	5.8	7.0
Normalised operating profit	4.0	4.6	3.2	3.3	2.8	3.6
Amortisation of acquired intangibles	(2.0)	(2.5)	(2.6)	(2.6)	(2.6)	(2.6)
Exceptionals	(2.5)	(2.7)	(2.6)	(1.4)	0.0	0.0
Share-based payments	(0.4)	(1.2)	(0.7)	0.3	(1.0)	(1.0)
Reported operating profit	(0.9)	(1.7)	(2.7)	(0.4)	(0.8)	(0.0)
Net Interest	(0.5)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)
Joint ventures & associates (post tax)	(0.7)	(0.2)	0.0	0.0	0.0	0.0
Exceptionals	(0.3)	(0.6)	1.1	0.3	(0.2)	0.0
Profit Before Tax (norm)	2.8	4.1	2.9	3.1	2.4	3.2
Profit Before Tax (reported)	(2.4)	(2.8)	(1.9)	(0.3)	(1.4)	(0.4)
Reported tax	(0.9)	(0.6)	(0.6)	0.1	0.1	0.0
Profit After Tax (norm)	1.9	3.2	2.1	3.0	1.9	2.5
Profit After Tax (reported)	(3.3)	(3.5)	(2.6)	(0.3)	(1.3)	(0.4)
Minority interests	0.3	(0.2)	(0.6)	(0.1)	(0.4)	(0.5)
Discontinued operations	8.4	(22.2)	(1.9)	0.7	0.0	0.0
Net income (normalised)	2.2	3.0	1.5	2.9	1.5	2.1
Net income (reported)	5.4	(25.9)	(5.0)	0.3	(1.7)	(0.8)
Basic average number of shares outstanding (m)	78	72	57	62	62	62
EPS - basic normalised (p)	2.84	4.16	2.65	4.63	2.39	3.34
EPS - diluted normalised (p)	2.84	4.16	2.65	4.61	2.38	3.33
EPS - basic reported (p)	6.97	(36.20)	(8.79)	0.55	(2.81)	(1.34)
Dividend (p)	5.00	2.00	0.70	0.00	0.00	0.00
Revenue growth (%)		41.2	27.0	2.1	9.5	10.4
Gross Margin (%)	96.9	91.1	95.9	96.1	95.0	95.0
EBITDA Margin (%)	28.3	25.4	18.4	21.3	19.2	21.2
Normalised Operating Margin	26.8	21.7	11.9	12.1	9.3	10.8
BALANCE SHEET						
Fixed Assets	119.1	67.3	72.3	69.7	67.7	65.8
Intangible Assets	110.2	66.9	71.0	68.7	66.6	64.6
Tangible Assets	6.4	0.4	0.4	0.4	0.4	0.5
Investments & other	2.5	0.0	0.9	0.7	0.7	0.7
Current Assets	56.2	16.2	20.2	13.5	13.7	16.6
Stocks	9.5	0.1	0.1	0.1	0.1	0.1
Debtors	34.6	6.6	8.4	7.1	8.2	9.1
Cash & cash equivalents	12.1	4.8	11.6	6.2	5.3	7.3
Other	0.0	4.8	0.0	0.1	0.1	0.1
Current Liabilities	(43.2)	(22.5)	(17.9)	(12.2)	(11.4)	(12.3)
Creditors	(40.5)	(13.4)	(14.3)	(10.1)	(11.3)	(12.2)
Tax and social security	(0.6)	(2.3)	(1.5)	0.0	0.0	0.0
Short term borrowings	0.0	0.0	0.0	0.0	0.0	0.0
Other	(2.1)	(6.8)	(2.1)	(2.1)	(0.1)	(0.1)
Long Term Liabilities	(9.4)	(13.5)	(19.9)	(16.0)	(15.3)	(14.7)
Long term borrowings	(4.4)	(3.7)	(9.9)	(8.9)	(8.9)	(8.9)
Other long term liabilities	(5.0)	(9.8)	(9.9)	(7.1)	(6.3)	(5.8)
Net Assets	122.7	47.6	54.8	55.0	54.7	55.3
Minority interests	(0.2)	(0.5)	(1.0)	(0.9)	(1.3)	(1.8)
Shareholders' equity	122.4	47.1	53.8	54.1	53.4	53.5
CASH FLOW						
Op Cash Flow before WC and tax	4.2	5.4	5.0	5.9	5.8	7.0
Working capital	0.8	0.9	(1.6)	(2.8)	0.1	0.0
Exceptional & other	2.8	(12.2)	(5.1)	(1.4)	0.0	0.0
Tax	(0.6)	(0.6)	(0.7)	(1.9)	(0.5)	(0.5)
Net operating cash flow	7.3	(6.6)	(2.5)	(0.2)	5.4	6.5
Capex	(1.8)	(2.5)	(3.4)	(2.7)	(3.6)	(4.2)
Acquisitions/disposals	(2.5)	(7.5)	(0.7)	(1.1)	(2.4)	0.0
Net interest	(0.4)	(0.2)	(0.3)	(0.3)	(0.4)	(0.4)
Equity financing	(3.6)	(50.7)	9.5	0.0	0.0	0.0
Dividends	(3.4)	(3.1)	(1.4)	(0.2)	0.0	0.0
Other	(6.5)	65.1	(0.4)	(0.2)	0.0	0.0
Net Cash Flow	(10.8)	(5.6)	0.84	(4.7)	(1.0)	2.0
Opening net debt/(cash)	(20.6)	(7.8)	(1.0)	(1.7)	2.7	3.7
FX	(1.9)	(1.2)	(0.1)	0.3	0.0	0.0
Other non-cash movements	(0.1)	0.0	(0.0)	0.0	0.0	0.0
Closing net debt/(cash)	(7.8)	(1.0)	(1.7)	2.7	3.7	1.7

Source: Company data, Edison Investment Research

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