

# Trifast

FY18 results

## Project Atlas helps map the future

Trifast delivered another record financial performance. FY18 results were modestly ahead of market expectations, but significantly ahead of expectations at the start of the year. Management is now launching Project Atlas to integrate its management, customer-facing and manufacturing processes through a £15m investment over the next three years. By maintaining leading customer service and quality levels, the move is a clear support for the invest and grow strategy. Following the recent acquisition of Precision Technology Supplies (PTS) in the UK, the company retains adequate resources to pursue additional M&A should appropriate opportunities arise.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
03/17	186.5	20.5	12.82	3.50	20.8	1.3
03/18	197.6	22.2	13.78	3.85	19.3	1.5
03/19e	209.9	23.2	14.36	4.00	18.5	1.5
03/20e	218.9	24.3	15.03	4.15	17.7	1.6

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

## Delivering growth across all regions

FY18 saw Trifast deliver sales growth in all four of its regions, with 4% organic growth further enhanced by a favourable 2% FX move. Underlying PBT rose by 8.5% to £22.2m, a £1.7m increase at AER. The result was achieved despite adverse input cost pressures and increased overheads from new capacity to support growth. The gross margin of 30.5% once again exceeded the targeted 30% level for only the second time despite these pressures, and group underlying operating margins of 11.5% represented an historic high. The year ended with net debt just £1.0m higher despite several one-off factors at £7.4m, but before the £8.5m initial payment for PTS. The FY17 dividend increase of 10% to 3.85p per share, and is covered 3.6x by adjusted EPS, within targeted levels.

## Project Atlas to underpin invest and grow strategy

Management has launched a major £15m investment programme in to Trifast's IT infrastructure and business processes, spread over the next three years to integrate its processes, systems and platforms across the group. The four key drivers of the investment are to support the core growth strategy, achieve operational efficiencies and integration across the group, improve management information and data management, and build an adaptable, scalable, stable environment. The core strategy, to augment organic growth through appropriate M&A, is unchanged. Project Atlas should support these goals, while the balance sheet facilitates further organic capex and M&A.

## Valuation: Re-rating likely to lag investment

Trifast's one-year forward P/E rating is little changed from a year ago, and thus the stock continues to trade at a discount of around 7% to its peers. As the company continues to invest and enhance return on capital, we feel this should diminish.

## Industrial support services

22 June 2018

**Price** 266p  
**Market cap** £323m

Net debt (£m) at 31 March 2018	7.4
Shares in issue	121.4m
Free float	91%
Code	TRI
Primary exchange	LSE
Secondary exchange	N/A

## Share price performance



%	1m	3m	12m
Abs	4.7	1.5	19.2
Rel (local)	8.5	(5.0)	16.6
52-week high/low	276.0p	197.0p	

## Business description

Trifast is a leading global designer, manufacturer and distributor of high-quality industrial fasteners. Principal operations are in the UK, South-East Asia and continental Europe, while there is a modest, but growing, presence in North America.

## Next events

AGM	July 2018
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## Investment summary

### Design, manufacture and distribution of industrial fasteners

Trifast is a leading specialist designer, manufacturer and distributor of industrial fasteners to major global assembly industries. From its origins in the UK, the group continues to build a global presence, with sizeable operations in Asia and continental Europe, and a smaller activity in the US. Trifast differentiates itself from its global competitors by operating its own manufacturing plants, principally across Asia and in Italy, which enable the group to offer specialist design support as part of a high-quality, comprehensive and tailor-made supply chain management service. Management is constantly strengthening the product range, as with the acquisition on 4 April 2018 of UK-based Precision Technology Supplies (PTS), a key supplier and distributor of stainless steel fasteners with one of the broadest product ranges in Europe.

### Share re-rating largely complete for now

Trifast shares have outperformed the broader UK market over the last 12 months, rising by c 20%, or 5% year to date, as it continued to deliver consistent growth ahead of expectations. There is little change in the rating of the shares on a one-year forward P/E basis, and the 7% discount to its distributor peer group persists. A premium may be justified if the company delivers superior growth of earnings and free cash flow via Project Atlas, but this is likely to lag the initial investment phase.

### Another record year, growth set to continue

In FY18, Trifast delivered another record year. Revenues rose 6.0% at actual exchange rates (AER) to £197.6m (FY17: £186.5m), or 4.0% at constant exchange rates (CER). Gross margin of 30.5% (FY17: 31.1%) remained above the 30% target rate despite anticipated input price inflation and the additional costs of investment in new manufacturing capacity. Underlying operating margins improved 20bps to an historic high of 11.5%, thanks to the increased sales and ongoing good cost control across the group. Underlying diluted EPS rose 7.5% to 13.78p (FY17: 12.82p). The full year dividend was increased 10% to 3.85p, with cover of 3.6x still within the target range of 3.0-4.0x. Net debt rose a modest £1.0m to £7.4m which, given the £1.2m tax payment last April that was deferred from FY17, essentially reflects a neutral net cash flow performance before the initial £8.5m purchase cost of PTS early in FY18. Trifast remains financially well positioned to pursue its invest and grow strategy.

#### Exhibit 1: Estimate changes

	EPS (p)			PBT (£m)			EBITDA (£m)		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
2018	13.50	13.78	+2	21.8	22.3	+2	24.0	24.7	+3
2019e	14.18	14.36	+1	23.0	23.2	+1	25.4	25.9	+2
2020e	N/A	15.04		N/A	24.3		N/A	27.3	

Source: Company reports, Edison Investment Research. Note: EPS are normalised and fully diluted.

### Sensitivities

Distributors of industrial components bear the brunt of destocking and restocking, which tends to accentuate the impact of shifts in economic cycles. This is true for Trifast at extreme stages of the economic cycle, but the group's operational flexibility and product development/design skills enable management to use strong relationships with its major customers to anticipate and respond early to these challenges. Similarly, management responds to the ongoing risks encountered by all distributors to the industrial sector, such as cost-down pressures, fluctuating raw material costs, exchange rate movements, stock obsolescence and the migration of global manufacturing capacity to lower-cost territories, as part of the day-to-day challenges of the business.

## FY18 delivered another record performance

FY18 saw Trifast deliver another record year in terms of financial performance despite a moderation of growth in the second half of the year. Both the UK and Europe continued to make strong top-line progress, and overall the gross margin of 30.5% remained above the targeted level of 30% for the second year in succession. The Asian operations delivered a robust profit performance following a strong first half and the company continues to invest in the US, where profitability also experienced some one-time operational issues that should moderate this year.

As expected, the cash conversion rate from EBITDA to underlying operating cash fell to 68.1% (FY17: 97.3%). In addition to a £0.5m increase in capex to £3.6m, a £2.5m gross investment in stock levels was incurred during the year to normalise the abnormally low positions held at the prior year end. Excluding the inventory adjustment, the operating cash conversion would have been 78.2%. A number of one-off, non-operational factors also affected the net cash flow. These included the £1.2m tax and national insurance payment deferred from FY17 against the chairman's exercise of share options on 17 February 2017, a £3.4m buyback of 1.5m shares by the Trifast EBT, property disposal proceeds of £1.6m in Malaysia and a £1.3m increase in net debt due to FX movements.

Underlying fully diluted EPS rose by 7.5% to 13.78p per share, which compares to our estimate following FY17 results of 12.56p, almost a 10% improvement. It has been achieved despite the anticipated input cost pressures and the one-off operational issues in the US.

**Exhibit 2: Trifast underlying income statement half-year splits**

Year to March	H117	H217	FY17	H118	H218	FY18		% change	
£000s							H118 vs H117	H218 vs H217	FY18 vs FY17
Revenue									
UK	32,612	34,213	66,825	34,037	36,249	70,286	4.4%	6.0%	5.2%
Europe	32,570	34,661	67,231	35,568	37,153	72,721	9.2%	7.2%	8.2%
US	2,917	2,983	5,900	3,185	3,086	6,271	9.2%	3.5%	6.3%
Asia	21,648	24,908	46,556	25,023	23,331	48,354	15.6%	-5.3%	3.9%
<b>Group revenue</b>	<b>89,747</b>	<b>96,765</b>	<b>186,512</b>	<b>97,813</b>	<b>99,819</b>	<b>197,632</b>	<b>9.0%</b>	<b>3.2%</b>	<b>6.0%</b>
<b>Gross profit</b>	<b>28,400</b>	<b>29,617</b>	<b>58,017</b>	<b>29,502</b>	<b>30,744</b>	<b>60,246</b>	<b>3.9%</b>	<b>3.8%</b>	<b>3.8%</b>
Underlying operating profit									
UK	3,131	3,407	6,538	3,914	4,496	8,410	25.0%	32.0%	28.6%
Europe	5,349	4,469	9,818	3,940	5,145	9,085	-26.3%	15.1%	-7.5%
US	166	168	334	116	-64	52	-30.1%	-138.1%	-84.4%
Asia	3,302	4,703	8,005	4,368	4,058	8,426	32.3%	-13.7%	5.3%
Unallocated costs	-1,686	-1,991	-3,677	-1,207	-2,053	-3,260	-28.4%	3.1%	-11.3%
<b>Group total</b>	<b>10,262</b>	<b>10,756</b>	<b>21,018</b>	<b>11,131</b>	<b>11,582</b>	<b>22,713</b>	<b>8.5%</b>	<b>7.7%</b>	<b>8.1%</b>
Interest	-313	-208	-521	-222	-258	-480	-29.1%	24.0%	-7.9%
<b>Underlying profit before tax</b>	<b>9,949</b>	<b>10,548</b>	<b>20,497</b>	<b>10,909</b>	<b>11,324</b>	<b>22,233</b>	<b>9.6%</b>	<b>7.4%</b>	<b>8.5%</b>
Margins									
Gross margin	31.6%	30.6%	31.1%	30.2%	30.8%	30.5%			
Underlying operating margins									
UK	9.6%	10.0%	9.8%	11.5%	12.4%	12.0%			
Europe	16.4%	12.9%	14.6%	11.1%	13.8%	12.5%			
US	8.7%	4.2%	5.7%	3.6%	-2.1%	0.8%			
Asia	17.4%	17.0%	17.2%	17.5%	17.4%	17.4%			
Group underlying operating margin	11.4%	11.1%	11.3%	11.4%	11.6%	11.5%			
Underlying PBT margin	11.1%	10.9%	11.0%	11.2%	11.3%	11.2%			

Source: Trifast results announcements. Note: Before amortisation of intangibles, share-based payments and exceptional items.

## UK (36% of FY18 external revenue; 32% of underlying operating profit)

In FY18 the UK grew revenues (including intra company sales) 5.4% to £73.0m at AER. As in the previous year growth was driven by the European distribution business, which grew 23.4% to

£10.0m, or 14% of UK sales. In addition, there was a more broadly based increase in sales to core multinational OEMs across various sectors. The operational leverage over a semi-fixed cost base combined with good cost control led to a 220bp improvement in margin to 12.0%. We would not anticipate a further increase in margins as materials cost pressures persist even if relatively modest to date, Brexit concerns remain and the Project Atlas investment will start to generate some initially unrecovered incremental costs across the group.

### **Europe (37% of FY18 external revenue; 35% of underlying operating profit)**

Europe experienced a sharp contraction in operating margins split across three factors. As expected following the ending of a supply contract at the end of H117, there was a drop-through from gross profit of increased purchase costs, especially in the Italian operation. A similar impact on margin arose from higher fixed production costs from investment in additional manufacturing capacity. The third element was an overhead under absorption at the new TR Espana operation as it continues to build volumes. At the underlying operating level margins fell 210bp, although there was an improvement apparent during H218. The reported external revenue growth of 8.2% to £72.7m remained healthy despite the abnormally high domestic appliance sales volumes in Italy in FY17 due to a major global recall by a customer. The automotive sector in Holland (15.4% CER) and Sweden (13.6% CER) experienced the strongest growth.

Management expects the input cost levels to continue into FY19 as they have returned to more normal levels following the end of the favourable supply contract. We expect some improvement in overhead recovery in Spain as the new facility continues to grow.

### **Asia (24% of FY18 external revenue; 32% of operating profit)**

Asia continued to perform well, with solid organic growth during the year across the key automotive and domestic appliance sectors. Although the growth moderated in Asia during the second half, this was expected. In part it was the result of management maintaining pricing discipline in the region, with some volume sacrificed as a result an e-bidding auction process. Trading nevertheless increased almost across the board in the full year, with China remaining the strongest region as the Shanghai-based operation grew by almost 10%, driven by strong automotive demand from domestic manufacturing operations and exports to Japan. The region broadly maintained its operating margin, with the benefit of higher volumes being largely offset by increased overhead expenses on newly opened facilities, as well as a higher balance sheet translation FX loss of \$0.4m (FY17: £0.2m loss) incurred due to the weakening of the US\$ later in H2.

We expect growth to continue in FY19 but at more muted levels.

### **US (3% of FY18 external revenue; 0% of operating profit)**

The US broadly maintained sales volumes in the second half of the year compared to H118 using AER. However, in local currency terms, a soft first half with growth of 3.7% was followed by double-digit growth in the second half. Margins declined sharply due to product mix changes and the increasing focus on the lower-margin automotive sector, where temporary additional costs were incurred against a production start-up programme for a customer. As a result, underlying operating profit fell by £0.3m for the full year to close to break even. The decline was further exacerbated by the effects of Hurricane Harvey on electronics manufacturing customers. Trifast continues to invest in the region to stimulate future growth and, while some margin recovery is expected in the current year, additional overheads will be incurred as the operations moved into a new HQ in April.

## Outlook

The UK macroeconomic situation has continued to be resilient despite some well-publicised concerns and persistent domestic uncertainty, notably around Brexit. However, the impact of FX rates on input costs has so far been more muted than expected and exchange rates appear more stable. Management anticipate increased input cost pressures in FY19. Performance in the UK in FY19 will be enhanced as PTS will also make its initial contribution, effectively for a full year. We expect PTS to contribute £6m to revenues with a mid-teen operating margin, above the UK regional average.

We expect Europe to broadly maintain margins at the more normal levels seen in FY18, compared to an exceptional FY17, with growth in Spain and in other new capacities helping to mitigate any residual input price pressures.

Asia should benefit from the manufacturing capacity expansion in Singapore, which should lift margins with better overhead absorption. The new warehouse in Shanghai should also support continued automotive sector growth in China and Japan.

Management expects to see double-digit revenue growth and some margin recovery in the US assuming no repeat of the weather events in FY18, especially for the automotive operations. However, Trifast continues to build the team and invest in new facilities to support growth, including the new facility in Houston in April 2018.

Project Atlas has been launched. It is scoped to integrate and develop the IT infrastructure across the group to support the continuing growth, while improving the interface with customers. The associated investment of £15m will be spread over the next three years with around £5-6m anticipated in FY19.

## Augmenting the growth strategy

Trifast's core strategy remains unchanged. The focus is on developing business, with over 100 multinational OEM customers spanning the end-market sectors of automotive (33% of FY18 sales), domestic appliances (22%), electronics (16%) and other. These customers contribute more than 65% of revenues and delivered 5.6% organic growth last year. Trifast continues to increase both the number of products being sold to these companies and their manufacturing plants it supplies. New OEMs continue to be added and investment should now be accelerated into an integrated Management Information System (MIS) via Project Atlas, aligning customer-facing processes and systems with manufacturing. This is further supported by the five additional strategic pillars:

- **Differentiation:** Trifast is a solutions business, working with customers to enhance product reliability by offering tailor-made answers to problems. 75% of products, including branded parts, are made and supplied to specific customer or Trifast specifications, limiting exposure to commodity pricing.
- **Acquisitions:** as an industry consolidator, Trifast is constantly looking at potential acquisitions that can add new products, technologies and/or customers. A global acquisition team has been formed to develop the pipeline of opportunities.
- **Investment:** there is consistent investment to upgrade manufacturing and warehouse facilities to enable Trifast to offer the best possible service to customers. Additional investment in reducing bottlenecks and increasing capacity is also undertaken as required.
- **Efficiency:** by constantly assessing operational efficiencies, Trifast can provide the service that can justify above-average margins. Leaning initiatives, sharing best practice and automation accompany systems investment to support manufacturing and customers.

- **People:** Trifast invests consistently in the development of its team; new people are introduced and prepared ahead of initiatives, while there are numerous ongoing training programmes.

## Project Atlas

As the business has grown, Trifast has invested in the manufacturing footprint. However, the company has recognised the need to invest in its IT infrastructure and redesign its business processes to support further growth. A thorough investigation has prompted the company to introduce a new strategy in Project Atlas. Management views timely and effective information systems as integral to the future of the business and outlines four key drivers for the Project Atlas investment:

- Supporting core strategy – underpinning ongoing growth plans and differentiation in core markets.
- Operational efficiencies and integration – driving efficiency gains, increased automation and lowering operational gearing to support the ongoing growth story.
- Improving management information and data management – leading to better decision making, more globalised supplier management and a more proactive approach to opportunities and challenges.
- Building an adaptable, scalable, stable environment – flexible, rapidly deployable and widely supported systems and processes that will form the backbone of the growing global business.

The direct costs incurred in FY18 were £0.4m, largely due to the project team and consultancy costs. While Project Atlas is a multi-year programme, the board has authorised a total budget of £15m, although this figure may evolve as the scope of the investment is refined. While the IT platform is expected to account for around a third of the budget, focus on improving business processes, including change management and training, will make up most of the investment. At the full point of benefit realisation (FY23), management estimates ROI on the project in excess of 25%, which is in turn above the company's current ROCE of 20.1%.

## Sensitivities

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- **Cost-down pressures:** equipment/machinery manufacturers operate in competitive markets, with pressure applied to all suppliers to keep prices down. These pressures are at their greatest in commodity-type products, especially in mass-production industries such as automotive. Fasteners are among the lowest-priced components in any product and Trifast's ability to offer effective inventory management to customers can sometimes be used to counter these pressures. In addition, value-added engineering, quality and reliability of supply are differentiating factors that help to mitigate the pressures. Nevertheless the emergence of new procurement processes at customers such as e-auctions can at least temporarily adversely influence decision making until these factors reassert themselves.
- **Raw materials costs:** fluctuating raw materials costs cannot always be passed on quickly in competitive markets. We believe the type of customer being targeted by Trifast will be more concerned about supply chain management than the price paid for crucial low-cost components, but only to a certain extent. Distributors can suffer short-term margin pressures when their own price increases lag cost rises. Input costs are currently facing upward pressure, which should depress margins, despite negotiations aimed at mitigating the impact.
- **Stock obsolescence:** Trifast will often hold buffer stocks of specialist components on behalf of certain customers (short production runs are rarely economical). Stock levels are often contractually agreed, but Trifast will exceed these when appropriate. Trifast will usually be made aware ahead of changes to product specification, because of work carried out on the design of replacement products, enabling it often to manage much of the risk.



- **Exchange rates:** Trifast has a hedging strategy. However, acquisitions substantially raised the exposure to the euro in recent years. With Asia representing about a quarter of external revenues and a third of profit, fluctuations in Asian currencies relative to the US dollar, the euro and sterling may have an impact on margins. The majority of Asian production is sold locally, mitigating the impact, although many large contracts are priced in US dollars.
- **Global shifts:** there has been a shift of manufacturing capacity from developed countries to lower-cost territories in Eastern Europe, Central and South America and, more specifically, India and the Far East. However, contracts for the supply of fasteners are frequently negotiated direct with parent companies, which have often not changed domicile. Trifast has developed extensive sourcing and manufacturing facilities, mostly in lower-cost territories. Management sees these shifts as an opportunity rather than a problem, especially when supplying to locally based component and subassembly producers.
- **Project Atlas has execution risks:** change management is always a tricky factor and when investment in cross-group IT occurs these risks can increase. Perfect execution is seldom achievable, but avoiding the worst efficiency and financial pitfalls is important. There are many examples of IT-related investments causing operational disruption. Trifast has a dedicated and experienced management team charged with the project delivery.
- **Acquisitions:** as evidenced by the purchase of PTS in April 2018, acquisitions remain firmly on the agenda. Deals tend to fit well and are under negotiation for some time before completion. There is always execution risk with acquisitions, but the manner in which management has pursued its deals so far suggests that this is minimised.

## Financials

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We are once again modestly increasing our expectations for FY19 by around 1%. Margin pressures persist in some areas due to FX effects on input costs and additional fixed costs from capacity investment, and Project Atlas is likely to add further pressure in the near term, with its full enhancing benefits not expected until 2023. The acquisition of PTS further boosts current year performance, although our expectations for the business remain unaltered.

We introduce our FY20 estimates, with similar growth rates again reflecting the investments to be made under Project Atlas, and we expect to continue to look for appropriate opportunities to expand the business through additional M&A.

**Exhibit 3: Financial summary**

£m	2018e	2018		2019e		
	Prior	Actual	% change	Prior	New	% change
UK	69.2	70.3	1.6%	76.7	77.8	1.5%
Europe	70.6	72.7	3.0%	72.7	74.9	3.0%
US	6.4	6.3	-2.5%	7.1	6.9	-2.5%
Asia	50.7	48.4	-4.7%	53.3	50.3	-5.6%
<b>Total group external revenues</b>	<b>196.9</b>	<b>197.6</b>	<b>0.4%</b>	<b>209.7</b>	<b>209.9</b>	<b>0.1%</b>
<b>EBITDA</b>	<b>24.0</b>	<b>24.7</b>	<b>2.9%</b>	<b>25.4</b>	<b>25.9</b>	<b>1.7%</b>
UK	8.5	8.4	-1.1%	9.5	9.0	-5.0%
Europe	8.6	9.1	5.5%	8.7	9.0	3.0%
US	0.3	0.1	-83.8%	0.5	0.1	-72.1%
Asia	8.4	8.4	0.0%	8.5	8.8	3.5%
HQ Other and intersegment	(3.7)	(3.3)	-11.9%	(3.7)	(3.3)	-11.9%
<b>Underlying operating profit</b>	<b>22.2</b>	<b>22.7</b>	<b>2.5%</b>	<b>23.5</b>	<b>23.8</b>	<b>1.2%</b>
<b>Underlying PTP</b>	<b>21.8</b>	<b>22.2</b>	<b>2.1%</b>	<b>23.0</b>	<b>23.2</b>	<b>1.0%</b>
<b>EPS - underlying continuing fully diluted (p)</b>	<b>13.50</b>	<b>13.78</b>	<b>2.1%</b>	<b>14.18</b>	<b>14.36</b>	<b>1.2%</b>
DPS (p)	3.65	3.85	5.5%	3.80	4.00	5.3%
Net cash/(debt)	(7.3)	(7.4)	2.0%	(10.7)	(14.6)	36.6%

Source: Company reports, Edison Investment Research



**Exhibit 4: Financial summary**

	£000s	2016	2017	2018	2019e	2020e
Year end 31 March		IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>						
Revenue		161,370	186,512	197,632	209,901	218,938
Cost of Sales		(113,366)	(128,495)	(137,386)	(146,301)	(152,600)
Gross Profit		48,004	58,017	60,246	63,600	66,338
EBITDA		18,150	22,868	24,650	25,873	27,335
Operating Profit (before amort. and except.)		16,793	21,018	22,713	23,962	25,343
Intangible Amortisation		(974)	0	0	(150)	(300)
Exceptionals		(264)	(1,645)	(1,536)	(5,363)	(4,156)
Other		(1,687)	(1,512)	(2,194)	(2,200)	(1,000)
Operating Profit		13,868	17,861	18,983	20,229	20,229
Net Interest		(791)	(521)	(480)	(604)	(745)
Profit Before Tax (norm)		16,002	20,497	22,233	23,209	24,298
Profit Before Tax (FRS 3)		13,077	17,340	18,503	15,646	19,142
Tax		(3,984)	(4,835)	(5,186)	(5,454)	(5,710)
Profit After Tax (norm)		12,018	15,662	17,047	17,755	18,588
Profit After Tax (FRS 3)		10,225	12,698	15,086	11,969	14,644
Average Number of Shares Outstanding (m)		116.4	118.5	120.3	120.3	120.3
EPS - normalised (p)		9.99	12.82	13.78	14.36	15.03
EPS - (IFRS) (p)		8.79	10.72	12.54	9.95	12.17
Dividend per share (p)		2.80	3.50	3.85	4.00	4.15
Gross Margin (%)		29.7	31.1	30.5	30.3	30.3
EBITDA Margin (%)		11.2	12.3	12.5	12.3	12.5
Operating Margin (before GW and except.) (%)		10.4	11.3	11.5	11.4	11.6
<b>BALANCE SHEET</b>						
Fixed Assets		55,430	58,940	58,414	68,639	71,476
Intangible Assets		38,259	39,682	38,401	45,388	46,932
Tangible Assets		17,171	19,258	20,013	23,251	24,543
Investments		0	0	0	0	0
Current Assets		102,603	118,290	130,242	140,876	155,730
Stocks		39,438	41,926	49,199	50,376	52,545
Debtors		43,386	49,360	52,466	57,723	60,208
Cash		17,614	24,645	26,222	30,222	40,222
Other		2,165	2,359	2,355	2,555	2,755
Current Liabilities		(52,813)	(54,564)	(52,456)	(46,824)	(40,456)
Creditors		(35,879)	(39,692)	(40,584)	(40,952)	(40,584)
Short term borrowings		(16,934)	(14,872)	(11,872)	(5,872)	128
Long Term Liabilities		(21,470)	(20,968)	(25,987)	(43,125)	(56,536)
Long term borrowings		(16,675)	(16,221)	(21,781)	(38,917)	(52,326)
Other long term liabilities		(4,795)	(4,747)	(4,206)	(4,209)	(4,210)
Net Assets		83,750	101,698	110,213	119,566	130,214
<b>CASH FLOW</b>						
Operating Cash Flow		15,873	22,887	15,303	17,222	20,202
Net Interest		(804)	(521)	(480)	(604)	(745)
Tax		(3,080)	(5,136)	(5,186)	(5,454)	(5,710)
Capex		(2,323)	(2,948)	(3,566)	(5,149)	(6,284)
Acquisitions/disposals		(7,684)	(1,471)	0	0	0
Financing		(2,122)	46	(2,836)	(8,500)	0
Dividends		(2,440)	(3,310)	(4,218)	(4,652)	(4,872)
Net Cash Flow		(2,580)	9,547	(983)	(7,136)	2,591
Opening net debt/(cash)		13,415	15,995	6,448	7,431	14,567
HP finance leases initiated		0	0	0	0	0
Other		0	0	0	0	0
Closing net debt/(cash)		15,995	6,448	7,431	14,567	11,976

Source: Company reports, Edison Investment Research estimates

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