Regional REIT

Acquisitions driving growth and diversification

2017 results

Real estate

Acquisitions during the year added further scale and breadth to Regional REIT's (RGL's) portfolio, with the degree of diversification (by region, sector, property and tenant) helping to mitigate some of the risks inherent in the sector. The debt structure has been simplified and maturity extended, and the asset management team further strengthened. As previously announced, DPS grew by 3%, fully covered by earnings, and management reconfirmed its commitment to a progressive dividend policy.

Year end	Net rental income (£m)	Adj. EPRA EPS* (p)	EPRA NAV/ share (p)	DPS (p)	P/EPRA NAV (x)	Yield (%)
12/16	38.1	7.8	106.9	7.65	0.93	7.7
12/17	45.8	8.6	105.9	7.85	0.93	7.9
12/18e	56.4	8.4	112.3	8.05	0.88	8.1
12/19e	58.2	9.2	116.8	8.25	0.85	8.3

Note: *Adj. EPRA EPS excludes exceptional expenses and estimated performance fees.

FY17 earnings and dividend growth

The 47% growth in the investment portfolio to £737.3m was driven by acquisitions but included a 2.6% like-for-like valuation gain. Gross rental income grew 22% to £52.3m and net rental income by 20% to £45.8m with acquisitions yet to fully contribute (year-end contracted gross rents of £61.9m). Costs benefited from VAT recoveries, offset by higher non-recoverable property costs, while the performance fee accrual increased to reflect NAV total return progress since IPO (an aggregate 19.9%). The cost ratio should benefit from increasing scale and letting progress. Adjusted EPRA EPS increased c 11% to 8.6p, and aggregate dividends per share by c 3% to 7.85p. Including the performance fee accrual, unadjusted EPRA EPS was 5% ahead at 8.1p. EPRA NAV per share was just 1% lower at 105.9p, after refinancing costs, property acquisition costs and share issuance costs

Asset management and refinancing opportunities

Our forecasts are little changed. We look for underlying earnings growth driven by a full-year contribution from acquired assets, asset management initiatives, including an increase in occupancy from 85.0% (by value) at end FY17 to 88% by end FY19, and the opportunity to refinance/repay two remaining high-cost debt facilities over the next 12 months. Management indicates that modest asset sales may contribute to reducing net LTV from 45% at end FY17. £33m in asset sales would reduce our end FY19 forecast 42.5% to the targeted 40%, while the c 0.3p annualised reduction in adjusted EPS would leave forecast DPS well covered.

Valuation: Attractive yield; growing dividend

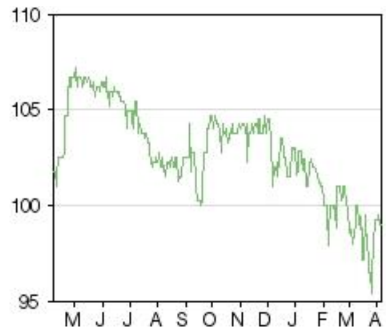
RGL continues to offer the highest yield in the sector. The dividend is fully covered by EPRA earnings before performance fees, and management has signalled a continuing progressive dividend policy. The geographic spread of its non-London portfolio, its sector and tenant diversity, and high asset yield all mitigate macroeconomic risks.

6 April 2018

Price	**99.0p**
Market cap	**£369m**

Net balance sheet debt (£m) at 31 December 2017	327.0
Net LTV at 31 December 2017	45.0%
Shares in issue	372.8m
Free float	97%
Code	RGL
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	1.0	(3.7)	(1.7)
Rel (local)	0.2	3.2	(0.8)
52-week high/low		107.2p	95.4p

Business description

Regional REIT owns a highly diversified commercial property portfolio of predominantly offices and light industrial units located in the regional centres of the UK. It is actively managed and targets a total shareholder return of 10-15% with a strong focus on income.

Next events

Q1 trading update	17 May 2018
AGM	17 May 2018
2018 interim results	11 September 2018

Analysts

Martyn King +44 (0)20 3077 5745

Andrew Mitchell +44 (0)20 3681 2500

financials@edisongroup.com

Edison profile page

Regional REIT is a research client of Edison Investment Research Limited

Company description: Diversified regional focus

RGL is an externally managed, UK-based, real estate investment trust (incorporated in Guernsey) that was admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange in November 2015, becoming a constituent of the FTSE All-Share Index in March 2016 and the FTSE EPRA NAREIT Index in June 2016. It targets a 10-15% total return pa, including high dividends from sustainable earnings, through investments in UK commercial property (predominantly office and industrial property) in the main regional centres of the UK, effectively outside the M25 motorway. A highly diversified portfolio provides protection from sector, industry and tenant risks (Exhibits 3 and 4).

The 2017 DPS increased c 3% to 7.85p, maintaining its position as the highest-yielding REIT (Exhibit 7) with a fully covered dividend, and the company has indicated a continuation of its progressive dividend policy in the current year. The Q118 dividend will be declared with the trading statement to coincide with the AGM on 17 May. A key part of strategy has been to grow the investment property asset base and build scale, and in 2017 growth was 47% to c £737m, including three significant portfolio acquisitions, with immediate enhancement to income and potential to benefit from ongoing asset management.

Despite some softening of UK economic growth expectations, the regional commercial property market remains in robust health, with occupier and investment demand for regional office and industrial property remaining firm during the year, although RGL notes that letting decisions are taking longer to execute in some instances.

Summary of 2017 results

Exhibit 1: Summary of key financials

	2016			2017			2017/2016
£m unless stated otherwise	**IFRS**	**Adjustments**	**EPRA**	**IFRS**	**Adjustments**	**EPRA**	**EPRA**
Gross rental income	**43.0**		**43.0**	**52.3**		**52.3**	**22%**
Non-recoverable property costs	(4.9)		(4.9)	(6.5)		(6.5)	34%
Net rental income	**38.1**		**38.1**	**45.8**		**45.8**	**20%**
Administrative & other expenses	(8.0)		(8.0)	(7.8)		(7.8)	-2%
Performance fee accrual	(0.2)		(0.2)	(1.6)		(1.6)	547%
Operating profit before gains/(losses) on property & other assets	**29.9**	**0.0**	**29.9**	**36.4**	**0.0**	**36.4**	**22%**
Gain on disposal of investment property	0.5	(0.5)	0.0	1.2	(1.2)	0.0	
Change in fair value of investment property	(6.8)	6.8	0.0	5.9	(5.9)	0.0	
Operating profit	**23.7**	**6.2**	**29.9**	**43.5**	**(7.1)**	**36.4**	**22%**
Net finance expense	(8.6)		(8.6)	(14.5)	2.5	(12.0)	39%
Impairment of goodwill/derivative fair value movement	(1.7)	1.4	(0.2)	(0.3)	0.2	(0.2)	
Profit before tax	**13.4**	**7.7**	**21.1**	**28.7**	**(4.5)**	**24.2**	**15%**
Tax	0.0		0.0	(1.6)	1.4	(0.2)	
Net profit	**13.4**	**7.7**	**21.1**	**27.1**	**(3.0)**	**24.0**	**14%**
Diluted EPRA EPS (p)			7.7			8.1	5%
Adjusted EPRA EPS (p)			**7.8**			**8.6**	**11%**
DPS (p)			**7.65**			**7.85**	**3%**
Diluted EPRA NAV (p)			106.9			105.9	-1%
Investment properties			502.4			737.3	47%
Net LTV			40.6%			45.0%	

Source: Company data

2017 was marked by significant acquisition activity, in part financed by additional debt funding and the issue of 98.0m new shares during the year (c one-third of the opening number). A significant refinancing in December 2017 substantially simplified the debt structure and increased average maturity from 2.5 to 6.2 years. The key financial highlights were:

- Net rental income increased c 20% to £45.8m, primarily reflecting the acquisitions made during the year, although like-for-like occupancy increased to 84.1%, by value, compared with 83.4% a year earlier.. The increase in gross rental income was c 22%, but within net rental income, non-recoverable property costs were affected by refurbishment programmes at a number of assets and should decline as these assets are let. The acquisitions made in 2017 will not fully contribute until 2018, with the end-2017 annualised contracted rent roll standing at £62.9m
- Administrative and other expenses increased by c 15%. Adjusting for the increased investment manager performance fee accrual and the VAT recovery, the underlying growth was c 14%. The EPRA basis cost ratio, including both property and administrative costs, was 29.7%, very slightly up on 2016 (29.6%) as a result of the non-recoverable property costs and an increase in the performance fee accrual. The EPRA cost ratio excluding performance fees declined from 29.0% to 26.6% and we expect this to decline further.
- Reflecting the additional debt required to part-fund acquisitions during the year, underlying (EPRA) basis net financial expense increased by 39%. The reported cost included £2.5m of one-off costs related to the debt refinancing that saw debt facilities rationalised and duration extended with no material impact on recurring debt costs.
- Adjusted EPRA EPS increased c 11% on a diluted basis (to 8.6p) and aggregate dividends per share by c 3% to 7.85p. Including the performance fee accrual, unadjusted EPRA EPS was 5% ahead at 8.1p. EPRA NAV per share was just 1% lower at 105.9p, despite refinancing costs, property acquisition costs and share issuance costs.
- The investment property portfolio grew 47% during the year (to £737.3m), including aggregate acquisitions of £228.1m (before costs), disposals a net £16.9m and net capex relating to the refurbishment programme of £13.4m. There was a net 2.6% increase in valuation on a like-for-like basis.
- Reflecting the acquisition activity, total debt (including unamortised arrangement fees) increased from c £220m to c £376m during the year, with the net LTV increasing from 40.6% to 45.0%, but down from a high of c 49% immediately after the Conygar acquisition in March 2017. Interest expense similarly increased, with interest cover at 3.2x (FY16: 3.8x).

Management says that it is confident that RGL's diversified and high-yielding property portfolio will deliver good shareholder returns in 2018, including the benefits from continuing asset management initiatives.

Portfolio positioning and market outlook

The degree of diversity within the RGL portfolio is a differentiating factor, and one that has the potential to mitigate sector risks and can fairly be seen as representative of the UK economy as a whole.

As at the end of 2017, the portfolio comprised 164 different properties, covering 1,368 individual property units, let to well over 1,000 tenants. The largest single tenant represents 2.6% of contracted rents. The increase in occupancy during FY17 (from 82.7% to 85.0%, by value) in part reflects the acquisitions and disposals made, but like-for-like occupancy also increased (from 83.4% to 84.1%). The weighted average unexpired lease term (WAULT) was 5.4 years (2016: 5.2 years) and the WAULT to first break was effectively maintained during the year (3.5 years) despite the passing of time. The gross contracted rent roll grew to an annualised £61.9m and the net contracted rent roll to an annualised £52.0m. The expected rental value also increased to £73.8m, with the uplift from the gross contracted rent roll substantially representing the opportunity from reducing voids.

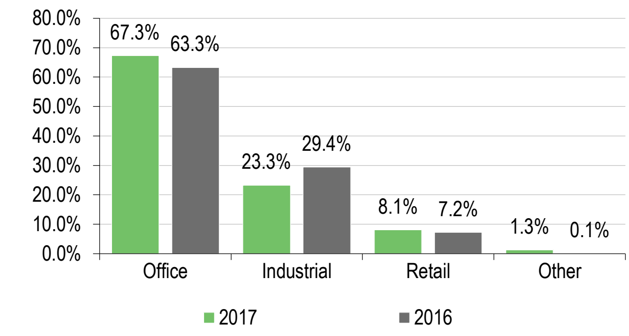
Exhibit 2: Key portfolio metrics

	2017	2016
Portfolio value (£m)	737.3	502.4
Number of properties	164	123
Number of tenants	1,026	717
Gross contracted rents (£m)	61.9	44.0
Net contracted rents (£m)	52.0	36.7
Expected rental value (ERV) (£m)	73.8	53.1
WAULT to first break (years)	3.5	3.6
Occupancy by value – like-for-like (%)	84.1	83.4
Occupancy by value (%)	85.0	82.7

Source: Company data

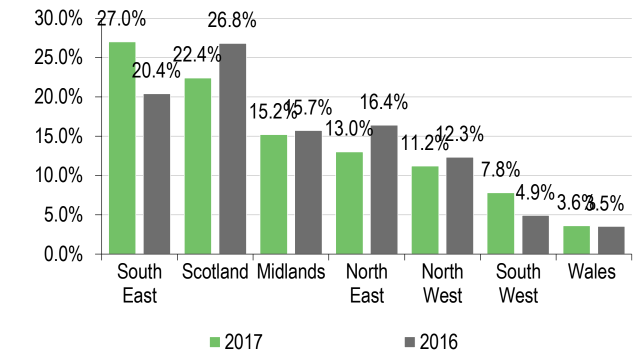
Exhibits 3 and 4 provide an insight to the spread of the portfolio by geography and sector. More than 90% of the portfolio is represented by the office and light industrial properties that the manager has been targeting. Geographically, the Scottish weighting has continued to reduce (from c 35% at IPO) in line with the stated strategy, and faster growing areas of England, like the south-east, the midlands, the north-west and the south-west now represent more than 60%.

Exhibit 3: Sector split (by portfolio value)



Source: Company data

Exhibit 4: Regional split (by portfolio value)



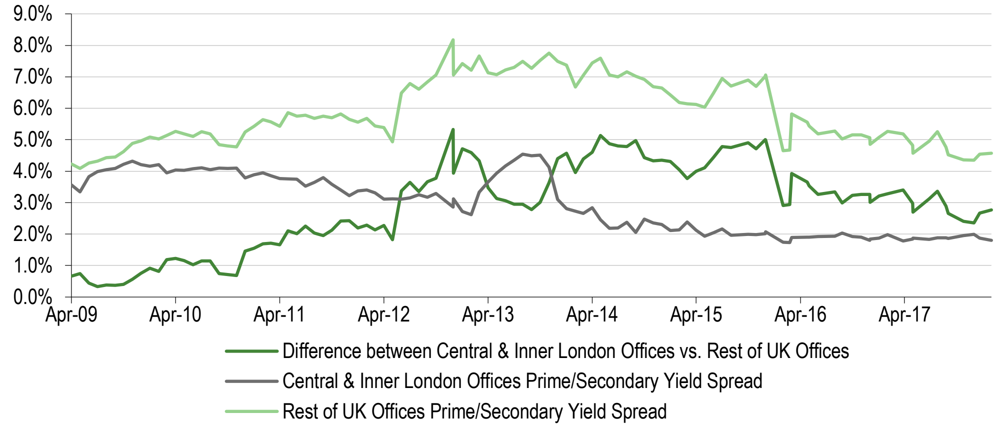
Source: Company data

Regional markets remains in good health

The attraction of the regional towns and cities to both occupiers and investors continued in 2017 and RGL finds the regional commercial property markets to be in good health. Management says that it has experienced increased tenant demand, although in some instances letting decisions are taking longer to execute. Office supply in regional markets remains low, with occupier take-up continuing to reduce availability, particularly of Grade A space, which should be a positive for occupier demand and rental growth in the good quality secondary space targeted by RGL. In industrial, continued occupier demand and constrained supply has seen a 4.9% increase in industrial rents in 2017, according to IPD.

Overall investment volumes in UK commercial property (including London) in 2017 were 27% higher than in 2016, with an increasing share taken by regional markets. Data for the office market suggests that regional offices continue to represent attractive yield compared with London, and that regional secondary office yields have room to tighten further versus prime. As a result of investor demand, the average yield spreads between the regional and London offices has continued to narrow, but remains wider than it was before recovery took hold in the London market in 2009, and is similar to the longer-term average. As London recovered, the spread of secondary over prime yields narrowed steadily, while the recovery in the regions was later to take hold such that the regional spread of secondary over prime yields remains wide despite more recent tightening (Exhibit 5). The manager believes this trend has further to go.

Exhibit 5: London office yields versus the regions, and prime/secondary spreads



Source: Regional REIT, CBRE (February 2018)

Financials and estimate changes

The headline 2017 earnings result was better than we had forecast. Net rental income was 3% ahead of our expectation, and administrative and other costs (including the performance fee) were lower by a similar amount, benefiting unexpectedly from RGL's recent success in registering for VAT, allowing a c £0.8m recovery in respect of prior years and a recurring saving in the amount of c £0.3m for FY17. EPRA NAV per share of 105.9p was 1% above our estimate, while the DPS of 7.85p had been previously declared.

Exhibit 6: Performance versus forecast and forecast changes

	Net rental income (£m)			EPRA EPS* (p)			EPRA NAV (p)			DPS (p)		
	Actual	Forecast	% diff.	Actual	Forecast	% diff.	Actual	Forecast	% diff.	Actual	Forecast	% diff.
12/17	45.8	44.7	3%	8.6	7.9	9%	105.9	104.4	1%	7.85	7.85	0%
	New	Old	% chg.	New	Old	% chg.	New	Old	% chg.	New	Old	% chg.
12/18e	56.4	56.3	0%	8.4	8.4	0%	112.3	112.2	0%	8.05	8.05	0%
12/19e	58.2	59.2	-2%	9.2	9.1	1%	116.8	117.9	-1%	8.25	8.25	0%

Source: Edison Investment Research. Note: *EPRA EPS is adjusted to exclude exceptional expenses and estimated performance fees.

Our forecasts for FY18 and FY19 are little changed. In FY18, income on the properties acquired in FY17 compensates for the increased number of shares, although the non-repeat of prior-year VAT recoveries means that adjusted EPS is likely to be a little lower than in FY17.

Our FY18 forecast includes the acquisition of an office property in Portsmouth (the 'pipeline asset' agreed in principle with the completed December portfolio acquisitions), which is expected to complete by the end of March and add an annualised c £400k to rental income. We also factor in the £10.5m sale, agreed last year, on a subject-to-planning basis, to Unite Students, the manager and developer of student accommodation, of a development site (no revenue impact) in Leeds that was acquired as part of the Wing portfolio in 2016. RGL has said that it expects to generate a profit on completion of c £9m on the original acquisition price, and we would also expect a significant uplift to the current carried value of the asset. We have assumed a £6.5m realisation gain in our 2018 forecast. Other than these two transactions we have allowed for no other purchases and sales, although these are likely. In particular, management has indicated a willingness to take advantage of continuing investor interest in some industrial assets where disposal at market values may lock in potential that is not reflected in valuations.

Management expects to make further progress towards its 90% (like-for-like) occupancy target during the current year, and we continue to assume 87% by end-FY18 and 88% by end-FY19, with modest like for like rent growth of 0.5%pa in both FY18 and FY19. We continue to expect the increase in occupancy, supported by last year's refurbishment investment, to drive revaluation gains in the current year, equivalent to 2.5% of the opening value (FY17: 2.6% like-for-like, with reported net gains reduced by acquisition costs). The gains lift our forecast EPRA NAV per share, and therefore our forecast performance fee accrual for the performance period that runs from listing until end-FY18. The first performance fee is payable, in FY19, and for modelling purposes is treated as a cash payment, although in reality it is payable 50% in shares. Stripping out the performance fee, our forecast DPS (+2.5% on FY17) is 105% covered, and substantially covered (97%) including performance fees, as a result of the growth in capital value increasing income account costs. Continuing occupancy improvement and further interest cost savings (see below) should lift income and EPS further.

Further refinancing benefits likely

Further refinancing measures are planned over the next 12 months, including refinancing of one of the remaining five borrowing facilities and repayment of the zero dividend preference shares (ZDP) that were acquired, on a temporary basis, as part of the Conygar transaction. The £65m borrowing facility with ICG Longbow is not due until August 2019, but given the 5.0% fixed coupon, relatively high in current market conditions, management indicates that it expects to exercise an early refinancing option in August 2018, potentially extending the amount borrowed and reducing the cost. This is reflected in our forecasts along with repayment of the £39.9m ZDP, with a coupon of 6.5%, from cash resources in January 2019.

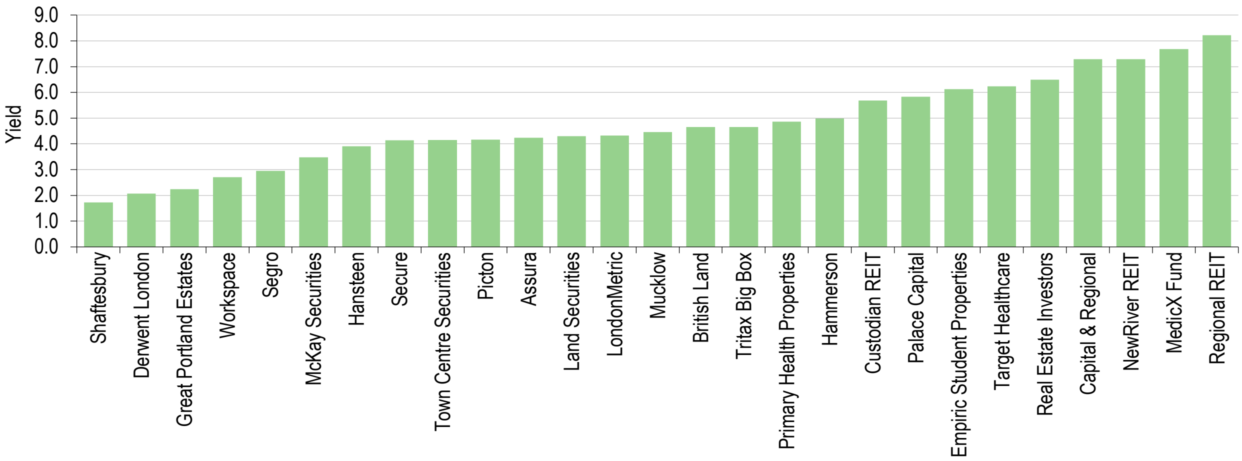
LTV could fall to 40% with modest asset disposals

The net LTV ended the year at 45.0%, down from a peak pf 49% immediately after the Conygar acquisition. Given the increased scale and diversification of portfolio achieved since IPO, management says that it will target a level of 40% (increased from 35%). Our own forecasts show the net LTV continuing to decline (to 42.4% by end-FY19) and meeting the 40% target within this timeframe could be achieved by the net sale of c £33.0m in investment assets. Although this would involve some loss of income, allowing for lost rental income at the portfolio average NIY of 6.8%, and savings on interest costs and portfolio management fees, the annualised net impact on EPRA earnings would be c £1m or 0.3p off our FY19 adjusted EPS forecast of 9.2p, leaving forecast DPS well covered.

Valuation: Still the highest yield, with covered dividend

Regional REIT continues to offer the highest yield in the sector. The dividend is fully covered by adjusted EPRA earnings before performance fee accruals and management has signalled a continuing progressive dividend policy.

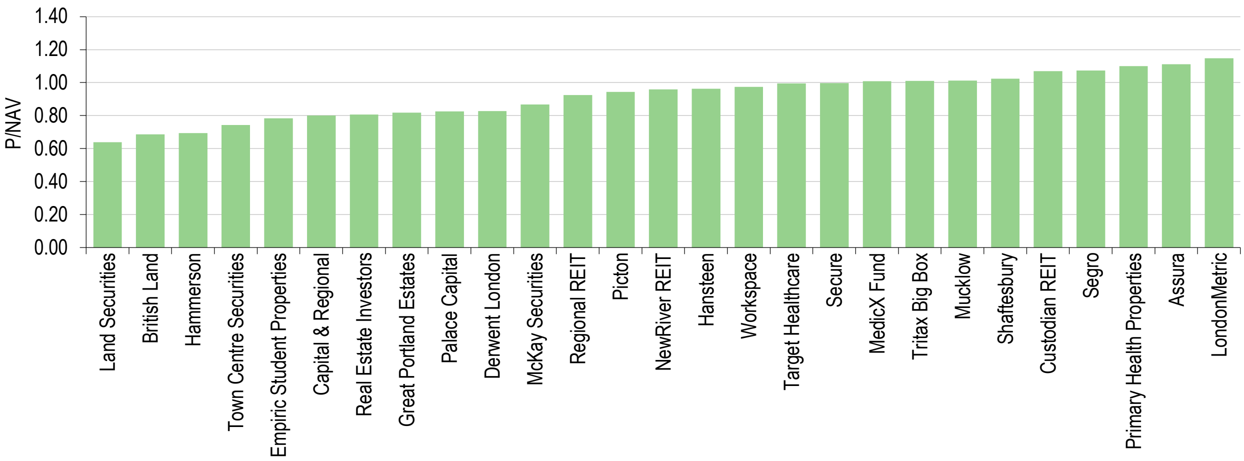
Exhibit 7: Regional REIT continues to offer the highest yield in the peer group



Source: Company data, Edison Investment Research, Bloomberg data as at 29 March 2018

The premium yield is not reflected in RGL's P/NAV rating, with the c 7% discount to the historic (December 2017) EPRA NAV of 105.9p placing it in the middle of the group.

Exhibit 8: Regional REIT P/NAV is at a modest discount



Source: Company data, Edison Investment Research, Bloomberg data as at 29 March 2018

Within the peer group, a number of the companies with long duration leases (primary healthcare, industrial warehousing) continue to command higher than average P/NAVs, which suggests many investors in the broad sector continue to be attracted to the visibility of future income that this provides. The market valuation of RGL and a number of its closest peers focused on more mainstream commercial property and active asset management, combining above-average yield and NAV discount, seems to imply investor caution about the ability to meet occupancy and income expectations and/or the potential for asset values to weaken. This is effectively a macroeconomic call, but is more pessimistic than the current industry expectation. In the case of RGL, we would note that the recent refinancing has significantly extended its debt maturity profile, of which 90% is hedged or fixed, and reduced its direct interest rate risk. Meanwhile, completed refurbishment and other asset management projects provide support to income and capital growth, irrespective of market valuation yields.

Combining capital growth with income returns, RGL has generated a 19.9% EPRA NAV total return since coming to market in November 2015, of which 14.1% represents dividends paid. The compound annual return is 8.8% but included within this are a number of non-recurring costs such as the IPO-related expenses and the 2017 expenses related to the refinancing and equity issuance.

Adjusted for the 2017 costs only, the return would have been 9.4%, close to management's 10-15% target.

Exhibit 9: EPRA NAV total return

	2015*	2016	2017	2018e	2019e	2015-17
Opening EPRA NAV per share (p)	100.0	107.8	106.9	105.9	112.3	100.0
Closing EPRA NAV per share (p)	107.8	106.9	105.9	112.3	116.8	105.9
Dividends per share paid (p)	0.00	6.25	7.80	8.00	8.20	14.05
NAV total return (%)	**7.8%**	**5.0%**	**6.4%**	**13.6%**	**11.3%**	**19.9%**
Compound annual return (%)						**8.8%**

Source: Company data, Edison Investment Research. Note: *Seven-week period from 6 November 2015.

Our forecasts imply that EPRA NAV total return will increase over the next couple of years, through a combination of increasing DPS, one-off items falling away, and increasing occupancy driving capital growth (on the assumption that valuation yields neither fall nor rise from here).

Exhibit 10: Financial summary

Year end 31 December (£000s)	2015	2016	2017	2018e	2019e
PROFIT & LOSS	**IFRS**	**IFRS**	**IFRS**	**IFRS**	**IFRS**
Gross rental income	5,361	42,994	52,349	63,357	64,962
Non-recoverable property costs	(754)	(4,866)	(6,502)	(6,923)	(6,810)
Revenue (net rental income)	4,608	38,128	45,847	56,434	58,153
Administrative expenses (excluding performance fees)	(1,353)	(7,968)	(7,819)	(9,903)	(10,276)
Performance fees	0	(249)	(1,610)	(2,520)	(2,457)
EBITDA	3,255	29,911	36,418	44,011	45,419
EPRA cost ratio	n.m	29.6%	29.7%	29.9%	29.5%
EPRA cost ratio excluding performance fee	n.m	29.0%	26.6%	25.9%	25.7%
Gain on disposal of investment properties	87	518	1,234	6,500	0
Change in fair value of investment properties	23,784	(6,751)	5,893	18,331	15,408
Operating profit before financing costs	27,126	23,679	43,546	68,843	60,827
Exceptional items	(5,296)	0	0	0	0
Net finance expense	(820)	(8,629)	(14,513)	(14,987)	(13,531)
Net movement in the fair value of derivative financial investments and impairment of goodwill	115	(1,654)	(340)	0	0
Profit Before Tax	21,124	13,396	28,693	53,857	47,296
Tax	0	23	(1,632)	0	0
Profit After Tax (FRS 3)	21,124	13,419	27,061	53,857	47,296
Adjusted for the following:					
Performance fees	0	249	1,610	2,520	2,457
Exceptional items	5,296	0	0	0	0
Net gain/(loss) on revaluation	(23,784)	6,751	(5,893)	(18,331)	(15,408)
Net movement in the fair value of derivative financial investments	(180)	865	(407)	0	0
Gain on disposal of investment properties	(86)	(518)	(1,234)	(6,500)	0
Profit before Tax (norm)	2,371	20,766	21,137	31,545	34,345
Period end number of shares (m)	274.2	274.2	372.8	372.8	372.8
Fully diluted average number of shares outstanding (m)	274.2	274.3	297.7	373.7	373.7
IFRS EPS - fully diluted (p)	7.7	4.9	9.7	14.4	12.7
EPRA EPS - adjusted (p)	0.9	7.8	8.6	8.4	9.2
EPRA EPS	(1.1)	7.7	8.1	7.8	8.5
Dividend per share (p) - declared basis	1.00	7.65	7.85	8.05	8.25
Dividend cover	n.a.	102%	110%	105%	111%
BALANCE SHEET					
Non-current assets	407,492	506,401	740,928	768,159	791,566
Investment properties	403,703	502,425	737,330	764,561	787,968
Other non-current assets	3,790	3,976	3,598	3,598	3,598
Current Assets	35,803	27,574	66,587	66,213	56,842
Trade and other receivables	11,848	11,375	21,947	16,585	16,957
Cash and equivalents	23,954	16,199	44,640	49,628	39,885
Current Liabilities	(21,485)	(23,285)	(42,644)	(41,413)	(42,223)
Trade and other payables	(12,576)	(14,601)	(26,941)	(24,478)	(24,968)
Bank and loan borrowings - current	(200)	0	(400)	0	0
Other current liabilities	(8,709)	(8,684)	(15,303)	(16,934)	(17,255)
Non-current liabilities	(126,469)	(218,955)	(371,972)	(376,030)	(372,533)
Bank and loan borrowings - non-current	(126,469)	(217,442)	(371,220)	(375,278)	(371,781)
Other non-current liabilities	0	(1,513)	(752)	(752)	(752)
Net Assets	295,341	291,735	392,899	416,929	433,653
Derivative interest rate swaps & deferred tax liability	416	1,513	2,802	2,802	2,802
EPRA net assets	295,757	293,248	395,701	419,731	436,455
IFRS NAV per share (p)	107.7	106.4	105.4	111.8	116.3
Fully diluted EPRA NAV per share (p)	107.8	106.9	105.9	112.3	116.8
LTV	-5.9%	40.6%	45.0%	43.0%	42.4%
CASH FLOW					
Cash (used in)/generated from operations	(2,232)	31,434	40,251	48,542	45,857
Net finance expense	(424)	(6,626)	(9,167)	(11,329)	(12,331)
Tax paid	0	(1,715)	(236)	0	0
Net cash flow from operations	(2,656)	23,093	30,848	37,214	33,526
Net investment in investment properties	1,157	(99,286)	(8,267)	(2,400)	(8,000)
Acquisition of subsidiaries, net of cash acquired	26,659	(5,573)	(51,866)	0	0
Other investing activity	13	60	25	0	0
Net cash flow from investing activities	27,828	(104,799)	(60,108)	(2,400)	(8,000)
Equity dividends paid	0	(15,723)	(23,321)	(29,826)	(30,571)
Bank debt drawn/(repaid)	(1,217)	91,417	13,921	0	35,000
Other financing activity	0	(1,744)	67,101	0	(39,697)
Net cash flow from financing activity	(1,217)	73,950	57,701	(29,826)	(35,268)
Net Cash Flow	23,955	(7,756)	28,441	4,988	(9,743)
Opening cash	0	23,955	16,199	44,640	49,628
Closing cash	23,955	16,199	44,640	49,628	39,885
Closing debt	(126,669)	(217,442)	(371,620)	(375,278)	(371,781)
Closing net debt	(102,714)	(201,243)	(326,980)	(325,650)	(331,896)

Source: Company data, Edison Investment Research

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