

S&U

H122 ahead of expectation and outlook good

S&U's focus on establishing customer relationships as well as refining its credit scoring in motor finance and providing high service levels in property bridging are paying off through strong collections (and lower than expected impairments) at Advantage and further strong loan and profit growth at Aspen Bridging.

| Year end | Revenue (£m) | PBT* (£m) | EPS* (p) | DPS (p) | P/E (x) | Yield (%) |
|----------|--------------|-----------|----------|---------|---------|-----------|
| 01/21 | 83.8 | 18.1 | 120.7 | 90.0 | 23.3 | 3.2 |
| 01/22e | 86.5 | 38.7 | 258.2 | 115.0 | 10.9 | 4.1 |
| 01/23e | 95.2 | 38.0 | 253.1 | 127.0 | 11.1 | 4.5 |
| 01/24e | 103.7 | 41.0 | 256.7 | 129.0 | 11.0 | 4.6 |

Note: *PBT and EPS are reported. EPS are diluted.

H122 results

S&U reported H122 revenue of £42.8m (unchanged from H121), pre-tax profit of £19.9m (versus £6.3m) and diluted EPS of 133p (41.9p). A first interim dividend of 33p (22p) was announced. As foreshadowed in the August trading update, a cautious approach to underwriting and strong collections benefited Advantage motor finance profits but the improvement was much bigger than we expected (pre-tax profit was £18.5m versus £6.1m in H121) as the loan-loss provision fell from £21.4m to £4.9m. Customer receivables were just above the year-end level at £248.8m (and below H121 £263.5m) with growth constrained by very strong collections, tighter underwriting and limitations on supply of vehicles in the market. Aspen property bridging reported a pre-tax profit of £1.5m (£0.1m) and with net new loans of £56.5m, mainly through participation in the government-backed Coronavirus Business Interruption Loan Scheme (CBILS), the loan book stood at £57.7m at the period end (H121 £34.1m).

Prospects bright

S&U's outlook comments are positive, pointing to a brightening background for Advantage with the supply of used vehicles to the market likely to improve over time with strong demand still to be satisfied. Advantage should also continue to see benefits from a previous tightening of credit criteria and further refinements within the business. While the CBILS loan inflow will not be repeated, Aspen's pipeline of new business is reported to be 15% ahead of budget at half year and with an enlarged sales team, new products and an increased maximum loan size, the prospects for growth remain good. We have increased our estimates with FY22 and FY23 EPS rising by 27% and 14% respectively and introduce a forecast for FY24.

Valuation

The shares have risen by more than 70% over the last year as concerns over the impact of the pandemic eased. This has left them trading on a current price to book multiple of 1.8x, in line with the 10-year average. A return on equity/cost of equity (ROE/COE) model indicates that at the current price the market is assuming an ROE of 16.5%, in line with our FY22 estimate. The shares are also supported by a prospective dividend yield of 4.1%.

H122 results update

Financial services

1 October 2021

Price **2,817p**
Market cap **£342m**

| | |
|--------------------------------|-------|
| Net debt (£m) at end July 2021 | 115.5 |
| Shares in issue | 12.1m |
| Free float | 28% |
| Code | SUS |
| Primary exchange | LSE |
| Secondary exchange | N/A |

Share price performance



| | | | |
|------------------|--------|--------|------|
| % | 1m | 3m | 12m |
| Abs | 0.7 | 7.5 | 69.3 |
| Rel (local) | 2.0 | 6.3 | 36.9 |
| 52-week high/low | 2,950p | 1,640p | |

Business description

S&U's Advantage motor finance business lends on a simple hire-purchase basis to lower- and middle-income groups who may have impaired credit records that restrict their access to mainstream products. It has c 62,000 customers. The Aspen property bridging business has been developing, following its launch in early 2017.

Next events

| | |
|---------------------|------------------|
| Q322 trading update | 9 December 2021 |
| Q422 trading update | 10 February 2022 |

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H122 results

Exhibit 1 gives a summary of the results with key points highlighted below. Comparisons are with H121 unless stated.

S&U's **revenues** were stable, within which motor finance revenues fell 6% on 9% lower average receivables and property bridging revenues were two and a half times above the H121 level on a 75% increase in the average loan book.

Total **impairments** fell by 66% with the key change being at motor finance reflecting the absence of the substantial forward-looking provisions made last year and a lower-than-normal rate of impairment this year. As a percentage of revenue, the charge was 12.6% in H122 compared with an average charge of 20.4% between FY16 and FY20 and the 52% seen in H121. As an alternative comparison, Provident Financial's Moneybarn business had impairments equivalent to 29% of revenue in H121 (to end June) versus 56% in H120. **Other cost of sales**, which includes broker commissions, increased by 28% as the result of increased activity levels in both businesses. In motor finance the per-transaction cost at £861 was 3% lower than the prior year period reflecting work undertaken last year to contain costs. **Administration costs** increased by 21%, a figure that is boosted by the absence of a one-off VAT reclaim in H121 and the return of more normal staff bonuses in the current year. **Finance expense** was more than 10% lower, broadly in line with lower receivables. The result was a **pre-tax profit**, at £19.9m, more than three times the prior year level, with similar increases in net profit and EPS.

Reflecting this performance and an improving trading backdrop the board announced a 50% increase in the first interim **dividend** to 33p.

Exhibit 1: H122 results summary

| £000 except where shown (year-end January) | H121 | H221 | H122 | sequential % change | H122 vs H121 % change |
|---|-----------------|-----------------|----------------|------------------------|--------------------------|
| New motor loans (number) | 7,811 | 7,778 | 9,697 | 24.7 | 24.1 |
| Motor finance receivables at period end | 263,452 | 246,766 | 248,751 | 0.8 | -5.6 |
| Bridging loans at period end | 18,454 | 34,144 | 57,666 | 68.9 | 212.5 |
| Revenue | | | | | |
| Motor finance | 41,187 | 38,366 | 38,583 | 0.6 | -6.3 |
| Property bridging | 1,640 | 2,568 | 4,230 | 64.7 | 157.9 |
| Total | 42,827 | 40,934 | 42,813 | 4.6 | 0.0 |
| Impairments | | | | | |
| Motor finance | (21,369) | (14,626) | (4,868) | -66.7 | -77.2 |
| Property bridging | (307) | (403) | (223) | -44.7 | -27.4 |
| Total | (21,676) | (15,029) | (5,091) | -66.1 | -76.5 |
| Other cost of sales | (7,146) | (7,118) | (9,125) | 28.2 | 27.7 |
| Administration expenses | (5,455) | (5,121) | (6,607) | 29.0 | 21.1 |
| EBITDA | 8,550 | 13,666 | 21,990 | 60.9 | 157.2 |
| Depreciation | (252) | (268) | (268) | 0.0 | 6.3 |
| Operating profit/loss | 8,298 | 13,398 | 21,722 | 62.1 | 161.8 |
| Finance expense | (1,989) | (1,579) | (1,778) | 12.6 | -10.6 |
| Pre-tax profit | 6,309 | 11,819 | 19,944 | 68.7 | 216.1 |
| Tax | (1,225) | (2,257) | (3,790) | 67.9 | 209.4 |
| Net profit | 5,084 | 9,562 | 16,154 | 68.9 | 217.7 |
| EPS fully diluted (p) | 41.9 | 78.8 | 133.0 | 68.8 | 217.4 |
| Dividend per share (p) | 22.0 | 68.0 | 33.0 | | 50.0 |

Source: S&U, Edison Investment Research

Looking more closely at the **Advantage** motor finance result, the rate of transactions recovered progressively during the period following the easing of lockdown restrictions: increasing by 24% from H121 and 25% sequentially to nearly 9,700. Nevertheless, the bounce back was more muted than some industry expectations with pent-up demand tempered by the availability of second-hand

stock and the sharp price increases that followed. Bottlenecks in new car production contributed to the supply shortage which has had a knock-on effect through the different tiers of the used market. The higher-mileage lower cost cars which Advantage typically finances have seen a slower improvement in volumes than the nearly new segment. This has made for a competitive market with a lower percentage take-up of finance offers than previously.

Positively, the increase in used car prices did contribute to an increase in the average loan size of 10% to £7,050. While this could be seen as increasing risk somewhat, if prices correct with a better-balanced supply, Advantage is alert to this and emphasises that its close attention to affordability criteria should mitigate the risks here.

On affordability, Advantage notes that it has continued to work on improving affordability assessment and supporting customers by implementing IT systems to ease payments while providing personal attention to customers facing difficulties. This helps to reduce the number of repossessions and guides customers to return to regular payments.

Exhibit 2 is drawn from a table S&U provides to illustrate changes in the payment profile of Advantage customers. In these figures customers on a payment holiday were counted as in arrears to illustrate the impact on cash collections (in the accounts they are not counted as part of Stage 3 or credit-impaired provisioning). By end July this year only 48 customers were on a payment holiday and currently there are none. Looking at the percentage of receivables where payments are up to date, this fell by 18.5 percentage points between FY20 and H121 due to the pandemic but improved by 8.2 percentage points to 67.6% by H122 reflecting economic recovery as lockdown restrictions eased and Advantage's own work with customers, as noted above.

Exhibit 2: Motor finance receivables payments analysis

| % unless shown | FY20 | H121 | FY21 | H122 |
|------------------------------------|-------|-------|-------|-------|
| Up to date | 77.9 | 59.4 | 60.8 | 67.6 |
| Monthly payments past due – up to: | | | | |
| 1 | 9.0 | 5.3 | 4.5 | 4.5 |
| 2 | 3.9 | 5.1 | 3.3 | 2.5 |
| 3 | 2.4 | 9.9 | 7.8 | 5.9 |
| 4 | 1.5 | 8.1 | 5.1 | 3.5 |
| 5 | 0.9 | 4.4 | 3.5 | 2.4 |
| 6 | 0.6 | 2.0 | 2.9 | 2.6 |
| Over 6 | 2.0 | 4.1 | 10.1 | 9.4 |
| Legal and debt recovery | 1.8 | 1.8 | 1.9 | 1.7 |
| Total net receivables | 100.0 | 100.0 | 100.0 | 100.0 |
| Total net receivables (£m) | 280.8 | 263.5 | 246.7 | 248.8 |

Source: S&U, Edison Investment Research. Note: Payment holidays here are shown as arrears.

Advantage has continued to fine tune its risk/reward positioning in the market and, while it remains conservative in its credit criteria, it has now taken measured steps back into higher risk segments of the market such as the self-employed and tiers D and E using modified scorecards to contain risk. At the same time, it has introduced more competitive products for near prime tiers A and A+ which will generate a lower yield but, prospectively, an attractive risk-adjusted yield. The average customer credit score increased from 867 for FY20 to 905 for H122. In conjunction with this the flat annual interest rate for the same periods fell from 17.7% to 16.2%. Prospectively, the trend in average credit score and interest rate will depend on the take up from the different tiers and the mix is likely to see continued change as Advantage adapts to changing market conditions and system refinements.

Other initiatives at Advantage include enhancing its digital marketing, work on attracting more repeat customers (currently c 5%) and developing affinity partnerships with prime lenders.

Turning to **Aspen Bridging**, the business carried out a record 66 transactions in the first half (25 in H121) bolstered by CBILS participation. This has given the business exposure to larger borrowers, lending on high quality properties thereby extending and improving Aspen's customer network. To

support the growing scale of the business the sales team has been increased and new products with revised rates and an increased maximum loan size have been introduced. While S&U seeks to develop the business to a size where it makes a significant profit contribution the emphasis on loan quality remains in place and at the period end only one loan was in default.

Background and outlook

In this section we update background data we track as indicators for the Advantage and Aspen businesses starting with economic and industry figures relevant for the used car finance market.

Exhibit 3 shows independent forecasts for UK GDP and unemployment as collected by the UK Treasury in September. Compared with the July data shown in our last note, movements are very small. Unemployment expectations remain moderate compared with the second half of 2020 when the Q421 forecast peaked at c 7% (versus the latest figure of 5.3%). This should be positive for Advantage as unemployment is an important sensitivity for credit risk.

Exhibit 3: Comparison of independent economic forecasts for the UK (September)

| % | Average | Average of new forecasts | Low | High |
|---|---------|--------------------------|-----|------|
| GDP growth | | | | |
| 2021 | 6.9 | 6.8 | 6.0 | 8.2 |
| 2022 | 5.5 | 5.5 | 3.5 | 8.2 |
| Labour Force Survey unemployment rate Q4 | | | | |
| 2021 | 5.3 | 5.2 | 4.5 | 5.8 |
| 2022 | 4.8 | 4.7 | 4.2 | 6.0 |

Source: HM Treasury

Exhibit 4 shows that consumer confidence has staged a major recovery, albeit with a slight recent softening. Uncertainties remain and the influence of COVID-19, supply bottlenecks and inflation fears is likely to fluctuate, but for the moment expectations remain centred on a progressive normalisation in economic activity. Exhibit 5 shows that the unemployment rate has moved up since early 2020 but appears to be flat or slightly lower on the latest, provisional, readings.

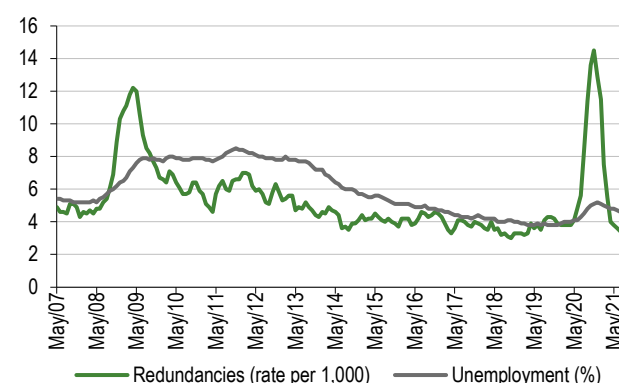
Redundancies, a more immediate measure, saw a very sharp spike as the pandemic took hold, but fell rapidly and have remained on a downward trend on recent figures.

Exhibit 4: GfK UK consumer confidence indicator



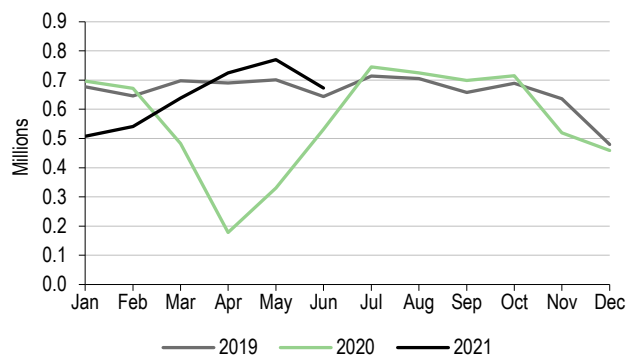
Source: Refinitiv (last value September 2021)

Exhibit 5: UK redundancies and unemployment

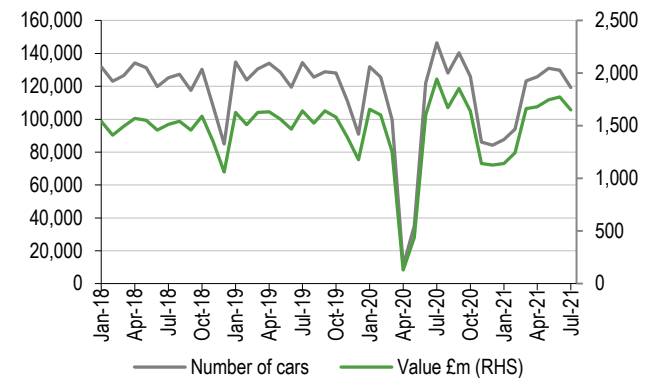


Source: ONS (last value July 2021)

We now turn to data on used car transactions and used car finance. Exhibit 6 shows the sharp drop in used car transactions in April 2020. Volume recovered very well following the initial lockdown, albeit with a further dip following subsequent lockdowns. April to June 2021 saw a return to activity levels close to pre-pandemic levels as represented here by the 2019 monthly figures, although the April bounce was smaller than industry participants had thought possible. Exhibit 7 shows a similar pattern in used car finance.

Exhibit 6: Monthly used car transactions 2019–21


Source: SMMT. Note: Last value June 2021.

Exhibit 7: Used car finance through dealerships


Source: Finance and Leasing Association. Note: Last value July.

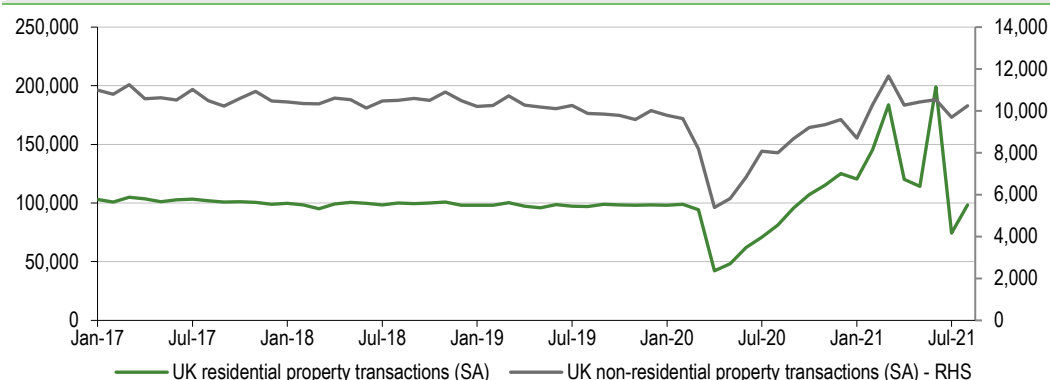
Used car prices (see Exhibit 8), were buoyant in 2020 and have seen a sharp step up in the latest data for July and August this year, with strong consumer demand and reduced supply pushing prices up. The ONS data are supported by a similarly marked strength in the [Autotrader](#) retail price index. Advantage's exposure to auction prices for repossessed cars is moderated by the relatively low value of vehicles it finances, but rising prices are generally favourable (unless they are a precursor to a correction, as mentioned earlier).

Exhibit 8: Second-hand car prices (CPI index)


Source: ONS (last value August 2021)

Looking at the background for Aspen Bridging, Exhibit 9 shows the number of UK non-residential and residential transactions, with residential being most relevant for Aspen. Both saw sustained improvement following the initial lockdown in 2020 with residential data fluctuating sharply as buyers sought to take advantage of the temporary increase in the stamp duty land tax nil rate band. On a longer view, S&U sees an imbalance between supply and demand for good-quality homes as a favourable backdrop for its customers who are refurbishing and developing properties. As a small business, Aspen should also have significant scope for expansion now that it is more established in the market. As mentioned earlier, the CBILS lending has given useful access to larger and more established developer customers as well as expanding the loan book in the short term.

The outlook for both businesses therefore appears promising in terms of market background while, as mentioned in the discussion of the results, both have been taking internal actions to improve their operations. Key sensitivities for the businesses should also be considered including the macroeconomic background, the competitive environment (both car finance and bridging markets have periodically been subject to new entrants), changes in funding costs and any adverse developments in the pandemic.

Exhibit 9: UK property transactions (seasonally adjusted)


Source: HM Revenue & Customs. Note: Figures for June to August 2021 are provisional. SA = seasonally adjusted.

Financials

Changes in the key numbers from our estimates following the H122 results are shown in Exhibit 10. Our revenue assumptions for FY22 and FY23 are increased by 2.5% and 4.7% respectively, while lower impairment charge assumptions mean there is a much larger increase in pre-tax profit and earnings per share estimates. We have introduced an estimate for FY24 to provide a more normalised year in terms of impairment provisioning; profit in this year moves more in line with our assumed growth in customer receivables. At the earnings per share level FY24 is affected by the introduction of a significantly higher UK corporate tax rate (25%).

Exhibit 10: Changes to estimates

| Year-end January | Revenue (£m) | | | PBT (£m) | | | EPS (p) | | | DPS (p) | | |
|---------------------|--------------|-------|------------|----------|------|------------|---------|-------|------------|---------|-------|------------|
| | Old | New | Change (%) | Old | New | Change (%) | Old | New | Change (%) | Old | New | Change (%) |
| FY22e | 84.4 | 86.5 | 2.5% | 30.6 | 38.7 | 26.5% | 204.2 | 258.2 | 26.4% | 100.0 | 115.0 | 15.0% |
| FY23e | 90.9 | 95.2 | 4.7% | 33.2 | 38.0 | 14.3% | 221.7 | 253.1 | 14.2% | 110.0 | 127.0 | 15.5% |
| FY24e | | 103.7 | N/A | | 41.0 | N/A | | 256.7 | N/A | | 129.0 | N/A |

Source: Edison Investment Research

The next table gives details of our estimate assumptions. In the motor business our assumed receivables growth for FY22 is now more modest following the first half outcome but we look for stronger growth in FY23 as we assume used car supply normalises. Then we use a more conservative 5% growth rate for FY24 (a more tentative, illustrative estimate at this stage). Following the unusually low impairment rate in H122 we look for an increase in FY23 and FY24 to 18.5% and 20.5% of revenue respectively.

We assume bridging receivables will reach £68m by the end of the current financial year and then rise to £97m by end FY24. In that year, on our estimates, Aspen would be contributing over £5m – or more than 10% of group pre-tax profit.

Exhibit 11: Estimate summary

| £000 except where shown (year-end January) | FY21 | FY22e | FY23e | FY24e | % change FY22 | % change FY23 | % change FY24 |
|---|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Number of new motor loans | 15,589 | 20,197 | 22,900 | 22,600 | 29.6 | 13.4 | -1.3 |
| Motor finance receivables at period end | 246,766 | 253,562 | 284,005 | 298,165 | 2.8 | 12.0 | 5.0 |
| Bridging loans at period end | 34,144 | 68,000 | 80,000 | 97,000 | 99.2 | 17.6 | 21.3 |
| Total customer receivables | 280,910 | 321,562 | 364,005 | 395,165 | 14.5 | 13.2 | 8.6 |
| Revenue | | | | | | | |
| Motor finance | 79,553 | 76,599 | 82,295 | 88,294 | -3.7 | 7.4 | 7.3 |
| Property bridging | 4,208 | 9,885 | 12,863 | 15,444 | 134.9 | 30.1 | 20.1 |
| Total | 83,761 | 86,484 | 95,158 | 103,738 | 3.3 | 10.0 | 9.0 |
| Impairments | | | | | | | |
| Motor finance | (35,995) | (10,570) | (15,236) | (18,100) | -70.6 | 44.1 | 18.8 |
| Property bridging | (710) | (1,128) | (2,058) | (2,471) | 58.8 | 82.5 | 20.1 |
| Total | (36,705) | (11,698) | (17,294) | (20,571) | -68.1 | 47.8 | 18.9 |
| Other cost of sales | (14,264) | (18,922) | (21,559) | (21,675) | 32.7 | 13.9 | 0.5 |
| Administration expenses | (10,576) | (12,896) | (13,132) | (14,316) | 21.9 | 1.8 | 9.0 |
| EBITDA | 22,216 | 42,968 | 43,173 | 47,176 | 93.4 | 0.5 | 9.3 |
| Depreciation | (520) | (527) | (487) | (451) | 1.4 | -7.7 | -7.3 |
| Operating profit/loss | 21,696 | 42,440 | 42,686 | 46,724 | 95.6 | 0.6 | 9.5 |
| Finance expense | (3,568) | (3,721) | (4,727) | (5,680) | 4.3 | 27.0 | 20.2 |
| Pre-tax profit | 18,128 | 38,720 | 37,959 | 41,045 | 113.6 | -2.0 | 8.1 |
| Tax | (3,482) | (7,357) | (7,212) | (9,861) | 111.3 | -2.0 | 36.7 |
| Net profit | 14,646 | 31,362 | 30,747 | 31,184 | 114.1 | -2.0 | 1.4 |
| EPS fully diluted (p) | 120.7 | 258.2 | 253.1 | 256.7 | 113.9 | -2.0 | 1.4 |
| Dividend per share (p) | 90.0 | 115.0 | 127.0 | 129.0 | 27.8 | 10.4 | 1.6 |

Source: Edison Investment Research

The segmental cash flow analysis in the table below highlights how Advantage remained cash generative in H122 even as advances began to increase following the contraction seen in FY21. Here the strength in collections performance was an important factor. Aspen Bridging's high level of advances resulted in a further increase in cash outflow to £22.3m although this increase was tempered by a sharp rise in collections because of early repayments of some CBILS loans. At the group level this left an outflow of £16.3m and net debt of £115.1m and net debt/equity at 61%. Funding facilities of £180m provide headroom for significant growth in lending.

Exhibit 12: Segmental cash flow analysis

| £m | H121 | H221 | H122 | Comments on H122 versus H121 |
|---|--------------|---------------|---------------|---|
| Motor Finance | | | | |
| Advances | (50.7) | (51.9) | (68.3) | +35% with progressive revival in transactions during the period |
| Monthly collections | 66.7 | 71.8 | 75.1 | Up 13% on improved repayments and lower bad debt |
| Settlements/reloans | 13.9 | 14.1 | 16.7 | |
| Debt recovery | 7.2 | 6.6 | 8.4 | Increased but lower than expected level of reposessions |
| Overheads/interest | (15.0) | (12.2) | (14.7) | |
| Corporation tax | (4.1) | (2.1) | (2.5) | |
| Dividend | (10.5) | (2.2) | (7.0) | |
| Motor Finance (outflow)/inflow | 7.5 | 24.1 | 7.7 | Strong collections outpace advances |
| Property bridging | | | | |
| Gross advances | (11.3) | (32.2) | (64.4) | Includes £35m in CBILS |
| Retention collections | 1.4 | 3.8 | 7.9 | |
| Collections | 8.6 | 6.6 | 34.1 | Includes some early high value CBILS repayments |
| Debt recovery | 5.4 | 8.2 | 2.8 | |
| Overheads/interest | (1.5) | (1.3) | (2.6) | |
| Corporation tax | (0.2) | 0.0 | (0.1) | |
| Property bridging (outflow)/inflow | 2.4 | (14.9) | (22.3) | Investment in expanding the loan book |
| Other (outflow)/inflow | (0.1) | 0.0 | (1.7) | |
| Group (outflow)/inflow | 9.8 | 9.2 | (16.3) | |
| Opening net debt | 117.8 | 108.0 | 98.8 | |
| Closing net debt | 108.0 | 98.8 | 115.1 | Good headroom to funding facilities of £180m |

Source: S&U, Edison Investment Research. Note: Net debt is shown excluding lease liability.

Valuation

P/E comparisons with peers remain difficult to interpret given differences in business mix and significant changes in provisioning levels following the initial impact of COVID-19. We therefore frame valuation using our ROE/COE calculations and the price to book ratio. If we assume a COE of 10% and long-term growth of 2%, then the share price at the time of writing (2,817p) would be consistent with an ROE of 16.5%, which is in line with our estimate for FY22.

Looking at the history of the price to book ratio (Exhibit 13) the current level of 1.8x is in line with the 10-year average following a period of strength in the shares (up 72% over 12 months).

Exhibit 13: 10-year price to book value history



Source: Edison Investment Research

Exhibit 14: Financial summary

| £'000s | 2018 | 2019 | 2020 | 2021 | 2022e | 2023e | 2024e |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Year end 31 January | | | | | | | |
| PROFIT & LOSS | | | | | | | |
| Revenue | 79,781 | 82,970 | 89,939 | 83,761 | 86,484 | 95,158 | 103,738 |
| Impairments | (19,596) | (16,941) | (17,220) | (36,705) | (11,698) | (17,294) | (20,571) |
| Other cost of sales | (17,284) | (15,751) | (19,872) | (14,264) | (18,922) | (21,559) | (21,675) |
| Administration expenses | (9,629) | (10,763) | (12,413) | (10,576) | (12,896) | (13,132) | (14,316) |
| EBITDA | 33,272 | 39,515 | 40,434 | 22,216 | 42,968 | 43,173 | 47,176 |
| Depreciation | (294) | (414) | (450) | (520) | (527) | (487) | (451) |
| Op. profit (incl. share-based payouts pre-except.) | 32,978 | 39,101 | 39,984 | 21,696 | 42,440 | 42,686 | 46,724 |
| Exceptionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non recurring items | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment revenues / finance expense | (2,818) | (4,541) | (4,850) | (3,568) | (3,721) | (4,727) | (5,680) |
| Profit before tax | 30,160 | 34,560 | 35,134 | 18,128 | 38,720 | 37,959 | 41,045 |
| Tax | (5,746) | (6,571) | (6,252) | (3,482) | (7,357) | (7,212) | (9,861) |
| Profit after tax | 24,414 | 27,989 | 28,882 | 14,646 | 31,362 | 30,747 | 31,184 |
| Average Number of Shares Outstanding (m) | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 |
| Diluted EPS (p) | 202.4 | 232.0 | 239.4 | 120.7 | 258.2 | 253.1 | 256.7 |
| EPS - basic (p) | 203.8 | 233.2 | 239.6 | 120.7 | 258.3 | 253.3 | 256.9 |
| Dividend per share (p) | 105.0 | 118.0 | 120.0 | 90.0 | 115.0 | 127.0 | 129.0 |
| EBITDA margin (%) | 41.7% | 47.6% | 45.0% | 26.5% | 49.7% | 45.4% | 45.5% |
| Operating margin (before GW and except.) (%) | 41.3% | 47.1% | 44.5% | 25.9% | 49.1% | 44.9% | 45.0% |
| Return on equity | 16.7% | 17.6% | 16.8% | 8.1% | 16.5% | 14.8% | 13.9% |
| BALANCE SHEET | | | | | | | |
| Non-current assets | 181,015 | 185,383 | 197,806 | 173,413 | 205,170 | 228,083 | 247,250 |
| Current assets | 84,178 | 95,430 | 108,275 | 111,426 | 121,109 | 142,403 | 154,166 |
| Total assets | 265,193 | 280,813 | 306,081 | 284,839 | 326,279 | 370,486 | 401,416 |
| Current liabilities | (7,927) | (6,722) | (7,424) | (5,309) | (6,261) | (6,724) | (7,052) |
| Non current liabilities inc pref | (104,450) | (108,724) | (119,183) | (98,501) | (119,878) | (146,798) | (161,718) |
| Net assets | 152,816 | 165,367 | 179,474 | 181,029 | 200,141 | 216,964 | 232,646 |
| NAV per share (p) | 1,276 | 1,375 | 1,493 | 1,490 | 1,648 | 1,786 | 1,916 |
| CASH FLOW | | | | | | | |
| Operating cash flow | (43,418) | 10,530 | 4,946 | 32,940 | (7,399) | (10,955) | 667 |
| Net cash from investing activities | (1,040) | (785) | (265) | (1,112) | (302) | (300) | (300) |
| Dividends paid | (11,377) | (13,080) | (14,461) | (13,098) | (12,268) | (13,962) | (15,540) |
| Other financing (excluding change in borrowing) | 12 | 14 | 14 | 2 | 1 | 0 | 0 |
| Net cash flow | (55,823) | (3,321) | (9,766) | 18,732 | (19,968) | (25,216) | (15,173) |
| Opening net (debt)/cash | (49,167) | (104,990) | (108,311) | (118,077) | (99,345) | (119,313) | (144,530) |
| Closing net (debt)/cash | (104,990) | (108,311) | (118,077) | (99,345) | (119,313) | (144,530) | (159,702) |

Source: S&U accounts, Edison Investment Research. Note: EPS on a reported basis

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