

EMIS Group

H120 results

Balancing the near- and long-term view

EMIS reported respectable results for H120 considering the uncertainty in the NHS and COVID-19 restrictions. The company expects to meet consensus estimates for FY20 and announced an interim dividend of 16p (+3% y-o-y). We have made minor changes to forecasts. Work on the product roadmap is ongoing with the first new data analytics product due in Q4. In our view, the rapid shift to digital working during the pandemic supports and potentially accelerates the adoption of technology within healthcare in the longer term.

Year end	Revenue (£m)	PBT* (£m)	Diluted EPS* (p)	EMIS adj dil EPS** (p)	DPS (p)	P/E (x)
12/18	149.7	33.4	40.4	45.0	28.4	27.9
12/19	159.5	41.0	53.5	51.1	31.2	21.1
12/20e	158.8	43.3	55.7	49.3	32.0	20.2
12/21e	164.1	44.0	56.4	53.1	34.0	20.0

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **EMIS adjusted EPS – cash accounts for development costs and excludes exceptional items and amortisation of acquired intangibles.

Critical supplier to the NHS

EMIS took action early to prepare its workforce for lockdown and was able to provide support to its customers as they dealt with the pandemic. No staff were furloughed or made redundant. EMIS maintained market leading positions in all served healthcare markets and successfully transitioned over to the GP IT Futures framework in England. As expected, it was tougher to sign new business and revenue declined 2.1% y-o-y in H120; good cost control contained the decline in adjusted operating profit to 2.4% y-o-y. End H120 net cash was £44.1m and the company suggested it may consider more sizeable strategic M&A. Reflecting lower demand for Enterprise products in H1, we have reduced our revenue forecasts resulting in a 3% reduction to our adjusted EPS forecasts in FY21 and FY22.

Product development roadmap on track

In H1, EMIS balanced short-term work on software to manage COVID-19-related issues with continued investment in the strategic roadmap. The company announced the imminent launch of its first data analytics product from the newly unveiled EXA suite, providing medium-term growth opportunities for EMIS and a tool to help healthcare providers gain insights to provide better patient outcomes.

Valuation: Earnings growth to drive re-rating

The share price is essentially flat year-to-date and is 39% higher than its low of 813p on 18 March. Compared to a global group of healthcare software peers, EMIS trades at a premium on an EV/sales basis, and at a discount on all other metrics. EMIS generates significantly higher operating profit margins, but with slightly slower revenue growth, generates lower earnings growth. Its dividend yield is significantly ahead of the group. Key to closing the P/E discount will be evidence that revenue growth is returning to the company's medium-term goal of mid- to high single-digit, in turn driving stronger earnings growth. We note that EMIS has good visibility (recurring revenue was 81% in H120) and a strong balance sheet with no debt.

Software & comp services

10 September 2020

Price 1,128p

Market cap £714m

Net cash (£m) at end H120 excluding lease liabilities 44.1

Shares in issue 63.3m

Free float 98%

Code EMIS

Primary exchange AIM

Secondary exchange N/A

Share price performance



% 1m 3m 12m

Abs 7.4 9.7 1.6

Rel (local) 7.7 14.6 20.3

52-week high/low 1,226p 813p

Business description

EMIS is a software supplier to the UK healthcare market, with two divisions. EMISHealth supplies integrated care technology to the NHS, including primary, community, acute and social care. EMIS Enterprise is a business-to-business software provider to the healthcare market, including medicines management, partner businesses, patient-facing services and UK healthcare blockchain.

Next events

FY20 trading update January 2021

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Review of H120 results

Exhibit 1: EMIS Group results highlights

£m	H119	H120	y-o-y
Revenues	79.8	78.1	(2.1%)
Gross margin	91.1%	85.3%	(5.8%)
EBITDA	25.8	25.2	(2.6%)
EBITDA margin	32.4%	32.2%	(0.2%)
Normalised EBIT	18.9	20.4	8.1%
EMIS adjusted EBIT	18.2	17.8	(2.4%)
Reported EBIT	12.0	16.6	38.2%
Normalised EBIT margin	23.6%	26.1%	2.4%
EMIS adjusted EBIT margin	22.8%	22.8%	(0.1%)
Reported EBIT margin	15.1%	21.3%	6.2%
Net interest income	(0.3)	(0.1)	(56.8%)
Normalised PBT	18.9	20.7	9.4%
Reported PBT	12.1	17.7	46.7%
Tax	(2.2)	(3.4)	50.6%
Normalised net income after MI	15.6	17.1	9.9%
Reported net income after MI	10.4	14.4	38.1%
Normalised diluted EPS (p)	24.5	27.1	10.3%
EMIS adjusted diluted EPS (p)	23.5	22.9	(2.6%)
Reported basic EPS (p)	16.6	22.9	38.0%
Net cash excluding lease liabilities	26.7	44.1	65.3%

Source: EMIS. Note: Normalised: excludes amortisation of acquired intangibles, share-based payments and exceptionals; Adjusted: cash accounts for development costs, excludes amortisation of acquired intangibles and exceptionals.

EMIS reported H120 results in line with board expectations. Group revenue declined 2.1% y-o-y and the increased sale of lower-margin hardware resulted in a decline in the gross margin year-on-year. Recurring revenue increased 5% y-o-y to make up 81% of revenue (vs 76% in H119).

The company controlled costs well so that adjusted operating profit only declined 2.4% and adjusted EPS by 2.6% over the same period. Normalised operating profit and EPS were higher due to a step down in amortisation of capitalised development costs (£1.7m vs £3.6m in H119) and a step up in capitalised development costs (£4.1m vs £3.5m in H120). The reported tax charge of 19.2% was in line with the UK tax rate of 19%.

The company acquired community pharmacy software business Pinnacle in March. The acquisition contributed revenue of £0.7m and operating profit of £0.2m in H120, which implies that group organic revenue growth declined 3.0% y-o-y and adjusted operating profit declined 3.5% y-o-y.

Net cash excluding £7.3m of lease liabilities at the end of H120 stood at £44.1m. The company generated cash from operations of £36.6m; the company benefited from deferring a £7.3m VAT payment until 2021. Adjusted for capitalised development costs and the payment of previously accrued exceptional items, underlying cash from operations was £33.8m (+23% y-o-y).

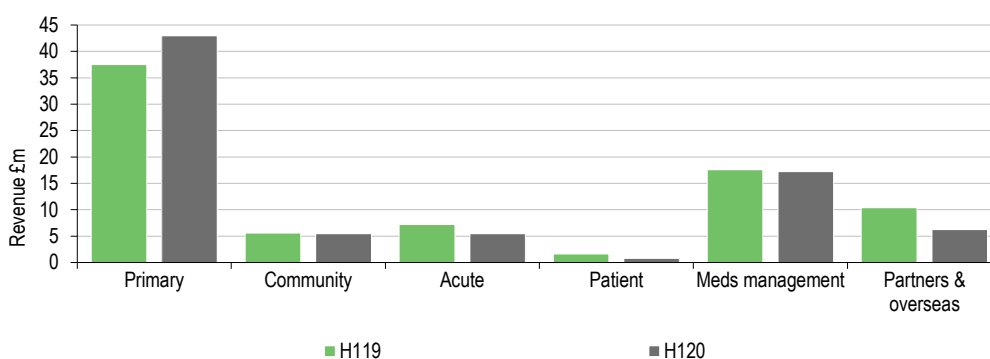
The company spent £0.9m on tangible fixed assets, capitalised £1.7m of development costs and spent £0.1m on software licences. The business saw several cash inflows: £2.5m from the sale of the head office building in Leeds and £0.8m contingent consideration from the sale of the Specialist & Care business (treated as exceptional income). The company paid £2.9m (net of cash acquired) for the Pinnacle acquisition in March and paid £0.8m in contingent consideration for Dovetail (acquired in FY18).

The company announced an interim dividend of 16p per share, up from the 15.6p paid last year, demonstrating management's confidence in the business.

Exhibit 2: Divisional performance

£m	H119	H120	y-o-y
Revenues			
EMIS Health	50.3	54.0	7.4%
EMIS Enterprise	29.5	24.1	(18.3%)
Total	79.8	78.1	(2.1%)
Adjusted operating profit			
EMIS Health	10.8	11.9	10.4%
EMIS Enterprise	8.1	6.5	(19.9%)
Central costs	-0.7	-0.7	(7.8%)
Total adjusted operating profit	18.2	17.8	(2.4%)
Reported operating profit			
EMIS Health	7.2	13.1	81.0%
EMIS Enterprise	5.5	4.2	(23.9%)
Central costs	-0.7	-0.7	(7.8%)
Total reported operating profit	12.0	16.6	38.2%
Adjusted operating margin			
EMIS Health	21.5%	22.1%	0.6%
EMIS Enterprise	27.6%	27.0%	(0.6%)
Total adjusted operating margin	22.8%	22.8%	-0.1%
Reported operating margin			
EMIS Health	14.4%	24.3%	9.9%
EMIS Enterprise	18.7%	17.4%	(1.3%)
Total reported operating margin	15.1%	21.3%	6.2%

Source: EMIS

Exhibit 3: Half-yearly revenues by sub-segment


Source: EMIS (based on pie charts in results presentation)

EMIS Health: Supporting the NHS

EMIS Health reported a strong performance in H1, with revenue growth of 7.4% y-o-y and adjusted operating profit growth of 10.4%, resulting in a 0.6pp increase in the margin to 22.1%.

Through a combination of home-working and limited on-site visits, the business was able to provide front-line technical support as required. The previous switch to using ServiceNow for support proved prescient, as this enabled support staff to work from home.

The division developed and delivered COVID-19 updates into all of its major software products and continued to provide software updates for non-COVID-19-related functionality.

Primary Care: Strong demand for COVID-19 support

The group's market leading position with 57% share of UK GP practices was maintained. The company transitioned smoothly to the GP IT Futures framework from 1 January 2020. To help during lockdown, EMIS supplied free access to video consultation software, not only for all of its GP practices but also for 5,200 community pharmacies. The business saw a significant uptick in the

use of its digital triage product, Online Consult, which was used on average 68,000 times per week during lockdown compared to 2,400 times per week prior to lockdown.

Revenues increased year-on-year as the business sold products to help with the new ways of working. This included EMIS Mobile and Anywhere Connect software and hardware. The higher volume of hardware sales, which are lower margin, reduced the group gross margin during H1.

The company's contract in Wales was extended until 21 July 2021; previously EMIS had not been chosen for the new framework agreement, but as one of the selected suppliers failed to deliver software in line with the agreement, NHS Wales extended EMIS's contract until a new procurement process could be completed. The contract is currently worth c £2m revenue per annum and our forecasts had assumed this would fall to zero by the end of 2021. We are now factoring in a slower decline in revenue; it is possible that EMIS could be reselected although we are not assuming this in our forecasts.

Community & Acute Care

The business maintained its number two position in the community market with 20% share (end 2019: 21%) and its number two position A&E software was maintained with a share of 22% (end 2019: 23%).

EMIS Enterprise: Tougher to sign new business

This division saw a weaker performance in H1, with revenues down 18.3% y-o-y and adjusted operating profit down 19.9% y-o-y. The decline was due to lower levels of new business in H120 combined with a tough comparison in H119 when several one-off licences were signed.

- **Medicines management:** lower footfall reduced community pharmacy revenue. The business has started to integrate PharmOutcomes (software from the recently acquired Pinnacle business) with ProScript Connect. The business maintained its 37% share and market leadership within community pharmacy, and number two position in hospital pharmacy, growing its share from 35% at end FY19 to 37%.
- **Partners:** although the number of accredited partners increased from 113 to 125 during H1, lower volumes of regular healthcare activity reduced revenues year-on-year.
- **Patient:** Patient Access saw its registered user base grow from 8.4 million at the end of 2019 to 10.0 million by the end of H120 and repeat prescriptions grew by 2m y-o-y to 11.7m. EMIS offered up-to-date public advice and guidance on Patient.info, including a COVID-19 symptom checker. However, the lower number of people able to go out reduced the potential for Patient marketplace services.

Strategic product development maintained

The company is keen to invest in its digital capabilities to ensure it remains at the forefront of NHS modernisation. During H120 it continued to invest in developing the EMIS-X platform and hired more developers for its Indian team. Product development now makes up 41% of total headcount.

The company has shifted 2.5bn documents to the cloud (documents related to patient records such as letters from consultants). The company expects to make upgrades to EMIS-Web and develop new applications for EMIS-X for launch in 2021.

Analytics suite unveiled

The company announced that it had been developing its EMIS-X Analytics (EXA) data analytics suite for the last two years. The team is based in the UK to ensure that all data is managed in a

GDPR-compliant manner and to avoid any Brexit-related issues. Explorer, the first product from the suite, is currently being piloted by various customers and is due to officially launch in Q4. The software can be used to analyse large quantities of healthcare data (ie 40 million patient records from 4,000 GP practices) to provide insights to improve patient outcomes at a regional and national level. The pricing mechanism is still being formulated but is likely to comprise fixed and variable components. For now, the target market is the NHS.

Outlook and changes to forecasts

While its customers focused on dealing with COVID-19 during March to June, since the start of H2 the company is seeing signs of life for projects that were in the pipeline. Management expects to meet consensus forecasts for FY20 revenue and to generate FY20 adjusted operating profit slightly below the FY19 level. From FY21, the company expects business to return to more normal behaviour and for profit growth at the previously expected mid- to high-single-digit percentage level.

With its strong cash position and access to up to £60m from bank facilities, management highlighted that it would consider further acquisitions. They stated that these are more likely to be established businesses with growing revenues and profitability as opposed to start-ups, and could include larger companies that would be of a more strategic nature.

We have revised our forecasts to reflect H120 performance. Overall, we have changed the mix of revenue in favour of EMIS Health with a small decline in our FY20 forecast. We have reduced FY21 and FY22 revenue to reflect slower growth in the Enterprise division, resulting in lower adjusted operating profit and adjusted EPS forecasts for FY21 and FY22.

Only affecting normalised and reported forecasts, we have reduced our forecasts for amortisation of capitalised development costs to align with management's guidance for FY20. This increases all normalised and reported profitability metrics in FY20. Conversely, we have increased our amortisation forecast for FY22 assuming that products will have been launched by then, triggering higher levels of amortisation.

We have slightly reduced our dividend forecast for FY20 from 32.6p to 32.0p.

Exhibit 4: Changes to forecasts

£'000s	FY20e	FY20e	Change	y-o-y	FY21e	FY21e	Change	y-o-y	FY22e	FY22e	Change	y-o-y
	Old	New			Old	New			Old	New		
Revenues	159,752	158,807	(0.6%)	(0.4%)	169,787	164,130	(3.3%)	3.4%	176,886	169,626	(4.1%)	3.3%
Normalised operating profit	39,505	42,847	8.5%	5.0%	43,111	43,443	0.8%	1.4%	48,261	45,413	(5.9%)	4.5%
Normalised operating margin	24.7%	27.0%	2.3%		25.4%	26.5%	1.1%		27.3%	26.8%	(0.5%)	
Reported operating profit	31,378	34,543	10.1%	28.8%	36,721	36,417	(0.8%)	5.4%	43,425	39,941	(8.0%)	9.7%
EMIS adjusted operating profit	38,069	37,847	(0.6%)	(3.6%)	42,339	40,843	(3.5%)	7.9%	45,850	43,813	(4.4%)	7.3%
Adjusted operating margin	23.8%	23.8%	0.0%		24.9%	24.9%	(0.1%)		25.9%	25.8%	(0.1%)	
Normalised EPS - p	51.2	55.7	8.8%	4.2%	56.0	56.4	0.8%	1.2%	62.6	58.9	(5.8%)	4.5%
Reported EPS - p	40.9	46.2	13.0%	28.3%	47.9	47.5	(0.8%)	2.8%	56.6	52.1	(7.9%)	9.5%
EMIS adjusted EPS - p	48.9	49.3	0.8%	(3.4%)	54.7	53.1	(3.1%)	7.6%	58.8	56.9	(3.2%)	7.2%
Dividend per share - p	32.6	32.0	(1.8%)	2.6%	34.0	34.0	0.0%	6.3%	35.0	35.0	0.0%	2.9%
Net cash	39,841	45,061	13.1%	44.9%	52,793	55,518	5.2%	23.2%	69,145	69,540	0.6%	25.3%

Source: Edison Investment Research

Valuation

The share price is essentially flat year-to-date and is 39% higher than its low of 813p on 18 March. The tables below show how EMIS is trading compared to a global group of healthcare software peers. On an EV/sales basis, EMIS trades at a premium, and on all other metrics, EMIS trades at a discount to the peer group. EMIS generates significantly higher operating profit margins than the

average, but with slightly slower revenue growth, generates lower earnings growth. Its dividend yield is significantly ahead of the whole group.

Key to closing the P/E discount will be evidence that revenue growth is returning to the company's medium-term goal of mid- to high-single digits; this in turn should drive stronger earnings growth.

Exhibit 5: Peer group valuation metrics

	Year-end	EV/sales (x)			P/E (x)			EV/EBIT (x)			EV/EBITDA (x)			Dividend yield (%)		
		CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1
EMIS	31/12	4.3	4.2	4.0	20.2	20.0	19.1	15.9	15.7	15.0	12.7	12.3	11.7	2.8%	3.0%	3.1%
EMIS (cash R&D)		4.3	4.2	4.0	22.9	21.3	19.8	18.0	16.7	15.6						
AllScripts	31/12	1.4	1.3	1.3	13.2	11.2	9.8	13.9	11.9	11.0	7.8	7.2	6.7	0.0%	0.0%	0.0%
Cegedim	31/12	1.2	1.2	1.1	22.1	16.7	13.8	19.4	15.8	13.6	6.1	5.6	5.3	0.0%	0.0%	0.0%
Cerner	31/12	4.2	4.0	3.7	25.4	22.3	19.9	21.1	18.8	17.0	13.2	12.1	11.2	1.1%	1.1%	0.5%
Craneware	30/06	8.2	7.8	7.4	35.3	35.7	34.2	29.2	27.8	27.7	24.1	23.6	22.6	0.0%	0.0%	0.0%
CompuGroup	31/12	4.9	4.5	4.3	32.0	30.1	28.0	25.9	23.4	21.7	18.9	17.1	16.3	0.7%	0.8%	0.8%
Nexus	31/12	3.9	3.6	3.3	48.0	39.9	34.0	30.4	25.9	22.4	16.9	15.2	13.8	0.5%	0.5%	0.5%
NexGen Healthcare	31/03	1.6	1.5	1.4	16.4	14.9	13.9	12.2	11.4	10.1	8.8	8.2	7.5	0.0%	0.0%	0.0%
Average		3.6	3.4	3.2	27.5	24.4	21.9	21.7	19.3	17.7	13.7	12.7	11.9	0.3%	0.3%	0.3%
Median		3.9	3.6	3.3	25.4	22.3	19.9	21.1	18.8	17.0	13.2	12.1	11.2	0.0%	0.0%	0.0%
Premium/(discount) to average		19%	22%	25%	(26%)	(18%)	(13%)	(27%)	(18%)	(18%)	(7%)	(3%)	(2%)			

Source: Edison Investment Research, Refinitiv (as at 7 September)

Exhibit 6: Peer group financial metrics

	Market cap m	EBIT margin			EBITDA margin			Revenue growth			EPS growth		
		CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1
EMIS	£714	27.0%	26.5%	26.8%	33.8%	33.7%	34.4%	-0.4%	3.4%	3.3%	4.2%	1.2%	4.5%
EMIS (cash R&D)		24.6%	23.8%	24.9%							-3.4%	7.6%	7.2%
AllScripts	\$1,434	9.8%	11.2%	11.7%	17.4%	18.5%	19.4%	-5.5%	1.6%	3.6%	-0.2%	17.6%	14.1%
Cegedim	€371	6.3%	7.5%	8.4%	20.1%	21.0%	21.6%	0.0%	3.7%	3.8%	498.8%	32.6%	21.3%
Cerner	\$21,991	19.7%	21.1%	21.9%	31.4%	32.7%	33.4%	-3.2%	5.1%	6.1%	5.9%	13.9%	12.1%
Craneware	£471	27.9%	28.2%	26.8%	33.9%	33.2%	32.8%	0.0%	4.1%	5.8%	0.2%	-1.0%	4.2%
CompuGroup	€3,924	18.8%	19.4%	19.8%	25.7%	26.5%	26.4%	11.0%	7.1%	5.8%	7.6%	6.3%	7.5%
Nexus	€658	12.8%	13.7%	14.8%	23.0%	23.4%	24.0%	10.2%	9.1%	7.2%	26.1%	20.3%	17.5%
NexGen Healthcare	\$863	12.9%	13.2%	14.2%	17.9%	18.2%	19.2%	0.0%	4.8%	4.0%	-5.1%	10.6%	7.3%
Average		15.5%	16.3%	16.8%	24.2%	24.8%	25.3%	1.8%	5.1%	5.2%	76.2%	14.3%	12.0%
Median		12.9%	13.7%	14.8%	23.0%	23.4%	24.0%	0.0%	4.8%	5.8%	5.9%	13.9%	12.1%

Source: Edison Investment Research, Refinitiv (as at 7 September)

Exhibit 7: Financial summary

	£'000s	2016	2017	2018	2019	2020e	2021e	2022e
Year end 31 December								
PROFIT & LOSS								
Revenue		158,712	160,354	149,710	159,507	158,807	164,130	169,626
Cost of Sales		(14,151)	(14,674)	(14,236)	(15,407)	(21,217)	(15,965)	(17,225)
Gross Profit		144,561	145,680	135,474	144,100	137,591	148,164	152,401
EBITDA		52,288	49,222	48,919	55,632	53,747	55,343	58,313
Operating Profit (before amort. of acq. intang, SBP and except.)		38,897	34,895	32,991	40,794	42,847	43,443	45,413
EMIS adjusted operating profit		38,753	37,406	35,890	39,273	37,847	40,843	43,813
Amortisation of acquired intangibles		(6,639)	(6,717)	(6,202)	(7,317)	(7,304)	(5,726)	(4,172)
Exceptionals		(6,714)	(16,988)	1,657	(5,360)	782	0	0
Share-based payments		(473)	(550)	(766)	(1,290)	(1,000)	(1,300)	(1,300)
Operating Profit		25,071	10,640	27,680	26,827	35,325	36,417	39,941
Net Interest		(237)	(299)	(180)	(498)	(300)	(200)	(200)
Profit Before Tax (norm)		39,159	35,192	33,426	41,038	43,289	43,985	45,955
Profit Before Tax (FRS 3)		25,333	10,937	28,115	27,071	35,767	36,959	40,483
Tax		(5,208)	(2,074)	(5,355)	(5,022)	(6,796)	(7,022)	(7,692)
Profit After Tax (norm)		32,175	27,989	26,447	33,697	35,064	35,628	37,224
Profit After Tax (FRS3)		20,125	8,863	22,760	22,049	28,971	29,937	32,791
Ave. Number of Shares Outstanding (m)		62.8	62.9	63.0	62.9	63.0	63.0	63.0
EPS - normalised & diluted (p)		49.4	43.1	40.4	53.5	55.7	56.4	58.9
EPS - EMIS adjusted & diluted (p)		49.2	47.0	45.0	51.1	49.3	53.1	56.9
EPS - FRS 3 (p)		30.4	12.8	36.1	36.0	46.2	47.5	52.1
Dividend (p)		23.4	25.8	28.4	31.2	32.0	34.0	35.0
Gross Margin (%)		91.1%	90.8%	90.5%	90.3%	86.6%	90.3%	89.8%
EBITDA Margin (%)		32.9%	30.7%	32.7%	34.9%	33.8%	33.7%	34.4%
Operating Margin (before GW and except.) (%)		24.5%	21.8%	22.0%	25.6%	27.0%	26.5%	26.8%
BALANCE SHEET								
Fixed Assets		133,292	122,979	117,920	101,089	109,035	104,451	100,421
Intangible Assets		110,953	100,844	96,807	82,345	86,769	81,943	77,671
Tangible Assets		22,187	22,037	21,000	18,399	21,179	20,679	20,179
Other fixed assets		152	98	113	345	1,087	1,829	2,571
Current Assets		46,088	56,900	53,107	67,278	83,395	95,948	111,234
Stocks		1,815	1,633	1,264	657	657	657	657
Debtors		39,970	40,148	36,223	33,047	35,677	37,772	39,037
Cash		4,303	13,991	15,620	31,099	45,061	55,518	69,540
Current Liabilities		(56,158)	(65,131)	(60,169)	(55,700)	(63,698)	(64,757)	(66,904)
Creditors		(51,425)	(65,131)	(60,169)	(55,060)	(63,058)	(64,117)	(66,264)
Lease liabilities		0	0	0	(640)	(640)	(640)	(640)
Short term borrowings		(4,733)	0	0	0	0	0	0
Long Term Liabilities		(9,080)	(6,734)	(8,199)	(8,469)	(11,118)	(8,183)	(5,543)
Long term borrowings		0	0	0	0	0	0	0
Lease liabilities		0	0	0	(3,294)	(5,474)	(3,874)	(2,274)
Other long term liabilities		(9,080)	(6,734)	(8,199)	(5,175)	(5,644)	(4,309)	(3,269)
Net Assets		114,142	108,014	102,659	104,198	117,614	127,458	139,207
CASH FLOW								
Operating Cash Flow		43,657	48,834	49,873	50,059	58,895	55,327	59,195
Net Interest		(324)	(356)	(214)	(93)	(300)	(200)	(200)
Tax		(7,655)	(8,139)	(5,830)	(4,466)	(9,307)	(8,357)	(8,731)
Capex		(12,084)	(11,342)	(12,767)	(13,119)	(13,500)	(12,300)	(12,300)
Acquisitions/disposals		(1,790)	329	(9,269)	5,152	(420)	(1,020)	0
Financing		881	571	906	(2,369)	200	(500)	(500)
Dividends		(14,006)	(15,476)	(21,070)	(18,745)	(20,006)	(20,893)	(21,842)
Net Cash Flow		8,679	14,421	1,629	16,419	15,562	12,057	15,622
Opening net debt/(cash)*		9,109	430	(13,991)	(15,620)	(31,099)	(45,061)	(55,518)
Finance leases initiated		0	0	0	(940)	(1,600)	(1,600)	(1,600)
Other		0	0	0	0	0	0	0
Closing net debt/(cash)*		430	(13,991)	(15,620)	(31,099)	(45,061)	(55,518)	(69,540)

Source: EMIS, Edison Investment Research. Note: *Excluding lease liabilities.

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