

Osirium Technologies

FY17 results

On track for continued strong bookings growth

Osirium's FY17 results confirmed that it is growing bookings for its subscription-based software in line with expectations and has kept tight control over costs. Funds raised in March should enable the company to accelerate investment in product development and sales and marketing to take advantage of the greenfield opportunity for PAM software within the mid-market.

Year end	Revenue (£m)	EBITDA* (£m)	EPS* (p)	DPS (p)	P/E (x)	EV/Sales (x)
12/16**	0.48	(1.14)	(12.4)	0.0	N/A	39.2
12/17	0.65	(1.61)	(18.1)	0.0	N/A	28.9
12/18e	0.90	(1.85)	(18.4)	0.0	N/A	20.8
12/19e	1.40	(1.65)	(17.4)	0.0	N/A	13.3

Note: *EBITDA and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. **14-month period ended 31 December 2016.

Strong growth in FY17 revenues and bookings

Osirium reported FY17 revenues marginally ahead of our forecast (+62% vs CY16), and due to lower than expected operating costs, reported a £0.3m smaller EBITDA loss versus our forecast. Bookings received were substantially in line with our forecast, increasing 123% from the same period a year ago. The company ended the year with a cash position of £1.0m and, in March, raised gross proceeds of £4.2m from the issue of 3.14m shares at 134p per share.

Building the pipeline

The company is making good progress with its land and expand strategy: in FY17 it achieved a 100% renewal rate and made 11 upsells. In addition, it won 16 new customers, to close the year with 30 customers. Management confirmed that new customer wins have continued post-year-end. The launch of PxM Express, Osirium's first freemium product, is now being used by 15 customers and has the potential to drive new customer wins. Channel partners have started making a significant contribution to bookings and will be the key to international growth for Osirium.

Forecasts and valuation: Bookings the key driver

We have revised our forecasts to reflect a faster hiring rate as well as the recent fundraising. We have conservatively assumed that this does not accelerate revenue growth but should help the company maintain strong bookings growth in the medium term. As an early-stage company showing revenue growth ahead of its peer group, Osirium is trading at a premium to peers on an EV/sales basis. We have performed a reverse DCF to analyse the assumptions factored into the current share price, using a WACC of 11% and a terminal growth rate of 3%. We estimate that the share price is discounting average bookings growth of 26% for FY21–27, break-even EBITDA in FY23, average EBITDA margins of 16% for FY21–27 and a terminal EBITDA margin of 40%. In our view, bookings growth will be the key driver of share price performance.

Software & comp services

27 June 2018

Price 146.0p
Market cap £20m

Net cash (£m) at end FY17	1.0
Shares in issue	13.5m
Free float	88.6%
Code	OSI
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(3.6)	6.6	51.3
Rel (local)	(1.4)	(2.3)	48.3
52-week high/low		169.5p	96.5p

Business description

UK-based Osirium Technologies designs and supplies subscription-based cyber security software. It has four products: privileged access management (PAM), privileged task management (PTM), privileged session management (PSM) and privileged behaviour management (PBM).

Next events

H118 trading update	July 2018
---------------------	-----------

Analysts

Katherine Thompson	+44 (0)20 3077 5730
Bridie Barrett	+44 (0)20 3077 5700

tech@edisongroup.com

[Edison profile page](#)

**Osirium Technologies is a
research client of Edison
Investment Research Limited**

Review of FY17 results

Exhibit 1: FY17 results highlights

£000s	FY17e	FY17a	Difference
Bookings	881.6	876.3	(0.6%)
Revenues	616.7	647.6	5.0%
EBITDA	(1,902.5)	(1,609.4)	(15.4%)
EBITDA margin	-308.5%	-248.5%	(19.4%)
Normalised operating profit	(2,589.2)	(2,296.8)	(11.3%)
Normalised operating profit margin	-419.8%	-354.7%	65.2%
Reported operating profit	(2,909.2)	(2,296.8)	(21.0%)
Reported operating margin	-471.7%	-354.7%	117.0%
Normalised PBT	(2,586.2)	(2,292.6)	(11.4%)
Reported PBT	(2,906.2)	(2,292.6)	(21.1%)
Normalised net income	(2,198.3)	(1,883.2)	(14.3%)
Reported net income	(2,499.3)	(1,883.2)	(24.7%)
Normalised basic EPS	(21.15)	(18.12)	(14.3%)
Reported basic EPS	(24.05)	(18.12)	(24.7%)
Net debt/(cash)	(1,140.6)	(1,023.8)	(10.2%)

Source: Osirium, Edison Investment Research

Osirium reported FY17 revenues 5% ahead of our forecast. Operating costs came in £262k lower than we had forecast, resulting in EBITDA of -£1.6m versus our -£1.9m forecast. Normalised and reported operating profit of -£2.3m were ahead of our forecasts due to the lower costs as well as the absence of share-based payments in the period versus our £0.3m forecast. As expected, the company reported an R&D tax credit of £0.4m. The company closed the year with a cash position of £1.0m, just below our £1.1m due to higher working capital consumption.

New customers and 100% renewals drive bookings growth

The company signed up 16 new customers in FY17, to close the year with 30 customers. In addition, all contracts expiring in the year were renewed, and in many cases customers expanded the number of devices protected or added new modules, resulting in 20 renewals and 11 upsells. The customer base covers a variety of verticals and new customers include three NHS trusts.

In the table below, we show the movement in bookings, deferred income and reported revenues.

Exhibit 2: Revenues and bookings

£000s	FY16*	CY16	FY17
Reported SaaS revenues	440.6	361.7	557.4
Services	37.0	37.0	90.2
Total revenues	477.6	398.7	647.6
Bookings	540.8	393.8	876.3
Monthly bookings rate	38.6	32.8	73.0
Deferred income at year-end	275.7	275.7	504.8
<i>Growth rates**</i>			
Reported SaaS revenues	74.5%	N/A	54.1%
Services	-1.9%	N/A	143.7%
Total revenues	64.6%	N/A	62.4%
Bookings	102%	N/A	123%

Source: Osirium. Note: *14-month period ended 31 December 2016. **FY16 vs FY15, FY17 vs CY16.

Bookings grew 123% in FY17 compared to the previous 12 months. Total reported revenues grew 62% over the same period.

PAM market opportunity

Gartner estimates that the PAM market was worth \$0.7bn in 2015 and will grow at a 27% CAGR to \$2.3bn by 2020. Demand drivers include regulation (including the imminent introduction of GDPR), ongoing security threats, the risk of reputational damage and the growth in IT outsourcing. This provides a positive backdrop for Osirium.

Sales pipeline building

In December, the company launched a freemium product – PxM Express. This is a scaled-down version of Osirium's PxM Platform, designed to provide privileged access management to businesses with up to 25 servers or network devices. It can also be deployed by larger organisations looking to test the software prior to making a wider investment decision. By the end of FY17, Osirium had five customers using PxM Express and this has since grown to 15.

The company signed up several distributors in FY17: Spectrami in MENA, ectacom in the DACH region and CHJ Technologies and EB2BCOM in Asia Pacific. In total, it has 24 channel partners in place. Sales via channel partners accelerated to 12 in FY17 up from two in FY16 and four in FY15.

Product development: Task automation, hybrid cloud

Management noted that it continues to develop its privileged task management solution, which automates commonly undertaken tasks to improve efficiency while increasing security. The company recently launched version 6.0 of the PxM platform. Improvements to the software include a session termination button, improved integration with Active Directory and native support for Mac OSX.

While many customers have typically deployed Osirium's subscription-based software on-premise, there is growing demand for software that can support users' hybrid cloud environments (ie a mixture of on-premise, hosted and public cloud deployments), opening more market opportunities. In February, the company announced support for the Microsoft Azure cloud platform. More recently, Osirium has also made its software available on AWS (Amazon Web Services), which means it now provides coverage for the two main public cloud platforms. This widens the pool of potential customers for Osirium, while maintaining the on-premise subscription-based software option for those customers whose security policies demand it.

Outlook and changes to forecasts

We have revised our forecasts to reflect FY17 results as well as the £4.2m gross proceeds raised in March. The company plans to use the proceeds to increase the headcount of the R&D and engineering teams, and increase investment in sales and marketing. We have increased our expectations for headcount from an average of 35 in FY18 and FY19, to 43 in FY18 and 45 in FY19. We have introduced forecasts for FY20. We now forecast that the company has sufficient cash to fund the business until FY20. If it is able to accelerate bookings growth ahead of our forecast, this would have a positive impact on cash flow due to the upfront billing of subscriptions.

Exhibit 3: Changes to forecasts

£000s	FY18e				FY19e				FY20e	
	Old	New	Change	y-o-y	Old	New	Change	y-o-y	New	y-o-y
Revenues	983.1	902.6	(8.2%)	39.4%	1,447.1	1,404.7	(2.9%)	55.6%	1,957.7	39.4%
EBITDA	(1,804.5)	(1,845.2)	2.3%	14.7%	(1,556.2)	(1,645.3)	5.7%	(10.8%)	(1,257.9)	(23.6%)
EBITDA margin	-183.5%	-204.4%	11.4%		-107.5%	-117.1%	8.9%		-64.3%	
Normalised operating profit	(2,652.1)	(2,758.7)	4.0%	20.1%	(2,570.2)	(2,775.2)	8.0%	0.6%	(2,596.8)	(6.4%)
Normalised operating profit margin	-269.8%	-305.7%	(35.9%)		-177.6%	-197.6%	(20.0%)		-132.6%	
Reported operating profit	(2,972.1)	(2,758.7)	(7.2%)	20.1%	(2,890.2)	(2,775.2)	(4.0%)	0.6%	(2,596.8)	(6.4%)
Reported operating margin	-302.3%	-305.7%	(3.3%)		-199.7%	-197.6%	2.2%		-132.6%	
Normalised PBT	(2,652.1)	(2,756.7)	3.9%	20.2%	(2,570.2)	(2,774.2)	7.9%	0.6%	(2,596.8)	(6.4%)
Reported PBT	(2,972.1)	(2,756.7)	(7.2%)	20.2%	(2,890.2)	(2,774.2)	(4.0%)	0.6%	(2,596.8)	(6.4%)
Normalised net income	(2,254.3)	(2,343.2)	3.9%	24.4%	(2,184.6)	(2,358.1)	7.9%	0.6%	(2,207.3)	(6.4%)
Reported net income	(2,556.0)	(2,343.2)	(8.3%)	24.4%	(2,485.5)	(2,358.1)	(5.1%)	0.6%	(2,207.3)	(6.4%)
Normalised basic EPS	(21.69)	(18.37)	(15.3%)	1.4%	(21.02)	(17.42)	(17.1%)	(5.2%)	(16.30)	(6.4%)
Normalised diluted EPS	(21.69)	(18.37)	(15.3%)	1.4%	(21.02)	(17.42)	(17.1%)	(5.2%)	(16.30)	(6.4%)
Reported basic EPS	(24.59)	(18.37)	(25.3%)	1.4%	(23.91)	(17.42)	(27.2%)	(5.2%)	(16.30)	(6.4%)
Net debt/(cash)	1,226.9	(2,465.4)	(300.9%)	140.8%	3,305.0	(65.9)	(102.0%)	(97.3%)	1,863.2	(2927.0%)

Source: Edison Investment Research

Valuation

Peer multiples

Osirium continues to trade at a premium to peers on an EV/sales basis, with forecast revenue growth also at a premium to the peer group over the next three years. We do not expect the company to achieve positive EBITDA until FY23.

Exhibit 4: Peer financial metrics

Company	Market cap (m)	Revenue growth			EBITDA margin			EBIT margin		
		FY1	FY2	FY3	FY1	FY2	FY3	FY1	FY2	FY3
Osirium	£20	39.4%	55.6%	39.4%	-204.4%	-117.1%	-64.3%	-305.7%	-197.6%	-132.6%
UK cybersecurity										
SOPHOS GROUP PLC	£2,813	16.7%	16.0%	15.6%	12.7%	16.0%	14.2%	4.9%	8.3%	9.6%
GB GROUP PLC	£901	9.9%	10.6%	10.7%	22.4%	22.3%	23.0%	20.7%	20.6%	21.1%
INTERCEDE GROUP PLC	£15	-7.6%	N/A	N/A	-21.2%	N/A	N/A	-23.5%	N/A	N/A
CORERO NETWORK SECURITY	£34	59.4%	N/A	N/A	-23.0%	N/A	N/A	-48.4%	N/A	N/A
UK SaaS software										
CRANWARE PLC	£568	16.6%	15.3%	13.5%	30.9%	31.2%	31.3%	28.5%	28.7%	28.9%
DOTDIGITAL GROUP PLC	£230	40.9%	28.4%	15.1%	28.6%	28.5%	28.5%	25.0%	25.0%	26.4%
IDEAGEN PLC	£263	33.2%	18.6%	N/A	30.5%	30.8%	N/A	26.9%	26.9%	N/A
PAM software										
CYBERARK SOFTWARE	\$2,264	21.6%	18.3%	16.6%	21.7%	22.7%	24.0%	18.8%	20.2%	N/A
WALLIX GROUP	€ 146	47.2%	42.1%	34.8%	-6.9%	-2.7%	0.5%	-1.1%	11.5%	8.0%
Global cybersecurity <£5bn market cap										
PROOFPOINT INC	\$5,978	36.9%	27.7%	25.5%	13.6%	15.5%	20.0%	8.5%	12.4%	15.7%
FIREYE INC	\$3,032	10.0%	7.6%	5.2%	10.8%	13.4%	15.1%	1.5%	5.7%	N/A
COMMVAULT SYSTEMS INC	\$3,088	9.2%	10.6%	9.4%	14.3%	18.7%	20.5%	12.9%	16.0%	N/A
QUALYS INC	\$3,395	20.5%	18.0%	21.1%	37.3%	37.4%	N/A	27.7%	27.7%	N/A
MIMECAST LTD	\$2,413	26.9%	20.1%	24.0%	14.4%	16.3%	25.3%	3.7%	7.1%	5.8%
IMPERVA INC	\$1,683	15.4%	14.6%	11.0%	18.7%	20.4%	20.8%	15.3%	17.2%	18.6%
SECUREWORKS CORP - A	\$974	10.5%	9.7%	7.0%	-0.3%	2.7%	7.4%	-3.8%	-1.0%	N/A
F-SECURE OYJ	€ 591	7.3%	8.7%	9.1%	10.0%	13.0%	14.6%	6.5%	9.7%	11.5%
Average		22.0%	17.8%	15.6%	12.6%	19.1%	18.9%	7.3%	15.7%	16.2%
Median		16.7%	16.0%	14.3%	14.3%	18.7%	20.5%	8.5%	16.0%	15.7%

Source: Edison Investment Research, Bloomberg (as at 26 June 2018).

Exhibit 5: Peer valuation multiples

Company	Market cap (m)	EV/Sales (x)			EV/EBITDA (x)			P/E (x)		
		FY1	FY2	FY3	FY1	FY2	FY3	FY1	FY2	FY3
Osirium	£20	20.8	13.3	9.6	N/A	N/A	N/A	N/A	N/A	N/A
UK cybersecurity										
SOPHOS GROUP PLC	£2,813	5.3	4.5	3.9	41.3	28.4	27.7	88.0	59.1	50.5
GB GROUP PLC	£901	6.7	6.1	5.5	30.2	27.3	24.0	40.7	37.3	33.0
INTERCEDE GROUP PLC	£15	1.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CORERO NETWORK SECURITY	£34	3.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
UK SaaS software										
CRANWARE PLC	£568	10.4	9.0	7.9	33.6	28.9	25.4	51.6	44.6	39.1
DOTDIGITAL GROUP PLC	£230	4.9	3.8	3.3	17.1	13.4	11.6	25.8	19.9	17.2
IDEAGEN PLC	£263	7.1	6.0	N/A	23.3	19.5	N/A	30.8	27.0	N/A
PAM software										
CYBERARK SOFTWARE	\$2,264	6.0	5.1	4.4	27.8	22.5	18.2	46.4	38.7	32.0
WALLIX GROUP	€ 146	8.3	5.8	4.3	N/A	N/A	882.0	N/A	121.9	32.8
Global cybersecurity <£5bn market cap										
PROOFPOINT INC	\$5,978	8.6	6.7	5.4	63.4	43.6	26.8	110.4	72.9	46.3
FIREEYE INC	\$3,032	3.6	3.3	3.1	33.0	24.6	20.8	790.0	91.3	55.4
COMMAVULT SYSTEMS INC	\$3,088	3.4	3.1	2.8	24.0	16.6	13.9	45.2	33.7	26.4
QUALYS INC	\$3,395	11.0	9.3	7.7	29.6	25.0	N/A	59.6	50.5	40.6
MIMECAST LTD	\$2,413	7.1	5.9	4.7	49.1	36.0	18.8	139.6	87.2	39.0
IMPERVA INC	\$1,683	3.5	3.1	2.8	18.8	15.0	13.3	50.7	27.7	26.1
SECUREWORKS CORP - A	\$974	1.7	1.6	1.5	N/A	58.6	19.9	N/A	N/A	62.7
F-SECURE OYJ	€ 591	2.8	2.5	2.3	27.7	19.5	15.9	70.2	37.6	30.2
Average		5.6	5.1	4.3	32.2	27.1	86.0	119.2	53.5	37.9
Median		5.3	5.1	4.1	29.6	24.8	19.9	51.6	41.7	36.0

Source: Edison Investment Research, Bloomberg (as at 26 June)

Reverse DCF valuation

As we do not expect Osirium to reach profitability within our three-year forecast period, we use a reverse discounted cash flow analysis to calculate the assumptions underlying the current share price. With a WACC of 11% and a terminal growth rate of 3%, we arrive at the current share price using the following assumptions for the period after our 2018–2020 explicit forecasts:

- Bookings growth of 30% per annum from 2021 to 2024, 25% in 2025, 20% in 2026 and 15% in 2027 with 25% recognition in the year invoiced and 90% of deferred income unwinding each year.
- Revenue growth: trending down from 33.7% in 2021 to 18.9% in 2027.
- EBITDA margin: hitting positive EBITDA in 2023, rising to 40% margin by 2027. This assumes the company continues to capitalise development costs at a similar rate over the period of the analysis. We note that this equates to a terminal EBIT margin of 25%, in line with established software vendors. It also assumes that the company does not grow its cost base significantly until it has reached break-even.
- Working capital: negative working capital requirements due to the upfront payment subscription model.
- Capex: we forecast this to reduce from 60% of sales in 2021 to 17% by 2027.

Active market for PAM vendors

There have recently been two acquisitions in the PAM space:

- In January, One Identity (an Identity Access Management software vendor) acquired Balabit for an undisclosed sum. Balabit was a privately-owned Hungarian first generation PAM vendor originally founded in 2000. Balabit's session management technology was already embedded into One Identity's Safeguard solution via an OEM partnership. One Identity aims to use the acquisition to further expand its PAM solutions with machine-learning driven, privileged account



analytics. In a recent Forbes article, the deal value was estimated at \$100m. Balabit's CEO was previously quoted as saying that the company generated revenues of €20m in the year to June 2017 (+20% y-o-y) and was expecting to grow at a rate of 25–30% in the year to June 2018. This implies a trailing price/sales multiple of 4x and a forward multiple of c 3.4x.

- In February, Bomgar acquired Lieberman Software for an undisclosed sum. Lieberman Software is a well-established first generation PAM vendor, originally founded in 1978. Bomgar provides secure access solutions and the acquisition strengthens Bomgar's PAM offering.

Exhibit 6: Financial summary

	£'000s	2013	2014	2015	2016	2017	2018e	2019e	2020e
31-December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT									
Revenue		120.0	207.0	290.2	477.6	647.6	902.6	1,404.7	1,957.7
EBITDA		(366.7)	(327.1)	(377.9)	(1,136.7)	(1,609.4)	(1,845.2)	(1,645.3)	(1,257.9)
Normalised operating profit		(679.4)	(714.3)	(790.7)	(1,725.6)	(2,296.8)	(2,758.7)	(2,775.2)	(2,596.8)
Amortisation of acquired intangibles		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based payments		0.0	(184.3)	(56.4)	(96.9)	0.0	0.0	0.0	0.0
Reported operating profit		(679.4)	(898.5)	(847.1)	(1,822.5)	(2,296.8)	(2,758.7)	(2,775.2)	(2,596.8)
Net Interest		(35.2)	5.7	(9.9)	9.7	4.2	2.0	1.0	0.0
Joint ventures & associates (post tax)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (norm)		(714.6)	(708.5)	(800.7)	(1,715.9)	(2,292.6)	(2,756.7)	(2,774.2)	(2,596.8)
Profit Before Tax (reported)		(714.6)	(892.8)	(857.1)	(1,812.8)	(2,292.6)	(2,756.7)	(2,774.2)	(2,596.8)
Reported tax		137.7	134.1	121.0	453.3	409.4	413.5	416.1	389.5
Profit After Tax (norm)		(576.9)	(602.1)	(687.6)	(1,286.9)	(1,883.2)	(2,343.2)	(2,358.1)	(2,207.3)
Profit After Tax (reported)		(576.9)	(758.7)	(736.0)	(1,359.6)	(1,883.2)	(2,343.2)	(2,358.1)	(2,207.3)
Minority interests		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)		(576.9)	(602.1)	(687.6)	(1,286.9)	(1,883.2)	(2,343.2)	(2,358.1)	(2,207.3)
Net income (reported)		(576.9)	(758.7)	(736.0)	(1,359.6)	(1,883.2)	(2,343.2)	(2,358.1)	(2,207.3)
Basic ave. number of shares outstanding (m)		0	1	10	10	10	13	14	14
EPS - normalised (p)		N/A	N/A	(6.61)	(12.38)	(18.12)	(18.37)	(17.42)	(16.30)
EPS - normalised fully diluted (p)		N/A	N/A	(6.61)	(12.38)	(18.12)	(18.37)	(17.42)	(16.30)
EPS - basic reported (p)		(296.36)	(144.92)	(7.08)	(13.08)	(18.12)	(18.37)	(17.42)	(16.30)
Dividend (p)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)		26.3	72.6	40.2	64.6	35.6	39.4	55.6	39.4
EBITDA Margin (%)		-305.7	-158.0	-130.2	-238.0	-248.5	-204.4	-117.1	-64.3
Normalised Operating Margin		-566.3	-345.0	-272.5	-361.3	-354.7	-305.7	-197.6	-132.6
BALANCE SHEET									
Fixed Assets		815.7	805.2	799.7	1,178.8	1,812.1	2,414.9	2,801.4	2,978.8
Intangible Assets		808.6	795.7	793.3	1,134.5	1,731.9	2,303.4	2,658.5	2,804.6
Tangible Assets		7.2	9.5	6.4	44.3	80.2	111.5	142.9	174.2
Investments & other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Assets		109.3	269.2	428.1	3,953.7	1,646.4	3,126.2	866.9	(937.3)
Stocks		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtors		77.2	218.6	154.6	380.9	622.6	660.8	801.0	925.9
Cash & cash equivalents		32.2	50.6	273.5	3,572.8	1,023.8	2,465.4	65.9	(1,863.2)
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Liabilities		(235.2)	(294.2)	(365.0)	(648.5)	(857.7)	(1,368.0)	(1,853.2)	(2,407.1)
Creditors		(235.2)	(294.2)	(365.0)	(648.5)	(857.7)	(1,368.0)	(1,853.2)	(2,407.1)
Tax and social security		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term borrowings		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Liabilities		(952.5)	(487.6)	(163.3)	0.0	0.0	0.0	0.0	0.0
Long term borrowings		(789.0)	(323.7)	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities		(163.4)	(163.9)	(163.3)	0.0	0.0	0.0	0.0	0.0
Net Assets		(262.6)	292.6	699.5	4,483.9	2,600.8	4,173.1	1,815.1	(365.6)
Minority interests		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity		(262.6)	292.6	699.5	4,483.9	2,600.8	4,173.1	1,815.1	(365.6)
CASH FLOW									
Op Cash Flow before WC and tax		(366.7)	(327.1)	(377.9)	(1,136.7)	(1,609.4)	(1,845.2)	(1,645.3)	(1,257.9)
Working capital		66.3	3.8	120.7	226.8	85.5	477.6	347.6	428.9
Exceptional & other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax		109.8	48.4	134.6	120.4	291.4	409.4	413.5	416.1
Net operating cash flow		(190.6)	(274.9)	(122.6)	(789.4)	(1,232.5)	(958.2)	(884.2)	(412.8)
Capex		(412.8)	(376.7)	(407.3)	(968.0)	(1,320.6)	(1,516.3)	(1,516.3)	(1,516.3)
Acquisitions/disposals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net interest		(35.2)	5.7	(9.9)	9.7	4.2	2.0	1.0	0.0
Equity financing		0.0	639.3	762.8	5,047.1	0.0	3,914.2	0.0	0.0
Dividends		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Cash Flow		(638.6)	(6.5)	222.9	3,299.3	(2,549.0)	1,441.7	(2,399.5)	(1,929.1)
Opening net (cash)/debt		118.3	756.9	273.1	(273.5)	(3,572.8)	(1,023.8)	(2,465.4)	(65.9)
FX		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash movements		0.0	490.3	323.8	0.0	0.0	(0.1)	0.0	0.0
Closing net (cash)/debt		756.9	273.1	(273.5)	(3,572.8)	(1,023.8)	(2,465.4)	(65.9)	1,863.2

Source: Osirium, Edison Investment Research

Edison is an investment research and advisory company, with offices in North America, Europe, the Middle East and AsiaPac. The heart of Edison is our world-renowned equity research platform and deep multi-sector expertise. At Edison Investment Research, our research is widely read by international investors, advisers and stakeholders. Edison Advisors leverages our core research platform to provide differentiated services including investor relations and strategic consulting. Edison is authorised and regulated by the [Financial Conduct Authority](#). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Pty Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. www.edisongroup.com

DISCLAIMER

Copyright 2018 Edison Investment Research Limited. All rights reserved. This report has been commissioned by Osirium Technologies and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Investment Research Pty Ltd (Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd (AFSL: 427484)) and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") © FTSE 2018. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.