![EDISON]

Altron

FY26 results

Starting the next phase of growth

Software and comp services

3 June 2026

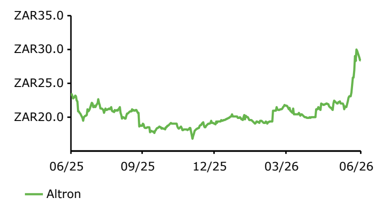
Altron reported strong growth in earnings in FY26 despite only 1% revenue growth, as the more profitable Platform businesses continued to perform well and Altron Digital Business (ADB) and Altron Document Solutions (ADS) achieved impressive improvements in profitability. In addition to a final dividend of ZAR0.72, the company announced a special dividend of ZAR1.20. Future investment is focused on the Platforms division as the group enters the third phase of growth since management launched its growth strategy in 2023. We have revised up our FY27 forecasts, with continuing headline EPS (HEPS) upgraded by 9%.

Year end	Revenue (ZARm)	PBT (ZARm)	EPS (ZAR)	HEPS (ZAR)	DPS (ZAR)	P/E (x)	Yield (%)
2/25	9,588.0	912.0	1.83	1.78	0.90	15.5	3.2
2/26	9,637.0	1,173.0	2.34	2.39	2.40	12.2	8.4
2/27e	10,275.2	1,360.8	2.55	2.59	1.25	11.1	4.4
2/28e	10,831.6	1,447.1	2.62	2.67	1.29	10.8	4.5

Note: Revenue, PBT and diluted EPS are for continuing operations. PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items. HEPS: basic continuing headline EPS.

Price	**ZAR28.41**
Market cap	**ZAR10,830m**
Net cash/(debt) at end FY26	ZAR190.0m
Shares in issue	381.2m
Free float	35.7%
Code	AEL
Primary exchange	JSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	29.2	31.2	26.8
52-week high/low		ZAR30.2	ZAR16.1

Business description

Altron is a South African provider of platforms and IT services. The company operates via three divisions: IT Services, Platforms and Altron Arrow. In FY26, 88% of revenue was generated in South Africa and annuity revenue made up 66% of total revenue.

Next events

Capital markets day 9 June

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Altron is a research client of Edison Investment Research Limited

FY26 EBITDA +10%, continuing HEPS +34%

Altron reported EBITDA growth of 10% in FY26, despite revenue growth of only 1%. Within IT Services, after recent restructuring ADB moved back to profitability in H226 and for the year as a whole, and ADS expanded operating margins despite a small revenue decline. Within Platforms, Netstar and Altron FinTech both beat our operating profit forecasts (by 6.7% and 3.6% respectively). Overall, this resulted in continuing HEPS growth of 34%, 3% ahead of our forecast. We upgrade our FY27 forecasts to reflect better-than-expected performance in FY26, with operating profit 7% higher and HEPS 9% higher.

Growth investment focused on Platforms

The Platforms businesses are the key engines of growth and profits for Altron, with a divisional medium-term operating margin target of at least 26% (flat versus FY26) and high levels of annuity revenues. These businesses are expected to support and benefit from the evolution of South Africa's digital economy. Management expects to target future investment at these businesses, whether organically or through targeted M&A.

Valuation: Platforms provide upside potential

Prior to results, the share price was already up 19% year-to-date, and it gained another 20% post results, we believe due to the turnaround in ADB, the continued strong performance of the Platform division and the special dividend. Using a sum-of-the-parts valuation on our revised forecasts, rolled forward by one year, and after a 30% holding company/South Africa discount, we arrive at a valuation of ZAR33.2 per share (up from ZAR25.9), 17% above the current share price. In our view, evidence of continued progress towards medium-term operating margin targets, including sustained recovery in ADB revenue and margins, would be the key driver of share price upside. The company will provide more detail on the next phase of growth at its capital markets day on 9 June.

Medium-term strategy update

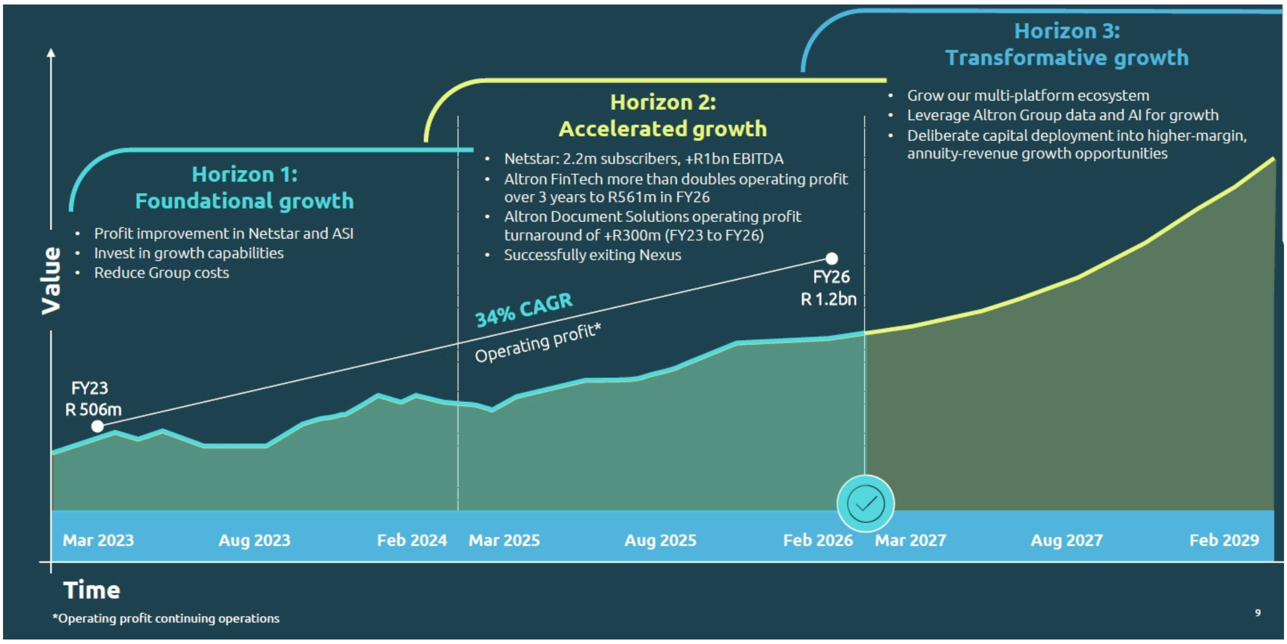
Werner Kapp took on the CEO role in October 2022, and in May 2023 he announced the current group strategy (Exhibit 1). The company has completed the second phase of the strategy and is now in the transformative growth phase. Over the first two phases, the company has sold non-core businesses, combined three IT services business into one (ADB), undertaken a restructuring of ADB to counter market weakness, invested in the Platform businesses (particularly Netstar) to support organic growth and improved the operational performance of Netstar and ADS. From FY23 to FY26, operating profit before capital items has grown at a CAGR of 34% with margin expansion of 7.4pp to 12.6%.

For the third phase of the strategy, with the Platform businesses making up 46% of group revenue and 95% of group operating profit, the company is focusing investment on the organic growth of the Platform businesses, while leveraging group data and AI for additional growth opportunities. In a net cash position at year-end, the company is well within its debt covenants and has headroom to borrow up to ZAR3.5bn from the current level of ZAR1.0bn, providing flexibility to take advantage of any growth opportunities that might present themselves.

Capital allocation priorities are:

- Organic growth, with a focus on the highest return opportunities. Nearly 90% of FY26 capex was for the Platform businesses.
- Shareholder returns, which includes a dividend policy of paying out at least 50% of HEPS from continuing operations. This year it also included a special dividend.
- M&A: targeted growth opportunities within the Platform businesses, executed with financial discipline. The company considered a handful of targets over the last year, but none met the group's requirements.

Exhibit 1: Altron growth strategy



Source: Altron

Review of FY26 results

Altron provided a substantial trading update at the end of February, at which point we upgraded our forecasts. The company generated minimal revenue growth in FY26, as the decline in ADB was more than offset by growth in the Platform businesses. EBITDA before capital items was 10% higher year-on-year and in line with our forecast, with a margin of 20.8% up from 19.0% in FY25. Operating profit before capital items increased 25.3% y-o-y with margin expansion of 2.5pp to 12.6%. Two items were included in FY26 operating profit: the depreciation policy change for Netstar increased operating profit by ZAR136m and the one-off pension fund expense reduced it by ZAR74m, with an adjusted operating profit of ZAR1.15bn (11.9% margin).

With net finance costs coming in slightly below our forecasts, the company generated PBT and net income 3% ahead of our forecast. This translated to similar upside for headline EPS from continuing operations, which grew 34% y-o-y. The company proposed a final dividend of ZAR0.72, which combined with the interim dividend of ZAR0.48 makes a total dividend of ZAR1.20 for FY26, up 33% y-o-y. Closing the year with net cash of ZAR190m, the company decided to return some excess cash to shareholders in the form of a ZAR1.20 special dividend.

Exhibit 2: FY26 results highlights

ZARm	FY25	FY26e	FY26	diff	y-o-y
Revenues	9,588	9,645	9,637	0%	1%
EBITDA	1,822	2,005	2,002	0%	10%
EBITDA margin	*19.0%*	*20.8%*	*20.8%*	*0.0pp*	*1.8pp*
Normalised operating profit	998	1,212	1,226	1%	23%
Normalised operating margin	*10.4%*	*12.6%*	*12.7%*	*0.2pp*	*2.3pp*
Reported operating profit	852	1,062	1,072	1%	26%
Reported operating margin	*8.9%*	*11.0%*	*11.1%*	*0.1pp*	*2.2pp*
Normalised PBT	912	1,142	1,173	3%	29%
Reported PBT	766	992	1,019	3%	33%
Normalised net income - continuing operations	718	896	924	3%	29%
Reported net income	390	704	727	3%	86%
Normalised basic EPS - continuing operations (ZAR)	1.89	2.35	2.42	3%	28%
Normalised diluted EPS - continuing operations (ZAR)	1.83	2.28	2.34	3%	28%
Headline basic EPS - continuing operations (ZAR)	1.78	2.31	2.39	3%	34%
Headline basic EPS - discontinued operations (ZAR)	(0.44)	(0.09)	(0.09)	6%	-79%
Headline basic EPS - group (ZAR)	1.34	2.22	2.29	3%	18%
Headline diluted EPS - continuing operations (ZAR)	1.73	2.24	2.30	3%	33%
Headline diluted EPS - discontinued operations (ZAR)	(0.43)	(0.09)	(0.09)	5%	-79%
Headline diluted EPS - group (ZAR)	1.30	2.15	2.21	3%	70%
Reported basic EPS (ZAR)	1.03	1.85	1.90	3%	85%
Reported basic EPS - continuing operations (ZAR)	1.56	2.04	2.10	3%	35%
Dividend per share (ZAR)	0.90	1.12	2.40	114%	167%
Net debt/(cash) - as reported	(153)	(213)	(437)	105%	186%
Net debt/(cash) - company adjusted*	113	53	(190)	-459%	-268%

Source: Altron, Edison Investment Research. Note: *Adjusted to exclude merchant cash.

The following exhibits summarise performance at a divisional level.

Exhibit 3: Divisional revenue

Revenue (ZARm)	FY25a	FY26e	FY26a	diff	y-o-y
IT Services					
Altron Digital Business	3,241	2,969	2,982	0.4%	-8.0%
Altron Security	397	437	411	-6.0%	3.5%
Altron Document Solutions	1,417	1,397	1,385	-0.8%	-2.3%
	5,055	4,803	4,778	-0.5%	-5.5%
Own Platforms					
Netstar	2,277	2,461	2,482	0.8%	9.0%
FinTech	1,282	1,503	1,532	2.0%	19.5%
Healthtech	397	399	403	1.0%	1.5%
	3,956	4,363	4,417	1.2%	11.7%
Altron Arrow	669	581	581	0.0%	-13.2%
Corporate/consolidation	(92)	(102)	(139)	36.3%	51.1%
Total revenue	9,588	9,645	9,637	-0.1%	0.5%

Source: Altron, Edison Investment Research

Exhibit 4: Divisional EBITDA before capital items

EBITDA before capital items						EBITDA margin (before capital items)		
ZARm	FY25a	FY26e	FY26a	diff	y-o-y	FY25a	FY26a	y-o-y
IT Services								
Altron Digital Business	109	5	26	458.5%	-76.1%	3.4%	0.9%	-2.5pp
Altron Security	114	108	106	-1.5%	-7.0%	28.7%	25.8%	-2.9pp
Altron Document Solutions	84	109	123	12.8%	46.4%	5.9%	8.9%	3.0pp
	307	221	255	15.2%	-16.9%	6.1%	5.3%	-0.7pp
Own Platforms								
Netstar	935	1,083	1,083	0.0%	15.8%	41.1%	43.6%	2.6pp
FinTech	457	577	597	3.5%	30.6%	35.6%	39.0%	3.3pp
Healthtech	122	148	149	0.8%	22.1%	30.7%	37.0%	6.2pp
	1,514	1,807	1,829	1.2%	20.8%	38.3%	41.4%	3.1pp
Altron Arrow	69	40	33	-16.5%	-52.2%	10.3%	5.7%	-4.6pp
Corporate/consolidation	(68)	(63)	(115)	82.0%	69.1%	73.9%	82.7%	
Total EBITDA	1,822	2,005	2,002	-0.1%	9.9%	19.0%	20.8%	1.8pp

Source: Altron, Edison Investment Research

Exhibit 5: Operating profit before capital items

Operating profit before capital items						Operating margin (before capital items)		
ZARm	FY25a	FY26e	FY26a	diff	y-o-y	FY25a	FY26a	y-o-y
IT Services								
Altron Digital Business	83	(17)	7	-140.4%	-91.6%	2.6%	0.2%	-2.3pp
Altron Security	86	90	90	0.4%	4.7%	21.7%	21.9%	0.2pp
Altron Document Solutions	61	83	98	18.1%	60.7%	4.3%	7.1%	2.8pp
	230	155	195	25.6%	-15.2%	4.5%	4.1%	-0.5pp
Own Platforms								
Netstar	255	425	453	6.7%	77.6%	11.2%	18.3%	7.1pp
FinTech	423	542	561	3.6%	32.6%	33.0%	36.6%	3.6pp
Healthtech	120	143	143	0.2%	19.2%	30.2%	35.5%	5.3pp
	798	1,109	1,157	4.3%	45.0%	20.2%	26.2%	6.0pp
Altron Arrow	67	37	31	-15.1%	-53.7%	10.0%	5.3%	-4.7pp
Corporate/consolidation	(123)	(112)	(165)	47.1%	34.1%	133.7%	118.7%	
Total operating profit	972	1,189	1,218	2.5%	25.3%	10.1%	12.6%	2.5pp

Source: Altron, Edison Investment Research

Platform businesses show exceptional performance

The combined Platform businesses grew revenue 11.7% y-o-y, EBITDA 20.8% and operating profit 45.0%.

Netstar: South Africa the engine of growth

The business generated revenue growth of 9% y-o-y (H1: +8.2%, H2: +9.8%), helped by 9% growth in subscribers over the year to 2.207m subscribers. Consumer subscribers grew 8% and enterprise subscribers 19%, highlighting the good progress the business is making in building its fleet operations. Excluding original equipment manufacturer partnerships, churn has moderated to 16% from 19% last year. Contract fulfilment and pre-fitment conversion rates above 90% and 60% respectively are both in line with targets.

The Australian business continues to drag on results, but has managed to return to a subscriber base of c 70,000. The South African business alone grew revenue 11% and EBITDA 17%, and the EBITDA margin was 49%, showing how profitable the business can be. EBITDA for the business globally was up 16% and operating profit was up 78% (or 24% excluding the benefit of the change in depreciation policy). The operating margin expanded 7.1pp to 18.3%, or 1.5pp excluding the policy change. Annuity revenue made up 92% of total revenue, up from 91% in FY25.

FinTech: Supporting the informal economy

The FinTech business continued its exceptional performance, with revenue up 19.5% y-o-y. This resulted in EBITDA growth of 30.6%, operating profit growth of 32.6% and operating margin expansion of 3.6pp to 36.6%. The Payment and Collection Solutions business continued to be the main driver of growth, growing 22% y-o-y to make up 75% of revenue. The number of customers for this business grew 34% y-o-y to 6k. The volume and value of debit orders processed increased 34% and 29% respectively. Integrated Transaction Solutions grew revenue 21%, making up 12% of revenue, with a 29% increase in value processed despite flat volumes. The number of devices rented increased 150% to 32k and the number sold increased 7% to 14k. Card Personalisation and Issuance (8% of total revenue) grew revenue 9%, with a 16% increase in devices sold and a 2% increase in devices maintained. The smallest line of business, Credit

Management Solutions (5% of revenue), grew revenue by 4%, with a 4% decline in the value of loans processed but a 13% increase in the number of credit enquiries. Annuity revenues now make up 88% of total revenue, up from 85% in FY25 and 70% in FY23.

Healthtech: Modest growth, strong profitability

The business saw modest revenue growth of 1.5% y-o-y (H1: 0%, H2: +3.1%); growth in sales to the private practice network (2,078 net new practices) was largely offset by lower project revenues. Management intervention resulted in H2 EBITDA above H1 and FY26 EBITDA up 22.1% y-o-y. This resulted in operating profit growth of 19.2% and operating margin expansion of 5.3pp to 35.5%. As we have previously written, costs incurred in developing the oncology platform were expensed in FY24 and FY25 and the development work was completed in FY25, helping to boost margins in FY26.

IT Services: Moving in the right direction

The division saw a 5.5% revenue decline, a 16.9% decline in EBITDA and a 15.2% decline in operating profit.

ADB: Back in the black

Revenue declined 8.0% for the year, with H126 down 9.8% and H226 down 6.2%. We note that in absolute terms, H2 revenue was higher than in H1. After a major restructuring to reduce headcount to better match demand and to embed a new sales operating model, ADB moved from an EBITDA loss of ZAR32m in H126 to a profit of ZAR58m in H226 (3.8% margin). For the full year, ADB generated a small operating profit of ZAR7m (H1: -ZAR42m, H2: ZAR49m). Management noted that annuity contracts were stabilised and renewed (annuity revenues made up 51% of revenue).

Altron Security: Focused on annuity revenues

Revenue was up 3.5%, with platform growth partially offset by lower IT services. Annuity revenue increased 4pp to 83% of total, marking a deliberate shift from professional services. EBITDA declined 7.0% while operating profit was up 4.7% due to lower amortisation charges from previous acquisitions. The business sees opportunities to serve the citizen identity market across Africa.

ADS: Impressive turnaround

ADS management has executed a comprehensive turnaround of the business, reshaping it to meet changing customer buying patterns and increased demand for more cost-effective and digitally-enabled solutions. While revenue declined 2.3%, EBITDA was up 46.4% and operating profit up 60.7%, with operating margin expansion of 2.8pp to 7.1%. Management believes that the current level of profitability is sustainable, helped by new product initiatives and a transition to managed and support services.

Distribution: Cycle turning back up

Altron Arrow saw a 13.2% revenue decline in FY26, split as -23.4% y-o-y in H126 and flat y-o-y in H226, with H2 up half-on-half. The company believes it is likely that the bottom of the cycle has been reached so we should expect to see demand improve through FY27. Despite the revenue decline, the business maintained profitability: EBITDA declined 52.2% to a margin of 5.7% and operating profit declined 53.7% to a margin of 5.3%.

Outlook and changes to forecasts

Management characterised the South African enterprise market as remaining a persistent headwind and does not expect it to change materially in the near term. Medium-term guidance (over three to five years) is for the Platform division to maintain an operating margin of at least 26% and for the IT Services division to grow its operating margin to at least 7%.

We have made the following changes to our FY27 forecasts, and we introduce forecasts for FY28.

- **IT Services:** we have upgraded our ADB and ADS operating profit forecasts due to better-than-expected performance in H226. We forecast an IT Services operating margin of 5.7% in FY27 and 5.9% in FY28.
- **Platforms:** we have upgraded our FY27 operating profit forecasts by 6.1% for Netstar and 3.7% for FinTech, again reflecting stronger-than-expected performance in H226. We cautiously forecast a Platforms operating margin of

25.2% in FY27 and 24.9% in FY28.

- **HEPS upgrade:** the overall 6.6% increase in our FY27 operating profit forecast results in an 8.9% upgrade to basic HEPS. We have factored in a tax rate of 25% in FY27 (unchanged), increasing to 27% in FY28.
- **Net debt factors in special dividend:** net debt increases compared to our previous forecast, reflecting the expected ZAR460m payout for the special dividend.

Exhibit 6: Changes to forecasts

	FY27e	FY27e			FY28e	
ZARm	**Old**	**New**	**Change**	**y-o-y**	**New**	**y-o-y**
Revenues	10,249.1	10,275.2	0.3%	6.6%	10,831.6	5.4%
EBITDA	2,228.1	2,286.2	2.6%	14.2%	2,467.6	7.9%
EBITDA margin	21.7%	22.2%	0.5pp	1.5pp	22.8%	0.5pp
Operating profit before capital items	1,301.7	1,388.2	6.6%	14.0%	1,488.5	7.2%
Operating margin before capital items	12.7%	13.5%	0.8pp	0.9pp	13.7%	0.2pp
Normalised operating profit	1,302.4	1,402.8	7.7%	14.4%	1,489.1	6.1%
Normalised operating margin	12.7%	13.7%	0.9pp	0.9pp	13.7%	0.1pp
Reported operating profit	1,242.4	1,267.8	2.0%	18.3%	1,349.1	6.4%
Reported operating margin	12.1%	12.3%	1.1pp	9.8%	12.5%	9.8%
Normalised PBT	1,232.4	1,360.8	10.4%	16.0%	1,447.1	6.3%
Reported PBT	1,172.4	1,225.8	4.6%	20.3%	1,307.1	6.6%
Normalised net income – continuing operations	908.8	1,010.2	11.2%	9.4%	1,039.5	2.9%
Reported net income	863.8	905.2	4.8%	24.5%	937.3	3.6%
Normalised basic EPS – continuing operations (ZAR)	2.38	2.64	10.6%	9.0%	2.71	2.9%
Normalised diluted EPS – continuing operations (ZAR)	2.31	2.55	10.2%	9.1%	2.62	2.9%
Headline basic EPS – continuing operations (ZAR)	2.38	2.59	8.9%	8.6%	2.67	2.9%
Headline basic EPS – discontinued operations (ZAR)	0.00	0.00	N/A	-100.0%	0.00	N/A
Headline basic EPS – group (ZAR)	2.38	2.59	8.8%	13.1%	2.71	4.7%
Headline diluted EPS – continuing operations (ZAR)	2.31	2.50	8.5%	8.7%	2.58	2.9%
Headline diluted EPS – discontinued operations (ZAR)	0.00	0.00	N/A	-100.0%	0.00	N/A
Headline diluted EPS – group (ZAR)	2.31	2.50	8.5%	13.1%	2.62	4.7%
Reported basic EPS (ZAR)	2.27	2.36	4.3%	24.1%	2.45	3.6%
Dividend per share (ZAR)	1.15	1.25	8.5%	-47.8%	1.29	2.9%
Net debt - company adjusted*	68	406	498.7%	-313.6%	440	8.3%
Net debt/(cash) – as reported	(198)	159	-180.2%	-136.4%	193	21.3%

Source: Edison Investment Research. Note: company adjusted net debt excludes cash held for merchants.

Exhibit 7: Financial summary

ZAR m	2022	2023	2024	2025	2026	2027e	2028e
Year end 28 February	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT							
Revenue	7,930	8,445	9,603	9,588	9,637	10,275	10,832
Costs	(6,790)	(7,194)	(8,167)	(7,766)	(7,635)	(7,989)	(8,364)
EBITDA	1,140	1,251	1,436	1,822	2,002	2,286	2,468
Normalised operating profit	518	621	677	998	1,226	1,403	1,489
Amortisation of acquired intangibles	(20)	(22)	(27)	(26)	(8)	(15)	0
Exceptionals/capital items	(213)	(59)	(35)	(120)	(146)	(120)	(140)
Share-based payments	0	0	0	0	0	0	0
Reported operating profit	285	540	615	852	1,072	1,268	1,349
Net Interest	(146)	(142)	(109)	(89)	(56)	(42)	(42)
Joint ventures & associates (post tax)	3	3	2	3	3	0	0
Exceptionals	0	0	0	0	0	0	0
Profit Before Tax (norm)	375	482	570	912	1,173	1,361	1,447
Profit Before Tax (reported)	142	401	508	766	1,019	1,226	1,307
Reported tax	(63)	(105)	(121)	(150)	(203)	(306)	(353)
Profit After Tax (norm)	209	356	425	743	938	1,024	1,056
Profit After Tax (reported)	79	296	387	616	816	919	954
Minority interests	(9)	(17)	(23)	(25)	(14)	(14)	(17)
Discontinued operations	(174)	(283)	(534)	(201)	(75)	0	0
Net income (normalised)	200	339	402	718	924	1,010	1,039
Net income (reported)	(104)	(4)	(170)	390	727	905	937
Basic average number of shares outstanding (m)	372	377	379	380	382	383	383
EPS - diluted normalised (ZAR)	0.53	0.88	1.04	1.83	2.34	2.55	2.62
EPS - basic reported (ZAR)	(0.28)	(0.01)	(0.45)	1.03	1.90	2.36	2.45
EPS headline basic (ZAR)	0.37	0.29	(0.29)	1.34	2.29	2.59	2.71
Dividend (ZAR)	0.30	0.35	0.58	0.90	2.40	1.25	1.29
Revenue growth (%)	5.7%	6.5%	13.7%	-0.2%	0.5%	6.6%	5.4%
EBITDA Margin (%)	14.4%	14.8%	15.0%	19.0%	20.8%	22.2%	22.8%
Normalised Operating Margin (%)	6.5%	7.4%	7.0%	10.4%	12.7%	13.7%	13.7%
BALANCE SHEET							
Fixed Assets	3,965	4,013	4,561	4,519	4,764	5,212	5,646
Intangible Assets	1,918	2,105	2,258	2,327	2,529	2,681	2,827
Tangible Assets	1,476	1,346	1,575	1,651	1,794	2,090	2,378
Investments & other	571	562	728	541	441	441	441
Current Assets	5,404	5,649	4,802	4,593	4,884	4,497	4,652
Stocks	972	1,023	971	822	832	877	922
Debtors	1,961	2,055	2,185	2,379	2,480	2,644	2,787
Cash & cash equivalents	757	740	1,140	1,017	1,351	755	721
Other (including assets held for sale)	1,714	1,831	506	375	221	221	221
Current Liabilities	(2,917)	(3,274)	(3,331)	(3,316)	(2,885)	(2,977)	(3,068)
Creditors	(1,853)	(1,964)	(2,321)	(2,398)	(2,367)	(2,459)	(2,550)
Tax and social security	(77)	(103)	(127)	(116)	(148)	(148)	(148)
Short-term borrowings	(244)	(62)	(708)	(647)	(213)	(213)	(213)
Lease liabilities	(117)	(111)	(85)	(95)	(122)	(122)	(122)
Other (including liabilities held for sale)	(626)	(1,034)	(90)	(60)	(35)	(35)	(35)
Long-Term Liabilities	(2,098)	(2,088)	(1,955)	(1,612)	(2,194)	(2,194)	(2,194)
Long-term borrowings	(854)	(851)	(649)	(217)	(701)	(701)	(701)
Lease liabilities	(896)	(788)	(741)	(733)	(634)	(634)	(634)
Other long-term liabilities	(348)	(449)	(565)	(662)	(859)	(859)	(859)
Net Assets	4,354	4,300	4,077	4,184	4,569	4,538	5,035
CASH FLOW							
Op Cash Flow before WC and tax	440	346	187	817	1,180	1,388	1,489
Working capital	(44)	194	579	184	(197)	(117)	(97)
Exceptional & other	672	755	845	735	961	634	683
Tax	(94)	(50)	(131)	(104)	(88)	(306)	(353)
Net operating cash flow	974	1,245	1,480	1,632	1,856	1,598	1,723
Capex	(396)	(473)	(567)	(708)	(800)	(851)	(907)
Acquisitions/disposals	(76)	(76)	27	12	(34)	0	0
Net interest	(127)	(127)	(104)	(64)	(28)	(42)	(42)
Equity financing	0	0	0	0	0	0	0
Dividends	(442)	(152)	(170)	(285)	(394)	(964)	(474)
Other	(408)	(361)	(304)	(221)	(311)	(336)	(333)
Net Cash Flow	(475)	56	362	366	289	(596)	(34)
Opening net debt/(cash)	453	811	563	313	113	(190)	406
FX	(3)	11	4	(5)	(13)	0	0
Other non-cash movements	120	181	(116)	(161)	27	0	0
Closing net debt/(cash) – company adjusted*	811	563	313	113	(190)	406	440
Closing net debt/(cash) – as reported	341	173	217	(153)	(437)	159	193

Source: Altron, Edison Investment Research

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