

Boku

H118 results

Strong H1 supports future growth

Boku saw continued strong growth in total payment volume (TPV) in H118, driving y-o-y revenue growth of 66% and a positive EBITDA margin of 15%. Stronger than expected H1 revenues have allowed Boku to increase investment in new product areas, with a current focus on Mobile Identity. We have raised our revenue forecasts for FY18–20 and assume the company continues to reinvest the upside in new growth areas.

Year end	Revenue (\$m)	EBITDA* (\$m)	EPS* (\$)	DPS (\$)	P/E (x)	EV/EBITDA (x)
12/17	24.4	(2.3)	(0.03)	0.0	N/A	N/A
12/18e	34.8	5.4	0.01	0.0	221.8	91.6
12/19e	42.0	11.6	0.03	0.0	73.7	42.7
12/20e	49.9	19.1	0.06	0.0	40.1	25.9

Note: *EBITDA and EPS (diluted) are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Strong volume growth continues in H118

Boku saw a 153% increase in TPV y-o-y, from merchants adding new operator connections and existing connections seeing growth in digital content consumption. This translated to y-o-y revenue growth of 66% and an increase in EBITDA from a loss of \$2.76m in H117 to \$2.55m in H118. Operating expenses increased \$1.2m y-o-y, with half the increase invested in increasing the capacity of the platform and the remainder invested in Boku Labs to fund the development of new products. Net cash (including restricted cash) increased from \$17.7m at the end of FY17 to \$28.4m at the end of H118. We have revised our forecasts to reflect stronger TPV and slightly higher take rates; we assume a large proportion of revenue upside is reinvested in product development.

Investing for sustained growth

Boku is benefiting from the growth of the digital content market and the increasing prevalence of consumers accessing this content on mobile devices. These trends are augmented by merchants offering direct carrier billing (DCB) to a wider network of potential customers and new merchants integrating with Boku's platform. Longer term, we expect growth to be enhanced by new products that exploit the platform and network Boku has created; Boku Mobile Identity is the first such product to be developed. The plan is to develop identity verification services based on the personal information that mobile network operators (MNOs) hold on their subscribers.

Valuation: Premium for growth

Near-term EV/EBITDA and P/E multiples are at a premium to peers, but in our view are justified by the company's strong sustainable earnings growth potential. Data points to show that Boku is meeting or beating its current plan include updates on new major merchant wins, existing merchant roll-outs to new carriers and/or new geographies, TPV growth and tracking the performance of current key merchants. In the longer term, we expect to see new products developed to extend the services that can be offered by merchants and MNOs and could see bolt-on acquisitions to acquire technology or customer relationships.

Software & comp services

4 September 2018

Price **184p**
Market cap **£394m**

\$1.30:£1

Net cash (\$m) at end H118 28.4

Shares in issue 214.2m

Free float 35.4%

Code BOKU

Primary exchange AIM

Secondary exchange N/A

Share price performance



% 1m 3m 12m

Abs 26.0 83.5 N/A

Rel (local) 28.1 87.9 N/A

52-week high/low 184.0p 59p

Business description

Boku is the largest independent direct carrier billing (DCB) company. DCB uses a consumer's mobile bill (pre-paid credit or post-paid monthly bill) as the means to pay for digital content or services. Boku operates a billing platform that connects merchants with mobile network operators in more than 50 countries. It has 148 employees, with its main offices in the US, UK, Germany and India.

Next events

FY18 trading update January 2019

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Review of H118 results

Exhibit 1: Boku half-yearly results				
		H118	H117	y-o-y
TPV	\$bn	1.5	0.6	152.6%
Take rate		1.1%	1.7%	-0.6%
Revenues	\$m	16.9	10.2	65.6%
Gross profit	\$m	15.6	9.2	70.0%
Opex	\$m	(13.1)	(12.0)	9.4%
EBITDA	\$m	2.5	(2.8)	N/A
D&A	\$m	(0.8)	(0.9)	-9.5%
Normalised operating profit	\$m	1.8	(3.6)	N/A
Amortisation of acquired intangibles	\$m	(0.6)	(0.6)	4.3%
Share-based payments	\$m	(0.7)	(0.5)	40.7%
Exceptional items	\$m	(0.5)	(0.5)	3.1%
Reported operating profit	\$m	(0.1)	(5.2)	-99.0%
Normalised net income	\$m	1.0	(3.6)	N/A
Reported net income	\$m	(0.7)	(6.6)	-89.6%
Gross margin		92.4%	90.1%	2.3%
EBITDA margin		15.1%	-27.0%	42.1%
Normalised operating margin		10.5%	-35.4%	45.9%
Reported operating margin		-0.3%	-51.0%	50.7%
		H118	H217	h-o-h
Net cash	\$m	28.4	17.66	61%
Net cash excl. restricted cash	\$m	27.3	16.22	68%
Source: Boku, Edison Investment Research				

Boku saw revenue growth of 66% y-o-y in H118, driven by a 153% increase in TPV. As previously explained, the relatively faster growth of transactions processed via the transaction model (where Boku is not responsible for cash flows between the merchant and operator), which are lower margin than the settlement model (where Boku collects the cash from operators before paying over to the merchants), means volume growth continues to exceed revenue growth. However, the company noted that the bulk of this shift has now happened, so we should start to see a narrowing of the gap between TPV and revenue growth rates.

We estimate that TPV was marginally higher than our forecast for H1 (153% growth vs our 145% forecast). In addition, the blended average take rate of 1.1% was higher than our 1.0% forecast. Operating costs (pre-depreciation, amortisation, share-based payments and exceptional items) totalled \$13.1m, slightly higher than we had forecast. Compared to H117, the company spent an additional \$0.6m on optimising data storage and processing on the platform and \$0.6m on developing the Boku Mobile Identity product. The platform can now handle a peak transaction volume of 600/s, up from the 400/s that had been tested when we wrote in April. We note that compared to H217, the increase in opex was \$0.6m. The company generated an adjusted EBITDA of \$2.55m (15.1% margin), up from \$0.44m (3.1%) in H217 and a loss of \$2.76m in H117. This resulted in a positive normalised operating profit for the first time, at a 10.5% margin, and after amortisation of acquired intangibles, share-based payments and exceptional items, a small reported operating loss.

The company finished H118 with a net cash position of \$28.4m. This was made up of gross cash of \$29.5m, restricted cash of \$1.1m and debt of \$2.2m (working capital facility draw down). As the period end cash position was flattered by the timing of certain working capital payments, the company also gave the average daily cash position, which grew from \$19.2m in December 2017 to \$23.1m in June 2018. The company exited early from a factoring facility, incurring one-off finance costs of \$0.5m.

Merchant progress in H1

In H118, Boku grew active monthly users to 10.3 million (+117% y-o-y), from 8.0 million at the end of 2017 and 4.7 million at the end of H117. The total number of Boku Account connections to merchants reached 127 by the end of H118.

Boku's major merchants made good progress in H1. **Apple** enabled 14 more DCB connections during H118, included Orange in France and Spain, TIM in Italy and EE and O2 in the UK. We estimate this has increased the addressable market of subscribers that can use DCB on the App Store by more than 190m. Apple Music has seen growth in the number of paying subscribers; this statistic is not reported on a consistent basis, but at the end of September 2017 it stood at 30 million and by mid-May 2018 had increased to 50 million. The Apple Services business segment, which includes App Store revenues and Apple Music subscriptions as well as other services such as Apple Pay, saw revenues increase 31% y-o-y in both Q218 (ending 31 March) and Q318 (ending 30 June).

Spotify continues to grow subscriber numbers, reporting premium subscribers of 83 million at the end of Q218 compared to 71 million at the end of Q417.

Boku recently announced it had added another app store operator to its roster of merchants: it is supporting **Huawei's** new app store, AppGallery, as well as Huawei Mobile Cloud and Huawei Themes. AppGallery is initially only available pre-installed on the P20 and P20 Pro, but is available to all existing Huawei smartphone models to download. In Q218, Huawei increased its market share to 15.8% and is now the second largest global smartphone manufacturer after Samsung, which has 20.9% share (source: IDC), moving ahead of Apple, which was in the number two position. In China, it is the largest smartphone manufacturer. Its app store will provide access to Android-based apps, which will be of particular interest to Chinese smartphone owners who cannot access Google Play. Boku notes that Huawei's target markets for DCB include the UK, Sweden, Denmark, Norway, Austria, Switzerland, France, Belgium, Spain and Russia; all areas where Boku has good operator connections.

The video game market continued to be robust in H118, buoyed by the success of Fortnite Battle Royale. Initially only available on PC and console, it was made available on iOS in April. Epic Games, the developer of Fortnite, has no plans to make the game available on Google Play, instead it is available to download directly from Epic. Boku has highlighted that its technology enables the download of freemium games onto consoles and noted that it saw a notable uplift in volumes on Xbox, PS4 and iOS from the download of Fortnite.

Boku also saw better than expected volume from **Facebook**. As we have previously written, Boku traditionally shared the Facebook connections with Zong, the DCB platform acquired by PayPal. The Zong service has all but disappeared and consequently, Facebook shifted a number of connections over to Boku, which has provided a temporary boost in what is otherwise a declining business.

Mobile identity product development well underway

We have highlighted before that we expect longer-term growth for Boku to come from a widening of its product range, building on the network it has built connecting global telecom operators and merchants. The company noted that its development business, Boku Labs, invested in the development of Boku Mobile Identity during H1. This product aims to take advantage of the ubiquitous nature of mobile phone ownership and the relationships Boku has built up with MNOs globally.

As MNOs have access to a certain amount of information on subscribers such as name, age, postal address, email address, credit status (for post-paid contracts) and location, Boku believes it can develop services that make use of some of these data. This includes services related to registration (eg form filling), verification (eg provision of utility bill, confirming address) and location. As with the current mobile billing service, Boku would act as the central access point for merchants looking to verify consumer identity, and it would pay a revenue share to any participating MNOs. This should widen the addressable market of merchants from those selling digital content to retailers of any kind.

Outlook and changes to forecasts

Management expects to see continued strong growth in H218, albeit at lower percentages because of stronger comparatives, and expects to meet recently upgraded full-year market expectations. The company noted that TPV had reached \$2.2bn for the eight months to the end of August, with monthly active users increasing by one million to 11.3 million. We have revised our forecasts to reflect stronger TPV and a higher take rate in FY18–20, a slightly higher gross margin in FY19 and FY20 and higher operating expenses in FY18–20. This results in an increase to our FY18 and FY20 EBITDA forecasts.

Exhibit 2: Changes to forecasts

\$'m	FY18e	FY18e			FY19e	FY19e			FY20e	FY20e		
	Old	New	Change	y-o-y	Old	New	Change	y-o-y	Old	New	Change	y-o-y
Revenues	32.7	34.8	6.6%	42.6%	40.1	42.0	4.8%	20.5%	47.8	49.9	4.3%	18.9%
Gross profit	30.3	32.2	6.2%	45.3%	37.4	39.2	5.0%	21.9%	44.7	46.9	4.9%	19.6%
Gross margin	92.8%	92.4%	-0.4%	1.7%	93.3%	93.5%	0.2%	1.0%	93.5%	94.0%	0.5%	0.5%
EBITDA	4.9	5.4	11.3%	333.7%	11.6	11.6	0.2%	114.3%	18.5	19.1	3.2%	64.8%
EBITDA margin	14.9%	15.6%	4.4%	25.1%	29.0%	27.7%	-4.4%	12.1%	38.8%	38.4%	-1.1%	10.7%
Normalised operating profit	3.5	4.0	16.0%	199.7%	10.4	10.4	0.2%	159.1%	18.1	18.7	3.3%	79.5%
Normalised operating profit margin	10.6%	11.5%	0.9%	28.0%	25.9%	24.8%	-1.1%	13.2%	37.7%	37.4%	-0.4%	12.6%
Reported operating profit	1.0	0.9	-11.7%	110.6%	7.9	7.8	-1.4%	777.7%	15.6	16.1	3.0%	105.8%
Reported operating margin	3.1%	2.6%	-0.5%	37.1%	19.8%	18.6%	-1.2%	16.0%	32.6%	32.2%	-0.4%	13.6%
Normalised PBT	2.7	3.2	19.8%	150.1%	9.8	9.8	0.2%	204.7%	17.5	18.1	3.4%	84.0%
Reported PBT	0.2	0.1	-56.4%	100.4%	7.4	7.2	-1.6%	6768.9%	15.0	15.5	3.1%	113.9%
Normalised net income	2.1	2.6	21.1%	153.3%	7.8	7.8	0.2%	201.4%	13.8	14.3	3.4%	84.0%
Reported net income	0.2	(0.0)	-117.6%	99.9%	7.0	6.9	-1.6%	N/A	13.5	14.0	3.1%	102.7%
Normalised basic EPS	0.01	0.01	20.9%	137.5%	0.04	0.04	-0.1%	200.9%	0.06	0.07	3.1%	84.0%
Normalised diluted EPS	0.01	0.01	21.0%	133.5%	0.03	0.03	-0.1%	201.0%	0.06	0.06	3.2%	84.0%
Reported basic EPS	0.00	(0.00)	-117.6%	99.9%	0.03	0.03	-1.8%	N/A	0.06	0.07	2.8%	102.7%
Net debt/(cash)*	(21.4)	(21.3)	-0.6%	31.1%	(32.0)	(32.0)	0.0%	50.7%	(49.0)	(49.7)	1.4%	55.3%
TPV (\$bn)	3.50	3.55	1.3%	108.5%	4.84	4.96	2.6%	39.9%	6.24	6.39	2.3%	28.7%
Take rate	0.93%	0.98%	0.05%		0.83%	0.85%	0.02%		0.77%	0.78%	0.02%	

Source: Edison Investment Research *Excludes restricted cash

Valuation

The Boku share price has performed exceptionally well since IPO. The shares listed at 59p and immediately after rose to trade around 80p. They stepped up to trade around 100p after results were reported in April. Since then, the price has increased a further 84% to 184p. In the table below, Boku is trading above its peer group on all multiples. It is, however, forecast to grow faster than its peer group and to generate EBITDA and EBIT margins at the upper end of the range.

Crucial to support this valuation will be evidence that the core business is meeting and beating our forecasts, and that the new products under development will be successfully commercialised. Data points to show that Boku is meeting or beating its current plan include updates on new major

merchant wins, existing merchant roll-outs to new carriers and/or new geographies, TPV growth, and tracking the performance of current key merchants. Merchant trials of the new products that Boku is developing will be the first step to commercialisation.

Exhibit 3: Peer group valuation multiples

	EV/ sales (x)			EV/EBITDA (x)			P/E (x)			FCF yield		
	CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1	CY	NY	NY+1
Boku	14.3	11.8	9.9	91.6	42.7	25.9	221.8	73.7	40.1	1.1%	2.2%	3.6%
Bango	15.7	8.6	N/A	114.4	18.0	N/A	-188.3	32.6				
Ingenico	2.0	1.9	1.8	10.4	9.3	8.4	12.7	11.2	10.0	9.6%	11.8%	12.8%
Safecharge	3.9	3.5	3.1	13.5	12.0	10.7	21.0	18.9	17.0	4.8%	5.3%	6.0%
Worldline	4.0	3.3	3.0	18.0	13.8	12.1	41.5	34.2	28.7	4.4%	5.0%	5.6%
Wirecard	11.4	9.0	7.3	40.6	30.5	23.5	64.3	47.8	36.1	2.0%	2.5%	3.3%
FIS	5.1	5.0	4.8	13.9	13.0	12.4	20.6	18.5	16.6	6.2%	7.0%	7.9%
First Data Corp	4.8	4.5	4.3	12.6	11.8	10.9	17.6	15.5	13.6	6.3%	7.1%	
Fiserv	6.3	6.0	5.7	17.0	16.1	15.1	25.5	22.9	20.5	4.5%	5.1%	5.1%
Global Payments	6.0	5.5	5.1	17.2	15.4	14.2	24.2	20.9	18.1	6.0%	6.6%	6.5%
PayPal	6.9	5.9	5.0	27.7	23.7	20.0	39.3	32.6	27.0	3.6%	4.5%	4.9%
Square	22.3	16.1	12.1	151.2	79.7	51.4	195.7	113.4	72.8	0.5%	0.8%	1.5%
Worldpay	9.8	8.9	8.2	20.5	17.6	15.8	24.6	20.9	18.1	3.1%	3.6%	3.2%
Average	8.2	6.5	5.5	38.1	21.7	17.7	24.9	32.4	25.3	4.6%	5.4%	5.7%

Source: Edison Investment Research, Bloomberg. Note: Priced at 3 September.

Exhibit 4: Peer group financial metrics

	Share price	Market cap	EV	Rev growth				EBITDA margin				EBIT margin			
		List ccy	Rep ccy	LY	CY	NY	NY+1	LY	CY	NY	NY+1	LY	CY	NY	NY+1
Boku	184	394	496	42.0%	42.6%	20.5%	18.9%	-9.5%	15.6%	27.7%	38.4%	-34.5%	2.6%	18.6%	32.2%
Bango	169.5	119	114	58.2%	75.8%	82.2%	N/A	-55.6%	13.7%	47.7%	N/A	-93.7%	N/A	N/A	N/A
Ingenico	59.36	3,746	5,500	8.6%	7.2%	7.8%	7.2%	19.2%	19.7%	20.3%	21.0%	14.8%	16.1%	17.0%	17.8%
Safecharge	320	474	503	7.3%	14.8%	13.1%	11.2%	26.7%	29.1%	28.9%	29.1%	22.1%	24.8%	24.8%	25.4%
Worldline	52.7	7,033	6,803	21.7%	6.3%	22.8%	9.0%	17.3%	22.3%	23.6%	24.9%	11.6%	16.1%	18.0%	19.4%
Wirecard	192.9	23,842	22,626	44.9%	33.7%	26.7%	23.2%	27.7%	28.0%	29.3%	31.0%	21.1%	23.1%	24.6%	26.6%
FIS	108.17	35,569	43,883	-1.3%	-6.6%	3.4%	3.6%	31.6%	37.1%	38.2%	38.8%	16.4%	29.1%	27.4%	30.9%
First Data Corp	25.72	24,016	42,167	3.7%	8.3%	5.3%	6.0%	34.3%	37.9%	38.6%	39.2%	21.1%	24.2%	25.9%	27.4%
Fiserv	80.07	32,423	36,881	3.5%	2.3%	4.7%	5.4%	34.5%	37.2%	37.6%	38.0%	26.9%	28.4%	31.2%	32.2%
Global Payments	124.58	19,707	23,670	37.2%	-0.5%	9.7%	6.6%	25.4%	34.7%	35.4%	36.1%	14.1%	31.7%	32.4%	34.1%
PayPal	92.33	109,288	106,323	20.8%	18.0%	16.2%	18.0%	22.4%	24.8%	25.0%	25.1%	16.2%	18.4%	18.6%	17.8%
Square	88.64	36,380	35,800	43.3%	63.2%	38.7%	32.4%	14.1%	14.7%	20.2%	23.6%	-5.5%	5.8%	8.9%	12.0%
Worldpay	97.39	30,387	38,537	11.5%	84.9%	9.9%	9.3%	39.6%	48.0%	50.8%	51.7%	24.6%	44.1%	45.9%	47.2%
Average				21.6%	25.6%	20.0%	12.0%	19.8%	28.9%	33.0%	32.6%	7.5%	23.8%	25.0%	26.4%

Source: Edison Investment Research, Bloomberg. Note: Priced at 3 September.

Exhibit 5: Financial summary

	\$'m	2014	2015	2016	2017	2018e	2019e	2020e	2021e
31-December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT									
Revenue		18.3	19.2	17.2	24.4	34.8	42.0	49.9	56.6
Cost of Sales		(4.1)	(4.0)	(3.2)	(2.3)	(2.6)	(2.7)	(3.0)	(3.4)
Gross Profit		14.2	15.2	14.0	22.1	32.2	39.2	46.9	53.2
EBITDA		(9.6)	(11.4)	(12.3)	(2.3)	5.4	11.6	19.1	25.1
Normalised operating profit		(9.8)	(12.4)	(13.8)	(4.0)	4.0	10.4	18.7	24.6
Amortisation of acquired intangibles		(0.8)	(1.9)	(1.7)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
Exceptionals		(2.1)	(0.1)	(2.4)	(2.2)	(0.5)	0.0	0.0	0.0
Share-based payments		(1.7)	(1.8)	(2.1)	(0.9)	(1.3)	(1.3)	(1.3)	(1.3)
Reported operating profit		(14.4)	(16.2)	(19.9)	(8.4)	0.9	7.8	16.1	22.1
Net Interest		(0.6)	(0.4)	(1.2)	(2.4)	(0.8)	(0.6)	(0.6)	(0.6)
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	(17.1)	0.0	0.0	0.0	0.0
Profit Before Tax (norm)		(10.4)	(12.8)	(15.0)	(6.4)	3.2	9.8	18.1	24.1
Profit Before Tax (reported)		(15.0)	(16.6)	(21.1)	(28.0)	0.1	7.2	15.5	21.5
Reported tax		(0.4)	(0.4)	0.5	(0.1)	(0.1)	(0.4)	(1.6)	(3.2)
Profit After Tax (norm)		(7.8)	(9.6)	(11.2)	(4.8)	2.6	7.8	14.3	19.0
Profit After Tax (reported)		(15.4)	(17.0)	(20.6)	(28.1)	(0.0)	6.9	14.0	18.3
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)		(7.8)	(9.6)	(11.2)	(4.8)	2.6	7.8	14.3	19.0
Net income (reported)		(15.4)	(17.0)	(20.6)	(28.1)	(0.0)	6.9	14.0	18.3
Basic average number of shares outstanding (m)		21.3	27.4	140.1	150.3	213.9	214.2	214.2	214.2
EPS - basic normalised (\$)		(0.36)	(0.35)	(0.08)	(0.03)	0.01	0.04	0.07	0.09
EPS - diluted normalised (\$)		(0.36)	(0.35)	(0.08)	(0.03)	0.01	0.03	0.06	0.08
EPS - basic reported (\$)		(0.72)	(0.62)	(0.15)	(0.19)	(0.00)	0.03	0.07	0.09
Dividend (\$)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue growth (%)	#DIV/0!		4.7	(10.4)	42.0	42.6	20.5	18.9	13.4
Gross Margin (%)		77.6	79.1	81.4	90.7	92.4	93.5	94.0	94.0
EBITDA Margin (%)		(52.5)	(59.2)	(71.4)	(9.5)	15.6	27.7	38.4	44.4
Normalised Operating Margin		(53.2)	(64.4)	(80.0)	(16.5)	11.5	24.8	37.4	43.5
BALANCE SHEET									
Fixed Assets		32.7	30.8	26.8	26.9	25.1	23.2	21.2	17.9
Intangible Assets		32.5	30.1	25.7	25.8	23.6	21.6	20.4	19.1
Tangible Assets		0.2	0.7	0.5	0.4	0.5	0.5	0.7	0.8
Investments & other		0.0	0.0	0.6	0.7	1.0	1.0	0.2	(2.1)
Current Assets		72.5	53.0	48.9	79.3	90.0	113.9	144.9	177.7
Stocks		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debtors		59.7	43.3	37.1	59.1	64.8	77.9	91.2	100.7
Cash & cash equivalents		12.0	9.0	11.3	18.7	23.8	34.6	52.3	75.6
Other		0.7	0.6	0.5	1.4	1.4	1.4	1.4	1.4
Current Liabilities		(69.6)	(65.5)	(61.0)	(77.5)	(85.0)	(98.9)	(112.5)	(122.5)
Creditors		(64.6)	(60.4)	(54.9)	(75.0)	(82.5)	(96.4)	(110.0)	(119.9)
Tax and social security		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term borrowings		(5.0)	(5.1)	(6.1)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Other		0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Long Term Liabilities		0.0	(0.3)	(15.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Long term borrowings		0.0	(0.2)	(15.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other long term liabilities		0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Assets		35.5	18.0	(0.4)	28.6	29.9	38.1	53.4	73.0
Minority interests		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity		35.5	18.0	(0.4)	28.6	29.9	38.1	53.4	73.0
CASH FLOW									
Op Cash Flow before WC and tax		(9.6)	(11.4)	(12.3)	(2.3)	5.4	11.6	19.1	25.1
Working capital		9.3	11.6	(3.4)	1.0	1.9	0.7	0.4	0.4
Exceptional & other		(1.6)	1.1	4.2	(5.5)	(0.5)	0.0	0.0	0.0
Tax		(0.0)	(0.0)	(0.0)	0.0	(0.4)	(0.4)	(0.7)	(1.0)
Net operating cash flow		(1.9)	1.3	(11.5)	(6.8)	6.4	11.9	18.9	24.5
Capex		(1.1)	(3.6)	(1.5)	(0.3)	(0.5)	(0.6)	(0.6)	(0.6)
Acquisitions/disposals		5.9	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Net interest		(0.3)	(0.3)	(0.3)	(0.9)	(0.8)	(0.6)	(0.6)	(0.6)
Equity financing		0.2	0.1	0.1	19.8	0.0	0.0	0.0	0.0
Dividends		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		0.6	(0.0)	0.1	(1.1)	0.0	0.0	0.0	0.0
Net Cash Flow		3.3	(2.2)	(13.1)	10.6	5.0	10.8	17.7	23.3
Opening net debt/(cash)		(4.9)	(7.0)	(3.6)	9.9	(16.2)	(21.3)	(32.0)	(49.7)
FX		(1.2)	(0.8)	(0.4)	0.4	0.0	0.0	0.0	0.0
Other non-cash movements		0.0	(0.4)	(0.0)	15.1	0.0	0.0	0.0	0.0
Closing net debt/(cash)		(7.0)	(3.6)	9.9	(16.2)	(21.3)	(32.0)	(49.7)	(73.0)

Source: Boku, Edison Investment Research

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