

# Auriant Mining

Maintaining momentum

Q220 results

Metals & mining

3 September 2020

**Price** **SEK6.40**

**Market cap** **SEK631m**

RUB73.7065/US\$; SEK8.6422/US\$

Net debt (US\$m) at end-June 72.9

Shares in issue (000s) 98,649

Free float 25%

Code AUR

Primary exchange Nasdaq First North Premier

Secondary exchange N/A

## Share price performance



% 1m 3m 12m

Abs (0.9) 26.8' 88.7

Rel (local) (3.3) 16.4 62.0

52-week high/low SEK7.18 SEK2.95

## Business description

Auriant Mining is a Swedish junior gold mining company focused on Russia. The company has two producing mines (Tardan in Tyva and Solcocon in Zabaikalsky), one advanced exploration property (Kara-Beldyr in Tyva) and one early stage exploration property (Uzhunzhul in Khakassia).

## Next events

Q320 results 30 November 2020

Q420 results 28 February 2021

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**Auriant Mining is a research client of Edison Investment Research Limited**

Auriant's Q220 financial results were reported in the context of known production of 243kg. While this was 12.6% less than in Q120, some degree of moderation was inevitable as the company shifted from processing high-grade ore in January and February to average-grade ore in the following months. In addition, the usual contribution from Solcocon (which is always weather dependent, but which usually begins in Q2) has, this year, been delayed until Q3. Finally, whereas there was an over-sale of 39kg (1,247oz) of gold relative to production in Q1, there was an under-sale of 23kg (748oz) in Q2. Nevertheless, both throughput and costs were consistent with the smooth running of the new carbon-in-leach plant at Tardan and the effect of COVID-19 on operations has, to date, remained minimal. In combination with our updated gold prices, we have upgraded both our FY20 forecasts (see Exhibit 1) and our valuation of the company.

Year end	Revenue (US\$m)	PBT* (US\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/18	17.4	(10.2)	(10.9)	0.0	N/A	N/A
12/19	29.8	(2.2)	(1.3)	0.0	N/A	N/A
12/20e	57.4	19.0	15.3	0.0	4.8	N/A
12/21e	53.9	24.6	15.6	0.0	4.7	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items.

## Trending to the top end of the guidance range

Compared with H119, EBITDA has increased by more than a factor of 10x in H120, to \$16.8m, while cash flow from operations has increased by 545%. Output in H120 was 521kg (1,042kg annualised) and compares with Auriant's official guidance for 2020 of 900–940kg from 350–380kt of ore processed, implying a yield of 2.37–2.69g/t and a likely plant feed grade of 2.58–2.92g/t (cf Auriant's expectation of an average mined grade of 2.71g/t). This grade range forms the basis of our financial and operating forecasts for the remainder of the year (see Exhibit 1). While we expect some slowdown in production in Q4 as the plant undergoes scheduled maintenance, we nevertheless believe that Auriant's financial performance in H1 provides a good indicator of its likely performance in H220 – albeit for slightly different reasons (ie the gold price instead of grade and throughput).

## Valuation: Up 112.0% to \$1.76 (SEK15.21) per share

On the basis that management executes the Tardan CIL project and the Kara-Beldyr project according to the operational and financial parameters expected (and at Edison's updated, higher long-term gold prices), we estimate that Auriant is capable of generating average cash flows of \$63.4m (cf \$49.4m previously), average earnings of \$56.1m (\$42.4m previously) and average EPS of \$0.446 (cf \$0.230 previously) in the nine-year period from FY25–33 (inclusive), thus allowing it to pay maximum potential dividends to shareholders of 47.8c (cf 25.9c previously). Discounted at our customary 10% discount rate, such a stream of dividends has a value of \$1.76 per share (cf \$0.83 previously), rising to \$2.83/share on the cusp of the company's maiden dividend in FY25.

## Q220 results

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Auriant's Q220 financial results were reported within the context of known production of 243kg for the quarter (cf 278kg in Q120) and a largely known gold price. In this case, however, they are also significant as they reflect the second full quarter of operations for the company's new carbon-in-leach (CIL) plant, which was commissioned in November. In this respect, three factors are noteworthy:

- The plant's targeted throughput rate of 50tph. Had it run at this rate for the entire period, it would have processed 109.2kt of ore. In the event, it processed 96kt of ore (cf 100kt in Q120), ie at an average rate of 44tph, which is an excellent achievement given requirements for downtime and maintenance etc. In general, Auriant is budgeting a throughput rate of 80.0–82.5kt at the Tardan plant per quarter to produce an average 225kg gold per quarter, which it self-evidently exceeded in Q2.
- We estimate that the grade of ore processed dropped to 2.69g/t in Q2, compared with our prior estimate of 2.92g/t and the previous quarter's 3.04g/t. However, the decline in grade was offset to some extent by an increase in metallurgical recovery to (we estimate) 94.2% compared with a target recovery rate of 90%.
- Despite the inherently higher operating rates of the CIL plant compared with Tardan's previous heap leach operation, cash costs of \$55.58/t (cf \$48.96/t in Q120) remained below our prior expectation of \$60.32/t. This, in turn, translated into a cash cost of sales (ie excluding depreciation) of \$632/oz (sold), which was also below our prior forecast of \$698/oz.

In contrast to Q120, when 39kg (1,247oz) more gold was sold than was produced, in Q220 23kg (748oz) less gold was sold than was produced, creating a negative variance in revenue of \$1.3m relative to potential. Nevertheless, the financial effects of the evolution of the Tardan operation from a heap leach to a CIL one were clearly visible in Auriant's Q220 results (overleaf). In crude terms, output and revenue almost doubled relative to Q219, while costs declined by 14.6%. In addition to a summary of the results of operations in Q120, Exhibit 1 also presents our updated forecasts for the remainder of FY20, by quarter, albeit with the caveat that the quarterly financial results of mining companies are prone to material volatility. As such, these forecasts should be seen as indicative, rather than prescriptive, especially with respect to individual quarters. Nevertheless, they also demonstrate the reconciliation between our forecasts for the remaining two quarters of the year and our updated full-year expectations.

**Exhibit 1: Auriant results, Q219–Q420e, by quarter (\$000s\*)**

	Q219	Q319	Q419	FY19	Q120	Q220e	Q220a	Change ***(%)	Variance ****(%)	Q320e	Q420e	FY20e	FY20e (prior)
<b>Production</b>													
Tardan heap leach (kg)	141.1	202.3	95.4	525.0	0	0	0	N/A	N/A	0	0	0	0
Tardan CIL (kg)	0.0	0.0	110.0	110.0	278	255	243	-12.6	-4.7	240	186	948	960
Tardan total (kg)	141.1	202.3	205.4	635.0	278	255	243	-12.6	-4.7	240	186	948	960
Solcocon production (kg)	27.4	24.1	2.5	54.0	0	25	0	N/A	-100.0	25	13	38	63
Gold price (\$/oz)	1,308	1,474	**1,481	1,416	1,585	1,704	1,713	8.1	0.5	1,923	1,964	1,777	1,668
<b>Income statement</b>													
Revenue	6,638	10,007	8,975	29,762	16,154	15,351	12,276	-24.0	-20.0	16,408	12,562	57,401	56,957
Cost of sales	5,221	6,316	4,830	19,610	5,928	6,703	4,459	-24.8	-33.5	6,353	4,906	21,646	24,559
Gross profit	1,417	3,691	4,145	10,152	10,226	8,648	7,817	-23.6	-9.6	10,055	7,656	35,754	32,398
Depreciation	(984)	(1,142)	(1,652)	(5,011)	(1,647)	(1,702)	(1,846)	12.1	8.5	(1,901)	(1,956)	(7,350)	(6,918)
General & administration	(527)	(547)	(480)	(2,184)	(576)	(668)	(567)	-1.6	-15.1	(668)	(668)	(2,479)	(2,580)
Other operating income	190	24	7	241	53	0	15	-71.7	N/A	0	0	68	53
Other operating expenses	(45)	(140)	(755)	(1,001)	(182)	(116)	(8)	-95.6	-93.1	(116)	(116)	(422)	(530)
Impairments etc												0	0
EBIT	51	1,886	1,265	2,197	7,874	6,162	5,411	-31.3	-12.2	7,370	4,916	25,571	22,423
Interest income	0	0	0	0	0	0	0	N/A	N/A			0	0
Interest expense	(1,120)	(1,066)	(1,200)	(4,390)	(1,584)	(1,677)	(1,597)	0.8	-4.8	(1,717)	(1,717)	(6,614)	(6,614)
Net interest	(1,120)	(1,066)	(1,200)	(4,390)	(1,584)	(1,677)	(1,597)	0.8	-4.8	(1,717)	(1,717)	(6,614)	(6,614)
Forex gain/(loss)	209	448	(240)	679	(147)	0	128	-187.1	N/A			(19)	(147)
Profit before tax	(860)	1,268	(175)	(1,514)	6,143	4,486	3,942	-35.8	-12.1	5,654	3,200	18,938	15,662
Tax	(608)	(13)	445	(278)	248	625	1,275	414.1	104.0	808	457	2,789	1,574
Marginal tax rate	70.7	(1.0)	(254.3)	18.4	4.0	13.9	32.3	707.5	132.4	14.3	14.3	14.7	10.1
Profit after tax	(252)	1,281	(620)	(1,236)	5,895	3,861	2,667	-54.8	-30.9	4,845	2,742	16,149	14,087
Average no. shares (000s)	98,649	98,649	98,649	98,649	98,649	98,649	98,649	0.0	0.0	98,649	125,655	105,400	141,587
Derivatives (000s)	0.000	0	0	0	345	345	0	-100.0	-100.0	345	345	345	345
Fully diluted no. shares (000s)	98,649	98,649	98,649	98,649	98,994	98,994	98,649	-0.3	-0.3	98,994	126,000	105,745	141,932
EPS (\$/share)	(0.003)	0.013	(0.006)	(0.013)	0.060	0.039	0.027	-55.0	-30.8	0.049	0.022	0.153	0.099
Diluted EPS (\$/share)	(0.003)	0.013	(0.006)	(0.013)	0.060	0.039	0.027	-55.0	-30.8	0.049	0.022	0.153	0.099

Source: Edison Investment Research, Auriant Mining. Note: \*Unless otherwise indicated. \*\*Estimate. \*\*\*Q220 vs Q120. \*\*\*\*Q220a vs Q220e.

Other notable features of the financial results for the quarter were the continuance of a low general and administrative cost and a high effective tax rate. However, in 2020, Tardan became a participant in the Regional Investment Projects programme and obtained the right to apply a reduced income tax rate of 17% and the mineral extraction tax at a nil rate. According to Russian legislation, tax losses are accumulated on the balance sheet and can be offset against future taxable earnings. Thus, in H120, the income tax charge of \$1.5m was fully offset against the balance sheet amount of the deferred tax asset related to tax losses carried forward. Compared with free cash flow derived from the income statement of \$12.1m (\$8,562k H120 earnings plus \$3,493k depreciation) therefore, actual cash flow from operations amounted to \$14.7m, of which \$2.2m was consumed in investing activities and the majority of the remainder used to repay debt.

## Guidance and assumptions

Auriant produced 115kg of gold in January, the equivalent of 1,380kg on an annualised basis. Since February, however, Auriant has been feeding blended high- and low-grade ore to the plant, as opposed to high-grade ore only in January, to ensure a steady transition to year-round average grades. Even so, it produced 75kg (900kg annualised) in February and 88kg (1,056kg annualised) in March.

Auriant's official guidance for Tardan for 2020 is for production of 900–940kg (average 225–235kg per quarter) gold from 350–380kt (average 87.5–95kt per quarter) of ore processed, implying a

yield of 2.37–2.69g/t and a likely plant feed grade of 2.58–2.92g/t and compares with Auriant's (unchanged) expectation that its mined grade will average 2.71g/t in FY20. This grade range forms the basis of our financial and operating forecasts for the remainder of the year (see Exhibit 1). In the light of Q220 results, however – and with the worst of the weather now behind it – we expect plant throughput to remain towards the top end of its range, albeit with a likely provisional break in processing in Q4 to allow for scheduled maintenance. As a result, we are forecasting gold production for Tardan for FY20 to be at the top of (or even slightly above) management's guidance range, at 948kg.

## Costs

As a result of test-work conducted during the ramp-up phase, Auriant has upgraded the leaching tanks at Tardan to improve ore oxidation to ensure stable processing results. In addition, in December 2019, the company agreed a new energy deal to increase the power allocation to the Tardan CIL plant by 25% from 2.0MW to 2.5MW using a newly built 35kV power line, which will allow it to minimise its use of diesel generators on site or, possibly, to cease their use entirely. Both will have a potentially beneficial effect on costs, as will the recent depreciation of the rouble, from RUB70.9975/US\$ at the time of our last note (see [Emerging into broad sunlit uplands](#), published on 29 May 2020) to RUB73.7065/US\$, and the general weakness in the oil price in FY20. In the light of this, we have reduced our central unit working cost for Tardan for the rest of the year, to \$55.32/t of \$60.32/t previously, and cash costs of \$55.58/t in Q220 (but \$46.45/t if changes in working capital are taken into account). For the full year, this will translate into a cash cost of production of \$631/oz (cf Edison's estimates of \$611/oz and \$684/oz in H120 and Q220, respectively).

## The gold price

In our last note on the gold price (see [A golden future](#), published on 11 June 2020), Edison argued that the recent, sharp increases in the total US monetary base might be expected to support a (nominal) gold price of \$1,892/oz and potentially as high as \$3,000/oz. While there is a historically strong and statistically significant correlation of 0.909 between the gold price and the total US monetary base from 1967 to 2018 however, there is very little visibility as to how, or to what extent, the total US monetary base may be expected to evolve. Currently, we know that it is expanding at a rate of approximately \$110bn per month, which equates to an expected increase in the gold price (using the historical correlation) of approximately \$500/oz per annum. Anecdotally, the total US monetary base may probably be expected to continue to increase for a time until the COVID-19 crisis has been managed and then to flatten off for a discrete period until a period of tapering is attempted by the Federal Reserve (in a similar fashion to the aftermath of the global financial crisis). However, neither the extent of any increases nor the extent of any subsequent tapering nor the timing of either is easy to judge. In consequence, Edison's strategy now is to maintain a flat, nominal gold price of \$1,892/oz into the future from FY21. Note that this may be contrasted with our previous approach to gold price forecasts (see [Portents of economic weakness: Gold – doves in the ascendant](#), published on 14 August 2019), the results of which were as set out in the table below:

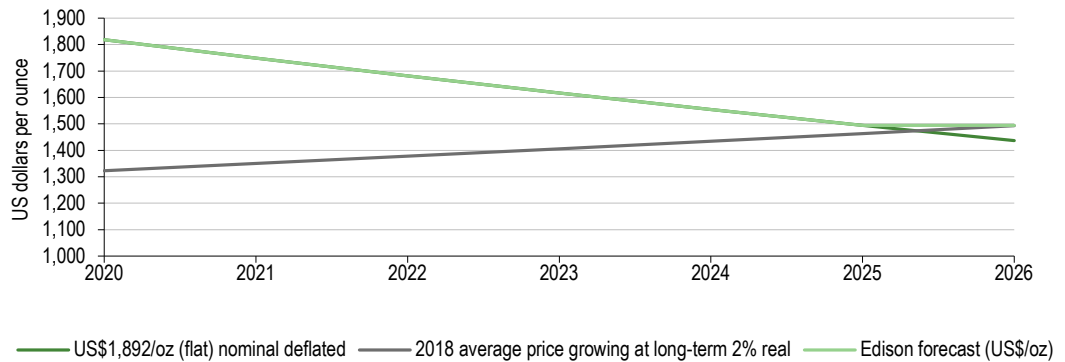
<b>Exhibit 2: Previous Edison gold price forecasts* (\$/oz)</b>			
<b>\$/oz</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Nominal gold price forecast (\$/oz)	1,509	1,560	1,421
Real gold price forecast (\$/oz)	1,395	1,387	1,350

Source: Edison Investment Research. Note: \*See *Portents of economic weakness: Gold – doves in the ascendant*.

In the absence of more general deflation, a flat, nominal gold price of \$1,892/oz is, self-evidently, a declining gold price in real terms, which is an unlikely long-term scenario, given that the gold price has historically increased by 2.0% per annum in real terms from 1914 to 2018 (see *Portents of*

*economic weakness, Gold: Doves in the ascendant*, published in August 2019). During the period 2013–18, the gold price was relatively flat, averaging \$1,270/oz. Its average price in 2018 was also \$1,271/oz, both of these levels arguably having been supported by the marginal cost of production. If this level is then increased at 2% per year from 2018, it may be compared with the flat nominal (declining real) price scenario previously described, as shown in the exhibit below:

**Exhibit 3: Edison updated real gold price pricing scenarios and forecast (\$/oz)**



Source: Edison Investment Research

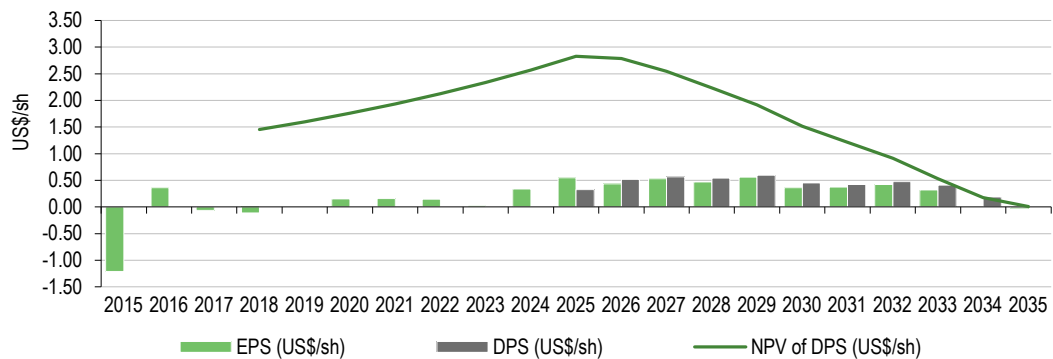
As may be seen from the chart above, the two lines cross between 2025 and 2026 at a level fractionally below \$1,500/oz. All Edison’s gold company valuations are conducted in real terms. Consequently, and in the absence of much immediate visibility as to the evolution of the total US monetary base, Edison’s new gold price scenario for valuation purposes is for the gold price to remain at \$1,892/oz in flat nominal terms (ie declining in real terms) until the price (in real terms) crosses with the increased \$1,271/oz 2018 price. At that point we assume that the price will flatten out (in real terms) at \$1,494/oz (note that this may be contrasted with our prior methodologies for gold price forecasting, set out in our report *Portents of economic weakness, Gold: Doves in the ascendant*).

## Valuation up 112.0% to \$1.76/share

In common with our standard practice, our valuation of Auriant has been performed via the discounting of maximum potential future dividends at a discount rate of 10%, assuming all excess cash generated is distributed to shareholders only after all debt has been repaid.

On the basis that management executes the Tardan CIL project and the Kara-Beldyr project according to the operational and financial parameters anticipated (and at our updated gold prices), we estimate that Auriant is capable of generating average cash flows of \$63.4m (cf \$49.4m previously), average earnings of \$56.1m (cf \$42.4m previously) and average EPS of 44.6c (cf 23.0c) in the nine-year period from FY25–33 (inclusive), thus allowing it to pay maximum potential dividends to shareholders of 47.8c per share (cf 25.9c). Discounted at our customary 10% discount rate, such a stream of dividends has a value of \$1.76 per share (cf \$0.83/share previously), as shown in the exhibit below, rising to \$2.83/share (cf \$1.46/share previously) on the cusp of the company’s maiden dividend in FY25.

**Exhibit 4: Auriant forecast EPS and maximum potential DPS, FY15–35e**



Source: Edison Investment Research

Our 'base case' valuation of \$1.76/share compares with one of \$0.83 in May 2020 (see our note [Emerging into broad sunlit uplands](#)). The main underlying factors occasioning the increase in value include a higher long-term gold price (as above), a higher short-term gold price of \$1,964/oz for the remainder of FY20 (cf \$1,705/oz previously), a higher share price (SEK6.40 cf SEK4.40) and a reduced equity raising requirement (\$20m cf \$40m previously) in respect of the Kara-Beldyr project in the light of the higher gold price environment – these last two points, in particular, implying less future dilution to existing shareholders (see 'Sensitivities' section, below). Note that our valuation specifically excludes any value attributable to Solcocon on account of the variable nature of alluvial mining operations. However, it is not impossible that activities at Solcocon could be reconfigured in the future to incorporate hard rock mining and processing via a carbon-in-pulp plant.

## Sensitivities and risks

In qualitative terms, the principal risks to which Auriant is immediately exposed include geographical/sovereign (including regulatory risk), geological, metallurgical, engineering, funding, financing and management. In general terms, these may be summarised as execution risk, namely management's ability to bring the Kara-Beldyr project in particular to account within its geographical jurisdiction at the required technical and economic parameters. Once in production, however, these risks will reduce and be partially replaced by others, such as commercial, commodity price, foreign exchange and global economic risks.

One specific risk – funding – bears further, immediate consideration from an empirical perspective. In this particular case, our valuation sensitivity to the price at which an assumed \$20m (\$40.0m previously) equity funding is conducted (in order to part fund Kara-Beldyr) is shown in the exhibit below:

**Exhibit 5: Valuation sensitivity to equity funding price**

Premium/(discount) to current share price (%)								
Equity fundraising price (SEK)	4.40	5.00	5.50	6.00	6.40	6.50	7.00	7.50
Valuation (\$/share)	1.60	1.66	1.70	1.73	1.76	1.76	1.79	1.81
Valuation (SEK/share)*	13.83	14.35	14.69	14.95	15.21	15.21	15.47	15.64
Change of 'base case' (%)	-9.1	-5.7	-3.4	-1.7	u/c	u/c	+1.7	+2.8

Source: Edison Investment Research. Note: \*Converted at the prevailing forex rate of SEK8.6422/\$.

Readers should note that (assuming conversion before FY26) the above table effectively also provides an analysis of Auriant being funded by way of a convertible bond (cf conventional equity) with a conversion price at one of those shown (typically at a premium to the existing share price cf conventional equity at a discount) and a coupon close to the company's cost of debt. In the event of

such a convertible remaining unconverted, however, and therefore behaving like conventional debt, our valuation of Auriant instead rises to \$2.07/share (albeit with a correspondingly higher maximum debt level of \$100.9m (cf \$77.6m in the 'base case' scenario, in the 'Financials' section, below)).

## Financials

At end-June 2020, Auriant had net debt of \$72.9m on its balance sheet, including a 'lease payable' item of \$0.7m. This compares with net debt on its balance sheet of \$82.7m at end-December 2019 excluding a 'lease payable' item of \$1.4m. Assuming the company raises an additional SEK172.8m (\$20m cf \$40.0m previously) in cash via equity funding in the near future, we expect its net debt will evolve as follows until FY24, before being eliminated in FY25:

**Exhibit 6: Auriant forecast net debt evolution, FY18–25e (\$m)**

End-year	FY18	FY19	FY20e	FY21e	FY22e	FY23e	FY24e
Net debt (current estimates)	75.9	82.7	58.6	57.1	77.6	72.8	36.0

Source: Auriant Mining accounts, Edison Investment Research

Note that our estimate of Auriant's maximum (future) net debt requirement of \$77.6m at end-FY22 equates to a leverage ratio (net debt/(net debt+equity)) of 61.0% (cf \$79.7m and 64.3% previously).

## COVID-19

Relative to the 541 personnel that it employed at 30 June 2020, Auriant has received results of COVID-19 tests from 271 employees (ie approximately half of the total) working at the Tardan mine, which were carried out as part of a government initiative to contain the spread of the new coronavirus in the region. Out of 271 employees tested, 26 tested positive, although all are reported to be asymptomatic and all have since returned to work after the appropriate period of quarantine, as determined by the authority responsible for the containment of the disease (Rospotrebnadzor).

Otherwise, the mine continues to operate as normal. All personnel on site are subject to daily temperature checks and the mandatory use of personal protective equipment to minimise the risk of infection. Intensive disinfection measures have also been implemented. To date, the quarantine measures are reported to have had an insignificant effect on the mine's operations. Further measures will depend on subsequent test results. In the meantime, however, management is confident that mining and gold production can continue at Tardan, although there may be temporary interruptions to some of the mine's operations depending on the number of people who are infected and their positions at the mine. In accordance with Rospotrebnadzor's instructions, infected employees are released from observation once two negative test results at least one day apart have been obtained.

**Exhibit 7: Financial summary**

	US\$'000s	2015	2016	2017	2018	2019	2020e	2021e	2022e
December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>									
Revenue		33,429	43,380	33,532	17,373	29,762	57,401	53,900	51,375
Cost of Sales		(19,360)	(19,391)	(25,061)	(16,790)	(19,610)	(21,646)	(18,037)	(17,431)
Gross Profit		14,069	23,989	8,471	583	10,152	35,754	35,863	33,944
EBITDA		10,242	21,987	8,846	(1,714)	7,208	32,921	32,863	30,944
Operating Profit (before amort. and except.)		919	15,416	2,487	(6,373)	2,197	25,571	29,313	27,696
Intangible Amortisation		0	0	0	0	0	0	0	0
Exceptionals		(14,216)	0	(104)	0	0	0	0	0
Other		0	0	1,027	(1,763)	679	(19)	0	0
Operating Profit		(13,297)	15,416	3,410	(8,136)	2,876	25,552	29,313	27,696
Net Interest		(7,081)	(7,577)	(5,568)	(3,798)	(4,390)	(6,614)	(4,688)	(4,570)
Profit Before Tax (norm)		(6,162)	7,839	(3,081)	(10,171)	(2,193)	18,957	24,625	23,125
Profit Before Tax (FRS 3)		(20,378)	7,839	(2,158)	(11,934)	(1,514)	18,938	24,625	23,125
Tax		(1,116)	(1,355)	(28)	1,831	278	(2,789)	(5,024)	(4,909)
Profit After Tax (norm)		(7,278)	6,484	(2,082)	(10,103)	(1,236)	16,149	19,600	18,216
Profit After Tax (FRS 3)		(21,494)	6,484	(2,186)	(10,103)	(1,236)	16,149	19,600	18,216
Average Number of Shares Outstanding (m)		17.8	17.8	35.6	92.7	98.6	105.4	125.7	125.7
EPS - normalised (c)		(40.9)	36.4	(5.8)	(10.9)	(1.3)	15.3	15.6	14.5
EPS - normalised and fully diluted (c)		(35.8)	35.1	(5.7)	(10.8)	(1.2)	15.3	15.6	14.5
EPS - (IFRS) (c)		(120.7)	36.4	(6.1)	(10.9)	(1.3)	15.3	15.6	14.5
Dividend per share (c)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Margin (%)		42.1	55.3	25.3	3.4	34.1	62.3	66.5	66.1
EBITDA Margin (%)		30.6	50.7	26.4	-9.9	24.2	57.4	61.0	60.2
Operating Margin (before GW and except.) (%)		2.7	35.5	7.4	-36.7	7.4	44.5	54.4	53.9
<b>BALANCE SHEET</b>									
Fixed Assets		56,192	53,684	49,397	57,690	63,685	71,407	90,010	129,211
Intangible Assets		32,197	32,638	30,183	30,525	30,133	31,853	33,383	35,083
Tangible Assets		23,995	21,046	19,214	27,165	33,552	39,554	56,627	94,128
Investments		0	0	0	0	0	0	0	0
Current Assets		10,460	17,062	19,102	8,436	10,050	37,669	38,369	17,335
Stocks		4,833	7,883	7,425	3,753	5,057	9,567	8,983	8,562
Debtors		2,272	186	5,148	3,298	4,111	3,145	2,953	2,815
Cash		43	4,173	5,069	1,189	145	24,220	25,695	5,220
Other		3,312	4,820	1,460	196	737	737	737	737
Current Liabilities		(36,001)	(34,149)	(6,179)	(16,227)	(29,189)	(28,380)	(28,083)	(28,034)
Creditors		(5,901)	(3,537)	(2,005)	(1,828)	(6,147)	(5,338)	(5,041)	(4,992)
Short term borrowings		(30,100)	(30,612)	(4,174)	(14,399)	(23,042)	(23,042)	(23,042)	(23,042)
Long Term Liabilities		(70,307)	(66,995)	(82,054)	(73,053)	(68,864)	(68,864)	(68,864)	(68,864)
Long term borrowings		(61,366)	(58,117)	(71,098)	(62,671)	(59,781)	(59,781)	(59,781)	(59,781)
Other long term liabilities		(8,941)	(8,878)	(10,956)	(10,382)	(9,083)	(9,083)	(9,083)	(9,083)
Net Assets		(39,656)	(30,398)	(19,734)	(23,154)	(24,318)	11,831	31,432	49,648
<b>CASH FLOW</b>									
Operating Cash Flow		6,347	19,359	9,752	3,992	9,185	29,178	33,763	36,924
Net Interest		(7,081)	(7,577)	(5,568)	(3,798)	(4,390)	(6,614)	(4,688)	(4,570)
Tax		(13)	(27)	(79)	(58)	0	(2,789)	(5,024)	(4,909)
Capex		(118)	(2,391)	(3,025)	(8,605)	(9,556)	(15,700)	(22,575)	(47,920)
Acquisitions/disposals		0	0	0	0	0	0	0	0
Financing		49	(10)	5,424	2,367	11	20,000	0	0
Dividends		0	0	0	0	0	0	0	0
Net Cash Flow		(816)	9,354	6,504	(6,102)	(4,750)	24,075	1,476	(20,475)
Opening net debt/(cash)		90,607	91,423	84,556	70,203	75,881	82,678	58,603	57,128
HP finance leases initiated		0	0	0	0	0	0	0	0
Other		0	(2,487)	7,849	424	(2,047)	0	0	(0)
Closing net debt/(cash)		91,423	84,556	70,203	75,881	82,678	58,603	57,128	77,603

Source: Company sources, Edison Investment Research



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