

# Auriant Mining

Turning into the home straight

Q320 results and FY21  
guidance

Metals & mining

23 December 2020

**Price** **SEK5.46**

**Market cap** **SEK539m**

RUB75.1712/US\$; SEK8.3948/US\$

Net debt (US\$m) at end-September 67.0

Shares in issue (000s) 98,768

Free float 25.89%

Code AUR

Primary exchange Nasdaq First North Premier

Secondary exchange N/A

## Share price performance



% 1m 3m 12m

Abs (11.4) (9.0) 61.1

Rel (local) (11.2) (14.8) 45.7

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

Q420 results 26 February 2021

AGM 11 May 2021

FY20 annual report 30 April 2021

Q121 results 31 May 2021

## Analyst

Charles Gibson +44 (0)20 3077 5724

[mining@edisongroup.com](mailto:mining@edisongroup.com)

[Edison profile page](#)

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Auriant's Q320 results were reported within the context of known production. While financial results were somewhat below our expectations (see Exhibit 1), the shortfall could be almost entirely attributed to the underperformance of Auriant's peripheral Solcocon alluvial asset, where the operations of a third-party contractor were disrupted by the coronavirus. By contrast, operations at Auriant's core Tardan asset were almost completely unaffected by COVID-19, with production within the expected range and costs below our expectations. We have reduced our EPS forecast for FY20 by 8.5% to reflect both Solcocon's performance in Q3 and our expectations for Q4, and the decline in the gold price since 6 November. Nevertheless, three quarters into the year, Auriant achieving its full-year production guidance appears almost a foregone conclusion. In the meantime, its shares are trading on a current year P/E multiple of only 4.6x and at less than half 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	53.9	16.5	14.0	0.0	4.6	N/A
12/21e	55.3	16.7	10.9	0.0	6.0	N/A

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

## FY21 guidance

On 21 December, Auriant announced total production guidance for 2021 of 900–930kg gold from 350–380kt of ore processed, implying production from the Tardan CIL plant of c 885kg at a head grade of 2.64g/t. This is in line with recent performance, but 7.7% lower than our previous FY21e production estimate and reflects the delay to stripping at Tardan in FY20 as a result of a licence restriction, which was totally lifted from 2 November (see page 7).

## Net debt declining at a rate of \$20.9m per year

Net debt at Auriant declined by \$5.9m (8.1%) in Q3 alone (including lease obligations). To date, in FY20, it has declined by \$15.7m, or the equivalent of \$5.2m per quarter, or \$20.9m per year.

## Valuation: Steady at \$1.71 (SEK14.36) per share

On the basis that management executes the Kara-Beldyr project according to the operational and financial parameters expected (this is a risk already substantially mitigated by management's success in developing the Tardan CIL project), we estimate that Auriant is capable of generating average annual cash flows of \$61.6m, average earnings of \$52.7m and average EPS of \$0.407 from FY25–34, thus allowing it to pay (average) maximum potential dividends of 45.8c/share in FY26–34. Discounted at our customary 10% discount rate, the value of such a stream of dividends to shareholders has remained steady at \$1.71 per share, rising to \$2.75/share on the cusp of the company's maiden dividend in FY26.

## Q320 results

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Auriant's Q320 financial results were reported within the context of known production of 229kg from Tardan for the quarter (cf 243kg in Q220 and 278kg in Q120) and a largely known gold price. While lower than in the previous two quarters, production was nevertheless consistent with the achievement of steady-state operations at the company's new carbon-in-leach plant:

- The plant's targeted throughput rate is 50tph. In the event, it processed 95kt of ore (cf 96kt in Q220 and 100kt in Q120), which is an excellent achievement given the requirement for downtime and maintenance etc. In general, Auriant is budgeting a throughput rate of 80.0–82.5kt at the Tardan plant to produce an average 225kg gold per quarter.
- The grade of ore processed declined to 2.58g/t (cf 2.69g/t in Q2), which was 6.2% below our prior forecast of 2.75g/t. However, it remains consistent with management's expectation of mined grade for the full year of 2.71g/t.
- In terms of metallurgical recovery, the CIL plant has continued to perform above expectations. During the quarter, we estimate that metallurgical recovery moderated to 93.4% (cf 94.2% in Q220). However, this nevertheless remains 3.4 percentage points above management's targeted recovery rate of 90%.
- Estimated cash costs of \$47.78/t at Tardan in Q320 (cf \$55.58/t in Q220 and \$48.96/t in Q120) were below our prior expectation of \$55.30/t. This, in turn, translated into an estimated cash cost of sales (ie excluding depreciation) at Tardan of \$616/oz (sold), which was again below our prior forecast of \$680/oz.
- For the second quarter in succession, Auriant sold less gold than it produced – in this case, by about 10.5kg, or 341oz, which depressed revenue by \$652k. This sales result compared with a comparable 23kg (748oz) sales shortfall in Q220, but a 39kg (1,247oz) over-sale of gold in Q120.

Exhibit 1 summarises Auriant's Q320 results both within the context of the prior quarter's results and also Edison's prior expectations. Relative to our prior expectations, the largest variance in Q3 results was in the production of only 5kg of gold from alluvial operations at Solcocon cf our prior forecast of 25kg (and the company's end-August production guidance of 20–40kg for FY20) as a consequence of the disruption to the contractor's mine plan engendered by the coronavirus. This factor alone was responsible for 48% of the negative variance in revenue relative to our forecasts. However, the shortfall in revenue was inevitably partly offset by an absence of costs from Solcocon, plus an excellent cost performance at Tardan (see above), which resulted in gross profits being within 10% of our prior expectations. Other negative variances were of a somewhat one-off, or exceptional, nature, including contractual termination benefits payable in respect of the former CEO and chief geologist (included in general and administrative expenses) and the write off of a VAT refund asset within a subsidiary called LLC Rudtechnology (included in other operating expenses). The aggregate effect of these was to almost exactly double the negative variance of actual results relative to our forecasts at the EBIT level relative to the gross profit level in US dollar terms (see Exhibit 1). Nevertheless, compared with the prior year, the transformation in Auriant's financial fortunes as a result of its development of a CIL plant in place of the former heap leach operation is readily apparent. For the nine months to end-September, EBITDA has increased by a factor of almost 6x, to \$24.9m, while cash flows from operations have increased almost fourfold, to \$23.0m.

Exhibit 1 also presents our updated forecasts for Q420, 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

quarter of the year and our updated full-year expectations. Relative to our prior forecasts, the main changes that we have made to our Q4 forecasts are:

- A reduction in the average gold price, from \$1,964/oz to \$1,876/oz.
- A reduction in gold produced at Solcocon from 12.5kg to 6kg, such that it is in line with management's updated guidance of 10–12kg for FY20.
- A reduction in the interest expense in Q420, reflecting both the \$5.9m decline in net indebtedness over the course of Q320 and also the renegotiation of the group's loans with VTB to reduce the interest rate.

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

	Q219	Q319	Q419	FY19	Q120	Q220	Q320e	Q320a	Change ***(%)	Variance ****(%)	Q420e	FY20e	FY20e (prior)
<b>Production</b>													
Tardan heap leach (kg)	141.1	202.3	95.4	525.0	0	0	0	0	N/A	N/A	0	0	0
Tardan CIL (kg)	0.0	0.0	110.0	110.0	278	243	240	229	-5.8	-4.6	186	936	948
Tardan total (kg)	141.1	202.3	205.4	635.0	278	243	240	229	-5.8	-4.6	186	936	948
Solcocon production (kg)	27.4	24.1	2.5	54.0	0	0	25	5	N/A	-80.0	6	11	38
Gold price (\$/oz)	1,308	1,474	**1,481	1,416	1,585	1,713	1,923	1,911	11.6	-0.6	1,876	1,748	1,777
<b>Income statement</b>													
Revenue	6,638	10,007	8,975	29,762	16,154	12,276	16,408	13,832	12.7	-15.7	11,605	53,867	57,401
Cost of sales	5,221	6,316	4,830	19,610	5,928	4,459	6,353	4,772	7.0	-24.9	4,551	19,710	21,646
Gross profit	1,417	3,691	4,145	10,152	10,226	7,817	10,055	9,060	15.9	-9.9	7,054	34,157	35,754
Depreciation	(984)	(1,142)	(1,652)	(5,011)	(1,647)	(1,846)	(1,901)	(2,278)	23.4	19.8	(2,333)	(8,104)	(7,350)
General & administration	(527)	(547)	(480)	(2,184)	(576)	(567)	(668)	(873)	54.0	30.7	(668)	(2,684)	(2,479)
Other operating income	190	24	7	241	53	15	0	4	-73.3	N/A	0	72	68
Other operating expenses	(45)	(140)	(755)	(1,001)	(182)	(8)	(116)	(911)	11,287.5	685.3	(116)	(1,217)	(422)
Impairments etc									N/A	N/A			0
EBIT	51	1,886	1,265	2,197	7,874	5,411	7,370	5,002	-7.6	-32.1	3,937	22,224	25,571
Interest income	0	0	0	0	0	0	0	0	N/A	N/A			0
Interest expense	(1,120)	(1,066)	(1,200)	(4,390)	(1,584)	(1,597)	(1,717)	(1,339)	-16.2	-22.0	(1,231)	(5,751)	(6,614)
Net interest	(1,120)	(1,066)	(1,200)	(4,390)	(1,584)	(1,597)	(1,717)	(1,339)	-16.2	-22.0	(1,231)	(5,751)	(6,614)
Forex gain/(loss)	209	448	(240)	679	(147)	128		(225)	-275.8	N/A		(244)	(19)
Profit before tax	(860)	1,268	(175)	(1,514)	6,143	3,942	5,654	3,438	-12.8	-39.2	2,706	16,229	18,938
Tax	(608)	(13)	445	(278)	248	1,275	808	475	-62.7	-41.2	416	2,414	2,789
Marginal tax rate	70.7	(1.0)	(254.3)	18.4	4.0	32.3	14.3	13.8	-57.3	-3.5	15.4	14.9	14.7
Profit after tax	(252)	1,281	(620)	(1,236)	5,895	2,667	4,845	2,963	11.1	-38.8	2,289	13,814	16,149
Average no. shares (000s)	98,649	98,649	98,649	98,649	98,649	98,649	98,649	98,729	0.1	0.1	98,768	98,698	105,400
Derivatives (000s)	0.000	0	0	0	345	0	345	0	N/A	-100.0	0	0	345
Fully diluted no. shares (000s)	98,649	98,649	98,649	98,649	98,994	98,649	98,994	98,729	0.1	-0.3	98,768	98,698	105,745
EPS (\$/share)	(0.003)	0.013	(0.006)	(0.013)	0.060	0.027	0.049	0.030	11.1	-38.8	0.023	0.140	0.153
Diluted EPS (\$/share)	(0.003)	0.013	(0.006)	(0.013)	0.060	0.027	0.049	0.030	11.1	-38.8	0.023	0.140	0.153

Source: Edison Investment Research, Auriant Mining. Note: \*Unless otherwise indicated. \*\*Estimate. \*\*\*Q320 vs Q220. \*\*\*\*Q320a vs Q320e.

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 Q320 no income tax was paid with the notional tax charge fully offset against the balance sheet amount of the deferred tax asset related to tax losses carried forward. Compared with a normalised estimate of cash flow from the income statement of \$5.2m (\$3.0m earnings plus \$2.3 depreciation) therefore, actual cash flow from operations amounted to \$8.3m (including evidence of diligent control of working capital), of which only \$0.6m was consumed in investing activities and the majority of the remainder used to repay debt.

## Guidance and assumptions

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### FY20

Auriant's 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. These parameters form the basis of our financial and operating forecasts for the remainder of the year (see Exhibit 1). As a result, we are forecasting gold production for Tardan for FY20 to be at the top of management's guidance range, at 936kg.

### FY21

On 21 December, Auriant announced total production guidance for 2021 of 900–930kg gold from 350–380kt of ore processed through the CIL plant from the Pravoberezhny deposit. The total includes an assumed c 30kg being produced at Solcocon, implying production from the Tardan CIL plant of c 885kg, a yield of 2.42g/t and a head grade of 2.64g/t. This is 7.7% lower than our previous forecast of 959kg gold produced from 320kt throughput, but is consistent with the recent performance of the mining operation and CIL plant and reflects the delay to stripping at Tardan in FY20 as a result of changes to mine sequencing necessitated by a licence restriction, which was fully lifted from 2 November 2020 onwards (see page 7). As in FY20, relatively little seasonal variation in production is anticipated (in sharp contrast to the former heap leach operation). However, both Q420 and Q121 will be slightly affected by a scheduled maintenance stop, which is reflected in our production expectations for these quarters (see Exhibit 2).

## Costs

### FY20

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 has allowed it to minimise its use of diesel generators on site or, possibly, to cease their use entirely. Both have a potentially beneficial effect on costs, as will the recent depreciation of the rouble, from RUB73.7065/US\$ at the time of our last note (see [Maintaining momentum](#), published on 3 September 2020) to RUB75.1712/US\$, and the general weakness in the oil price in FY20.

### FY21

Unit costs are expected to be broadly unchanged in US dollar terms in FY21 relative to FY20, albeit reflecting some inflationary pressures in local currency terms (given something of a 'boom' in resources investment in Russia) offset by a decline in the value of the rouble relative to the US dollar. However, staff costs appear likely to rise as a result of local inflation and salary indexation and, as a consequence, there is expected to be little or no improvement in budgeted exploration expenses

Stripping costs delayed from FY20 are now also expected to be incurred in FY21.

## FY21 quarterly forecasts

On the basis of the production guidance provided by management for FY21 (and with the usual caveat surrounding quarterly predictions), our financial forecasts for Auriant, for the year, by quarter, are as follows:

**Exhibit 2: Auriant results, Q121–Q421e, by quarter (\$000s\*)**

	Q121	Q221	Q321	Q421	FY21
<b>Production</b>					
Tardan heap leach (kg)	0	0	0	0	0
Tardan CIL (kg)	192	231	231	231	884
Tardan total (kg)	192	231	231	231	884
Solcocon production (kg)	0	5	20	5	30
Gold price (\$/oz)	1,880	1,880	1,880	1,880	1,880
<b>Income statement</b>					
Revenue	11,598	14,249	15,155	14,249	55,251
Cost of sales	4,366	5,465	6,109	5,465	21,405
Gross profit	7,232	8,784	9,047	8,784	33,846
Depreciation	(2,358)	(2,383)	(2,408)	(2,433)	(9,582)
General & administration	(750)	(750)	(750)	(750)	(3,000)
Other operating income	0	0	0	0	0
Other operating expenses	(116)	(116)	(116)	(116)	(464)
Impairments etc					0
EBIT	4,008	5,535	5,773	5,485	20,800
Interest income					0
Interest expense	(1,163)	(1,088)	(986)	(880)	(4,117)
Net interest	(1,163)	(1,088)	(986)	(880)	(4,117)
Forex gain/(loss)					0
Profit before tax	2,844	4,447	4,786	4,605	16,683
Tax	444	694	746	718	2,602
Marginal tax rate	15.6	15.6	15.6	15.6	15.6
Profit after tax	2,401	3,754	4,040	3,887	14,081
Average no. shares (000s)	129,518.453	129,518.453	129,518.453	129,518.453	129,518.453
Derivatives (000s)	0.000	0.000	0.000	0.000	0.000
Fully diluted no. shares (000s)	129,518.453	129,518.453	129,518.453	129,518.453	129,518.453
EPS (\$/share)	0.019	0.029	0.031	0.030	0.109
Diluted EPS (\$/share)	0.019	0.029	0.031	0.030	0.109

Source: Edison Investment Research, Auriant Mining. Note: \*Unless otherwise indicated.

## Kara-Beldyr timing

Owing to delays in progress occasioned by the coronavirus crisis, plus uncertainty surrounding the timing of the development of grid electricity in the region of Kara-Beldyr, we have put back our assumption regarding the likely timeline for the construction of the mine by one year, such that we are now expecting first production in FY24 and the first full year of production in FY25 (cf FY23 and FY24, respectively, previously).

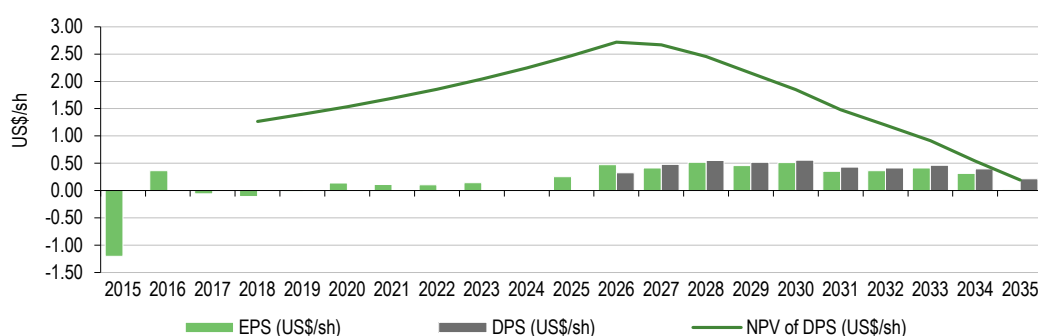
## Valuation steady at \$1.71/share

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 and the Kara-Beldyr projects according to the operational and financial parameters anticipated, we estimate that Auriant is capable of generating average cash flows of \$61.6m, average earnings of \$52.7m and average EPS of 40.7c in the ten years from FY25–34 (inclusive), thus allowing it to pay maximum potential dividends to

shareholders of 45.8c per share in the period FY26-FY34. Discounted at our customary 10% discount rate, such a stream of dividends has a value of \$1.71 per share (cf \$1.76/share previously), as shown in the exhibit below, rising to \$2.75/share on the cusp of the company's maiden dividend in FY26.

**Exhibit 3: Auriant forecast EPS and maximum potential DPS, FY15–35e**



Source: Edison Investment Research

Note that our valuation specifically excludes any value attributable to Solcocon on account of the variable nature of alluvial mining operations. However, it is possible that activities at Solcocon may be reconfigured in due course 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 equity funding relating to Kara-Beldyr is conducted is shown in the exhibit below:

**Exhibit 4: Valuation sensitivity to equity funding price**

Premium/(discount) to current share price (%)									
Equity fundraising price (SEK)	4.50	5.00	5.46	5.50	6.00	6.50	7.00	7.50	
Valuation (\$/share)	1.63	1.67	1.71	1.71	1.74	1.78	1.80	1.83	
Valuation (SEK/share)*	13.68	14.02	14.36	14.36	14.61	14.94	15.11	15.36	
Change of 'base case' (%)	-4.7	-2.3	u/c	u/c	+1.8	+4.1	+5.3	+7.0	

Source: Edison Investment Research. Note: \*Converted at the prevailing forex rate of SEK8.3948/\$.

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 \$75.4m (cf \$52.0m in the 'base case' scenario, in the 'Financials' section, below)).

## Financials

At end-September 2020, Auriant had net debt of \$67.0m on its balance sheet, a decline of \$5.9m relative to the \$72.9m that it had on its balance sheet at end-June (including leases payable). 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 SEK167.9m (\$20m) in cash via equity funding in the near future, we forecast its net debt will evolve as follows until FY25, before being eliminated in FY26:

**Exhibit 5: Auriant forecast net debt evolution, FY18–25e (\$m)**

End-year	FY18	FY19	FY20e	FY21e	FY22e	FY23e	FY24e	FY25e
Net debt (current estimates)	75.9	82.7	59.5	35.0	33.6	52.0	49.8	20.3

Source: Auriant Mining accounts, Edison Investment Research

Note that our estimate of Auriant's maximum (future) net debt requirement of \$52.0m at end-FY22 equates to a leverage ratio (net debt/(net debt+equity)) of 48.3%.

## Rosprirodnadzor inspection

Earlier in November, Auriant announced that its subsoil use rights at the Tardan deposit (which had been suspended since August 2019) had been restored in full by the Russian Subsoil Use Agency, Rosnedra.

The suspension followed an inspection carried out by the Russian state supervisory authority Rosprirodnadzor in July-August 2019. After the inspection, Tardan received an order that it should not carry out mining activities at the Tardan deposit until approved to do so by Rosnedra. This approval has now been granted and Rosnedra has therefore issued an order to remove the restrictions with immediate effect.

As previously noted by Edison, Tardan Gold challenged some of the findings of Rosprirodnadzor's inspection in court. The court found that the inspection lacked legal grounds and that therefore Rosprirodnadzor's findings had no legal effect. Nevertheless, Tardan has rectified several shortcomings identified during the inspection and Auriant notes that its subsidiary is now fully compliant with all applicable subsoil use and environmental laws and regulations.

Readers should note however that neither the original suspension nor its subsequent lifting had any material effect on the operations of Auriant, given that the ore for the CIL plant was supplied from the Pravoberezhny deposit (as distinct from the Tardan one), which was never affected by the restriction.

## COVID-19

Mining operations at Tardan continue to operate, to all intents and purposes, 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 employee 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 6: 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	53,867	55,251	51,375
Cost of Sales		(19,360)	(19,391)	(25,061)	(16,790)	(19,610)	(19,710)	(21,405)	(17,103)
Gross Profit		14,069	23,989	8,471	583	10,152	34,157	33,846	34,271
EBITDA		10,242	21,987	8,846	(1,714)	7,208	30,328	30,382	31,271
Operating Profit (before amort. and except.)		919	15,416	2,487	(6,373)	2,197	22,224	20,800	21,289
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	(244)	0	0
Operating Profit		(13,297)	15,416	3,410	(8,136)	2,876	21,980	20,800	21,289
Net Interest		(7,081)	(7,577)	(5,568)	(3,798)	(4,390)	(5,751)	(4,117)	(2,804)
Profit Before Tax (norm)		(6,162)	7,839	(3,081)	(10,171)	(2,193)	16,473	16,683	18,486
Profit Before Tax (FRS 3)		(20,378)	7,839	(2,158)	(11,934)	(1,514)	16,229	16,683	18,486
Tax		(1,116)	(1,355)	(28)	1,831	278	(2,414)	(2,602)	(4,975)
Profit After Tax (norm)		(7,278)	6,484	(2,082)	(10,103)	(1,236)	13,814	14,081	13,511
Profit After Tax (FRS 3)		(21,494)	6,484	(2,186)	(10,103)	(1,236)	13,814	14,081	13,511
Average Number of Shares Outstanding (m)		17.8	17.8	35.6	92.7	98.6	98.7	129.5	129.5
EPS - normalised (c)		(40.9)	36.4	(5.8)	(10.9)	(1.3)	14.0	10.9	10.4
EPS - normalised and fully diluted (c)		(35.8)	35.1	(5.7)	(10.8)	(1.2)	14.0	10.9	10.4
EPS - (IFRS) (c)		(120.7)	36.4	(6.1)	(10.9)	(1.3)	14.0	10.9	10.4
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	63.4	61.3	66.7
EBITDA Margin (%)		30.6	50.7	26.4	-9.9	24.2	56.3	55.0	60.9
Operating Margin (before GW and except.) (%)		2.7	35.5	7.4	-36.7	7.4	41.3	37.6	41.4
<b>BALANCE SHEET</b>									
Fixed Assets		56,192	53,684	49,397	57,690	63,685	55,744	60,051	72,647
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	23,891	26,668	37,564
Investments		0	0	0	0	0	0	0	0
Current Assets		10,460	17,062	19,102	8,436	10,050	30,027	60,751	61,312
Stocks		4,833	7,883	7,425	3,753	5,057	4,489	9,208	8,562
Debtors		2,272	186	5,148	3,298	4,111	1,476	3,027	2,815
Cash		43	4,173	5,069	1,189	145	23,325	47,778	49,198
Other		3,312	4,820	1,460	196	737	737	737	737
Current Liabilities		(36,001)	(34,149)	(6,179)	(16,227)	(29,189)	(27,411)	(28,360)	(28,007)
Creditors		(5,901)	(3,537)	(2,005)	(1,828)	(6,147)	(4,369)	(5,318)	(4,965)
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)	(10,504)	23,577	37,089
<b>CASH FLOW</b>									
Operating Cash Flow		6,347	19,359	9,752	3,992	9,185	35,890	25,482	31,943
Net Interest		(7,081)	(7,577)	(5,568)	(3,798)	(4,390)	(5,751)	(4,117)	(2,804)
Tax		(13)	(27)	(79)	(58)	0	(2,414)	(2,602)	(4,975)
Capex		(118)	(2,391)	(3,025)	(8,605)	(9,556)	(4,544)	(14,310)	(22,745)
Acquisitions/disposals		0	0	0	0	0	0	0	0
Financing		49	(10)	5,424	2,367	11	0	20,000	0
Dividends		0	0	0	0	0	0	0	0
Net Cash Flow		(816)	9,354	6,504	(6,102)	(4,750)	23,180	24,453	1,420
Opening net debt/(cash)		90,607	91,423	84,556	70,203	75,881	82,678	59,498	35,045
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	59,498	35,045	33,625

Source: Company sources, Edison Investment Research



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Frankfurt +49 (0)69 78 8076 960  
Schumannstrasse 34b  
60325 Frankfurt  
Germany

London +44 (0)20 3077 5700  
280 High Holborn  
London, WC1V 7EE  
United Kingdom

New York +1 646 653 7026  
1185 Avenue of the Americas  
3rd Floor, New York, NY 10036  
United States of America

Sydney +61 (0)2 8249 8342  
Level 4, Office 1205  
95 Pitt Street, Sydney  
NSW 2000, Australia