Review

Edison investment research

5 December 2011

Consort Medical

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
04/10	118.6	16.9	41.7	19.1	12.6	3.6
04/11	126.8	17.4	44.7	19.1	11.7	3.6
04/12e	134.4	18.8	48.9	19.1	10.7	3.6
04/13e	140.3	20.6	52.0	19.1	10.1	3.6

Note: *PBT and EPS are normalised, excluding goodwill amortisation and exceptional items.

Investment summary: Delivering record profits

Consort Medical is targeting double-digit profit growth in the medium term. It intends to achieve this via organic growth (new products, diversification and moving up the value chain) in its existing cash-generative business, and through exploiting selective M&A/investment opportunities. Its interim results showed evidence of delivery on its growth strategy, supported by a strong market position (particularly at Bespak), operational investment and pipeline expansion/progress. This strategy should ensure that Consort remains an attractive and defensive growth opportunity for investors.

Bespak: Good performance and growth potential

Valve sales (volumes and customer mix) meant Bespak sales surprised to the upside. Growth should be supported by the pipeline and new deals; three device contracts (two nasal, one for nicotine delivery) demonstrate success in diversification. Two include drug filling, helping Bespak move up the value chain. Six new launches are expected in 2012; including two autoinjectors, which may stimulate new contracts.

King Systems: Promising King Vision launch

King Vision launch (in 26 countries) is meeting management expectations; with positive feedback (85% of anaesthetists trialling intend to buy). A Novation GPO contract will allow access to a larger opportunity in the weak US hospital market. King's transformation programme should complete by end-2012 after a slight delay.

Financials: Record interim revenues, solid Bespak sales

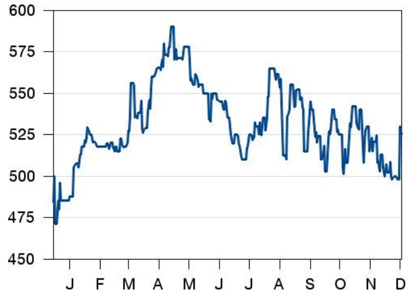
Bespak revenue growth (strong valve and Diskus volumes) offset expected weaker King performance. H112 revenue was up 5% to £68.8m; we upgrade FY12 revenues to £134.4m (growth in Bespak and ramp of King Vision), although lower King margins affect operating profit. H112 net debt was £42.6m (head room of £25m+), but will increase at FY12. Consort remains strongly cash generative at the operating level.

Valuation: 610p share price based on multiples

A 2012 EV/EBITDA of 7.5x or a 2012 EV/sales multiple of 1.7x generates an implied 570-650p share price. We take a mid-point of 610p. Bespak's pipeline and King Vision should boost revenues (from FY12 onwards), but as the identity of Bespak projects is undisclosed, our valuation may not adequately capture potential growth.

Price	525p
Market Cap	£152m

Share price graph



Share details

Code	CSRT
Listing	FULL
Sector	Health Care Equipment & Services
Shares in issue	28.9m

Price

52 week	High	Low
	590p	470p

Balance Sheet as at 31 October 2011

Debt/Equity (%)	48.7
NAV per share (p)	302
Net borrowings (£m)	42.6

Business

Consort Medical is an international medical devices company. It operates through two divisions: Bespak (inhalation and injection technologies) and King Systems (airway management products).

Valuation

	2011	2012e	2013e
P/E relative	111%	105%	106%
P/CF	7.1	6.6	5.3
EV/Sales	1.5	1.5	1.4
ROE	16%	16%	15%

Revenues by geography

UK	Europe	US	Other
18%	34%	37%	11%

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Consort Medical is a research client of Edison Investment Research Limited

Investment summary: Delivering on the growth strategy

Company description: Devising and delivering devices

Consort Medical is a UK-headquartered international medical devices company focused on developing and manufacturing high-margin disposable drug delivery and anaesthesia devices. It operates through two divisions: Bespak (drug delivery technologies) and King Systems (airway management products). Bespak has two main UK facilities (Kings Lynn: manufacturing; and Sheffield: injectables development), in addition to a Cambridge innovations office, and a subsidiary, IAC (Nelson, Lancashire), which manufactures anodised aluminium ferrules. King Systems services the US market from its base in Noblesville, Indiana, with a second facility in Kent, Ohio.

Consort employs c 1,200 staff and originally listed on the London Stock Exchange in August 1983 as Bespak. The company name was changed to Consort Medical in October 2007 (with the Bespak brand retained for its inhaled drug delivery division) to reflect the broader business. King Systems was acquired in December 2005 for $95m (£55m), with the brand name retained for the airway management products. Consort acquired The Medical House (injectable drug delivery systems) for £16.9m in November 2009, subsequently rebranding it Bespak Injectables. In February 2011, Consort made its first investment of £1.5m in private diagnostics company Atlas Genetics, and now owns c 19.5% after a follow-on investment as part of a consortium.

Valuation: Potential for future growth, with dividend

Assuming a 2012 EV/EBITDA of 7.5x or a 1.7x EV/sales multiple (more in line with peers) generates an implied share price of 570-650p. The product pipeline, and King Vision, should meaningfully boost revenues from FY12 onwards, but given the undisclosed identity of the Bespak projects, our valuation may not adequately capture potential revenue growth. Further contracts, plus strategic M&A/investments, could stimulate investor interest.

Sensitivities: Regulatory and execution risk, reliance on key contracts

Consort Medical's business may be affected by various sensitivities common to both drug device and manufacturing companies, on both the up and down side. In particular, reliance on large contracts and key customers (mitigated by long-term contracts and Consort's focus on diversifying its product and customer bases), product development and commercialisation risk (ie clinical or regulatory failure or delay, new product uptake and supply chain rationalisation) and delivery on its innovation and M&A strategy, which will be a key factor in future growth.

Financials: Strong Bespak sales, increasing working capital

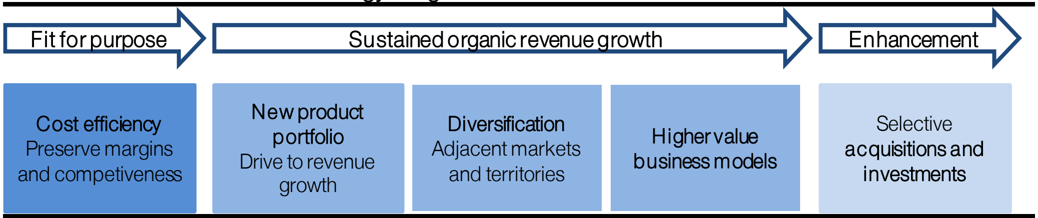
H112 revenues (excluding tooling and equipment) of £68.8m reflected strong respiratory sales (valve and Diskus volumes) at Bespak. Revenue forecasts have been upgraded to £134.4m due to underlying growth in Bespak markets and ramp up of King Vision sales. H112 (pre exceptional) operating profit was £11.1m; we expect £21.8m for the full year. End-H112 cash on the balance sheet was £8.5m, with net debt of £42.6m (head room of £25m+). Consort is strongly cash generative at the operating level but will be building inventory over the next year and have an increased working capital requirement over 2011-12 ahead of upcoming Bespak launches and investment in the ongoing transformation at King. We expected increased draw down on Consort's debt facilities, and forecast peak net debt at end-FY12 of £44.3m.

Review: Operational progress drives record results

Consort Medical's interim results provided further evidence of delivery on its strategy for growth. Through a combination of a strong market position in development and manufacturing of disposable medical devices, the investment in operational improvements, and the ongoing expansion and diversification of its pipeline, Consort has achieved record half-year figures. These activities are core to Consort's growth strategy and should ensure that it continues to be a defensive, and dividend paying, growth opportunity for investors.

Consort is targeting double-digit profit growth in the medium term. It intends to achieve this via organic growth (new products, diversification and moving up the value chain) in its existing cash-generative business, and through exploiting selective M&A and investment opportunities (such as Atlas Genetics). Consort's strategy for growth is presented in Exhibit 1.

Exhibit 1: Consort Medical's strategy for growth



Source: Consort Medical, Edison Investment Research

Consort's core focus is on generating sustained organic revenue growth through:

- Enhancing/progressing its new product portfolio: the King Vision video laryngoscope has launched in 26 countries (platform extensions and a second generation are planned), and launches of six Bespak pipeline programmes are expected next year. New pipeline opportunities include the latest respiratory device manufacturing contract for a nicotine replacement therapy product;
- Diversifying the business into adjacent markets and territories: Bespak's core drug delivery franchise is inhalation, although it has diversified into autoinjectors, nasal delivery, and into point of care diagnostics through the Atlas Genetics investment. King System's international ambitions have been helped by the King Vision global roll-out; and
- Moving to higher value business models: Bespak has two recent contracts incorporating drug handling/filling (one nasal contract and the nicotine delivery contract).

Although the timing of M&A and investment opportunities[1] is difficult to predict, the Innovations centre has delivered on its goal of adding at least one new project to the pipeline in its first year of operation, and further deals are expected.

Bespak: Volume growth and pipeline additions

Bespak's performance was the reason for Consort's better-than-anticipated H112 revenue. The division posted ex-tooling and equipment revenues of £47.8m (up 17% vs £41.4m in H111), with continued margin improvement resulting in a 24% increase in operating profit to £9.3m. Valve sales were the main driver of growth, with high customer demand and a favourable mix (higher orders from lower volume/higher price customers) resulting in a 22% increase in value volumes. Major

[1] Target products leverage Consort's know-how and proven high-volume, high-quality precision manufacturing capabilities and regulatory expertise. They would have high barriers to entry, in high growth markets and a disposable/consumable component, and commercial synergies (fit or complement existing sales channels).

revenue contributions also came from increased demand for Diskus[2], and the second GSK dose counter manufacturing line coming on-stream (a third line will be commissioned by summer 2012).

Bespak is also making important advances in positioning itself for future growth, with three new contracts (two for nasal delivery devices, plus the nicotine delivery device; see Exhibit 2 for more detail) secured in the past three months. The three programmes are not expected to commercially launch until 2014 at the earliest. However, they are all strategically important as they diversify Bespak's pipeline into new markets and also, in the case of DEV200 and NAS020, include drug handling and/or on site filling, moving Bespak's activities up the supply chain.

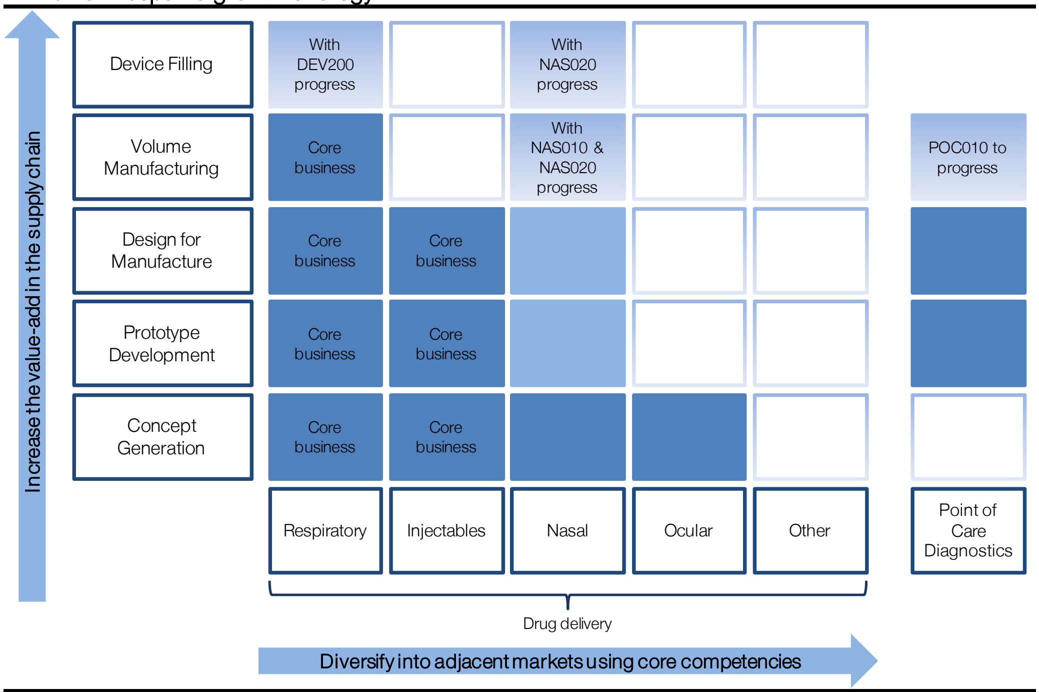
Exhibit 2: New Bespak contracts

Project	Comment
DEV200	Contract announced December 2011 with Kind Consumer for manufacture of a nicotine delivery device for clinical trials. Consort will supply a proprietary continuous flow valve, manufacture the device and incorporate the formulation reservoir into the final packaging (MHRA licence obtained). Potential to secure large-scale commercial manufacturing contract. Assuming successful commercialisation, DEV200 would be the first regulatory approved nicotine replacement product in the UK. Following anticipated launch in 2013, it will be marketed by BAT subsidiary Nicoventures, targeting a 1-4% share of the 2.5bn packet a year UK cigarette market.
NAS010	Contract signed September 2011, with major pharma to develop nasal drug delivery device (undisclosed application).
NAS020	Contract signed October 2011, with global generics manufacturer to develop Bespak's proprietary Unidose Extra inhaler for an undisclosed application, and once commercialised fill it with finished drug.

Source: Edison Investment Research

The Innovations centre is seeking further deals of this type, which incorporate new markets or higher-value products/services and will diversify future revenues and contribute to medium-term growth targets. This is central to the Bespak growth strategy, presented in Exhibit 3.

Exhibit 3: Bespak's growth strategy



Source: Consort Medical, Edison Investment Research

Such deals leverage Bespak's leading position in medical devices and its operational expertise in high-volume, high-quality manufacturing and supply of regulated products. All drug-device combinations are regulated to high-quality standards, and Bespak's solid track record in this respect means it should benefit from pharma outsourcing trends. Its ability to provide proprietary,

[2] Bespak is one of three manufacturers of the Advair Diskus DPI (with Nypro and Rexam). This is its largest and longest-standing DPI manufacturing partnership (14 year supply record; >500m devices supplied to date).

bespoke or off-the shelf products (or services) means that Bespak can potentially provide pharma companies with a differentiated device and hence a competitive advantage.

Nevertheless, Bespak's currently new product pipeline has the potential to significantly boost Consort's revenues over the next five years as these new products are launched. For commercial reasons, pipeline projects (Exhibit 4) and partners remain undisclosed until they are closer to market. However, with six launches expected in 2012, clarity on the identity of these projects may prompt upgrades as the sources of revenue growth become more evident. Bespak's pipeline table is not exhaustive as it only includes products with potential peak revenue of at least £3m per year. Other programmes are ongoing, thus attrition of this pipeline is not a cause for concern.

Exhibit 4: Bespak pipeline and status

Note: MDI = metered dose inhaler, DPI = dry powder inhaler.

Launch	Project	Product (Customer)	Current status/notes
2012	INJ300	Autoinjector (Dr Reddy's)	Awaiting FDA approval; expected by end-April 2012.
2012	IDC220	Dose counter (global pharma)	Commercial capacity available in January 2012.
2012	VAL020	MDI valve (global pharma)	Customer testing underway.
2012	VAL310	Easifill valve (US pharma)	Commercial capacity available. NDA pending FDA approval. Targets systemic condition.
2012	INJ570	Autoinjector (global pharma)	Awaiting FDA approval. Validation trials underway.
2012	DEV750	Combination DPI (EU pharma)	Launch stock build due to commence.
2013	POC010	Velox test cartridge	Development work on track (design for manufacture).
2014	DEV200	Nicotine delivery device (Kind Consumer)	Development contract awarded for trials in 2012, includes drug handling.
2014	NAS010	Nasal device (global pharma)	Sample manufacture.
2015	DEV610	Platform DPI device (global pharma)	Programme ongoing. 'Building 6' to provide capacity.
2015	NAS020	Nasal device (global generic)	Contract win with drug filling: proprietary Unidose Extra DPI.

Source: Edison Investment Research

Regulatory timelines are a key sensitivity for pipeline programmes. For example, FDA approval of the INJ300 Dr Reddy's autoinjector continues to be pending. Approval may have wider implications as this would be Bespak's first marketed autoinjector (likely to be followed soon after by INJ570), which would provide important validation for the technology and may trigger conclusion of the ongoing contract discussions for new autoinjector[3] projects.

King Systems: King Vision launch building momentum

King Systems' weaker performance over H112 vs the prior period was expected given inventory restocking at distributors in H111 and the weaker US dollar. Consequently, H112 revenues fell 15% to £21.0m vs £24.7m in H111 at actual exchange rates (down 10% at CER); excluding the impact of restocking, revenues were broadly flat. King maintained market share in challenging end-user markets (flat to 2% down). Operating profits also fell (by 28% to £1.9m, or 25% at CER) due to lower margins (8.8% vs 10.5%), which resulted from weaker volumes, higher material costs and duplication of manufacturing lines (the latter each with a seven figure annualised impact on costs).

Revenues should be boosted in future periods as initiatives to boost sales into the weak US hospital market are implemented and King Vision video laryngoscope sales (King's largest ever product launch) ramp up. Operating profit should also be enhanced as the manufacturing transformation programme draws to a conclusion (producing c $5m of cost savings pa). The automated Flex2 circuit line is already performing ahead of expectations, although due to the complexity of the equipment involved there has been a three to four month delay to the installation of mask autoline and breathing bag dip lines. These will now be installed in H212, with production due to start by year-end enabling closure of the H&M facility in Kent, Ohio in Q312.

[3] These include the customisable ASI range and the off-the-shelf OTS disposable autoinjector.

From January 2012, King will be included on a third major Group Purchasing Organisation (GPO) contract with Novation (it has existing GPO contracts with HPG and Premier). This should help penetration of King's products into US hospitals, which have been showing greater compliance with GPO contracts for central purchasing. The Novation GPO provides an opportunity to gain market share by winning business at 2,500 hospitals. Small price reductions (low-single digit percentages) may be implemented, but these will be more than offset by the increased market opportunity (potentially £35m pa vs the $7m in sales achieved by King off-contract).

King Vision is expected to make an increasing contribution to revenues from H2 onwards. Launch has gone well, with 85% of anaesthetists trialling the product expressing an intention to buy. King Vision is now approved in 59 countries (the rate-limiting step for roll out is obtaining approval) and is sold in 26 (through King's distributor network outside the US). At present, 26% of King Vision sales are ex-US (vs c 12% for King as a whole); hence it is fundamental to King's geographic expansion. Overall, the product is on track to achieve first year sales of c $3m, and with potential peak sales in excess of $20m pa once platform extension (KS3618) and second generation device (KS5410) programmes are launched in 12-18 months. King Vision is positioned as providing high-quality portable visualisation at an affordable price (c $895 vs $3-15k for competitor devices). As device availability is often the limiting factor in hospitals, this price point could enable greater deployment[4], and unlike some competing products, the same device can be used for difficult and routine intubations. King Vision is initially being positioned in the former, although anaesthetists would increasingly adopt visualisation in more routine procedures as the blade price drops. Planned line extensions (ie lower cost disposables, specialist laryngoscope blades) could boost future revenues.

Sensitivities

Consort Medical's business may be affected by various sensitivities common to both drug device and manufacturing companies, on both the up and down side. Of particular importance are reliance on large contracts and key customers (mitigated by the long-term nature of contracts and ongoing diversification of its product and customer bases), technical risks related to product development, regulatory and commercialisation (ie clinical or regulatory failure or delay, new product uptake, supply chain rationalisation), and its ability to continue to deliver on its growth strategy though organic growth, innovation and M&A.

Valuation

Consort's business is unique in the context of the UK healthcare sector; globally, its closest peers are subsidiaries/divisions of wider groups involved in the specialist manufacture of delivery systems or device components for pharma. Nevertheless, peer group comparison with UK-listed Healthcare Equipment and Services (with a market cap >£50m[5]) and selected international companies[6] highlights relevant features of Consort's investment case. Given its growth prospects, Consort looks attractively priced on a P/E basis and its 3.6% dividend yield should also appeal to income investors. Consort's dividend yield is higher than its peers, and it has consistently paid interim and

[4] The disposable element of King Vision is more expensive than products with similar claims (see Exhibit 4 in the Edison Outlook note 'Momentum building', published 20 June 2011), but the capital element is less expensive enabling it to have the lowest total cost in use on market.
[5] Smith & Nephew, Immunodiagnostic Systems Holdings, Optos and Advanced Medical Solutions.
[6] This international group includes Aptargroup, Gerresheimer, West Pharmaceuticals Services and Ypsomed.

full-year dividends of 7p and 12.1p per share respectively. We assume that these absolute dividend levels will be maintained even though the company does not have a dividend policy.

EV/EBITDA is the most relevant valuation metric given differences between the capital structures of our comparator group. Consort currently trades on a 2012 EV/EBITDA of 7.2x and 2012 EV/sales of 1.5x; however, applying conservative multiples that are more in line with peers (2012 EV/EBITDA of 7.5x or a 1.7x 2012 EV/sales) generates an implied share price range of 570-650p.

Consort's development pipeline and the ongoing global roll out of King Vision are expected to meaningfully boost revenues from FY12 onwards. Given the undisclosed identity of the drugs behind Consort's upcoming launches, our valuation is unlikely to adequately capture anticipated revenue growth (particularly if any of these have blockbuster potential). Announcement of new contracts, plus further strategic M&A or investments, could also stimulate investor interest.

Financials

Consort reported record interim revenues (excluding tooling and equipment) of £68.8m for H112 (period ended 31 October 2011) vs £65.6m reported in the prior period. The 4.9% revenue growth primarily resulted from the strong performance at Bespak offsetting the expected period-on-period revenue decline at King. We expect further revenue growth (with continued, albeit less pronounced, strong performance at Bespak and an increasing revenue contribution from King Vision) over the second half of the financial year; we upgrade our FY12 revenue expectations to £134.4m from £131.7m. We expect operating profit (before goodwill, exceptionals and share-based compensation) of £21.8m. Consort's H112 divisional revenue and profit split is outlined in Exhibit 5.

Exhibit 5: Consort Medical's divisional split (in £m)

	Bespak (excl. tooling and equipment)		King Systems	
	H112	H212e	H112	H212e
Revenue (continuing operations)	47.8	44.6	21.0	21.3
% change	*16.6%*	*4.2%*	*-14.9%*	*13.9%*
Operating profit (excl. special items)	9.3	8.0	1.9	2.1
% change	*24.4%*	*-0.1%*	*-28.3%*	*-0.1%*
Operating margin	19.5%	18.1%	8.8%	10.0%
Net assets at 31 October 2011	66.2		71.3	
Return on net assets at 31 October 2011	*14.1%*		*2.6%*	

Source: Edison Investment Research

Consort's focus on cost efficiencies have been successful in protecting, and improving, margins at Bespak; the 19.5% margin achieved in H112 is an all-time peak (resulting from higher volumes and a favourable customer mix) and is expected to come down in future periods to a more sustainable 18.5-19.0% (until operational leverage comes through with new pipeline launches in the mid term). The transformation programme at King should raise margins, once manufacturing lines are no longer duplicated (post summer 2012).

FY12 should also be the last year where Consort books special items. In prior periods, these have related to restructuring charges (the final transformation charge will be booked in H2), but in H112, a net credit was booked on reversal of asset impairment charges for Bespak's IAC subsidiary. IAC has returned to sustainable profitability after re-signing a contract with a major customer.

Consort's balance sheet remains strong and is cash generative at the operating line. However, due to inventory build and the increased working capital requirement over 2011-12 ahead of upcoming product launches at Bespak and investment in the ongoing transformation at King (the US$ RCF provides a natural FX hedge), we expected increased drawn down on Consort's debt facilities. We forecast peak net debt at end-FY12 of £43.6m.

Exhibit 6: Consort Medical financial model

Note: Revenues below exclude tooling and equipment which is a 'pass-through' item that, for accounting reasons, has historically been included in revenues. Consort has consistently paid interim and full-year dividends of 7p and 12.1p per share respectively, and our forecasts assume that these levels will be maintained, despite the company having no dividend policy.

£'000s	2009	2010	2011	2012e	2013e
Year ending 30 April	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS					
Revenue	120,343	118,592	126,806	134,362	140,283
EBITDA	25,380	25,434	26,598	27,857	29,418
Operating profit (before GW and except)	18,856	18,673	20,452	21,757	23,318
Intangible amortisation	(4,913)	(2,411)	(2,681)	(2,250)	(2,250)
Exceptionals/Special Items	(125)	(4,015)	(1,993)	1,921	0
Share-based payment	(860)	11	(299)	(300)	(300)
Operating profit	12,958	12,258	15,479	21,128	20,768
Net interest	(888)	(1,797)	(3,078)	(2,941)	(2,741)
Profit before tax (norm)	17,857	16,876	17,374	18,815	20,577
Profit before tax (FRS 3)	11,959	10,461	12,700	18,186	18,027
Tax	(4,381)	(2,409)	(2,344)	(4,600)	(4,750)
Profit after tax (norm)	13,026	12,290	13,113	14,434	15,327
Profit after tax (FRS3)	7,578	8,052	10,356	13,586	13,277
Average number of shares outstanding (m)	28.9	28.9	28.8	28.9	28.9
EPS - normalised (p)	45.1	42.5	45.5	49.9	53.0
EPS - normalised fully diluted (p)	41.7	41.7	44.7	48.9	52.0
EPS - FRS 3 (p)	26.2	27.8	36.0	46.9	45.9
Dividend per share (p)	19.1	19.1	19.1	19.1	19.1
EBITDA margin (%)	21.1%	21.4%	21.0%	20.7%	21.0%
Operating margin (before GW and except) (%)	15.7%	15.7%	16.1%	16.2%	16.6%
BALANCE SHEET					
Fixed assets	109,654	127,605	125,567	132,664	134,314
Intangible assets	59,829	79,473	72,927	69,677	67,427
Tangible assets	49,758	48,132	51,539	60,439	64,339
Investment in associates	67	0	1,101	2,548	2,548
Trade investment & others	0	0	0	0	0
Associated with assets held for sale	0	0	0	0	0
Current assets	47,358	45,720	41,381	46,049	40,718
Stocks	12,107	11,962	15,335	18,749	17,133
Debtors	16,056	17,567	17,871	19,936	21,408
Cash	19,195	16,097	7,211	7,364	2,177
Other	0	94	964	0	0
Current liabilities	(60,398)	(34,551)	(32,360)	(34,668)	(36,539)
Creditors	(18,942)	(21,581)	(23,277)	(24,664)	(26,485)
Other creditors	(2,725)	(1,219)	(2,455)	(2,504)	(2,554)
Short-term borrowings	(34,545)	(9,064)	(4,031)	(4,000)	(4,000)
Provisions and other current liabilities	(4,186)	(2,687)	(2,597)	(3,500)	(3,500)
Associated with assets held for sale	0	0	0	0	0
Long-term liabilities	(20,894)	(60,106)	(50,051)	(56,150)	(39,150)
Long-term borrowings	(3,543)	(40,217)	(36,935)	(47,000)	(38,000)
Deferred taxation	(5,270)	(6,605)	(6,711)	(7,000)	(5,000)
Other long-term liabilities	(12,081)	(13,284)	(6,405)	(2,150)	(1,150)
Net assets	75,720	78,668	84,537	87,894	99,343
Net Debt	(18,893)	(33,184)	(33,755)	(43,636)	(39,823)
Net Current Assets	66,300	67,301	64,658	70,712	67,203
CASH FLOW					
Operating cash flow	23,117	21,057	21,336	23,136	28,833
Net interest	(620)	(1,152)	(2,480)	(2,941)	(2,741)
Tax	(3,520)	(3,709)	(2,748)	(4,600)	(4,750)
Capex	(8,433)	(5,893)	(8,271)	(15,000)	(10,000)
Purchase of intangibles	(444)	(165)	(687)	(1,000)	0
Acquisitions/disposals	384	(11,551)	(1,053)	(1,447)	0
Financing	1,795	0	0	0	0
Dividends	(5,528)	(5,528)	(5,499)	(5,529)	(5,529)
Other	(2,067)	(3,012)	(3,606)	(2,500)	(2,000)
Net cash flow	4,684	(9,953)	(3,008)	(9,881)	3,813
Opening net debt/(cash)	13,741	18,893	33,184	33,755	43,636
HP finance leases initiated	0	0	0	0	0
Other	(9,836)	(4,338)	2,437	0	(0)
Closing net debt/(cash)	18,893	33,184	33,755	43,636	39,823

Source: Edison Investment Research