CentralNic Group

Organic growth momentum continues

H122 interim results

Software and comp services

CentralNic reported 62% organic revenue growth in H122, with gross revenues rising 93% y-o-y to US$335m and net revenues rising 51% to US$82m. Adjusted EBITDA rose 97% to US$39m (H121: US$20m), with adjusted EBITDA/net revenue increasing to 47%. Organic growth has continued to strengthen (H121: 20%, FY21: 39%, H122: 62%) as advertisers are driven to privacy-safe marketing solutions, such as CentralNic's TONIC. With this continued high growth, we have raised our FY22 revenue forecast by 12% to US$642m and EBITDA to US$74m. We recognise that these forecasts may prove conservative, but given global economic uncertainties, we feel a degree of caution is in order. Management also noted that the bond refinancing is ongoing. Based on our revised estimates, CentralNic trades on an FY22 P/E of 8.5x and on 6.4x FY22 EV/adjusted EBITDA.

Year end	Revenue (US$m)	Adjusted EBITDA* (US$m)	PBT* (US$m)	EPS* (c)	DPS (c)	P/E (x)
12/20	240.0	29.4	18.6	10.0	0.0	14.7
12/21	410.5	46.3	31.9	11.8	0.0	12.4
12/22e**	642.3	73.9	58.4	17.2	0.0	8.5
12/23e**	736.4	83.2	69.2	18.5	0.0	7.9

Note: *Excludes impact of share-based payments, share option expenses, foreign exchange charges and non-core operating costs. **FY22e and FY23e EPS figures reflect 280.9m voting shares in issue.

Growth led by TONIC's contextual advertising

While 62% growth may prove difficult to sustain, especially as FY21 comparators get progressively more challenging, privacy-led growth is likely to be ongoing despite the impact of macroeconomic headwinds. CentralNic's growth will be supported by the medium-term growth of the contextual advertising market, which is forecast to grow at a 13% CAGR to 2026 (according to Global Industry Analysts).

Estimates raised by 12%, but still conservative

As a result of the continued strong organic growth in H122, we have raised our FY22 revenue estimate by 12% to US$642m. This is still comfortably below the H122 annualised revenue figure (c US$669m), despite H2 typically being stronger than H1. Other assumptions remain unchanged. With our 11.5% EBITDA margin, this lifts our FY22 EBITDA estimate to US$74m. As a result of the higher year end run-rate, our FY23 revenue estimate lifts to US$736m, with EBITDA of US$83m. If organic growth continues at these levels, our forecasts will prove conservative.

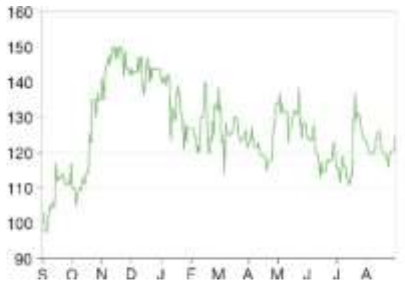
Valuation: GARP, what's not to like?

CentralNic offers a compelling proposition, with recurring revenue products contributing over 99% of total gross revenues and adjusted cash conversion of over 100%. Our upgraded estimates imply 56% y-o-y revenue growth for FY22, with the shares trading on an FY22 P/E of 8.5x and on 6.4x FY22 EV/adjusted EBITDA. The group has delivered a five-year revenue CAGR of 72%, putting it in the top 50 fastest growing technology companies in Europe (FT, 2022) and has now been included in the AIM 100 and AIM UK 50 indices.

31 August 2022

Price	**124.5p**
Market cap	**£350m**
	£1.17/US$
Net debt (US$m) at 30 June 2022	63.6
Voting shares in issue	280.9m
Free float	73%
Code	CNIC
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	0.8	(2.7)	29.8
Rel (local)	2.4	1.1	32.2
52-week high/low		149.9p	97.5p

Business description

CentralNic Group provides the essential tools for businesses to go online, operating through two divisions: Online Presence (reseller, corporate and SME) and Online Marketing. Services include domain name reselling, hosting, website building, security certification and website monetisation.

Next events

Q322 trading update	19 October 2022
Q3 results	November 2022

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Edison profile page

CentralNic Group is a research client of Edison Investment Research Limited

H122 interim results

Strong top-line growth, operating leverage showing through

CentralNic's momentum continued in H122, delivering last 12 months (LTM) organic revenue growth to 30 June 2022 of 62%, as CentralNic's privacy-safe Online Marketing solutions benefited from an online advertising market squeezed by tightening privacy measures and regulatory concerns.

H122 gross revenues increased 93% y-o-y to US$335m (H121: US$174m), with net revenues rising 51% to US$82m (H121: US$54m), a gross margin of 24.5%, down from 31.2% in H121. Adjusted EBITDA rose 97% to US$39m (H121: US$20m), with a slight up-tick in margins to 11.5% (H121: 11.3%), although Q222 margins were 11.3%. Margins have been on a weakening trend as Online Marketing has substantially outgrown Online Presence. Adjusted EBITDA/net revenue increased to 47% in H122 (H121: 36%), with CentralNic benefiting from improving operating leverage (Exhibit 2).

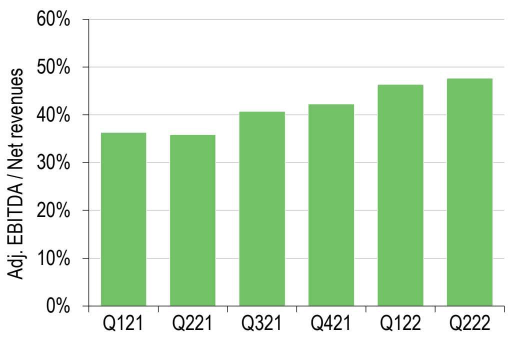
Exhibit 1: Key quarterly comparator figures

US$m	Q121	Q221	H121	H221	FY21	Q122	Q222	H122
Gross revenue	84.4	89.4	173.8	236.7	410.5	156.6	178.0	334.6
Net revenue	27.9	26.4	54.3	64.2	118.5	39.9	42.2	82.1
Margin	*33.0%*	*29.6%*	*31.2%*	*27.1%*	*28.9%*	*25.5%*	*23.7%*	*24.5%*
Adjusted EBITDA	10.1	9.5	19.60	26.7	46.3	18.5	20.1	38.6
Margin	*12.0%*	*10.6%*	*11.3%*	*11.3%*	*11.3%*	*11.8%*	*11.3%*	*11.5%*
Adjusted EBITDA/net revenue	*36%*	*36%*	*36%*	*42%*	*39%*	*46%*	*48%*	*47%*
Net debt	79.0	83.8	83.8	81.4	81.4	61.3	63.6	63.6

Source: CentralNic, Edison Investment Research

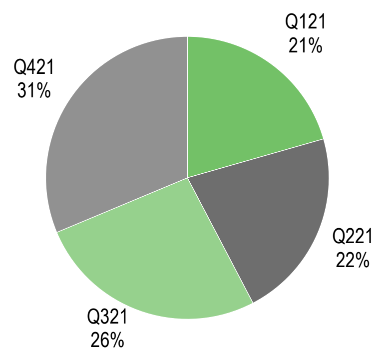
Reconciling H122 adjusted EBITDA (US$39m) and operating income (US$22m), the principal elements were: US$15m of amortisation and depreciation (H121: US$11m); US$3m of non-core operating expenses (H121: US$5m), primarily M&A and integration related costs; a US$4m foreign exchange gain (H121: US$1m); and US$3m of share-based payment expenses (H121: US$2m) related to acquisitions. This resulted in CentralNic reporting H122 PBT of US$16m (H121: a loss of US$2m) and PAT of US$7m (H121: a loss of US$3m). H122 adjusted EPS rose 59% to 8.5 cents (H121: 5.3 cents).

Exhibit 2: Improving operating leverage



Source: CentralNic, Edison Investment Research

Exhibit 3: Q4 typically the strongest quarter



Source: CentralNic, Edison Investment Research

CentralNic's cash generation was particularly strong in H122, with US$38m of cash generated from operations (H121: US$17m), not far short of the cash from operations for the entirety of FY21 (US$43m). Adjusted operating cash conversion was 110%, with cash rising to US$95m at 30 June 20022 from US$56m at 31 December 2021, despite the acquisition VGL. As a result of the strong cash generation, net debt (including mark-to-market on the bond hedging) fell 22% to US$64m at 30 June 2022, from US$81m as at 31 December 2021 (30 June 2021: US$84m). Excluding mark-to-market on the bond hedging (the cash flow hedging reserve stood US$17m at 30 June 2022), net debt at period end fell to US$47m.

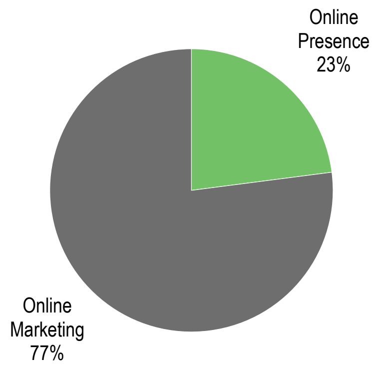
Given the group's strong cash generation, its relatively modest gearing (net debt/FY22 adjusted EBITDA below 1x and interest cover above 5x), together with the ongoing bond refinancing, which management anticipates will deliver better terms for the group, we would expect further acquisitions later this year. Management has noted a full M&A pipeline as well as an intention to maintain its historical pricing discipline.

Segmental analysis: Online Marketing, Online Presence

CentralNic breaks its revenues into two segments, Online Marketing (the dominant division, representing 77% of gross revenue and 67% of net revenue) and Online Presence.

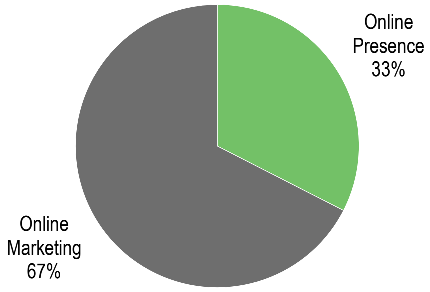
- **Online Marketing**: none of CentralNic's marketing platforms use third-party cookies or collect personal data. Increasing restrictions on the use of third-party cookies in Google Chrome and App Tracking Transparency in Apple's iOS 14.5 have therefore benefited CentralNic, driving the group's high rates of organic growth over the past 12–18 months (Q121: 16%, H121: 20%, 9M21: 29%, FY21: 39%, Q122: 53%, H122: 62%). Growth in H122 benefited from contributions from the Wando and White & Case acquisitions for the full period, as well as partial period contributions from VGL (acquired in March 2022) and Fireball (acquired in February 2022). Gross revenues increased by 167% to US$258m (H121: US$96m), with organic revenue growth of 98%, predominantly driven by CentralNic's TONIC media buying business (contextual advertising – see section below, What is driving Online Marketing's growth?). The number of visitor sessions increased by 82% to 2.0bn in H122 (H121: 1.1bn) and revenue per thousand sessions (RPM) by 87% from US$57 to US$106.

Exhibit 4: H122 gross revenue breakdown



Source: CentralNic, Edison Investment Research

Exhibit 5: H122 net revenue breakdown



Source: CentralNic, Edison Investment Research

- **Online Presence**: despite organic revenue growth of 5%, the segment was affected by adverse FX rates due to the strength of the dollar, CentralNic's reporting currency. As a result, revenue fell by 1% to US$77m (H121: US$77m). Management chose not to discount rates to drive sales, preferring to improve the quality of revenue. The average revenue per domain year increased by 8% to US$9.60, but domain registrations fell to 6.0m in H122 (H121: 6.5m). The proportion of value-added service revenue remained stable at 7.9% of revenues.

FY22 estimate revisions

FY22 revenues raised 12%, scope for further upgrades

Management reports that Online Marketing has so far proven immune to a slowdown in advertising spending. Accordingly, management is confident that CentralNic is comfortably trading towards the high end of recently upgraded consensus (disclosed as FY22 revenues of US$642m and EBITDA of US$64m).

Pro forma LTM organic revenue growth was 62% to 30 June 2022 (53% to 31 March 2022), driven by Online Marketing. Although we recognise that these growth rates may slow at some stage, it remains hard to identify an immediate trigger for a slowdown in growth, with the division facing a US$100bn+ opportunity and having already taken significant adverse economic factors in its stride and continued to perform. However, in the current economic climate, we remain cautious.

Based on its H122 figures, CentralNic is on course to deliver annualised gross revenues of US$669m, net revenues of US$164m and adjusted EBITDA of US$77m, with Q4 typically the strongest quarter for advertising revenues (Exhibit 3). As such, we feel very comfortable upgrading our FY22 revenue forecasts by 12% to the top end of consensus (US$642m), and, assuming no sudden slowdown in Online Marketing, and with CentralNic benefiting from improving operating leverage, we would expect the company to exceed these numbers. Based on unchanged FY22 margin assumptions, FY22 adjusted EBITDA also rises 12% to US$73.9m.

Exhibit 6: Edison's revised estimates

Year end 31 December US$000	Actual 2021	Old 2022e	New 2022e	Change (%)	Y-o-y growth	Old 2023e	New 2023e	Change (%)	Y-o-y growth
Gross revenue	**410,540**	**573,473**	**642,289**	**12%**	**56%**	**672,446**	**736,403**	**10%**	**15%**
Net revenue	**118,499**	**157,022**	**175,865**	**12%**	**48%**	**176,712**	**193,520**	**10%**	**10%**
Adjusted EBITDA	**46,251**	**65,949**	**73,863**	**12%**	**60%**	**75,986**	**83,214**	**10%**	**13%**
Profit before tax (norm)	31,939	51,140	58,408	14%	83%	62,514	69,195	11%	18%
Profit before tax (reported)	1,555	15,147	22,376			28,590	35,196		
Net income (normalised)	26,842	40,912	46,727	14%	74%	46,886	51,896	11%	11%
Average shares outstanding (m)	227	263	271	3%		271	281		
EPS – basic normalised (c)	**11.80**	**15.54**	**17.23**	**11%**	**46%**	**17.29**	**18.47**	**7%**	**7%**
EPS* – diluted normalised (c)	**10.69**	**14.46**	**16.06**	**11%**	**50%**	**16.12**	**17.26**	**7%**	**7%**
Revenue growth (%)	71.0	39.7	56.4			17.3	14.7		
Gross margin (%)	28.9	27.4	27.4			26.3	26.3		
Adjusted EBITDA margin (%)	11.3	11.5	11.5			11.3	11.3		
Adjusted EBITDA/net revenue (%)	39.0	42.0	42.0			43.0	43.0		
Capex	(3,555)	(6,478)	(7,256)	12%	104%	(7,596)	(8,319)	10%	15%
Closing net debt/(cash)	**81,394**	**59,724**	**54,886**	**(8)%**	**(33)%**	**21,909**	**12,821**	**(41)%**	**(77)%**

Source: CentralNic accounts, Edison Investment Research. Note: *Edison assumes a total of 290.9m fully diluted shares, including employee benefit trust shares in the fully diluted EPS calculation.

CentralNic is also in advanced discussions to refinance its bonds and expects to announce the outcome of the refinancing, ahead of the group's Q322 trading update in October.

What is driving Online Marketing's growth?

Online Marketing will struggle to sustain the level of growth seen in FY21 and H122 indefinitely, as the FY21 comparators get progressively more challenging, together with the impact of broader macroeconomic headwinds. As a result, CentralNic is likely to see a natural moderation in organic growth for Online Marketing, and therefore for the group, over the next 12 months.

As we have noted before (51% organic revenue growth in Q122), both Apple and Google have introduced policies to phase out support for third-party cookies, which facilitate personalised targeting by profiling users for targeted advertising. Similarly, Apple's privacy controls (first introduced in April 2021) restrict use of Apple's identifier for advertisers (IDFA), which allows advertisers to track user behaviour within mobile apps and websites. Instead, app owners now need to seek explicit permission from users before being able to track third-party usage.

CentralNic benefiting from tightening regulation

As the regulation of personal data tightens, management expects other performance marketers to suffer falling advertising rates before CentralNic, driving down the price of traffic and allowing CentralNic to achieve better margins through its current monetisation channels. Management believes that this has been a critical factor behind the strong performance of Online Marketing over the past 12–18 months.

As a result of the constriction of personalised targeting, advertisers are increasingly turning to privacy-safe contextual advertising as an alternative solution. CentralNic's contextual marketing proposition does not rely on first-party data, but uses the multiplicity of non-personal third-party data that is still openly available.

Search referral model explained

CentralNic has carved itself out a niche in the contextual advertising space, taking traffic from numerous smaller sites (with a surplus of under-monetised traffic) to then be monetised by search engine operators, which attract a surfeit of corporate advertising budgets but have a deficit of monetisable traffic.

According to management, the traffic that CentralNic delivers fully corresponds to specific searches and achieves demonstrably the same return on investment, prices and conversion rates as organic search traffic. Importantly, no element of the value chain sees a diminution of value, with customers converting at comparable rates and advertisers achieving comparable conversion rates.

CentralNic is one of only a few companies that perform this specific activity, others being: System1 (SST:NYSE), which is the largest operator, generating about twice the revenues of CentralNic; and Sedo (owned by United Internet), which management estimates generates about half the revenues of CentralNic. System1 takes more of a 'walled garden' approach, preferring its in-house technology solutions, whereas CentralNic has an open ecosystem, using external as well as internal solutions. CentralNic's approach has been delivering far higher revenue growth rates than System1's, helping CentralNic to capture market share from System1.

Management believes that CentralNic's approach is robust and resilient to a downturn, as search advertising is the preferred format and most other ad formats are incremental and therefore more prone to reduction in demand. Accordingly, pricing on the demand side is expected to be more robust than on the supply side, allowing for an increasing arbitrage opportunity.

As CentralNic has demonstrated over the last 12–18 months, growth remained strong during the COVID-19 pandemic, accelerated afterwards and has continued to accelerate even after the impact of the invasion of Ukraine and despite growing inflationary and geopolitical issues.

VGL offers a parallel model to the search referral approach

The acquisition of VGL (acquired for €60m in March 2022) delivered a portfolio of content-rich websites to CentralNic, whereas the domain-name investors whose sites CentralNic manages, deliver a portfolio of largely content-free websites. VGL's reviews tend to identify five key categories for any given product set: the best; the worst; the cheapest; the best price/quality; and the best seller. Management sees this as a parallel business model to its core search referral approach, with traffic from VGL carrying a specific purchase intention (enriched with search traffic) then delivered to e-commerce partners for monetisation and fulfilment.

In this respect, VGL's model aggregates traffic before redirecting it to CentralNic's e-commerce partners for monetisation, whereas contextual advertising aggregates traffic for monetisation via search. VGL delivers a CPM more than 50% higher than search referrals because of the more focused purchase intent and fewer intermediaries. These high CPMs allow CentralNic to cost-effectively acquire traffic at premium rates from third-party websites, which can then be blended with search traffic and monetised at attractive rates through CentralNic's e-commerce partners.

Online Presence, a source of monetisable traffic

Online presence delivers CentralNic a network of websites owned by domain investors. For this network of sites, CentralNic has developed website building software that can auto-generate a very basic website dynamically. Traffic from this network of third-party sites is monetised by showing search ads on these auto-generated pages, contributing to the strong organic growth seen over the past 18 months.

Valuation: Discount to peers despite superior growth

CentralNic continues to trade at a material discount to its online marketing and web services peers.

Given a lack of comparators in Europe, the online marketing peer group is focused on North America (Exhibit 7). Peer valuations have eased considerably despite average current year sales growth averaging 25%, compared to 56% for CentralNic. Average EV/EBITDA multiples are now 20x and 16x for FY22 and FY23, respectively, with P/E multiples of 32x for FY22 and 27x for FY23. Despite a 72% five-year revenue CAGR and its superior current year growth trajectory, CentralNic trades at a c 65–75% discount to these multiples.

We have also looked at a web services peer group. Disregarding Verisign, which we include for completeness, the web services peer group trades at an average EV/sales multiple of 2x for FY22 and FY23 and EV/EBITDA multiples of 7x for FY22 and FY23. In terms of P/E multiples, the web services peer group trades at 17x for FY22 and 14x for FY23.

Exhibit 7: Peer group table

	Year end	Share price	Quoted ccy	EV (US$m)	Sales Growth FY1 (%)	EBITDA margin FY1 (%)	EBIT margin FY1 (%)	EV/ sales FY1(x)	EV/ sales FY2 (x)	EV/ EBITDA FY1 (x)	EV/ EBITDA FY2 (x)	P/E 1FY (x)	P/E 2FY (x)
CentralNic Group	Dec-22	124.5	GBp	474.2	56.4	11.5	10.6	0.74	0.64	6.4	5.7	8.5	7.9
Online marketing peers													
Trade Desk	Dec-22	62.5	US$	29,313	32.7	39.5	36.6	18.5	14.8	46.8	38.0	62.7	54.4
Applovin	Dec-22	24.9	US$	11,522	6.6	38.8	8.3	3.9	3.2	10.0	7.9	NM	24.9
Stroeer SE & Co	Dec-22	42.4	€	4,086	11.1	31.1	14.1	2.3	2.1	7.3	6.7	13.2	11.7
Ironsource	Dec-22	4.1	US$	3,768	38.3	30.7	28.0	4.9	3.9	16.0	12.1	19.2	17.2
DoubleVerify Holdings	Dec-22	25.9	US$	4,022	35.0	30.8	11.9	9.0	7.2	29.1	22.9	NM	NM
Integral Ad Science	Dec-22	8.3	US$	1,445	23.8	30.6	6.1	3.6	3.0	11.8	9.7	NM	NM
Mean					**25**	**34**	**18**	**7**	**6**	**20**	**16**	**32**	**27**
Median					**28**	**31**	**13**	**4**	**4**	**14**	**11**	**19**	**21**
Online Presence (web services) peers													
Verisign	Dec-22	184.1	US$	20,539	7.4	65.1	65.9	14.4	13.3	22.1	18.2	31.1	26.3
GoDaddy	Dec-22	76.5	US$	15,092	7.9	24.4	12.3	3.7	3.4	15.0	13.7	33.9	27.1
Criteo	Dec-22	27.3	US$	1,113	5.8	30.8	21.3	1.1	1.0	3.7	3.3	9.1	8.0
Catena Media	Dec-22	31.7	SEK	285	3.6	41.8	31.2	2.0	1.9	4.8	4.2	8.7	6.9
iomart group	Mar-23	183.0	GBp	284	6.8	35.7	16.6	2.2	2.1	6.2	6.1	14.6	15.1
Mean					**6**	**40**	**29**	**5**	**4**	**10**	**9**	**19**	**17**
Mean (ex Verisign)					**6**	**33**	**20**	**2**	**2**	**7**	**7**	**17**	**14**
Median					**7**	**36**	**21**	**2**	**2**	**6**	**6**	**15**	**15**

Source: Refinitiv data as at 30 August 2022; CentralNic estimates from Edison Investment Research

Exhibit 8: Financial summary

Year end 31 December	US$'000	2019	2020	2021	2022e	2023e
INCOME STATEMENT		IFRS	IFRS	IFRS	IFRS	IFRS
Gross revenue		109,194	240,012	410,540	642,289	736,403
Cost of Sales		(66,419)	(164,894)	(292,041)	(466,424)	(542,883)
Net revenue		42,775	75,118	118,499	175,865	193,520
Adj. EBITDA		17,921	29,394	46,251	73,863	83,214
Normalised operating profit		16,615	27,310	42,737	68,366	76,910
Amortisation of acquired intangibles		(8,299)	(13,747)	(18,291)	(23,076)	(23,493)
Exceptionals		(8,259)	(10,529)	(7,087)	(4,000)	-
Share-based payments		(2,878)	(5,113)	(5,006)	(5,006)	(5,006)
Reported operating profit		(2,821)	(2,079)	12,353	36,284	48,411
Net Interest		(471)	(8,693)	(10,798)	(9,957)	(7,716)
Joint ventures & associates (post tax)		74	79	-	-	-
Exceptionals		-	-	-	(3,950)	(5,500)
Profit Before Tax (norm)		16,144	18,617	31,939	58,408	69,195
Profit Before Tax (reported)		(6,616)	(11,834)	1,555	22,376	35,196
Reported tax		39	975	(5,097)	(8,161)	(12,616)
Profit After Tax (norm)		16,119	19,592	26,842	46,727	51,896
Profit After Tax (reported)		(6,577)	(10,859)	(3,542)	14,215	22,580
Minority interests		64	-	-	-	-
Net income (normalised)		16,183	19,592	26,842	46,727	51,896
Net income (reported)		(6,513)	(10,859)	(3,542)	14,215	22,580
Basic average number of shares outstanding (m)		175	197	227	271	281
EPS - basic normalised (c)		9.24	9.96	11.80	17.23	18.47
EPS - diluted normalised (c)		8.97	9.57	10.69	16.06	17.26
EPS - basic reported (c)		(3.72)	(5.52)	5.24	8.04	8.04
Dividend (c)		0.00	0.00	0.00	0.00	0.00
Revenue growth (%)		155.9	119.8	71.0	56.4	14.7
Gross Margin (%)		39.2	31.3	28.9	27.4	26.3
Adj. EBITDA Margin (%)		16.4	12.2	11.3	11.5	11.3
Adj. EBITDA / Net Revenue (%)		41.9	39.1	39.0	42.0	43.0
Normalised Operating Margin		15.2	11.4	10.4	10.6	10.4
BALANCE SHEET						
Fixed Assets		217,544	270,578	271,830	329,462	313,097
Intangible Assets		206,055	255,716	254,169	314,087	299,755
Tangible and Right-of-use Assets		6,427	8,677	8,601	6,315	4,722
Investments & other		5,062	6,185	9,060	9,060	8,621
Current Assets		67,433	77,606	128,391	172,000	215,564
Stocks		491	1,011	895	895	2,393
Debtors		40,760	47,941	71,363	71,363	71,363
Cash & cash equivalents		26,182	28,654	56,133	99,742	141,807
Other		-	-	-	-	-
Current Liabilities		(78,767)	(96,421)	(137,129)	(130,710)	(131,190)
Creditors		(75,683)	(89,256)	(117,016)	(117,016)	(117,016)
Short term borrowings		(3,084)	(7,165)	(13,694)	(13,694)	(14,174)
Other		-	-	(6,419)	-	-
Long Term Liabilities		(129,206)	(137,867)	(149,110)	(172,630)	(172,630)
Long term borrowings		(102,799)	(113,024)	(124,356)	(147,876)	(147,876)
Other long term liabilities		(26,407)	(24,843)	(24,754)	(24,754)	(24,754)
Net Assets		77,004	113,896	113,982	198,122	224,841
Minority interests		69	-	-	-	-
Shareholders' equity		77,073	113,896	113,982	198,122	224,841
CASH FLOW						
PBT		(6,616)	(11,834)	1,555	22,376	35,196
Depreciation and amortisation		9,605	15,831	21,805	28,574	29,796
Share-based payments		2,878	5,113	5,006	5,006	5,006
Working capital		8,963	4,129	1,503	-	(1,498)
Exceptional & other		3,795	9,413	10,798	9,957	7,716
Tax		(2,309)	(1,957)	(2,230)	(8,161)	(12,616)
Net operating cash flow		16,316	20,695	38,437	57,752	63,600
Capex		(15,497)	(4,259)	(3,555)	(7,256)	(8,319)
Acquisitions/disposals		(63,840)	(40,718)	(26,482)	(78,950)	(5,500)
Net interest		(1,970)	(9,512)	(8,647)	(9,957)	(7,716)
Equity financing		2,133	34,667	-	58,500	-
Dividends		-	-	-	-	-
Net Cash Flow		(62,858)	873	(247)	20,089	42,065
Opening net debt/(cash)		2,115	74,998	84,985	81,394	54,886
FX		(6,730)	1,117	(2,718)	-	-
Other non-cash movements		(3,295)	(11,977)	6,556	6,419	-
Closing net debt/(cash)		74,998	84,985	81,394	54,886	12,821

Source: Company accounts, Edison Investment Research

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