EDISON

AFT Pharmaceuticals

H125 results

Softer H1 on one-offs; recovery expected in H2

Pharma and biotech

AFT Pharmaceuticals reported H125 revenues of NZ$86.7m, a 3.7% y-o-y increase, albeit lower than expected due to one-off factors such as inventory rationalisation by certain international customers and a prolonged doctors' strike in South Korea (combined sales of NZ$10m vs NZ$18.2m in H124). These factors, along with continued R&D and marketing efforts, weighed on profits, with AFT reporting an operating loss of NZ$1.8m in H125 (profit of NZ$3.3m in H124). The strong domestic Australia and New Zealand (ANZ) market performance provided a positive offset, with 17.4% y-o-y revenue growth to NZ$76.7m and improved operating profitability. Management expects a recovery in H2 but has lowered full-year operating profit guidance to NZ$15–20m (from NZ$22–25m previously) to reflect the H1 impact. The longer-term target is to achieve NZ$300m in sales by end-FY27, driven by expansion efforts. Factoring in the new FY25 guidance, we have lowered our valuation to NZ$697.4m or NZ$6.65/share (from NZ$725.5m or NZ$6.92/share).

Year end	Revenue (NZ$m)	PBT* (NZ$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
03/23	156.6	16.7	11.0	1.10	26.4	0.4
03/24	195.4	23.0	15.8	1.60	18.4	0.5
03/25e	219.0	16.9	11.9	1.19	24.5	0.4
03/26e	261.2	31.7	22.0	2.20	13.2	0.8

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

H1 affected by temporary sales disruptions

The NZ$1.8m operating loss was AFT's first in over five years, although given the temporary nature of the disruptions and a traditionally stronger H2, we anticipate a sharp recovery in H2. We take encouragement from the strong ANZ performance (88.5% of sales) and expect momentum to continue into H2, driven in particular by the over-the-counter (OTC) and prescriptions channels. The revised operating profit guidance of NZ$15–20m entails strong recovery from international markets and AFT has guided for FY25 sales from Asia to be higher than FY24, although international (RoW) product sales are expected to be in line with or marginally lower than FY24.

Broad-based growth to support NZ$300m target

After achieving its rolling NZ$200m sales target, AFT now aims to hit NZ$300m by end-FY27, backed by a combination of domestic and international growth. While the planned new product launches (60 over two years) should support domestic sales momentum, we expect increased throughput to come from international markets, particularly the top two pharma markets globally, the US and China, where AFT has recently made forays. We expect the planned entry into the Japanese market to support longer-term growth.

Valuation: NZ$697.4m or NZ$6.65/share

We pare our near-term sales and operating profit estimates to reflect the H125 performance, the revised operating profit guidance for FY25 and the latest net debt figure (NZ$18.9m vs NZ$16.2m at end-FY24). Our valuation adjusts to NZ$697.4m or NZ$6.65/share, from NZ$725.5m or NZ$6.92/share previously.

29 November 2024

Price	**NZ$2.91**
Market cap	**NZ$305m**
	NZ$0.61/US$
Net debt (NZ$m) at 30 September 2024	18.9
Shares in issue	104.9m
Free float	25.5%
Code	AFT
Primary exchange	NZX
Secondary exchange	ASX

Share price performance

%	1m	3m	12m
Abs	(14.0)	(15.3)	(14.6)
Rel (local)	(15.8)	(18.1)	(24.1)
52-week high/low		NZ$3.84	NZ$2.40

Business description

AFT Pharmaceuticals is a specialty pharmaceutical company that operates primarily in Australasia but has product distribution agreements across the globe. The company's product portfolio includes prescription and over-the-counter drugs to treat a range of conditions and a proprietary nebuliser.

Next events

China Crystaderm launch	end-CY24
Maxigesic Rapid US launch	end-CY24
FY25 results	May 2025

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Edison profile page

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H125 performance: A mixed bag

H125 (the six months ending 30 September 2024) saw AFT post another period of year-on-year growth in revenues, although the performance was tempered by one-off disruptions in international markets. Total revenues were reported at NZ$86.7m, 3.7% y-o-y growth over the H124 figure of NZ$83.6m. Excluding licensing income (NZ$0.2m in H125; NZ$2.0m in H124), year-on-year growth was 6% (from product sales and royalties). Top-line growth was driven by the domestic ANZ market, which registered combined revenues of NZ$76.7m, 17.4% growth y-o-y, and contributed 88.5% of total sales. Revenues from Asia and other international markets amounted to NZ$10.0m, a c 45% y-o-y decline (H124: NZ$18.2m). While revenues from Asia declined by 18.1% to NZ$4.4m (primarily due to the doctors strike in South Korea), the bigger hit came from international markets, which saw sales decline by 56.7% y-o-y to NZ$5.6m (attributed to lower licensing income and stocking rationalisation by several international customers following easing of supply chain issues).

Gross margins from product sales and royalties remained stable at 41.6% while overall gross margin reduced by 1.3pp to 41.7%, due to the lower licensing income during the period. Notwithstanding the temporary headwinds related to international sales, AFT continued to invest in its R&D efforts (71.4% y-o-y increase to NZ$6m in H125; NZ$8.9m if we include capitalised R&D) as well as sales and marketing related to new product launches and geographies (30.8% y-o-y growth to NZ$26.7m), resulting in an operating loss of NZ$1.8m for the period, versus a profit of NZ$3.3m in H124. EBITDA, a key financial metric used by the company, was a loss of NZ$0.7m in H125 versus a profit of NZ$4.1m in H124. The company also recorded a net loss of NZ$2.5m in H125 versus a profit of NZ$1.8m in H124. We note that AFT recorded an income tax benefit of NZ$0.4m in H125 and we believe this is related to approval by the Inland Revenue Department to treat capitalised R&D as deductible for income tax purposes.

Operating cash flow during the period was NZ$4.4m (NZ$7.5m in H124), with the net loss offset by a favourable working capital position (lower inventories and receivables). Furthermore, period-end net debt stood at NZ$18.9m, slightly higher than the end-FY24 figure of NZ$16.2m but materially lower than NZ$30.6m at end-H124.

Domestic markets spearheaded the H125 results

The primary contributor to the H125 operating performance was Australia, which accounted for 58.5% of H125 group revenue, registering solid 18.9% y-o-y growth to NZ$50.8m. The revenue uplift was supported by growth across all distribution channels, in particular OTC, which made up 66.8% of the segmental revenues and grew 16.1% y-o-y, driven by growth in the eyecare, pain relief and iron supplements categories. The hospitals channel (25.4% of segment sales) also grew strongly, 27.9% y-o-y, led by sales of injectables. The prescriptions channel (7.8% of segment sales) grew 14.5% y-o-y, with broad-based growth across the product range. Top-line growth as well as the prior year’s investment in sales and distribution reflected in operating profits, which rose to NZ$4.0m (H124: NZ$0.5m), translating to an operating margin of 7.8%. Management has communicated that the bulk of the growth was driven by existing products, but we expect incremental contribution from new product launches in the coming periods. We note that AFT plans to launch around 60 new products over the next two years and we expect this to help sustain the strong growth momentum in the long term from the segment.

New Zealand also posted a strong revenue uplift of 14.5% y-o-y (to NZ$26.0m), supported by growth across the OTC and prescription distribution channels as well as product launches in FY24. The OTC channel, which accounts for 54.4% of the segment’s sales, had the highest growth, increasing c 20% y-o-y, with strong demand for eyecare and dermatology products. The prescription channel (32% of segment sales) also recorded solid sales growth of 13.4%, while the hospital channel was down 1.4%. Operating profit, excluding group head office costs, improved to

NZ$3.7m, from NZ$2.6m in H124, translating to a healthy operating margin of 14.2%. Including head office-related expenses, the segment reported an operating loss of NZ$1.6m versus NZ$2.0m in H124.

International market performance tempered by one-offs

Unlike previous periods that saw strong sales uplift from Asia and other international markets, H125 was softer, with temporary sales disruptions across both segments. Revenue from Asia (5.1% of H125 group revenue) declined 18.1% y-o-y to NZ$4.4m. Management attributes this to the prolonged doctors strike in South Korea (which began in February 2024), a key market for AFT and where Maxigesic IV has seen significant traction. Unlike the domestic markets, sales in Asia are primarily generated by the hospital channel (61.7% of segment sales), which declined by 31.3%, attributed to the strike. However, we note that there has been a shift in the channel mix in Asia, with a significantly increased contribution from the OTC channel (34.5% of segment sales versus 18.6% in H124). We understand that this was partially driven by the growth in the online e-commerce channel into China (a key market for AFT). With the approval of its Crystaderm antiseptic cream in November 2023 by the National Medical Products Administration and the subsequent distribution agreement with Hainan Haiyao Co in July 2024, we expect increasing sales from the prescription and hospital segments following the launch, planned for end-CY24. Operating profit declined to NZ$0.5m (from NZ$1.6m in H124; margin declined to 11.2% from 29.9% in H124), reflecting the lower sales as well as increased spending on marketing and business development activities. We note that AFT has invested heavily in developing business hubs globally, including Singapore and Hong Kong to tap the Asian market. For FY25, management has guided for sales in Asia to be 25–30% higher than the previous year, which implies a strong recovery in H2.

The international segment (ex-Asia) was the worst performing segment during the period, with revenues falling by 56.7% y-o-y. Product sales and royalties declined by 50.4% to NZ$5.4m as several international customers reduced inventories, as supply chain restrictions eased. Encouragingly, in-market sales have not been affected and management has highlighted a strong forward order book, which means disruptions should be temporary with sales recovery expected in H2. Nonetheless, given the decline in H1, we expect full-year sales from international markets to lag the FY24 figure. Profitability for the segment was also significantly affected (operating loss of NZ$4.6m versus a profit of NZ$3.1m in H124) with increased investment in developing business hubs in the UK, the US, Canada and South Africa as well as greater R&D spend.

Product/market expansion is key to meeting the FY27 sales target

With the H125 results management also communicated its strategic focus on achieving a rolling annual revenue target of NZ$300m by the end of FY27. While this target is ambitious, we believe the company has laid the groundwork to achieve it, with significant investments made in new product launches and growing its international presence. With a portfolio of c 150 products and dose formats available in the domestic markets and another 60 product launches planned over the next two years, management expects sustained high-teens and double-digit growth from Australia and New Zealand, respectively, over the next few years. We therefore believe these markets will make a material contribution to meeting the sales target.

Alongside domestic market growth, we expect the execution of future growth plans to be underpinned by the company’s international efforts. While we believe that Maxigesic (across all dose formats) will continue to spearhead international growth efforts (currently available in 77 countries, up from 73 at the end of FY24) we note the increasing impetus by the company to develop and market a broader portfolio of products in international markets. As mentioned previously, AFT has also been investing heavily in developing business hubs internationally to gain greater control and oversight on distribution across select geographies. In the UK, while Maxigesic/Combogesic tablets have been launched through pharmacies and online channels, the company is working on getting the IV formulation included in the formulary list, along with growing its product pipeline in the country. AFT has also received approval as an accredited NHS supplier, winning its first contract for hospital injectable medicines, with sales to commence from early 2025. The company also expects first sales in H225 from its European subsidiary (AFT Pharm Europe), which earlier this year acquired six product licences for niche IV drugs from an insolvent German firm and EU rights for another IV drug (which was discontinued by a large pharma company). AFT has also launched Combogesic tablets in Canada through a partner and is expected to launch Crystaderm in FY25 as well as Combogesic IV, alongside other OTC products. Product launches are also planned in South Africa, Singapore and Hong Kong through the dedicated subsidiaries.

While we expect growing sales traction from these markets, we maintain that the US will be the key driver for AFT's international growth efforts, given that it accounts for c 50% of the global pharma market. Combogesic IV was launched in the US by distribution partner Hikma in February 2024 and received a reimbursement code (J-code) from the Centers for Medicare and Medicaid Services, effective October 2024, which we expect should result in increased sales momentum from FY26. Hikma also expanded its partnership with AFT in August 2024 to include the distribution of the rapid release tablets in the same hospital and ambulatory setting. The tablet formulation was approved by the FDA in March 2023 and the first distribution partnership was finalised with Alexso in June 2024. The company expects to launch the tablets before by year-end 2024, alongside several other OTC products.

Another major market opportunity for AFT will be China, which is the second-largest global pharma market after the US. As noted previously, AFT's topical antiseptic cream, Crystaderm, is set to launch in China before end-CY24 through partner Hainan Haiyao Co. While the company already has an e-commerce presence in the country, this launch would provide it access to China's offline retail and hospital segments, which make up the majority of the market. Management also highlighted that a further four distribution agreements have subsequently been signed with Hainan Haiyao Co for Vitamin C LipoSachets, Vitamin D LipoSachets, Ferro LipoSachets and Kiwisoothe tablets, with sales expected from FY26. In September 2024, AFT signed an exclusive license agreement for Maxigesic IV in China with Xizang Weixinkang Pharmaceutical, a listed hospitals injectables focused company. The deal terms include an upfront payment of US$300k along with development and sales-related milestones and royalty payments, to be split 65:35 between AFT and partner Hyloris.

We note that AFT now has distribution in place for Maxigesic IV in nine of the top 10 pharma markets globally (the US, China, Germany, France, Italy, the UK, Canada, Spain and Brazil). During the conference call, management communicated its plans to enter the remaining top 10 market, Japan. We understand that AFT has recently completed a pharmacokinetic study for Maxigesic IV in Japan and is in conversations with potential distribution partners to launch its products in this key market.

Exhibit 1: H125 results by region

NZ$000	Revenue			Operating profit before tax		
	H125	H124	% change	H125	H124	% change
Australia	50,762	42,704	18.9%	3,978	549	624.6%
New Zealand*	25,965	22,677	14.5%	(1,640)	(2,013)	18.5%
Asia	4,435	5,416	(18.1)%	496	1,621	(69.4)%
International/RoW	5,551	12,817	(56.7)%	(4,637)	3,094	(249.9)%

Source: AFT Pharmaceuticals. Note:* Operating profit (loss) attributed to New Zealand includes head office costs

R&D portfolio strengthened with recent additions

Despite a wide portfolio of marketed products, developing an R&D pipeline remains a key long-term growth driver for AFT, and the company continued to invest in new programmes in H125. Total R&D-related expenses (including capitalised expenses) during the period were NZ$8.9m, up 27.1% y-o-y from NZ$7m in H124. AFT's pipeline currently includes eight ongoing programmes, spanning dermatology, eyecare and pain relief, among others. In April 2024, AFT announced a partnership with Massey Ventures and the Gillies McIndoe Research Institute to develop a topical treatment for keloid and hypertrophic scars, which result from abnormal wound healing. Currently available treatments are limited to wound care dressings, laser treatments, corticosteroids and surgical excision, indicative of the need for more effective, non-invasive treatments.

The latest entry to the R&D pipeline is a late-stage novel injectable drug, containing an undisclosed. new chemical entity. The profit-sharing agreement was signed with two European partners, and AFT will be responsible for conducting the final Phase III confirmatory trial, with plans to commercialise within three years under an out-licensing agreement. The cost of the trial will be shared equally between AFT and one of the European partners. While details of the drug and target indication have not been made public, management has indicated that the potential market was valued at c US$3bn in 2024. The agreement is conditional on a positive FDA and European Medicines Agency meeting (before 31 March 2025) and we expect further updates in the coming months. Exhibit 2 presents an overview of AFT's R&D pipeline.

Exhibit 2: AFT's R&D pipeline

PROJECT	PATENT	PARTNERSHIP / APPLICATION
DERMATOLOGY		
Pascomer	2040/2044[1]	Facial angiofibromas / Port Wine Stains
Strawberry Birthmarks	2041 & 2044[1]	Gillies McIndoe and Massey Ventures
Keloid Scars topical treatment	2044[1]	Gillies McIndoe and Massey Ventures
Vulvar Lichen Sclerosis	TBC	Hyloris Pharmaceuticals
EYECARE		
Antibiotic Eye Drop	2037 & 2044[1]	For drug resistant infections: - Conjunctivitis, Keratitis, Post Kpro prophylaxis
PAIN		
Burning Mouth Syndrome	TBC	Hyloris Pharmaceuticals
DRUG DELIVERY		
NasoSURF for conscious sedation	2036	
Hospital injectables Targeted range of 5 injectables	N/A	Injectables offer strong opportunities. (AFT affiliates - AU, NZ, SG, MY, HK, ZA, CA, UK- offer a target market of **US$119M** and AFT Pharm EU offers of a target market of **US$448M**)
OTHER		
Novel new medicine (confidential)	2032 & TBC	Late-stage development

Source: AFT presentation, November 2024

Estimates revision

We have adjusted our estimates (both revenue and expenses) based on AFT's H125 performance, the revised operating profit guidance for FY25 and improved visibility on the company's growth plans and outlook. The H124 results were below our expectations and while recovery is anticipated in H2 (due to the reversal of the international sales disruptions; H2 is also a traditionally stronger period for AFT and the H1:H2 sales split has been around 40:60 in the past few years), we forecast the full-year revenues to remain below our previous expectations, reflecting the H1 impact. We now forecast FY25 and FY26 revenues to be NZ$219.0m and NZ$261.2m, respectively (NZ$232.4m and NZ$278.3m previously). In terms of segmental forecasts, we have upgraded our FY25 estimates for New Zealand (NZ$56m from $53.6m previously) and Australia (NZ$129.9m vs NZ$126.6m previously) given the strong H1 performance and the expectation of continued momentum in the second half of the financial year. This has been offset by our lower sales assumptions for Asia (NZ$13.6m vs NZ$16.0m previously) and more so for international markets (NZ$19.5m vs NZ$36.1m previously). We expect the company to achieve its NZ$300m revenue target in FY27, in line with management's expectation.

Given the sales mix in H125 and the lower expected licencing fee for the full year (NZ$1m for FY25, as per management guidance), we have reduced our FY25 gross margin expectations to 43.6%, from 45% previously. For FY26, we now estimate gross margin of 45% (46.9% previously). FY25 and FY26 operating expense estimates have been reduced (NZ$76.0m and NZ$82.8m, respectively, from NZ$77.9m and NZ$87.1m) to reflect the revised operating profit guidance for FY25 and lower estimated revenues. This results in our reported operating profit estimates revising to NZ$17.5m in FY25 (NZ$24.6m previously) and NZ$32.7m in FY26 (NZ$41.4m previously). This correlates to operating margin of 8% and 12.5% for FY25 and FY26, down from 10.6% and 14.9% previously.

Balance sheet position

AFT closed H125 with a net debt position of NZ$18.9m (NZ$16.2m at end-FY24), which comprised NZ$10.7m in gross cash and NZ$29.6m in debt. The debt is made up of a term loan from the Bank of New Zealand (BNZ), which was renewed in September 2022 into a three-year term loan maturing in April 2026. This loan structure is made up of a NZ$18.2m term loan, NZ$10.0m working capital facility, a NZ$3.0m overdraft facility and a NZ$5.0m business finance scheme loan (maturing in May 2026). While the term loan and working capital components have been utilised, AFT drew down another NZ$1.4m in H125, which we believe may be related to the business finance scheme loan. The company also received NZ$439k in related party financing by minority shareholder of AFT Pharma UK Limited (in which AFT owns a 70% stake) in H125.

Valuation

We use a discounted cash flow (DCF) valuation methodology to value AFT, projecting free cash flows over a 10-year explicit forecast period (FY25–34e) and thereafter ascribe a terminal growth value (assuming 2% ongoing top-line growth rate). We assume a terminal operating profit margin of 34% and use the Edison standard 10% discount rate for commercial-stage healthcare companies.

We have incorporated the recent H125 performance into our model and have made the aforementioned revisions to our forecasts, resulting in our valuation revising to NZ$697.4m or NZ$6.65/share (from NZ$725.5m or NZ$6.92/share previously). We note that AFT continues to expect a dividend payout for FY25, which we reflect in our model (we forecast a 10% dividend payout ratio, in line with previous years).

Exhibit 3: AFT DCF valuation

NZ$'000s	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
Revenue	218,965	261,175	300,352	322,878	339,022	355,973	373,772	392,460	412,083	432,688
Growth (%)	*12.1%*	*19.3%*	*15.0%*	*7.5%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*
EBIT	17,498	32,679	46,156	61,831	72,333	87,612	100,826	119,388	135,749	144,729
Margin (%)	*8.0%*	*12.5%*	*15.4%*	*19.1%*	*21.3%*	*24.6%*	*27.0%*	*30.4%*	*32.9%*	*33.4%*
Tax	(4,450)	(8,589)	(12,363)	(16,752)	(19,692)	(23,971)	(27,670)	(32,868)	(37,449)	(39,963)
Rate (%)	*28.0%*	*28.0%*	*28.0%*	*28.0%*	*28.0%*	*28.0%*	*28.0%*	*28.0%*	*28.0%*	*28.0%*
D&A	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013	2,013
Working capital	1,721	(6,035)	(6,293)	(6,765)	(6,934)	(6,934)	(6,934)	(6,934)	(6,934)	(6,934)
Capex	(7,708)	(7,733)	(8,004)	(7,744)	(7,318)	(6,915)	(6,535)	(6,175)	(5,836)	(5,515)
Free cash flow	**9,074**	**12,335**	**21,509**	**32,583**	**40,402**	**51,805**	**61,699**	**75,424**	**87,543**	**94,329**
								Value (NZ$m)		**Value/share (NZ$)**
DCF for forecast period (2025 to 2034)								251.1		2.39
Terminal value								464.9		4.43
Enterprise value								**716.0**		**6.83**
Net cash (debt) at end September 2024								(18.9)		(0.18)
Equity value								**697.1**		**6.65**

Source: Edison Investment Research

Exhibit 4 captures the sensitivity of our valuation to terminal EBIT margin and revenue growth assumptions.

Exhibit 4: DCF sensitivity (NZ$/share)

	Terminal EBIT margin				
Terminal revenue growth	**30%**	**32%**	**34%**	**36%**	**38%**
-2.0%	4.68	4.87	5.06	5.24	5.43
-1.0%	4.94	5.14	5.35	5.55	5.76
0.0%	5.24	5.47	5.69	5.92	6.15
1.0%	5.61	5.86	6.12	6.37	6.63
2.0%	6.07	6.36	**6.65**	6.94	7.23
3.0%	6.66	6.99	7.33	7.66	8.00
4.0%	7.45	7.84	8.23	8.63	9.02
5.0%	8.55	9.02	9.50	9.98	10.46

Source: Edison Investment Research

Exhibit 5: Financial summary

NZ$000	2023	2024	2025e	2026e
Year end 31 March	NZGAAP	NZGAAP	NZGAAP	NZGAAP
PROFIT & LOSS				
Revenue	156,641	195,411	218,965	261,175
Cost of Sales	(83,658)	(107,139)	(123,471)	(143,732)
Gross Profit	72,983	88,272	95,494	117,444
Operating Expenses	(51,590)	(62,552)	(75,984)	(82,751)
Other Operating Income	-	528	-	-
EBITDA	21,393	26,248	19,511	34,692
Depreciation	(808)	(1,003)	(1,003)	(1,003)
Operating profit (before amort. and excepts.)	20,585	25,245	18,508	33,689
Intangible Amortisation	(916)	(1,010)	(1,010)	(1,010)
Exceptionals	-	-	-	-
Other	-	-	-	-
Operating Profit	19,669	24,235	17,498	32,679
Net Interest	(3,870)	(2,216)	(1,606)	(2,003)
Profit Before Tax (norm)	16,715	23,029	16,902	31,686
Profit Before Tax (reported)	15,799	22,019	15,892	30,676
Tax	(5,145)	(6,410)	(4,450)	(8,589)
Profit After Tax (norm)	11,570	16,619	12,452	23,097
Profit After Tax (reported)	10,654	15,609	11,442	22,087
Average Number of Shares Outstanding (m)	104.8	104.9	104.9	104.9
EPS - normalised (c)	11.0	15.8	11.9	22.0
EPS - (reported) (NZ$)	0.10	0.15	0.11	0.21
Dividend per share (c)	1.10	1.60	1.19	2.20
Gross Margin (%)	46.6	45.2	43.6	45.0
EBITDA Margin (%)	13.7	13.4	8.9	13.3
Operating Margin (before GW and except.) (%)	13.1	12.9	8.5	12.9
BALANCE SHEET				
Fixed Assets	53,463	59,530	65,225	70,945
Intangible Assets	45,627	53,459	59,225	64,990
Tangible Assets	3,365	3,821	3,750	3,705
Investments	4,471	2,250	2,250	2,250
Current Assets	93,142	105,727	112,363	128,931
Stocks	42,397	49,057	53,963	59,359
Debtors	46,718	44,222	43,323	51,333
Cash	3,291	12,040	14,669	17,832
Other	736	408	408	408
Current Liabilities	(38,317)	(46,068)	(51,796)	(59,167)
Creditors	(36,376)	(42,267)	(47,995)	(55,366)
Short term borrowings	(1,000)	-	-	-
Other	(941)	(3,801)	(3,801)	(3,801)
Long Term Liabilities	(35,020)	(31,394)	(28,233)	(23,233)
Long term borrowings	(32,200)	(28,200)	(25,039)	(20,039)
Other long term liabilities	(2,820)	(3,194)	(3,194)	(3,194)
Net Assets	73,268	87,795	97,559	117,477
CASH FLOW				
Operating Cash Flow	10,654	15,609	11,442	22,087
Movements in working capital	(6,947)	1,502	1,721	(6,035)
Depreciation and amortisation	1,724	2,013	2,013	2,013
Net Interest	2,625	3,314	2,206	2,003
Taxes	3,742	5,188	-	-
Other adjustments	(169)	1,235	-	-
Cash flow from operating activities	11,629	28,861	17,382	20,068
Capex	(197)	(116)	(130)	(155)
Acquisitions/disposals	(8,980)	(9,411)	(7,578)	(7,578)
Cash flow from investing activities	(9,177)	(9,527)	(7,708)	(7,733)
Financing	475	-	-	-
Dividends	-	(1,154)	(1,678)	(2,169)
Net Borrowings	(4,593)	(5,859)	(3,161)	(5,000)
Other adjustments	(2,860)	(3,620)	(2,206)	(2,003)
Cash flow from financing activities	(6,978)	(10,633)	(7,045)	(9,172)
Cash and cash equivalents at the beginning of the period	7,940	3,291	12,040	14,669
Increase/(decrease) in cash and equivalents	(4,526)	8,701	2,629	3,163
Effect of FX on cash and equivalents	(123)	48	-	-
Cash and equivalents at end of period	3,291	12,040	14,669	17,832
Closing net debt/(cash)	29,909	16,160	10,370	2,207

Source: Company reports, Edison Investment Research

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