

6 October 2022

## Corp

<b>Ticker</b>	<b>PMG:AIM</b>
<b>Oil &amp; Gas</b>	
Shares in issue (m)	109.3
Next results	FY Nov
<b>Price</b>	<b>53.0p</b>
Target price	194.0p
Upside	266%
<b>Market cap</b>	<b>£57.9m</b>
Net debt/(cash)	-£19.6m
Other EV adjustments	£0.0m
Enterprise value	£38.3m

<b>What's changed?</b>	<b>From</b>	<b>To</b>
Adjusted EPS	3.7	3.7
Target price	164.0	194.0

### Share price performance



<b>%</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Actual	-19.0	24.1	-13.0

### Company description

Parkmead has four divisions offering a broad set of growth opportunities in oil, gas and renewables.

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\* denotes corporate client of finncap

## PARKMEAD GROUP\*

### Kempstone off to the races

Parkmead has provided a very positive update on its onshore renewable energy projects in the UK, which are benefiting from strong power markets and expanding in scope. This alongside exceptionally high European gas prices drives a significant increase to our FY23 estimates and price target, which rises 18% to 194p/sh. Parkmead is firing strongly on two of its cylinders – Dutch gas and renewables. The icing on the cake would be a successful conclusion to the ongoing farm-out process for the Greater Perth Area in the UK North Sea. Recently announced OPEC+ production cuts of 2mmbpd can only help that cause.

- **Kempstone off to the races.** The Kempstone Hill Wind Farm, which Parkmead acquired in February for £4.3m, has now been fully integrated into the Group. The acquisition was immediately revenue and cash flow enhancing, and over the past 12 months it has generated 2.85 GWh of electricity and had an impressive 99.7% availability. It benefits from an attractive inflation-linked, Feed-in Tariff (FIT) for the life of the project through until 2036. The electricity generated is sold through a PPA, which provides exposure to the large rise in wholesale electricity prices since the Ukraine war.
- **Record electricity revenue.** The annual PPA renegotiation for the year commencing 1 August 2022 has locked in almost a 250% increase to the wholesale export electricity price, providing a significant boost to near-term cashflow. We estimate Kempstone Hill generated £206k of EBITDA in FY22, rising 49% in FY23 to £306k. Doubling the power price in our model more than doubles our FY23 EBITDA estimate for Kemp Hill to £637k. Parkmead is also pursuing opportunities to further enhance the Kempstone Hill site, including the potential inclusion of solar and expanding electricity sales to local industry.
- **Enhanced Pitreadie opportunity.** The seismic shift in the power markets following Russia's invasion of Ukraine has changed the renewable energy landscape, and Parkmead is expanding the scope of its Pitreadie project from just a wind farm to a hybrid of renewables, including wind, solar and battery storage.
- **Raising estimates and price target.** We are updating our FY23 estimates to capture both the strong power and gas markets that Parkmead's renewable and upstream assets are exposed to. In addition to the changes highlighted above, we are also raising our Dutch gas price sharply, from €80/MWh to €125/MWh, and adjusting our currency forecasts. All told, our FY23 revenue forecast increases 61% to £22.6m and adjusted EBITDA rises 83% to €18.6m. Factoring in higher long-term oil and gas prices (US\$70/bbl Brent, €30/MWh Dutch TTF gas) our risked NAV and price target increases 18% from 164p to 194p/sh.

Key estimates		2019A	2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun	Jun
Revenue	£m	8.3	4.1	3.6	13.1	22.6
Adj EBITDA	£m	5.4	0.3	-0.9	9.3	18.6
Adj EBIT	£m	5.2	-0.5	-1.5	8.8	18.1
Adj PBT	£m	4.8	-0.7	-2.6	8.2	17.5
Adj EPS	p	2.4	0.8	-2.5	3.7	8.2
DPS	p	0.0	0.0	0.0	0.0	0.0

Key valuation metrics		2019A	2020A	2021A	2022E	2023E
EV/EBIT (adj)	x	7.4	-78.4	-25.1	4.3	2.1
P/E (adj)	x	21.7	67.7	-21.0	14.4	6.4
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
Free cash yield	%	-1.5%	-8.2%	-3.4%	6.4%	12.6%
Pre-tax ROCE	%	7.6%	-0.7%	-2.6%	14.2%	25.3%

## Kempstone off to the races

Income statement		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Sales	£m	4.1	3.6	13.1	22.6
Gross profit	£m	2.1	2.3	11.8	21.1
EBITDA (adjusted)	£m	0.3	-0.9	9.3	18.6
<b>EBIT (adjusted)</b>	<b>£m</b>	<b>-0.5</b>	<b>-1.5</b>	<b>8.8</b>	<b>18.1</b>
Associates/other	£m	0.4	-0.4	0.0	0.0
Net interest	£m	-0.6	-0.7	-0.6	-0.7
<b>PBT (adjusted)</b>	<b>£m</b>	<b>-0.7</b>	<b>-2.6</b>	<b>8.2</b>	<b>17.5</b>
Total adjustments	£m	-0.1	-10.9	-0.1	-0.1
PBT (stated)	£m	-0.8	-13.5	8.2	17.4
Tax charge	£m	0.3	-0.4	-4.1	-7.7
Minorities/Disc ops	£m	0.0	0.0	0.0	0.0
Reported earnings	£m	-0.5	-13.8	4.1	9.8
<b>Adjusted earnings</b>	<b>£m</b>	<b>0.9</b>	<b>-3.0</b>	<b>4.4</b>	<b>9.8</b>
Shares in issue (year end)	m	108.6	109.2	109.2	109.2
EPS (stated)	p	-0.5	-12.7	3.7	8.9
<b>EPS (adjusted, fully diluted)</b>	<b>p</b>	<b>0.8</b>	<b>-2.5</b>	<b>3.7</b>	<b>8.2</b>
<b>DPS</b>	<b>p</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Cash flow		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
EBITDA	£m	0.3	-0.9	9.3	18.6
Net change in working capital	£m	-0.5	-1.1	0.0	0.0
Other operating items	£m	1.1	0.8	0.4	0.4
<b>Cash flow from op. activities</b>	<b>£m</b>	<b>0.9</b>	<b>-1.2</b>	<b>9.7</b>	<b>19.0</b>
Cash interest	£m	0.1	0.0	-0.0	-0.0
Cash tax	£m	-1.9	-0.1	-5.0	-8.5
Capex	£m	-3.8	-0.7	-1.0	-3.1
Other items	£m				
<b>Free cash flow</b>	<b>£m</b>	<b>-4.7</b>	<b>-2.0</b>	<b>3.7</b>	<b>7.3</b>
Acquisitions / disposals	£m				
Dividends	£m				
Shares issued	£m	0.0	0.0	0.0	0.0
Other	£m	-0.2	-4.4	-0.4	2.1
<b>Net change in cash flow</b>	<b>£m</b>	<b>-5.0</b>	<b>-2.3</b>	<b>-0.4</b>	<b>9.3</b>
Opening net cash (debt)	£m	30.7	25.7	23.4	22.9
<b>Closing net cash (debt)</b>	<b>£m</b>	<b>25.7</b>	<b>23.4</b>	<b>22.9</b>	<b>32.3</b>

Balance sheet		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Tangible fixed assets	£m	21.4	19.3	24.4	24.7
Goodwill & other intangibles	£m	38.3	31.7	32.1	34.1
Other non current assets	£m	2.9	2.9	2.9	0.0
Net working capital	£m	-2.9	-2.1	-2.0	-1.7
Other assets	£m	0.0	0.0	0.0	0.0
Other liabilities	£m	-10.4	-17.0	-18.0	-17.8
Gross cash & cash equivs	£m	25.7	23.4	22.9	32.3
<b>Capital employed</b>	<b>£m</b>	<b>74.9</b>	<b>58.2</b>	<b>62.3</b>	<b>71.6</b>
Gross debt	£m	3.6	0.5	0.5	0.0
Net pension liability	£m	0.0	0.0	0.0	0.0
Shareholders equity	£m	71.3	57.7	61.8	71.6
Minorities	£m	0.0	0.0	0.0	0.0
<b>Capital employed</b>	<b>£m</b>	<b>74.9</b>	<b>58.2</b>	<b>62.3</b>	<b>71.6</b>

Growth analysis		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Sales growth	%	-50.7%	-11.6%	262.9%	72.6%
EBITDA growth	%	-94.9%	-430.8%	n/m	100.4%
EBIT growth	%	-109.5%	-212.3%	680.3%	105.0%
PBT growth	%	-115.4%	-248.6%	417.8%	112.9%
EPS growth	%	-68.0%	-422.6%	246.2%	123.2%
DPS growth	%	n/m	n/m	n/m	n/m

Profitability analysis		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Gross margin	%	51.2%	64.9%	90.3%	93.5%
EBITDA margin	%	6.8%	-25.3%	70.9%	82.3%
EBIT margin	%	-12.0%	-42.2%	67.5%	80.2%
PBT margin	%	-18.2%	-71.6%	62.7%	77.3%
Net margin	%	21.3%	-82.9%	33.4%	43.2%

Cash flow analysis		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Cash conv'n (op cash / EBITDA)	%	319.6%	n/m	104.2%	101.9%
Cash conv'n (FCF / EBITDA)	%	n/m	214.2%	39.7%	39.1%
U/lying FCF (capex = deprn)	£m	-1.7	-1.9	4.3	9.9
Cash quality (u/l FCF / adj earn)	%	-197.8%	63.1%	97.4%	101.7%
Investment rate (capex / deprn)	x	5.0	1.1	2.3	6.6
Interest cash cover	x	n/a	net cash	425.9	467.7
Dividend cash cover	x	n/a	n/a	n/a	n/a

Working capital analysis		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Net working capital / sales	%	-70.9%	-57.4%	-15.6%	-7.5%
Net working capital / sales	days	-259	-210	-57	-27
Inventory (days)	days	12	7	2	1
Receivables (days)	days	126	137	38	22
Payables (days)	days	397	353	96	50

Leverage analysis		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Net debt / equity	%	net cash	net cash	net cash	no debt
Net debt / EBITDA	x	net cash	n/a	net cash	no debt
Liabilities / capital employed	%	4.8%	0.9%	0.8%	0.0%

Capital efficiency & intrinsic value		2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun
Adjusted return on equity	%	1.2%	-5.2%	7.1%	13.6%
RoCE (EBIT basis, pre-tax)	%	-0.7%	-2.6%	14.2%	25.3%
RoCE (u/lying FCF basis)	%	-2.3%	-3.2%	6.8%	13.9%
NAV per share	p	65.7	52.9	56.6	65.6
NTA per share	p	30.5	23.9	27.2	34.4

## Estimates changes and NAV

Figure 1: Parkmead estimate change summary

June yr end		FY 2022 estimates			FY 2023 estimates		
		New	Old	% Chg	New	Old	% Chg
Brent oil price	US\$/bbl	91.2	91.2	0%	90.0	80.0	13%
Dutch TTF gas price	€/MWh	86.0	86.0	0%	125.0	80.0	56%
Exchange rate	£/US\$	1.33	1.33	0%	1.15	1.25	-8%
Exchange rate	€/US\$	1.13	1.13	0%	1.00	1.05	-5%
<b>Revenue</b>	<b>£'000</b>	<b>13,095</b>	<b>13,095</b>	<b>0%</b>	<b>22,606</b>	<b>14,070</b>	<b>61%</b>
Gross Profit	£'000	11,330	11,330	0%	20,602	11,981	72%
<b>Adjusted EBITDA</b>	<b>£'000</b>	<b>9,286</b>	<b>9,286</b>	<b>0%</b>	<b>18,608</b>	<b>10,188</b>	<b>83%</b>
EBIT	£'000	8,792	8,792	0%	18,081	9,662	87%
PBT	£'000	8,159	8,159	0%	17,429	9,005	94%
EPS	pence	3.7	3.7	0%	8.9	4.3	106%
<b>Net CFFO</b>	<b>£'000</b>	<b>4,723</b>	<b>4,724</b>	<b>0%</b>	<b>10,441</b>	<b>5,221</b>	<b>100%</b>
Capex	£'000	1,010	1,010	0%	3,130	1,756	78%
Period-end cash	£'000	22,942	22,942	0%	32,262	28,410	14%
Period-end debt	£'000	500	500	0%	0	0	-
<b>Net cash/(debt)</b>	<b>£'000</b>	<b>22,442</b>	<b>22,442</b>	<b>0%</b>	<b>32,262</b>	<b>28,410</b>	<b>14%</b>

Source: finnCap

Figure 2: Parkmead net asset value

Net Asset Valuation	Net resource mmboe	NPV/bbl US\$/boe	Unrisked NPV		Geological CoS	Commercial CoS	Dry hole cost US\$m	Risked NPV	
			US\$m	p/sh				US\$m	p/sh
G&A (3 years)			-5.9	-4.2				-5.9	-4.2
Net cash / (debt)			22.6	16.2				22.6	16.2
Options/SARs			4.7	3.3				4.7	3.3
Athena decommissioning			-7.4	-5.3				-7.4	-5.3
Aupec (6x 2023e EBIT)			0.3	0.2				0.3	0.2
Pitreadie Farm Ltd land (@ cost adjusted for land sales)			5.2	3.7				5.2	3.7
Kempstone Hill 1.5 MW Wind Farm			5.3	3.8				5.3	3.8
			<b>24.7</b>	<b>17.7</b>				<b>24.7</b>	<b>17.7</b>
<b>Producing assets</b>									
Netherlands producing	2.3	18.95	43.3	31.0	100%	100%		43.3	31.0
<b>Core value:</b>			<b>61.0</b>	<b>48.6</b>				<b>61.0</b>	<b>48.6</b>
<b>Contingent resource:</b>									
Pitreadie 20 MW Wind Farm			8.1	5.8		50%		4.0	2.9
Netherlands - Ottoland	0.7	12.31	8.5	6.1	100%	50%		4.2	3.0
Netherlands - Papekop	0.9	12.31	11.0	7.8	100%	50%		5.5	3.9
UK - Greater Perth Area	76.9	6.92	532.5	380.6	100%	25%		133.1	95.2
UK - Fynn Beaully	25.1	2.50	62.8	44.9	100%	10%		6.3	4.5
UK - Fynn Andrew	9.3	2.50	23.1	16.5	100%	10%		2.3	1.7
<b>Contingent value:</b>			<b>645.9</b>	<b>461.7</b>				<b>155.5</b>	<b>111.1</b>
<b>Prospective resource:</b>									
Netherlands - Drenthe V - LDS-A/B	3.4	11.08	37.7	27.0	43%	50%	1.5	6.6	4.7
UK - Skerryvore (Mey+Ekofisk+Tor)	77.7	3.30	256.3	183.2	24%	30%	5.8	12.6	9.0
UK - Ruvaal	9.3	3.46	32.3	23.1	17%	10%	6.2	0.0	0.0
UK - Blackadder	14.1	11.90	168.1	120.2	41%	50%	5.3	29.1	20.8
UK - Davaar	204.0	2.77	564.6	403.6	18%	10%	28.7	0.0	0.0
<b>Prospective value:</b>			<b>1,021.3</b>	<b>730.1</b>				<b>41.8</b>	<b>34.6</b>
<b>Total - Core + Contingent + Prospective:</b>			<b>1,728.2</b>	<b>1,240.5</b>				<b>258.3</b>	<b>194.3</b>

Source: finnCap

## Kempstone off to the races

Income statement		2019A	2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun	Jun
<b>Sales</b>	£m	<b>8.3</b>	<b>4.1</b>	<b>3.6</b>	<b>13.1</b>	<b>22.6</b>
Cost of sales	£m	-2.3	-2.0	-1.3	-1.3	-1.5
<b>Gross profit</b>	£m	<b>6.0</b>	<b>2.1</b>	<b>2.3</b>	<b>11.8</b>	<b>21.1</b>
Operating expenses	£m	-0.6	-1.8	-3.3	-2.5	-2.5
<b>EBITDA (adjusted)</b>	£m	<b>5.4</b>	<b>0.3</b>	<b>-0.9</b>	<b>9.3</b>	<b>18.6</b>
Depreciation	£m	-0.2	-0.8	-0.6	-0.4	-0.5
Amortisation	£m	0.0	0.0	0.0	0.0	0.0
<b>EBIT (adjusted)</b>	£m	<b>5.2</b>	<b>-0.5</b>	<b>-1.5</b>	<b>8.8</b>	<b>18.1</b>
Associates/other	£m	0.0	0.4	-0.4	0.0	0.0
Net interest	£m	-0.3	-0.6	-0.7	-0.6	-0.7
<b>PBT (adjusted)</b>	£m	<b>4.8</b>	<b>-0.7</b>	<b>-2.6</b>	<b>8.2</b>	<b>17.5</b>
<i>restructuring costs</i>	£m	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>share based payments</i>	£m	<i>-0.0</i>	<i>-0.1</i>	<i>0.0</i>	<i>-0.1</i>	<i>-0.1</i>
<i>other adjustments</i>	£m	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Total adjustments	£m	-0.0	-0.1	-10.9	-0.1	-0.1
<b>PBT (stated)</b>	£m	<b>4.8</b>	<b>-0.8</b>	<b>-13.5</b>	<b>8.2</b>	<b>17.4</b>
Tax charge	£m	-2.4	0.3	-0.4	-4.1	-7.7
<i>tax rate</i>	%	<i>49.7</i>	<i>n/a</i>	<i>n/a</i>	<i>50.3</i>	<i>44.0</i>
Minorities	£m	0.0	0.0	0.0	0.0	0.0
<b>Reported earnings</b>	£m	<b>2.4</b>	<b>-0.5</b>	<b>-13.8</b>	<b>4.1</b>	<b>9.8</b>
Tax effect of adjustments / other	£m	0.0	1.3	10.9	0.3	0.0
<b>Adjusted earnings</b>	£m	<b>2.5</b>	<b>0.9</b>	<b>-3.0</b>	<b>4.4</b>	<b>9.8</b>
<i>shares in issue (year end)</i>	m	<i>98.9</i>	<i>108.6</i>	<i>109.2</i>	<i>109.2</i>	<i>109.2</i>
<i>shares in issue (weighted average)</i>	m	<i>98.9</i>	<i>106.3</i>	<i>109.2</i>	<i>109.2</i>	<i>109.2</i>
<i>shares in issue (fully diluted)</i>	m	<i>100.7</i>	<i>110.8</i>	<i>118.5</i>	<i>118.5</i>	<i>118.5</i>
<b>EPS (adjusted, fully diluted)</b>	p	<b>2.4</b>	<b>0.8</b>	<b>-2.5</b>	<b>3.7</b>	<b>8.2</b>
EPS (stated)	p	2.4	-0.5	-12.7	3.7	8.9
<b>DPS</b>	p	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Growth analysis (adjusted basis where applicable)						
Sales growth	%	17.8%	-50.7%	-11.6%	262.9%	72.6%
EBITDA growth	%	212.5%	-94.9%	-430.8%	n/m	100.4%
EBIT growth	%	197.1%	-109.5%	-212.3%	680.3%	105.0%
PBT growth	%	182.2%	-115.4%	-248.6%	417.8%	112.9%
EPS growth	%	211.8%	-68.0%	-422.6%	246.2%	123.2%
DPS growth	%	n/m	n/m	n/m	n/m	n/m

Profitability analysis (adjusted basis where applicable)						
Gross margin	%	72.4%	51.2%	64.9%	90.3%	93.5%
EBITDA margin	%	65.1%	6.8%	-25.3%	70.9%	82.3%
EBIT margin	%	62.4%	-12.0%	-42.2%	67.5%	80.2%
PBT margin	%	58.4%	-18.2%	-71.6%	62.7%	77.3%
Net margin	%	29.8%	21.3%	-82.9%	33.4%	43.2%

## Kempstone off to the races

Cash flow		2019A	2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun	Jun
EBITDA	£m	5.4	0.3	-0.9	9.3	18.6
Net change in working capital	£m	-0.5	-0.5	-1.1	0.0	0.0
Share based payments	£m	-0.0	-0.1	0.0	-0.1	-0.1
Profit/(loss) on sale of assets	£m	0.0	-0.4	0.4	0.0	0.0
Net pensions charge	£m	0.0	0.0	0.0	0.0	0.0
Change in provision	£m	0.0	0.0	0.0	0.0	0.0
Other items	£m	-0.2	1.5	0.4	0.4	0.4
<b>Cash flow from operating activities</b>	<b>£m</b>	<b>4.7</b>	<b>0.9</b>	<b>-1.2</b>	<b>9.7</b>	<b>19.0</b>
Cash interest	£m	0.2	0.1	0.0	-0.0	-0.0
Tax paid	£m	-1.8	-1.9	-0.1	-5.0	-8.5
Capex	£m	-4.0	-3.8	-0.7	-1.0	-3.1
Other items	£m					
<b>Free cash flow</b>	<b>£m</b>	<b>-0.8</b>	<b>-4.7</b>	<b>-2.0</b>	<b>3.7</b>	<b>7.3</b>
Disposals	£m					
Acquisitions	£m	6.6	0.0	4.0	-3.8	0.0
Dividends on ord shares	£m					
Other cashflow items	£m	1.1	-0.2	-4.4	-0.4	2.1
Issue of share capital	£m	0.0	0.0	0.0	0.0	0.0
<b>Net change in cash flow</b>	<b>£m</b>	<b>6.9</b>	<b>-5.0</b>	<b>-2.3</b>	<b>-0.4</b>	<b>9.3</b>
Opening net cash (debt)	£m	23.8	30.7	25.7	23.4	22.9
<b>Closing net cash (debt)</b>	<b>£m</b>	<b>30.7</b>	<b>25.7</b>	<b>23.4</b>	<b>22.9</b>	<b>32.3</b>

Cash flow analysis						
Cash conversion (op cash flow / EBITDA)	%	88.0%	319.6%	n/m	104.2%	101.9%
Cash conversion (free cash flow / EBITDA)	%	-15.8%	n/m	214.2%	39.7%	39.1%
Underlying free cash flow (capex = depreciation)	£m	2.9	-1.7	-1.9	4.3	9.9
Cash quality (underlying FCF / adjusted earnings)	%	119.0%	-197.8%	63.1%	97.4%	101.7%
Investment rate (capex / depn)	x	18.4	5.0	1.1	2.3	6.6
Interest cash cover	x	n/a	n/a	net cash	425.9	467.7
Dividend cash cover	x	n/a	n/a	n/a	n/a	n/a

## Kempstone off to the races

Balance sheet		2019A	2020A	2021A	2022E	2023E
Year end:		Jun	Jun	Jun	Jun	Jun
Tangible fixed assets	£m	11.8	21.4	19.3	24.4	24.7
Goodwill	£m	2.2	2.2	2.2	2.2	2.2
Other intangibles	£m	34.1	36.1	29.5	29.9	31.9
Other non current assets	£m	0.0	2.9	2.9	2.9	0.0
<i>inventories</i>	£m	0.0	0.1	0.1	0.1	0.1
<i>trade receivables</i>	£m	0.7	1.4	1.4	1.4	1.4
<i>trade payables</i>	£m	-4.6	-4.4	-3.5	-3.5	-3.1
Net working capital	£m	-3.9	-2.9	-2.1	-2.0	-1.7
Other assets	£m	2.9	0.0	0.0	0.0	0.0
Other liabilities	£m	-9.5	-10.4	-17.0	-18.0	-17.8
Gross cash & cash equivalents	£m	30.7	25.7	23.4	22.9	32.3
<b>Capital employed</b>	<b>£m</b>	<b>68.3</b>	<b>74.9</b>	<b>58.2</b>	<b>62.3</b>	<b>71.6</b>
Gross debt	£m	0.0	3.6	0.5	0.5	0.0
Net pension liability	£m	0.0	0.0	0.0	0.0	0.0
Shareholders equity	£m	68.3	71.3	57.7	61.8	71.6
Minorities	£m	0.0	0.0	0.0	0.0	0.0
<b>Capital employed</b>	<b>£m</b>	<b>68.3</b>	<b>74.9</b>	<b>58.2</b>	<b>62.3</b>	<b>71.6</b>

Leverage analysis						
Net debt / equity	%	no debt	net cash	net cash	net cash	no debt
Net debt / EBITDA	x	no debt	net cash	n/a	net cash	no debt
Liabilities / capital employed	%	0.0%	4.8%	0.9%	0.8%	0.0%

Working capital analysis						
Net working capital / sales	%	-47.2%	-70.9%	-57.4%	-15.6%	-7.5%
Net working capital / sales	days	-172	-259	-210	-57	-27
Inventory (days)	days	0	12	7	2	1
Receivables (days)	days	29	126	137	38	22
Payables (days)	days	201	397	353	96	50

Capital efficiency & intrinsic value						
Adjusted return on equity	%	3.6%	1.2%	-5.2%	7.1%	13.6%
RoCE (EBIT basis, pre-tax)	%	7.6%	-0.7%	-2.6%	14.2%	25.3%
RoCE (underlying free cash flow basis)	%	4.3%	-2.3%	-3.2%	6.8%	13.9%
NAV per share	p	69.0	65.7	52.9	56.6	65.6
NTA per share	p	32.4	30.5	23.9	27.2	34.4

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