

House Stock

Current price 49p
Food Producers
United Kingdom

AIM	753
Reuters/Bloomberg	RGD
No. of shares in issue (m)	69.7
Market Cap (£m)	34.1
Website	www.realgoodfoodplc.com

	2016F
EPS (p)	5.0
PER (x)	9.9
EV/EBITDA (x)	4.2
NAV per share (p)	134.9
Price-to-Book (x)	0.4

Next update:

FY results August 2015

Performance	1M	3M	12M
Absolute (%)	(3)	38	43
Rel Index (%)	1	33	47
Relative to	AIM All Share		

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Research analyst

Phil Carroll

0151 600 3711

Real Good Food+

A new beginning

Following the disposal of the Napier Brown business in May 2015, we believe Real Good Food ('RGF') is now a re-engineered business. It is no longer exposed to the volatility of the EU sugar market, which also seems timely given the upcoming end of the quota regime. Furthermore, management should be commended on the price achieved for its sugar business. This now leaves the group in a net cash position, providing it with a strong foundation for driving future growth from its remaining divisions, including the recently acquired high-margin Rainbow Dust Colours business along with the potential for complementary bolt-on acquisitions. Looking forward, we believe RGF moves into FY2016F as a transformed business with a value-added proposition that bodes well for the future.

A transformational deal: On 20th May 2015 RGF announced the completion of the sale of Napier Brown (its sugar division) to Tereos for £34m plus working capital of £7m. The deal not only significantly reshapes the group's balance sheet into a net cash position, having been materially leveraged, but also reduces the group's exposure to a volatile commoditised market.

Full year guidance: In the pre-close update announced on 1st June 2015, management stated that for its year to March 2015, based on the continuing businesses, it expected to reported net sales of c£104m and EBITDA of c£5.3m with a net debt position of £30.1m, which is prior to the disposal of Napier Brown.

A clearer focus: Going forward, the group will be focused on added value products in three areas: cake decoration (Renshaw and Rainbow Dust Colours), food ingredients (Garrett and R&W Scott) and premium bakery (Haydens).

Revised forecasts and an attractive valuation: We placed our forecasts for RGF under review post the announcement of talks regarding Napier Brown in April 2015. Our forecasts at the time did not include any anticipated contribution for Rainbow Dust Colours. We now issue revised forecasts for RGF reflecting the transformation of the group. For FY2016, we are forecasting CPBT of £4.7m, which translates into EPS of 5.0p. This puts the shares on what we believe is an attractive forward valuation based on a PER of 9.9x and an EV/EBITDA ratio of 4.2x, with the latter benefiting from the balance sheet transformation.

Results and Forecasts

Year to	Turnover	CPBT	EPS	PER	EBITDA	EV/EBITDA	DPS	Div Yield	Debt/EBITDA
March	(£m)	(£m)	(p)	(x)	(£m)	(x)	(p)	(%)	(x)
2014A	272.6	(0.9)	(0.2)	na	3.3	20.0	0.0	na	9.6
2015F	105.2	2.3	2.4	20.2	5.3	12.1	0.0	na	5.7
2016F	112.5	4.7	5.0	9.9	7.9	4.2	0.0	na	(0.1)
2017F	116.4	5.9	6.2	7.9	9.1	3.5	0.0	na	(0.3)

Source: Real Good Food, Shore Capital Markets

Disclosures of potential conflicts of interest as required by regulatory bodies are shown on page 14.

New beginnings

We believe the disposal of Napier Brown is a transformational deal for RGF

We believe the disposal of Napier Brown ('Napier') to Tereos, the French co-operative and world's fifth-largest sugar group, is a transformational deal for Real Good Food (RGF). Management achieved a valuation that was significantly ahead of our expectations for its sugar division that materially deleverages the group's balance sheet (resulting in a net cash position). Furthermore, it reduces RGF's exposure to the volatility of the EU sugar market, which is about to undergo further regulatory change (with the removal of the production quota in 2017).

The deal moves the group into a net cash position

Napier deal

On 20th May 2015 RGF announced the completion of the sale of Napier Brown (its sugar division) to Tereos for £34m plus working capital of £7m. Guidance in the group's pre-close statement for its financial performance in the year to 31st March 2015 was a net debt position of £30.1m, so the deal moves the group into a net cash position.

The rationale behind the deal is that with the upcoming regulatory change in the EU sugar market

The rationale behind the deal is that with the upcoming regulatory change in the EU sugar market, as production quotas are removed in 2017, and management's realisation that it was not going to have the protection it needed as an independent non-refining distributor from the competition authorities, it needed to reassess its position in the market.

The result of this assessment was that it highlighted the need for the business to secure a direct link with a producer to secure competitive sugar supply. This then led to the discussions that ultimately led to the sale of the business. Given the outlook for the EU sugar market, where we expect there to be further pressure on sugar prices and margins in the short term, we believe the valuation achieved for Napier is commendable and highlights the strength of its route to market in the UK.

We note with its considerable scale, ambitions for a stronger presence in the UK and Napier Brown's strong heritage and market position, the combination also works for Tereos, in our opinion.

Omnicanne increased its shareholding in RGF to 29.7%

Omnicanne shareholding

Omnicanne is (one of) RGF's largest shareholder(s) and is the largest sugar producer in Mauritius. Following the sale of Napier Brown we did have some concerns that this could have some negative impact on Omnicanne's rationale for its shareholding RGF, being a likely partner for Napier for its refined sugar production in the coming years. It would appear that this is not an issue, with Omnicanne increasing its shareholding in RGF to 29.7% with the acquisition of a further 620k shares, as announced in a holding notice on 5th May 2015.

A more focused business

A further positive we see as a result of the disposal of Napier Brown is the removal of the unwanted distraction to management that has arisen in the past c12-24 months. The reason for this was the well-documented pricing dispute with British Sugar, a key sugar supplier to the business.

The continuing businesses leave the group with a much clearer focus

A new shape

We believe that the continuing businesses leave the group with a much clearer focus and shape. The five separate businesses will be operating within three main markets:

- **Cake decorating:** Renshaw and Rainbow Dust Colours.
- **Food ingredients:** Garrett Ingredients and R&W Scott.
- **Premium bakery:** Haydens.

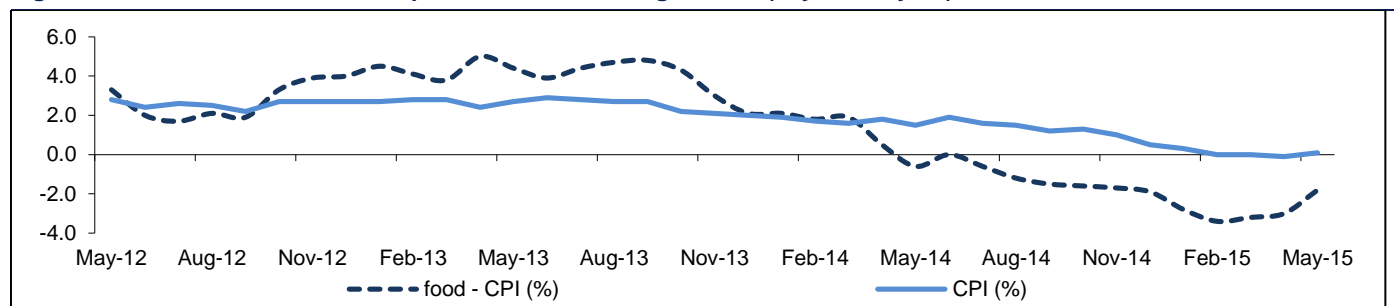
A more added value product offering

We believe the current market environment is particularly challenging in food retail where deflation persists (according to the latest ONS CPI data and the BRC-Nielsen Shop Price Index). In a deflationary environment it is increasingly difficult to capture margin in the manufacturing sector, especially when the industry is seeing structural change driven by the fight back of the Big 4 supermarkets against the discounters.

An added value proposition in the supply chain as particularly beneficial in the current market

Therefore, we see having an added value proposition in the supply chain as particularly beneficial in the current market and we note that this looks to be an increased focus for RGF, as highlighted by the recent acquisition of Rainbow Dust Colours. Not only is this a high-margin niche product business but it also has strong routes to market outside of traditional food retailers.

Fig 1: UK annual Food CPI – Food price deflation starting to ease (% year-on-year)



Source: ONS

Management has guided that group net debt at the end of March 2015, prior to the disposal of Napier Brown, stood at £30.1m

Balance sheet transformation

Management has guided that group net debt at the end of March 2015, prior to the disposal of Napier Brown, stood at £30.1m. Therefore, the group has effectively moved into a net cash position post the sale of the sugar division with sale proceeds of £34m plus £7m for working capital. We assume the £7m nets off against the debt in the business to support the working capital, so simplistically ahead of future capital plans the business had net cash of c£3.9m post the deal.

The transformation of the balance sheet is a significant positive for the investment case in RGF

We believe the transformation of the balance sheet is a significant positive for the investment case in RGF, which historically has remained leveraged mainly as a result of the volatility in the sugar market and capital spend to develop this business. RGF now finds itself in the attractive position of having greater flexibility and optionality in terms of its future business development plans. Management stated in its pre-close statement that it will also consider complementary acquisitions where appropriate.

The new look RGF

We now look at the continuing businesses of RGF in turn and provide a recap on how they sit within the overall group and what products they sell to which markets.

Renshaw (including RGF Europe)

Renshaw is a leading manufacturer of high-quality food ingredients primarily for the growing cake decorating / baking sector

Renshaw is a leading manufacturer of high-quality food ingredients primarily for the growing cake decorating / baking sector. Its key products include sugarpaste, marzipan, soft icings, mallows and caramels. It operates under the Renshaw brand and its products are sold to all customer sectors, including large food manufacturers, craft bakeries and retail customers through grocery and specialist retailers.

Based on the group's pre-close trading statement, Renshaw has performed strongly in FY2015F. We note that it has continued to develop its route to market with the launch of its online shop: www.renshawbaking.com, as well as expanding its export activity via the RGF Europe business. It sells mainly Renshaw products, including some tailored to meet local market tastes into the European market from its new premises in Brussels.

Rainbow Dust Colours

Rainbow Dust Colours is a specialist supplier of cake decorating products, including coloured edible glitters, dusts, sprinkles and food paints

Rainbow Dust Colours (Rainbow) is the newest addition to RGF group, having been acquired in January 2015 for an initial consideration of £4m with an additional cash consideration of up to £3.5m in the form of an earn-out based on gross margin achieved in the 12 months post completion of the acquisition. It is a specialist supplier of cake decorating products, including coloured edible glitters, dusts, sprinkles and food paints to the sugarcraft industry.

Rainbow is a high-margin business with its financial performance in the year to July 2014 showing a pre-tax profit of £1.7m on turnover of £3.3m. Despite the business only being part of the group for c2 months, we anticipate it still has made a contribution to group profitability for FY2015F. We believe the acquisition of Rainbow highlights management's focus on developing its added value offering through complementary bolt-on acquisitions.

Garrett Ingredients

Garrett sources dairy and specialist food ingredients and sells them into small, medium and large food manufacturers across the UK

Garrett Ingredients (Garrett) sources dairy and specialist food ingredients and sells them into small, medium and large food manufacturers across the UK. Its dairy portfolio comprises dry powder mixes and bespoke blends with other specialist ingredients, including dextrose, stabilisers and emulsifiers as well as UHT ice-cream mixes.

Garrett has the most commoditised product offering of the group but management remains focused on developing its product range to include more bespoke added value products. We anticipate that the sharp declines in dairy and sugar pricing over the past year are likely to have subdued its financial performance in FY2015F along with the investment in the business's management structure.

R&W Scott

R&W Scott's product proposition includes chocolate coatings and sauces, jams and dry powder blends as well as branded jams

R&W Scott was previously part of the Renshaw business but it now operates as a standalone entity. Its product proposition includes chocolate coatings and sauces, jams and dry powder blends for industrial, retail, wholesale and food service markets. Also part of the R&W Scott offering is its branded jams, which we see an increasingly important part of its

offering. The brand utilises its strong heritage and reputation for high quality to generate consumer demand. RGF has been investing in the management and commercial development of the business, which is likely to have held back its profit performance in FY2015F.

Haydens produces an extensive range of premium, added value ambient, chilled and frozen patisserie and dessert products to retail and foodservice customers

Haydens

Haydens produces an extensive range of premium, added value ambient, chilled and frozen patisserie and dessert products to retail and foodservice customers. Its key customers include Waitrose, Marks & Spencer[^] (MKS, Buy at 544p) and Costa. Historically, Haydens has struggled to be profitable despite solid top-line performances. We believe a corner has been turned by the business in FY2015F, judging from the commentary in the pre-close statement, which states that it has delivered a strong performance in relation to group EBITDA. We estimate FY2015F EBIT of £0.4m.

FY2015F results guidance

RGF is due to release its preliminary results for its year ended 31st March 2015 in August

RGF is due to release its preliminary results for its year ended 31st March 2015 in August but in the pre-close trading statement it released on 1st June 2015 it did provide guidance as to the likely outcome for the year in relation to some of its key financial metrics. These are provided below:

- Revenue: c£104m
- EBITDA: c£5.3m
- Net debt: c£30.1m

Also contained within the statement is commentary that there have been “*continued strong performances at Renshaw and Haydens*”. Based on the guidance provided by the company we have put together a segmental analysis for FY2015F based on the continuing businesses, as shown below in Figure 2.

Fig 2: Shore Capital segmental forecasts for RGF (£m unless otherwise stated)

Revenue	2014A	2015F
Napier Brown	162.3	0.0
Garrett Ingredients	30.4	20.0
Renshaw	43.0	45.3
RGF Europe	0.5	0.8
R&W Scott	9.1	10.4
Haydens	27.3	28.0
Rainbow Dust	0.0	0.8
Group	272.6	105.2
<i>Growth (%)</i>	2.6	-61.4
Adjusted operating profit		
Napier Brown	(2.0)	0.0
Garrett Ingredients	1.2	0.5
Renshaw	4.4	5.4
RGF Europe	(0.4)	0.0
R&W Scott	0.1	(0.3)
Haydens	0.1	0.4
Rainbow Dust	0.0	0.3
Central costs	(2.7)	(3.0)
Group	0.7	3.3
<i>Growth (%)</i>	-91.9	393.3
Depreciation	2.6	2.0
EBITDA	3.3	5.3

Source: Company data, Shore Capital Markets

Forecasts

We now look at our forecasts for RGF, obviously not including Napier Brown but with the addition of the recently acquired Rainbow Dust Colours. Our financial models are shown in Figures 5, 6 and 7 on pages 11-13.

We placed our forecasts under review following the announcement of the trading update on 1st April 2015 in which management stated it was in discussions regarding a potential transaction involving Napier Brown. Figure 3 below shows a summary of our forecast changes from our expectations including Napier Brown to our revised expectations that are post the Napier Brown disposal but also including the Rainbow Dust Colours acquisition.

Fig 3: Shore Capital forecast changes for RGF (£m unless otherwise stated)

Yr-end March	NEW		OLD		% change	
	FY2015F	FY2016F	FY2015F	FY2016F	FY2015F	FY2016F
EBIT	3.3	5.1	2.9	4.3	14	19
CPBT	2.3	4.7	1.1	2.4	109	96
Diluted adjusted EPS (p)	2.4	5.0	1.2	2.5	102	98
Net debt/(cash)	30.1	(4.7)	31.3	26.4	-4	na
EBIT analysis						
Napier Brown	0.0	0.0	0.1	0.6	na	na
Garrett Ingredients	0.5	0.5	1.2	1.4	-58	-64
Renshaw	5.4	5.8	5.1	5.3	6	9
RGF Europe	0.0	0.0	(0.4)	(0.2)	na	na
R&W	(0.3)	(0.2)	0.1	0.3	na	na
Haydens	0.4	0.4	0.1	0.2	300	100
Rainbow Dust	0.3	1.6	0.0	0.0	na	na
Head office costs	(3.0)	(3.0)	(3.3)	(3.3)	-9	-9
Group	3.3	5.1	2.9	4.3	14	19

Source: Shore Capital Markets

The key points we would highlight in relation to our forecasts are as follows:

- **Napier Brown:** Clearly post the disposal Napier is no longer in our forecasts but previously we had only built in a slight recovery in its profitability so its removal has only a limited impact on future group profitability at the EBIT level.
- **Garrett Ingredients:** Garrett remains exposed to the sugar and dairy markets which have been quite volatile so we have reduced our expectations for its performance in the short term.
- **Renshaw and Haydens:** Based on the guidance from the pre-close statement of “strong performances” from Renshaw and Haydens, we have increased our expectations for their respective divisional EBIT contributions.

- **Rainbow Dust Colours:** We have now included Rainbow Dust Colours in our financial expectations for the group. Note: FY2015F only reflects a c2 month contribution given it was acquired on 20th January 2015.
- **Finance costs:** One of the more significant factors affecting the future profitability of the group will be its finance costs. The disposal of Napier Brown puts the group into an effective net cash position. Therefore, we expect financial costs to be materially lower going forward although we do anticipate the group maintaining a certain level of debt and debt headroom in the business to allow for capital flexibility.

Valuation

Figure 4 shows how RGF compares to a number of its listed peers in the food producer sector. The comparison utilises Bloomberg data to provide a consensus view on how the market is valuing the peer group. RGF's valuation is based on our forecasts alone with year 1 relating to FY2016F, which is the current year and also the year that takes into account the disposal of Napier Brown.

Fig 4: Real Good Food peer group valuation comparison (Bloomberg data as at 7th July 2015)

Company	Mkt Cap (£m)	Year end	Year 1 PER (x)	Year 2 PER (x)	Year 1 Yield (%)	Year 1 EV/EBITDA (x)	Year 2 EV/EBITDA (x)
Real Good Food+ (RGF, NR at 49p)*	34.1	Mar	9.9	7.9	0.0	4.2	3.5
Finsbury Food Group^ (FIF, NR at 82.5p)	105.6	Jun	12.5	9.4	3.0	7.5	5.8
Cranswick+ (CWK, NR at 1596p)	786.9	Mar	16.5	15.7	2.3	10.1	9.7
Dairy Crest Group^ (DCG, Buy at 520p)	717.6	Mar	13.0	12.1	4.3	8.8	8.4
Premier Foods^ (PFD, Buy at 40.5p)	335.5	Dec	4.9	4.6	0.0	6.3	6.2
Greencore^ (GNC, Hold at 305p)	1,251.7	Sep	17.3	15.2	2.0	13.0	11.5
Group average			12.3	10.8	1.9	8.3	7.5

*Shore Capital forecasts

Source: Bloomberg, Shore Capital Markets

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We believe that the comparison indicates that there is re-rating potential for RGF going forward

We believe RGF's closest comparable listed peer company is Finsbury Food Group

Whilst there are no absolute comparable companies in the group, i.e. a similar sized company operating in the same markets as RGF, all the comparative companies have some form of similarity – this could be UK retail exposure, food ingredients suppliers or companies that own and manage branded food product propositions.

Peer group indicates valuation potential

We believe that the comparison indicates that there is re-rating potential for RGF going forward. We accept that there is an obvious size difference between RGF and its peers and the years of ownership of Napier Brown that have led to a somewhat volatile financial track-record. However, we believe we have prudent expectations in place that indicate to us that its current valuation is certainly not over-demanding.

Closest comparable peer

We believe RGF's closest comparable listed peer company is Finsbury Food Group ('Finsbury'). It produces cakes and bread for the food retail industry and notably, it recently announced the proposed acquisition of Johnstone's Just Deserts (6th May 2015) which is a supplier to the leading national coffee shop chains producing cakes including its renowned caramel shortcake. Johnstone's looks to have similarities to RGF's Haydens business in terms of broad product offering and market channel (food service). Interestingly, Finsbury is currently trading on a PER of 12.5x and an EV/EBITDA ratio of 7.5, which in our opinion, highlights the re-rating opportunity for RGF's shares.

A PER at the lower end of the peer range

Taking an overview of the group, we highlight that RGF's Year 1 PER of 9.9x is at the lower end of the peer range if we exclude Premier Foods. We believe this is fair because Premier's PER in part reflects a business that has had significant issues with debt leverage

in the past along with significant pension responsibilities. It is working through these issues post a restructuring, but given the current strength of RGF's balance sheet (net cash) in comparison to Premier, where net debt to EBITDA is c3.5x, we do not see Premier's PER as particularly comparable.

EV/EBITDA ratio highlights a value opportunity

The metric that stands out the most to us is RGF's EV/EBITDA ratio of 4.2x, which is around half the peer group average. Again, we need to take relative size into account as well as the previously mentioned issues regarding Napier, but we would suggest that through the delivery of our financial expectations a rating expansion to close the gap between that of RGF and the peer group does not seem unrealistic.

Fig 5: RGF – segmental revenue and profit model (£m unless otherwise stated)

Yr-end March	2014A	2015F	2016F	2017F	2018F
Napier Brown	162.3	0.0	0.0	0.0	0.0
Growth (%)	3.3	na	na	na	na
Garrett Ingredients	30.4	20.0	20.5	21.0	21.5
Growth (%)	-2.7	-34.2	2.5	2.4	2.4
Renshaw	43.0	45.3	47.0	48.0	49.0
Growth (%)	4.7	5.4	3.9	2.1	2.1
RGF Europe	0.5	0.8	1.0	1.5	2.0
Growth (%)	na	56.3	33.3	50.0	33.3
R&W	9.1	10.4	11.2	11.8	12.4
Growth (%)	-16.6	13.7	7.7	5.4	5.1
Haydens	27.3	28.0	29.0	30.0	31.0
Growth (%)	7.6	2.7	3.6	3.4	3.3
Rainbow Dust	0.0	0.8	3.8	4.1	4.4
Growth (%)	0.0	na	375.0	7.9	7.3
Group revenue	272.6	105.2	112.5	116.4	120.3
Growth (%)	2.6	-61.4	6.9	3.5	3.4
Napier Brown	(1.6)	0.0	0.0	0.0	0.0
Growth (%)	Na	na	na	na	na
Garrett Ingredients	1.2	0.5	0.5	0.5	0.6
Growth (%)	-44.0	-58.5	0.0	0.0	20.0
Renshaw	5.5	6.2	6.9	7.3	7.6
Growth (%)	10.4	13.4	11.3	5.8	4.1
RGF Europe	(0.4)	0.0	0.1	0.3	0.5
Growth (%)	na	-100.0	na	200.0	66.7
R&W	0.3	0.0	0.2	0.4	0.6
Growth (%)	-23.1	-100.0	na	100.0	50.0
Haydens	0.9	1.2	1.4	1.5	1.7
Growth (%)	168.9	30.9	16.7	7.1	13.3
Rainbow Dust	0.0	0.4	1.8	2.1	2.2
Growth (%)	na	na	350.0	16.7	4.8
Central costs	(2.7)	(3.0)	(3.0)	(3.0)	(3.0)
Group EBITDA	3.3	5.3	7.9	9.1	10.2
Growth (%)	-68.8	62.5	49.1	15.2	12.1
Depreciation	(2.6)	(2.0)	(2.8)	(2.9)	(3.1)
Adjusted operating profit	0.7	3.3	5.1	6.2	7.1
Growth	-91.9	393.3	54.5	21.6	14.5

Source: Company data, Shore Capital Markets

Fig 6: RGF – income statement model (£m unless otherwise stated)

Yr-end March	2014A	2015F	2016F	2017F	2018F
Revenue	272.6	105.2	112.5	116.4	120.3
<i>Growth (%)</i>	2.6	-61.4%	6.9%	3.5%	3.4%
Adjusted operating profit	0.7	3.3	5.1	6.2	7.1
<i>Growth (%)</i>	-91.9	393.3%	54.5%	21.6%	14.5%
<i>Margin%</i>	0.2%	3.1%	4.5%	5.3%	5.9%
Exceptional items	(0.5)	(1.5)	10.0	0.0	0.0
Reported operating profit	0.1	1.8	15.1	6.2	7.1
<i>Growth (%)</i>	-98.4	1340.0%	738.9	-58.9%	14.5%
Net finance charge	(1.6)	(1.0)	(0.4)	(0.3)	(0.3)
IAS 19 charge	(0.1)	(2.6)	(1.0)	(1.0)	(1.0)
CPBT	(0.9)	2.3	4.7	5.9	6.8
<i>Growth (%)</i>	na	-346.5%	104.3%	25.5%	15.3%
RPBT	(1.5)	(1.8)	13.7	4.9	5.8
<i>Growth (%)</i>	na	17.2%	-861.1%	-64.2%	18.4%
Tax	0.8	(0.5)	(0.9)	(1.2)	(1.4)
Tax on exceptional items	0.1	0.3	0.0	0.0	0.0
Profit after tax	(0.7)	(2.0)	12.8	3.7	4.4
<i>Growth (%)</i>	na	197.9%	-751.0%	-70.8%	19.4%
Profit from discontinued operations	0.0	(4.0)	0.2	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Retained profit	(0.7)	(6.0)	13.0	3.7	4.4
Basic average no. of shares (m)	69.5	69.7	69.7	69.7	69.7
Diluted average no. of shares (m)	75.6	75.8	75.8	75.8	75.8
Basic EPS (p)	(0.9)	(2.8)	18.3	5.3	6.4
Diluted EPS (p)	(0.9)	(2.6)	16.8	4.9	5.9
Diluted adjusted EPS (p)	(0.2)	2.4	5.0	6.2	7.2
<i>Growth (%)</i>	na	na	104.3%	25.5%	15.3%
PER (x)	na	20.2	9.9	7.9	6.8
Net debt/EBITDA	9.6	5.7	(0.1)	(0.3)	(0.6)
Net cash/(debt)	(31.2)	(30.1)	1.1	2.5	5.7
EV/EBITDA (x)	20.0	12.1	4.2	3.5	2.8

Source: Company data, Shore Capital Markets

Fig 7: RGF – cash flow statement model (£m unless otherwise stated)

Yr-end March	2014A	2015F	2016F	2017F	2018F
Adjusted operating profit	0.7	3.3	5.1	6.2	7.1
D & A	2.6	2.0	2.8	2.9	3.1
EBITDA	3.3	5.3	7.9	9.1	10.2
Change in working capital	0.6	(1.5)	(3.0)	(2.0)	(1.0)
Other	(0.5)	(1.5)	10.0	0.0	0.0
Cash generated from continuing operations	3.4	2.3	14.9	7.1	9.2
Net interest received / (paid)	(1.6)	(1.0)	(0.3)	(0.3)	(0.3)
Tax (paid) / recovered	(0.7)	(0.5)	(0.9)	(1.2)	(1.4)
Pension contributions	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Other	0.0	9.6	(12.0)	0.0	0.0
Net cash generated from operating activities	0.7	10.1	1.4	5.3	7.2
Maintenance capex	(2.6)	(2.0)	(2.8)	(2.9)	(3.1)
Free cash flow	(1.9)	8.1	(1.4)	2.4	4.1
Expansionary capex	(4.3)	(1.1)	(2.2)	(1.1)	(0.9)
Net cash flow	(6.2)	7.0	(3.6)	1.3	3.2
Acquisitions / deferred considerations	0.0	(4.0)	(6.1)	0.0	0.0
Disposal of subsidiaries	0.0	0.0	41.0	0.0	0.0
Cash flow after investment	(6.2)	3.0	31.3	1.3	3.2
Issue / (purchase) of shares	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Debt financing movements	7.6	(3.1)	(30.0)	0.0	0.0
Cash from discontinued activities	0.0	(2.0)	0.0	0.0	0.0
Net movement in cash	1.4	(2.1)	1.3	1.3	3.2
Cash b/fwd	7.1	8.6	6.5	7.8	9.1
Cash c/fwd	8.6	6.5	7.8	9.1	12.3
Opening debt	(32.1)	(39.7)	(36.6)	(6.6)	(6.6)
Closing debt	(39.7)	(36.6)	(6.6)	(6.6)	(6.6)
Net debt	(31.2)	(30.1)	1.1	2.5	5.7

Source: Company data, Shore Capital Markets

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Contacts

All Shore Capital contacts can be emailed as follows: firstname.lastname@shorecap.co.uk

Analysts

Clive Black <i>Food & Drug Retailers, Food Producers, Household & Personal Goods</i>	+44 (0)151 600 3701
Darren Shirley <i>Food & Drug Retailers, Food Producers, Household & Personal Goods</i>	+44 (0)151 600 3702
Phil Carroll <i>Beverage & Agri-Food</i>	+44 (0)151 600 3711
Eamonn Flanagan <i>Insurance, Life Assurance & Lloyd's Vehicles</i>	+44 (0)151 600 3714
Gary Greenwood <i>UK Banks & Speciality Lenders</i>	+44 (0)151 600 3717
Paul McGinnis <i>Financial General</i>	+44 (0)151 600 3713
Robin Speakman <i>Support Services & Technology</i>	+44 (0)151 600 3712
Peter McNally <i>Technology</i>	+44 (0)207 647 8121

Robin Hardy <i>Construction & Property</i>	+44 (0)207 647 8129
Greg Johnson <i>Travel & Leisure</i>	+44 (0)151 600 3704
Martin Brown <i>Transport, Travel & Leisure</i>	+44 (0)207 079 1674
Brian White <i>Pharmaceuticals, Healthcare & Medical Devices</i>	+44 (0)207 079 1671
Paul Taylor <i>Pharmaceuticals, Healthcare & Medical Devices</i>	+44 (0)207 079 1675
Craig Howie <i>Oil & Gas</i>	+44 (0)151 600 3703
Yuen Low <i>Small & Mid Cap Mining</i>	+44 (0)207 647 8152

Sales

Rupert Armitage	+44 (0)207 647 8123
Richard Arthur	+44 (0)151 600 3706
Andy Forshaw	+44 (0)151 600 3708
Stephen Henney	+44 (0)151 600 3718
Jane Horder	+44 (0)207 079 1659
Andrew Keith	+44 (0)207 079 1672

Philip Kerr	+44 (0)207 647 8178
Malachy McEntyre	+44 (0)151 600 3710
John Ritchie	+44 (0)151 600 3705
Elliot Shaw	+44 (0)207 647 8127
Richard Sloss	+44 (0)207 079 1673
William De La Warr	+44 (0)207 468 7933

Sales Traders

Simon Fine	+44 (0)207 647 8133
Barrie Ashton	+44 (0)207 647 8124
David Simmons	+44 (0)207 647 8126

Will Porter	+44 (0)207 647 8132
Simon Thomas	+44 (0)207 647 8145

Corporate Broking

Dru Danford	+44 (0)207 468 7905
Stephane Auton	+44 (0)207 408 4062
Jamie Cameron	+44 (0)207 468 7958
Bidhi Bhoma	+44 (0)207 468 7904
Anita Ghanekar	+44 (0)207 408 4052

Toby Gibbs	+44 (0)207 468 7967
Pascal Keane	+44 (0)207 468 7995
Jerry Keen	+44 (0)207 468 7964
Edward Mansfield	+44 (0)207 468 7906
Patrick Castle	+44 (0)207 468 7923

London Office

Bond Street House
 14 Clifford Street
 London W1S 4JU
 T: +44 (0)207 408 4080

Liverpool Office

The Corn Exchange
 Fenwick Street
 Liverpool L2 7RB
 T: +44 (0)151 600 3700

Edinburgh Office

1st Floor
 3/5 Melville Street
 Edinburgh EH3 7PE
 T: +44 (0)207 079 1670