Allenby Capital

Company Note

Interim Results

21 August 2019

Corporate

Current price	64p
Sector	Support Services
Code	EMR
AIM	AIM

Share Performance

	1m	3m	12m
EMR	-7%	-15%	-27%

Source: Thomson Reuters, Allenby Capital

Share Data		
Market Cap (£m)		31.4
Shares in issue (m)		49.0
52 weeks	High	Low
	87.5p	66.5p
Financial year end		December

Source: Company Data, Allenby Capital

Key Shareholders	
A V Martin (Chair)	28.4%
Close Brothers Asset Mgmt	13.4%
Hof Hoorneman Fund Mgmt	10.7%
H M van Heijst	7.0%
Beleggingsclub ‘t Stockpaert	6.1%

Source: Company Data, Allenby Capital

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Empresaria Group plc (EMR.L)

Profits on course to meet market expectations

As flagged in the Group’s July trading update, NFI has grown by 6% year on year (yoy) in constant currency against a mixed trading backdrop. Adjusted PBT was lower by 21% as a result of lower temp books in Germany and Japan and the ongoing uncertainty surrounding Brexit. The Group also incurred higher costs in H1 following investments made in H2 2018. Once again, Empresaria demonstrates the benefits that diversification brings to the mitigation of cyclical and specific operational risks within its businesses and because of this and its management equity philosophy the Group differentiates itself from other human capital resource companies. With Rhona Driggs now in place as the new CEO, we look forward to the Group delivering a sequentially stronger H2 in line with our forecasts.

- **Empresaria reported H1 NFI growth but, as expected, lower adjusted PBT** – On revenue of £175.5m (H1 2018: £178.3m) Empresaria reported NFI of £36.3m, up 7% on the comparative period or 6% in constant currency terms. Adjusted operating profit fell by 14% to £4.3m while adjusted PBT was £3.7m. Adjusted FD EPS was 3.3p after a 43% effective tax rate and minority interest charge of £0.6m.

- **Encouraging NFI growth in four of its five market sectors** – Professional, Commercial, IT and Offshore Recruitment Services all delivered NFI growth, with the latter delivering the strongest improvement (up 55% yoy). The only sector to report a reduction in NFI was Engineering, some 15% lower yoy due to the influence of Brexit on the business and more difficult market conditions.

- **On track to deliver profits in line with market expectations** - We made positive adjustments to our forecasts following July’s earnings enhancing cash acquisition of a further 17.5% interest in ConSol Partners. However, the adoption of IFRS16 reduces our adjusted PBT forecast by £0.2m to £11.4m, effectively unchanged from FY2018 and reduces FY2019 EPS from 12.5p to 12.2p. Management is positive with regards H2 prospects as the temp base rebuilds in Germany and Japan but will mean a greater than usual H2 weighting.

- **Undervalued** – We believe the shares to be fundamentally undervalued. The Group is naturally cash generative and in a cyclical downturn more so, as working capital is released from its temp and contract books. On a comparative basis Empresaria also looks inexpensive on a PER of 5.2x FY2019 prospective earnings and 5.0x FY2020. It also offers an attractive EV/EBITDA of 3.6x and 3.3x respectively, while also offering a well-covered prospective yield of 3.4%. In our opinion, on peer-group comparative, fair value is 100p.

Year End: December				
(£m)	**2017A**	**2018A**	**2019E**	**2020E**
NET FEE INCOME	69.4	72.3	75.6	79.5
ADJUSTED PBT	11.0	11.4	11.4	11.5
ADJUSTED FD EPS (p)	12.5	12.1	12.2	12.7
PER (x)	5.1	5.3	5.2	5.0
DIVIDEND (p)	1.32	2.00	2.20	2.50
YIELD (%)	2.1	3.1	3.4	3.9
NET DEBT (pre pilot bonds)	19.5	17.1	16.5	13.6

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Equity Research

Interim results summary

Empresaria is an international specialist staffing group with 20 brands operating in 21 countries across the globe. It offers temporary/contract and permanent staffing solutions as well as Offshore Recruitment Services in five broad key sectors: Professional, IT, Engineering, Commercial and Offshore Recruitment Services.

EXHIBIT 1: SUMMARY FINANCIALS

£m	H1 2019	H1 2018	CC Change
Revenue	175.5	178.3	*-2%*
NFI	36.3	34.0	*6%*
margin	*21%*	*19%*	*8%*
Adjusted operating profit	4.3	5.0	*-14%*
Adjusted PBT	3.7	4.7	*-21%*
Adjusted basic EPS (p)	3.3	5.0	*-34%*
Net (debt)/cash	-18.1	-19.5	*-7%*

Source: Empresaria Group

Revenues and NFI - Empresaria reported revenues of £175.5m (H1 2018: £178.3m) and a 7% growth in reported NFI to £36.3m (H1 2018: £34.0m) which translates to a 6% rise in constant currency terms. NFI margin rose from 19.1% to 20.7% due to a change in mix. NFI has been impacted by the Group's brands in Germany and Japan starting from a lower base position in temporary workers compared to the comparative period. This resulted from the impact in 2018 of changes to employment law in the two regions. In addition, the former has also been negatively affected by a weaker German automotive sector.

New NFI sector classification - In an innovative move, Empresaria has reorganised its segmental breakdown from a geographic to a sector basis (Exhibit 2) as a result of the Group's *"Stronger Together"* initiative launched in May 2019. In this development, individual brands have been aligned to the group's core staffing sectors and will help to deliver improved results through increased collaboration in like businesses, with the expectation of creating operational efficiencies and synergies and we would assume, operational leverage.

EXHIBIT 2: NFI BY SECTOR

£m	H1 2019	% of NFI	H1 2018	% of NFI	yoy change	CC change
Professional	15.6	*43%*	14.4	*42%*	*8%*	*7%*
Commercial	9.1	*25%*	8.9	*26%*	*2%*	*3%*
IT	6.8	*19%*	6.5	*19%*	*5%*	*2%*
ORS	2.8	*8%*	1.8	*5%*	*55%*	*55%*
Engineering	2.2	*6%*	2.6	*8%*	*-15%*	*-15%*
Sub total	**36.5**	***100%***	**34.2**	***100%***	***7%***	***6%***
Intragroup	-0.2		-0.2		*0%*	*0%*
Total	**36.3**		**34.0**		***7%***	***6%***

Source: Empresaria Group; Allenby Capital

Professional - Revenues fell 11% from £77m to £68.3m, while NFI increased by 7% in constant currency to £15.6m. Within the sector, the Group's largest by NFI, there were some strong performances offset by the effects of Brexit and difficult markets in certain areas of business.

Part of the decline in revenues was cosmetic and due to a change in the billing structure within the Group's aviation business whereby a number of pilots have moved from the company's payroll onto the client's books. Thus, revenues are not grossed up for salary costs, although NFI remains unchanged. NFI and adjusted operating profit within this business did however show yoy growth.

EXHIBIT 3: PROFESSIONAL SEGMENTAL SUMMARY

£m	H1 2019	H1 2018	CC Change
Revenue	68.3	77.0	*-11%*
NFI	15.6	14.4	*7%*
Margin	*22.8%*	*18.7%*	*22%*
Adjusted operating profit	2.0	2.0	*-1%*
Margin	*2.9%*	*2.6%*	*13%*
Conversion ratio	*12.8%*	*13.9%*	*-8%*

Source: Empresaria Group

Brexit had a negative effect on sentiment in areas such as financial services and house building but the sector overall reported growth in NFI. NFI margin was boosted by the change in billing within the aviation business noted above and also by the change in overall mix between temp and perm, however, adjusted operating profit remained effectively unchanged yoy as costs did not fall as rapidly as NFI in those businesses affected by Brexit.

Nevertheless, adjusted operating profit margin rose by 13% to 2.9% although the conversion ratio for the sector declined by 8% to 12.8%.

Commercial - NFI increased by 3% in constant currency from £8.9m to £9.1m after a maiden H1 contribution of £0.9m from the investment in Grupo Solimano completed in July 2018. Without this there would have been a shortfall in NFI over H1 2018, such shortfall being the result of a lower temp base and a weak automotive market in Germany.

EXHIBIT 4: COMMERCIAL SEGMENTAL SUMMARY

£m	H1 2019	H1 2018	CC Change
Revenue	68.4	61.9	*12%*
NFI	9.1	8.9	*3%*
Margin	*13.3%*	*14.4%*	*-7%*
Adjusted operating profit	1.9	2.2	*-13%*
Margin	*2.8%*	*3.6%*	*-22%*
Conversion ratio	*20.9%*	*24.7%*	*-16%*

Source: Empresaria Group

As the temp base rebuilds during the year, albeit moderated by the underperforming automotive sector but helped by a thorough cost management initiative in the exposed businesses, management anticipates an improvement in H2. NFI margin fell as a result of the German headwinds which also impacted the conversion ratio of the sector which declined by 16%.

IT – Revenues fell by 3% in constant currency due to the challenges relating to last year's regulatory changes to employment law in Japan and the business starting from a lower base of temp workers. However, a change in the mix, favouring permanent placements had the effect of increasing NFI margin to the extent that NFI grew by 2% in spite of the revenue decline.

EXHIBIT 5: IT SEGMENTAL SUMMARY

£m	H1 2019	H1 2018	CC Change
Revenue	21.4	21.6	*-3%*
NFI	6.8	6.5	*2%*
Margin	*31.8%*	*30.1%*	*6%*
Adjusted operating profit	1.3	1.5	*-16%*
Margin	*6.1%*	*6.9%*	*-13%*
Conversion ratio	*19.1%*	*23.1%*	*-17%*

Source: Empresaria Group

The performance of ConSol in the UK also had an important positive impact on the NFI improvement which augurs well for the Group following its increased stake in the business from 65% to 82.5% in July 2019.

Adjusted operating profit fell by 16% yoy. Management highlights that the US business faced a challenging comparative following a strong start to H1 2018. Start-up losses in 4ward Talent, launched in December 2018 and in ConSol's new office in Austin, Texas, opened in April 2019, all contributed to the fall in profit which may continue into the second half. The conversion ratio fell by 17% to 19.1%.

Offshore Recruitment Services (ORS) – Clearly, the stand-out performance was from the Group's India-based ORS, which delivered an increase in NFI of 55% to £2.8m. This strong growth followed an excellent performance from the business in 2018 and suggests that demand for its services, principally from the UK and US markets is set to continue. This view was reinforced by the opening a of a second office in Jaipur in July 2018 bringing the total headcount in the segment to over 1,000.

EXHIBIT 6: ORS SEGMENTAL SUMMARY

£m	H1 2019	H1 2018	CC Change
Revenue	5.4	3.1	*74%*
NFI	2.8	1.8	*55%*
Margin	*51.9%*	*58.1%*	*-11%*
Adjusted operating profit	1.4	0.7	*100%*
Margin	*25.9%*	*22.6%*	*15%*
Conversion ratio	*50.0%*	*38.9%*	*29%*

Source: Empresaria Group

Management sees this sector as a key driver of future growth for the Group although we would note than the business is still relatively small in overall terms, accounting for just 8% of pre-intragroup NFI. The strong performance was also reflected in a 29% increase in the sector conversion ratio to 50%.

Engineering – Having a significant UK-bias, the Engineering segment was impacted by challenging market conditions and the ongoing negative effect of Brexit, hence NFI was 15% lower yoy and the sector reported a first half loss of £0.4m.

Management changes and some restructuring of the business have been focused on targeting the higher margin white collar end of the market which, while already being serviced by the Group, can increase market share.

EXHIBIT 7: ENGINEERING SEGMENTAL SUMMARY

£m	H1 2019	H1 2018	CC Change
Revenue	12.2	14.9	*-19%*
NFI	2.2	2.6	*-15%*
Margin	*18.0%*	*17.4%*	*3%*
Adjusted operating profit	-0.4	0.1	
Margin	*-3.3%*	*0.7%*	
Conversion ratio	*-18.2%*	*3.8%*	

Source: Empresaria Group

Management anticipates the benefits of this change in emphasis to be increasingly evident through 2020. In the meantime, trading in H2 is expected to remain challenging.

Overheads - Administration costs rose from £29m to £32m due to increases in central staff costs and new office openings in India and the US. In addition, costs have risen in businesses experiencing growth but have fallen more slowly in businesses that have been impacted by the challenges noted above. Costs as a percentage of revenue increased by 12% to 18.2% (H1 2018: 16.3%).

Profit and EPS - Adjusted pre-tax profit was lower at £3.7m (H1 2018: £4.7m) and after a tax charge of £1m, equating to an effective rate of 43%, the adjusted post tax profit was £1.3m of which £0.7m was attributable to shareholders of the Group.

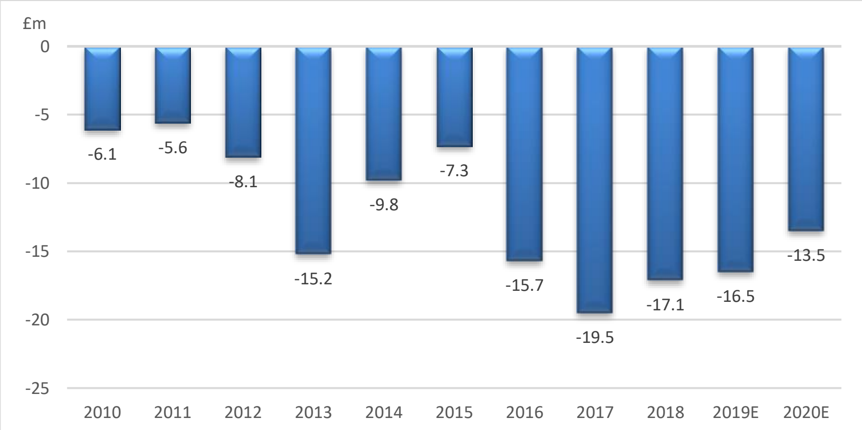
Adjusted fully diluted EPS was 3.3p (H1 2018: 5.0p), the greater fall compared to adjusted pre-tax profit being due to a higher incidence of minority charges particularly reflecting ORS where the minority interest is high.

Movement in cash flow and net debt

Adjusted net debt (which excludes £1.2m cash held in respect of pilot bonds) increased from £17.1m as at December 2018 to £18.1m leading to a rise in the Group's preferred measure of debt, debt to debtors ratio, increasing from 36% to 38%.

The stated level of net debt does not include the £3.5m cash paid in respect of the increased stake in ConSol in July 2019. Exhibit 8 below illustrates the progression of net debt together with our forecasts for FY2019 and FY2020. We would note that even with the inclusion of the £3.5m cash investment in ConSol, we still anticipate net debt falling in FY2019.

EXHIBIT 8: NET DEBT – HISTORIC AND PROSPECTIVE



Source: Empresaria Group; Allenby Capital

Although the debt to debtor ratio of 38% is still higher than the Group's target level of 25%, there is still good headroom in terms of undrawn facilities and covenants.

As at the end of the period, covenants and the actual outturn was as follows:

EXHIBIT 9: COVENANTS AS AT 30/6/19

	Covenant	Actual
Net debt:EBITDA	< 2.5x	0.9x
Interest cover	> 5.0x	17.1x
Debt service cover	> 1.25x	5.2x

Source: Empresaria Group

Management Outlook

"Although, as expected, profit in the first half was lower than the prior year we remain on track to meet full year market expectations for profit"

Fundamentally undervalued

We believe that Empresaria is fundamentally undervalued both in absolute terms and on a peer-group comparative basis.

Strong cash generation

The Group is naturally cash generative offering a free cash flow yield of 9% (FY2018). However, during periods of recession or economic downturn, temporary or contract placement activity will decline, thus releasing additional working capital and leading to enhanced cash generation.

As Empresaria derives some 55% of its NFI from these activities the potential release of working capital in a cyclical downturn would be significant, possibly higher than some of its peers who have a lesser focus on the temp market.

Attractive forward earnings multiples

Exhibit 10 below illustrates that against its peer group Empresaria is attractively priced. On a PER of 5.2x prospective FY2019 earnings and an EV/EBITDA of 3.6x it can be seen that the Group offers the best value of all of its peers while also offering a comparable, prospective and well covered yield of 3.4%.

In addition, in challenging markets it has nevertheless reported four consecutive years of record adjusted PBT and is set to add a fifth year to this record. It offers significant risk mitigation by virtue of its highly diversified business model and its management equity philosophy ensures that individual brand management teams are aligned with other stakeholders.

EXHIBIT 10: PEER GROUP VALUATION METRICS

Company	RIC	Price	Market Cap	EPS (p)		PER (x)		EV/EBITDA (x)		Yield	
		(p)	(£m)	Yr 1 E	Yr 2E	Yr 1 E	Yr 2E	Yr 1 E	Yr 2E	Yr 1 E	Yr 2E
Empresaria	**EMR**	**64**	**31**	**12.2**	**12.7**	**5.2**	**5.0**	**3.6**	**3.3**	**3.4%**	**3.9%**
FDM	FDM	753	822	37.8	39.2	19.9	19.2	14.0	13.6	4.6%	5.2%
Gattaca	GATC	125	43	24.0	25.8	5.2	4.8	4.6	4.7	0.0%	0.0%
Hays	HAS	147	2,143	11.9	12.0	12.4	12.3	7.3	7.2	6.4%	7.1%
Hydrogen	HYDG	49	17	7.2	8.5	6.8	5.8	7.1	6.5	3.1%	3.5%
PageGroup	PAGE	438	1,440	37.0	40.0	11.8	11.0	6.9	6.0	3.4%	3.8%
Parity	PTY	7	8	0.4	1.3	18.5	5.7	13.4	5.1	0.0%	0.0%
SThree	STHR	262	344	33.5	35.8	7.8	7.3	5.3	5.0	5.7%	6.1%
Staffline	STAF	154	106	59.4	68.0	2.6	2.3	6.7	5.6	0.0%	0.0%
R.Walters	RWA	552	419	53.8	59.1	10.3	9.3	6.8	6.3	2.9%	3.2%
Average (excluding EMR)						**10.6**	**8.6**	**8.0**	**6.7**	**2.9%**	**3.2%**

Source: Thomson Reuters; Allenby Capital

Fair value 100p

A share price of 100p would put the Company on a Year 2 PER of 7.8x and an EV/EBITDA of 4.7x, still an acceptable valuation on the former metric, given the defensive qualities of the business and still the lowest EV/EBITDA in the sector, even at the higher share price.

We therefore believe that sustainable fair value for Empresaria is 100p.

P&L and forecasts

EXHIBIT 11: INCOME STATEMENT AND FORECASTS

Y/E December	FY 2017A	FY 2018A	FY 2019E	FY 2020E
	£m	£m	£m	£m
Turnover	357.1	366.8	372.0	391.0
Growth	*32.1%*	*2.7%*	*1.4%*	*5.1%*
Cost of sales	(287.7)	(294.5)	(296.4)	(311.5)
Net Fee Income	69.4	72.3	75.6	79.5
Net Fee Income Margin	*19.4%*	*19.7%*	*20.3%*	*20.3%*
Total Administrative expenses	(57.8)	(60.0)	(63.1)	(66.8)
as a % of turnover	*16.2%*	*16.4%*	*17.0%*	*17.1%*
Adjusted operating Profit	11.6	12.3	12.5	12.7
Conversion Ratio	***16.7%***	***17.0%***	***16.5%***	***16.0%***
Finance Income	0.1	0.2	-	-
Finance Expense	(0.7)	(1.1)	(1.1)	(1.2)
Profit before tax (statutory)	**8.1**	**9.4**	**9.7**	**9.8**
Fair value of acquisition of non-controlling shares	0.3	-	-	-
Loss on disposal of business	(0.9)	-	-	-
Amortisation	1.7	1.7	1.7	1.7
Adjusted profit before tax	**11.0**	**11.4**	**11.4**	**11.5**
Tax	(3.6)	(3.6)	(3.9)	(3.9)
Tax rate	*44.4%*	*38.3%*	*39.8%*	*39.8%*
Net Profit/Loss	4.5	5.8	5.8	5.9
Minority interest	(0.4)	(1.2)	(1.2)	(1.0)
Owners of the parent	**4.1**	**4.6**	**4.6**	**4.9**
EPS				
Fully Diluted (p)	7.9	9.1	9.0	9.5
Fully Diluted (adjusted) (p)	12.5	12.1	12.2	12.7
Shares				
Basic, weighted average (m)	50.900	50.600	50.700	50.700
Fully Diluted, weighted average (m)	51.400	51.000	51.800	51.800
Shares in issue at year end (m)	49.019	49.019	49.019	49.019
Dividend per share (p)	**1.32**	**2.00**	**2.20**	**2.50**
Dividend cover by adjusted EPS (x)	9.4	6.0	5.6	5.1

Source: Empresaria Group; Allenby Capital

Balance sheet and forecasts

EXHIBIT 12: BALANCE SHEET AND FORECASTS				
Y/E December	**FY 2017A**	**FY 2018A**	**FY 2019E**	**FY 2020E**
	£m	**£m**	**£m**	**£m**
Assets				
Non-current assets				
Right-of-use assets	0.0	0.0	13.5	13.5
Property, plant & equipment	1.4	2.1	3.0	3.9
Goodwill	35.9	37.1	37.3	37.3
Other intangible assets	18.2	17.7	17.0	15.3
Deferred tax assets	1.0	1.5	0.9	0.9
Non-current assets	**56.5**	**58.4**	**71.7**	**70.9**
Current assets				
Trade receivables	43.2	48.1	49.1	52.1
Other receivables	9.9	9.2	4.0	5.0
Cash and Cash equivalents	18.4	20.1	20.0	22.0
Cash and Cash equivalents (pilot bonds)	7.5	5.3	2.9	1.0
Current assets	**79.0**	**82.7**	**76.0**	**80.1**
Total Assets	**135.5**	**141.1**	**147.7**	**151.0**
Liabilities				
Current liabilities				
Borrowings	(36.6)	(32.0)	(31.3	(30.4)
Lease liabilities	0.0	0.0	(6.1)	(6.1)
Trade payables	(2.1)	(2.2)	(0.7)	(0.6)
Accruals	(17.4)	(19.4)	(21.0)	(22.2)
Pilot bonds	(7.5)	(5.3)	(2.9)	(1.0)
Other payables	(15.0)	(15.0)	(15.8)	(17.0)
Tax liability	(2.6)	(3.2)	(3.0)	(3.4)
Current liabilities	**(81.2)**	**(77.1)**	**(80.8)**	**(80.7)**
Non-current liabilities				
Borrowings	(1.3)	(5.2)	(5.2)	(5.2)
Lease liabilities	0.0	0.0	(7.5)	(7.5)
Other creditors	-	-	-	-
Deferred tax liability	(4.1)	(4.2)	(1.1)	(1.1)
Non-current liabilities	**(5.4)**	**(9.4)**	**(13.8)**	**(13.8)**
Total liabilities	**(86.6)**	**(86.5)**	**(94.6)**	**(94.5)**
Net Assets	**48.9**	**54.6**	**53.1**	**56.5**
Total equity & liabilities	**135.5**	**141.1**	**147.7**	**151.0**

BALANCE SHEET RATIOS	FY 2017A	FY 2018A	FY 2019E	FY 2020E
	£m	**£m**	**£m**	**£m**
Long-term financial debts	(1.3)	(5.2)	(5.2)	(5.2)
Short term financial debts	(36.6)	(32.0)	(31.3)	(30.4)
Gross debt	(37.9)	(37.2)	(36.5)	(35.6)
Cash and cash equivalents (excluding pilot bonds)	18.4	20.1	20.0	22.0
Net (debt) / cash	(19.5)	(17.1)	(16.5)	(13.6)
Acid test (Current Assets less inventory / Current Liabilities)	1.0	1.1	1.0	1.1
Equity	48.9	54.6	53.1	56.5
Gearing (Net Debt:Equity)	*39.9%*	*31.3%*	*31.0%*	*24.0%*
Net debt/trade debtors	*45%*	*36%*	*28%*	*24%*
Net debt / EBITDA	*157.3%*	*128.6%*	*89.2%*	*72.7%*
EBITDA / net interest expense	20.7	14.8	16.8	15.6

Source: Empresaria Group; Allenby Capital

Cash flow and forecasts

EXHIBIT 13: CASH FLOW AND FORECASTS

Y/E December	FY 2017A	FY 2018A	FY 2019E	FY 2020E
	£m	£m	£m	£m
Operating cash flow				
Profit for year	4.5	5.8	5.8	5.9
Depreciation	1.0	1.0	7.5	7.5
Intangible amortisation	1.7	1.7	1.7	1.7
Taxation expense recognised in income statement	3.6	3.6	3.9	3.9
Exceptional charges	0.0	0.3	0.0	0.0
Loss/(Gain) on disposal of subsidiary	0.9	0.0	0.0	0.0
Cash paid for exceptional items	0.0	0.0	0.0	0.0
Share based payments	-0.2	0.0	0.3	0.0
Net finance costs	0.6	0.9	1.1	1.2
Sub total	**12.1**	**13.3**	**20.3**	**20.2**
(Increase)/Decrease in trade receivables	*-2.8*	*-2.2*	*-1.0*	*-3.0*
(Decrease)/Increase in trade payables	*3.3*	*-2.7*	*-1.5*	*-0.1*
Net movement in WC	*0.5*	*-4.9*	*-2.5*	*-3.1*
Cash generated from operations	12.6	8.4	17.8	17.1
Interest paid	-0.7	-1.0	-1.1	-1.2
Income taxes paid	-5.5	-2.9	-5.7	-6.0
Net cash from operating activities	**6.4**	**4.5**	**11.0**	**9.9**
Cash flows from investing activities				
Acquisition of new subsidiaries	0.0	-1.7	-0.2	0.0
Deferred considerations	-5.6	0.0	0.0	0.0
Disposal of subsidiary	0.1	0.1	0.0	0.0
Purchase of PP&E	-0.9	-1.5	-2.0	-2.0
Finance income	0.1	0.2	0.1	0.1
Net cash used in investing activities	**-6.3**	**-2.9**	**-2.1**	**-1.9**
Cash flows from financing activities				
Further shares acquired in existing subsidiaries	0.0	0.0	-4.0	-0.5
Proceeds from bank borrowings/loan	0.1	4.0	0.0	0.0
Increase/(decrease) in borrowings	15.3	1.5	0.0	0.0
Repayment of loan	-9.2	-6.4	0.0	0.0
Payment of obligations under leases	0.0	0.0	-6.0	-6.0
Increase/(Decrease) in invoice discount facilities	0.7	0.1	0.0	0.0
Dividends paid	-0.6	-0.6	-1.0	-1.1
Dividends paid to minority shareholders in subsidiaries	-0.1	-0.4	-0.4	-0.3
Net cash from/(used in) financing activities	**6.1**	**-2.2**	**-11.4**	**-7.9**
Net increase in cash and cash equivalents	**6.2**	**-0.6**	**-2.5**	**0.1**
FX	-0.6	0.1	0.0	0.0
Cash and cash equivalents at beginning of period	20.3	25.9	25.4	22.9
Cash and cash equivalents at end of period	**25.9**	**25.4**	**22.9**	**23.0**

Source: Empresaria Group; Allenby Capital

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