

A strong performance in the year-to-date

29th August 2023

For the three months to 30th June 2023, Benchmark Holdings reported revenue of £34.3m¹, -5.5%YoY (currency-adjusted -1%YoY), as 10%YoY growth in Genetics (42% of total) was offset by the impact of reduced demand in global shrimp markets, resulting in a 17%YoY decline in Advanced Nutrition revenues (47% of total). Adjusted EBITDA¹ declined 23%YoY (£5.1m), a 14.8% margin (Q3 22: 18.1%); on a currency-adjusted basis -13%YoY. Net operating cash inflow of £1.7m contrasted with £(1.0)m outflow in Q3 22, with net debt² of £45.7m (FY22: £59.3m) and healthy cash reserves of £32.9m.

Business areas: evidence of resilient performance

Q3 **Genetics** revenue grew 10.2%YoY (+21%YoY currency-adjusted), to £14.4m, 42.1% of total, contributing £3.4m in EBITDA (23.3% margin) a 30%YoY decline. Salmon egg production increased 15%YoY to 68.5m, however profitability was impacted by the combination of costs associated with harvesting salmon, a reduction in capitalised production costs and foreign exchange effects.

Q3 **Advanced Nutrition** revenue declined -17.1%YoY (-18% currency-adjusted), to £16.1m, 46.9% of total, **although (adj.) EBITDA rose 21%YoY** to £3.4m, a 21.3% margin compared to 14.6% a year earlier. Inflationary pressure in key US and European markets reduced consumer shrimp demand by c.25%YoY – ytd May US shrimp demand fell 20%YoY (source: intrafish .com) - also exacerbated by a slower-than-expected recovery in demand from China. However, there was an (impressive) improvement in profitability reflecting lower freight costs, product mix and efficiency measures.

Q3 **Health** revenue of £3.8m remained flat (-1.2%YoY) with a £(1.0)m EBITDA loss for the quarter reflecting low utilisation rates for Ectosan[®]Vet and Clean Treat[®] during the seasonal demand lull.

Overall, year-to-date (adj.) EBITDA is +21%YoY ahead

We note that, following quarterly (adj.) EBITDA growth of 48%YoY in Q1 and 32%YoY in Q2, year-to-date (adj.) EBITDA performance remains +21%YoY (or +27% excluding currency factors and changes in the fair value of biological assets), a factor which underpins sound cashflow management.

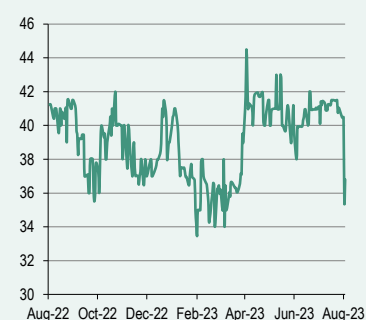
Outlook revised

Q3 under-performance in the Advanced Nutrition business area indicates a revision to our full year FY23 outlook and the basis for FY24 estimates; a 7.2% reduction in our FY23 (adj.) EBITDA outlook and -7.2% for FY24. **We maintain our fair value at 63p/share**, backed by sound cashflow management, confidence in Genetics salmon eggs demand and production capacity and prospects for Benchmark's Ectosan[®]Vet and Clean Treat[®] treatments.

Company Data

EPIC	AIM: BMK
Price (last close)	36p
52 weeks Hi/Lo	47p/33p
Market cap	£269m
ED Fair Value / share	63p
Proforma net debt / (cash) ²	£47.5m

Share Price, p



Source: ADVFN

Description

Benchmark Holdings PLC develops products and biotechnology solutions for the aquaculture sector, to improve sustainability, animal quality and health and welfare, yields and profitability. The Group is focused on: Genetics, to improve stocks and the resilience of species; Advanced Nutrition, specific to early stages of animal development; and Health for sea lice treatments.

The Group has operations in the UK, Norway, US, Chile, Colombia, Iceland, Belgium, Thailand, Vietnam and China.

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Outlook to FY24

Yr to 30 Sep.(£m)	2020	2021	2022	2023E	2024E
Revenue	105.6	125.1	158.3	170.7	194.5
EBITDA (adj)	14.5	19.4	31.2	33.9	39.9
Pre-Tax (adj)	(3.8)	7.0	(6.2)	(8.2)	(1.5)
EPS (adj, p)	(2.3)	0.5	(2.1)	(2.3)	(1.4)
Net debt/(cash)	27.1	56.9	47.5	52.6	41.5
EV/EBITDA	21.8x	16.3x	10.2x	9.3x	7.9x

Source: Company data, Equity Development estimates. PE, N.M. ¹ Currency adjusted data: Q3 revenue -1%YoY; (adj.) EBITDA excluding biological asset fair value, Q3 -29%YoY. ² Net debt excluding lease liabilities.

Q3 23 performance highlights

The principal features of Q3 23 performance were:

- **Revenue of £34.3m, -6%YoY**, on a currency-adjusted basis -1%YoY; for the year-to-date +15%YoY (currency-adjusted, +13%YoY). Strong performance in Q1 and Q2, +36%YoY and +13%YoY respectively, was offset principally by the impact of weakened global demand for shrimp and the corresponding reduction in Q3 revenue contribution from Advanced Nutrition, reduced from 53.4% of Q3 22 revenue to 46.9% of total.
- Reduced **gross profitability** of 50.4% (£17.3m) compared to 53.7% a year earlier (£19.4m).
- **EBITDA (adj.)** was £5.09m (reported basis: £4.56m), a 14.8% margin (Q3 22: 18.1%), with the impact of reduced revenue and gross profitability partially offset by strong cost control.
- **A reduction** in operating costs from £11.46m to £10.63m (26.8% of revenue to 25.8%), with R&D spend maintained broadly flat at £1.5m. This contributed to an adjusted EBIT loss of £(0.22)m, on a reported basis £(4.46)m, inclusive of adjustments of one-off costs of £0.53m and amortisation of capitalised R&D of £0.61m.

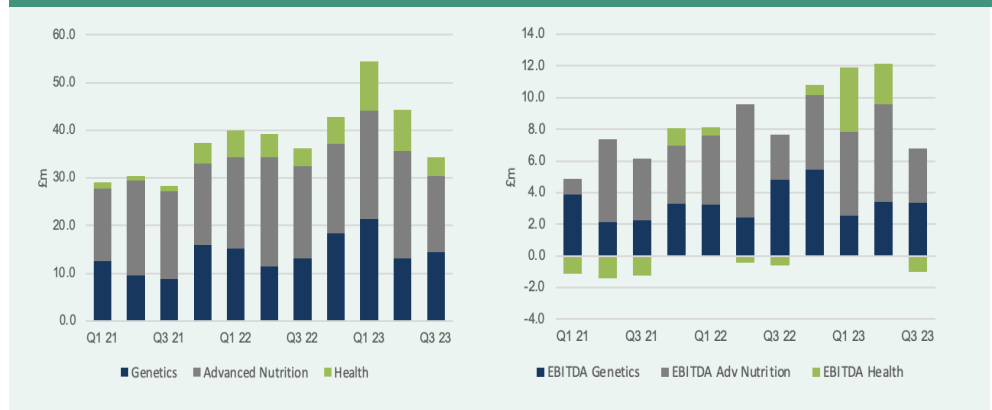
P&L summary, quarterly Q3 22 – Q3 23

£m	Q3 22	Q1 23	Q2 23	Q3 23	Q3 YoY	CER YoY
Genetics	13.09	21.44	13.04	14.43	10.2%	21.0%
Adv Nutrition	19.38	22.68	22.64	16.07	-17.1%	-18.0%
Health	3.84	10.39	8.69	3.80	-1.2%	5.0%
Inter segment	(0.04)	(0.01)	(0.01)	(0.02)		
Revenue	36.27	54.50	44.37	34.27	-5.5%	-1.0%
Gross	19.47	24.23	24.82	17.28	-11.3%	N.A.
Margin	53.7%	44.5%	55.9%	50.4%		
EBITDA (adj.)	6.57	10.97	11.09	5.09	-22.6%	-13.0%
Margin	18.1%	20.1%	25.0%	14.8%		

Source: Company data. CER: constant currency-adjusted.

The following charts summarise the quarterly evolution of Business Area and Group performance. We note in particular, (adj.) EBITDA profitability, which captures the value of amortised intangibles.

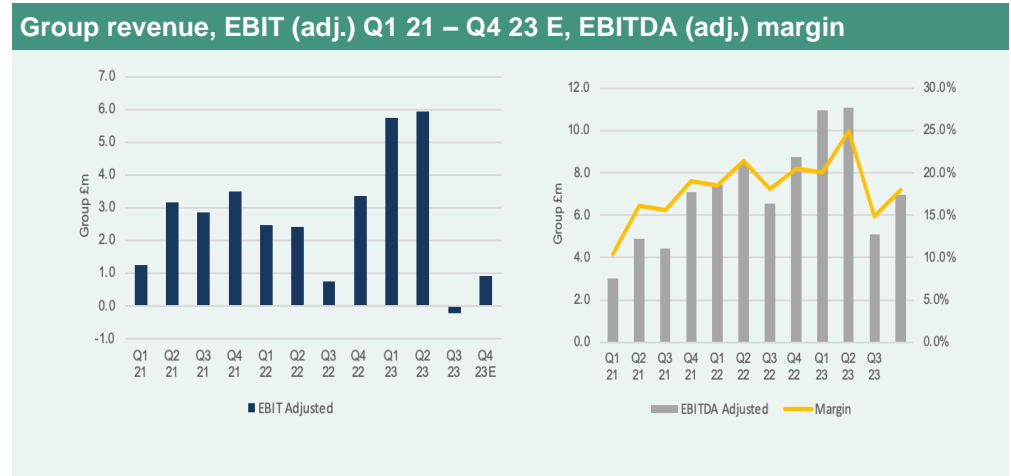
Business area revenue, EBITDA (adj.), Q1 21 – Q3 23



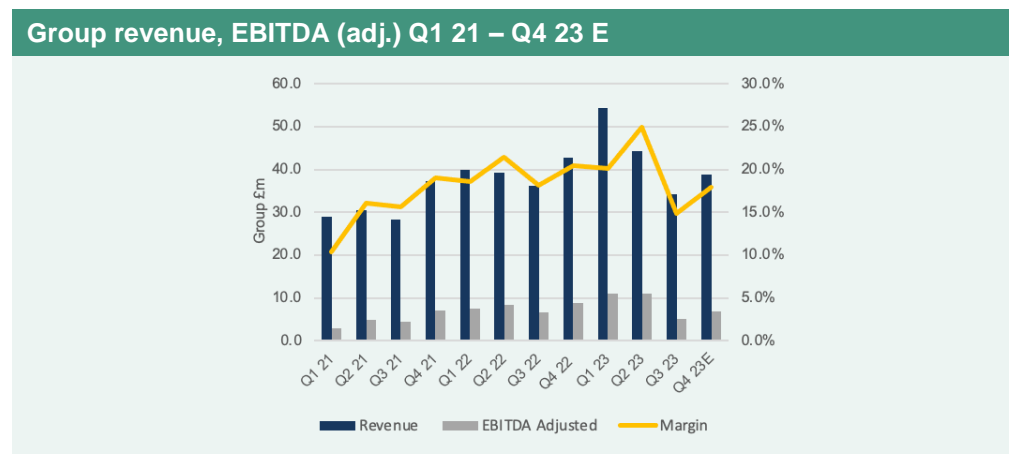
Source: Company data.

Q3 23 in light of quarterly trends

Performance to Q3 with the Q4 outlook implied by our FY23 forecasts.

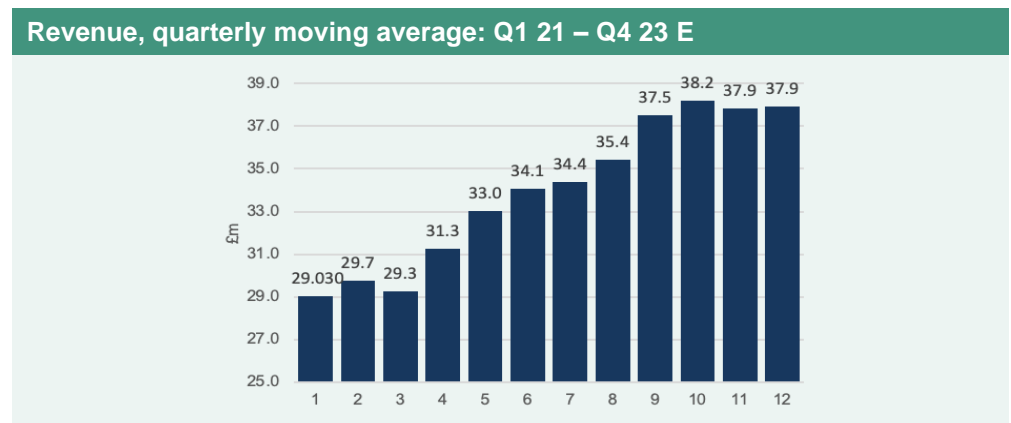


Source: Company data.



Source: Company data.

As illustrated, Q3 23 paused the quarterly moving average revenue upward trend shown from Q1 21.



Source: Company data, Equity Development estimates.

Genetics

The **Genetics** business area recorded:

- Q3 revenue of £14.4m, +10.2%YoY, 42.1% of total (sum excludes centralised costs).
- Adjusted for currency movements, Benchmark reported revenue +21%YoY.

The Group noted progress in Chile (customer additions post period end) and continued progress in the review of Tilapia operations.

Genetics: Q3 23 components of revenue and (adj.)EBITDA

£m	Q3 22	Q3 23	YoY
Goods	12.15	13.52	11.3%
Services	0.94	0.90	-4.1%
Inter-segment	0.01	0.00	-94.0%
Genetics revenue	13.09	14.42	10.2%
Segment EBITDA (adj.)	4.82	3.36	-30.3%
Mrg	36.8%	23.3%	

Source: Company data.

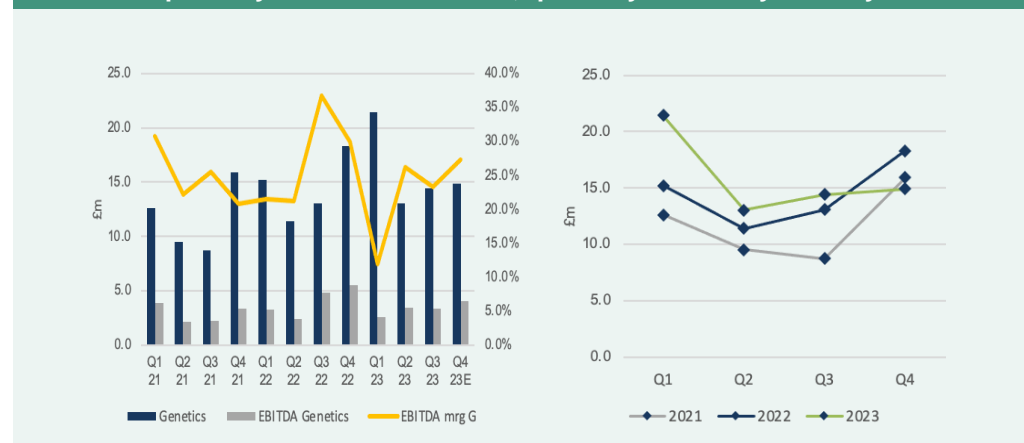
The resulting evolution of Q3 Genetics business area EBITDA was:

- Adjusted EBITDA: £3.36m (Q3 22: £4.82m) -30.3%YoY, 23.2% margin (Q2 22: 36.8% margin).
- Adjusted EBITDA net of fair value movement in biological assets: £1.9m, -44%YoY.
- Adjusted EBITDA net of fair value movement and at constant exchange rate, -29%YoY.

EBITDA (adj.) profitability was impacted by increased costs (c.£1.0m in COGS and opex); £1.3m resulting from adjustments to the value of biological assets; a £1.1m reduction in income from harvested salmon resulting from the combination of lower market prices and increased third-party costs; a -£0.6m foreign exchange effect. Salmon operations contributed £5.5m in (adj.) EBITDA compared to £6.5m in Q3 22, with operations in Chile at (adj.) EBITDA of £(0.9)m, Tilapia at £(0.4)m and shrimp-related at £(0.8)m, i.e. reflecting costs associated with diversification into new markets.

For the full year, FY23, the Group reports good visibility on salmon eggs demand, underpinning our outlook of 10%YoY revenue growth and EBITDA of £13.4m, a 21.0% margin (FY22: 27.5%). Below summarises performance to Q3 23 and our Q4 23 outlook.

Genetics: quarterly revenue & EBITDA, quarterly revenue year-on-year



Source: Company data. Equity Development estimates. Data excludes currency effects.

Advanced Nutrition

Advanced Nutrition recorded:

- Q3 revenue of £16.07m, -17.1%YoY, 46.9% of total (sum excludes centralised costs).
- Adjusted for currency movements, Benchmark reported revenue -18%YoY.

The resulting evolution of Q3 EBITDA was:

- Adjusted EBITDA: £3.42m (Q3 22: £2.84m), +20.5%YoY, 21.3% margin (Q2 22: 14.6% margin).
- Adjusted EBITDA at constant exchange rate, +20%YoY. Q3 revenue contribution from artemia was 43%, -21%YoY; dietary supplements 45%, -16%YoY; and health-related products 12%, -8%YoY.

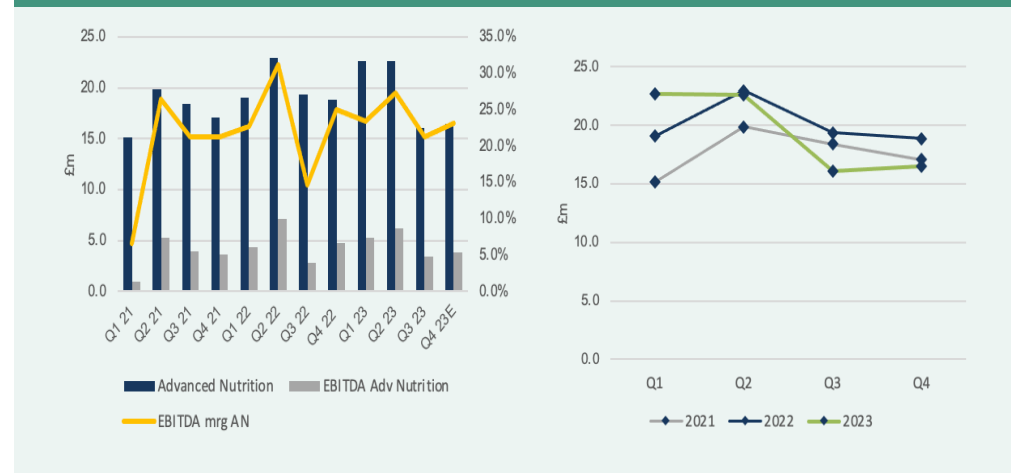
Advanced Nutrition: Q3 23 components of revenue and (adj.)EBITDA

£m	Q3 22	Q3 23	YoY
Goods	19.35	16.05	-17.0%
Services	0.00	0.00	
Inter-segment	0.04	0.02	
AN revenue	19.38	16.07	-17.1%
Segment EBITDA (adj.)	2.84	3.42	20.5%
Mrg	14.7%	21.3%	

Source: Company data, Equity Development estimates.

For the full year, FY23, we expect continued pressure on shrimp production and demand, leading to full year revenue 3% lower YoY and EBITDA of £18.7m, a 24.0% margin (FY22: 23.7%). Below summarises performance to Q3 23 and our Q4 23 outlook.

Advanced Nutrition: quarterly revenue & EBITDA, revenue year-on-year



Source: Company data, Equity Development estimates. Data excludes currency effects.

Health

Advanced Nutrition recorded:

- Q3 revenue of £3.8m, -1.2%YoY, 11.1% of total (sum excludes centralised costs).
- Adjusted for currency movements, Benchmark reported revenue +5%YoY.

Performance for the quarter was in line with the seasonal trend, with cumulative year-to-date revenue remaining +57%YoY and (adj.) EBITDA at £5.6m compared to a £(0.6)m loss a year earlier. The Group reported continued progress in developing a well boat configuration for the Clean Treat[®] process with ship designers MMC and SALT.

The resulting evolution of Q3 EBITDA was:

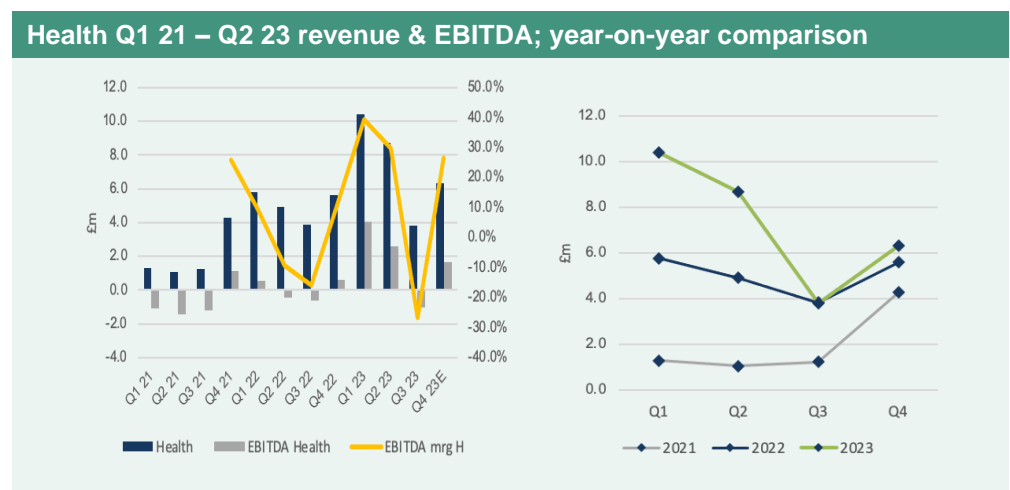
- An adjusted EBITDA loss of £(1.02)m (Q3 22: £(0.61)m).
- Adjusted EBITDA loss at constant exchange rate of £(0.6)m.

The components of quarterly performance were as follows.

Health: Q3 23 components of revenue and (adj.)EBITDA			
£m	Q3 22	Q3 23	YoY
Goods	3.598	2.259	-37.2%
Services	0.242	1.536	535%
Inter-segment	0.000	0.000	
Health revenue	3.840	3.795	-1.2%
Segment EBITDA (adj.)	(0.61)	(1.02)	67.5%
<i>Mrg</i>	-15.9%	-26.9%	

Source: Company data, Equity Development estimates.

For the full year, FY23, we expect the normal seasonal upturn in demand for sea lice treatments with revenue of £29.2m (FY22: £20.1m) and EBITDA of £7.3m (FY22: £0.1m), 25.0% margin.



Source: Company data, Equity Development estimates. Data excludes currency effects.

Quarterly financial performance

Summary of Group quarterly performance, Q3 22 – Q3 23.

Quarterly performance Q3 22 to Q3 23					
£m	Q3 22	Q1 23	Q2 23	Q3 23	Q3 YoY
Genetics	13.091	21.439	13.042	14.426	10.2%
Advanced Nutrition	19.381	22.680	22.644	16.067	-17.1%
Health	3.840	10.385	8.692	3.795	-1.2%
Inter segment	(0.040)	(0.009)	(0.011)	(0.021)	
Revenue	36.272	54.495	44.367	34.267	-5.5%
Gross	19.473	24.227	24.818	17.277	-11.3%
<i>Margin</i>	53.7%	44.5%	55.9%	50.4%	
Sum Op-ex	(12.900)	(13.260)	(13.725)	(12.190)	
One-off costs	(0.469)	(0.972)	(1.716)	(0.530)	
EBIT Reported	(3.951)	(0.122)	0.416	(4.463)	13.0%
EBIT Adjusted	0.762	5.735	5.932	(0.221)	-129.0%
<i>Margin</i>	2.1%	10.5%	13.4%	N.M.	
Amortisation	(4.849)	(5.502)	(4.410)	(4.318)	
Depreciation	(5.206)	(4.615)	(4.551)	(4.702)	
EBITDA Genetics	4.816	2.563	3.420	3.356	
EBITDA Adv Nutrition	2.837	5.297	6.169	3.420	
EBITDA Health	(0.610)	4.067	2.583	(1.022)	
Corp	(0.470)	(0.960)	(1.079)	(0.667)	
EBITDA Reported	6.104	9.995	9.377	4.557	-25.3%
EBITDA Adjusted	6.573	10.967	11.093	5.087	-22.6%
<i>Margin</i>	18.1%	20.1%	25.0%	14.8%	
Financial income	0.141	7.508	0.791	2.746	
Financial expense	(7.428)	(7.286)	(3.223)	(2.981)	
PBT Reported	(11.238)	0.100	(2.016)	(4.698)	-58.2%
PBT Adjusted	(6.525)	5.957	3.500	(0.456)	-93.0%
Tax	(1.584)	(0.779)	(0.704)	0.076	
PAT Reported	(12.822)	(0.679)	(2.720)	(4.622)	
PAT Adjusted	(8.109)	5.178	2.796	(0.380)	
Net rptd	(12.822)	(0.679)	(2.720)	(4.622)	
Net adj	(8.109)	5.178	2.796	(0.380)	
EPS rptd basic (p)	(1.97)	(0.18)	(0.39)	(0.70)	
EPS adj basic (p)	(1.27)	0.64	0.37	(0.12)	
EPS adj dil (p)	(1.26)	0.64	0.36	(0.12)	

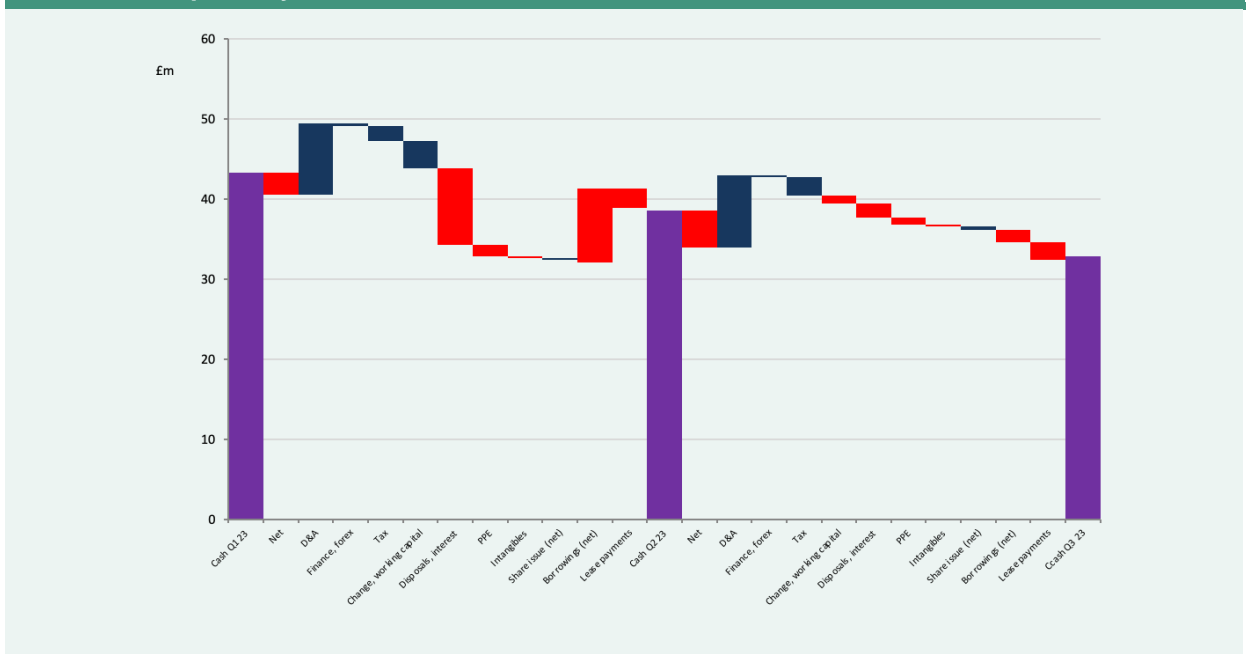
Source: Company data, Equity Development estimates. EPS loss is not shown diluted.

Quarterly cashflow

The principal features of Q3 cashflow were:

- Net operating cashflow of £4.98m compared to a £(5.86) outflow a year earlier.
- A £1.0m reduction in depreciation and amortisation with the retirement of intangibles.
- A £1.06m increase in working capital,
- Net cash from operations of £3.92m compared to £2.34m in Q3 22..
- Investments totalling £0.18m compared to £4.64m a year earlier, with investments in PPE reduced from £1.6m in the previous two quarters to £0.92m.
- The movement in cash (before forex) was £(4.9)m with cash of £32.86m (inclusive of facilities, £45.1m).
- Net debt, (excluding lease obligations) was £45.7m compared to £44.5m at Q2. Inclusive of leases net debt was £66.9m compared to £6.4m at Q2.

Evolution of quarterly cashflow, Q1 23 – Q3 23



Source: Company data, Equity Development estimates.

Revised outlook

As illustrated below, the Group maintains its medium-term performance targets, also reflective of the year-to-date trend. However, Q3 under-performance in the Advanced Nutrition business area in particular indicates a revision to our full year FY23 outlook and the basis for FY24 estimates, as shown below, resulting in a 7.2% reduction in our FY23 (adj.) EBITDA outlook and -7.2% for FY24.

Revised outlook to FY24

Prior (£m)	2023E	2024E	Revised	2023E	2024E
Genetics	63.8	68.9		63.8	69.6
Advanced Nutrition	86.7	97.1		77.9	85.7
Health	24.0	32.4		29.2	39.4
Revenue	174.4	198.3		170.7	194.5
EBITDA (adj.)					
Genetics	15.2	16.5		13.4	15.3
Advanced Nutrition	20.8	23.3		18.7	19.7
Health	6.0	8.1		7.3	9.9
EBITDA (adj)	36.5	43.0		33.9	39.9
Pre-Tax (adj)	(5.6)	1.6		(8.2)	(1.5)
EPS (adj, p)	(2.1)	(1.1)		(2.3)	(1.4)
Net debt/(cash)	55.5	48.1		52.6	41.5
Change in estimates					
Revenue				-2.1%	-1.9%
EBITDA (adj)				-7.2%	-7.2%

Source: Company data, Equity Development estimates.

As illustrated, the Group maintains stated medium-term performance targets.

Medium term outlook maintained

	FY 2021	FY 2022	H1 2023	Q3 YTD 2023	Medium term objectives	Comment
Revenue growth p.a.	18%	27%	25%	15%	15%-18%	Within range despite market conditions in largest business area showing value of diversified business model
Adj. EBITDA margin	16%	20%	22%	20%	25%-30% period end	Quarter specific items impacted trend but underlying momentum and focus remain
Cash conversion ⁽¹⁾	30%	35%	43%	41%	70%-80%	Improving operating cashflow and measures in place to reach medium term goal - working capital management
Free Cashflow ⁽²⁾ % sales	(17%)	(8%)	1%	0%	10%-15% period end	Progress driven by disciplined investment and control on capex

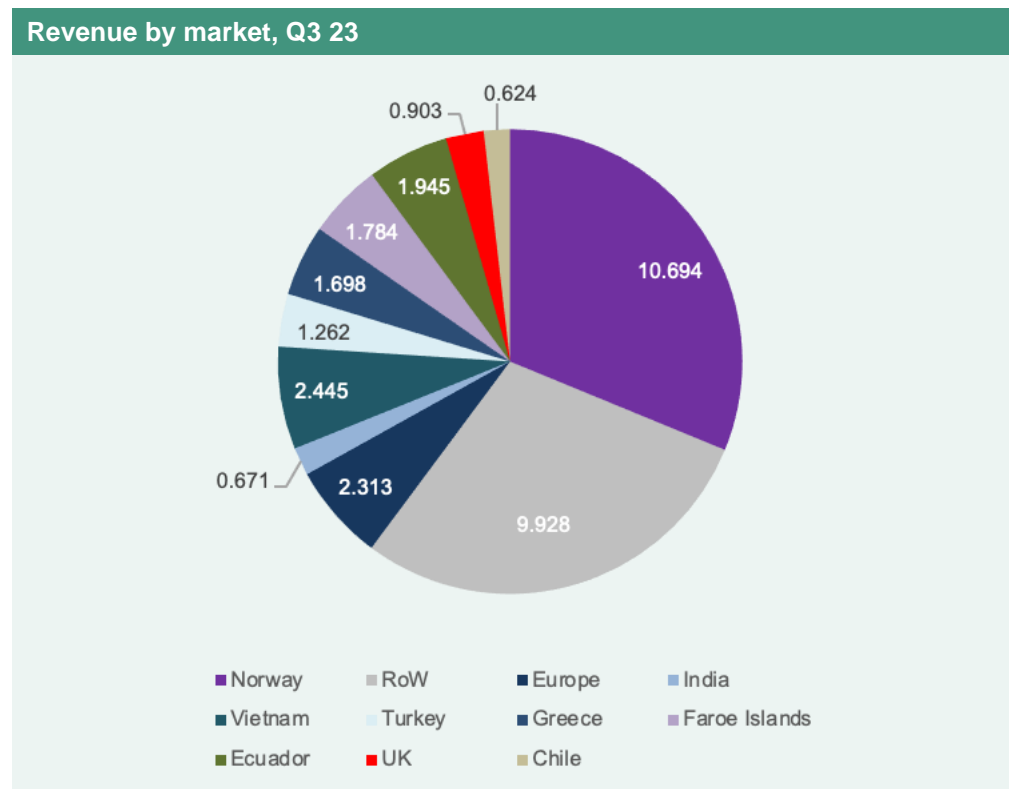
Source: Company data.

Appendix I: revenue by operation and market

The geography of Q3 23 revenue (pre inter-segment) maintains Benchmark's globally-distributed marketing presence, backed by a strong presence in its home market, Norway.

Revenue by segment and market, Q3 23				
Q3 23 (£m)	Genetics	AN	Health	Total
Norway	7.190	0.349	3.155	10.694
India		0.671		0.671
UK	0.783	0.027	0.093	0.903
Turkey	0.054	1.208		1.262
Greece		1.698		1.698
Vietnam		2.445		2.445
Ecuador	0.009	1.936		1.945
Faroe Islands	1.668		0.116	1.784
Chile	0.332	0.001	0.291	0.624
Europe	1.546	0.767		2.313
RoW	2.841	6.947	0.140	9.928
Inter-segment	0.003	0.018		0.021
Corporate/inter-segment				(0.021)
Sum	14.426	16.067	3.795	34.267

Source: Company data.



Source: Company data.

FINANCIAL SUMMARY

Summary P&L: FY20 – FY24E					
£m	FY20	FY21	FY22	FY23E	FY24E
Genetics	41.5	46.8	58.0	63.8	69.6
Advanced Nutrition	59.4	70.5	80.3	77.9	85.7
Health	10.8	7.8	20.1	29.2	39.4
Inter segment	(6.1)	(0.1)	(0.2)	-0.2	-0.2
Revenue	105.6	125.1	158.3	170.7	194.5
Gross	55.0	65.6	83.1	87.1	101.1
<i>Margin</i>	<i>52.1%</i>	<i>52.4%</i>	<i>52.5%</i>	<i>51.0%</i>	<i>52.0%</i>
COGS	(50.6)	(59.5)	(75.1)	(83.7)	(93.3)
R&D	(7.3)	(7.0)	(6.7)	(6.8)	(7.9)
Other	(33.3)	(38.2)	(44.7)	(45.7)	(52.7)
Equity inv.	0.2	(0.9)	(0.6)	(0.6)	(0.7)
Sum operating costs	(40.5)	(46.1)	(51.9)	(53.2)	(61.3)
One-off costs	(2.1)	(0.2)	0.0	(3.0)	0.0
EBIT Reported	(10.9)	(5.4)	(7.9)	(8.2)	0.8
EBIT Adjusted	7.9	10.8	9.1	(5.2)	0.8
<i>Margin</i>	<i>7.4%</i>	<i>8.6%</i>	<i>5.8%</i>	<i>N.M.</i>	<i>0.4%</i>
Amortisation	(16.6)	(16.3)	(19.2)	(19.2)	(19.2)
Depreciation	(6.6)	(8.4)	(19.9)	(19.9)	(19.9)
EBITDA Reported	12.4	19.3	31.2	30.9	39.9
EBITDA Adjusted	14.5	19.4	31.2	33.9	39.9
<i>Margin</i>	<i>13.7%</i>	<i>15.6%</i>	<i>19.7%</i>	<i>19.9%</i>	<i>20.5%</i>
Financial income	1.1	4.2	4.7	5.0	5.5
Financial expense	(12.8)	(8.0)	(20.1)	(8.0)	(7.8)
PBT Reported	(22.6)	(9.2)	(23.2)	(11.2)	(1.5)
PBT Adjusted	(3.8)	7.0	(6.2)	(8.2)	(1.5)
Tax	(0.2)	(2.4)	(7.3)	(8.0)	(8.9)
PAT Reported	(22.8)	(11.6)	(30.5)	(19.2)	(10.3)
PAT Adjusted	(4.0)	4.6	(13.5)	(16.2)	(10.3)
Basic wtd. Av. shares (m)	625.5	669.5	698.2	739.3	739.3
Diluted wtd. av. shares (m)	626.9	674.1	704.5	745.3	745.3
EPS rptd basic (p)	(5.26)	(1.93)	(4.60)	(2.73)	(1.40)
EPS adj basic (p)	(2.27)	0.49	(2.16)	(2.32)	(1.40)

Source: Company data, Equity Development estimates.

Summary P&L: Q1 – Q4 23 E

£m	Q1 23	Q2 23	Q3 23	Q4 23E
Genetics	21.4	13.0	14.4	14.9
Advanced Nutrition	22.7	22.6	16.1	16.5
Health	10.4	8.7	3.8	6.3
Inter segment	(0.0)	(0.0)	(0.0)	(0.1)
Revenue	54.5	44.4	34.3	37.6
Gross	24.2	24.8	17.3	20.7
<i>Margin</i>	<i>44.5%</i>	<i>55.9%</i>	<i>50.4%</i>	<i>55.2%</i>
COGS	(30.3)	(19.5)	(17.0)	(16.8)
R&D	(1.6)	(1.4)	(1.5)	(2.4)
Other	(11.8)	(12.3)	(10.6)	(11.0)
Equity inv.	0.1	0.0	(0.1)	(0.6)
Sum operating costs	(13.3)	(13.7)	(12.2)	(14.0)
One-off costs	(1.0)	(1.7)	(0.5)	0.0
EBIT Reported	(0.1)	0.4	(4.5)	(4.0)
EBIT Adjusted	5.7	5.9	(0.2)	0.7
<i>Margin</i>	<i>10.5%</i>	<i>13.4%</i>	<i>N.M.</i>	<i>0.0%</i>
Amortisation	(5.5)	(4.4)	(4.3)	(4.9)
Depreciation	(4.6)	(4.6)	(4.7)	(6.0)
EBITDA Reported	10.0	9.4	4.6	7.0
EBITDA Adjusted	11.0	11.1	5.1	6.7
<i>Margin</i>	<i>20.1%</i>	<i>25.0%</i>	<i>14.8%</i>	<i>17.9%</i>
Financial income	7.5	0.8	2.7	(5.9)
Financial expense	(7.3)	(3.2)	(3.0)	5.3
PBT Reported	0.1	(2.0)	(4.7)	(4.6)
PBT Adjusted	6.0	3.5	(0.5)	0.1
Tax	(0.8)	(0.7)	0.1	(6.6)
PAT Reported	(0.7)	(2.7)	(4.6)	(11.2)
PAT Adjusted	5.2	2.8	(0.4)	(6.5)
Basic wtd. Av. shares (m)	710.1	724.5	739.3	739.3
Diluted wtd. av. shares (m)	716.1	728.8	745.3	745.3
EPS rptd basic (p)	(0.18)	(0.39)	(0.70)	(1.47)
EPS adj basic (p)	0.64	0.37	(0.12)	(3.18)

Source: Company data, Equity Development estimates.

Summary Cashflow FY20 – FY24E

£m	FY20	FY21	FY22	FY23E	FY24E
Net reported	(31.9)	(11.6)	(30.5)	(19.2)	(10.3)
PPE depreciation	7.0	5.0	8.6	8.9	8.9
RoU depreciation	2.1	3.3	11.3	11.0	11.0
Amortisation	19.4	16.3	19.2	19.2	19.2
Disposals net	(15.3)	0.0	(0.0)	(0.0)	0.0
Finance (net)	9.6	6.5	18.1	3.0	2.3
Forex, other	(0.1)	(0.9)	(4.9)	0.0	0.7
Share-based payments	1.7	0.8	1.2	1.0	1.0
Tax	0.3	2.4	7.3	8.0	8.9
Operating Cash Flow	(7.2)	22.0	30.3	31.9	41.6
Working capital					
(Increase)/Decrease inventories	3.7	(3.6)	(5.4)	(2.9)	(4.6)
(Increase)/Decrease in receivables	4.2	(8.2)	(8.5)	(6.8)	4.5
Increase/(Decrease) in payables	5.0	5.5	6.9	14.1	8.1
Increase/(Decrease) in bio/agri assets	(7.5)	(5.4)	(6.1)	(2.0)	(2.0)
Provisions	(0.3)	(0.0)	1.1	(0.0)	0.0
Change, working capital	5.2	(11.6)	(12.0)	2.4	6.1
Cash generated by operations	(2.0)	10.4	18.3	34.3	47.7
Tax (paid)/received	(2.1)	(4.6)	(7.4)	(7.3)	(8.0)
Net cash from operations	(4.1)	5.8	10.8	27.0	39.7
Investing activities	0.0	0.3	0.0	0.0	0.0
Disposals, invsts	41.4	(0.5)	1.4	(8.3)	0.0
PPE	(5.9)	(17.7)	(10.8)	(7.0)	(7.4)
Intangibles	(5.3)	(5.0)	(1.9)	(1.0)	(1.0)
Interest / Other	0.1	0.1	0.1	0.0	0.0
Net cash used in investing	30.4	(23.1)	(11.2)	(16.3)	(8.4)
Net OpFCF	26.3	(17.3)	(0.4)	10.7	31.3
Financing activities					
Share issue (net)	41.7	0.8	20.2	11.4	0.0
Borrowings (net)	(1.8)	(3.1)	(6.9)	(5.0)	(5.0)
Interest paid	(7.7)	(7.7)	(9.6)	(8.0)	(7.8)
Lease payments	(2.1)	(4.6)	(10.5)	(10.5)	(10.5)
Other	0.0	(0.0)	0.0	(0.6)	0.0
Net cash from financing	30.1	(14.7)	(6.9)	(12.8)	(23.3)
Net increase in cash / equivalents	56.5	(32.0)	(7.3)	(2.1)	8.0
Cash start	16.1	71.6	39.5	36.4	32.6
Forex	(0.9)	(0.2)	4.3	(1.8)	0.0
Cash end	71.6	39.5	36.4	32.6	40.6

Source: Company data, Equity Development estimates.

Summary Cashflow: Q1 – Q3 23

£m	Q1 23	Q2 23	Q3 23
Net reported	(0.7)	(2.7)	(4.6)
PPE depreciation	2.0	2.2	2.1
RoU depreciation	2.6	2.3	2.6
Amortisation	5.5	4.4	4.3
Disposals net	(0.0)	0.0	0.0
Finance (net)	(0.5)	1.9	1.6
Forex, other	0.4	(1.5)	(1.3)
Share-based payments	0.3	0.2	0.4
Tax	0.8	0.7	(0.1)
Operating Cash Flow	10.3	7.5	5.0
Working capital			
(Increase)/Decrease inventories	1.6	0.9	(0.3)
(Increase)/Decrease in receivables	4.0	2.1	(2.3)
Increase/(Decrease) in payables	(9.6)	(4.0)	2.8
Increase/(Decrease) in bio/agri assets	3.3	(2.4)	(1.3)
Provisions	(0.0)	(0.0)	(0.0)
Change, working capital	(0.8)	(3.4)	(1.1)
Cash generated by operations	9.6	4.1	3.9
Tax (paid)/received	(1.5)	(2.6)	(2.2)
Net cash from operations	8.1	1.4	1.7
Investing activities	0.0	0.0	0.0
Disposals, invsts	0.0	(8.3)	0.9
PPE	(1.8)	(1.4)	(0.9)
Intangibles	(0.0)	(0.2)	0.2
Interest / Other	(0.3)	0.7	0.1
Net cash used in investing	(2.2)	(9.3)	0.2
Net OpFCF	5.9	(7.9)	1.9
Financing activities			
Share issue (net)	11.6	(0.3)	(0.5)
Borrowings (net)	(4.4)	9.2	(1.5)
Interest paid	(2.2)	(1.9)	(2.7)
Lease payments	(2.2)	(2.5)	(2.7)
Other	(0.6)	0.0	0.6
Net cash from financing	2.2	4.6	(6.8)
Net increase in cash / equivalents	8.1	(3.3)	(4.8)
Cash start	36.4	42.8	38.6
Forex	(1.8)	(0.9)	(0.9)
Cash end	42.8	38.6	32.9

Source: Company data, Equity Development estimates.

Summary Balance sheet: FY20 – FY24E

£m	FY20	FY21	FY22	FY23E	FY24E
Fixed Assets					
Intangible assets	247.0	229.0	245.3	227.1	208.9
PPE net	65.6	78.8	81.9	69.0	56.5
RoUse assets	10.3	25.5	27.0	27.0	27.0
Equity investees	3.7	3.4	3.1	3.1	3.1
Other invsts	0.0	0.0	0.0	0.0	0.0
Bio/agri assets	16.6	21.2	20.9	20.9	20.9
Sum Fixed Assets	343.3	358.0	378.2	347.1	316.4
Current Assets					
Inventories	18.9	20.9	29.8	32.7	37.3
Trade receivables	39.4	46.5	56.4	63.1	58.6
Bio/agri assets	15.8	17.1	25.8	25.8	25.8
Cash, Equivalents	71.6	39.5	36.4	32.6	40.6
Sum Current Assets	145.8	124.0	148.4	154.2	162.3
Total Assets	489.0	482.0	526.6	501.4	478.7
Current Liabilities					
Trade payables	(45.7)	(46.7)	(44.3)	(58.5)	(66.6)
Loans	(5.3)	(10.7)	(17.1)	(17.1)	(17.1)
Tax	(4.3)	(5.6)	(10.2)	(10.2)	(10.2)
Provisions	0.0	(0.6)	(1.6)	0.0	0.0
Sum Current Liabilities	(55.4)	(63.5)	(73.3)	(85.8)	(93.9)
Total Assets less Current Liabilities	433.7	418.5	453.3	415.6	384.8
Long-term Liabilities					
Borrowings	(103.8)	(109.7)	(93.0)	(88.0)	(83.0)
Other	(1.8)	(0.9)	(9.0)	0.0	0.0
Tax	(32.6)	(28.2)	(28.0)	(6.8)	(6.8)
Sum Long-term liabilities	(138.2)	(138.9)	(130.0)	(94.8)	(89.8)
Total liabilities	(193.6)	(202.4)	(203.3)	(180.6)	(183.7)
Net Assets	295.4	279.6	323.3	320.8	295.0
Capital & Reserves					
Share Capital	0.7	0.7	0.7	0.7	0.7
Additional paid-in capital	399.6	400.7	420.8	456.4	440.9
Capital Reserve	0.0	0.0	0.0	0.0	0.0
Retained earnings	(142.2)	(154.2)	(185.1)	(205.3)	(215.6)
Hedging reserve	(9.7)	(5.9)	(0.7)	(1.0)	(1.0)
Forex reserve	40.7	30.5	77.7	60.0	60.0
Non-controlling interest	6.3	7.9	9.9	10.0	10.0
Equity	295.4	279.6	323.3	320.8	295.0
Net debt / (cash), excl. leases	27.1	56.9	47.5	52.6	41.5

Source: Company data, Equity Development estimates.

Summary Balance Sheet: Q1 - Q3 23

£m	Q1 23	Q2 23	Q3 23
Fixed Assets			
Intangible assets	224.6	215.1	205.3
PPE net	80.5	77.2	71.9
RoUse assets	23.9	22.4	21.8
Equity investees	3.0	3.1	3.0
Other invsts	0.4	0.0	0.0
Bio/agri assets	24.9	20.6	21.7
Sum Fixed Assets	357.4	338.4	323.7
Current Assets			
Inventories	28.2	27.1	26.2
Trade receivables	51.2	48.4	47.9
Bio/agri assets	17.2	22.6	21.3
Cash, Equivalents	42.8	38.6	32.9
Sum Current Assets	139.3	136.8	128.3
Total Assets	496.7	475.1	451.9
Current Liabilities			
Trade payables	(35.3)	(29.7)	(32.0)
Loans	(16.2)	(22.1)	(21.8)
Tax	(10.3)	(8.4)	(6.8)
Provisions	(1.6)	(1.6)	(1.6)
Sum Current Liabilities	(63.4)	(61.8)	(62.1)
Total Assets less Current Liabilities	433.3	413.3	389.8
Long-term Liabilities			
Borrowings	(88.0)	(82.9)	(78.0)
Other	(4.4)	(6.3)	(4.9)
Tax	(25.1)	(24.3)	(22.8)
Sum Long-term liabilities	(117.4)	(113.4)	(105.6)
Total liabilities	(180.8)	(175.3)	(167.8)
Net Assets	315.9	299.9	284.2
Capital & Reserves			
Share Capital	0.7	0.7	0.7
Additional paid-in capital	432.4	37.9	37.4
Capital Reserve	0.0	0.0	0.0
Retained earnings	(186.1)	202.0	197.2
Hedging reserve	(1.3)	(1.3)	0.5
Forex reserve	59.9	54.4	43.5
Non-controlling interest	10.3	5.4	10.0
Equity	315.9	299.9	289.4
Net debt / (cash), excl. leases	37.9	44.5	45.7

Source: Company data, Equity Development estimates.



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