Springfield Properties

Looking to the future with confidence

20th February 2024

Springfield has reported encouraging H1 results, reiterating full year expectations and confidence in longer term growth prospects. The strategy to maximise cash generation is bearing fruit, costs are being carefully controlled and there are signs of market recovery, both in terms of Affordable contract successes and, more recently, a pick-up in Private Housing activity since mid-January. Springfield has one of the largest land banks in Scotland and an excellent reputation in both Private and Affordable Housing. With increasing confidence in forecasts and improving market sentiment, we believe the 40%+ discount to sector peers is unwarranted and reiterate our ED Fair Value/Share of 130p (Price/ Book multiple of c.1.0x).

Trading in line, debt reduction well on track

Springfield is on track to report results for FY'24 in line with market expectations, including the target to reduce net bank debt to £55m by 31st May. **Debt reduction is a clear priority for management and today's results highlight the progress that has been made in realising cash from the land bank in recent periods.** The Group entered an agreement for a profitable land sale for £5.2m during the period and a further two agreements totalling £12.8m post period end. Advanced discussions are underway for further profitable land sales with an encouraging level of interest being seen.

Green shoots ahead of Spring selling season

There have been several signs in recent weeks that the housing market has made a bright start to 2024, particularly in Scotland. These include January's RICS survey, which highlighted an improvement across all sales market activity indicators, and recent house price inflation data (Halifax recording +4% in January in Scotland versus +2.5% for the wider UK). Encouragingly, Springfield has also seen an increase in Private Housing activity. It is too early to extrapolate but **the average weekly reservation rate since mid-January has been 62% higher than for the year to that point.**

Continuing contract success in Affordable Housing, PRS potential

Springfield is again active in Affordable Housing, winning contracts worth £40m for H2'24 and beyond, with more under negotiation. The end of the rent-cap in April '24 may also pave the way for new-build Private Rental Sector (PRS) housing to return in Scotland. Springfield is well placed to support this, having built Scotland's first suburban, built-to-rent homes for PRS at the Bertha Park Village in Perth.

Key Financials & Valuation metrics

Year-end May, £m	2020A	2021A	2022A	2023A	2024E	2025E
Sales	144.4	216.7	257.1	332.1	287.2	270.4
EBITDA	14.5	22.0	24.4	23.2	20.4	19.9
Adjusted PBT	10.2	20.7	22.7	16.0	10.1	13.0
FD EPS (p)	8.2	14.1	15.2	10.4	6.4	8.0
DPS (p)	2.0	5.8	6.2	0.0	0.0	1.5
Net Cash/(Debt)*	-70.9	-20.8	-38.1	-67.7	-60.9	-41.7
Net Cash/(Debt)**	-67.5	-18.2	-34.1	-61.8	-55.0	-35.8
Net Debt*/EBITDA	4.9x	0.9x	1.6x	2.9x	3.0x	2.1x
P/E	9.3x	5.5x	5.1x	7.4x	12.0x	9.6x
EV/EBITDA	11.2x	5.1x	5.3x	6.8x	7.4x	6.7x
Price/ Book	0.8x	0.7x	0.6x	0.6x	0.6x	0.5x
Dividend yield	2.6%	7.5%	8.1%	0.0%	0.0%	1.9%
FCF yield	-42.6%	67.3%	16.3%	1.8%	22.2%	23.7%

*Source: ED analysis, all numbers IFRS 16 basis * including leases ** excluding lease*

Company Data

EPIC	SPR.L
Price (last close)	78p
52 weeks Hi/Lo	93p/51p
Market cap	£92m
ED Fair Value	130p
Proforma net cash/ (debt)	(£60.9m)
Avg. daily volume	40,000

Share Price, p

Source: ADVFN

Description

Springfield Properties is one of Scotland's leading housebuilders. It has an enviable track record of growth and profitability and a reputation for building high quality homes in attractive locations. It has multiple awards for the quality of its homes and innovation.

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Trading in line, debt reduction well on track

Springfield's interims are in line with expectations and reflect the actions management has taken in response to recent challenging market conditions.

The strategy to maximise cash generation is bearing fruit, costs are being carefully controlled and there are signs of market recovery, both in terms of Affordable contract successes and, more recently, a pick-up in Private Housing activity since mid-January.

Financial headlines – protecting margins in challenging market

- Revenue declined by 25% as expected, and in line with sector peers, to £121.7m, reflecting the more challenging market backdrop.
- Private Housing revenue declined by 26% and Affordable by 9% as home completions declined by 36% overall.
- The Average Selling Price (ASP) increased by 20% at Group level, reflecting a change in sales mix as well as increased selling prices across the Group's brands in the Private Housing division, and the impact of the Scottish Government increasing the affordable housing benchmark.
- The Private ASP increased by 14% to £314k and the Affordable ASP increased by 11% to £177k.
- At the period end, Springfield was active on 50 sites (H1'23: 50 sites) having completed 7 developments and opened 7 new sites.
- Gross margin increased from 14.0% in H1'23 to 14.7%, encouraging progress and an improvement on the FY'23 gross margin of 14.4%, with further improvement expected as activity increases.
- Build cost inflation has now stabilised at c.2.5% having been as high as 30% at peak. This had already dropped to c.4% for H1'24.
- Admin expenses excluding exceptional items reduced by 14% to £12.6m, an annualised £4m saving, benefiting from cost actions to protect profitability.
- Adjusted operating profit reduced by 32% to £5.6m and Adj. PBT by 70% to £2.0m following an increase in the interest charge given the increase in net debt in the period.
- Net bank debt increased to £93.4m as expected (H1'23: £67.8m), following c.£11m of deferred consideration payments on prior year acquisitions as well as £20m of working capital investment.
- As previously communicated, the dividend has been paused, given the prioritisation of debt reduction.

Debt reduction on plan, realising cash from significant land bank

Debt reduction is a clear priority for management and today's results highlight the good progress that has been made in realising cash from the Group's large land bank in recent periods.

Year-end net debt expectations have been reiterated, with a clear target to reduce net bank debt to £55m by the end of May.

The Group entered an agreement for a profitable sale of land for £5.2m during the period and a further two agreements totalling £12.8m post period end. There are advanced discussions ongoing for further profitable land sales and the level of interest is said to be encouraging.

As of 30th November ‘23, the Group had 6,421 owned plots (31st May ‘23: 6,712) and strategic options over a further 3,217 acres, equating to 32,200 plots. This equates to five years of activity for the owned land bank and 25 years for the strategic land bank.

Early signs of recovery in Private Housing market

As previously reported, and in common with the wider industry, Springfield saw lower sales levels over the period as the traditional summer slowdown continued after the schools returned in August (rather than seeing the normal seasonal pick-up). At this point, Springfield decided to curtail its speculative development activities and only build once a reservation has been secured. Reservation rates remained subdued, but stable, for the remainder of the period. As a reminder, under the Scottish “missives” system, buyers are legally bound to buy a property far earlier in the sale process than in the rest of the UK, providing greater visibility and certainty to buyers and sellers (for further details, click here for our initiation note).

The average weekly reservation rate since mid-January has been 62% higher than for the year to that point

Encouragingly, in line with sector peers, Springfield has seen an increase in Private Housing activity in the early weeks of 2024. It is too early to predict with confidence whether this will extend into the key Spring selling season, but it is certainly an encouraging sign.

The average weekly reservation rate since mid-January has been 62% higher than for the year to that point.

The Group is encouraged by the indications of a return in homebuyer confidence, which is also evident in the recent RICS survey and other industry indicators; see page 6.

Villages milestone at Durieshill

We continue to see Springfield’s Village Developments as a key differentiator. The Group has three Villages that are well underway (Dykes of Gray, Dundee; Bertha Park, Perth; and Elgin South) and achieved a key milestone in the period in reaching a section 75 agreement with Stirling Council for 3,042 homes at the Durieshill Village. Durieshill was granted planning in 2019 and is believed to be the largest detailed planning consent to have been granted in Scotland to date, highlighting Springfield’s position as a leading housebuilder in Scotland. Work on site is expected to commence in the current calendar year.

Affordable Housing – contract successes and more to come

During the period, Springfield recommenced engaging with affordable housing providers with a focus on 12-18 month contracts with lower pricing risk. This follows the Scottish Government increasing the affordable housing investment benchmarks, which has enabled housing associations to increase the price of affordable housing contracts.

Springfield has signed contracts with affordable housing providers totalling c.£40m for delivery in the second half of the year and beyond, with a focus on shorter-term contracts with lower pricing risk.

Negotiations are continuing over further contracts that Springfield expects to be awarded in H2.

Potential for a return of PRS over coming periods

The Scottish Government’s emergency rent-cap continued to suppress demand from PRS investors in the Scottish market in the period (in contrast to substantial interest in the wider UK). The rent-cap is due to end on 1st April 2024 and the Group is hopeful that PRS providers will resume activity in Scotland.

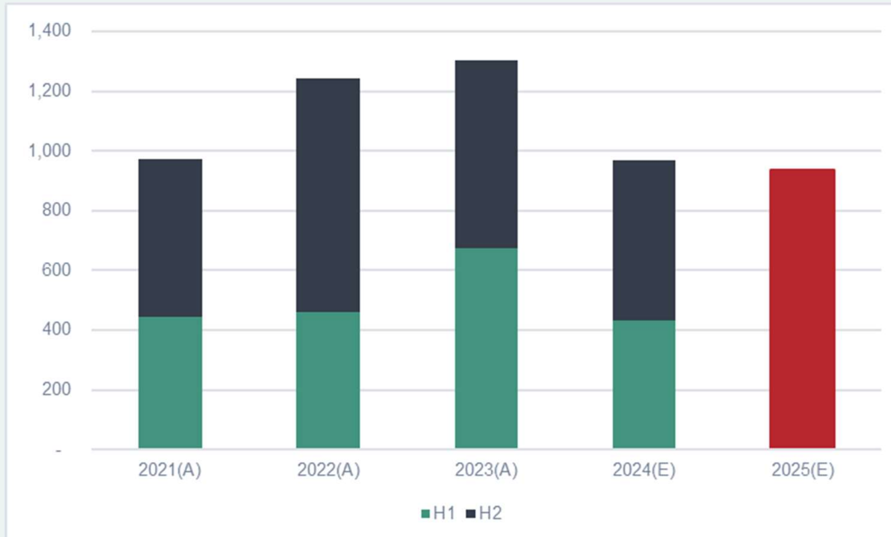
In our view, Springfield remains very well positioned to play a key role in PRS development, given the strength of its land bank and its experience of delivering the first PRS housing in Scotland at the Bertha Park Village.

Prudently positioned forecasts maintained

Given the in-line trading commentary in today's results, we are maintaining our forecasts for FY24 and FY25.

There is an implied H2 weighting for FY'24, following the customary seasonal pattern and further supported by the recent improvement in activity. We feel forecasts are well underpinned and show H1:H2 completion trends in the chart below.

Home completions by year and H1:H2 trend



Source: Company historic data, ED forecasts and analysis

We also believe FY25 forecasts are prudently positioned, assuming a 4% decline in housing completions versus FY24 (see below). We expect Affordable Housing completions to increase further given that the Springfield is now actively engaging with providers. We allow for a decline in Private completions, but this may prove to be overly cautious if a more sustained recovery takes hold.

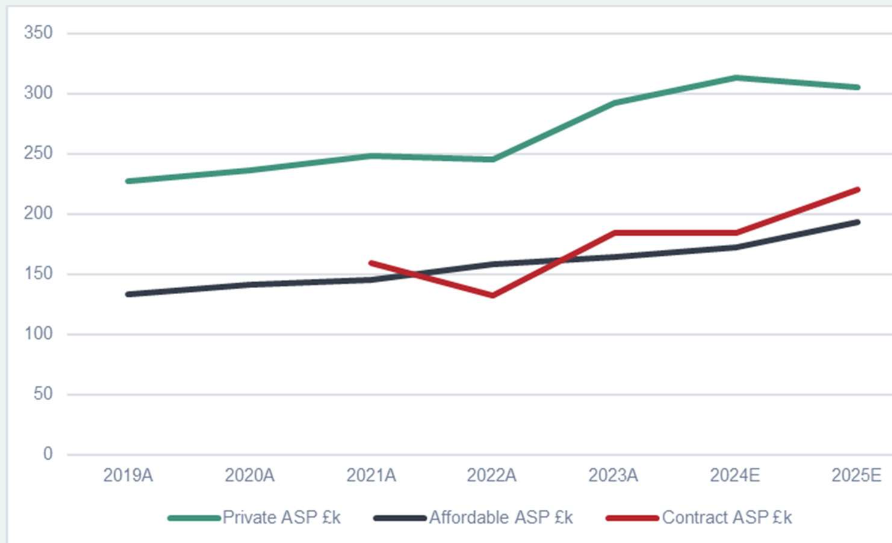
Number of home completions by division to FY25E

Source: Company historic data, ED forecasts and analysis

Our Average Selling Price (ASP) forecasts look well positioned compared to the H1'24 results. The H1'24 ASP was £262k at Group level and we are forecasting £260k for the full year.

We assume a stable pricing environment looking into FY25 with a slight decline in the ASP within Private offset by improvements in ASP within the Affordable and Contract housing businesses. The Affordable ASP reflects the recent increase in the Scottish Government's affordable housing investment benchmarks.

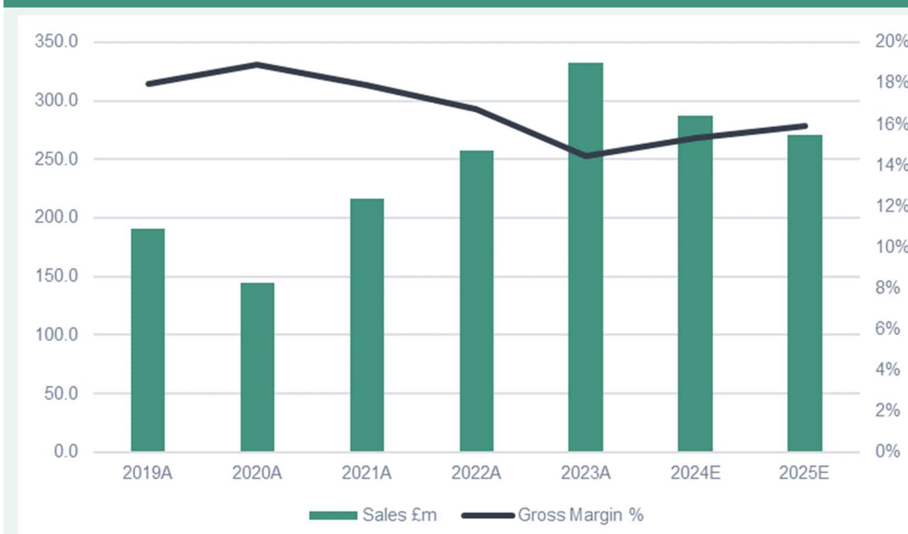
Average selling price by division to FY25E



Source: Company historic data, ED forecasts and analysis

We now assume a steady progression in the Group gross margin in FY25 to just under 16%. Again, this looks appropriate in the context of the 14.7% reported for H1'24 with a further improvement to come through in Affordable in particular. We continue to see potential for good recovery over the medium term, noting that gross margin was c.18% between FY19 and FY21 before the recent period of heightened inflation.

Sales and gross margin trend to FY25E



Source: Company historic data, ED forecasts and analysis

Green shoots ahead of Spring selling season

There have been several indications in recent weeks that the housing market has made a bright start to the early weeks of 2024. We highlight a few of these below, which are consistent with the improvement Springfield has seen in its sales rate since mid-January.

Latest RICS report highlights improving sentiment

Sentiment regarding the outlook for sales volumes over the coming twelve months has turned increasingly positive (January's RICS survey)

January's RICS UK Residential Survey (published 6th February) showed an improvement across all sales market activity indicators. Sentiment is picking up, supported by expectations that interest rates will begin to fall later in the year.

At the national level, the level of new buyer enquiries (net balance reading of +7% in January, up from -3% previously) suggests a gradual recovery coming through for buyer demand, whilst sales expectations on a three- and twelve-month view have undoubtedly picked up.

The survey also suggested that house price declines are decelerating noticeably at the headline level. **Respondents based in Scotland pointed to a generally stable picture for house prices in recent months, whilst official house price inflation data is now showing positive momentum in Scotland (see charts below).** The full results of this closely watched industry survey can be found here: RICS UK Residential Survey.

Echoing commentary from other listed housebuilders

It has been a busy fortnight for company reporting across the sector, with commentary consistently highlighting a pick-up in buyer activity at the start of the calendar year. There has also been the excitement of renewed industry consolidation with Barratt's recommended offer for Redrow. These are encouraging signs, but it is too early to say with confidence that this will be maintained into the key Spring selling season.

And the latest House Price Inflation (HPI) data

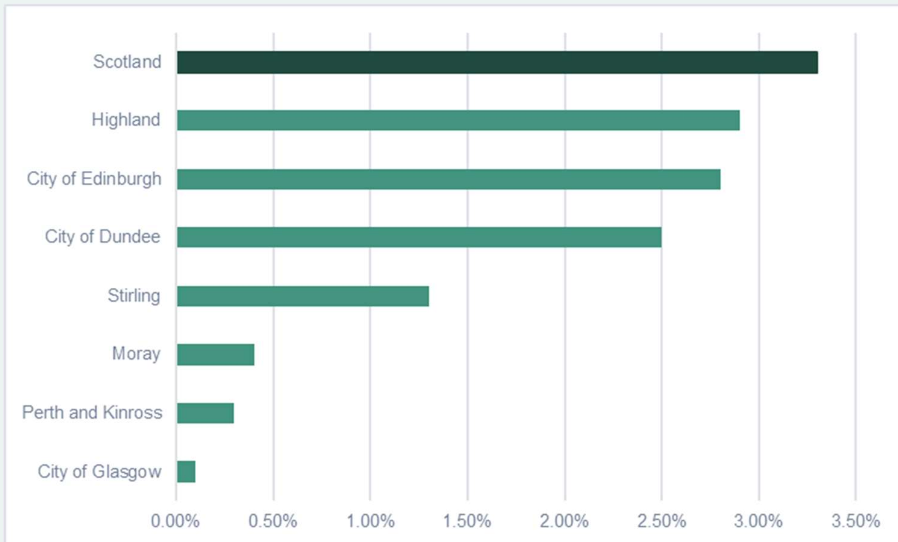
The latest official house price inflation data was reported last week (14th February). This is not as current as the RICS sentiment readings, as the HPI data covers **sales registered in the period**. Nevertheless, the figures for Scotland are particularly positive, with a meaningful improvement (+3.3% YoY in December).

Scotland House Price Inflation YoY (up to Dec '23)

Source: Registers of Scotland

If we drill down into Springfield's key regions in Scotland (chart below), there is a similar picture to the positive national trend, with all regions showing house price growth in Dec'23. The full data series can be found here: Click for Registers of Scotland website.

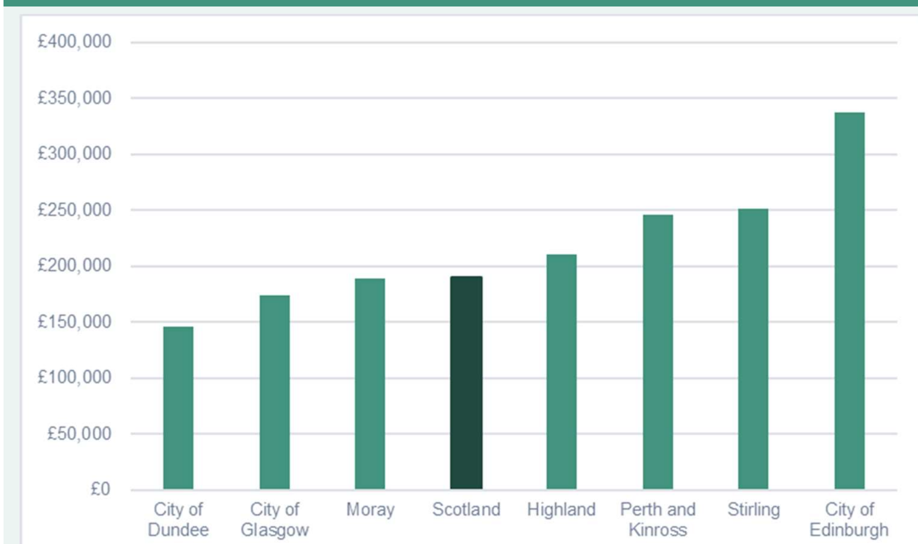
House Price Inflation in Key Springfield Regions (Dec '23, YoY)



Source: Registers of Scotland

As one of Scotland's leading housebuilders, Springfield has a strong presence across the country, with a focus on the regions in the chart below. Note that Springfield's average selling price (c.£260k at Group level and c.£310k for Private Housing) is a premium to the average in most of its regions, reflecting the focus on high quality, family homes in attractive locations.

Average House Price in Key Springfield Regions (Dec '23)

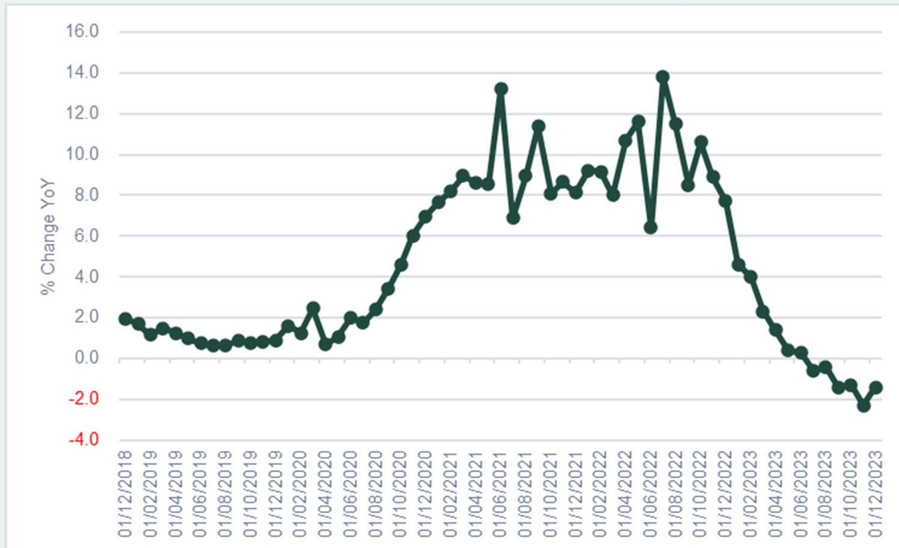


Source: Registers of Scotland

For more on this and wider background on Springfield and the Scottish housing market, **click here for our initiation note**.

The figures for the UK as whole (chart below) show a year-on-year decline in house prices of 1.4% in December, but again the trend is improving. The Halifax and Nationwide house price indices (see next page) provide a more current snapshot and suggest house price inflation for the UK may already be turning positive.

UK House Price Inflation YoY (up to Dec '23)



Source: HM Land Registry, Registers of Scotland

Halifax/ Nationwide HPI data are more positive (and more current)

The Halifax and Nationwide HPI data offer a more current snapshot of market sentiment as they are based on mortgage approvals (rather than completed sales). They only cover mortgage transactions (i.e. exclude cash buyers) and are therefore not as comprehensive as the HM Land Registry/ Registers of Scotland data.

Halifax highlighted Scotland outperforming the wider UK with annualised house price inflation of 4% in January

Halifax highlighted a positive start to the year in its January index, with growth of 1.3% in the UK compared to December '23 and annual growth of 2.5% compared to January '23. **Halifax also highlighted Scotland outperforming the wider UK with annualised house price inflation of 4% in January.** The latest Halifax report can be found here: Halifax House Price Index Jan '24.

Nationwide recorded a modest decline in UK HPI in January (-0.2% YoY decline) but again on an improving trend (the strongest outturn since Jan'23). Nationwide's latest regional breakdown (quarterly to December '23) again shows a more positive environment for HPI in Scotland (+0.5% YoY for the quarter) compared to the UK as a whole (-2.3%), as highlighted in the chart below.

Nationwide House Price Inflation YoY (Quarterly to Dec '23)

Source: Nationwide

>40% discount to peers on P/E and P/Book valuations

Springfield's shares have recovered from their lows of last autumn as the Group has delivered on its cash generation strategy and sentiment towards the sector has improved. Nevertheless, Springfield continues to trade a marked discount to the sector, a discount of >40% on a P/E or Price/ Book basis.

Peer Group Valuation Metrics

Company	Share Price £	Market Cap £m	P/E (FY1)	P/E (FY2)	EV/EBITDA (FY1)	EV/EBITDA (FY2)	P/TBV (LTM)	Div Yield (NTM)
Barratt	4.76	4,611	17.7x	15.0x	10.2x	8.1x	1.0x	3.1%
Berkeley	46.68	4,948	12.9x	13.8x	9.2x	9.3x	1.5x	4.4%
Bellway	28.10	3,347	22.9x	17.9x	14.0x	10.9x	1.0x	1.9%
Crest Nicholson	2.15	552	18.7x	13.9x	9.8x	7.8x	0.7x	2.2%
MJ Gleeson	5.00	291	15.6x	14.3x	8.9x	8.2x	1.0x	2.2%
Persimmon	14.21	4,536	17.2x	16.3x	11.2x	10.2x	1.4x	4.3%
Redrow	6.66	2,138	16.8x	14.6x	10.4x	9.3x	1.1x	2.0%
Springfield	0.77	91	12.0x	9.6x	7.4x	6.7x	0.6x	0.0%
Taylor Wimpey	1.46	5,144	15.4x	16.4x	9.5x	9.8x	1.1x	6.4%
Vistry	9.79	3,336	11.2x	10.9x	8.0x	7.9x	1.7x	4.1%
Mean Average			**16.0x**	**14.3x**	**9.9x**	**8.8x**	**1.1x**	**3.1%**
Median Average			**16.2x**	**14.5x**	**9.7x**	**8.8x**	**1.1x**	**2.7%**

Source: Koyfin, Equity Development analysis, share prices as of 16th February '24

Whilst the Group's net debt position may account for some of the discount, we believe that the cash generation strategy is now clearly delivering results.

Given the long-term attractions of the Scottish housing market and Springfield's excellent track record of growth, we maintain our ED Fair Value of 130p.

Share prices reflect improving sentiment and M&A

Sector share prices have shown some momentum over the past three months, reflecting improving sentiment and the market looking forward to interest rate reductions over the course of 2024.

The picture over the past month is more mixed, with the clear winner being Redrow following the recommended offer from Barratt. Barratt, by contrast, is the sector laggard as the market reflects on the inevitable integration risks that come with a major acquisition. On the day of the announcement of the Barratt/ Redrow merger, most sector share prices got a boost as the market perhaps started to wonder who might be next.

One-month share price performance

Source: Koyfin, Equity Development analysis, share prices to 16th February '24

Springfield's share price performance has broadly tracked its peer group over the past three months, but has slightly underperformed over the past month.

Three-month share price performance

Source: Koyfin, Equity Development analysis, share prices to 16th February '24

On a one-year view, Springfield has underperformed peers quite notably, although this is less pronounced than it was at the time of the full year results in September, given the more recent improving trend.

One-year share price performance

Source: Koyfin, Equity Development analysis, share prices to 16th February '24

Financials and Forecasts

Income statement						
Year End May, £m	**2020(A)**	**2021(A)**	**2022(A)**	**2023(A)**	**2024(E)**	**2025(E)**
Group revenue	144.4	216.7	257.1	332.1	287.2	270.4
% growth	-24%	50%	19%	29%	-14%	-6%
% 2 Year CAGR	8%	7%	33%	24%	6%	-10%
COGS	-117.1	-177.9	-214.0	-284.2	-243.2	-227.4
% growth	-25%	52%	20%	33%	-14%	-6%
% of revenue	81%	82%	83%	86%	85%	84%
Gross profit	**27.4**	**38.8**	**43.1**	**48.0**	**44.0**	**43.0**
% growth	-20%	42%	11%	11%	-8%	-2%
% margin	19%	18%	17%	14%	15%	16%
Admin expenses	-14.1	-17.2	-19.1	-25.4	-23.6	-23.1
% of revenue	10%	8%	7%	8%	8%	9%
Other operating income	1.3	0.4	0.4	0.7	0.0	0.0
Adj. EBITDA	**14.5**	**22.0**	**24.4**	**23.2**	**20.4**	**19.9**
% growth	-22%	52%	11%	-5%	-12%	-2%
% margin	10%	10%	10%	7%	7%	7%
Depreciation	-2.4	-2.2	-1.7	-2.3	-2.3	-2.2
Amortisation	0.0	-0.1	-0.2	-0.3	-0.3	-0.2
Adj. EBITA	**12.1**	**19.8**	**22.5**	**20.7**	**17.8**	**17.5**
% growth	-29%	63%	14%	-8%	-14%	-2%
% margin	8%	9%	9%	6%	6%	6%
Net interest	-2.0	-1.2	-1.8	-4.7	-7.7	-4.5
Adj. PBT	**10.2**	**18.5**	**20.8**	**16.0**	**10.1**	**13.0**
% growth	-36%	82%	12%	-23%	-37%	29%
% margin	7%	9%	8%	5%	4%	5%
Other/ Exceptional Items	-0.4	-0.6	-1.1	-0.7	-1.0	0.0
Reported PBT	**9.7**	**17.9**	**19.7**	**15.3**	**9.1**	**13.0**
Underlying tax	-2.1	-4.2	-3.7	-3.3	-2.4	-3.3
Underlying tax rate (%)	21%	23%	18%	21%	22%	25%
Adj. PAT	**8.1**	**14.3**	**17.0**	**12.7**	**7.9**	**9.8**
PAT	7.6	13.7	15.9	12.1	7.1	9.8

Source: Company historic data, ED forecasts and analysis

Cash flow						
Year End May, £m	**2020(A)**	**2021(A)**	**2022(A)**	**2023(A)**	**2024(E)**	**2025(E)**
Adj. EBITA	12.1	19.8	22.5	20.7	17.8	17.5
Depreciation	2.4	2.2	1.7	2.3	2.3	2.2
Amortisation	0.0	0.1	0.2	0.3	0.3	0.2
PPE disposal (gain)	0.0	0.0	0.0	-0.3	0.0	0.0
Exceptional items	-0.3	-0.6	-1.1	-0.7	-1.0	0.0
IPO costs	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash	1.4	0.4	0.5	0.7	0.0	0.0
Working Capital	-42.1	35.2	-4.7	-14.5	11.0	10.0
Operating Cash Flow	**-26.6**	**57.0**	**19.0**	**8.4**	**30.4**	**29.9**
Net Interest	-1.6	-1.3	-1.6	-3.8	-7.7	-4.5
Tax	-3.1	-4.2	-3.5	-2.9	-2.2	-3.2
Net Op. Cash Flow	**-31.3**	**51.5**	**13.9**	**1.7**	**20.5**	**22.3**
Purchase of PPE	-0.6	-0.2	-0.5	-0.5	-0.3	-0.6
Sale of PPE proceeds	0.1	0.2	0.2	0.4	0.1	0.0
Total Net Capex	-0.5	0.0	-0.2	-0.1	-0.2	-0.6
Equity Free Cash Flow	**-31.8**	**51.5**	**13.7**	**1.6**	**20.3**	**21.7**
M&A	-4.0	0.3	-43.9	-22.0	-13.0	-2.5
Dividend	-3.1	-3.3	-6.3	-5.6	0.0	0.0
Share Issue	0.0	2.2	22.0	0.0	0.0	0.0
Lease additions	-3.3	-0.7	-2.8	-4.0	-0.5	0.0
FX/Other	0.8	0.0	0.0	0.5	0.0	0.0
Net Change in Net Debt	**-41.3**	**50.1**	**-17.3**	**-29.5**	**6.8**	**19.2**
Net Debt - BOP	-29.6	-70.9	-20.8	-38.1	-67.7	-60.9
Net Debt - EOP	**-70.9**	**-20.8**	**-38.1**	**-67.7**	**-60.9**	**-41.7**
Net Bank Debt (ex. leases)	**-67.5**	**-18.2**	**-34.1**	**-61.8**	**-55.0**	**-35.8**

Source: Company historic data, ED forecasts and analysis

Balance sheet						
Year End May, £m	**2020(A)**	**2021(A)**	**2022(A)**	**2023(A)**	**2024(E)**	**2025(E)**
Non-Current assets						
PPE	6.3	4.5	5.8	7.8	5.8	4.2
Intangible assets	1.6	1.6	5.8	6.0	5.4	5.2
Investments	0.2	0.0	0.5	0.0	0.0	0.0
Accounts receivable	4.9	5.4	5.6	5.0	5.4	5.4
Other	0.2	0.5	2.1	1.8	0.5	0.5
Sub-total NCAs	**13.3**	**12.1**	**19.9**	**20.6**	**17.1**	**15.3**
Current Assets						
Inventories and WIP	174.4	156.8	230.1	277.6	241.6	231.6
Trade/other receivables	9.0	23.7	21.4	22.6	30.6	30.6
Tax	0.0	0.0	0.0	0.0	0.0	0.0
Cash/cash equivalents	1.5	15.8	16.4	8.9	8.9	8.9
Sub-total CAs	**184.9**	**196.3**	**267.8**	**309.1**	**281.1**	**271.1**
Net working capital	**162.6**	**128.8**	**182.9**	**243.3**	**232.3**	**222.3**
Total Assets	**198.2**	**208.4**	**287.7**	**329.7**	**298.2**	**286.4**
Current Liabilities						
Trade and other payables	-20.8	-51.6	-68.5	-57.0	-40.0	-40.0
Land creditor	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	-0.8	-1.3	-1.3	-1.3
Corporation tax	-0.8	-0.9	-0.3	-0.4	-0.4	-0.4
Leases	-1.2	-0.8	-1.3	-1.9	-1.9	-1.9
Borrowings	-18.0	-34.0	0.0	0.0	0.0	0.0
Deferred consideration	-2.1	0.0	-6.1	-11.8	-8.0	-5.5
Sub-total CLs	**-42.9**	**-87.3**	**-77.0**	**-72.3**	**-51.5**	**-49.0**
Non-current liabilities						
Borrowings	-51.0	0.0	-50.5	-70.7	-63.9	-44.7
Leases	-2.3	-1.9	-2.7	-4.0	-4.0	-4.0
Provisions	-3.8	-1.2	-1.8	-2.1	-2.1	-2.1
Deferred taxation	-2.4	-2.9	-3.7	-3.6	-3.6	-3.6
Deferred consideration	0.0	-3.9	-8.5	-26.3	-16.0	-16.0
Sub-total NCLs	**-59.5**	**-9.9**	**-67.2**	**-106.7**	**-89.6**	**-70.4**
Total Liabilities	**-102.3**	**-97.2**	**-144.2**	**-179.0**	**-141.1**	**-119.4**
Net Assets	**95.9**	**111.2**	**143.5**	**150.6**	**157.1**	**167.0**
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' Funds	**95.9**	**111.2**	**143.5**	**150.6**	**157.1**	**167.0**

Source: Company historic data, ED forecasts and analysis

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