



Endeavour Mining

Q3 results forecast adjustments

Valuation US\$27.58; potential 32% upside

Metals & mining

3 October 2019

Price **C\$25.43**

Market cap **C\$2,795m**

C\$1.3245/US\$

Net debt (US\$m) at end June 2019 653.2

Shares in issue (thousands) 109,925

Free float 70.1%

Code EDV

Primary exchange TSX

Secondary exchange US OTC

Following the end of Q3, we have revised our earnings forecasts for Endeavour to reflect a higher gold price (a likely quarterly average of US\$1,474/oz cf a previous forecast US\$1,416/oz), a slightly more disruptive rainy season than expected (at Houndé in particular) and the estimated impact of the company's gold revenue protection strategy. Once these factors have been adjusted for, our estimate for FY19 adjusted net EPS rises by 19.0%, from 44.3cps to 52.7cps.

Year end	Revenue (US\$m)	EBITDA (US\$m)	PBT* (US\$m)	Operating cash flow per share (US\$)	Capex (US\$m)	Net debt** (US\$m)
12/17	652.1	201.2	49.3	2.25	441.4	216.8
12/18	752.0	264.8	70.5	2.33	486.5	517.5
12/19e	895.3	403.2	140.1	2.70	245.6	523.3
12/20e	979.2	504.0	246.0	3.76	185.9	348.3

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items. **Includes restricted cash.

More Fetekro exploration success

In addition to its forthcoming Q3 financial results, on 3 September Endeavour announced it had increased its indicated resources at the Lafigué target at Fetekro in Côte d'Ivoire by 141%, to 1.19Moz at a cost of c US\$9 per indicated ounce. The Lafigué resource now encompasses a mineralised area of 1.32km² (equating to 947koz/km²) and, as such, is comparable in size and grade to Endeavour's Agbaou mine when it started production in 2014. Pro-rata to Endeavour's prior resource multiple, we estimate that Fetekro's resource increase could be worth up to US\$55.7m, or US\$0.33 per EDV share (attributable).

Exploration momentum building

Endeavour's exploration success comes within the context of its programme to spend c US\$45m per year to discover an additional c 10–15Moz of indicated resources over five years at a discovery cost of c US\$15/oz. While its 531koz resource increase therefore equates to 3.3% of Endeavour's prior, global resource, or 2.5% on an attributable basis, the increase in its indicated component equates to a rather more significant 4.6–7.0% of its 10–15Moz target. To date, Endeavour has delineated c 4.1Moz at Fetekro, Greater Ity and Kari-Pump as a result of its exploration programme, or 27-41% of its target in a little over a quarter of its timeframe, with more to come later in the year from Kari West and Kari Center.

Valuation: Homing in on US\$27.58/share

In valuing Endeavour, we have opted to discount potential cash flows back over four years from FY19 then apply an ex-growth, ad infinitum terminal multiple of 10x (consistent with a discount rate of 10%) to the forecast cash flow in that year (FY22). For Endeavour, our estimate of cash flow in FY22 is US\$3.23 per share (including exploration expenditure), in which case our terminal valuation of the company at end-FY22 is US\$32.33/share. In conjunction with forecast intervening cash flows, this discounts back to a value of US\$27.58/share.

Share price performance



% 1m 3m 12m

Abs (2.0) 17.5 25.3

Rel (local) (1.2) 18.7 23.1

52-week high/low C\$28.79 C\$16.36

Business description

Endeavour Mining is an intermediate gold producer, with four mines in Côte d'Ivoire (Agbaou and Ity) and Burkina Faso (Houndé and Karma) and one major development project in Mali (Kalana), all in the highly prospective West African Birimian greenstone belt.

Next events

Ity expansion to 5Mtpa completed Q419

Kari West and Center maiden resource Q419

Le Plaque resource and maiden reserve Q419

Q319 results November 2019

Q419 cost & production results January 2020

Kalana feasibility study Q120

Analyst

Charles Gibson +44 (0)20 3077 5724

mining@edisongroup.com

[Edison profile page](#)

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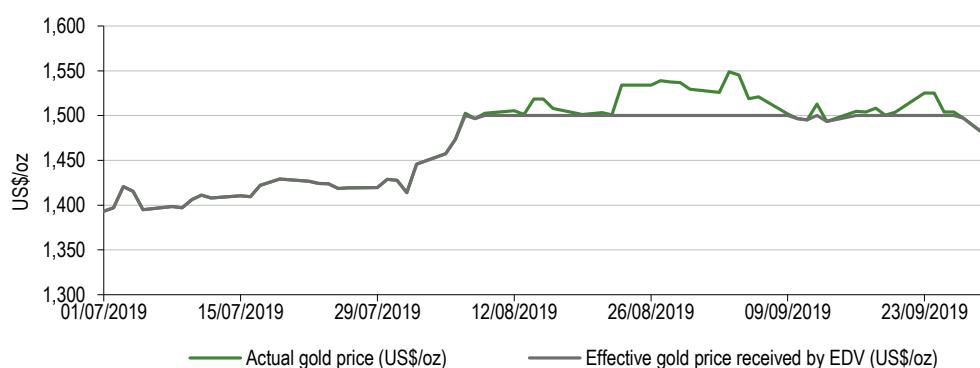
Q319 results preview

Following the end of Q3, we have revised our earnings forecasts for Endeavour to reflect a higher gold price (a quarterly average of US\$1,474/oz cf previous forecast US\$1,416/oz), a slightly more disruptive rainy season (at Houndé in particular) than expected and the estimated impact of the company's gold revenue protection strategy that was put in place on 1 July.

Gold price

Edison's Q3 gold price forecast of US\$1,416/oz was made in the aftermath of Endeavour's Q2 results (which were released on 1 August) and reflected the price of gold at the time of writing, albeit erring to the side of the relatively conservative. In the event, the gold price began to rise relatively strongly from 2 August and remained around the US\$1,500/oz level from 7 August until almost the end of the quarter such that, for Q319, it averaged approximately US\$1,474/oz, or 4.0% above our original number.

Exhibit 1: Gold price and forecast gold price received by EDV* (US\$/oz), Q319



Source: Refinitiv, Edison Investment Research. Note: *See 'Gold Revenue Protection Strategy' below for explanation.

Although we had already forecast it at the time of our last note ([see Endeavour Mining, Tipping point](#), published on 9 August 2019), the higher gold price nevertheless triggered higher government royalty rates for Endeavour's mines relative to the first two quarters of the year, as follows:

Exhibit 2: Forecast government royalty rate changes, Q3 and Q419 vs H119

Mine	New government royalty rate	Previous government royalty rate	Change (percentage points)
Agbaou	4.0% between US\$1,300-1,600/oz	3.5% below US\$1,300/oz	+0.5
Ity	4.0% between US\$1,300-1,600/oz	3.5% below US\$1,300/oz	+0.5
Karma	5.0% above US\$1,300/oz	4.0% below US\$1,300/oz	+1.0
Houndé	5.0% above US\$1,300/oz	4.0% below US\$1,300/oz	+1.0

Source: Endeavour Mining, Edison Investment Research.

Operations in the rainy season

Operations at Houndé in H2 have continued to benefit from access to high-grade ore from the Bouéré deposit, where pre-stripping was completed in Q219 and from which ore began to be processed early in Q319. However, we believe that milling operations will have been slightly disrupted by the more inclement rainy season than anticipated.

Operations at Karma have similarly benefit from the stacking of higher-grade oxide ore from the Kao North pit, which started in Q219. In this case, however, we expect the weather will have affected the mining, rather than the processing, operation.

Readers are cautioned that forecasting results on a quarterly basis is prone to large variations between actual and forecast numbers. Nevertheless, the consequences of all of the above effects are shown in the table below, relative to our prior forecasts:

Exhibit 3: Endeavour Mining FY19 earnings forecasts, by quarter									
(US\$000s unless otherwise indicated)	FY18	Q119	Q219	Q319e (previous)	Q419e (previous)	FY19e (previous)	Q319e (current)	Q419e (current)	FY19e (current)
Houndé production (koz)	277.2	55.4	58.2	61.8	68.6	244.0	58.2	68.6	240.4
Agbaou production (koz)	141.3	31.8	34.6	32.2	29.5	128.1	32.2	29.5	128.1
Karma production (koz)	108.7	22.1	21.0	25.9	35.9	105.0	23.5	35.9	102.5
Ity production (koz)	84.8	11.5	57.3	60.8	55.3	185.1	60.8	55.3	185.1
Tabakoto production (koz)	115.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total gold produced (koz)	612.1	120.8	171.3	180.8	189.3	662.2	174.7	189.3	656.0
Total gold sold (koz)	612.1	120.9	170.7	180.8	189.3	661.7	174.7	189.3	655.6
Gold price (US\$/oz)	1,199	1,304	1,285	1,416	1,418	*1,335	1,474	1,474	*1,365
Mine level cash costs (US\$/oz)	579	659	632	590	497	587	605	497	591
Mine level AISC (US\$/oz)	744	827	790	804	685	763	856	688	769
Revenue									
– Gold revenue	751,957	151,310	219,371	250,344	262,696	883,721	251,582	273,071	895,334
Cost of sales									
– Operating expenses	386,926	88,363	103,318	106,651	94,134	392,465	105,631	94,134	391,446
– Royalties	41,068	8,989	11,032	13,759	15,054	48,834	13,669	15,649	49,339
Gross profit	323,963	53,958	105,021	129,934	153,508	442,422	132,282	163,288	454,549
Depreciation	(169,069)	(36,132)	(51,970)	(63,534)	(66,760)	(218,396)	(60,757)	(66,841)	(215,699)
Expenses									
– Corporate costs	(26,573)	(6,061)	(5,143)	(5,957)	(7,943)	(25,104)	(5,957)	(7,943)	(25,104)
– Impairments	0	0	0	0	0	0	0	0	0
– Acquisition etc costs	0	0	0	0	0	0	0	0	0
– Share based compensation	(24,931)	(2,600)	(4,385)	(5,333)	(5,333)	(17,651)	(5,333)	(5,333)	(17,651)
– Exploration costs	(7,621)	(4,361)	(1,674)	(1,271)	(1,271)	(8,577)	(1,271)	(1,271)	(8,577)
Total expenses	(59,125)	(13,022)	(11,202)	(12,561)	(14,547)	(51,332)	(12,561)	(14,547)	(51,332)
Earnings from operations	95,769	4,804	41,849	53,839	72,202	172,694	58,964	81,901	187,518
Interest income	0		0			0			0
Interest expense	(23,671)	(4,919)	(12,386)	(17,224)	(17,224)	(51,753)	(20,224)	(14,224)	(51,753)
Net interest	(23,671)	(4,919)	(12,386)	(17,224)	(17,224)	(51,753)	(20,224)	(14,224)	(51,753)
Loss on financial instruments	8,035	1,123	(11,757)			(10,634)	(1,445)		(12,079)
Other expenses	(1,558)	(197)	4,574	0	0	4,377	0	0	4,377
Profit before tax	78,575	811	22,280	36,615	54,978	114,684	37,295	67,677	128,063
Current income tax	66,522	13,478	13,845	17,302	19,766	64,391	18,667	21,785	67,775
Deferred income tax	(5,007)	(1,224)	1,531	0	0	307	0	0	307
Total tax	61,515	12,254	15,376	17,302	19,766	64,698	18,667	21,785	68,082
Marginal tax rate	78.3	1,511.0	69.0	47.3	36.0	56.4	50.1	32.2	53.2
Profit after tax	17,060	(11,443)	6,904	19,313	35,212	49,986	18,629	45,892	59,982
Net profit from discontinued ops.	(154,795)	0	0	0	0	0	0	0	0
Total net and comprehensive loss	(137,735)	(11,443)	6,904	19,313	35,212	49,986	18,629	45,892	59,982
Minority interest	7,121	3,224	6,193	7,666	9,045	26,128	8,197	9,985	27,599
Minority interest (%)	(5.2)	(28.2)	89.7	39.7	25.7	52.3	44.0	21.8	46.0
Profit attributable to shareholders	(144,856)	(14,667)	711	11,648	26,167	23,858	10,432	35,907	32,383
Basic EPS from continuing ops (US\$)	(0.001)	(0.136)	0.006	0.106	0.238	0.217	0.095	0.327	0.295
Diluted EPS from continuing ops (US\$)	(0.001)	(0.131)	0.006	0.102	0.229	0.209	0.091	0.315	0.284
Basic EPS (US\$)	(1.344)	(0.136)	0.006	0.106	0.238	0.217	0.095	0.327	0.295
Diluted EPS (US\$)	(1.342)	(0.131)	0.006	0.102	0.229	0.209	0.091	0.315	0.284
Norm. basic EPS from continuing ops (US\$)	(0.075)	(0.146)	0.113	0.106	0.238	0.314	0.108	0.327	0.405
Norm. diluted EPS from continuing ops (US\$)	(0.075)	(0.141)	0.113	0.102	0.229	0.302	0.104	0.315	0.390
Adj net earnings attributable (US\$000s)	53,132	(4,910)	8,519	14,864	30,130	48,602	14,227	40,080	57,916
Adj net EPS from continuing ops (US\$)	0.493	(0.045)	0.078	0.135	0.274	0.443	0.129	0.365	0.527

Source: Endeavour Mining, Edison Investment Research. Note: Company reported basis. *Includes adjustment for Karma stream.

In addition to the immediate effects of the above considerations, on 1 July 2019 Endeavour entered into a short-term Gold Revenue Protection Strategy to maximise cash-flow certainty during its debt reimbursement phase. Similar to the strategy it put in place during its recent construction phases, this comprises a deferred premium collar strategy using written (sold) call option and bought put option contracts to (effectively) create a synthetic short position. The programme began on 1 July

2019 and will end on 30 June 2020 and will cover a total of 360,000oz (approximately 50% of Endeavour's total estimated production over the period), with a floor price of US\$1,358/oz and a ceiling price of US\$1,500/oz. The total premium payable for entering into these transactions was US\$9.2m, which has been deferred and is settled as monthly contracts mature.

As a result of the programme, we estimate that Endeavour will not have fully benefitted from the gold price being above US\$1,500/oz over the past quarter and that the written calls over an estimated 90,000oz (a quarter of the total programme) will have been exercised at US\$1,500/oz, resulting in a paper contract loss of US\$16.05/oz, or US\$1,445k in total, which we have included in our forecast for 'Loss on financial instruments' in Exhibit 3, above.

Updated forecasts within the context of guidance

Historically, Endeavour has a good record of meeting its production and cost guidance targets. In the light of the above changes, we have revised our forecasts for FY19 as follows for each of its mines for the year:

Exhibit 4: Current Endeavour production and AISC cost guidance, by mine, FY19 vs FY18 and Edison forecast

Mine	Production			All-in sustaining costs (AISC)		
	FY19e guidance (koz)	Edison FY19e forecast (koz)	Previous FY19 forecast (koz)	FY19e guidance (US\$/oz)	Edison FY19e forecast (US\$/oz)	Previous FY19 forecast (US\$/oz)
Houndé	230–250	240.4	244.0	720–790	798	790
Agbaou	120–130	128.1	128.1	850–900	852	851
Karma	105–115	102.5	105.0	860–910	892	872
Ity*	160–200	185.1	185.1	525–590	591	590
Group total	615–695	656.0	662.2	**760–810	**808	**801

Source: Endeavour Mining, Edison Investment Research. Note: *Ity production is Ity CIL and residual Ity heap leach operation combined; Ity AISC is CIL only; **Includes corporate general & administrative costs.

To date, we have given no credit to Endeavour's plan to increase the Ity CIL plant nameplate capacity by 1Mtpa to 5Mtpa (which is expected to be completed in Q419). These plant upgrades are expected to be completed during scheduled maintenance shut-downs over the next two months. However, if the process is completed by the end of Q3, then we estimate it would have the potential to increase quarterly Ity CIL production from 55.3koz to 69.1koz in Q4 and group adjusted net earnings attributable (see Exhibit 3, above) from 36.5c per share to 45.1c per share (all other things being equal) in Q419 and from 52.7c/share to 61.4c/share for FY19.

Within this context, it is worth noting that the top end of Endeavour's production guidance is 39.0koz gold above our updated forecast for the year, which is worth a material US\$54.3m in additional revenue to the company (at US\$1,474/oz) net of royalties and therefore has the ability to increase Endeavour's full year profit before tax by 42.4% (post-royalties) relative to our forecasts (all other things being equal).

Fetekro exploration

In addition to its forthcoming Q3 financial results, on 3 September Endeavour announced it had increased its indicated resources at the Lafigué target at Fetekro in Côte d'Ivoire by 141%, to 1.19Moz.

The initial resource at Lafigué was based on 312 reverse circulation (RC) and diamond (DD) holes, totalling 32,000m, or 22.5oz per metre drilled. Owing to the high quality of the initial exploration results, an additional 201 additional RC and DD holes were drilled between Q318 and the end of Q219, totalling 35,000m (equating to 15.2oz per metre drilled) and resulting in the following updated resource:

Exhibit 5: Feteko/Lafigué mineral resource estimate, August 2019 vs December 2018

	Tonnage (Mt)	Grade (g/t)	Contained gold (koz)
Fetekro (31 August 2019)			
Measured	0.0	0.00	0
Indicated	14.6	2.54	1,190
Inferred	0.9	2.17	60
Total	15.5	2.51	1,250
Fetekro (31 December 2018)			
Measured	0.0	0.00	0
Indicated	6.8	2.25	494
Inferred	3.0	2.25	225
Total	9.8	2.28	719
Change (units)			
Measured	0.0	N/A	0
Indicated	7.8	2.78	696
Inferred	-2.1	2.45	-165
Total	5.7	2.90	531
Change (%)			
Measured	N/A	N/A	N/A
Indicated	114.7	12.9	141.0
Inferred	-70.0	-3.6	-73.4
Total	58.2	9.9	73.9

Source: Endeavour Mining

The Lafigué resource now encompasses a mineralised area of 1.32km² (equating to 947koz per square kilometre) and remains open at depth and towards the southeast and, as such, is comparable in size and grade to Endeavour's Agbaou mine (currently 711koz at 2.15g/t) when it started production in 2014. At least 30,000m of additional drilling is therefore scheduled to begin in Q419 with the intention of publishing an updated resource in Q220.

More than 90% of the drill holes intersected at least 2m of mineralisation at grades in excess of 0.5g/t. Moreover, since the mineralisation starts at surface, the deposit will be amenable to open pit mining, while preliminary metallurgical results suggest high gold recovery rates above 95%, with a 'significant portion' recoverable by gravity.

Exploration investment in the project to date has been approximately US\$10m, or c US\$9 per indicated ounce delineated. Of particular note is the increase in the resource grade since December 2018 and the fact that the resource is relatively invariant with respect to the gold price (indicating that the gold mineralisation exists within discrete geological structures).

Exploration success to date

Endeavour's exploration success comes within the context of its programme to spend c US\$45m per year to discover an additional c 10–15Moz of indicated resources over five years at a discovery cost of c US\$15/oz. To date, it has delineated resources at Fetekro, Le Plaque and Kari-Pump and aims to publish maiden resource and reserve estimates for both Kari West and Kari Center in Q419:

Exhibit 6: Endeavour exploration programme tangible resources delineated to date (Moz)

Deposit	Indicated category contained gold (Moz)
Fetekro	1.2
Greater lty	1.9
Kari-Pump (Houndé)	1.0
Total	4.1

Source: Edison Investment Research, Endeavour Mining

As such, Endeavour has delineated a little over a quarter of its target resource in approximately a quarter of its stipulated timeframe (ie a little over a year). Once maiden resources and reserves

have been published at Kari West and Kari Center, an updated mine plan and technical report, integrating Kari Pump, Kari Center and Kari West, is also expected to be released.

Potential Fetekro valuation

Fetekro's 531koz resource increase equates to 3.3% of Endeavour's prior, global resource (on a 100% basis, including the Le Plaque upgrade), or 2.5% on an attributable basis. However, the indicated category increase equates to a rather more significant 4.6–7.0% of Endeavour's 10.0–15.0Moz exploration target over five years.

Immediately prior to the Fetekro resource upgrade, Endeavour's enterprise value (EV) equated to a resource multiple of US\$202.56 per attributable resource oz. On this basis, Fetekro's 1.25Moz resource immediately after the upgrade would be valued at US\$253.2m (or US\$1.50/share, attributable for EDV's 65% interest). Given that almost all of Endeavour's other resources relate to assets in which development (as well as exploration) capital has already been sunk, however, such an estimate is likely to be an over-estimation, except in the event that ore derived from the resource could be transported to other, nearby processing facilities. Within this context, investors should note that Endeavour's balance sheet value of its 'Mining interests' as at 31 December 2018 (a measure of Endeavour's investment into its resources in order to achieve their US\$202.56/oz valuation) equated to US\$97.77 per resource ounce on a 100% basis, which suggests a pre-investment valuation of Endeavour's resources of US\$104.79/oz (being $202.56 - 97.77 = 104.79$), on which basis Fetekro would be worth US\$131.0m (or US\$0.77/share). Adopting a similar methodology, its 531koz resource upgrade would be likely to be worth in the order of US\$55.7m, or US\$0.33/share (attributable).

Alternatively, in our report, [Gold stars and black holes](#), published in January 2019, we calculated average values for pure in situ resources, differentiated both by the markets in which they were listed and also by category of resources (as well as on a blended average basis). The results of this process for London- and Canada-listed companies (as well as the global average) plus their implications for the valuation of Fetekro are provided in Exhibit 7, below.

Exhibit 7: Fetekro maiden resource valuation range

Category	Fetekro resource (Moz Au)	Resource multiples			Implied Fetekro valuation		
		London (US\$/oz)	Canada (US\$/oz)	Geometric global mean (US\$/oz)	London* (US\$m)	Canada* (US\$m)	Geometric global mean (US\$m)
Measured	0	61.19	29.12	32.78	0.0	0.0	0.0
Indicated	1,190	8.68	13.82	12.33	10.3	16.4	14.7
Inferred	60	7.87	7.87	11.07	0.5	0.5	0.7
Total resource	1,250	9.88	13.83	14.95	12.4	17.3	18.7

Source: Edison Investment Research, Endeavour Mining. Note: *See our report, [Gold stars and black holes](#), published in January 2019.

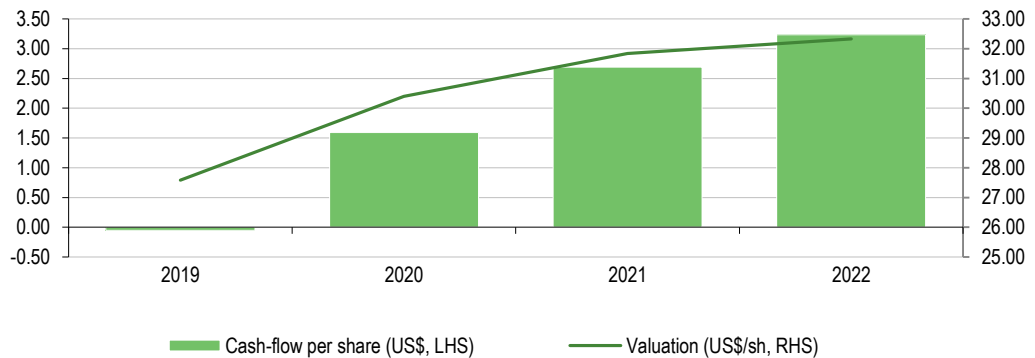
On the basis of this analysis, a minimum value for the Fetekro maiden resource is US\$10.8m (third last column, $10.3 + 0.5 = 10.8$), or US\$8.64/oz, or US\$0.06/share (attributable), derived from applying London resource multiples differentiated by category. A maximum value for the Fetekro maiden resource (valued purely as an in situ resource) may otherwise be seen to be US\$18.7m (or US\$0.11/share, attributable), derived by applying a geometric, global mean rating of US\$14.95/oz to the resource in its entirety. Note that these US dollar per resource ounce valuations accord closely with the reported investment in the drilling programme to define the resource, but may understate Fetekro's valuation to Endeavour in that the benchmarks used to calculate the valuation are derived from pre-production junior mining companies. As such, these valuations may be more appropriate to Fetekro in the event that it were to be spun off into a separately quoted vehicle (excluding cash), rather than being retained within the Endeavour portfolio.

Endeavour valuation

In valuing Endeavour, we have opted to discount potential cash flows back over four years from FY19 then apply an ex-growth terminal multiple of 10x (consistent with using a standardised discount rate of 10%) to the forecast cash flow per share in that year (ie FY22) to reflect the fact that Endeavour is a multi-asset company that has shown a willingness and desire to trade assets, maintain production, reduce costs and maximise returns to shareholders (eg the sales of Tabakoto in FY18, Nzema in FY17 and Youga in FY16). Note that, given exploration success at Houndé and its increasing reserve and resource profile, management has confirmed that a review of the plant will be conducted during Q319 with a view to increasing its capacity. Nevertheless, in recognition of the fact that exploration expenditure may be required to maintain cash flows at their FY22 level, we have also opted to include this investment in our cash flow analysis on the grounds that it may be a critical component of ongoing business performance in its ability to continually extend the lives of the company's assets, instead of excluding it (as would be our normal practice).

After our gold price etc adjustments above, our estimate of Endeavour's cash flow remains broadly unchanged at US\$3.23 per share in FY22 (cf US\$3.24/sh previously), on which basis our terminal valuation of the company at end-FY22 is US\$32.33/share. In conjunction with forecast intervening cash flows, this discounts back to a value of US\$27.58/share at the start of FY19 (cf US\$27.66/sh previously). Note that, over the past three months, Endeavour's share price has risen from c C\$21/share during H119, when the gold price averaged US\$1,304/oz, to c C\$26.50/share now that it is c US\$1,474/oz – ie Endeavour has risen c 26% over the same period that the gold price has risen by c 13%. At the same time, the value of the Canadian unit of currency has failed to strengthen materially against the US dollar (unusually, at a time of higher gold prices), while the value of the euro (to which Endeavour's margins are inversely related) has fallen by approximately 3.5%.

Exhibit 8: Endeavour forecast cash-flow/sh and cash-flow/sh valuation, FY19-22e (US\$/sh)



Source: Edison Investment Research

To this may now be added our estimate of the potential range of values for the Fekekro resource upgrade of US\$0.06-0.77/sh (attributable).

Exhibit 9: Financial summary

	US\$'000s	2016	2017	2018	2019e	2020e
December		IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS						
Revenue		566,486	652,079	751,957	895,334	979,241
Cost of Sales		(376,794)	(597,528)	(487,119)	(492,116)	(475,231)
Gross Profit		189,692	54,551	264,838	403,218	504,009
EBITDA		213,916	201,166	264,838	403,218	504,009
Operating Profit (before amort. and except.)		127,981	70,379	95,769	187,518	298,372
Intangible Amortisation		0	0	0	0	0
Exceptionals		(36,272)	(149,942)	8,035	(12,079)	0
Other		(1,989)	(2,242)	(1,558)	4,377	0
Operating Profit		89,720	(81,805)	102,246	179,817	298,372
Net Interest		(24,593)	(18,789)	(23,671)	(51,753)	(52,334)
Profit Before Tax (norm)		101,399	49,348	70,540	140,142	246,039
Profit Before Tax (FRS 3)		65,127	(100,594)	78,575	128,063	246,039
Tax		(27,643)	(32,945)	(61,515)	(68,082)	(78,028)
Profit After Tax (norm)		73,756	16,403	9,025	72,060	168,011
Profit After Tax (FRS 3)		37,484	(133,539)	17,060	59,982	168,011
Net loss from discontinued operations				(154,795)	0	0
Minority interests				7,121	27,599	35,616
Net profit				(137,735)	59,982	168,011
Net attrib. to shareholders contg. businesses (norm)				(8,100)	44,462	132,395
Net attrib. to shareholders contg. businesses				(65)	32,383	132,395
Average Number of Shares Outstanding (m)		80.6	98.5	107.7	109.8	109.9
EPS - normalised (\$)		(0.38)	(0.06)	(0.08)	0.40	1.20
EPS - normalised and fully diluted (\$)		(0.38)	(0.06)	(0.08)	0.39	1.16
EPS - (IFRS) (\$)		(0.83)	(1.59)	(1.34)	0.29	1.20
Dividend per share (p)		0.0	0.0	0.0	0.0	0.0
Gross Margin (%)		33.5	8.4	35.2	45.0	51.5
EBITDA Margin (%)		37.8	30.8	35.2	45.0	51.5
Operating Margin (before GW and except.) (%)		22.6	10.8	12.7	20.9	30.5
BALANCE SHEET						
Fixed Assets		1,073,562	1,331,745	1,594,202	1,629,094	1,609,390
Intangible Assets		29,978	6,267	4,186	4,186	4,186
Tangible Assets		1,039,529	1,317,952	1,543,842	1,578,734	1,559,030
Investments		4,055	7,526	46,174	46,174	46,174
Current Assets		283,536	361,766	327,841	371,595	569,670
Stocks		110,404	141,898	126,353	172,180	188,316
Debtors		36,572	95,212	74,757	90,564	97,461
Cash		124,294	122,702	124,022	118,221	293,263
Other		12,266	1,954	2,709	(9,370)	(9,370)
Current Liabilities		(149,626)	(241,185)	(248,420)	(249,432)	(238,461)
Creditors		(145,311)	(223,527)	(224,386)	(225,398)	(214,427)
Short term borrowings		(4,315)	(17,658)	(24,034)	(24,034)	(24,034)
Long Term Liabilities		(246,811)	(451,705)	(729,290)	(729,290)	(729,290)
Long term borrowings		(146,651)	(323,184)	(618,595)	(618,595)	(618,595)
Other long term liabilities		(100,160)	(128,521)	(110,695)	(110,695)	(110,695)
Net Assets		960,661	1,000,621	944,333	1,021,966	1,211,309
CASH FLOW						
Operating Cash Flow		164,522	244,092	274,938	364,318	491,338
Net Interest		(19,626)	(15,212)	(26,734)	(51,753)	(52,334)
Tax		(10,625)	(22,301)	(24,018)	(67,775)	(78,028)
Capex		(212,275)	(441,396)	(486,498)	(245,591)	(185,934)
Acquisitions/disposals		32,098	(37,332)	33,179	(5,000)	0
Financing		174,702	116,536	(6,231)	(0)	0
Dividends		(2,612)	(5,177)	(1,956)	0	0
Net Cash Flow		126,184	(160,790)	(237,320)	(5,801)	175,043
Opening net debt/(cash)		152,856	26,672	218,140	518,607	524,408
HP finance leases initiated		0	0	0	0	0
Other		0	(30,678)	(63,147)	0	0
Closing net debt/(cash)		26,672	218,140	518,607	524,408	349,366

Source: Company sources, Edison Investment Research. Note: *Excludes restricted cash. EPS normalised from 2018 to reflect continuing business only. 2017 is shown as previously reported (ie not restated).

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Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
1,185 Avenue of the Americas
3rd Floor, New York, NY 10036
United States of America

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia