EDISON

Hutchison China MediTech

Interim results

Onwards and upwards

Pharma & biotech

Hutchison China MediTech (HCM) continues to make progress towards its global strategic aspirations. The interim results highlight the opportunities for Elunate (fruquintinib) capsules in China, with potential inclusion in China's exclusive NRDL list in Q419, and the breadth of clinical and regulatory catalysts that lie ahead for multiple R&D assets. Surufatinib's China NDA submission is on track (Q419) and approval in NET would seal HCM's position as a premier, innovative, China-based oncology company. The years 2021–22 are pivotal; partner AstraZeneca (AZN) could launch savolitinib in China for NSCLC (MET exon 14) and it could become HCM's first asset to launch globally (2022) in combination with Tagrisso for NSCLC (c-Met +ve). Given the recent underperformance of the shares and the real potential for HCM to become a global oncology player, we believe it is appropriate to revisit the shares. We value HCM at $5.7bn.

Year end	Revenue (US$m)	Net profit* (US$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/17	241.2	(26.7)	(4.3)	0.0	N/A	N/A
12/18	214.1	(74.8)	(11.3)	0.0	N/A	N/A
12/19e	182.9	(117.8)	(17.7)	0.0	N/A	N/A
12/20e	194.4	(147.6)	(22.1)	0.0	N/A	N/A

Note: *Net profit and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Pipeline coming to fruition

Elunate is now being commercialised in China (third-line CRC) by partner Eli Lilly (Lilly), a major inflection point for HCM and validation of its R&D philosophy. While the early sales trajectory is notable (H119 in-market of sales of $11.4m), the most interesting opportunity lies in inclusion on China's NRDL, as this would translate into automatic inclusion in all state-funded hospitals (more eligible patients) and automatic reimbursement (albeit it at a lower price). Next for potential launch in China is surufatinib (launch for treatment of NET expected early 2021). In addition, a interim analysis of the pivotal China Phase III study (SANET-p) in pancreatic NET is due in H120, which, if positive, could further widen its market potential in this area of unmet need.

Financials: Funded to key inflection points

HCM has reduced its FY19 R&D expense guidance to $130–170m (from $160–200m), reflecting the depreciation of Chinese yuan versus the US dollar (China R&D) and the phasing of global surufatinib and fruquintinib Phase IIb/III trials. HCM reported available cash resources of $383.6m, which, combined with the net profit generation from the CP division, means it is well funded to key value inflection points (NDA submissions for savolitinib, surufatinib and fruquintinib in 2019–21).

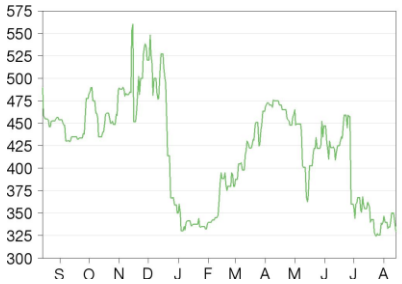
Valuation: $5.7bn (£6.99/share)

We value HCM at $5.7bn (£6.99/share) vs $5.6bn previously. We make no changes to our product forecasts, but have trimmed R&D costs for 2019 (phasing costs into 2020) to reflect FY19 guidance, rolled forward our model, and updated for FX and net cash of $237.3m at 30 June 2019.

14 August 2019

Price	**330.0p**
Market cap	**£2,200m**
	$1.22/£
Net cash ($m) and short-term investments at 30 June 2019	237.3
Shares in issue	666.6m
Free float	41%
Code	HCM
Primary exchanges	AIM/NASDAQ
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(7.0)	(10.2)	(32.8)
Rel (local)	(3.9)	(10.9)	(28.8)
52-week high/low	560.0p		324.5p

Business description

Hutchison China MediTech is an innovative China-based biopharmaceutical company targeting the global market for novel, highly selective oral oncology and immunology drugs. Its established commercial platform business continues to expand its outreach.

Next events

Surufatinib non-pancreatic NET Phase III (SANET-ep) data presentation	H219
Elunate (fruquintinib capsules) inclusion on China NRDL	H219
Surufatinib pancreatic NET Phase III interim data (SANET-p)	H120

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Edison profile page

Global aspirations

HCM's recent share price underperformance provides an opportunity to revisit the investment case. We believe the long-term investment case is solid, with multiple near-term catalysts (regulatory filing and potential approval for surufatinib and savolitinib) as HCM successfully launches numerous assets to market (~2020/21 and beyond) in China and internationally. Its broad mid- to late-stage innovation platform (IP) will translate into diverse global revenue streams with a multitude of other compounds coming to the fore from HCM's established and proven innovative R&D platform. Existing partnering deals for savolitinib and fruquintinib support the investment case as milestones and royalties on sales continue to bolster the P&L. HCM has global strategic aspirations, and it is only a matter of when rather than if its aspirations are met, in our view. HCM continues to invest in expanding its global innovation organisation; it now has >440 scientific personnel based in China and the US (Shanghai, Suzhou and New Jersey).

CK Hutchison Holdings (CKH) completed a secondary offering of ADSs in July 2019, which has reduced its holding to 51.15% (from 60.2% previously). We see this as a significant positive for HCM as it increases the free float, potentially leading to better liquidity. We note that this had no effect on shares in issue and does not dilute any current shareholders. An eventual listing on SEHK will be determined by a number of factors including, but not limited to, management decisions and market conditions. In our view, a capital raise on existing markets (AIM/Nasdaq) is still likely in the next 24 months. However, cash resources as last reported (30 June 2019) of $383.6m are more than sufficient to fund HCM to key inflection points (NDA submissions for savolitinib, surufatinib and fruquintinib in 2019–21). HCM could explore non-dilutive finance options such as divesting non-core commercial platform (CP) assets. Exhibit 1 highlights the plethora of clinical and regulatory catalysts ahead. For more details, see our outlook note, An emerging global biopharma.

Exhibit 1: H219/H120 catalysts

Product	Indication	Date	Next news
Global (ex China)			
Savolitinib	Gastric cancer	H219	**Data:** Preliminary Phase II data (VIKTORY) for savolitinib monotherapy or in combination with Taxotere in second-line gastric cancer
	RCC	H120	**Data:** Interim Phase II data (CALYPSO) for savolitinib in combination with Imfinzi in RCC
	NSCLC	H120	**Data:** Interim Phase II data (SAVANNAH) for savolitinib in combination with Tagrisso in second/third-line NSCLC
	NSCLC	H120	Potentially announce plans for further US Phase II/III studies in NSCLC
Fruquintinib (Elunate)	CRC	H120	Initiation of a US/EU Phase II/III pivotal trial in third/fourth-line CRC*
	Solid tumours	H120	Initiation of Phase I/Ib PD-1 combination trial
Surufatinib	Pancreatic NET (pNET)	H120	Initiation of pivotal Phase II/III PD-1 trial in pNET*
	Solid tumours	H120	Initiation of Phase I/Ib PD-1 combination trial
HMPL-523	Indolent NHL	H219	Initiation of Phase I study
HMPL-689	Indolent NHL	H219	Initiation of Phase I study
China			
Savolitinib	NSCLC	H120	**NDA submission** for first-line NSCLC* (MET exon 14 patients)
Fruquintinib (Elunate)	CRC	H219	Potential inclusion into the NRDL for third/fourth-line CRC
	NSCLC	H219	**Data:** Present data from the FALUCA Phase III trial at a conference (primary endpoint missed)
	Gastric cancer	H120	**Data:** Second interim analysis from Phase III study (FRUTIGA) for fruquintinib in combination with Taxol for second-line gastric cancer
Surufatinib	Non-pancreatic NET	H219	**Data:** Present data from the SANET-ep Phase III trial at a conference (primary endpoint met)
	Non-pancreatic NET	H219	**NDA submission** for extra pancreatic NET based on data from SANET-ep*
	Pancreatic NET	H120	**Data:** Phase III interim data (SANET-p)
	Biliary tract cancer (BTC)	H120	**Data:** Phase Ib/II data for second-line BTC
HMPL-523	Indolent NHL	H120	Initiation of a registrational Phase II study

Source: HCM presentations, Edison Investment Research. Note: *Subject to supportive data.

Elunate early sales encouraging; NRDL inclusion is key

The launch of Elunate (fruquintinib capsules) for metastatic colorectal cancer (third-line and above) by partner Lilly was a defining moment for HCM, as it was the first of its IP assets to launch in China, and the first China-discovered and developed new drug for oncology to have full approval and reach the market. HCM reported H119 royalties of $1.7m and $3.0m of sales of Elunate manufactured by HCM for Lilly. The reported $1.7m royalties translates into $11.4m Elunate end-user sales in H119, as reported by Lilly.

At the interim results, HCM presented data on the sales evolution of oncology drugs by its international and domestic peers. A key inflection in sales growth is inclusion on China's National Reimbursement Drug List (NRDL), which will define the opportunity for full-scale reimbursement nationally, albeit on lower pricing (discount to be agreed by Eli Lilly and China's central government). A fourfold ramp in the second full year from launch would require us to revisit our overall peak sales expectations. Inclusion on the NRDL is expected in Q419. Elunate has been added to two regional reimbursement lists in China during the last six months (Zhuhai and Shanghai), which highlights that Elunate's utility in third-line CRC has been recognised at a local level.

Elunate's next China development focus is on Phase III gastric cancer (FRUTIGA), for which approval could occur in 2021/22. Life cycle management and extending the labelled use to other solid tumour types will expand Elunate's commercial opportunity further. The global development programme is underway in colorectal cancer, with Phase Ib enrolling patients in the US. HCM has started planning the global Phase II/III US/EU registration trial (starting in 2020) in third/fourth-line mCRC in patients who are resistant or intolerant to Bayer's Stivarga. It has filed the FALUCA data for publication, potentially at ESMO 2019 or WCLC 2019; the data should shed light on the failure of fruquintinib monotherapy to meet the overall survival (OS) endpoint in third-line non-small-cell lung carcinoma (NSCLC), having demonstrated statistically significant improvement in all secondary efficacy endpoints.

Surufatinib next in line for China launch

Surufatinib (previously known as sulfatinib) could be the first of HCM's non-partnered assets to reach the China market in early 2021 (NDA submission expected in late 2019). The strategy for surufatinib was recently validated as positive interim data were announced in the SANET-ep Phase III trial testing surufatinib in non-pancreatic NET China patients. This was based on the trial meeting its primary endpoint of progression-free survival (PFS) at the interim analysis and the trial was unblinded a year ahead of schedule.

NETs are cancers that arise out of cells of the endocrine and nervous systems, predominately the digestive and respiratory tracts. While the current prevalence of NET in the US is ~141,000 patients (incidence of ~19,000 new cases per year, source www.cancer.net), current treatment modalities are limited to subsets of NET with no broadly effective drugs across the NET spectrum. HCM believes that actual incidence of NET in China could be higher than the reported incidence of 67,600, and prevalence could be even greater once an effective broad-spectrum treatment becomes available. Expanding the treatment paradigm could improve diagnosis rates and increase eligible patient numbers. Surufatinib could improve on the profiles of existing NET treatments, including somatostatin-based treatments and kinase inhibitor therapies (such as Afinitor and Sutent). Broad spectrum use will yield commercial success if it can be used for treating the broad base of NET patients. An interim analysis for the pivotal China Phase III study in pancreatic NET(SANET-p) is due at H120, which, if positive, could further widen its market potential in this area of large unmet need.

A US Phase Ib/II trial in pancreatic NET and biliary tract cancer has completed enrolment of NET patients. An end of Phase II meeting with the FDA is planned for Q419, to discuss the Phase III US/EU registration study which HCM expects to start in Q120. HCM retains full worldwide rights to surufatinib.

Savolitinib could coat-tail Tagrisso

An estimated 2–3% of newly diagnosed NSCLC patients have a specific mutation known as MET Exon 14 skipping (Exon 14 of the MET gene is not functioning or deleted), leading to c-Met over expression. In China, HCM estimates this to be 10,000 patients. A registrational Phase II clinical trial is underway (enrolment complete) in patients who have progressed on prior chemotherapy, or are unable to tolerate additional rounds of chemotherapy. Although the patient size is relatively small, this indication could be savolitinib's first China NDA submission in 2020 and its first monotherapy indication in the region. In the longer term in China, we believe a savolitinib plus Tagrisso combination will expand use in other subsets of NSCLC.

In the field of lung cancer, AZN's Tagrisso is raising the bar as it moves into the first-line setting in EGFR mutation-positive NSCLC, reporting sales of $1.41bn in H119. Savolitinib's largest opportunity could be in combination with Tagrisso in EGFRm MET+ NSCLC patients as MET mutations are one of the biggest drivers for Tagrisso resistance. Following the encouraging data seen from the TATTON study, in December 2018 AZN and HCM initiated the global registrational study SAVANNAH for Tagrisso refractory NSCLC patients. HCM's partnership with AZN remains crucial to the development of savolitinib and our forecast peak sales. Interim data are expected in mid-2020 and the strength of the data will determine whether a larger Phase III is required as part of the US regulatory submission package, although it could be sufficient for NDA filing.

Commercial platform profits reinvested in R&D

HCM has multiple strings to its bow. Its China commercial platform division continues to deliver year-on-year revenue growth of 2% (7% at CER) and net income growth of 3% (9% at CER). Contributions from non-consolidated JVs, primarily Shanghai Hutchison Pharma (SHPL) and Hutchison Baiyunshan (HBYS), are reported below the loss from operations line under US GAAP as equity in earnings of equity investee, net of tax. HCM receives the majority of profits generated from this division as dividends, which the company has reinvested in its innovation pipeline since inception. To date, $423m has been reinvested in the business. HCM's non-consolidated JV HBYS's vacant land (Plot 2) in Guangzhou remains for sale as part of the Guangzhou municipal government urban development scheme. HCM expects an auction value in excess of $100m, of which 40–50% would be paid to HBYS as compensation for return of the land use rights. We expect that half of this would make its way to HCM via special dividends and would likely be reinvested in the business, although this is not reflected in our forecasts given the uncertainty on timing. Exhibit 2 highlights HCM's objectives for existing assets spanning the breadth of its businesses in 2019–21.

Exhibit 2: Three-year objectives

Innovation Platform (Global)	Innovation Platform (China)	Commercial Platform (China)
■ NDA submission for savolitinib in combination with Tagrisso following SAVANNAH data (second/third-line NSCLC, c-Met +ve)	■ Establish fruquintinib as best-in-class VEGFR TKI through line extensions (gastric cancer, PD-1 combinations) and inclusion on the NRDL	■ Maintain cash-generative Chinese commercial platform
■ Expand enrolment of MET exon 14 skipping trial globally to enable label extension for savolitinib (NSCLC, MET exon 14)	■ NDA submissions for surufatinib (ep-NET) and savolitinib (NSCLC, MET exon 14)	■ Leverage from this to facilitate launch and uptake of drugs from the innovative platform
■ Start registrational studies for fruquintinib (second/third-line CRC) and surufatinib (NET)	■ Start registrational studies for HMPL-523 (Syk, iNHL) and HMPL-689 (PI3Kδ, iNHL)	
■ Complete proof of concept trials for HMPL-523 (Syk, iNHL) and HMPL-689 (PI3Kδ, iNHL)	■ Expand the life cycle development on all assets	

Source: HCM presentations, Edison Investment Research

Valuation

We value HCM at $5.7bn (£6.99/share) vs $5.6bn previously. We make no changes to our product forecasts; we have trimmed R&D costs for 2019 (phasing into 2020) to reflect FY19 guidance, rolled forward our model and updated for FX and net cash of $237m at 30 June 2019.

Exhibit 3: HCM SOTP valuation

Product	Indication	Launch/peak	Peak sales ($m)	Value ($m)	Probability (%)	rNPV ($m)	rNPV/share ($/share)	rNPV/ share (£)	rNPV/ADS ($/ADS)	NPV/ share (£)
Savolitinib (AZD6094/volitinib)	PRCC	2024/2029 (China)	$64m (China)	100.9	50%	62.0	0.09	0.08	0.46	0.12
		2022/2026 (RoW)	$267m (RoW)	71.8	75%	50.6	0.08	0.06	0.38	0.09
	ccRCC	2025/2029 (China)	$169m (China)	90.9	35%	27.3	0.04	0.03	0.20	0.11
		2023/2028 (RoW)	$664m (RoW)	96.7	35%	33.9	0.05	0.04	0.25	0.12
	NSCLC	2022/2030 (China)	$387m (China)	255.4	75%	189.8	0.28	0.23	1.42	0.31
		2022/2029 (RoW)	$1.7bn (RoW)	365.5	75%	274.1	0.41	0.34	2.06	0.45
	Gastric cancer	2023/2030 (China)	$326m (China)	141.7	35%	45.4	0.07	0.06	0.34	0.17
		2024/2028 (RoW)	$757m (RoW)	132.0	35%	46.2	0.07	0.06	0.35	0.16
Fruquintinib	CRC	2018/2024 (China)	$211m (China)	97.3	100%	97.3	0.15	0.12	0.73	0.12
		2023/2028 (RoW)	$565m (RoW)	1,181.7	75%	883.1	1.32	1.09	6.62	1.45
	NSCLC	2025/2031 (China)	$393m (China)	80.6	50%	32.7	0.05	0.04	0.24	0.10
		2025/2030 (RoW)	$721m (RoW)	792.7	50%	375.3	0.56	0.46	2.81	0.97
	Gastric cancer	2021/2028 (China)	$276m (China)	165.4	75%	122.1	0.18	0.15	0.92	0.20
		2025/2030 (RoW)	$392m (RoW)	475.9	50%	226.5	0.34	0.28	1.70	0.59
Surufatinib	NET	2021/2028 (China)	$169m (China)	402.7	90%	361.7	0.54	0.44	2.71	0.50
		2024/2029 (RoW)	$454m (RoW)	643.5	50%	305.5	0.46	0.38	2.29	0.79
	BTC	2022/2028 (China)	$194m (China)	396.9	75%	295.9	0.44	0.36	2.22	0.49
		2024/2029 (RoW)	$148m (RoW)	178.6	50%	83.5	0.13	0.10	0.63	0.22
Epitinib	Glioblastoma	2023/2028 (China)	$43m (China)	135.0	30%	36.9	0.06	0.05	0.28	0.17
HMPL 523	Haematological cancers	2023/2029 (China)	$149m (China)	282.8	30%	79.1	0.12	0.10	0.59	0.35
		2025/2029 (RoW)	$584m (RoW)	784.1	30%	222.7	0.33	0.27	1.67	0.96
HMPL-689	Haematological cancers	2024/2030 (China)	$108m (China)	155.4	30%	39.6	0.06	0.05	0.30	0.19
		2025/2030 (RoW)	$486m (RoW)	579.9	30%	159.5	0.24	0.20	1.20	0.71
Commercial Platform				800.4	100%	800.4	1.20	0.98	6.00	0.98
Unallocated costs				(428.0)	100%	(428.0)	(0.64)	(0.53)	(3.21)	(0.53)
Net cash at 30 June 2019				237.0	100%	237.0	0.36	0.29	1.78	0.29
Terminal value				1,022.4	100%	1,022.4	1.53	1.26	7.67	1.26
Valuation				**$9,239.4**		**$5,682.5**	**$8.5**	**£6.99**	**$42.62**	**£11.36**
Valuation of IP only				$6,088.1		$4,050.7	$6.08	£4.98	$30.38	£7.49

Source: Edison Investment Research. Note: Non-risk adjusted NPV per share assumes 100% probability of success. FX rate $1.22/£. Number of shares outstanding = 666.57m.

We use a risk-adjusted net present value (NPV) method to discount future cash flows for the innovation platform (IP) (valuation of $4,050m). We use earnings-based multiples for HCM's commercial platform (CP) (subs and JVs), and applying a 20.4x multiple on our forecast 2019 net attributable profit (equity in earnings of equity investees, net of tax) for the JVs of $39.2m yields a valuation of $800.4m (Exhibit 3).

Financials

HCM reported consolidated group revenues of $102.2m in H119 (+0% as reported, +5% CER; H118: $102.2m) and group net loss of $45.4m (H118: $32.7m). Depreciation of the Chinese yuan versus the US dollar has affected top-line growth as reported in US dollars given the translation impact, as all revenues related to its China commercial platform (CP) business are generated in Chinese yuan.

CP reported consolidated sales of $90.2m (+2% as reported, +7% CER; H118: $88.6m). Sales of non-consolidated JVs SHPL and HBYS grew +2% (+8% CER) to $276.9m (H118: $271.7m). Total consolidated net income from CP increased +3% (+9% at CER) to $27.7m (H118: $26.9m). We forecast consolidated CP revenues of $154.2m in 2019 and $157.6m in 2020.

IP reported consolidated revenues of $12.0m in H119 ($5.5m of which was received from Lilly for Elunate manufacturing, service fee revenues and royalty income) compared to $13.6m in H118. In H119, IP reported a net loss of $63.8m (H118: $52.9m). We forecast IP revenues of $28.7m in 2019 and $36.8m in 2020, largely driven by developmental royalties on sales on Elunate and service fees from partners.

Profit before tax and equity in earnings of equity investees at group level reported a loss of $68.3m in H119 (vs a loss of $50.5m in H118). R&D expenses increased significantly to $69.3m in H119 ($60.1m in H118), reflecting investment throughout the portfolio, expansion of the US and international clinical and regulatory operations, and establishment of the China oncology commercial infrastructure. S&M expenses decreased to $7.5m in H119 (vs $9.4m in H118) and administrative expenses increased to $18.8m (vs $14.5m in H118). For FY19, HCM has reduced its guidance for R&D expenses to $130–170m from $160–200m and adjusted non-GAAP group net cash flow excluding financing activities to $90–120m from $120–150m. The depreciation of the Chinese yuan has effectively reduced China R&D expenses in US dollar terms, and start-up costs for the global Phase II/III registration studies for surufatinib and fruquintinib will move into 2020.

We now expect R&D expenses to increase to $152.5m in 2019 and $190.0m in 2020 (reported GAAP basis), reflecting the substantial need for investment in the burgeoning clinical trial programmes across the IP division, including the increased investment in China and global trials plus the initiation of combination strategies across the portfolio.

We forecast net losses at group level of $117.8m in 2019 and $147.6m in 2020. HCM reported a healthy cash position, with available cash resources of $383.6m (at 30 June 2019) at group level (cash and cash equivalents and short-term investments of $237.3m, and unutilised bank borrowing facilities of $146.3m). Additionally, HCM's non-consolidated joint ventures (SHPL, HBYS, and NSP) held $64.0m (at 30 June). HCM reported no debt at 30 June 2019 after paying down debt in H119, with the intention of drawing down debt from a facility with HSBC in H219. In terms of cash utilisation by operations, we forecast $99.2m in 2019 and $130.0m in 2020.

Exhibit 4: Financial summary

US$000s	2017	2018	2019e	2020e
Year end 31 December	US GAAP	US GAAP	US GAAP	US GAAP
PROFIT & LOSS				
Revenue	241,203	214,109	182,885	194,426
Cost of Sales	(175,820)	(143,944)	(128,232)	(129,499)
Gross Profit	65,383	70,165	54,653	64,928
Research and development	(75,523)	(114,161)	(152,500)	(190,000)
Other overheads	(43,277)	(48,645)	(51,604)	(52,752)
EBITDA	(50,692)	(88,975)	(144,811)	(172,358)
Operating Profit (before amort. and except.)	(53,417)	(92,641)	(149,452)	(177,824)
Intangible Amortisation	0	0	0	0
Operating Profit	(53,417)	(92,641)	(149,452)	(177,824)
Net Interest	(235)	4,969	2,458	(382)
Exceptionals	0	0	0	0
Profit Before Tax (norm)	(53,536)	(86,655)	(146,994)	(178,206)
Profit Before Tax (reported)	(53,536)	(86,655)	(146,994)	(178,206)
Tax	(3,080)	(3,964)	(5,004)	(5,200)
Equity investments, after tax	33,653	19,333	39,233	40,813
Profit After Tax (norm)	(22,963)	(71,286)	(112,765)	(142,593)
Profit After Tax (reported)	(22,963)	(71,286)	(112,765)	(142,593)
Minority	(3,774)	(3,519)	(5,000)	(5,000)
Discontinued operations	0	0	0	0
Net profit (norm)	(26,737)	(74,805)	(117,765)	(147,593)
Net profit (reported)	(26,737)	(74,805)	(117,765)	(147,593)
Average Number of Shares Outstanding (m)	617.2	664.3	666.6	666.6
EPS - normalised (c)	(4.3)	(11.3)	(17.7)	(22.1)
EPS - normalised and fully diluted (c)	(4.3)	(11.3)	(17.7)	(22.1)
EPS - (reported) (c)	(4.3)	(11.3)	(17.7)	(22.1)
Average number of ADS outstanding (m)	123.4	132.9	133.3	133.3
Earnings per ADS - normalised ($)	(0.02)	(0.06)	(0.09)	(0.11)
Earnings per ADS ($)	(0.02)	(0.06)	(0.09)	(0.11)
BALANCE SHEET				
Fixed Assets	165,737	161,577	176,169	192,947
Intangible Assets	3,738	3,533	3,301	3,028
Tangible Assets	14,220	16,616	22,207	27,014
Investments	147,779	141,428	150,661	162,905
Current Assets	432,195	370,541	257,157	89,107
Stocks	11,789	12,309	10,540	10,644
Debtors	53,566	56,392	56,000	29,830
Cash	85,265	86,036	64,729	47,745
St investments	273,031	214,915	125,000	0
Other	8,544	889	889	889
Current Liabilities	(104,600)	(85,479)	(101,457)	(94,778)
Creditors	(25,344)	(26,180)	(42,158)	(35,479)
Short term borrowings	(29,987)	0	0	0
Other	(49,269)	(59,299)	(59,299)	(59,299)
Long Term Liabilities	(8,366)	(34,384)	(34,384)	(34,384)
Long term borrowings	0	(26,739)	(26,739)	(26,739)
Other long-term liabilities	(8,366)	(7,645)	(7,645)	(7,645)
Net Assets	484,966	412,255	297,485	152,892
Minority	(23,233)	(23,259)	(28,259)	(33,259)
Shareholder equity	461,733	388,996	269,226	119,633
CASH FLOW				
Operating Cash Flow	(8,943)	(32,847)	(99,217)	(129,984)
Net Interest	0	0	0	0
Tax	0	0	0	0
Capex	(5,019)	(6,364)	(10,000)	(10,000)
Acquisitions/disposals	0	0	0	0
Dividends	(1,594)	(1,282)	(2,000)	(2,000)
Equity financing and capital movements	291,737	(2,322)	0	0
Other	(255,761)	50,116	89,910	125,000
Net Cash Flow	20,420	7,301	(21,307)	(16,984)
Opening net debt/(cash)	(56,914)	(328,309)	(274,212)	(162,990)
Increase/(decrease) in ST investments	248,761	(58,116)	(89,915)	(125,000)
Other	2,214	(3,282)	0	0
Closing net debt/(cash)	(328,309)	(274,212)	(162,990)	(21,006)

Source: HCM accounts, Edison Investment Research

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