hardman&co

Pharmaceuticals & Biotechnology

Source: Eikon Thomson Reuters

Market data	
EPIC/TKR	OXB
Price (p)	9.9
12m High (p)	10.9
12m Low (p)	3.0
Shares (m)	3,088.4
Mkt Cap (£m)	305.8
EV (£m)	317.1
Free Float	65%
Market	LSE

**As defined by AIM Rule 26*

Description

Oxford BioMedica is a UK-based biopharmaceutical company specializing in cell and gene therapies developed using lentiviral vectors, gene-delivery vehicles based on virus particles. In addition to vector development and manufacture, OXB has a pipeline of therapeutic candidates and undertakes innovative pre-clinical R&D in gene-medicine.

Company information

CEO	John Dawson
CFO/elect	Tim Watts/Stuart Paynter
Chairman	Lorenzo Tallarigo
	01865 783 000
	www.oxfordbiomedica.co.uk

Key shareholders

Directors	0.5%
Vulpes	18.9%
M&G	18.1%
Aviva	8.6%
Joy Group	7.0%

Diary

31 Mar	Hardman initiation
12 July	Advisory meeting: CTL019
Sep-17	Interims

Analysts

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Oxford BioMedica

Major deal to supply Novartis CAR-T programmes

OXB is a specialist gene and cell therapy viral-vector biopharmaceutical company. It offers vector manufacturing and development services, whilst retaining its own proprietary therapeutic candidates. Above service-fees, OXB will receive royalties on commercial products developed with its LentiVector® platform. OXB has made two significant announcements during the past week which reduce risk and greatly improve sentiment towards the stock. First, refinancing of its existing loan with a new, more favourable debt facility from Oaktree Capital. Secondly, a deal with Novartis to supply vector for use in the manufacture of certain CAR-T therapies.

- **Strategy**: Oxford BioMedica has four strategic objectives: delivery of process development services that embed its technology in partners' commercial products; commercial manufacture of lentiviral vector; out-licensing of proprietary candidates; and investment in R&D and the LentiVector platform.

- **Novartis deal:** Extending its existing relationship with Novartis, OXB will supply clinical and commercial vector for CTL019 and other (undisclosed) Chimeric Antigen Receptor T cell (CAR-T) therapies. Key points are $10m upfront, >$90m from a minimum off-take contract over three years, plus royalties on net sales.

- **Debt refinancing:** A new $55m loan agreement was signed on 30th June with Oaktree Capital which is being used to repay the significantly more expensive existing loan from Oberland Capital, saving OXB ca.$1.2m per annum, whilst also freeing up the $10m unusable cash that is ring-fenced.

- **Risks:** There are inherent risks in clinical trials and commercialisation, particularly in innovative areas such as gene therapy. Oxford BioMedica does not have a controlling stake in commercialisation of partner candidates, and its current strategy is contingent on commercial vector manufacture for partners.

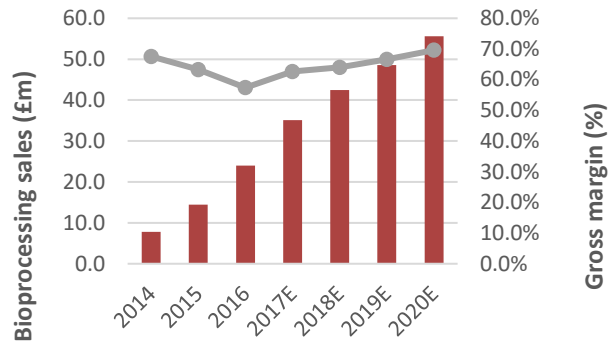
- **Investment summary:** OXB is at an interesting juncture. Heavy investment in state-of-the-art GMP manufacturing facilities for production of gene therapy vector has enabled the deal with Novartis, placing the group on the cusp of significant service income and royalties. Forecasts suggest OXB will turn EBITDA positive in 2017, and become profitable overall at the EBIT level in 2018. Bioprocessing royalties are likely to result in significant upside potential in the near future.

Financial summary and valuation

Year end Dec (£000)	2014	2015	2016	2017E	2018E	2019E
Sales	13.62	15.91	27.78	38.8	47.0	54.0
EBITDA	-9.29	-11.73	-6.78	3.5	8.5	14.4
Underlying EBIT	-10.39	-13.35	-10.45	-0.9	4.1	10.0
Reported EBIT	-10.61	-14.08	-11.32	-1.9	3.0	8.8
Underlying PBT	-10.58	-16.25	-19.44	-5.6	-0.2	5.7
Statutory PBT	-10.80	-16.98	-20.31	-6.5	-1.3	4.6
Underlying EPS (p)	-0.42	-0.48	-0.57	-0.03	0.15	0.34
Statutory EPS (p)	-0.43	-0.51	-0.60	-0.06	0.12	0.30
Net (debt)/cash	13.20	-17.90	-19.05	-23.3	-21.4	-13.7
Shares issued	22.81	0.14	17.50	0.1	0.1	0.1
P/E (x)	-	-	-	-	64.6	28.9
EV/sales (x)	-	-	-	89.5	37.2	22.0

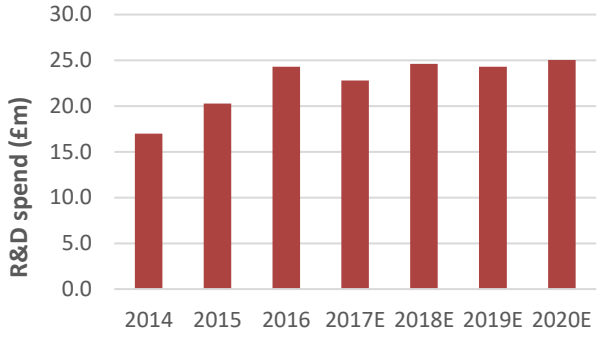
Source: Hardman & Co Life Sciences Research

Sales and gross margin



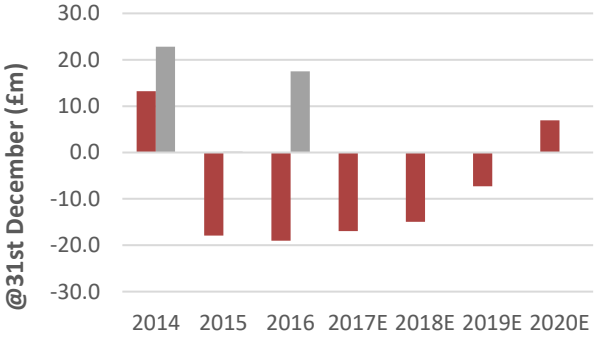
- Oxford BioMedica's sales are from bioprocessing and process development fees, plus additional income such as development milestones
- Royalties will be receivable after partners' therapies reach the market, estimated from 2019
- The gross margin has been 60-70% and, although it might dip short term, is likely to trend higher when operating at full capacity

R&D investment



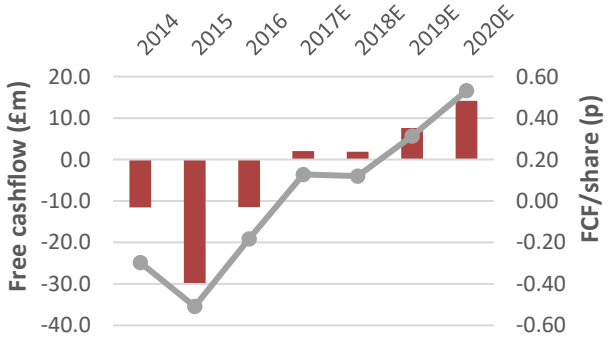
- Recent increased R&D spend has been driven by investment in process development
- Oxford BioMedica intends to out-license/spin-out proprietary candidates: R&D spend will increase only slightly
- Underlying R&D spend on its own discovery programmes is expected to be in the range of £8-10m p.a.

Net cash/capital increases



- At 31st December 2016, Oxford BioMedica had net debt of -£19m, composed of £15.3m cash and £34.4m debt
- During 2016, the company raised new funds around £17.5m in two share issues
- $10m/£7.7m received from Novartis following signing of the new commercial supply agreement

Free cashflow



- While the company will be cash generative in 2017, this has the benefit of the Novartis up-front; from a purely operational standpoint, OXB is forecast to become cash positive in 2019 as royalties are received
- 2015 cash flow was impacted by investment in manufacturing facilities to increase GMP bioprocessing capacity to commercial scale

Source: Company data; Hardman & Co Life Sciences Research

Novartis CAR-T partnership

Major new agreement

Oxford BioMedica to be sole supplier of vector...

...for a potentially approved CAR-T immunotherapy

OXB currently provides bioprocessing/manufacture of lentiviral vector to three external partners for clinical development programmes. Key has been its partnership with Novartis since 2014 as a provider of process development services and as the sole manufacturer of lentiviral vector for two Chimeric Antigen Receptor T cell (CAR-T) programmes: CTL-019 (tisagenlecleucel) and an undisclosed CAR-T. On 6th July, OXB announced a much-anticipated extension to this agreement, whereby OXB has become the supplier of lentiviral vectors used in the commercial manufacture of a potentially licensed therapy.

Novartis – OXB deal history

Date	Value	OXB providing:	Duration
May 2013	$4m	Process development	
Oct 2014	$90m	CTL109 (& undisclosed CAR-T) vector manufacture Process development Non-exclusive license to Novartis	3 years
July 2017	>$100m	Commercial & clinical supply of vector used to generate CTL019 & other CAR-T products	3 years Extendable to 5 years

Source: Hardman & Co Life Sciences Research

Deal terms

Potential revenues of >$100m over next three years...

...in addition to royalties on potential sales of Novartis CAR-T therapies

The new three-year agreement, which is extendable to five years subject to agreement of both parties, has the following key features:

- **Supply lentiviral vector:** for manufacture of CTL019 (tisagenlecleucel) and other (undisclosed) CAR-T products, including a minimum off-take requirement
- **Up-front payment:** OXB received $10m cash on signing the deal
- **Potential receipts:** In excess of $90m including performance incentives, and bioprocessing and process development fees, over the three year period
- **Royalties:** Payment of an estimated low single digit royalty on net sales of Novartis's CAR-T products, with CTL019 launch anticipated later in 2017

Deal timing

FDA to review CTL019 on 12th July 2017...

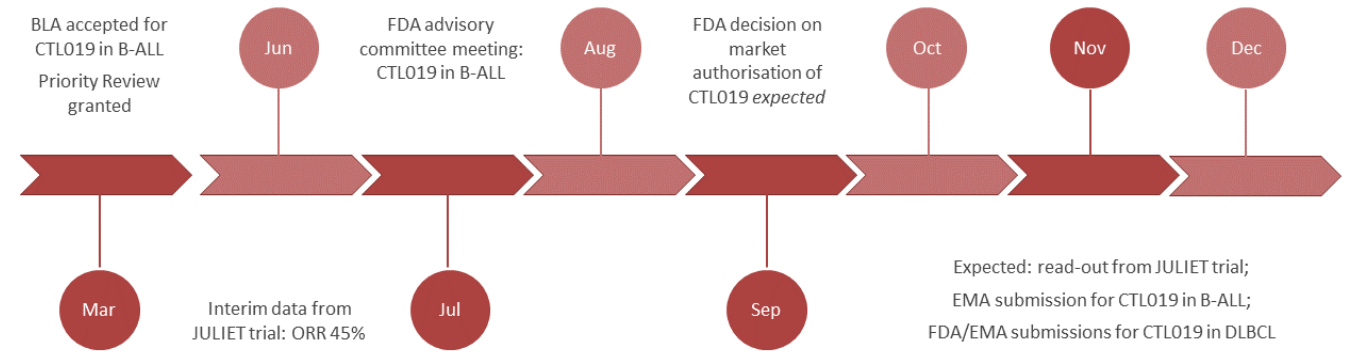
...for potential approval of the first CAR-T therapy

The timing of this deal is significant. The FDA accepted Novartis's Biologics License Application (BLA) filling of CTL019 for relapsed/refractory B cell acute lymphoblastic leukaemia (r/r B-ALL) in March 2017. It was awarded a 'Priority Review', signifying particular treatment improvement compared to standard therapy, and a shortened FDA processing timeline (within six months). As such, following the FDA Oncologic Drugs Advisory Committee (ODAC) meeting scheduled for 12th July at which CTL019 will be independently reviewed, a final decision is expected by September 2017. It is likely that CTL019 will become the first FDA approved CAR-T therapy.

Deal is major validation of OXB's expertise and of the LentiVector platform

Our last report (31st March 2017) explained that Novartis was likely to engage OXB as its commercial manufacturer of CTL019 vector given that BLA approval would include chemistry, manufacturing, and controls (CMC) regulatory authorisation granted on the basis of OXB's cell factory manufacturing process. From Novartis' point of view, it was important to have a commercial deal in place prior to the ODAC meeting otherwise a positive outcome would have strengthened even further OXB's already strong negotiating position.

CTL019 regulatory progress in 2017



Source: Hardman & Co Life Sciences Research

Deal significance

This deal is major validation of OXB's expertise and demonstrates the quality of the work delivered to Novartis over the past four years. Should CTL019 be approved, OXB's facilities would need another inspection by Novartis, adding to OXB's attractiveness as a clinical-grade vector manufacturer.

Potential OXB revenues

The royalty rate, which was part of the original agreement, has not been disclosed; however, our forecasts are based on the receipt of a low single-digit percentage of net CTL019 and other Novartis CAR-T sales. Since neither CTL019 nor any other CAR-T product is yet on the market, we have generated a simple sales model that assumes a price of $600k per patient (being, in general, a single-use product) in EU and US. Our conservative estimate is that OXB will receive $82m in royalties by 2025 for CTL019 in B-ALL and DLBCL (including a lead-in period to include Health Technology Assessments and other market access requirements). This does not take into account bioprocessing revenues, or royalties from other CAR-T programmes.

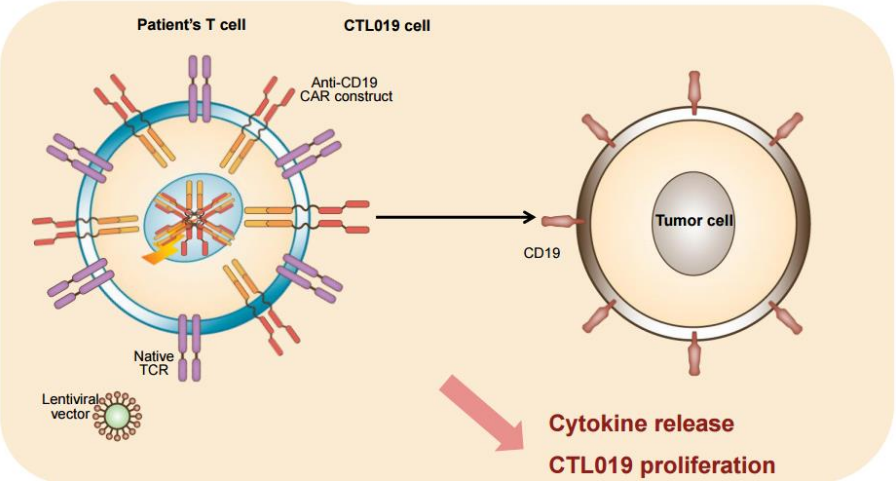
Novartis CAR-T development

Clinical programmes

CAR-T therapies involve *ex vivo* genetic modification of patient T cells so that they express receptors of antigens expressed by cancer cells. On reintroduction to the body, the modified T cells bind cancer cells to result in proliferation of modified T cells; this generates a cytotoxic immune response against the target antigen and primes the immune system for future recognition of the antigen by memory T cells.

As part of its immune-oncology strategy, Novartis is undertaking development programmes of various disclosed and undisclosed candidate CAR-T therapies for haematological and solid cancers. The recent termination of development of an anti-CD22 CAR-T treatment for B-ALL, due to lack of efficacy, suggests that Novartis is focusing resources on CTL019, such is its promise in the same indication. This candidate was not included in our OXB model due to its very early clinical stage and the lack of disclosure on whether OXB was involved in development – this announcement has no effect on our valuation of OXB.

CTL019 CAR-T construct and binding



Source: V. Narasimhan, Novartis, Investor presentation June 16, 2017

Novartis CAR-T programmes

Candidate	Target antigen	*Indication	Development
CTL019	CD19	B-ALL	Pivotal phase II (ELIANA trial)
CTL019	CD19	DLBCL	Pivotal phase II (JULIET trial)
	BCMA	MM	Phase I/II
CTL119	CD19	CLL	Human pilot
"CART22"	CD22	B-ALL	Terminated in phase I (June 2017)
Multiple			Pre-clinical/phase I

**All named are haematological malignancies*
Source: Hardman & Co Life Sciences Research

ELIANA trial

Supporting the BLA submission for CTL019 in r/r B-ALL are data from the ELIANA trial, a single arm open label trial in children and adults of three to 21 years, the first global pivotal trial of CTL019. Interim results were presented at the December 2016 ASH meeting, and information released on Friday 23rd June 2017 demonstrated that the interim remission rates are maintained at six months in 75% (n=39) of patients evaluated (n=52).

ELIANA trial interim results

	Total	*ORR	*CR
Treated	68 (77%)		
Evaluated for response	*63 (72%)*	*52 (83%)*	*40 (63%)*
Discontinued	16 (18%)		
Manufacturing failure	*7 (8%)*		
Patient status issues	*9 (10%)*		
Pending	4 (5%)		
Total enrolled	88 (100%)		

**>= 3 months or discontinued*
ORR: Overall Response Rate (CR + CRi); CR: Compete Remission
CRi: CR with incomplete blood count recovery
Sources: Hardman & Co Life Sciences Research; Novartis media releases; S. Grupp, 22nd European Hematology Association

JULIET trial

Interim data were released from the second phase II trial of CTL019, JULIET, in June 2017. JULIET is a single arm, multi-centre trial of CTL019 in adults with diffuse large B cell lymphoma (DLBCL) whose disease has progressed after two or more prior therapies. By our estimates, the target market in DLBCL is almost 20x that in B-ALL.

These positive data seem particularly promising for OXB, since the new agreement with Novartis includes OXB as the sole manufacturer of vector in this indication also. Novartis intends to submit EU and US market authorisation applications for DLBCL in the final quarter of this year. Its competitor, Kite Pharma, has also submitted a BLA for its CAR-T in this indication, with an FDA decision expected in November 2017.

JULIET trial interim results

	Total	*ORR	*CR	*PR
Treated	85 (60%)			
Evaluated for response	*51 (36%)*	22 (45%)	19 (37%)	3 (8%)
Discontinued	43 (40%)			
Manufacturing failure	*9 (6%)*			
Patient status issues	*34 (24%)*			
Pending	13 (9%)			
Total enrolled	141 (100%)			

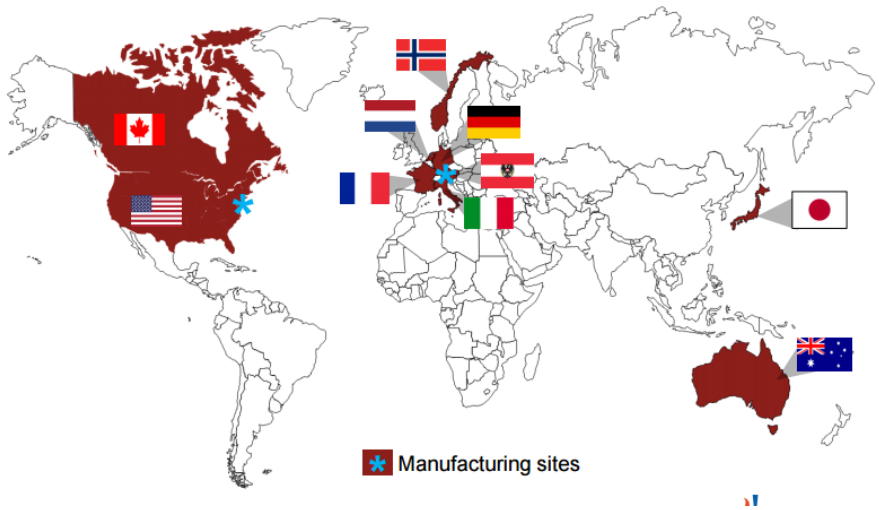
**51 patients evaluated: completed >= 3 months or discontinued; ORR: Overall Response Rate (CR + CRi); CR: Compete Remission; PR: partial remission.*

Source: Hardman & Co Life Sciences Research; V. Narasimhan, Novartis, Investor presentation June 16, 2017

CAR-T manufacture

In both the ELIANA and Novartis trials, a large number of patients did not receive CTL019 due to manufacturing failure (8% and 6%, respectively). To the best of our knowledge, this was not to do with the vector or OXB, rather being the result of 'insufficiently formulated CAR-T cell product', potentially due to low numbers of T cells in some patients. The other discontinued patients had disease progression between apheresis (collection of blood) and CTL019 infusion, despite bridging chemotherapy. Cryopreserved T cells were sent to two sites for centralised CAR-T manufacture from 10 countries.

JULIET clinical trial centralised manufacturing



Source: V. Narasimhan, Novartis, Investor presentation June 16, 2017

Oaktree Capital loan

On 30th June 2017, Oxford BioMedica announced a $55m loan agreement with Oaktree Capital Management LLP. This loan has been used to refinance the existing debt facility of $50m from Oberland Capital Healthcare, which was agreed in 2015. The terms of the new Oaktree loan are much more favourable, making it is less expensive than the Oberland loan. Just as important, the new loan has less stringent requirements regarding minimum cash balances that need to be held. Coupled with the new Novartis deal that has a $10m up-front payment, the market should be reassured that there is no requirement for OXB to return to the capital markets in the foreseeable future.

Key terms

- **Coupon:** 9.0% interest plus US$ LIBOR, subject to a minimum of 1%
- **Maturity:** Loan to be repaid no later than 29 June 2020
- **Covenants:** Interest could be reduced by 0.25% in the 2nd year and by a further 0.25% in the 3rd year, subject to OXB achieving certain conditions such as revenue targets; early loan repayments are subject to prepayment and exit fees
- **Warrants:** 134,351,226 warrants (4.4% of enlarged share capital) issued to Oaktree, exercisable at a nominal 1p at any time over the next 10 years
- **Cash balance:** A minimum $5m cash must be held whilst the loan is outstanding
- **Collateral:** The loan has been secured over all OXB's assets, including IP

Refinancing advantages

The new Oaktree Capital debt facility is less expensive than the previous Oberland Capital facility. Based on current rates, the average cost including all related fees is about 11.5% compared to the total 15% cost of the Oberland facility, which will save the company about ca.$1.2m p.a. or $3.5m over the whole Term, assuming that the new loan is repaid on or before the third anniversary.

The new facility is also less onerous regarding OXB's cash balance. While Oaktree still requires OXB to have a minimum cash balance of $5m at all times while the loan is outstanding, this is half the $10m that Oberland required which was also ring-fenced and unusable. This difference is important for flexibility in terms of the availability of working capital.

Comparison of debt facilities

Terms	Oaktree (June 2017)	Oberland (May 2015)	Difference
Loan capital	$55m	$50m	+$5m
Repayment date	Latest June 2020 (exit fees)	Latest May 2020 (exit fees)	
Interest	9% + LIBOR	9.5% + 1% or 3-mo LIBOR	>-0.5%
Ring-fenced cash	$5m minimum cash balance	$10m in a separate bank account	-$5m un-protected
Warrant issue (1p each)	134,351,226 (4.4% enlarged capital)	-	
Royalty costs	-	0.35%* on all net sales	
True-up	-	15% if loan repaid after 1st May 2017	
Total estimated cost	11.5% ($19.0m)	15% ($22.5m)	-$3.5m

**for eight years for each $5m drawn down over $30m (from 1st April 2017)*

Source: Hardman & Co Life Sciences Research

Financials

Profit and Loss

- **Licensing income:** Up-front $10m/£7.7m from Novartis has been included in other income – spread over three years from 5th July 2017
- **Net interest:** Interest payable has been reduced by $0.55m/£0.4m in 2017 to reflect the six month benefit from the new Oaktree loan facility. A further, similar, reduction has been included in fiscal 2018

Profit & Loss account						
Year end Dec (£m)	**2014**	**2015**	**2016**	**2017E**	**2018E**	**2019E**
GBP:EUR	1.24	1.38	1.18	1.18	1.18	1.18
GBP:USD	1.65	1.53	1.35	1.35	1.35	1.35
Bioprocessing + PD*	7.80	14.44	23.98	35.07	42.43	48.57
Additional income	6.37	3.54	3.80	3.78	4.58	5.43
Group revenues	**13.62**	**15.91**	**27.78**	**38.80**	**47.00**	**54.00**
COGS	-4.42	-5.84	-11.84	-14.51	-16.89	-18.04
Gross profit	**9.20**	**10.07**	**15.94**	**24.29**	**30.11**	**35.96**
Gross margin (%)	67.6%	63.3%	57.4%	62.6%	64.1%	66.6%
SG&A	-3.74	-6.01	-5.09	-5.17	-5.47	-5.74
R&D	-16.99	-20.27	-24.30	-22.80	-24.61	-24.29
EBITDA	**-9.29**	**-11.73**	**-6.78**	**3.54**	**8.53**	**14.43**
Depreciation	-0.70	-1.26	-3.34	-4.10	-4.10	-4.10
Amortisation	-0.40	-0.36	-0.34	-0.34	-0.34	-0.34
Other income	1.13	2.86	3.00	2.78	4.07	4.07
Underlying EBIT	**-10.39**	**-13.35**	**-10.45**	**-0.89**	**4.10**	**10.00**
EBIT margin (%)	76.3%	83.9%	37.6%	-2.3%	8.7%	18.5%
Share based costs	-0.22	-0.73	-0.87	-0.97	-1.07	-1.17
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
Stat. Operating profit	**-10.61**	**-14.08**	**-11.32**	**-1.86**	**3.03**	**8.83**
Net interest	-0.19	-2.90	-5.81	-4.68	-4.28	-4.27
Forex gain/loss	0.00	0.00	-3.18	0.00	0.00	0.00
Pre-tax profit	**-10.58**	**-16.25**	**-19.44**	**-5.58**	**-0.18**	**5.73**
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
Reported pre-tax	-10.80	-16.98	-20.31	-6.54	-1.25	4.56
Tax payable/credit	2.14	3.96	3.67	4.56	4.92	4.86
Underlying net income	**-8.44**	**-12.29**	**-15.78**	**-1.02**	**4.74**	**10.58**
Statutory net income	-8.66	-13.02	-16.64	-1.98	3.67	9.42
Ordinary shares (m)						
Period-end	2,566	2,574	3,088	3,088	3,089	3,090
Weighted average	2,019	2,570	2,780	3,088	3,089	3,090
Fully diluted	2,108	2,670	2,909	3,218	3,219	3,221
U/lying Basic EPS (p)	**-0.42**	**-0.48**	**-0.57**	**-0.03**	**0.15**	**0.34**
Stat. Basic EPS (p)	-0.43	-0.51	-0.60	-0.06	0.12	0.30
U/l Fully-diluted EPS (p)	**-0.40**	**-0.46**	**-0.54**	**-0.03**	**0.15**	**0.33**
Stat. Fully-diluted EPS (p)	-0.41	-0.49	-0.57	-0.06	0.11	0.29
DPS (p)	0.0	0.0	0.0	0.0	0.0	0.0

**PD: Process Development*

Source: Hardman & Co Life Sciences Research

Balance sheet

- **Novartis up-front payment:** Included in the P&L under other income, this drops through to cashflow, benefiting the period-end cash balance
- **Loan facilities:** There is no material difference in the long-term debt, with little difference between the new $55m Oaktree facilities being used to repay the $50m loan from Oberland plus true-up payments
- **Ring-fenced cash:** Freeing up the $10m ring-fenced cash does not make any difference to the total cash held in the balance sheet at the period end
- **Changes to forecasts:** No material change other than the £7.7m up-front from Novartis improving the net debt position at the end of fiscal 2017 from -£25.0m to -£16.9m, which also flows through to subsequent years

Balance sheet

@31st December (£m)	2014	2015	2016	2017E	2018E	2019E
Shareholders' funds	23.04	10.89	12.62	10.73	14.51	24.03
Cumulated goodwill	0.00	0.00	0.00	0.00	0.00	0.00
Total equity	23.04	10.89	12.62	10.73	14.51	24.03
Share capital	25.66	25.74	30.88	30.88	30.88	30.88
Reserves	-2.62	-14.85	-18.26	-20.15	-16.37	-6.85
Provisions/liabilities	3.46	4.42	3.94	0.00	0.00	0.00
Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
Long-term loans	1.00	27.26	34.39	37.12	39.85	42.58
Short-term debt	0.00	0.00	0.00	0.00	0.00	0.00
less: Cash	14.20	9.36	15.34	20.20	24.89	35.32
less: Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Invested capital	**13.31**	**33.21**	**34.95**	**27.66**	**29.47**	**31.29**
Fixed assets	8.94	24.40	27.51	25.35	23.09	21.05
Intangible assets	2.11	1.74	1.33	1.00	0.66	0.33
Inventories	1.41	2.71	2.20	3.22	3.90	4.46
Trade debtors	*3.62*	*7.37*	*5.43*	*6.52*	*7.82*	*9.39*
Other debtors	*1.53*	*3.56*	*1.47*	*1.47*	*1.47*	*1.47*
Tax liability/credit	*-2.79*	*-3.59*	*-2.51*	*3.67*	*4.56*	*4.92*
Trade creditors	*2.00*	*2.72*	*3.00*	*-2.51*	*-2.51*	*-2.51*
Other creditors	*-3.52*	*-5.70*	*-3.49*	*-11.05*	*-9.52*	*-7.82*
Debtors less creditors	0.85	4.37	3.90	-1.91	1.83	5.45
Invested capital	**13.31**	**33.21**	**34.95**	**27.66**	**29.47**	**31.29**
Net cash/(debt)	**13.20**	**-17.90**	**-19.05**	**-16.93**	**-14.97**	**-7.26**

Source: Hardman & Co Life Sciences Research

Cashflow

- **Novartis up-front:** Flows through the P&L suggesting that OXB will be modestly cash generative in fiscal 2017
- **Depreciation:** The depreciation rate has risen following completion during 2016 of the new manufacturing facilities in Oxford
- **Working capital:** Given that much of OXB's work is on a fee-for service basis, there is no major working capital requirement for the group. Freeing up the $10m ring-fenced cash under the Oberland loan terms helps working capital
- **Net interest:** The actual cash paid on loan interest is lower than the charge to the P&L account because there is no cash payment associated with the amortisation charge accruing
- **Cap-ex:** Completion of Windrush Court facilities is expected to see capital expenditure fall to maintenance levels, estimated at around £2m per annum

Cashflow

Year end Dec (£m)	2014	2015	2016	2017E	2018E	2019E
Underlying EBIT	-10.39	-13.35	-10.45	5.52	9.23	14.63
Depreciation	0.70	1.26	3.34	4.10	4.10	4.10
Amortisation	0.40	0.36	0.34	0.34	0.34	0.34
Inventories	*-0.73*	*-1.30*	*0.50*	*-1.02*	*-0.68*	*-0.56*
Receivables	*-2.56*	*-5.78*	*4.03*	*-1.09*	*-1.30*	*-1.56*
Payables	*3.37*	*2.98*	*-3.28*	*0.00*	*0.00*	*0.00*
Change in working capital	0.08	-4.09	1.25	-2.10	-1.98	-2.13
Exceptionals/provisions	1.65	0.95	-0.75	-0.75	-0.75	-0.75
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.13	0.00	-0.90	0.00	0.00	0.00
Company op cashflow	**-7.43**	**-14.87**	**-5.93**	**5.00**	**8.96**	**14.06**
Net interest	-0.19	-1.46	-3.21	-4.68	-4.68	-4.68
Tax paid/received	1.64	3.24	4.08	3.67	4.56	4.92
Operational cashflow	-5.98	-13.08	-5.06	3.98	8.83	14.30
Capital expenditure	-5.58	-16.72	-6.46	-1.94	-1.84	-2.06
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00	0.00
Free cashflow	**-11.56**	**-29.80**	**-11.52**	**2.05**	**6.99**	**12.24**
Dividends	0.00	0.00	0.00	0.00	0.00	0.00
Acquisitions	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	0.00
Other investments	0.00	0.00	0.00	0.00	0.00	0.00
Cashflow after invests.	**-11.56**	**-29.80**	**-11.52**	**2.05**	**6.99**	**12.24**
Share repurchases	-0.23	0.00	0.00	0.00	0.00	0.00
Share issues	22.81	0.14	17.50	0.10	0.10	0.10
Currency effect	0.00	-1.44	-7.13	0.00	0.00	0.00
Loans/cash acquired	0.00	0.00	0.00	0.00	0.00	0.00
Change in net debt	**11.03**	**-31.10**	**-1.15**	**2.15**	**7.09**	**12.34**
Hardman FCF/share (p)	-0.30	-0.51	-0.18	0.13	0.29	0.46
Opening net cash	2.17	13.20	-17.90	-19.05	-16.91	-9.82
Closing net cash	**13.20**	**-17.90**	**-19.05**	**-16.90**	**-9.82**	**2.52**

Source: Hardman & Co Life Sciences Research

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