

CAPITAL STRUCTURE AS AT 31 MARCH 1Q19 (USDm)

FYE: December	Interest	Maturity	Available	Outstanding	Estimated cash interest expense	Price	Yield (%)	Rating (S&P/Moody's)	Leverage (LTM EBITDA)	Leverage (pro forma LTM EBITDA)
Cash and cash equivalents				145.9						
Bank overdraft	5.50%			54.8	3.0					
Cash and cash equivalents after bank overdrafts				91.1						
USD 230m senior secured RCF	L+ 400	Mar-22	65.0	165	11.7			CCC+/Caa1		
Senior secured term loan	L+ 675	Feb-23		412	37.3			CCC+/Caa1		
Oman term loan	L+ 400	Dec-20		28.0	1.8					
Senior secured notes 2021	7.250%	May-21		375	27.2	70.1	29.8%	CCC+/Caa1		
Senior secured notes 2022	9.875%	Apr-22		535	52.8	69.5	26.4%	CCC+/Caa1		
Senior secured notes 2023	9.625%	Apr-23		400	38.5	68.6	22.6%	CCC+/Caa1		
Other debt				2.0	0.1					
Total senior secured debt*				1,917					7.6x	6.5x
Net senior secured debt				1,826					7.2x	6.2x
Finance leases				48.8	3.1					
Total debt				1,966	175				7.8x	6.7x
Net debt				1,875					7.4x	6.4x
LTM 1Q19 EBITDA				252.6						
Pro forma LTM 1Q19 EBITDA (excluding USD 25m equity cure)				295.0						

Source: Debtwire, company reports, Markit *In addition to USD 230m RCF, company also has USD 115m of guarantee facilities. At 31 December 2018, group also had total of USD 122.5m (2017: USD 133.3m) of defined benefit pension liabilities

KCA DEUTAG FACES WEAK 2019 OUTLOOK, HIGH LEVERAGE, NEGATIVE FCF

KCA Deutag Alpha Limited (KCA), the Scotland-headquartered oilfield services company, reported weak 1Q19 results on 23 May 2019, showing a year-on-year (YoY) fall in EBIT (down 53%) and EBITDA (down 1.9%), negative free cash flow (FCF) and higher LTM leverage.

Key risks: KCA's bonds have been under pressure over the past year, slumping to 73 after the 1Q19 results from par in 4Q18, before sliding further to 69 following the filing of the FY18 annual report (signed 29 June 2019) for the subsidiary, KCA Deutag UK Finance plc (issuer of the 2021, 2022 and 2023 secured notes). In this latest filing, the company further emphasised the weak operating environment, lower capex spend by customers, intense competition, pricing pressures, oversupply of oilfield equipment vs demand, reductions in utilisation rates and local regulations. If the drilling market downturn continues, the falling margins, high leverage, capex, cash interest costs and negative FCF are likely to weaken KCA's liquidity situation over FY19 and into FY20 (with the USD 375m notes due in May 2021), and may breach current loan covenants without a re-set or without further shareholder support. The company expects the oil and gas market to remain volatile and oversupplied into 2019, pulling down day rates and negatively impacting fleet utilisation levels.

Ongoing volatility in oil prices has heightened customer uncertainty and dampened confidence to invest in additional activity. In our view, recovery values for the secured notes may be 40% (or lower) in a distressed scenario (see [page 3](#) and [page 4](#)).

Mitigants: Firm order backlog increased 18.4% to USD 2.7bn as at 1 May 2019 from 1 March 2019 (although the total backlog is down 2.3% during the same period to USD 5.5bn; [Figure 8](#)). KCA is well diversified geographically ([Figure 3](#)) and has a diverse customer base. The acquisition of Dalma in the Middle East (in April 2018) should help give scale to KCA in the key oil and gas markets of the Middle East and Russia. A recent press release mentioned USD 168m of new contracts in Russia for 8 rigs. However, 6 were contract extensions and only 2 were for new rigs. Shareholders have been supportive in the past, with multiple equity cures (as is permitted by the loan documents). Covenants could be re-set to avert the risk of a breach sometime in 2019. The debt maturity schedule appears manageable until 2021 (when the USD 375m notes come due, unless refinanced).

1Q19: revenue for 1Q19 of USD 321m was 10.4% higher YoY vs USD 291m in 1Q18 thanks to the Dalma acquisition (in April 2018). Sequentially, revenue was down 3.5% in 1Q19 vs 4Q18 because of a fall in Land and Offshore revenue. As a result, sequentially, EBITDA for 1Q19 tumbled 5.0% vs 4Q18. For 1Q19, EBITDA included three months of earnings from Dalma rigs acquired in Oman and Saudi

ISSUER SUMMARY

Country:	Scotland
Notes Issuer:	KCA Deutag UK Finance plc (2021, 2022, 2023 senior secured notes)
RCF and Term loans:	KCA Deutag Alpha Ltd
Sector:	Oilfield services
Total assets:	USD 2,570m
Key shareholders:	Pamplona, Goldentree, EIG
Next significant debt maturity:	2021 (USD 375m notes)

KEY EVENTS

Last earnings (1Q) release:	May-19
Next earnings release:	Est. Aug-19

Source: Debtwire, company financials

EMEA CREDIT RESEARCH

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Arabia. In 1Q18, EBITDA benefitted from a one-off payment of USD 12.0m, as a result of the collection of an overdue receivable in the legacy MODU business, and a further USD 7.5m from a contractual early termination fee in Land Drilling in Oman. Details of various segments are found in [Figure 9 on page 5](#).

In Land Drilling, KCA has secured new contracts and contract extensions, but pricing levels remain under pressure. The integration of the former Dalma business is now complete. Bentec showed 39.5% lower EBITDA in 1Q19 vs 4Q18 because of fewer top-drive deliveries. KCA remains in dispute with a major subcontractor for the Ukraine 5 rig project, and as a result has booked an exceptional charge in 1Q19 of USD 6.1m. Offshore Services had 10.1% lower EBITDA in 1Q19 vs 4Q18, largely because of fewer days in 1Q19. EBITDA was higher YoY vs 1Q18 after adjusting for the one-off USD 12m gain from the legacy MODU business in 1Q18.

FCF for 1Q19 was negative USD 34.8m vs positive USD 46.0m for 1Q18 because of higher capex (mainly due to a rig acquisition), greater cash interest costs (additional debt taken on for the Dalma acquisition), a working capital outflow of USD 35.1m (vs an inflow of USD 1.6m in 1Q18) and increased cash taxes. Total capex was higher for 1Q19 (USD 43.1m vs USD 8.5m for 1Q18), as the company acquired a

rig for USD 25m that had previously been owned above KCA Deutag Alpha Limited. This was funded by a subordinated loan from the parent, KCA Deutag Alpha II Limited.

Liquidity: available liquidity (cash on the balance sheet less bank overdrafts plus the undrawn RCF) fell to USD 156.1m at March 1Q19 following the company's weak operating performance in 1Q19 from USD 186.4m at December FY18 ([Figure 7, page 5](#)).

Outlook: demand slowdown and oversupply continues to impact KCA's end-markets with fears of a global economic slowdown, trade actions, cautious customers and decreasing utilisation rates ([Figure 16, page 6](#)). If the weak operating environment persists, assuming slightly lower EBITDA margins, FY19 EBITDA may be USD 249m (with pro forma EBITDA of USD 290m before equity cure). Assuming capex of USD 78m (in line with LTM) and a higher cash interest cost of USD 175m because of elevated debt levels following the Dalma acquisition, FY19 may again see significantly negative FCF, which we expect to lead to persistently high leverage of 6.4x on pro forma EBITDA (7.5x on adjusted EBITDA). This breaches existing loan covenants (unless re-set). Net leverage is significantly higher if we include guarantees (USD 115m as of FY18) and pension liabilities (USD 122.5m as of FY18).

FINANCIAL SUMMARY (USDm)

FYE: December	FY17	FY18	LTM 1Q19	FY19F
Revenue	1,170	1,263	1,293	1,312
YoY change	-6.6%	8.0%	2.4%	1.5%
EBITDA	222	254	253	249
EBITDA margin	18.9%	20.1%	19.5%	19.0%
Pro forma LTM EBITDA for covenants (includes equity cure of USD 25m)	247	307	320	290
EBITDA margin	21.1%	24.3%	24.8%	22.1%
Net capex	-61	-44	-78	-78
Net cash interest	-110	-148	-152	-175
EBITDA-capex-cash interest	50	62	22	-4.3
Δ w/cap	-55	-55	-92	-55
Cash taxes	-30	-27	-32	-30
Free cash flow (FCF)	-35	-20	-101	-89
Cash	108	183	146	146
Total debt (incl. overdrafts)	1,286	1,939	1,927	2,016
Net debt	1,177	1,756	1,781	1,870
Net debt/EBITDA	5.3x	6.9x	7.1x	7.5x
Net debt reported for covenants	1,211	1,749	1,771	1,860
Net debt for covenants/pro forma LTM EBITDA for covenants	4.9x	5.7x	5.5x	6.4x
<i>Loan covenant</i>	-	5.75x	-	5.25x
EBITDA-capex/cash interest	1.5x	1.4x	1.1x	1.0x

Source: Debtwire, company reports

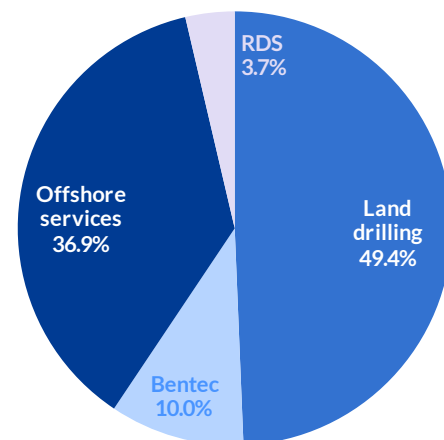
BUSINESS DESCRIPTION

Scotland-based oilfield services company KCA Deutag provides onshore integrated land drilling, and offshore drilling services and design through the business segments of Land Drilling, Bentec, Offshore Services, and RDS. Customers include national and international oil companies such as BP, Shell, Total, Statoil and Rosneft.

Land Drilling provides land rig-drilling services through a fleet of 77 land rigs. Bentec (headquartered in Germany) manufactures land rigs and oilfield equipment for rigs operating in extreme environments. Offshore Services is responsible for managing drilling and maintenance operations on offshore platforms. The RDS division provides drilling facilities, engineering services at various stages of rig design, construction and modification.

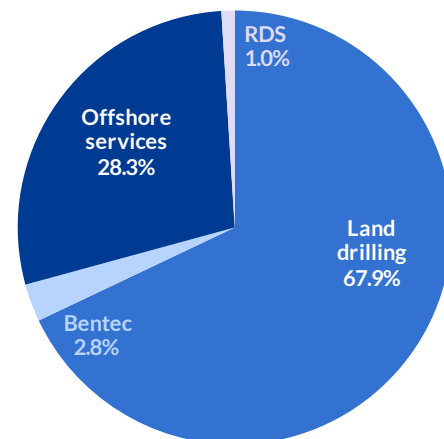
Competitors include: Integra, Eurasia, Nabors, Weatherford, Varco, Drillmec and Uralmash.

FIGURE 1: LTM 1Q19 SEGMENT REVENUE



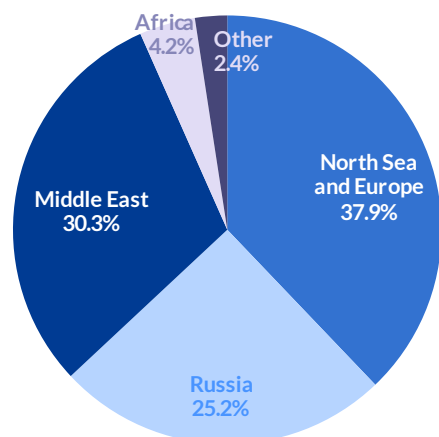
Source: Debtwire, company financials

FIGURE 2: LTM 1Q19 EBITDA BY SEGMENT



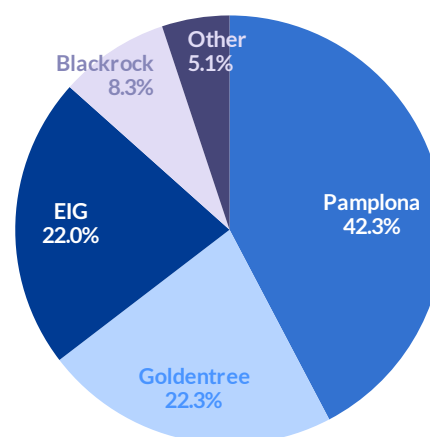
Source: Debtwire, company financials

FIGURE 3: FY18 REVENUE BY GEOGRAPHY



Source: Debtwire, company financials (FY18)

FIGURE 4: OWNERSHIP %



Source: Debtwire, April 2018 bond OM

Recovery value assumptions for the summary table below
(detailed table on [page 4](#)):

- **Recovery value based on 4.0x distressed EV/EBITDA multiple:** depending on the assumptions, recovery value for the secured notes and other secured debt may be around 40-50% or lower in a distressed scenario. Rig and platform assets are spread over Europe, Russia, Africa and the Middle East, which may further complicate the process.
- The financial position of the company remains challenging because of a weak operating environment with poor demand, competitive pricing and over-supply of equipment and services. Sector peers such as Odfjell, Enso plc, Transocean have an EV/EBITDA multiple of 5x to 8x.
- A break-up or liquidation of the company leads to even lower recovery for the notes and other secured debt assuming realistic haircuts on cash, receivables, inventory, PP&E and payables. Goodwill and intangible assets are 36% of total assets of USD 2.6bn at March 1Q19. PP&E, inventories and receivables total about USD 1.4bn or 55% of total assets at 1Q19. Trade payables total USD 278.7m.

- Operating assets spread across various jurisdictions including Russia, Africa and the Middle East may negatively impact liquidation values.
- RCF, bank debt and secured notes are assumed secured and pari passu.
- Given the weak operating environment going into FY19, we assume a lower base-case EBITDA of USD 236m (which is a 20% haircut off the reported pro forma LTM 1Q19 EBITDA of USD 295m before the USD 25m of equity cure).
- We assume that the USD 230m RCF is fully drawn at distress.
- There is USD 412m of senior secured term loan, USD 28m of Oman term loan, and three senior secured notes maturing 2021, 2022, and 2023.
- Cash leakage: cash at distress is assumed to be USD 68m or about 25% lower than USD 91m on the balance sheet after overdrafts at March 1Q19.
- In the table below, we show an upside and downside sensitivity of 20% from base EBITDA. A detailed table with a broader range is on [page 4](#).

FIGURE 5: RECOVERY VALUE SUMMARY (USDm)

Recovery value estimate based on sustainable EBITDA	Base	Upside (+20%)	Downside (-20%)
Sustainable EBITDA assumption	236.0	283.2	188.8
Distressed multiple assumed	4.0x	4.0x	4.0x
EV	944	1,133	755
Cash (assumed lower at 75% at distress)	68.3	68.3	68.3
Total value to RCF and other senior	1,012	1,201	824
Total RCF, bank debt and secured notes	1,982	1,982	1,982
Recovery value for secured debt	51%	61%	42%
Value to other debt	-970	-781	-1,158
Other debt	48.8	48.8	48.8
Recovery value for other debt	0.0%	0.0%	0.0%

Source: Debtwire calculations, company financials

- Please see [previous page](#) for recovery value assumptions for the table below:
- **Recovery value based on EV/EBITDA multiple:** based on the assumptions as detailed on the [previous page](#), recovery value for the notes may be around 40% in a distressed scenario.

Valuation of company		FIGURE 6: LTM 1Q19 EBITDA (USDm)												
		% variation from base case												
EV multiple	% variation from base case	165	177	189	201	212	224	236	248	260	271	283	295	307
		-30%	-25%	-20%	-15%	-10%	-5%	0%	5%	10%	15%	20%	25%	30%
3.4x	-15%	630	670	710	750	790	831	871	911	951	991	1,031	1,071	1,111
3.6x	-10%	663	706	748	790	833	875	918	960	1,003	1,045	1,088	1,130	1,173
3.8x	-5%	696	741	786	831	875	920	965	1,010	1,055	1,100	1,144	1,189	1,234
4.0x	0%	729	776	824	871	918	965	1,012	1,060	1,107	1,154	1,201	1,248	1,296
4.2x	5%	762	812	861	911	960	1,010	1,060	1,109	1,159	1,208	1,258	1,307	1,357
4.4x	10%	795	847	899	951	1,003	1,055	1,107	1,159	1,211	1,262	1,314	1,366	1,418
4.6x	15%	828	883	937	991	1,045	1,100	1,154	1,208	1,262	1,317	1,371	1,425	1,480
Coverage of total RCF, bank debt and secured notes		LTM 1Q19 EBITDA (USDm)												
		% variation from base case												
EV multiple	% variation from base case	165	177	189	201	212	224	236	248	260	271	283	295	307
		-30%	-25%	-20%	-15%	-10%	-5%	0%	5%	10%	15%	20%	25%	30%
3.4x	-15%	32%	34%	36%	38%	40%	42%	44%	46%	48%	50%	52%	54%	56%
3.6x	-10%	33%	36%	38%	40%	42%	44%	46%	48%	51%	53%	55%	57%	59%
3.8x	-5%	35%	37%	40%	42%	44%	46%	49%	51%	53%	55%	58%	60%	62%
4.0x	0%	37%	39%	42%	44%	46%	49%	51%	53%	56%	58%	61%	63%	65%
4.2x	5%	38%	41%	43%	46%	48%	51%	53%	56%	58%	61%	63%	66%	68%
4.4x	10%	40%	43%	45%	48%	51%	53%	56%	58%	61%	64%	66%	69%	72%
4.6x	15%	42%	45%	47%	50%	53%	55%	58%	61%	64%	66%	69%	72%	75%
Coverage of other debt		LTM 1Q19 EBITDA (USDm)												
		% variation from base case												
EV multiple	% variation from base case	165	177	189	201	212	224	236	248	260	271	283	295	307
		-30%	-25%	-20%	-15%	-10%	-5%	0%	5%	10%	15%	20%	25%	30%
3.4x	-15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3.6x	-10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3.8x	-5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4.0x	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4.2x	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4.4x	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4.6x	15%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: Debtwire, company financials

FIGURE 7: LIQUIDITY (USDm)

FYE: December	at Dec FY18	at 31 Mar 1Q19
Cash and cash equivalents	182.5	145.9
Overdrafts	-63.7	-54.8
USD 230m RCF availability	67.6	65.0
Total liquidity available	186.4	156.1

Source: Debtwire, company financials

FIGURE 8: TOTAL CONTRACT BACKLOG AS OF 1 MAY 2019 (USDm)

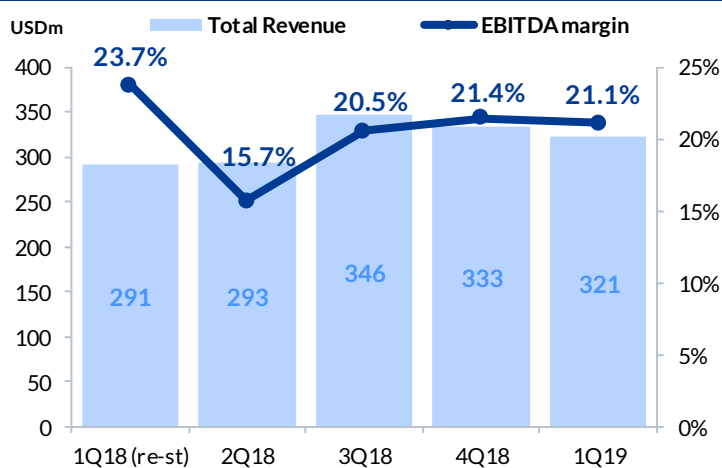
	Total backlog as of 1 March 2019	2019	2020	2021+	Total backlog as of 1 May 2019	% of total	% change vs 1 March 2019
Firm	2,268	691	729	1,265	2,685	48.7%	18.4%
Option	3,379	46	109	2,677	2,832	51.3%	-16.2%
Total contract backlog	5,647	737	838	3,942	5,517	100.0%	-2.3%

Source: Debtwire, company financials

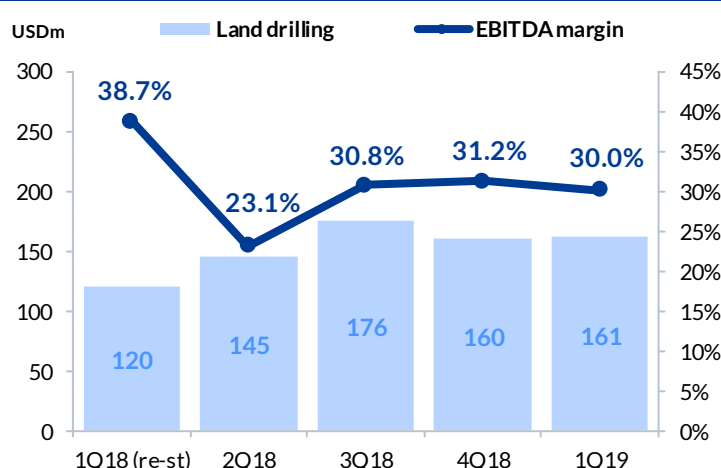
FIGURE 9: SEGMENT BREAKDOWN (USDm)

Revenue (FYE: December)	FY17	FY18	LTM 1Q19	1Q18 (re-st)	2Q18	3Q18	4Q18	1Q19	% change YoY 1Q19 vs 1Q18
Land drilling	496	602	643	120	145	176	160	161	34.1%
Bentec	73.3	107	131	15.1	11.2	35.2	45.8	38.5	155.0%
Offshore services	549	512	481	144	127	124	117	114	-21.3%
RDS	57.5	52.2	47.7	14.5	12.6	12.7	12.4	10.0	-31.0%
Corporates costs/eliminations	-10.2	-10.6	-9.6	-3.1	-3.4	-1.7	-2.4	-2.1	-
Total revenue	1,166	1,263	1,293	291	293	346	333	321	10.4%
Adj. EBITDA	FY17	FY18	LTM 1Q19	1Q18 (re-st)	2Q18	3Q18	4Q18	1Q19	% change YoY 1Q19 vs 1Q18
Land drilling	164	183	186	46.6	33.6	54.1	49.9	48.5	4.1%
Bentec	0.0	3.8	7.7	-1.6	-0.7	2.3	3.8	2.3	-
Offshore services	73	85	77	28.3	16.8	19.4	21.7	19.5	-31.1%
RDS	2.1	2.4	2.7	0.4	1.2	0.1	0.7	0.7	75.0%
Corporates costs/eliminations	-18	-20	-18.1	-4.7	-5.0	-5.0	-4.8	-3.3	-
Total EBITDA	221.5	253.9	255.8	69.0	45.9	70.9	71.3	67.7	-1.9%
Adj. EBITDA margin	FY17	FY18	LTM 1Q19	1Q18 (re-st)	2Q18	3Q18	4Q18	1Q19	
Land drilling	33.1%	30.5%	29.0%	38.7%	23.1%	30.8%	31.2%	30.0%	
Bentec	0.0%	3.5%	5.9%	-10.6%	-6.3%	6.5%	8.3%	6.0%	
Offshore services	13.3%	16.5%	16.1%	19.6%	13.2%	15.7%	18.6%	17.2%	
RDS	3.7%	4.6%	5.7%	2.8%	9.5%	0.8%	5.6%	7.0%	
EBITDA margin	19.0%	20.1%	19.8%	23.7%	15.7%	20.5%	21.4%	21.1%	

Source: Debtwire, company reports

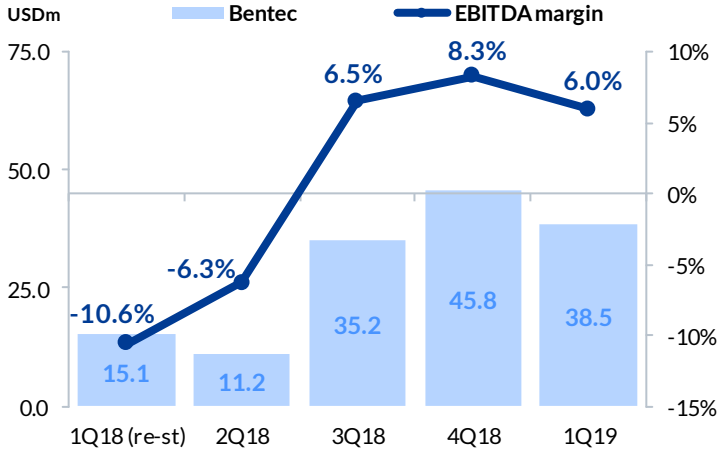
FIGURE 10: QUARTERLY REVENUE AND EBITDA MARGIN


Source: Debtwire, company financials

FIGURE 11: LAND DRILLING REVENUE, EBITDA MARGIN


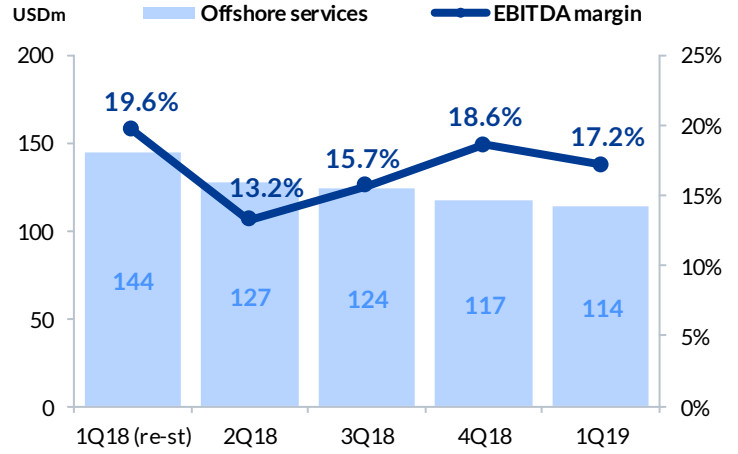
Source: Debtwire, company financials

FIGURE 12: BENTEC REVENUE, EBITDA MARGIN



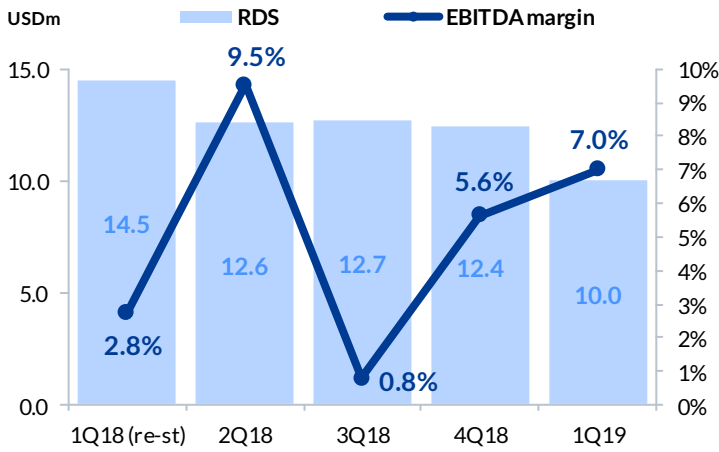
Source: Debtwire, company financials

FIGURE 13: OFFSHORE SERVICES REVENUE, EBITDA MARGIN



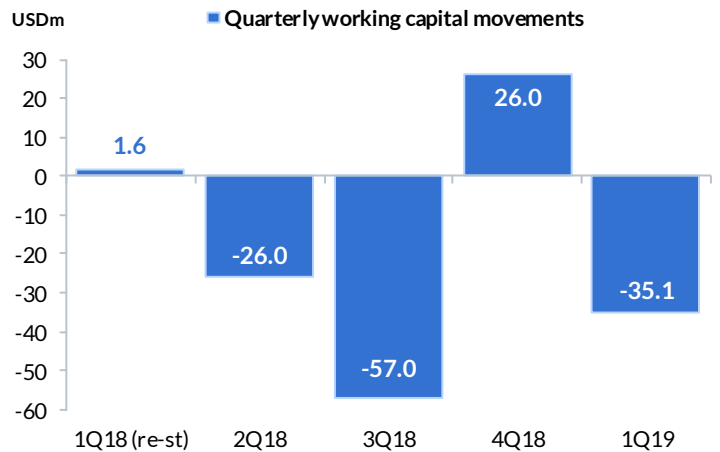
Source: Debtwire, company financials

FIGURE 14: RDS REVENUE, EBITDA MARGIN



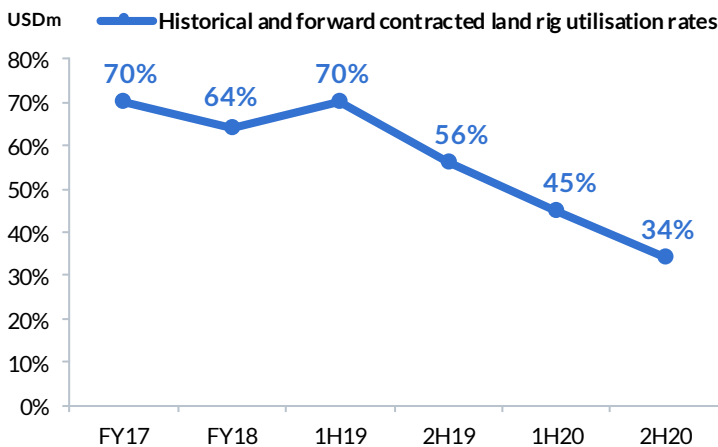
Source: Debtwire, company financials

FIGURE 15: QUARTERLY W/CAP MOVEMENTS



Source: Debtwire, company financials

FIGURE 16: HISTORICAL AND FORWARD UTILISATION RATES %



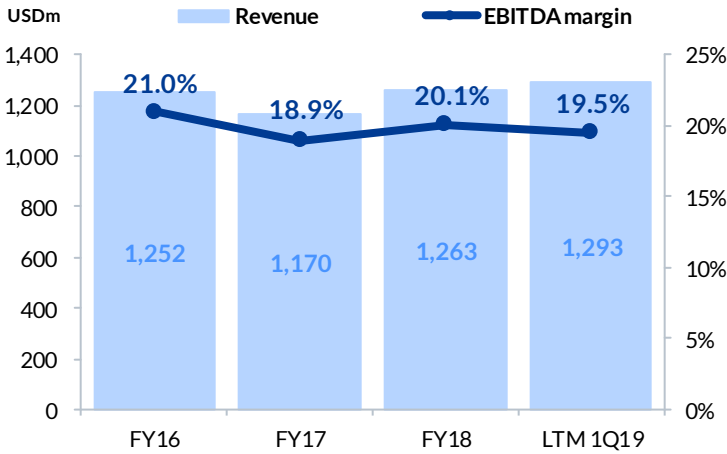
Source: Debtwire, company financials

FIGURE 17: GEOGRAPHIC SEGMENTS (FY18)

FYE: December	FY17	FY18	% of total	% change YoY
North Sea and Europe	484	478	37.9%	-1.3%
Russia	359	318	25.2%	-11.5%
Middle East	186	383	30.3%	106%
Africa	100	53.3	4.2%	-46.7%
Other	36.8	30.6	2.4%	-16.8%
Total	1,166.2	1,262.6	100.0%	8.3%

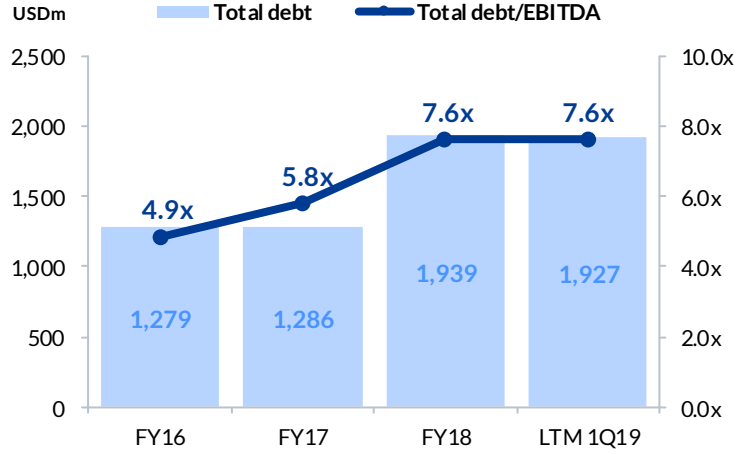
Source: Debtwire, company financials (FY18)

FIGURE 18: REVENUE, EBITDA MARGIN



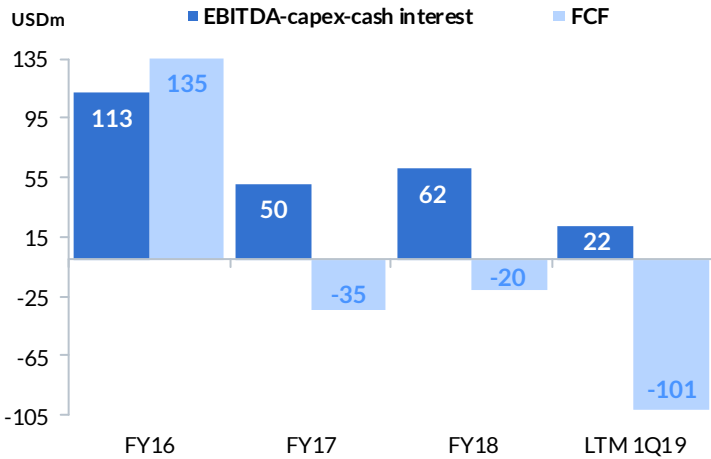
Source: Debtwire, company financials

FIGURE 19: TOTAL DEBT, TOTAL LEVERAGE



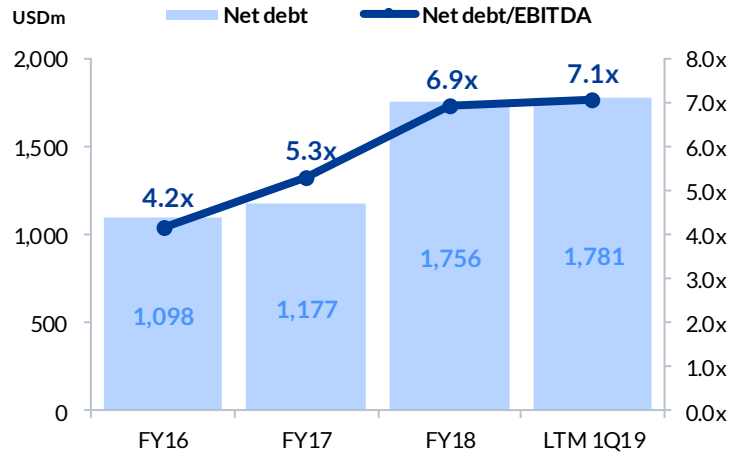
Source: Debtwire, company financials

FIGURE 20: FREE CASH FLOW



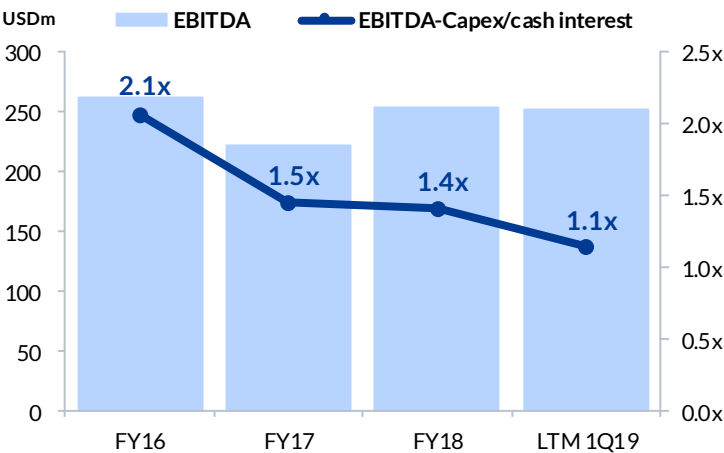
Source: Debtwire, company financials

FIGURE 21: NET LEVERAGE



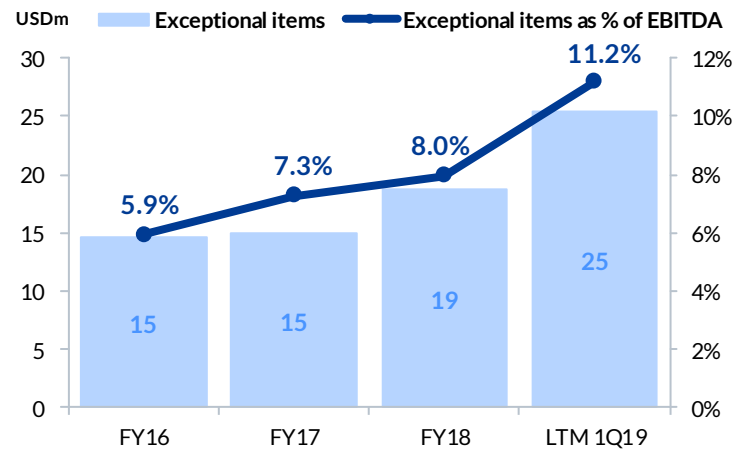
Source: Debtwire, company financials

FIGURE 22: CASH INTEREST COVER



Source: Debtwire, company financials

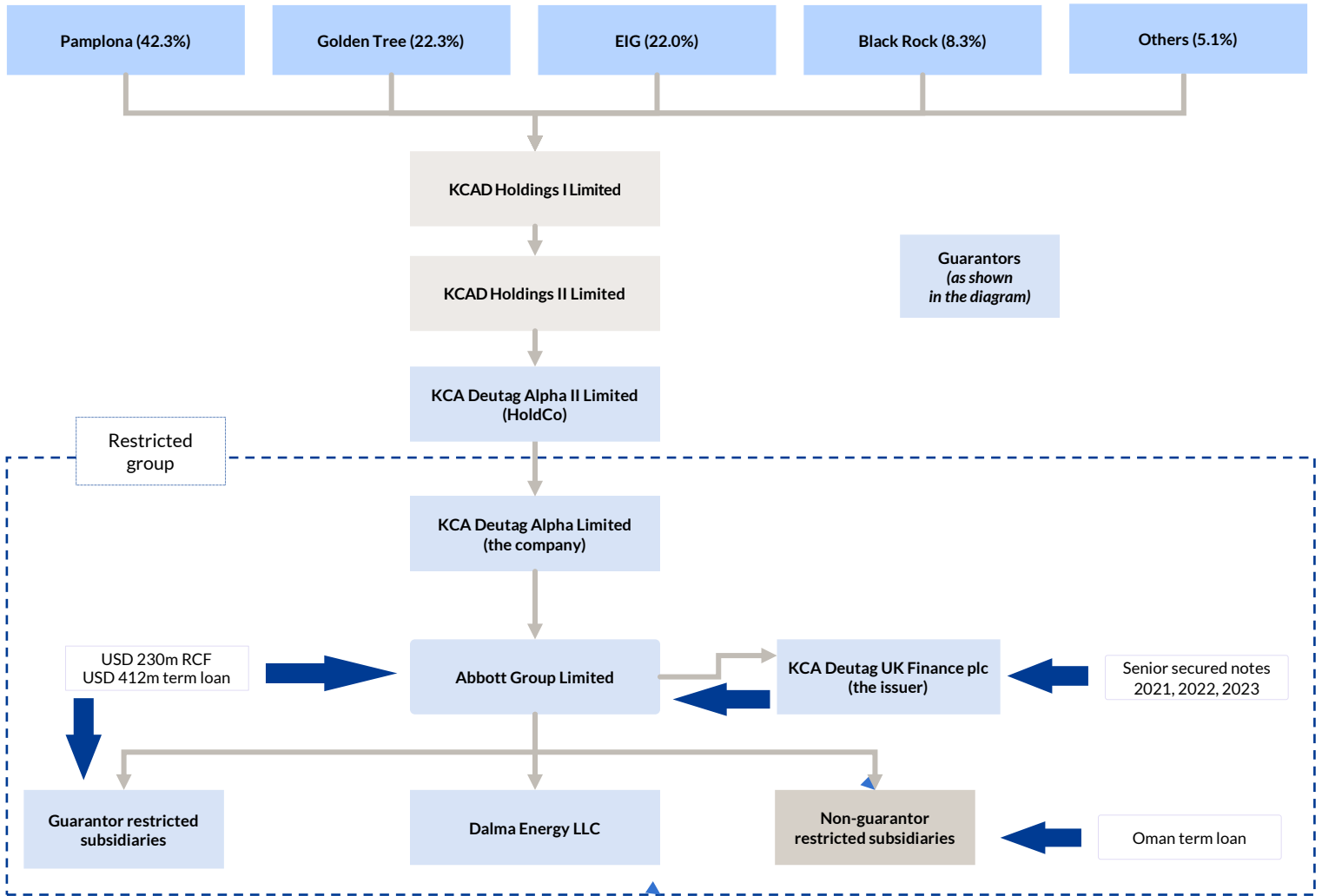
FIGURE 23: NON-RECURRING ITEMS AS % OF EBITDA



Source: Debtwire, company financials

FINANCIAL SUMMARY (USDm)						
FYE: December	31-Dec-16	31-Dec-17	31-Dec-18	31-Mar-19	31-Mar-18	31-Mar-19
INCOME STATEMENT	FY16	FY17	FY18	LTM 1Q19	1Q18	1Q19
Revenue	1,252	1,170	1,263	1,293	291	321
YoY change	-	-6.6%	8.0%	2.4%	-	10.4%
Cost of sales	-1,087	-1,033	-1,161	-	-	-
Gross profit	165	136	102	-	-	-
Gross profit margin	13.2%	11.6%	8.1%	-	-	-
EBIT	98.6	73.8	59.6	43.4	30.7	14.5
EBIT margin	7.9%	6.3%	4.7%	3.4%	10.5%	4.5%
(+) Depreciation and amortisation (D&A)	164	148	194	209	38.3	53.2
EBITDA	262.9	221.5	253.9	252.6	69.0	67.7
YoY change	-	-15.7%	14.6%	-0.5%	-	-1.9%
EBITDA margin	21.0%	18.9%	20.1%	19.5%	23.7%	21.1%
(-) Exceptional items	14.7	15.0	18.7	25.4	2.5	9.2
Unadjusted EBITDA	248.2	206.5	235.2	227.2	66.5	58.5
YoY change	-	-16.8%	13.9%	-3.4%	-	-12.0%
Unadj. EBITDA margin	19.8%	17.7%	18.6%	17.6%	22.8%	18.2%
Operating lease rentals	21.3	20.7	22.8	22.8	5.7	5.7
EBITDAR	270	227	258	250	72.2	64.2
Net interest expense	-124	-132	-174	-185	-35.0	-46.5
BALANCE SHEET	FY16	FY17	FY18	LTM 1Q19	1Q18	1Q19
Cash and cash equivalents	181.4	108.3	182.5	145.9		
Total debt (incl. overdrafts)	1,279	1,286	1,939	1,927		
Short-term debt (incl. fin. lease and bank overdrafts)	22.1	27.5	221.7	209.1		
Long-term debt	1,257	1,258	1,717	1,718		
Net debt	1,098	1,177	1,756	1,781		
7x operating leases	149	145	160	160		
Net debt +7x rent	1,247	1,322	1,916	1,941		
CASH FLOW STATEMENT	FY16	FY17	FY18	LTM 1Q19	1Q18	1Q19
EBITDA	263	222	254	253	69.0	67.7
Net capex	-44.0	-61.3	-44.0	-78.1	-8.6	-42.7
Net cash interest	-106	-110	-148	-152	-7.9	-12.2
EBITDA-capex-cash interest	112.7	50.3	61.8	22.1	52.5	12.8
Δ w/cap	60.7	-55.0	-54.9	-91.6	1.6	-35.1
Cash taxes	-38.6	-30.0	-27.3	-31.7	-8.1	-12.5
Free cash flow (FCF)	134.8	-34.7	-20.4	-101.2	46.0	-34.8
Acquisitions/disposals	0.0	0.0	-440.7	-440.7	0.0	0.0
Net borrowings/repayments	53.0	28.0	545.8	544.1	-9.5	-11.2
Shareholder loan/dividends	-0.5	-0.3	-0.3	24.7	-0.3	24.7
Transaction costs	-1.6	-43.8	-22.0	-22.0	0.0	0.0
FX and other	-21.7	-2.8	-51.9	-49.0	-9.3	-6.4
Change in cash for the period	164.0	-53.6	10.5	-44.1	26.9	-27.7
RATIO ANALYSIS	FY16	FY17	FY18	LTM 1Q19	1Q18	1Q19
Net debt/EBITDA	4.2x	5.3x	6.9x	7.1x		
Net debt/Unadj. EBITDA	4.4x	5.7x	7.5x	7.8x		
Total debt/EBITDA	4.9x	5.8x	7.6x	7.6x		
Net debt + 7x oper. leases/EBITDAR	4.6x	5.8x	7.4x	7.8x		
EBITDA/interest expense	2.1x	1.7x	1.5x	1.4x		
EBITDA-capex/cash interest	2.1x	1.5x	1.4x	1.1x		
Exceptional items as % of EBITDA	5.6%	6.8%	7.4%	10.1%		
Capex/revenue	3.5%	5.2%	3.5%	6.0%		
Cash/revenue	14.5%	9.3%	14.5%	11.3%		

Source: Debtwire, company financials; *In addition to USD 230m RCF, company also has USD 115m of guarantee facilities. At 31 December 2018, group also had total of USD 122.5m (2017: USD 133.3m) of defined benefit pension liabilities



Source: Debtwire, company financials, April 2018 bond OM
All subsidiaries 100% owned, unless otherwise stated
Note: Corporate structure may not include all subsidiaries and/or debt instruments and is for illustrative purposes only

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