ISOTeam Ltd

20 June 2024

BUY (Initiation)

BBG	ISO SP
Market Cap	S$41.2m
Price (20 Jun 2024)	S$0.059
52-week range	S$0.033-0.064
Target Price	S$0.073
Shares Outstanding	698.8m
Free Float	54.4%
Major Shareholder	ADD Investment Holding Pte Ltd 34.4% Taisei Oncho Co Ltd 9.0%

Source: Company Data, Bloomberg, SAC Capital



Source: Bloomberg, SAC Capital

ANALYST

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Redefining the Future of Building Maintenance and Estate Upgrading

ISOTeam Ltd. Is Singapore's leading provider of integrated building maintenance and estate upgrading solutions. ISOTeam offers a comprehensive range of services, including Repair and Redecoration, Addition & Alteration, Coating and Painting, and a variety of other services such as home retrofitting, landscaping, interior design, leasing, mechanical and electrical engineering services. The group is well known for its robust track record in public sector projects in Singapore and its commitment to sustainability and innovation.

Strategic Divestment and Focus. In FY2023, ISOTeam has divested its non-core businesses to sharpen its focus on its core construction-related segments. This strategic move has contributed favourably to the group's overall growth and financial performance. 1H2024 revenue came in at S$62.7m, a 16.5% yoy increase. Gross profit margin increased to 13.3% from 9.3%, leading to an improvement in net profit to S$1.4m, a 34.0% yoy increase. Notably, 1H2024 net profit has already surpassed the total net profit of FY2023.

Growth Drivers. 1) Construction demand in Singapore is expected to experience a steady improvement of between S$31b and S$38b from 2025 to 2028, with the public sector contributing about 60% of total demand. 2) HDB upgrading cycles and neighbourhood renewal programmes provides a steady stream of income for companies like ISOTeam. Additionally, the backlog of projects from disruptions caused by the COVID-19 pandemic and the expected increase in infrastructure upgrades ahead of the upcoming Singapore general elections present further opportunities. 3) ISOTeam is at the forefront of technological advancement in its sector and is expected to gain more market share and improve its margins.

Pioneer in Technological Advancements. ISOTeam has started deploying drones for conducting suitable types of façade work. This approach reduces set-up time and costs associated with erecting gondolas and other heavy equipment. Additionally, it speeds up project delivery, enhances worker safety, mitigates rising costs of labor, and improves the quality of work. Building on the success of the façade inspection drones, ISOTeam is in the late stages of developing AI autonomous painting drones, which has shown promising progress. In Aug 2023, ISOTeam was awarded the Enterprise Development Grant, which supports part of the qualifying expenses for the development. In Sep 2023, ISOTeam also received the operator permit from the Civil Aviation Authority of Singapore, enabling the painting drone to take flight.

Initiate coverage with TP of $0.073. This is derived based on ISOTeam's forward EPS against the average PER of 6.3x of its peers, resulting in a 24.5% upside from current levels.

KEY FINANCIAL HIGHLIGHTS

Year ended Jun (S$'m)	**FY22**	**FY23**	**FY24E**	**FY25E**	**FY26E**
Revenue	96.5	110.4	130.3	154.0	178.1
EBIT	(13.2)	2.7	5.4	10.2	13.5
Net profit	(14.1)	1.2	4.3	8.5	11.6
EPS (S$ cents)	(2.7)	0.3	0.62	1.22	1.65
Dividend per share (S$ cents)	-	-	0.16	0.36	0.50
Net cash / (debt)	(27.9)	(41.8)	(25.4)	(19.6)	(10.4)
Valuation					
Gross profit margin (%)	4.6%	10.0%	12.3%	16.8%	18.0%
Net profit margin (%)	-14.6%	1.1%	3.3%	5.5%	6.5%
EV/EBITDA (x)	(8.2)	13.0	8.1	4.6	3.0
P/E (x)	(2.2)	21.1	9.5	4.9	3.6
P/B (x)	0.8	0.8	1.1	0.9	0.8
Dividend yield (%)	-	-	3%	6%	8%
ROE (%)	-67.2%	4.9%	11.1%	18.8%	21.7%

Company Background

ISOTeam is a leading player in Singapore's building maintenance and estate upgrading industry. Established in 1998 and listed on the Singapore Exchange in 2013, ISOTeam has successfully undertaken more than 860 refurbishment and upgrading projects for over 7,200 buildings, building a strong reputation for quality and sustainable services across various sectors.

The Group's core services includes Repair and Redecoration (R&R), Addition and Alteration (A&A), Coating and Painting (C&P), and other specialized services such as waterproofing, landscaping, mechanical and electrical engineering, and green solutions. ISOTeam's strategic approach involves leveraging advanced technologies and sustainable practices to improve efficiency and deliver superior results. The company has adopted innovative solutions like drone technology for façade inspections and painting, which have significantly enhanced operational efficiency, safety, and quality of work.

The Group's revenue is currently only from Singapore.











Segment Activities: An Overview of the Diverse Operations in each Business Segment

Core Business Activities



NRP at Bukit Merah: Plazas, linkway, shared path and more



R&R to → 15 blocks at Choa Chu Kang Ave 5 → 24 blocks at Pasir Ris St 51 and Dr 1 → 21 blocks at Woodlands Dr and Sembawang Dr



Singapore Data Centre | Pan Pacific Orchard | Arena Residences | Integrated Care Hub

Others: Commercial ID, Landscaping, waterproofing etc.

Rooftop Garden @ Tampines



Zuicho Restaurant @ Mandarin Oriental Singapore | BMF outlet at Parkway Parade | Ngee Ann Poly HMS Pantry





Installation of Solar PV Systems: Rooftops @ Lubitrade, 5 Kallang Way | 36 Tuas Ave 8

Source: Company

Industry Overview

Singapore Economy:

The Singapore economy is forecasted to grow between 1.0% to 3.0% in 2024, recovering from the slower growth in 2023. The economy grew by 2.7% year-on-year in the first quarter of 2024, with the construction sector expanding by 4.3%. This growth supports a favourable environment for construction demand, benefiting companies operating in the maintenance and upgrading sector. Additionally, lower but persistent inflation rates are expected, with headline inflation projected to average 3.0% to 4.0%.

Construction Sector Demand:

Between S$32 and S$38 billion in construction contracts are expected to be awarded in 2024, with the public sector expected to account for about 55% of total construction demand, contributing between S$18b to S$21b. The key projects include new build-to-order flats, infrastructure works for major projects like the Cross Island MRT Line and Changi Airport Terminal 5. Private sector demand is expected to contribute between S$14b to S$17b in 2024, driven primarily by residential developments under the Government Land Sales programme, expansion of the 2 integrated resorts and redevelopment of commercial premises, as well as the development of mixed-used properties and industrial facilities.

HDB Upgrading Cycles:

As ISOTeam operates in the integrated building maintenance and estate upgrading sector, the demand for ISOTeam's services is highly correlated to the maintenance and upgrading cycles of Singapore's residential and commercial buildings, particularly public housing.

HDB flats in Singapore undergo major upgrading twice during their 99-year lease. The first round is the Home Improvement Programme (HIP), which targets flats built up to 1986, and has recently been extended to those built up to 1997. The second round, HIP 2, is targeted for flats at the 60-to-70-year mark. These programmes are essential for maintaining and improving the quality and livability of older flats.

Moreover, HDB properties adopt a regular 7-year upgrading cycle, which includes repair and redecoration works, as part of the Government's commitment to keeping public housing in Singapore in good condition. This provides a steady stream of projects for ISOTeam. Moreover, as many HDB flats in Singapore reach maturity, the need for upgrading and maintenance services will increase, further benefiting companies like ISOTeam.



Source: Ministry of Trade and Industry Singapore, Building and Construction Authority, Company

Industry Overview

Neighbourhood Renewal Programme

The Neighbourhood Renewal Programme (NRP) is an initiative by the Housing and Development Board in Singapore in 2007, aimed at enhancing older estates. It focuses on improving the living environment and amenities within precincts and blocks without any direct cost to residents. Examples of improvements include the installation of new covered linkways, creation of fitness corners, upgrading of playgrounds, establishment of community gardens as well as repair and redecoration works such as new coats of paint, repair of bin chutes an upgrading of common areas like corridors and lift lobbies.

The budget for NRP projects has been recently increased to S$6,100 per flat, up from the previous S$4,700, due to the rising costs of materials and manpower. This presents significant opportunities for ISOTeam, as a company specializing in integrated building maintenance and estate upgrading works.



Source: Ministry of Trade and Industry Singapore, Building and Construction Authority, Company

Industry Overview

Government Initiatives

The optimistic industry outlook is further bolstered by ongoing government initiatives, including urban landscaping to promote a green city and the installation of solar panels on HDB rooftops under the SolarNova program to harness solar energy, all areas where ISOTeam is actively involved.

Renewable Energy

As part of Singapore's Long-Term Low-Emissions Development Strategy, Singapore has committed to achieving net zero emissions by 2050. To support this goal, a future energy fund with initial funding of S$5b has been set up to boost clean energy boost. Singapore aims to transition to cleaner energy sources across all sectors, with solar energy identified as the most promising energy source for electricity generation. According to SG Green Plan, Singapore aims to achieve at least 2 gigawatt-peak of solar energy deployment by 2030. This is projected to generate enough electricity to meet the annual electricity needs of approximately 350,000 households. This creates numerous opportunities for renewable energy installation services, benefitting companies like ISOTeam who aligns with these green initiatives.

We believe that ISOTeam's active involvement in renewable energy projects will result in more and bigger contract wins in the foreseeable future.



Source: SG Green Plan, National Climate Change Secretariat, Building and Construction Authority, Company

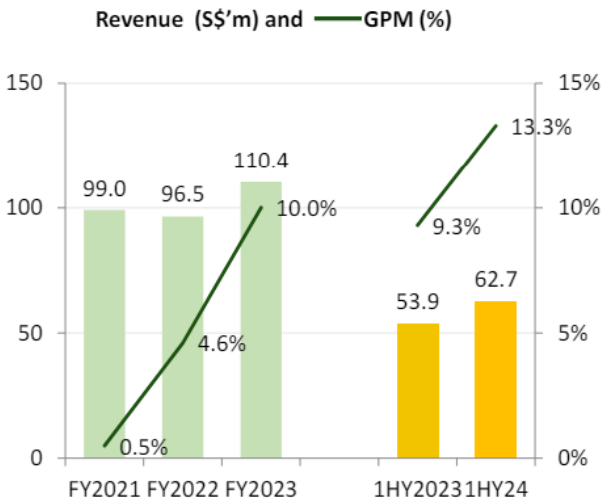
Financials

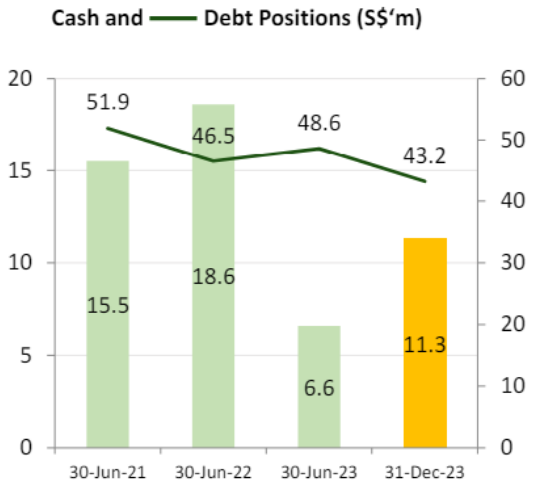
Robust Performance in 1H2024

In 1H2024, ISOTeam recorded revenue of S$62.7m, a 16.5% yoy increase. This impressive growth is largely due to the Group's strategic divestment of its non-core businesses and its refocus on its core construction related segments. The Repair & Redecoration ("R&R") segment saw a 59.6% yoy revenue growth of 59.6% to S$26.3m, while its Coating & Painting ("C&P") segment saw a 50.3% yoy increase in revenue to S$7.7m. Revenue from the Addition & Alteration ("A&A") segment remained stable at S$18.7m compared to S$18.9m in 1H2023. Despite a 25.0% yoy decline in the others segment, which amounted to S$10.0 million, the robust growth in the core construction related segments more than compensated for this decline, further validating ISOTeam's strategic refocus. Gross profit margin improved to 13.3% from 9.3% in 1H2023, attributed to the completion of lower margin projects secured during the pandemic. Consequently, net profit rose to S$1.4m, a 34.0% yoy increase. ISOTeam's net profit for 1H2024 has already surpassed the net profit recorded for the entire FY2023, which stood at S$1.3m. This achievement highlights the group's strong performance and supports an optimistic outlook for FY2024, with expectations for continued growth.

Strong Financial Position

The Group's financial position as of 31 December 2023 remained strong, with cash and bank balances of S$11.3m and a net-debt-to-equity ratio of 0.9 times.





Key Financial Metrics

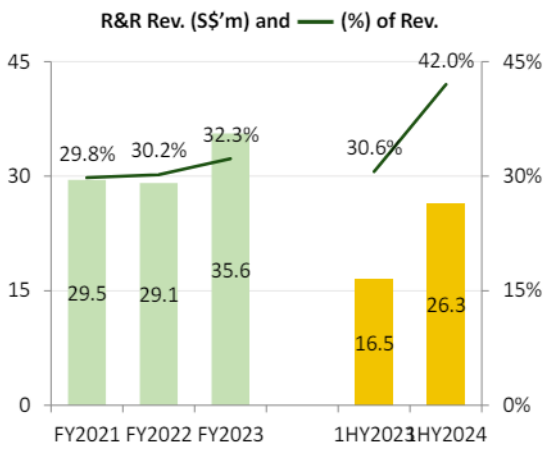
S$'m	FY2020	FY2021	FY2022	FY2023	1HY2024
NPAT*	(22.1)	(9.8)	(4.3)	1.7	1.4
Gross Profit	1.9	0.5	4.4	10.0	8.3
EBITDA*	(15.3)	(4.0)	1.4	7.0	4.3
Int. Coverage Ratio (x)	n/m	n/m	n/m	1.5	2.1
Times (x)	**30-Jun-20**	**30-Jun-21**	**30-Jun-22**	**30-Jun-23**	**31-Dec-23**
Gearing Ratio	0.9	1.6	2.2	1.9	1.2
Debt Ratio	0.4	0.4	0.5	0.5	0.4
Quick Ratio	1.2	0.9	1.1	1.2	1.4

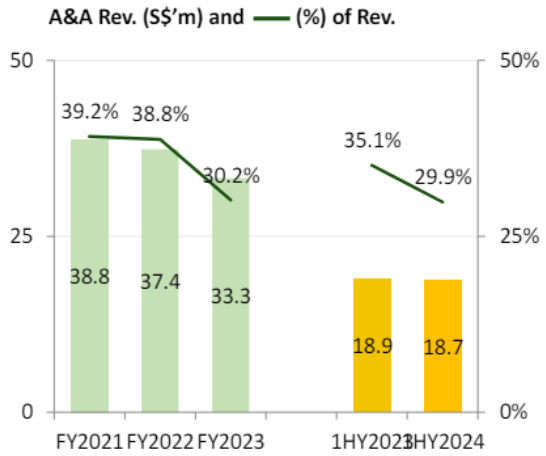
**Excluding impairment loss on receivables and contract assets; including non-recurring items from other income*
n/m : Not meaningful

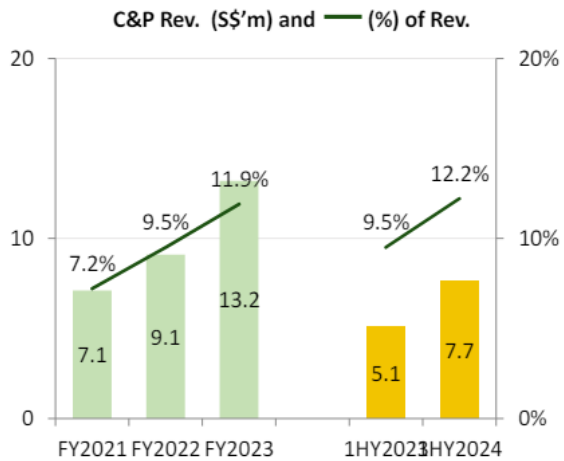
Source: Company, SAC Capital

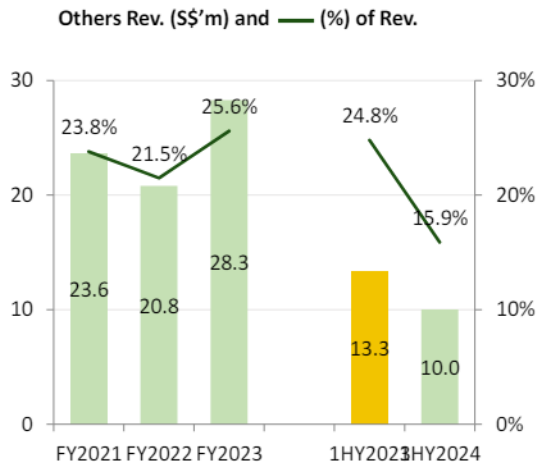
Financials

Segmental Performance









Order Book

As of 17 April 2024, ISOTeam's order book stands at an impressive S$184.0m. These projects, which command higher margins, are expected to support the Group's activities until 2026. Considering ISOTeam has secured a significant number of these contracts in the first quarter of 2024, we are optimistic that the strong momentum will continue as the number of projects up for tender increase looking ahead. This is also supported by the projected increase in construction demand in Singapore, backlog of projects from disruptions cause by COVID-19 pandemic and the expected increase in neighbourhood renewal projects ahead of the upcoming Singapore general elections.

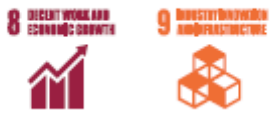
Source: Company, SAC Capital

ESG

ISOTeam is committed to integrating Environmental, Social and Governance (ESG) principles into its operations and business strategies. It is dedicated to advancing the United Nations Sustainable Development Goals (SDGs) through its comprehensive ESG initiatives.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We support the United Nation's Sustainable Development Goals ("**SDGs**") and we have mapped our material EESG factors with the SDGs which contributes to the sustainable development of the Company and so doing, aligning with Singapore's SDG.

UN SDG	Material EESG Factors	How We Support
Economic		
	*Economic Performance*	Our dedication lies in constructing dependable, eco-friendly and robust infrastructure for our clients. We are also committed to generating enduring economic benefits for those invested in our endeavours.
Environment		
	*Energy Consumption* *Greenhouse Gas ("GHG")* *Emissions* *Water & Affluents* *Waste Management*	We are committed to reduce our energy consumption, GHG emissions and maintaining a watchful approach to the management of our waste and water usage.
Social		
	*Occupational Health & Safety*	The core of our business lies with our migrant workers who are frequently exposed to high-risk situations at our construction sites. We aim to maintain a constant zero rate of work-related injuries, fatalities and cultivate a healthy work culture that prioritises safety above all.
	*Develop and Retain Talent*	We will not be able to achieve success in the company without a workforce that is both driven and competitive. As such, we invest in our people and encourage them to enhance their expertise and skillsets.
	*Human Rights*	As a significant portion of our workforce are migrant workers, we are committed to safeguarding the fundamental human rights of all individuals and ensuring that they are protected from discrimination, exploitation and other forms of abuse.
	*Diversity*	We will continue to diversify our workforce, alongside maintaining equality in our hiring practices across all levels of employment.
Governance		
	*Anti-Corruption & Bribery*	We believe in setting the right tone from the top. We are committed to high standards of corporate governance with zero tolerance for corruption.

Source: Company

Dividends

Favourable Dividend Policy

The COVID-19 pandemic has resulted in a four-year hiatus in dividend payments. ISOTeam has announced an updated dividend policy for the upcoming fiscal years, reflecting confidence in its future performance. The Group plans to distribute at least 25% of its consolidated profit after tax for FY2024 and 30% for FY2025. This is a notable increase from the pervious policy prior to the pandemic, which targeted 20% of profit per tax. ISOTeam's commitment to enhancing shareholder value through its dividend policy is a clear indication of its financial health and positive outlook. With its refocus on its core competencies, ISOTeam is well positioned to continue delivering sustainable growth and return to its shareholders.

Risks

Reduction in Foreign worker quota

The Singapore government has reduced the Dependency ratio ceiling for foreign workers from 1:7 to 1:5. this policy change increases reliance on local labor, which typically comes at a higher cost. ISOTeam aims to tackle this issue with its development of the façade inspection and autonomous painting drones.

Supply chain disruptions

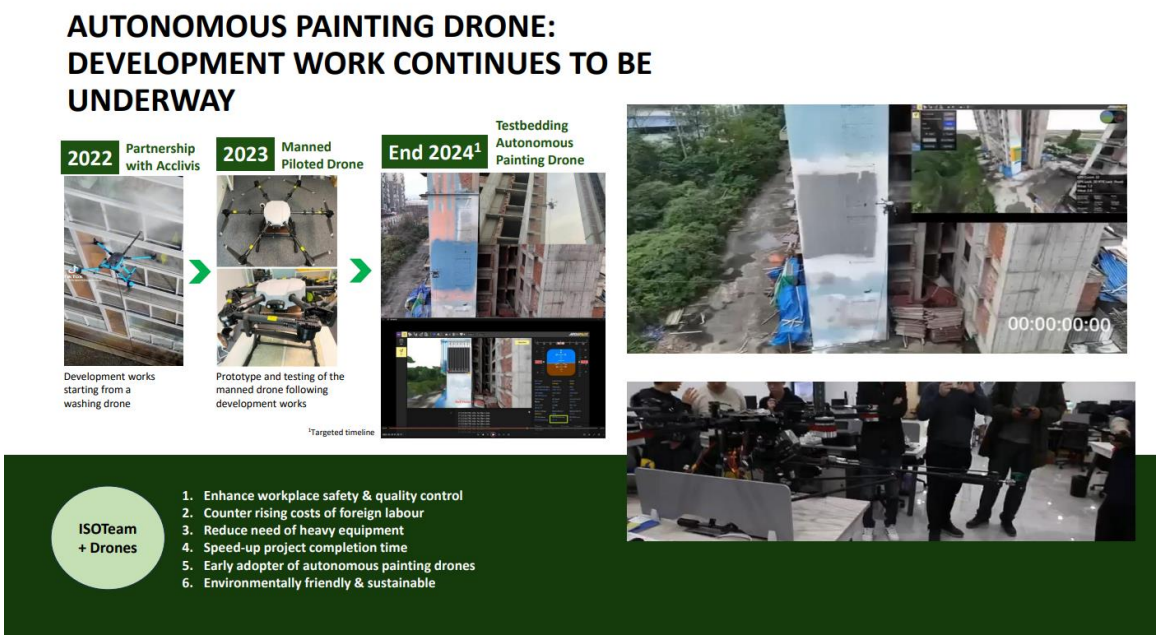
Global supply chain may experience further disruptions due to ongoing geopolitical tensions and wars, which may lead to increased material costs and delayed delivery times.

Market volatility

Economic uncertainties, such as fluctuations in interest rates and inflation, may impact client's investment decisions, leading to potential delays or cancellation of projects, affecting ISOTeam's financial performance.

Safety

Any safety incidents can lead to legal liabilities and damage to ISOTeam's reputation. ISOTeam is dedicated to workplace safety and employee well-being, as seen through its robust safety protocols, continuous training programs and risk management strategies such as regular safety audits. These measures not only ensure the safety of its workforce but also contributes to the successful execution of its projects.



Source: Company

Valuation

We have adopted the relative valuation method, applying the mean P/E ratio of 6.3x of comparable companies in the construction sector to ISOTeam's forward EPS, we arrive at a TP of S$0.073, an upside of 24.5% from current prices. This market-based valuation reflects the expected future earnings potential of ISOTeam.

Company Name	Ticker	Market Cap (S$m)	Last Traded Price (S$)	Revenue (S$m)	Net Profit (S$m)	P/E Ratio
Wee Hur Holdings Ltd	WHUR SP	206.8	0.23	224.8	98.6	1.8
Hock Lian Seng Holdings Ltd	HLSH SP	151.1	0.30	202.0	26.6	5.7
SoilBuild Construction Group	SOIL SP	149.0	0.10	247.4	7.3	19.2
KSH Holdings Ltd	KSHH SP	136.6	0.25	214.1	(31.5)	NA
Lum Chang Holdings Ltd	LCH SP	112.5	0.30	393.4	(28.7)	NA
Ley Choon Group Holdings Ltd	LEY SP	79.8	0.05	129.1	10.9	7.3
Koh Brothers Eco Engineering	KBE SP	76.1	0.03	177.0	(15.2)	NA
Koh Brothers Group Ltd	KOH SP	52.9	0.13	356.2	(22.0)	NA
BBR Holdings (S) Ltd	BBR SP	35.5	0.11	237.3	6.4	5.6
Huationg Global Ltd	HUAGL SP	28.2	0.16	174.6	14.3	2.0
Tiong Seng Holdings Ltd	TSNG SP	27.3	0.06	475.0	(12.1)	NA
Keong Hong Holdings Ltd	KHHL SP	23.3	0.10	176.0	(49.5)	NA
CSC Holdings Ltd	CSC SP	21.1	0.01	305.3	(20.2)	NA
Hor Kew Corp Ltd	HKC SP	19.8	0.38	104.8	7.4	2.7
					Mean	6.3

Source: Bloomberg

Income Statement

FYE Jun (S$'m)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	**96.5**	**110.4**	**130.3**	**154.0**	**178.1**
Cost of sales	(92.1)	(99.3)	(114.3)	(128.1)	(146.0)
Gross profit	**4.4**	**11.1**	**16.0**	**25.9**	**32.1**
Other income	6.8	4.6	3.4	4.0	4.6
Marketing and Distribution expenses	(1.0)	(0.8)	(1.1)	(1.3)	(1.5)
General and Administrative expenses	(12.1)	(11.3)	(11.7)	(17.5)	(20.3)
Finance costs	(1.7)	(2.3)	(1.6)	(1.3)	(1.0)
Impairment loss on receivables and contract assets	(9.8)	(0.6)	(0.7)	(0.8)	(0.9)
Other operating expenses	(1.4)	(0.2)	(0.3)	0.0	(0.4)
Share of results of associate	0.0	-	-	-	-
Profit before tax	**(14.7)**	**0.6**	**4.0**	**9.0**	**12.7**
Tax Credit	0.7	0.7	0.3	(0.5)	(1.2)
Net income	**(14.1)**	**1.2**	**4.3**	**8.5**	**11.6**

Balance Sheet

FYE Jun (S$'m)	FY22	FY23	FY24E	FY25E	FY26E
Non-current assets					
Property, plant and equipment	25.3	21.5	20.1	18.5	16.6
Goodwill	1.7	1.7	1.7	1.7	1.7
Intangible assets	0.5	0.2	0.1	0.1	0.1
Other investments	–	3.5	3.5	3.5	3.5
Investment in associate	–	–	-	-	-
Deferred tax assets	0.7	1.1	1.1	1.1	1.1
Total non-current assets	**28.2**	**28.0**	**26.5**	**24.8**	**22.9**
Current assets					
Contract assets	23.6	36.1	35.4	34.6	33.7
Asset held for sale	–	–	-	-	-
Inventories	0.3	0.2	0.3	0.3	0.3
Trade and other receivables	22.1	29.9	32.5	38.4	44.5
Cash and bank balances	18.6	6.8	17.8	15.2	15.4
Tax recoverable	0.1	0.1	0.1	0.1	0.1
Total current assets	**64.6**	**73.0**	**86.1**	**88.6**	**94.0**
Total assets	**92.8**	**101.0**	**112.5**	**113.4**	**116.9**
Non-current liabilities					
Borrowings	18.0	13.5	12.5	11.5	10.5
Deferred tax liabilities	0.6	0.1	0.1	0.1	0.1
Lease liabilities	3.7	3.3	2.3	2.3	1.5
Total non-current liabilities	**22.3**	**17.0**	**14.9**	**13.9**	**12.2**
Current liabilities					
Contract liabilities	2.6	2.3	2.3	2.3	2.3
Trade and other payables	22.2	24.3	27.8	31.2	35.5
Borrowings	23.5	30.6	27.5	20.6	13.8
Lease liabilities	1.3	1.2	0.8	0.3	0.0
Total current liabilities	**49.6**	**58.4**	**58.4**	**54.4**	**51.5**
Total liabilities	**71.9**	**75.3**	**73.3**	**68.3**	**63.7**
Net assets	20.9	25.7	39.2	45.1	53.2
Share capital and reserves					
Share capital	43.7	43.7	54.0	54.0	54.0
Treasury shares	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Accumulated (losses)/profits	(12.0)	(10.6)	(7.3)	(1.4)	6.7
Foreign currency translation reserve	0.0	0.0	0.0	0.0	0.0
Merger reserve	(7.3)	(7.3)	(7.3)	(7.3)	(7.3)
Other reserves	(0.1)	0.0	0.0	0.0	0.0
Equity attributable to equity holders of the Company	24.3	25.8	39.3	45.3	53.3
Non-controlling interests	(3.3)	(0.1)	(0.1)	(0.1)	(0.1)
Total equity	**20.9**	**25.7**	**39.2**	**45.1**	**53.2**

Cash Flow Statement

FYE Jun (S$'m)	FY22	FY23	FY24E	FY25E	FY26E
Cash flows from operating activities					
Profit/(loss) before tax	(14.8)	0.5	4.0	9.0	12.7
Adjustments for:					
Amortisation and Depreciation	4.7	3.7	2.7	3.1	3.6
Gains and Losses on Disposal	(3.9)	(2.5)	(0.0)	0.0	0.0
Impairments and Write-offs	11.0	0.7	0.7	0.8	0.9
Interest income	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Interest expense	1.7	2.2	1.6	1.3	1.0
Investments and Equity	0.0	0.1	0.0	0.0	0.0
Other adjustments	(1.1)	0.0	2.9	(1.9)	(2.4)
Operating profit/loss	(2.5)	4.7	11.7	12.1	15.6
Changes in working capital	(2.9)	(14.8)	1.0	(2.3)	(1.1)
Cash used in operations	(5.3)	(10.1)	12.8	9.9	14.5
Interest received	0.1	0.1	0.2	0.2	0.2
Tax paid	(0.0)	(0.0)	0.3	(0.5)	(1.2)
Net cash used in operating activities	**(5.2)**	**(10.0)**	**13.3**	**9.5**	**13.5**
Cash flows from investing activities					
Additions to intangible assets	(0.0)	(0.1)	0.0	0.0	0.0
Purchases of property, plant and equipment	(0.8)	(1.1)	(1.2)	(1.4)	(1.6)
Proceeds from disposal of investment property	0.0	0.0	0.0	0.0	0.0
Proceeds from disposal of property, plant and equipment and asset held for sale	0.5	0.1	0.0	0.0	0.0
Proceeds from disposal of other investments	11.8	0.0	0.0	0.0	0.0
Proceeds from disposal of associates	0.4	0.0	0.0	0.0	0.0
Net cash inflow from disposal and derecognition of subsidiaries	4.3	0.0	0.0	0.0	0.0
Net cash outflow for acquisition of a subsidiary	(0.0)	0.0	0.0	0.0	0.0
Net cash generated from investing activities	**16.1**	**(1.1)**	**(1.2)**	**(1.4)**	**(1.6)**
Cash flows from financing activities					
Proceeds from issue of share capital	0.0	0.0	10.4	0.0	0.0
Transaction costs related to issue of share capital	0.0	0.0	(0.1)	0.0	0.0
(Placement)/withdrawal of fixed deposits pledged to bank	0.5	(2.5)	0.0	0.0	0.0
Drawdown of borrowings	27.5	43.7	0.0	0.0	0.0
Repayment of borrowings	(32.2)	(41.1)	(4.1)	(7.9)	(7.9)
Repayment of lease liabilities	(1.9)	(1.3)	(1.4)	(0.5)	(0.5)
Purchase of treasury shares	(0.1)	0.0	0.0	0.0	0.0
Due to directors (non-trade)	(0.1)	0.1	0.0	0.0	0.0
Interest paid	(1.6)	(2.1)	0.2	0.2	0.2
Dividends paid to equity owners	0.0	0.0	(1.1)	(2.5)	(3.5)
Net cash used in financing activities	(7.9)	(3.2)	3.9	(10.7)	(11.6)
Net (decrease)/increase in cash and cash equivalents	**3.0**	**(14.3)**	**16.0**	**(2.6)**	**0.2**
Cash and cash equivalents at beginning of financial year	**13.2**	**16.1**	**1.8**	**17.8**	**15.2**
Cash and cash equivalents at end of financial year	**16.1**	**1.8**	**17.8**	**15.2**	**15.4**

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