Edison investment research

14 September 2010

K3 Business Technology Group

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/08	37.6	5.9	18.2	0.50	7.0	0.4
06/10**	59.8	7.6	23.4	0.75	5.4	0.6
06/11e	48.8	7.8	22.4	0.60	5.6	0.5
06/12e	50.1	8.3	23.9	0.60	5.3	0.5

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, share based payments and exceptional items. ** 18 months ended 30 June 2010.

Investment summary: Hosting reshapes K3

K3 reported robust FY10 results, beating our revenue and earnings forecasts. Progress with recent acquisitions is encouraging: Pebblestone opens up new routes to market and enhances K3's IP portfolio; DigiMIS enables K3 to transform its Managed Services business with initial growth prospects looking very encouraging. We have revised up our FY11 EPS forecast by 1.9% (11.6% y-o-y growth) and forecast FY12 EPS growth of 6.6%.

FY10 results: Robust performance

K3 reported revenues 2.8% and EPS 6.1% above our forecasts for FY10. The key drivers of upside were the UK Retail business and the recently formed Managed Services business. K3 ended FY10 with net debt of £11.0m and has negotiated increased revolving credit facilities for working capital (£5m) and acquisitions (£7.5m).

Growth drivers: Managed Services & Pebblestone

The DigiMIS acquisition has strengthened K3's fledgling Managed Services business and as K3 leverages its existing customer base, we believe the business has the potential to show substantial growth. The Pebblestone deals give K3 access to both new IP and a new network of resellers through which to sell existing Retail and hosted managed services solutions.

Changes to forecasts

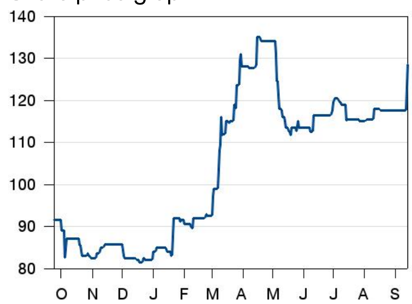
We have revised up our revenue forecast for FY11 by 5.4%, driven by stronger Retail and Managed Services growth. Our FY11 EPS forecast is raised by 1.7% (+11.6% y-o-y). We introduce a revenue forecast of £50.1m for FY12 (+2.7% y-o-y) and an EPS forecast of 23.9p (+6.6% y-o-y).

Valuation: Upside potential

K3 is trading at 5.6x our FY11 EPS forecast. As sustained end-market recovery becomes more evident and recent acquisitions continue to drive incremental revenue and earnings growth, we believe the stock has the potential to re-rate. Our DCF analysis values the company at 155p, implying further upside from current levels.

Price	126.5p
Market Cap	£32m

Share price graph



Share details

Code	KBT
Listing	AIM
Sector	Software & Computer Services
Shares in issue	25.6m

Price

	High	Low
52 week	135.0p	81.5p

Balance Sheet as at 30 June 2010

Debt/Equity (%)	35
NAV per share (p)	122.9
Net borrowings (£m)	11.0

Business

K3 provides Microsoft-based supply chain management solutions to SMEs in the retail and manufacturing sectors.

Valuation

	2010	2011e	2012e
P/E relative	51%	53%	57%
P/CF	4.2	4.1	4.0
EV/Sales	0.7	0.8	0.8
ROE	18%	17%	16%

Revenues by geography

UK	Europe	US	Other
76%	18%	4%	2%

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K3 Business Technology Group is a research client of Edison Investment Research Limited

Investment summary: Hosting potentially transforms K3

Company description: ERP solution provider

K3 is a value-added Microsoft channel partner and owning the 'channel to market' is key to the business model. K3 designs and implements supply chain software solutions – generally based on Microsoft technologies – in two industry sectors: retail and manufacturing. The group has a well-balanced business model of predictable, recurring licence income in the manufacturing software sector combined with high growth opportunities in retail software and managed services. A series of acquisitions has scaled up the group since 2004 and the company recently added hosting to its suite of services with the acquisition of DigiMIS.

Valuation

K3 is trading on a P/E multiple of 5.6x our FY11E forecast. On an absolute basis, this appears low, although looking at peers, it is clear that the small cap software and IT services sector is trading at depressed levels, despite most stocks having rebounded at least 50% from their 2009 lows. At this point in the cycle, although many companies (including K3) have seen a rebound in orders, there is still uncertainty as to whether the UK economy is set for a double-dip. Considering that K3 has a recurring revenue base of 40% (which looks set to rise as it sells hosting services to its customer base) and typically adds a further 35% from account management with existing customers, we believe that a 5x P/E is too low. As confidence in the economy increases and this feeds through into more companies reporting increased orders, we expect a gradual re-rating of the sector. Our sum-of-the-parts DCF analysis produces a value of 155p, 22% above the current share price.

Sensitivities

The main sensitivities or risks to our forecasts are: 1) the macro environment – a significant increase in interest rates and public spending cuts could impact consumer spending and the IT budgets; 2) Organic growth – in all divisions this depends on the ability to hire and retain skilled staff; and 3) Acquisitions – deals have transformed the scale of the group and the record so far has been a good one. Potentially, however, the inherent risks are greater in any strategy which includes M&A.

Financials

We have revised up our FY11 forecasts to reflect stronger FY10 results and we introduce FY12 forecasts. K3 recently renegotiated its revolving credit facilities (up to £5m for working capital and up to £7.5m for acquisitions).

Exhibit 1: Changes to forecasts

Note: Figures in £m except per share data; *18 months ended 30 June 2010

	EPS (p)			PBT			EBITDA		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
FY10*	22.1	23.4	5.9	7.58	7.62	0.5	9.34	10.33	10.6
FY11e	22.0	22.4	1.9	7.71	7.81	1.3	8.92	9.23	3.5
FY12e	N/A	23.9	N/A	N/A	8.33	N/A	N/A	9.60	N/A

Source: K3 Business Technology Group, Edison Investment Research

Review of FY10 results

K3 reported robust results, with revenues and earnings beating our forecast. As the company recently changed its year-end from December to June, FY10 as reported is the 18-month period ending 30 June 2010. To aid comparison, the company also disclosed results for the 12-month periods ended 30 June 2009 and 2010.

Revenues grew 20.3% y-o-y for the 12 months to June 2010. Stripping out the Pebblestone and DigiMIS acquisitions, revenues grew 16.6%. The majority of organic growth was generated by the UK Retail business. K3 now has more than 1,500 customers, up from c 1,150 at the end of CY09.

Exhibit 2: Summarised results for FY10

£'000 (except EPS)	FY10A	FY10E	12 mth to 30-Jun-10	12 mths to 30-Jun-09	Change*
Revenues	59,783	58,157	43,846	36,442	20.3%
Reported operating profit	6,160	6,072	5,489	4,590	19.6%
Normalised operating profit	9,013	8,950	7,475	6,569	13.8%
Reported operating margin	10.3%	10.4%	12.5%	12.6%	
Normalised operating margin	15.1%	15.4%	17.0%	18.0%	
Reported PBT	4,767	4,699	4,640	3,200	45.0%
Normalised PBT	7,620	7,577	6,630	5,170	28.2%
Reported net income	3,749	3,327	3,291	2,206	49.2%
Normalised net income	5,770	5,408	5,281	4,176	26.5%
Reported EPS (p)	15.2	13.6	14.3	9.6	49.0%
Normalised EPS (p)	23.4	22.1	20.1	15.6	28.8%

Source: K3 Business Technology, Edison Investment Research *Compares 12 month periods ended 30 June 2010 and 30 June 2009

K3 reported new orders totalling £11.2m in the year to June 2010, up 44% y-o-y. Recurring revenues made up 40% of revenues in FY10 compared to 41% in FY08. We would expect recurring revenues to increase in proportion to the growth in Managed Services revenues.

To reflect the new direction the company is moving in, the company has moved the existing network infrastructure services business and the recently acquired hosting business into the new Managed Services division. The existing network infrastructure services business was previously included within SCS in the Manufacturing division.

Cashflow and balance sheet

The company ended FY10 with a net debt position of £11.0m, down from £13.5m at the end of June 2009. During the year to June 2010, the company paid £2.9m for acquisitions and raised £1.4m in equity financing.

We forecast that K3 will generate £7.8m in operating cashflow in FY11, and will end the year with a net debt position of £8.6m, reducing further to £5.4m by the end of FY12.

K3 recently renegotiated its debt facilities to include a £5m revolving credit facility for working capital and a further £7.5m revolving credit facility for acquisitions. We understand the credit terms are more favourable than the previous facility and have reduced our interest payable forecasts accordingly.

Manufacturing division: AX is the focus for growth

The Manufacturing division reported revenue growth of 9% in the 12 months to June 2010. The K3 AX business showed the most dramatic growth, increasing 53% y-o-y from the depressed levels reached in late 2008/early 2009 and is now operating close to full capacity. K3 AX won five major deals in FY10, of which four were signed in the last year. The SCS division showed modest growth of 3%. The company noted that SCS new order intake slowed in H110, with a decline in orders of >£200k. The small systems business previously sited in Walton-on-Thames has moved to Chertsey to join the K3 AX team. Although the company expects small systems business revenues to gradually decline over time, the business grew 5% y-o-y, benefiting from sales of CRM across the customer base. Recurring revenues made up 54% of FY10 revenues (54% CY08, 55% CY09) – the division generated annual software renewals of £9.2m in the year to June 2010.

We are forecasting minimal growth for SCS in FY11 to reflect the recent reduced number of higher value orders, with similar margins to last year. We expect K3 AX will show very strong growth, particularly as the company signed two deals in the last six months and is starting to see more orders from mid-market customers. The K3 AX business plans to develop further IP for the two main sectors it serves: fresh food processing and the steel processing. We factor in a slow decline in small systems business revenues, but emphasise that customers in this division could upgrade to products in the other two divisions.

Exhibit 3: Results and forecasts for Manufacturing division

Note: * 18 month period ended 30 June 2010 **Compares 12 month periods ended 30 June 2010 and 30 June 2009

	12 mths	12 mths					y-o-y Revenue growth		
Revenues (£m)	Jun-09	Jun-10	FY10*	FY11e	FY12e		FY10**	FY11e	FY12e
Manufacturing	*14.29*	*15.59*	*21.32*	*16.20*	*16.32*		*9%*	*4%*	*1%*
SCS	10.11	10.40	14.08	10.47	10.52		3%	1%	0%
K3 AX	1.66	2.54	3.34	3.15	3.34		53%	24%	6%
Small systems	2.52	2.65	3.91	2.58	2.45		5%	-3%	-5%
							Operating margin		
Adj. Operating Profit (£m)						Jun-09	Jun-10	FY11e	FY12e
Manufacturing	*2.94*	*4.06*	*4.47*	*4.15*	*4.23*	20.6%	26.0%	25.6%	25.9%
SCS	2.41	3.10	3.37	3.11	3.18	23.8%	29.8%	29.7%	30.2%
K3 AX	-0.41	0.13	-0.18	0.35	0.40	-24.7%	5.1%	11.0%	12.0%
Small systems	0.94	0.83	1.28	0.69	0.64	37.3%	31.3%	26.5%	26.3%

Source: K3 Business Technology, Edison Investment Research

Retail division: Pebblestone opens new markets

UK Retail business

The business won 13 new orders in FY10 worth £9.33m (average order size £718k) compared to 11 new orders worth £3.9m in CY08 (average order size £355k). In the year to June 2010, new orders totalled £7.5m, up 67% y-o-y, with an average order size of £682k.

The business showed very strong growth in the period, growing revenues 24% in the year to June 2010 (see Exhibit 4) and 32% in H110. Most new business was driven by demand for K3's multichannel solution. The company invested heavily in the AX business during the year and will continue to do so over the next year. Enhanced margins from the sale of own- IP products helped outweigh some of the impact of discounting on enhanced duration deals.

The UK business is currently capacity constrained and benefited from several very large orders in the last year. We conservatively forecast a small decline in FY11 as we do not factor in the same number of large deals and we forecast flat revenues in FY12. We note that the recent Omnica deal will give the company access to more specialist multichannel software modules for Dynamics AX.

Netherlands Retail business

The business won four new major deals in FY10 and grew revenues 32% in the year to June 2010. Stripping out the recently acquired Pebblestone business, revenues grew 7% y-o-y. The company noted that it saw a pick-up in demand from IKEA franchisees towards the end of the year – a combination of upgrade activity from existing franchisees plus new business from franchisees who are now mandated to use K3's solution – and believes this is the start of major upgrade and expansion activity that will span multiple years. The recent acquisition of the trade and IP of Pebblestone gives K3 access to a new distribution network and enhances its existing IP portfolio.

We forecast revenue growth of 52% in FY11 as the Pebblestone business is included for a full year, followed by 4% growth in FY12. The adjusted operating profit margin is enhanced by the inclusion of the higher margin Pebblestone business (for which K3 owns the IP).

Exhibit 4: Results & forecasts for Retail division

Note: * 18 month period ended 30 June 2010 **Compares 12 month periods ended 30 June 2010 and 30 June 2009

	12 mths	12 mths					y-o-y Revenue growth		
Revenues (£m)	Jun-09	Jun-10	FY10*	FY11e	FY12e		FY10**	FY11e	FY12e
Retail	*21.55*	*26.97*	*36.79*	*29.20*	*29.63*		*25%*	*8%*	*1%*
UK	17.49	21.63	29.43	21.08	21.18		24%	-3%	0%
Netherlands	4.06	5.34	7.36	8.12	8.44		32%	52%	4%
							Operating margin		
Adj. Operating Profit (£m)						Jun-09	Jun-10	FY11e	FY12e
Retail	*3.51*	*3.75*	*4.90*	*4.25*	*4.36*	*16.3%*	*13.9%*	*14.6%*	*14.7%*
UK	2.70	2.85	3.70	2.78	2.80	15.4%	13.2%	13.2%	13.2%
Netherlands	0.81	0.90	1.20	1.47	1.56	20.0%	16.9%	18.2%	18.5%

Source: K3 Business Technology, Edison Investment Research

Managed Services: Complementary and high growth

K3 introduced a Managed Services offering in November 2007 (known as network infrastructure services) to provide specialist IT support to customers. This service was originally only available to customers in the Manufacturing division (revenues and profits were reported within SCS). Since year-end, the company has extended the offering to the Retail division. The business generated revenues of £580k in FY08 and £730k in FY09. The move into hosting via the March 2010 acquisition of DigiMIS expanded the service into the infrastructure space, and enables the company to offer a full outsourced IT service to customers.

By the end of FY10, the Managed Services business was operating at a revenue run rate of £2.33m and an operating profit run rate of £0.72m (margin 30.9%). The company had a pipeline worth £2.1m at the end of FY10 and noted that contracts are being closed quickly, sometimes in as little as six weeks.

Background to DigiMIS hosting business

K3 partnered with DigiMIS for two to three years prior to the acquisition. At the date of the acquisition, DigiMIS had 14 customers at 65 sites using datacentres in London, Edinburgh and

New York. DigiMIS hosts SYSPRO, Microsoft Dynamics, Microsoft Outlook, Blackberry, email services and any other applications the customer requires. Contracts tend to be multi-year, resulting in a high level of recurring revenues.

Of the 14 customers, seven use SYSPRO, of which five are K3 SYSPRO customers. The remaining seven customers use a variety of software, including Microsoft Dynamics. In the UK, there are no other hosting companies offering SYSPRO services but there are several companies that can host Microsoft Dynamics solutions: 7global (recently acquired by 365iT plc) hosts Microsoft Dynamics CRM and Attenda hosts both Microsoft Dynamics AX and NAV.

Managed Services growth strategy

K3's initial focus has been to offer hosting as an additional service to existing and new SYSPRO customers (K3 has approximately 500 SYSPRO customers). The combined software and hosting offering enables the customer to outsource to K3 the complete provision and maintenance of ERP software and the hardware it runs on. K3 has also started to sell the hosting service to its other customers (there are 500 non-SYSPRO customers in manufacturing and a further 500 customers in retail) – DigiMIS also hosts Microsoft Dynamics solutions so has the capability to support Microsoft Dynamics AX and NAV customers. The company recently signed up its first hosting customer in the Netherlands.

K3's approach to Managed Services is that it wants to "transform, not just transfer" a customer's IT. With its many years of experience in designing and installing ERP software, the company believes it is well placed to host ERP software for customers. The hosting capability within the Managed Services business enables K3 to offer its software to customers in whichever way suits them best: on premise, hosted or software-as-a-service (SaaS).

Of the hosting deals signed to date (which have been with larger customers), the company generates £2-3 of additional recurring revenues for every £1 of maintenance revenues. Maintenance revenues totalled £17m in the year to June 2010, highlighting that growth from hosting revenues could be significant.

Managed Services results and forecasts

In the year to June 2010, Managed Services revenues doubled. Of the £0.63m incremental revenues, £0.38m came from the newly acquired hosting business. The underlying managed services business therefore grew 42% y-o-y. We would expect this division to show strong growth in FY11, due to a combination of winning new business and incorporating a full 12 months of the DigiMIS business, and further strong growth in FY12 as more K3 customers adopt the hosting service.

Exhibit 5: Results & forecasts for Managed Services division

Note: * 18 month period ended 30 June 2010 **Compares 12 month periods ended 30 June 2010 and 30 June 2009

	12 mths	12 mths					y-o-y Revenue growth	
	Jun-09	Jun-10	FY10*	FY11e	FY12e	FY10**	FY11e	FY12e
Revenues (£m)	0.60	1.23	1.60	3.40	4.20	105%	149%	24%
Adj. Operating profit (£m)	0.22	0.30	0.41	0.75	0.92			
Adj. Operating margin	37%	24%	25%	22%	22%			

Source: K3 Business Technology, Edison Investment Research

Sensitivities

The main sensitivities or risks to our forecasts are:

- Macro environment. A significant increase in interest rates and future public spending cuts could impact consumer spending and the IT budgets of retailers and manufacturers.
- Organic growth. In all divisions, organic growth depends on the ability to hire and retain skilled staff.
- Acquisitions. Deals have transformed the scale of the group and the record so far has been a good one. Potentially, however, the inherent risks are greater in any strategy which includes M&A.

Valuation

Multiples-based valuation: Sector and stock undervalued

K3 is trading on a P/E multiple of 5.6x FY11 adjusted earnings. On an absolute basis, this appears low. K3's peer group of small cap IT services and software companies is also trading at depressed levels, even though most stocks have rebounded at least 50% from their 2009 lows. At this point in the cycle, although many companies (including K3) have seen a rebound in orders, there is still uncertainty as to whether the UK economy is set for a double-dip. This goes some way to explaining the depressed valuation of the sector as a whole. Considering that K3 has a recurring revenue base of 40% (which looks set to rise as it sells hosting services to its customer base) and typically adds a further 35% from account management with existing customers, we believe that a 5x P/E is too low. As confidence in the economy increases and this feeds through into more companies reporting increased orders, we expect the sector will gradually be re-rated.

DCF-based valuation: Undervalued

Our sum-of-the-parts valuation below highlights the different characteristics of the retail, manufacturing and managed services divisions by ascribing a higher WACC to the former. Even using extremely cautious assumptions for the discount rate still produces a value of 155p, 32% above the current share price, and equivalent to a P/E multiple of 6.9x FY11e. Reducing the Retail WACC by 1% increases the valuation to 163p (29% upside).

Exhibit 6: Discounted cashflow valuation

SOTP DCF valuation	£m	Per share	Assumptions		
Retail	25	97	WACC: 15%	No of shares	25.5m
Manufacturing	25	99	WACC: 12%	Shr price	126.50p
Hosting	5	21	WACC: 12%	Mkt cap	£32.3m
Less: taxed central costs NPV	(5)	(20)	WACC: 10%		
Group Enterprise Value	50	198			
Less: Adj. Net Debt	(11)	(43)			
Group Equity Value £m	39	155	Up/(downside) from current price		22%

Source: Edison Investment Research

Exhibit 7: Financials

Note: 2010e is the 18 month period ended 30 June 2010

£'000s	2006	2007	2008	CY09	2010	2011e	2012e
Year end 31 December/ 30 June	IAS	IAS	IAS	IAS	IAS	IAS	IAS
PROFIT & LOSS							
Revenue	27,350	34,146	37,626	39,472	59,783	48,805	50,143
Cost of Sales	(10,641)	(11,415)	(11,285)	(11,447)	(22,460)	(14,153)	(14,541)
Gross Profit	16,709	22,731	26,341	28,025	37,323	34,651	35,601
EBITDA	3,365	6,250	7,937	7,806	10,327	9,234	9,603
Operating Profit (before GW and except.)	2,918	5,760	7,354	7,013	9,013	8,605	8,974
Goodwill Amortisation	0	(896)	(1,875)	(1,963)	(2,892)	(2,200)	(2,200)
IFRS 2 charges	(85)	(152)	(103)	(35)	39	(100)	(100)
Other	0	0	(12)	(28)	(28)	0	0
Operating Profit	2,833	4,712	5,364	4,987	6,132	6,305	6,674
Net Interest	(262)	(1,036)	(1,416)	(945)	(1,365)	(800)	(650)
Profit Before Tax (norm)	2,656	4,724	5,926	6,040	7,620	7,805	8,324
Profit Before Tax (FRS 3)	2,571	3,676	3,948	4,042	4,767	5,505	6,024
Tax	(846)	(761)	(1,137)	(1,072)	(1,018)	(1,483)	(1,623)
Profit After Tax (norm)	1,890	3,650	4,310	4,408	5,770	5,762	6,141
Profit After Tax (FRS 3)	1,725	2,915	2,811	2,970	3,749	4,022	4,401
Average Number of Shares Outstanding (m)	18.1	21.7	23.7	24.2	24.6	25.6	25.6
EPS - normalised (p)	10.5	16.8	18.2	18.2	23.5	22.5	24.0
EPS - normalised fully diluted (p)	10.4	16.3	17.9	18.2	23.4	22.4	23.9
EPS - FRS 3 (p)	9.5	13.4	11.9	12.3	15.2	15.7	17.2
Dividend per share (p)	0.0	0.5	0.5	0.5	0.8	0.6	0.6
Gross Margin (%)	61.1	66.6	70.0	71.0	62.4	71.0	71.0
EBITDA Margin (%)	12.3	18.3	21.1	19.8	17.3	18.9	19.2
Operating Margin (before GW and except.) (%)	10.7	16.9	19.5	17.8	15.1	17.6	17.9
BALANCE SHEET							
Fixed Assets	17,962	45,547	47,099	44,251	48,478	47,149	45,820
Intangible Assets	273	12,282	12,075	10,097	12,565	11,166	9,767
Tangible Assets	416	1,305	1,333	1,212	1,393	1,463	1,533
Goodwill	15,684	31,494	33,225	32,496	33,954	33,954	33,954
Other	1,589	466	466	446	566	566	566
Current Assets	10,889	14,069	13,518	18,159	14,808	14,848	16,254
Stocks	0	0	0	0	0	0	0
Debtors	8,622	10,984	10,690	12,939	14,439	14,842	15,798
Cash	2,267	3,085	2,828	5,220	369	6	455
Current Liabilities	(13,712)	(19,386)	(19,035)	(20,388)	(20,072)	(19,072)	(18,572)
Creditors	(4,385)	(6,689)	(5,466)	(5,840)	(5,690)	(5,690)	(5,690)
Other Creditors	(8,466)	(8,654)	(8,075)	(11,437)	(10,082)	(9,082)	(8,582)
Short term borrowings	(861)	(4,043)	(5,494)	(3,111)	(4,300)	(4,300)	(4,300)
Long Term Liabilities	(711)	(16,509)	(13,714)	(10,380)	(11,724)	(8,454)	(5,376)
Long term borrowings	(711)	(12,437)	(10,346)	(7,485)	(7,051)	(4,281)	(1,511)
Other long term liabilities	0	(4,072)	(3,368)	(2,895)	(4,673)	(4,173)	(3,865)
Net Assets	14,428	23,721	27,868	31,642	31,490	34,471	38,126
CASH FLOW							
Operating Cash Flow	2,208	6,228	6,375	8,919	7,331	7,831	8,147
Net Interest	(256)	(1,243)	(1,323)	(958)	(1,303)	(800)	(650)
Tax	21	(2,074)	(1,614)	(1,087)	(1,637)	(1,983)	(2,123)
Capex	(375)	(643)	(1,334)	(937)	(1,638)	(1,500)	(1,500)
Acquisitions/disposals	(1,395)	(16,493)	(259)	(25)	(2,856)	(1,000)	(500)
Financing	1,825	263	24	1,427	1,434	0	0
Dividends	0	0	(119)	(119)	(247)	(141)	(154)
Net Cash Flow	2,028	(13,962)	1,750	7,220	1,084	2,407	3,220
Opening net debt/(cash)	1,247	(695)	13,395	13,012	13,012	10,982	8,575
HP finance leases initiated	0	0	0	0	0	0	0
Other	(86)	(128)	(1,367)	0	970	0	0
Closing net debt/(cash)	(695)	13,395	13,012	5,792	10,958	8,575	5,356

Source: Company reports, Edison Investment Research

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