

Benchmark  
Holdings plc

# Delivering on the Strategy

Half Year  
Presentation  
June 2017

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## BENCHMARK'S STRATEGY IS TO:

Take a leadership position in  
aquaculture technology

Have first-mover advantage in  
high-growth markets

Tackle deep-rooted issues  
in more mature markets

### We execute this by:

- Combining the fundamental biology disciplines in **one aquaculture technology powerhouse** with access to the entire market
- Developing and selling **innovative products rich in intellectual property** that deliver high margins and visibility of earnings
- Exploiting our **scalable platform of production capacity and technology**
- Utilizing our frontline insight into market challenges and **partnering with major food producers** to drive improvement in their profitability



## MACRO ENVIRONMENT & MARKET LEADING POSITION

### Markets

**Salmon**<sup>1</sup>: 6.2% increase in production over last 10yrs

**Tilapia**<sup>2</sup>: 11% increase over last 10 yrs

**Shrimp**<sup>3</sup>: expected to grow 5-10 fold by 2050

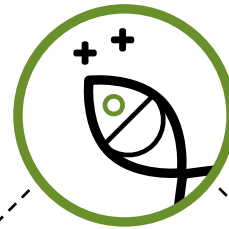
### Genetics

Number 1 aquaculture genetics company in the world

<sup>1</sup> MH, 2016

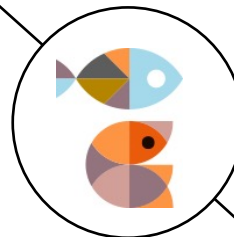
<sup>2</sup> Food and Agriculture Organization of the United Nations, Rabobank, 2014

<sup>3</sup> FAO (2016) for 1995-2011; FAO (2016) and GOAL (2014) for 2012-2014; GOAL (2016) for 2014-2018



### Advanced Nutrition

Number 1 advanced nutrition and health solution provider to the aquaculture hatchery market



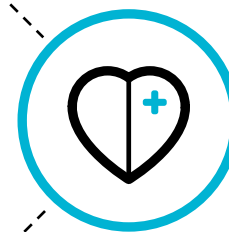
### Health

The leading new technology innovator in aquaculture health



### Knowledge Services

Industry leader in technology and knowledge transfer



### Distribution

Serving customers in 70 countries



## OPERATIONAL PROGRESS: H1 FY17

- **Progress made on key strategic investment objectives:**
  - Long term JV agreement signed with SalMar, one of the world's leading salmon producers
  - Continued progress in the product pipeline through targeted investment in scientific R&D with clear focus on 2-3 headline products
  - Good progress made towards the commercial field trials of 2-3 key products, including next generation sea lice treatment
- **Improved performance in Breeding & Genetics** with recovery in sales of salmon eggs to Chile and growth in sales volumes and prices in other markets and species
- **Maintained position in shrimp markets** despite challenges faced by the industry and, with signs of growth returning, Benchmark is well positioned to leverage its position in the market
- Benchmark's **new vaccine manufacturing facility is now in the commissioning phase**, with first commercial batches expected in H2 2017. This is a key step to securing the Group's supply chain and protecting its IP, as well as providing extra capacity



## FINANCIAL HIGHLIGHTS: H1 FY17

- Revenue increased by 44% to £69.2m
- Like-for-like<sup>1</sup> sales increased 14% to £31.0m
- Adjusted EBITDA<sup>2</sup> grew by 10% to £3.3m
- Reduced operating loss reflects:
  - full period impact from acquisition of INVE
  - net credit of £1.9m (H1 2016: £12.1m expense) in exceptional and acquisition related expenditure
- Expensed R&D in line with previous year at £6.4m (H1 2016: £6.0m)
  - measured progress and prioritisation of focused investment in the new product pipeline
- £7.4m invested in construction of new salmon egg production facility in Norway
- Free cashflow outflow of £11.2m (FY16: £30.7m)
- H1 2017 net debt £12.8m (FY16: net cash £0.4m)

<sup>1</sup>Like for like excludes acquisitions completed in FY16

<sup>2</sup>Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, exceptional items and acquisition related expenditure





## PIPELINE DELIVERY

**30**  
IPO  
(£350m<sup>1</sup>)

Total invested in R&D since IPO £35.3m<sup>2</sup>

**81**  
June 2017  
(£718m<sup>1</sup>)

	FY14	FY15	FY16	Projected launch into commercial field trials	
Product launches and peak projected annual sales (£m)	<b>Mydiavac</b> (£2m)	<b>Sealice resistant ova</b> (£14m)	<b>MariMark N</b> (£6m)	<b>FY17</b>	<b>FY18</b>
	<b>PondDtox</b> (£1m)	<b>PD resistant ova</b> (£5m)	<b>Genomics ISA</b> (£5.4m)	<b>New sea lice treatment</b> (£25m)	<b>Health: 5 products</b> (£25m)
		<b>Phylavive</b> (£1.4m)	<b>Genomics SRS</b> (£1.9m)	<b>Genetics: 1 products</b> (£4m)	<b>Genetics: 2 products</b> (£3.2m)
		<b>All female ova</b> (£2m)	<b>Sanolife GUT</b> (£0.2m)	<b>Advanced Nutrition: 5 products</b> (£11.9m)	<b>Advanced Nutrition: 4 products</b> (£9.2m)
		<b>Lumpfish Iceland</b> (£4m)			

<sup>1</sup>Peak projected annual sales

<sup>2</sup>Cumulative investment in R&D FY14 to H1 2017



## MANUFACTURING CAPACITY

### Vaccine Manufacturing Facility — Braintree, UK



- 2,500 square meters of production capability
- Opening Q3/Q4
- £17.1m invested

### Salmon Egg Production Unit — Salten, Norway



- Increase Group's production capacity by 37.5%
- Completion 2019
- £32.3m capex budget



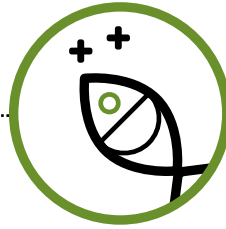
## DIVERSIFICATION STRATEGY DELIVERING RESULTS

Variable environmental challenges  
mitigated by our diversified portfolio



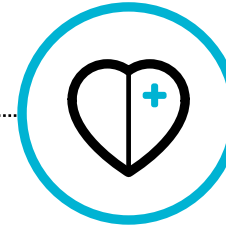
### Genetics

Strong year —  
recovery in Chile  
and growth in  
market share in  
other regions



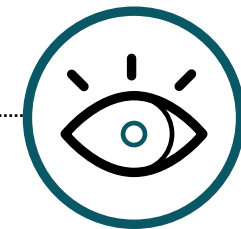
### Advanced Nutrition

Late start to the season  
due to disease  
challenge — integration  
progressing well,  
several products  
nearing launch



### Health

As predicted Salmosan  
sales softened — soon  
to be addressed by new  
technologies



### Knowledge Services

Aquaculture trials unit up  
and running to provide  
infrastructure to support  
the development of  
product portfolio





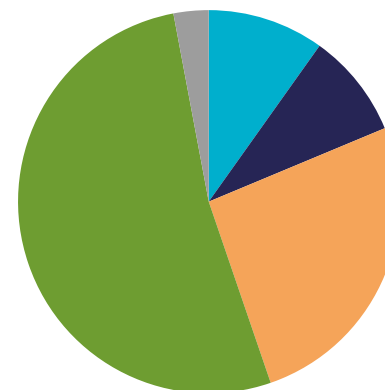
## REVENUE

- Group revenue up 44%
- Like for like<sup>1</sup> up 14%
- Animal Health down 41% due to anticipated lower volume of Salmosan sales
- Breeding & Genetics up 76% due to increase in sales values and volumes
- Advanced Animal Nutrition acquired mid way through H1 2016
- Proforma<sup>2</sup> revenue up 6%
- Continued disease challenge in Asian shrimp markets
- Revenue benefitted from weak GBP but sales volumes reduced by strong USD

### Group Revenue

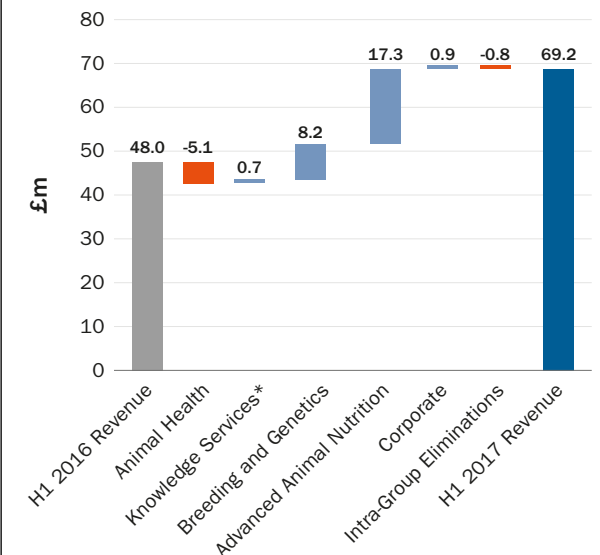


### Group Revenue by Division



■ Animal Health  
■ Knowledge Services\*  
■ Breeding and Genetics  
■ Advanced Animal Nutrition  
■ Corporate

### Group Revenue by Division



\*Sustainability Science Division and Technical Publishing Division

<sup>1</sup>Like for like excludes acquisitions completed in FY16

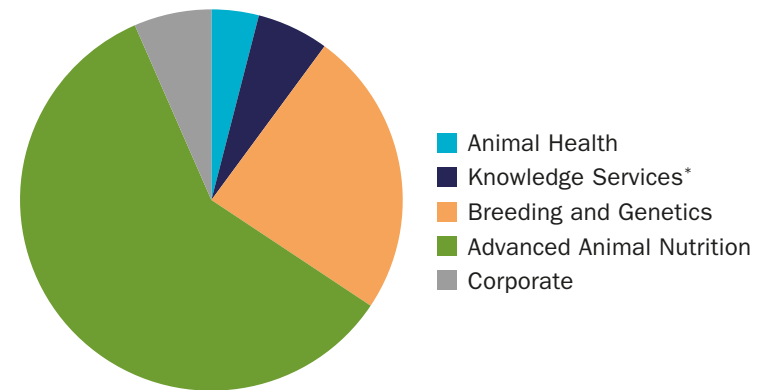
<sup>2</sup>Proforma restates the H1 2016 figures to include results for the full six months



## GROSS PROFIT AND OPEX

- GP% maintained at 43% (H1 2016: 44%) - product category GP% maintained
- Headcount up 3.5% largely due to:
  - completion / launch of new production facilities
  - additions to Breeding & Genetics management team
- Opex as % of sales maintained at 38%
- Opex excl. R&D increased to 29% of sales (H1 2016: 25%)
  - investment in management to maximise operating efficiency and manage delivery of synergies

Gross Profit by Division



Headcount 2017





## R&D

- Expensed R&D up 7%: like for like<sup>1</sup> down 5%
- An increased proportion of R&D is capitalised as more products approach launch
- Total investment in R&D up 17% : like for like<sup>1</sup> up 4%
- As resource is prioritized on products approaching launch
- Expensed R&D as a % of revenue down to 9%

### Research and Development costs as % of revenue

H1 2017	£6.4m	9.3%
H1 2016	£6.0m	12.5%
FY 2016	£11.7m	10.7%

### Investment in R&D (including additions to intangibles)

H1 2017	£7.0m
H1 2016	£6.0m

<sup>1</sup>Like for like excludes acquisitions completed in FY16



## ADJUSTED EBITDA<sup>2</sup> AND OPERATING LOSS

- Adjusted EBITDA<sup>2</sup> up 10%
- Like for like<sup>1</sup> Adjusted EBITDA<sup>2</sup> loss of £4.9m (H1 2016: loss of £3.8m)
- Adjusted EBITDA margin 5% (H1 2016: 6%)
- Reduced operating loss reflects:
  - full period impact of INVE results
  - Exceptional net credit of £1.9m from reversal of acquisition earnout liability
  - Depreciation and amortisation up £5.8m principally from the inclusion of INVE for a full six months

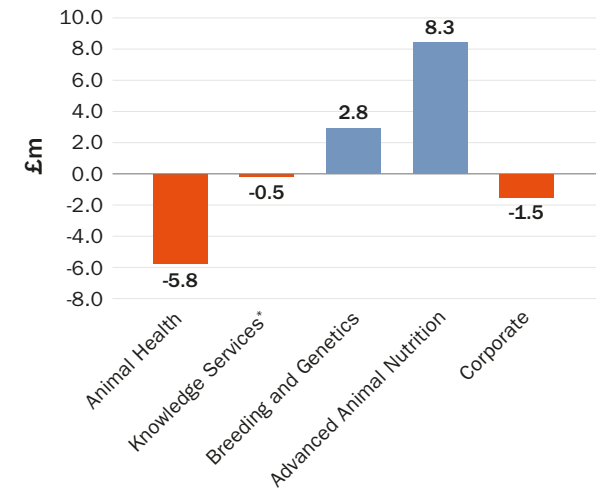
### Adjusted EBITDA



<sup>1</sup>Like for like excludes acquisitions completed in FY16

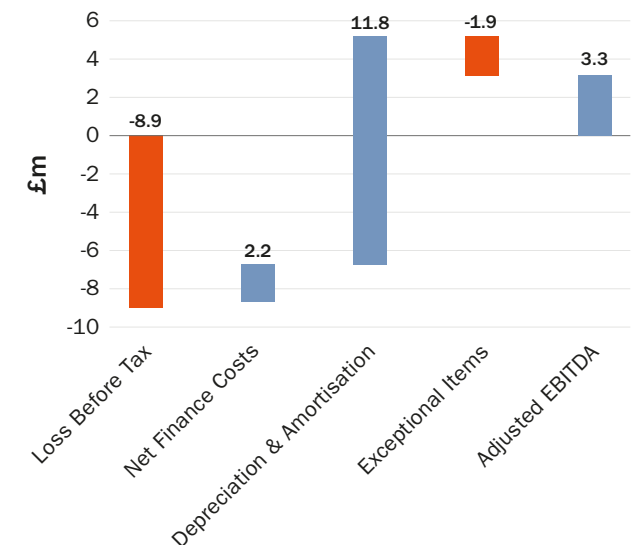
<sup>2</sup>Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, exceptional items and acquisition related expenditure

### Adjusted EBITDA by Division



\*Sustainability Science Division and Technical Publishing Division

### Reconciliation of Group Loss before Tax to Adjusted EBITDA

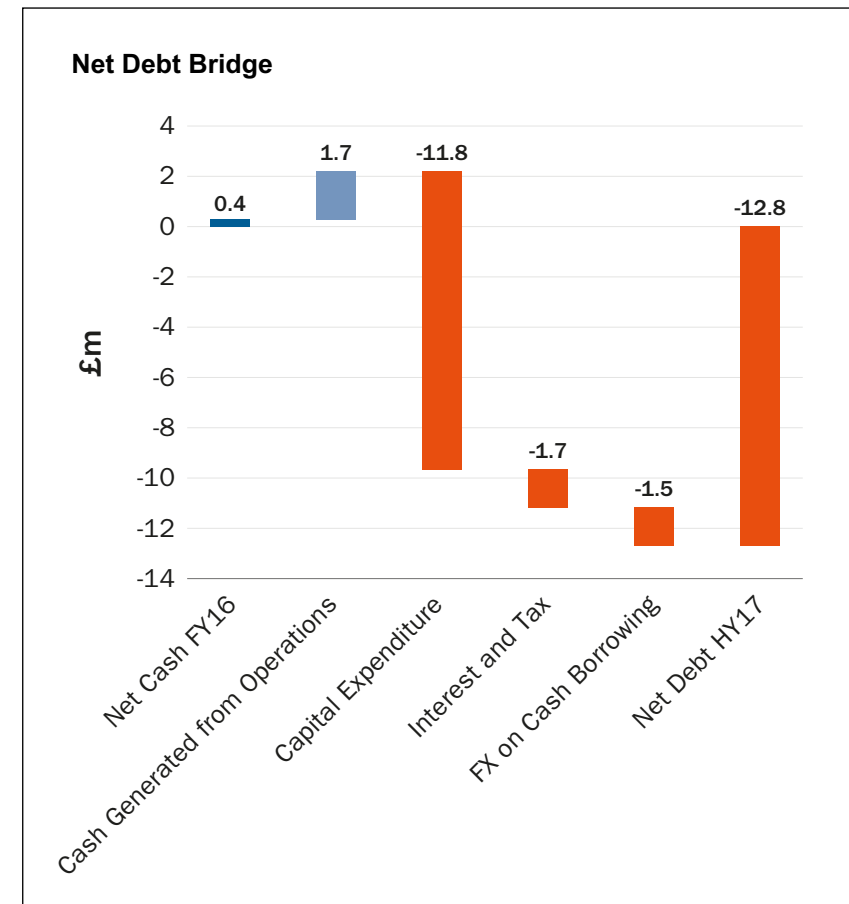




## CASH FLOW AND NET DEBT

- Free cashflow was an outflow of £11.2m (FY16: £30.7m)
- Capex includes:
  - £0.6m on completion of new vaccine plant in Braintree
  - £7.4m on ongoing construction of new salmon egg production facility in Norway
- Liquidity:
  - cash balances £26.3m (FY16: £38.1m)
  - \$20m undrawn debt facility
- Move into net debt as anticipated with leverage<sup>1</sup> 1.1x
- Further increase in net debt expected through to completion of new salmon egg production facility

<sup>1</sup>Leverage is calculated as Net debt to Adjusted EBITDA



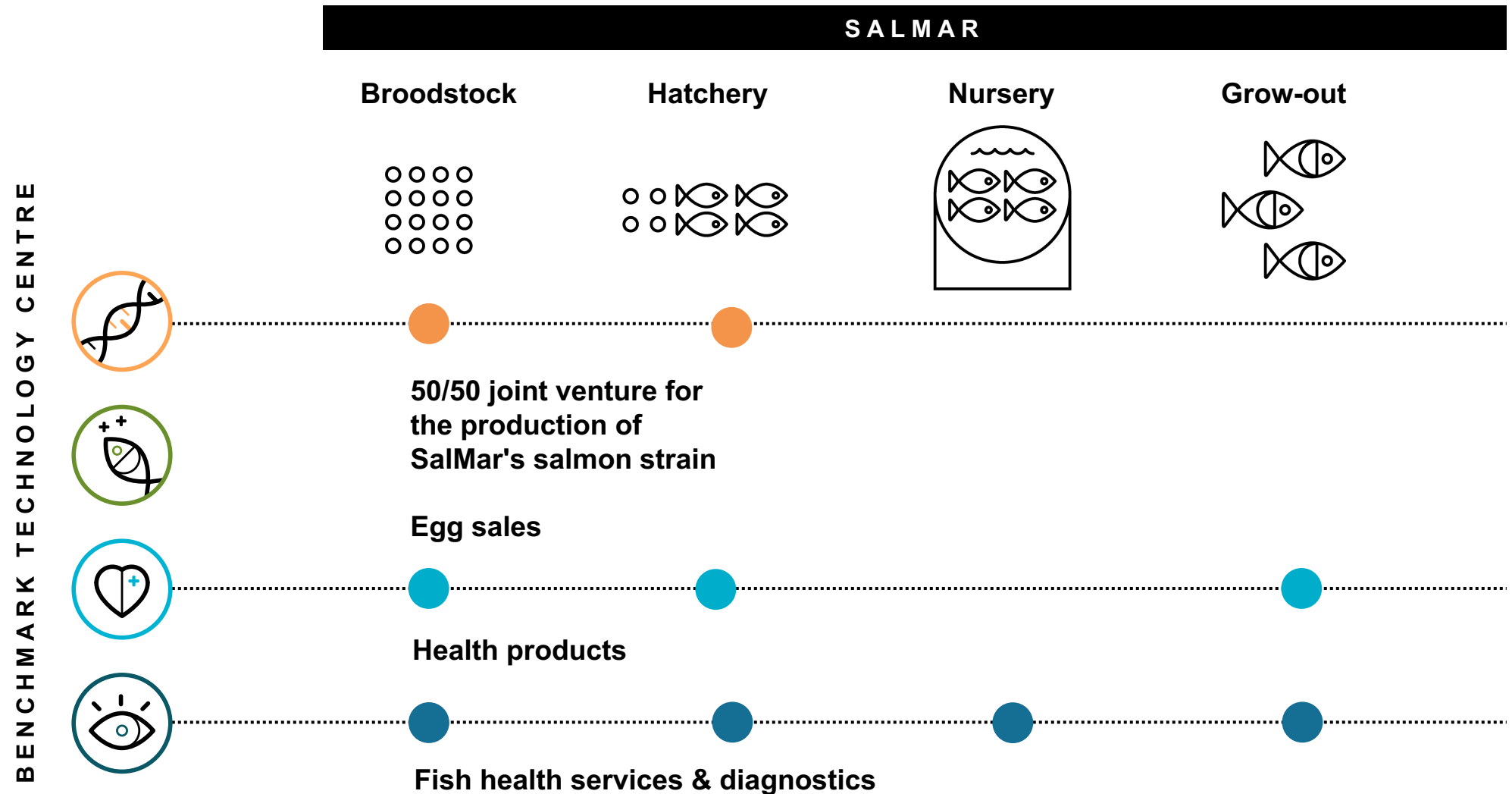




## DELIVERING SOLUTIONS FOR OUR CUSTOMERS

### Case study: **Benchmark & SalMar ASA**

**Market:** Salmon – SalMar is one of the world's leading salmon producers





## DELIVERING OUR STRATEGY

**Take a leadership position** in aquaculture technology

- Strong R&D and product pipeline
- State-of-the art manufacturing
- JVs with world leading producers

**Have first-mover advantage** in high-growth markets

- First aquaculture breeding company to deploy genomic tools
- 24/7 diagnostics for early detection of disease

**Tackle deep-rooted issues** in more mature markets

- Highly skilled team with decades of experience in aquaculture health
- Robust genetics tackling restrictions in production



## **PRIORITIES FOR H2 2017**

**Launch new generation sea lice medicine and treatment system**

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**Completion of Braintree vaccine manufacturing facility**

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**Expand influence into Asian markets**

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**Expand Benchmark's technology solutions into new species**

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**Continue to develop strategic partnerships with industry leaders**



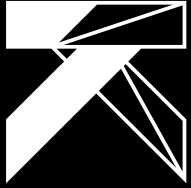


## LONG TERM OUTLOOK AND WIDER OPPORTUNITIES

- Increasing number of significant product launches
- Expand footprint and deliver offering in emerging markets – China and Africa
- Continue to aggregate and exploit best of breed technology solutions
- Grow alongside core markets
- **Benchmark has built a scalable platform and will continue to evaluate growth opportunities to maintain first-mover advantage in the industry**







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## Appendix







## PRODUCT PIPELINE — ANIMAL HEALTH

Estimated first sales	Peak projected sales (£)	Product code	Market	Species	Discovery	Passed-POC	Development trials	In regulatory	First sales achieved
Launched (trials)	6m	VAQ016	Aquaculture	Bass/ Bream				•	•
Launched	1m	PAQ006	Aquaculture	Bass /Bream					•
Launched	1m	PondDtox	Aquaculture	All fish					•
2017	25m	PAQ008	Aquaculture	Salmonids				•	
2018	10m	EAQ002	Aquaculture	Shrimp				•	
2018	1m	PAQ014	Aquaculture	Salmonids				•	
2018	3m	VAQ008	Aquaculture	Bass/Bream				•	
2019	3m	PAQ023	Farm Animal	Ovine				•	
2018	8m	VAQ004	Aquaculture	Tilapia			•		
2020	1m	VAQ019	Aquaculture	Salmonids			•		
2020	2m	VAQ020	Aquaculture	Salmonids			•		
2020	3m	VAQ021	Aquaculture	Salmonids			•		
2020	8m	VAQ022	Aquaculture	Salmonids			•		
2019	3m	VAQ028	Aquaculture	Salmonids			•		
2020	10m	PAQ009	Aquaculture	Bass/Bream			•		
2018	3m	VAQ011	Aquaculture	Bass/Bream			•		
2020	165m	VC0001	Companion animal	Feline			•		
2020	2m	PAQ010	Aquaculture	Ornamentals			•		
2020	10m	PAQ018	Aquaculture	Salmonids		•			
2022	2m	VTS007	Farm Animal	Ovine		•			
2020	2m	EAQ004	Aquaculture	Biocide		•			
2020	3m	VAQ002	Aquaculture	Bass/Bream		•			



## PRODUCT PIPELINE — ANIMAL HEALTH

Estimated first sales	Peak projected sales (£)	Product code	Market	Species	Discovery	Passed-POC	Development trials	In regulatory	First sales achieved
2019	3m	VAQ007	Aquaculture	Bass/Bream		•			
2020	1m	VAQ010	Aquaculture	Salmonids		•			
2021	10m	VAQ015	Aquaculture	Salmonids		•			
2021	15m	VAQ029	Aquaculture	Salmonids		•			
2020	2m	VAQ003	Aquaculture	Catfish		•			
2021	2m	VAQ009	Aquaculture	Salmonids		•			
2020	9m	PAQ007	Aquaculture	Salmonids		•			
2021	5m	PAQ017	Aquaculture	Salmonids		•			
2020	50m	VTS009	Companion animal	Equine		•			
2021	55m	VC0002	Companion animal	Canine		•			
2021	1m	VAQ012	Aquaculture	Salmonids		•			
2020	5m	PAQ004	Aquaculture	Salmonids	•				
2020	15m	VAQ006	Aquaculture	Salmonids	•				
2021	25m	VAQ017	Aquaculture	Salmonids	•				
2020	4m	VAQ024	Aquaculture	Tilapia	•				
2021	4m	VAQ025	Aquaculture	Tilapia	•				
2021	8m	VAQ031	Aquaculture	Salmonids	•				
2020	10m	VAQ032	Aquaculture	Salmonids	•				
2020	4m	VAQ033	Aquaculture	Cleaner fish	•				
2022	10m	VAQ034	Aquaculture	Tilapia/Seriola	•				
2022	6m	VAQ035	Aquaculture	All fish	•				



## PRODUCT PIPELINE — ANIMAL HEALTH

Estimated first sales	Peak projected sales (£)	Product code	Market	Species	Discovery	Passed-POC	Development trials	In regulatory	First sales achieved
2021	3m	VAQ036	Aquaculture	Tilapia	•				
2022	10m	PAQ016	Aquaculture	All species	•				
2022	10m	PAQ021	Aquaculture	All species	•				
2021	11m	PAQ022	Aquaculture	Salmonids	•				
2021	4m	PAQ024	Aquaculture	Salmonids	•				
2023	6m	VTS006	Farm Animal	Bovine	•				
<b>TOTAL*</b>	<b>552m</b>	*total of 46 products, not including products above with 'launched' status							



## PRODUCT PIPELINE — ADVANCED ANIMAL NUTRITION

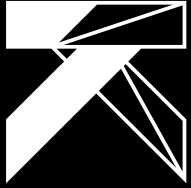
Estimated first sales	Peak projected sales (£)	Product code	Market	Species	Development & lab testing	Field verification	Market Preparation	Start of sales up to 1Y
Launched	0.2m	SL23	Aquaculture	Marine finfish				•
Launched	1.4m	SD29	Aquaculture	Shrimp / Oyster				•
2017	3.2m	SL16	Aquaculture	Shrimp			•	
2017	1m	SC15	Aquaculture	Shrimp			•	
2017	3m	FD06	Aquaculture	Bass / Bream			•	
2017	0.4m	FD07	Aquaculture	Marine finfish			•	
2017	4m	ART01	Aquaculture	Shrimp / Marine finfish			•	
2017	0.3m	ART02	Aquaculture	Shrimp / Marine finfish			•	
2018	9m	SG28	Aquaculture	Shrimp		•		
2018	TBD	SG25	Aquaculture	Shrimp		•		
2018	0.1m	SD04	Aquaculture	Shrimp		•		
2018	0.1m	SL18	Aquaculture	Shrimp		•		
2019	3.3m	SC12	Aquaculture	Tilapia	•			
2019	1.5m	SG26	Aquaculture	Salmon / Bass / Bream	•			
2019	TBD	SG27	Aquaculture	Marine finfish	•			
2019	0.1m	SL22	Aquaculture	Shrimp	•			
2019	2.7m	SC11	Aquaculture	Tilapia	•			
2019	7m	FD05	Aquaculture	Bass / Bream	•			
2020	2.2m	SL20	Aquaculture	All species	•			
2021	22.8m	SD03	Aquaculture	Shrimp	•			
2021	1.5m	SL21	Aquaculture	Salmon / Bass / Bream	•			
2022	0.3m	SL19	Aquaculture	Marine finfish	•			
<b>TOTAL*</b>	<b>62.5m</b>	*total 20 products, not including products above with 'launched' status						



## PRODUCT PIPELINE — BREEDING & GENETICS

Estimated first sales	Peak projected sales (£)	Product code	Market	Species	Manufacturing	Pre-Project	Project phase	Test development	Launch
Launched	4m	Lumpfish Iceland	Aquaculture	Lumpfish	In-house				●
Launched	4m	Lumpfish Scotland	Aquaculture	Lumpfish	In-house				●
Launched	5.4m	Genomics ISA	Aquaculture	Salmon	In-house				●
Launched	1.6m	Genomics PD	Aquaculture	Salmon	In-house				●
Launched	5.4m	Genomics Sea lice	Aquaculture	Salmon	In-house				●
Launched	1.9m	Genomics SRS	Aquaculture	Salmon	In-house				●
Launched	0.9m	All- female	Aquaculture	Salmon	In-house				●
2018	4.5m	DT002	Aquaculture	Tilapia	In-house				●
2018	4.5m	DT001	Aquaculture	Tilapia	In-house				●
2017	2.7m	DA009	Aquaculture	Salmon	In-house			●	
2018	0.5m	DH024	Aquaculture	Salmon	In-house			●	
2019	32m	DP001	Aquaculture	Shrimp	In-house			●	
2021	2.1m	DS011	Aquaculture	Salmon	In-house			●	
2019	0.4m	QF001	Aquaculture	Salmon	In-house		●		
2019	28m	DP002	Aquaculture	Shrimp	In-house		●		
2020	3.5m	DH022	Aquaculture	Salmon	In-house		●		
2020	3.5m	DH021	Aquaculture	Salmon	In-house	●			
2020	6m	DT003	Aquaculture	Tilapia	In-house	●			
2020	4.5m	DT004	Aquaculture	Tilapia	In-house	●			
2020	3m	DT005	Aquaculture	Tilapia	In-house	●			
2020	3m	DT006	Aquaculture	Tilapia	In-house	●			
2023	5.4m	PF011	Aquaculture	Salmon	In-house	●			
<b>TOTAL*</b>	<b>103.6m</b>	*total 15 products, not including products above with 'launched' status							





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# Financials





## BREEDING & GENETICS: FINANCIAL HIGHLIGHTS

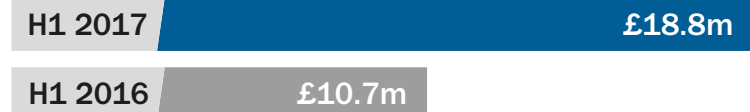
- Revenue up by £8.1m:
  - Partial recovery in salmon egg sales to Chile
  - Growth in sales volumes in Norway
  - Growth in average price per egg
  - Revenue from new salmon producer collaborations
  - Increased sales of lumpfish
  - Weak GBP has benefitted FY 2017
  - Strong ISK has impacted revenues
- Adjusted EBITDA up by £1.9m:
  - GP up 8 percentage points
  - Like for like<sup>1</sup> opex increased £1.9m:
    - Investment in expensed R&D
    - Management team expanded

<sup>1</sup>Like for like excludes acquisitions completed in FY16

### Summary Income Statement

£m	H1 2017	H1 2016
Revenue	18.8	10.7
Cost of Sales	(11.0)	(7.1)
Gross Profit	7.8	3.6
Operating costs	(5.0)	(2.7)
Adjusted EBITDA	2.8	0.9
Exceptional including acquisition related items	2.5	(1.1)
Depreciation and amortisation	(1.6)	(1.2)
Operating profit / (loss)	3.7	(1.4)

#### Breeding and Genetics Division Revenue



#### Breeding and Genetics Division Adjusted EBITDA





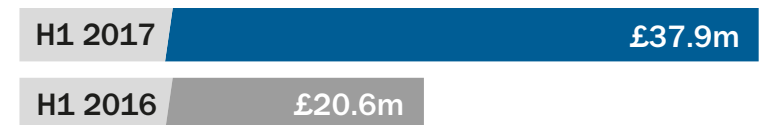
## ADVANCED ANIMAL NUTRITION: FINANCIAL HIGHLIGHTS

- Revenue up by £17.3m:
  - INVE acquired midway through prior period
  - Proforma<sup>2</sup> £2.0m (6%) above H1 2016:
    - Impact of disease in Asian shrimp markets continued as anticipated
    - Replacement diet and health volumes maintained
    - Product margins largely maintained
    - Weak GBP has benefited revenues
    - Strong USD has reduced sales volumes in some countries
- Adjusted EBITDA up by £2.0m:
  - Proforma<sup>2</sup> £1.0m (11%) above H1 2016:
    - Provision for slow paying debtor £0.9m
    - Strong USD has increased the cost base
    - Increased investment in expensed R&D
    - Corporate charges and capitalisation of R&D were not reflected in H1 2016 (£0.6m)

### Summary Income Statement

£m	H1 2017	H1 2016
<b>Revenue</b>	<b>37.9</b>	20.6
Cost of Sales	(18.8)	(10.1)
<b>Gross Profit</b>	<b>19.1</b>	10.5
Operating costs	(10.8)	(4.1)
<b>Adjusted EBITDA</b>	<b>8.3</b>	6.3
Exceptional including acquisition related items	-	-
Depreciation and amortisation	(8.4)	(3.6)
<b>Operating profit</b>	<b>(0.1)</b>	2.7

#### Advanced Animal Nutrition Division Revenue



#### Advanced Animal Nutrition Division Adjusted EBITDA



<sup>2</sup>Proforma restates the H1 2016 figures to include results for the full six months



## ANIMAL HEALTH: FINANCIAL HIGHLIGHTS

- Revenue down by £5.0m:
  - Salmosan sales volume down £5.0m
  - Vet and diagnostic revenue up £1.0m
- Adjusted EBITDA down £3.4m:
  - Increased opex due to launch / scale up of diagnostics businesses
  - Control of expensed R&D – down £0.9m

### Summary Income Statement

£m	H1 2017	H1 2016
Revenue	7.2	12.2
Cost of Sales	(5.9)	(7.8)
Gross Profit	1.3	4.4
Operating costs	(7.1)	(6.8)
Adjusted EBITDA	(5.8)	(2.4)
Exceptional including acquisition related items	(0.2)	(0.1)
Depreciation and amortisation	(0.8)	(0.7)
Operating loss	(6.7)	(3.2)

#### Animal Health Division Revenue



#### Animal Health Division Adjusted EBITDA





## SUMMARY FINANCIAL STATEMENTS

### Manufacturing Revenue



### Fish Vet Group Services Revenue



### Own Products Revenue



### Factored Products Revenue







## KNOWLEDGE SERVICES: FINANCIAL HIGHLIGHTS

- Revenue up £0.7m:
  - Launch of Ardtoe marine R&D facility
  - Growth in vet training courses
- Adjusted EBITDA down £0.2m:
  - Pre production costs of new Scottish lumpfish sites
  - First lumpfish sales expected H2 2017
  - Costs of relocation of Oxford office

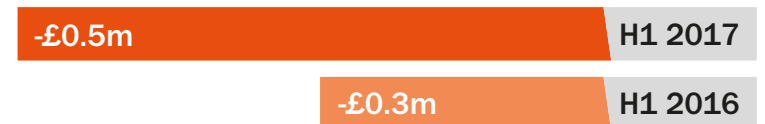
### Summary Income Statement

£m	H1 2017	H1 2016
Revenue	6.4	5.7
Cost of Sales	(4.4)	(3.6)
Gross Profit	2.0	2.1
Operating costs	(2.5)	(2.4)
Adjusted EBITDA	(0.5)	(0.3)
Exceptional including acquisition related items	(0.1)	(0.3)
Depreciation and amortisation	(1.0)	(0.5)
Operating loss	(1.6)	(1.1)

#### Knowledge Services Division Revenue



#### Knowledge Services Division Adjusted EBITDA





## GROUP FINANCIAL HIGHLIGHTS

### Income statement

£m	H1 2017	H1 2016
Revenue	69.2	48.0
Gross Profit	30.0	21.0
Operating costs and other income	(26.7)	(18.0)
Adjusted EBITDA	3.3	3.0
Exceptional including acquisition related items	1.9	(12.1)
EBITDA	5.2	(9.1)
Depreciation and amortisation	(11.8)	(6.1)
Operating profit / (loss)	(6.7)	(15.2)
Finance (costs) / income	(2.2)	2.5
Loss before tax	(8.9)	(12.6)
Tax	0.7	1.3
Loss before tax	(8.2)	(11.4)



## GROUP FINANCIAL HIGHLIGHTS

### Balance sheet

£m	H1 2017	H1 2016
Non-current assets	423.1	369.0
Net working capital	34.3	32.5
Cash and cash equivalents	26.3	23.0
Loans and borrowings	(39.1)	(37.6)
Contingent consideration	(7.2)	(17.0)
Tax assets / (liabilities)	(64.6)	(61.6)
<b>Net Assets</b>	<b>372.8</b>	<b>308.3</b>



## GROUP FINANCIAL HIGHLIGHTS

### Cash flow statement

£m	H1 2017	H1 2016
Net cash flows from operating activities	0.5	(8.9)
<b>Investing activities</b>		
Purchase of fixed assets	(10.9)	(11.2)
Purchase of intangible assets	(0.8)	(0.0)
Acquisition of subsidiary undertakings	-	(191.2)
Proceeds from sale of fixed assets	0.1	-
Purchase of investments	(0.2)	-
Interest received	0.1	0.1
	<b>(11.7)</b>	<b>(202.3)</b>
<b>Financing activities</b>		
Proceeds of share issue	-	185.7
Proceeds from bank borrowings (net of costs)	-	35.9
Investment in subsidiary by NCI	0.2	-
Share-raising costs recognised through equity	-	(4.4)
Net cash flows from derivative financial instruments	-	3.7
Repayment of bank borrowings	-	-
Interest paid	(0.7)	(0.2)
Payments to finance lease creditors	(0.1)	(0.1)
	<b>(0.6)</b>	<b>220.7</b>
Net increase / (decrease) in cash and cash equivalents	<b>(11.8)</b>	<b>9.5</b>



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