

# Goldplat<sup>#</sup>

BBG Ticker: GDP LN

Price: 5.0p

Mkt Cap: £8.4m

BUY

Year to June	Revenue (£000)	EBITDA (£000)	PBT (£000)	EPS (p)	DPS (p)	EV/Sales (x)	EV/EBITDA (x)	P/E (x)	Div Yield (%)
2014A	21,020	574	(248)	(0.31)	n/a	0.4x	16.3x	neg	n/a
2015A	16,628	(132)	(796)	(0.68)	n/a	0.3x	neg	neg	n/a
2016F	21,045	1,178	563	0.10	n/a	0.4x	7.3x	48.0x	n/a
2017F	20,414	1,608	827	0.14	n/a	0.4x	5.3x	35.7x	n/a

SOURCE: Company, VSA Capital estimates.

## Strong Interim Results Highlight Recovery

### Strong Earnings Recovery

Despite a 10% YoY decline in gold prices in H1 FY 2016, the solid operational progress resulted in an increase in production to 17.5koz. Revenues were up 33% YoY in H1 FY 2016 to £10.7m while EBITDA was up 48% YoY to £555k. As a result, the net loss narrowed from £503k to £11k. Following, the strong operational turnaround that has previously been highlighted, the results are largely in line with our expectations. However, due to significant gold price volatility in the latter part of 2015 and early 2016 we have updated our earnings outlook which indicate a marginal decline in our full year estimates for revenue of 2% to £21m, for EBITDA, 11% to £1.2m while our net income estimate of £174k is 21% lower. However, from 2017F onwards our estimates have been upgraded.

### Capital Projects Completion

Capital spending was ahead of expectations in H1 FY 2016 at £682k, and we have revised our full year estimate from £600k to £1.1m. GDP has completed a number of capital projects in H1 FY 2016, which will support the sustainable turnaround. A 4t elution column was installed in South Africa to reduce reliance on third party refiners. As a result, the issues in FY 2015, from which GDP has now largely recovered, are far less likely to be repeated. GDP also intends to expand elution capacity in Ghana while a new shotblast facility that has now been commissioned broadens the potential feedstocks for gold recovery. Most recently GDP declared a JORC resource on its tailings facility in South Africa providing clarity over a low cost potential feedstock for future processing.

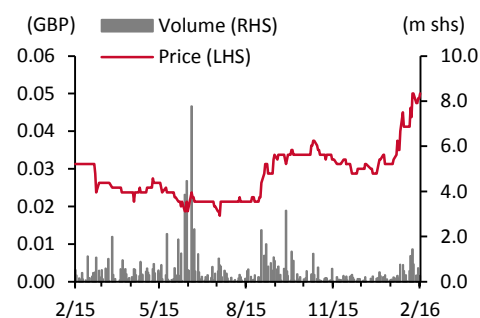
### Recommendation and Target Price

With an operational recovery now well underway, we believe that GDP's turnaround is sustainable which is likely to drive a re-rating of the stock. **We are upgrading our 12 month Target Price by 16% to 7.1p/sh, implying 43% upside potential and we reiterate our BUY recommendation.**

#### Company Description

Goldplat plc is a gold recovery services company with operations in South Africa and Ghana. It also has a small gold exploration & mining portfolio.

#### One Year Price Performance



Price % chg	1mn	3mn	12mn
	60%	54%	60%

SOURCE: FactSet, as of 19 February 2016 close.

Market:	LSE AIM
Target price:	7.1p
Shares in issue	167m
Free float:	90%
Net cash (Dec 2015):	£638k
Enterprise value:	£9m

#### Major shareholders

Chase Nominees Ltd (FIL)	10.06%
Fitel Nominees Ltd	7.97%
Barclayshare Nominees Ltd	6.82%

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## Strong Interim Results

Goldplat's (GDP) interim results clearly demonstrate the operational turnaround that has been apparent over the past six months despite the negative headwind from declining gold prices. Although gold prices were down 10% YoY, the recovery in output meant that income from gold was up 33% YoY to £10.7m as gold production of 17.5koz in FY H1 2016 reached close to 60% of full year FY 2015 output. Gold sales meanwhile of 17.9koz in H1 FY 2016 reached 72% of full year FY 2015 sales with the recovery in the top line the driving force behind the financial turnaround.

Consequently EBITDA was up strongly, 48% YoY, to £555k, although it is important to note that the significant financial weakness came in H2 FY 2015 resulting in a full year loss for EBITDA of £132k which, in our view, serves to highlight the speed of the turnaround. The net loss narrowed from £503k to £11k YoY and we continue to expect a small profit for the full year.

### Interim Results Highlights, £000

		H1 FY 2015	H1 FY 2016	% Chng, YoY	FY 2015F
Production	Koz	n/a	17,457	n/a	30,525
Sales	Koz	n/a	17,875	n/a	24,904
Gold income	£000	8,054	10,673	33%	16,628
Gross Profit	£000	102	1,201	1077%	968
EBITDA	£000	374	555	48%	(132)
EBITDA margin, %	%	5%	5%		-1%
Profit Before Tax	£000	(377)	395	n/m	(796)
Net income	£000	(503)	(11)	n/m	(1,143)
Capex	£000	(120)	(682)	n/m	(909)

SOURCE: Company Data, VSA Capital Research.

The results were largely in line with our expectations highlighting the strength of the operational turnaround. Furthermore, management has highlighted that production run rates are expected to be maintained in H2 FY2016. This gives us confidence that the financial turnaround is sustainable. GDP has undertaken a number of capital projects to improve operational efficiency that serve to underpin the recovery. However, this has meant higher capital spending and although we expected capex to be around £600k for the full year in FY 2016F this has already been spent in H1. We had expected spending to be weighted towards H1 and management have confirmed this with spending in H2 restricted to high priority projects, consequently our new capex estimate for FY 2016F is £1.1m.

### Goldplat Financial Highlights, £000

	2013A	2014A	2015A	2016F	2017F	2018F
Revenue	28,904	21,020	16,628	21,045	20,414	22,741
EBITDA	3,044	574	(132)	1,178	1,608	2,021
Operating Profit	2,639	153	(711)	585	849	1,011
Net Income	(399)	(356)	(892)	174	234	281
P/E, x	neg	neg	neg	48.0x	35.7x	29.8x
EV/EBITDA, x	5.9x	16.3x	neg	7.3x	5.3x	4.2x
EPS	(0.47)	(0.31)	(0.68)	0.10	0.14	0.17
Capex	(1,329)	(510)	(909)	(1,100)	(600)	(450)
FCF	2,078	(1,329)	(1,553)	(1,325)	680	3,234
FCF Yield, %	174%	-111%	-130%	-111%	57%	270%

SOURCE: Company data, VSA Capital Research

Although the results and operational performance were largely in line, we have updated our estimates to reflect the recent volatility in the gold price and the GBP/ZAR. The weakness in the gold price in the later part of 2015 has meant that even accounting for the rally in Q1 2016 our full year assumption for FY 2016F has been downgraded by 2% to US\$1,130/oz. However, over the medium to longer term our forecasts have been upgraded modestly. The impact of lower gold prices has also been partly offset by expectations for a weaker Rand in 2016 although this does mean that we have marginally downgraded our FY 2016F earnings expectations.

## Completion of Capital Projects to Support Sustained Recovery

During H2 2015, GDP completed a number of capital projects which will support the sustained operational recovery. GDP appears to have largely recovered from the FY 2015 issues, and this should, in our view enable GDP to expand its operating margins due to increased efficiency. A new mill on the low grade circuit was commissioned in September 2015 to improve efficiency and reduce the number of unplanned maintenance stoppages. The commissioning of the upgraded low grade circuit will enable GDP to process a new significant batch of by-product material under a tolling contract from Rand Refinery through the high grade circuit with displaced material processed via the low grade circuit. GDP has also built a new pumping station at the tailings retreatment carbon-in-leach (CIL) plant and the increased efficiency has the potential to increase production by 190-380ozpa.

### *New Elution Capacity, South Africa*



*SOURCE: VSA Capital Research.*

### *New Wash Plant, South Africa*



The first of three 4t elution columns to be installed was commissioned, in November 2015 in South Africa. A further column is likely to be installed in Ghana during 2016 while the location of the third column purchased from **DRD Gold (DRD SJ)** has yet to be finalised. Expanded elution capacity reduces GDP's reliance on third party refiners meaning a repeat of the issues from FY 2015 is unlikely.

In December 2015, at the Ghanaian operations, a shotblast facility was commissioned which will allow GDP to extract free fold from metal surfaces, or machinery parts, where gold has become ingrained through usage enabling a broader range of gold bearing materials to be processed in Ghana. Also in December 2015 a weigh bridge was completed in South Africa to allow improved measurement of materials brought on site, as GDP seeks to enhance its business processes.

Most recently, GDP announced that announced the completion of a JORC standard resource on its Tailings Storage Facility (TSF). These tailings do not form part of GDP's current feedstock mix, indeed GDP has been depositing on the TSF since 2003. This therefore provides a low cost and relative simple option metallurgically for future processing concurrent with material sourced externally from woodchips and mill liners etc.

### Tailings Facility, South Africa



### Silver Pour at South African Operations



**SOURCE:** VSA Capital Research.

The TSF has a total resource of 1.43mt at a grade of 1.78g/t gold which implies a total of 82koz across the measured, indicated and inferred categories. Significant quantities of silver and uranium have also been identified; 216koz and 193klbs respectively. Initial test work suggests recovery rates of 15-20% on the gold are possible although further work will need to be carried to identify potential process routes for the silver and uranium. Although this initial test work indicates slightly lower recoveries than might be expected for tailings processing, this is offset by the higher resource grade meaning the recoverable grade should be in line with other South African tailings producers, in our view.

Kilimapesa continues to be challenged operationally and production of just 932oz remains disappointing. However, GDP is implementing various strategies to support the asset. In the recent period the Kenyan government prevented the delivery of third party tailings which negatively impacted production and consequently the processing of tailings from the Kilimapesa lease area have been restarted. As previously announced, following the re-opening of Adit D on reef development has begun while a further adit has been commenced to enable a new mining block between Adit D and the new adit to be opened. This will provide greater flexibility and should ultimately increase production.

# Valuation

## Changes to Assumptions

Following significant gold price volatility over the past few months we have downgraded our FY 2016F average price forecast by 2% to reflect the fact that despite the strong rally in Q1 2016 we do not expect this to offset the weakness in the latter part of 2015. Over the medium term we do, however, believe that positive factors, such as central bank buying and the growing middle class wealth effect, will support the gold price and that it is unlikely to return to 2015 lows in the near term.

### VSA Gold Price Forecast

	FY 2013A	FY 2014A	FY 2015A	FY 2016F	FY 2017F	FY 2018F	FY 2019F	LT
<b>Old</b>	1,604	1,286	1,229	1,157	1,175	1,200	1,225	1,250
<b>New</b>	1,604	1,286	1,229	1,138	1,200	1,225	1,235	1,250

SOURCE: Bloomberg, VSA Capital Research.

We have downgraded our GBP/ZAR outlook to reflect significant volatility in the latter part of 2015 and early 2016. Although we expect the currency to stabilise we have conservatively downgraded our near term estimates.

### GBP/ZAR Assumptions

	FY 2013A	FY 2014A	FY 2015A	FY 2016F	FY 2017F	FY 2018F	FY 2019F	LT
<b>Old</b>	13.80	16.90	18.02	20.43	21.41	22.44	23.50	24.60
<b>New</b>	13.80	16.90	18.02	21.00	22.00	22.44	23.50	24.60

SOURCE: IMF, VSA Capital Research.

## Earnings Update

Although our operating assumptions are unchanged our earnings have been updated to reflect the impact of recent market volatility has resulted in minor adjustments to our model assumptions. Although the impact on FY 2016F is marginally negative the impact of higher gold prices and further currency depreciation for the ZAR in the medium term has had a net beneficial result on our earnings outlook and consequently our valuation of GDP.

### Earnings Changes, £000

	Revenue			EBITDA			PBT			EPS		
	Old	New	% Change	Old	New	% Change	Old	New	% Change	Old	New	% Change
<b>2016F</b>	21,368	21,045	-2%	1,321	1,178	-11%	706	563	-20%	0.13	0.10	-20%
<b>2017F</b>	20,036	20,414	2%	1,370	1,608	17%	88	827	41%	0.10	0.14	41%

SOURCE: Company data, VSA Capital Research.

## Valuation Update

Our valuation for **Goldplat (GDP)** is based on a 50/50 blend of NAV and 12 month forward EV/EBITDA multiple. GDP has historically traded on a trailing EV/EBITDA multiple of 6.1x, and with the operational and now financial recovery apparent we believe that the previous 20% discount is no longer appropriate, as a result we are upgrading our target multiple from 4.8x to 6.1x. As a result of our earnings changes due to updated assumptions as well as updated forecasts regarding capital expenditure and working capital the result is a net increase in our NAV valuation to £14.96m.

**Our blended target price for GDP is therefore 7.13p/sh., a 16% upgrade which implies 43% upside potential.**

## Valuation Summary

1 yr forward EBITDA, £000	1,427
Target 12-mo forward EV/EBITDA	6.1x
<b>Fair EV, £000</b>	<b>8,706</b>
Net Debt, £000	(1,434)
Other, £000	1,642
<b>Total Fair Equity Value, £000</b>	<b>8,914</b>
# of shares (2015)	167,441
Per Share Fair Value, £000	5.32
<b>NAV fair target price</b>	<b>8.93</b>
<b>Blended 12-mo Target Price, GBP/share</b>	<b>7.13</b>
Current Price, GBP	5.00
Upside, %	43%

*SOURCE: Company data, VSA Capital Research.*

## NAV-based Valuation Approach

Our NAV-based valuation approach is based on a discount rate of 8% and P/NAV multiple of 1.0x. While the South African, Ghanaian and Kenyan operations are distinct the reporting is collective and our valuation is therefore based on the combined operations. We do not attribute a value to the exploration assets in Burkina Faso and Ghana.

### Goldplat NAV Valuation

Division	Division NAV (£000)	P/NAV	Fair Equity Value, £000
Goldplat	15,168	1.0x	15,168
<b>Total NAV, £000</b>			<b>15,168</b>
Consolidated Net Debt			(1,434)
Minority Interest			1,642
<b>Total Equity Value</b>			<b>14,960</b>

*SOURCE: Company data, VSA Capital Research.*

## Risks

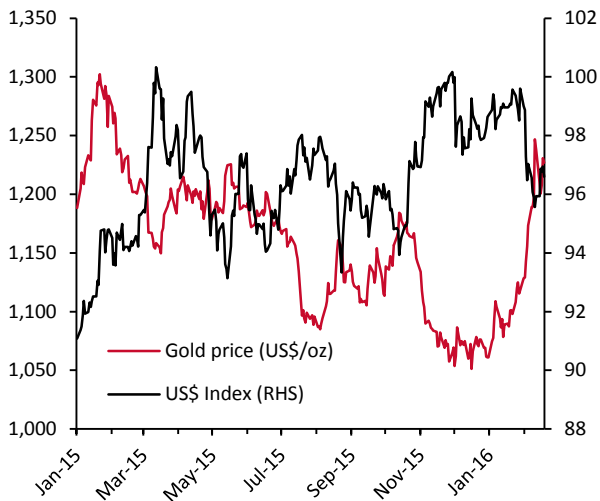
- **Commodity Prices.** The company is primarily exposed to the gold market and unexpected changes to commodity prices are likely to affect our valuation.
- **Political Risk.** Changes to the political regime and mining code in the countries in which GDP operates would potentially alter the risk profile, namely Ghana and South Africa.
- **Operational Risk.** The potential for delays and operating issues are an inherent industry risk and there is the potential for delays to the construction of additional elution capacity. Disruptions to the supply chain present the biggest potential risk for GDP given it is necessary to regularly procure raw materials.



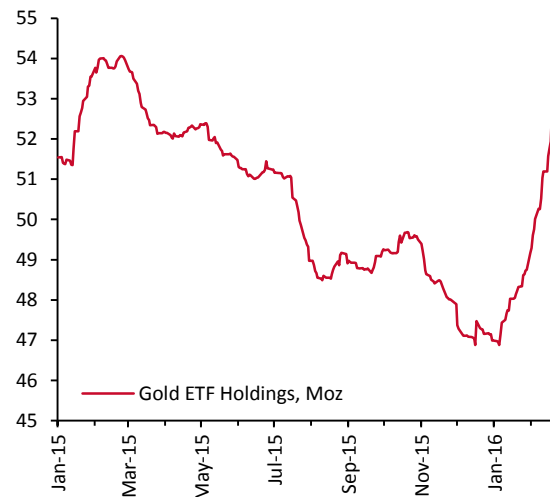
## Appendix 1: Gold Market Update

Following a pullback in global equities and 'risk-off' trading sentiment, driven by concerns over China, the US and EU the gold price rallied sharply in mid Q1 2016, passing US\$1,250/oz in intra-day trading. Given the speed of the rally, the price has unsurprisingly pulled back to close to US\$1,200/oz as fears of a global crisis have subsided. Following multiple flash crashes in the past few years the rise of algorithmic trading has highlighted the market has become accustomed to sharp downward movements in price, however, this latest rally has highlighted that this is possible in reverse.

### USD vs Gold Price



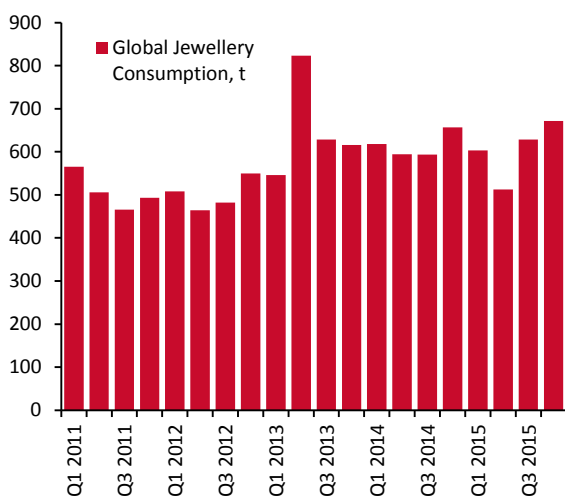
### Gold ETF flows



SOURCE: FactSet, Bloomberg.

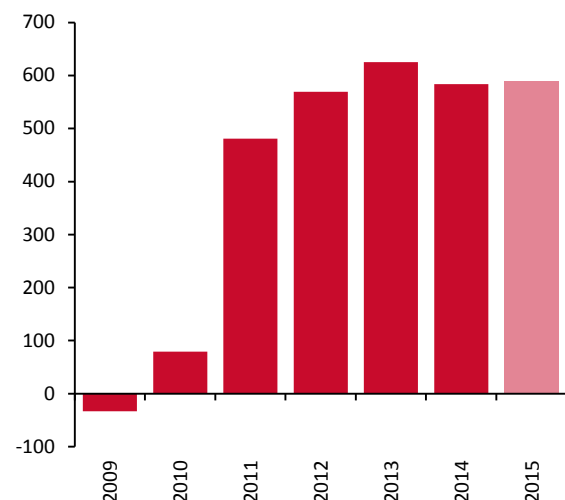
While we believe that concerns over China are overdone and that a recovery is underway, as highlighted by strong retail sales growth and a housing market recovery, there are increasing concerns over the impact on financial market turbulence on the US economy. Consequently expectations for further rate rises are being scaled back and the Fed minutes' suggest a more uncertain near term outlook. Consensus is now for no further rate hikes during 2016 and we believe that the dollar is unlikely to strengthen further in 2016 while there is even potential for a modest correction. Indeed, the Fed's rate hikes in 1994-95 show that it is possible for the US dollar to decline whilst rates are rising.

### Global Quarterly Jewellery Consumption



SOURCE: WGC.

### Central Banks Buying Remains Strong



SOURCE: Bloomberg.

Globally jewellery consumption recovered strongly in H2 2015 with demand of 1,300t; up 2% YoY to the highest second half volume for 11 years. The main driver of the demand recovery came from India where Q4 2015 demand of 173t was up 6% YoY while over the whole year demand was up 5% YoY in India. A drop in prices at the start of the wedding season in India prompted the higher demand. Jewellery consumption in China remained subdued in H2 2015, and although jewellery demand recovered 9% QoQ to 203t this was still down 1% YoY while for the full year demand was down 3% YoY.

Although the impact of bargain buying is likely to be short-lived given the recovery in gold prices in Q1 2016 the medium and longer-term case remains robust, in our view. We expect rising demand driven by the wealth effect of the growing middle classes in China and India, in particular, with one hundred million more people expected to move into China's cities by 2020.

Other than the middle class wealth effect we also expect strong physical demand from central banks, following another strong year with net buying of close to 600t in 2015. Fiat currency debasement is the key long-term driver for central bank bullion purchases, while near term the slide in the oil price, combined with the strong dollar, has incentivised diversification of foreign exchange reserves. Russia was the top purchases in 2015 with net inflows of 185t while Kazakhstan bought 30t through the year, with both nations currencies affected by the downturn in oil prices. We also note the strong purchases made by China in H2 2015 of 104t.

Following the volatility in the gold price through Q4 2015 and Q1 2016 we have modified our gold price estimates. The weakness in the latter part of 2016 has reduced our average forecast for FY 2016F. However, we believe that positive factors through 2016 will support gold prices, which will be maintained above 2015 lows. With Q1 turbulence clouding uncertainty over the outlook for the US economy expectations for further Fed rate rises have been scaled back significantly. Consequently we do not expect continued downward pressure on the gold price from the rising dollar in 2016 while robust physical demand for jewellery in China and India alongside continued central bank purchases are likely to provide support for the gold price. As a result, we have upgraded our medium term price outlook modestly.

### VSA Gold Price Forecast

	FY 2013A	FY 2014A	FY 2015A	FY 2016F	FY 2017F	FY 2018F	FY 2019F	LT
<b>Old</b>	1,604	1,286	1,229	1,157	1,175	1,200	1,225	1,250
<b>New</b>	1,604	1,286	1,229	1,138	1,200	1,225	1,235	1,250

*SOURCE: Bloomberg, VSA Capital Research.*



## Appendix 3: Financial Statements

### Profit and Loss (£000)

	2013A	2014A	2015A	2016F	2017F	2018F
<b>Revenue</b>	<b>28,904</b>	<b>21,020</b>	<b>16,628</b>	<b>21,045</b>	<b>20,414</b>	<b>22,741</b>
Cost of sales	(24,338)	(19,202)	(15,660)	(18,966)	(18,116)	(20,115)
<b>Gross Profit</b>	<b>4,566</b>	<b>1,818</b>	<b>968</b>	<b>2,080</b>	<b>2,298</b>	<b>2,626</b>
SG&A	(1,927)	(1,665)	(1,679)	(1,494)	(1,449)	(1,615)
Finance Income	300	429	843	0	1	1
Finance costs	(359)	(830)	(807)	(23)	(23)	(23)
Impairment of assets	(2,373)	-	(121)	-	-	-
<b>Profit before taxation</b>	<b>207</b>	<b>(248)</b>	<b>(796)</b>	<b>563</b>	<b>827</b>	<b>990</b>
Mining and income tax	(606)	(108)	(96)	(105)	(212)	(253)
<b>Profit for the year</b>	<b>(399)</b>	<b>(356)</b>	<b>(892)</b>	<b>457</b>	<b>614</b>	<b>737</b>
Non-controlling interest	396	171	251	283	380	456
<b>Attributable to equity holders of the company</b>	<b>(795)</b>	<b>(527)</b>	<b>(1,143)</b>	<b>174</b>	<b>234</b>	<b>281</b>

SOURCE: Company data, VSA Capital Research.

**Balance Sheet (£000)**

	2013A	2014A	2015A	2016F	2017F	2018F
<b>Non-current Assets</b>						
Property, Plant & Equipment	4,917	4,202	4,449	4,956	4,797	4,237
Intangibles	8,738	7,194	7,033	7,033	7,033	7,033
Pre-production Expenditure	1,613	2,457	2,136	2,136	2,136	2,136
Proceeds from Sale of Shares in Subsidiary	1,960	1,448	1,357	1,357	1,357	1,357
<b>Total Non-Current Assets</b>	<b>17,228</b>	<b>15,503</b>	<b>15,208</b>	<b>15,482</b>	<b>15,323</b>	<b>14,763</b>
<b>Current Assets</b>						
Inventories	4,437	5,088	7,727	7,496	5,593	6,230
Trade & Other Receivables	4,759	4,786	3,305	4,036	3,915	4,361
Taxation	297	-	-	-	-	-
Cash & Bank Balances	2,362	1,455	630	1,434	1,944	870
<b>Total Current Assets</b>	<b>11,855</b>	<b>11,329</b>	<b>11,662</b>	<b>12,966</b>	<b>11,452</b>	<b>11,462</b>
<b>Total Assets</b>	<b>29,083</b>	<b>26,832</b>	<b>26,870</b>	<b>28,448</b>	<b>26,775</b>	<b>26,224</b>
<b>Equity</b>						
Share Capital	1,684	1,685	1,685	1,685	1,685	1,685
Share Premium	11,494	11,498	11,498	11,498	11,498	11,498
Exchange Reserve	(2,234)	(5,847)	(6,707)	(6,707)	(6,707)	(6,707)
Retained Earnings	11,711	11,011	9,868	9,809	10,044	10,325
Minority Interest	1,525	1,642	1,893	1,893	1,893	1,893
<b>Total Equity</b>	<b>24,180</b>	<b>19,989</b>	<b>18,237</b>	<b>18,178</b>	<b>18,413</b>	<b>18,694</b>
<b>Non-Current Liabilities</b>						
Loans & Borrowings	-	-	56	-	-	-
Obligations Under Finance Leases	140	106	199	199	199	199
Provisions	134	129	121	121	121	121
Deferred Tax Liabilities	459	430	459	459	459	459
<b>Total Non-Current Liabilities</b>	<b>733</b>	<b>665</b>	<b>835</b>	<b>779</b>	<b>779</b>	<b>779</b>
<b>Current Liabilities</b>						
Loans & Borrowings	-	-	104	-	-	-
Obligations Under Finance Leases	151	169	120	120	120	120
Taxation	-	27	18	18	18	18
Trade & Other Payables	4,019	5,982	7,556	9,353	7,445	6,613
<b>Total Current Liabilities</b>	<b>4,170</b>	<b>6,178</b>	<b>7,798</b>	<b>9,491</b>	<b>7,583</b>	<b>6,751</b>
<b>Total Liabilities</b>	<b>4,903</b>	<b>6,843</b>	<b>8,633</b>	<b>10,270</b>	<b>8,362</b>	<b>7,530</b>
<b>Total Equity &amp; Liabilities</b>	<b>29,083</b>	<b>26,832</b>	<b>26,870</b>	<b>28,448</b>	<b>26,775</b>	<b>26,224</b>

**SOURCE:** Company data, VSA Capital Research.

## Statement of Cash Flows (£000)

	2013A	2014A	2015A	2016F	2017F	2018F
<b>Cash Flows From Operating Activities</b>						
Net Income	(795)	(527)	(1,143)	174	234	281
Depreciation	361	393	390	593	760	1,010
Amortisation	43	28	189	-	-	-
Loss on sale of PP&E	29	35	148	-	-	-
Equity settled share based payment transactions	141	28	-	-	-	-
Foreign exchange differences	(253)	(1,238)	(172)	-	-	-
<b>Changes in Working Capital</b>						
(Increase)/decrease in inventories	87	(651)	(2,639)	231	1,903	(638)
Decrease/(increase) in trade and other receivables	1,104	(27)	1,481	(731)	121	(446)
Decrease in trade and other payables	(2,170)	1,970	1,574	1,797	(1,908)	(832)
Provisions	(47)	(5)	(8)	-	-	-
Interest received	300	429	843	-	-	-
Interest paid	(349)	(832)	(679)	-	-	-
Taxes paid	(878)	187	(76)	-	-	-
<b>Net cash generated by operating activities</b>	<b>1,007</b>	<b>470</b>	<b>219</b>	<b>2,064</b>	<b>1,110</b>	<b>(624)</b>
<b>Cash flows from investing activities</b>						
Payments for property, plant and equipment	83	(510)	(909)	(1,100)	(600)	(450)
Acquisition of non-controlling interests	(583)	-	-	-	-	-
Other	(1,576)	(467)	(99)	-	-	-
<b>Net cash (used in)/generated by investing activities</b>	<b>(2,076)</b>	<b>(977)</b>	<b>(1,008)</b>	<b>(1,100)</b>	<b>(600)</b>	<b>(450)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	-	-	160	-	-	-
Repayment of borrowings	-	-	-	(160)	-	-
Proceeds from issue of share capital	50	-	-	-	-	-
Own shares purchased	(68)	-	-	-	-	-
Dividends paid	(1,010)	(201)	-	-	-	-
Payment of finance lease liabilities	(114)	(199)	(196)	-	-	-
<b>Net cash used in financing activities</b>	<b>(1,142)</b>	<b>(400)</b>	<b>(36)</b>	<b>(160)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,211)</b>	<b>(907)</b>	<b>(825)</b>	<b>804</b>	<b>510</b>	<b>(1,074)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,573</b>	<b>2,362</b>	<b>1,455</b>	<b>630</b>	<b>1,434</b>	<b>1,944</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,362</b>	<b>1,455</b>	<b>630</b>	<b>1,434</b>	<b>1,944</b>	<b>870</b>

SOURCE: Company data, VSA Capital Research.

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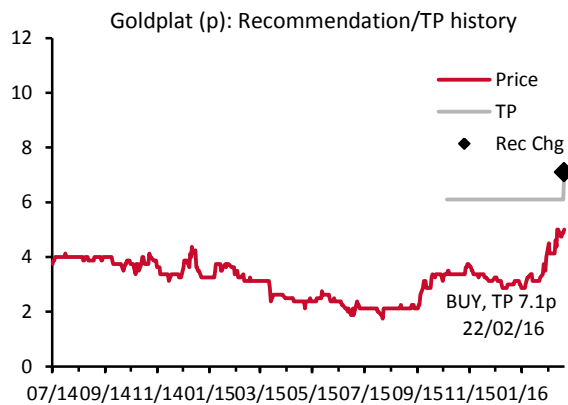
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Equities breakdown: 30 June 2015	Spec. BUY	BUY	HOLD	SELL
Overall equities coverage	26.3%	68.4%	5.3%	0.0%
Companies to which VSA has supplied investment banking services	25.0%	75.0%	0.0%	0.0%

## Recommendation and Target Price History



### Valuation basis

Our valuation for GDP is based on a 50/50 blend of NAV and 12 month forward EV/EBITDA multiple.

### Risks to that valuation

Commodity prices, political risk, execution risk.

This recommendation was first published on 5 October 2015.

SOURCE: FactSet data, VSA Capital Research.