

# Mahindra & Mahindra

**BSE SENSEX**  
38,607

**S&P CNX**  
11,597

**CMP: INR672 TP: INR790 (+18%)**
**Buy**

**Stock Info**

	MM IN
Bloomberg	MM IN
Equity Shares (m)	1,209
M.Cap.(INRb)/(USD\$b)	835.6 / 12.1
52-Week Range (INR)	992 / 616
1, 6, 12 Rel. Per (%)	-5/-24/-28
12M Avg Val (INR M)	2586
Free float (%)	79.6

**Financials Snapshot (INR b)**

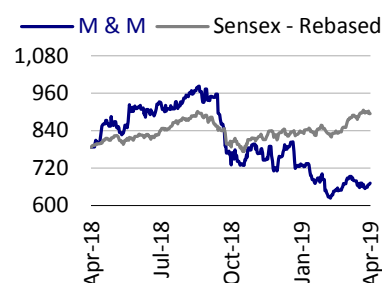
Y/E Mar	2019E	2020E	2021E
Sales	529.3	582.8	610.9
EBITDA	63.4	71.7	71.8
NP *	51.2	49.5	48.4
EPS (INR) *	43.0	41.6	40.7
EPS Gr. (%)	18.5	-3.4	-2.2
BV/Sh. (INR)	283	312	341
RoE (%)	14.2	13.1	11.7
RoCE (%)	13.2	12.3	11.0
P/E (x)	15.6	16.2	16.5

\* incl MVML

**Shareholding pattern (%)**

As On	Dec-18	Sep-18	Dec-17
Promoter	20.5	20.5	20.5
DII	20.9	20.3	19.2
FII	41.0	42.1	41.7
Others	17.7	17.2	18.6

FII Includes depository receipts

**Stock Performance (1-year)**

**Medium-term challenges priced in...**
**...but catalysts lacking for re-rating**

MM's core business faces headwinds in the form of (a) an uncertain tractor demand outlook due to the cyclical downturn and the initial forecast of El Nino, (b) a weak product lifecycle in UVs, as no major launches are likely till BS-6, (c) a huge product skew toward diesel segment (~96%), wherein prices are likely to increase by ~10-12% and (d) a deteriorating margin profile, with the share of FES likely to decline over FY19-21. However, ~40% correction in its core business valuations from 18.4x in Aug'18 to 11x in Feb'19 largely factors in these challenges, in our view. We, thus, maintain Buy with an SOTP-based TP of INR790 (Mar'21).

**Tractor: Weak monsoon forecast, high base putting FY20 volume trajectory at risk**

- The domestic tractor industry is in its third year of upcycle in FY19, with ~17% CAGR in volumes over FY16-19.
- While fortunes of the tractor industry are heavily influenced by monsoon, tractor cycles are generally four years long (three good years and one down year). Volumes will at best grow 7-8% in FY20.
- Further, monsoon forecasts have been mixed, with Skymet's expecting below-normal monsoon and the IMD forecasting an easing El Nino impact in FY20.
- However, over the long term, MM is targeting a bigger play in the USD160b global farm equipment market – both in tractors (USD60b) and non-tractor equipment (USD100b).

**Tractor: Market share pressure from heightened competition**

- Network expansion and product launches by competitors (such as Escorts) led to a 230bp contraction in MM's tractor market share to 40.5% in FY19.
- The market share contraction is explained by the weak performance in key markets such as UP (-250bp to 38.4%), Bihar (-80bp to 48.1%), MP (-190bp to 33.3%) and Maharashtra (-50bp to 44.3%).
- It gained share in Punjab (+290bp to 44.1%) and Gujarat (+180bp to 41.6%).

**UVs – product lifecycle to deteriorate as no major launch at least till BS6**

- MM's UV business is likely to grow strongly in FY20, led by the full-year benefit of new product launches and the potential pre-buying ahead of BS6 implementation from Apr'20.
- Post two attempts to crack the compact UV space with TUV 300 and KUV 100, MM launched its third compact SUV XUV300 based on the Ssangyong's Tivoli platform available in the diesel and petrol variants. While initial bookings/inquiries are healthy, more launches by competitors (Hyundai Venue, upgraded Maruti Brezza, etc.) in this segment can impact MM's target to capture more share of the UV1 segment.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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- Over the past few years, MM's passenger UV business has witnessed value migration from large SUVs (area of strength) to compact SUVs (area of weakness), leading to a loss of market share in the UV segment (-18pp to ~24.4% over FY15-19).

#### **Prepared for BS6 transition, but cost inflation poses risk to FY21 volume**

- Given the company's very high dependence (over 95%) on diesel for UV volumes, it would be the worst placed auto OEM during transition to BS6 due to a substantial hike in prices (10-12% for diesel) to comply with BS6 norms.
- However, MM is on track for having a complete gasoline powertrain as it intends to offer petrol versions of all models by 2020. The company is developing four new petrol engines – 0.6-liter, 1.5-liter, 2-liter TGDl, and 2-liter GDI – in addition to its current two engine platforms.
- Further, the fungible manufacturing capacity between gasoline and diesel engines can be ramped up to meet demand for petrol-driven models post BS6. These can help MM de-risk its investments.
- MM will strengthen its EV product line-up with the launch of electric S201 in 1H CY20. Further, it will launch eKUV 100 in 2H CY19.

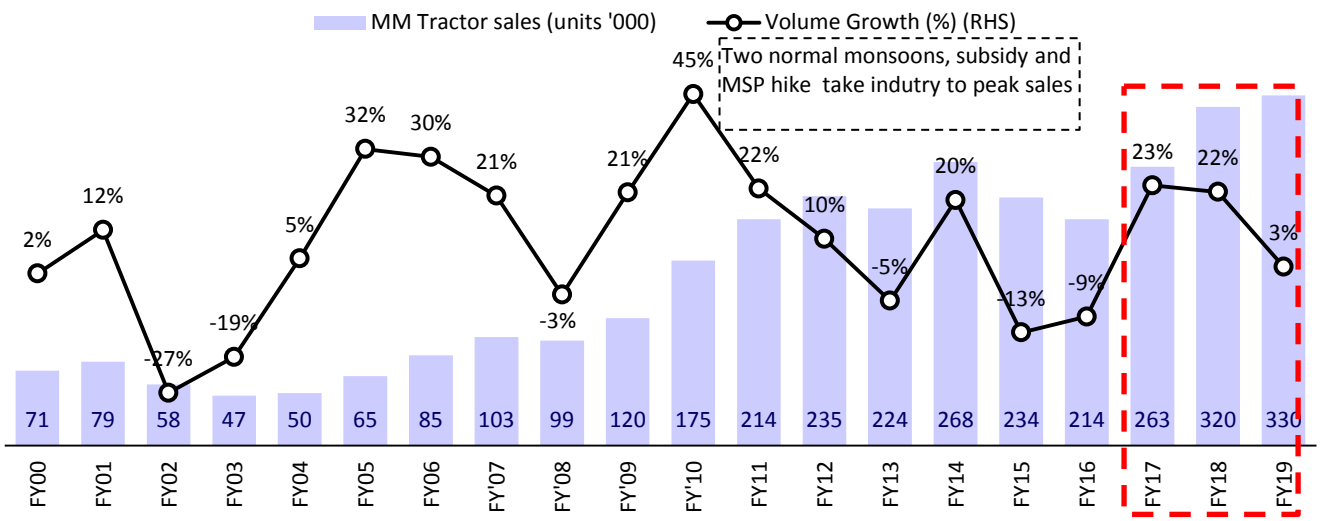
#### **Risk to margins from adverse mix, intense competition**

- With the tractor business faced with cyclical pressures in FY20, the share of the automotive business is likely to increase from ~65% now to 66.5% of volumes.
- Benefits of new product launches and pre-buy ahead of BS6 would also lead to strong auto volume growth.
- However, auto business PBIT margins would be impacted by the higher contribution from new products, where initial margins are lower.
- Hence, we believe there is a risk to our estimate of a blended EBITDA margin improvement of ~20bp to ~13.9% in FY20.

#### **Valuations: Challenges priced in, though re-rating catalyst missing**

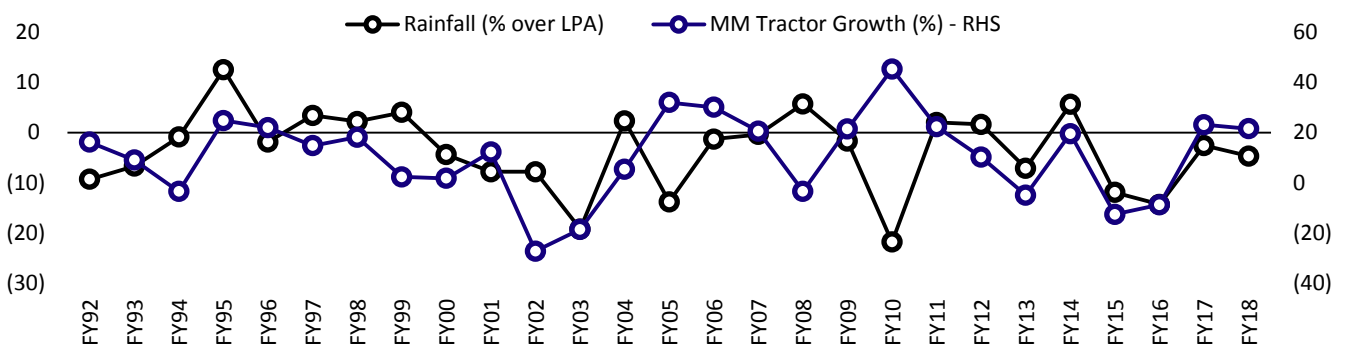
- MM's core valuations have corrected from the recent peak of 18.4x in Aug'18 to 11x in Feb'19. The core business has traded at a peak of 20.6x (Oct'14).
- Such significant correction in valuation factors in the medium- to long-term challenges related to (a) tractor volume trajectory due to weak monsoon, (b) BS-6 transition challenges and (c) weak UV product lifecycle till BS-6.
- UV segment is likely to outgrow the PV industry over the next 3-5 years. However, growth in UVs is likely to be driven by the increasing acceptance of compact SUVs by car buyers, while traditional UVs (MM's forte) could see a cyclical recovery.
- Pick-up segment is likely to benefit from better cost proposition post BS-6 compared to SCVs. We factor in base demand CAGR of 6% over FY19-21.
- M&M's core business (excl. subsidiaries value) is trading at very attractive valuations of 16.2x/16.5x FY20/21 EPS (MM+MVML). While valuations would provide support to the stock price, we do not foresee any near-term triggers for stock re-rating.
- We assign 14x P/E to the core business (~10% discount to five-year average core P/E) and INR221/share value of subsidiaries (at 40% hold-co discount). Maintain **Buy** with an SOTP-based target price of INR790 (Mar'21).

**Exhibit 1: MSP hikes, government subsidy and normal monsoon lead to higher tractor sales growth in general**



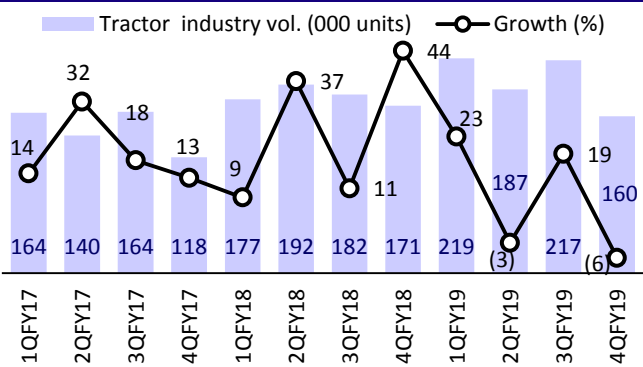
Source: Company

**Exhibit 2: Tractor volumes highly dependent on normal monsoon – forecast of El Nino keeps demand environment uncertain**



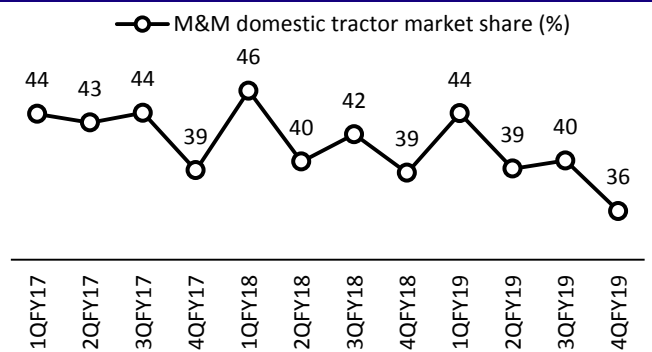
Source: MOFSL

**Exhibit 3: Tractor industry volumes remain weak in 4QFY19, partly led by a high base**



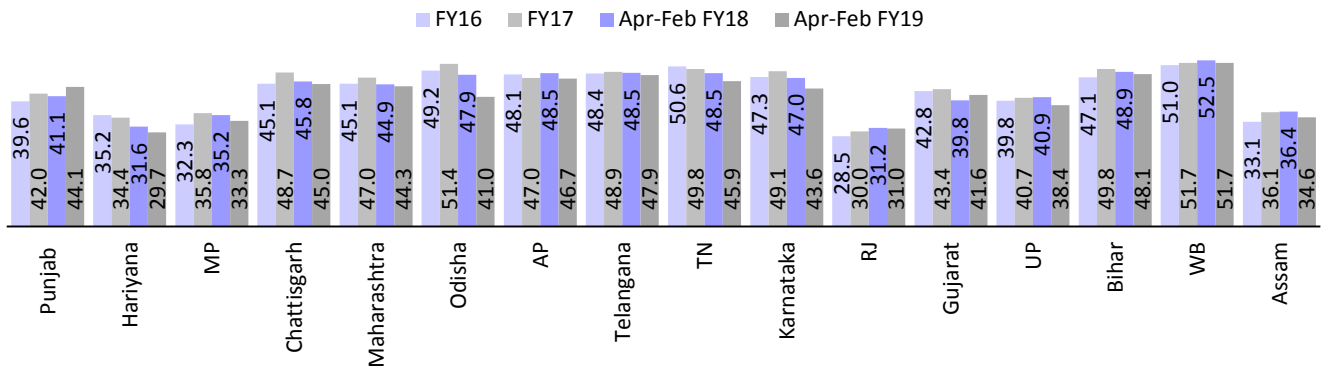
Source: MOFSL

**Exhibit 4: MM lost significant share in recent quarters led by competitive pressures**



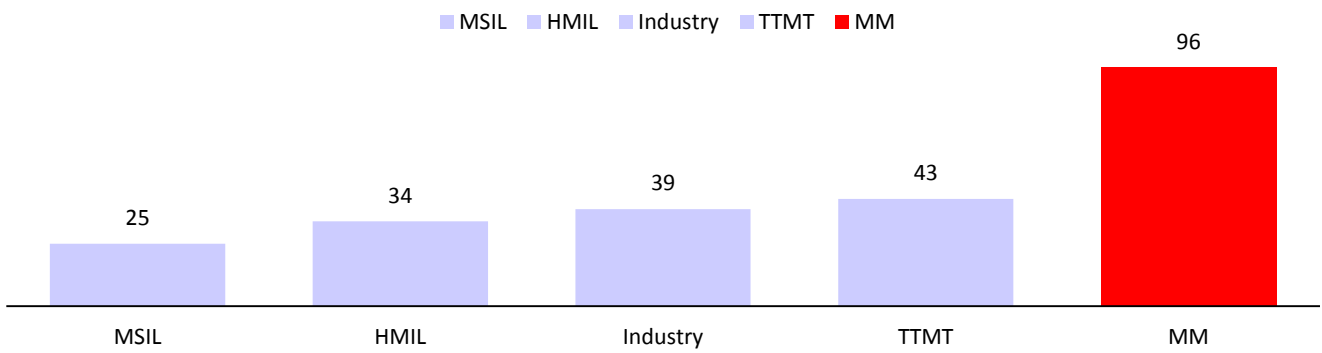
Source: MOFSL

Exhibit 5: MM lost market share across states, except Punjab and Gujarat



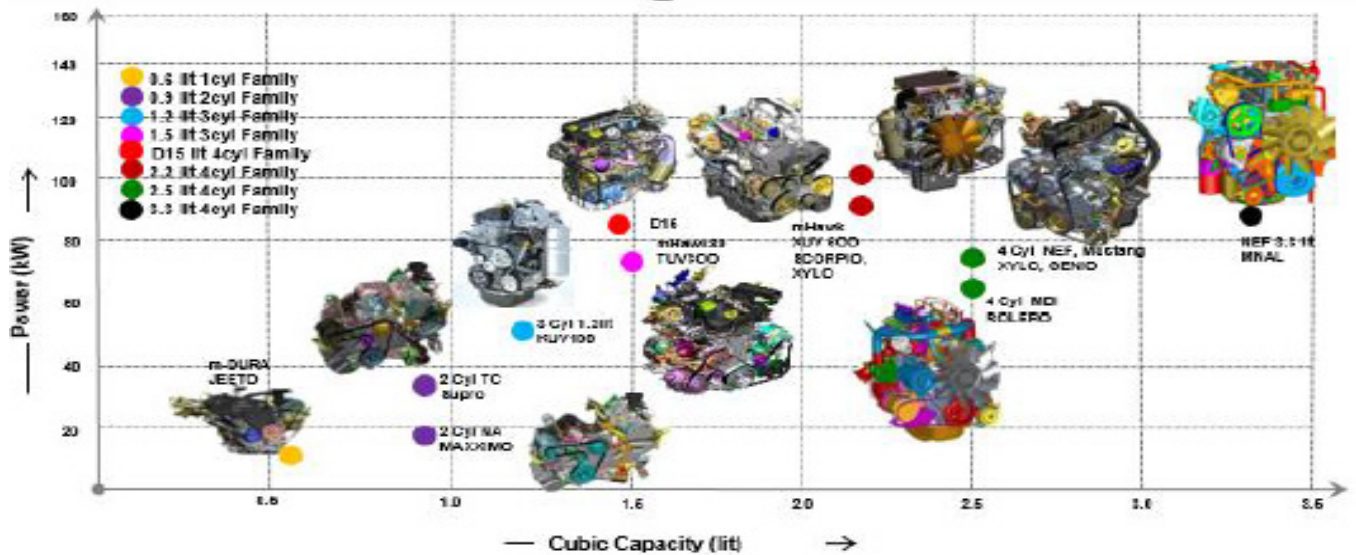
Source: TMA, Industry

Exhibit 6: Share of diesel highest for MM, at risk post BS6



Source: Industry

Exhibit 7: MM's exhaustive range of diesel engines



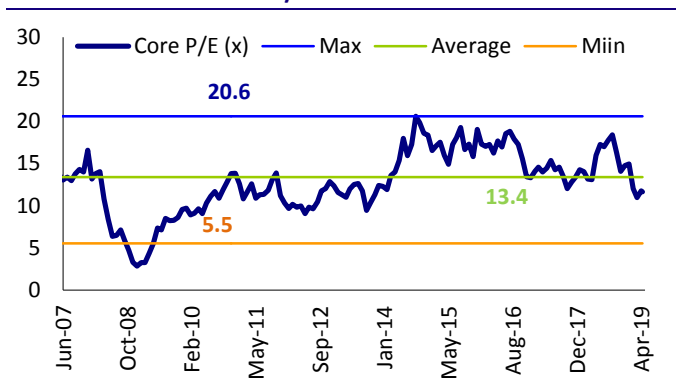
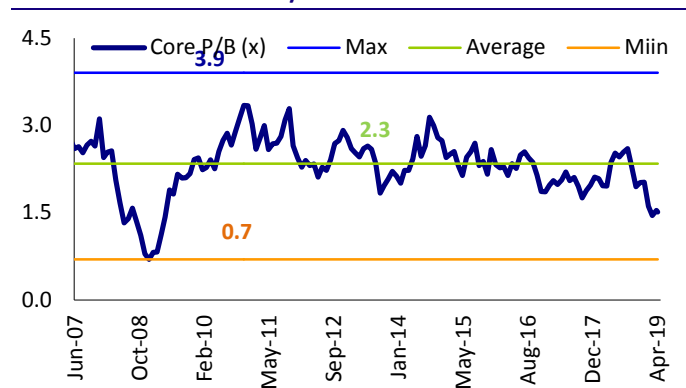
Source: Company



**Exhibit 10: M&M: Sum-of-the-parts (INR/share)**

	FY20E	FY21E
Core EPS (excl. subsidiary dividend)	41.6	40.7
PE attributable (x)	14	14
<b>Value of core business</b>	<b>582</b>	<b>569</b>
<b>Value of subsidiaries @ Hold Co discount</b>	<b>40</b>	<b>40</b>
1. Tech Mahindra	100	100
2. M&M Financial Services	65	65
3. Mahindra Lifespaces	5	5
4. Mahindra Holidays	11	11
5. Ssangyong	17	17
6. Mahindra CIE	5	5
7. CIE Automotive Spain	9	9
8. Mahindra Logistics	9	9
<b>Target price (after 20% discount)</b>	<b>803</b>	<b>790</b>
Upside (%)	20.4	18.5

Source: MOFSL

**Exhibit 11: M&M: Core P/E trend****Exhibit 12: M&M: Core P/B trend**

Source: Bloomberg, MOFSL

**Exhibit 13: Comparative valuations**

	CMP		TP	P/E (x)		EV/EBITDA (x)		RoE (%)		Div Yield (%)		EPS CAGR (%)
	(INR)	Rating		(INR)	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E	FY19E	FY20E
<b>Auto OEM's</b>												
Bajaj Auto	2,987	Buy	3,302	18.5	16.6	13.3	11.1	23.1	23.0	2.0	2.3	9.1
Hero MotoCorp	2,603	Neutral	2,867	15.5	14.8	9.0	8.5	27.6	27.1	4.0	4.4	-2.7
TVS Motor	484	Neutral	523	34.4	24.6	16.9	12.8	21.6	25.7	0.8	1.0	18.8
<b>M&amp;M</b>	<b>672</b>	<b>Buy</b>	<b>790</b>	<b>16.5</b>	<b>15.2</b>	<b>12.6</b>	<b>11.2</b>	<b>14.2</b>	<b>13.1</b>	<b>1.5</b>	<b>1.5</b>	<b>3.7</b>
Maruti Suzuki	7,179	Buy	8,003	29.7	25.2	16.5	14.3	16.1	17.0	1.4	1.7	3.3
Tata Motors	218	Neutral	195	-30.1	18.0	4.8	3.8	-3.1	6.2	0.1	0.1	-27.2
Ashok Leyland	94	Buy	113	13.6	12.9	8.1	6.5	26.4	24.1	2.7	2.8	10.6
Eicher Motors	20,978	Buy	23,657	25.8	23.9	20.2	19.1	28.3	25.1	0.5	0.6	4.8
Escorts	770	Neutral	760	14.1	12.8	11.1	9.8	20.0	18.7	0.6	0.6	23.5
<b>Auto Ancillaries</b>												
Bharat Forge	497	Buy	604	20.8	18.2	12.3	10.6	22.0	21.4	1.1	1.3	21.7
Exide Industries	223	Buy	274	25.4	20.9	13.6	11.2	12.5	13.9	1.2	1.4	14.1
Amara Raja Batteries	682	Buy	861	23.8	18.9	12.0	9.5	15.6	17.2	0.6	0.8	14.3
BOSCH	17,818	Neutral	19,556	33.4	29.0	23.2	19.5	15.5	17.4	1.0	1.2	14.3
Endurance Tech	1,166	Buy	1,351	34.1	27.1	15.3	12.5	20.4	22.0	0.5	0.9	21.7
Motherson Sumi	150	Buy	186	28.5	21.6	9.4	7.1	16.7	19.4	0.9	1.2	13.3
CEAT	1,094	Buy	1,313	18.2	13.7	9.4	7.9	9.0	10.9	0.6	0.8	11.8



## Operating metrics

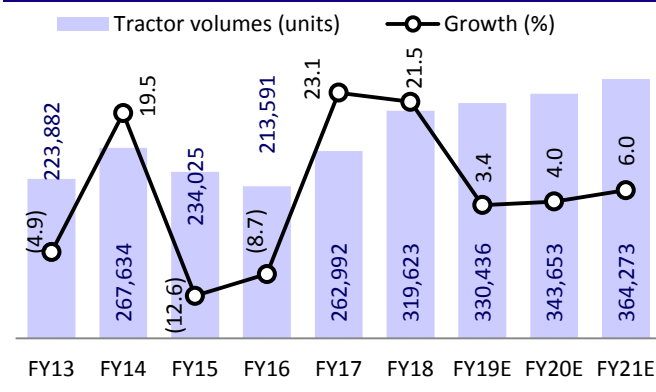
Exhibit 14: Snapshot of Revenue model

000 units	FY14	FY15	FY16	FY17	FY18	FY19E	FY20E	FY22E
<b>Tractors</b>	<b>268</b>	<b>234</b>	<b>214</b>	<b>263</b>	<b>317</b>	<b>330</b>	<b>344</b>	<b>364</b>
Growth (%)	19.5	-12.6	-8.7	23.1	20.7	3.4	4.0	6.0
% of total volumes	34.9	33.5	30.2	34.6	37.0	35.6	34.0	36.4
UVs	428	398	424	437	477	523	585	556
Growth (%)	-8.9	-7.2	6.7	3.1	9.1	9.5	12.0	-5.0
LCVs (MTBL)	8	5	6	8	8	8	10	8
Growth (%)	-31.4	-34.7	20.6	18.7	1.6	8.6	20.0	-20.0
3-Ws	63	57	55	52	55	67	72	72
Growth (%)	-3.4	-10.3	-3.2	-4.9	4.4	22.1	8.0	0.0
Verito	8	2	3	3	3	3	3	3
Growth (%)	-48.0	-80.5	62.5	0.0	0.0	0.0	0.0	0.0
M&HCVs (MTBL)	2	3	6	7	9	11	13	12
Growth (%)	-34.2	-3.9	15.0	0.0	0.0	0.0	0.0	0.0
<b>Total Autos</b>	<b>500</b>	<b>465</b>	<b>494</b>	<b>497</b>	<b>540</b>	<b>598</b>	<b>667</b>	<b>636</b>
Growth (%)	-8.8	-7.0	6.3	0.7	8.5	10.8	11.7	-4.7
% of total volumes	65.1	66.5	69.8	65.4	63.0	64.4	66.0	63.6
<b>Total volumes</b>	<b>767</b>	<b>699</b>	<b>708</b>	<b>760</b>	<b>857</b>	<b>928</b>	<b>1,011</b>	<b>1,000</b>
Growth (%)	-1.2	-10.2	1.3	8.8	12.9	8.1	9.0	-1.1
<b>ASP (INR'000/Unit)</b>	<b>514</b>	<b>542</b>	<b>571</b>	<b>572</b>	<b>560</b>	<b>562</b>	<b>568</b>	<b>602</b>
Growth (%)	1.4	5.5	5.2	0.3	-2.1	0.6	1.0	6.0
<b>Net Sales (INR b)</b>	<b>400</b>	<b>379</b>	<b>404</b>	<b>441</b>	<b>487</b>	<b>529</b>	<b>583</b>	<b>611</b>
Growth (%)	0.2	-5.2	6.6	9.1	10.5	8.7	10.1	4.8

Source: Company, MOFSL

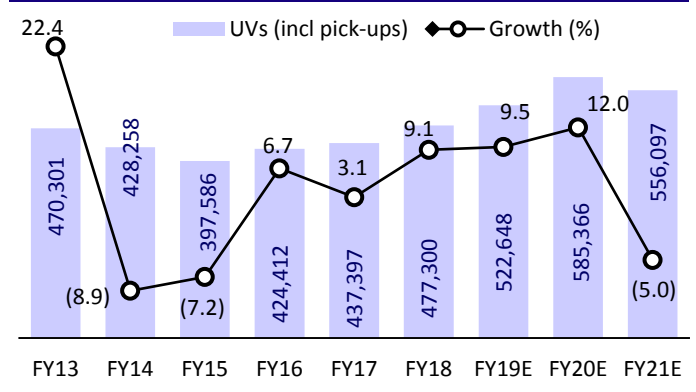
## Story in charts

**Exhibit 15: Trend in tractor volumes**



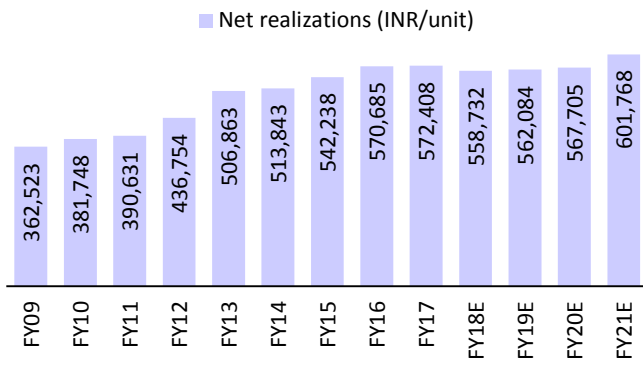
Source: Company, MOFSL

**Exhibit 16: New product launches to drive UV sales**



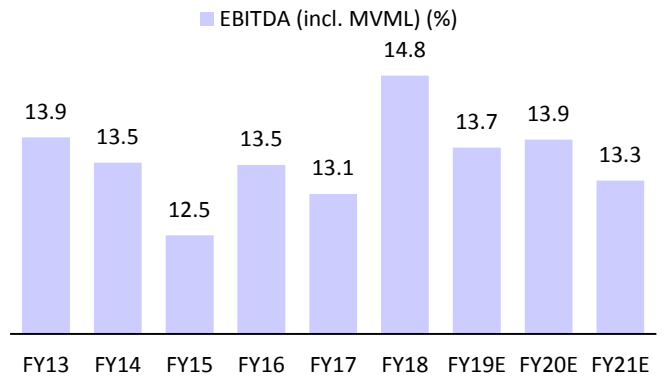
Source: Company, MOFSL

**Exhibit 17: Realization trend**



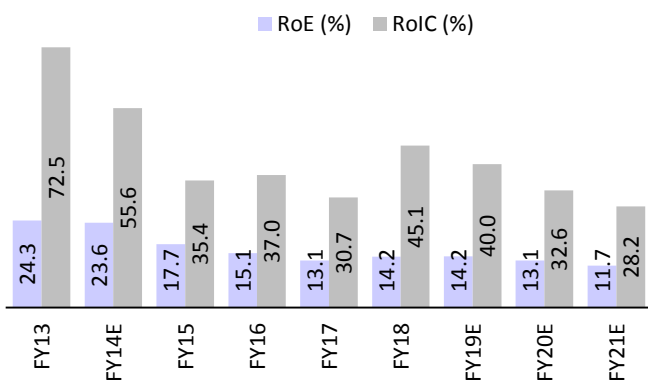
Source: Company, MOFSL

**Exhibit 18: Trend in EBITDA margins**



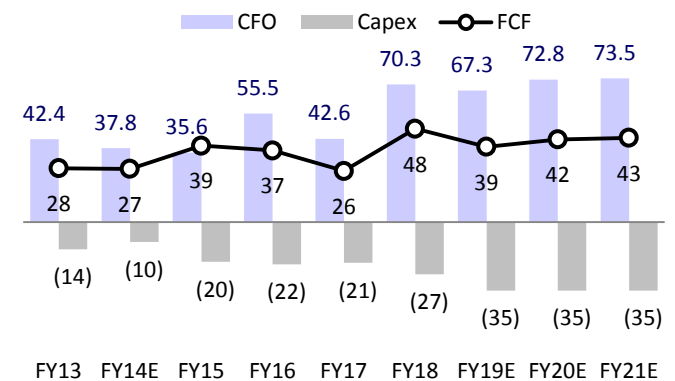
Source: Company, MOFSL

**Exhibit 19: Trend in return profile**



Source: Company, MOFSL

**Exhibit 20: FCF to improve despite high capex plans**



Source: Company, MOFSL



## Financials and Valuations

Income Statement							(INR Million)
Y/E March	2015	2016	2017	2018	2019E	2020E	2021E
<b>Net Op. Income</b>	<b>384,448</b>	<b>408,751</b>	<b>440,535</b>	<b>486,856</b>	<b>529,266</b>	<b>582,759</b>	<b>610,920</b>
Change (%)	-5.1	6.3	7.8	10.5	8.7	10.1	4.8
Total Expenditure	342,714	362,551	395,388	424,615	465,870	511,060	539,136
<b>EBITDA</b>	<b>41,734</b>	<b>46,199</b>	<b>45,147</b>	<b>62,240</b>	<b>63,395</b>	<b>71,699</b>	<b>71,784</b>
Margins (%)	10.9	11.3	10.2	12.8	12.0	12.3	11.8
<b>Margins (% incl MVML)</b>	<b>12.5</b>	<b>13.5</b>	<b>13.1</b>	<b>14.8</b>	<b>13.7</b>	<b>13.9</b>	<b>13.3</b>
Depreciation	9,749	10,681	15,264	14,794	18,308	21,767	25,033
<b>EBIT</b>	<b>31,985</b>	<b>35,518</b>	<b>29,883</b>	<b>47,446</b>	<b>45,087</b>	<b>49,932</b>	<b>46,751</b>
Deferred Revenue Exp.	0	0	0	0	0	0	0
Int. & Finance Charges	2,143	1,861	1,596	1,122	1,146	1,189	1,217
Other Income	9,883	8,499	13,455	10,364	15,483	16,202	17,978
Non-recurring Expense	0	0	0	0	0	0	0
Non-recurring Income	3,357	687	5,485	4,336	750	0	0
<b>Profit before Tax</b>	<b>43,082</b>	<b>42,845</b>	<b>47,226</b>	<b>61,024</b>	<b>60,175</b>	<b>64,945</b>	<b>63,512</b>
Tax	8,478	10,799	10,792	17,464	14,026	18,509	18,101
Eff. Tax Rate (%)	19.7	25.2	22.9	28.6	23.3	28.5	28.5
<b>Profit after Tax</b>	<b>34,604</b>	<b>32,046</b>	<b>36,434</b>	<b>43,560</b>	<b>46,149</b>	<b>46,436</b>	<b>45,411</b>
<b>Adj. Profit after Tax</b>	<b>31,908</b>	<b>31,532</b>	<b>32,203</b>	<b>40,465</b>	<b>45,573</b>	<b>46,436</b>	<b>45,411</b>
Change (%)	(14.1)	(1.2)	2.1	25.7	12.6	1.9	(2.2)
<b>Adj. PAT (incl MVML)</b>	<b>31,595</b>	<b>33,394</b>	<b>35,133</b>	<b>43,202</b>	<b>51,182</b>	<b>49,467</b>	<b>48,399</b>

Balance Sheet							(INR Million)
Y/E March	2015	2016	2017	2018	2019E	2020E	2021E
Share Capital	2,957	2,963	2,968	5,950	5,950	5,950	5,950
Reserves	189,594	221,269	264,888	296,991	331,240	365,776	399,288
<b>Net Worth</b>	<b>192,551</b>	<b>224,232</b>	<b>267,856</b>	<b>302,941</b>	<b>337,190</b>	<b>371,726</b>	<b>405,238</b>
Deferred tax	9,797	-54	2,548	2,772	2,772	2,772	2,772
Loans	46,615	18,436	27,729	28,644	28,644	28,644	28,644
<b>Capital Employed</b>	<b>248,963</b>	<b>242,614</b>	<b>298,134</b>	<b>334,357</b>	<b>368,606</b>	<b>403,142</b>	<b>436,654</b>
Application of Funds							
Gross Fixed Assets	117,385	139,386	154,778	182,295	238,582	273,582	308,582
Less: Depreciation	58,091	63,426	77,068	103,700	122,009	143,775	168,808
<b>Net Fixed Assets</b>	<b>59,295</b>	<b>75,960</b>	<b>77,710</b>	<b>78,594</b>	<b>116,573</b>	<b>129,806</b>	<b>139,773</b>
Capital WIP	21,788	15,622	20,404	31,287	10,000	10,000	10,000
Investments	131,382	135,474	179,084	205,830	206,455	221,455	236,455
<b>Curr.Assets, L &amp; Adv.</b>	<b>116,985</b>	<b>123,286</b>	<b>125,034</b>	<b>158,457</b>	<b>182,816</b>	<b>200,111</b>	<b>214,442</b>
Inventory	24,376	26,879	27,580	27,017	29,001	31,932	33,475
Inventory Days	23	24	23	20	20	20	20
Sundry Debtors	25,580	25,116	29,388	31,730	34,801	38,318	40,170
Debtor Days	25	23	24	24	24	24	24
Cash & Bank Bal.	20,648	22,870	16,875	28,937	47,548	57,295	67,653
Loans & Advances	40,054	17,103	5,406	10,182	10,875	11,975	12,553
Others	6,328	31,317	45,784	60,591	60,591	60,591	60,591
<b>Current Liab. &amp; Prov.</b>	<b>80,486</b>	<b>107,728</b>	<b>104,098</b>	<b>139,811</b>	<b>147,238</b>	<b>158,230</b>	<b>164,017</b>
Sundry Creditors	53,655	66,780	68,811	86,034	94,253	103,779	108,794
Creditor Days	52	60	57	65	65	65	65
Other Liabilities	6,143	30,300	21,388	38,485	38,485	38,485	38,485
Provisions	20,688	10,648	13,899	15,292	14,500	15,966	16,738
<b>Net Current Assets</b>	<b>36,499</b>	<b>15,558</b>	<b>20,935</b>	<b>18,646</b>	<b>35,578</b>	<b>41,881</b>	<b>50,426</b>
<b>Application of Funds</b>	<b>248,963</b>	<b>242,614</b>	<b>298,134</b>	<b>334,357</b>	<b>368,606</b>	<b>403,142</b>	<b>436,654</b>

E: MOSL Estimates

## Financials and Valuations

<b>Ratios</b>							
<b>Y/E March</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
<b>Basic (INR)</b>							
Fully diluted EPS	27.0	26.6	27.1	34.0	38.3	39.0	38.2
FD EPS (incl MVML)	26.7	28.2	29.6	36.3	43.0	41.6	40.7
Consolidated EPS	24.2	26.3	27.4	41.0	40.6	44.1	44.4
Cash EPS	35.2	35.6	40.0	46.4	53.7	57.3	59.2
Book Value per Share	162.8	189.2	225.6	254.6	283.4	312.4	340.6
DPS	6.0	6.0	6.5	10.0	10.0	10.0	10.0
Payout (Incl. Div. Tax) %	24.5	26.3	12.3	31.7	30.0	29.8	30.4
<b>Valuation (x)</b>							
P/E	25.2	23.9	22.7	18.5	15.6	16.2	16.5
Consolidated P/E	27.8	25.6	24.5	16.4	16.5	15.2	15.1
Cash P/E	19.1	18.9	16.8	14.5	12.5	11.7	11.4
EV/EBITDA	9.6	8.0	8.3	12.2	11.9	10.4	10.2
EV/Sales	1.1	0.9	0.8	1.6	1.4	1.3	1.2
Price to Book Value	4.1	3.6	3.0	2.6	2.4	2.2	2.0
Dividend Yield (%)	0.9	0.9	1.0	1.5	1.5	1.5	1.5
<b>Profitability Ratios (%)</b>							
RoE	17.7	15.1	13.1	14.2	14.2	13.1	11.7
RoCE	14.2	13.4	12.4	13.0	13.2	12.3	11.0
ROIC	35.4	37.0	30.7	45.1	40.0	32.6	28.2
<b>Turnover Ratios</b>							
Debtors (Days)	25	23	24	24	24	24	24
Inventory (Days)	23	24	23	20	20	20	20
Creditors (Days)	52	60	57	65	65	65	65
Working Capital (Days)	35	14	17	14	25	26	30
Asset Turnover (x)	1.5	1.7	1.5	1.5	1.4	1.4	1.4
<b>Leverage Ratio</b>							
Debt/Equity (x)	0.2	0.1	0.1	0.1	0.1	0.1	0.1

<b>Cash Flow Statement</b>							
<b>(INR Million)</b>							
<b>Y/E March</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>
OP/(Loss) before Tax	38,332	41,612	41,742	56,688	45,087	49,932	46,751
Int./Dividends Received	-3,723	-3,027	-9,800	-8,084	15,483	16,202	17,978
Depreciation & Amort.	-9,749	11,086	15,264	14,794	18,308	21,767	25,033
Direct Taxes Paid	-8,468	-9,279	-9,929	-12,887	-14,026	-18,509	-18,101
(Inc)/Dec in Wkg. Capital	15,802	14,393	-508	17,803	1,678	3,444	1,813
Other Items			332	1,957			
<b>CF from Oper. Activity</b>	<b>32,195</b>	<b>54,785</b>	<b>37,100</b>	<b>70,271</b>	<b>66,531</b>	<b>72,835</b>	<b>73,475</b>
Extra-ordinary Items	3,357	687	5,485	0	750	0	0
<b>CF after EO Items</b>	<b>35,552</b>	<b>55,473</b>	<b>42,585</b>	<b>70,271</b>	<b>67,281</b>	<b>72,835</b>	<b>73,475</b>
(Inc)/Dec in FA+CWIP	-20,226	-21,597	-20,743	-26,688	-35,000	-35,000	-35,000
<b>Free Cash Flow</b>	<b>11,969</b>	<b>33,189</b>	<b>16,358</b>	<b>43,583</b>	<b>31,531</b>	<b>37,835</b>	<b>38,475</b>
(Pur)/Sale of Invest.	-4,005	-13,865	-7,076	-24,416	-625	-15,000	-15,000
<b>CF from Inv. Activity</b>	<b>-24,231</b>	<b>-35,461</b>	<b>-27,818</b>	<b>-51,104</b>	<b>-35,625</b>	<b>-50,000</b>	<b>-50,000</b>
Change in Net Worth	26	0	0	0	1,928	1,928	1,928
Interest Paid	-2,419	-2,110	-1,482	-1,695	-1,146	-1,189	-1,217
Dividends Paid	-9,609	-8,461	-8,391	-9,230	-11,899	-12,067	-12,067
<b>CF from Fin. Activity</b>	<b>-15,848</b>	<b>-20,071</b>	<b>-11,615</b>	<b>-10,333</b>	<b>-11,117</b>	<b>-11,328</b>	<b>-11,357</b>
<b>Inc/(Dec) in Cash</b>	<b>-7,884</b>	<b>-747</b>	<b>-2,333</b>	<b>8,834</b>	<b>19,788</b>	<b>11,507</b>	<b>12,117</b>
Add: Beginning Balance	29,504	20,648	22,870	16,875	28,937	47,548	57,295
<b>Closing Balance</b>	<b>21,788</b>	<b>20,069</b>	<b>20,705</b>	<b>25,876</b>	<b>48,726</b>	<b>59,223</b>	<b>69,581</b>

E: MOFSL Estimates

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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