

# Glenmark Pharma

 BSE SENSEX  
 37,312

 S&P CNX  
 11,029

**CMP: INR384**
**TP: INR400 (+4%)**
**Neutral**

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Bloomberg	GNP IN
Equity Shares (m)	282
M.Cap.(INRb)/(USD\$b)	108.3 / 1.5
52-Week Range (INR)	712 / 380
1, 6, 12 Rel. Per (%)	-10/-37/-33
12M Avg Val (INR M)	572
Free float (%)	53.4

### Financials & Valuations (INR b)

Y/E Mar	FY19	FY20E	FY21E
Net Sales	97.1	103.1	112.4
EBITDA	14.5	15.1	17.0
PAT	7.3	6.8	8.3
EPS (INR)	25.9	24.1	29.5
Gr. (%)	-9.0	-7.0	22.3
BV/Sh (INR)	198.6	218.5	244.4
RoE (%)	13.6	11.6	12.7
RoCE (%)	11.6	11.4	12.8
P/E (x)	14.8	15.9	13.0
P/BV (x)	1.9	1.8	1.6

Estimate change



TP change



Rating change



## Miss on all fronts led by muted US/ROW sales & higher interest/tax rate

- India/Europe/API drive revenue growth:** 1QFY20 revenues grew 7.3% YoY to INR22.8b (v/s est. INR25.9b), led by healthy growth in (a) Domestic Formulation (33% of sales), up 13.4% YoY to INR7.5b, (b) Europe business (11% of sales), up 10.5% YoY to INR2.4b, and (3) the API business (10% of sales), up ~10% YoY to INR2.3b. US business (32% of sales) grew at a subdued rate of 4% YoY to INR7.3b, (USD105m, flat on constant currency basis). RoW also grew moderately at 5.4% YoY to INR2.6b. Overall, revenue growth was impacted by 17% YoY decline in the LATAM business to INR811m.
- EBITDA margin stable YoY; Higher interest/Tax rate leads PAT decline:** Gross margin at 64.5% remained flat YoY. Sequentially, GM contracted 140bp. Adj. for INR250m forex cost, EBITDA margin contracted 30bp YoY to 14.3% (v/s est. 15.5%) due to higher other expenses (+150bp YoY as % of sales). EBITDA at INR3.3b (v/s est. INR4b) grew marginally by 5.5%. Adj. PAT at INR1.3b (v/s est. INR2.1b) declined 12.4% YoY on higher depreciation, interest cost and tax rate.
- Concall highlights:** (1) While there exist few niche opportunities in the near term, GNP has guided for 5-10% YoY growth in US generics, considering price erosion in the base business. (2) GNP has maintained overall revenue growth guidance of 10-15% despite moderate revenue growth in 1QFY20. (3) R&D spend was INR3b (13% of sales) for 1QFY20. (4) GNP had gross debt/net debt of INR46b/INR35b at end-1QFY20. (5) GNP has guided for total capex of INR7b, with INR4b for tangibles and INR3b for intangibles.
- Valuation view:** We cut our EPS estimates for FY20/FY21 by 16%/15% to INR24/INR29 to factor in the subdued outlook for US generics and moderate growth in ROW/LATAM business. We reduce P/E multiple to 13x (prior: 15x) given the growth challenges in the US generics market and arrive at price target of INR400/share on 12M forward earnings. On limited upside from current levels, we maintain **Neutral** on the stock.

### Quarterly performance (Consolidated)

Y/E March	FY19				FY20E				FY19	FY20E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			Estimate	% Var
Net Revenues (Core)	21,294	25,399	25,098	25,261	22,836	25,913	26,334	28,035	97,051	1,03,118	25,926	-11.9
YoY Change (%)	-8.6	14.2	15.6	12.4	7.2	2.0	4.9	11.0	8.2	6.3	21.8	
EBITDA	3,106	3,986	3,894	3,517	3,276	3,783	3,897	4,105	14,504	15,062	4,019	-18.5
Margins (%)	14.6	15.7	15.5	13.9	14.3	14.6	14.8	14.6	14.9	14.6	15.5	
Depreciation	794	825	831	810	907	910	915	929	3,259	3,661	850	
Interest	790	851	885	819	930	935	940	967	3,346	3,772	825	
Other Income	495	563	663	384	409	435	450	406	2,105	1,700	410	
PBT before EO Expense	2,017	2,874	2,840	2,272	1,848	2,373	2,492	2,615	10,004	9,329	2,754	-32.9
Extra-Ord Expense/(Income)	-1,250	-2,922	1,300	-130	250	0	0	0	-3,002	250	0	
PBT after EO Expense	3,267	5,796	1,540	2,402	1,598	2,373	2,492	2,615	13,006	9,079	2,754	-42.0
Tax	937	1,656	377	786	506	665	648	633	3,756	2,451	688	
Rate (%)	28.7	28.6	24.5	32.7	31.6	28.0	26.0	24.2	28.9	27.0	25.0	
Reported PAT	2,330	4,140	1,163	1,616	1,093	1,709	1,844	1,982	9,250	6,628	2,065	-47.1
Adj PAT (excl one-offs)	1,442	2,065	2,145	1,659	1,264	1,709	1,844	1,982	7,312	6,799	2,065	-38.8
YoY Change (%)	-56.7	-3.5	104.8	9.4	-12.4	-17.3	-14.0	19.5	-9.0	-7.0	43.2	
Margins (%)	6.8	8.1	8.5	6.6	5.5	6.6	7.0	7.1	7.5	6.6	8.0	

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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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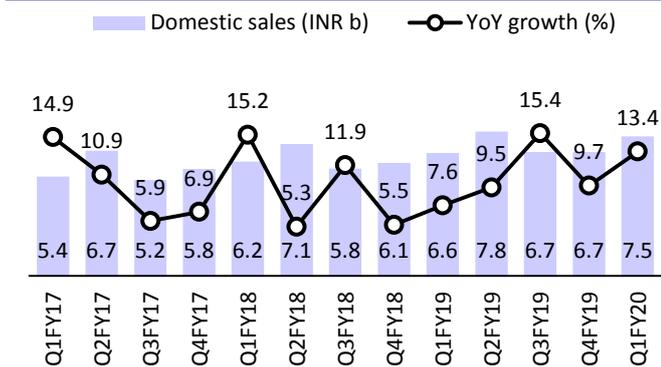
### Other Highlights

- US sales growth was partly impacted by changes in the re-imburement environment and higher patient co-pay for Mupirocin cream. This has resulted in an increase in the number of prescriptions for Mupirocin against Mupirocin cream.
- GNP anticipates two limited competition product approvals in 2QFY20, out of which one is injectable and another is a topical product.)
- The traction has been promising for Remogliflozin in India with INR20m per month in less than two months since launch. GNP expects this to further build up in coming months. GNP is targeting to close one more marketing deal for Remogliflozin in 2QFY20 with various lines
- In 1QFY20, GNP invested USD27m in NewCo innovation business. GNP indicated that NewCo would initiate process of raising capital in the US during 4QFY20 to fund development of its pipeline and future growth plans.
- Sales from the acquired dermatology brands were insignificant during the quarter, as GNP was integrating the acquisition. The company expects to garner higher sales from this portfolio starting 1QFY20.
- **On innovation assets:**
  - GBR 310: Post positive phase I study result, GNP is in active discussion with potential partners to conclude a deal before initiating phase III studies.
  - GBR 39815, NCE, is being evaluated as an inhaled compound for COPD. GNP plans to initiate phase I in FY20.
  - GBR 830: Phase 2b study has been initiated with 225 patients enrolled for the study. GNP would be enrolling 312 patients in total for this study. Top-line results of Phase 2b study would be available in 1HCY20.
  - GBR 1302: GNP plans to initiate phase 1 study to evaluate a weekly dosing regimen in 2HCY19.
- **GNP re-iterated following objectives for FY20:**
  - Target revenue growth in the range of 10-15%.
  - Manpower cost as % of sales to trend lower v/s FY18-19.
  - To conclude at least one partnership on innovative/specialty assets.
  - Total R&D expenditure to be lower in absolute value v/s FY19.
  - Bring in a minority investor into Glenmark Life Sciences.
  - Divest other non-core global assets.

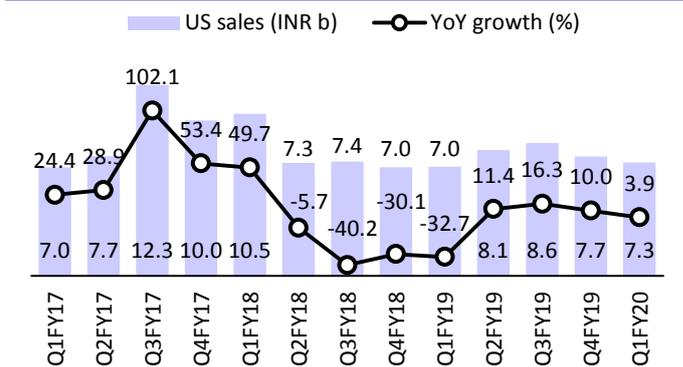
### India – Cardiac/Respiratory/consumer care drive growth

India revenue (33% of sales) was up 13.4% YoY at INR7.5b. The consumer care segment grew at healthy rate of ~27% YoY during the quarter to INR556m, with its top brands – Candid Powder and Vwash Plus witnessing strong growth, and GNP launching new products under these brands.

Secondary sales grew 12% YoY beating market growth of 10%, according to AIOCD data. Growth was largely driven by cardiac and respiratory therapies. The market share for cardiac increased from 4.3% to 4.6%, while it was stable for Respiratory at 4.8%.

**Exhibit 1: Domestic business grew 13.4% YoY**

Source: MOFSL, Company

**Exhibit 2: US sales grew 3.9% YoY**

Source: MOFSL, Company

**High base of Mupirocin/price erosion in base business affects US growth**

US sales (32% of sales) were marginally up 3.9% YoY at INR7.3b. In constant currency, sales were largely flat YoY at USD105m. While supplies of Mupirocin cream has normalized, product sales have been impacted due to changes in the reimbursement environment dragging growth. GNP launched Solifenacin Succinate Tablets this quarter. In 2QFY20, two niche product (injectable product and a topical product) approvals are expected, which would help US market reach 5-10% revenue growth for FY20 as guided by management.

**Moderate growth in RoW/API/Latam decline affects overall growth**

RoW sales (11% of sales) were up at moderate rate of 5.4% YoY at INR2.6b.

Within RoW:

- Russia growth rate of 7.2% outperformed overall retail market growth of 3.8% as per IQVIA data. Particularly, in dermatology, company grew 5.1% against market growth of 2.1%. Respiratory segment of GNP in Russia strengthened on the back of launch of Momate Rhino OTC product.
- (b) In CIS market, Ukraine secondary sales grew 44% YoY of which volume growth of 34.4% defeat market growth 2.2%.
- Despite strong double digit secondary sales growth in Philippines, Asia region performance fell by 3% due to weak performance in Malaysia, Sri Lanka and Myanmar.
- Africa segment grew moderately backed by new product launches in Kenya and Egypt market.

API business (10% of sales) sales grew 10% YoY to INR2.3b.

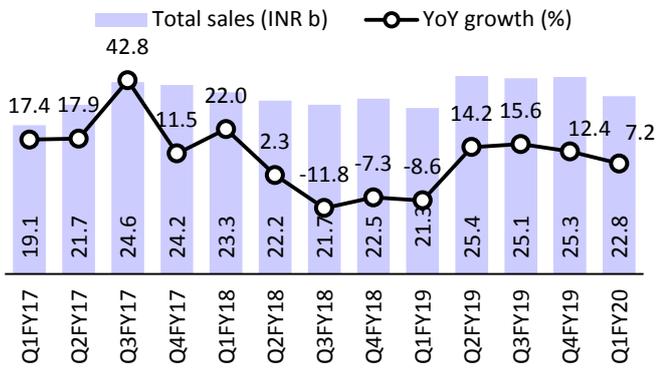
Latam Business declined ~17% YoY to INR811m. This is expected to pick up going forward as GNP signed an exclusive partnership agreement with Novartis AG, for three of its respiratory products. Based on this agreement, Novartis will be responsible for manufacturing and supply and GNP will be responsible for exclusively promoting, commercializing and distributing of these products in Brazil.

**Better reach in Western Europe drives overall Europe sales**

Europe sales (11% of sales) were up 10.5% YoY at INR2.4b. While the western European market expanded due to increased penetration in UK, Germany, Spain and NL, the Nordic part of Europe is facing challenges in terms of growth. Two in-licensing agreements were also signed in 1Q and multiple new products were launched across the region.

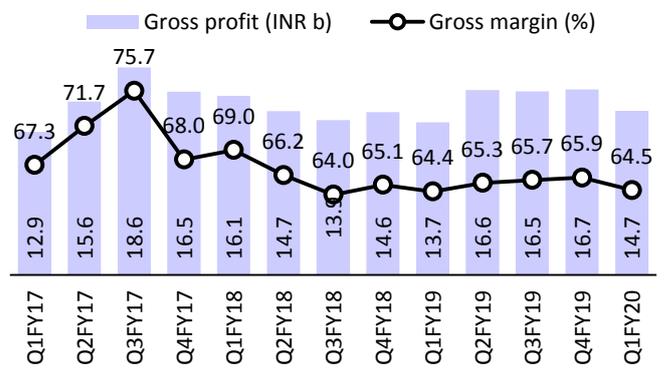
## Quarterly Snapshot

**Exhibit 3: Growth led by Domestic and Europe business**



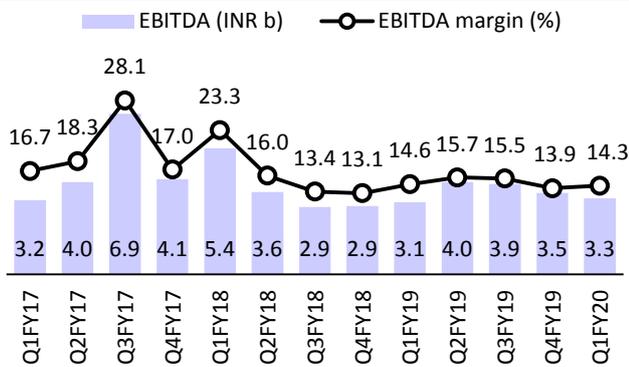
Source: Company, MOFSL

**Exhibit 4: Gross margin contracts ~140bp QoQ, flat YoY**



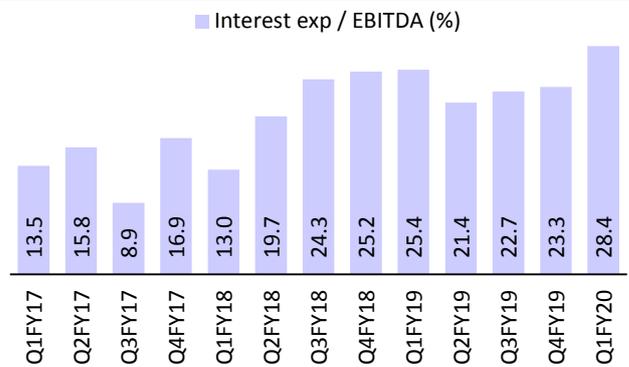
Source: Company, MOFSL

**Exhibit 5: EBITDA margin contracted 30bp YoY**



Source: Company, MOFSL

**Exhibit 6: Interest exp as % of EBITDA was up 300bp YoY**



Source: Company, MOFSL

## Operating metrics

Exhibit 7: Key operating metrics (%)

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20
<b>Rev. Mix</b>													
India	27.2	30.3	20.8	23.7	26.1	31.9	26.5	27.0	31.0	31.1	26.4	26.6	32.8
US	35.5	34.7	49.6	41.2	44.2	32.6	33.7	31.0	32.9	32.4	33.9	30.7	31.8
Europe	7.6	6.1	7.9	9.5	6.9	9.0	10.3	14.1	10.3	10.4	12.7	12.7	10.6
LatAm	7.9	6.0	3.8	5.5	3.6	4.7	4.1	5.7	4.6	3.9	4.0	4.8	3.5
SRM	9.9	11.4	10.1	11.9	9.6	11.3	14.8	13.2	11.5	12.2	13.5	15.3	11.3
API	10.0	10.0	7.7	8.2	8.7	10.6	10.6	9.1	9.8	10.0	9.5	9.9	10.0
<b>Revenue Gr.</b>	<b>19.5</b>	<b>16.5</b>	<b>39.5</b>	<b>5.3</b>	<b>20.0</b>	<b>0.3</b>	<b>(12.0)</b>	<b>(7.1)</b>	<b>(9.4)</b>	<b>12.2</b>	<b>15.7</b>	<b>11.2</b>	<b>7.3</b>
India	14.9	10.9	5.9	6.9	15.2	5.3	11.9	5.5	7.6	9.5	15.4	9.7	13.4
US	24.4	28.9	102.1	53.4	49.7	(5.7)	(40.2)	(30.1)	(32.7)	11.4	16.3	10.0	3.9
Europe	36.5	(16.0)	11.0	(15.1)	8.1	48.5	14.8	38.8	35.6	30.4	43.2	(0.2)	10.5
LatAm	(28.8)	(19.2)	(23.5)	(44.5)	(45.7)	(21.7)	(5.1)	(4.8)	15.5	(5.9)	12.9	(5.7)	(16.9)
SRM	23.4	20.4	6.2	(3.1)	16.2	(0.7)	28.3	3.3	8.4	21.0	5.6	29.1	5.4
API	74.7	54.5	32.5	(34.5)	(3.0)	(7.4)	20.6	2.6	(8.1)	6.2	3.3	21.4	9.8
<b>Cost on sales</b>													
Raw material	32.7	28.3	24.3	32.0	31.0	33.8	36.0	34.9	35.6	34.7	34.3	34.1	35.5
Staff cost	19.5	22.2	16.3	15.9	16.5	25.1	21.5	20.7	21.3	23.9	20.0	19.6	21.3
Other expenses	31.1	31.2	31.2	20.6	18.2	13.3	16.9	19.3	17.0	13.8	16.3	16.6	15.9
Tax Rate	34.8	28.5	27.2	(6.2)	24.9	21.6	31.8	39.0	28.7	28.6	24.5	32.7	31.6
<b>Margins</b>													
<b>Gross Margins</b>	<b>67.3</b>	<b>71.7</b>	<b>75.7</b>	<b>68.0</b>	<b>69.0</b>	<b>66.2</b>	<b>64.0</b>	<b>65.1</b>	<b>64.4</b>	<b>65.3</b>	<b>65.7</b>	<b>65.9</b>	<b>64.5</b>
EBITDA Margins	16.7	18.3	28.1	17.0	23.3	16.0	13.4	13.1	14.6	15.7	15.5	13.9	14.3
EBIT Margins	13.4	14.8	25.6	14.1	20.0	12.6	9.9	9.8	10.9	12.4	12.2	10.7	10.4
PAT margins	11.9	10.1	19.4	7.6	14.3	9.6	4.8	6.7	10.9	16.3	8.5	6.4	5.5

Source: Company; MOFSL

### Valuation and view

- Maintain Neutral:** We cut our EPS estimate for FY20/21 by 16%/15% to INR24/INR29 to factor subdued outlook for US generics business and moderate growth in ROW/LATAM business. We reduce PE multiple to 13x (prior: 15x) to factor growth challenges in US generics market and arrive at price target of INR400 on 12M forward earnings basis. On limited upside from current levels, we maintain Neutral on the stock.

Exhibit 8: P/E multiple (over 10-year)

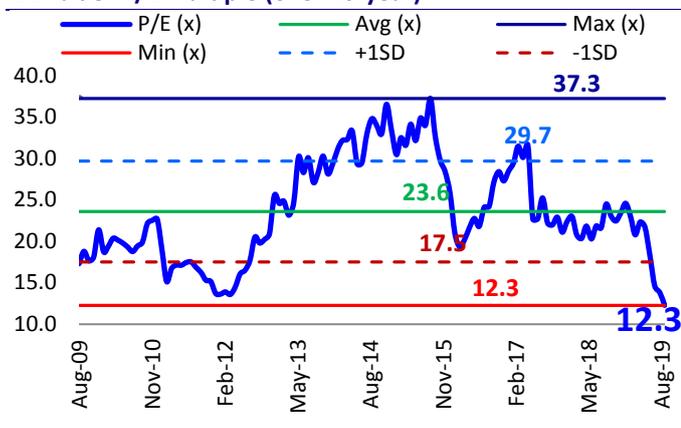
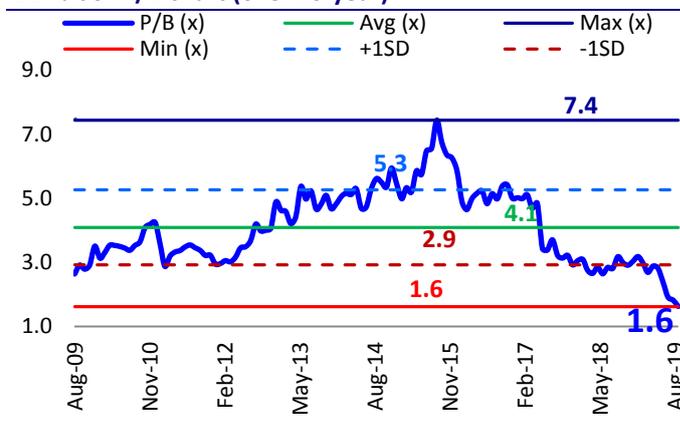
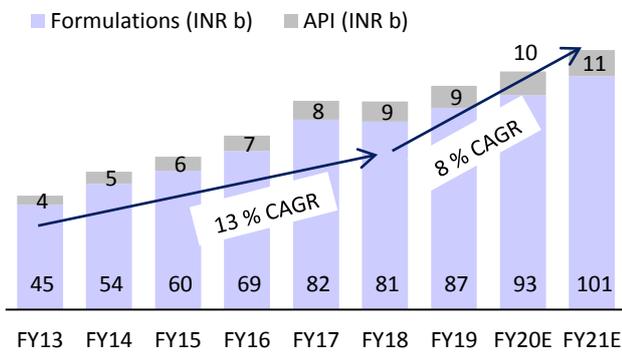


Exhibit 9: P/B chart (over 10-year)



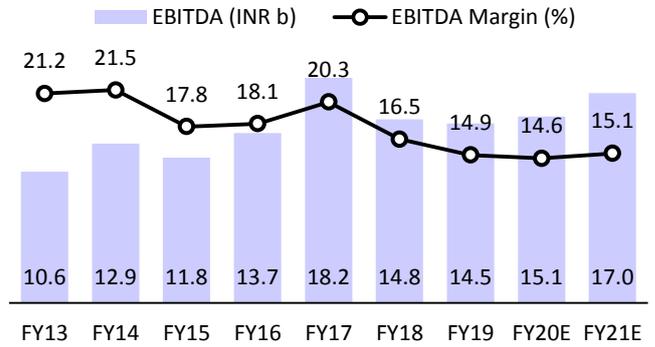
## Story in charts

**Exhibit 10: Expect sales CAGR of 8% over FY19-21**



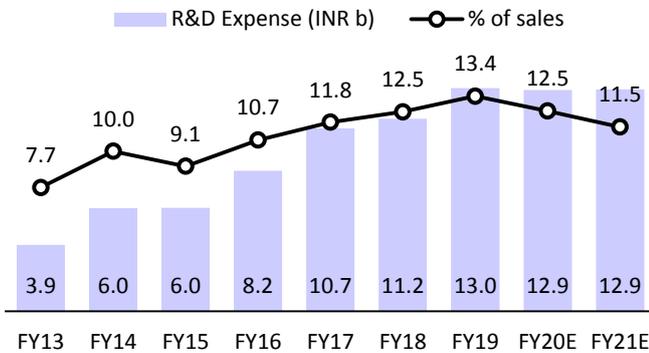
Source: Company, MOFSL

**Exhibit 11: Margins to improve gradually**

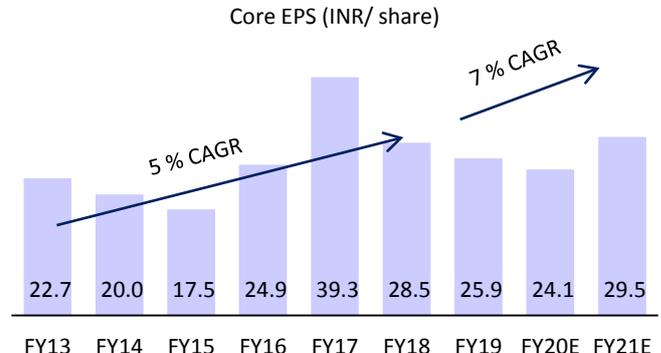


Source: Company, MOFSL

**Exhibit 12: R&D spend to be stable over FY19-21**

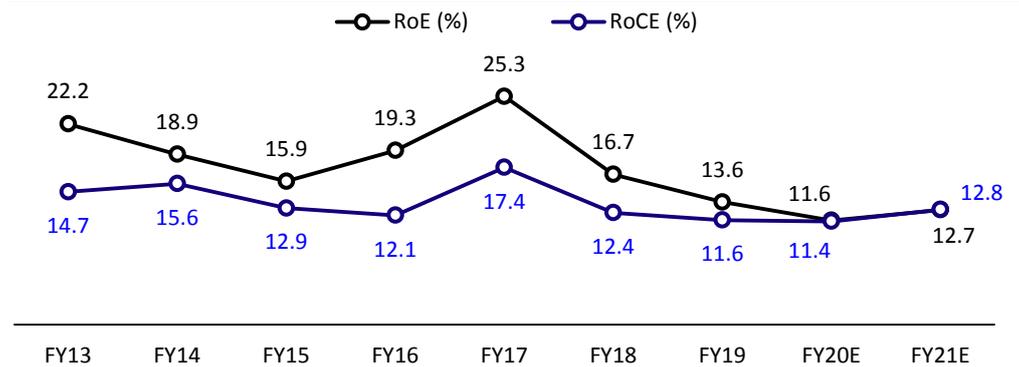


**Exhibit 13: Expect EPS CAGR of ~7% over FY19-21**



Source: Company, MOFSL

**Exhibit 14: Return ratios to see an uptrend**



Source: Company, MOFSL

## Financials and Valuations

Income Statement							(INR Million)	
Y/E March	2014	2015	2016	2017	2018	2019	2020E	2021E
<b>Net Sales</b>	<b>59,839</b>	<b>65,953</b>	<b>75,909</b>	<b>89,701</b>	<b>89,722</b>	<b>97,051</b>	<b>1,03,118</b>	<b>1,12,372</b>
Change (%)	19.4	10.2	15.1	18.2	0.0	8.2	6.3	9.0
<b>EBITDA</b>	<b>12,870</b>	<b>11,751</b>	<b>13,741</b>	<b>18,211</b>	<b>14,845</b>	<b>14,504</b>	<b>15,062</b>	<b>16,971</b>
Margin (%)	21.5	17.8	18.1	20.3	16.5	14.9	14.6	15.1
Depreciation	2,168	2,600	2,691	2,644	3,019	3,259	3,661	3,938
<b>EBIT</b>	<b>10,702</b>	<b>9,151</b>	<b>11,050</b>	<b>15,567</b>	<b>11,827</b>	<b>11,245</b>	<b>11,401</b>	<b>13,033</b>
Interest	1,886	1,902	1,789	2,373	2,856	3,346	3,772	3,449
OI & forex gains/losses	328	564	787	2,530	2,222	2,105	1,450	1,725
<b>PBT before EO Expense</b>	<b>9,144</b>	<b>7,814</b>	<b>10,047</b>	<b>15,724</b>	<b>11,193</b>	<b>10,004</b>	<b>9,079</b>	<b>11,309</b>
Change (%)	24.6	-14.5	28.6	56.5	-28.8	-10.6	-9.2	24.6
Extra Ordinary Expense	2,175	1,871	0	809	0	-3,002	0	0
<b>PBT after EO Exp.</b>	<b>6,969</b>	<b>5,943</b>	<b>10,047</b>	<b>14,914</b>	<b>11,193</b>	<b>13,006</b>	<b>9,079</b>	<b>11,309</b>
Tax	1,513	1,190	3,028	3,827	3,155	3,756	2,451	2,997
Tax Rate (%)	21.7	20.0	30.1	25.7	28.2	28.9	27.0	26.5
<b>Reported PAT</b>	<b>5,456</b>	<b>4,752</b>	<b>7,019</b>	<b>11,088</b>	<b>8,039</b>	<b>9,250</b>	<b>6,628</b>	<b>8,312</b>
<b>Adj PAT</b>	<b>5,423</b>	<b>4,753</b>	<b>7,019</b>	<b>11,088</b>	<b>8,039</b>	<b>7,312</b>	<b>6,799</b>	<b>8,312</b>
Change (%)	-11.8	-12.3	47.7	58.0	-27.5	-9.0	-7.0	22.3
Margin (%)	9.1	7.2	9.2	12.4	9.0	7.5	6.6	7.4

Balance Sheet							(INR Million)	
Y/E March	2014	2015	2016	2017	2018	2019	2020E	2021E
Equity Share Capital	271	271	282	282	282	282	282	282
Reserves	29,562	29,732	42,420	44,643	51,353	55,770	61,378	68,672
<b>Net Worth</b>	<b>29,833</b>	<b>30,003</b>	<b>42,702</b>	<b>44,925</b>	<b>51,635</b>	<b>56,052</b>	<b>61,661</b>	<b>68,954</b>
Minority Interest	133	-2	-3	-3	-4	-4	-4	-4
Loans	33,191	39,219	40,651	47,965	44,368	38,768	35,194	31,978
Deferred liabilities	-5142	-6933	-9073	-12856	-13203	-13830	-13830	-13830
<b>Capital Employed</b>	<b>58,015</b>	<b>62,287</b>	<b>74,277</b>	<b>80,032</b>	<b>82,797</b>	<b>80,986</b>	<b>83,021</b>	<b>87,098</b>
Gross Block	38,408	42,674	51,535	42,790	49,054	59,080	66,080	72,080
Less: Accum. Deprn.	7,430	9,312	11,810	14,454	17,473	20,732	24,393	28,330
<b>Net Fixed Assets</b>	<b>30,181</b>	<b>33,362</b>	<b>39,725</b>	<b>28,337</b>	<b>31,581</b>	<b>38,348</b>	<b>41,687</b>	<b>43,750</b>
Capital WIP	798	0	0	6,296	9,933	12,344	12,344	12,344
Investments	331	365	350	157	147	297	297	297
Intangibles (net)	12,729	12,135	14,452	10,500	12,623	17,370	17,370	17,370
<b>Curr. Assets</b>	<b>47,814</b>	<b>53,418</b>	<b>59,212</b>	<b>69,738</b>	<b>71,090</b>	<b>68,070</b>	<b>65,313</b>	<b>70,445</b>
Inventory	9,329	12,690	15,678	21,391	20,306	22,521	23,929	26,076
Account Receivables	21,563	25,118	24,926	24,043	23,318	21,946	23,318	25,410
Cash and Bank Balance	7,948	7,637	8,571	10,565	12,347	9,378	2,952	2,487
Others	8,974	7,973	10,037	13,740	15,120	14,226	15,115	16,471
<b>Curr. Liability &amp; Prov.</b>	<b>21,109</b>	<b>24,857</b>	<b>25,010</b>	<b>24,496</b>	<b>29,954</b>	<b>38,072</b>	<b>36,619</b>	<b>39,736</b>
Account Payables	17,540	23,345	23,644	23,726	25,914	33,689	33,619	36,636
Provisions	3,569	1,513	1,365	770	4,040	4,384	3,000	3,100
<b>Net Current Assets</b>	<b>26,705</b>	<b>28,561</b>	<b>34,203</b>	<b>45,243</b>	<b>41,136</b>	<b>29,998</b>	<b>28,694</b>	<b>30,708</b>
<b>Appl. of Funds</b>	<b>58,015</b>	<b>62,287</b>	<b>74,277</b>	<b>80,032</b>	<b>82,797</b>	<b>80,986</b>	<b>83,021</b>	<b>87,098</b>

## Financials and Valuations

### Ratios

Y/E March	2014	2015	2016	2017	2018	2019	2020E	2021E
<b>EPS (Fully diluted)</b>	<b>20.0</b>	<b>17.5</b>	<b>24.9</b>	<b>39.3</b>	<b>28.5</b>	<b>25.9</b>	<b>24.1</b>	<b>29.5</b>
Cash EPS	28.0	27.1	34.4	48.7	39.2	37.5	37.1	43.4
BV/Share	110.0	110.6	151.3	159.2	183.0	198.6	218.5	244.4
DPS	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Payout (%)	11.6	13.8	10.0	9.2	12.7	11.0	15.4	12.3
<b>Valuation (x)</b>								
P/E (Fully diluted)	19.2	21.9	15.4	9.8	13.5	14.8	15.9	13.0
PEG (x)	-1.6	-1.8	0.3	0.2	-0.5	-1.6	-2.3	0.6
Cash P/E	13.7	14.2	11.2	7.9	9.8	10.2	10.4	8.8
P/BV	3.5	3.5	2.5	2.4	2.1	1.9	1.8	1.6
EV/Sales	2.2	2.1	1.9	1.6	1.6	1.4	1.4	1.2
EV/EBITDA	10.4	11.9	10.2	8.0	9.5	9.5	9.3	8.1
Dividend Yield (%)	0.5	0.5	0.5	0.8	0.8	0.8	0.8	0.8
<b>Return Ratios (%)</b>								
RoE	18.9	15.9	19.3	25.3	16.7	13.6	11.6	12.7
RoCE	15.6	12.9	12.1	17.4	12.4	11.6	11.4	12.8
RoIC	18.8	13.7	13.6	20.0	16.4	17.3	16.1	15.5
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.1	2.1	2.1	2.6	3.0	2.8	2.6	2.6
Debtor (Days)	132	139	120	98	95	83	83	83
Inventory (Days)	57	70	75	87	83	85	85	85
Working Capital (Days)	114	116	123	141	117	78	91	92
<b>Leverage Ratio (x)</b>								
Current Ratio	2.3	2.1	2.4	2.8	2.4	1.8	1.8	1.8
Debt/Equity	1.1	1.3	1.0	1.1	0.9	0.7	0.6	0.5

### Cash Flow Statement

(INR Million)

Y/E March	2014	2015	2016	2017	2018	2019	2020E	2021E
Op. Profit/(Loss) before Tax	12,870	11,751	13,741	18,211	14,845	14,504	15,062	16,971
Interest/Dividends Recd.	328	564	787	2,530	2,222	2,105	1,450	1,725
Direct Taxes Paid	-2,852	-2,981	-5,169	-7,610	-3,501	-4,383	-2,451	-2,997
(Inc)/Dec in WC	-885	-2,166	-4,708	-9,046	5,889	8,169	-5,122	-2,479
<b>CF from Operations</b>	<b>9,461</b>	<b>7,168</b>	<b>4,651</b>	<b>4,085</b>	<b>19,455</b>	<b>20,395</b>	<b>8,939</b>	<b>13,219</b>
EO Expense	2,175	1,871	0	809	0	-3,002	0	0
<b>CF frm Op.incl EO Exp.</b>	<b>7,286</b>	<b>5,297</b>	<b>4,651</b>	<b>3,275</b>	<b>19,455</b>	<b>23,396</b>	<b>8,939</b>	<b>13,219</b>
(Inc)/Dec in FA	-4,824	-4,983	-9,055	2,449	-9,901	-12,437	-7,000	-6,000
<b>Free Cash Flow</b>	<b>2,462</b>	<b>314</b>	<b>-4,404</b>	<b>5,724</b>	<b>9,554</b>	<b>10,960</b>	<b>1,939</b>	<b>7,219</b>
(Pur)/Sale of Investments	-7	-34	15	193	10	-150	0	0
<b>CF from Investments</b>	<b>-4,831</b>	<b>-5,017</b>	<b>-9,040</b>	<b>2,642</b>	<b>-9,891</b>	<b>-12,587</b>	<b>-7,000</b>	<b>-6,000</b>
Change in Networth	-2,619	-3,926	6,382	-7,845	-310	-3,814	0	0
Inc/(Dec) in Debt	4,581	5,893	1,431	7,314	-3,598	-5,601	-3,574	-3,216
Interest Paid	-1,886	-1,902	-1,789	-2,373	-2,856	-3,346	-3,772	-3,449
Dividend Paid	-635	-656	-702	-1,019	-1,019	-1,019	-1,019	-1,019
<b>CF from Fin. Activity</b>	<b>-559</b>	<b>-591</b>	<b>5,323</b>	<b>-3,923</b>	<b>-7,783</b>	<b>-13,779</b>	<b>-8,365</b>	<b>-7,684</b>
<b>Inc/Dec of Cash</b>	<b>1,896</b>	<b>-311</b>	<b>934</b>	<b>1,994</b>	<b>1,782</b>	<b>-2,969</b>	<b>-6,426</b>	<b>-465</b>
Add: Beginning Balance	6,052	7,948	7,637	8,571	10,565	12,347	9,378	2,952
<b>Closing Balance</b>	<b>7,948</b>	<b>7,637</b>	<b>8,571</b>	<b>10,565</b>	<b>12,347</b>	<b>9,378</b>	<b>2,952</b>	<b>2,487</b>

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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