

Estimate change

TP change

Rating change



Bloomberg	LPC IN
Equity Shares (m)	452
M.Cap.(INRb)/(USDb)	326.3 / 4.6
52-Week Range (INR)	882 / 646
1, 6, 12 Rel. Per (%)	-6/-15/-26
12M Avg Val (INR M)	1304

#### Financials & Valuations (INR b)

Y/E MARCH	2020	2021E	2022E
Sales	153.7	167.8	188.2
EBITDA	23.5	28.5	35.4
Adj. PAT	9.0	13.3	18.3
EBIT Margin (%)	9.0	11.2	13.5
Cons. Adj. EPS (INR)	19.8	29.5	40.5
EPS Gr. (%)	-11.4	48.7	37.1
BV/Sh. (INR)	276.7	296.8	326.9

#### Ratios

Net D:E	0.0	0.1	0.1
RoE (%)	6.8	10.3	13.0
RoCE (%)	4.8	8.9	11.5
Payout (%)	-119.0	35.7	26.0

#### Valuations

P/E (x)	44.0	29.5	21.5
EV/EBITDA (x)	16.8	14.4	11.4
Div. Yield (%)	1.0	1.0	1.0
FCF Yield (%)	17.7	-2.1	4.0
EV/Sales (x)	2.6	2.5	2.1

#### Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	46.9	46.9	47.0
DII	16.6	14.6	12.2
FII	22.7	24.7	25.9
Others	13.9	13.8	15.0

FII Includes depository receipts

**CMP: INR870**
**TP: INR1,000 (+15%)**
**Buy**
**Operationally weak; Outlook for niche products promising**
**Almost done with resolution of regulatory issues at key sites**

- After three years of earnings decline, we expect Lupin's (LPC) earnings growth to improve over FY20-22E, based on robust ANDA pipeline (including limited competition products like g-Albuterol/g-Fostair) and sustained outperformance in the domestic formulation (DF) market. Accordingly, we expect return ratios to form a trough in FY20, and thereafter, to be on an uptrend. We are yet to see benefit of the cost rationalization exercise implemented by LPC.
- We have cut our EPS estimate by 14.5%/5% for FY21/FY22E to factor in the COVID-19 led slowdown in DF and delay in better operating leverage. We value LPC at 22x 12M forward earnings to arrive at a price target of INR1,000. We remain positive on LPC due to (a) better visibility of approvals/increased market share in niche products, and (b) the company reaching end of remediation measures at its key sites under regulatory issues. Maintain **Buy**.

#### Weak performance for the quarter

- Revenues in 4QFY20 were down 1.1% YoY to INR38.5b (v/s est. INR41.4b), due to decline in US sales, partially offset by growth in the DF business.
- US sales were down 13.5% YoY to USD212m (42% of sales). APAC sales were down 16% YoY to INR1.4b (4% of sales). On the other hand, DF sales (31% of sales) were up 13.3% YoY to INR11.9b. Also, EMEA (Europe, Middle East and Africa) sales were up 7.4% YoY to INR3.5b (9% of sales). API sales increased 12% YoY to INR3.3b (9% of sales).
- Gross margin (GM) declined 610bp YoY to 63.5% led by change in the product mix. EBITDA margin at 13.7%, was down at similar rate of 630bp YoY as higher employee cost (+170bp YoY as % of sales) was partially offset by lower other expenses (-130bp YoY as % of sales). EBITDA came in at INR5.3b (v/s est. INR6.4b), down 33% YoY.
- Lupin had exceptional items, which included (a) profit on divestment of Kyowa Pharma (INR1.2b), (b) impairment of intangible asset (INR95m), and (c) loss on divestment of Kyowa Criticare – INR284m. It also had forex gain of INR1.3b for the quarter.
- Adj. PAT was flat at INR2.7b (v/s est. INR2.2b), due to lower tax rate.
- FY20 sales/EBITDA/Adj. PAT was at INR154b/INR24b/INR9b. Revenues were up 4.8% while EBITDA/Adj. PAT were down 8%/11% YoY.

#### Highlights from management commentary

- No queries are pending for g-Albuterol; expected launch in 2HFY21. g-Fostair should also be launched in Europe in 2HFY21 (market size: USD500m).
- Despite being a 6-player market, the US is facing shortage of Albuterol.
- R&D spend should be similar at absolute level of INR15b for FY21.
- EBITDA margin is expected at 19-20% for FY21 without COVID/Forex impact.
- Somerset would be LPC's first site to be offered for re-inspection followed by Goa and Pithampur.
- LPC has 13% market share with a target to reach 20% for g-Levothyroxine.

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Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&amp;P Capital.

**Valuation and view**

- The COVID-19 led weakness in Acute therapies would impact DF growth slightly over the near term. Also, benefit of cost efficiency is yet to kick in. Hence, we have reduced our earnings estimate by 14%/5% for FY21/FY22E. We value LPC at 22x 12M forward earnings to arrive at price target of INR1,000.
- We expect 40% earnings CAGR over FY20-22E, led by niche launches (g-Albuterol - no more queries pending with the USFDA; g-Fostair in EU), improving market share in Levothyroxine in the US, and better-than-industry growth in DF. Maintain Buy.

**Quarterly Perf. (Consoli.)**

(INR m)

Y/E March	FY19				FY20				FY19	FY20E	FY20E	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
<b>Net Sales</b>	<b>38,559</b>	<b>39,511</b>	<b>39,473</b>	<b>38,866</b>	<b>44,184</b>	<b>38,822</b>	<b>37,693</b>	<b>38,457</b>	<b>146,646</b>	<b>153,748</b>	<b>41,424</b>	-7.2
YoY Change (%)	-0.4	0.0	-0.7	-3.6	14.6	-1.7	-4.5	-1.1	-7.2	4.8	-6.0	
Total Expenditure	31,481	34,014	32,657	31,074	35,582	32,416	33,002	33,204	121,038	130,200	35,021	
<b>EBITDA</b>	<b>7,079</b>	<b>5,496</b>	<b>6,816</b>	<b>7,793</b>	<b>8,602</b>	<b>6,406</b>	<b>4,691</b>	<b>5,253</b>	<b>25,607</b>	<b>23,548</b>	<b>6,403</b>	-18.0
YoY Change (%)	-7.9	-35.6	-1.0	9.9	21.5	16.5	-31.2	-32.6	-18.6	-8.0	-31.2	
Depreciation	2,590	2,655	2,190	2,191	3,171	2,526	2,532	2,143	8,461	9,702	2,600	
<b>EBIT</b>	<b>4,489</b>	<b>2,842</b>	<b>4,627</b>	<b>5,602</b>	<b>5,431</b>	<b>3,880</b>	<b>2,159</b>	<b>3,111</b>	<b>17,147</b>	<b>13,846</b>	<b>3,802</b>	
YoY Change (%)	-11.6	-51.1	13.4	28.5	21.0	36.5	-53.3	-44.5	-16.8	-19	-41	
Interest	687	738	785	843	856	826	886	1,074	3,025	3,630	920	
Other Income	34	2,307	402	733	722	1,280	936	826	3,330	3,578	762	
EO Exp/(Inc)	0	0	3,422	-22	0	5,465	3,287	-2,091	3,400	6,261	0	
<b>PBT</b>	<b>3,836</b>	<b>4,410</b>	<b>822</b>	<b>5,514</b>	<b>5,297</b>	<b>-1,131</b>	<b>-1,078</b>	<b>4,954</b>	<b>14,052</b>	<b>7,533</b>	<b>3,644</b>	35.9
Tax	1,811	1,729	2,454	2,943	2,280	695	7,670	1,051	8,879	11,571	1,405	
Rate (%)	47.2	39.2	298.6	53.4	43.0	-61.5	-711.4	21.2	63.2	153.6	38.5	
Minority Interest	-4	21	-115	-324	-13	-556	-398	7	52	-43	-13	
<b>Reported PAT</b>	<b>2,028</b>	<b>2,660</b>	<b>-1,518</b>	<b>2,896</b>	<b>3,031</b>	<b>-1,271</b>	<b>-8,350</b>	<b>3,896</b>	<b>5,121</b>	<b>-3,995</b>	<b>2,252</b>	73.0
<b>Adj PAT</b>	<b>2,028</b>	<b>2,660</b>	<b>2,873</b>	<b>2,561</b>	<b>3,031</b>	<b>3,373</b>	<b>1,834</b>	<b>2,559</b>	<b>10,123</b>	<b>8,966</b>	<b>2,151</b>	19.0
YoY Change (%)	-43.4	-41.5	11.5	-31.6	49.4	26.8	-36.2	-0.1	-30.0	-11.4	-33.3	
Margins (%)	5.3	6.7	7.3	6.6	6.9	8.7	4.9	6.7	6.9	5.8	5.2	

**Note:** Quarterly nos will not add up to full year nos due to restatement of past quarters

**Key performance Indicators (Consolidated)**

Y/E March	FY19				FY20				FY19	FY20
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Domestic formulations	11,924	12,032	11,902	10,525	13,077	13,419	12,969	11,921	46,382	51,385
YoY Change (%)	27.9	3.8	11.4	9.1	9.7	11.5	9.0	13.3	12.4	10.8
US formulations	11,858	12,487	14,174	17,406	15,412	13,244	13,766	15,791	55,924	58,212
YoY Change (%)	(26.0)	(8.3)	(1.0)	16.1	30.0	6.1	(2.9)	(9.3)	(5.1)	4.1
Europe	1,416	1,526	1,330	1,705	1,434	1,724	1,526	1,855	6,163	6,391
YoY Change (%)	10.0	1.5	(1.9)	(6.2)	1.3	13.0	14.7	8.8	2.3	3.7
Japan	5,000	5,298	5,905	0	5,911	5,072	0	0	21,746	0
YoY Change (%)	0.0	10.9	10.6	(100.0)	18.2	(4.3)	(100.0)	NA	2.2	NA
ROW	3,967	4,219	4,740	5,522	4,235	5,017	5,727	5,058	17,912	21,000
YoY Change (%)	8.8	(8.4)	2.7	5.1	6.8	18.9	20.8	(8.4)	0.0	0.0
API	3,581	3,347	3,624	2,912	3,489	3,052	3,173	3,286	13,464	12,999
YoY Change (%)	28.2	26.3	35.2	3.7	(2.6)	(8.8)	(12.4)	12.8	23.2	(3.5)
<b>Cost Break-up</b>										
RM Cost (% of Sales)	37.5	35.3	35.7	30.4	35.1	35.0	36.1	36.5	34.5	35.9
Staff Cost (% of Sales)	19.4	20.1	18.8	18.2	18.3	19.5	19.7	19.9	19.3	19.7
R&D Expenses(% of Sales)	9.9	9.7	10.2	0.0	8.6	10.0	11.3	9.0	11.0	10.3
Other Cost (% of Sales)	15.0	21.2	19.4	31.3	18.6	18.7	20.5	21.0	19.7	20.1
Gross Margins (%)	62.5	64.7	64.3	69.6	64.9	65.0	63.9	63.5	65.5	64.1
EBITDA Margins (%)	18.4	13.9	16.1	20.0	19.5	16.8	12.4	13.7	17.5	15.3
EBIT Margins (%)	11.6	7.2	11.7	14.4	12.3	10.0	5.7	8.1	10.1	9.0

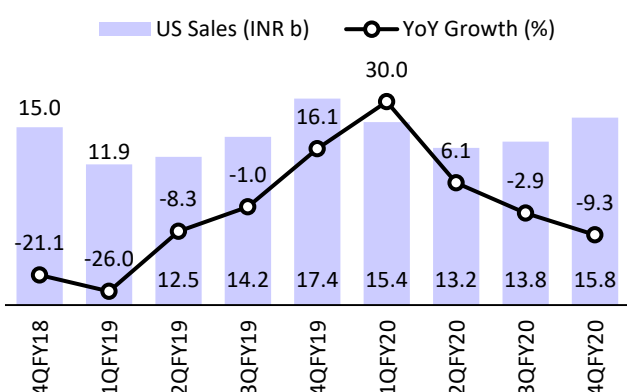


### Conference call highlights

- LPC does not intend adding MRs in its India business over the medium term.
- 60% of the prescription is generic in case of Albuterol Sulfate.
- LPC hopes to get approval soon for g-Spiriva; however, it does not plan to launch g-Spiriva for the next couple of years.
- Capex – INR5b for FY21.
- ETR expected at 34-35% for FY21, should gradually decline in subsequent years.
- One batch of Metformin could be recalled due to impurity issue.

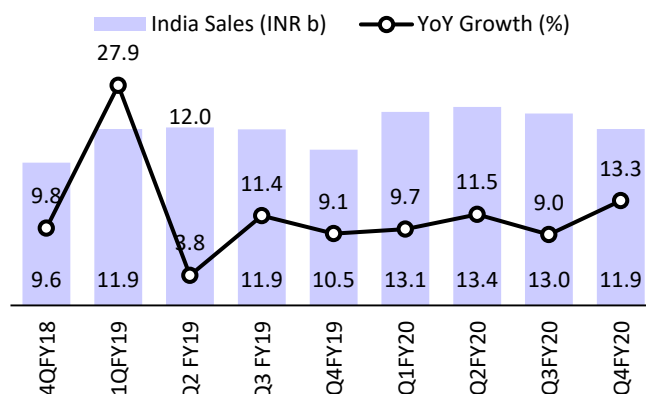
## Key exhibits

**Exhibit 1: US business declined 9.3% YoY (INR terms)**



Source: MOFSL, Company

**Exhibit 2: Domestic business grew 13.3% YoY**



Source: MOFSL, Company

## Valuation view

### DF (34% of sales) on steady footing

- LPC has been performing better than market with 11% CAGR in DF sales over FY16-20. There could be some slowdown in the near term due to decreased prescription rate in Acute therapies. This should be offset to some extent by Chronic therapies due to pre-buying and the fact that it has higher share (~60%) in LPC's DF portfolio. Based on LPC's established presence as well as better reach, we expect the company to garner 10.5% CAGR in DF sales over FY20-22E.

### US generics (38% of sales) – Niche launches to drive growth

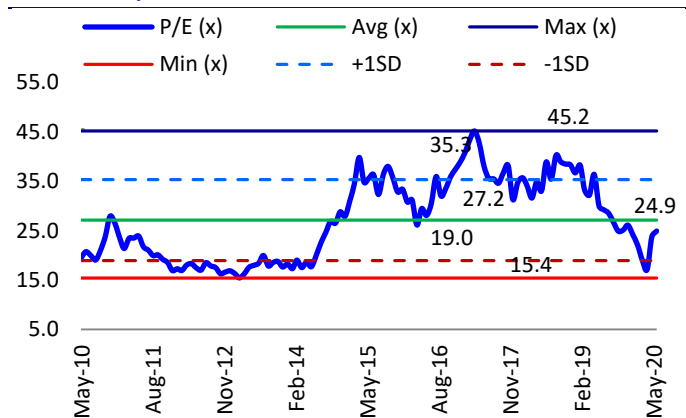
- LPC had 15 ANDA approvals and 18 launches in FY20, taking the cumulative approvals/launches to 146/101 over FY16-20. Incremental business from new launches was more than offset by the higher price erosion in the base business till FY19. Thus, US sales stood at USD777m from USD914m in FY16. FY20 is the first year to exhibit YoY growth with US sales of USD800m, led by lesser intensity of price erosion, product specific exclusive sales and new launches.
- LPC has indicated that no queries are pending with the USFDA regarding g-Albuterol. Further, the company continues to strengthen its market share in g-Levothyroxine; it aims to increase market share from current double-digit to 20%+ over the medium term. Also, we expect regulatory headwinds to abate as LPC is in the last phase of completing remediation measures at sites under issue

and is readying for re-inspection. Based on this and LPC's robust ANDA pipeline (158) pending approval, we expect US sales CAGR at 12% to USD990m over FY20-22E.

### Return ratios to be on an uptrend

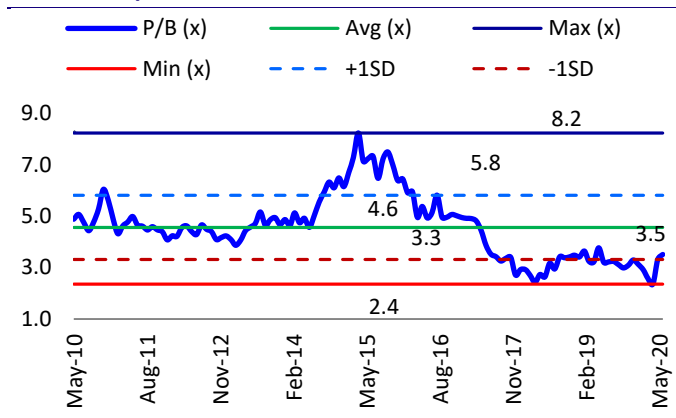
- We expect 40% earnings CAGR over FY20-22E, led by niche launches (g-Albuterol - no more queries pending with the USFDA; g-Fostair in EU), improving market share in the US for Levothyroxin and better-than-industry growth in DF. Accordingly, we expect RoE to improve from 7% in FY20 to 13% by FY22E.
- The COVID-19 led weakness in Acute therapies should impact DF growth slightly in the near term. Also, benefit of cost efficiency is yet to kick in. Hence, we have reduced our earnings estimate by 14%/5% for FY21/FY22E. We value LPC at 22x 12M forward earnings to arrive at a price target of INR1,000. Maintain **Buy**

Exhibit 3: P/E chart



Source: MOFSL, Company, Bloomberg

Exhibit 4: P/B chart



Source: MOFSL, Company, Bloomberg

## Story in charts

Exhibit 5: Revenue mix in 4QFY20

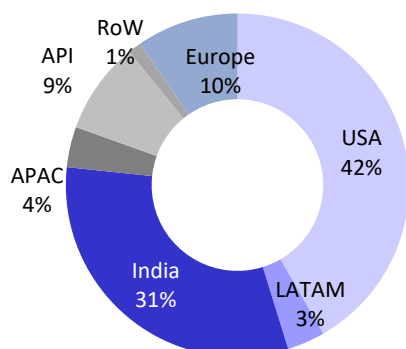


Exhibit 6: Growth to pick up in niche launches

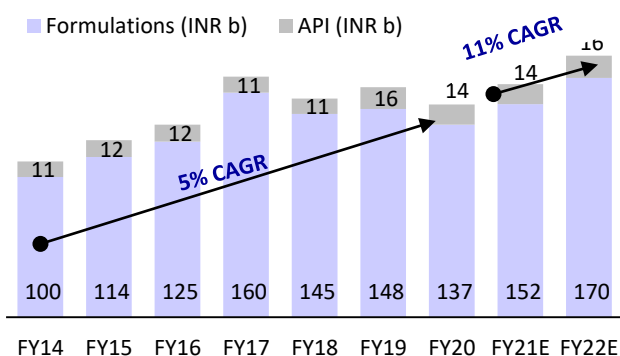


Exhibit 7: R&D spend as % of sales to remain stable

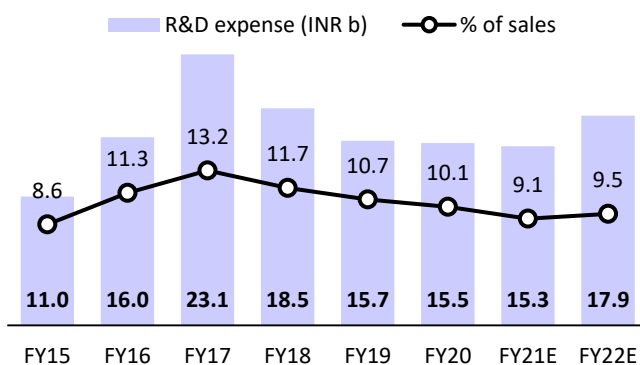


Exhibit 8: Margins to pick up from FY20

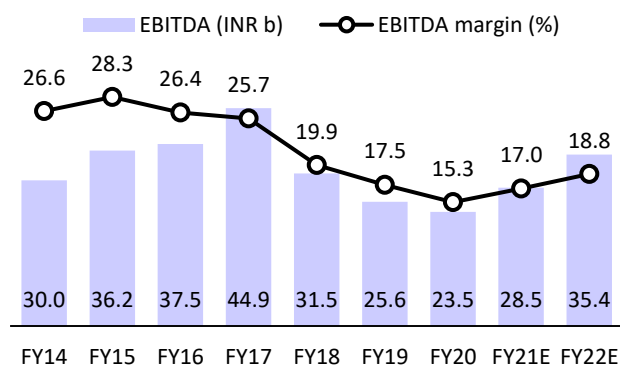


Exhibit 9: Expect EPS CAGR of ~40% over FY20-22E

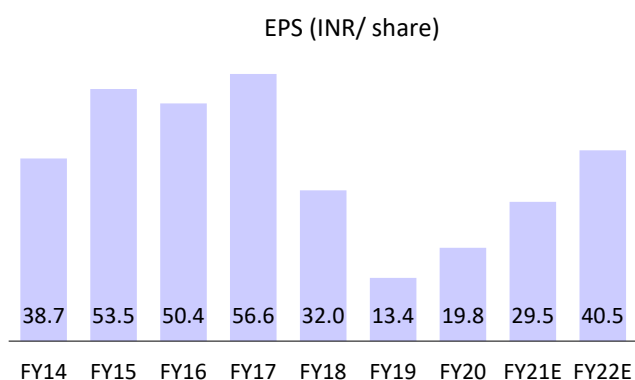
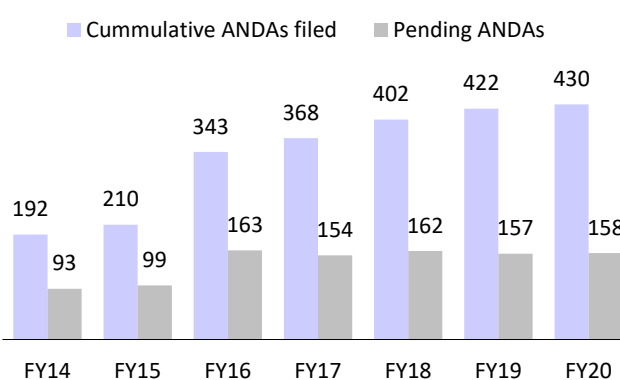


Exhibit 10: Rich ANDA pipeline



Source: MOFSL, Company, Bloomberg

## Financials and Valuations

Income Statement							(INR Million)		
Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
<b>Net Sales</b>	<b>112,866</b>	<b>127,700</b>	<b>142,085</b>	<b>174,943</b>	<b>158,041</b>	<b>146,646</b>	<b>153,748</b>	<b>167,839</b>	<b>188,167</b>
Change (%)	17.1	13.1	11.3	23.1	-9.7	-7.2	4.8	9.2	12.1
<b>EBITDA</b>	<b>30,028</b>	<b>36,196</b>	<b>37,534</b>	<b>44,931</b>	<b>31,475</b>	<b>25,607</b>	<b>23,548</b>	<b>28,533</b>	<b>35,375</b>
Margin (%)	26.6	28.3	26.4	25.7	19.9	17.5	15.3	17.0	18.8
Depreciation	2,610	4,347	4,635	9,122	10,859	8,461	9,702	9,680	10,046
<b>EBIT</b>	<b>27,418</b>	<b>31,849</b>	<b>32,899</b>	<b>35,809</b>	<b>20,616</b>	<b>17,147</b>	<b>13,846</b>	<b>18,853</b>	<b>25,330</b>
Int. and Finance Charges	267	98	446	1,525	2,044	3,025	3,630	3,006	2,607
Other Income - Rec.	165	2,398	1,877	1,065	1,504	3,330	3,578	3,650	3,550
<b>PBT before EO item</b>	<b>27,317</b>	<b>34,148</b>	<b>34,330</b>	<b>35,349</b>	<b>20,076</b>	<b>17,452</b>	<b>13,794</b>	<b>19,496</b>	<b>26,273</b>
EO Expense/(Income)	-1,000	0	0	0	14,644	3,400	6,261	0	0
<b>PBT after EO item</b>	<b>28,317</b>	<b>34,148</b>	<b>34,330</b>	<b>35,349</b>	<b>5,433</b>	<b>14,052</b>	<b>7,533</b>	<b>19,496</b>	<b>26,273</b>
Tax	9,622	9,704	11,536	9,785	2,885	8,879	11,571	6,044	7,882
Tax Rate (%)	34.0	28.4	33.6	27.7	53.1	63.2	153.6	31.0	30.0
Less: Minority Interest	331	412	88	-11	36	52	-43	124	124
<b>Reported PAT</b>	<b>18,364</b>	<b>24,032</b>	<b>22,707</b>	<b>25,574</b>	<b>2,512</b>	<b>5,121</b>	<b>-3,995</b>	<b>13,328</b>	<b>18,266</b>
<b>PAT Adj for EO items</b>	<b>17,364</b>	<b>24,032</b>	<b>22,707</b>	<b>25,574</b>	<b>14,455</b>	<b>10,123</b>	<b>8,966</b>	<b>13,328</b>	<b>18,266</b>
Change (%)	32.1	38.4	-5.5	12.6	-43.5	-30.0	-11.4	48.7	37.1
Margin (%)	15.4	18.8	16.0	14.6	9.1	4.1	5.8	7.9	9.7

Consolidated Balance Sheet							(INR Million)		
Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
Equity Share Capital	897	899	901	903	904	905	906	903	903
Other Reserves	68,419	87,842	108,943	134,072	134,866	136,517	124,461	133,113	146,703
Total Reserves	68,419	87,842	108,943	134,072	134,866	136,517	124,461	133,113	146,703
<b>Net Worth</b>	<b>69,316</b>	<b>88,741</b>	<b>109,844</b>	<b>134,975</b>	<b>135,771</b>	<b>137,422</b>	<b>125,367</b>	<b>134,016</b>	<b>147,606</b>
Minority Interest	669	241	321	345	401	469	445	530	615
Deferred liabilities	1,779	1,182	1,239	-1,128	-4,310	-4,457	252	252	252
Secured Loan	1,968	1,018	53,739	61,243	67,722	70,546	25,180	15,179	5,179
Unsecured Loan	4,024	3,692	17,454	23,183	4,518	15,802	24,928	24,928	24,928
Total Loans	5,992	4,710	71,193	84,426	72,240	86,347	50,108	40,107	30,107
<b>Capital Employed</b>	<b>77,756</b>	<b>94,874</b>	<b>182,596</b>	<b>218,619</b>	<b>204,101</b>	<b>219,781</b>	<b>176,172</b>	<b>174,904</b>	<b>178,580</b>
Gross Block	45,638	45,445	55,887	55,265	63,687	72,189	76,431	83,722	90,292
Less: Accum. Deprn.	19,283	19,174	23,262	8,902	14,613	23,073	32,776	42,455	52,501
<b>Net Fixed Assets</b>	<b>26,355</b>	<b>26,271</b>	<b>32,625</b>	<b>46,363</b>	<b>49,074</b>	<b>49,115</b>	<b>43,656</b>	<b>41,267</b>	<b>37,791</b>
Capital WIP	3,041	5,760	9,812	7,150	9,563	10,186	7,582	7,141	6,920
Investments	1,785	16,584	75	220	267	1,856	361	361	361
Goodwill & Intangibles	7,202	17,411	73,586	78,147	70,965	67,963	37,540	37,540	37,540
<b>Curr. Assets</b>	<b>62,970</b>	<b>64,510</b>	<b>107,473</b>	<b>129,117</b>	<b>126,019</b>	<b>143,033</b>	<b>158,957</b>	<b>144,175</b>	<b>155,334</b>
Inventory	21,295	25,036	31,787	36,423	36,625	38,368	34,569	44,526	48,551
Account Receivables	24,641	26,566	45,498	43,073	51,922	51,498	54,459	55,682	64,308
Cash and Bank Balance	7,975	4,814	8,379	27,994	16,429	30,971	47,926	21,895	20,329
Others	9,060	8,095	21,808	21,626	21,043	22,197	22,004	22,072	22,146
<b>Curr. Liability &amp; Prov.</b>	<b>23,597</b>	<b>35,662</b>	<b>40,975</b>	<b>42,378</b>	<b>51,788</b>	<b>52,372</b>	<b>71,924</b>	<b>55,577</b>	<b>59,365</b>
Account Payables	18,818	28,299	32,318	34,576	43,568	41,390	59,884	43,537	47,325
Provisions	4,779	7,363	8,658	7,801	8,220	10,982	12,040	12,040	12,040
<b>Net Current Assets</b>	<b>39,374</b>	<b>28,848</b>	<b>66,498</b>	<b>86,739</b>	<b>74,231</b>	<b>90,661</b>	<b>87,034</b>	<b>88,598</b>	<b>95,969</b>
<b>Appl. of Funds</b>	<b>77,756</b>	<b>94,874</b>	<b>182,596</b>	<b>218,619</b>	<b>204,100</b>	<b>219,782</b>	<b>176,172</b>	<b>174,904</b>	<b>178,580</b>



## Financials and Valuations

### Ratios

Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
<b>EPS (Fully Diluted)</b>	<b>38.7</b>	<b>53.5</b>	<b>50.4</b>	<b>56.6</b>	<b>32.0</b>	<b>13.4</b>	<b>19.8</b>	<b>29.5</b>	<b>40.5</b>
Cash EPS (Fully Diluted)	44.5	63.1	60.7	76.8	56.0	32.1	41.2	51.0	62.7
BV/Share	154.6	197.4	243.8	298.9	300.3	303.7	276.7	296.8	326.9
DPS	6.0	7.5	7.5	7.5	5.0	5.0	9.0	9.0	9.0
Payout (%)	16.0	16.9	17.9	15.9	108.5	53.3	-119.0	35.7	26.0
<b>Valuation (x)</b>									
P/E (Fully Diluted)	22.5	16.3	17.3	15.4	27.2	64.9	44.0	29.5	21.5
EV/Sales	3.5	3.1	3.2	2.6	2.8	3.1	2.6	2.5	2.1
EV/EBITDA	13.0	10.9	12.2	10.0	14.3	17.5	16.8	14.4	11.4
<b>Return Ratios (%)</b>									
RoE	28.6	30.4	22.9	20.9	10.7	7.4	6.8	10.3	13.0
RoCE	26.5	29.1	16.8	13.3	4.9	3.5	4.8	8.9	11.5
RoIC	29.7	34.4	18.8	14.9	5.4	3.6	5.1	9.8	12.0
<b>Working Capital Ratios</b>									
Asset Turnover (x)	1.5	1.3	0.8	0.8	0.8	0.7	0.9	1.0	1.1
Fixed Asset Turnover (x)	4.5	4.9	4.8	4.4	3.3	3.0	3.3	4.0	4.8
Debtor (Days)	80	76	117	90	120	128	129	121	125
Creditor (Days)	152	172	186	189	178	184	162	139	139
Inventory (Days)	69	72	82	76	85	95	82	97	94
<b>Leverage Ratio</b>									
Current Ratio	2.7	1.8	2.6	3.0	2.4	2.7	2.2	2.6	2.6
Interest Cover Ratio	102.9	324.7	73.7	23.5	10.1	5.7	3.8	6.3	9.7
Debt/Equity (x)	0.0	0.0	0.6	0.4	0.4	0.4	0.0	0.1	0.1

### Cash Flow Statement

Y/E March	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
EBITDA	30,028	36,196	37,534	44,931	31,475	25,607	23,548	28,533	35,375
Interest/Dividends Recd.	165	2,398	1,877	1,065	1,504	3,330	3,578	3,650	3,550
Direct Taxes Paid	-9,475	-10,300	-11,479	-12,152	-6,067	-9,026	-6,862	-6,044	-7,882
(Inc)/Dec in WC	-4,368	7,364	-34,084	-626	942	-1,888	20,583	-27,594	-8,937
<b>CF from Operations</b>	<b>16,349</b>	<b>35,657</b>	<b>-6,152</b>	<b>33,219</b>	<b>27,853</b>	<b>18,023</b>	<b>40,847</b>	<b>-1,455</b>	<b>22,106</b>
EO expense	-1,000	0	0	0	14,644	3,400	6,261	0	0
<b>CF from Op. incl EO Exp.</b>	<b>17,349</b>	<b>35,657</b>	<b>-6,152</b>	<b>33,219</b>	<b>13,210</b>	<b>14,623</b>	<b>34,586</b>	<b>-1,455</b>	<b>22,106</b>
(inc)/dec in FA	-6,098	-17,191	-71,217	-24,759	-8,801	-6,123	28,785	-6,850	-6,350
<b>Free Cash Flow</b>	<b>10,251</b>	<b>18,466</b>	<b>-77,369</b>	<b>8,460</b>	<b>19,053</b>	<b>11,900</b>	<b>69,631</b>	<b>-8,305</b>	<b>15,756</b>
(Pur)/Sale of Investments	-1,764	-14,799	16,509	-145	-47	-1,589	1,496	0	0
<b>CF from Investments</b>	<b>-7,862</b>	<b>-31,991</b>	<b>-54,708</b>	<b>-24,904</b>	<b>-8,848</b>	<b>-7,712</b>	<b>30,280</b>	<b>-6,850</b>	<b>-6,350</b>
Change in Net Worth	1,593	-1,389	2,459	3,669	1,028	-724	-3,286	37	39
Inc/(Dec) in Debt	-4,248	-1,282	66,483	13,233	-12,187	14,108	-36,240	-10,001	-10,000
Interest Paid	-267	-98	-446	-1,525	-2,044	-3,025	-3,630	-3,006	-2,607
Dividend Paid	-2,939	-4,058	-4,071	-4,076	-2,725	-2,728	-4,755	-4,755	-4,755
<b>CF from Fin. Activity</b>	<b>-5,861</b>	<b>-6,828</b>	<b>64,425</b>	<b>11,300</b>	<b>-15,927</b>	<b>7,631</b>	<b>-47,911</b>	<b>-17,726</b>	<b>-17,323</b>
<b>Inc/Dec of Cash</b>	<b>3,626</b>	<b>-3,161</b>	<b>3,565</b>	<b>19,615</b>	<b>-11,565</b>	<b>14,542</b>	<b>16,955</b>	<b>-26,031</b>	<b>-1,566</b>
Add: Beginning Balance	4,349	7,975	4,814	8,379	27,994	16,429	30,971	47,926	21,895
<b>Closing Balance</b>	<b>7,975</b>	<b>4,814</b>	<b>8,379</b>	<b>27,994</b>	<b>16,429</b>	<b>30,971</b>	<b>47,927</b>	<b>21,895</b>	<b>20,329</b>

NOTES



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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
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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