

# Britannia Industries

Estimate change



TP change



Rating change


**CMP: INR3,510 TP: INR3,470 (-1%)**
**Neutral**

## Earnings outlook seems promising, but valuations fully capture upside

Motilal Oswal values your support in the Asiamoney Brokers Poll 2020 for India Research, Sales and Trading team.

We [request your ballot.](#)



Bloomberg	BRIT IN
Equity Shares (m)	240
M.Cap.(INRb)/(USDb)	844.1 / 11
52-Week Range (INR)	3705 / 2101
1, 6, 12 Rel. Per (%)	10/31/33
12M Avg Val (INR M)	1724

### Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
Sales	116.0	132.3	147.0
Sales Gr. (%)	4.9	14.0	11.1
EBITDA	18.4	22.6	25.2
Margins (%)	15.9	17.1	17.1
Adj. PAT	14.1	16.7	18.6
Adj. EPS (INR)	58.6	69.5	77.1
EPS Gr. (%)	21.8	18.5	11.0
BV/Sh.(INR)	183.1	188.0	193.4

### Ratios

RoE (%)	32.6	37.5	40.5
RoCE (%)	24.2	25.5	28.3
Payout (%)	60.9	80.0	80.0

### Valuations

P/E (x)	59.9	50.5	45.5
P/BV (x)	19.2	18.7	18.2
EV/EBITDA (x)	45.0	36.5	32.7
Div. Yield (%)	1.0	1.6	1.8

### Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	50.6	50.6	50.7
DII	13.4	13.6	12.4
FII	14.7	15.8	15.8
Others	21.3	20.0	21.2

FII Includes depository receipts

- BRIT declared an in-line set of results, but we are pleasantly surprised with the commentary on ~24% avg. sales growth in Apr–May'20. The management attributed this growth to high in-home consumption in the lockdown period and BRIT being quicker off the block than peers after the initial COVID-19-led disruption.
- Two factors highlighted in the post-results call could keep multiple re-rating in check. (a) The management going back on its stated commitment of Inter Corporate Deposits (ICDs) not exceeding INR5b. (b) The company following the policy of not repaying debt while letting the investment book to build up despite a sharp inventory reduction in the past six months. This would lead to consequent concerns over ROCE.
- While we have revised our FY21 and FY22 EPS by 19.8% and 15.4%, respectively, but valuations fully capture upside at 45.5x FY22 EPS. Maintain **Neutral**.

### Sales/EBITDA in-line; PAT beat on lower taxes and higher other income

- BRIT's consol. sales increased 2.5% YoY to INR28.7b** (in-line) in 4QFY20. Standalone sales were flat YoY at INR26.9b. We believe base business volume growth would be flat YoY (in line with our estimate). Consol. EBITDA grew 4.1% YoY to INR4.5b (in-line), consol. PBT 1.6% YoY to INR4.6b (est.: INR4.4b), and consol. adj. PAT 26.5% YoY to INR3.7b (est.: INR3.4b).
- Consol. gross margin contracted by 150bp YoY to 39.7%** due to moderate inflation in the price of key raw materials for the bakery business. As a percentage of sales, higher staff cost (40bp YoY) and lower other expenses (-210bp YoY) implied the EBITDA margin expanded 20bp YoY to 15.8% (in-line).
- FY20 consol. sales / EBITDA / adj. PAT** grew 4.9%/6.3%/21.9% YoY.

### Highlights from management commentary

- BRIT witnessed a segmental uptick over Jan–Feb'20 (unlike FMCG peers) and its rural initiatives have also enabled growth.
- BRIT reported an average 24% increase in the first two months of 1QFY21 owing to: (a) high in home consumption and (b) the company's nimbleness in ensuring faster availability of products compared to peers. The management believes the trust in brands also plays a big role in times when safety is a concern.
- In 1QFY21, the outlook on all commodities is weak, including palm oil and milk, which were up 18% YoY and 50% YoY, respectively, in 4QFY20.
- ICD is at the same level as a year ago, i.e., at around INR6b, but higher than the earlier commitment of not exceeding INR5b levels.

**Valuation and view**

- We have increased our FY21/FY22 EPS estimate by 19.8%/15.4% on account of: (a) significantly stronger than expected topline growth over Apr–May'20, (b) recovery in category growth after a long time over Jan–Feb (pre COVID-19), (c) the expectation of in-home consumption continuing to be reasonably strong for the large part of the year, and (d) a benign outlook on all raw materials.
- While the structural story is attractive, the increase in ICD beyond earlier-guided threshold levels, problems with group-level companies, and the fact that the company seems to have chosen to have both debt and cash on the books, thereby leading to consequent concerns over ROCE, would keep the target multiple in check.
- Valuing the company at 45x FY22 EPS, we arrive at a target price of INR3,470, leading to 1% downside to CMP. Maintain **Neutral**.

**Consol. Quarterly Performance**

(INR m)

Y/E March	FY19				FY20				FY19	FY20	FY20	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Base business volume growth (%)</b>	<b>11.0</b>	<b>11.0</b>	<b>7.0</b>	<b>7.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>9.0</b>	<b>2.3</b>	<b>0.0</b>	
<b>Net Sales</b>	<b>25,438</b>	<b>28,696</b>	<b>28,424</b>	<b>27,990</b>	<b>27,004</b>	<b>30,488</b>	<b>29,827</b>	<b>28,677</b>	<b>110,547</b>	<b>115,996</b>	<b>28,609</b>	0.2
YoY change (%)	12.4	12.7	10.7	10.3	6.2	6.2	4.9	2.5	11.5	4.9	2.2	
<b>Gross Profit</b>	<b>10,175</b>	<b>11,491</b>	<b>11,737</b>	<b>11,531</b>	<b>10,912</b>	<b>12,247</b>	<b>12,185</b>	<b>11,377</b>	<b>44,932</b>	<b>46,721</b>	<b>11,519</b>	
Margins (%)	40.0	40.0	41.3	41.2	40.4	40.2	40.9	39.7	40.6	40.3	40.3	
<b>EBITDA</b>	<b>3,894</b>	<b>4,544</b>	<b>4,518</b>	<b>4,366</b>	<b>3,947</b>	<b>4,922</b>	<b>5,020</b>	<b>4,543</b>	<b>17,334</b>	<b>18,432</b>	<b>4,543</b>	(0.0)
Margins (%)	15.3	15.8	15.9	15.6	14.6	16.1	16.8	15.8	15.7	15.9	15.9	
YoY growth (%)	18.5	20.3	13.4	9.9	1.4	8.3	11.1	4.1	15.4	6.3	4.1	
Depreciation	356	369	424	469	448	449	467	485	1,619	1,848	517	
Interest	24	24	30	13	101	161	237	270	91	769	253	
Other Income	420	440	600	618	675	682	652	786	2,065	2,794	637	
<b>PBT</b>	<b>3,933</b>	<b>4,590</b>	<b>4,664</b>	<b>4,502</b>	<b>4,072</b>	<b>4,994</b>	<b>4,969</b>	<b>4,574</b>	<b>17,689</b>	<b>18,609</b>	<b>4,409</b>	3.8
Tax	1,352	1,559	1,658	1,557	1,430	955	1,273	849	6,125	4,507	984	
Rate (%)	34.4	34.0	35.5	34.6	35.1	19.1	25.6	18.6	34.6	24.2	22.3	
<b>Adjusted PAT</b>	<b>2,581</b>	<b>3,031</b>	<b>3,007</b>	<b>2,946</b>	<b>2,642</b>	<b>4,038</b>	<b>3,696</b>	<b>3,725</b>	<b>11,564</b>	<b>14,102</b>	<b>3,425</b>	8.8
YoY change (%)	19.5	16.2	14.1	11.7	2.4	33.2	22.9	26.5	15.2	21.9	16.3	

E: MOFSL Estimates

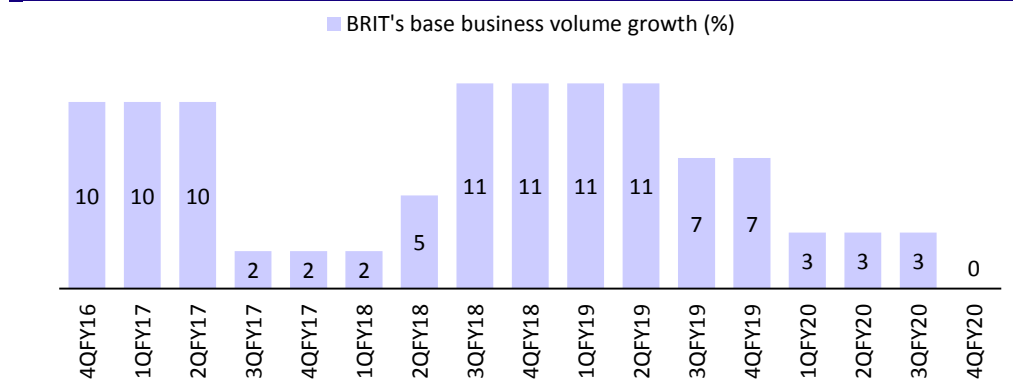
**Key Performance Indicators**

Y/E March	FY19				FY20				FY19	FY20
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>2Y average growth %</b>										
Volumes	6.5	8.0	9.0	9.0	7.0	7.0	5.0	3.5	8.1	5.6
Sales	9.1	9.7	11.6	11.7	9.3	9.5	7.8	6.4	10.5	8.2
EBITDA	11.2	15.9	20.1	19.4	9.9	14.3	12.3	7.0	16.5	10.9
PAT	9.0	13.8	16.8	18.4	10.9	24.7	18.5	19.1	14.4	18.6
<b>% sales</b>										
COGS	60.0	60.0	58.7	58.8	59.6	59.8	59.1	60.3	59.4	59.7
Staff cost	4.3	3.8	4.1	3.9	4.5	4.1	4.1	4.2	4.0	4.2
Others	20.4	20.4	21.3	21.7	21.3	20.0	19.9	19.6	21.0	20.2
Depreciation	1.4	1.3	1.5	1.7	1.7	1.5	1.6	1.7	1.5	1.6
<b>YoY change %</b>										
COGS	10.0	8.6	6.0	5.4	5.4	6.0	5.7	5.1	7.4	5.6
Staff cost	17.3	1.0	25.0	-0.2	11.0	14.4	3.9	11.7	10.0	10.2
Others	14.1	23.1	20.7	29.2	10.9	3.8	-1.7	-7.5	21.8	1.0
Other income	19.3	-13.5	66.9	39.1	60.6	55.0	8.6	27.2	24.1	35.3
EBIT	19.8	21.3	12.0	9.8	-1.1	7.2	11.2	4.1	15.6	5.5

E: MOFSL Estimates

## Key Exhibits

**Exhibit 1: BRIT's base business volumes were likely flat YoY in 4QFY20**



Source: Company, MOFSL

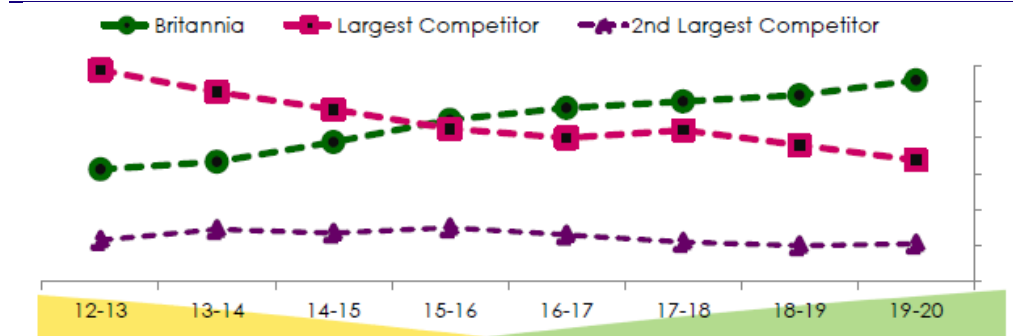
### Standalone performance

- In 4QFY20, sales, EBITDA and adj. PAT grew 0.9%, 1.9%, and 31.6% YoY, respectively. The EBITDA margin was up 20bp to 16%.

### Imputed subsidiary performance

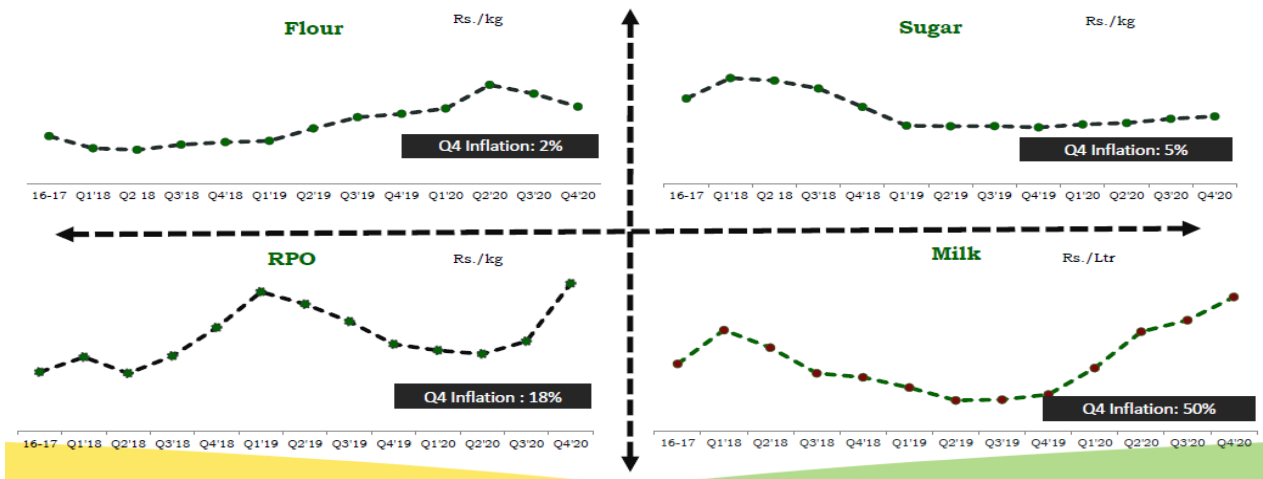
- Sales and EBITDA grew sharply by 34.3% YoY and 67.2% YoY, respectively. On the other hand, adj. PAT registered loss of INR88m, against profit of INR46m in the base quarter. Subsidiary EBITDA margin expanded 270bp YoY to 13.7% during the quarter.

**Exhibit 2: Accelerated market share gains in 4QFY20**



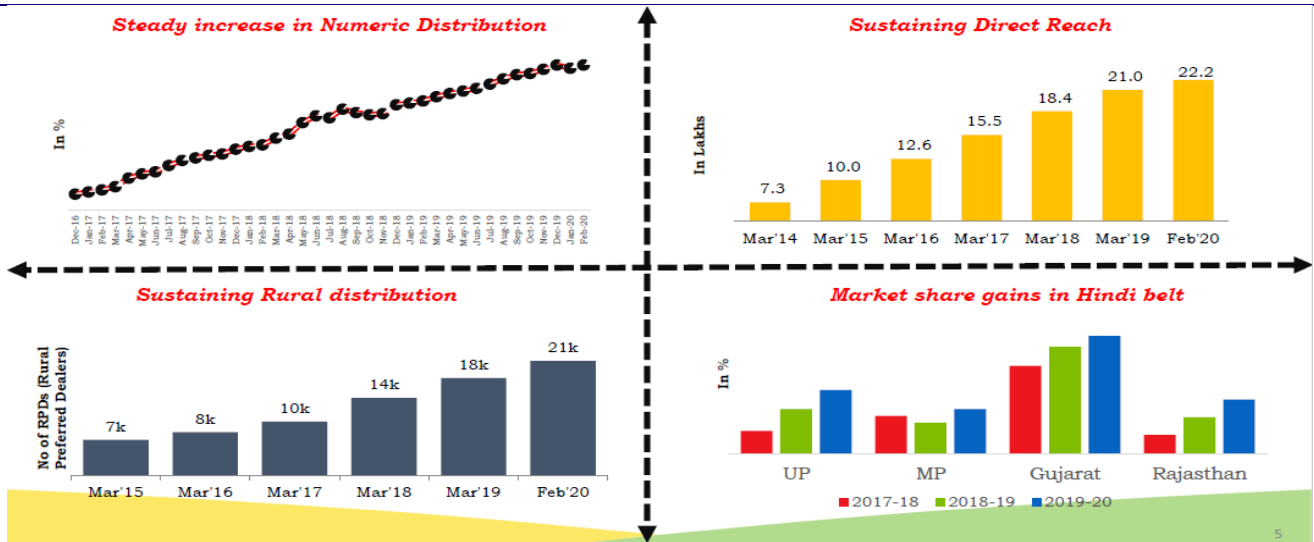
Source: Company, MOFSL

Exhibit 3: Overall commodity inflation was moderate at ~4% in 4QFY20







Source: Company presentation

Exhibit 4: Driving rural distribution and gaining market share in the Hindi belt



Source: Company presentation

Exhibit 5: Sustainability is a key focus area for BRIT; it launched multiple initiatives for the underprivileged sections affected by the lockdown

<p><b>Hot meals</b></p>  <p>7 Cities 26.5 Lakh meals</p>	<p><b>Grocery Kits</b></p>  <p>9 Cities 1.15 Lakh Kits</p>
<p><b>1.35 Crore Meal Equivalents</b></p>	
<p><b>Biscuit/Cakes/Rusk</b></p>  <p>19 States 90 Lakh Packs</p>	<p><b>Migrants on their way home</b></p>  <p>31 Highway Points 3 Lakh people</p>
<p><b>2.25 Crore Meals/Snacks</b></p>	
<p><b>...It is not just about 'Being Indian', but also about 'Being With Indians' in these times</b></p>	

Source: Company presentation



## Conference call highlights

### Key highlights

- 4QFY20 has witnessed strong growth over Jan–Feb compared with 9MFY20. Sales and profits for the quarter are estimated to have been impacted by 7–10% due to the COVID-19-led disruption.
- BRIT witnessed a segmental uptick over Jan–Feb'20 (unlike FMCG peers) and its rural initiatives have also enabled growth.
- Direct reach stood at 2.22m outlets as of the end of Feb'20, against 2.1m as of Mar'19.
- Modest inflation of 2% YoY was witnessed on flour and 5% YoY on sugar in 4QFY20. In 1QFY21, the outlook on all commodities is weak, including palm oil and milk, which were up 18% YoY and 50% YoY, respectively, in 4QFY20.
- BRIT reported an average 24% increase in the first two months of 1QFY21 owing to: (a) high in-home consumption and (b) the company's nimbleness in ensuring faster availability of products compared to peers. The management believes the trust in brands also plays a big role in times when safety is a concern.
- Importantly, secondary sales over Apr–May'20 are likely to be just 2–3% lower than primary sales growth.
- BRIT focused on producing more premium biscuits given the production constraints. Contract manufacturing was also utilized as much as possible.
- Until May'20, BRIT was manufacturing largely high-velocity SKUs given the supply chain constraints. June onward, it would manufacture other SKUs as well, as customers now seek variety.
- There is currently a lack of clarity on how demand would be for the rest of the year, but the management is reviewing and reacting on a daily basis.
- By now, peers have also got their acts together, but the management still expects BRIT to do better.

### Response to newer products and product pipeline

- Cream wafers and milk drinks are doing well.
- The test marketing of croissants was affected by the lockdown as the Ranjangaon facility was in the middle of the COVID-19 territory.
- The product test marketing of snacks in Andhra was disrupted by COVID-19, but the company expects it to be back to normal soon.
- Winkin Cow Yogurt was launched in East India and has received a good initial response.
- Complete normalcy may not be witnessed for another year or so. BRIT would gradually resume the innovation funnel.

### Initial response to COVID-19

- BRIT ensured quick approval from authorities by coordinating consistently with the center, states, and districts. This enabled them to resume operations quickly.
- All factories, depots, and distribution centers are now operational, with safety compliance and social distancing in place.
- The distribution reach was 100% in the first fortnight of the lockdown.

### Performances of adjacencies

- Adjacencies such as bread did well in FY20, with high single-digit sales growth and profitability; dairy profitability was maintained and international business, apart from the Middle East, grew in the double digits.

### Other points

- ICDs are at the same level as a year ago, i.e., at around INR6b.
- Incremental investments are in non-group entities.
- Loans are also to non-group companies.
- Capex was INR 2.25b in FY20. It is likely to be similar in FY21 depending on demand, but it is currently too early for the management to give a concrete projection.
- The rate of debt on working capital is attractive, enough to retain debt on the books.
- BRIT plans to set up greenfield capacities in Bihar and Tamil Nadu.
- The Ranjangaon facility has resumed normal operations.

## Valuation and view

### What happened in the last decade?

- The past decade ending FY20 was a phenomenal one for BRIT on account of: (a) huge market share gains, (b) strengthening distribution reach (particularly direct reach), and (c) better product development v/s peers.
- The distribution advantage is particularly important for food players such as Britannia as the velocity of food consumption is much higher than personal care products. With the stated goal of being a total foods player, the company's utilization of this reach would play a crucial role in expanding to other food sub-categories.
- Financial performance over the last decade has been splendid, with the company reporting sales CAGR of ~12% and EBITDA and PAT CAGR of ~27% each. This is easily among the best of breed for the decade v/s other Consumer peers.
- Financial performance in the past five years has also been healthy, with ~8% sales growth CAGR, ~16% EBITDA growth CAGR, and ~20% PAT CAGR.

### Our view on the stock

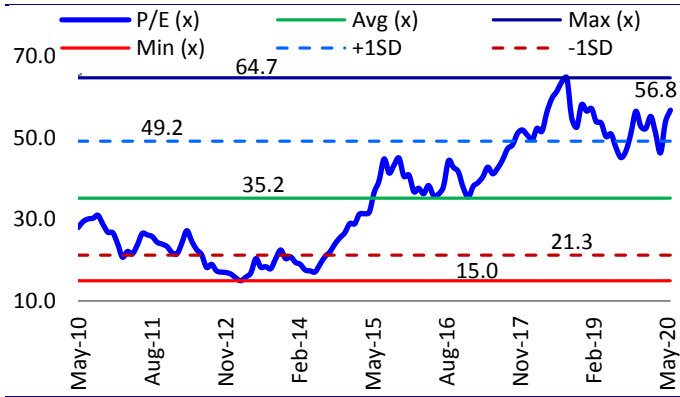
- We have increased our FY21/FY22 EPS estimate by 19.8%/15.4% on account of: (a) significantly stronger than expected topline growth over Apr-May'20, (b) recovery in category growth after a long time over Jan-Feb (per COVID-19), (c) the expectation of in-home consumption continuing to be reasonably strong for the large part of the year, and (d) a benign outlook on all raw materials.
- While the structural story is attractive, the increase in ICD beyond earlier-guided threshold levels, problems with group-level companies, and the fact that the company seems to have chosen to have both debt and cash on the books, thereby leading to consequent concerns over ROCE, would keep the target multiple in check.
- Valuing the company at 45x FY22 EPS, we arrive at a target price of INR3,470, leading to 1% downside to CMP. Maintain **Neutral**.

**Exhibit 6: There is an increase of 19.8%/15.4% in our PAT forecasts for FY21/FY22**

INR m	New		Old		% Change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net Sales	132,271	147,007	121,045	135,921	9.3%	8.2%
EBITDA	22,599	25,172	19,111	22,129	18.2%	13.8%
Adj. PAT	16,709	18,550	13,944	16,069	19.8%	15.4%

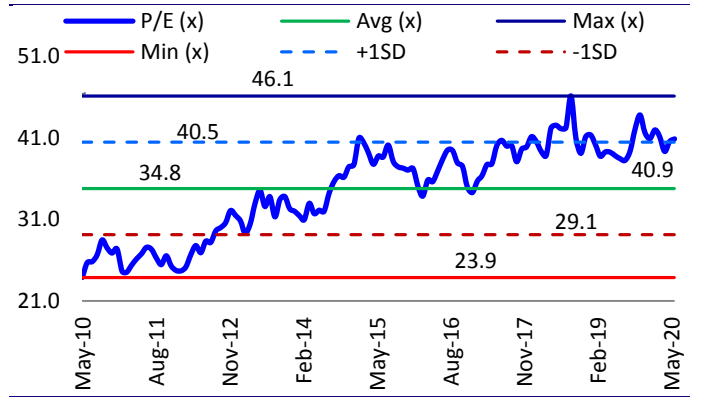
Source: Company, MOFSL

**Exhibit 7: BRIT P/E (x)**



Source: Company, MOFSL

**Exhibit 8: Consumer sector P/E (x)**



Source: Company, MOFSL

## Financials and Valuations

Income statement							(INR m)	
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	
<b>Net Revenues</b>	<b>83,972</b>	<b>90,541</b>	<b>99,140</b>	<b>110,547</b>	<b>115,996</b>	<b>132,271</b>	<b>147,007</b>	
Change (%)	6.9	7.8	9.5	11.5	4.9	14.0	11.1	
Raw Material Cost	50,127	55,888	61,071	65,615	69,275	77,764	86,494	
<b>Gross Profit</b>	<b>33,845</b>	<b>34,653</b>	<b>38,069</b>	<b>44,932</b>	<b>46,721</b>	<b>54,507</b>	<b>60,512</b>	
Margin (%)	40.3	38.3	38.4	40.6	40.3	41.2	41.2	
<b>EBITDA</b>	<b>12,144</b>	<b>12,781</b>	<b>15,017</b>	<b>17,334</b>	<b>18,432</b>	<b>22,599</b>	<b>25,172</b>	
Change (%)	40.6	5.2	17.5	15.4	6.3	22.6	11.4	
Margin (%)	14.5	14.1	15.1	15.7	15.9	17.1	17.1	
Depreciation	1,134	1,193	1,421	1,619	1,848	2,275	2,477	
Int. and Fin. Charges	49	55	76	91	769	1,034	1,195	
Financial Other Income	1,244	1,505	1,664	2,065	2,794	3,040	3,290	
<b>PBT</b>	<b>12,205</b>	<b>13,039</b>	<b>15,184</b>	<b>17,689</b>	<b>18,609</b>	<b>22,330</b>	<b>24,790</b>	
Tax	3,967	4,019	5,137	5,998	4,477	5,620	6,240	
Deferred Tax	-6	178	5	127	30	0	0	
Tax Rate (%)	32.5	32.2	33.9	34.6	24.2	25.2	25.2	
<b>PAT</b>	<b>8,244</b>	<b>8,842</b>	<b>10,041</b>	<b>11,564</b>	<b>14,102</b>	<b>16,709</b>	<b>18,550</b>	
Change (%)	43.6	7.3	13.6	15.2	21.9	18.5	11.0	
Margin (%)	9.8	9.8	10.1	10.5	12.2	12.6	12.6	
Non-rec. (Exp.)/Income	0	0	0	0	-170	0	0	
<b>Reported PAT</b>	<b>8,246</b>	<b>8,845</b>	<b>10,040</b>	<b>11,555</b>	<b>13,936</b>	<b>16,709</b>	<b>18,550</b>	

Balance sheet							(INR m)	
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	
Share Capital	240	240	240	240	241	241	241	
Reserves	20,677	26,724	33,822	42,292	43,788	44,964	46,270	
<b>Networth</b>	<b>20,917</b>	<b>26,964</b>	<b>34,062</b>	<b>42,533</b>	<b>44,028</b>	<b>45,205</b>	<b>46,511</b>	
Minority Interest	25	26	131	327	357	0	0	
Loans	1,311	1,246	2,007	1,560	15,141	14,393	13,719	
<b>Capital Employed</b>	<b>22,252</b>	<b>28,236</b>	<b>36,201</b>	<b>44,420</b>	<b>59,525</b>	<b>59,597</b>	<b>60,230</b>	
Gross Block	18,142	12,309	15,554	20,615	24,276	26,276	28,776	
Less: Accum. Depn.	-9,799	-1,988	-3,380	-5,035	-6,884	-9,158	-11,636	
<b>Net Fixed Assets</b>	<b>8,343</b>	<b>10,322</b>	<b>12,174</b>	<b>15,579</b>	<b>17,392</b>	<b>17,117</b>	<b>17,140</b>	
Goodwill on consolidation	1,159	1,278	1,282	1,304	1,390	1,390	1,390	
Capital WIP	901	301	2,028	1,012	396	396	396	
Investments	7,884	4,869	10,793	14,763	28,932	29,817	30,701	
Deferred Liability	-444	-231	-226	-99	-69	-69	-69	
<b>Currents Assets</b>	<b>16,208</b>	<b>24,088</b>	<b>25,377</b>	<b>29,623</b>	<b>30,117</b>	<b>32,373</b>	<b>34,289</b>	
Inventory	4,407	6,615	6,528	7,814	7,410	8,879	10,156	
Account Receivables	1,706	1,792	3,046	3,942	3,204	4,039	4,470	
Cash and Bank Balance	877	1,208	1,864	1,098	1,229	3,376	3,223	
Others	9,219	14,474	13,938	16,768	18,275	16,079	16,441	
<b>Curr. Liab. &amp; Prov.</b>	<b>12,687</b>	<b>12,852</b>	<b>15,679</b>	<b>17,960</b>	<b>18,770</b>	<b>21,564</b>	<b>23,754</b>	
Account Payables	7,691	7,573	9,941	11,405	11,163	13,243	14,650	
Other Liabilities	4,996	5,279	5,738	6,555	7,607	8,320	9,104	
<b>Net Current Assets</b>	<b>3,521</b>	<b>11,236</b>	<b>9,698</b>	<b>11,663</b>	<b>11,347</b>	<b>10,809</b>	<b>10,535</b>	
<b>Net Assets</b>	<b>22,252</b>	<b>28,236</b>	<b>36,201</b>	<b>44,420</b>	<b>59,525</b>	<b>59,597</b>	<b>60,230</b>	

E: MOFSL Estimates



## Financials and Valuations

<b>Ratios</b>							
<b>Y/E March</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>
<b>Basic (INR)</b>							
<b>EPS</b>	<b>34.3</b>	<b>36.8</b>	<b>41.8</b>	<b>48.1</b>	<b>58.6</b>	<b>69.5</b>	<b>77.1</b>
BV/Share	87.2	112.4	141.9	177.0	183.1	188.0	193.4
DPS	10.0	11.0	12.5	15.6	35.7	55.6	61.7
Payout (%)	29.1	29.9	29.9	32.3	60.9	80.0	80.0
<b>Valuation (x)</b>							
P/E	102.2	95.3	83.9	72.9	59.9	50.5	45.5
EV/Sales	9.9	9.3	8.4	7.5	7.1	6.2	5.6
EV/EBITDA	68.8	65.5	55.4	47.8	45.0	36.5	32.7
P/BV	40.3	31.2	24.7	19.8	19.2	18.7	18.2
Dividend Yield	0.3	0.3	0.4	0.4	1.0	1.6	1.8
<b>Return Ratios (%)</b>							
RoE	49.5	36.9	32.9	30.2	32.6	37.5	40.5
RoCE	41.1	31.1	27.9	25.5	24.2	25.5	28.3
RoIC	80.0	45.6	41.5	41.9	44.5	55.3	65.4
<b>Working Capital Ratios</b>							
Debtor (Days)	7	7	11	13	10	11	11
Asset Turnover (x)	3.8	3.2	2.7	2.5	1.9	2.2	2.4
<b>Leverage Ratio</b>							
Debt/Equity (x)	0.1	0.0	0.1	0.0	0.3	0.3	0.3
<b>Cash flow statement</b>							
<b>Y/E March</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021E</b>	<b>2022E</b>
							<b>(INR m)</b>
OP Profit	12,205	13,040	15,184	17,689	18,439	22,330	24,790
Dep	1,134	1,193	1,421	1,619	1,848	2,275	2,477
Financial Other Income	-368	-497	-470	-487	-684	-3,040	-3,290
Net Interest Paid	675	843	964	1,277	999	-1,034	-1,195
Direct Taxes Paid	4,032	3,966	4,965	5,961	5,033	5,620	6,240
Inc in WC	-1,329	4,514	-2,283	25	-1,274	-2,685	-121
<b>CF from Operations</b>	<b>9,592</b>	<b>4,413</b>	<b>12,488</b>	<b>11,558</b>	<b>14,845</b>	<b>19,663</b>	<b>19,053</b>
(Inc)/Dec in FA	-2,494	-3,518	-4,212	-3,994	-2,434	-2,000	-2,500
<b>Free Cash Flow</b>	<b>7,098</b>	<b>895</b>	<b>8,276</b>	<b>7,564</b>	<b>12,411</b>	<b>17,663</b>	<b>16,553</b>
(Pur.)/Sale of Investments	-2,109	3,593	-5,374	-3,341	-13,266	-884	-884
Other Non Rec Exp	-3,914	-1,206	72	-1,462	406	2,683	3,291
<b>CF from Investments</b>	<b>-8,517</b>	<b>-1,131</b>	<b>-9,514</b>	<b>-8,797</b>	<b>-15,294</b>	<b>-201</b>	<b>-93</b>
Issue of Shares	43	58	151	298	7,449	0	0
Inc in Debt	0	0	0	-419	-2,305	-748	-673
Dividend Paid	2,308	2,884	3,174	3,544	4,325	15,533	17,244
Other Item	197	125	-706	-138	240	1,034	1,195
<b>CF from Fin. Activity</b>	<b>-2,462</b>	<b>-2,951</b>	<b>-2,318</b>	<b>-3,527</b>	<b>579</b>	<b>-17,315</b>	<b>-19,112</b>
<b>Inc/Dec of Cash</b>	<b>-1,387</b>	<b>331</b>	<b>657</b>	<b>-766</b>	<b>130</b>	<b>2,147</b>	<b>-152</b>
Add: Beginning Balance	2,263	877	1,208	1,864	1,098	1,229	3,376
<b>Closing Balance</b>	<b>877</b>	<b>1,208</b>	<b>1,864</b>	<b>1,098</b>	<b>1,229</b>	<b>3,376</b>	<b>3,223</b>

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NOTES

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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