

Ashok Leyland

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	AL IN
Equity Shares (m)	2,936
M.Cap.(INRb)/(USD\$)	363.6 / 4.8
52-Week Range (INR)	153 / 106
1, 6, 12 Rel. Per (%)	-2/-7/-13
12M Avg Val (INR M)	2526

Financials & Valuations (INR b)

Y/E March	2021	2022E	2023E
Sales	153.0	208.9	300.5
EBITDA	5.4	7.1	24.6
EBITDA (%)	3.5	3.4	8.2
Adj. PAT	-3.0	-2.0	11.5
Adj. EPS (INR)	-1.0	-0.7	3.9
EPS Gr. (%)	-188.0	-32.4	-663.0
BV/Sh. (INR)	23.8	22.2	24.1

Ratios

Net D:E (x)	0.4	0.5	0.3
RoE (%)	-4.2	-3.0	16.9
ROCE (%)	-0.7	0.2	13.4
Payout (%)	-58.4	-143.9	51.1

Valuations

P/E (x)	-120.5	-178.2	31.7
P/BV (x)	5.2	5.6	5.1
EV/EBITDA (x)	73.3	55.3	15.4
Div. Yield (%)	0.5	0.8	1.6
FCF Yield (%)	-1.6	1.3	7.4

Shareholding pattern (%)

As On	Dec-21	Sep-21	Dec-20
Promoter	51.1	51.1	51.1
DII	20.6	19.5	17.6
FII	15.8	17.0	17.0
Others	12.6	12.4	14.3

FII Includes depository receipts

CMP: INR124 TP: INR165 (+33%) Buy

Higher discounts and cost inflation hurt margin

Market share recovery underway | Net debt down INR4.1b QoQ

- Ashok Leyland (AL)'s 3QFY22 performance was impaired by higher discounts and raw material (RM) cost inflation. AL recovered 3.7pp QoQ market share in 3QFY22, which is likely to grow further with CNG model launch in ICV and new model launches in the MHCV segment. AL is a pure-play on CV cycle revival, with a focus on expanding revenue pools.
- We downgrade our FY22E/FY23E EPS by PTL/17% due to higher discounts and weaker mix. Maintain **BUY** with a TP of INR165 (premised on 12x Mar'24E EV/EBITDA + INR15/share for NBFC).

Higher RM costs offset by operating leverage

- AL's 3QFY22 revenue grew 15% YoY to INR55.35b (v/s est. of INR56.25b). EBITDA declined 12% YoY to INR2.24b (v/s est. of INR3.13b) and loss stood at INR295m (v/s est. profit of INR511m and PAT of INR157m in 3QFY21). Its 9MFY22 revenue increased 56% YoY and adj. loss reduced 25% YoY.
- Realizations were flat QoQ (+13% YoY) to INR1.62m (est. of INR1.65m), as the 2% price hike in 3QFY22 was off-set by higher discounts and mix. Gross margin contracted 120bp QoQ (-350bp YoY) to 22.1% (est. of 22.8%), led by cost inflation and weaker mix.
- The benefits from operating leverage led to an EBITDA margin expansion of 100bp QoQ (-130bp YoY) to 4% (v/s est. of 5.6%). The miss on margin was due to higher staff cost. Recurring PBT loss was at INR149m (v/s estimated profit of INR691m and INR278m profit in 3QFY21).
- AL has booked a net EO income of INR420m, as it has booked a gain of INR721m because of a slump sale of the EV business to Switch Mobility and set aside INR252m for VRS.
- Debt reduction:** It generated net cash of INR4.15b in 3QFY22, resulting in a net debt reduction to INR27b (v/s INR31.1b in 2QFY22).

Highlights from the management commentary

- Demand outlook:** Demand continues to grow with increasing economic activities. Average age of fleet was at 9-9.5 years, much higher than industry average, as replacement demand is yet to materialize. The bus segment should benefit from re-opening of school, colleges and offices.
- M&HCV market share** recovered ~3.6pp QoQ to 26.1% and it further expanded to 28.8% in Jan'22. It is expected to cross 30% market share led by recovery in bus segment, plugging of product gaps and network expansion in weak areas of North & East.
- ICV:** AL has recently launched CNG ICV and will add more models. The ICV segment is 32-33% of the CV market and CNG forms 40% of ICV. AL was weak in ICV with ~20% market share and it was not present in CNG earlier. However, with CNG in its portfolio now, it is looking to increase the share.

- **Switch Mobility (EV arm)** is in the advance stage of discussion with investors at both Switch Mobility and Ohm Global Mobility (Mobility as a Service). AL will continue to have a significant majority of ownership in Switch Mobility.

Valuation and view

Valuations at 16.8x FY24E P/E and 9.8x EV/EBITDA are reflecting the early recovery cycle. However, this does not fully reflect AL's focus on adding new revenue streams and profit pools. Any fundraise in Switch Mobility (EV business) could serve as a re-rating catalyst. We maintain our **BUY** rating with a TP of INR165.

Quarterly Performance (S/A)

(INR b)

	FY21				FY22E				FY21E	FY22E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q
Total Volumes (nos)	3,814	19,433	33,408	44,022	17,987	27,543	34,077	48,433	1,00,677	1,28,040	34,077
Growth %	-90.4	-32.8	7.1	72.7	371.6	41.7	2.0	10.0	-19.6	27.2	2.0
Realizations (INR '000)	1,707	1,460	1,441	1,590	1,641	1,619	1,624	1,641	1,520	1,632	1,651
Change (%)	18.9	7.5	12.0	5.6	-3.9	10.9	12.7	3.2	9.0	7.4	14.6
Net operating revenues	6.5	28.4	48.1	70.0	29.5	44.6	55.4	79.5	153.0	208.9	56.3
Change (%)	-88.5	-27.8	19.9	82.4	353.4	57.2	15.0	13.5	-12.4	36.5	16.9
RM/sales %	64.1	71.2	74.4	76.9	74.1	76.7	77.9	78.3	74.5	77.3	77.2
Staff/sales %	54.4	13.2	9.4	5.7	14.4	9.0	7.8	5.5	10.4	8.1	7.2
Other exp/sales %	32.6	12.8	10.9	9.7	16.2	11.3	10.2	10.0	11.6	11.2	10.0
EBITDA	-3.3	0.8	2.5	5.3	-1.4	1.3	2.2	5.0	5.4	7.1	3.1
EBITDA Margin (%)	-51.2	2.8	5.3	7.6	-4.7	3.0	4.0	6.2	3.5	3.4	5.6
Interest	0.8	0.9	0.7	0.8	0.7	0.9	0.7	0.7	3.1	2.9	0.8
Other Income	0.3	0.2	0.3	0.4	0.1	0.2	0.2	0.2	1.2	0.7	0.2
Depreciation	1.6	1.7	1.9	2.2	1.8	1.8	1.9	2.0	7.5	7.5	1.9
PBT before EO Item	-5.5	-1.6	0.3	2.8	-3.8	-1.2	-0.1	2.5	-4.0	-2.6	0.7
EO Exp/(Inc)	0.0	0.0	0.5	-0.4	0.0	0.0	-0.4	0.0	0.1	-0.4	0.0
PBT after EO	-5.5	-1.6	-0.2	3.1	-3.8	-1.2	0.3	2.5	-4.1	-2.2	0.7
Effective Tax Rate (%)	29.3	7.1	-6.2	23.2	26.2	28.1	78.7	21.2	23.8	26.4	26.0
Adj PAT	-3.9	-1.5	0.2	2.1	-2.8	-0.8	-0.3	2.0	-3.0	-1.9	0.5
Change (%)	-259.1	-277.8	-46.3	-1,899.0	-27.5	-42.8	-260.5	-7.8	-188.9	-36.5	226.2

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY21				FY22E				FY21	FY22E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q
M&HCV	987	7,929	16,584	26,277	9,050	13,514	19,305	30,992	51,777	72,861	19305
Dom. M&HCV Mkt sh (%)	15.6	28.5	28.3	29.6	27.0	22.4	26.1		28.6		
LCV	2,793	11,508	16,824	17,783	8,937	14,029	14,772	17,442	48,908	55,180	14772
Dom. LCV Mkt sh (%)	9.9	10.1	11.3	13.1	11.3	11.8	10.9		11.4		
Total Volumes (nos)	3,780	19,437	33,408	44,060	17,987	27,543	34,077	48,433	1,00,685	1,28,040	34077
AL's CV Market Sh (%)	10.6	13.6	15.9	19.1	14.8	14.6	15.4		16.3		
Realizations (INR '000)	1,707	1,460	1,441	1,590	1,641	1,619	1,624	1,641	1,520	1,632	1651
Growth %	18.9	7.5	12.0	5.6	-3.9	10.9	12.7	3.2	4.1	13.2	15
Cost Break-up											
RM Cost (% of sales)	64.1	71.2	74.4	76.9	74.1	76.7	77.9	78.3	74.5	77.3	77.2
Staff Cost (% of sales)	54.4	13.2	9.4	5.7	14.4	9.0	7.8	5.5	10.4	8.1	7.2
Other Cost (% of sales)	32.6	12.8	10.9	9.7	16.2	11.3	10.2	10.0	11.6	11.2	10.0
Gross Margin (%)	35.9	28.8	25.6	23.1	25.9	23.3	22.1	21.7	25.5	22.8	22.8
EBITDA Margins (%)	-51.2	2.8	5.3	7.6	-4.7	3.0	4.0	6.2	3.5	3.4	5.6
EBIT Margins (%)	-76.3	-3.2	1.2	4.5	-11.0	-1.1	0.6	3.8	-1.4	-0.2	2.2

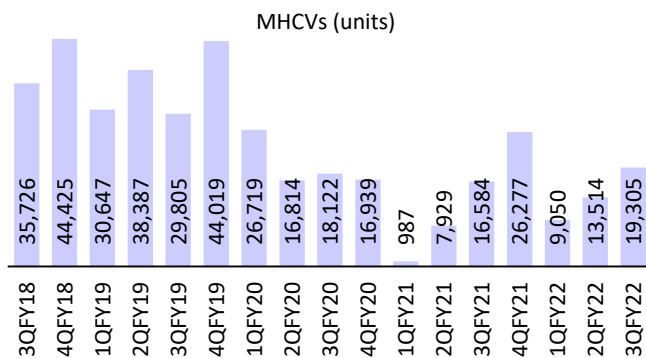
E: MOFSL Estimates



Key takeaways from the management commentary

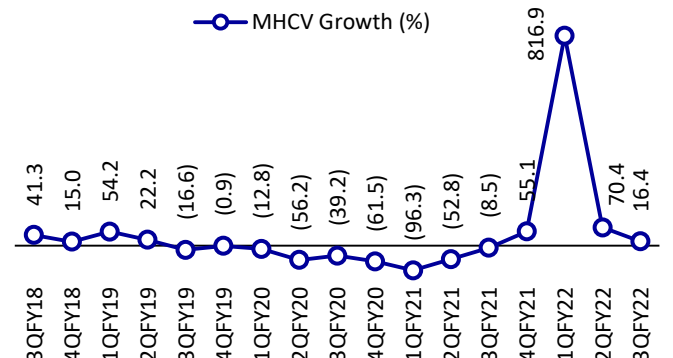
- **Replacement demand:** The average age of the fleet at 9.5 years in FY21 was at the highest level (v/s 8.7 years in FY19).
- **Bus Demand:** Though bus segment continued to be impacted by WFH, it should benefit from re-opening of school, colleges and offices.
- **M&HCV market share** recovered by ~3.6pp QoQ to 26.1% and it further recovered to 28.8% in Jan'22. It is expected to cross 30% market share as it has plugs gaps and expands network in weak area of North & East.
- **ICV:** AL has recently launched CNG ICV and will add more models. The ICV segment is 32-33% of the CV market and CNG forms 40% of ICV. AL was weak in ICV with ~20% market share and it was not present in CNG earlier. However, with CNG in its portfolio now, it is looking to increase the share.
- **LCV:** LCV volumes are impacted by semi-conductor shortages.
- **Fund raise in EVs: Switch Mobility (EV arm)** is in the advance stage of discussion with investors at both Switch Mobility and Ohm Global Mobility (Mobility as a Service). AL will continue to have a significant majority of ownership in Switch.
- **Price hike:** Price hike of 2% was taken in 3QFY22 (2.5% in 2QFY22). More importantly, retention of price hike (i.e., post discount) in 3Q has been 90-95%, which is good. AL expects better pricing power as demand improves.

Exhibit 1: M&HCV sales trend



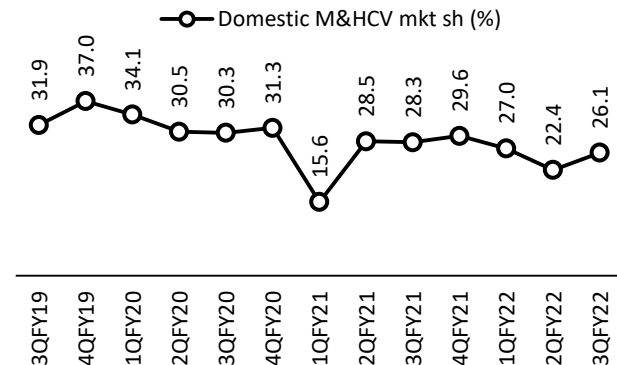
Source: Company, MOFSL

Exhibit 2: Growth trend in M&HCV



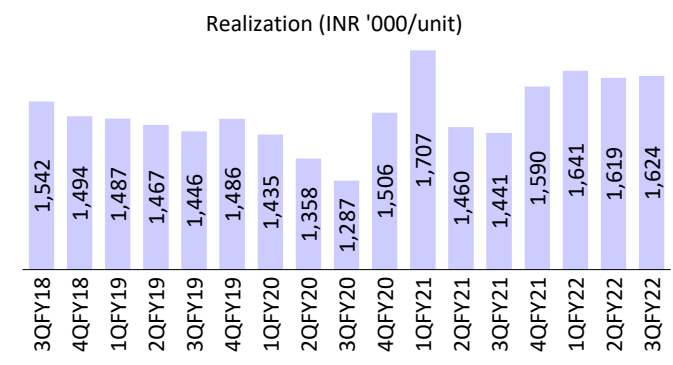
Source: Company, MOFSL

Exhibit 3: Domestic M&HCV market share trend



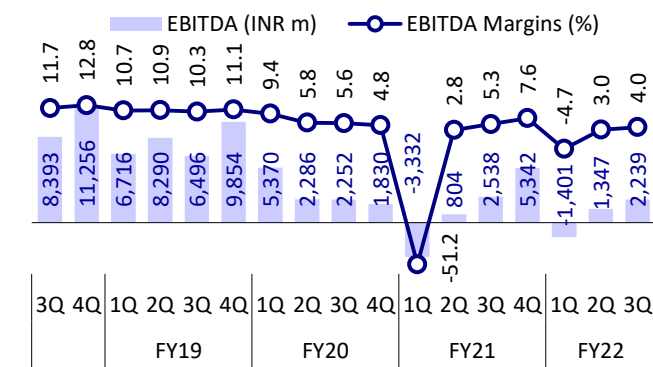
Source: Company, MOFSL

Exhibit 4: Realization trend



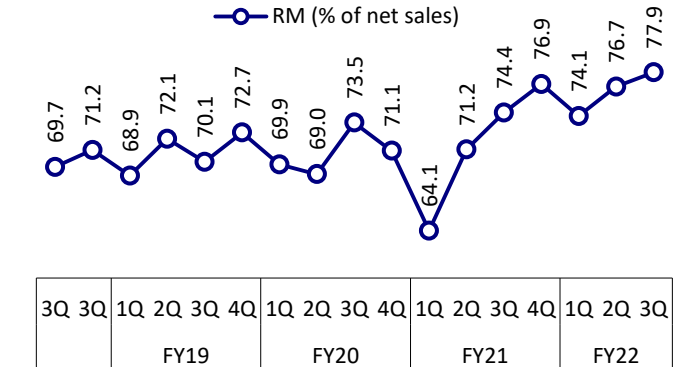
Source: Company, MOFSL

Exhibit 5: Trends in EBITDA and EBITDA margins



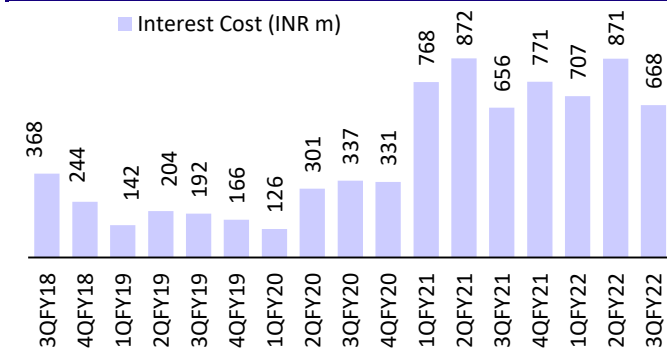
Source: Company, MOFSL

Exhibit 6: Trend in RM cost



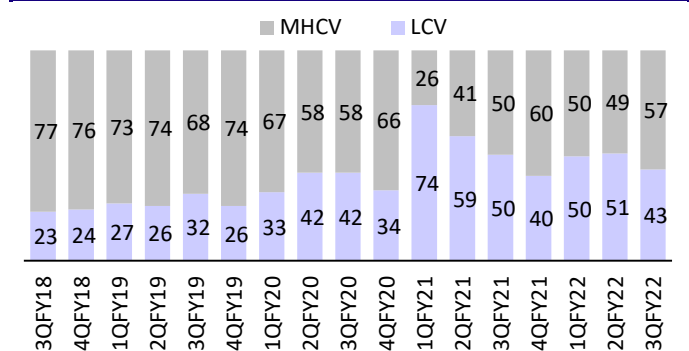
Source: Company, MOFSL

Exhibit 7: Trend in interest cost



Source: Company, MOFSL

Exhibit 8: M&HCV and LCV contribution in sales mix



Source: SIAM, MOFSL

Valuation and view

- Focus on market share recovery in M&HCV and gains in LCVs:** Unlike in PV, the modular strategy is uncommon in M&HCV globally due to the very high number of SKUs as well as deeper changes required in the normal way of doing business. This could be an important driver of market share gains for AL as it improves its response time and is a better application fit for the customer. Further, the recent market share loss is likely to be recovered driven by: a) launches of CNG variants in ICV in 4QFY22, b) Southern market recovery as well as expansion of reach in North & North East, c) HCV segment revival led by infra/construction recovery and d) buses segment recovery. These, coupled with upcoming LCV launches, would expand AL's addressable market in India (in LCV by 2x) and globally (by offering a wide range of products – from LCV to M&HCV).
- Domestic M&HCV on recovery path, but peak FY19 volumes only in FY24E:** We expect CV demand recovery to sustain and gather momentum in FY22. However, with recovery in FY22E and FY23E on a low base of FY21, we estimate domestic M&HCV volumes to recover to FY20 volume levels in FY22. FY23E volumes would still be lower than the peak of FY19, with FY24E possibly crossing peak volumes of FY19. The voluntary scrapping of trucks would have some benefit for the CV demand though not a very substantial one. We estimate domestic M&HCV industry volumes to grow at ~32% CAGR over FY21-24.
- Focus on creating and expanding profit/revenue pools:** AL is focused on expanding and creating new revenue and profit pools. De-risking of the M&HCV business, along with the expansion of nascent businesses – such as Spares (9% of FY21 sales) – Exports (10% of sales), LCV (16.5% sales), and Defense (3.1% of sales), is a key focus area. Further, AL has set up a new business vertical –

Customer Solutions – targeting a higher share of the customer wallet across the life cycle in areas such as finance, spares, and fuel.

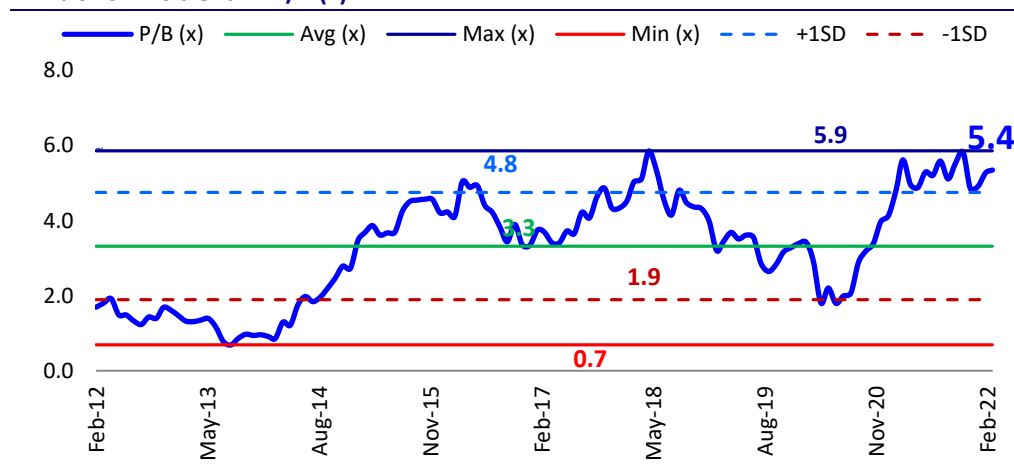
- **Expect good recovery from lows of FY21:** AL's revenue/EBITDA/PAT is estimated to grow at a CAGR of 15%/33%/59% over FY20–24 on the low base of FY20. In the long term, AL's focus on expanding and creating new profit/revenue pools is likely to de-risk the business – the share of domestic trucks in revenue is likely to shrink to ~59.3% by FY24E (from 68% in FY19).
- **Switch Mobility (EV sub) offers option value:** AL's EV subsidiary, Switch Mobility, is focusing on LCVs (including pick-ups and vans) and buses for both India and globally. While Switch Mobility had sold 1% stake in the company to its supplier Dana for implied valuations of USD1.8b, the management has made it amply clear that it would be looking to raise funds in this subsidiary. This can potentially lead to re-rating of AL, similar to what happened in TTMT post minority stake sale in EV business to TPG. Assuming, fund raise happens at least at USD1.8b valuation, it implies INR35-40/share addition for AL!
- **Valuation and view:** We downgrade our FY22E/FY23E EPS by PTL/17% due to higher discount and weaker mix. Unlike the previous cycles, AL is on a strong footing (lean cost structure and reasonable debt) and is focused on adding new revenue/profit pools. Valuations at 16.8x FY24E EPS and 9.8x FY24E EV/EBITDA are at an early recovery stage. However, this does not fully reflect AL's focus on adding new revenue streams and profit pools, as well as its EV business. Maintain **BUY** with a TP of INR165 (premised on 12x Mar'24 EV/EBITDA+ INR15/share of NBFC).
- **Key risks** include: a) loss of road share for freight movement from the upcoming DFCC and b) increasing competitive intensity, resulting in a loss of market share and shrinking margins.

Exhibit 9: Revised Estimates

	FY22E			FY23E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes (units)	1,28,040	1,32,918	-3.7	1,80,831	1,80,397	0.2
Net Sales	2,08,908	2,20,664	-5.3	3,00,546	3,08,939	-2.7
EBITDA	7,150	10,116	-29.3	24,621	27,657	-11.0
EBITDA margins (%)	3.4	4.6	-120bp	8.2	9.0	-80bp
Net Profit	-2,040	255	-899.1	11,485	13,839	-17.0
EPS (INR)	-0.7	0.1	-899.1	3.9	4.7	-17.0

Source: MOFSL

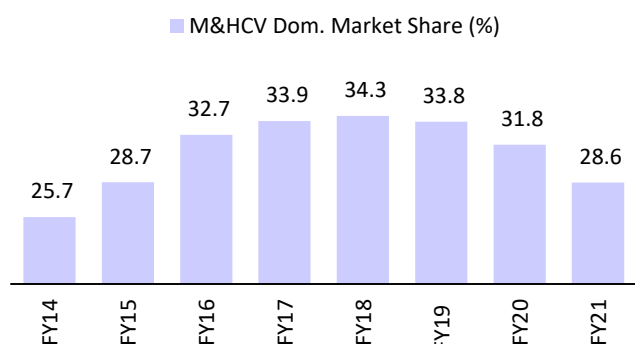
Exhibit 10: ALs trend in P/B (x)



Source: MOFSL

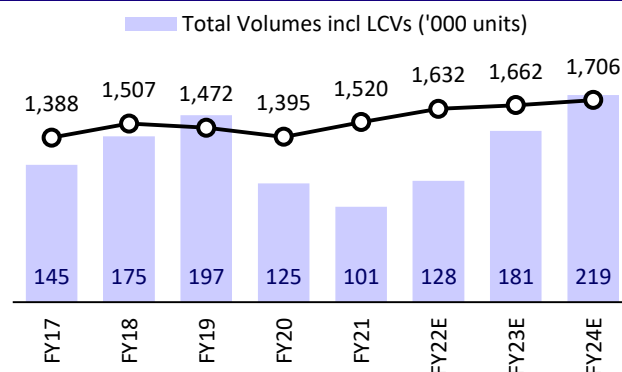
Story in charts: Better prepared for recovery

Exhibit 11: AL's market share trend



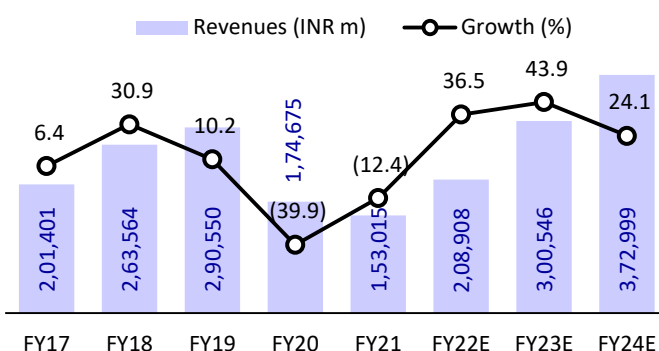
Source: Company, MOFSL

Exhibit 12: Volume and realization growth trends



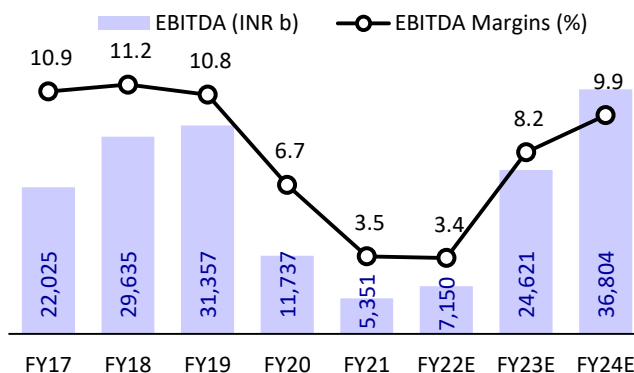
Source: Company, MOFSL

Exhibit 13: Revenue growth trend



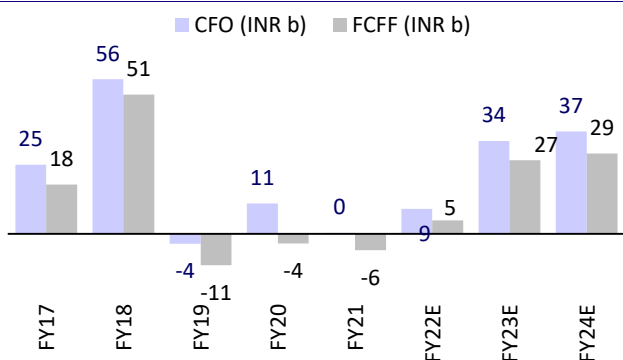
Source: Company, MOFSL

Exhibit 14: EBITDA and EBITDA margin trends



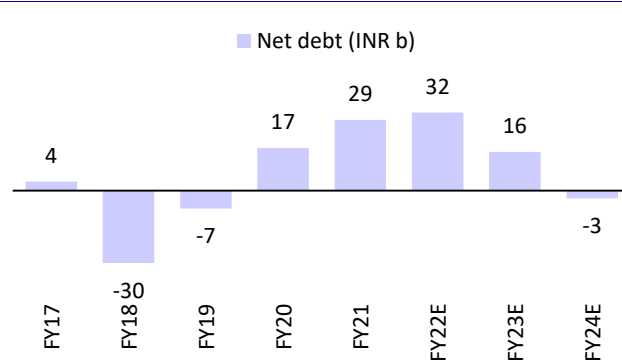
Source: Company, MOFSL

Exhibit 15: CFO and FCFF trends



Source: Company, MOFSL

Exhibit 16: AL's net debt is expected to decline in FY24



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR Million)		
Y/E March	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Volumes ('000 units)	140	145	175	197	125	101	128	181	219
Growth (%)	33.8	3.4	20.5	12.9	-36.5	-19.6	27.2	41.2	20.9
Net Sales	1,89,373	2,01,401	2,63,564	2,90,550	1,74,675	1,53,015	2,08,908	3,00,546	3,72,999
Change (%)	39.6	6.4	30.9	10.2	-39.9	-12.4	36.5	43.9	24.1
EBITDA	22,546	22,025	29,635	31,357	11,737	5,351	7,150	24,621	36,804
Change (%)	119.6	-2.3	34.6	5.8	-62.6	-54.4	33.6	244.4	49.5
EBITDA Margins (%)	11.9	10.9	11.2	10.8	6.7	3.5	3.4	8.2	9.9
Depreciation	4,879	5,179	5,985	6,210	6,698	7,477	7,531	7,883	8,387
EBIT	17,667	16,846	23,650	25,147	5,039	-2,126	-381	16,738	28,417
Interest & Fin. Charges	2,476	1,554	1,473	704	1,095	3,068	2,946	2,273	1,725
Other Income	1,176	1,363	1,966	1,099	1,233	1,195	700	862	2,080
PBT	8,215	13,301	23,858	24,968	3,619	-4,119	-2,222	15,327	28,771
Tax	4,369	1,070	6,681	5,136	1,224	(982)	(588)	3,842	7,118
Effective Rate (%)	53.2	8.0	28.0	20.6	33.8	23.8	26.4	25.1	24.7
Rep. PAT	3,845	12,231	17,177	19,832	2,395	-3,137	-1,634	11,485	21,653
Change (%)	14.8	218.1	40.4	15.5	-87.9	-231.0	-47.9	-802.7	88.5
% of Net Sales	2.0	6.1	6.5	6.8	1.4	-2.0	-0.8	-802.7	88.5
Adjusted PAT	7,661	15,457	17,359	20,268	3,426	-3,016	-2,040	11,485	21,653
Change (%)	196.5	101.8	12.3	16.8	-83.1	-188.0	-32.4	-663.0	88.5

Balance Sheet							(INR Million)		
Y/E March	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sources of Funds									
Share Capital	2,846	2,846	2,927	2,936	2,936	2,936	2,936	2,936	2,936
Reserves	51,226	58,415	69,528	80,389	69,704	66,837	62,267	67,881	83,663
Net Worth	54,071	61,261	72,455	83,324	72,640	69,772	65,202	70,816	86,599
Loans	20,201	21,449	12,263	6,324	30,648	37,163	32,163	24,663	17,163
Deferred Tax Liability	3,291	1,269	2,986	2,497	2,648	1,708	1,597	2,363	3,802
Capital Employed	77,563	83,978	87,704	92,145	1,05,936	1,08,642	98,961	97,842	1,07,563
Application of Funds									
Gross Fixed Assets	53,659	59,807	64,798	71,437	91,913	1,01,269	1,06,487	1,12,487	1,20,487
Less: Depreciation	4,859	8,871	13,817	19,791	28,376	35,264	42,795	50,678	59,065
Net Fixed Assets	48,800	50,937	50,981	51,646	63,537	66,005	63,692	61,809	61,422
Capital WIP	759	2,059	4,226	6,576	5,941	3,719	3,000	4,000	4,000
Goodwill			4,499	4,499	4,499	4,499	4,499	4,499	4,499
Investments	19,804	28,789	56,067	26,365	27,196	30,687	32,687	35,187	37,687
Curr.Assets, L & Adv.	60,992	58,615	57,591	93,158	62,723	79,590	72,350	99,390	1,32,803
Inventory	16,250	26,310	17,583	26,847	12,380	21,423	22,894	32,937	40,877
Sundry Debtors	12,511	10,644	9,448	25,055	11,804	28,163	25,756	27,996	34,745
Cash & Bank Balances	15,931	9,120	10,422	13,736	13,225	8,230	234	8,815	20,393
Loans & Advances	16,299	12,542	20,138	27,520	25,314	21,774	23,466	29,643	36,789
Current Liab. & Prov.	52,791	56,421	85,660	90,099	57,960	75,857	77,267	1,07,044	1,32,849
Sundry Creditors	25,627	31,170	48,879	50,189	26,239	51,647	42,926	57,639	71,534
Other Liabilities	24,046	18,743	26,146	29,386	23,666	17,665	25,756	37,054	45,986
Provisions	3,119	6,509	10,635	10,524	8,055	6,545	8,585	12,351	15,329
Application of Funds	77,563	83,978	87,704	92,145	1,05,936	1,08,642	98,961	97,842	1,07,563

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Basic (INR)									
EPS	2.7	5.4	5.9	6.9	1.2	-1.0	-0.7	3.9	7.4
EPS Fully Diluted	2.7	5.4	5.9	6.9	1.2	-1.0	-0.7	3.9	7.4
EPS Growth (%)	196.5	101.8	9.2	16.4	-83.1	-188.0	-32.4	-663.0	88.5
Cash EPS	4.4	7.3	8.0	9.0	3.4	1.5	1.9	6.6	10.2
Book Value per Share	19.0	21.5	24.8	28.4	24.7	23.8	22.2	24.1	29.5
DPS	1.0	1.6	2.4	3.4	0.5	0.6	1.0	2.0	2.0
Div. Payout (%)	44.7	34.6	49.3	59.4	51.5	-58.4	-143.9	51.1	27.1
Valuation (x)									
P/E	46.0	22.8	20.9	17.9	106.1	-120.5	-178.2	31.7	16.8
Cash P/E	28.1	17.1	15.5	13.7	35.9	81.5	66.2	18.8	12.1
EV/EBITDA	15.8	16.2	11.2	11.4	32.5	73.3	55.3	15.4	9.8
EV/Sales	1.9	1.8	1.3	1.2	2.2	2.6	1.9	1.3	1.0
Price to Book Value	6.5	5.8	5.0	4.4	5.0	5.2	5.6	5.1	4.2
Dividend Yield (%)	0.8	1.3	2.0	2.8	0.4	0.5	0.8	1.6	1.6
Profitability Ratios (%)									
ROE	14.5	26.8	26.0	26.0	4.4	-4.2	-3.0	16.9	27.5
RoCE	11.4	20.7	21.5	23.2	4.2	-0.7	0.2	13.4	22.3
RoIC	20.0	36.4	55.8	64.0	6.3	-2.6	-0.4	22.2	44.9
Turnover Ratios									
Debtors (Days)	24	19	13	31	25	67	45	34	34
Inventory (Days)	31	48	24	34	26	51	40	40	40
Creditors (Days)	49	56	68	63	55	123	75	70	70
Working Capital (Days)	6	10	-30	2	-4	-5	10	4	4
Fixed-Asset Turnover (x)	3.9	4.0	5.2	5.6	2.7	2.3	3.3	4.9	6.1
Leverage Ratio									
Net Debt/Equity (x)	0.1	0.1	-0.4	-0.1	0.2	0.4	0.5	0.3	0.2

Cash flow Statement

(INR Million)

Y/E March	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
OP/(Loss) before Tax	11,692	16,846	23,858	24,968	3,619	-4,119	-381	16,738	28,417
Int/Div Received	485	690	552	-413	-756	-945	700	862	2,080
Depreciation	4,489	5,179	5,546	6,210	6,698	7,477	7,531	7,883	8,387
Direct Taxes Paid	-4,409	-3,476	-4,149	-5,603	-941	779	476	-3,076	-5,679
(Inc)/Dec in Work Cap.	-1,276	1,903	35,987	-29,638	-1,756	-6,058	654	11,317	3,970
Other Items	6,818	3,914	-5,596	853	4,105	3,198	0	0	0
CF from Oper. Activity	17,800	25,056	56,198	-3,624	10,969	332	8,981	33,725	37,174
Extra-ordinary Items	0	-3,508	-253	-549	-1,558	-120	406	0	0
CF after EO Items	17,800	21,548	55,945	-4,172	9,411	211	9,386	33,725	37,174
(Inc)/Dec in FA+CWIP	441	-3,660	-5,321	-7,315	-12,923	-6,166	-4,500	-7,000	-8,000
Free Cash Flow	18,241	17,888	50,624	-11,487	-3,512	-5,954	4,886	26,725	29,174
CF from Inv. Activity	3,618	-14,768	-33,321	23,115	-21,775	-9,752	-6,000	-9,500	-10,500
Inc/(Dec) in Debt	-7,886	-8,827	-12,700	-6,621	25,655	4,780	-5,000	-7,500	-7,500
Interest Rec./(Paid)	-2,679	-1,638	-1,464	-1,029	-1,463	-2,720	-2,946	-2,273	-1,725
Dividends Paid	-1,541	-3,254	-5,495	-8,598	-12,702	0	-2,936	-5,871	-5,871
CF from Fin. Activity	-12,107	-13,719	-19,613	-16,162	11,490	2,060	-10,882	-15,644	-15,096
Inc/(Dec) in Cash	9,311	-6,939	3,011	2,781	-874	-7,481	-7,495	8,581	11,578
Add: Beginning Balance	8,040	17,352	10,412	13,423	16,205	15,330	7,850	354	8,935
Closing Balance	17,352	10,412	13,423	16,205	15,330	7,850	354	8,935	20,513

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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