JM FINANCIAL

Cummins India | BUY

FY18 Annual Report Analysis: Capital allocation hurts RoIC

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Cummins India (KKC)'s balance sheet has seen a stark change in the past 5 years, with increased allocation to investment properties and current investments, leading to a 150% rise in interest and rental income vs. a 12% decline in EBITDA over the same period. Other key takeaways from the annual report are: a) management increased focus on the industrial division through bundled offerings and new product introductions to capture a larger share of railways, mining, defence and construction (new emission norms from CY20) as power gen/export sales growth remain muted, b) it maintained tight control on expenses and trimmed its overall employee strength, but onboarding of engineers for its new Tech Centre led to a sharp increase in average remuneration by 20% vs. a median increase of 15%, c) the free cash flow yield improved to 3.7% in FY17-18 vs. 0.9% in FY14-16 as capital expenditure dipped, but RoIC declined to 16% vs. an average of 37% over the past 10 years, d) rental income jumped 33% on the commissioning of a new Tech Centre in Pune and is expected to cross INR 1bn in FY19 and e) group companies' performances was muted, resulting in flat growth in dividend income. We maintain BUY with an SOTP-based target price of INR 835.

- Increased investments in non-revenue generating assets lower RoIC: KKC's share of non-revenue generating assets has increased substantially over the past 5 years due to capital allocation to investment properties (35% of gross block), leasing manufacturing units in Phaltan to group entities and a surplus cash balance (including current investments). Over the past 5 years, this led to a 150% jump in income from investments and rental income vs. a 12% decline in EBITDA over the same period and a sharp dip in RoIC to 16% vs. an average of 37% in the past 10 years.

- Focus to stay on industrial segment as exports/distribution suffer: Management increased its focus on the industrial division (16% of sales) through bundled offerings in railways, mining, marine and defence to capture large share of these segments. Domestic power generation and exports declined 3% on increased competitive intensity and a slump in the low HP genset range, which is witnessing the brunt of a slump in capex as well as the threat of substitutes from battery-based solutions.

- Tight control on expenses, but rising employee expenses hurt margins: Despite an adverse sales mix and rising commodity prices, KKC improved its gross margins by 40bps and kept other fixed expenses under check. Its total employee strength reduced 4% in FY18, but commissioning of the new Tech Centre in Pune and onboarding of engineers led to a sharp increase in employee costs (+130bps YoY) as average remuneration rose 20% YoY against a 10% increase in the median remuneration, as per the company.

- Maintain BUY with SOTP-based TP of INR 835: We believe near-term growth drivers in the form of favourable currency movement, price pass-through on higher input costs and increased product offerings are likely to help maintain 12%/14% CAGR in sales/EBTIDA. Thus, we maintain BUY with an SOTP-based TP of INR 835, valuing the core business at 20x EVE/PE and other investments at 1x book value.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	835
Upside/(Downside)	30.9%
Previous Price Target	860
Change	-2.9%

Key Data – KKC IN	
Current Market Price	INR638
Market cap (bn)	INR176.8/US$2.6
Free Float	43%
Shares in issue (mn)	277.2
Diluted share (mn)	277.2
3-mon avg daily val (mn)	INR293.2/US$4.2
52-week range	1,044/612
Sensex/Nifty	36,351/10,957
INR/US$	69.1

Price Performance			
%	1M	6M	12M
Absolute	-5.9	-29.4	-34.0
Relative*	-8.7	-31.0	-42.0

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY16A	FY17A	FY18A	FY19E	FY20E
Net Sales	45,876	49,581	49,518	54,863	62,165
Sales Growth (%)	6.2	8.1	-0.1	10.8	13.3
EBITDA	7,751	8,018	7,324	8,310	9,586
EBITDA Margin (%)	16.5	15.8	14.4	14.8	15.0
Adjusted Net Profit	7,543	7,346	6,647	7,481	8,636
Diluted EPS (INR)	27.2	26.5	24.0	27.0	31.2
Diluted EPS Growth (%)	8.4	-2.6	-9.5	12.6	15.4
ROIC (%)	20.1	18.7	15.6	16.4	17.7
ROE (%)	22.6	20.3	17.2	18.3	19.9
P/E (x)	23.4	24.1	26.6	23.6	20.5
P/B (x)	5.1	4.7	4.4	4.2	4.0
EV/EBITDA (x)	22.7	22.2	23.8	21.1	18.3
Dividend Yield (%)	2.2	2.2	2.2	3.3	2.8

Source: Company data, JM Financial. Note: Valuations as of 19/Jul/2018

Exhibit 1. SOTP Valuation

Business	Valuation basis	Multiple	Value (INRmn)	Per share (INR)
Cummins core EBITDA (standalone)	5-median 1-yr fwd EV/E	20x Mar-20 EBITDA	1,91,721	690
Valvoline Cummins	at par with peer group average	20x Mar-20 earnings	19,299	70
CGT	in-line with domestic power gen growth	20x Mar-20 earnings	3,307	10
Investment property	Investment value of IOC-3 and Tech Centre	Fair value as per company	7,725	30
Cash and liquid investments	Expected cash balance at end-FY19	1x book value	9,073	35
			2,31,125	835

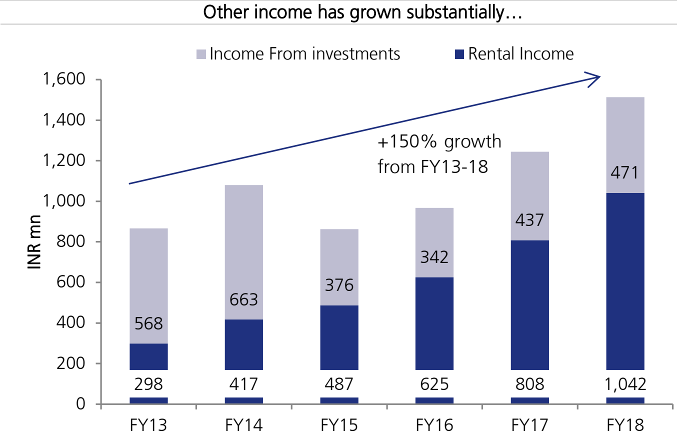
Source: Company, JM Financial

Increasing investments in non-revenue generating investments hurt RoIC

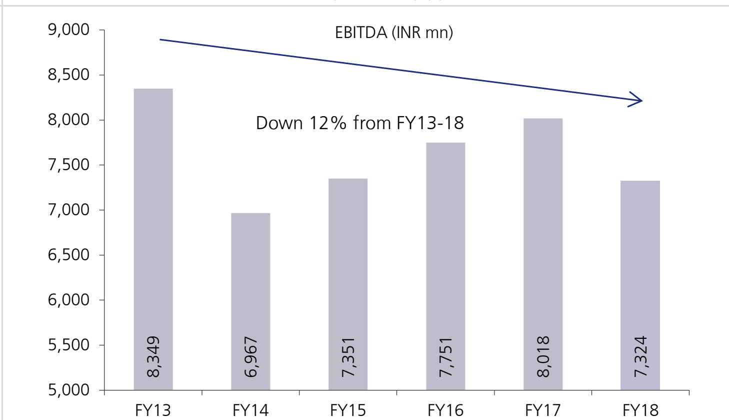
- KKC has seen a sharp change in its balance sheet composition in the past 5 years, as the share of non-revenue generating assets has increased substantially, including investment properties, leased manufacturing facilities to group entities in Phaltan and cash and current investments. While management has taken various steps to improve operational performance, the share of non-operational income continues to rise, up 150% in the past 5 years vs. a 12% decline in EBITDA over same period.
- Higher share of non-operational income has also hurt its RoIC, which declined from an average of 37% during FY08-17 to 16% in FY18. Please note that we exclude only cash and current investments from capital employed to calculate invested capital as data pertaining to investment in leased properties is not available.
- The share of PBT increased from 16% in FY12 to 27% in FY18. Further, the increase in rental income in FY19 to INR 1bn+ is likely to keep the share of other income high in FY19-20.

Exhibit 2. Share of other income as % of PBT continues to rise

Other income has grown substantially…



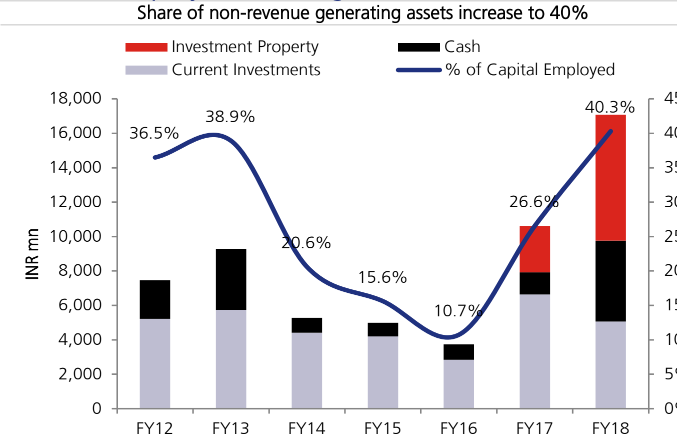
…while EBITDA is down



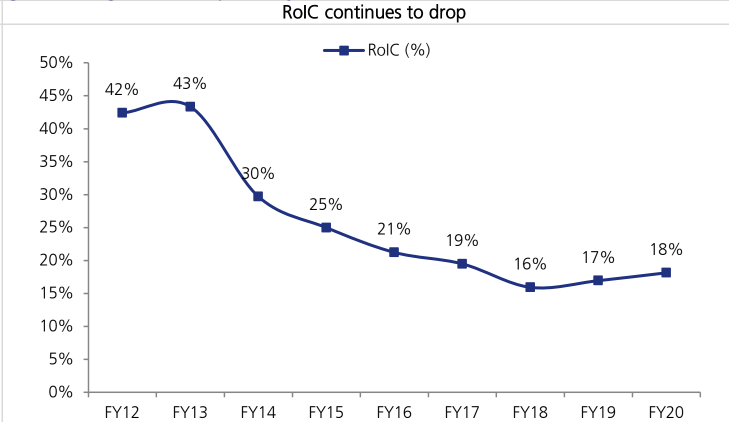
Source: Company, JM Financial

Exhibit 3. Company invested a significant chunk of FCF in non-revenue generating assets in past 5 years

Share of non-revenue generating assets increase to 40%



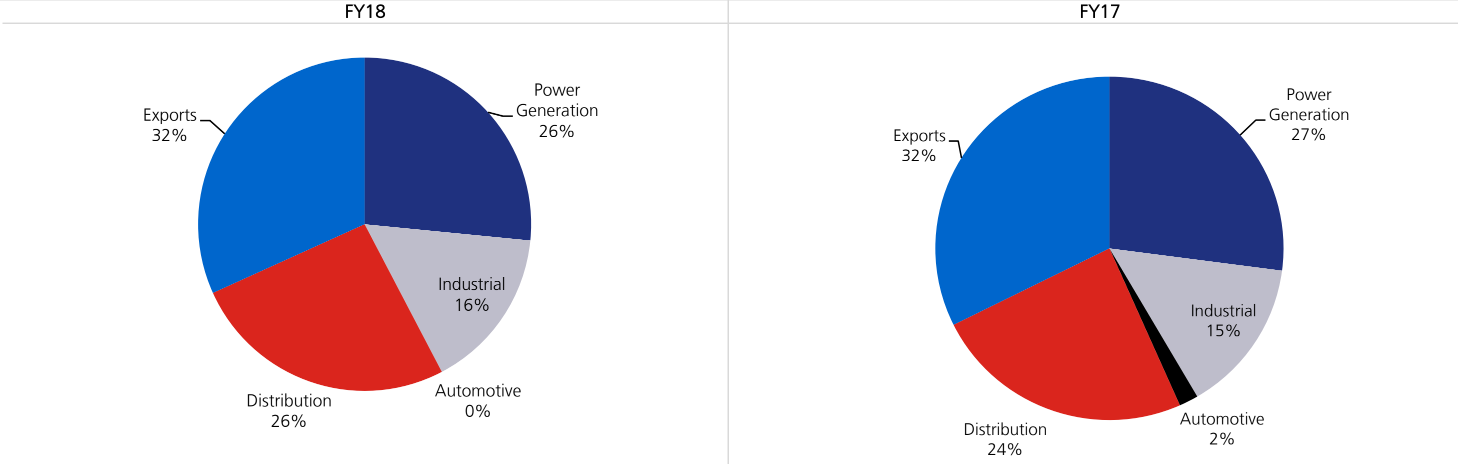
RoIC continues to drop



Source: Company, JM Financial

Segmental performance

Exhibit 4. Segmental sales share



Source: Company, JM Financial

Power Generation (26% of sales)

- Opportunities and threats: Demand for HHP gensets looks good as **a)** increasing digitisation of the economy should lead to strong demand from data centres and **b)** commercial real-estate is showing signs of recovery. However, competitive activity from both domestic and foreign players would hurt the pricing scenario.
- Performance: Gained market share by 100bps in FY18 in HHP mainly on good demand from data centres and manufacturing segment. LHP witnessed healthy growth in select nodes due to product introduction and targeted marketing.
- New initiatives: New advanced PCC for multi-set installations and new 2-cylinder 20 kVA products were received well in the market. The company is taking steps to increase power density, which would help reduce total cost of ownership, lower maintenance costs and have a smaller installation footprint. Programmes to be ready for tighter emission norms in the future are under implementation.
- Outlook: Data centres and infrastructure segments are expected to continue their growth trend. While the power deficit is expected to remain low, stringent environment norms and increasing infra investments should drive demand. The company is working on new technologies for power storage and expects to benefit from these structural changes.

Industrial (16% of sales)

- Opportunities and threats: Demand from all industrial segments is expected to remain healthy – including railways, mining, marine, construction and oil & gas – as the company increases penetration in existing segments and launches new products. However, challenges persist in the form of rising equipment costs as the market transitions from mechanical to electronic engines, pan-India availability of unadulterated fuel and pricing pressures.
- Performance: Integrated solutions and value-added products helped the industrial segment grow 9% YoY. However, increasing railroad investments and new product introductions recorded strong growth of 48% in rail and 13% in construction. Mining segment grew 21% as products were there to support high capacity requirements, while there was a cyclical downturn in water-well compressors.
- New initiatives: For the Indian railways, KKC introduced and installed the under slung power packs for the Diesel Electric Tower Cars (DETCs) and cost-effective, noise attenuation solutions for the Power Cars. KKC strengthened its position in the fishing boats segment as a complete propulsion package provider and ventured into the Indian Backhoe Loader market with a 3.9 litre engine. The company also launched FMUL products for pumps, typically used in fire fighting applications.

- Outlook: Growth would be led by a) strong demand from construction, rail and road industries, b) high capacity needs of the mining segment, c) defence OEMs that require engines for guns and tanks and d) partnerships with the Navy, Coast Guard and shipyards for propulsion packages and DG sets.

Distribution (26% of sales)

- Opportunities and threats: The Government of India (GoI)'s emphasis on infrastructure projects should drive purchases and higher utilisation of equipment, resulting in a positive outlook for parts, new engines and rebuild engine sales. However, reducing power deficit levels could impact the use of diesel generators, resulting in sluggish aftermarket parts and services sales.
- Performance: Despite GST woes, parts and replacement new engine sales contributed to moderate growth of 6% YoY. Parts and replacement new engine sales were bolstered by demand from Railways, DBU OEMs, and construction and compressor segments.
- New initiatives: The company plans to bring in technology for 'field service management' for dealer engineers and technicians, enabling real time service reporting and tracking of field issues.
- Outlook: We believe the growth story could continue on the back of continued demand for spares, engines and service contracts.

Exports (32% of sales)

- Opportunities and threats: New opportunities have arisen for the supply of machined components to Cummins Inc (parent). However, slow growth in the global economy and changing demand patterns could create volatility in exports.
- Performance: LHP exports to Africa and the Middle East slumped, while HHP volumes from USA and Europe improved. 14-litre mechanical marine engines are seeing a declining trend in the market due to global emission standards, while the electronic version is witnessing an uptick.
- New initiatives: The company added new parts to its existing portfolio of machined components.
- Outlook: Very well positioned in all export markets and would benefit as global markets and demand from these economies recover. The focus is also on supplying to Cummins group plants and parts distribution centres globally.

Operational performance

- **Domestic business was flat YoY, while exports declined**: KKC reported muted growth in domestic sales primarily as the power-gen segment remained weak in FY18 due to higher competition in the price-sensitive low and mid-range gensets (down 12% YoY). Exports were down 3% YoY as a slump in demand from the Middle East and Africa continues to hurt LHP, even as HHP exports are recovering. Management guides for 8-10% growth in the domestic business and 0-5% growth in exports

Exhibit 5. Sales growth trend

Source: Company, JM Financial

- **Despite increased outsourcing, employee costs continue to rise**: The total number of permanent employees was down 4% at 3,518 in FY18. Curtailment of manufacturing operations and increased outsourcing has helped keep employee strength under check. However, commissioning of the new Tech Centre in Pune in Jan'18 led to an increase in employees being paid at the higher end, thus increasing average employee remuneration by 20% as against a median salary increase of 10%. Overall, employee costs rose 15% YoY, impacting operating margins by 130bps.

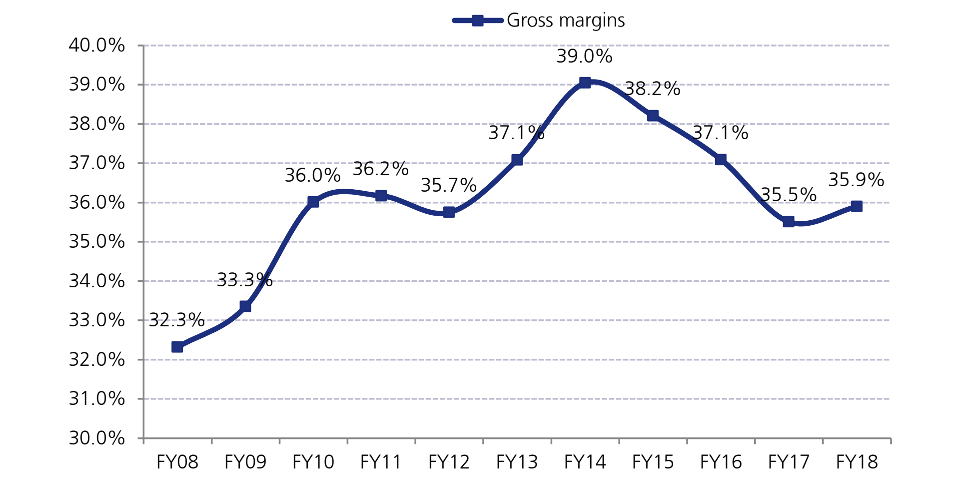
Exhibit 6. Employee cost efficiency

	FY13	FY14	FY15	FY16	FY17	FY18
Employee strength (Nos)	3,590	3,395	4,097	3,669	3,674	3,518
YoY (%)	-2.4	-5.4	20.7	-10.4	0.1	-4.2
Avg remuneration (`'000)	943	1,000	961	1,133	1,180	1,415
YoY (%)	14.1	6.1	-4.0	17.9	4.1	20.0
Employee cost (INR mn)	3,386	3,396	3,936	4,156	4,334	4,979
YoY (%)	11.4	0.3	15.9	5.6	4.3	14.9

Source: Company, JM Financial

- **Rental income rises as KKC commissions new Tech Centre:** KKC saw a 33% increase in rental income to INR 832mn as it jointly (along with the parent company) commissioned the largest global Tech Centre in Pune. Management guides for annual rental income to cross INR 1bn in FY19 on increased rent from the new facility.
- **Gross margin decline arrested through a cost savings programme:** Gross margins have been under pressure over the past 2 years because of the higher share of outsourcing, intense competition preventing price hikes and adverse sales mix as exports has declined. However, gross margins increased in FY18 to 35.9% (+40bps) despite rising commodity prices. The improvement was driven by various cost optimisation projects that accrued savings of INR 3.8bn under Six Sigma programme (in its 14th year) and INR 510mn through other cost saving programmes.

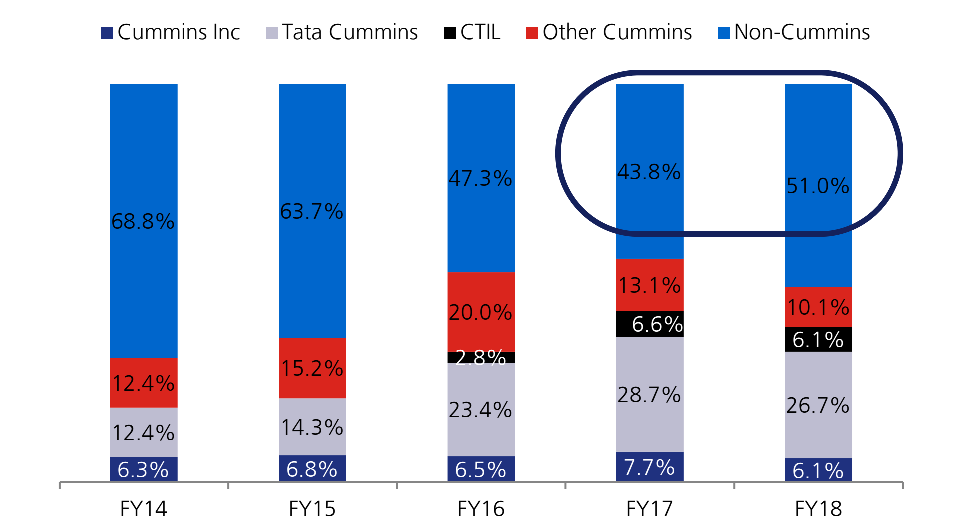
Exhibit 7. Gross margins improved marginally on cost saving programmes



Source: Company, JM Financial

- **Outsourcing increases to non-Cummins entities:** KKC saw 27% YoY jump in purchase of traded goods in FY18 as it continues to increase outsourcing of low-tech products, now constituting 21% of total COGS. However, FY18 saw larger increase in purchases from non-Cummins entities from 44% to 51%. Interestingly, gross margins expanded 40bps YoY in FY18, despite price pressures and a worsening sales mix due to low exports.

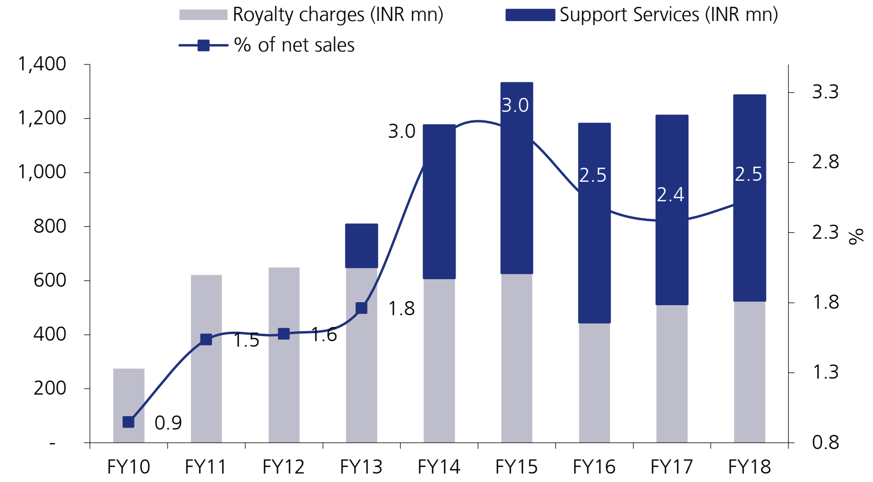
Exhibit 8. Raw material sourcing from non-Cummins entities increase



Source: Company, JM Financial

- **Outgo to parent in form of royalty and other related expenses remains unchanged:** KKC saw a sharp increase in cash outgo to the parent company from 1.6% of sales in FY12 to 3% of sales in FY15, as it introduced support charges. However, overall outgo has gradually been reduced over the past 3 years to 2.5% in FY18. Commissioning of the Tech Centre should help reduce these costs further, in our view.

Exhibit 9. Outgo to parent flattens over the last three years

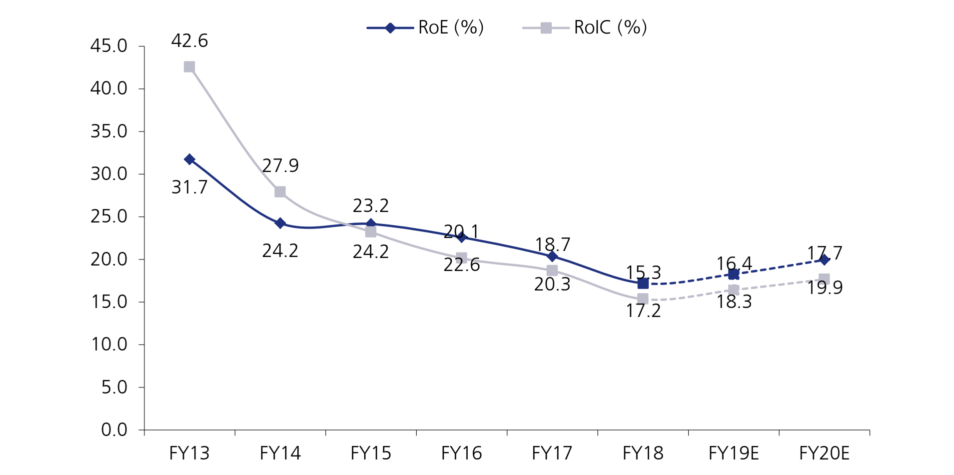


Source: Company, JM Financial

Balance sheet ratios

- **Return ratios continue to weaken:** RoE/RoIC dipped 310/330bps to 17.2%/15.3% primarily on back of **a)** drop in operating margins (-140bps) leading to a 140bps decline in net margins, **b)** higher tax rate of 24% vs. 19% (as offtake from Phaltan SEZ declined) and **c)** commissioning of the Tech Centre in Pune, which is a non-revenue generating asset, leading to a fall in asset turnover to 1.2x. However, we believe return ratios should start moving north and stay at 19-20% as operating margins improve due to price hikes, favourable currency movement and an increase in rental income.

Exhibit 10. Return ratios continued to dip in FY18



Source: Company, JM Financial

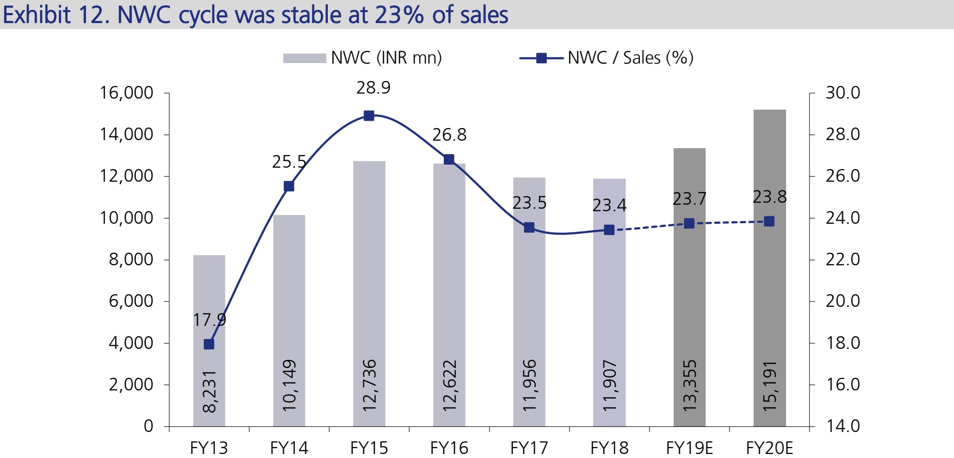
Exhibit 11. Dupont analysis

	FY13	FY14	FY15	FY16	FY17	FY18	Remarks
Net Margin (%)	15.3	15.1	15.8	16.0	14.5	13.1	Lower margins and higher tax rate
Asset turnover (x)	2.1	1.6	1.5	1.4	1.4	1.2	Asset turnover fell due to commission of tech centre in Pune
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0	1.1	Minor increase in leverage to fund working capital
Return on Equity (%)	**31.7**	**24.2**	**24.2**	**22.6**	**20.3**	**17.2**	**Overall, the RoE dips by more than 300bps**

Source: Company, JM Financial

- **NWC cycle remains stable:** KKC's debtor days increased from 69 to 95, primarily as receivables from related parties increased by 74% YoY, led by Cummins Ltd and Cummins Technologies India. However, this was partly offset by higher payables days, which increased from 44 to 54, led by related party transactions. Other current asset days improved to 43 from 33 as balances outstanding with statutory/government authorities lowered by almost 50%. Inventory days remained stable and stood at 39 vs. 40 on efficient inventory management.

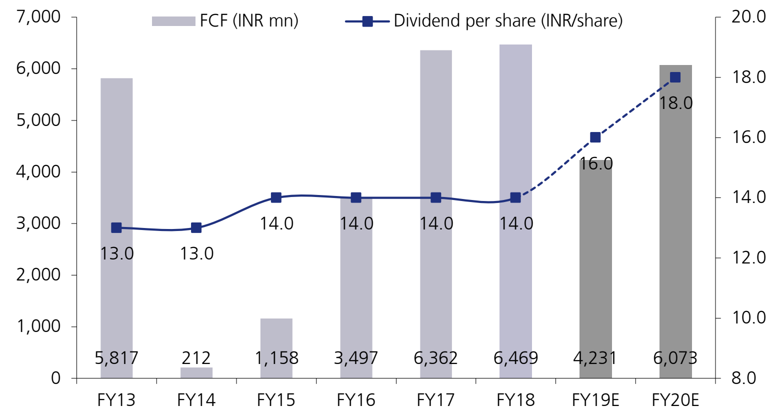
Exhibit 12. NWC cycle was stable at 23% of sales



Source: Company, JM Financial

- **Free cash flows jumps as capex declined**: KKC saw steady free cash flows of INR 6.5bn (+2% YoY) as capex declined to INR 1.6bn in FY18 vs. average capex of INR 4bn/annum over FY14-17. Cash conversion ratio stood at 117% and 114% respectively for FY17 and FY18, contrasted with an average of 86% over FY12-16. Average capex over FY19-20 is expected to stand at INR 3bn-INR 3.5bn per annum towards HHP test beds and industrials segment unit at Pirangut plant. Despite these, we expect free cash flows to remain at INR 4bn and INR 6bn for FY19 and FY20, respectively.

Exhibit 13. FCF was stable as capex dipped



Source: Company, JM Financial

- **Contingent liabilities nearly halved:** KKC's contingent liabilities have fallen 42% to INR 1.2bn as liabilities pertaining to income tax matters reduced 62% and sales tax fell 42%.

Group companies' performance

- **Performance flattens:** Valvoline Cummins (50% JV) reported flat revenues in FY18 (+2% YoY) while EBITDA grew 17% mainly led by 430bps expansion in gross margins. Profits grew 11% YoY to INR 1.5bn. Cummins Generator technologies India (CGTI, 48.54% associate) reported 6% moderate growth in revenues while EBITDA fell 38% YoY because of higher raw material costs (+320 bps) and increasing employee costs (+190bps). PAT was down 35% YoY to INR 272mn. Overall, cumulative revenues for all group companies grew 3% YoY and net profit grew 5% YoY.

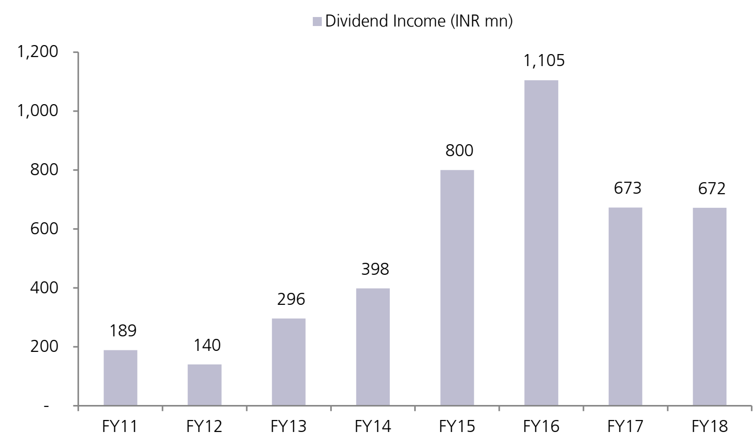
Exhibit 14. Performance of group companies

INR mn	Valvoline Cummins		CSS		CGT	
	FY17	FY18	FY17	FY18	FY17	FY18
Sales	12,537	12,801	792	835	6,039	6,381
Net Profit	1,241	1,459	10	16	416	272
Cummins India share	621	730	10	16	202	132
Dividend received by KKC	475	618	0	0	156	55

Source: Company, JM Financial

- **Dividend income drops:** Dividend income from CGTI was down 65% while no dividend has been received from CRTI. Led by buoyant 18% profit growth, dividend from Valvoline Cummins rose by 30%. Overall dividend from group companies has remained flat over FY18 at INR 672mn.

Exhibit 15. Dividend income from group companies



Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement					(INR mn)
Y/E March	FY16A	FY17A	FY18A	FY19E	FY20E
Net Sales	45,876	49,581	49,518	54,863	62,165
Sales Growth	6.2%	8.1%	-0.1%	10.8%	13.3%
Other Operating Income	1,212	1,192	1,307	1,412	1,553
Total Revenue	**47,088**	**50,773**	**50,825**	**56,274**	**63,717**
Cost of Goods Sold/Op. Exp	29,622	32,745	32,581	36,015	40,779
Personnel Cost	4,156	4,334	4,979	5,477	6,025
Other Expenses	5,559	5,677	5,940	6,472	7,327
EBITDA	**7,751**	**8,018**	**7,324**	**8,310**	**9,586**
EBITDA Margin	16.5%	15.8%	14.4%	14.8%	15.0%
EBITDA Growth	5.4%	3.4%	-8.7%	13.5%	15.4%
Depn. & Amort.	810	848	938	1,198	1,274
EBIT	6,941	7,170	6,386	7,113	8,313
Other Income	2,259	2,080	2,285	2,599	2,859
Finance Cost	96	168	148	120	100
PBT before Excep. & Forex	9,104	9,082	8,523	9,592	11,071
Excep. & Forex Inc./Loss(-)	0	0	561	0	0
PBT	9,104	9,082	9,084	9,592	11,071
Taxes	1,561	1,736	2,000	2,110	2,436
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	7,543	7,346	7,085	7,481	8,636
Adjusted Net Profit	**7,543**	**7,346**	**6,647**	**7,481**	**8,636**
Net Margin	16.0%	14.5%	13.1%	13.3%	13.6%
Diluted Share Cap. (mn)	277.2	277.2	277.2	277.2	277.2
Diluted EPS (INR)	**27.2**	**26.5**	**24.0**	**27.0**	**31.2**
Diluted EPS Growth	8.4%	-2.6%	-9.5%	12.6%	15.4%
Total Dividend + Tax	4,624	4,671	4,671	6,611	5,893
Dividend Per Share (INR)	14.0	14.0	14.0	21.0	18.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY16A	FY17A	FY18A	FY19E	FY20E
Shareholders' Fund	34,813	37,422	39,861	42,004	44,634
Share Capital	554	554	554	554	554
Reserves & Surplus	34,259	36,867	39,306	41,450	44,080
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	2,508	2,515	2,500	2,500
Def. Tax Liab. / Assets (-)	128	24	299	299	299
Total - Equity & Liab.	**34,941**	**39,953**	**42,675**	**44,803**	**47,433**
Net Fixed Assets	18,086	19,632	20,572	22,374	23,101
Gross Fixed Assets	19,917	22,678	28,514	31,514	33,514
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	7,023	7,677	8,321	9,519	10,792
Capital WIP	5,192	4,631	380	380	380
Investments	3,336	7,074	5,487	5,487	5,487
Current Assets	23,483	23,702	29,253	29,796	33,331
Inventories	6,003	5,621	5,375	6,167	6,983
Sundry Debtors	9,381	9,557	13,263	12,334	13,965
Cash & Bank Balances	897	1,291	4,709	3,586	3,654
Loans & Advances	1,287	1,287	1,287	1,542	1,746
Other Current Assets	5,915	5,948	4,621	6,167	6,983
Current Liab. & Prov.	9,964	10,455	12,637	12,855	14,486
Current Liabilities	5,566	6,082	7,580	7,894	8,938
Provisions & Others	4,398	4,374	5,057	4,961	5,548
Net Current Assets	13,519	13,247	16,616	16,941	18,845
Total – Assets	**34,941**	**39,953**	**42,675**	**44,802**	**47,433**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY16A	FY17A	FY18A	FY19E	FY20E
Profit before Tax	9,104	9,082	8,523	9,592	11,071
Depn. & Amort.	532	654	645	1,198	1,274
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	115	666	49	-1,448	-1,836
Others	0	0	561	0	0
Taxes Paid	-1,681	-1,840	-1,725	-2,110	-2,436
Operating Cash Flow	**8,070**	**8,562**	**8,053**	**7,231**	**8,073**
Capex	-4,573	-2,200	-1,584	-3,000	-2,000
Free Cash Flow	3,497	6,362	6,469	4,231	6,073
Inc (-) / Dec in Investments	1,308	-3,738	1,587	0	0
Others	0	0	0	0	0
Investing Cash Flow	**-3,265**	**-5,939**	**3**	**-3,000**	**-2,000**
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-4,671	-4,671	-4,671	-5,338	-6,005
Inc / Dec (-) in Loans	0	2,508	8	-15	0
Others	-35	-67	25	0	0
Financing Cash Flow	**-4,706**	**-2,230**	**-4,638**	**-5,354**	**-6,005**
Inc / Dec (-) in Cash	**99**	**394**	**3,417**	**-1,122**	**68**
Opening Cash Balance	799	897	1,291	4,709	3,586
Closing Cash Balance	897	1,291	4,709	3,586	3,654

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY16A	FY17A	FY18A	FY19E	FY20E
Net Margin	16.0%	14.5%	13.1%	13.3%	13.6%
Asset Turnover (x)	1.4	1.4	1.2	1.3	1.4
Leverage Factor (x)	1.0	1.0	1.1	1.1	1.1
RoE	22.6%	20.3%	17.2%	18.3%	19.9%

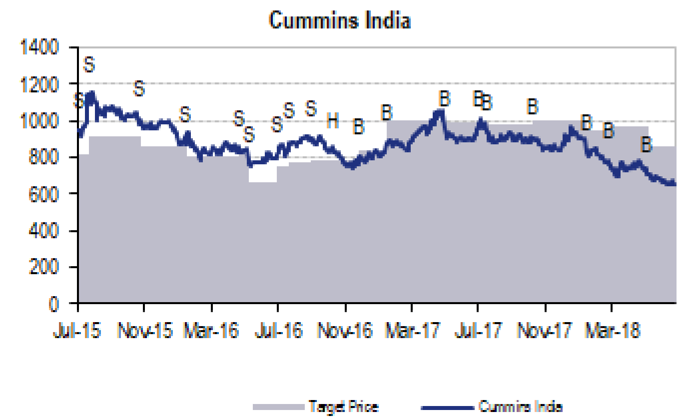
Key Ratios					
Y/E March	FY16A	FY17A	FY18A	FY19E	FY20E
BV/Share (INR)	125.6	135.0	143.8	151.5	161.0
ROIC	20.1%	18.7%	15.6%	16.4%	17.7%
ROE	22.6%	20.3%	17.2%	18.3%	19.9%
Net Debt/Equity (x)	0.0	0.0	-0.1	0.0	0.0
P/E (x)	23.4	24.1	26.6	23.6	20.5
P/B (x)	5.1	4.7	4.4	4.2	4.0
EV/EBITDA (x)	22.7	22.2	23.8	21.1	18.3
EV/Sales (x)	3.7	3.5	3.4	3.1	2.8
Debtor days	73	69	95	80	80
Inventory days	47	40	39	40	40
Creditor days	52	52	64	60	60

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
22-Jul-15	Sell	815	
10-Aug-15	Sell	916	12.5
9-Nov-15	Sell	859	-6.2
3-Feb-16	Sell	809	-5.9
11-May-16	Sell	819	1.3
27-May-16	Sell	659	-19.6
19-Jul-16	Sell	750	13.8
8-Aug-16	Sell	774	3.2
19-Sep-16	Sell	784	1.3
28-Oct-16	Hold	783	-0.1
16-Dec-16	Buy	833	6.5
3-Feb-17	Buy	1,004	20.5
19-May-17	Buy	985	-1.9
20-Jul-17	Buy	985	0.0
4-Aug-17	Buy	981	-0.4
27-Oct-17	Buy	999	1.8
2-Feb-18	Buy	949	-4.9
15-Mar-18	Buy	967	1.9
25-May-18	Buy	860	-11.1

Recommendation History



APPENDIX I

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 15%. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 15% upside from the current market price.
Sell	Price expected to move downwards by more than 10%

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