

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR144 TP: INR185 (+28%) Buy

In line as demand recovery drives growth

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Bloomberg	COAL IN
Equity Shares (m)	6,207
M.Cap.(INRb)/(USD\$)	889.6 / 12
52-Week Range (INR)	165 / 110
1, 6, 12 Rel. Per (%)	-6/1/-31
12M Avg Val (INR M)	2243

Financials & Valuations (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	900.3	1,012.2	1,113.9
EBITDA	185.7	222.9	255.9
Adj. PAT	127.1	158.1	177.3
EBITDA Margin (%)	20.6	22.0	23.0
Cons. Adj. EPS (INR)	20.6	25.7	28.8
EPS Gr. (%)	-23.9	24.5	12.1
BV/Sh. (INR)	59.3	68.2	79.7

Ratios

Net D:E	-0.4	-0.3	-0.3
RoE (%)	34.8	37.6	36.1
RoCE (%)	35.4	39.2	38.1
Payout (%)	77.6	65.0	60.0

Valuations

P/E (x)	7.0	5.6	5.0
P/BV (x)	2.4	2.1	1.8
EV/EBITDA(x)	3.7	3.0	2.5
Div. Yield (%)	11.1	11.6	12.0
FCF Yield (%)	-0.5	9.7	14.6

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	66.1	66.1	66.1
DII	21.6	21.9	22.3
FII	6.6	6.5	7.9
Others	5.7	5.5	3.7

FII Includes depository receipts

Valuations attractive; dividend yield at 12%

- COAL's 1QFY22 result highlights the benefit of a recovery in Power demand, leading to improved offtake and profits. Adjusted EBITDA (excluding OBR) jumped 64% YoY to INR46b.
- We expect profitability to recover in FY22E (+24% YoY). Capex run-rate is likely to increase in the near term, but higher dispatches and some normalization in receivables should aid cash generation and maintain dividends (dividend yield: 12%). We reiterate our Buy rating with a TP of INR185/share, based on 4x FY22E EV/EBITDA.

Operating profit jumps on higher offtake

- Adjusted EBITDA (excluding OBR) grew 64% YoY to INR45.9b (in line with our estimate of INR45.8b). The jump in EBITDA was on the back of volume growth, led by recovery in Power demand.
- Revenue increased by 37% YoY to INR253b (6% ahead of our estimate). The marginal beat on our estimate was on account of a better e-auction mix in volumes. Other operating income (related to income for transportation and evacuation) grew 34% YoY to INR19.8b.
- Cash costs (excluding OBR) were in line YoY (down 1%) at INR1,166/t, 5% higher than our estimate of INR1,108/t. Cash costs were moderately higher on the back of higher-than-expected raw material costs and contractual expenses. Employee costs were up 8% YoY at INR103.9b due to INR6b provisioning for post-retirement medical benefits.
- PAT grew 53% YoY to INR31.8b (9% below our estimate of INR34.8b). The miss at the PAT level was due to higher depreciation (+22% YoY) and lower other income (-13% YoY).
- Dispatches in 1QFY22 rose 33% YoY to 160mt and production increased 2% YoY to 124mt.
- FSA volumes rose 25% YoY to 127mt (est. 138mt). FSA realization grew 3% YoY to INR1,394/t (est. INR1,346/t).
- e-auction volumes jumped 90% YoY to 30mt (est. 20mt). e-auction realization fell 2% YoY to INR1,569/t (est. INR1,582/t).

Key takeaways from the management interaction

- The management noted that while dispatches and production targets were set at 740mt and 670mt, respectively, for FY22, it is realistically looking at dispatches of 700mt and production of 630-640mt for FY22.
- It highlighted that e-auction dispatches in 1QFY22 were for quantities booked in 2HFY21, with premiums at 10% to the notified price. It is witnessing premiums of 30% on the notified price in Aug'21, and expects better realizations going forward. The management is working on increasing FSA prices. Stakeholders are on board for the same as costs for the company have risen. It wants to earn 28-30% EBITDA margin.

Valuations remain attractive; maintain Buy

- A large proportion of COAL's costs are fixed in nature, with employee cost accounting for ~55% of total expenses. Besides, COAL has also focused on OBR (Overburden removal) activities, thereby utilizing contractual employees (~20% of the company's expenses).
- Demand has been improving with COAL reporting a 33% YoY increase in offtake for 1QFY22. With improving offtake and realizations, we see operating leverage coming into play in FY22. Notwithstanding any further negative shocks, we expect COAL's profitability to recover in FY22E (+24% YoY). The capex run-rate is likely to increase in the near term, but higher dispatches and some normalization in receivables should aid cash generation and maintain dividends (dividend yield: 12%).
- At 3x FY22E EV/EBITDA and 5.6x FY22E P/E, COAL remains attractively valued and implies a PV of just 10 years for its future cash flows. We reiterate our Buy rating with a TP of INR185/share, based on 4x FY22E EV/EBITDA.

Consolidated quarterly performance – INR b

Y/E March	FY21				FY22E				FY21	FY22E	FY22	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales	184.9	211.5	236.9	267.0	252.8	240.8	247.1	271.5	900.3	1,012.2	238.5	6
Change (%)	-25.9	3.8	2.1	-3.1	36.8	13.8	4.3	1.7	-6.3	12.4	29.0	27
Adj. EBITDA	28.0	34.0	58.5	79.7	45.9	52.0	63.2	91.3	200.2	252.4	45.8	0
As a percentage of Sales	15.1	16.1	24.7	29.9	18.1	21.6	25.6	33.6	22.2	24.9	19.2	
Depreciation	8.5	8.5	9.2	10.9	10.4	9.4	10.1	11.1	37.1	41.1	9.0	15
OBR	-2.5	-5.8	6.9	15.9	-2.6	5.0	10.0	17.1	14.5	29.5	-4.0	
Interest	1.8	1.5	1.6	1.6	1.5	1.5	1.6	2.0	6.4	6.5	1.8	
Other Income	7.9	10.8	6.5	12.7	6.8	10.3	6.2	12.8	37.9	36.1	7.5	(9)
EO Inc./ (Exp.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	28.0	40.6	47.4	64.1	43.4	46.4	47.7	73.9	180.1	211.4	46.5	(7)
Tax	7.2	11.1	16.6	18.2	11.6	11.6	11.9	18.1	53.1	53.3	11.6	0
Tax Rate (%)	25.8	27.3	35.0	28.4	26.8	25.0	25.0	24.5	29.5	25.2	25.0	
Reported PAT	20.8	29.5	30.8	45.9	31.8	34.8	35.8	55.8	127.1	158.1	34.8	(9)
Adjusted PAT	20.8	29.5	30.8	45.9	31.8	34.8	35.8	55.8	127.1	158.1	34.8	(9)
Change (%)	-55.1	-16.3	-21.3	-0.7	52.8	18.0	16.0	21.5	-23.9	24.5	67.6	

Source: MOFSL, Company

Exhibit 1: Key operating parameters

Y/E March	FY21				FY22E				FY21	FY22E	FY22	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Volume (mt)												
Production	121.0	115.0	156.8	203.4	124.0	120.3	164.1	215.6	596.2	624.0	124.0	0
Sales/Offtake	120.4	134.0	154.2	165.2	160.4	151.8	157.3	180.5	573.6	650.0	160.5	(0)
- FSA	102.2	108.2	123.1	132.9	127.5	124.1	124.1	159.8	466.4	535.4	137.9	(8)
- e-auction	15.9	22.4	27.3	28.9	30.2	24.0	29.3	17.9	94.4	101.3	20.4	48
- Washed Coal	1.7	2.7	2.9	2.7	1.9	2.9	3.0	2.7	10.0	10.5	1.8	7
- others	0.3	0.8	0.9	0.7	1.0	0.8	0.9	0.1	2.8	2.8	0.3	179
Realization (INR/t)												
- FSA	1,359	1,412	1,354	1,392	1,394	1,392	1,339	1,323	1,379	1,360	1,346	4
- e-auction	1,598	1,437	1,466	1,752	1,569	1,632	1,665	1,786	1,569	1,650	1,582	(1)
- Washed Coal	2,668	2,835	2,690	2,761	2,737	2,758	2,616	2,587	2,745	2,670	2,595	5
- others	3,506	2,709	2,858	2,947	2,711	2,832	2,716	3,252	2,915	2,770	3,332	(19)
Per tonne (INR)												
Revenue	1,412	1,454	1,408	1,484	1,452	1,464	1,432	1,389	1,442	1,432	1,394	4
Cash EBITDA	232	254	379	483	286	343	402	506	349	388	286	0
PAT	173	220	200	278	198	229	227	309	221	243	217	(9)
Cost	1,180	1,201	1,028	1,001	1,166	1,121	1,030	883	1,093	1,044	1,108	5

Source: MOFSL, Company

Exhibit 2: Valuation

	FY19	FY20	FY21	FY22E
Adjusted EBITDA	3,00,483	2,74,627	2,00,238	2,52,428
Target EV/EBITDA (x)		4.0	4.0	4.0
Target EV		10,98,509	8,00,952	10,09,713
Net debt	-3,16,302	-2,30,793	-1,50,676	-1,28,919
Equity value		13,29,302	9,51,628	11,38,632
TP (INR/share)				185

Source: MOFSL, Company

Exhibit 3: Adjusted P&L

	FY19	FY20	FY21	FY22E	FY23E	FY24E
Revenue	9,95,469	9,60,803	9,00,260	10,12,235	11,13,900	11,69,276
Power FSA	6,40,826	6,24,312	5,84,460	6,48,883	7,03,701	7,38,764
Non-Power FSA	1,24,788	1,42,822	1,19,007	1,46,000	1,58,190	1,66,078
e-auction/MoU	2,29,856	1,93,669	1,96,793	2,17,352	2,52,008	2,64,433
Sales (mt)	608	581	574	650	705	741
YoY (%)	4.9	-4.5	-1.3	13.3	8.5	5.0
Power FSA	458	426	407	455	492	516
Share (%)	75	73	71	70	70	70
Non-Power FSA	67	75	65	80	86	91
e-auction/MoU	83	80	102	115	127	133
Revenue/t	1,637	1,653	1,569	1,557	1,579	1,579
YoY (%)	10.6	1.0	-5.1	-0.8	1.4	0.0
Power FSA	1,399	1,465	1,438	1,425	1,431	1,431
Non-Power FSA	1,851	1,904	1,831	1,825	1,831	1,831
e-auction/MoU	2,777	2,418	1,929	1,896	1,983	1,982
Cost of Mining (ex. OB)	6,94,986	6,86,176	7,00,022	7,59,807	8,16,565	8,57,170
CoP/t	1,143	1,181	1,220	1,169	1,158	1,158
YoY (%)	1.1	3.3	3.4	-4.2	-0.9	0.0
Labor and social OH	644	688	682	655	648	638
Contract	220	239	279	268	268	274
R&M	158	129	121	128	123	124
Others	120	125	138	118	120	122
Adjusted EBITDA	3,00,483	2,74,627	2,00,238	2,52,428	2,97,335	3,12,106
EBITDA/t	494	473	349	388	422	421

Source: MOFSL, Company

Key takeaways from the management interaction

- The management noted that while dispatches and production targets were set at 740mt and 670mt, respectively, for FY22, it is realistically looking at dispatches of 700mt and production of 630-640mt for FY22.
- It highlighted that e-auction dispatches in 1QFY22 were for quantities booked in 2HFY21, with premiums at 10% to the notified price. It is witnessing premiums of 30% on the notified price in Aug'21, and expects better realizations going forward. The management is working on increasing FSA prices. Stakeholders are on board for the same as costs for the company have risen. It wants to earn 28-30% EBITDA margin.
- Receivables have reduced to INR185b/INR171b in Jun'21/Jul'21 v/s INR195b in Mar'21.
- The management expects capex to be at INR170b for FY22. This includes capex for JV companies and the railway line project. At the coal mining level, capex would be INR130-140b. Higher dispatches and profits will help generate enough cash flows to maintain dividend outflow.
- Wage bill rose 8% YoY due to INR6b provisioning for post-retirement medical benefits. The management expects employee expenses to remain largely in the same range as FY21, not accounting for any wage revision. It is still to decide on the wage provisioning related to the impending hike.

Valuation and view

India's dependence on coal to continue

- India continues to depend on coal for ~70% of its electricity requirement, with coal based generation forming 55% of the country's installed capacity. Despite the increased focus on renewables, coal would continue to dominate India's electricity production. Per capita electricity consumption in India remains low (1/16th that of the US, one-fifth of China, and one-third of the world average), implying significant room for coal and renewables to co-exist and grow. Assuming a 6.5% CAGR in Power demand over FY20-25E and average annual 14GW of renewable capacity addition (at 20% PLF), incremental renewable generation would be just 115BU, which is not sufficient to meet overall incremental demand (419 BU) over the next five years.
- We expect coal-based generation to increase by 6.4% CAGR over the same period, driving the need for coal in India. From a domestic perspective, we do not expect the government's initiative to increase participation in commercial coal mining to dent production for COAL. Given the procedural hurdles such as land acquisition and EC/FC clearances, the output from such commercial mines will take time. Although COAL accounts for ~80% of domestic coal production, it meets only ~70% of domestic demand. Thus, there exists a massive opportunity for import substitution (110-150mt of imported coal can be substituted). As and when commercial mines come up, it would likely displace these imports.

Operating leverage at play as demand recovers

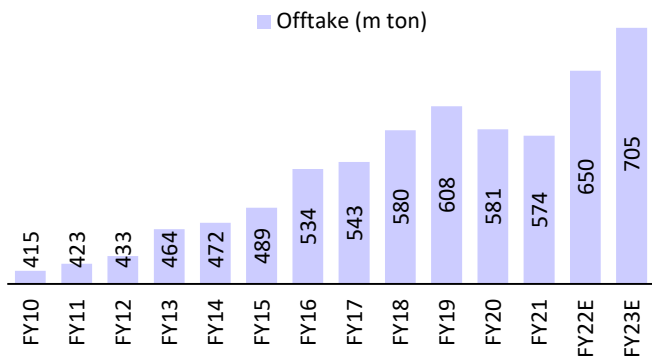
- The onset of COVID-19 in India had come at a time when inventory at COAL's mines and at Power plants were already at high levels. This, coupled with the must-run status of renewables, meant demand for coal bore the brunt of weakened activity. This, in turn, led to a sharp decline in e-auction realizations.
- With a recovery in demand, e-auction premiums and realizations has shown signs of an improvement. We expect this to eventually seep in (given some lag between allocation and dispatches) and improve as inventory levels at COAL's mines reduce. Global thermal coal prices have been on an uptrend, which is encouraging for e-auction realizations. We conservatively build in e-auction realizations of INR1,650/t for FY22E and INR1,750/t for FY23E, but note upside risks if domestic demand and international prices sustain.

Valuations attractive; dividend yield at 12%

- With improving offtake and realizations, we see operating leverage coming into play in FY22. Notwithstanding any further negative shocks, we expect COAL's profitability to recover in FY22E (+24% YoY). The capex run-rate is likely to increase in the near term, but higher dispatches and some normalization in receivables should aid cash generation and maintain dividends (dividend yield: 12%). We reiterate our Buy rating with a TP of INR185/share, based on 4x FY22E EV/EBITDA.

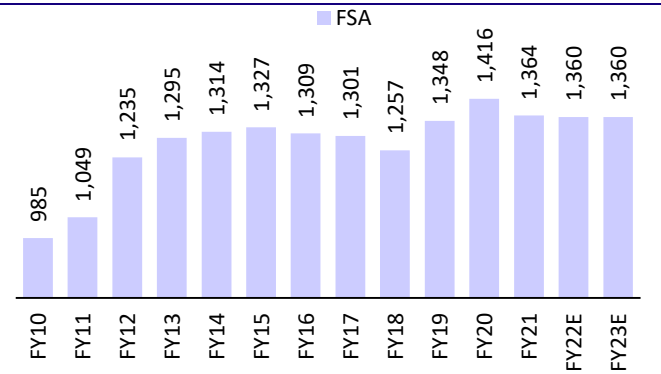
Story in charts

Exhibit 4: Expect dispatches to improve as demand recovers



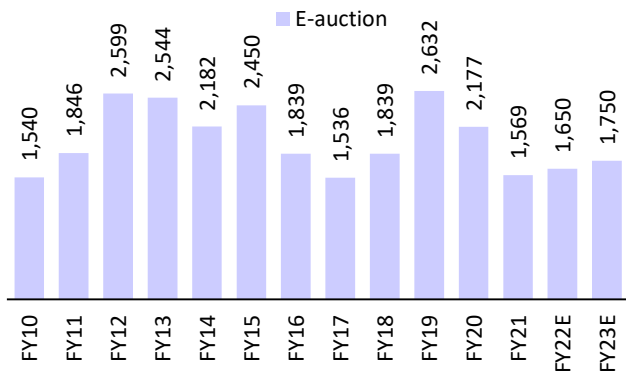
Source: MOFSL, Company

Exhibit 5: FSA realizations improve. Expect it to remain steady



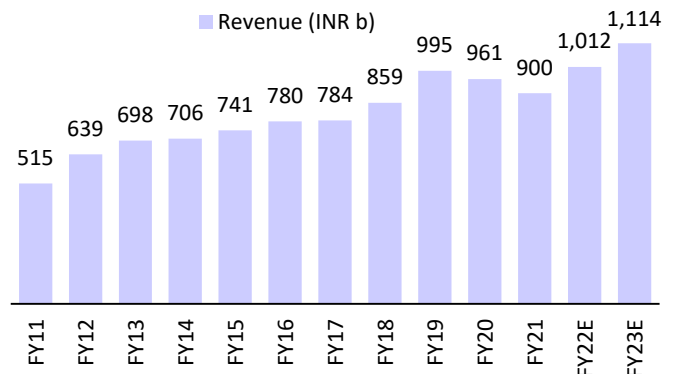
Source: MOFSL, Company

Exhibit 6: e-auction realizations should start to recover



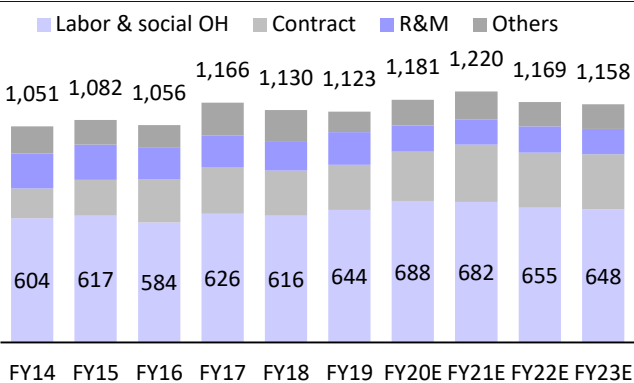
Source: MOFSL, Company

Exhibit 7: Expect a recovery in revenue...



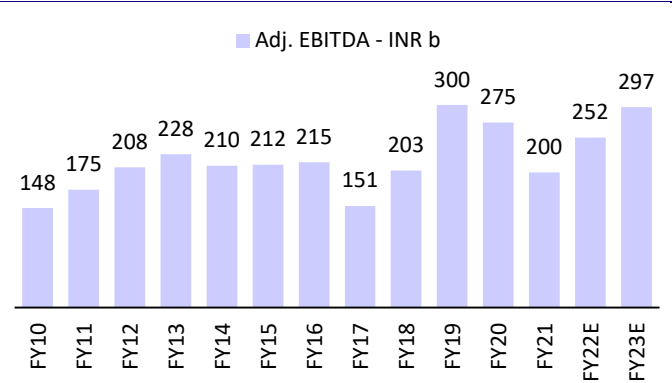
Source: MOFSL, Company

Exhibit 8: ...which along with operating leverage...



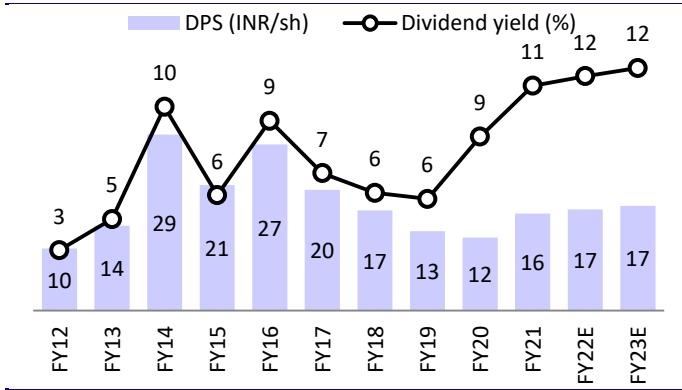
Source: MOFSL, Company

Exhibit 9: ...would lead to a recovery in EBITDA



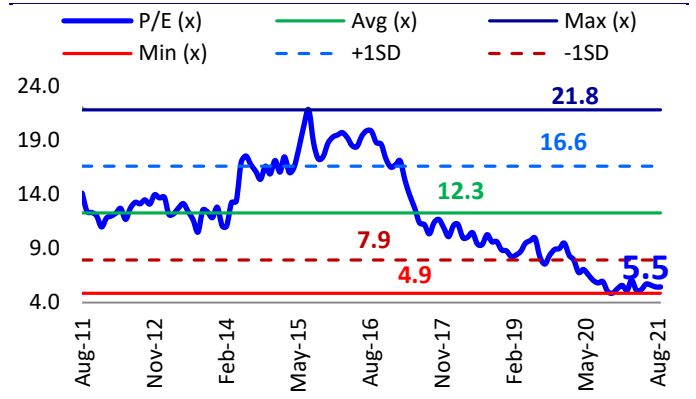
Source: MOFSL, Company

Exhibit 10: Dividend yield remains attractive



Source: MOFSL, Company

Exhibit 11: The stock trades at a significant discount to its historical valuations



Source: MOFSL, Company

Financials and valuations

Income Statement									(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	7,80,073	7,83,719	8,58,624	9,95,469	9,60,803	9,00,260	10,12,235	11,13,900	11,69,276
Change (%)	5.2	0.5	9.6	15.9	-3.5	-6.3	12.4	10.0	5.0
EBITDA	1,87,309	1,23,912	1,69,507	2,49,771	2,19,209	1,85,734	2,22,913	2,55,866	2,68,563
As a percentage of Net Sales	24.0	15.8	19.7	25.1	22.8	20.6	22.0	23.0	23.0
Depreciation	28,259	29,101	30,664	34,504	34,508	37,089	41,089	43,264	45,064
Interest	3,862	4,117	4,318	2,750	5,029	6,447	6,511	6,576	6,642
Other Income	59,406	55,156	46,583	58,737	61,054	37,924	36,111	31,026	30,637
Extra Ordinary	0	0	73,844	0	0	0	0	0	0
PBT	2,14,594	1,45,850	1,07,264	2,71,255	2,40,725	1,80,122	2,11,424	2,37,052	2,47,494
Tax	71,719	51,660	37,067	96,625	73,710	53,071	53,279	59,737	62,368
Rate (%)	33.4	35.4	34.6	35.6	30.6	29.5	25.2	25.2	25.2
PAT before Min. Int.	1,42,876	94,190	70,198	1,74,630	1,67,015	1,27,051	1,58,145	1,77,315	1,85,125
Minority Interest									
Reported PAT	1,42,876	94,190	70,198	1,74,630	1,67,015	1,27,051	1,58,145	1,77,315	1,85,125
Change (%)	4.1	-34.1	-25.5	148.8	-4.4	-23.9	24.5	12.1	4.4
Adjusted PAT	1,42,876	94,190	1,18,942	1,74,630	1,67,015	1,27,051	1,58,145	1,77,315	1,85,125
Change (%)	4.1	-34.1	26.3	46.8	-4.4	-23.9	24.5	12.1	4.4

Balance Sheet									(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Share Capital	63,164	62,074	62,074	61,627	61,627	61,627	61,627	61,627	61,627
Reserves	2,85,168	1,83,194	1,36,392	2,02,912	2,59,942	3,03,546	3,58,897	4,29,823	4,94,617
Net Worth	3,48,332	2,45,268	1,98,466	2,64,539	3,21,569	3,65,174	4,20,524	4,91,450	5,56,244
Minority Interest	1,048	3,459	3,625	4,068	3,941	4,411	4,411	4,411	4,411
Loans	11,921	30,078	15,309	22,027	64,260	58,753	58,753	58,753	58,753
Differed tax Liability	-20,445	-27,328	-53,551	-42,692	-33,110	-40,594	-40,594	-40,594	-40,594
Capital Employed	3,40,855	2,51,477	1,63,849	2,47,943	3,56,660	3,87,743	4,43,094	5,14,020	5,78,814
Gross Fixed Assets	2,34,137	2,76,883	3,25,733	4,01,631	4,73,802	5,65,480	7,25,480	8,70,480	9,90,480
Less: Depreciation	26,824	55,984	84,805	1,15,888	1,50,397	1,87,486	2,28,575	2,71,839	3,16,904
Net Fixed Assets	2,07,314	2,20,900	2,40,928	2,85,742	3,23,405	3,77,994	4,96,905	5,98,641	6,73,577
Capital Work in Progress	59,044	1,03,078	1,37,710	1,36,984	1,27,714	1,50,956	1,50,956	1,50,956	1,50,956
Investments	73	106	3,443	4,622	9,144	23,176	23,176	23,176	23,176
Current Assets	8,41,406	8,09,377	8,39,286	8,57,149	10,06,843	10,25,076	9,93,383	10,11,949	10,49,657
Inventory	75,692	89,453	64,439	55,839	66,189	89,475	83,197	76,294	80,087
Debtors	1,14,476	1,07,359	86,892	54,986	1,44,082	1,96,231	1,66,395	1,52,589	1,60,175
Other Current Assets	2,41,078	2,85,187	3,51,324	3,91,553	4,90,106	5,23,565	5,49,744	5,77,231	6,06,092
Loans and Advances	1,024	358	10,238	16,441	11,412	6,376	6,376	6,376	6,376
Cash	4,09,137	3,27,021	3,26,394	3,38,330	2,95,053	2,09,429	1,87,672	1,99,459	1,96,927
Current Liabilities	7,66,982	8,81,984	10,57,518	10,36,554	11,10,445	11,89,460	12,21,327	12,70,703	13,18,552
Payables	32,972	39,002	45,169	68,155	1,01,076	76,376	78,729	86,636	90,943
Other current liabilities	7,34,010	8,42,981	10,12,348	9,68,399	10,09,370	11,13,083	11,42,598	11,84,067	12,27,609
Net Curr. Assets	74,424	-72,607	-2,18,232	-1,79,405	-1,03,602	-1,64,384	-2,27,944	-2,58,754	-2,68,896
Application of Funds	3,40,855	2,51,477	1,63,849	2,47,943	3,56,660	3,87,743	4,43,094	5,14,020	5,78,814

Financials and valuations

Cash Flow Statement									(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Adj. EBITDA*	2,15,423	1,50,634	2,03,089	3,00,483	2,74,627	2,00,238	2,52,428	2,97,335	3,12,106
Non-cash exp. (income)	21,565	37,046	-54,587	10,718	9,569	18,542	8,701	8,316	7,950
(Inc.)/Dec. in WC	-26,697	60,216	1,38,450	-48,918	-1,23,268	-56,552	38,466	28,616	-7,072
Taxes paid	-78,754	-89,427	-74,329	-95,329	-1,19,463	-56,630	-53,279	-59,737	-62,368
CF from Operations	1,31,538	1,58,469	2,12,623	1,66,955	41,465	1,05,598	2,46,317	2,74,530	2,50,616
Capex	-57,857	-86,761	-85,293	-73,393	-56,120	-1,09,875	-1,60,000	-1,45,000	-1,20,000
Free Cash Flow	73,681	71,707	1,27,330	93,561	-14,654	-4,277	86,317	1,29,530	1,30,616
(Pur.)/Sale of Investments	-1	-50	-3,332	-1,184	-4,539	-7,567	0	0	0
Interest/dividend	50,349	34,642	24,044	31,410	34,573	24,439	27,410	22,710	22,687
Other investing activity	-83,165	-12,435	-12,795	-10,336	10,846	-13,665	-26,178	-27,487	-28,862
CF from Investments	-90,673	-64,605	-77,377	-53,503	-15,240	-1,06,668	-1,58,768	-1,49,777	-1,26,175
Equity raised/(repaid)	0	-45,531	0	0	0	0	0	0	0
Debt raised/(repaid)	9,902	18,169	-14,778	6,718	22,776	-5,508	0	0	0
Interest paid	-207	-306	-370	-96	-686	-1,982	-6,511	-6,576	-6,642
Dividend (incl. tax)	-2,08,302	-1,51,031	-1,23,238	-1,12,110	-96,760	-77,064	-1,02,794	-1,06,389	-1,20,332
Other financing	2,732	2,720	2,513	3,972	5,169	0			
CF from Fin. Activity	-1,95,874	-1,75,980	-1,35,873	-1,01,516	-69,502	-84,554	-1,09,306	-1,12,965	-1,26,974
Inc./Dec. in Cash	-1,55,009	-82,116	-626	11,936	-43,277	-85,624	-21,757	11,787	-2,533
Add: Beginning Balance	5,64,146	4,09,137	3,27,021	3,26,394	3,38,330	2,95,053	2,09,429	1,87,672	1,99,459
Closing Balance	4,09,137	3,27,021	3,26,394	3,38,330	2,95,053	2,09,429	1,87,672	1,99,459	1,96,927

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Basic									
Adjusted EPS	22.6	15.2	19.2	28.3	27.1	20.6	25.7	28.8	30.0
Cash EPS	31.5	24.2	29.5	42.2	41.7	29.0	37.1	42.5	44.4
Book Value	55.1	39.5	32.0	42.9	52.2	59.3	68.2	79.7	90.3
DPS	27.4	19.9	16.5	13.1	12.0	16.0	16.7	17.3	19.5
Payout (incl. Div. Tax.)	145.5	160.3	103.3	55.5	53.3	77.6	65.0	60.0	65.0
Valuation (x)									
P/E	12.9	19.3	14.8	8.4	5.2	7.0	5.6	5.0	4.8
Cash P/E	9.3	12.1	9.6	5.6	3.4	5.0	3.9	3.4	3.2
P/BV	5.3	7.4	8.9	5.5	2.7	2.4	2.1	1.8	1.6
EV/Adj. EBITDA	6.7	10.1	7.1	3.8	2.3	3.7	3.0	2.5	2.4
Dividend Yield (%)	9.4	6.8	5.8	5.5	8.6	11.1	11.6	12.0	13.6
EV/t of Reserves	66.6	69.9	66.6	52.7	29.1	33.9	34.9	34.3	34.4
Profitability Ratios (%)									
Debtor (Days)	53.6	50.0	36.9	20.2	54.7	79.6	60.0	50.0	50.0
Inventory (Days)	35.4	41.7	27.4	20.5	25.1	36.3	30.0	25.0	25.0
Payables (Days)	15.4	18.2	19.2	25.0	38.4	31.0	28.4	28.4	28.4
Asset turnover(x)	2.3	3.1	5.2	4.0	2.7	2.3	2.3	2.2	2.0
Profitability Ratios (%)									
RoE	41.0	38.4	35.4	66.0	51.9	34.8	37.6	36.1	0.0
RoCE	39.9	32.7	58.4	85.7	56.4	35.4	39.2	38.1	34.8
RoIC	-60.6	-40.0	-37.7	-51.7	-83.4	-295.1	318	143	96
Leverage Ratio									
Net Debt/Equity (x)	-1.1	-1.2	-1.6	-1.2	-0.7	-0.4	-0.3	-0.3	-0.2

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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