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Q4FY22 result review
and TP change

Telecom

Target price: Rs1,600

Earnings revision

(%)	FY23E	FY24E
Revenue	↓ 1.4	↓ 0.2
EBITDA	↓ 6.3	↓ 3.3
PAT	↓ 11.6	↓ 5.3

Target price revision

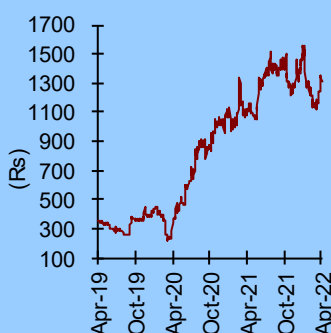
Rs1,600 from Rs1,680

Shareholding pattern

	Sep '21	Dec '21	Mar '22
Promoters	58.9	58.9	58.9
Institutional investors	31.1	30.4	30.8
MFs and other	4.1	5.0	7.4
Banks/ FIs	0.0	0.0	0.0
Insurance Cos.	3.1	3.3	3.7
FIs	23.9	22.1	19.7
Others	10.0	10.7	10.3

Source: NSE

Price chart



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Tata Communications

BUY

Maintained

Rs1,234

Revenue growth disappoints again!

Tata Communications' (TCom) Q4FY22 data business net revenue grew only 5% YoY (+0.7% QoQ) which is below expectations. This should be partially weak from orderbook of Q3; while orderbook funnel has sequentially improved, management commentary does indicate gradual recovery in revenue growth. TCom revenue growth faced headwinds from fewer feet on the street, delay in decision making and under-performance of usage-based services. It is hopeful of acceleration in revenue in FY23; showing willingness to invest both in capex and opex to drive growth implies huge commitment. We would wait for early signs of an uptick in revenue. Data business EBITDA grew only 4.2% YoY (dipped 7.1% QoQ) on cost inflation including higher repair cost and reversal of covid benefits. We have cut our EPS estimates by 5-12% over FY23-24E, and accordingly, reduced our target price to Rs1,600 (from Rs1,680; 20x FY24E EPS). **Maintain BUY.**

- ▶ **Data net revenue rose 5% YoY / 0.7% QoQ to Rs23.7bn:** We are closely tracking net revenue (total revenue minus direct cost), which is more representative of the underlying performance for TCom. Revenue growth was impacted by slower closure of deals, chipset shortage leading to delay in equipment availability, and slower growth in usage-based revenue (SIP & MMX), which contributes 34-35% of digital services revenue. TCom's feet on street were impacted by high attrition, and it has hired a large workforce, which should drive sales funnel / orderbook in FY23.
- ▶ **Digital platform & services revenue grew 14.6% YoY / 3.3% QoQ to Rs9.3bn.** This was helped by growth in *collaboration* revenue which improved 7.3% YoY / 3.2% QoQ, while *cloud, hosting and security* disappointed with growth of just 4.7% YoY / dip of 1.9% QoQ. *Next gen connectivity* and *media* revenue are gaining traction (up 37% and 41% YoY, respectively). *Incubation* revenue rose by a strong (on low base) 2.2x YoY to Rs810mn. *Core connectivity* revenue rose 2.3% YoY / 0.5% QoQ to Rs22.9bn, which is disappointing. *Transformation* business revenue improved 6.7% QoQ to Rs3.3bn.
- ▶ **Orderbook growth has improved sequentially, but still not encouraging.** In Q3FY22, company orderbook has declined due to large workforce exit and change in business managers. In Q4FY22, orderbook (both medium and large size) has grown, and it is anticipated sales funnel and order book will benefit from new hiring which will start adding to new sales particularly in international segment. It has seen encouraging adoption of MOVE IOT products, and believes momentum may continue even in FY23. Further, TCom remains hopeful on the relaunch of IZO products, and new variants introduction which should help capture large market.

Market Cap	Rs352bn/US\$4.6bn
Reuters/Bloomberg	TATA.BO/TCOM IN
Shares Outstanding (mn)	285.0
52-week Range (Rs)	1558/1048
Free Float (%)	41.1
FII (%)	19.7
Daily Volume (US\$/'000)	13,272
Absolute Return 3m (%)	(10.2)
Absolute Return 12m (%)	10.9
Sensex Return 3m (%)	(3.0)
Sensex Return 12m (%)	20.2

Year to Mar	FY21	FY22P	FY23E	FY24E
Revenue (Rs bn)	169.3	165.3	177.7	189.5
Net Income (Rs bn)	13.3	14.8	18.9	22.7
EPS (Rs)	45.8	51.8	66.3	79.7
% Chg YoY	(1,554.9)	18.5	27.5	20.2
P/E (x)	26.9	23.8	18.6	15.5
CEPS (Rs)	111.7	116.0	129.9	143.3
EV/E (x)	10.5	10.4	8.8	7.6
Dividend Yield (%)	1.1	1.7	1.7	1.8
RoCE (%)	18.0	18.0	24.6	29.2
RoE (%)	(215.1)	264.0	114.6	73.0

- ▶ **Data EBITDA margin at 29.3%, down 290bps QoQ.** Data business EBITDA grew 4.2% YoY (down 7.1% QoQ) to Rs9.7bn. *Core connectivity* and *digital platform & services* EBITDA margin dipped by 190bps and 580bps QoQ, respectively, from rise in repair cost and reversal of covid benefit. The company has maintained its EBITDA margin guidance of 23-25%, and it wishes to invest margin back into business to drive revenue growth.
- ▶ **FCF conversion remains healthy.** TCom capex was Rs16bn for FY22 which is lower due to delay in shipment of equipment on chipset shortage. It has guided for capex envelop of US\$300-325mn FY23 onwards which is partially driven by fibre replacement. The company believes 50% capex is due to successful deal win which should help drive revenues. It has reduced net debt by Rs10bn to Rs67bn in FY22. It has announced dividend of Rs20.7/sh for FY22, and has guided for dividend pay-out policy of 30-50%, which is positive.
- ▶ **Other highlights.** **1)** TCom estimates more fixed monthly charges deal win in pipeline, and expects to correct some of its usage-based revenue issues. It expects *SIP* revenue to bottom out, and *MMX* has had some new customer wins; **2)** deal win rates have improved, and >50% of deal wins are in *digital services*; **3)** in *core connectivity*, TCom is focusing on adding new logos which should help it drive faster revenue growth; **4)** next gen connectivity had good traction, and new variant of *IZOs* should help add to revenue growth; **5)** within CPaaS, teams offering has growth >100%; **6)** revenue conversion has been impacted due to delay by OEMs on shipping equipment; and **7)** partnership with SIs has not benefited as expected probably due to the same reasons as faced by TCom.

Other highlights

Note: TCom has reclassified real estate rental income from 'other income' to revenue while the cost has been factored into expenses. The change has been done to match revenues with cost. However, for our analysis and representation, we have taken rental income back to other income.

TCom has also made changes in segmental reporting. Global voice solutions has been renamed 'Voice' and global data services 'Data'; and subsidiaries and real-estate which were earlier part of GDS have been carved into 'others' segment. Data sub-segment has been renamed 'core connectivity' (earlier Traditional Data Services), digital platform and services (Growth Services) and incubation services. Core connectivity breakup is now based on customers (enterprises and service providers) from earlier disclosure, which was based on products/services. Digital platform and services has seen regrouping of services into collaboration & CPaaS, cloud, hosting & security; next-gen connectivity and media. The changes have been made to realign with changing underlying business structure.

Data business

- **Data revenue** rose 6.9% YoY (2.1% QoQ) to Rs33bn and net revenue grew 5% YoY (0.7% QoQ) to Rs23.7bn (after deducting direct cost). Segmental EBITDA rose 4.2% YoY (dipped 7.1% QoQ) to Rs9.7bn. EBITDA was impacted by lower conversion to net revenue and higher cost (reversal of covid benefit).

- **Data revenue by geography:** Data revenue in India grew 10.2% YoY and 3.3% QoQ to Rs16.5bn. International revenue rose 3.8% YoY / 0.9% QoQ to Rs16.5bn which is disappointing.
- **Data revenue by customer:** Enterprise segment revenue grew 9.4% YoY / 2.0% QoQ to Rs22.9bn and contributed 69.3% of data revenue; services provider segment revenue increased 1.6% YoY / 2.4% QoQ to Rs10.1bn.
- **Data revenue by services: Core connectivity** revenue rose 2.3% YoY and 0.5% QoQ to Rs22.9bn; net revenue grew 1.1% YoY / 1% QoQ to Rs18.8bn. EBITDA fell 0.4% YoY (3.8% QoQ) to Rs9.8bn. EBITDA margin shrunk to 42.6% (down 110bps YoY / 190bps QoQ). EBITDA was impacted by higher repair and maintenance cost related to certain cable cuts and others.

Within core connectivity, service providers' revenue was flattish YoY / up 0.5% QoQ to Rs8.9mn; enterprise revenue increased 3.8% YoY / 0.5% QoQ to Rs14bn.

- **Digital platform & services'** revenue jumped 14.6% YoY / 3.4% QoQ to Rs9.3bn, and net revenue expanded 15.3% YoY / down 5% QoQ to Rs4.5bn. EBITDA was up 23% YoY, but dipped 42% QoQ to Rs690mn. EBITDA margin stood at 7.4% (down 580bps QoQ / up 50bps YoY).

Within digital services, collaboration and CPaaS revenue grew 7.3% YoY and 3.2% QoQ to Rs3.8bn. Cloud, hosting and security revenue rose 4.7% YoY / down 1.9% QoQ to Rs2.6bn. Next-gen connectivity revenue rose 37.4% YoY / 20% QoQ to Rs1.7bn and media revenue was up 40.8% YoY / down 4% QoQ to Rs1.2mn.

- **Transformation services:** TCTS' revenue decreased 2.1% YoY (+6.7% QoQ) to Rs3.3bn; EBITDA was Rs70mn vs 171mn in Q4FY21.
- **ATM business:** Revenue in ATM business dipped 6.4% YoY / 2.3% QoQ to Rs430mn, while segmental EBITDA profit was Rs30mn (vs Rs92mn in Q4FY21).
- Capex for the quarter stood at Rs4.3bn (10.3% of revenue); and Rs16bn (9.7% of revenue) for FY22.
- Net debt dipped by Rs4.5bn QoQ to Rs67.4bn in Q4FY22. Net debt has dipped by Rs10bn in FY22.

Voice business

- Minutes fell 19.3% YoY / 11.1% QoQ to 3.2bn while net revenue rose 15.7% YoY / 20.2% QoQ to Rs1bn. This implies net realisation per minute grew 43.5% YoY and 35.3% QoQ at 33.4p/min.
- EBITDA stood at Rs380mn, up 6.2% YoY / down 11.6% QoQ. EBITDA margin stood at 7.1%.

Table 1: Q4FY22 result review (consolidated)

(Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
Revenue	40,278	40,600	41,193	41,407	42,118	1.7	4.6
Personnel cost	7,547	8,097	7,285	7,338	7,684	4.7	1.8
% of revenue	18.7	19.9	17.7	17.7	18.2		
Network Costs	14,042	15,619	15,670	15,302	15,404	0.7	9.7
% of revenue	34.9	38.5	38.0	37.0	36.6		
Operating & other Expenses	8,992	7,452	7,657	8,384	9,089	8.4	1.1
% of revenue	22.3	18.4	18.6	20.2	21.6		
EBITDA	9,697	9,433	10,581	10,383	9,941	(4.3)	2.5
EBITDA margin (%)	24.1	23.2	25.7	25.1	23.6		
Depreciation and amortisation	5,950	5,318	5,416	5,425	5,887	8.5	(1.1)
EBIT	3,747	4,115	5,165	4,958	4,054	(18.2)	8.2
Interest	931	962	908	835	898	7.6	(3.5)
Other income	1,032	561	912	630	3,147	399.5	205.0
PBT	3,848	3,714	5,169	4,754	6,304	32.6	63.8
Exceptional items	12	56	127	85	(209)		
Provision for tax	872	793	1,038	958	2,433	153.9	178.9
Minority interest	5	(17)	(4)	72	(12)		
Net income (reported)	2,992	2,961	4,254	3,952	3,651	(7.6)	22.0
EPS (Rs)	10.5	10.4	14.9	13.9	12.8		

Source: Company data, I-Sec research

Note: Company has reclassified real estate rental income from 'other income' to core revenue while cost was factored into expenses. The change is done to match revenues with cost. However, for our analysis and representation, we have taken rental income back to 'other income'.

Table 2: Segmental performance – data EBITDA rose 4.2% YoY, but dipped 7.1% QoQ

(Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
Revenue							
Voice	5,583	5,892	6,060	5,540	5,370	(3.1)	(3.8)
Data	30,875	31,045	31,400	32,330	33,020	2.1	6.9
Subsidiaries	3,872	3,680	3,760	3,570	3,770	5.6	(2.6)
Core business	40,330	40,617	41,220	41,440	42,160	1.7	4.5
Net Revenue							
Voice	925	850	1,000	890	1,070	20.2	15.7
Data	22,542	22,048	22,520	23,500	23,660	0.7	5.0
Subsidiaries	869	440	340	410	760	85.4	(12.6)
Core business	24,336	23,338	23,860	24,800	25,490	2.8	4.7
EBITDA							
Voice	358	264	460	430	380	(11.6)	6.2
Data	9,282	9,317	10,500	10,410	9,670	(7.1)	4.2
Subsidiaries	264	10	(180)	(260)	100		
Core business	9,903	9,591	10,780	10,580	10,150	(4.1)	2.5
EBITDA margin (%)							
Voice	6.4	4.5	7.6	7.8	7.1		
Data	30.1	30.0	33.4	32.2	29.3		
Subsidiaries	6.8	0.3	(4.8)	(7.3)	2.7		
Core business	24.6	23.6	26.2	25.5	24.1		

Source: Company data, I-Sec research

Table 3: India revenue rose 10.2% YoY

Data by geography - Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
Revenue							
India	14,974	15,057	15,628	15,971	16,505	3.3	10.2
International	15,901	15,988	15,944	16,359	16,505	0.9	3.8
Total	30,875	31,045	31,572	32,330	33,010	2.1	6.9
Mix (%)							
India	48.5	48.5	49.5	49.4	50.0		
International	51.5	51.5	50.5	50.6	50.0		

Source: Company data, I-Sec research

Table 4: Enterprise revenue grew 9.4% YoY and service provider's revenue was up 1.6% YoY

Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
GDS revenue - by customers							
Service provider	9,973	9,655	9,661	9,893	10,134	2.4	1.6
Enterprise segment	20,902	21,390	21,911	22,437	22,876	2.0	9.4
Total	30,875	31,045	31,400	32,330	33,020	2.1	6.9
Mix (%)							
Service provider	32.3	31.1	30.8	30.6	30.7		
Enterprise segment	67.7	68.9	69.8	69.4	69.3		

Source: Company data, I-Sec research

Table 5: Digital platform & services net revenue rose 15.3% YoY but dipped 5% QoQ

Data by Services - Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
Gross revenue							
Core connectivity	22,378	22,307	22,410	22,780	22,890	0.5	2.3
Digital platforms & services	8,132	8,369	8,560	9,010	9,320	3.4	14.6
Incubation	366	369	430	540	810	50.0	121.5
Net revenue							
Core connectivity	18,577	17,878	18,080	18,600	18,790	1.0	1.1
Digital platforms & services	3,936	4,122	4,420	4,780	4,540	(5.0)	15.3
Incubation	28	48	20	120	330	175.0	1,061.5
EBITDA							
Core connectivity	9,789	9,510	10,290	10,130	9,750	(3.8)	(0.4)
Digital platforms & services	560	751	1,220	1,190	690	(42.0)	23.1
Incubation	(1,067)	(944)	(1,010)	(910)	(770)	(15.4)	(27.8)
EBITDA margin (%)							
Core connectivity	43.7	42.6	45.9	44.5	42.6		
Digital platforms & services	6.9	9.0	14.3	13.2	7.4		
Incubation							

Source: Company data, I-Sec research

Table 6: Within digital services, Next-gen connectivity revenue grew 37.4% YoY / 20.1% QoQ

Data by Services - Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
Core connectivity							
Service Provider	8,862	8,633	8,583	8,816	8,858	0.5	(0.0)
Enterprise	13,516	13,674	13,827	13,964	14,032	0.5	3.8
Digital platforms & services							
Collaboration & CPaaS	3,545	3,791	3,741	3,685	3,803	3.2	7.3
Cloud, Hosting and Security	2,456	2,268	2,440	2,622	2,572	(1.9)	4.7
Next Gen Connectivity	1,269	1,305	1,318	1,451	1,743	20.1	37.4
Media Services	854	996	1,061	1,252	1,202	(4.0)	40.8

Source: Company data, I-Sec research

Table 7: TCTS' performance marginally improved

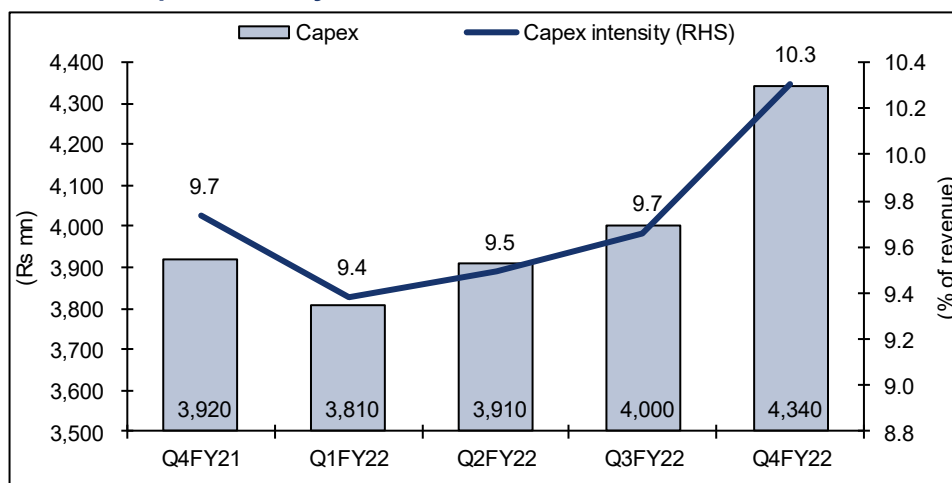
Others - Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
TCTS (Transformation services)							
Gross Revenue	3,413	3,300	3,350	3,130	3,340	6.7	(2.1)
Net Revenue	629	290	190	260	600	130.8	(4.6)
EBITDA	171	(60)	(210)	(270)	70		
EBITDA (%)	5.0	(1.8)	(6.3)	(8.6)	2.1		
TCPS (ATM business)							
Gross Revenue	459	380	410	440	430	(2.3)	(6.4)
Net Revenue	240	150	150	150	160	6.7	(33.4)
EBITDA	92	70	30	10	30		
EBITDA (%)	20.1	18.4	7.3	2.3	7.0		
Real estate							
Gross Revenue	403	413	520	410	480	17.1	19.2
EBITDA	254	267	360	250	300	20.0	17.9
EBITDA (%)	63.2	64.6	69.2	61.0	62.5		

Source: Company data, I-Sec research

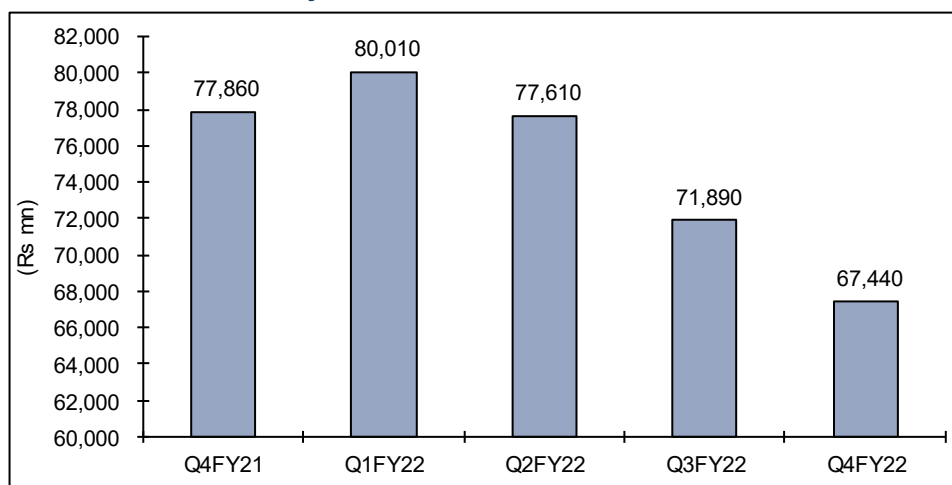
Table 8: Global Voice Solutions – net revenue rose 15.7% YoY

(Rs mn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	QoQ (%)	YoY (%)
Revenue	5,583	5,892	6,060	5,540	5,370	(3.1)	(3.8)
Minute (bn)							
NLD	0.1	0.1	0.1	0.1	0.1	-	(27.9)
ILD	3.8	4.1	3.7	3.5	3.1	(11.4)	(19.0)
Total	4.0	4.2	3.8	3.6	3.2	(11.1)	(19.3)
<i>Implied realisation/min (Rs)</i>	<i>1.41</i>	<i>1.40</i>	<i>1.59</i>	<i>1.54</i>	<i>1.68</i>	<i>9.0</i>	<i>19.3</i>
Net revenue	925	850	1,000	890	1,070	20.2	15.7
Net revenue/min (Rs)	0.233	0.202	0.263	0.247	0.334	35.3	43.5
EBITDA	358	264	460	430	380	(11.6)	6.2
Implied EBITDA/min (Rs)	0.090	0.063	0.121	0.119	0.119	(0.6)	31.7

Source: Company data, I-Sec research

Chart 1: Capex intensity was 10.3% of revenue

Source: Company data, I-Sec research

Chart 2: Net debt fell by Rs4.5bn QoQ on better FCF conversion

Source: Company data, I-Sec research

Table 9: Earnings revision*(Rs mn)*

	New		Old		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Segment revenue						
GVS	19,970	17,187	19,988	17,169	(0.1)	0.1
GDS	1,57,748	1,72,347	1,60,219	1,72,744	(1.5)	(0.2)
Segment EBITDA						
GVS	1,298	1,117	1,299	1,116	(0.1)	0.1
GDS	45,153	50,027	48,506	52,510	(6.9)	(4.7)
Consolidated						
Revenue	1,77,719	1,89,534	1,80,206	1,89,912	(1.4)	(0.2)
EBITDA	46,647	51,866	49,805	53,626	(6.3)	(3.3)
<i>EBITDA margin (%)</i>	26.2	27.4	27.6	28.2		
PAT	18,895	22,708	21,362	23,987	(11.6)	(5.3)

Source: I-Sec research

Financial summary

Table 10: Profit & loss statement

(Rs mn, year ending March 31)

	FY21	FY22P	FY23E	FY24E
Operating Income (Sales)	1,69,337	1,65,318	1,77,719	1,89,534
Operating Expenses	1,28,395	1,24,980	1,31,072	1,37,668
EBITDA	40,941	40,338	46,647	51,866
% margins	24.2	24.4	26.2	27.4
Depreciation & Amortisation	23,139	22,045	21,942	21,939
Net Interest	4,202	3,603	3,299	2,939
Other Income	3,232	5,250	3,070	3,167
Recurring PBT	16,833	19,940	24,477	30,156
Add: Extraordinary	(747)	60	-	-
Less: Taxes	3,549	5,221	5,630	7,539
- Current tax	4,065	-	-	-
- Deferred tax	(516)	-	-	-
Less: Minority Interest	30	(40)	(48)	(91)
Net Income (Reported)	12,506	14,818	18,895	22,708
Recurring Net Income	13,254	14,759	18,895	22,708

Source: Company data, I-Sec research

Table 11: Balance sheet

(Rs mn, year ending March 31)

	FY21	FY22P	FY23E	FY24E
Assets				
Total Current Assets	67,773	65,338	70,887	78,409
of which cash & cash eqv.	9,271	8,972	7,858	10,671
Total Current Liabilities & Provisions	1,12,035	1,07,650	1,11,453	1,14,501
Net Current Assets	(44,262)	(42,312)	(40,566)	(36,092)
Investments	22,334	22,334	22,334	22,334
of which				
Strategic/Group	9,509	9,509	9,509	9,509
Other Marketable	12,824	12,824	12,824	12,824
Net Fixed Assets	1,19,022	1,15,991	1,15,063	1,15,038
Goodwill	1,103	1,103	1,103	1,103
Deferred Tax Assets	3,102	3,102	3,102	3,102
Total Assets	1,01,299	1,00,218	1,01,036	1,05,485
Liabilities				
Borrowings	99,585	89,585	77,585	65,585
Deferred tax liability	278	278	278	278
Minority Interest	282	282	282	282
Equity Share Capital	2,850	2,850	2,850	2,850
Face Value per share (Rs)	10.0	10.0	10.0	10.0
Reserves & Surplus	(1,695)	7,223	20,042	36,490
Net Worth	1,155	10,073	22,892	39,340
Total Liabilities	1,01,299	1,00,218	1,01,036	1,05,485

Source: Company data, I-Sec research

Table 12: Quarterly trend

(Rs mn, year ending March 31)

	Jun-20	Sep-20	Dec-20	Mar-21
Net sales	40,600	41,193	41,407	42,118
% growth (YoY)	(6.8)	(5.5)	(0.9)	4.6
EBITDA	9,433	10,581	10,383	9,941
Margin (%)	23.2	25.7	25.1	23.6
Other income	561	912	630	3,147
Add: Extra ordinary	56	127	85	(209)
Net profit	2,961	4,254	3,952	3,651

Source: Company data

Table 13: Cashflow statement

(Rs mn, year ending March 31)

	FY21	FY22P	FY23E	FY24E
Operating Cashflow	37,324	35,215	41,065	44,418
Working Capital Changes	(5,526)	(2,249)	(2,859)	(1,662)
Capital Commitments	(13,636)	(16,000)	(18,000)	(18,900)
Free Cashflow	18,162	16,966	20,206	23,856
Cashflow from Investing Activities	(6,410)	5,250	3,070	3,167
Issue of Share Capital	-	-	-	-
Inc (Dec) in Borrowings	(2,797)	(10,000)	(12,000)	(12,000)
Dividend paid & Others	(9,251)	(12,516)	(12,389)	(12,211)
Chg. in Cash & Bank balance	(295)	(299)	(1,113)	2,812

Source: Company data, I-Sec research

Table 14: Key ratios

(Year ending March 31)

	FY21	FY22P	FY23E	FY24E
Per Share Data (in Rs.)				
Recurring EPS	45.8	51.8	66.3	79.7
Reported EPS	43.9	52.0	66.3	79.7
Recurring Cash EPS	111.7	116.0	129.9	143.3
Dividend per share (DPS)	14.0	20.7	21.3	22.0
Book Value per share (BV)	4.1	35.3	80.3	138.0
Growth Ratios (%)				
Operating Income	0.2	(2.4)	7.5	6.6
EBITDA	30.9	(1.5)	15.6	11.2
Recurring Net Income	335.2	11.4	28.0	20.2
Diluted Recurring EPS	(1,554.9)	18.5	27.5	20.2
Diluted Recurring CEPS	531.5	13.1	27.9	20.2
Valuation Ratios (x)				
P/E	26.9	23.8	18.6	15.5
P/CEPS	11.0	10.6	9.5	8.6
P/BV	304.6	34.9	15.4	8.9
EV / EBITDA	10.5	10.4	8.8	7.6
EV / Operating Income	2.5	2.5	2.3	2.1
EV / Operating FCF	13.5	12.7	10.7	9.2
Operating Ratios				
Other Income / PBT (%)	19.2	26.3	12.5	10.5
Effective Tax Rate (%)	21.1	26.2	23.0	25.0
NWC / Total Assets (%)	(43.7)	(42.2)	(40.2)	(34.2)
Inventory Turnover (days)	0.7	0.7	0.7	0.7
Receivables (days)	56.2	58.2	63.2	64.2
Payables (days)	69.8	69.8	67.8	65.8
Net Debt/EBITDA Ratio (x)	1.9	1.7	1.2	0.8
Capex % of sales	8.1	9.7	10.1	10.0
Profitability Ratios (%)				
Rec.Net Income Margins	7.8	8.9	10.6	12.0
RoCE	18.0	18.0	24.6	29.2
RoIC	22.4	23.2	31.5	37.5
RoNW	(215.1)	264.0	114.6	73.0
Dividend Yield	1.1	1.7	1.7	1.8
EBITDA Margins	24.2	24.4	26.2	27.4

Source: Company data, I-Sec research

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