

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	TCS IN
Equity Shares (m)	3,752
M.Cap.(INRb)/(USD\$)	11708.8 / 155.4
52-Week Range (INR)	3128 / 1504
1, 6, 12 Rel. Per (%)	5/6/19
12M Avg Val (INR M)	9481
Free float (%)	28.0

Financials & Valuations (INR b)

Y/E Mar	2021E	2022E	2023E
Sales	1,648	1,929	2,162
EBIT Margin (%)	26.0	26.8	26.9
PAT	341	421	478
EPS (INR)	87.9	111.9	127.0
EPS Gr. (%)	2.0	27.3	13.5
BV/Sh. (INR)	231	245	260

Ratios

RoE (%)	38.9	47.6	50.8
RoCE (%)	33.8	39.5	41.6
Payout (%)	40.0	75.0	75.0

Valuations

P/E (x)	35.5	27.9	24.6
P/BV (x)	13.5	12.8	12.0
EV/EBITDA (x)	24.7	20.5	18.2
Div Yield (%)	1.1	2.7	3.0

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	72.1	72.1	72.1
DII	7.9	8.1	8.3
FII	16.0	15.9	15.5
Others	4.0	4.0	4.2

FII Includes depository receipts

CMP: INR3,120 **TP: INR3,175 (+2%)** **Neutral**

TCS' 3Q beat led by faster-than-expected demand uptick

Blockbuster performance in a seasonally weak quarter

- Tata Consultancy Services (TCS) reported revenue growth of 4.1% QoQ CC in 3Q (v/s est. 2.3% QoQ CC). This is the best QoQ growth posted by the company since FY11 in a seasonally weak 3Q – it was led by broad-based delivery across sectors and regions. Moreover, TCS improved its EBIT margin to 26.6% (+40bp QoQ; +100bp v/s our estimate) despite absorbing the full impact of a wage hike (160bps impact). Deal wins (ex-Postbank at ~USD0.5b) were USD6.8b, down QoQ on tough comps, but were up 13% from Q3 FY20.
- TCS reported OCF/PAT of 137% and FCF/PAT of 122%, boasting a strong performance on working capital. It exited Q3 with cash of INR654bn.
- This strong 3Q growth in TCS, in our opinion, indicates both a strong tech spending environment and the ability to capture an outsized share of cloud migration spend. In our view, the TCS management's strong commentary on enterprise demand, especially on cloud, implies a positive outlook for peers as well. TCS also highlighted conversion of large deal pipeline to orders in 3Q, which we expect would be echoed across the sector in 3Q.
- We expect TCS to be relatively better positioned (v/s the sector) to leverage the large deals coming into the market. Backed by strong deal wins in 9MFY21 and continued momentum in cloud and data deals, we expect TCS to deliver a ~16% USD growth CAGR over FY21–23E
- We upgrade our EPS estimates by 3–6% for FY21/FY22/FY23E, primarily led by revenue/margin beat during the quarter. While we continue to be positive on the company, we remain **Neutral** given the elevated multiples. The stock currently trades at ~25x FY23E EPS.

Beat on revenue and margins

- CC revenue was up 4.1% QoQ, above our estimate of 2.3% QoQ CC. On a reported basis, it delivered +0.4% YoY CC / +5.1% QoQ topline growth.
- Overall TCV of deals won during the quarter was high at USD6.8b (does not include large deal win from Postbank in Germany), compared with USD6.4b in 3QFY20.
- The EBIT margin came in at 26.6% (est. 25.6%), up 40bp QoQ and 160bp YoY.
- PAT grew 7.2% YoY to INR87b (a 1.4% beat), largely on account of an operational beat. This was partially offset by higher ETR at 25.4% v/s our estimate of 23.5%.
- Growth was broad-based across verticals such as Manufacturing (+7.1% QoQ CC), BFSI (+2% QoQ CC), Life Sciences and Healthcare (+5.2% QoQ CC), Communications & Media (+5.5% QoQ CC), and Retail and CPG (+3.1% QoQ CC).
- On a YoY, constant-currency basis, Life Sciences and Healthcare continued to grow in the double digits at 18.2%. BFSI (+2.4%) and Technology & Services (+2.4%) also moved into the positive territory, while other verticals remain in the negative territory on a YoY basis.
- North America was flat QoQ, while the majority of growth was led by Continental Europe (+3.6% YoY CC) and India (+4.1% YoY CC).

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- In Services, growth in the quarter was led by Cloud Services, Analytics & Insights, Cognitive Business Operations, IoT, and Quality Engineering & Transformation Platform Services.
- Strong headcount additions were seen in 3Q – net additions of 15,271 QoQ to 469,261. Attrition stood at an all-time low of 7.6%. Currently, only 3.4% of the workforce has resumed going to the offices.

Key highlights from management commentary

- The company reported deal wins of USD6.8b (BFSI – USD2.6b; Retail – USD0.9b). Apart from two large deals announced, the company closed many large/medium deals during the quarter.
- Enterprises are leveraging with new-gen technology to enter new markets, gain new revenue streams, or enhance customer experience.
- The management understands the cloud opportunity as a three-stage strategy comprising 1) migration to the cloud, 2) application development and maintenance on the cloud, and 3) platform and ecosystem integration. This makes cloud a key growth driver for the multi-year growth cycle.
- 3Q saw the full impact of wage hikes (given from 1st October 2020). The impact of 160bps was offset by continued operational efficiency, strong revenue growth, and the effects of currency movement.
- Attrition stood at an all-time low of 7.6%. However, the management expects this to go up as the work cycle normalizes.
- With regard to subcontractor expenses, TCS is proactively prioritizing investments toward building skills and organic talent within the organization; however, it would continue to use subcontractors as and when the need arises.
- The company reported a cash flow conversion rate of 137% (OCF to net income).

Valuation and view – rich multiples justified!

- We believe IT Services has entered into a technology upcycle, led by cloud- and data-driven deals coming onto the market
- Given TCS' size, capabilities, and portfolio stretch, it is rightly positioned to leverage expected industry growth.
- Additionally, TCS has consistently maintained its market leadership and shown best-in-class execution. This gives the company continued room to increase its margins, along with demonstrating industry-leading return ratios.
- We increase our EPS estimate for FY21/FY22/FY23E by 3%/4%/6% on account of a strong beat in 3Q.
- Our TP implies 25x FY23E EPS on our revised estimates.
- While we remain positive on the company, we remain Neutral given the rich multiples.

Quarterly Performance (IFRS)

(INR b)

Y/E March	FY20				FY21E				FY20	FY21E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QFY21	(% / bp)
IT Services Revenue (USD m)	5,485	5,517	5,586	5,444	5,059	5,424	5,702	5,916	22,032	22,101	5,583	2.1
QoQ (%)	1.6	0.6	1.3	-2.5	-7.1	7.2	5.1	3.8	5.4	0.3	2.9	219bp
Overall Revenue (INR b)	382	390	399	399	383	401	420	444	1,569	1,648	412	2.0
QoQ (%)	0.4	2.1	2.3	0.2	-4.1	4.7	4.7	5.6			2.7	203bp
YoY (%)	11.4	5.8	6.7	5.1	0.4	3.0	5.4	11.1	7.2	5.0	3.4	205bp
GPM (%)	40.5	40.8	41.4	42.0	39.4	40.9	41.6	42.2	41.2	41.1	40.4	122bp
SGA (%)	16.3	16.8	16.3	16.9	15.8	14.7	15.0	15.0	16.6	15.1	14.8	20bp
EBITDA	100	102	109	110	100	115	122	132	421	469	116	5.4
EBITDA Margin (%)	26.3	26.2	27.3	27.5	26.2	28.7	29.1	29.7	26.8	28.5	28.1	96bp
EBIT	92	94	100	100	90	105	112	121	386	428	105	6.0
EBIT Margin (%)	24.2	24.0	25.0	25.1	23.6	26.2	26.6	27.2	24.6	26.0	25.6	102bp
Other income	14	12	6	5	5	7	5	8	37	25	7	-28.3
PBT	106	105	106	105	95	113	117	128	422	453	113	3.9
ETR (%)	23.4	23.5	23.0	23.0	25.8	24.8	25.4	23.5	23.2	24.8	23.5	186bp
Adj. PAT	82	81	81	81	70	85	87	98	324	341	86	1.4
Exceptional items	0	0	0	0	0	-10	0	0	0	-10	0	
Reported PAT	82	81	81	81	70	75	87	98	324	331	86	1.4
QoQ (%)	0.0	-1.2	1.1	-0.6	-12.9	6.5	16.3	12.6			14.7	155bp
YoY (%)	10.7	1.7	0.3	-0.7	-13.5	-6.9	7.2	21.4	2.8	2.0	5.7	143bp
EPS (INR)	21.7	21.4	21.7	21.5	18.7	19.9	23.2	26.1	86.2	87.9	22.9	1.4

Key Performance Indicators

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (QoQ CC %)	2.0	1.4	0.3	-1.8	-6.3	4.8	4.1		7.1	
Costs (% of revenue)										
COGS	59.5	59.2	58.6	58.0	60.6	59.1	58.4	57.8	58.8	58.9
SGA	16.3	16.8	16.3	16.9	15.8	14.7	15.0	15.0	16.6	15.1
Margins										
Gross Margin	40.5	40.8	41.4	42.0	39.4	40.9	41.6	42.2	41.2	41.1
EBIT Margin	24.2	24.0	25.0	25.1	23.6	26.2	26.6	27.2	24.6	26.0
Net Margin	21.4	20.7	20.4	20.3	18.4	21.1	20.8	22.1	20.7	20.7
Operating metrics										
Headcount (k)	437	451	447	448	444	454	469		448	
Attrition (%)	11.5	11.6	12.2	12.1	11.1	8.9	7.6		12.1	
Deal Win TCV (USD b)	5.7	6.4	6	8.9	6.9	8.6	6.8		27	
Key Verticals (YoY CC %)										
BFSI	9.2	8.0	5.3	-1.3	-4.9	-1.1	2.4		5.2	
Retail	7.9	4.8	5.1	4.2	-12.9	-5.7	-5.1		5.5	
Key Geographies (YoY CC%)										
North America	7.8	5.3	4.1	0.2	-6.1	-3.0	-0.2		4.3	
UK	16.0	13.3	7.5	5.4	-8.5	-8.1	-1.6		10.4	
Continental Europe	15.0	16.0	15.9	11.9	2.7	3.7	3.6		14.6	

Management commentary highlights

Demand drivers and outlook

- Ramp-up in previous deal wins resulted in strong sequential growth of 4.1% QoQ CC – the strongest December quarter growth in the past nine years.
- The company reported deal wins of USD6.8b (BFSI – USD2.6b; Retail – USD0.9b). Apart from two large deals announced, the company closed many large/medium deals during the quarter.
- Due to the pandemic, earlier quarters had seen a large mix of smaller deals. However, as recovery commences, the proportion of large deals has returned to previous levels.
- TCS saw broad-based growth across geographies and verticals. The management is pleased with its performance in the UK. However, one cannot determine future performance as it is very difficult to ascertain performance due to the volatile environment.
- Enterprises seek to grow and improve efficiency through leveraging technology, which is driving IT spends. The strengthening of investments was observed in 2HCY20.

Cloud – multi-level growth lever

- Enterprises are leveraging new-gen technology to enter new markets, gain new revenue streams, or enhance customer experience.
- Furthermore, they are using the cloud to drive efficiency and productivity within the business.
- The addressable market for cloud is huge, and a significant shift is expected in the coming years.
- The management understands the cloud opportunity as a three-stage strategy comprising:
 - 1) Migration to the cloud
 - 2) Application development and maintenance on the cloud
 - 3) Platform and ecosystem integration

Utilization and productivity to continue to aid margins

- 3Q saw the full impact of wage hikes (given from 1st October, 2020). The impact of 160bps was offset by continued operational efficiency, strong revenue growth, and the effects of currency movement.
- Going forward, operational efficiency arising from utilization and productivity levels would be closely monitored; any opportunity for improvement would be worked on to help sustain the current margin levels.
- Attrition stood at an all-time low of 7.6%. However, the management expects this to go up as the work cycle normalizes.
- The company reported a cash flow conversion rate of 137% (OCF to net income).

Other highlights:

- Client metrics have been flattish in the current quarter, and management expects this softness to continue for the next couple of quarters as well.

- The company has opened up a new delivery center in Ireland, where 1500 employees have been deployed. Currently, 3.4% of employees have resumed working from the office.
- With regard to subcontractor expenses, TCS is proactively prioritizing investments toward building skills and organic talent within the organization; however, it would continue to use subcontractors as and when the need arises.
- The company actively seeks M&A opportunities and would pursue interesting opportunities when they arise.

Exhibit 1: All geographies reported sequential growth, with India leading the pack

Geographies	Cont. To Rev. (%)	QoQ CC Gr. (%)
North America	49.1	3.3
Latin America	1.7	3.1
UK	15.7	4.5
Continental Europe	16.2	2.5
India	5.6	18.1
Asia Pacific	9.7	2.6
MEA	2.0	6.7

Source: Company, MOFSL

Exhibit 2: Barring Technology & Services, all verticals reported robust growth

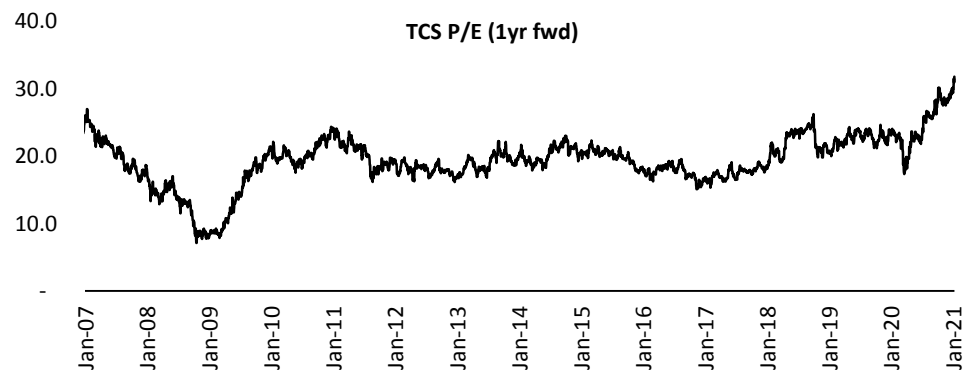
Services	Cont. To Rev. (%)	QoQ CC Gr. (%)
BFSI	31.3	2.0
Retail & CPG	14.5	3.1
Communications & Media	6.6	5.5
Manufacturing	9.6	7.1
Life Sciences & Healthcare	9.8	5.2
Technology & Services	8.6	0.8
Regional markets & Others	19.6	7.3

Source: Company, MOFSL

Valuation and view

Rich multiples justified!

- We believe IT Services has entered into a technology upcycle, led by cloud- and data-driven deals coming onto the market
- Given TCS' size, capabilities, and portfolio stretch, it is rightly positioned to leverage expected industry growth.
- Additionally, TCS has consistently maintained its market leadership and shown best-in-class execution. This gives the company continued room to increase its margins, along with demonstrating industry-leading return ratios.
- We increase our EPS estimate for FY21/FY22/FY23E by 3%/4%/6% on account of a strong beat in 3Q.
- Our TP implies 25x FY23E EPS on our revised estimates. While we remain positive on the company, we remain **Neutral** given the rich multiples.

Exhibit 3: Over the long term, company's P/E multiples averaged ~19x

Source: Bloomberg, MOFSL

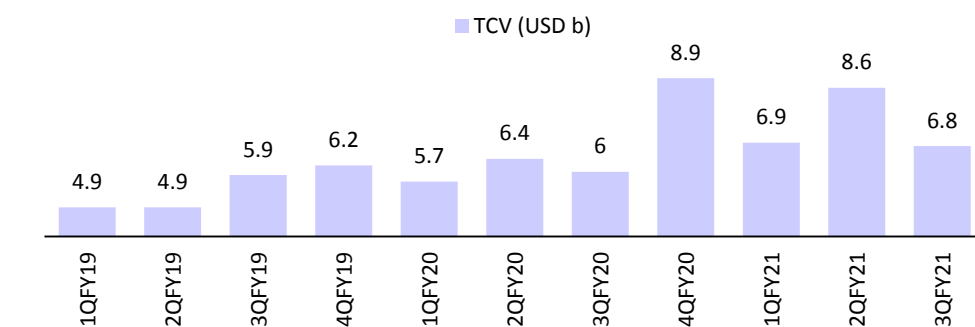
Exhibit 4: Revision to our estimates

	Revised			Earlier			Change		
	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
INR/USD	74.6	75.0	75.0	74.7	75.0	75.0	-0.2%	0.0%	0.0%
USD Revenue (m)	22,101	25,714	28,828	21,854	25,094	27,696	1.1%	2.5%	4.1%
Growth (%)	0.3	16.3	12.1	(0.8)	14.8	10.4	110bps	150bps	170bps
EBIT margin (%)	26.0	26.8	26.9	25.3	26.3	26.5	70bps	40bps	40bps
PAT (INR b)	330	420	476	322	403	451	2.6%	4.1%	5.6%
EPS	87.9	111.9	127.0	85.7	107.5	120.3	2.6%	4.1%	5.6%

Source: MOFSL

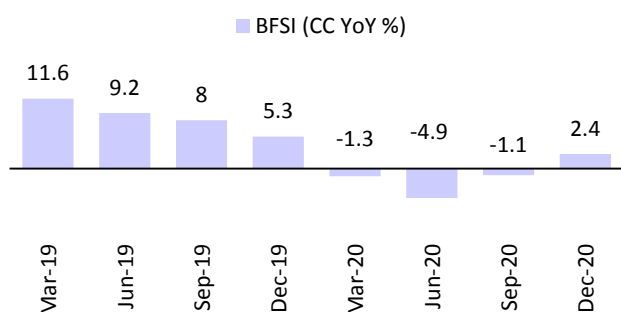
Story in charts

Exhibit 5: Company reported robust deal wins in 3Q



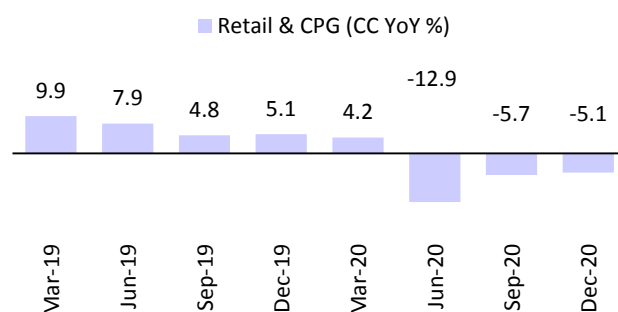
Source: Company, MOFSL

Exhibit 6: Robust growth in BFSI and...



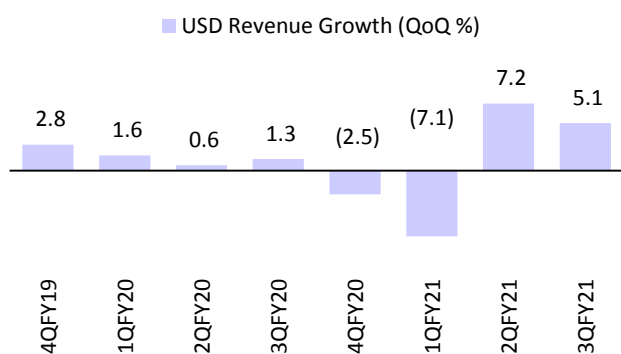
Source: Company, MOFSL

Exhibit 7: ...modest recovery in Retail led to...



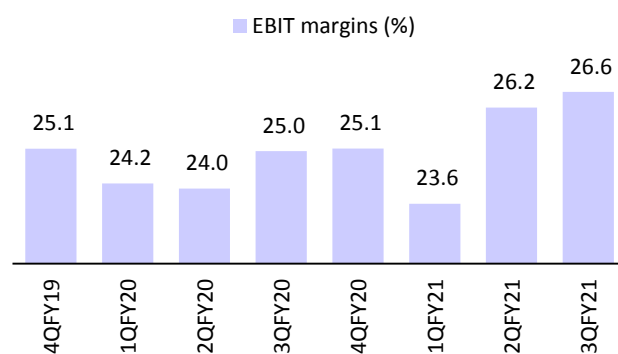
Source: Company, MOFSL

Exhibit 8: ...strongest 3Q performance in nine years



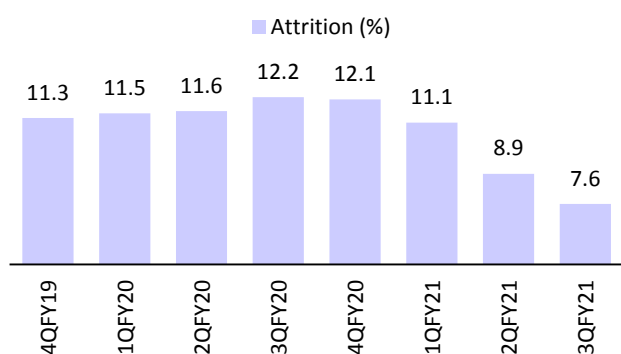
Source: Company, MOFSL

Exhibit 9: Margin expansion due to improved efficiency



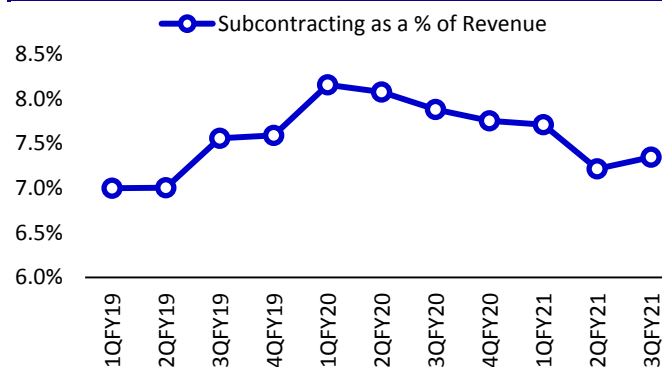
Source: Company, MOFSL

Exhibit 10: Reported attrition at an all-time low



Source: Company, MOFSL

Exhibit 11: Reduced sub-con expenses on YoY basis



Source: Company, MOFSL

Operating metrics

Exhibit 12: Operating metrics

	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21
Verticals (%)											
BFSI	31.1	31.2	30.8	30.9	30.8	31	30.4	29.7	31.3	31.9	31.3
Retail & CPG	15.4	15.4	15.5	15.1	15.0	14.8	15.2	15.4	14	14.6	14.5
Communication & Media	7.1	6.8	6.9	6.8	6.9	7.0	7.0	7.2	7.1	6.5	6.6
Manufacturing	10.2	9.8	9.8	9.6	9.8	9.8	10.0	10.1	9.7	9.4	9.6
Life Sciences & Healthcare	7.3	7.5	7.6	7.7	7.9	8.1	8.3	8.8	9.6	9.8	9.8
Technology & Services	9.0	8.9	8.7	8.6	8.8	8.7	8.4	8.7	9.1	8.9	8.6
Regional markets & Others	19.9	20.4	20.7	21.3	20.8	20.6	20.7	20.1	19.2	18.9	19.6
Geographies (%)											
North America	51	51.1	51.2	50.7	50.6	50.6	50.1	50.3	51.4	49.9	49.1
Latin America	1.9	2.0	2.0	2.0	1.8	1.9	1.9	1.8	1.7	1.7	1.7
UK	15.5	15.6	15.5	15.9	15.8	15.6	15.9	16.0	15.3	15.5	15.7
Continental Europe	14.0	14.0	14.1	14.1	14.3	14.6	14.9	15.2	15.6	16.3	16.2
India	5.8	5.6	5.7	5.8	6.0	5.7	5.7	5.5	4.3	5.0	5.6
Asia Pacific	9.6	9.6	9.4	9.5	9.4	9.4	9.3	9.3	9.8	9.7	9.7
MEA	2.2	2.1	2.1	2.0	2.1	2.2	2.2	1.9	1.9	1.9	2
QoQ growth (%)											
BFSI	1.6	3.6	(0.6)	3.1	1.3	1.2	(0.7)	(4.8)	(2.1)	9.3	3.1
Retail & CPG	(5.8)	3.2	1.3	0.1	1.0	(0.8)	4.0	(1.3)	(15.5)	11.8	4.4
Communication & Media	1.6	(1.1)	2.2	1.3	3.1	2.0	1.3	0.2	(8.4)	(1.8)	6.7
Manufacturing	40.0	(0.8)	0.7	0.7	3.7	0.6	3.3	(1.6)	(10.8)	3.9	7.4
Life Sciences & Healthcare	3.0	6.1	2.0	4.2	4.3	3.1	3.8	3.3	1.4	9.4	5.1
Technology & Services	17.2	2.1	(1.6)	1.6	4.0	(0.6)	(2.2)	0.9	(2.8)	4.9	1.6
Regional markets & Others	12.3	5.8	2.2	5.8	(0.8)	(0.4)	1.7	(5.4)	(11.2)	5.5	9.0
North America	3.2	3.4	0.9	1.8	1.4	0.6	0.3	(2.2)	(5.0)	4.1	3.4
Latin America	(3.5)	8.7	0.7	2.8	(8.5)	6.2	1.3	(7.7)	(12.2)	7.2	5.1
UK	3.6	3.9	0.0	5.5	1.0	(0.7)	3.2	(1.9)	(11.1)	8.6	6.5
Continental Europe	0.2	3.2	1.4	2.8	3.1	2.7	3.3	(0.6)	(4.6)	12.0	4.5
India	(5.0)	(0.3)	2.5	4.6	5.1	(4.4)	1.3	(6.0)	(27.3)	24.7	17.7
Asia Pacific	0.5	3.2	(1.4)	3.9	0.6	0.6	0.2	(2.5)	(2.1)	6.1	5.1
MEA	(10.6)	(1.4)	0.7	(2.1)	6.7	5.4	1.3	(15.8)	(7.1)	7.2	10.7
Total Employees (k)	401	411	418	424	437	451	447	448	444	454	469
Net Additions (k)	6	10	7	6	12	14	-4	2	-5	10	16
Attrition (LTM %)	10.9	10.9	11.2	11.3	11.5	11.6	12.2	12.1	11.1	8.9	7.6

Source: Company, MOFSL

Financials and valuations

Income statement								(INR b)
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	1,086	1,180	1,231	1,465	1,569	1,648	1,929	2,162
Change (%)	14.8	8.6	4.4	19.0	7.2	5.0	17.0	12.1
Cost of Services	609	669	713	852	923	971	1,116	1,250
SG&A Expenses	185	208	213	239	260	249	296	331
EBITDA	307	323	325	395	421	469	565	635
% of Net Sales	28.2	27.4	26.4	27.0	26.8	28.5	29.3	29.4
Depreciation	19	20	20	21	35	41	48	54
EBIT	288	303	305	375	386	428	517	581
% of Net Sales	26.5	25.7	24.8	25.6	24.6	26.0	26.8	26.9
Other Income	30	42	36	41	37	25	34	43
PBT	318	345	341	416	422	453	550	624
Tax	75	82	82	100	98	112	129	147
Rate (%)	23.5	23.6	24.1	24.1	23.2	24.8	23.5	23.5
PAT	243	264	259	316	324	341	421	478
Extraordinary gains/loss	0	0	0	0	0	-10	0	0
Adjusted PAT	243	264	259	316	324	331	421	478
Minority Interest	1	1	1	1	1	1	1	1
Reported PAT	242	263	258	315	323	330	420	476
Change (%)	23.2	8.6	-1.8	21.9	2.8	2.0	27.3	13.5

Balance Sheet								(INR b)
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	2023E
Share capital	2	2	2	4	4	4	4	4
Reserves	652	860	849	891	838	863	914	973
Net Worth	654	862	851	894	841	867	918	977
Minority Interest & Others	20	25	33	34	97	101	116	128
Loans	1	1	1	0	0	0	0	0
Capital Employed	675	888	885	929	938	968	1,035	1,105
Gross Block	235	247	266	287	408	445	492	545
Depreciation	111	131	151	171	207	248	296	350
Net Block	124	116	115	116	201	198	196	195
Intangibles	27	44	52	44	45	48	54	59
Other LT assets	112	67	84	69	60	67	81	94
Curr. Assets	631	805	812	921	902	924	998	1,065
Debtors	281	280	316	325	363	389	455	510
Cash & Bank Balance	68	41	49	72	97	129	151	182
Investments	224	416	380	347	261	211	161	111
Other Current Assets	59	67	67	177	182	194	230	261
Current Liab. & Prov	220	145	178	221	271	268	294	309
Net Current Assets	411	660	634	700	632	655	703	757
Application of Funds	674	887	885	929	938	968	1,034	1,105

Financials and valuations

Ratios

Y/E March	2016	2017	2018	2019	2020	2021E	2022E	2023E
Basic (INR)								
EPS	61.6	66.7	67.0	82.3	86.2	87.9	111.9	127.0
Cash EPS	66.4	71.8	72.2	87.6	95.6	98.9	124.7	141.4
Book Value	166.2	218.8	220.9	233.8	224.2	231.0	244.7	260.2
DPS	21.8	27.5	29.2	35.1	71.4	35.2	83.9	95.2
Payout %	35.4	41.2	43.6	42.7	82.8	40.0	75.0	75.0
Valuation (x)								
P/E	50.7	46.8	46.6	38.0	36.2	35.5	27.9	24.6
Cash P/E	47.0	43.5	43.2	35.6	32.7	31.6	25.0	22.1
EV/EBITDA	39.8	38.0	36.9	30.1	27.6	24.7	20.5	18.2
EV/Sales	11.2	10.4	9.7	8.1	7.4	7.0	6.0	5.3
Price/Book Value	18.8	14.3	14.1	13.4	13.9	13.5	12.8	12.0
Dividend Yield (%)	0.7	0.9	0.9	1.1	2.3	1.1	2.7	3.0
Profitability Ratios (%)								
RoE	41.8	34.7	30.1	36.1	37.3	38.9	47.6	50.8
RoCE	36.5	29.7	26.1	31.4	31.7	33.8	39.5	41.6
Turnover Ratios								
Debtors (Days)	94	87	94	81	84	86	86	86
Fixed Asset Turnover (x)	8.8	10.1	10.7	12.7	7.8	8.3	9.8	11.1

Cash Flow Statement

(INR b)

Y/E March	2016	2017	2018	2019	2020	2021E	2022E	2023E
CF from Operations	239	259	282	308	378	367	450	509
Cash for Working Capital	-48	-6	0	-22	-47	-48	-82	-79
Net Operating CF	191	252	282	286	332	320	367	430
Net Purchase of FA	-20	-20	-19	-21	-32	-23	-27	-30
Free Cash Flow	171	232	263	265	299	296	340	400
Net Purchase of Invest.	-32	-147	16	36	118	50	50	50
Net Cash from Invest.	-52	-167	-3	16	86	27	23	20
Proc. from equity issues	0	-1	0	0	0	0	0	0
Proceeds from LTB/STB	-1	0	0	-2	-11	0	0	0
Others	0	0	0	-2	-9	0	0	0
Dividend Payments	-95	-110	-268	-275	-377	-314	-368	-418
Cash Flow from Fin.	-96	-110	-268	-279	-397	-314	-368	-418
Net Cash Flow	44	-27	13	23	24	32	22	32
Opening Cash Bal.	23	68	41	54	77	101	133	155
Add: Net Cash	44	-27	13	23	24	32	22	32
Closing Cash Bal.	68	41	54	77	101	133	155	187

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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