

# Kaveri Seeds

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR570**      **TP: INR710 (+25%)**      **Buy**

## Lower than expected operating loss in 4QFY22 aided by lower OPEX

- Revenue fell 6% YoY in FY22 due to lower cotton/maize (down 24%/16%) volumes. Cotton seed volumes were impacted by lower cotton acreage and the use of illegal herbicide-tolerant Bt (HTBt) seeds, which impacted sales of branded seeds. Maize volumes fell due to no sales to the government.
- We largely retain our FY23/FY24 earnings for KSCL. We value the stock at 12x FY24E EPS to arrive at our TP of INR710. We reiterate our Buy rating.

Bloomberg	KSCL IN
Equity Shares (m)	63
M.Cap.(INRb)/(USDb)	34.4 / 0.4
52-Week Range (INR)	789 / 468
1, 6, 12 Rel. Per (%)	0/19/-32
12M Avg Val (INR M)	158

### Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	9.7	11.8	13.2
EBITDA	2.0	3.0	3.3
PAT	2.1	3.0	3.4
EBITDA (%)	20.9	25.1	25.2
EPS (INR)	36.4	52.1	59.0
EPS Gr. (%)	(31.6)	43.1	13.1
BV/Sh. (INR)	220	263	313

### Ratios

Net D/E	(0.4)	(0.5)	(0.5)
RoE (%)	16.8	21.6	20.5
RoCE (%)	18.4	24.4	23.1
Payout (%)	12.5	17.4	15.4

### Valuations

P/E (x)	15.6	10.9	9.6
EV/EBITDA (x)	17.6	11.9	10.6
Div Yield (%)	0.7	1.4	1.4
FCF Yield (%)	2.4	8.7	8.1

### Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	57.4	57.4	55.5
DII	7.0	6.7	8.5
FII	19.1	19.1	19.8
Others	16.5	16.8	16.2

## Strong volumes in cotton and maize drives revenue in 4QFY22

- Consolidated revenue rose 4% YoY to INR666m (est. INR677m) in 4QFY22. Operating loss stood at INR109m (v/s our operating loss estimate of INR181m) as compared to an operating loss of INR158m in 4QFY21. Gross margin expanded by 110bp YoY to 55.3%. As a percentage of sales, employee cost stood at 32.8% (v/s 35.4% YoY) and other expenses stood at 38.9% (v/s 43.4% YoY). Net loss stood at INR118m (v/s our net loss estimate of INR175m) as against a net loss of INR174m in 4QFY21.
- Volumes of cotton seeds fell 24% YoY to 5.4m packets in FY22, resulting in a 23% decline in revenue to INR3.4b. KSCL gained market share in cotton seeds in Gujarat, Maharashtra, and Haryana, while it lost share in Andhra Pradesh and Telangana. The contribution from new products in maize rose to 24% from 10% of volumes. Maize seed volumes dipped 16% YoY to 8,781MT and revenue fell 8% YoY to INR1,876m in FY22.
- Hybrid rice volumes rose 19% to 6,772m packets in FY22, resulting in a 29.5% YoY growth in revenue to INR1,716m. Selection rice volumes grew 6% to 16,174MT in FY22, with revenue up 14% YoY to INR1,163m.
- Revenue from vegetable seeds rose 18% YoY to INR466m in FY22, driven by a 21% growth in volumes to 307m packets.
- Revenue/EBITDA/PAT fell 6%/32%/32% YoY to INR9.7b/INR2b/INR2.1b in FY22.
- CFO stood at INR1.1b in FY22 v/s INR2.5b in FY21. Net cash stood at INR5.4b in FY22 v/s INR6.1b in FY21.

## Highlights from the management commentary

- Cotton:** The management has guided at a 15-20% YoY increase in cotton volumes in FY23. It expects industry growth to be in the 10-15% range in FY23.
- It expects to maintain the demand momentum in maize seeds, with a rise in the area under cultivation and the launch of new hybrid seeds.
- The management has guided at an annual release of eight to 10 new hybrid products across segments.

**Valuation and view**

- KSCL is on track to diversify sales away from cotton seeds by increasing the share of higher margin rice and vegetables (v/s cotton seeds), which are growing at a faster pace.
- With an increase in commodity prices across the globe, the sowing pattern of farmers has seen an improvement. The company has observed good demand across cotton, rice, maize, and vegetable seeds. It expects this trend to carry forward in FY23.
- We largely retain our FY23/FY24 earnings for KSCL. We value the stock at 12x FY24E EPS to arrive at our TP of INR710. We reiterate our Buy rating.

**Quarterly consolidated earnings**

(INR m)

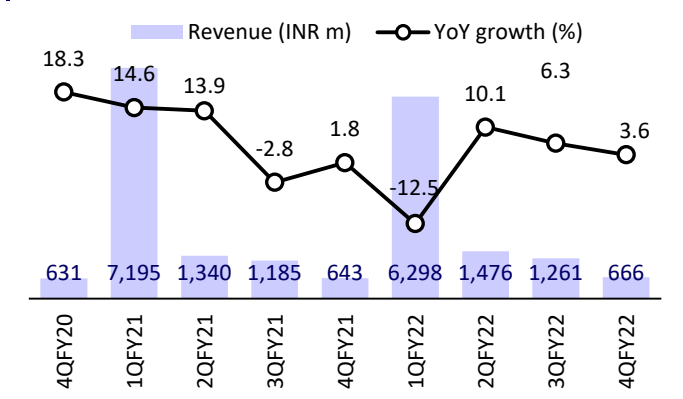
Y/E March	FY21				FY22				FY21	FY22E	FY22E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>7,195</b>	<b>1,340</b>	<b>1,185</b>	<b>643</b>	<b>6,298</b>	<b>1,476</b>	<b>1,261</b>	<b>666</b>	<b>10,363</b>	<b>9,700</b>	<b>677</b>	<b>-2</b>
YoY Change (%)	14.6	13.9	-2.8	1.8	-12.5	10.1	6.3	3.6	11.4	-6.4	5.4	
Total Expenditure	4,325	1,174	1,083	801	4,302	1,412	1,187	775	7,383	7,674	858	
<b>EBITDA</b>	<b>2,869</b>	<b>167</b>	<b>102</b>	<b>-158</b>	<b>1,996</b>	<b>64</b>	<b>74</b>	<b>-109</b>	<b>2,980</b>	<b>2,025</b>	<b>-181</b>	<b>NA</b>
Margin (%)	39.9	12.4	8.6	-24.6	31.7	4.3	5.9	-16.4	28.8	20.9	-26.7	
Depreciation	55	56	56	56	48	50	55	57	222	209	56	
Interest	1	2	0	2	0	0	0	0	5	1	0	
Other Income	235	105	75	42	151	151	68	43	457	413	47	
<b>PBT before EO expense</b>	<b>3,049</b>	<b>214</b>	<b>121</b>	<b>-174</b>	<b>2,099</b>	<b>165</b>	<b>87</b>	<b>-123</b>	<b>3,210</b>	<b>2,228</b>	<b>-191</b>	
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>3,049</b>	<b>214</b>	<b>121</b>	<b>-174</b>	<b>2,099</b>	<b>165</b>	<b>87</b>	<b>-123</b>	<b>3,210</b>	<b>2,228</b>	<b>-191</b>	
Tax	84	-20	30	4	52	37	16	-5	98	100	-11	
Rate (%)	2.8	-9.4	24.4	-2.4	2.5	22.3	18.7	4.1	3.1	4.5	6	
MI and Profit/Loss of Asso. Cos.	-11	1	0	4	-10	0	6	1	-7	-3	4	
<b>Reported PAT</b>	<b>2,953</b>	<b>235</b>	<b>91</b>	<b>-174</b>	<b>2,037</b>	<b>128</b>	<b>76</b>	<b>-118</b>	<b>3,105</b>	<b>2,125</b>	<b>-175</b>	
<b>Adj. PAT</b>	<b>2,953</b>	<b>235</b>	<b>91</b>	<b>-174</b>	<b>2,037</b>	<b>128</b>	<b>76</b>	<b>-118</b>	<b>3,105</b>	<b>2,125</b>	<b>-175</b>	<b>NA</b>
YoY Change (%)	28.6	72.1	10.4	-329.3	-31.0	-45.3	-16.1	32.2	19.9	-31.6	1	
Margin (%)	41.0	17.5	7.7	-27.0	32.4	8.7	6.1	-17.7	30.0	21.9	-25.9	

**Key performance indicators**

Y/E March	FY21				FY22				FY21	FY22
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Segment Revenue Growth (%)</b>										
Cotton Seed	4.8	(69.3)	(114.5)	30.9	(27.5)	87.4	(431.2)	45.4	(2.2)	(23.0)
Hybrid Rice	53.2	(65.7)	427.2	(50.5)	43.3	107.8	(62.1)	(280.8)	55.9	29.5
Maize Seeds	8.7	112.7	(26.0)	95.7	(7.8)	(38.3)	13.4	45.0	18.4	(7.7)
Cotton Seed volumes (m packets)	7.0	0.1	(0.1)	0.0	5.0	0.3	0.0	0.1	(1.9)	(24.3)
<b>Cost break-up as a percentage of sales</b>										
RM Cost	52.4	57.5	48.1	45.8	55.9	61.9	48.2	44.7	<b>52.2</b>	<b>55.0</b>
Staff Cost	2.3	15.7	20.7	35.4	3.2	15.4	20.9	32.8	<b>8.2</b>	<b>9.4</b>
Other Cost	5.4	14.4	22.6	43.4	9.2	18.3	25.1	38.9	<b>10.9</b>	<b>14.7</b>
Gross Margin (%)	47.6	42.5	51.9	54.2	44.1	38.1	51.8	55.3	<b>47.8</b>	<b>45.0</b>
EBITDA Margin (%)	39.9	12.4	8.6	-24.6	31.7	4.3	5.9	-16.4	<b>28.8</b>	<b>20.9</b>
EBIT Margin (%)	42.4	16.1	10.3	-26.8	33.3	11.2	6.9	-18.5	<b>34.6</b>	<b>21.5</b>

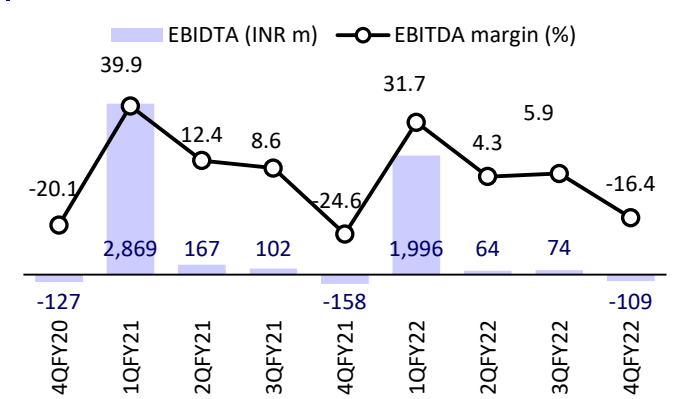
## Key exhibits

Exhibit 1: Revenue trend



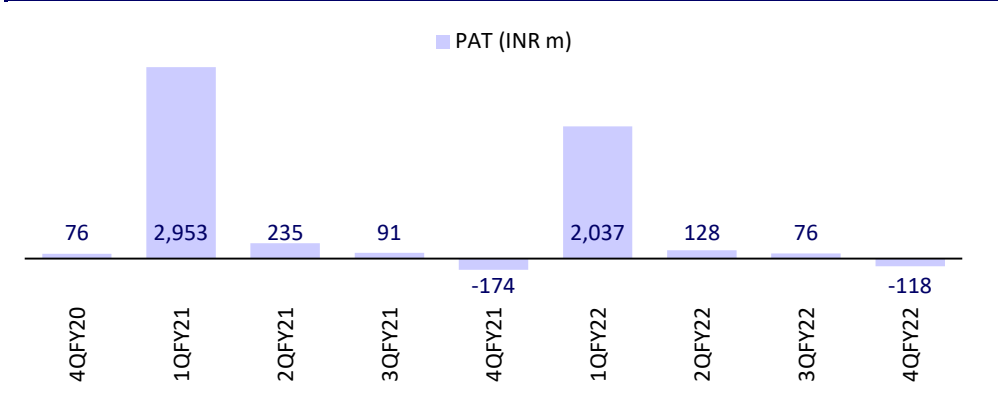
Source: Company, MOFSL

Exhibit 2: EBITDA margin trend



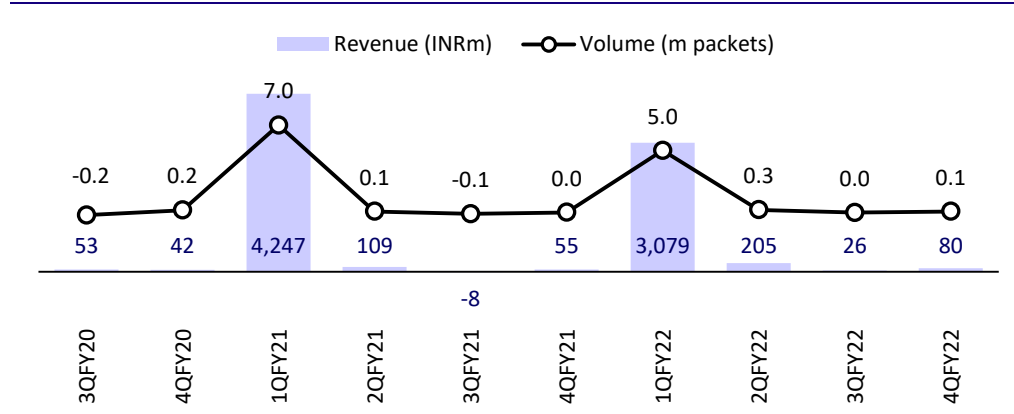
Source: Company, MOFSL

Exhibit 3: Adjusted PAT trend



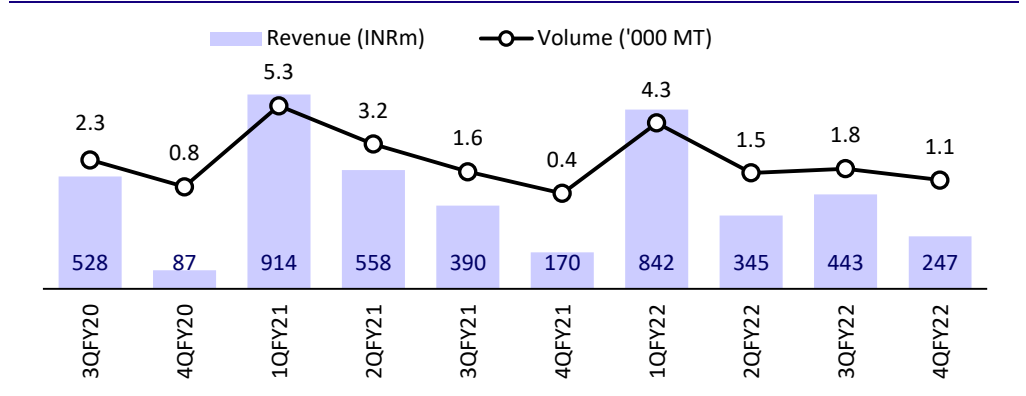
Source: Company, MOFSL

Exhibit 4: Cotton revenue and volume trends



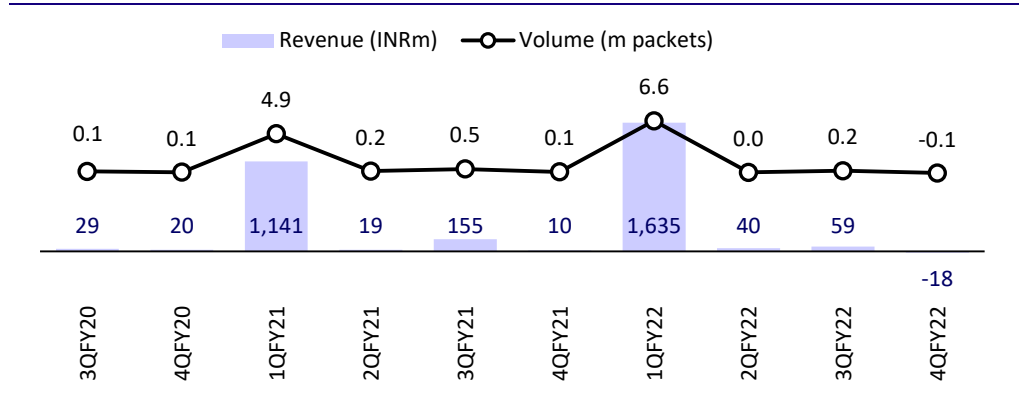
Source: Company, MOFSL

**Exhibit 5: Maize revenue and volume trends**



Source: Company, MOFSL

**Exhibit 6: Hybrid rice revenue and volume trends**



Source: Company, MOFSL



## Key highlights from the management interaction

### Cotton

- KSCL registered a volume decline of 24.3% in FY22 in the cotton seed segment, with corresponding revenue dropping 23% YoY over the same period.
- The management expects cotton volumes to take a lead from 4QFY22 and the demand to increase during the 1QFY23, on account of prevailing high cotton prices.
- It has guided a 15% to 20% increase in volumes in cotton (lower than 7m packets) v/s FY22. While industry growth is expected to be in the range of 10% to 15% in FY23.
- Currently, prices of cotton per packet are up by INR40 YoY v/s last year. Last year the company couldn't increase prices due to poor sentiment, but in this year the company remains confident that it will realize price hikes due to lower illegal BT cotton's share and better market sentiment overall.
- HT cotton and BT cotton seeds for illegal or small player segment may not go up. The increase in volumes would be for organized players as the unorganized player seeds had lower yields last year.
- For the quarter ahead, an increase in the volume of cotton seeds would continue to drive growth.
- The non-cotton segment contributes to 55% mix and is expected to inch up in the future. The earlier guidance of 15% growth in the non-cotton segment has been retained by the management.

### Maize

- The maize seed segment reported 16.04% volumes de-growth and 7.69% revenue de-growth during the quarter.
- The contribution from new products in Maize rose to 24.3% from 10.1% of volumes.
- Maize seed is expected to maintain demand momentum with growing acres in the future as well as new hybrid seed being launched.

### Hybrid rice

- Hybrid Rice volumes increased 19.2% in FY22 along with a 29.5% revenue growth to INR1.7b in FY22.
- In FY22, hybrid rice sales were not encouraging, despite that the company has grown its hybrid rice revenue by more than 40% and gained market share.
- KSCL has a market share of 10% v/s 2% around a decade ago proving its distribution capabilities.
- The management expects prospects for hybrid rice growth during FY23 to be better than FY22.
- The contribution of new hybrid rice products rose to 75.5% from 68.2%.
- Selection Rice volumes grew by 6.3% in FY22.

### Vegetables

- Vegetables sales revenue increased by 18% in FY22, with volumes growing by 21.4% in FY22.
- The contribution of new products in vegetable seeds was up from 23.4% to 56.7% of volumes.

- The management has guided for a good revenue growth in Vegetable Seed in FY23.

#### Other highlights

- Revenue and volume in FY22 were impacted due to supply chain disruptions on account of the overall shutdown in India in 1Q.
- General trade was better than pre-pandemic levels and demand was strong across cotton, rice, and vegetable seeds. But government tendering saw a slowdown during the year, and is expected to pick up hereon.
- **Cash:** Cash stood at INR4.68b as on Mar'22 v/s INR3.14b as on Dec'21.
- **Volume mix:** Currently share of non-cotton products is ~55%; going forward, the share is further expected to improve.
- The overall confidence among farmer fraternity and general trade in the country has currently improved to either pre-COVID levels or better than that.
- With an increase in commodity prices across the globe, the sowing pattern of farmers has seen an improvement. The company has observed good demand across cotton, rice, maize, and vegetable seeds. It expects this trend to carry forward in FY23
- Contribution from new variants is growing at a healthy rate across rice, maize and vegetable seed segments.
- The company has outperformed the industry across the seed segments both on the revenue and volumes front, in spite of the prevailing non-conductive environment in the industry.
- The management has guided to release eight to 10 products across segments every year, mainly in the hybrid segment.
- Margin is expected to return to previous years as business normalizes ahead and are almost at normal levels currently.

#### Valuation and view

- KSCL is well on track to diversify away from cotton seed sales by increasing the share of higher margin rice and vegetables (v/s cotton seeds), which are growing at a faster pace.
- With the increase in commodity prices across the World, the sowing pattern of farmers has witnessed improvement. The company has observed good demand across cotton, rice, maize and vegetable seeds and expects this trend to carry forward in FY23.
- We largely retain our FY23/FY24 earnings for KSCL. We value the stock at 12x FY24E EPS to arrive at our TP of INR710. We reiterate our Buy rating.

#### Exhibit 7: Revisions to our estimates

Earnings change (INR m)	Old		New		Change (%)	
	FY23E	FY23E	FY23E	FY24E	FY23E	FY24E
Revenue	11,766	12,999	11,834	13,232	1	2
EBITDA	2,952	3,275	2,969	3,334	1	2
Adj. PAT	3,017	3,376	3,040	3,440	1	2

Source: MOFSL

## Financials and valuations

### Consolidated Income Statement

	(INR m)								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Net Sales</b>	<b>7,449</b>	<b>7,050</b>	<b>8,192</b>	<b>8,094</b>	<b>9,303</b>	<b>10,363</b>	<b>9,700</b>	<b>11,834</b>	<b>13,232</b>
Change (%)	-35.9	-5.4	16.2	-1.2	14.9	11.4	-6.4	22.0	11.8
<b>EBITDA</b>	<b>1,875</b>	<b>1,395</b>	<b>2,218</b>	<b>2,116</b>	<b>2,532</b>	<b>2,980</b>	<b>2,025</b>	<b>2,969</b>	<b>3,334</b>
Margin (%)	25.2	19.8	27.1	26.1	27.2	28.8	20.9	25.1	25.2
Depreciation	274	302	251	230	257	222	209	245	264
<b>EBIT</b>	<b>1,601</b>	<b>1,093</b>	<b>1,967</b>	<b>1,887</b>	<b>2,275</b>	<b>2,758</b>	<b>1,816</b>	<b>2,723</b>	<b>3,069</b>
Int. and Finance Charges	2	2	6	5	5	5	1	5	4
Other Income - Rec.	131	344	237	430	456	457	413	516	593
<b>PBT bef. EO Exp.</b>	<b>1,729</b>	<b>1,435</b>	<b>2,198</b>	<b>2,311</b>	<b>2,727</b>	<b>3,210</b>	<b>2,228</b>	<b>3,234</b>	<b>3,659</b>
EO Expense/(Income)	0	592	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>1,729</b>	<b>843</b>	<b>2,198</b>	<b>2,311</b>	<b>2,727</b>	<b>3,210</b>	<b>2,228</b>	<b>3,234</b>	<b>3,659</b>
Current Tax	58	75	87	117	118	67	75	194	220
Deferred Tax	-3	-5	-3	20	10	31	25	0	0
Tax Rate (%)	3.2	8.3	3.8	5.9	4.7	3.1	4.5	6.0	6.0
Minority Interest	0.0	0.0	0.0	0.0	8.7	7.1	3.5	0.0	0.0
<b>Reported PAT</b>	<b>1,675</b>	<b>773</b>	<b>2,114</b>	<b>2,174</b>	<b>2,590</b>	<b>3,105</b>	<b>2,125</b>	<b>3,040</b>	<b>3,440</b>
<b>PAT Adj. for EO items</b>	<b>1,675</b>	<b>1,316</b>	<b>2,114</b>	<b>2,174</b>	<b>2,590</b>	<b>3,105</b>	<b>2,125</b>	<b>3,040</b>	<b>3,440</b>
Change (%)	-44.4	-21.4	60.6	2.8	19.1	19.9	-31.6	43.1	13.1
Margin (%)	22.5	18.7	25.8	26.9	27.8	30.0	21.9	25.7	26.0

### Consolidated Balance Sheet

	(INR m)								
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	138	138	132	126	121	121	117	117	117
Total Reserves	9,134	10,005	9,992	9,942	9,466	12,325	12,692	15,202	18,112
<b>Net Worth</b>	<b>9,272</b>	<b>10,143</b>	<b>10,124</b>	<b>10,069</b>	<b>9,587</b>	<b>12,445</b>	<b>12,809</b>	<b>15,319</b>	<b>18,229</b>
Minority Interest	-2	-7	-6	-6	2	10	13	13	13
Deferred Liabilities	0	0	168	202	182	157	168	168	168
Total Loans	16	46	29	68	58	16	11	6	6
<b>Capital Employed</b>	<b>9,286</b>	<b>10,182</b>	<b>10,315</b>	<b>10,332</b>	<b>9,829</b>	<b>12,627</b>	<b>13,001</b>	<b>15,506</b>	<b>18,416</b>
Gross Block	3,033	3,322	3,463	4,199	4,551	4,733	4,910	5,310	5,710
Less: Accum. Deprn.	1,018	1,320	1,571	1,800	2,057	2,279	2,489	2,734	2,998
<b>Net Fixed Assets</b>	<b>2,015</b>	<b>2,002</b>	<b>1,892</b>	<b>2,399</b>	<b>2,494</b>	<b>2,454</b>	<b>2,421</b>	<b>2,576</b>	<b>2,712</b>
Capital WIP	197	340	376	384	185	311	435	237	265
<b>Total Investments</b>	<b>5,064</b>	<b>6,569</b>	<b>6,226</b>	<b>5,096</b>	<b>3,839</b>	<b>5,990</b>	<b>5,166</b>	<b>7,066</b>	<b>9,166</b>
<b>Curr. Assets, Loans, and Adv.</b>	<b>6,327</b>	<b>6,358</b>	<b>6,153</b>	<b>7,626</b>	<b>9,255</b>	<b>10,850</b>	<b>10,751</b>	<b>12,856</b>	<b>14,359</b>
Inventory	5,044	4,478	4,428	5,612	6,391	7,195	7,606	8,153	9,116
Account Receivables	804	854	859	846	1,180	1,057	1,107	1,329	1,486
Cash and Bank Balance	94	210	139	87	81	141	201	652	714
Loans and Advances	386	817	727	1,081	1,603	2,457	1,837	2,722	3,043
<b>Curr. Liability and Prov.</b>	<b>4,320</b>	<b>5,095</b>	<b>4,340</b>	<b>5,180</b>	<b>5,957</b>	<b>6,993</b>	<b>5,801</b>	<b>7,256</b>	<b>8,113</b>
Account Payables	4,237	3,026	2,202	2,411	2,669	3,584	2,297	3,382	3,782
Provisions	83	9	116	72	68	117	160	87	97
Other current liabilities	0	2,060	2,022	2,696	3,221	3,291	3,344	3,787	4,234
<b>Net Current Assets</b>	<b>2,007</b>	<b>1,263</b>	<b>1,814</b>	<b>2,446</b>	<b>3,297</b>	<b>3,857</b>	<b>4,950</b>	<b>5,600</b>	<b>6,246</b>
<b>Appl. of Funds</b>	<b>9,286</b>	<b>10,182</b>	<b>10,315</b>	<b>10,332</b>	<b>9,829</b>	<b>12,627</b>	<b>13,001</b>	<b>15,506</b>	<b>18,416</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>28.7</b>	<b>22.6</b>	<b>36.2</b>	<b>37.3</b>	<b>44.4</b>	<b>53.2</b>	<b>36.4</b>	<b>52.1</b>	<b>59.0</b>
Cash EPS	33.4	27.8	40.5	41.2	48.8	57.1	40.0	56.3	63.5
BV/Share	159.0	173.9	173.6	172.6	164.4	213.4	219.6	262.7	312.6
DPS	5.0	3.0	3.0	3.0	3.0	4.0	3.9	7.7	7.7
Payout (%)	24.7	32.2	11.7	11.3	9.5	8.8	12.5	17.4	15.4
<b>Valuation (x)</b>									
P/E	19.8	25.2	15.7	15.3	12.8	10.7	15.6	10.9	9.6
Cash P/E	17.0	20.5	14.0	13.8	11.6	10.0	14.2	10.1	9.0
P/BV	3.6	3.3	3.3	3.3	3.5	2.7	2.6	2.2	1.8
EV/Sales	4.8	5.1	4.4	4.4	3.9	3.5	3.7	3.0	2.7
EV/EBITDA	19.1	25.6	16.1	16.9	14.2	12.0	17.6	11.9	10.6
Dividend Yield (%)	0.9	0.5	0.5	0.5	0.5	0.7	0.7	1.4	1.4
FCF per share	37.1	26.8	23.8	8.5	29.3	36.6	13.7	49.6	46.2
<b>Return Ratios (%)</b>									
EBITDA Margin (%)	25.2	19.8	27.1	26.1	27.2	28.8	20.9	25.1	25.2
Net Profit Margin (%)	22.5	18.7	25.8	26.9	27.8	30.0	21.9	25.7	26.0
RoE	19.9	13.6	20.9	21.5	26.4	28.2	16.8	21.6	20.5
RoCE	21.2	16.0	22.5	24.2	28.9	30.0	18.4	24.4	23.1
RoIC	42.0	33.8	61.5	47.9	45.4	47.7	28.4	39.1	41.1
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	2	2	2	2	2	2	2	2	2
Asset Turnover (x)	0.8	0.7	0.8	0.8	0.9	0.8	0.7	0.8	0.7
Inventory (Days)	247	232	197	253	251	253	286	251	251
Debtor (Days)	39	44	38	38	46	37	42	41	41
Creditor (Days)	208	157	98	109	105	126	86	104	104
Working Capital Turnover (Days)	94	55	75	106	126	131	179	153	153
<b>Leverage Ratio (x)</b>									
Current Ratio	1.5	1.2	1.4	1.5	1.6	1.6	1.9	1.8	1.8
Interest Coverage Ratio	670	453	326	345	476	546	1,425	538	844
Debt/Equity ratio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### Consolidated Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Net P/L Bef. Tax and EO. Items	1,729	1,435	2,198	2,311	2,727	3,210	2,228	3,234	3,659
Depreciation	274	302	251	230	257	222	209	245	264
Interest and Finance Charges	2	2	6	5	5	5	1	5	4
Direct Taxes Paid	58	75	87	117	118	67	75	194	220
(Inc.)/Dec. in WC	407	860	-621	-1,150	-952	-852	-1,261	-199	-584
<b>CF from Operations</b>	<b>2,355</b>	<b>2,525</b>	<b>1,747</b>	<b>1,279</b>	<b>1,918</b>	<b>2,519</b>	<b>1,102</b>	<b>3,092</b>	<b>3,123</b>
EO Expense	467	-245	0	0	0	0	0	0	0
<b>CF from Operations incl. EO</b>	<b>2,822</b>	<b>2,280</b>	<b>1,747</b>	<b>1,279</b>	<b>1,918</b>	<b>2,519</b>	<b>1,102</b>	<b>3,092</b>	<b>3,123</b>
(inc.)/dec. in FA	-262	-432	-177	-744	-153	-308	-301	-202	-428
<b>Free Cash Flow</b>	<b>2,560</b>	<b>1,848</b>	<b>1,570</b>	<b>535</b>	<b>1,765</b>	<b>2,211</b>	<b>801</b>	<b>2,890</b>	<b>2,695</b>
(Pur.)/Sale of Investments	-2,114	-1,505	343	1,130	1,257	-2,151	824	-1,900	-2,100
Others	-4	-5	2	438	21	286	138	0	0
<b>CF from Investments</b>	<b>-2,380</b>	<b>-1,943</b>	<b>168</b>	<b>824</b>	<b>1,125</b>	<b>-2,173</b>	<b>661</b>	<b>-2,102</b>	<b>-2,528</b>
Issue of Shares	-5	0	-2,000	-2,000	-2,404	0	0	0	0
(Inc.)/Dec. in Debt	2	30	-18	39	-10	-42	-5	-5	0
Interest Paid	-2	-2	-6	-5	-5	-5	-1	-5	-4
Dividend Paid	-414	-249	-247	-247	-247	-274	-265	-530	-530
<b>CF from Fin. Activity</b>	<b>-415</b>	<b>-221</b>	<b>-1,985</b>	<b>-2,156</b>	<b>-3,049</b>	<b>-285</b>	<b>-1,703</b>	<b>-540</b>	<b>-533</b>
<b>Inc./Dec. in Cash</b>	<b>28</b>	<b>116</b>	<b>-71</b>	<b>-52</b>	<b>-6</b>	<b>60</b>	<b>61</b>	<b>451</b>	<b>62</b>
Add: Beginning Balance	66	94	210	139	87	81	141	201	652
<b>Closing Balance</b>	<b>93</b>	<b>210</b>	<b>139</b>	<b>87</b>	<b>81</b>	<b>141</b>	<b>201</b>	<b>652</b>	<b>714</b>



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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