

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR3,673**      **TP: INR4,230 (+15%)**      **Buy**

## Growth momentum continues; reiterate BUY

### Strong margin performance despite wage hikes

Bloomberg	LTTS IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	387.7 / 4.7
52-Week Range (INR)	5958 / 2923
1, 6, 12 Rel. Per (%)	7/-18/-20
12M Avg Val (INR M)	1560

### Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	65.7	80.6	92.5
EBIT Margin (%)	18.3	18.3	18.6
PAT	9.6	11.8	14.0
EPS (INR)	90.5	111.6	132.0
EPS Gr. (%)	44.1	23.3	18.3
BV/Sh. (INR)	394.5	459.5	536.3

### Ratios

RoE (%)	25.0	26.1	26.5
RoCE (%)	20.3	21.0	21.1
Payout (%)	38.7	35.0	35.0

### Valuations

P/E (x)	40.6	32.9	27.8
P/BV (x)	9.3	8.0	6.8
EV/EBITDA (x)	25.9	20.9	17.6
Div Yield (%)	1.0	1.1	1.3

### Shareholding pattern (%)

As On	Jun-22	Mar-22	Jun-21
Promoter	73.9	73.9	74.2
DII	4.1	5.2	6.7
FII	6.3	7.1	8.9
Others	15.7	13.8	10.2

FII Includes depository receipts

- L&T Technology (LTTS) posted a 4.5% QoQ growth in constant currency (CC) in 2QFY23, 20bp below our estimate. This was led by strong growth in Transportation (+7.4% QoQ) and Plant Engineering (+4.6% QoQ), while Telecom & Hi-Tech (-1.3%) was subdued. EBIT margin contracted slightly by 10bp QoQ despite the full-quarter impact of wage hikes, beating our estimates by 70bp.
- The deal wins were remained healthy after record bookings in 1QFY23 and the pipeline remained strong and was up v/s the previous quarter. LTTS narrowed FY23E CC revenue growth guidance upwards to 15.5-16.5% v/s 14.5-16.5% earlier, which is positive given the challenging macro environment. While the management highlighted some pain in Hi-Tech and Medical devices (due to inflation), longer term outlook remained positive. Though 3QFY23 is expected to remain soft due to furloughs, we expect growth to rebound in 4Q.
- Despite factoring in demand moderation in 2HFY23, we see the guidance as achievable with strong 1H. This should help LTTS deliver growth near the upper-end of its guidance in FY23E. Though management is highlighting pick up in telecom, media and media devices, large deal wins and inorganic initiatives to help achieve its FY25 aspiration of USD1.5b revenue run-rate, we are building in USD revenue CAGR of 12.9% over FY22-24E, below the run rate required to meet its FY25E revenue aspiration (implying FY22-25E CAGR of 19%). This is because we are not factoring in any inorganic contribution in our estimates.
- LTTS should see a flattish margin performance in FY23E, with good topline delivery offsetting supply-side pressures. EBIT margin should improve in FY24 to 18.6%, in line with the management guidance of 18%+ profitability. Favorable pyramid, cost optimization and better revenue mix should more than offset the continued pressure on employee cost and travel resumption.
- We continue to view LTTS as a beneficiary of the growing penetration of ER&D Services and the best Tier II IT Services play within our coverage universe. We have not revised our estimates materially. We retain our **BUY** rating and value LTTS at INR4,230 (based on 32x FY24E EPS).

### Good operational performance

- In CC terms, LTTS' 1QFY23 revenue grew 18.1% YoY, INR EBIT rose 22% YoY, and INR PAT grew 23% YoY.
- Revenue rose 4.5% QoQ CC to USD247.1m in 2QFY23.
- Transportation (+7.4% QoQ) and Plant Engineering (+4.6% QoQ) grew strongly, while Telecom & Hi-Tech (-1.3% QoQ) remained weak.
- EBIT margin at 18.2% (down 10bp QoQ), beat our estimates by 70bp despite the full impact of wage hikes in 2QFY23. Attrition rose 90bp QoQ to 24.1%.
- The company announced dividend of INR15/share.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Key highlights from the management commentary**

- The deal pipeline has grown in double digits and is stronger than 1QFY23.
- Europe is expected to do well aided by: 1) its initiative to reduce cost challenge, 2) its initiative to lower energy challenge, and 3) its strategy to stay ahead of the curve in technology.
- Demand to remain strong as: 1) countries/states are looking to localize the supply chain (due to global macro volatility), 2) cost optimization measures are coming into prominence, and 3) energy transition to alternate sources is taking place gradually (which is a five-to-seven year opportunity).
- **Outlook:** Though macro environment remains challenging, LTTS has not seen any cancellations yet. The customers are cautious on the projects where ROIs look stretched. Though 3QFY23 will be soft on furloughs, 4Q is expected to see good rebound.
- Medium-term margin guidance continues to be 18%+.

**Valuation and view**

- Digitization is driving the accelerated spends in ER&D and LTTS should benefit due to: 1) its strong capabilities, 2) multi-vertical presence, and 3) solid wallet share. We expect the company to deliver strong revenue growth over the coming years. **We retain LTTS as our top pick in the Tier II IT Services space.**
- The management expects strong growth during the medium term, which implies a growth momentum of ~20% over FY21-25E.
- Our TP of INR4,230 implies 32x FY24E EPS. We expect industry spends to improve than the preceding five years. **We retain our BUY rating on the stock.**

**Quarterly performance (INR m)**

Y/E March	FY22				FY23E				FY22	FY23E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	206	217	225	232	240	247	250	258	880	995	249	-0.8
QoQ (%)	4.2	5.7	3.5	3.1	3.2	3.2	1.2	3.1	19.5	13.0	4.0	-82bp
Revenue (INR m)	15,184	16,077	16,875	17,561	18,737	19,951	20,632	21,273	65,697	80,593	19,850	0.5
YoY (%)	17.3	22.4	20.5	21.9	23.4	24.1	22.3	21.1	20.6	22.7	23.5	63bp
GPM (%)	33.4	33.3	33.7	33.0	33.0	32.1	32.8	32.9	33.3	32.7	32.5	-40bp
SGA (%)	12.4	11.6	12.0	11.3	11.6	11.0	11.5	11.5	11.8	11.4	12.0	-104bp
EBITDA	3,177	3,493	3,675	3,804	4,010	4,218	4,395	4,552	14,149	17,175	4,069	3.7
EBITDA Margin (%)	20.9	21.7	21.8	21.7	21.4	21.1	21.3	21.4	21.5	21.3	20.5	64bp
EBIT	2,623	2,964	3,144	3,274	3,434	3,628	3,776	3,914	12,005	14,751	3,474	4.4
EBIT Margin (%)	17.3	18.4	18.6	18.6	18.3	18.2	18.3	18.4	18.3	18.3	17.5	68bp
Other income	334	180	259	314	340	261	371	383	1,087	1,355	357	-27.0
ETR (%)	26.6	26.6	26.7	26.6	27.1	27.2	26.0	26.0	26.6	26.6	26.0	118bp
PAT	2,162	2,300	2,488	2,620	2,742	2,824	3,067	3,178	9,570	11,810	2,833	-0.3
QoQ (%)	11.2	6.4	8.2	5.3	4.7	3.0	8.6	3.6			3.3	
YoY (%)	84.3	39.0	33.7	34.7	26.8	22.8	23.3	21.3	44.3	23.4	23.2	
EPS (INR)	20.4	21.8	23.6	24.8	26.0	26.7	29.0	30.0	90.5	111.6	26.8	-0.5

E: MOFSL estimates

## Key performance indicators

Y/E March	FY22				FY23				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	4.3	6.0	4.2	3.6	4.7	4.5				
<b>Margins (%)</b>										
Gross Margin	33.4	33.3	33.7	33.0	33.0	32.1	32.8	32.9	33.3	32.7
EBIT Margin	17.3	18.4	18.6	18.6	18.3	18.2	18.3	18.4	18.3	18.3
Net Margin	14.2	14.3	14.7	14.9	14.6	14.2	14.9	14.9	14.6	14.7
<b>Operating metrics</b>										
Headcount	16,972	17,983	20,118	20,861	21,433	21,474			20,861	
Attrition (%)	14.5	16.5	17.5	20.4	23.2	24.1			20.4	
<b>Key Verticals (YoY %)</b>										
Transportation	19.1	21.7	23.9	25.4	23.9	24.9	23.1	18.7	22.6	22.5
Industrial Products	20.9	25.3	19.6	16.8	13.4	7.4	9.8	14.9	20.6	11.4
Telecom & Hi-tech	18.1	20.4	10.7	11.6	7.4	4.5	1.5	4.6	14.9	4.5
<b>Key Geographies (YoY %)</b>										
North America	22.5	28.0	20.9	19.0	17.6	14.6	12.6	12.9	22.5	14.3
Europe	26.3	27.5	21.4	13.2	13.7	8.2	6.3	8.4	21.7	9.1



## Key highlights from the management commentary

## Demand and industry outlook

- The company had a healthy deal booking with two USD10m+ deals, including one USD60m+ deal in Transportation.
- The deal pipeline has grown in double digits and is stronger than 1QFY23.
- Europe is expected to do well aided by: 1) its initiative to reduce cost challenge, 2) its initiative to lower energy challenge, and 3) its strategy to stay ahead of the curve in technology.
- Demand to remain strong as: 1) countries/states are looking to localize the supply chain (due to global macro volatility), 2) cost optimization measures are coming into prominence, and 3) energy transition to alternate sources is taking place gradually (which is a five-to-seven year opportunity).
- **Transportation:** Management sees good demand for Auto, EAVC and Aerospace sub-verticals. 2QFY23 was the third consecutive quarter when LTTs recorded a large deal win in Transportation. There is a strong demand for EV, air-travel is picking up, and semiconductor shortage is easing. The company has a good number of USD20m+ deals in pipeline. The management continues to see the good demand trajectory to sustain.
- **Plant Engineering** saw healthy demand. Sustainability is the key priority for clients, especially in waste management. 3QFY23 will be muted for Plant Engineering and it should rebound in 4Q.
- Growth in **Industrial Products** was led by electrical machinery and power & utilities. Management is seeing demand driven by digital engineering. Hydrogen project of the US government will aid to the growth of the company as several clients are looking to make the shift.
- Telecom and Hi-Tech: It has signed a deal with Qualcomm. Telecom is expected to pick up as 5G and media deals in the pipeline close. There is some caution among clients in Hi-Tech and it is expected to remain soft.
- **Medical devices** vertical was soft as clients have been revisiting plans due to high inflation. The deal pipeline looks good and 3QFY23 should be good.
- **Outlook:** Though macro environment remains challenging, LTTs has not seen any cancellations yet. The customers are cautious on the projects where ROIs

look stretched. Though 3QFY23 will be soft on furloughs, 4Q is expected to see good rebound.

- LTTS achieved its USD1b guidance on annualized basis in this quarter and reconfirmed its FY25 guidance of USD1.5b revenue by FY25E. It also has some part of inorganic growth modeled in.

### Margin performance

- LTTS was able to maintain the margin despite wage hikes on account of SG&A leverage, cost optimizations and FX tailwinds.
- Segmental margin improved on QoQ basis for Transportation, Industrial products and Medical devices.
- Margin tailwinds include higher quality of revenue, operating leverage and INR depreciation. Moderation in attrition will further aid margins.
- Medium-term margin guidance continues to be 18%+.

### Other highlights

- LTTS saw combined DSOs at 96 days (target 95), a six-day improvement from 1QFY23.
- The company added 500+ freshers in 2Q and rationalized headcount in G&A.
- Management expects offshoring to stabilize at 57%, as ramp-ups in on-shore locations stabilize.
- Management expects attrition to soften in the coming quarters.

### Exhibit 1: Strong growth in the US; Europe flat

Geographies	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
North America	63.4	4.0	14.6
Europe	15.9	0.0	8.2
India	12.8	0.0	11.9
RoW	7.9	8.7	21.3

Source: Company, MOFSL

### Exhibit 2: Growth broad-based with the exception of Hi-Tech and Medical devices

Verticals	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Transportation	34.5	7.2	24.9
Industrial Products	18.9	2.6	7.4
Telecom and Hi-Tech	19.4	(1.4)	4.5
Plant Engineering	16.3	5.1	21.1
Medical Devices	10.9	(2.2)	1.5

Source: MOFSL, Company

## Valuation and view

- Digitization is driving the accelerated spends in ER&D and LTTS should benefit due to: 1) its strong capabilities, 2) multi-vertical presence, and 3) solid wallet share. We expect the company to deliver strong revenue growth over the coming years. **We retain LTTS as our top pick in the Tier II IT Services space.**
- The management expects strong growth during the medium term, which implies a growth momentum of ~20% over FY21-25E.
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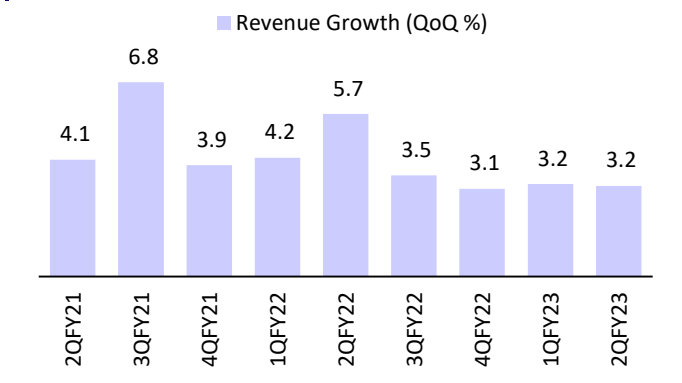
### Exhibit 3: Revisions to our estimates

	Revised		Earlier		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
USD:INR	81.0	82.5	80.4	81.8	0.8	0.9
Revenue (USD m)	995	1,121	1,008	1,139	-1.3	-1.6
Growth (%)	13.0	12.7	14.5	13.0	-150bps	-30bps
EBIT margin (%)	18.3	18.6	18.1	18.6	20bps	0bps
PAT (INR m)	11,810	13,974	11,873	14,063	-0.5	-0.6
EPS	111.6	132.0	112.4	133.1	-0.7	-0.8

Source: MOFSL

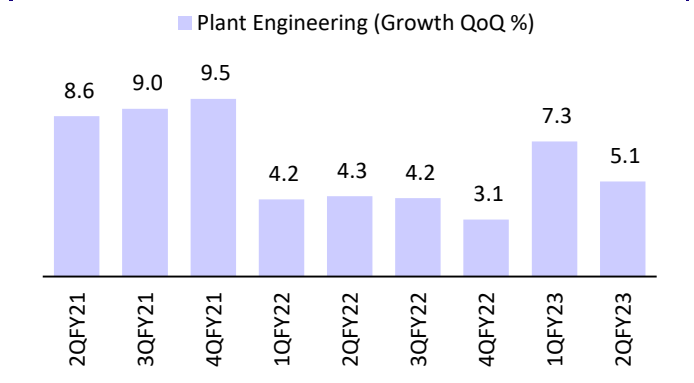
**Story in charts**

**Exhibit 4: LTTS reported a sequential growth of 3.2%**



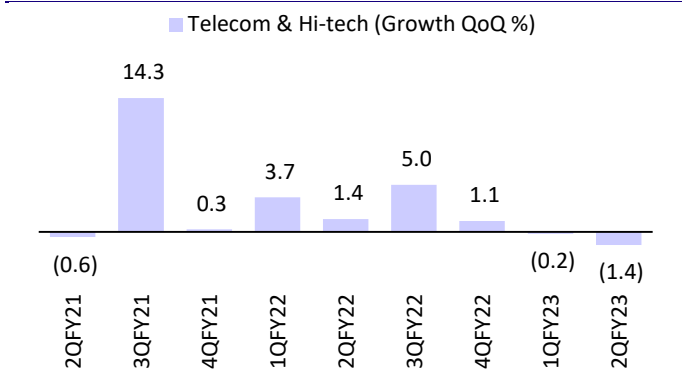
Source: Company, MOFSL

**Exhibit 5: Strong growth continued in Plant Engineering**



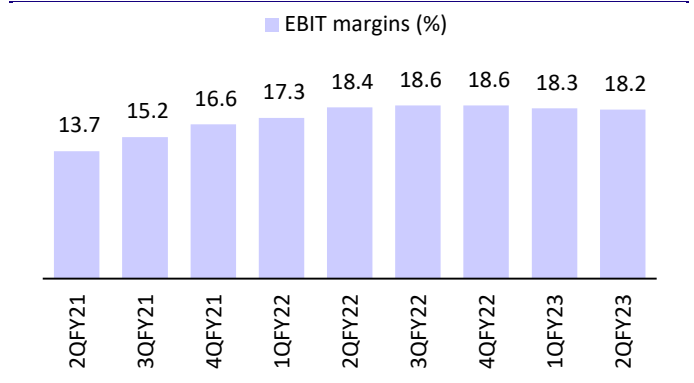
Source: Company, MOFSL

**Exhibit 6: Telecom and Hi-Tech was soft in 2QFY23**



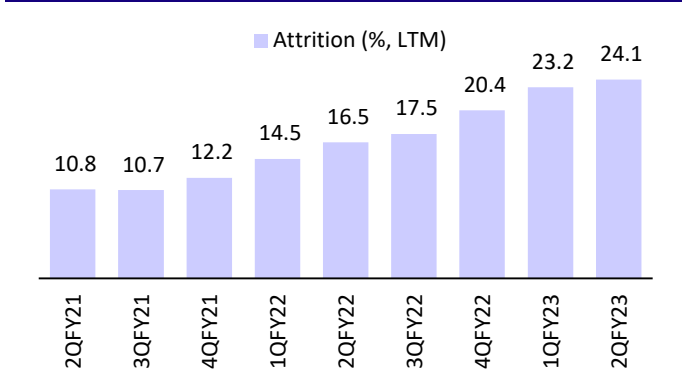
Source: Company, MOFSL

**Exhibit 7: EBIT margin largely flat QoQ despite wage hikes**



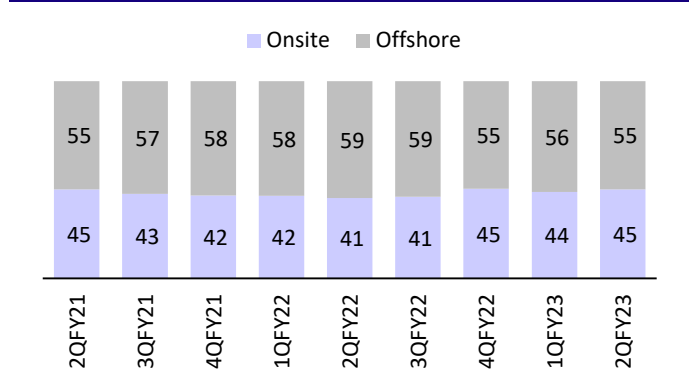
Source: Company, MOFSL

**Exhibit 8: Attrition continued to increase in 2QFY23**



Source: Company, MOFSL

**Exhibit 9: Offshoring moderated slightly in 2QFY23**



Source: Company, MOFSL

## Operating metrics

### Exhibit 10: Operating metrics

	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23
<b>Revenue by verticals (%)</b>									
Transportation	31.5	30.4	31.2	31.2	31.4	31.8	33.3	33.2	34.5
Industrial Products	19.5	19.3	18.9	19.5	20.0	19.5	18.8	19.0	18.9
Telecom and Hi-Tech	21.4	22.9	22.1	22.0	21.1	21.4	21.0	20.3	19.4
Plant Engineering	14.4	14.7	15.5	15.5	15.3	15.4	15.4	16.0	16.3
Medical Devices	13.2	12.7	12.3	11.7	12.2	11.9	11.5	11.5	10.9
<b>Revenue by geographies (%)</b>									
North America	60.0	61.2	61.5	62.3	62.9	62.5	62.3	62.9	63.4
Europe	16.0	16.1	16.7	16.8	16.7	16.5	16.1	16.4	15.9
India	13.6	13.9	13.1	12.9	13.0	13.7	14.5	13.2	12.8
RoW	10.4	8.8	8.7	8.0	7.4	7.3	7.1	7.5	7.9
<b>Client metrics</b>									
Top five clients	17.0	16.3	16.1	16.4	17.0	17.3	17.2	16.7	16.4
Top 10 clients	28.3	27.3	26.9	27.4	28.2	28.5	28.3	27.6	26.9
Top 20 clients	44.9	44.0	43.8	43.9	44.1	43.8	43.5	43.2	42.4
<b>Clients (USD m)</b>									
Over USD30m	1	1	-	-	1	2	2	2	3
Over USD20m	5	4	3	5	6	6	6	7	8
Over USD10m	20	18	20	20	21	22	22	23	24
Over USD5m	44	41	39	43	45	44	48	51	49
Over USD1m	116	118	122	122	125	126	136	142	150
<b>Employee metrics</b>									
Billable	14,778	14,975	15,335	15,896	16,875	18,975	19,534	20,082	20,189
Sales and support	1,124	1,094	1,117	1,076	1,108	1,143	1,327	1,351	1,285
Total employees	15,902	16,069	16,452	16,972	17,983	20,118	20,861	21,433	21,474
Attrition (%)	10.8	10.7	12.2	14.5	16.5	17.5	20.4	23.2	24.1

Source: Company, MOFSL

## Financials and valuations

Consolidated Income Statement							(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Total Income from Operations</b>	<b>37,471</b>	<b>50,783</b>	<b>56,192</b>	<b>54,497</b>	<b>65,697</b>	<b>80,593</b>	<b>92,487</b>
Change (%)	15.4	35.5	10.7	-3.0	20.6	22.7	14.8
Employees Cost	24,600	31,440	32,747	33,550	36,505	45,634	51,271
Other Expenses	7,060	10,185	12,340	10,873	15,043	17,784	21,211
<b>Total Expenditure</b>	<b>31,660</b>	<b>41,625</b>	<b>45,087</b>	<b>44,423</b>	<b>51,548</b>	<b>63,418</b>	<b>72,483</b>
As a percentage of Sales	84.5	82.0	80.2	81.5	78.5	78.7	78.4
<b>EBITDA</b>	<b>5,811</b>	<b>9,158</b>	<b>11,105</b>	<b>10,074</b>	<b>14,149</b>	<b>17,175</b>	<b>20,005</b>
Margin (%)	15.5	18.0	19.8	18.5	21.5	21.3	21.6
Depreciation	888	1,053	1,829	2,183	2,144	2,423	2,775
<b>EBIT</b>	<b>4,923</b>	<b>8,105</b>	<b>9,276</b>	<b>7,891</b>	<b>12,005</b>	<b>14,751</b>	<b>17,230</b>
Other Income	1,910	2,210	1,727	1,082	1,087	1,355	1,665
<b>PBT</b>	<b>6,833</b>	<b>10,315</b>	<b>11,003</b>	<b>8,973</b>	<b>13,092</b>	<b>16,107</b>	<b>18,895</b>
Total Tax	1,712	2,630	2,779	2,307	3,486	4,276	4,913
Tax Rate (%)	25.1	25.5	25.3	25.7	26.6	26.6	26.0
<b>Reported PAT</b>	<b>5,121</b>	<b>7,685</b>	<b>8,224</b>	<b>6,666</b>	<b>9,606</b>	<b>11,830</b>	<b>13,982</b>
Change (%)	20.5	50.1	7.0	-18.9	44.1	23.2	18.2
Margin (%)	13.7	15.1	14.6	12.2	14.6	14.7	15.1
Minority Interest	-6	-28	-38	-32	-36	-20	-8
<b>PAT to shareholders</b>	<b>5,115</b>	<b>7,657</b>	<b>8,186</b>	<b>6,634</b>	<b>9,570</b>	<b>11,810</b>	<b>13,974</b>

Consolidated Balance Sheet							(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	205	208	209	210	211	211	211
Total Reserves	19,159	24,583	27,477	34,521	41,414	48,264	56,369
<b>Net Worth</b>	<b>19,364</b>	<b>24,791</b>	<b>27,686</b>	<b>34,731</b>	<b>41,625</b>	<b>48,475</b>	<b>56,580</b>
Minority Interest	3	31	69	101	137	157	165
Borrowings	702	702	303	0	0	0	0
Other Long term liabilities	47	194	4,890	4,915	5,359	7,269	8,341
<b>Capital Employed</b>	<b>20,116</b>	<b>25,718</b>	<b>32,948</b>	<b>39,747</b>	<b>47,121</b>	<b>55,901</b>	<b>65,086</b>
<b>Net Fixed Assets</b>	<b>2,173</b>	<b>2,435</b>	<b>6,275</b>	<b>6,997</b>	<b>6,946</b>	<b>5,641</b>	<b>4,149</b>
Goodwill	4,921	5,365	5,460	5,827	5,881	5,881	5,881
Capital WIP	1	0	87	119	99	99	99
Other Assets	1,349	2,123	2,109	2,760	4,733	5,260	5,560
<b>Curr. Assets, Loans, and Adv.</b>	<b>18,607</b>	<b>23,715</b>	<b>29,102</b>	<b>35,026</b>	<b>43,251</b>	<b>54,168</b>	<b>64,969</b>
Account Receivables	9,623	10,643	13,807	12,346	16,959	17,664	20,271
Cash and Bank Balance	1,541	2,048	2,179	1,751	2,347	7,923	12,849
Current Investments	2,208	5,752	6,370	15,725	18,313	20,813	23,313
Other Current Assets	5,235	5,272	6,746	5,204	5,632	7,768	8,536
<b>Curr. Liability and Prov.</b>	<b>6,935</b>	<b>7,920</b>	<b>10,085</b>	<b>10,982</b>	<b>13,789</b>	<b>15,148</b>	<b>15,573</b>
Account Payables	1,807	1,879	1,975	2,352	1,720	3,079	3,504
Other Current Liabilities	3,922	4,700	6,456	7,046	10,117	10,117	10,117
Provisions	1,206	1,341	1,654	1,584	1,952	1,952	1,952
<b>Net Current Assets</b>	<b>11,672</b>	<b>15,795</b>	<b>19,017</b>	<b>24,044</b>	<b>29,462</b>	<b>39,020</b>	<b>49,397</b>
<b>Appl. of Funds</b>	<b>20,116</b>	<b>25,718</b>	<b>32,948</b>	<b>39,747</b>	<b>47,121</b>	<b>55,901</b>	<b>65,086</b>



## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
<b>Basic EPS (INR)</b>	48.1	72.6	77.5	62.8	90.5	111.6	132.0
Cash EPS	56.6	82.6	94.9	83.5	110.8	134.5	158.2
BV/Share	188.9	238.4	264.9	330.8	394.5	459.5	536.3
DPS	15.6	21.0	21.0	22.0	35.0	39.1	46.2
Payout (%)	32.4	28.9	27.1	35.0	38.7	35.0	35.0
<b>Valuation (x)</b>							
P/E	76.3	50.6	47.4	58.4	40.6	32.9	27.8
Cash P/E	64.9	44.4	38.7	44.0	33.1	27.3	23.2
P/BV	19.4	15.4	13.9	11.1	9.3	8.0	6.8
EV/Sales	10.0	7.3	6.7	6.7	5.6	4.5	3.8
EV/EBITDA	64.5	40.7	33.7	36.4	25.9	20.9	17.6
Dividend Yield (%)	0.4	0.6	0.6	0.6	1.0	1.1	1.3
<b>Return Ratios (%)</b>							
RoE	29.6	34.7	31.1	21.2	25.0	26.1	26.5
RoCE	21.5	27.2	24.0	16.2	20.3	21.0	21.1

### Consolidated Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	6,778	10,314	11,002	8,973	13,092	16,107	18,895
Depreciation	888	1,042	1,829	2,183	2,144	2,423	2,775
Interest and Finance Charges	24	19	365	455	437	0	0
Direct Taxes Paid	-1,721	-2,808	-2,119	-2,523	-3,563	-4,276	-4,913
(Inc.)/Dec. in WC	-1,701	-739	-4,287	4,245	-1,452	-100	-2,178
Others	-132	234	-409	-60	-597	0	0
<b>CF from Operations</b>	<b>4,136</b>	<b>8,062</b>	<b>6,381</b>	<b>13,273</b>	<b>10,061</b>	<b>14,154</b>	<b>14,579</b>
(Inc.)/Dec. in FA	-851	-885	-1,511	-756	-1,555	-1,118	-1,283
<b>Free Cash Flow</b>	<b>3,285</b>	<b>7,177</b>	<b>4,870</b>	<b>12,517</b>	<b>8,506</b>	<b>13,036</b>	<b>13,296</b>
(Pur.)/Sale of Investments	-1,231	-4,389	-1,039	-9,653	-3,393	-2,500	-2,500
Others	78	181	328	355	465	0	0
<b>CF from Investments</b>	<b>-2,004</b>	<b>-5,093</b>	<b>-2,222</b>	<b>-10,054</b>	<b>-4,483</b>	<b>-3,618</b>	<b>-3,783</b>
Issue of Shares	2	3	1	1	1	0	0
Inc./(Dec.) in Debt	-317	2	-1,028	-995	-913	0	0
Interest Paid	-25	-19	-365	-455	-437	0	0
Dividend Paid	-983	-2,440	-2,636	-2,198	-3,633	-4,960	-5,869
<b>CF from Fin. Activity</b>	<b>-1,323</b>	<b>-2,454</b>	<b>-4,028</b>	<b>-3,647</b>	<b>-4,982</b>	<b>-4,960</b>	<b>-5,869</b>
<b>Inc./Dec. in Cash</b>	<b>809</b>	<b>515</b>	<b>131</b>	<b>-428</b>	<b>596</b>	<b>5,576</b>	<b>4,926</b>
Forex Adjustment	60	-8	0	0	0	0	0
Opening Balance	672	1,541	2,048	2,179	1,751	2,347	7,923
<b>Closing Balance</b>	<b>1,541</b>	<b>2,048</b>	<b>2,179</b>	<b>1,751</b>	<b>2,347</b>	<b>7,923</b>	<b>12,849</b>

NOTES

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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