Motilal Oswal Investment Services

27 April 2023

4QFY23 Results Update | Sector: Technology

L&T Technology

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	LTTS IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	364.1 / 4.5
52-Week Range (INR)	4317 / 2923
1, 6, 12 Rel. Per (%)	-3/-4/-18
12M Avg Val (INR M)	1180

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	80.1	98.3	113.6
EBIT Margin (%)	18.5	17.3	17.7
PAT	11.7	14.0	16.5
EPS (INR)	110.5	132.0	155.4
EPS Gr. (%)	22.1	19.5	17.7
BV/Sh. (INR)	469.3	538.2	619.4
Ratios			
RoE (%)	25.6	26.2	26.9
RoCE (%)	20.9	21.1	21.0
Payout (%)	40.7	40.0	40.0
Valuations			
P/E (x)	31.2	26.1	22.2
P/BV (x)	7.3	6.4	5.6
EV/EBITDA (x)	19.6	16.7	13.9
Div Yield (%)	1.3	1.5	1.8

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	73.9	73.9	73.9
DII	8.6	7.9	5.2
FII	6.7	7.2	7.1
Others	10.8	11.0	13.8

FII Includes depository receipts

CMP: INR3,448 TP:INR4,040 (+17%) Buy

Q4 beat and positive outlook to boost FY24 growth

Drag on margins from SWC lower than anticipated

- L&T Technology (LTTS) posted 2.2% CC QoQ revenue growth in 4QFY23, beating our estimates of 1.3% growth and implying a limited hit from macro headwinds. Q4 growth was broad-based across verticals with the exception of Transportation, which declined 1.1% QoQ from a high base. EBIT margin was flat at 18.7%, marginally missing our estimate. LTTS announced four USD10m+ deal wins, with one above USD40m, and indicated that the deal ACV in FY23 was up YoY, along with continued momentum in new deals.
- Strong topline performance in Q4 resulted in FY23 revenue growth of 15.8% YoY CC, ahead of the company's guidance (trimmed in 3Q). LTTS also provided its initial FY24 USD CC revenue growth guidance of 20%+ (10%+ YoY CC organic growth), which included a USD100m contribution from the SWC acquisition.
- FY24 organic revenue growth guidance of 10%+ is in line with our estimate, although the positive vertical commentary from management (especially the strong start to transportation in Q1) suggests an upside risk. We now factor in the SWC contribution in our estimates, resulting in FY23-25 USD revenue CAGR of 18.3% (14.0% YoY organic CAGR).
- On the margin side, the company has guided for consolidated EBIT margin of 17%+ in FY24 and 18% in 1HFY26. Given the marginal drag from SWC (180bp v/s earlier guidance of 180-200bp) and continued strength in profitability, we expect the consol EBIT margin to be higher at 17.3% in FY24. With improving profitability in FY25 (17.7%), the company should deliver a robust FY23-25 INR EPS CAGR of 18.6% (margin positive impact from SWC).
- Valuations have corrected sharply over the last one year and are now at 22x FY25E EPS, which we see as attractive due to a better outlook for the ER&D services industry compared to the broader IT services universe. **We continue to view LTTS as a beneficiary of the growing penetration of ER&D Services. We raise our FY24-25 EPS estimates by 3% on account of a good Q4 performance and retain our BUY rating on the stock. We value LTTS at INR4,040 (premised on 26x FY25E EPS).**

Beat on revenue, miss on margins

- In CC terms, 4QFY23 revenue grew 12.1% YoY, INR EBIT rose 20% YoY, and INR PAT grew 18% YoY.
- For FY23, in CC terms, revenue/INR EBIT/INR PAT grew 15.8%/23.4%/22.2%.
- Cash and cash equivalents stood at INR 29.7b. FY23 free cash flow stood at INR11.3b, implying FCF-to-net Income conversion of 97% v/s 87% in FY22
- In USD terms, revenue stood at USD255.1m (+2.9% QoQ and +10.0% YoY).
- Growth was aided by Plant & Eng (+6.2% QoQ) and Medical Devices (+7.7% QoQ), followed by Industrial (+4.5% QoQ) and Telecom & Hi-Tech (+4.0% QoQ). Transportation was down 1.1% QoQ.
- EBIT margin, at 18.7% (flat QoQ), missed our estimate by 20bp QoQ. Attrition contracted 110bp QoQ to 22.2%.

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Key highlights from the management commentary

- The pipeline remains quite healthy for the Transportation segment and LTTS aspires to deliver 4% QoQ growth in Q1FY24 for the segment. The focus areas of investments for clients are: Software defined vehicle, electrification, V2X. The company won a USD40m deal from a US transportation company.
- LTTS won one of the projects on rail operator, along with SWC (the acquired entity), on the cyber security side. SWC capability is giving it more exposure in 5G and the company has multiple deals in the pipeline where LTTS is going along with SWC to deliver comprehensive solutions.
- The integration of SWC is completed (1st Apr'23) and 800 employees have been onboarded as a part of rebadging. The synergy is progressing well, with LTTS currently pursuing three deals along with SWC as a part of the GTM strategy. SWC is expected to contribute 10% to overall FY24 revenue growth.
- On the margin front, the company expects to deliver 17% margin in FY24 with the long-term (FY26) aspiration to reach 18%.

Valuation and view

- Digitization is driving the accelerated spends in ER&D and LTTS should benefit due to its strong capabilities, multi-vertical presence, and solid wallet share. We expect the company to deliver strong revenue growth over the coming years.
- Our TP of INR4,040 implies 26x FY25E EPS. We expect industry spends to improve v/s the preceding five years. **We retain our BUY rating on the stock.**

Quarterly performance (INR m)

Y/E March	FY22				FY23				FY22	FY23	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY23	(%/ bp)
Revenue (USD m)	**206**	**217**	**225**	**232**	**240**	**247**	**248**	**255**	**880**	**990**	**253**	**1.0**
QoQ (%)	4.2	5.7	3.5	3.1	3.2	3.2	0.4	2.9	19.5	12.4	1.9	96bp
Revenue (INR m)	**15,184**	**16,077**	**16,875**	**17,561**	**18,737**	**19,951**	**20,486**	**20,962**	**65,697**	**80,136**	**20,770**	**0.9**
YoY (%)	17.3	22.4	20.5	21.9	23.4	24.1	21.4	19.4	20.6	22.0	18.3	107bp
GPM (%)	**33.4**	**33.3**	**33.7**	**33.0**	**33.0**	**32.1**	**33.0**	**32.5**	**33.3**	**32.6**	**33.1**	**-65bp**
SGA (%)	12.4	11.6	12.0	11.3	11.6	11.0	11.5	11.0	11.8	11.3	11.4	-38bp
EBITDA	**3,177**	**3,493**	**3,675**	**3,804**	**4,010**	**4,218**	**4,412**	**4,492**	**14,149**	**17,132**	**4,516**	**-0.5**
EBITDA Margin (%)	**20.9**	**21.7**	**21.8**	**21.7**	**21.4**	**21.1**	**21.5**	**21.4**	**21.5**	**21.4**	**21.7**	**-27bp**
EBIT	**2,623**	**2,964**	**3,144**	**3,274**	**3,434**	**3,628**	**3,829**	**3,927**	**12,005**	**14,818**	**3,934**	**-0.2**
EBIT Margin (%)	**17.3**	**18.4**	**18.6**	**18.6**	**18.3**	**18.2**	**18.7**	**18.7**	**18.3**	**18.5**	**18.9**	**-17bp**
Other income	334	180	259	314	340	261	627	392	1,087	1,620	374	4.8
ETR (%)	26.6	26.6	26.7	26.6	27.1	27.2	31.6	28.0	26.6	28.6	26.0	202bp
PAT	**2,162**	**2,300**	**2,488**	**2,620**	**2,742**	**2,824**	**3,036**	**3,096**	**9,570**	**11,698**	**3,186**	**-2.8**
QoQ (%)	11.2	6.4	8.2	5.3	4.7	3.0	7.5	2.0			4.9	
YoY (%)	84.3	39.0	33.7	34.7	26.8	22.8	22.0	18.2	44.3	22.2	21.6	
EPS (INR)	20.4	21.8	23.6	24.8	26.0	26.7	28.7	29.2	90.5	110.5	30.1	-2.9

E: MOFSL estimates

Key performance indicators

Y/E March	FY22				FY23				FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	4.3	6.0	4.2	3.6	4.7					
Margins (%)										
Gross Margin	33.4	33.3	33.7	33.0	33.0	32.1	33.0	32.5	33.3	32.6
EBIT Margin	17.3	18.4	18.6	18.6	18.3	18.2	18.7	18.7	18.3	18.5
Net Margin	14.2	14.3	14.7	14.9	14.6	14.2	14.8	14.8	14.6	14.6
Operating metrics										
Headcount	16,972	17,983	20,118	20,861	21,433	21,474	21,649	22,233	20,861	22,233
Attrition (%)	14.5	16.5	17.5	20.4	23.2	24.1	23.3	22.2	20.4	22.2
Key Verticals (YoY %)										
Transportation	19.1	21.7	23.9	25.4	23.9	24.9	24.4	13.9	22.6	21.5
Industrial Products	20.9	25.3	19.6	16.8	13.4	7.4	7.3	12.9	20.6	10.2
Telecom & Hi-tech	18.1	20.4	10.7	11.6	7.4	4.5	-3.2	-0.5	14.9	1.9
Key Geographies (YoY %)										
North America	22.5	28.0	20.9	19.0	17.6	14.6	10.5	6.3	22.5	12.0
Europe	26.3	27.5	21.4	13.2	13.7	8.2	7.5	12.0	21.7	10.3

Key highlights from the management commentary

Demand and industry outlook

- LTTS reported revenue growth of 2.2 QoQ /12.1% YoY in CC terms and 2.9% QoQ/10.0% YoY in USD terms.
- Growth in 4QFY23 was broad-based across verticals, excluding transportation (down 1.1% QoQ).
- **Transportation -** The strong momentum continues for the transportation segment. Few projects under this segment had witnessed early ramp-ups in 3Q, hence the growth was muted in 4Q.
- **Plant Engineering –** There is a strong recovery in demand on the O&G and chemical sub-segments, majorly attributed to the digital technologies being implemented at scale.
- **Industrial products -** The company witnessed 4% QoQ growth in home automation alone in 4Q, while it expects the growth momentum to continue, with a healthy deal pipeline around digital engineering and green energy.
- **Telecom and Hi-Tech -** There is a strong demand to optimize the supply chain to bring efficiency, while 5G deals have become an active part of the conversation with Telco OEMs.
- **Semicon –** The segment is going under stress and it is expected to be volatile at least in the near/medium term.
- **Medical –** The segment is picking up quite well, with deals ramping up in the Europe and Japan regions where the medical investments have increased. However, the deal conversion is taking more time than usual.
- The pipeline remains quite healthy for the Transportation segment and it aspires to deliver 4% QoQ growth in Q1FY24 for the segment. The focus areas of investments for clients are: Software defined vehicle, electrification, V2X. The company won a USD40m deal from the US transportation company.
- LTTS won one of the projects on rail operator along with SWC (the acquired entity) on the cyber security side. SWC capability is giving bigger exposure in 5G, and the company has multiple deals in the pipeline where LTTS is going along with SWC for delivering joint solutions.
- The integration of SWC is completed (1st April) and 800 employees have been onboarded as a part of the rebadging program. The synergy is progressing well

with LTTS currently pursuing three deals (outside India) along with SWC as a part of the GTM strategy. SWC is expected to contribute 10% to overall FY24 revenue growth.

- Revenue of SWC in FY23 stood at INR8,000m. The company depends on the capex part of the public and govt. projects, while it is transitioning its way to opex-led projects.
- Demand in semicon and hyperscalers remained weak; however, the company does not have much exposure or dependency on hyperscalers.

Margin performance

- On the EBIT margin, the company has absorbed incremental employee costs of hiring in Q4 through operational efficiency and SG&A improvements.
- Margin from the transportation segment was under pressure in Q4 due to project ramp-ups and initial investments that required to kick-start the projects.
- On the margin guidance, the company expects to deliver 17% margin in FY24 with a long-term (FY26) aspiration to reach 18%.
- The increase in other expenses (+190bp QoQ) was majorly due to the usage of third-party contractors and an increase in software costs related to new projects.

FY24 Outlook on margin

- FY24 USD CC revenue growth guidance at 20% YoY with organic growth of 10%+ YoY, while inorganic contribution (SWC) is expected to add another 10% YoY.
- The low-margin business of SWC would keep LTTS's margin (consol) low (~17% in FY24) for an extended period. However, LTTS aspires to bridge the gap and reach 18% again by FY26.

Exhibit 1: Muted growth in North America

Geographies	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
North America	60.2	(1.2)	6.3
Europe	16.4	4.8	12.0
India	15.2	15.0	15.3
RoW	8.2	11.0	27.0

Source: Company, MOFSL

Exhibit 2: Robust growth across segments (excl. Transportation)

Verticals	Contribution to revenue (%)	QoQ growth (%)	YoY growth (%)
Transportation	34.5	(1.1)	13.9
Industrial Products	19.3	4.5	12.9
Telecom and Hi-Tech	19.0	4.0	(0.5)
Plant Engineering	16.0	6.2	14.2
Medical Devices	11.2	7.7	7.1

Source: MOFSL, Company

Valuation and view

- Digitization is driving the accelerated spends in ER&D and LTTS should benefit due to its strong capabilities, multi-vertical presence, and solid wallet share. We expect the company to deliver strong revenue growth over the coming years.
- Our TP of INR4,040 implies 26x FY25E EPS. We expect the industry spends to improve v/s the preceding five years. **We retain our BUY rating on the stock.**

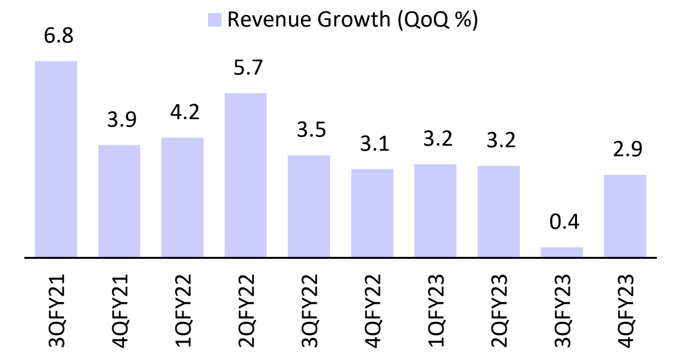
Exhibit 3: Revisions to our estimates

	Revised		Earlier		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
USD:INR	82.0	82.0	82.5	82.5	-0.6%	-0.6%
Revenue (USD m)	1,199	1,386	1,080	1,248	11.0%	11.1%
Growth (%)	21.1	15.6	9.4	15.5	1170bps	10bps
EBIT margin (%)	17.3	17.7	18.8	19.0	-140bps	-130bps
PAT (INR m)	13,989	16,462	13,621	15,923	2.7%	3.4%
EPS	132.0	155.4	128.6	150.3	2.7%	3.4%

Source: MOFSL

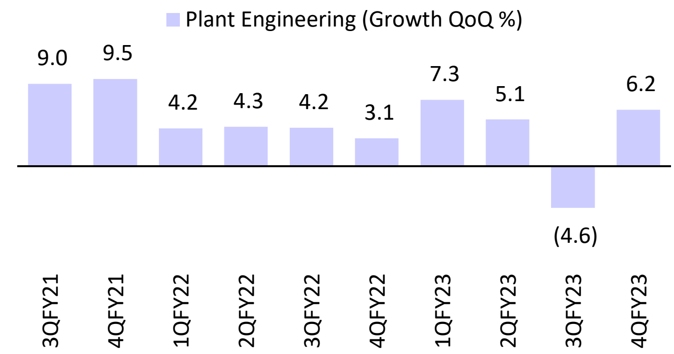
Story in charts

Exhibit 4: LTTS reported a sequential growth of 2.9%



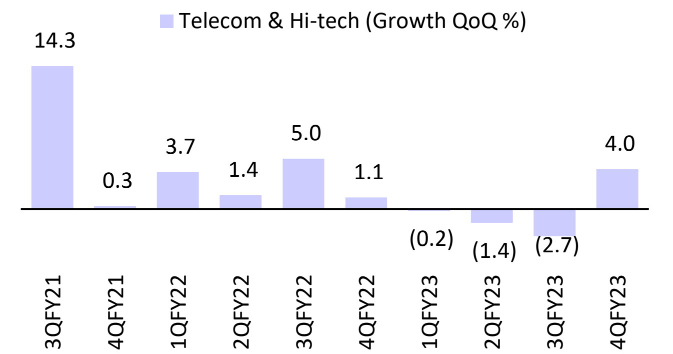
Source: Company, MOFSL

Exhibit 5: Strong recovery due to project ramp-ups in Q4



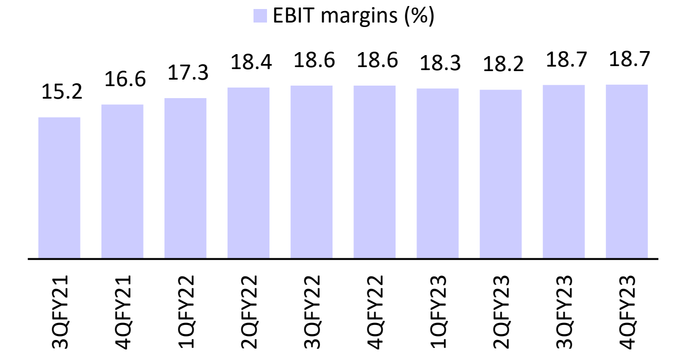
Source: Company, MOFSL

Exhibit 6: Telecom and Hi-Tech remained volatile



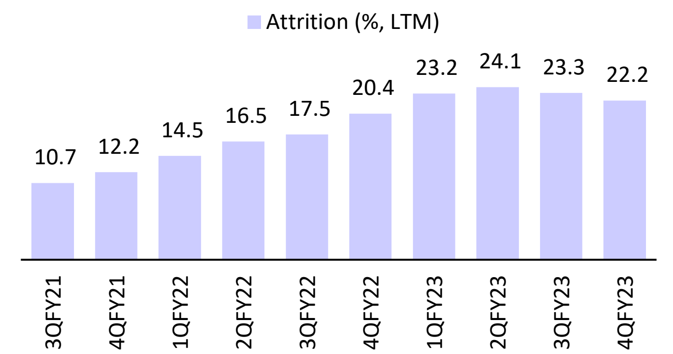
Source: Company, MOFSL

Exhibit 7: EBIT margin flat QoQ in 4QFY23



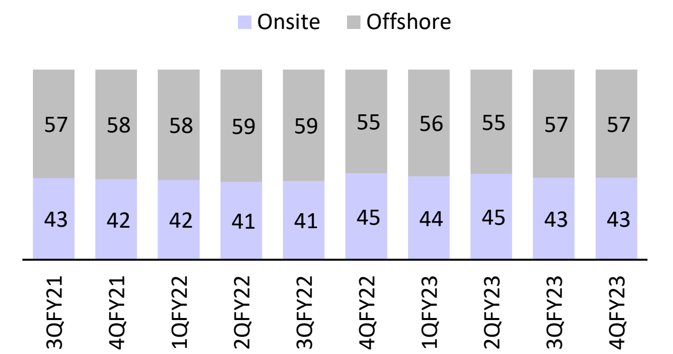
Source: Company, MOFSL

Exhibit 8: Cooling off attrition from its peak



Source: Company, MOFSL

Exhibit 9: Offshoring stood flat in 4QFY23



Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Revenue by verticals (%)									
Transportation	31.2	31.2	31.4	31.8	33.3	33.2	34.5	35.9	34.5
Industrial Products	18.9	19.5	20.0	19.5	18.8	19.0	18.9	19.0	19.3
Telecom and Hi-Tech	22.1	22.0	21.1	21.4	21.0	20.3	19.4	18.8	19.0
Plant Engineering	15.5	15.5	15.3	15.4	15.4	16.0	16.3	15.5	16.0
Medical Devices	12.3	11.7	12.2	11.9	11.5	11.5	10.9	10.7	11.2
Revenue by geographies (%)									
North America	61.5	62.3	62.9	62.5	62.3	62.9	63.4	62.7	60.2
Europe	16.7	16.8	16.7	16.5	16.1	16.4	15.9	16.1	16.4
India	13.1	12.9	13.0	13.7	14.5	13.2	12.8	12.8	15.2
RoW	8.7	8.0	7.4	7.3	7.1	7.5	7.9	8.4	8.2
Client metrics									
Top five clients	16.1	16.4	17.0	17.3	17.2	16.7	16.4	16.0	15.9
Top 10 clients	26.9	27.4	28.2	28.5	28.3	27.6	26.9	26.6	26.6
Top 20 clients	43.8	43.9	44.1	43.8	43.5	43.2	42.4	42.1	42.0
Clients (USD m)									
Over USD30m	-	-	1	2	2	2	3	2	1
Over USD20m	3	5	6	6	6	7	8	8	9
Over USD10m	20	20	21	22	22	23	24	25	24
Over USD5m	39	43	45	44	48	51	49	50	52
Over USD1m	122	122	125	126	136	142	150	158	169
Employee metrics									
Billable	15,335	15,896	16,875	18,975	19,534	20,082	20,189	20,346	20,878
Sales and support	1,117	1,076	1,108	1,143	1,327	1,351	1,285	1,303	1,355
Total employees	16,452	16,972	17,983	20,118	20,861	21,433	21,474	21,649	22,233
Attrition (%)	12.2	14.5	16.5	17.5	20.4	23.2	24.1	23.3	22.2

Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	**50,783**	**56,192**	**54,497**	**65,697**	**80,136**	**98,295**	**1,13,638**
Change (%)	35.5	10.7	-3.0	20.6	22.0	22.7	15.6
Employees Cost	31,440	32,747	33,550	36,505	45,639	56,457	64,784
Other Expenses	10,185	12,340	10,873	15,043	17,365	22,038	25,568
Total Expenditure	**41,625**	**45,087**	**44,423**	**51,548**	**63,004**	**78,495**	**90,352**
As a percentage of Sales	82.0	80.2	81.5	78.5	78.6	79.9	79.5
EBITDA	**9,158**	**11,105**	**10,074**	**14,149**	**17,132**	**19,800**	**23,285**
Margin (%)	18.0	19.8	18.5	21.5	21.4	20.1	20.5
Depreciation	1,053	1,829	2,183	2,144	2,314	2,752	3,182
EBIT	**8,105**	**9,276**	**7,891**	**12,005**	**14,818**	**17,048**	**20,103**
Other Income	2,210	1,727	1,082	1,087	1,620	1,868	2,159
PBT	**10,315**	**11,003**	**8,973**	**13,092**	**16,438**	**18,915**	**22,262**
Total Tax	2,630	2,779	2,307	3,486	4,697	4,918	5,788
Tax Rate (%)	25.5	25.3	25.7	26.6	28.6	26.0	26.0
Reported PAT	**7,685**	**8,224**	**6,666**	**9,606**	**11,741**	**13,997**	**16,474**
Change (%)	50.1	7.0	-18.9	44.1	22.2	19.2	17.7
Margin (%)	15.1	14.6	12.2	14.6	14.7	14.2	14.5
Minority Interest	-28	-38	-32	-36	-43	-8	-12
PAT to shareholders	**7,657**	**8,186**	**6,634**	**9,570**	**11,698**	**13,989**	**16,462**

Consolidated Balance Sheet (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	208	209	210	211	211	211	211
Total Reserves	24,583	27,477	34,521	41,414	49,298	56,572	65,133
Net Worth	**24,791**	**27,686**	**34,731**	**41,625**	**49,509**	**56,783**	**65,344**
Minority Interest	31	69	101	137	180	188	200
Borrowings	702	303	0	0	0	0	0
Other Long term liabilities	194	4,890	4,915	5,359	4,293	8,865	10,249
Capital Employed	**25,718**	**32,948**	**39,747**	**47,121**	**53,982**	**65,836**	**75,793**
Net Fixed Assets	**2,435**	**6,275**	**6,997**	**6,946**	**6,930**	**5,541**	**3,936**
Goodwill	5,365	5,460	5,827	5,881	6,010	6,010	6,010
Capital WIP	0	87	119	99	65	65	65
Other Assets	2,123	2,109	2,760	4,733	4,758	5,281	5,668
Curr. Assets, Loans, and Adv.	**23,715**	**29,102**	**35,026**	**43,251**	**51,410**	**63,411**	**75,154**
Account Receivables	10,643	13,807	12,346	16,959	17,301	21,544	24,907
Cash and Bank Balance	2,048	2,179	1,751	2,347	5,346	7,209	11,098
Current Investments	5,752	6,370	15,725	18,313	22,641	26,141	29,641
Other Current Assets	5,272	6,746	5,204	5,632	6,122	8,517	9,508
Curr. Liability and Prov.	**7,920**	**10,085**	**10,982**	**13,789**	**15,191**	**14,472**	**15,040**
Account Payables	1,879	1,975	2,352	3,934	4,505	3,786	4,354
Other Current Liabilities	4,700	6,456	7,046	7,903	9,321	9,321	9,321
Provisions	1,341	1,654	1,584	1,952	1,365	1,365	1,365
Net Current Assets	**15,795**	**19,017**	**24,044**	**29,462**	**36,219**	**48,939**	**60,113**
Appl. of Funds	**25,718**	**32,948**	**39,747**	**47,121**	**53,982**	**65,836**	**75,793**

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic EPS (INR)	72.6	77.5	62.8	90.5	110.5	132.0	155.4
Cash EPS	82.6	94.9	83.5	110.8	132.4	158.0	185.4
BV/Share	238.4	264.9	330.8	394.5	469.3	538.2	619.4
DPS	21.0	21.0	22.0	35.0	45.0	52.8	62.1
Payout (%)	28.9	27.1	35.0	38.7	40.7	40.0	40.0
Valuation (x)							
P/E	47.5	44.5	54.9	38.1	31.2	26.1	22.2
Cash P/E	41.7	36.3	41.3	31.1	26.0	21.8	18.6
P/BV	14.5	13.0	10.4	8.7	7.3	6.4	5.6
EV/Sales	6.9	6.2	6.3	5.2	4.2	3.4	2.8
EV/EBITDA	38.1	31.6	34.1	24.2	19.6	16.7	13.9
Dividend Yield (%)	0.6	0.6	0.6	1.0	1.3	1.5	1.8
Return Ratios (%)							
RoE	34.7	31.1	21.2	25.0	25.6	26.2	26.9
RoCE	27.2	24.0	16.2	20.3	20.9	21.1	21.0

Consolidated Cash Flow Statement **(INR m)**

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	10,314	11,002	8,973	13,092	16,437	18,915	22,262
Depreciation	1,042	1,829	2,183	2,144	2,315	2,752	3,182
Interest and Finance Charges	19	365	455	437	435	0	0
Direct Taxes Paid	-2,808	-2,119	-2,523	-3,563	-4,670	-4,918	-5,788
(Inc.)/Dec. in WC	-739	-4,287	4,245	-1,452	-1,188	-3,308	-2,789
Others	234	-409	-60	-597	-177	0	0
CF from Operations	**8,062**	**6,381**	**13,273**	**10,061**	**13,152**	**13,441**	**16,867**
(Inc.)/Dec. in FA	-885	-1,511	-756	-1,555	-1,726	-1,364	-1,576
Free Cash Flow	**7,177**	**4,870**	**12,517**	**8,506**	**11,426**	**12,078**	**15,291**
(Pur.)/Sale of Investments	-4,389	-1,039	-9,653	-3,393	-5,018	-3,500	-3,500
Others	181	328	355	465	1,026	0	0
CF from Investments	**-5,093**	**-2,222**	**-10,054**	**-4,483**	**-5,718**	**-4,864**	**-5,076**
Issue of Shares	3	1	1	1	0	0	0
Inc./(Dec.) in Debt	2	-1,028	-995	-913	-833	0	0
Interest Paid	-19	-365	-455	-437	-435	0	0
Dividend Paid	-2,440	-2,636	-2,198	-3,633	-3,167	-6,715	-7,902
CF from Fin. Activity	**-2,454**	**-4,028**	**-3,647**	**-4,982**	**-4,435**	**-6,715**	**-7,902**
Inc./Dec. in Cash	**515**	**131**	**-428**	**596**	**2,999**	**1,863**	**3,889**
Forex Adjustment	-8	0	0	0	0	0	0
Opening Balance	1,541	2,048	2,179	1,751	2,347	5,346	7,209
Closing Balance	**2,048**	**2,179**	**1,751**	**2,347**	**5,346**	**7,209**	**11,098**

N O T E S

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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