Motilal Oswal Investment Services

13 April 2023
4QFY23 Results Update | Sector: Technology

TCS

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	TCS IN
Equity Shares (m)	3752
M.Cap.(INRb)/(USDb)	11863 / 144.5
52-Week Range (INR)	3664 / 2868
1, 6, 12 Rel. Per (%)	-5/1/-14
12M Avg Val (INR M)	7131
Free float (%)	27.7

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	2,255	2,505	2,808
EBIT Margin (%)	24.1	24.7	25.5
PAT	423.0	491.2	566.2
EPS (INR)	115.3	133.8	154.3
EPS Gr. (%)	10.9	16.0	15.3
BV/Sh. (INR)	253	246	238
Ratios			
RoE (%)	46.4	53.7	63.8
RoCE (%)	40.0	45.1	52.4
Payout (%)	99.8	90.0	90.0
Valuations			
P/E (x)	28.1	24.2	21.0
P/BV (x)	12.8	13.2	13.6
EV/EBITDA (x)	19.7	17.3	15.0
Div Yield (%)	3.5	3.7	4.3

Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	72.3	72.3	72.2
DII	9.3	8.6	8.0
FII	12.9	13.1	15.0
Others	5.5	6.1	4.9

FII Includes depository receipts

CMP: INR3,242 TP: INR3,860 (+19%) Buy

Strong deal flow to recompense for discretionary slowdown

Margin gain to add to earnings growth; reiterate BUY

- TCS reported revenue of USD7.20b in 4QFY23, up ~0.6% QoQ in constant currency (CC) terms and 30bp below our estimates. Revenue growth was affected by a slowdown in the BFSI vertical in the second half of the quarter. TCS indicated a demand slowdown in key verticals, primarily in discretionary spends, while cost efficiency spends remained robust. Q4 deal TCV was strong at USD10.0b (up 28% QoQ, book-to-bill ratio at 1.4x), bringing FY23 TCV to USD34.1b (flat YoY) despite a muted macro environment.
- Q4 EBIT margin was flat at 24.5% (v/s our est. of 30bp QoQ increase), impacted by a pause in few discretionary projects in Mar'23, along with higher onsite employee costs, partially compensated by lower subcontractor expenses.
- Management commentary on near-term demand was among its weakest in recent history (excluding initial months of pandemic). Management indicated weakness in the US on account of deferrals in discretionary spending from clients, with the BFS vertical being the most affected. While we view it as concerning, the impact on our estimate for FY24 revenue growth (7.7% YoY CC, a cut of 40bp from our previous estimate) is limited, as a near-term slowdown has been widely expected and partially factored in our estimates (our BFSI FY24 revenue growth estimate is 5.0% YoY CC, down from 11.8% YoY in FY23). Moreover, while FY23 TCV (1.2x book to bill) was flat YoY, TCS highlighted a faster revenue conversion cycle due to smaller share of mega deals (one in FY23 v/s 3 in FY22) in the mix, which should compensate for the discretionary slowdown.
- We continue to expect FY24 growth to be rear-ended, with the expectation of a macro improvement in the second half. While expectation from the BFSI space is low, elevated uncertainty remains the key risk to our estimates (both downside and upside). We factor in a USD revenue CAGR of 10.7% over FY23-25E.
- While the Q4 EBIT margin performance was disappointing, part of the hit should reverse in the next 1-2 quarters as TCS redeploys the teams affected by the sudden slowdown in Mar'23. Additionally, the continued easing in supply (quarterly attrition down 10pp from peak) and the replacement of subcontractors should help TCS deliver 60bp YoY margin gain in FY24 to 24.7% and further to 25.5% in FY25 as demand recovers. This should allow it to deliver a 15.7% PAT CAGR over FY23-25E.
- TCS has delivered INR PAT growth of 10.0% in the FY23. It generated FCF of INR414b during the year and has INR498b in Cash and Investments at the end of the year.
- We have largely maintained our FY24/FY25 EPS estimates. Over FY23-25, we expect a USD revenue CAGR of 10.7% and an INR EPS CAGR of 15.7%. Our TP of INR3,860 implies 25x FY25E EPS (19% upside). We reiterate our **BUY** rating on the stock.

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Miss on both revenue and margin

- Revenue (CC) grew ~0.6% QoQ. INR EBIT and PAT rose 15% each YoY. EBIT margin of 24.5% (flat QoQ) was below our expectations of a 30bp QoQ improvement. However, the supply pressure has started to cool off, with attrition sharply coming down by 120bp QoQ.
- The net headcount saw an addition of 821 associates v/s a decline of 2k+ in Q3.
- TCS announced a final dividend of INR25/share in Q4FY23 with overall payout of INR 274.4b. Collectively the company has paid INR372b (incl. buyback) and INR414.1b in FY22 and FY23 respectively with the payout ratio of 97% and 99% respectively.

Key highlights from management commentary

- The softness in Q4 is much higher than what the company had anticipated in Q3, and the situation has further worsened with the weakness in the US regions, especially the banking sector.
- Demand in the UK and Europe is relatively stronger than that in the US. The decision-making and sales cycles have improved, especially in the Europe region where demand was significantly weak in Q3. The company has witnessed a large number of deal closures in Europe v/s the US.
- Clients in the North American region are deferring projects, which are not critical in nature and in some cases completely pausing discretionary spending.
- However, cost optimization deals and some of the transformation deals have witnessed closures in Q4, while vendor consolidation deals continued to gain traction among clients.

Valuation and view

- The increase in interest rates, slow economic growth and elevated geo-political tensions have adversely affected the macro environment and raised concerns over IT spends.
- Given TCS's size, order book and exposure to long duration orders and portfolio, it is well positioned to withstand the weakening macro environment and ride on the anticipated industry growth.
- Owing to its steadfast market leadership position and best-in-class execution, the company has been able to maintain its industry-leading margin and demonstrate superior return ratios.
- We maintain our positive stance on TCS. Our TP of INR3,860 implies 25x FY25E EPS, with a 19% upside potential. We reiterate our **BUY** rating.

Quarterly performance (IFRS) **(INR b)**

Y/E March	FY22				FY23				FY22	FY23	FY23	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY23E	(% / bp)
Revenue from IT Services (USD m)	**6,154**	**6,333**	**6,524**	**6,696**	**6,780**	**6,877**	**7,075**	**7,195**	**25,707**	**27,927**	**7,202**	**-0.1**
QoQ (%)	2.8	2.9	3.0	2.6	1.3	1.4	2.9	1.7	15.9	8.6	1.8	-9bp
Overall revenue (INR b)	**454**	**469**	**489**	**506**	**528**	**553**	**582**	**592**	**1,918**	**2,255**	**592**	**-0.1**
QoQ (%)	3.9	3.2	4.3	3.5	4.3	4.8	5.3	1.6			1.7	-8bp
YoY (%)	18.5	16.8	16.4	15.8	16.2	18.0	19.1	16.9	16.8	17.6	17.0	-10bp
GPM (%)	**40.4**	**40.4**	**40.0**	**40.1**	**38.4**	**39.5**	**40.1**	**40.1**	**40.2**	**39.6**	**40.4**	**-27bp**
SGA (%)	14.8	14.8	15.0	15.2	15.3	15.5	15.5	15.7	15.0	15.5	15.6	6bp
EBITDA	**127**	**131**	**134**	**138**	**134**	**145**	**156**	**158**	**530**	**593**	**159**	**-0.6**
EBITDA Margin (%)	27.9	28.0	27.4	27.4	25.3	26.2	26.8	26.7	27.7	26.3	26.8	-13bp
EBIT	**116**	**120**	**122**	**126**	**122**	**133**	**143**	**145**	**485**	**542**	**147**	**-1.4**
EBIT Margin (%)	25.5	25.6	25.0	25.0	23.1	24.0	24.5	24.5	25.3	24.1	24.8	-33bp
Other Income	6	10	10	7	6	8	4	9	32	27	8	8.9
PBT	**122**	**130**	**132**	**134**	**128**	**141**	**146**	**154**	**517**	**569**	**155**	**-0.9**
ETR (%)	25.8	25.6	25.7	25.5	25.5	25.8	25.7	25.7	25.6	25.7	25.0	70bp
Adj. PAT	**90**	**97**	**98**	**100**	**95**	**105**	**109**	**114**	**384**	**423**	**116**	**-1.8**
Reported PAT	**90**	**97**	**98**	**100**	**95**	**105**	**109**	**114**	**384**	**423**	**116**	**-1.8**
QoQ (%)	-2.7	6.9	1.6	1.6	-4.4	9.9	4.0	5.1			7.0	-190bp
YoY (%)	28.1	28.6	12.4	7.3	5.4	8.4	11.0	14.8	18.1	10.0	16.9	-207bp
EPS (INR)	24.4	26.0	26.4	27.2	26.0	28.5	29.6	31.1	104.0	115.3	31.7	-1.8

Key performance indicators

Y/E March	FY22				FY23				FY22	FY23
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	2.4	4.0	3.9	3.2	3.5	4.0	2.2	0.6	14.3	10.7
Costs (as a percentage of revenue)										
COGS	59.6	59.6	60.0	59.9	61.6	60.5	59.9	59.9	59.8	60.4
SGA	14.8	14.8	15.0	15.2	15.3	15.5	15.5	15.7	15.0	15.5
Margins										
Gross Margin	40.4	40.4	40.0	40.1	38.4	39.5	40.1	40.1	40.2	39.6
EBIT Margin	25.5	25.6	25.0	25.0	23.1	24.0	24.5	24.5	25.3	24.1
Net Margin	19.9	20.6	20.1	19.7	18.0	18.9	18.7	19.3	20.1	18.8
Operating Metrics										
Headcount (k)	509	529	557	592	606	616	614	615	592	615
Attrition (%)	8.6	11.9	15.3	17.4	19.7	21.5	21.3	20.1	17.4	20.1
Deal win TCV (USD b)	8.1	7.6	7.6	11.3	8.2	8.1	7.8	10	34.6	34.1
Key verticals (YoY CC %)										
BFSI	19.3	17.0	17.9	12.9	13.9	13.1	11.1	9.1	16.7	11.8
Retail	21.7	18.4	20.4	22.1	25.1	22.9	18.7	13.0	20.6	19.7
Key geographies (YoY CC %)										
North America	15.8	17.4	18.0	18.7	19.1	17.6	15.4	9.6	17.5	15.3
UK	16.3	15.6	12.7	13.0	12.6	14.8	15.4	17.0	14.3	15.0
Continental Europe	19.7	13.5	17.5	10.1	12.1	14.1	9.7	8.4	15.1	11.0

CONFERENCE CALL

Highlights from management commentary

4QFY23 performance and demand outlook

- Operating margin for the quarter stood flat despite higher subcon costs, which was negated by receding supply-side challenges, efficiency gains and currency depreciation.
- Customer sentiment is cautious across BFSI, Retail and Technology in the US and Europe.
- Clients in the North American region are deferring projects that are not critical in nature and, in some cases, completely pausing discretionary spending.
- However, cost optimizations deals and some of the transformation deals have witnessed meaningful closures in Q4, while vendor consolidation deals continued to gain traction among clients.
- Q4 had strong order booking with the book-to-bill ratio at 1.4x. The company singed one mega deal in Q4, while the rest of the deals are well distributed across regions and verticals.
- The order book has a large proportion of small- and medium-size deals (tune of USD50-100m) that will support the near-term growth momentum.
- The softness in Q4 is much worse than what the company had anticipated in Q3, and the situation has further worsened with the weakness in the US regions, especially the banking sector.
- The leadership change will not change the business strategy; however, it might change some of the near-term aspects based on the changing market dynamics, but it does not expect any meaningful changes in the current strategy.
- Demand in the UK and Europe is relatively stronger than that in the US. The decision-making and sales cycles have improved, especially in the Europe region where demand was significantly weak in Q3. The company has witnessed a large number of deal closures in Europe v/s the US.

Margin performance and outlook

- The management expects multiple margin levers to support in FY24, with the subcon cost is expected to be replaced by full-time employees. With travel becoming more flexible, it would replace onsite resources, while the key focus would be on utilizing the existing bench effectively.
- The supply-side challenges in the local market had accelerated the usage and dependency on subcon; however, with the supply challenges easing, the company is returning to normalcy.
- The company uses a systemic approach to leverage 5-8% of its workforce as subcon and it is 25% lower (in terms of usage) than its earlier peak in the US region. It expects further reduction in subcon with the effective usage of travel.

Exhibit 1: Growth remains broad-based

Geographies	Contribution to revenue (%)	QoQ growth (%)
North America	52.4	-0.8
Latin America	1.8	1.7
UK	15.7	7.2
Continental Europe	15.1	3.8
India	5.0	-0.3
Asia Pacific	8.0	3.0
MEA	2.0	13.0

Source: Company, MOFSL

Exhibit 2: Sequential growth led by regional markets

Verticals	Contribution to revenue (%)	QoQ growth (%)
BFSI	31.4	1.4
Retail and CPG	15.6	1.0
Communications and Media	6.5	0.2
Manufacturing	9.9	1.7
Life Sciences and Healthcare	10.4	2.7
Technology and Services	8.7	-0.6
Regional Markets and Others	17.5	4.1

Source: Company, MOFSL

Maintain Buy with a TP of INR3,860

- The increase in interest rates, slow economic growth and elevated geo-political tensions have adversely affected the macro environment and raised concerns over IT spends.
- Given TCS's size, order book and exposure to long-duration orders and portfolio, it is well positioned to withstand the weakening macro environment and ride on the anticipated industry growth.
- Owing to its steadfast market leadership position and best-in-class execution, the company has been able to maintain its industry-leading margin and demonstrate superior return ratios.
- We maintain our positive stance on TCS. Our TP of INR3,860 implies 25x FY25E EPS, with a 19% upside potential. We reiterate our **BUY** rating.

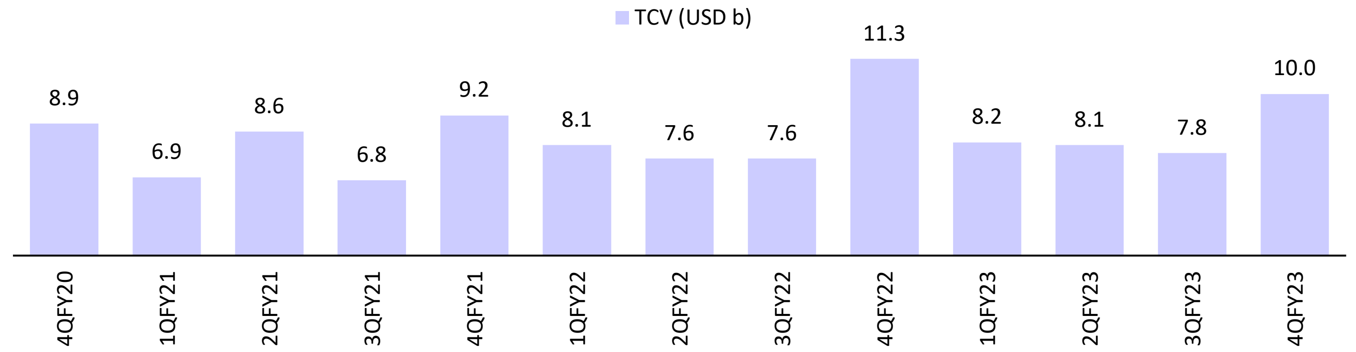
Exhibit 3: Revisions to our estimates

	Revised		Earlier		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
USD: INR	82.2	82.0	82.2	82.5	0.0	-0.6
USD revenue (m)	30,460	34,241	30,357	33,835	0.3	1.2
Growth (%)	9.1	12.4	8.7	11.5	40bps	100bps
EBIT margin (%)	24.7	25.5	24.8	25.5	0bps	0bps
PAT (INR b)	490	565	491	565.9	-0.3	-0.2
EPS	133.8	154.3	134.3	154.6	-0.4	-0.2

Source: MOFSL

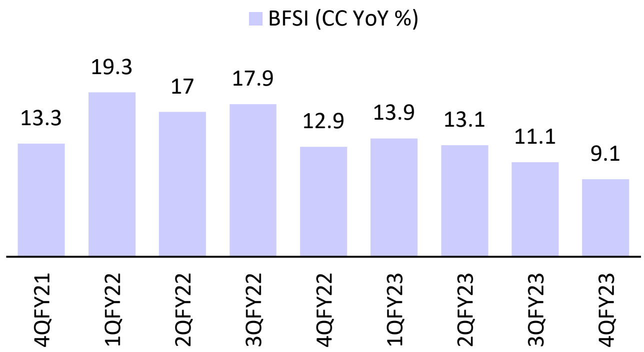
Story in charts

Exhibit 4: Deal wins remain strong in 4QFY23



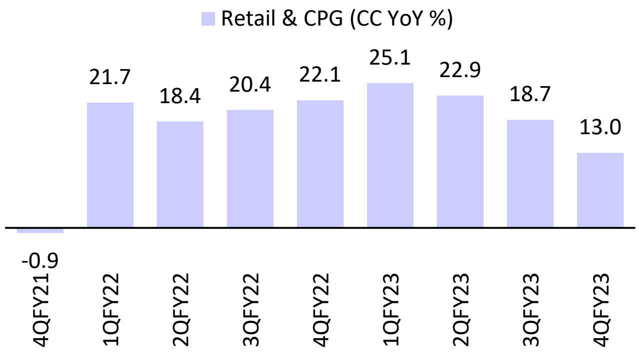
Source: Company, MOFSL

Exhibit 5: Softness in BFSI continues



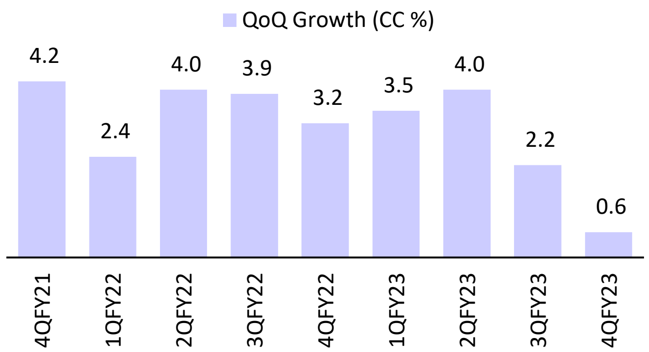
Source: Company, MOFSL

Exhibit 6: Muted growth in retail



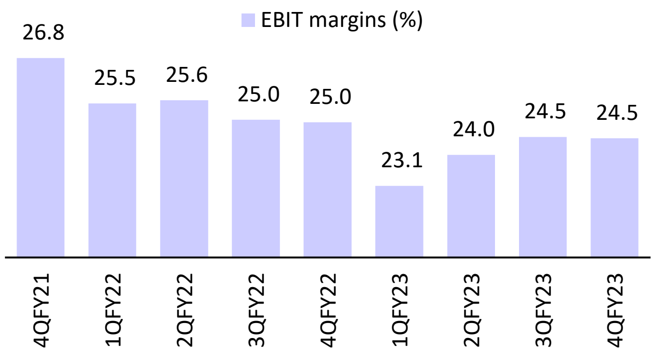
Source: Company, MOFSL

Exhibit 7: Weak CC growth in Q4 led by adverse macros



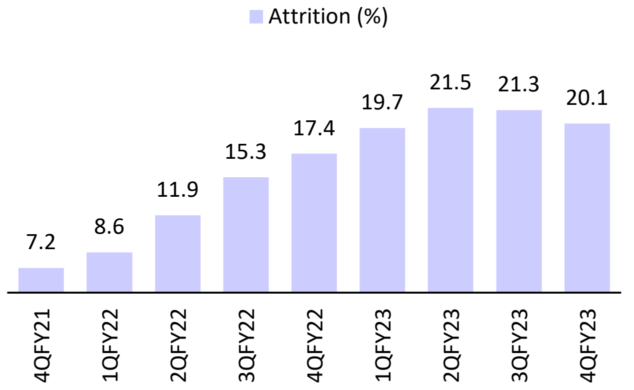
Source: Company, MOFSL

Exhibit 8: Margins remain stable



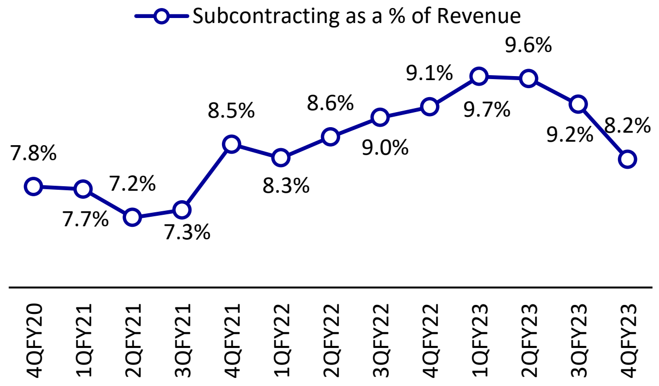
Source: Company, MOFSL

Exhibit 9: LTM Attrition starting to moderate



Source: Company, MOFSL

Exhibit 10: Sub-contracting moderates meaningfully



Source: Company, MOFSL

Operating metrics

Exhibit 11: Operating metrics

	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
Verticals (%)									
BFSI	32.2	32.5	32.4	32.1	31.9	32.1	31.9	31.5	31.4
Retail and CPG	14.5	14.8	15.0	14.5	15.4	15.9	15.9	15.7	15.6
Communications and Media	6.5	6.4	6.5	6.6	6.7	6.8	6.7	6.6	6.5
Manufacturing	9.6	9.8	9.9	9.6	10.0	9.9	9.9	9.9	9.9
Life Sciences and Healthcare	9.7	10.2	10.0	9.8	10.0	10.1	10.2	10.3	10.4
Technology and Services	8.4	8.6	8.8	8.6	8.7	8.8	9.0	8.9	8.7
Regional markets and others	19.1	17.7	17.4	18.8	17.3	16.4	16.4	17.1	17.5
Geographies (%)									
North America	48.6	49.4	50.3	50.7	51.6	53.2	54.3	53.7	52.4
Latin America	1.6	1.6	1.6	1.7	1.7	1.8	1.7	1.8	1.8
UK	16.0	16.3	16.1	15.6	15.6	14.9	14.5	14.9	15.7
Continental Europe	16.8	16.7	15.9	16.0	15.5	15.2	14.5	14.8	15.1
India	5.6	4.6	5.1	5.5	5.1	4.8	5.1	5.1	5.0
Asia Pacific	9.4	9.3	9.0	8.6	8.5	8.3	8.0	7.9	8.0
MEA	2	2.1	2.0	1.9	2.0	1.8	1.9	1.8	2.0
QoQ growth (%)									
BFSI	8.1	3.7	2.6	2.1	2.0	1.9	0.8	1.6	1.4
Retail and CPG	5.0	4.9	4.3	-0.4	9.0	4.5	1.4	1.6	1.0
Communications and Media	3.4	1.2	4.5	4.6	4.2	2.8	-0.1	1.3	0.2
Manufacturing	5.0	4.9	4.0	-0.1	6.9	0.2	1.4	2.9	1.7
Life Sciences and Healthcare	4.0	8.1	0.9	1.0	4.7	2.3	2.4	3.9	2.7
Technology and Services	2.6	5.2	5.3	0.7	3.8	2.4	3.7	1.7	-0.6
Regional markets and others	2.4	(4.8)	1.2	11.3	-5.6	-4.0	1.4	7.3	4.1
North America	4.0	4.4	4.8	3.8	4.5	4.4	3.5	1.7	-0.8
Latin America	(1.1)	2.8	2.9	9.5	2.6	7.2	-4.2	8.9	1.7
UK	7.0	4.7	1.6	-0.2	2.6	-3.3	-1.3	5.7	7.2
Continental Europe	8.9	2.1	-2.0	3.7	-0.6	-0.7	-3.2	5.0	3.8
India	5.0	(15.6)	14.1	11.1	-4.8	-4.7	7.8	2.9	-0.3
Asia Pacific	1.8	1.7	-0.4	-1.6	1.4	-1.1	-2.2	1.6	3.0
MEA	5.0	7.9	-2.0	-2.1	8.0	-8.9	7.1	-2.5	13.0
Total Employees (k)	**489**	**509**	**528.7**	**557.0**	**592.2**	**606.3**	**616.2**	**614.0**	**614.8**
Net Additions (k)	**19**	**20**	**19.7**	**28.2**	**35.2**	**14.1**	**9.8**	**-2.2**	**0.8**
Attrition (LTM %)	**7.2**	**8.6**	**11.9**	**15.3**	**17.4**	**19.7**	**21.5**	**21.3**	**20.1**

Source: Company, MOFSL

Financials and valuations

Income Statement								(INR b)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Sales	**1,231**	**1,465**	**1,569**	**1,642**	**1,918**	**2,255**	**2,505**	**2,808**
Change (%)	4.4	19.0	7.2	4.6	16.8	17.6	11.1	12.1
Cost of Services	713	852	923	971	1,146	1,363	1,498	1,663
SG&A Expenses	213	239	260	246	287	350	386	430
EBITDA	**325**	**395**	**421**	**465**	**532**	**599**	**682**	**785**
As a percentage of Net Sales	26.4	27.0	26.8	28.4	27.8	26.6	27.2	28.0
Depreciation	20	21	35	41	48	56	63	70
EBIT	**305**	**375**	**386**	**425**	**485**	**542**	**620**	**715**
As a percentage of Net Sales	24.8	25.6	24.6	25.9	25.3	24.1	24.7	25.5
Other Income	36	41	37	25	32	27	39	45
PBT	**341**	**416**	**422**	**450**	**517**	**569**	**659**	**760**
Tax	82	100	98	115	132	146	168	194
Rate (%)	24.1	24.1	23.2	25.5	25.6	25.7	25.5	25.5
PAT	**259**	**316**	**324**	**335**	**384**	**423**	**491**	**566**
Extraordinary Gains/Losses	0	0	0	-10	0	0	0	0
Adjusted PAT	**259**	**316**	**324**	**326**	**384**	**423**	**491**	**566**
Minority Interest	1	1	1	1	1	2	2	2
Reported PAT	**258**	**315**	**323**	**324**	**383**	**421**	**490**	**565**
Change (%)	-1.8	21.9	2.8	0.3	18.2	10.0	16.2	15.3

Balance Sheet								(INR b)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Share capital	2	4	4	4	4	4	4	4
Reserves	849	891	838	861	888	922	896	866
Net Worth	**851**	**894**	**841**	**864**	**891**	**925**	**899**	**870**
Minority Interest and Others	33	34	97	102	100	97	125	139
Loans	1	0	0	0	0	0	0	0
Capital Employed	**885**	**929**	**938**	**966**	**992**	**1,022**	**1,024**	**1,008**
Gross Block	266	287	408	449	502	552	613	682
Depreciation	151	171	207	247	295	351	414	484
Net Block	**115**	**116**	**201**	**201**	**207**	**200**	**199**	**198**
Intangibles	52	44	45	57	55	73	78	74
Other LT assets	84	69	60	56	70	82	98	99
Current Assets	**812**	**921**	**902**	**993**	**1,083**	**1,103**	**1,114**	**1,130**
Debtors	316	325	363	367	418	500	550	608
Cash and Bank Balance	49	72	97	69	125	71	71	65
Investments	380	347	261	316	360	401	356	311
Other Current Assets	67	177	182	241	180	131	138	146
Current Liab. and Prov.	**178**	**221**	**271**	**342**	**424**	**436**	**465**	**493**
Net Current Assets	**634**	**700**	**632**	**651**	**660**	**667**	**650**	**638**
Application of Funds	**885**	**929**	**938**	**966**	**992**	**1,022**	**1,024**	**1,008**

Financials and valuations

Ratios								
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Basic (INR)								
EPS	**67.0**	**82.3**	**86.2**	**86.7**	**104.0**	**115.3**	**133.8**	**154.3**
Cash EPS	72.2	87.6	95.6	97.6	117.0	130.7	150.9	173.4
Book Value	220.9	233.8	224.2	231.1	241.8	253.1	245.8	237.6
DPS	70.7	76.9	71.4	97.2	100.9	115.1	120.4	138.8
Payout (%)	105.6	93.5	82.8	112.1	97.1	99.8	90.0	90.0
Valuation (x)								
P/E	48.4	39.4	37.6	37.4	31.2	28.1	24.2	21.0
Cash P/E	44.9	37.0	33.9	33.2	27.7	24.8	21.5	18.7
EV/EBITDA	38.3	31.2	28.7	25.9	22.2	19.7	17.3	15.0
EV/Sales	10.1	8.4	7.7	7.3	6.2	5.2	4.7	4.2
Price/Book Value	14.7	13.9	14.5	14.0	13.4	12.8	13.2	13.6
Dividend Yield (%)	2.2	2.4	2.2	3.0	3.1	3.5	3.7	4.3
Profitability Ratios (%)								
RoE	30.1	36.1	37.3	38.0	43.7	46.4	53.7	63.8
RoCE	26.1	31.4	31.7	33.2	36.8	40.0	45.1	52.4
Turnover Ratios								
Debtors (Days)	94	81	84	82	80	81	80	79
Fixed Asset Turnover (x)	10.7	12.7	7.8	8.1	9.3	11.3	12.6	14.2

Cash Flow Statement								(INR b)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
CF from Operations	282	308	370	379	427	489	541	622
Cash for Working Capital	0	-22	-47	9	-28	-44	-22	-24
Net Operating CF	**282**	**286**	**324**	**388**	**399**	**445**	**519**	**598**
Net Purchase of FA	-19	-21	-32	-32	-30	-31	-48	-54
Free Cash Flow	**263**	**265**	**291**	**356**	**370**	**414**	**470**	**543**
Net Purchase of Invest.	16	36	118	-50	21	-2	45	45
Net Cash from Invest.	**-3**	**16**	**86**	**-81**	**-9**	**-33**	**-3**	**-9**
Proceeds from Equity Issues	0	0	0	0	0	0	0	0
Proceeds from LTB/STB	0	-2	-13	-211	-195	-57	0	0
Others	0	-2	-9	-6	-7	0	0	0
Dividend Payments	-268	-275	-377	-109	-134	-414	-516	-595
Cash Flow from Fin.	**-268**	**-279**	**-399**	**-326**	**-336**	**-471**	**-516**	**-595**
Net Cash Flow	**13**	**23**	**14**	**-18**	**56**	**-54**	**0**	**-6**
Opening Cash Balance	**41**	**54**	**77**	**91**	**73**	**130**	**76**	**75**
Add: Net Cash	13	23	14	-18	56	-54	0	-6
Closing Cash Balance	**54**	**77**	**91**	**73**	**130**	**76**	**75**	**69**

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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