

Estimate change



TP change



Rating change



	CIPLA IN
Bloomberg	
Equity Shares (m)	805
M.Cap.(INRb)/(USD\$b)	948 / 11.4
52-Week Range (INR)	1278 / 852
1, 6, 12 Rel. Per (%)	3/22/-7
12M Avg Val (INR M)	2002

#### Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Sales	227.5	256.7	281.3
EBITDA	51.1	60.1	67.0
Adj. PAT	30.5	38.3	43.1
EBIT Margin (%)	17.3	19.3	19.8
Cons. Adj. EPS (INR)	37.8	47.4	53.4
EPS Gr. (%)	6.8	25.7	12.5
BV/Sh. (INR)	284.2	324.9	372.3

#### Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	13.3	14.6	14.3
RoCE (%)	13.5	15.5	15.1
Payout (%)	10.3	10.2	11.2

#### Valuations

P/E (x)	31.1	24.8	22.0
EV/EBITDA (x)	18.3	15.1	13.1
Div. Yield (%)	0.3	0.3	0.4
FCF Yield (%)	1.0	3.6	3.7
EV/Sales (x)	4.1	3.5	3.1

#### Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	33.4	33.4	33.4
DII	24.1	24.3	21.6
FII	25.9	25.6	28.1
Others	16.6	16.7	16.9

FII Includes depository receipts

**CMP: INR1,174**
**TP: INR1,450 (+24%)**
**BUY**

### NA/DF drives improved profitability

#### EBITDA margin guidance further raised to 23-24% for FY24

- CIPLA beat our earnings estimates in 2QFY24, led by a superior performance in the branded generics segment of domestic formulation (DF) and SAGA. The company sustained robust sales growth in North America (NA), led by market share gain and healthy demand for its base portfolio.
- We raise our earnings estimates by 7%/4.4% for FY24/FY25, factoring in better growth prospects in DF, increased visibility for niche launches in NA, and controlled opex. We value CIPLA on SOTP basis (25x 12M forward earnings and add NPV of INR30 for g-Revlimid) to arrive at a TP of INR1,450.
- We remain positive on CIPLA given its market-beating growth in prescription market, efforts to enhance NA product pipeline with differentiated products, and improving profitability in the consumer health business. **Reiterate BUY.**

#### Product mix/better operating leverage lead to superior margins

- 2QFY24 revenue increased by 14.6% YoY to INR67b (est. INR64.5b). DF sales (42% of sales) grew 9.8% YoY to INR28b. US sales (28% of sales) rose 31.8% YoY to INR18.9b (USD229m, up 27.9% in CC terms) as the market share expanded across key differentiated assets. SAGA sales (15% of sales) grew 14.5% YoY to INR9.9b. EM sales (11% of sales) declined 4% YoY to INR7.3b. API sales (2% of sales) declined 3.5% YoY at INR1.5b.
- Gross margin expanded 90bp YoY to 65.4% (est. 65%), led by a higher share of niche products.
- EBITDA margins expanded 210bp YoY to 26% (est. 24.2%), due to a better gross profit and lower other expenses (down 100bp YoY as % of sales).
- EBITDA increased by 25% YoY to INR17.3bn (est. INR15.6bn).
- **Assuming g-Revlimid sales of USD30m in 2QFY24, sales/EBITDA would be INR64b/INR14.6b (up 13%/18.4% YoY) and EBITDA margin would be 22.9% for the quarter on Ex-Revlimid basis.**
- After adjusting for impairment charges of INR431m, PAT grew 38% to INR11.7b (est. INR10b) due to higher other income.
- 1HFY24 revenue/EBITDA/PAT grew by 16%/27%/41% to INR130b/INR32b/INR21b.

#### Highlights from the management commentary

- CIPLA has raised its EBITDA margin guidance to 23-24% (vs. 22-23% earlier) for FY24.
- It expects to sustain the US sales run rate at USD220-225m in 3QFY24.
- CIPLA has one peptide launch lined up in FY24. The product has a market size of USD300m and already has some competition in US generics market.
- The company expects 5-year sustainable growth of 12% for India business.
- CIPLA has completed clinical trials for g-Symbicort and the filing is expected in 3QFY24.

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

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## Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	Est.	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE			
<b>Net Revenues</b>	<b>53.8</b>	<b>58.3</b>	<b>58.1</b>	<b>57.4</b>	<b>63.3</b>	<b>66.8</b>	<b>64.8</b>	<b>61.8</b>	<b>227.5</b>	<b>256.7</b>	<b>64.5</b>	<b>3.6</b>
YoY Change (%)	-1.4	5.6	6.0	9.1	17.7	14.6	11.5	7.7	4.8	12.8	20.0	
Total Expenditure	42.3	44.4	44.0	45.7	48.3	49.4	49.5	49.3	176.4	196.6	48.9	
<b>EBITDA</b>	<b>11.4</b>	<b>13.9</b>	<b>14.1</b>	<b>11.7</b>	<b>14.9</b>	<b>17.3</b>	<b>15.2</b>	<b>12.6</b>	<b>51.1</b>	<b>60.1</b>	<b>15.6</b>	<b>11.1</b>
YoY Change (%)	-11.7	13.3	14.3	23.6	30.7	24.8	8.1	7.0	8.8	17.4	12.3	
Margins (%)	21.3	23.8	24.2	20.4	23.6	26.0	23.5	20.3	22.5	23.4	24.2	
Depreciation	2.5	3.0	2.7	3.5	2.4	2.5	2.7	2.9	11.7	10.4	2.6	
<b>EBIT</b>	<b>8.9</b>	<b>10.9</b>	<b>11.4</b>	<b>8.3</b>	<b>12.5</b>	<b>14.9</b>	<b>12.6</b>	<b>9.6</b>	<b>39.4</b>	<b>49.6</b>	<b>13.1</b>	
YoY Change (%)	-14.0	12.0	15.4	25.5	41.1	36.4	10.7	16.6	8.0	25.9	19.7	
Margins (%)	16.5	18.7	19.5	14.4	19.8	22.3	19.4	15.6	17.3	19.3	20.2	
Interest	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.3	1.1	1.0	0.2	
Other Income	1.0	1.0	1.1	1.3	1.4	1.8	1.2	1.0	4.5	5.3	1.1	
<b>Profit before Tax</b>	<b>9.7</b>	<b>11.6</b>	<b>12.2</b>	<b>9.3</b>	<b>13.7</b>	<b>16.4</b>	<b>13.5</b>	<b>10.4</b>	<b>42.8</b>	<b>54.0</b>	<b>14.0</b>	
One-time (expense)/income	0.0	-0.6	0.0	-1.8	0.0	-0.4	0.0	0.0	-2.5	-0.4	0.0	
<b>PBT after EO expense</b>	<b>9.7</b>	<b>11.0</b>	<b>12.2</b>	<b>7.5</b>	<b>13.7</b>	<b>15.9</b>	<b>13.5</b>	<b>10.4</b>	<b>40.4</b>	<b>53.5</b>	<b>14.0</b>	<b>14.1</b>
Tax	2.7	3.0	4.1	2.2	3.8	4.4	3.8	3.3	12.0	15.2	4.0	
Rate (%)	27.5	26.0	33.7	24.0	27.5	26.8	27.9	31.8	28.1	28.2	28.5	
Minority Interest	0.2	0.1	0.1	0.0	0.0	0.2	0.2	-0.1	0.3	0.4	0.0	
<b>Reported PAT</b>	<b>6.9</b>	<b>7.9</b>	<b>8.0</b>	<b>5.3</b>	<b>10.0</b>	<b>11.3</b>	<b>9.5</b>	<b>7.1</b>	<b>28.0</b>	<b>37.9</b>	<b>10.0</b>	<b>13.3</b>
<b>Adj PAT</b>	<b>6.9</b>	<b>8.5</b>	<b>8.0</b>	<b>7.1</b>	<b>10.0</b>	<b>11.7</b>	<b>9.5</b>	<b>7.1</b>	<b>30.5</b>	<b>38.3</b>	<b>10.0</b>	<b>17.6</b>
YoY Change (%)	-12.9	19.8	9.9	16.1	45.1	37.7	18.2	0.8	7.4	25.7	17.1	

E: MOFSL Estimates

## Key performance indicators

Y/E March	FY23				FY24E				FY23	FY24E	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE		
<b>Domestic formulation</b>	<b>24.8</b>	<b>25.6</b>	<b>25.6</b>	<b>22.6</b>	<b>27.7</b>	<b>28.2</b>	<b>27.4</b>	<b>24.3</b>	<b>98.7</b>	<b>107.6</b>	<b>27.2</b>
YoY Change (%)	-8.4	6.2	1.8	3.5	11.6	9.8	7.0	7.4	0.4	9.0	6.0
<b>North America</b>	<b>12.0</b>	<b>14.6</b>	<b>16.0</b>	<b>16.8</b>	<b>18.2</b>	<b>18.9</b>	<b>18.2</b>	<b>19.2</b>	<b>59.1</b>	<b>74.5</b>	<b>18.6</b>
YoY Change (%)	14.7	38.1	39.1	38.7	52.0	29.5	13.9	14.6	33.9	26.1	27.8
<b>Europe</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>	<b>0.8</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.1</b>	<b>9.7</b>	<b>13.3</b>	<b>3.4</b>
YoY Change (%)	10.0	8.0	0.0	94.2	15.0	16.0	13.0	280.8	10.0	37.0	16.0
<b>South Africa</b>	<b>7.9</b>	<b>8.7</b>	<b>6.8</b>	<b>8.3</b>	<b>7.5</b>	<b>9.9</b>	<b>8.3</b>	<b>7.2</b>	<b>31.7</b>	<b>32.9</b>	<b>8.0</b>
YoY Change (%)	-4.6	-12.0	-22.4	-12.7	-5.1	13.6	22.0	-13.2	-13.9	4.0	-9.0
<b>Emerging market</b>	<b>7.2</b>	<b>7.6</b>	<b>7.6</b>	<b>7.8</b>	<b>7.8</b>	<b>7.3</b>	<b>7.5</b>	<b>7.7</b>	<b>30.3</b>	<b>30.4</b>	<b>8.2</b>
YoY Change (%)	18.9	-7.7	7.0	7.1	8.2	-3.1	-1.0	-1.9	5.4	0.3	8.7
<b>API</b>	<b>1.4</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>1.8</b>	<b>5.7</b>	<b>6.2</b>	<b>1.8</b>
YoY Change (%)	-39.7	1.7	-10.6	-2.2	0.7	-3.5	11.0	33.4	-25.3	10.0	1.0
<b>Cost Break-up</b>											
RM Cost (% of Sales)	37.7	35.6	34.5	36.0	35.3	34.6	35.0	37.7	38.6	39.6	35.0
Staff Cost (% of Sales)	17.8	16.5	16.3	16.8	16.9	16.3	16.9	19.4	16.3	17.7	16.3
R&D Expenses(% of Sales)	5.1	5.7	6.2	6.5	5.5	5.7	5.8	6.7	4.3	6.0	6.3
Other Cost (% of Sales)	18.2	18.4	18.7	20.3	18.7	17.4	18.8	22.0	17.0	19.5	18.2
Gross Margin (%)	62.3	64.4	65.5	64.0	64.7	65.4	65.0	62.3	61.4	60.4	65.0
EBITDA Margin (%)	21.3	23.8	24.2	20.4	23.6	26.0	23.5	20.3	22.5	23.4	24.2
EBIT Margin (%)	16.5	18.7	19.5	14.4	19.8	22.3	19.4	15.6	17.3	19.3	20.2

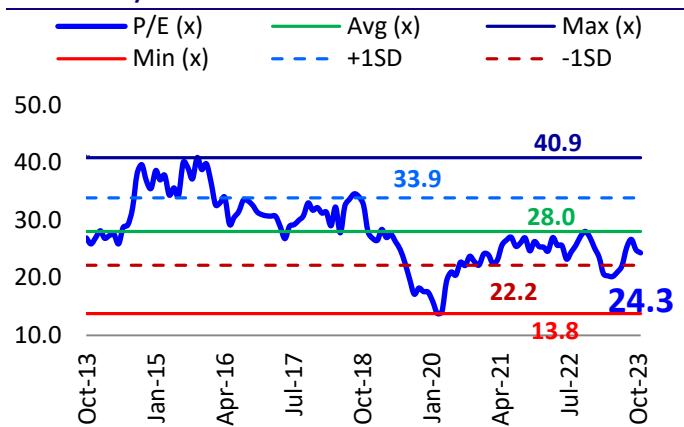
Source: MOFSL, Company



**Highlights from the management commentary**

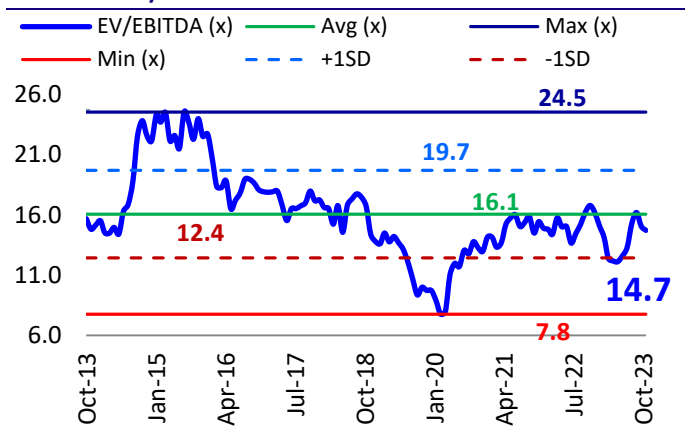
- CIPLA has garnered a market share of 28%/12.9% in lanreotide/albuterol in US generics market.
- It expects market share gain in coming quarters for g-leuprolide.
- The consumer healthcare business witnessed a slowdown in 2Q, mainly due to a weak season.
- PLI benefits are reflected in other operating income and increased QoQ.
- Impairment charge was due to one of the domestic units and testing for one of the products for US market.

**Exhibit 1: P/E chart**



Source: MOFSL, Company, Bloomberg

**Exhibit 2: EV/EBITDA chart**



Source: MOFSL, Company, Bloomberg

**Strong product pipeline/market share gain to fuel growth**

**NA: New launches/market share gains to drive growth prospects**

- In 1HFY24, US sales grew 39.6% YoY (USD451m; up 35% in CC terms) to INR37b, led by increased sales of g-Revlimid and market share gains of Lanreotide, Albuterol, Esomeprazole, Gabapentin, Diclofenac Gel and Budesonide solutions.
- CIPLA plans to launch 1 peptide in the near term and 3 more peptide products in FY25.
- Efforts are underway to get approval for gAbraxane from the alternate site.
- CIPLA has three differentiated products under clinical trials, which would be filed in FY24/FY25.
- Based on the above factors, we expect the company to deliver a 16% US sales CAGR to USD982m over FY23–25.

**DF: Strong brand recall/market share gain to lead superior growth vs. peers**

- In MAT Sept'23, CIPLA outpaced industry growth by 100bp, led by superior execution in Respiratory and Cardiac therapy.
- In the branded prescription market, CIPLA has outperformed respiratory/cardiac therapy against industry by 700bp/160bp in 2QFY24, led by high growth in key products including Foracort, Dytor, and Ibugesic Plus and high chronic mix.
- In 1HFY24, CIPLA launched 26 products in trade generics and registered strong growth in this segment. CIPLA is focusing on increasing its market share by deepening its penetration in tier 2 to 6 cities.

- Further, the Consumer Healthcare business reported moderate sales growth in 1HFY24 due to weak season. However, due to a strong brand recall, CIPLA has achieved EBITDA margins at mid-teens level in this segment.
- Accordingly, we expect a 10.5% sales CAGR in DF to INR120b over FY23-25.

#### **SAGA: Focus on brand building in private/OTC market to boost revenue**

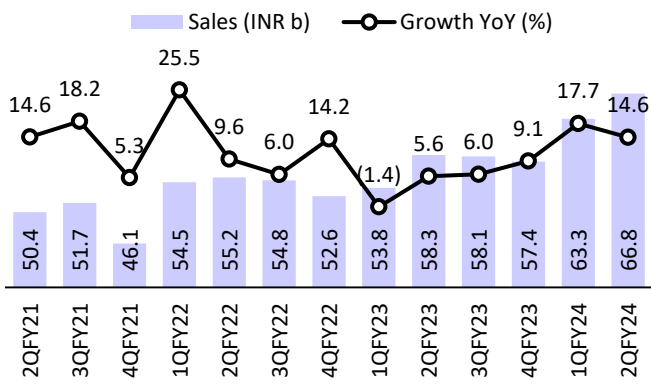
- In 1HFY24, CIPLA's SAGA business grew 4.7% YoY to INR17b. Strong traction in the private market was offset by intense competition in the tender business.
- CIPLA is focusing on building a strong brand franchise in the private and OTC markets, coupled with new launches.
- We expect a 5% sales CAGR in SAGA to INR34.9b over FY23-25.

#### **Valuation and view: Maintain Buy**

- We raise our earnings estimates by 7%/4.4% for FY24/FY25, factoring in better growth prospects in DF, increased visibility for niche launches in NA, and controlled opex. We value Cipla on SOTP basis (25x 12M forward earnings and add NPV of INR30 for g-Revlimid) to arrive at a TP of INR1,450.
- We remain positive on Cipla given its market-beating growth in prescription market, efforts to enhance NA product pipeline with differentiated products, and improving profitability in consumer health business. **Reiterate BUY.**

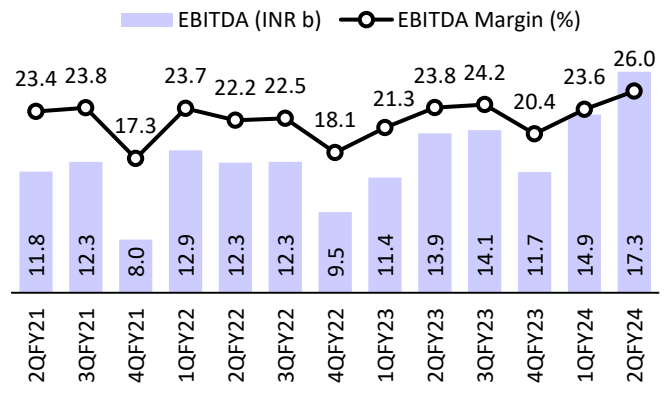
Story in charts

Exhibit 3: Revenue up 14.6% YoY in 2QFY24



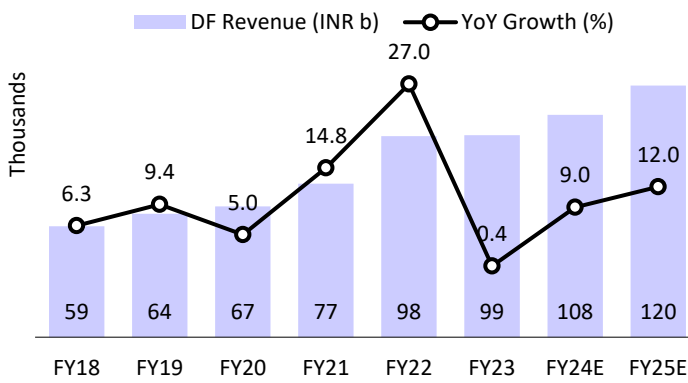
Source: MOFSL, Company

Exhibit 4: EBITDA margin expands ~210bp YoY in 2QFY24



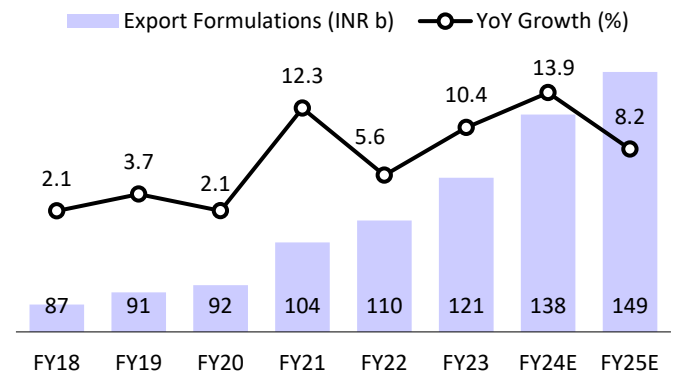
Source: MOFSL, Company

Exhibit 5: Expect 10% DF sales CAGR...



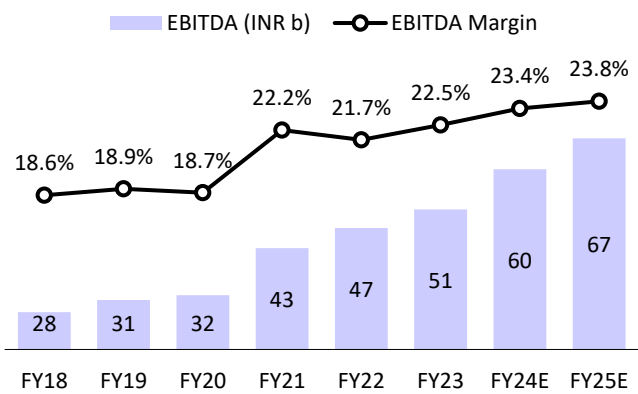
Source: MOFSL, Company

Exhibit 6: ...and 11% export sales CAGR over FY23-25



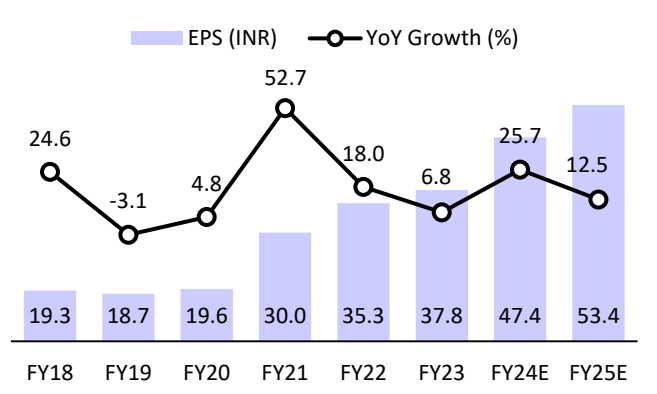
Source: MOFSL, Company

Exhibit 7: EBITDA margin to expand 130bp over FY23-25



Source: MOFSL, Company

Exhibit 8: Expect 19% earnings CAGR over FY23-25



Source: MOFSL, Company

## Financials and valuations

Income Statement						(INRb)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Net Income</b>	<b>163.6</b>	<b>171.3</b>	<b>191.6</b>	<b>217.1</b>	<b>227.5</b>	<b>256.7</b>	<b>281.3</b>
Change (%)	7.5	4.7	11.8	13.3	4.8	12.8	9.6
<b>EBITDA</b>	<b>31.0</b>	<b>32.1</b>	<b>42.5</b>	<b>47.0</b>	<b>51.1</b>	<b>60.1</b>	<b>67.0</b>
Change (%)	9.6	3.5	32.6	10.6	8.8	17.4	11.5
Margin (%)	18.9	18.7	22.2	21.7	22.5	23.4	23.8
Depreciation	11.2	11.4	10.7	10.5	11.7	10.4	11.3
<b>EBIT</b>	<b>19.8</b>	<b>20.6</b>	<b>31.8</b>	<b>36.5</b>	<b>39.4</b>	<b>49.6</b>	<b>55.6</b>
Int. and Finance Charges	1.7	2.0	1.6	1.1	1.1	1.0	0.7
Other Income - Rec.	2.8	3.4	2.7	2.8	4.5	5.3	4.9
<b>PBT before EO Items</b>	<b>20.9</b>	<b>22.1</b>	<b>32.9</b>	<b>38.2</b>	<b>42.8</b>	<b>54.0</b>	<b>59.8</b>
One-time (Expense)/Income	-0.1	0.3	0.0	3.3	2.5	0.4	0.0
<b>PBT but after EO Exp.</b>	<b>20.8</b>	<b>21.8</b>	<b>32.9</b>	<b>34.9</b>	<b>40.4</b>	<b>53.5</b>	<b>59.8</b>
Tax	5.7	6.3	8.9	9.3	12.0	15.2	17.0
Tax Rate (%)	27.4	29.0	27.0	26.7	29.8	28.4	28.5
Minority Interest	-0.4	-0.5	-0.2	0.3	0.3	0.4	-0.3
Income from associates	-0.2	-0.5	-0.1	-0.1	0.0	-0.1	0.0
<b>Reported PAT</b>	<b>15.3</b>	<b>15.5</b>	<b>24.1</b>	<b>25.2</b>	<b>28.0</b>	<b>37.9</b>	<b>43.1</b>
<b>Adj PAT</b>	<b>15.0</b>	<b>15.8</b>	<b>24.1</b>	<b>28.4</b>	<b>30.5</b>	<b>38.3</b>	<b>43.1</b>
Change (%)	-3.1	4.8	52.7	18.0	7.4	25.7	12.5
Margin (%)	9.2	9.2	12.6	13.1	13.4	14.9	15.3

Balance Sheet						(INRb)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Reserves	152.3	157.6	179.3	201.5	232.5	260.6	298.9
<b>Net Worth</b>	<b>150.1</b>	<b>157.6</b>	<b>183.3</b>	<b>208.4</b>	<b>234.1</b>	<b>262.3</b>	<b>300.5</b>
Loans	43.2	28.2	15.4	9.0	5.9	5.9	5.9
Deferred Liabilities	2.2	1.3	-0.2	-2.0	-2.9	-2.9	-2.9
Minority Interest	3.3	2.9	2.6	2.8	3.1	3.1	3.1
<b>Capital Employed</b>	<b>198.8</b>	<b>190.0</b>	<b>201.0</b>	<b>218.1</b>	<b>240.1</b>	<b>268.3</b>	<b>306.6</b>
Gross Block	126.4	138.5	147.5	160.1	166.8	172.8	181.0
Less: Accum. Deprn.	27.4	38.9	49.5	60.1	71.8	82.2	93.5
<b>Net Fixed Assets</b>	<b>98.9</b>	<b>99.6</b>	<b>97.9</b>	<b>100.1</b>	<b>95.0</b>	<b>90.6</b>	<b>87.4</b>
Capital WIP	3.3	4.2	5.7	3.8	6.9	5.1	5.1
Investments	3.0	3.6	3.5	4.2	6.3	6.3	6.3
<b>Curr. Assets</b>	<b>132.4</b>	<b>126.8</b>	<b>141.2</b>	<b>158.3</b>	<b>177.1</b>	<b>225.6</b>	<b>275.0</b>
Inventory	39.6	43.8	46.7	53.5	51.6	61.1	66.3
Account Receivables	41.5	38.9	34.5	34.2	40.6	47.2	53.2
Cash and Bank Balance	6.2	10.0	14.0	19.3	15.6	43.7	73.9
Others	45.1	34.1	46.1	51.3	69.3	73.6	81.6
<b>Curr. Liability &amp; Prov.</b>	<b>38.8</b>	<b>44.2</b>	<b>47.3</b>	<b>48.4</b>	<b>49.9</b>	<b>59.3</b>	<b>67.3</b>
Account Payables	31.4	34.8	36.5	36.2	37.1	46.4	54.4
Provisions	7.4	9.5	10.8	12.2	12.9	12.9	12.9
<b>Net Current Assets</b>	<b>93.7</b>	<b>82.6</b>	<b>93.9</b>	<b>109.9</b>	<b>127.2</b>	<b>166.3</b>	<b>207.7</b>
<b>Appl. of Funds</b>	<b>198.8</b>	<b>190.0</b>	<b>201.0</b>	<b>218.1</b>	<b>240.1</b>	<b>268.3</b>	<b>306.6</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>18.7</b>	<b>19.6</b>	<b>30.0</b>	<b>35.3</b>	<b>37.8</b>	<b>47.4</b>	<b>53.4</b>
Cash EPS	32.5	33.7	43.1	48.2	52.3	60.4	67.4
BV/Share	186.3	195.5	227.2	258.1	284.2	324.9	372.3
DPS	3.0	2.5	2.5	3.0	3.0	4.0	5.0
Payout (%)	18.6	15.6	10.0	11.5	10.3	10.2	11.2
<b>Valuation (x)</b>							
P/E	62.8	59.9	39.3	33.3	31.1	24.8	22.0
Cash P/E	36.2	34.9	27.3	24.4	22.5	19.5	17.4
P/BV	6.3	6.0	5.2	4.6	4.1	3.6	3.2
EV/Sales	6.0	5.6	4.9	4.3	4.1	3.5	3.1
EV/EBITDA	31.7	30.1	22.3	19.9	18.3	15.1	13.1
Dividend Yield (%)	0.3	0.2	0.2	0.3	0.3	0.3	0.4
FCF per Share	15.9	24.0	33.7	27.9	11.9	42.8	44.1
<b>Return Ratios (%)</b>							
RoE	10.3	10.2	14.1	14.5	13.3	14.6	14.3
RoCE	8.4	8.8	12.9	13.7	13.5	15.5	15.1
RoIC	8.0	8.2	13.3	14.5	13.8	16.7	18.3
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	1.3	1.3	1.3	1.4	1.4	1.5	3.2
Debtor (Days)	93	83	66	58	65	67	69
Inventory (Days)	88	93	89	90	83	87	86
Creditors (Days)	43	49	39	42	39	37	39
Working Capital (Days)	138	128	115	105	108	117	116
<b>Leverage Ratio (x)</b>							
Current Ratio	3.4	2.9	3.0	3.3	3.5	3.8	4.1
Debt/Equity	0.2	0.1	0.0	0.0	0.0	-0.1	-0.2

### Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>(INRb)</b>							
<b>EBITDA</b>	<b>31.0</b>	<b>32.1</b>	<b>42.5</b>	<b>47.0</b>	<b>51.1</b>	<b>60.1</b>	<b>67.0</b>
Interest/Dividends Recd.	2.8	3.4	2.7	2.8	4.5	5.3	4.9
Direct Taxes Paid	-6.6	-7.3	-10.3	-11.2	-12.9	-15.2	-17.0
(Inc)/Dec in WC	-16.6	14.9	-7.4	-10.7	-20.9	-11.1	-11.1
<b>CF from Operations</b>	<b>10.6</b>	<b>43.1</b>	<b>27.5</b>	<b>27.9</b>	<b>21.8</b>	<b>39.0</b>	<b>43.7</b>
others	6.2	-10.5	10.1	8.6	0.0	0.0	0.0
<b>CF from Oper. incl EO Expense</b>	<b>16.9</b>	<b>32.3</b>	<b>37.6</b>	<b>33.3</b>	<b>19.3</b>	<b>38.6</b>	<b>43.7</b>
(inc)/dec in FA	-4.1	-13.0	-10.5	-10.8	-9.8	-4.2	-8.2
<b>Free Cash Flow</b>	<b>12.8</b>	<b>19.3</b>	<b>27.1</b>	<b>22.5</b>	<b>9.6</b>	<b>34.4</b>	<b>35.5</b>
(Pur)/Sale of Investments	-2.9	-0.6	0.1	-0.7	-2.2	0.0	0.0
others	-9.7	14.7	-13.5	-7.3	0.0	0.0	0.0
<b>CF from Investments</b>	<b>-16.7</b>	<b>1.0</b>	<b>-23.9</b>	<b>-18.7</b>	<b>-11.9</b>	<b>-4.2</b>	<b>-8.2</b>
Inc/(Dec) in Debt	2.2	-15.0	-12.8	-6.4	-3.0	0.0	0.0
Interest Paid	-1.7	-2.0	-1.6	-1.1	-1.1	-1.0	-0.7
Dividend Paid	-2.8	-2.4	-2.4	-2.9	-2.9	-3.9	-4.8
Others	-1.1	-11.7	3.5	-0.4	-5.5	-3.0	-1.2
<b>CF from Fin. Activity</b>	<b>-3.5</b>	<b>-31.1</b>	<b>-13.3</b>	<b>-10.7</b>	<b>-12.5</b>	<b>-7.9</b>	<b>-6.7</b>
<b>Inc/Dec of Cash</b>	<b>-3.3</b>	<b>2.2</b>	<b>0.4</b>	<b>3.8</b>	<b>-5.1</b>	<b>26.6</b>	<b>28.8</b>
Add: Beginning Balance	9.7	6.2	10.0	14.0	19.3	15.6	43.7
Bank balances	0.0	-1.1	3.6	1.5	1.5	1.5	1.5
Bank balances and FX impact	-0.2	1.6	3.6	1.5	1.5	1.5	1.5
<b>Closing balance</b>	<b>6.2</b>	<b>10.0</b>	<b>14.0</b>	<b>19.3</b>	<b>15.6</b>	<b>43.7</b>	<b>73.9</b>

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NOTES



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