MOTILAL OSWAL FINANCIAL SERVICES

18 October 2024

2QFY25 Results Update | Sector: Automobile

CEAT

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CEAT IN
Equity Shares (m)	40
M.Cap.(INRb)/(USDb)	120.3 / 1.4
52-Week Range (INR)	3263 / 2060
1, 6, 12 Rel. Per (%)	3/6/9
12M Avg Val (INR M)	684

Financials & valuations (INR b)

INR Billion	FY24	FY25E	FY26E
Sales	119.4	132.6	146.0
EBITDA	16.5	14.6	16.8
EBIDTA Margin (%)	13.8	11.0	11.5
Adj. PAT	6.9	5.3	7.1
EPS (Rs)	169.4	131.9	176.3
EPS Growth (%)	226.6	-22.2	33.6
BV/Share (Rs)	999	1,106	1,248
Ratios			
RoE (%)	18.3	12.5	15.0
RoCE (%)	15.3	11.7	13.3
Payout (%)	18.9	19.0	19.9
Valuations			
P/E (x)	17.5	22.5	16.8
P/BV (x)	3.0	2.7	2.4
Div. Yield (%)	1.0	0.8	1.2
FCF Yield (%)	7.1	2.3	5.3

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	47.2	47.2	47.2
DII	17.1	15.9	12.2
FII	18.8	20.2	26.2
Others	16.9	16.7	14.4

FII includes depository receipts

CMP: INR2,973 TP: INR3,450 (+16%) BUY

Operating margins impacted by higher RM costs

Replacement and exports to drive growth, input cost to moderate in H2

- Ceat Ltd (CEAT)'s 2QFY25 performance was impacted by higher RM costs, leading to a 100bp contraction in operating margins QoQ, which stood at 11% (est. 11.5%). The outlook for replacement segment across categories and exports remains healthy, with a recovery expected in the OEM segment in H2.
- CEAT's focus on strategic areas such as PVs/2Ws/OHT/exports (to help margins), along with prudent capex plans (to benefit FCF), should continue to improve its returns in the long run. Valuations at 22.5x/16.8x FY25E/FY26E consol. EPS appear reasonable. **We reiterate our BUY rating on the stock with a TP of INR3,450 (based on ~17x Sep'26E EPS)**.

Lower other expenses offset the impact of higher RM costs

- CEAT's 2QFY25 revenue grew 8% YoY but EBITDA/adj. PAT declined 21%/41% YoY to INR3.6b/INR1.2b (est. INR3.8b/INR1.5b). 1HFY25 revenues grew 8.5% YoY but EBITDA/adj. PAT declined 12%/23% YoY. 2HFY25 revenue is estimated to grow 13.5% YoY while EBITDA/adj. PAT is estimated to decline 12%/21% YoY.
- Volume grew ~6.4% YoY, mainly led by double-digit growth in the replacement and exports markets, while OEM volumes experienced a 3-4% YoY decline.
- Gross margins contracted 590bp YoY (-180bp QoQ) to 37.4% (est.38.2%) due to the higher RM costs.
- EBITDA margin stood at 11% (-400bp YoY; est. 11.5%); the miss was mainly due to the higher RM costs, which were offset by savings in marketing costs, leading to lower other expenses.
- 1HFY25 cash outflow stood at INR114m (INR3.8b cash inflow in 1HFY24) due to the lower operating cash flow of INR4.15b (INR7.7b in 1HFY24) and higher capex of INR4.3b (INR3.9b in 1HFY24).
- Debt increased by INR2.4b sequentially to INR18.85b as of Sep'24. This was due to the higher WC requirement and payment of dividend. Capex stood at INR2.1b for the quarter.

Highlights from the management commentary

- **Outlook:** A double-digit volume growth is expected in replacement/export segments, with a bounce back in the OEM segment anticipated in H2.
- **RM costs are expected to witness a further rise (1.5-2%) in 3Q with some softening expected in 4Q.**
- **They have taken a price hike of 1.5%/3.5% in the first week of Oct'24.** They are looking to take further **price hikes in 3QFY25** to pass on the higher cost impact.
- The Sri Lanka business is recovering well and clocked 31% YoY volume growth in 2Q with 19.5% EBITDA margin.

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Valuation and view

- CEAT has guided for double-digit volume growth in both replacement and export segments. It also expects OE demand to pick up in H2, led by new model wins and higher share of business in PVs/2Ws/CVs. However, given the rising cost pressure, we have lowered our FY25/FY26 EPS estimate by 9% each.
- CEAT's focus on strategic areas such as PVs/2Ws/OHT/exports (to help margins), along with prudent capex plans (to benefit FCF), should continue to improve its returns in the long run. Valuations at 22.5x/16.8x FY25E/FY26E consol. EPS appear reasonable. **We reiterate our BUY rating on the stock with a TP of INR3,450 (based on ~17x Sep'26E EPS).**

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
Net Sales	**29,352**	**30,533**	**29,631**	**29,919**	**31,928**	**33,045**	**33,780**	**33,822**	**1,19,435**	**1,32,576**	**32,976**
YoY Change (%)	4.1	5.5	8.7	4.1	8.8	8.2	14.0	13.0	5.6	11.0	8.0
RM Cost (%)	58.9	56.7	58.7	57.7	60.8	62.6	63.0	62.5	58.0	62.2	61.8
Employee Cost (%)	6.7	7.1	7.3	7.2	6.1	6.6	6.3	6.5	7.1	6.4	6.1
Other Expenses (%)	21.2	21.3	19.9	22.0	21.1	19.8	20.2	20.5	21.1	20.4	20.6
EBITDA	**3,871**	**4,561**	**4,175**	**3,915**	**3,829**	**3,623**	**3,547**	**3,552**	**16,522**	**14,550**	**3,792**
Margins (%)	13.2	14.9	14.1	13.1	12.0	11.0	10.5	10.5	13.8	11.0	11.5
Depreciation	1,209	1,245	1,273	1,361	1,318	1,371	1,380	1,388	5,088	5,457	1,320
Interest	701	717	656	617	619	665	600	551	2,691	2,434	550
Other Income	33	105	29	31	62	35	70	114	197	280	75
PBT Before EO Expense	**1,993**	**2,704**	**2,276**	**1,969**	**1,954**	**1,622**	**1,637**	**1,726**	**8,941**	**6,939**	**1,997**
Exceptional Item	0	0	0	582	-75	0	0	74	582	0	0
PBT	**1,993**	**2,704**	**2,276**	**1,387**	**2,029**	**1,621**	**1,637**	**1,652**	**8,359**	**6,939**	**1,997**
Tax Rate (%)	26.5	25.3	23.9	33.0	26.6	28.6	26.0	22.7	26.5	26.0	26.0
Minority Int. & Profit of Asso. Cos.	18	-59	-84	-157	-53	-61	-55	-32	-282	-200	-45
Reported PAT	**1,446**	**2,080**	**1,815**	**1,086**	**1,542**	**1,219**	**1,266**	**1,308**	**6,427**	**5,335**	**1,523**
Adj PAT	**1,446**	**2,080**	**1,815**	**1,513**	**1,486**	**1,219**	**1,266**	**1,363**	**6,854**	**5,335**	**1,523**
YoY Change (%)	1,383	745	408	8	3	-41	-30	-10	227	-22	-26.8
Key Performance Indicators											
RM Cost (% of sales)	58.9	56.7	58.7	57.7	60.8	62.6	63.0	62.5	58.0	62.2	61.8
Staff Cost (% of sales)	6.7	7.1	7.3	7.2	6.1	6.6	6.3	6.5	7.1	6.4	6.1
Other Cost (% of sales)	21.2	21.3	19.9	22.0	21.1	19.8	20.2	20.5	21.1	20.4	20.6
Gross Margin (%)	41.1	43.3	41.3	42.3	39.2	37.4	37.0	37.5	41.1	43.3	38.2
EBITDA Margins (%)	13.2	14.9	14.1	13.1	12.0	11.0	10.5	10.5	13.8	11.0	11.5
EBIT Margins (%)	9.1	10.9	9.8	8.5	7.9	6.8	6.4	6.4	13.8	11.0	7.5

E:MOFSL Estimates

Highlights from the management commentary

Domestic business updates:

- **Outlook:** A double digit growth is expected in the replacement/export segments, with a bounce back anticipated in the OEM segment in H2**.** OEM's revival is expected due to new launches in PVs/2Ws and CEAT's growing share of business with OEMs. The enhanced capacity of TBR facility will also aid in the company's growth. Better availability of containers is likely to help improve exports in H2.
- **2QFY25 volumes grew 6.4% YoY (+1.2% QoQ):** Replacement and export volumes grew double digit on a YoY basis while OEMs experienced a 3-4% YoY decline.
  - In the replacement segment, TBR/PCR/2Ws grew in double digits while TBB/LCVs declined. The OHT segment grew in low single digit. It is gaining market share in the TBR segment due to superior products and market wins in some parts of the country. PV replacement is benefiting from its tire brands such as Cross Drive and Sports Drive in premium segments.
- **RM costs to witness a further rise (1.5-2%) in 3Q with some softening expected in 4Q:** The commodity basket grew ~6% sequentially. Domestic NR prices stood at INR250/kg in 2Q, which was INR50/kg more than the international rubber prices. Currently, domestic NR prices have experienced some softening, but imported rubber prices have started inching up. CEAT expects the RM basket to remain at elevated levels in 3Q, partly due to its older high-cost inventory. Hence, it is expected to witness a further inflation of 1.5-2% in Q3.
- **Price hikes implemented in 2Q, with more to follow in 3Q:** The company experienced a price hike of 1-2% in CVs, 1.5% in PVs, and 2% in the rest of the categories in Q2. In the first week of October, it implemented another price hike of 1.5%/3.5% in CVs/PVs. It is also contemplating price hikes during Nov-Dec in 2Ws/TBB and other categories. It has received a price indexation benefit of 3% in 2Q (for 1Q) from OEMs and is expected to receive an additional 4% in 3Q (for 2Q).

Export business updates:

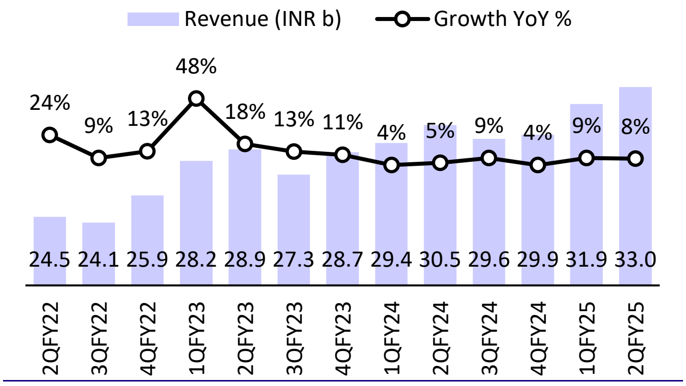
- **2QFY25 experienced double-digit volume growth, which was limited by the Red Sea crisis.** Freight rates remained high during the quarter, indicating signs of cooling. The top three clusters continue to remain EU/ LatAm/Middle East, contributing ~65% of CEAT's exports. It has commenced TBR production from the Chennai plant, which will mainly cater to the EU and US markets. The capacity from the plant stands at 45k tires/month.
- The Sri Lankan business is recovering well and clocked 31% YoY volume growth in 2Q with a 19.5% EBITDA margin.
- Agri radials continue to experience headwinds in terms of end markets and have been flat on a YoY basis, mainly due to a decline in OEMs (down 50-60% YoY), which is offset by the growth of the replacement market. There has been inventory build-up and macro remains weak. While the inventory situation is normalizing, demand is likely to take a few more quarters to recover.
- CEAT has been launching 40+ SKUs every quarter in the agri-radial segments. It has received approvals from two OEM customers (Massey Fergusson in France and CFI in the US) for supply. It will be launching 30-40/8-10 SKUs in PVs/TBR over the next two quarters.
- The company is also focusing on exporting PCR tires to OEMs, but it will still take 2-4 years to obtain their approval. Hence, it will be focusing on the replacement market for the PVs and TBR segments.

Other business updates:

- The overall capacity utilization stands at around 80%.
- CEAT continues to be the leading player in 2Ws with about 35% market share. Its market share in PCR stands at 17%. It ranks a close third in this segment with an aspiration to reach the leadership position over the next two to three years. Further, it has a 30% market share in e-2Ws and 25% in e-PVs.
- Other expenses were lower by INR240m sequentially, mainly due to lower marketing costs. Employee costs were higher 12% sequentially on account of annual increments.
- The company has maintained its full-year capex guidance at INR10-10.5b (INR4.3b already spent in 1H).
- Its debt increased by INR2.4b due to higher working capital requirements as against Q1FY25 and the payment of dividends (INR1.2b). Debt/EBITDA stood at 1.19 and D/E at 0.45 at the end of Sep'24. It is currently comfortable with the current leverage ratios.
- The formation of the Indonesian subsidiary is mainly to explore opportunities; the company does not intend to set up any manufacturing facility there.

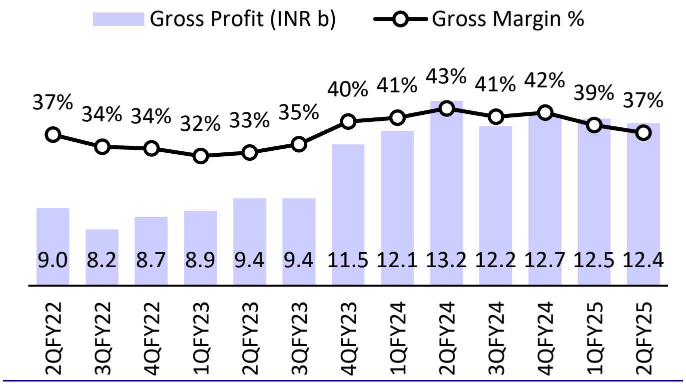
Key exhibits

Exhibit 1: Trend in revenue



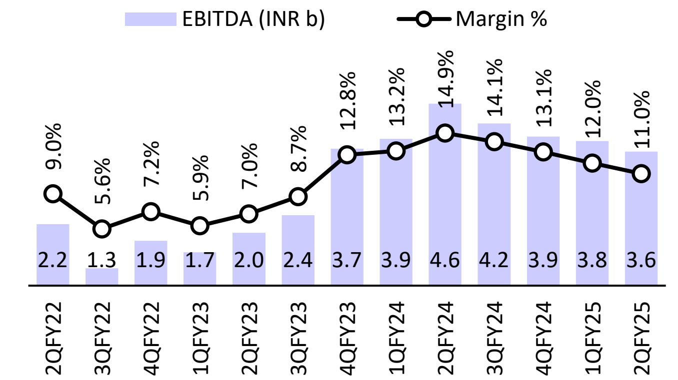
Source: MOFSL, Company

Exhibit 2: Trend in gross margin



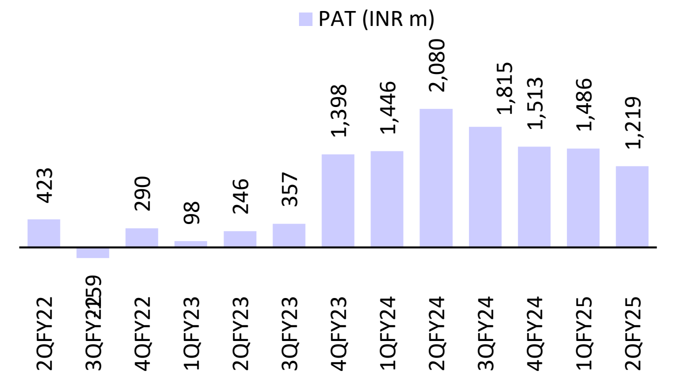
Source: MOFSL, Company

Exhibit 3: EBITDA and EBITDA margin trends



Source: MOFSL, Company

Exhibit 4: Absolute PAT trend



Source: MOFSL, Company

Valuation and view

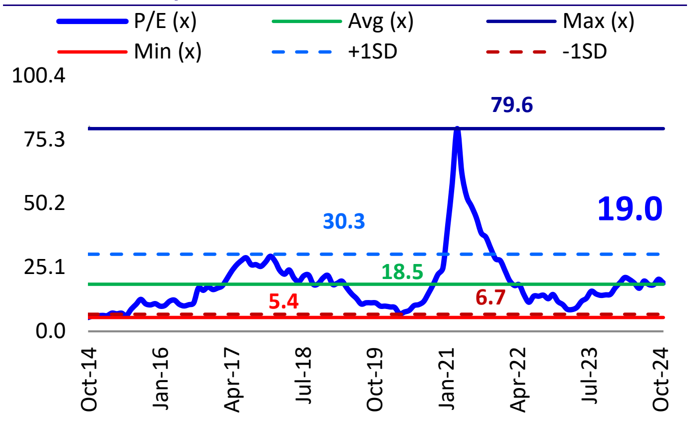
- **Focus on improving brand equity to drive market share gains:** CEAT has placed a strong emphasis on effective marketing and branding (~2.0-2.5% of sales) for its products. To position its products competitively, it has developed creative advertising campaigns based on research and consumer insights and has invested in innovative marketing programs. Since the 2W and Passenger Car segments are consumer-facing, factors such as brand loyalty, visibility, and recall play a significant role in creating replacement market demand and improving market share. This, in turn, would benefit its margin profile.
- **Ramp-up in strategic focus areas to continue**: Management has identified the 2W, Passenger Car, and OTR (truck/off-road) tire segments as strategic focus areas, given their abilities to boost margin and lower CEAT's dependence on the Truck segment. Revenue contribution from these focus areas has surged over the years (to 62% in FY24 from mere 20% in FY10). This is also reflected in the market share gain in the PCR segment (over 17% now from 11% a few years back). Even in the 2W replacement segment, CEAT continues to enjoy a very high market share of 35% currently. Moreover, it has ramped up its presence in EVs with a current market share of 30% in 2Ws and 20% in PVs.

- **Healthy growth outlook mainly led by replacement demand:** Given a balanced presence across key segments, management expects steady growth from most of these segments: 1) strong volume growth from the TBR replacement segment; 2) steady PCR volume growth; 3) the 2W segment growth expected mainly from small towns; 4) **OEMs**: likely revival from all segments, mainly on account of new order wins and higher share of business with existing customers, and 5) export contribution to increase to 25% in the next couple of years from 19% currently, backed by its recent initiatives. Overall, management expects replacement demand to grow in double digits in FY25E. It also expects to manage the EPR impact through a combination of price hikes and improved mix. Accordingly, we expect CEAT to clock a revenue/EBITDA/PAT CAGR of ~11%/1%/2% over FY24-26.
- **Valuation and view:** A stable growth outlook for domestic OEMs and a pick-up in replacement demand will enable a faster absorption of new capacities and drive operating leverage benefits. Factoring in the rising RM costs, we have cut our FY25E/FY26E EPS by 9% each. CEAT's focus on strategic areas such as PV/2W/OHT/exports (to help margins), along with prudent capex plans (to benefit FCF), should continue to improve its returns in the long run. Valuations are at 22.5x/16.8x FY25E/FY26E consol. EPS appears reasonable. **Hence, we reiterate our BUY rating on the stock with a TP of INR3,450 (based on ~17x Sep'26E EPS).**

Exhibit 5: Changes to our estimates

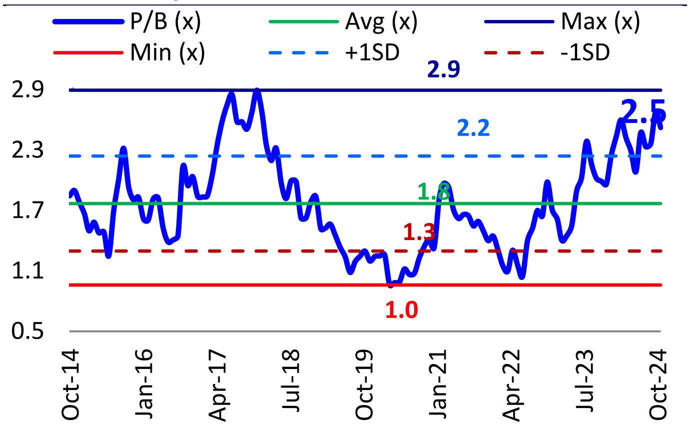
(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	1,32,576	1,30,641	1.5	1,46,045	1,43,915	1.5
EBITDA	14,550	14,893	-2.3	16,795	16,982	-1.1
EBITDA (%)	11.0	11.4	-40bp	11.5	11.8	-30bp
Adj. PAT	5,335	5,864	-9.0	7,129	7,824	-8.9
EPS (INR)	131.9	145.0	-9.0	176.3	193.4	-8.9

Exhibit 6: One-year forward P/E



Source: MOFSL, Company

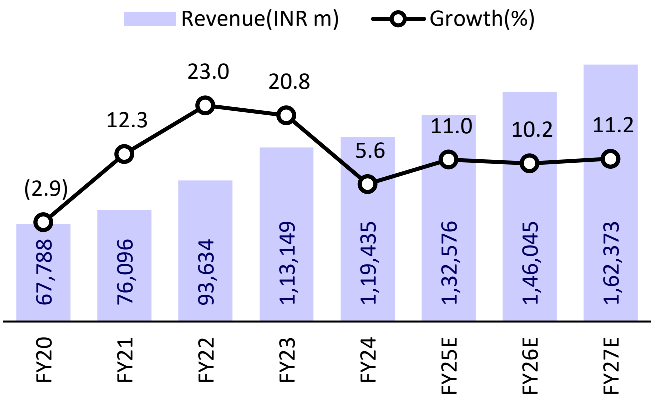
Exhibit 7: One-year forward P/B band



Source: MOFSL, Company

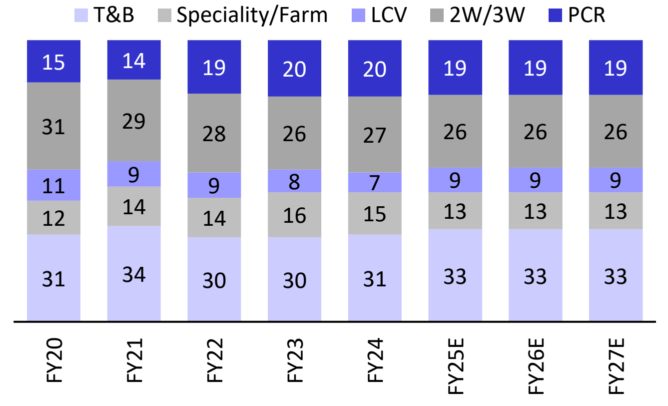
Story in charts

Exhibit 8: Revenue and growth trends



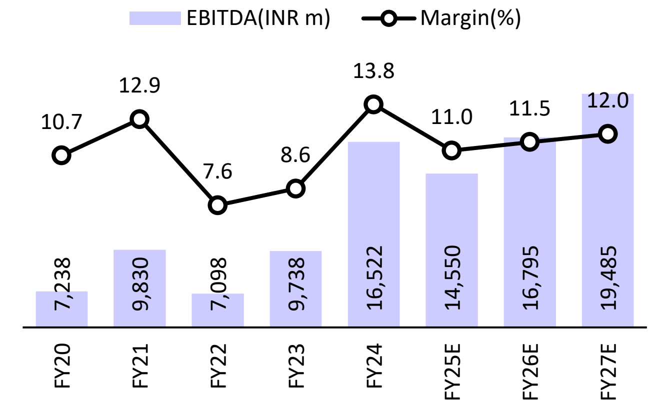
Source: MOFSL, Company

Exhibit 9: Key revenue segments



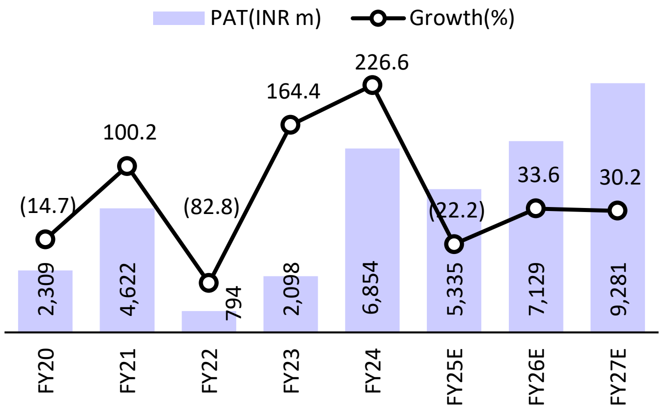
Source: MOFSL, Company

Exhibit 10: EBITDA and EBITDA margin trends



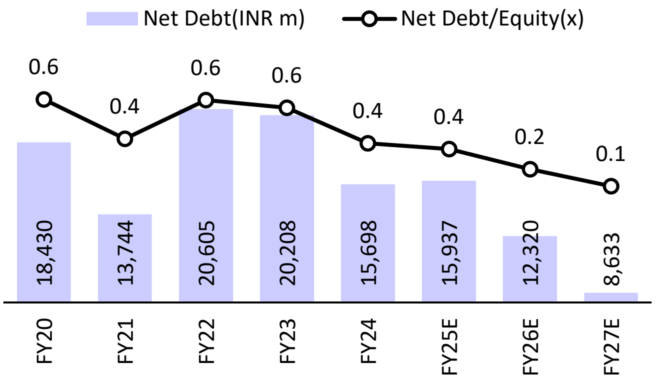
Source: MOFSL, Company

Exhibit 11: PAT and PAT growth trends



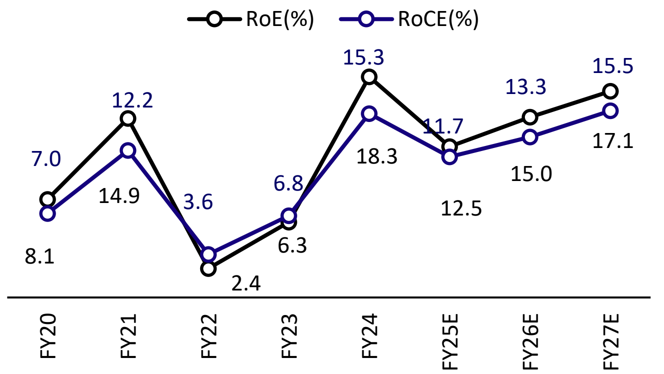
Source: MOFSL, Company

Exhibit 12: Trend in debt levels



Source: MOFSL, Company

Exhibit 13: Trend in return profile



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Revenues from Ops	**67,788**	**76,096**	**93,634**	**1,13,149**	**1,19,435**	**1,32,576**	**1,46,045**	**1,62,373**
Change (%)	-2.9	12.3	23.0	20.8	5.6	11.0	10.2	11.2
EBITDA	**7,238**	**9,830**	**7,098**	**9,738**	**16,522**	**14,550**	**16,795**	**19,485**
EBITDA Margin (%)	10.7	12.9	7.6	8.6	13.8	11.0	11.5	12.0
Depreciation	2,765	3,396	4,352	4,693	5,088	5,457	5,871	6,172
EBIT	**4,473**	**6,433**	**2,746**	**5,045**	**11,434**	**9,093**	**10,925**	**13,313**
EBIT Margin (%)	6.6	8.5	2.9	4.5	9.6	6.9	7.5	8.2
Int. and Finance Charges	1,509	1,755	2,070	2,421	2,691	2,434	1,988	1,468
Other Income	205	138	114	169	197	280	400	400
PBT bef. EO Exp.	**3,169**	**4,816**	**790**	**2,793**	**8,941**	**6,939**	**9,337**	**12,245**
EO Items	5	-341	-129	-334	-582	0	0	0
PBT after EO Exp.	**3,174**	**4,476**	**661**	**2,459**	**8,359**	**6,939**	**9,337**	**12,245**
Total Tax	1,046	516	243	718	2,214	1,804	2,428	3,184
Tax Rate (%)	33.0	11.5	36.7	29.2	26.5	26.0	26.0	26.0
Minority Int./Share JV PAT	-184	-361	-294	-120	-282	-200	-220	-220
Reported PAT	**2,312**	**4,320**	**712**	**1,862**	**6,427**	**5,335**	**7,129**	**9,281**
Adjusted PAT	**2,309**	**4,622**	**794**	**2,098**	**6,854**	**5,335**	**7,129**	**9,281**
Change (%)	-14.7	100.2	-82.8	164.4	226.6	-22.2	33.6	30.2
Margin (%)	3.4	6.1	0.8	1.9	5.7	4.0	4.9	5.7

Consolidated - Balance Sheet (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	405	405	405	405	405	405	405	405
Total Reserves	28,675	32,758	32,324	33,992	40,022	44,345	50,059	57,520
Net Worth	**29,079**	**33,163**	**32,728**	**34,396**	**40,426**	**44,749**	**50,463**	**57,924**
Minority Interest	237	232	235	174	97	97	97	97
Total Loans	18,772	14,176	20,968	20,927	16,289	17,289	13,289	9,289
Deferred Tax Liabilities	2,744	2,800	3,177	3,886	4,245	4,245	4,245	4,245
Capital Employed	**50,832**	**50,371**	**57,108**	**59,383**	**61,057**	**66,381**	**68,094**	**71,555**
Gross Block	49,795	58,732	67,748	80,110	86,717	96,717	1,05,717	1,14,717
Less: Accum. Deprn.	8,197	11,097	14,456	19,149	24,237	29,694	35,565	41,737
Net Fixed Assets	**41,598**	**47,634**	**53,292**	**60,961**	**62,480**	**67,023**	**70,152**	**72,980**
Goodwill on Consolidation	0	0	0	0	231	231	231	231
Capital WIP	10,685	7,929	8,759	5,961	6,835	6,835	6,835	6,835
Total Investments	**1,837**	**2,101**	**1,792**	**1,696**	**1,821**	**1,821**	**1,821**	**4,021**
Curr. Assets, Loans & Adv.	**19,410**	**23,087**	**27,176**	**27,519**	**28,314**	**36,517**	**39,601**	**43,496**
Inventory	9,257	11,299	13,096	11,378	11,505	16,168	17,706	19,574
Account Receivables	6,744	9,216	11,543	13,070	12,832	16,345	18,006	20,019
Cash and Bank Balance	342	431	363	719	591	1,352	969	656
Loans and Advances	3,067	2,141	2,174	2,353	3,386	2,652	2,921	3,247
Curr. Liability & Prov.	**22,697**	**30,380**	**33,910**	**36,754**	**38,623**	**46,046**	**50,546**	**56,008**
Account Payables	11,948	18,395	21,576	22,683	23,321	27,485	30,099	33,275
Other Current Liabilities	9,114	10,444	10,654	12,154	13,462	15,909	17,525	19,485
Provisions	1,635	1,541	1,680	1,917	1,840	2,652	2,921	3,247
Net Current Assets	**-3,288**	**-7,293**	**-6,734**	**-9,234**	**-10,310**	**-9,529**	**-10,945**	**-12,512**
Appl. of Funds	**50,832**	**50,371**	**57,108**	**59,383**	**61,057**	**66,381**	**68,094**	**71,555**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	**57.1**	**114.3**	**19.6**	**51.9**	**169.4**	**131.9**	**176.3**	**229.5**
Cash EPS	125.4	198.2	127.2	167.9	295.2	266.8	321.4	382.0
BV/Share	718.9	819.8	809.1	850.3	999.4	1,106.3	1,247.5	1,432.0
DPS	12.0	18.0	3.0	12.0	30.0	25.0	35.0	45.0
Payout (%)	25.3	16.9	17.0	26.1	18.9	19.0	19.9	19.6
Valuation (x)								
P/E	52.0	26.0	151.3	57.2	17.5	22.5	16.8	12.9
Cash P/E	23.7	15.0	23.3	17.7	10.1	11.1	9.2	7.8
P/BV	4.1	3.6	3.7	3.5	3.0	2.7	2.4	2.1
EV/Sales	2.0	1.8	1.5	1.2	1.1	1.0	0.9	0.8
EV/EBITDA	19.1	13.6	19.8	14.4	8.2	9.3	7.9	6.6
Dividend Yield (%)	0.4	0.6	0.1	0.4	1.0	0.8	1.2	1.5
Return Ratios (%)								
RoE	8.1	14.9	2.4	6.3	18.3	12.5	15.0	17.1
RoCE (Post Tax)	7.0	12.2	3.6	6.8	15.3	11.7	13.3	15.5
RoIC	8.4	14.6	4.0	7.4	16.3	12.4	14.1	16.6
Working Capital Ratios								
Fixed Asset Turnover (x)	1.4	1.3	1.4	1.4	1.4	1.4	1.4	1.4
Asset Turnover (x)	1.3	1.5	1.6	1.9	2.0	2.0	2.1	2.3
Inventory (Days)	50	54	51	37	35	45	44	44
Debtor (Days)	36	44	45	42	39	45	45	45
Creditor (Days)	64	88	84	73	71	76	75	75
Leverage Ratio (x)								
Current Ratio	0.9	0.8	0.8	0.7	0.7	0.8	0.8	0.8
Interest Cover Ratio	3.0	3.7	1.3	2.1	4.2	3.7	5.5	9.1
Net Debt/Equity	0.6	0.4	0.6	0.6	0.4	0.4	0.2	0.1

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

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	2,871	4,476	661	2,459	8,359	6,939	9,337	12,245
Depreciation	2,765	3,396	4,352	4,693	5,088	5,457	5,871	6,172
Interest & Finance Charges	1,509	1,755	2,070	2,421	2,691	2,154	1,588	1,068
Direct Taxes Paid	-181	-512	-200	377	-1,630	-1,804	-2,428	-3,184
(Inc)/Dec in WC	2,582	4,516	-736	2,211	2,674	-19	1,032	1,254
CF from Operations	**9,546**	**13,631**	**6,147**	**12,161**	**17,183**	**12,727**	**15,400**	**17,555**
Others	17	-54	42	-106	10	0	0	0
CF from Operating incl EO	**9,563**	**13,577**	**6,189**	**12,055**	**17,193**	**12,727**	**15,400**	**17,555**
(Inc)/Dec in FA	-11,183	-6,395	-9,558	-8,779	-8,668	-10,000	-9,000	-9,000
Free Cash Flow	**-1,620**	**7,182**	**-3,369**	**3,276**	**8,525**	**2,727**	**6,400**	**8,555**
(Pur)/Sale of Investments	9	-27	-89	-11	-47	0	0	-2,200
Others	419	241	203	299	178	280	400	400
CF from Investments	**-10,755**	**-6,181**	**-9,444**	**-8,491**	**-8,537**	**-9,720**	**-8,600**	**-10,800**
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	3,854	-5,677	5,821	-41	-4,638	1,000	-4,000	-4,000
Interest Paid	-1,925	-1,628	-1,944	-2,093	-2,669	-2,434	-1,988	-1,468
Dividend Paid	-1,139	-4	-746	-126	-485	-1,011	-1,416	-1,820
Others	0	0	0	-936	-918	200	220	220
CF from Fin. Activity	790	-7,309	3,132	-3,195	-8,710	-2,246	-7,183	-7,068
Inc/Dec of Cash	**-402**	**87**	**-123**	**368**	**-55**	**762**	**-384**	**-313**
Opening Balance	675	274	361	238	606	552	1,313	929
Closing Balance	**274**	**361**	**238**	**606**	**552**	**1,313**	**929**	**617**

NOTES

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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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