

Aurobindo Pharma

Estimate change

TP change

Rating change



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Bloomberg	ARBP IN
Equity Shares (m)	586
M.Cap.(INRb)/(USD b)	446 / 6
52-Week Range (INR)	1064 / 738
1, 6, 12 Rel. Per (%)	-25/-26/-58
12M Avg Val (INR M)	2926

Financials & Valuations (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	247.7	247.0	268.8
EBITDA	53.9	55.1	61.3
Adj. PAT	31.7	33.0	36.8
EBIT Margin (%)	17.5	17.4	17.9
Cons. Adj. EPS (INR)	54.0	56.3	62.8
EPS Gr. (%)	9.9	4.2	11.6
BV/Sh. (INR)	374.3	427.4	486.3

Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	16.3	14.0	13.8
RoCE (%)	13.6	12.0	12.2
Payout (%)	2.7	6.2	6.4

Valuations

P/E (x)	14.1	13.5	12.1
EV/EBITDA (x)	8.2	7.8	6.5
Div. Yield (%)	0.3	0.5	0.5
FCF Yield (%)	1.6	2.4	6.8
EV/Sales (x)	1.8	1.7	1.5

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	51.8	51.9	52.0
DII	14.7	13.2	12.6
FII	23.7	24.4	22.6
Others	9.8	10.5	12.8

FII Includes depository receipts

CMP: INR760

TP: INR900 (+18%)

Buy

Pricing pressure drags profitability

Product approvals key to benefit from the acquisition

- ARBP delivered a miss on 1QFY22 earnings, led by increases in pricing pressure in the US Generics segment and reduced offtake of ARV medicines. It has recently allocated ~USD160m for forward integrating/enhancing product offerings in the Veterinary space and adding ANDAs in the US Generics segment.
- We reduce our FY22E/FY23E EPS estimate by 5%/6% to factor in higher competition in US Generics and lower other income to account for the usage of capital for acquisitions. We value ARBP at 14x its 12-month forward earnings to arrive at our TP of INR900. ARBP is working on building a complex product pipeline. However, timely approval remains critical for a better growth outlook over the next 2-3 years. We maintain our Buy rating.

Lower US/ARV sales led to a YoY earnings decline

- Sales declined by 4% YoY to INR57b in 1QFY22 (est. INR62.2b). The decline was largely led by lower Formulation sales (down 5% YoY to INR49b) and divestment of the Natrol business.
- US Formulation sales declined by 1.5% YoY to INR26.8b (USD364m; 47% of sales). ARV sales fell 30% YoY to INR3b in 1QFY22 (5% of sales).
- EU Formulation sales grew 19.7% YoY to INR15.8b (28% of sales). Sales in growth markets grew 13.7% YoY to INR3.3b (6% of sales). API sales grew 4.1% YoY to INR8.12b (14% of sales)
- Gross margin contracted by 90bp YoY to 58.5% due to the product mix.
- EBITDA margin contracted by 100bp to 21.2% (est. 21.3%) due to lower gross margin. Lower other expense (-200bp as a percentage of sales) was offset by increase in R&D expenses (+200bp as a percentage of sales).
- EBITDA fell 8% YoY to INR12.1b (est. INR13.2b).
- Adjusting for the forex gain of INR286m, PAT declined by 7% YoY to INR7.5b (est. INR8.2b) due to lower EBITDA margin, partially offset by a lower tax rate in 1QFY22.

Highlights from the management commentary

- ARBP acquired nine marketed OTC brands and six ANDAs for USD104m. It expects a potential annual revenue of USD30m from these six ANDAs.
- It has entered into an agreement to acquire 51% stake in Cronus Pharma for INR4.2b, through primary infusion. These funds would be utilized to repay debt (INR1.7b) and as filing fees/to conduct exhibit batches. The capital employed in Cronus till date stands ~USD50m
- It has received Form 483, with seven procedural observations, post the recently concluded USFDA inspection at Unit 1.
- There was a high single-digit price erosion in the US in 1QFY22, which was higher than usual. Price erosion is mainly due to higher inventories in the channel and subsequent dumping.

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Valuation and view

- We lower our FY22E/FY23E EPS estimate by 5%/6% to factor in intense competition in US Generics, lower other income, and lesser ARV sales.
- We expect 8% earnings CAGR over FY21-23E, led by launches in key markets (US/EU) and from the acquired Veterinary business, better profitability in Europe, lower financial leverage, and controlled costs.
- We value ARBP at 14x its 12-month forward earnings to arrive at our TP of INR900. ARBP's efforts are underway a) to enhance product offerings comprising Oncology, Hormones, Depot Injections, Inhalers, Biosimilars, Topicals, and Patches, and b) improving margin in the EU business. We maintain our Buy rating.

Consolidated quarterly performance**(INR b)**

Y/E March	FY21				FY22				FY21	FY22E	FY22E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var.
Net Sales	59.2	64.8	63.6	60.0	57.0	59.2	63.2	67.5	247.7	247.0	62.2	-8.3%
YoY Change (%)	8.8	15.8	8.0	-2.5	-3.8	-8.6	-0.6	12.5	7.3	-0.3	4.9	
EBITDA	13.2	14.3	13.7	12.7	12.1	13.0	14.4	15.6	53.9	55.1	13.2	-8.7%
YoY Change (%)	14.9	22.7	13.3	-5.0	-8.2	-9.1	4.9	22.4	10.9	2.1	0.5	
Margin (%)	22.2	22.1	21.5	21.2	21.2	22.0	22.7	23.1	21.8	22.3	21.3	
Depreciation	2.6	2.6	2.8	2.7	2.8	2.8	3.0	3.6	10.6	12.2	2.7	
EBIT	10.6	11.8	10.9	10.1	9.3	10.2	11.4	12.0	43.4	42.9	10.5	
YoY Change (%)	17.3	27.2	14.0	-9.1	-12.4	-13.0	4.0	19.5	11.3	-1.0	-0.7	
Interest	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.7	0.5	0.2	
Other Income	0.9	0.5	0.3	0.6	0.8	0.8	0.8	0.6	2.4	3.0	0.6	
PBT before EO expense	11.3	12.1	11.1	10.5	10.0	10.9	12.0	12.6	45.0	45.4	11.0	-8.9%
Forex loss/(gain)	0.4	-0.1	-0.6	-0.1	-0.3	0.0	0.0	0.0	-0.4	-0.3	0.0	
Exceptional (expenses)/income	0.0	0.0	28.5	0.0	0.0	0.0	0.0	0.0	28.5	0.0	0.0	
PBT	11.0	12.1	40.2	10.7	10.3	10.9	12.0	12.6	74.0	45.7	11.0	-6.3%
Tax	3.0	3.9	10.6	2.6	2.5	2.8	3.2	3.6	20.1	12.1	2.8	
Rate (%)	27.7	31.9	26.3	24.3	24.1	25.5	27.0	28.8	27.2	26.5	25.5	
Minority Interest	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.4	0.0	
Reported PAT	7.8	8.1	29.5	8.0	7.7	8.0	8.6	8.8	53.3	33.2	8.2	-5.9%
Adj. PAT	8.1	8.0	7.7	7.9	7.5	8.0	8.6	8.8	31.7	33.0	8.2	-8.5%
YoY Change (%)	26.0	19.7	8.1	-8.2	-7.4	0.1	12.8	11.8	9.9	4.2	1.2	
Margin (%)	13.6	12.4	12.0	13.2	13.1	13.5	13.7	13.1	12.8	13.4	13.2	

Key performance indicators (consolidated, INR b)

Y/E March	FY21				FY22				FY21	FY22E	FY21E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE
Formulations	51.4	56.5	56.8	52.0	48.9	51.0	54.9	59.2	216.9	214.0	54.1
YoY Change (%)	9.2	17.9	11.3	-3.6	-4.9	-9.8	-3.4	13.8	8.4	-1.3	5.2
ARV Form.	4.3	5.0	4.4	4.9	3.0	3.3	4.7	6.7	18.6	17.7	5.0
YoY Change (%)	33.6	111.4	41.5	28.6	-30.3	-35.0	7.0	36.9	48.8	-5.0	18.0
US Generic Form.	31.1	31.9	31.7	28.6	26.8	27.8	29.5	30.7	123.2	114.8	30.1
YoY Change (%)	15.6	12.5	6.8	-4.5	-13.7	-13.0	-7.0	7.5	7.3	-6.9	-3.0
EU and RoW Form.	16.1	19.6	20.7	18.6	19.1	20.0	20.7	21.8	75.0	81.6	19.0
YoY Change (%)	-5.5	14.0	13.5	-8.4	18.6	2.0	0.0	17.4	3.0	8.8	17.7
APIs	7.8	8.3	6.8	7.9	8.1	8.2	8.3	8.3	30.9	33.0	8.0
YoY Change (%)	6.6	2.9	-13.6	5.1	4.1	-1.0	22.0	4.6	0.1	6.8	3.0
Cost Break-up											
RM Cost (as a percentage of sales)	40.6	38.8	40.4	40.1	41.5	41.2	40.8	40.6	40.0	41.0	40.2
Staff Cost (as a percentage of sales)	15.0	14.1	13.8	14.2	15.3	14.8	14.0	13.3	14.3	14.3	14.3
R&D Expenses (as a percentage of sales)	4.3	6.3	6.1	7.6	6.3	6.2	6.2	6.1	6.1	6.2	7.4
Other Cost (as a percentage of sales)	17.8	18.7	18.4	16.8	15.8	15.8	16.3	16.8	17.9	16.2	16.8
Gross Margin (%)	59.4	61.2	59.6	59.9	58.5	58.8	59.2	59.4	60.0	59.0	59.8
EBITDA Margin (%)	22.2	22.1	21.5	21.2	21.2	22.0	22.7	23.1	21.8	22.3	21.3
EBIT Margin (%)	17.9	18.1	17.2	16.8	16.3	17.3	18.0	17.8	17.5	17.4	17.0

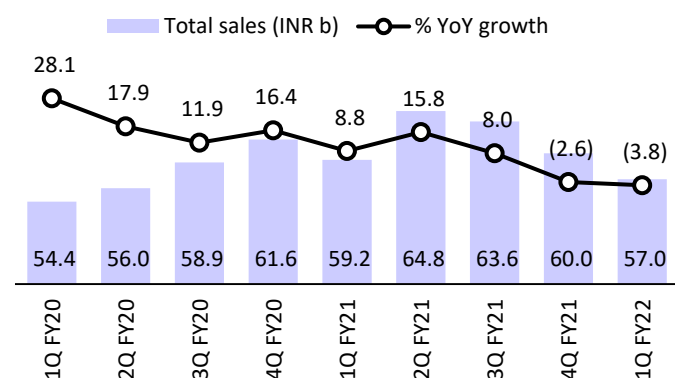


Highlights from the management commentary

- From the capital employed of USD50m till date in Cronus, ~USD32m has been spent on building a facility.
- In case of the Veterinary segment, a fee is paid to the USFDA at the time of the product's approval, unlike in Generic products, where the fees are to be paid at the time of filing.
- Cronus' pro forma financials indicate USD13m of sales in FY21. It has the potential to touch up to USD100m over the next three years, subject to product approvals.
- Cronus' pipeline of 67 products consists of 40 Injectables. The company has filed 22 products till date. Of the 67 products, 61 are organically developed, while six have been outsourced for manufacturing.
- USFDA's approval for the Cronus facility has been delayed due to the COVID-19 outbreak. It now expects an inspection by CY21-end or early CY22.
- ARBP is expecting 30 product launches in the US in FY22.
- It will file the first two Biosimilars in Europe in FY22. The expected approval timeline is seven months after the filing. One additional product is to be filed in FY23. It will add 1-2 products every year after that.
- ARBP has started Phase III clinical trials for a COVID-19 vaccine.
- The company has sought clarity from the government on some of the concerns in the PLI scheme before starting the financial outlay.

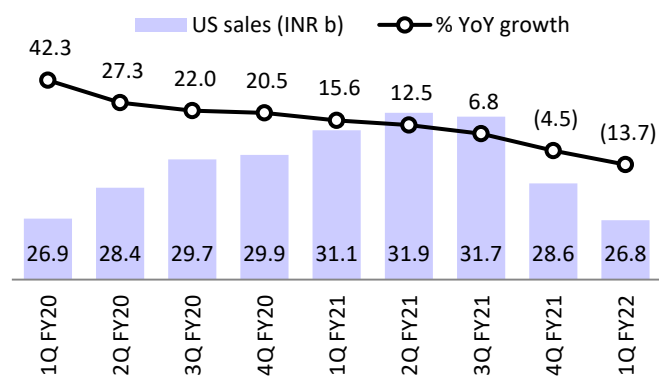
Key exhibits

Exhibit 1: Revenue declines by 4% YoY in 1QFY22



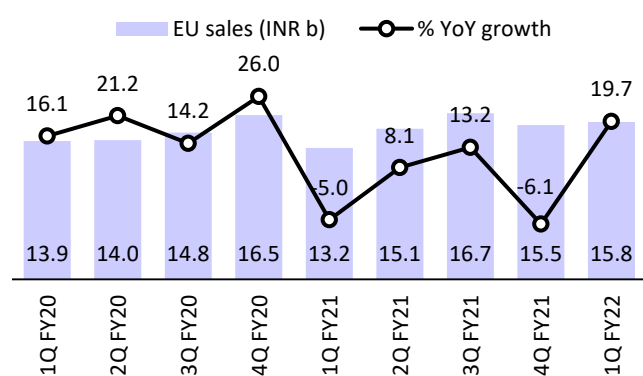
Source: MOFSL, Company

Exhibit 2: US sales declines by ~14% YoY and 1.5% excluding Natrol



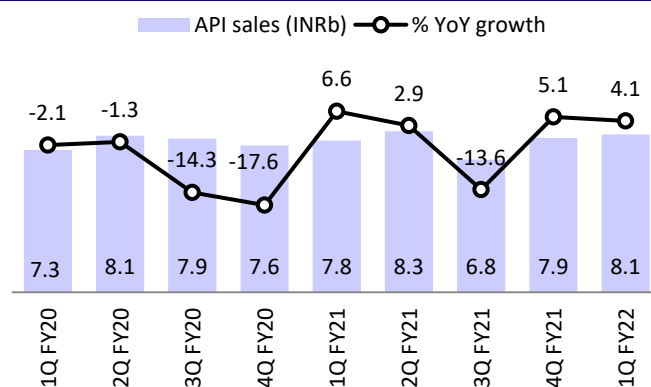
Source: MOFSL, Company

Exhibit 3: EU sales grew by ~20% YoY in 1QFY22



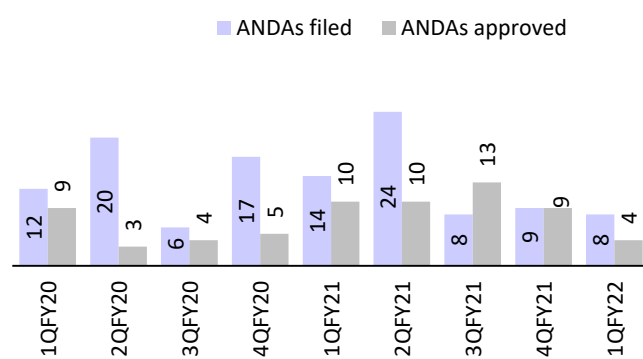
Source: MOFSL, Company

Exhibit 4: API sales grew by ~4% YoY



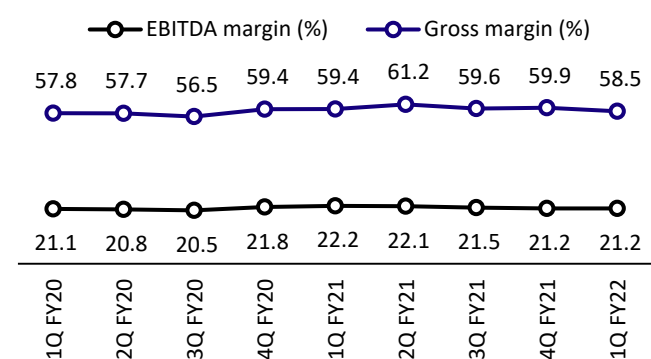
Source: MOFSL, Company

Exhibit 5: ARBP filed eight ANDAs in 1QFY22



Source: MOFSL, Company

Exhibit 6: Gross margin contracts by 90bp YoY



Source: MOFSL, Company

Complex products in focus for US/Europe**Building a complex pipeline in the US for a better outlook over the next 4-5 years**

- In constant currency terms, ARBP exhibited 1% YoY growth in US revenue in 1QFY22, adjusted for the Natrol business. Performance was impacted by increased channel inventory, leading to higher than normal pricing pressures.
- ARBP has a strong pipeline, with 174 ANDAs pending approval, of which 52 are Injectables.
- Over the next 2-3 years, it is focusing on a differentiated product portfolio in the US and other geographies. It is developing various products in Oncology, Hormones, Depot Injections, Inhalers, Biosimilars, Topicals, and Patches, which will aid growth in the US business, with margin expansion opportunities. Its existing business, largely comprising of OSDs, benefits from new business opportunities as well as one-time buys, with its large diversified product portfolio. Being a backward integrated manufacturer, ARBP is well placed to sustain superior profitability.
- Considering: a) complex products in the development phase, b) awaiting further clarity on incremental business from the recently acquired ANDA/Veterinary products, and c) deletion of the Natrol business, we expect US sales to be flat over FY21-23E at USD1.6b over FY21-23E.

EU strategy evolving as planned

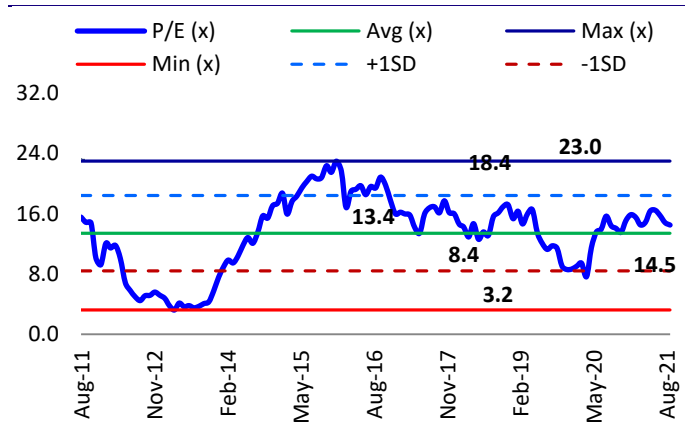
- Sales in the EU grew by ~20% YoY to INR16b in 1QFY22. Around 50% of products sold in Europe are now sourced from India. ARBP is on track to: a) continue the shift in manufacturing to India, b) enter newer geographies such as Eastern Europe, and c) expand its product offerings, including Injectables and Eugia's Oncology product portfolio. To this end, it has launched 23 products in FY21.
- The portfolio will further be augmented with Biosimilars, the first of which is expected to be launched in 2HCY22. The management has guided at two fillings in FY22 and 1-2 fillings annually in Europe.
- We expect 10% sales CAGR in Europe to INR73b over FY21-23E.

Acquisitions to support growth

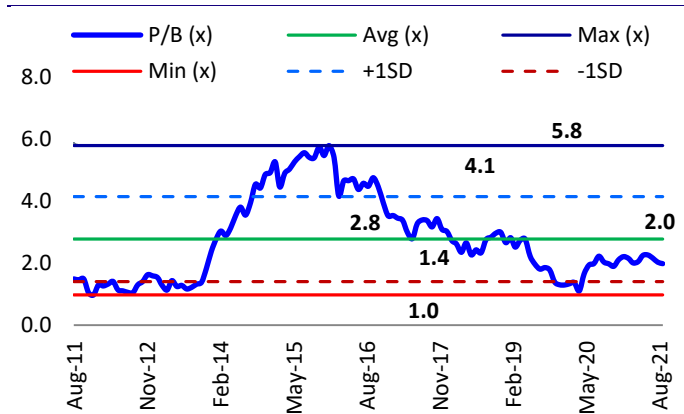
- ARBP has acquired a portfolio of nine marketed OTC brands and six ANDAs for USD104m. The six ANDAs are expected to clock an annual revenue of USD30m after approval.
- It acquired 51% stake in Cronus Pharma, which forward integrates as well as enhances ARBP's product offerings in the Veterinary space. Cronus has 22 filings that are pending approval and a total pipeline of 67 products, with six already approved. Cronus' filing approval process is delayed by over a year due to the inability of the USFDA to travel for inspection. Over the next 2-3 years, the management expects to scale up the Cronus business to USD100m per year, contingent on product approvals.

Pricing pressure to be near term headwinds

- We reduce our FY22E/FY23E EPS estimate by 5%/6% to factor in higher competition in US Generics and lower other income on account for the usage of capital for acquisitions.
- We value ARBP at 14x its 12-month forward earnings to arrive at our TP of INR900. The robust product pipeline comprising Complex Generics (Oncology, Hormones, Depot Injections, Inhalers, Biosimilars, Topicals, and Patches), Vaccines, and its presence across the manufacturing value chain keeps ARBP in good stead for a better outlook over the next 2-3 years. We maintain our Buy rating.

Exhibit 7: P/E chart

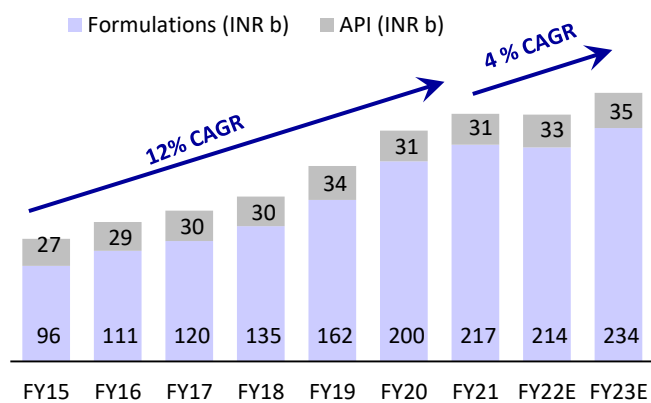
Source: MOFSL, Company, Bloomberg

Exhibit 8: P/B chart

Source: MOFSL, Company, Bloomberg

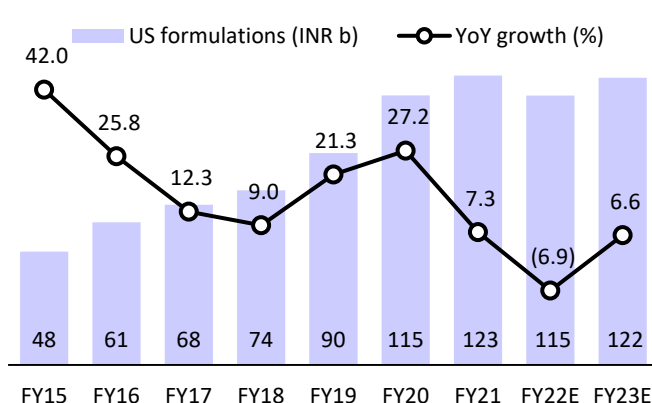
Story in charts

Exhibit 9: Expect 4% sales CAGR over FY21-23E



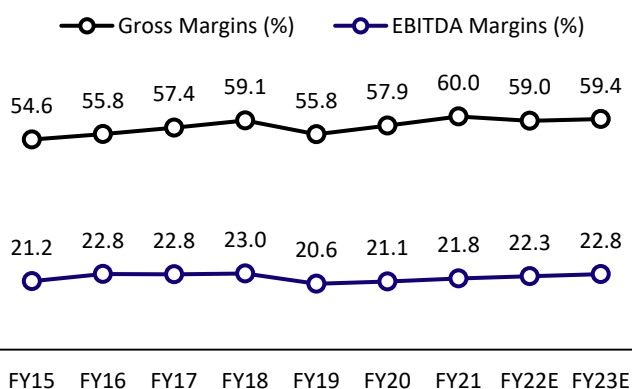
Source: Company, MOFSL

Exhibit 10: Expect US sales to remain flat over FY21-23E



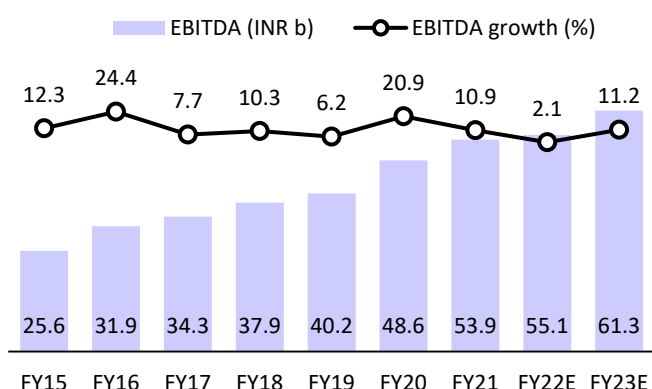
Source: Company, MOFSL

Exhibit 11: Expect EBITDA margin to grow over FY21-23E



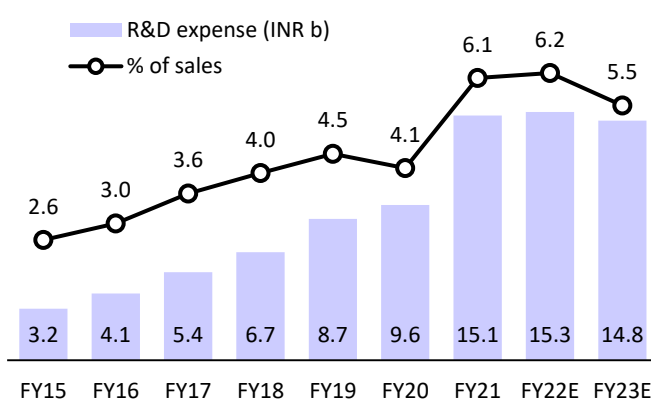
Source: Company, MOFSL

Exhibit 12: Expect ~7% EBITDA CAGR over FY21-23E



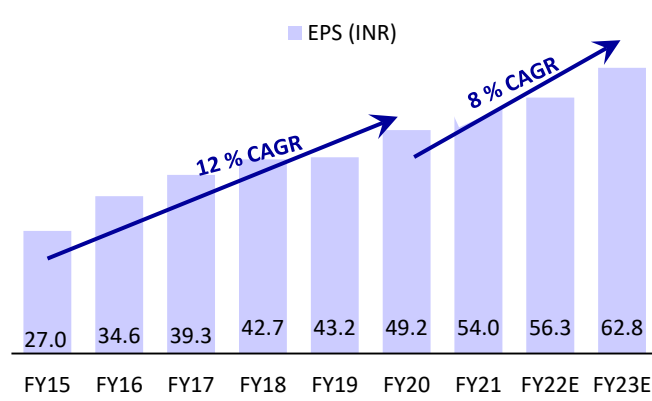
Source: Company, MOFSL

Exhibit 13: R&D expense to be steady on an absolute basis



Source: Company, MOFSL

Exhibit 14: Expect ~8% EPS CAGR over FY21-23E



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement								(INR b)	
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Total Income from Operations	121.2	139.6	150.9	165.0	195.6	231.0	247.7	247.0	268.8
Change (%)	49.6	15.1	8.1	9.3	18.6	18.1	7.3	-0.3	8.8
Total Expenditure	95.6	107.7	116.6	127.1	155.4	182.3	193.8	191.9	207.5
EBITDA	25.6	31.9	34.3	37.9	40.2	48.6	53.9	55.1	61.3
Margin (%)	21.2	22.8	22.8	23.0	20.6	21.1	21.8	22.3	22.8
Depreciation	3.3	3.9	4.3	5.6	6.7	9.7	10.6	12.2	13.2
EBIT	22.3	28.0	30.1	32.3	33.5	39.0	43.4	42.9	48.1
Int. and Finance Charges	0.8	0.9	0.7	0.8	1.6	1.6	0.7	0.5	0.6
Other Income	0.8	0.7	0.5	1.0	1.2	0.9	2.4	3.0	2.5
PBT bef. EO Exp.	22.3	27.7	29.9	32.5	33.1	38.2	45.0	45.4	50.0
EO Items	-0.6	-0.3	0.6	-0.2	-2.2	-0.7	29.0	0.3	0.0
PBT after EO Exp.	21.7	27.4	30.6	32.4	30.9	37.6	74.0	45.7	50.0
Current Tax	6.0	7.2	7.6	8.2	7.3	9.1	20.1	12.1	13.2
Tax Rate (%)	27.5	26.3	24.9	25.3	23.5	24.3	27.2	26.5	26.5
Less: Minority Interest	0.0	0.0	-0.1	0.0	0.0	0.1	0.6	0.4	-0.1
Reported PAT	15.8	20.3	23.0	24.2	23.6	28.3	53.3	33.2	36.8
Adjusted PAT	15.8	20.3	23.0	25.0	25.3	28.8	31.7	33.0	36.8
Change (%)	19.1	28.5	13.6	8.7	1.1	13.9	9.9	4.2	11.6
Margin (%)	13.0	14.5	15.3	15.2	12.9	12.5	12.8	13.4	13.7

Consolidated Balance Sheet								(INR b)	
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Equity Share Capital	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total Reserves	51.0	72.3	93.1	116.2	138.3	167.5	218.7	249.8	284.3
Net Worth	51.6	72.9	93.7	116.8	138.9	168.1	219.3	250.4	284.9
Minority Interest	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Liabilities	2.1	-1.8	-1.2	0.8	1.0	1.4	1.2	1.2	1.3
Total Loans	38.6	44.2	30.8	44.8	67.5	54.2	49.7	42.1	33.6
Capital Employed	92.5	115.2	123.4	162.4	207.4	223.7	270.2	293.8	319.8
Gross Block	53.8	41.3	53.6	70.7	98.0	116.4	134.3	155.0	167.5
Less: Accum. Deprn.	17.4	3.5	7.2	11.8	18.3	28.0	38.5	50.7	63.9
Net Fixed Assets	36.4	37.9	46.5	58.9	79.7	88.4	95.8	104.4	103.6
Goodwill on Consolidation	0.6	4.1	4.1	8.2	8.3	9.2	4.3	4.3	4.3
Capital WIP	4.2	8.4	12.4	14.0	13.4	16.2	24.3	24.3	24.3
Total Investments	0.2	1.2	2.5	3.1	3.6	5.5	5.9	5.9	5.9
Curr. Assets, Loans and Adv.	87.6	105.6	95.4	125.3	157.7	168.3	203.8	211.9	243.1
Inventory	36.1	40.6	43.3	58.6	72.5	77.0	90.3	88.8	89.7
Account Receivables	35.4	46.1	35.0	38.7	34.1	43.2	35.0	40.6	49.3
Cash and Bank Balance	4.7	7.9	5.1	12.6	19.6	28.4	54.7	58.0	79.6
Loans and Advances	11.5	11.1	12.0	15.4	31.5	19.7	23.7	24.5	24.5
Curr. Liability and Prov.	36.6	41.9	37.4	47.1	55.3	63.9	63.8	57.0	61.5
Account Payables	20.5	24.6	24.9	26.3	25.5	25.4	27.9	26.4	30.9
Other Current Liabilities	13.6	15.8	11.4	18.2	26.1	33.5	32.6	30.0	30.0
Provisions	2.4	1.6	1.1	2.6	3.6	4.9	3.3	0.6	0.6
Net Current Assets	51.1	63.7	58.0	78.3	102.4	104.3	140.0	154.9	181.7
Deferred Tax assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Appl. of Funds	92.5	115.2	123.4	162.4	207.4	223.7	270.2	293.8	319.8

Financials and valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Basic (INR)									
EPS	27.0	34.6	39.3	42.7	43.2	49.2	54.0	56.3	62.8
Cash EPS	32.7	41.3	46.6	52.2	54.6	65.7	72.0	77.0	85.4
BV/Share	88.3	124.5	160.0	199.4	237.1	286.9	374.3	427.4	486.3
DPS	2.2	2.3	1.9	3.7	2.5	2.5	2.5	3.5	4.0
Payout (%)	9.9	8.0	6.0	10.9	6.8	5.2	2.7	6.2	6.4
Valuation (x)									
P/E	28.2	22.0	19.3	17.8	17.6	15.5	14.1	13.5	12.1
Cash P/E	23.3	18.4	16.3	14.6	13.9	11.6	10.6	9.9	8.9
P/BV	8.6	6.1	4.8	3.8	3.2	2.6	2.0	1.8	1.6
EV/Sales	4.0	3.5	3.1	2.9	2.5	2.0	1.8	1.7	1.5
EV/EBITDA	18.7	15.1	13.7	12.6	12.3	9.7	8.2	7.8	6.5
Dividend Yield (%)	0.3	0.3	0.3	0.5	0.3	0.3	0.3	0.5	0.5
FCF per share	-3.5	5.3	27.0	7.2	1.6	50.4	12.5	18.5	51.9
Return Ratios (%)									
RoE	35.4	32.5	27.6	23.8	19.8	18.8	16.3	14.0	13.8
RoCE	20.4	20.4	19.0	17.4	14.4	14.1	13.6	12.0	12.2
RoIC	20.9	22.8	22.5	20.4	16.9	17.1	17.6	16.1	17.0
Working Capital Ratios									
Fixed Asset Turnover (x)	2.3	3.4	2.8	2.3	2.0	2.0	1.8	1.6	1.6
Inventory (Days)	198	227	238	275	277	280	308	323	298
Debtor (Days)	91	107	98	82	68	61	58	56	61
Creditor (Days)	113	134	140	138	109	96	98	98	96
Working Cap. (Days)	177	200	196	219	235	246	267	281	264
Leverage Ratio (x)									
Current Ratio	2.4	2.5	2.6	2.7	2.9	2.6	3.2	3.7	4.0
Interest Coverage Ratio	26	30	45	42	21	24	58	89	79
Net Debt/Equity	0.7	0.5	0.3	0.3	0.3	0.2	0.0	-0.1	-0.2

Consolidated Cash Flow Statement

(INR b)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
OP/(Loss) before Tax	22.3	27.4	30.6	32.4	30.9	37.4	45.0	45.4	50.0
Depreciation	3.3	3.9	4.3	5.6	6.7	9.7	10.6	12.2	13.2
Interest/Dividend received	0.8	0.7	0.4	0.5	1.4	1.2	-1.6	-2.5	-1.9
Direct Taxes Paid	-6.0	-7.3	-7.7	-7.0	-7.7	-7.3	-20.1	-12.1	-13.2
(Inc.)/Dec. in WC	-2.5	-10.8	5.3	-10.4	-14.8	2.8	-9.3	-11.7	-5.2
CF from Operations	18.0	13.9	32.9	21.2	16.4	43.8	24.5	31.3	42.9
Others	-5.6	3.7	-0.1	-1.6	0.1	0.0	8.7	0.3	0.0
CF from Operations incl. EO	12.4	17.6	32.8	19.5	16.5	43.8	33.3	31.6	42.9
(inc.)/dec. in FA	-14.4	-14.5	-16.9	-15.3	-15.6	-14.3	-26.0	-20.7	-12.5
Free Cash Flow	-2.0	3.1	15.8	4.2	0.9	29.5	7.3	10.9	30.4
(Pur.)/Sale of Investments	-0.3	0.0	-0.9	-4.0	-13.4	-1.4	0.4	0.0	0.0
CF from Investments	-14.1	-13.8	-17.9	-19.3	-29.0	-15.7	6.0	-20.7	-12.5
Inc./(Dec.) in Debt	2.3	6.0	-17.3	2.9	26.2	-13.1	-4.5	-7.6	-8.5
Interest Paid	-0.8	-0.8	-0.6	-0.7	-1.5	-1.3	-0.7	-0.5	-0.6
Dividend Paid	-1.6	-1.6	-1.4	-2.6	-1.6	-1.9	-1.5	-2.1	-2.3
Others	1.1	-3.4	1.5	7.7	-3.4	-2.8	-6.9	2.6	2.6
CF from Fin. Activity	1.0	0.2	-17.7	7.2	19.8	-19.1	-13.6	-7.6	-8.8
Inc./Dec. in Cash	-0.7	4.0	-2.8	7.5	7.3	9.1	25.6	3.3	21.6
Opening Balance	1.5	4.7	7.9	5.1	12.6	19.6	28.4	54.7	58.0
Others incl. impact of FX	3.9	-0.8	0.0	0.0	-0.3	-0.2	0.7	0.0	0.0
Closing Balance	4.7	7.9	5.1	12.6	19.6	28.4	54.7	58.0	79.6

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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