

# Tech Mahindra

Estimate change



TP change



Rating change



Bloomberg	TECHM IN
Equity Shares (m)	919
M.Cap.(INRb)/(USD b)	1162.6 / 14
52-Week Range (INR)	1416 / 981
1, 6, 12 Rel. Per (%)	-8/-14/-8
12M Avg Val (INR M)	2884

## Financials & Valuations (INR b)

Y/E Mar	FY24	FY25E	FY26E
Sales	520	536	594
EBIT Margin (%)	7.6	10.1	12.3
Adj. PAT	36.2	44.8	59.3
Adj. EPS (INR)	41.1	50.8	67.3
PAT	23.6	44.8	59.3
EPS (INR)	26.8	50.8	67.3
EPS Gr. (%)	(51.0)	90.0	32.3
BV/Sh. (INR)	302.6	310.1	320.0

## Ratios

RoE (%)	13.3	16.6	21.3
RoCE (%)	12.4	17.4	22.8
Payout (%)	97.3	85.0	85.0

## Valuations

P/E (x)	34.3	27.7	20.9
P/BV (x)	4.7	4.5	4.4
EV/EBITDA (x)	21.0	16.8	13.2
Div Yield (%)	2.8	3.1	4.1

## Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	35.1	35.1	35.2
DII	29.7	29.2	26.0
FII	24.2	24.6	26.9
Others	11.1	11.1	11.9

FII Includes depository receipts

**CMP: INR1,190**

**TP: INR1,210 (+2%)**

**Neutral**

## Weak 4Q result; FY25 outlook remains muted

### Results of new strategy would be keenly watched before any re-rating

- Tech Mahindra (TECHM) reported 4QFY24 revenue of USD1.48b, down 0.8% QoQ in CC and below our estimate of +0.7% QoQ CC. CME remained weak and declined 2.8% QoQ despite a low base. Enterprise growth was mixed, with retail declining 9.6% QoQ and BFSI growing well at 3.5% QoQ.
- TECHM had another quarter of low profitability, with adj. EBIT margin at 7.4%, 100bp below our estimate of 8.4%. 4Q TCV remained weak at USD500m (+31% QoQ/-15% YoY).
- The management announced its vision for FY27, with goals to outgrow peers in revenue growth and achieve EBIT margin of 15% by FY27. It also aims for a 30%+ ROCE profile and expects to return >85% of FCF by FY27. The focus will be on scaling large accounts, winning multi-tower deals, driving synergies from past acquisitions, improving the cost structure, and achieving profitable and predictable growth. The management aspires to be among the Top-3 IT services companies in terms of margins beyond FY27.
- We remain positive about the restructuring at TECHM under the new leadership and believe the recent steps are in the right direction (i.e., SBU right-sizing, investment in top accounts, vertical delivery teams and employee investments). The improvement on account of re-structuring and revamped strategy would be keenly watched out for before any re-rating.
- The management alluded FY25 as the year of turnaround before stabilizing in FY26. Weak 4QFY24 exit and headwinds in key vertical (Communications) will remain a drag on FY25 revenue growth. In FY25, we expect TECHM to post one of the lowest growth rates among peers at 4.1% YoY USD CC before improving to 10.2% in FY26E.
- Though the management targets to reach 15% EBIT margin by FY27, absence of growth and near-term investments should prevent material improvement in near-term margins. We expect FY25/FY26 margins at 10.1/12.3%, which should translate to FY26E EPS of INR67.3, up meaningfully from FY24 (INR41.1) but marginally ahead of FY22 EPS of INR62.6.
- We remain on the sidelines as we feel the current valuation fairly factors in the uncertainties around growth and margin. We trim our FY25/FY26 EPS estimates by 0-1% post 4QFY24 results. **We remain Neutral on the stock with a TP of INR1,210 (18x FY26E EPS).**

### Weak quarter, CME continues to bleed

- Revenue of USD 1.48b, down 0.8% QoQ CC and reported -1.6% QoQ, below our estimate of +0.7% QoQ CC
- IT service declined 2.0% QoQ, while BPO was flat QoQ
- CME continued to remain weak (-2.8% QoQ); Retail took a strong hit (-9.4% QoQ), BFSI grew 3.5% QoQ
- EBIT margin of 7.4%, missed our estimate of 8.4%. Net Employee declined by 795 QoQ
- Utilization (ex. trainees) -200 bps QoQ at 86%, LTM flat QoQ at 10%. NN Deal TCV down 15% YoY at USD500m
- Reported PAT at INR6.6b (down 50% YoY)

**Key highlights from the management commentary**

- The management is confident of improvement in YoY growth starting 1QFY25 and alluded 4QFY24 as low point for TECHM. The growth should accelerate in 2HFY25.
- The management indicated that FY25 will be year of turnaround followed by stabilization in FY26 and strong returns from FY27.
- The management plans to utilize various margin levers to achieve targeted 15% EBIT margin in FY27 which include – operational parameters (pyramid, subcon, offshore mix, utilization, overheads), productivity, focus on high margin business, delivery excellency and synergies with portfolio companies.
- Large part of margin improvement will be driven by delivery excellency.
- Post achieving 15% EBIT margin target in FY27, the management aspires to be among the Top-3 in term of margins.

**Valuation and view**

- Though restructuring efforts are in right direction and FY27 strategy is in place, investors will await the results on account of these efforts before we see any material rerating in the name.
- We value the stock at 18x FY26E EPS. **We maintain our Neutral rating on the stock.**

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

Y/E March	FY23				FY24				FY24	FY25E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%/bp)
Revenue (USD m)	1,633	1,638	1,668	1,668	1,601	1,555	1,573	1,548	6,277	6,461	1,594	-2.9
QoQ (%)	1.5	0.3	1.8	0.0	-4.0	-2.8	1.1	-1.6	-5.0	2.9	1.3	-293bp
Revenue (INR b)	127	131	137	137	132	129	131	129	520	536	132	-2.7
YoY (%)	24.6	20.7	19.9	13.2	3.5	-2.0	-4.6	-6.2	-2.4	3.1	-3.5	-263bp
GPM (%)	28.3	27.9	28.7	28.9	25.7	22.5	23.9	27.0	24.8	26.2	25.0	203bp
SGA (%)	13.5	12.8	13.1	14.2	13.5	11.5	13.6	16.1	13.7	12.7	13.2	288bp
Adj. EBITDA	19	20	21	20	16	14	14	14	58	72	16	-9.7
EBITDA Margin (%)	14.8	15.1	15.6	14.7	12.2	10.9	10.3	10.9	11.1	13.5	11.8	-85bp
Adj. EBIT	14	15	16	15	12	9	9	9	40	54	11	-14.7
EBIT Margin (%)	11.0	11.4	12.0	11.2	8.8	7.3	7.0	7.4	7.6	10.1	8.4	-103bp
Other income	1	2	1	2	1	2	0	3	5	5	1	138.1
ETR (%)	22.8	21.4	27.3	22.9	21.8	9.9	17.6	23.4	18.5	25.0	25.0	-162bp
Adj. PAT	11	13	13	13	10	10	7	10	36	45	9	5.0
QoQ (%)	-24.9	15.8	-1.0	2.6	-28.2	2.3	-26.5	34.9			28.5	647bp
YoY (%)	-16.4	-2.2	-5.3	-11.6	-15.5	-25.3	-44.6	-27.1	-28.5	23.7	-30.6	350bp
Extra-Ordinary Item	0.0	-0.2	0.0	-2.1	-2.6	-4.8	-2.1	-3.1	-12.6	0.0	0.0	
Reported PAT	11	13	13	11	7	5	5	7	24	45	9	-28.4
EPS (INR)	12.8	14.8	14.7	15.0	10.8	11.0	8.1	11.0	41.1	50.8	10.4	5.6

E: MOFSL estimates

## Key Performance Indicators

Y/E March	FY23				FY24				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	3.5	2.9	0.2	0.3	-4.2	-2.4	1.1	-0.8		
<b>Margins (%)</b>										
Gross Margin	28.3	27.9	28.7	28.9	25.7	22.5	23.9	27.0	24.8	26.2
Adj. EBITDA margin	14.8	15.1	15.6	14.7	12.2	10.9	10.3	10.9	11.1	13.5
Adj. EBIT Margin	11.0	11.4	12.0	11.2	8.8	7.3	7.0	7.4	7.6	10.1
Adj. Net Margin	8.9	10.0	9.4	9.7	7.3	7.6	5.5	7.5	7.0	8.4
<b>Operating Metrics</b>										
Headcount (k)	158	164	157	152	148	151	146	145	145	
Util excl. trainees (%)	83.3	84.9	86.4	86.5	87.2	86.0	88.0	86.0	86.8	
Attrition (%)	22.2	19.6	17.3	14.8	12.8	11.4	10.0	10.0	10.0	
Deal TCV (USD m)	802	716	795	592	359	640	381	500	1,880	
<b>Key Verticals (QoQ %)</b>										
Communication	1.0	-1.4	2.1	0.7	-9.5	-4.9	-0.2	-2.7		
Enterprise	1.8	1.5	1.7	-0.5	-0.3	-1.4	1.8	-1.0		
<b>Key Geographies (QoQ%)</b>										
North America	4.2	2.8	-0.4	-0.2	-0.5	0.7	-1.5	-3.7		
Europe	-2.0	-3.6	1.4	3.6	-6.7	-6.8	2.0	0.1		



## Highlights from the management commentary

## Revenue and demand outlook

- The 4QFY24 decline was in-line with management expectations and was due to absence of one-off revenues that were present in 3QFY24.
- TECHM recorded deal TCV of USD 500m. The management remained selective in deals which had some impact. The deals remained broad-based.
- The management expects FY25 to be better than FY24.
- The management is confident of improvement in YoY growth starting 1QFY25 and alluded 4QFY24 as low point for TECHM. The growth should accelerate in 2HFY25.
- The growth going forward would be largely organic in nature and management has no plans to make transformational acquisitions.
- BFSI should see recovery in FY25. The management sees good opportunity for digital and cloud infra in core banking, wealth and asset management and Insurance space.
- The management believes that there is tremendous potential for GenAI and is infusing GenAI across tech stacks.
- The management acknowledged that TECHM has certain troublesome fixed price engagements.

## Key focus areas and vision for FY27

- The focus of the management will be on – 1) Scaling large accounts, 2) Win multi-tower deals, 3) Drive synergies from acquisitions made in past, 4) Improvement in cost structure, 5) Profitable and predictable growth.
- The management indicated that FY25 will be year of turnaround followed by stabilization in FY26 and strong returns from FY27.
- The management has set out goals for FY27 –
  - Topline growth > Peer average
  - 15% EBIT Margin
  - >30% ROCE
  - >85% of FCF as return to shareholders
- The management aspires to bring predictability and reduce volatility in revenues going forward.
- The management announced 'Turbocharged' program for Top 80 accounts.

**Margin outlook**

- The management plans to utilize various margin levers to achieve targeted 15% EBIT margin in FY27 which include – operational parameters (pyramid, subcon, offshore mix, utilization, overheads), productivity, focus on high margin business, delivery excellency and synergies with portfolio companies.
- Large part of margin improvement will be driven by delivery excellency.
- The management plans to infuse freshers on consistent basis and improve pyramid over the medium term.
- The management expects an average annual savings of USD 250m from project Fortious over the next three years.
- Post achieving 15% EBIT margin target in FY27, the management aspires to be among the Top-3 in term of margins.
- The management will continue to make higher than usual investments in FY25 (~1.5% of the revenue), which will slowly normalize (~0.75% in FY26)

**Exhibit 1: Communications continued to declined; BFSI grew 3.5%**

Verticals	Contribution to revenue (%)	Growth(QoQ %)
Comm., Media, and Ent.	36.1	-2.7
Manufacturing	18.2	-1.0
Technology	10.7	0.3
BFSI	16.3	3.5
Retail, Transport, and Logistics	7.9	-9.6
Others	10.8	-1.6

**Exhibit 2: Americas muted**

Geographies	Contribution to revenue (%)	Growth(QoQ %)
Americas	50.8	-3.7
Europe	24.2	0.1
Rest of the World	25.0	1.3

**Valuation and view**

- Though restructuring efforts are in in right direction and FY27 strategy is in place, investors will await the results on account of these efforts before we see any material rerating in the name.
- We value the stock at 18x FY26E EPS. **We maintain our Neutral rating on the stock.**

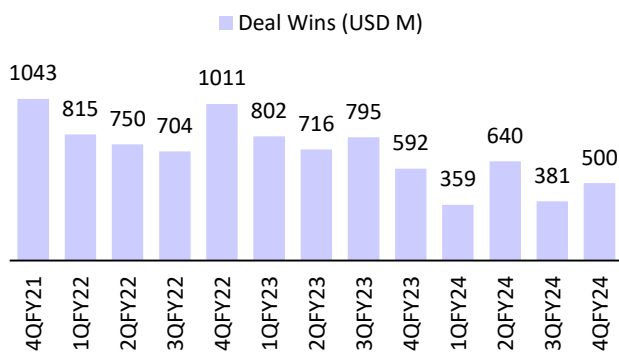
**Exhibit 3: Revisions to our estimates**

	Revised			Earlier			Change		
	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
USD:INR	82.8	83.0	83.0	82.8	83.0	83.0	0.0%	0.0%	0.0%
USD revenue (m)	6,277	6,461	7,159	6,323	6,750	7,509	-0.7%	-4.3%	-4.7%
Growth (%)	(5.0)	2.9	10.2	-4.3	6.8	10.2	-70bps	-380bps	0bps
EBIT margin (%)	7.6	10.1	12.3	7.9	9.8	12.0	-30bps	30bps	30bps
PAT (INR b)	36	45	59	36	45	60	1.3%	-0.6%	-1.7%
EPS	41.1	50.8	67.3	40.4	50.9	68.0	1.8%	-0.1%	-1.2%

Source: MOFSL, Company

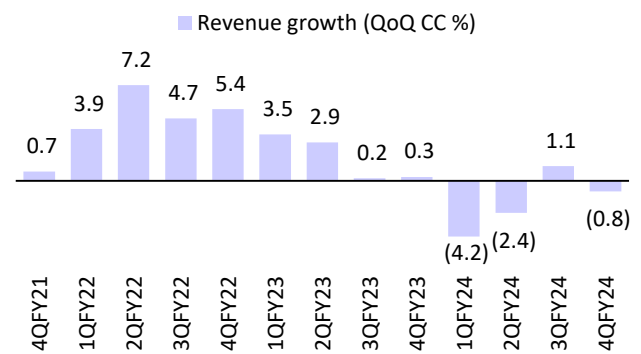
## Story in charts

**Exhibit 4: 4Q improved sequentially but remained soft**



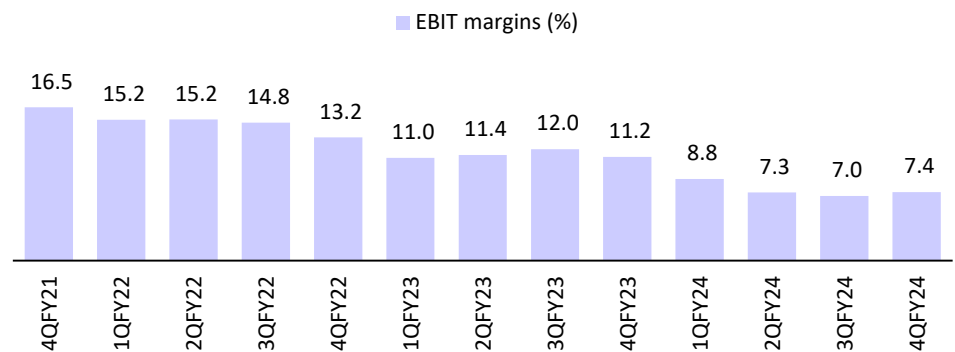
Source: Company, MOFSL

**Exhibit 5: 4QFY24 revenues declined 0.8% QoQ CC**



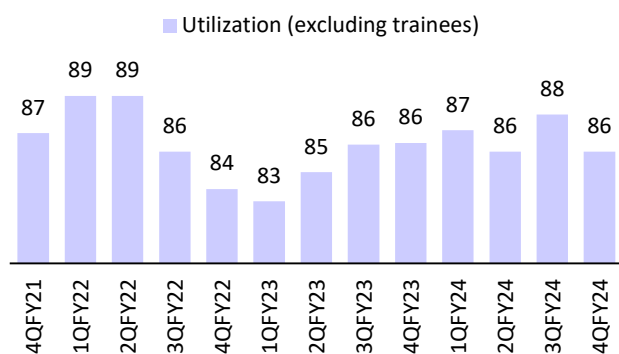
Source: Company, MOFSL

**Exhibit 6: Adj. EBIT margin improved 40bp QoQ**



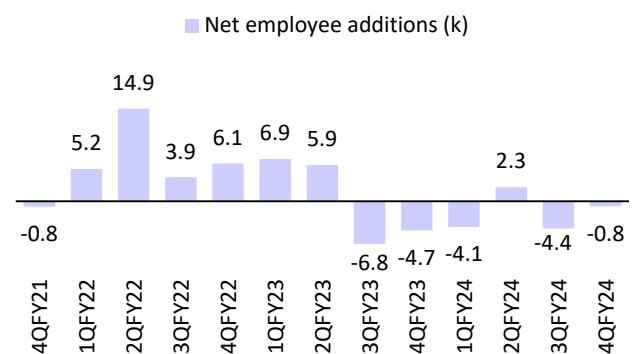
Source: Company, MOFSL

**Exhibit 7: Utilization moderated by 200bp in 4QFY24 (%)**



Source: Company, MOFSL

**Exhibit 8: Headcount continued to decline**



Source: Company, MOFSL

## Exhibit 9: Operating metrics

	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24
<b>Revenue by Geography (%)</b>									
Americas	48.3	49.6	50.8	49.7	49.6	51.4	53.3	51.9	50.8
Europe	26.4	25.5	24.5	24.4	25.3	24.6	23.6	23.8	24.2
Rest of World	25.3	24.9	24.7	25.9	25.1	24.0	23.2	24.3	25.0
<b>Vertical Split (%)</b>									
Telecom	40.6	40.4	39.7	39.8	40.1	37.8	37.0	36.5	36.1
Manufacturing	14.9	15.3	16.0	15.7	15.9	16.9	17.8	18.1	18.2
Tech   Media   Entertainment	9.3	9.7	10.1	10.3	10.3	10.7	11.0	10.5	10.7
BFSI	17.4	16.7	16.3	15.9	15.9	16.1	16.1	15.5	16.3
Retail   Transport   Logistics	7.6	7.9	8.1	8.5	7.6	7.9	8.2	8.6	7.9
Others	10.2	10.0	9.8	9.8	10.2	10.6	9.9	10.8	10.8
<b>Client Metrics</b>									
No. of active clients	1,224	1,262	1,262	1,290	1,297	1,255	1252	1228	1172
% of repeat business	87.0	98.0	98.0	93.0	92.0	98.0	96	95	94
<b>No. of Million \$ clients</b>									
USD1m+	524	549	549	574	582	580	568	558	553
USD5m+	174	176	176	185	186	190	186	185	190
USD10m+	97	104	104	109	112	115	114	118	114
USD20m+	54	60	60	65	65	62	61	63	63
USD50m+	23	23	23	24	24	26	26	26	23
<b>Headcount</b>									
Software professionals	85,830	88,030	86,776	84,874	83,789	81,521	81,200	81,705	80,925
BPO	57,315	61,392	68,388	63,568	60,102	58,079	60,985	56,206	55,492
Sales and support	8,028	8,613	8,748	8,626	8,509	8,697	8,419	8,339	9,038
<b>Total</b>	1,51,173	1,58,035	1,63,912	1,57,068	1,52,400	1,48,297	1,50,604	1,46,250	1,45,455
IT Attrition (LTM %)	24	22	20	17	15	13	11	10	10
IT Utilization (%)	83	83	85	86	86	87	86	88	86
IT Utilization (excl. trainees)	84	83	85	86	86	87	86	88	86
DSO - incl. unbilled	97	100	98	98	96	98	97	91	92
Borrowings (USD m)	209.0	220.0	207.0	212.0	192.0	185.0	187	181	184
Cash and Cash Equivalent (USD m)	1,140.7	1,114.0	947.0	780.0	905.0	939.0	784	843	949
Capital Expenditure (USD m)	46.0	20.0	19.0	31.0	32.0	25.0	26	21	24

Source: Company, MOFSL

## Financials and valuations

### Income Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Sales</b>	<b>347</b>	<b>369</b>	<b>379</b>	<b>446</b>	<b>533</b>	<b>520</b>	<b>536</b>	<b>594</b>
Change (%)	12.9	6.1	2.7	17.9	19.4	-2.4	3.1	10.8
COGS	234	260	259	310	381	391	396	427
SGA expenses	50	52	52	57	71	71	68	74
Total Expenses	284	311	310	366	453	462	464	502
<b>Adj. EBITDA</b>	<b>63</b>	<b>57</b>	<b>68</b>	<b>80</b>	<b>80</b>	<b>58</b>	<b>72</b>	<b>93</b>
As a percentage of Net Sales	18.2	15.5	18.1	18.0	15.1	11.1	13.5	15.6
Depreciation	11	14	15	15	20	18	18	20
Other Income	3	10	6	10	6	5	5	6
<b>Adj. PBT</b>	<b>55</b>	<b>53</b>	<b>60</b>	<b>75</b>	<b>67</b>	<b>45</b>	<b>60</b>	<b>79</b>
Tax	13	12	15	18	16	8	15	20
Rate (%)	22.6	22.0	25.3	24.4	23.7	18.5	25.0	25.0
<b>Adj. PAT</b>	<b>43</b>	<b>41</b>	<b>45</b>	<b>56</b>	<b>51</b>	<b>37</b>	<b>45</b>	<b>59</b>
Minority interest	0	-1	-1	1	1	0	0	0
Share from associates	0	0	0	0	0	0	0	0
<b>PAT before EO</b>	<b>43</b>	<b>43</b>	<b>46</b>	<b>56</b>	<b>51</b>	<b>36</b>	<b>45</b>	<b>59</b>
Change (%)	13.1	-1.1	7.2	22.1	-8.9	-28.5	23.7	32.3
Extraordinary Items (EO)	0	-2	-1	0	-2	-13	0	0
<b>Reported PAT</b>	<b>43</b>	<b>40</b>	<b>44</b>	<b>56</b>	<b>48</b>	<b>24</b>	<b>45</b>	<b>59</b>
Change (%)	13.1	-6.2	9.8	25.7	-13.2	-51.2	90.0	32.3

### Balance Sheet

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Share Capital	4	4	4	4	4	4	4	4
Reserves	198	214	244	264	275	262	269	278
<b>Net Worth</b>	<b>203</b>	<b>218</b>	<b>249</b>	<b>269</b>	<b>279</b>	<b>267</b>	<b>273</b>	<b>282</b>
Minority Interest	5	4	4	5	5	5	5	5
Loans	14	24	17	16	16	15	15	15
Other long-term liabilities	9	28	28	36	31	23	23	25
Amount pending invest.	12	12	12	12	12	12	12	12
<b>Capital Employed</b>	<b>243</b>	<b>287</b>	<b>309</b>	<b>338</b>	<b>343</b>	<b>322</b>	<b>329</b>	<b>340</b>
<b>Applications</b>								
<b>Assets</b>	<b>73</b>	<b>89</b>	<b>91</b>	<b>149</b>	<b>149</b>	<b>139</b>	<b>138</b>	<b>138</b>
Investments	12	2	6	4	6	5	5	5
Other non-current assets	33	50	47	50	62	56	58	64
<b>Curr. Assets</b>	<b>216</b>	<b>232</b>	<b>253</b>	<b>245</b>	<b>244</b>	<b>234</b>	<b>242</b>	<b>257</b>
Debtors	70	76	65	75	81	71	74	83
Cash and Bank Balance	20	30	27	38	41	43	41	36
Investments	98	57	98	46	30	32	47	62
Other Current Assets	28	68	63	86	93	88	80	77
<b>Current Liab. and Prov.</b>	<b>91</b>	<b>87</b>	<b>88</b>	<b>111</b>	<b>119</b>	<b>112</b>	<b>114</b>	<b>124</b>
<b>Net Current Assets</b>	<b>124</b>	<b>145</b>	<b>165</b>	<b>134</b>	<b>126</b>	<b>122</b>	<b>128</b>	<b>134</b>
<b>Application of Funds</b>	<b>243</b>	<b>287</b>	<b>309</b>	<b>338</b>	<b>343</b>	<b>322</b>	<b>329</b>	<b>340</b>

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>48.5</b>	<b>48.7</b>	<b>52.1</b>	<b>63.2</b>	<b>57.6</b>	<b>41.1</b>	<b>50.8</b>	<b>67.3</b>
<b>Diluted EPS</b>	<b>47.7</b>	<b>48.3</b>	<b>51.7</b>	<b>62.6</b>	<b>57.3</b>	<b>41.1</b>	<b>50.8</b>	<b>67.3</b>
Cash EPS	60.3	62.3	66.7	79.7	76.7	47.4	71.5	89.5
Book Value	228.7	249.9	284.4	305.2	317.3	302.6	310.1	320.0
DPS	14.0	15.0	45.0	45.0	50.0	40.0	43.2	57.2
Payout (%)	29.3	31.0	87.1	71.9	87.3	97.3	85.0	85.0
<b>Valuation (x)</b>								
P/E ratio	29.1	28.9	27.0	22.3	24.4	34.3	27.7	20.9
Cash P/E ratio	23.4	22.6	21.1	17.7	18.4	29.7	19.7	15.7
EV/EBITDA ratio	19.6	21.4	17.8	15.2	15.1	21.0	16.8	13.2
EV/Sales ratio	3.6	3.3	3.2	2.7	2.3	2.3	2.3	2.1
Price/Book Value	6.2	5.6	5.0	4.6	4.4	4.7	4.5	4.4
Dividend Yield (%)	1.0	1.1	3.2	3.2	3.6	2.8	3.1	4.1
<b>Profitability Ratios (%)</b>								
RoE	22.0	20.2	19.5	21.5	18.5	13.3	16.6	21.3
RoCE	22.8	17.3	19.3	21.0	18.6	12.4	17.4	22.8
<b>Turnover Ratios</b>								
Debtors (Days)	73	75	62	61	56	50	50	51
Fixed Asset Turnover (x)	4.7	4.1	4.1	3.0	3.6	3.7	3.9	4.3
<b>Leverage Ratio</b>								
Debt/Equity Ratio (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

### Cash Flow Statement

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
CF from Operations	55	49	65	67	74	51	63	79
Change in Working Capital	-11	-5	16	-14	-18	13	5	1
<b>Net Operating CF</b>	<b>44</b>	<b>44</b>	<b>81</b>	<b>53</b>	<b>56</b>	<b>64</b>	<b>68</b>	<b>79</b>
Net Purchase of FA	-8	-8	-6	-8	-10	-7	-17	-19
<b>Free Cash Flow</b>	<b>37</b>	<b>35</b>	<b>75</b>	<b>45</b>	<b>46</b>	<b>56</b>	<b>51</b>	<b>60</b>
Net Purchase of Invest.	-13	19	-49	13	7	-6	-15	-15
<b>Net Cash from Invest.</b>	<b>-21</b>	<b>10</b>	<b>-55</b>	<b>5</b>	<b>-3</b>	<b>-13</b>	<b>-32</b>	<b>-34</b>
Inc./ (Dec.) in Equity	0	0	1	1	0	0	0	0
Proceeds from LTB/STB	-6	-20	-13	-8	-9	-9	0	0
Dividend Payments	-17	-25	-18	-40	-43	-39	-38	-50
<b>Cash Flow from Fin.</b>	<b>-23</b>	<b>-45</b>	<b>-30</b>	<b>-47</b>	<b>-51</b>	<b>-48</b>	<b>-38</b>	<b>-50</b>
Other adjustments	0	1	0	0	1	0	0	0
<b>Net Cash Flow</b>	<b>1</b>	<b>10</b>	<b>-3</b>	<b>11</b>	<b>3</b>	<b>3</b>	<b>-2</b>	<b>-5</b>
<b>Opening Cash Balance</b>	<b>20</b>	<b>20</b>	<b>30</b>	<b>27</b>	<b>38</b>	<b>41</b>	<b>43</b>	<b>41</b>
Add: Net Cash	1	10	-3	11	3	3	-2	-5
<b>Closing Cash Balance</b>	<b>20</b>	<b>30</b>	<b>27</b>	<b>38</b>	<b>41</b>	<b>43</b>	<b>41</b>	<b>36</b>

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Explanation of Investment Rating	
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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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