27 August 2023

Company Update | Sector: Technology

Mphasis

BSE SENSEX	S&P CNX
64,887	19,266

Bloomberg	MPHL IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	451 / 5.5
52-Week Range (INR)	2493 / 1661
1, 6, 12 Rel. Per (%)	8/-2/-1
12M Avg Val (INR M)	1153

Financials & Valuations (INR b)

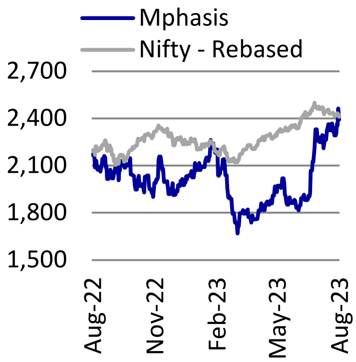
Y/E MARCH	FY23	FY24E	FY25E
Sales	138.0	134.9	155.0
EBIT Margin (%)	15.3	15.5	16.5
PAT	16.4	16.5	20.3
EPS (INR)	86.9	87.4	107.3
EPS Gr.(%)	15.8	0.6	22.8
BV/Sh.(INR)	421.2	456.0	499.1
Ratios			
RoE (%)	22.0	20.0	22.6
RoCE (%)	19.1	17.2	19.4
Payout (%)	60.0	60.2	60.2
Valuations			
P/E (x)	27.5	27.4	22.3
P/BV (x)	5.7	5.2	4.8
EV/EBITDA (x)	17.6	17.2	14.4
Div. Yield (%)	2.2	2.2	2.7

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	55.6	55.6	55.7
DII	21.2	21.0	18.2
FII	17.2	17.7	20.5
Others	6.1	5.7	5.6

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR2,392 TP: INR2,250 (-6%) Neutral

Growth to recover in FY25 | Valuation remains full

Driving incremental efforts to stimulate growth engines

We hosted Mr. Nitin Rakesh (MD & CEO – Mphasis) at our flagship conference, AGIC – 2023. Through his presentation, he touched upon the implications of Generative AI (subset of LLM) on business operations and the cannibalization impact it may pose to the technology service lines. Moreover, we also attended Mphasis (MPHL)'s Analyst Meet recently. The key takeaways from the meet are:

- **MPHL is driving incremental growth by doubling-down on its vertical- and horizontal-focused strategies, while constantly mining & onboarding potential clients through the new client acquisition (NCA) engine.**
- **The company has made a few strategic investments to facilitate its deep vertical presence and participate more into the customer-centric solutions, instead of delivering commoditized services.**
- **Moreover, BFS remains a key focused vertical and it continues to scale up through wallet share gains; while it draws attention to non-BFS units and de-risks banking-heavy portfolio.**
- **However, Mphasis' current valuation of 22x FY25E EPS fairly factors in the recovery in earnings growth next year. Reiterate Neutral with a TP of INR2,250 (premised on 21x FY25E EPS).**

Customer-centric strategy drives positive outcome

- MPHL is focused on augmenting customer stickiness to have a complete ownership of the business solutions and participate in the account planning process, instead of just delivering project-based solutions through RFPs.
- The company believes that it has built robust account mining and scaling teams (Tribes and Squads) that participate in cross-functional activities. Further, the strong GTM strategy is augmenting these teams, and shortening the sales cycle by deeper mining and large deal origination activities.
- The NCA strategy is progressing very well and the company has been successful in onboarding strategic logos (potential to scale) and acquiring large deals. Revenue originating through the NCA route has posted a CAGR of 49% over FY19-23.
- The strategic projects are working in favor of MPHL and are creating a referral point for existing as well as new accounts. With that the company gets to participate in a series of Workshops and POCs before a potential referee becomes an active client.

BFS continues to be the key focused vertical

- BFS continues to be an anchor vertical for MPHL (Exhibit 1). However, there are several accounts that are not mature and can be scaled to a full potential. With matured BFS vertical, the company is exploring other emerging markets and seeking referral points through the top-10 banking accounts.
- BFS is a key vertical (~50%) and has driven a major part of the offshoring. Moreover, it remains client-centric to participate in growth vs optimization initiative, which is likely to drive offshoring further.

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- MPHL aspires to deliver top-quartile growth for its Direct business, while it expects the DR business recovery to happen via the uptick in volume from the US mortgage segment.
- The company has also extended its focus to the ex-BFS verticals and de-risked its banking-heavy portfolio with a vertical cohort strategy. As a result, Logistics, TMT and Healthcare verticals have witnessed sustainable growth (Exhibit 2) on the back of large deal wins (Exhibit 3) through marquee client additions.

Sustained margin delivery by flexing multiple levers

- MPHL's offshore mix has witnessed a significant shift to 48% in 1QFY24 from 42% in FY20, which largely absorbed the incremental costs and delivered stable margins over the last eight quarters.
- Pyramid rationalization, improvement in utilization and growing offshoring have largely supported margin, and kept it within the guided band.
- Management has demonstrated its ability to maintain margins in a tight range. It is confident of retaining margins within a narrow band of 15.25-16.25%.

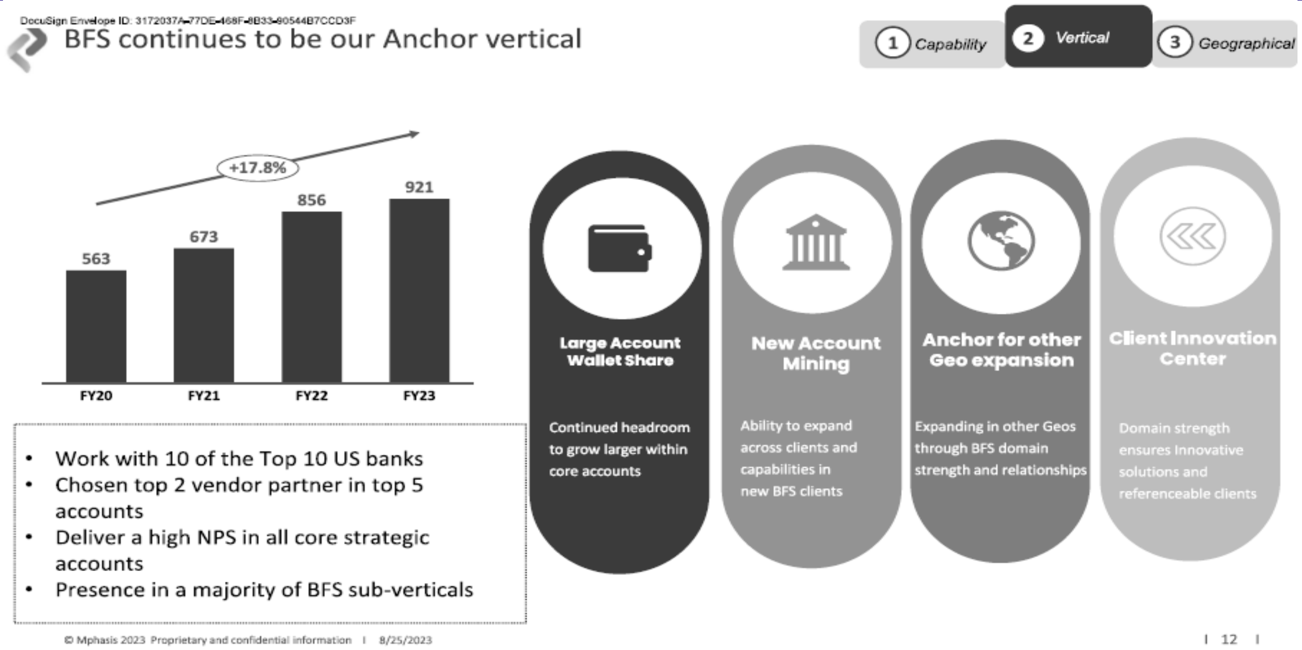
Gen AI to support and augment IT operations

- On a boarder sense, the management was quite optimistic on the implications of Generative AI (subset of a large language model or LLM) on executing and augmenting business activities that require cognitive and analytical capabilities.
- The interactive language model would replace manual operations that involve repetitive and mundane tasks such as support desk, contact center agents and iterative business operations (Exhibit 4).
- Management firmly believes that Gen AI would be an industry tailwind in complementing and running the IT operations that involve complex coding, engineering and deployment of large business modules.
- While emphasizing on the cloud capacities and supporting applications, Gen AI would also drive value migration and complement the overall IT operations going forward.

Valuation and View – Maintain Neutral

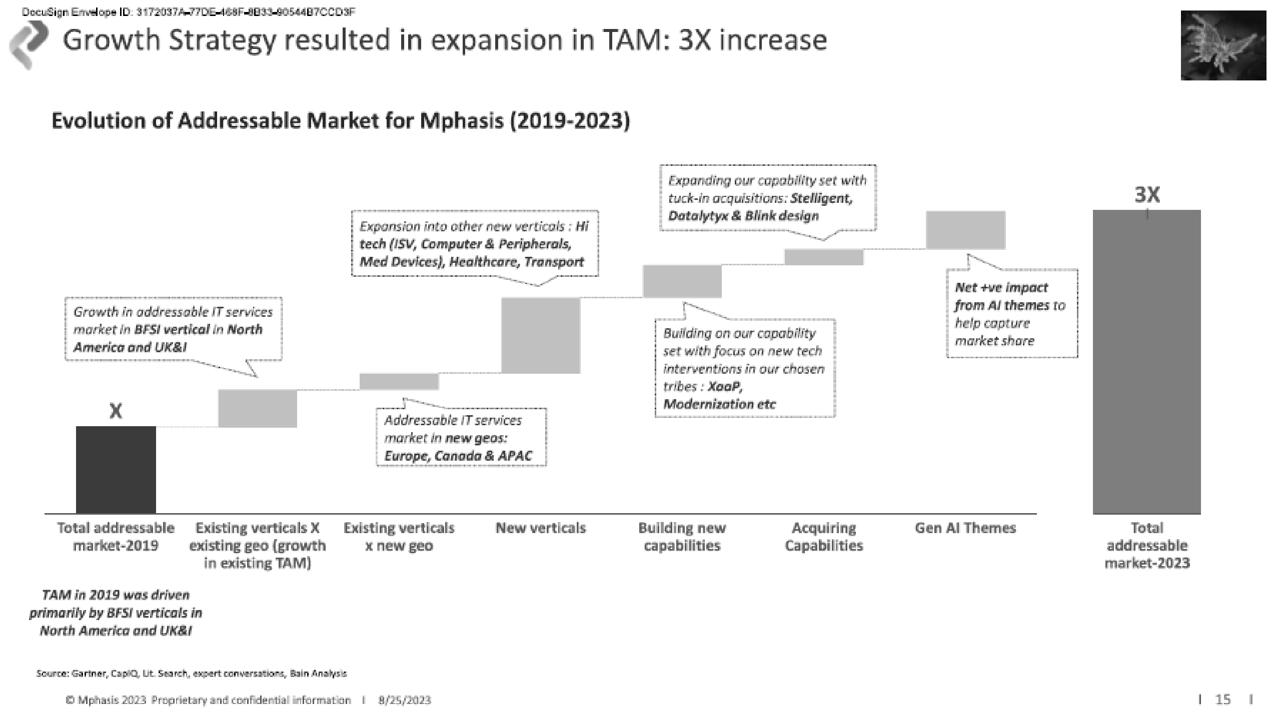
- Although management indicated an early sign of recovery in mortgage business with improving revenue visibility on its BFS portfolio, we maintain our Neutral rating on the stock factoring in the near-term weakness in Direct business. However, the weakness will be offset by better medium-term growth due to strong deal wins.
- We remain watchful of the macro recovery to see further progress in its DR business with expected volume recovery on its origination & refinance services.
- **We expect an FY24/FY25 USD revenue decline of 4.1%/growth of 14.8% YoY with FY24 margin at 15.5% (lower end of the guided range of 15.25%-16.25%). We anticipate FY25E margin to improve to 16.5%. We anticipate FY25E margin to improve to 16.5%.**
- **We believe that the current valuation of 22x FY25E EPS fairly factors in the recovery in earnings growth. Hence, we reiterate our Neutral rating with a TP of INR2,250 (premised on 21x FY25E EPS).**

Exhibit 1: BFS continues to be the key growth vertical with robust account mining and large deal acquisition strategy



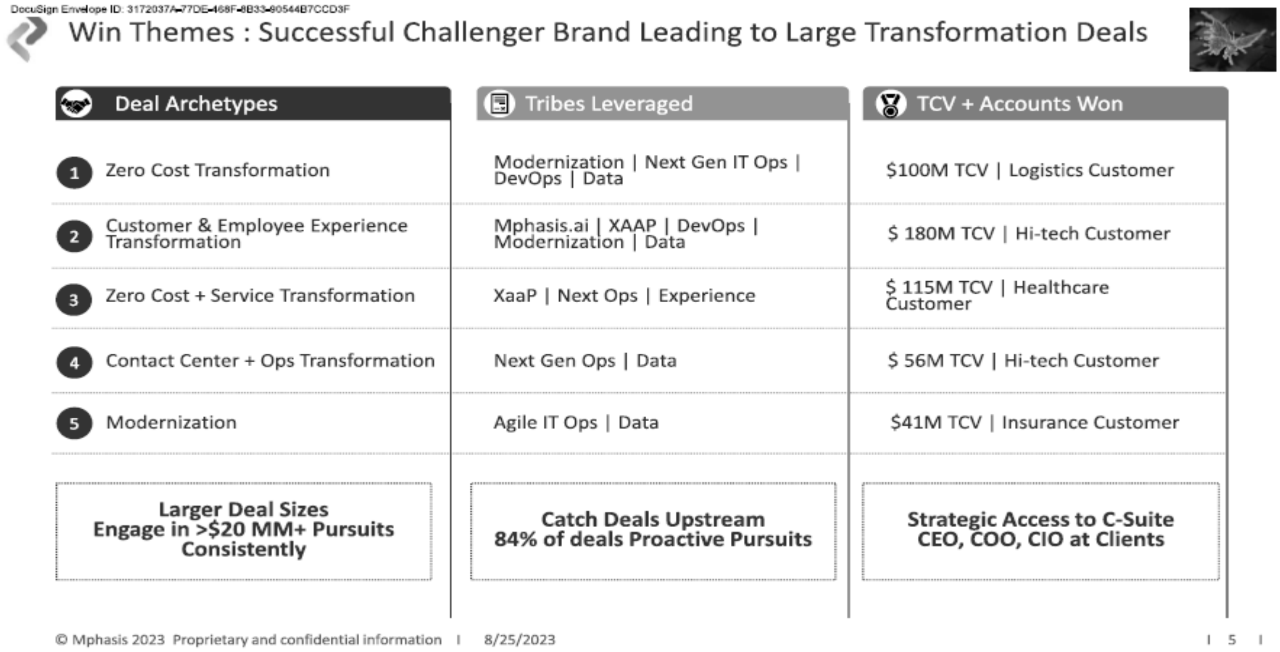
Source: Company, MOFSL

Exhibit 2: Expansion to new verticals has contributed majorly during this evolution (from FY19 to FY23)



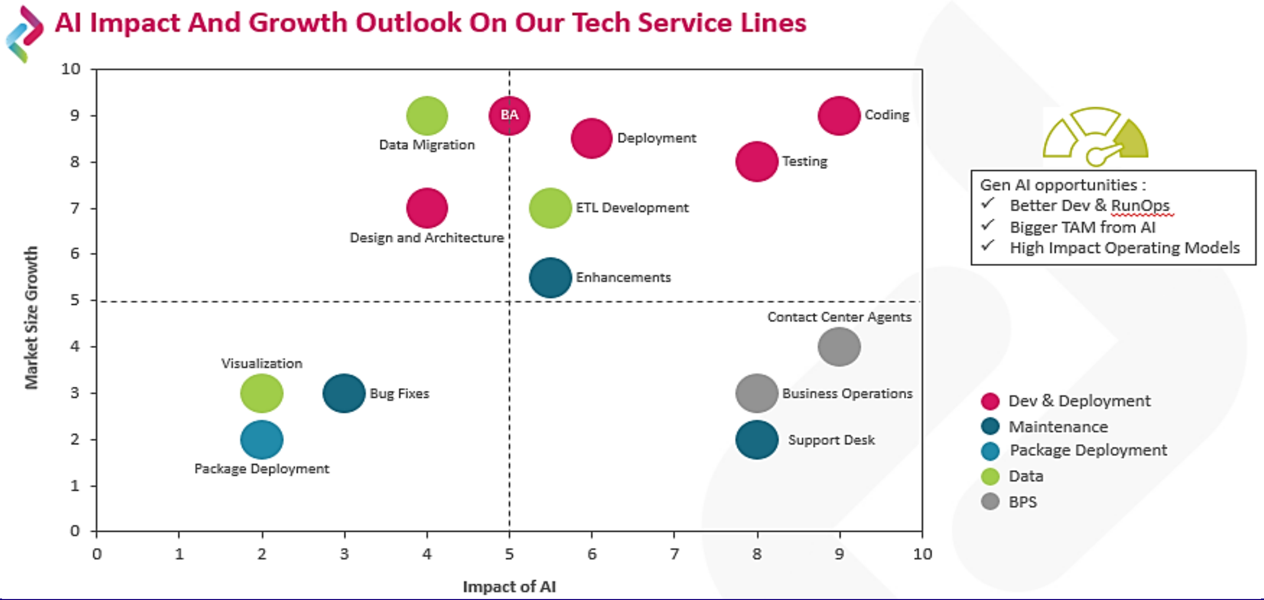
Source: Company, MOFSL

Exhibit 3: Strategic access to CXO has provided a strong uptick to the large deal wins within non-BFS verticals



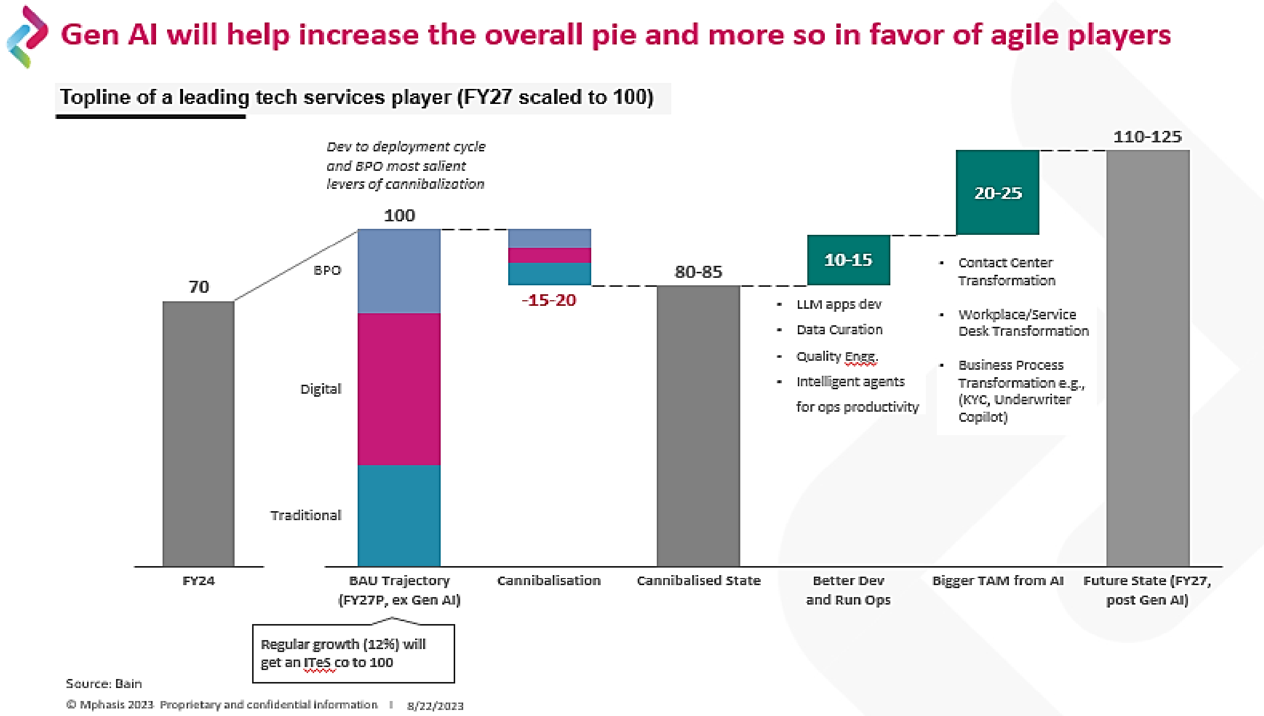
Source: Company, MOFSL

Exhibit 4: Gen AI is complementing skillful IT operations, while automating the low-end services



Source: Company, MOFSL

Exhibit 5: Cannibalization to drive outcomes at a much higher scale



Source: Company, MOFSL

Key takeaways from the Analyst Meet

Growth, demand and large deals

- The IT spend super cycle is intact; the macro slowdown is just a blip. Though macro environment remains affected, decision making has started to improve.
- After Y2K (2000), enterprise outsourcing (2005), and SMAC/Digital (2015); Gen AI (2023) will be the next big driver of growth for the IT services industry.
- Proactive client engagements have helped MPHL win sizable deals.
- MPHL continues to invest in capability ecosystem –
  - Invest in Tribes and Squads model
  - Partner ecosystem using hyperscalers & others
  - Repeatability and scalability through Archetypes
  - Tuck-in M&As to bolster capabilities.
- BFS continues to be the anchor vertical for MPHL. There are many accounts, which are not mature and can drive strong growth. Additionally, MPHL will derive growth by replicating the success from its Top-5 clients.
- Cloud adoption is still in its early days with only ~30% workload being migrated to cloud. This could go up to 60% over the next few years and can fuel strong growth.

Portfolio diversity beyond banking in other four verticals

- Though MPHL is not defocusing on the Banking vertical, it is de-risking the business by expanding in different verticals.
- The strategy is to add 20-25 logos per year in each of the four verticals with the following account qualifications –
  - Potential of USD10m+ yearly spend
  - Top 30 logos in the vertical
  - Ready for disruption using established archetypes
- For referenceability, a vertical must reach a critical mass of USD100m. All four verticals have exceeded that critical mass.
- Across the four verticals, MPHL has strong logos with 20 from Fortune 100 and 37 from Fortune 500. These verticals have seen 4x surge in large deals and 40% of the pipeline consists of the large deals.

Gen AI is an enabler

- The break-through from LLM is expected to cannibalize a part of IT services (Legacy, Digital and BPO) to a more AI and Cognitive-driven automated services such as LLM apps developments, Quality Engineering, and Intelligent Virtual Agents.
- The self-learning model would bring a massive transformation to the after-sales services for products or solutions that involve frequent outages and downturns.
- With a trained data model, it would predict or forecast a required maintenance that a certain product needs to stay operational.

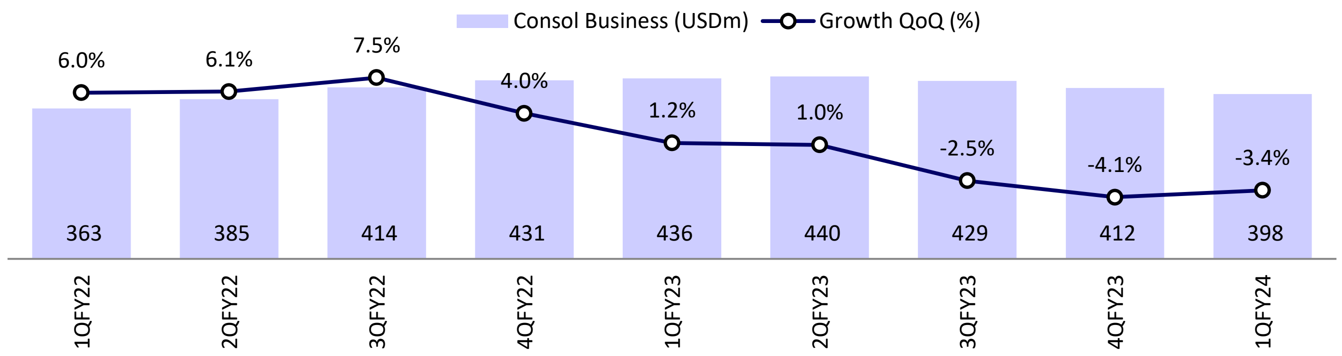
Transformative journey

- About 70% of the applications are yet to get digitized and modernized while integrating design elements to improve customer experience.
- The management remained confident of acquiring new capabilities through M&A route and doubling-down on profitable growth.
- Even in the current environment, some of the clients have accelerated their pace of adoption of new technologies; about 80% of the deal consists of new gen capabilities.

Direct business bottoms out, recovery in FY25E

MPHL's consolidated performance has deteriorated from a healthy growth of 6% QoQ in 1QFY22 to a decline of 3.4% QoQ in 1QFY24. The heightened macro uncertainties had an adverse impact on its Direct core BFS (down 8.8% QoQ) and DR (down 10.5% QoQ) businesses. These business segments are highly sensitive to the growing US mortgage rates and elevated inflation, which are leading to volume declines for loan origination and refinancing.

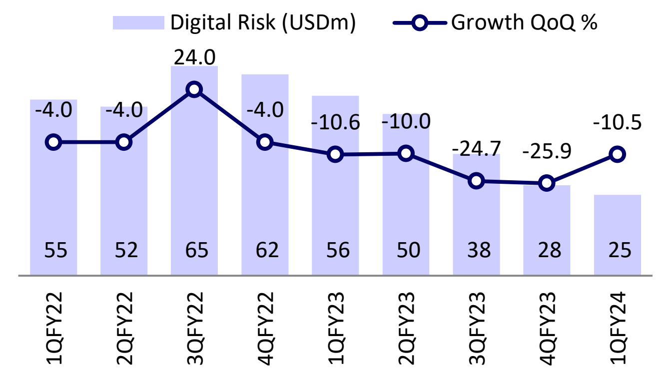
Exhibit 6: Consolidated business growth tapering due to weakness in Core BFS and DR businesses



Source: Company, MOFSL

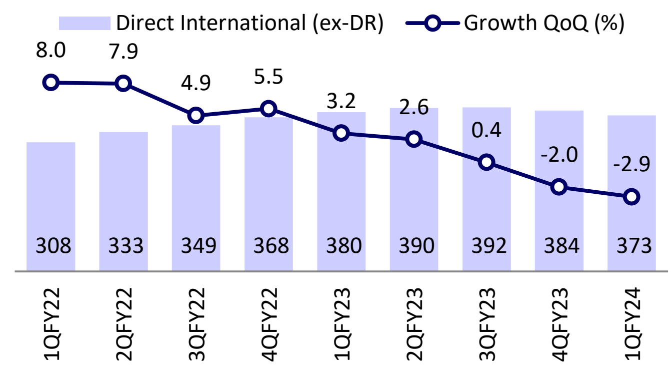
Although, the revenue decline for the DR business has moderated in 1QFY24 with 10% QoQ decline vs. ~25% decline witnessed over 3Q-4QFY23. With that MPHL is doubling-down on reviving growth for ex-BFS business portfolio and offset the consolidated-level drag coming from BFS, which is evident through sustained CQGR in Insurance, TMT and L&T (Exhibit-10). The company's vertical cohort strategy is playing out well to de-risk its pain vertical and diversify its offerings to other parts of the BUs.

Exhibit 7: Softness in Direct growth (%)...



Source: Company, MOFSL

Exhibit 8: ...was driven by DR business (USD m) growth (%)

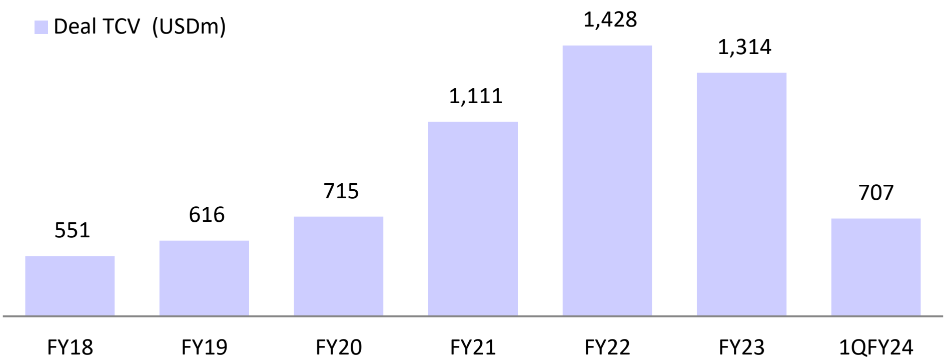


Source: Company, MOFSL

The BFS vertical has banking-heavy top accounts – which have undergone discretionary cuts and reprioritized spends towards core operations –which are leading to revenue leakages in the near term. We believe the core BFS and DR businesses have bottomed out at this level and we should see a gradual recovery in volume as the US mortgage rates take a pause and come-off steadily going forward.

MPHL is doubling-down on client mining with its new GTM structure and deriving growth from the ex-top 10 accounts. The record-high deal TCV of USD707m (1.8x BTB) in 1QFY24 has been the testament to the diversified client base and de-risking of BFS-heavy accounts.

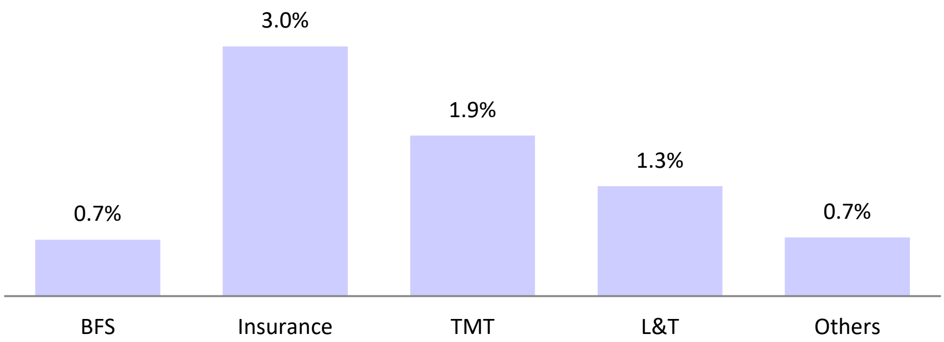
Exhibit 9: Deal TCV at all-time high in 1QFY24



Source: Company, MOFSL

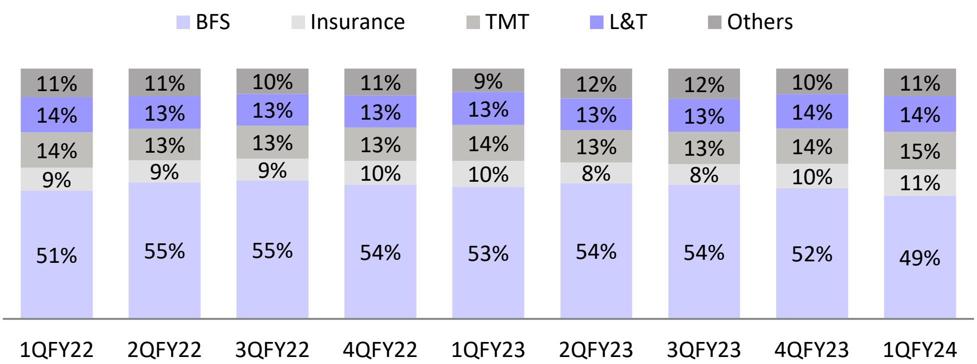
The company has extended its focus to ex-BFS units and made its business portfolio more diversified with its vertical cohort strategy. As a result, Insurance and TMT verticals have witnessed a revival in growth in the last two quarters. Insurance, Technology, Media & Telecom (TMT) and Logistics & Transportation (L&T) reported growth of 3.4%, and 3.9% QoQ and decline of 0.9% QoQ, respectively.

Exhibit 10: CQGR % between 1QFY22 and 1QFY24



Source: Company, MOFSL

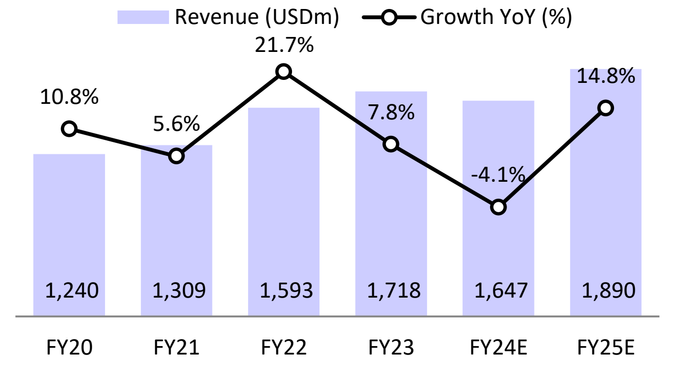
Exhibit 11: Vertical exposure



Source: Company, MOFSL

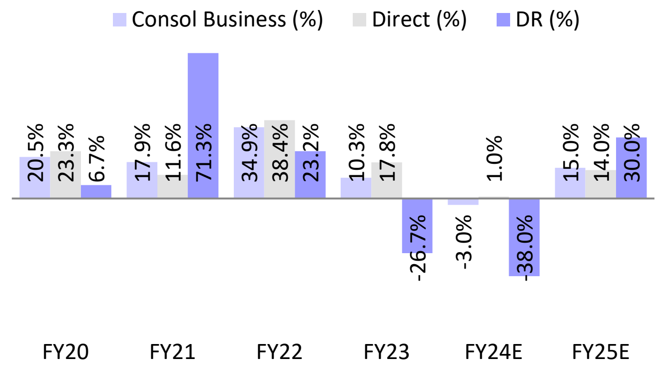
With the interest rate hike cycle coming to an end, MPHL is seeing early signs of revival in DR amid a pickup in volumes and capacity commitments. The robust deal TCV of USD707m (four out of seven deals at more than USD100m) gives better revenue visibility for 2H and FY25E. The volume recovery in BFS should be driven by a resumption in top-5 account spending with receding macro headwinds.

Exhibit 12: Strong growth recovery in FY25E



Source: Company, MOFSL

Exhibit 13: FY25E to see robust growth recovery in DR



Source: Company, MOFSL

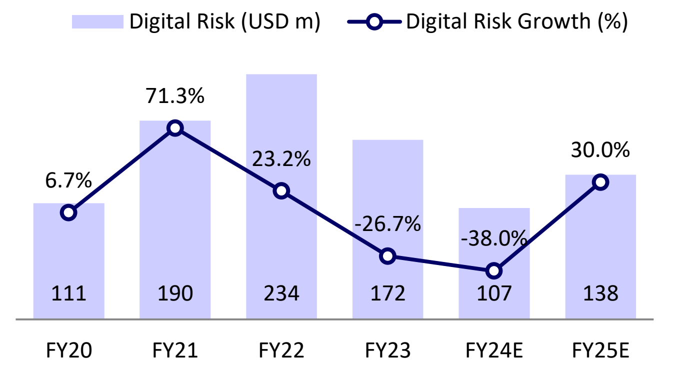
We expect consolidated USD revenue to decline 4.1% YoY in FY24 largely due to weakness in 1Q, while building in QoQ growth for the rest of the year before it strongly recovers to +14.8% YoY in FY25E. We expect the Direct and DR businesses to recover strongly with 14% YoY and 30% YoY growth in FY24 and FY25 after a weak growth expected in FY24E.

We expect strong recovery for the BFS vertical (14% YoY) in FY25 aided by: 1) resumption of top-5 client spending, 2) ramp-up of large deals acquired in 1Q, and 3) MPHL's strategy to mine ex-top 10 accounts to derive incremental growth. Other verticals should continue with their growth momentum in 2H and FY25E led by MPHL's focused cohort strategy to diversify its banking-heavy business portfolio.

Growth-dilutive DR business nearing its bottom

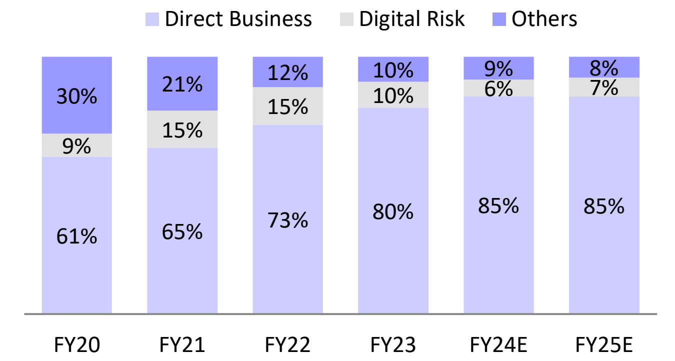
MPHL's DR business has a major dependency on the mortgage and home equity segments of the BFS vertical. As a result, the DR business is highly sensitive towards growing mortgage rates (Exhibit 16) and rising housing prices (Exhibit 17) in the US. DR's contribution to the overall revenue has significantly reduced to 10% in FY23 from 15% in FY22.

Exhibit 14: DR business to see strong recovery in FY25E



Source: Company, MOFSL

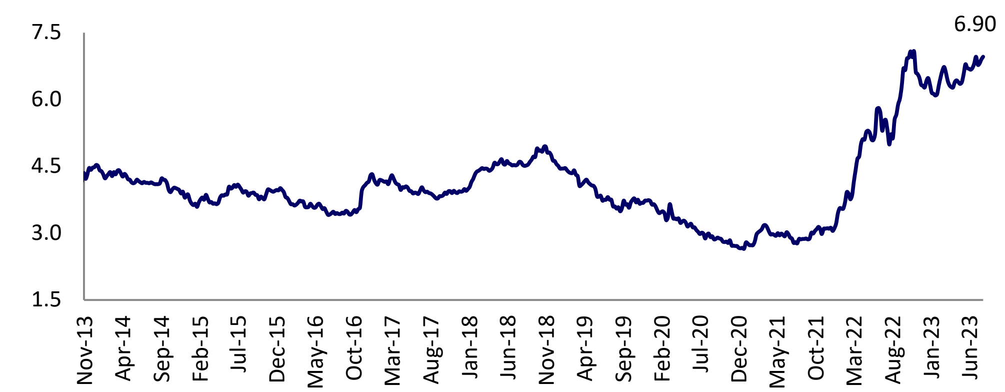
Exhibit 15: Business mix tilting towards Direct core



Source: Company, MOFSL

The DR business should report a healthy growth with the recovery in mortgage rates, and ramp up in volumes for the loan origination and refinancing activities in the US region. Although, management has mentioned that volumes have largely stabilized in 1Q, mortgage segment volumes have witnessed an early sign of recovery with a few active clients committing capacity additions in 1QFY24.

Exhibit 16: 30-year fixed rate (%) mortgage average in the US



Source: FRED, MOFSL

Within mortgage, the home equity segment is also hit by growing inflation that is leading to dampening demand for the new house buyers. This, in turn, is leading to lesser volumes for the mortgage service providers. The elevated inflation has driven the percentage change in cumulative monthly house price to ~80% (Exhibit 17) in May'23.

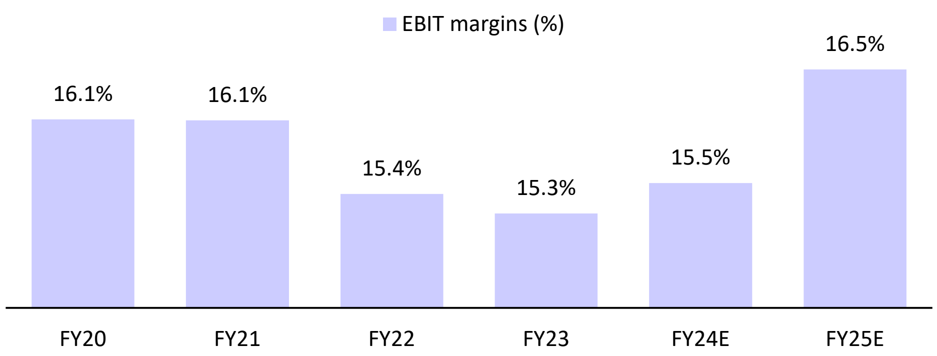
Exhibit 17: Monthly house prices remain strong despite elevated interest rate, supporting home equity part of DR

Source: FHFA, MOFSL

Tight cost control sustains operating margin

MPHL's operating margin has remained stable and has been within the guided range of 15.25%-16.25% despite the meaningful drag in its topline growth. Pyramid rationalization, improvement in utilization and growing offshoring have largely supported margins, and kept it within the guided band. Additionally, the company has witnessed a decline in net headcount over the last four quarters, which has also supported bench optimization and improved productivity.

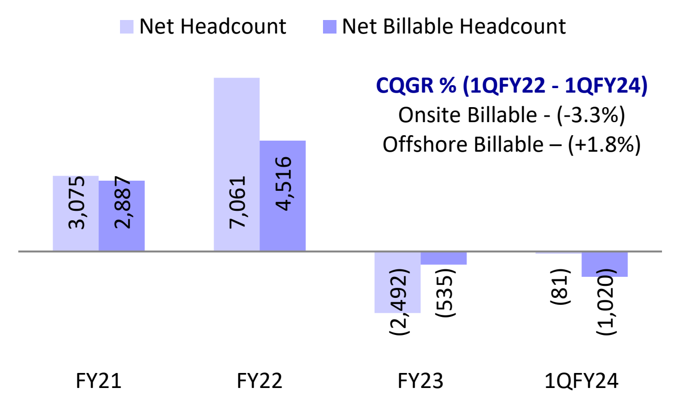
Exhibit 18: EBIT margin remains within the guidance band of 15.25% to 16.25%



Source: Company, MOFSL

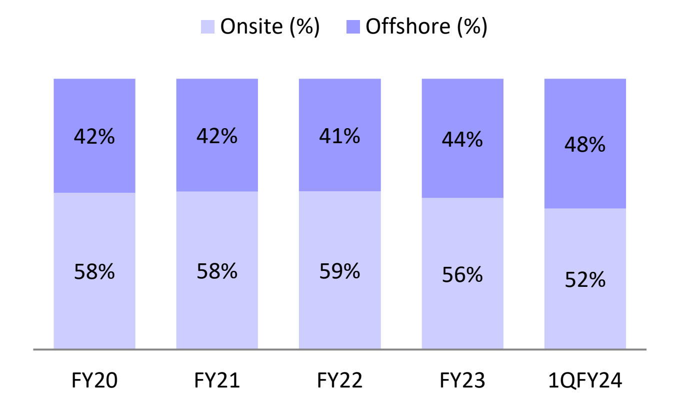
MPHL's offshore mix has witnessed a significant shift to 48% in 1QFY24 from 42% in FY20, which largely absorbed the incremental cost and delivered stable margins over the last eight quarters. The company has witnessed a decline in net headcount of 2,500 in FY23, while onsite billable headcount has reduced at 3.3% CQGR (over 1QFY22-1QFY24) vs. an increase of 1.8% in offshore (Exhibit 19).

Exhibit 19: Net Headcount addition remains muted



Source: Company, MOFSL

Exhibit 20: Revenue mix (%) shifting offshore

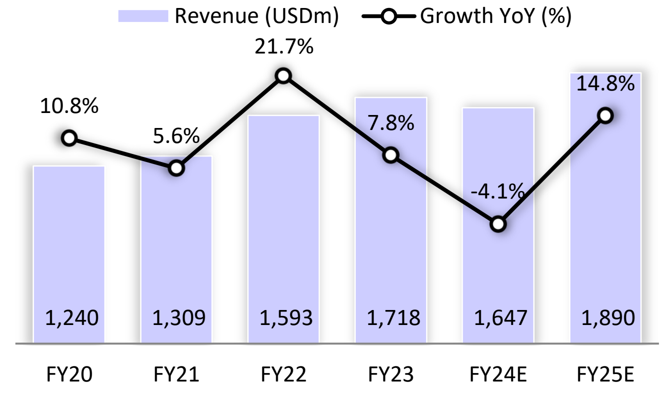


Source: Company, MOFSL

The right-mix in offshoring effort and elevated utilization (80% offshore in 1Q) have put a better control on costs and optimized bench in FY23. We expect a modest margin recovery in FY23 with 20bp YoY improvement in FY24 followed by a strong recovery through volume in FY25. Management is confident of maintaining margins within a narrow band of 15.25-16.25% for the rest of the year despite continued investments to fuel incremental growth.

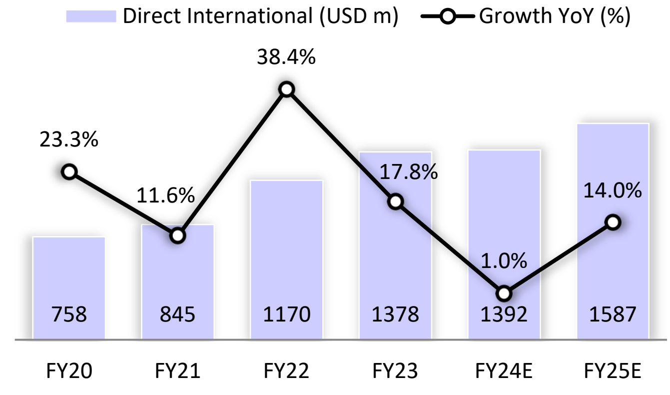
Story in charts

Exhibit 21: Strong growth recovery in FY25E



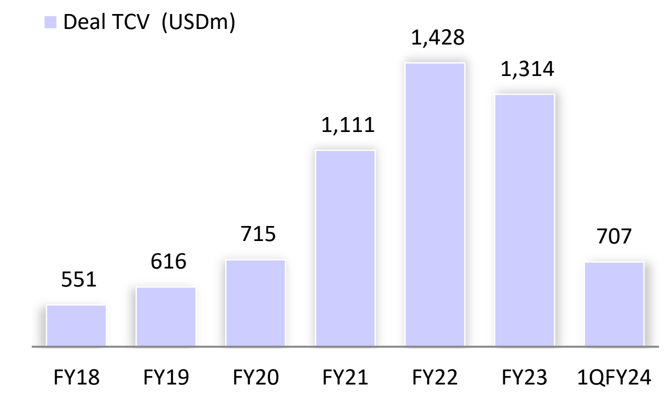
Source: Company, MOFSL

Exhibit 22: Direct Business (Ex-DR) recovery in FY25E



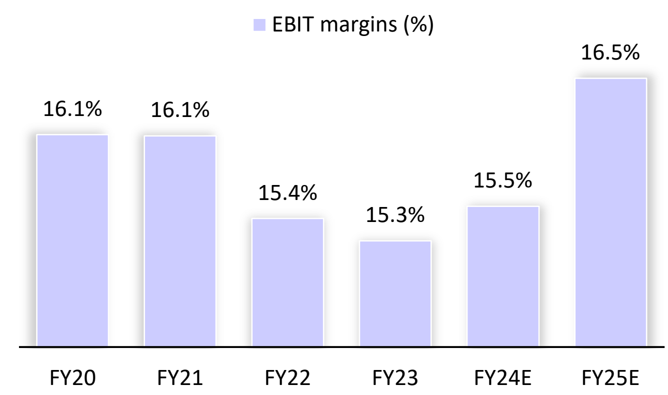
Source: Company, MOFSL

Exhibit 23: Deal TCV sees sharp recovery in 1Q



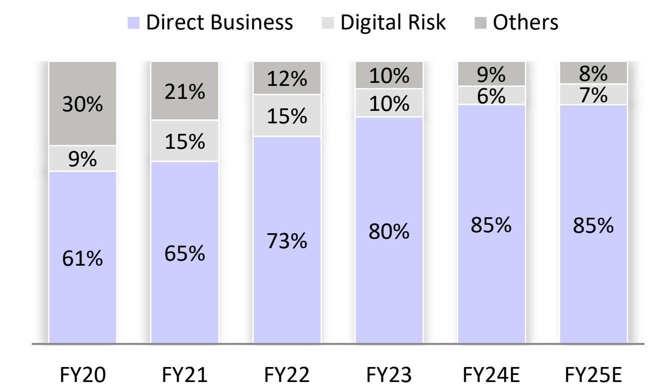
Source: Company, MOFSL

Exhibit 24: Margin expected to recover in FY25



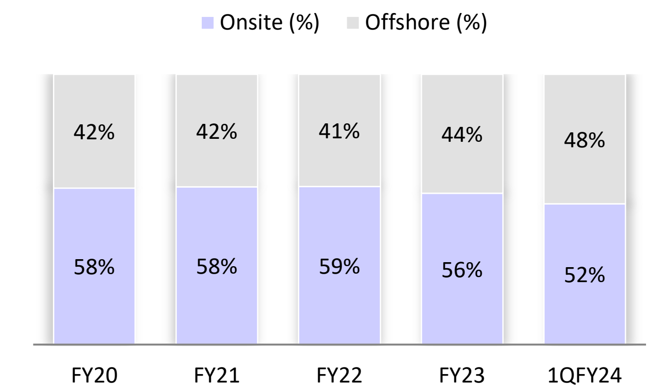
Source: Company, MOFSL

Exhibit 25: Change in segmental mix %



Source: Company, MOFSL

Exhibit 26: Growing proportion for offshoring %

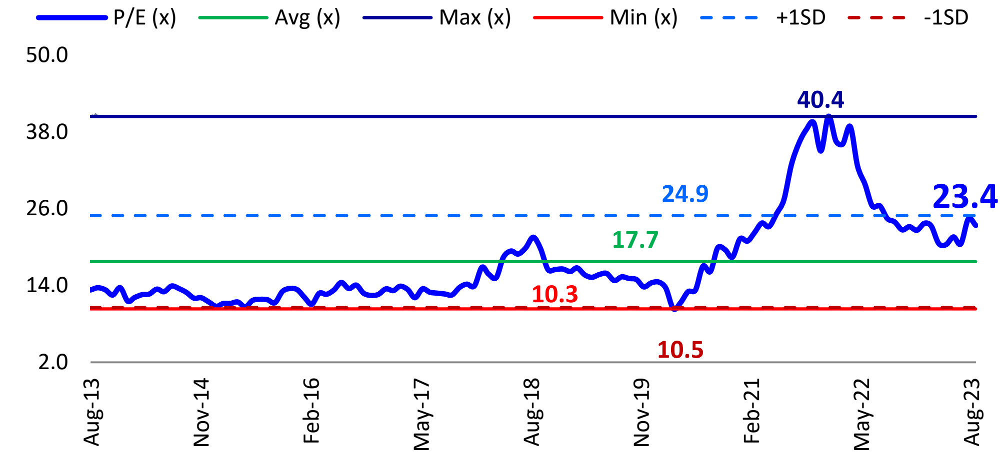


Source: Company, MOFSL

Valuation and View – Maintain Neutral

- Although management indicated an early sign of recovery in mortgage business with improving revenue visibility on its BFS portfolio, we maintain our Neutral rating on the stock factoring in the near-term weakness in Direct business. However, the weakness will be offset by better medium-term growth due to strong deal wins.
- We remain watchful of the macro recovery to see further progress in its DR business with expected volume recovery on its origination & refinance services.
- **We expect an FY24/FY25 USD revenue decline of 4.1%/growth of 14.8% YoY with FY24 margin at 15.5% (lower end of the guided range of 15.25%-16.25%). We anticipate FY25E margin to improve to 16.5%.**
- **We believe that the current valuation of 22x FY25E EPS fairly factors in the recovery in earnings growth. Hence, we reiterate our Neutral rating with a TP of INR2,250 (premised on 21x FY25E EPS).**

Exhibit 27: 1-Year forward P/E Chart



Source:

Financials and valuations

Income Statement								(INR m)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Revenues	**65,459**	**77,311**	**88,436**	**97,222**	**1,19,616**	**1,37,985**	**1,34,899**	**1,54,979**
Change (%)	7.7	18.1	14.4	9.9	23.0	15.4	-2.2	14.9
Cost of Revenues	47,308	55,754	61,376	67,723	84,664	98,128	95,109	1,07,590
SG&A Expenses	7,525	8,317	10,536	11,472	13,570	15,517	15,206	18,288
EBITDA	**10,626**	**13,240**	**16,524**	**18,027**	**21,382**	**24,340**	**24,584**	**29,102**
% of Net Sales	16.2	17.1	18.7	18.5	17.9	17.6	18.2	18.8
Depreciation	709	759	2,317	2,418	2,906	3,253	3,626	3,565
EBIT	**9,917**	**12,481**	**14,207**	**15,609**	**18,476**	**21,087**	**20,959**	**25,538**
% of Net Sales	15.1	16.1	16.1	16.1	15.4	15.3	15.5	16.5
Other Income	1,490	1,592	967	696	861	644	1,082	1,550
PBT	**11,407**	**14,073**	**15,174**	**16,305**	**19,337**	**21,731**	**22,041**	**27,087**
Tax	2,900	3,339	3,306	4,139	4,870	5,351	5,493	6,772
Rate (%)	25.4	23.7	21.8	25.4	25.2	24.6	24.9	25.0
Net Income	**8,507**	**10,734**	**11,868**	**12,166**	**14,467**	**16,380**	**16,548**	**20,316**
Change (%)	5.5	26.2	10.6	2.5	18.9	13.2	1.0	22.8

Balance Sheet								(INR m)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
Share Capital	1,933	1,862	1,865	1,870	1,878	1,884	1,884	1,884
Reserves	52,885	50,636	56,431	63,397	67,553	77,464	84,083	92,210
Net Worth	**54,818**	**52,498**	**58,296**	**65,267**	**69,431**	**79,348**	**85,968**	**94,094**
Loans	3,899	5,466	5,713	5,135	5,272	1,985	1,985	1,985
Other long term liabilities	1,016	1,235	7,567	7,285	9,030	8,768	8,817	8,978
Capital Employed	**59,732**	**59,199**	**71,576**	**77,687**	**83,734**	**90,101**	**96,769**	**1,05,056**
Net Block	**1,829**	**2,126**	**8,823**	**8,869**	**10,388**	**11,281**	**9,005**	**6,990**
CWIP	19	16	74	31	110	55	55	55
Goodwill	17,015	19,585	21,405	21,326	27,348	29,586	29,586	29,586
Investments	3,169	2,592	3,479	3,114	3,778	3,848	3,848	3,848
Other assets	8,361	8,362	9,624	9,246	8,774	11,794	13,517	16,929
Curr. Assets	**39,460**	**41,031**	**44,131**	**51,403**	**57,164**	**59,531**	**65,542**	**75,926**
Debtors	8,116	18,487	17,696	18,505	22,270	25,207	25,501	29,722
Cash	7,067	6,416	11,267	9,098	9,494	10,534	12,871	12,954
Investments	14,651	10,700	9,768	16,870	14,351	13,679	16,679	20,679
Other Current Assets	9,625	5,427	5,400	6,929	11,048	10,111	10,491	12,571
Current Liab. & Prov	**10,121**	**14,511**	**15,959**	**16,302**	**23,828**	**25,994**	**24,783**	**28,277**
Sundry Liabilities	9,875	14,428	15,891	15,806	22,744	24,883	23,704	27,037
Provisions	246	83	68	497	1,084	1,110	1,079	1,240
Net Current Assets	**29,339**	**26,519**	**28,172**	**35,100**	**33,336**	**33,538**	**40,759**	**47,649**
Application of Funds	**59,732**	**59,199**	**71,576**	**77,687**	**83,734**	**90,102**	**96,769**	**1,05,056**

E: MOFSL Estimates

Financials and valuations

Ratios								
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
EPS	**43.3**	**55.5**	**63.1**	**64.2**	**75.1**	**86.9**	**87.4**	**107.3**
Cash EPS	46.9	59.4	75.5	77.0	90.2	104.2	106.6	126.2
Book Value	279.2	274.1	312.9	349.3	365.3	421.2	456.0	499.1
DPS	20.1	27.0	35.0	65.0	45.7	52.2	52.7	64.7
Payout %	46.5	48.6	55.4	101.2	60.8	60.0	60.2	60.2
Valuation (x)								
P/E	55.3	43.1	37.9	37.2	31.8	27.5	27.4	22.3
Cash P/E	51.0	40.3	31.7	31.1	26.5	23.0	22.4	19.0
EV/EBITDA	42.5	33.7	26.0	23.6	20.4	17.6	17.2	14.4
EV/Sales	6.9	5.8	4.9	4.4	3.6	3.1	3.1	2.7
Price/Book Value	8.6	8.7	7.6	6.8	6.5	5.7	5.2	4.8
Dividend Yield (%)	0.8	1.1	1.5	2.7	1.9	2.2	2.2	2.7
Profitability Ratios (%)								
RoE	14.6	20.0	21.4	19.7	21.5	22.0	20.0	22.6
RoCE	12.5	17.4	18.6	16.8	18.3	19.1	17.2	19.4
Turnover Ratios								
Debtors (Days)	45	87	73	69	68	67	69	70
Fixed Asset Turnover (x)	32.2	39.1	16.2	11.0	12.4	12.7	13.3	19.4

Cash Flow Statement								(INR m)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24E**	**FY25E**
CF from Operations	8,832	10,918	12,788	14,999	18,497	20,397	19,091	22,330
Chg. in Wkg. Capital	-1,502	-1,421	422	-453	-1,501	-5,779	-3,560	-6,058
Net Operating CF	**7,330**	**9,497**	**13,210**	**14,545**	**16,996**	**14,618**	**15,532**	**16,273**
Net Purchase of FA	-313	-2,511	-1,243	-1,252	-1,192	-1,112	-1,349	-1,550
Free Cash Flow	**7,016**	**6,986**	**11,967**	**13,293**	**15,805**	**13,506**	**14,183**	**14,723**
Net Purchase of Invest.	5,238	5,404	2,652	-6,967	-1,629	2,936	-1,918	-2,450
Net Cash from Invest.	**4,925**	**2,893**	**1,408**	**-8,219**	**-2,820**	**1,825**	**-3,267**	**-4,000**
Proceeds from equity	2	104	151	268	442	271	0	0
Proceeds from LTB/STB and others	3,624	1,554	-3,863	-2,356	-2,152	-7,153	0	0
Dividend Payments	-15,010	-14,604	-6,065	-6,527	-12,177	-8,652	-9,929	-12,189
Net CF from Financing	**-11,383**	**-12,947**	**-9,777**	**-8,615**	**-13,887**	**-15,534**	**-9,929**	**-12,189**
Net Cash Flow	**871**	**-556**	**4,842**	**-2,288**	**289**	**908**	**2,336**	**83**
Exchange difference	52	-94	10	120	107	132	0	0
Opening Cash Balance	**6,144**	**7,067**	**6,416**	**11,267**	**9,098**	**9,494**	**10,534**	**12,870**
Add: Net Cash	923	-651	4,851	-2,169	396	1,040	2,336	83
Closing Cash Balance	**7,067**	**6,416**	**11,267**	**9,098**	**9,494**	**10,534**	**12,870**	**12,954**

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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