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Initiation Report

Ultratech Cement Ltd

Getting bigger and better...but priced in

CMP:	**Rs. 1879**
Target Price	**Rs. 2063**
Rating:	**HOLD**

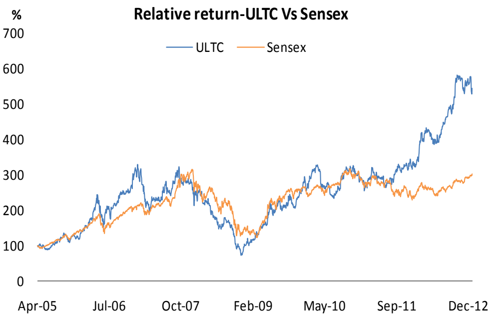
Stock Info

BSE Group	A
BSE Code	532528
NSE Symbol	ULTRACEMCO
Bloomberg	UTCEM .IN
Reuters	ULTC.BO
BSE Sensex	19253
NSE Nifty	5819

Market Info

Market Capital	₹ 51507cr
Equity Capital	₹ 247cr
Avg. Trading Vol.	175930
52 Wk High/ Low	2075/1094
Face Value	10

Shareholding Pattern (%)	**(31st Dec.2012)**
Promoters	62.0
Domestic Institutions	4.6
Foreign Institutions	20.2
Non Promoters Corp.	3.2
Public & Others	10.0



Date: 07-03-2013

Ultratech Cement (UTCL), second largest cement producer in India, is expected to post strong earnings growth over FY14E-15E as its ongoing ~Rs 12000cr of capex on augmenting capacities and improving operating efficiencies expected to come on stream over next 12 months. We expect company to post revenue cagr of 15% over FY12-FY15E on account of 8% cagr in cement volumes. We expect earnings to post cagr of 17% over FY12-15E on higher volumes and stable operating margins. Nonetheless, we believe current price essentially captures benefits accruing over next two years and hence we initiate coverage on Ultratech Cement with Hold rating and target price of Rs 2063/share. At current prices the stock is trading at 9.4x and 7.7x FY14E and FY15E EBITDA(x) and 16.4x and 13.5x FY14E and FY15E EPS, respectively.

Timely commissioning of capacities to spur volume growth

ULTC is in midst of its ongoing Rs 12000cr capex that involves augmenting cement capacities, logistics infrastructure improvement and modernisation & up gradation of existing facilities. Company is expanding its existing capacity by almost 20% by adding 10.2mtpa cement capacity that includes 4.8mtpa at Raipur (East India), 4.4mtpa at Malkhed (South India) and 1mtpa at Pipavav (West India). Of this, 1mtpa Pipavav grinding unit has been commissioned recently, while other two units are expected get commissioned by of FY14E. We believe commissioning of these capacities will help company to post volume growth higher than industry rate. We forecast it to post volume growth of 10% and 13% in FY14E and FY15E respectively.

Increased contribution from captive power will aid margins

Company is expanding its captive power capacity by 18% from ~530MW to ~630MW. Post commissioning of these units, we expect share of relatively cheaper captive power consumption to increase from 80% in FY12 to 88% in FY15E and this is likely to bring in cost savings of ~Rs 90 over next two years.

Pace of capacity addition to get slower over next two years

We expect industry to add ~66mn tonne of cement capacity on effective basis over FY13-FY15E, implying ~7% cagr over the same. This compares with 13% cagr over FY07-12, when industry added 145mtpa of capacity. We believe capacity utilizations to bottom out in FY13 at 72%, after falling from peak of 97% in FY07, as capacities are expected to get added at relatively slower space and are coinciding with state and general elections. Thus we expect capacity utilization to increase marginally over FY14-15 to 73%.

Y/E March, (₹ in Cr)	FY11	FY12	FY13E	FY14E	FY15E
Net Revenue	13798	19236	21331	25091	29046
EBIDTA	2696	4194	4870	5743	6756
PAT	1367	2403	2710	3139	3816
EPS	50	88	99	115	139
EPS Growth (%)	*-43.3*	*75.7*	*12.8*	*15.8*	*21.6*
RONW (%)	13	19	18	17	18
P/E (X)	37.7	21.4	19.0	16.4	13.5
EV/EBITDA(X)	19.8	12.8	11.2	9.4	7.7

Source: Arihant Research

About Company

Ultratech Cement (UTCL) is second largest cement player in India with production capacity of 49mtpa *(Holcim India, consisting of ACC and Ambuja Cements, is the largest cement manufacturer with combined production capacity of 57mtpa)*. UTCL has presence across the geographies of India and has market share of 18%. The company became a one of the largest cement player in the world post merger of Grasim's Industry's (Holding company) cement business with itself in 2010. It also has presence in value added space of cement business i.e white cement, wall care putty and RMC, with production capacity of 0.6mtpa, 0.04mtpa and 10mn cubic meters, respectively.

Company diversified its presence in Middle East through acquisition of ETA star cement, Dubai, which has cement manufacturing capacity of 3mtpa.

Zone	Location	State	Capacity	Share of capacity
North	Chiitorgarh	Rajashthan	5	**23%**
	Kotputli	Rajashthan	3.1	
	Bhatinda	Punjab	1.8	
	Panipat	Haryana	1.3	
East	Simga	Chhattisgarh	2.5	**13%**
	Bhatapara	Chhattisgarh	1.9	
	Durgapur	West Bengal	1.2	
	Jharsuguda	Orissa	1	
West	Awarpur	Maharashtra	3.6	**23%**
	Rajula-Amreli	Gujarat	5.8	
	Jafrabad-Amreli	Gujarat	0.5	
	Madalla	Gujarat	0.7	
	Ratnagiri	Maharashtra	0.4	
Central	Vikram Nagar	Madhya Pradesh	3	**11%**
	Aligarh	UP	1.3	
	Dadri	UP	1.3	
South	Tadipatri	Andhra Pradesh	5.6	**30%**
	Gulbarga	Karnataka	3.2	
	Ariyalur	Tamilnadu	1.4	
	Hotgi	Maharashtra	1.8	
	Ginigera	Karnataka	1.3	
	Arakonam	Tamilnadu	1.4	
Domestic Capacity			**48.8**	
ETA Star Cement			**3.2**	
Total Capacity (mtpa)			**52**	

Source: Arihant Research, Company

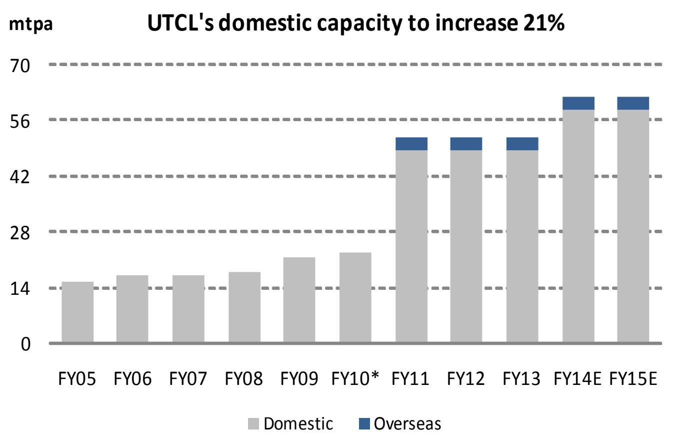
Investment Rationale

~Rs 12000cr capex to drive next phase of growth

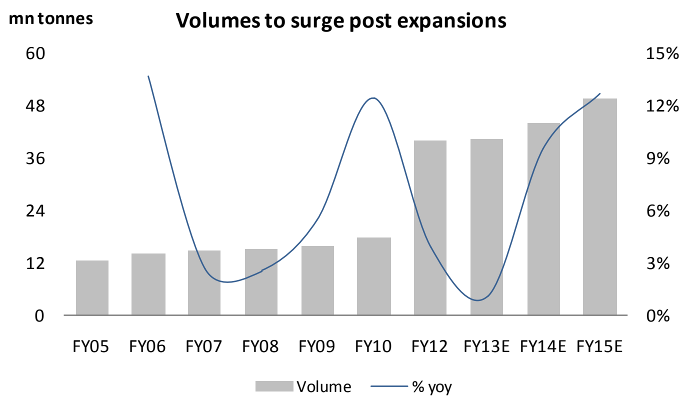
Ultratech is in midst of its ongoing Rs 12000cr capex that involves augmenting cement capacities, logistics infrastructure improvement & modernisation and up gradation of existing facilities.

Locations	Capacity	Capex	Commissioning
Raipur-Chhattisgarh	4.8mtpa	Rs 5886cr	2QFY14
Malkhed- Karnataka	4.4mtpa		3QFY14
Pipavav-Gujarat	1mtpa	Rs 917cr	4QFY13
Material Evacuation & Logistic Infra			
Power	95MW	Rs 657Cr	
RMC business		Rs 429cr	
Modernisation & upgradation (Inc Land)		Rs 4048cr	
Total capex (Rs crs)		**11937**	

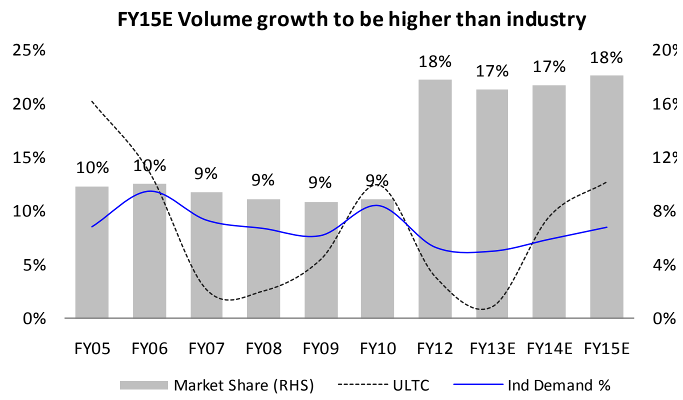
Source: Company presentation, Arihant research



Company is expanding its existing capacity by almost 20% by adding 10.2mtpa of capacity that includes 4.8mtpa at Raipur, 4.4mtpa at Malkhed and 1mtpa at Pipavav. Of this 1mtpa pipavav grinding unit has been commissioned recently, while other two are expected to get commissioned in FY14E. Ongoing capacity additions, sans one at Malkhed-Karnataka, are happening in high growth regions i.e Western and Eastern India. However, we believe 4.4mtpa capacity addition in Karnataka would largely be catering to western markets like Maharashtra and Goa. This would effectively bring down exposure to south to 25% from 30% at present. We believe commissioning of these capacities will help company to post volume growth higher than industry rate. We forecast it to post volume growth of 10% and 13% in FY14E and FY15E respectively.

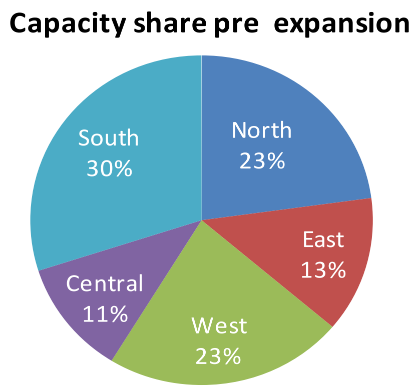


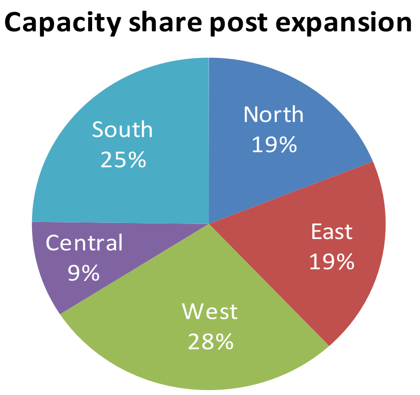
Source: Arihant Research, Company



Source: Arihant Research, Company

Further, significant part of ongoing capex is focused on infrastructure and logistics improvement to control the operating cost of the company.

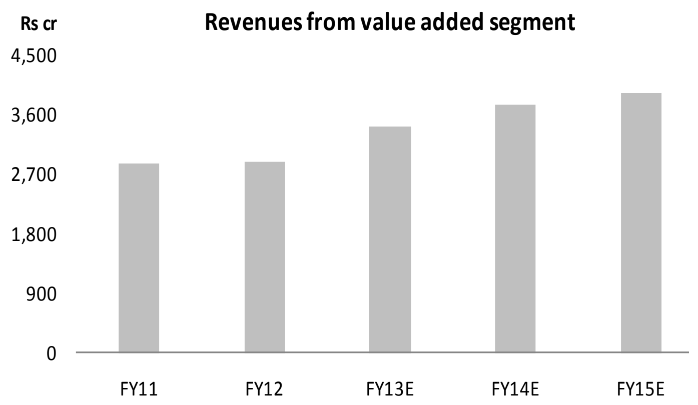


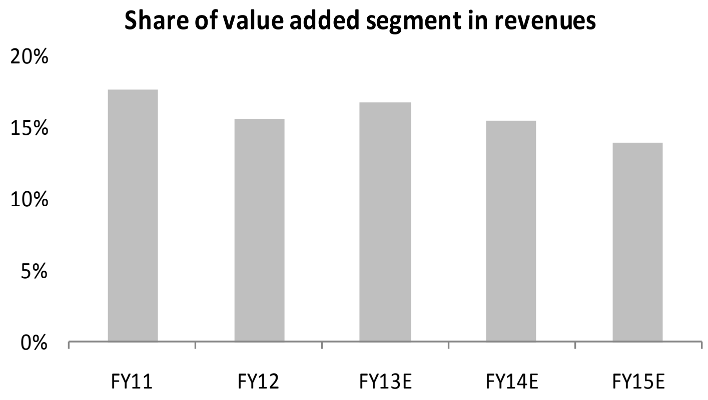


Source: Arihant Research, Company

Value added segment-Stable and profitable

ULTC's value added segment though is relatively small but is stable and profitable. Company has presence in value added products like white cement, putty and Ready mix concrete. Wall care putty segment grew 26% y-o-y in FY12 and is likely to continue its momentum in FY13E with 9MFY13 reporting a volume growth over 20%. Going forward, however, we expect volumes growth to be in the range of 1-2% as the segment is operating near rated capacity. Company's other segments i.e white cement and RMC are expected to remain stable in terms of volumes but expect realisation to improve by 14% and 5% in FY14E and FY15E respectively.

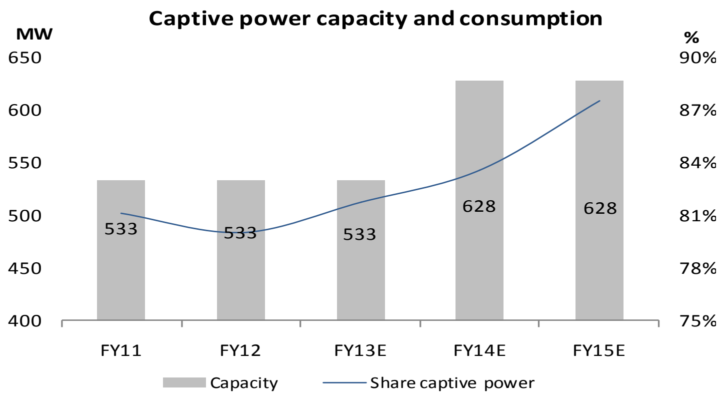


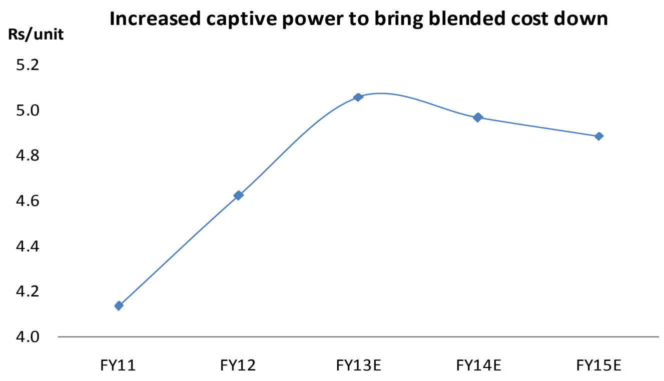


Source: Arihant Research, Company

Increased contribution from captive power to aid EBITDA margins

Company is expanding its captive power capacity by 18% from ~530MW to ~630MW. Post commissioning of these units, we expect share of relatively cheaper captive power consumption to increase from 80% in FY12 to 88% in FY15E and this is likely to bring in cost savings of ~Rs 90 over next two years.

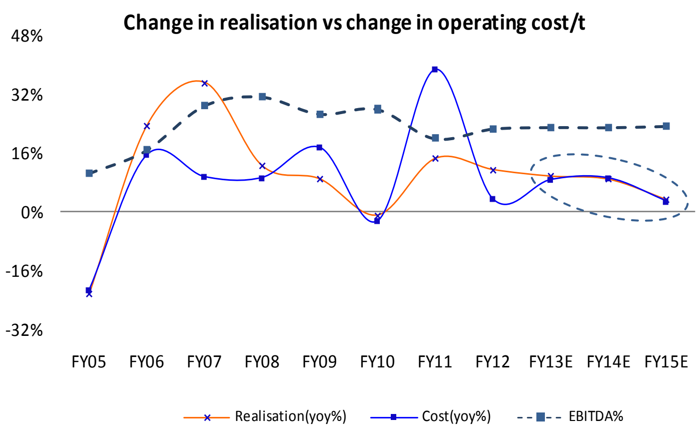


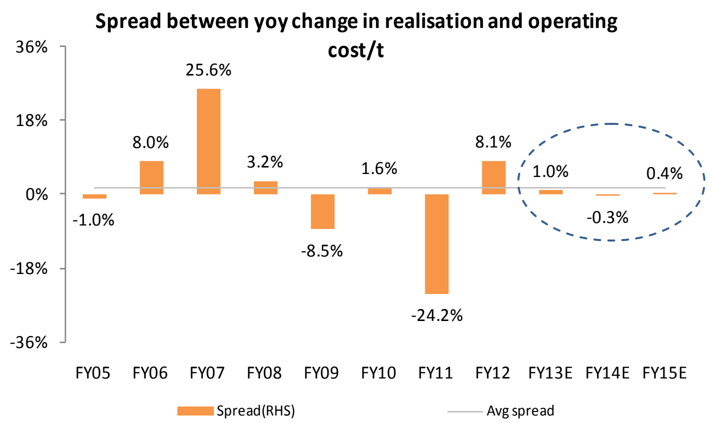


Source: Arihant Research, Company

Realisation to move in tandem with cost

We forecast Ultratech's blended realisation to increase by 13% over FY13-FY15E and will mostly be reflecting increase in operating cost. Historical analysis of ULTC's realisation and cost over FY04-12 reveals that percentage spread between yoy realisation and operating cost growth has been 2%. Within this horizon, between FY05-and FY08, when cement sector was at its peak, the average spread was 12%. The spread turned negative to -10% between FY09-FY11 as sector saw spate of capacity additions and cost pressure during the period. In FY 12 spread once again increased to 8% and was remain above that till 1QFY13, after which it came under pressure due to lack of demand. Going forward, we expect spread to average 0-1% over FY13-FY14E. We forecast realisations in FY14E to increase by 9% largely on account of increase in freight rate caused by Diesel prices hike taken during September-12 and increased railway freight rate. Recently in January 2013, the government has deregulated diesel prices under which prices are proposed to be hiked by Rs 0.5 per litre every month. We, however, have assumed no incremental diesel price hike in our assumption. Nonetheless, any Diesel price hike will impact the margins.

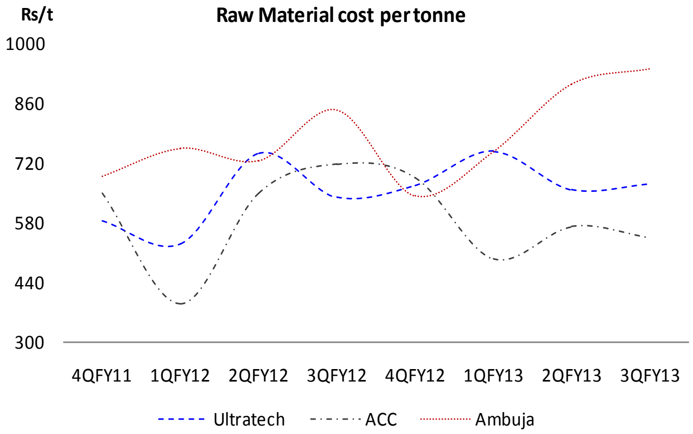


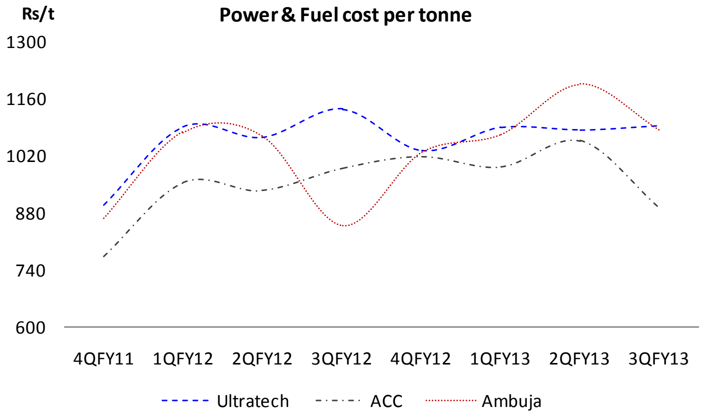


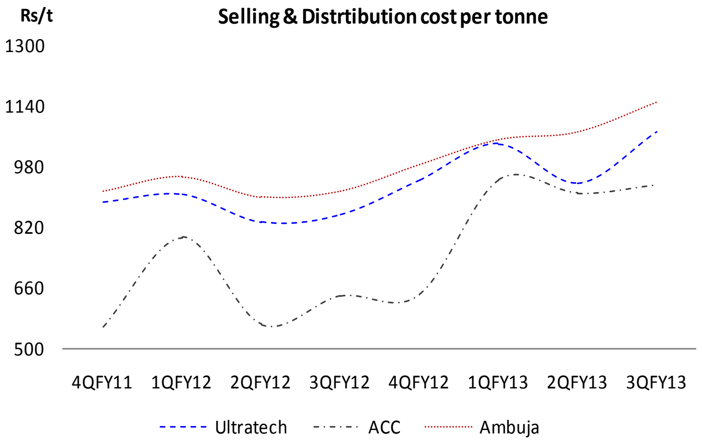
Source: Arihant Research, Company

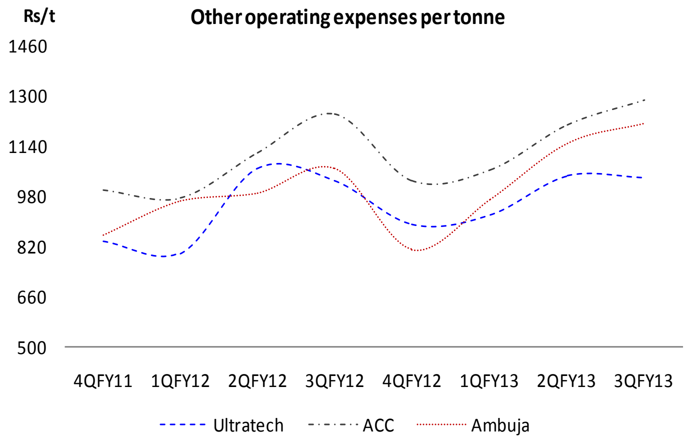
Better cost rationalisation

Among large cement players, Ultratech has showed considerable resilience in cost rationalisations that can be seen through stable operating cost structure over last eight quarters. Company's operating cost per tonne over last eight quarters has increased by 1.6% at an average, while those of ACC and Ambuja Cements have increased by 2.8% and 4% respectively. We believe, better fuel mix through incremental use of pet coke, higher captive power consumption and lead distance rationalisation has translated into stable operating cost for Ultratech. Notably, Ultratech's freight cost grew by 1.1% at an average over last eight quarters compared to 3.2% and 8.4% increase in Ambuja Cements and ACC, respectively.









Source: Arihant Research, ACE Equity

Industry

Significant capacity addition over FY13-15E- albeit at slower space

We expect industry to effectively add ~66mn tonne of cement capacity over FY13-FY15E, implying ~7% cagr over the same. This compares with 13% cagr over FY07-12, when industry added 145mtpa capacity.

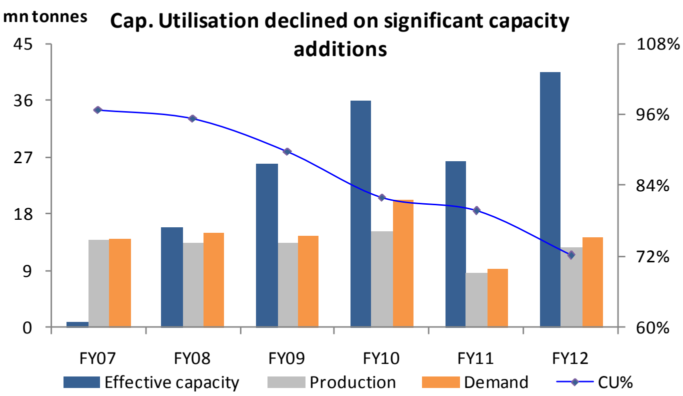
Demand supply balance

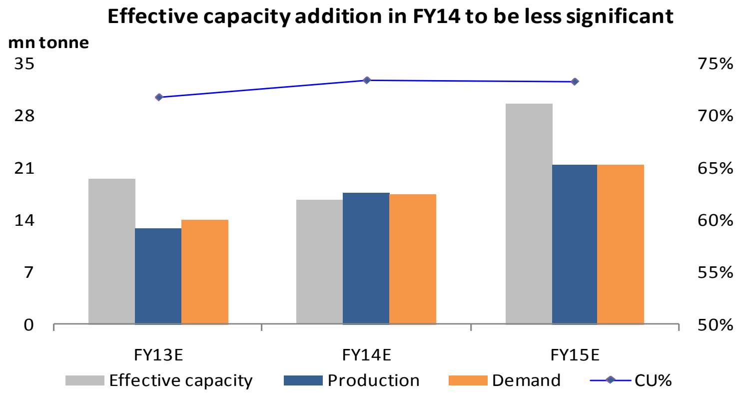
mn tonnes	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13E	FY14E	FY15E
Year End Capacity	165	171	179	209	231	270	296	317	341	367	387
Additions	*8*	*6*	*8*	*30*	*21*	*39*	*26*	*21*	*24*	*26*	*21*
yoy %		*4%*	*5%*	*17%*	*10%*	*17%*	*10%*	*7%*	***8%***	***8%***	***6%***
Effective capacity	*160*	*166*	*167*	*183*	*209*	*245*	*271*	*312*	331	348	378
yoy %		*4%*	*1%*	*10%*	*14%*	*17%*	*11%*	*15%*	***6%***	***5%***	***8.5%***
Production	134	148	162	174	188	201	216	225	238	255	277
CU%	*81%*	*86%*	*97%*	*95%*	*90%*	*82%*	*80%*	*72%*	*72%*	*73.4%*	*73.3%*
yoy %	*8%*	*11%*	*9%*	*8%*	*8%*	*7%*	*8%*	*4%*	***5.7%***	***7.4%***	***8.4%***
Dispatches	121	134	148	163	178	198	207	222	236	253	275
% yoy		*11%*	*11%*	*10%*	*9%*	*11%*	*5%*	*7%*	***6.3%***	***7.4%***	***8.5%***
Cement Exports	6	6	4	3	2	2	2	2	2	2	2

Source: Arihant Research

Capacity utilizations to bottom out in FY13..to increase marginally over FY14-15

We believe capacity utilizations to bottom out in FY13 at 72%, after falling from peak of 97% in FY07, as capacities are expected to get added at relatively slower space and are coinciding with state and general elections. Thus we expect capacity utilization to increase marginally over FY14-15 to 73%.



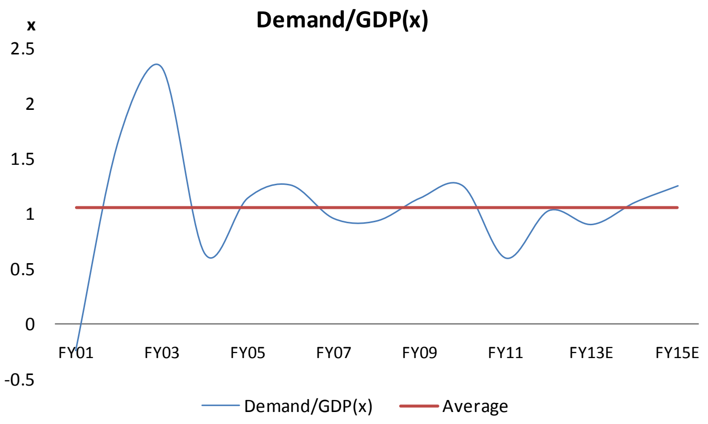


Source: Arihant Research

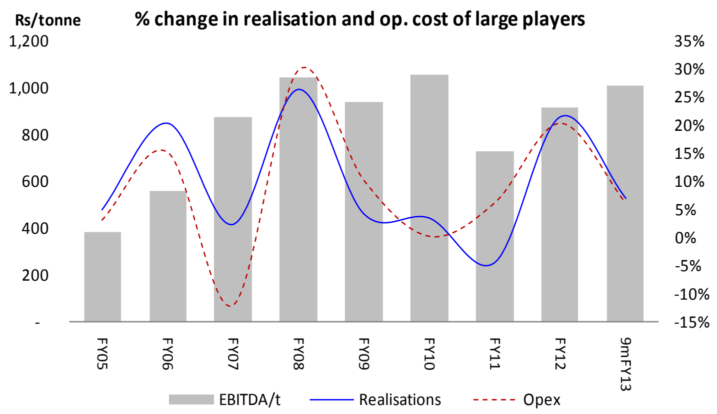
Cement demand to pick up backed by election induced spending

Cement demanding after averaging 10% over FY07-FY10, has averaged 6% over FY11-12 and is expected to grow by 6% in FY13E due to slackness in demand from end user segments sans individual housing segment; where demand is still holding up. With number of states going for assembly elections along with general elections over next 1-2 years, we expect infrastructure related spending to increase and will spur up the demand. We forecast demand to grow by 7.4% in FY14E followed by higher rate of 8.5% in FY15E.

As per our analysis, demand/GDP(x) over last 10-11 years has averaged 1.1x. It has over the years varied significantly, with multiplier going up to 0.6x in intermediate years and 1.2-1.3x during election years. We believe multiplier to come down to 0.9x in FY13 due to sluggish demand and expect it to move up to 1.1x in FY14 and 1.3x as demand typically picks up around the time of central elections. Further, we believe interest rate cycle has picked up and expect gradual easing in the same and this is likely to spur up investment cycle in India and would result into higher demand cement.



Source: Arihant Research, Bloomberg



Source: Arihant Research, ACE Equity

Cement prices to move in sync with operating cost

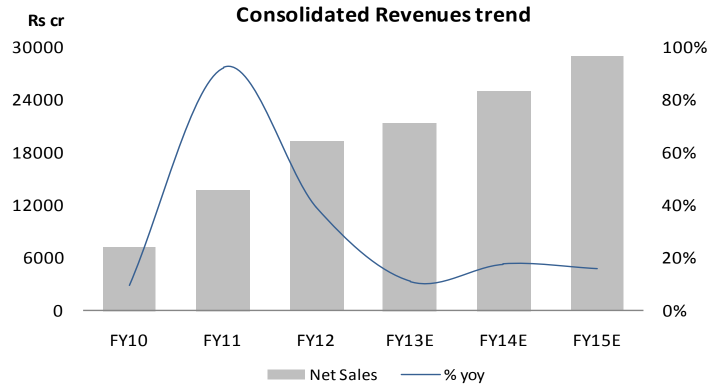
We expect cement prices to move in sync with operating cost of cement players. Historical analysis of operating matrix of large cement players suggests that movement in realization has more or less closely followed movement in operating cost. Biggest pressure points on the operating cost of cement player, in last 3-4 years, has been power & fuel and freight cost. These two components collectively form 55-60% of operating cost. In last couple of years operating cost has gone up due to increase in coal cost and freight cost. Coal cost has gone up due to reduced linkages to cement players and increased dependence on imported coal. Freight cost has gone up due to increased diesel prices and railway freight rates.

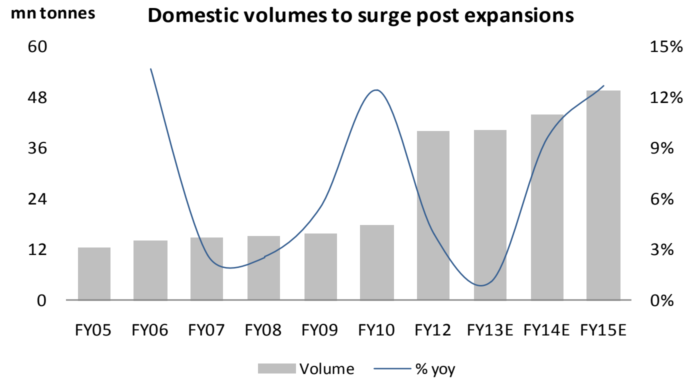
Going forward we expect coal prices more or less to remain stable due to combination of falling global coal prices, weak rupee and marginal increase in domestic coal prices. Freight cost, however, will continue to have cost push effect as diesel prices are expected go up in small iterations. We expect operating cost of cement players to go up by 5-10% in FY14E as government look to increase diesel prices Rs 0.45/liter per month over next one year.

Financial performance

Net Sales to post cagr of 15% over FY12-15E

We estimate Ultratech's net sales to post cagr of 15% over FY12-15E on the back of higher sales volumes and realisations. We expect Ultratech to post 10% volume growth in FY14E, which is higher than industry growth rate of 7%. In FY15E we expect volume growth to come in higher at 13% due to higher demand aided by election related spending. Change in realisations, we estimate, will be in sync with change in operating cost, which primarily will come through diesel price hikes. With diesel price hike taken in FY13, we expect operating cost to increase by 9% in FY14E and thus expect realisation to increase by 9%. For FY15E we expect cost to increase by moderate 3% and expect realisations to increase by 3.4%.

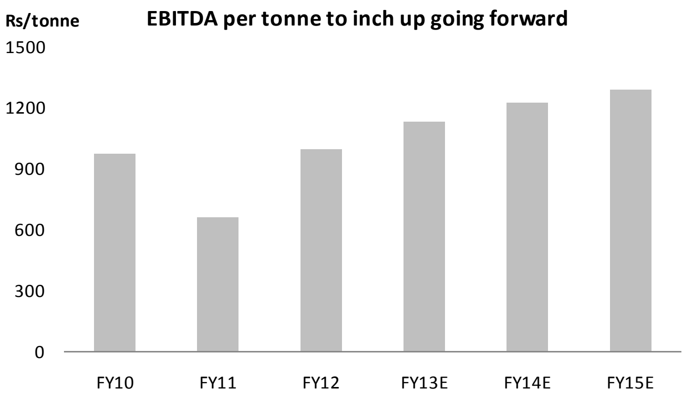


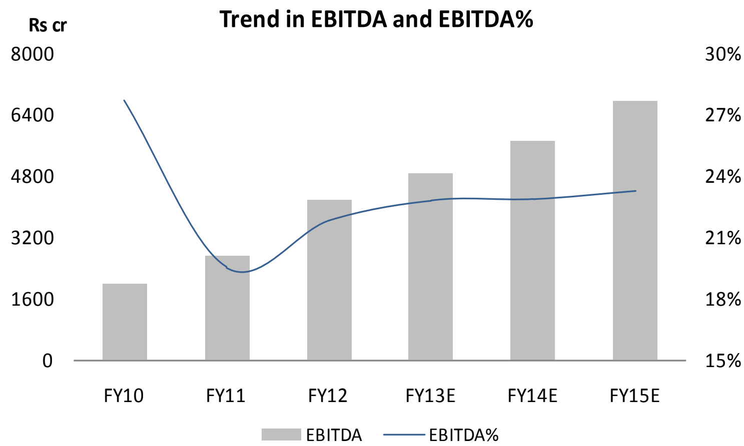


Source: Arihant Research, Company

EBITDA per tonne to improve going forward

On the back of higher cement volumes and stable operating structure, we expect UTCL's EBITDA margins to come in flat at 23% in FY13E and FY14E. In FY15E we expect it to improve by 40bps to 23.4%. On per tonne basis, we expect UTCL's EBITDA per tonne to improve gradually from Rs 995/tonne in FY12 to Rs 1288/tonne in FY15.

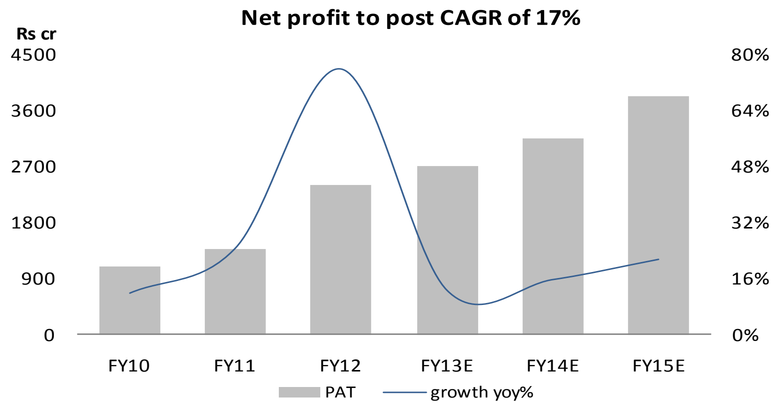




Source: Arihant Research, Company

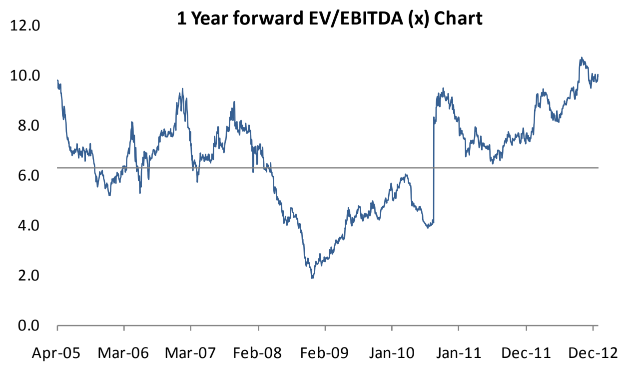
PAT to post cagr of 17%

On the back of higher realisation and volumes, we expect ULTC's consolidated profit after tax to post cagr of 17% over FY12E-FY15E. We expect PAT to grow 13% in FY13E, by 16% in FY14E and by 22% in FY15E.



Source: Arihant Research, Company

Valuation chart



Source: Arihant Research, ACE Equity

Valuations:

Ultratech Cement, through its well diversified geographic spread, offers best play on Indian cement space. It is a largest standalone cement player in India with market share of 18% and we expect it to maintain or increase the same through timely commissioning of capacities, which are expect to come on stream by FY14E. Further, given the company's increased emphasis on value addition and controlling operating cost through efficiency improvements, we expect it to steadily improve its operating margins over FY13-15E. We have valued the company using EV/EBITDA (x) methodology as it captures operating dynamics better and have ascribed EV/EBITDA(x) of 9x to its FY14E EBITDA. Our fair value for Ultratech comes at Rs 2063 per share, implying 9% upside from current levels. **We initiate coverage on Ultratech Cement with Hold rating.**

Rs Cr	FY14E
EV/EBITDA(x)	9
EBITDA	5743
EV	51686
Net Debt (Inc CWIP)	-4868
Market Cap	56553
No shares	27.4
Share price (Rs/sh)	**2063**
CMP (Rs/sh)	1879
Upside	***10%***

Assumptions

Assumptions-Standalone	FY13E	FY14E	FY15E
Cement Volumes-Domestic (mn tonnes)	40.2	44.0	49.6
Blended Realisation (Rs/t)	4892	5327	5509
Raw material (Rs/t)	*737*	*795*	*829*
power and Fuel (Rs/t)	1087	1123	1152
Selling and Dist (Rs/t)	990	1146	1146
other expenditures (Rs/t)	801	860	887

Scenario Analysis-FY14E

EBITDA margin sensitivity to change in Road and Railway freight rate

	-10%	-5%	Base case	5%	10%	15%	20%
-20%	*25.2*	*24.3*	*23.4*	*22.5*	*21.6*	*20.7*	*19.8*
-15%	*25.1*	*24.2*	*23.3*	*22.4*	*21.5*	*20.6*	*19.7*
-10%	*25.0*	*24.1*	*23.2*	*22.3*	*21.4*	*20.5*	*19.6*
-5%	*24.8*	*23.9*	*23.0*	*22.1*	*21.2*	*20.3*	*19.4*
Base case	*24.7*	*23.8*	***22.9***	*22.0*	*21.1*	*20.2*	*19.3*
5%	*24.6*	*23.7*	*22.8*	*21.9*	*21.0*	*20.1*	*19.2*
10%	*24.4*	*23.5*	*22.6*	*21.7*	*20.8*	*19.9*	*19.0*
15%	*24.3*	*23.4*	*22.5*	*21.6*	*20.7*	*19.8*	*18.9*
20%	*24.1*	*23.2*	*22.3*	*21.4*	*20.5*	*19.6*	*18.7*

EBITDA margin sensitivity to Realisations

-10%	-5%	-3%	Base case	3%	5%	10%
17.1	*20.1*	*21.3*	*22.9*	*24.4*	*25.4*	*27.7*

Target price sensitivity to change in Road and Railway freight rate

	-10%	-5%	Base case	5%	10%	15%	20%
-20%	*2,256*	*2,182*	*2,108*	*2,034*	*1,960*	*1,886*	*1,812*
-15%	*2,245*	*2,171*	*2,097*	*2,023*	*1,949*	*1,875*	*1,800*
-10%	*2,234*	*2,160*	*2,086*	*2,012*	*1,938*	*1,863*	*1,789*
-5%	*2,223*	*2,149*	*2,075*	*2,000*	*1,926*	*1,852*	*1,778*
Base case	*2,212*	*2,138*	***2,063***	*1,989*	*1,915*	*1,841*	*1,767*
5%	*2,201*	*2,126*	*2,052*	*1,978*	*1,904*	*1,830*	*1,756*
10%	*2,189*	*2,115*	*2,041*	*1,967*	*1,893*	*1,819*	*1,745*
15%	*2,178*	*2,104*	*2,030*	*1,956*	*1,882*	*1,808*	*1,733*
20%	*2,167*	*2,093*	*2,019*	*1,945*	*1,871*	*1,796*	*1,722*

Target price sensitivity to change in Realisations

-10%	-5%	-3%	Base case	3%	5%	10%
1453	*1758*	*1880*	***2063***	*2247*	*2369*	*2674*

Target price sensitivity to change in EV/EBITDA(x)

5	6	7	8	Base case	10	11
1225	*1435*	*1644*	*1854*	***2063***	*2273*	*2315*

Profit & Loss Statement (Consolidated)					
Y/E March (Rs Cr)	**FY11**	**FY12**	**FY13E**	**FY14E**	**FY15E**
Net Sales	**13798**	**19236**	**21331**	**25091**	**29046**
% Chg	*92*	*39*	*11*	*18*	*16*
Total Expenditure	**11102**	**15042**	**16462**	**19348**	**22290**
% chg	*114*	*35*	*9*	*18*	*15*
EBITDA	**2696**	**4194**	**4870**	**5743**	**6756**
EBITDA Margin %	*20*	*22*	*22.8*	*22.9*	*23.3*
Other Income	**154**	**371**	**244**	**282**	**321**
Depreciation	813	963	1016	1244	1362
EBIT	**2037**	**3602**	**4098**	**4781**	**5716**
Interest	**292**	**256**	**255**	**332**	**300**
PBT bfr excep Items	**1745**	**3345**	**3843**	**4449**	**5416**
Exceptional Items	-	-	-	-	-
PBT after EI	**1745**	**3345**	**3843**	**4449**	**5416**
Tax Provisions	**384**	**948**	**1139**	**1317**	**1606**
PAT before MI	**1361**	**2397**	**2704**	**3133**	**3810**
MI & Profit from Assoc	6	6	6	6	6
Reported PAT	**1367**	**2403**	**2710**	**3139**	**3816**
PAT %	*9.9*	*12.5*	*12.7*	*12.5*	*13.1*

Cash Flow Statement (Consolidated)					
Y/E Mar. (Rs. in cr)	**FY11**	**FY12**	**FY13E**	**FY14E**	**FY15E**
PBT	**1745**	**3345**	**3843**	**4449**	**5416**
Op profit Before WC chg	**2738**	**4230**	**4901**	**5773**	**6788**
Changes in WC	**-218**	**-93**	**756**	**-251**	**-1092**
Op profit after WC chg	**2519**	**4137**	**5657**	**5522**	**5695**
Direct Tax Paid	**-526**	**-745**	**-1139**	**-1317**	**-1606**
Net Cash From Oper. Act	**1993**	**3392**	**4517**	**4205**	**4089**
Net Cash From Inv Act	**-2240**	**-3167**	**-4156**	**-2868**	**-3179**
Cash flow from Fin Act	**253**	**-161**	**-263**	**-1371**	**-662**
Net increase in cash	**7**	**65**	**99**	**-34**	**249**
Opening Cash Balance	**112**	**190**	**213**	**312**	**278**
Adj for Amalgamation	**72**	**-42**	**0**	**0**	**0**
Closing Cash Balance	**190**	**213**	**312**	**278**	**527**

Balance sheet (Consolidated)					
Y/E Mar. (Rs. in cr)	**FY11**	**FY12**	**FY13E**	**FY14E**	**FY15E**
Shareholders' funds	**10647**	**12824**	**15255**	**18139**	**21701**
Share capital	*274*	*274*	*274*	*274*	*274*
Reserves and Surplus	*10373*	*12550*	*14981*	*17865*	*21427*
Minority Interest	**66**	**62**	**62**	**62**	**62**
Non-current liabilities	**5144**	**6709**	**7079**	**6312**	**5989**
Long-term borrowings	*3295*	*4843*	*5158*	*4360*	*4006*
Deferred Tax Liability	*1734*	*1741*	*1741*	*1741*	*1741*
Other LT liabilities	*2*	*4*	*4*	*4*	*4*
LT provisions	*113*	*121*	*177*	*207*	*238*
Current liabilities	**5774**	**5306**	**5734**	**6163**	**6512**
Assets + Equity	**21630**	**24902**	**28131**	**30676**	**34265**
Non-current assets					
Fixed assets + Goodwill	13064	14710	19094	21200	21839
Goodwill	471	544	544	544	544
LT Investments	45	907	907	907	907
Deferred Tax assets	4	8	8	8	8
LT loans and advances	583	1488	869	699	699
Current assets	**7463**	**7245**	**6709**	**7318**	**10268**
Total Assets	**21630**	**24902**	**28131**	**30676**	**34265**

Key Ratios (Consolidated)					
Y/E March (Rs Cr)	**FY11**	**FY12**	**FY13E**	**FY14E**	**FY15E**
Per Share data (Rs)					
EPS	**50**	**88**	**99**	**115**	**139**
Cash EPS	80	123	136	160	189
DPS	6.0	8.0	8.0	8.0	8.0
Book value	389	468	557	662	792
Operating ratio					
Debt/ Equity (x)	0.5	0.5	0.4	0.3	0.2
Current Ratio (x)	1.3	1.4	1.2	1.2	1.6
RoE (%)	13	19	18	17	18
RoCE (%)	9	14	15	16	17
Dividend Yield (%)	0.3	0.4	0.4	0.4	0.4
Valuation Ratio (x)					
P/E	37.7	21.4	19.0	16.4	13.5
P/BV	4.8	4.0	3.4	2.8	2.4
EV/ Sales	3.9	2.8	2.6	2.2	1.8
EV/EBITDA	19.8	12.8	11.2	9.4	7.7

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Stock Rating Scale

Absolute Return

BUY	:	>20%
ACCUMULATE	:	12-20%
HOLD	:	5-12%
NEUTRAL	:	0-5%
REDUCE	:	< 0%

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