

Asia Enterprises Holding Limited

Net-net stock that is too cheap to ignore

SINGAPORE | INDUSTRIALS | COMPANY VISIT

9 December 2016

We recently attended a group discussion with Management, hosted by Managing Director, Ms. Yvonne Lee, who fielded the Question & Answer session.

Company description

Asia Enterprises Holdings Limited (Asia Enterprises) distributes steel products such as plates, angles, beams, bars and pipes to industrial end-users in Singapore and the Asia-Pacific region.

Asia Enterprises was listed on the Main Board of the Singapore Exchange on 1 September 2005 through 5,000,000 Offer Shares at S\$0.27 each by way of public offer, and 63,000,000 Placement Shares also at S\$0.27 each.

Key takeaways

Turnover expected to remain soft due to lower volume, in spite of higher ASP

Management shared that the recovery of steel prices has been due to higher cost of the two main raw materials – iron ore and coking coal. Data from Bloomberg (*overleaf*) show that the cost of iron ore had increased by c.35% during 2016; and the cost of coking coal had increased by c.186% in the same period. We use hot rolled steel from China as a *proxy* for the mix of steel products and observe that it has recovered c.85% from the low in December 2015. While the higher price of steel has lifted average selling price (ASP) for 9M FY16, Management shared that it is still lower than FY16 average. In terms of product mix sold, hot roll coil is the highest by volume, while plates constitute about half of turnover. (Bear in mind that weighted ASP depends on product mix sold and not just hot rolled steel alone.) Lastly, Management believes demand from Construction to remain stable, while demand from Marine and Offshore has some way to go before a recovery. Overall, demand is not expected to pick up massively in the near term. Management shared that the three biggest customers by revenue contribution are typically not the same every year.

Further downside from inventory write-down unlikely in 4Q FY16

Inventory was written-down by S\$9.81 million in 4Q FY15, contributing to the full year net loss of S\$12.1 million in FY15. Considering the write-down last year together with rising steel price this year, a write-down again this year in 4Q FY16 is unlikely. As inventory is recorded on an average cost basis, a nuance in relation to inventory is that it is not feasible to forecast with certainty the gross profit margin by tracking the price of steel. The reason is twofold: inventory cost is dependent on when inventory is replenished and quantity of inventory replenished. Moreover, there is a lead time of two to three months before inventory is received.

Expect benefits of scale from consolidation of operations to new warehouse

The warehouse at 36 Penjuru Lane is being redeveloped and expected to be completed by 1Q FY17. When completed, inventory at the other two warehouses (3 Pioneer Sector Walk and 25 Pioneer Sector 2) will be consolidated to this warehouse. Management expects some cost savings with the consolidation of operations. While the additional space increases ability to stock more inventory, Management cautioned against linearly extrapolating potential revenue growth with the increase in storage capacity. The reason is that not all goods sold passes through their warehouse; there are instances where goods are turned around to customers without even entering the warehouse. From a cash flow perspective, we understand that the 9M FY16 Capital Expenditure (CapEx) of S\$11.6 million is substantially in relation to the S\$18.7 million Capital Commitments disclosed on Page 67 of the FY15 Annual Report. Management shared that the lease for the warehouse at 25 Pioneer Sector 2 will be expiring in four years, and will have to enter into negotiations with JTC to renew the lease or for a replacement site. CapEx is to be expected for redevelopment of a new warehouse, regardless of either outcome.

Not rated

LAST CLOSE PRICE	SGD 0.182
FORECAST DIV	N/A
TARGET PRICE	N/A
TOTAL RETURN	N/A

COMPANY DATA

O/S SHARES (MN) :	341
MARKET CAP (USD mn / SGD mn) :	44 / 62
52 - WK HI/LO (SGD) :	0.21/ 0.16
3M Average Daily T/O (mn) :	0.15

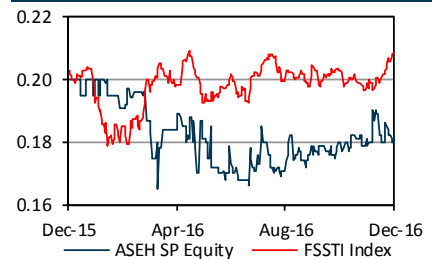
MAJOR SHAREHOLDERS (%)

SHENTON INVESTMENT PTE LTD	37.3%
SIN HOCK CHONG CO PTE LTD	6.3%
HARMAIDY PETER	5.4%
MINH CHIEH INVESTMENTS PTE	5.1%
THIM PHENG CHONG	5.0%

PRICE PERFORMANCE (%)

	1M TH	3M TH	1Y R
COMPANY	(0.6)	2.3	(7.4)
STIRETURN	5.8	2.5	6.1

PRICE VS. STI



Source: Bloomberg, PSR

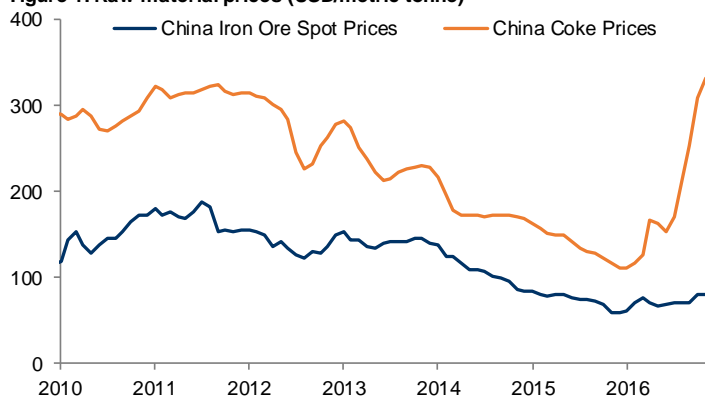
KEY FINANCIALS

Y/E Dec	FY 12	FY 13	FY 14	FY 15
Revenue (SGD mn)	133.7	115.1	65.1	32.3
Gross profit (SGD mn)	10.4	12.4	8.6	3.7
PATMI (SGD mn)	1.7	3.7	1.9	(12.1)
EPS (cents)	0.50	1.09	0.56	(3.53)
P/E (x)	49.5	16.7	32.5	N.M.
BVPS (cents)	32.0	32.1	32.2	27.1
P/B (x)	0.77	0.57	0.57	0.67
DPS (cents)	10	0.5	1.5	0.5
Div. Yield (%)	4.0	2.7	8.2	2.7

Source: Company Data, PSR est.

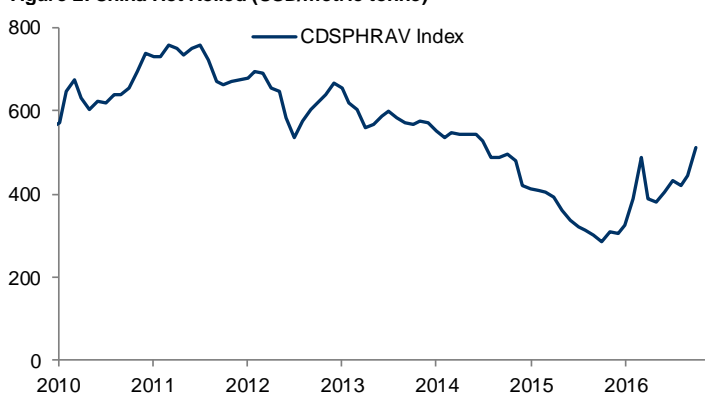
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Figure 1. Raw material prices (USD/metric tonne)



Source: Antaike Information Development, Shanghai SteelHome E-Commerce, Bloomberg Intelligence, Phillip Securities Research (Singapore)

Figure 2. China Hot Rolled (USD/metric tonne)



Source: Antaike Information Development, Bloomberg, Phillip Securities Research (Singapore)

What do we think?

We show in the last section of this report that current valuation appears undemanding, priced below the estimated liquidating values of **current-asset value per share of 23.0 cents** and **realisable current-asset value per share of 20.6 cents**. Thus making this a net-net stock. We also show that the current price appears to be irrational, even after assuming that inventory is fully written-off (*realisable* current-asset value of 18.7 cents per share). Barring any oversupply shock or irrational pricing for steel, we think the worst could be over for steel prices. Catalyst that will move the stock price higher is a recovery in demand from the Marine and Offshore customers and favourable movement in steel prices.

Investment action

No stock rating or price target provided, as we do not have coverage on Asia Enterprises.

Company Background

As disclosed in the FY15 Annual Report, "Asia Enterprises is a major distributor of a comprehensive range of steel products to industrial end-users in Singapore and the Asia-Pacific region.

With 43 years of operating history, Asia Enterprises boasts a wide range of products that is complemented by its value-added services to offer 'one-stop' solution and just-in-time delivery to its customers. Today, the Group has a ready inventory consisting of more than 1,200 steel products that it supplies to over 700 active customers involved primarily in marine and offshore, oil and gas, construction, as well as precision metal stamping, manufacturing and engineering/fabrication industries. The Group has forged a strong reputation as a reliable distributor of steel products to the marine and offshore industries.

Asia Enterprises presently operates three facilities in Singapore – two warehouses and a steel processing plant-cum-warehouse with a combined land area of 45,934 square metres. To complement its steel distribution business, the Group also provides precision steel processing services through a joint-venture with Marubeni-Itochu Steel Inc."

- **Business model in a nutshell: steel stockist**

As a steel stockist, Asia Enterprises bridges the gap between the steel mills and the end-users. Steel mills only sell their products in large quantities, often with a lead time of around two to three months. End-users on the other hand typically do not meet the minimum order quantity of the mills, need the stock immediately and cannot wait for two to three months. This is where Asia Enterprises acts as a middleman – buying in large quantities from the mills and holding an inventory, ready for sale to the end-users.

- **Precision steel processing services through a joint-venture**

Asia Enterprises provides steel processing services through its 60%-owned subsidiary Asia-Beni Steel Industries (Pte) Ltd. The subsidiary is a joint-venture with one of Asia Enterprises' major suppliers, Marubeni-Itochu Steel Inc. Marubeni-Itochu Steel Inc. is in turn equally-owned by Marubeni Corporation (market capitalisation: JPY 1,175 billion / S\$14.7 billion) and ITOCHU Corporation (market capitalisation: JPY 2,744 billion / S\$34.2 billion), both of which are listed on the Tokyo Stock Exchange.

The initial public offering (IPO) Prospectus describes the steel processing services as supplying "processed steel materials such as anti-finger print and phosphated electro-galvanised, hot-dipped galvanised, cold-rolled, hot-rolled and stainless steel to our customers that engage mainly in precision metal stamping, manufacturing and engineering/fabrication activities."

Company Financial Analysis

Asia Enterprises' fiscal calendar ends in December and reports its financial results on a quarterly basis. Going by historical precedence, the upcoming full year financial results will likely be announced between late-January and early-February.

For 9M FY16, Asia Enterprises has returned to profitability mainly due to better gross profit margin, despite the lower revenue.

Results at a glance

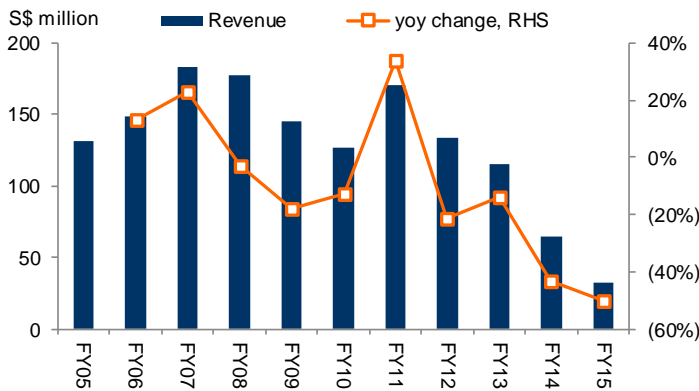
(SGD mn)	9M16	9M15	yoy (%)	Comments
Revenue	24.5	25.3	↓ (2.9)	Higher sales volume to both the marine & offshore and construction sectors, offset by lower ASP
Gross profit	6.5	3.1	↑ 110	Lower weighted average cost of inventory sold, following a write-down in 4Q15; Gross margin of 26.6% from 12.3%
EBIT	1.0	(2.1)	N.M.	EBIT margin of 4.2% from -8.2%
PATMI	1.65	(1.75)	N.M.	Higher gross profit and tight control of operating expenses

Source: Company, Phillip Securities Research (Singapore)

- **Revenue has been impacted by the decline in steel price**

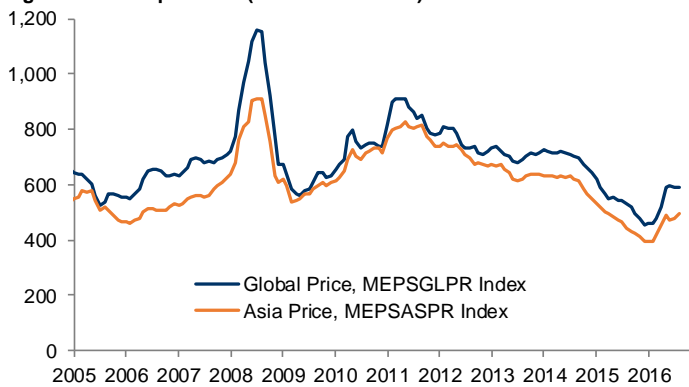
We observe that revenue had peaked in FY07, a year before the peak in steel prices in 2008. FY11 was the last time there was revenue year-on-year (yoy) growth, and revenue has experienced negative growth since then, in line with the decline in steel price. While revenue appears to track the price of steel directionally, we highlight that revenue is also driven by volume. Volume in recent years has been lower, largely due to the slowdown in the Marine and Offshore industry.

Figure 3. Historical revenue since being listed



Source: Company, Phillip Securities Research (Singapore)

Figure 4. Steel Spot Price (USD/metric tonne)



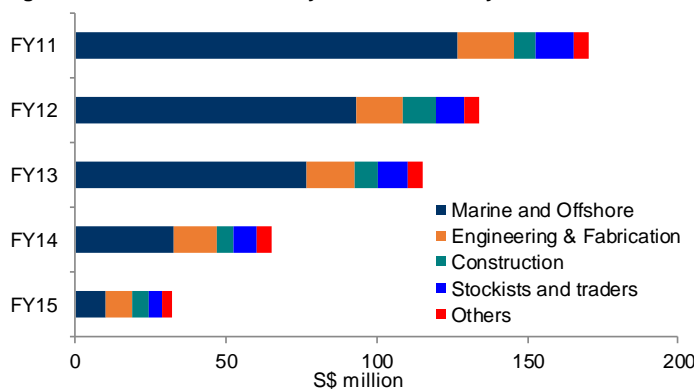
Source: MEPS, Bloomberg, Phillip Securities Research (Singapore)

▪ **Slump in Marine and Offshore industry has been the main driver of lower revenue**

The customer segments in FY15 by revenue contribution were from Marine and Offshore (31%), Engineering & Fabrication (28%), Construction (16%), Stockists/Traders (14%) and Others (11%).

Revenue contribution from the various segments has largely been maintained in dollar-terms over the last five years, except for the Marine and Offshore customer segment. The substantial decline in revenue has been mainly due to the slump in demand from that customer segment.

Figure 5. Revenue contribution by customer industry



Source: Company, Phillip Securities Research (Singapore)

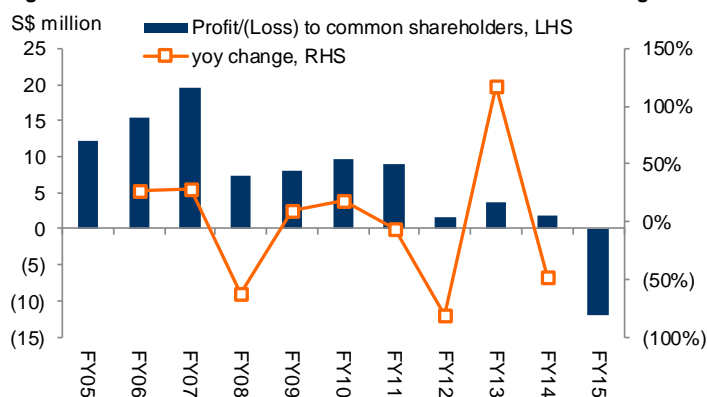
▪ **First ever full year loss in FY15, mainly due to inventory write-down**

The full year loss of S\$12.1 million was mainly due to the S\$9.81 million write-down of inventory which occurred in 4Q FY15. As stated on Page 41 of the FY15 Annual Report, "Inventories are measured at the lower of cost (weighted average method) and net realisable value". Hence, the steep decline in steel prices in 2015 necessitated the higher than usual inventory write-down.

In addition, cost control measures in FY15 were unable to offset the headwinds of the

lower revenue. FY15 fixed cost line item of Administrative Expenses of S\$6.02 million (FY14: \$6.58 million) was higher than the Gross Profit of S\$3.67 million (FY14: S\$8.59 million), thus contributing to the full year loss.

Figure 6. Historical net income to common shareholders since being listed



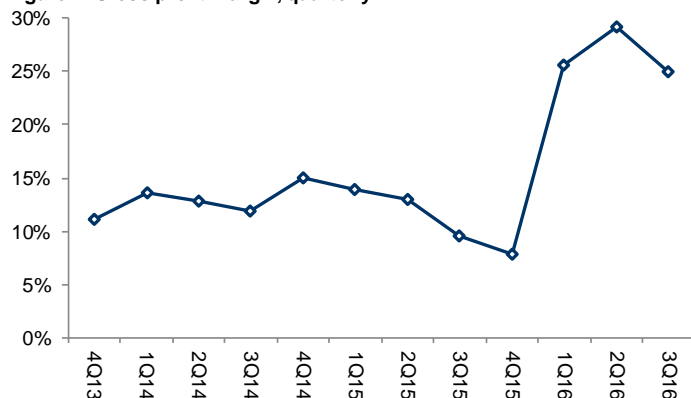
Source: Company, Phillip Securities Research (Singapore)

Inventory write-down occurs at the end of the fiscal year in 4Q. The previous time there was a write-down that pushed a quarter into a loss was 4Q FY12. There was a S\$1.20 million write-down to inventory, which contributed to the S\$1.96 million net loss after tax for 4Q FY12. On a full year basis however, FY12 was profitable with net profit after tax of S\$1.67 million.

The other substantial inventory write-down that occurred in the past was in FY08. There was a S\$24.7 million write-down in inventory, as steel prices had surged in 1H 2008 and then plunged in 2H 2008.

- Better gross margin due to lower cost of inventory sold and recovery of steel prices**
 There has been an improvement in gross profit margin ranging between 25% and 29% for the first three quarters of FY16. This is due to the lower weighted average inventory cost from the start of the year, following the write-down in 4Q FY15.

Figure 7. Gross profit margin, quarterly



Source: Company, Phillip Securities Research (Singapore)

- FY16 should be profitable, even though we have doubts on 4Q FY16**
 We think gross margin maintaining above 20% in 4Q FY16 should not be too much of a stretch; but we do not view a net profit after tax in 4Q FY16 as a certainty. We think that the bottom line in 4Q FY16 could be borderline to either side of profit/loss. Our view hinges on two key numbers – Revenue and Administrative Expenses. Yoy revenue has been 2.9% lower for 9M FY16; dragged down by 3Q FY16, which was 15% lower yoy. Administrative Expenses for 9M FY16 was 5.8% higher yoy.

Referring to the table overleaf, 3Q FY16 Administrative Expenses was higher than the gross profit, contributing to the operating loss of S\$53,000. Depending on the momentum of weaker revenue into 4Q FY16, together with higher Administrative Expenses, a net loss in 4Q FY16 does seem possible.

If 4Q FY16 does indeed report a borderline net loss, it will be insufficient to erase the

9M FY16 net profit of S\$1.66 million. So we think that FY16 should be profitable. A risk to this view is a worse than expected 4Q FY16 that turns FY16 to a net loss.

Selected income statement line items

(\$ million)	1Q16	2Q16	3Q16	9M16
Revenue	9.680	8.505	6.364	24.55
Gross profit	2.478	2.479	1.585	6.542
Marketing and Distribution costs	(0.117)	(0.067)	(0.120)	(0.304)
Administrative Expenses	(1.712)	(1.916)	(1.559)	(5.187)
Operating profit / (loss)	0.556	0.529	(0.053)	1.032
Net interest income/(expense)	0.211	0.216	0.205	0.632
Profit Before Tax	0.767	0.745	0.152	1.664
Net profit	0.767	0.745	0.152	1.664

Source: Company, Phillip Securities Research (Singapore)

▪ Clean balance sheet that is cash-rich with no borrowings

As at 3Q FY16, the balance sheet shows \$64.0 million cash, representing 62% of total assets, with no borrowings. To put this cash into context, the cash-asset value (cash minus total liabilities) per share of Asia Enterprises is 17.2 cents, compared to the last close price of 18.2 cents. Based on 3Q FY16 balance sheet numbers, we believe that any price below 17.2 cents represents an arbitrage opportunity; whereby market capitalisation becomes less than the value of cash minus total liabilities.

▪ Utilisation of cash in Share Buy-Back mandate

For 9M FY16, approximately S\$83,000 cash had been used to buy-back 473,600 shares (estimated weighted average price: 17.4 cents per share). After 3Q FY16, a further S\$55,600 has been used to buy-back 315,000 shares at 17.6 cents each. Our estimate of the weighted average price for the year-to-date share buy-back activity is 17.5 cents.

Summary of share buy-back activity

Date of Purchase	Number of shares purchased	Cumulative number of shares purchased to date	Total Consideration (including stamp duties, clearing charges etc) paid	Price paid per share (cents)
<u>During 3Q FY16</u>				
30 Aug 2016	168,000	168,000	\$29,108.94	17.2 - 17.3
1 Sep 2016	130,000	298,000	\$22,699.96	17.4
13 Sep 2016	129,900	427,900	\$22,943.22	17.6
15 Sep 2016	45,700	473,600	\$8,071.63	17.6
<u>During 4Q FY16</u>				
4 Oct 2016	315,000	788,600	\$55,635.98	17.6

Source: SGXNet, Phillip Securities Research (Singapore)

▪ Lengthening cash conversion cycle, due to inventory holdings

The cash conversion cycle averaged 243 days over the last five fiscal years. The cash conversion cycle has been lengthening over the last five years, primarily due to the inventory days. Note that FY15 numbers are distorted due to the S\$9.81 million write-down in inventory.

Cash conversion cycle

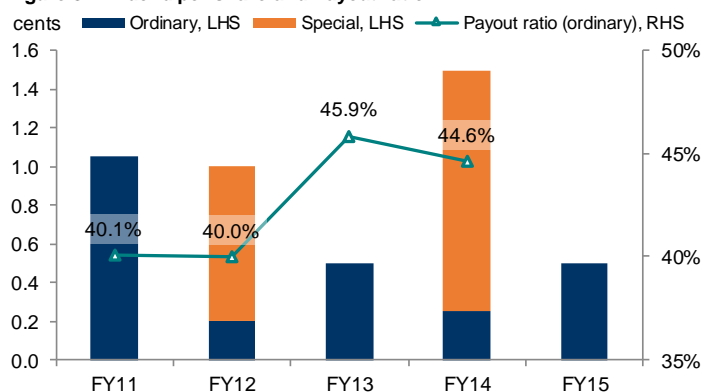
	FY11	FY12	FY13	FY14	FY15
Days sales outstanding	40	58	64	74	78
Days inventory on hand	133	165	185	277	356
Days payables	13	21	24	23	136
Cash conversion cycle (days)	160	201	225	329	298

Source: Company, Phillip Securities Research (Singapore) estimates

▪ History of paying dividends with payout of 40%

Dividends are declared once a year at the end of the fiscal year. Asia Enterprises has a dividend policy of 40% payout ratio for ordinary dividend. A 0.5 cent dividend per share was declared in FY15 despite reporting a loss of 3.53 cents per share.

Figure 8. Dividend per share and Payout ratio



Source: Company, Phillip Securities Research (Singapore)

Company Valuation

We do not provide a company valuation, but instead approach from the angle of managing downside price risk and propose two measures of liquidating value.

Net-net stock that is currently priced below estimated liquidating value

Two measures of liquidating value we use are the current-asset value (current assets minus total liabilities) and *realisable* current-asset value (cash + 0.75*trade receivables + 0.50*inventory, minus total liabilities). In both instances, we assume all non-current assets have zero salvage value in the event of company liquidation. Current-asset value assumes that only current assets are used to pay off total liabilities. In *realisable* current-asset value, an estimate is made on the extent to which the individual current assets are *realisable* in the event of company liquidation. Our estimates suggest a **current-asset value per share of 23.0 cents** and **realisable current-asset value per share of 20.6 cents** – both of which are higher than the last close price of 18.2 cents.

Excerpts from balance sheet and estimations of liquidating value

(\$ million)	3Q16		Liquidating value
	Book value	% of book value	
Current assets	83.892	100	83.89
Less total liabilities	5.432	100	5.43
Current-asset value			78.46
Number of shares (million)			341.4
Current-asset value per share (cents)			23.0
Cash	64.036	100	64.04
Trade receivables	6.918	75	5.19
Inventory	12.926	50	6.46
Less total liabilities	5.432	100	5.43
<i>Realisable</i> current-asset value			70.26
Number of shares (million)			341.4
<i>Realisable</i> current-asset value per share (cents)			20.6

Source: Company, Phillip Securities Research (Singapore) estimates

Irrationally priced, even after assuming that inventory is fully written-off

Even under the harshest of condition where we assume that inventory is fully written-off, we derive a **realisable current-asset value of 18.7 cents per share**.

Estimation of liquidating value (assuming inventory fully written-off)

(S\$ million)	3Q16 Book value	% of book value	Liquidating value
Cash	64.036	100	64.04
Trade receivables	6.918	75	5.19
Inventory	12.926	0	-
Less total liabilities	5.432	100	5.43
<i>Realisable</i> current-asset value			63.79
Number of shares (million)			341.4
<i>Realisable</i> current-asset value per share (cents)			18.7

Source: Company, Phillip Securities Research (Singapore) estimates

- **Listed steel sector players are generally facing a tough time**

The table below consists of players in the steel sector, together with some key metrics. We refrain from denoting this as a table of listed peers because of the differences in business model, product type and end-use of their steel products. They do not all compete directly with Asia Enterprises. Most of the listed steel players are loss making, as can be inferred from the negative trailing P/E, trailing ROE and trailing ROA.

Sector relative data (arranged by Mkt. Cap.)

	Mkt. Cap. (S\$ mn)	Price (S\$)	12M-trailing P/E (x)	Trailing P/B (x)	12M-trailing ROE (%)	12M-trailing ROA (%)
ASIA ENTERPRISES HOLDING LTD	62.1	0.182	-	0.67	-8.9	-8.1
LEE METAL GROUP LTD	140.0	0.295	10.7	0.77	7.2	4.0
T T J HOLDINGS LTD	129.3	0.370	5.0	0.99	19.6	15.9
BRC ASIA LTD	98.8	0.530	11.9	0.57	4.9	3.1
YONGNAM HOLDINGS LTD	94.6	0.198	-	0.29	-2.2	-1.3
HUPSTEEL LTD	84.8	0.690	-	0.51	-7.6	-7.3
HG METAL MANUFACTURING LTD	40.8	0.320	-	0.32	-3.2	-2.7
COSMOSTEEL HOLDINGS LTD	34.3	0.118	-	0.30	-6.4	-4.7
NICO STEEL HOLDINGS LTD	4.8	0.020	-	0.31	-21.0	-12.4
Average (excluding Asia Enterprises)			9.2	0.51	-1.1	-0.7

Source: Bloomberg (Updated: 8 December 2016)

Financials

Statement of Total Return and Distribution Statement

Y/E Dec, SGD mn	FY11	FY12	FY13	FY14	FY15
Revenue	170.2	133.7	115.1	65.07	32.30
Cost of sales	(149.3)	(123.3)	(102.7)	(56.48)	(28.63)
Gross profit	20.87	10.39	12.45	8.59	3.67
SG&A	(9.13)	(7.68)	(7.67)	(7.44)	(6.42)
Other (Losses)/Gains, net	(0.87)	(0.71)	(0.48)	0.63	(9.99)
EBIT	10.87	1.99	4.30	1.77	(12.74)
Net Finance (Expense)/Inc	0.08	0.16	0.24	0.33	0.57
Profit Before Tax	10.96	2.16	4.54	2.11	(12.17)
Taxation	(2.01)	(0.49)	(0.81)	(0.12)	0.04
Profit After Tax	8.95	1.67	3.73	1.98	(12.13)
- Non-controlling interest	(0.01)	(0.04)	0.01	0.07	(0.05)
PATMI	8.96	1.71	3.73	1.91	(12.08)

Per share data (cents)

Y/E Dec	FY11	FY12	FY13	FY14	FY15
EPS, reported	2.62	0.50	1.09	0.56	(3.53)
DPS, ordinary	1.05	0.20	0.50	0.25	0.50
DPS, special	-	0.80	-	1.25	-
BVPS	32.55	32.00	32.09	32.15	27.11

Cash Flow

Y/E Dec, SGD mn	FY11	FY12	FY13	FY14	FY15
CFO					
Profit before tax	10.96	2.16	4.54	2.11	(12.17)
Adjustments	0.27	0.28	0.18	0.36	(0.15)
WC changes	(4.05)	0.09	6.55	19.54	22.14
Cash generated from ops	7.18	2.52	11.28	22.01	9.83
Others	(1.35)	(1.99)	(0.49)	(0.49)	(0.28)
Cashflow from ops	5.83	0.53	10.78	21.52	9.55
CFI					
CAPEX, net	(0.16)	(0.03)	(0.10)	(0.48)	(2.22)
Others	0.11	0.17	0.24	(0.69)	0.59
Cashflow from investments	(0.06)	0.14	0.14	(1.16)	(1.64)
CFF					
Share issuance, net	-	-	-	-	-
Loans, net of repayments	(0.05)	-	-	0.69	(0.97)
Dividends	(3.91)	(3.59)	(3.42)	(1.79)	(5.53)
Others	(0.023)	(0.007)	(0.001)	(0.002)	(0.001)
Cashflow from financing	(3.99)	(3.60)	(3.42)	(1.10)	(6.50)
Net change in cash	1.78	(2.93)	7.51	19.26	1.41
Ending cash	43.12	40.20	47.70	66.96	68.37

Source: Company, Phillip Securities Research (Singapore) estimates

Balance Sheet

Y/E Dec, SGD mn	FY11	FY12	FY13	FY14	FY15
ASSETS					
PPE	6.79	6.40	6.10	6.19	8.00
Investment Properties	0.60	0.58	0.57	0.55	0.53
Others	0.10	0.10	0.10	0.10	0.10
Total non-current assets	7.50	7.09	6.77	6.83	8.63
Inventories	54.66	56.92	46.99	38.85	16.98
Accounts Receivables	20.74	21.41	19.14	7.42	6.46
Cash	43.12	40.20	47.70	66.96	68.37
Others	0.01	0.01	0.01	1.03	1.02
Total current assets	118.5	118.5	113.8	114.3	92.8
Total Assets	126.0	125.6	120.6	121.1	101.5
LIABILITIES					
Short term loans	-	-	-	0.97	-
Accounts Payables	5.81	8.83	3.18	2.87	2.18
Others	1.92	0.42	0.73	0.32	0.01
Total current liabilities	7.73	9.25	3.92	4.16	2.19
Long term loans	-	-	-	-	-
Others	0.64	0.64	0.64	0.69	0.69
Total non-current liabilities	0.64	0.64	0.64	0.69	0.69
Total Liabilities	8.38	9.89	4.56	4.85	2.88
EQUITY					
Non-controlling interests	6.38	6.33	6.34	6.33	5.88
Shareholder Equity	111.3	109.4	109.7	109.9	92.7

Valuation Ratios

Y/E Dec	FY11	FY12	FY13	FY14	FY15
P/E (x)	8.4	49.5	16.5	32.1	N.M.
P/B (x)	0.68	0.77	0.56	0.56	0.66
Dividend yield (%)	4.8	4.0	2.8	8.3	2.8

Growth & Margins

	FY11	FY12	FY13	FY14	FY15
Growth					
Revenue	33.8%	-21.4%	-13.9%	-43.5%	-50.4%
Gross profit	8.9%	-50.2%	19.8%	-31.0%	-57.3%
EBIT	-0.5%	-81.7%	116%	-58.8%	N.M.
PATMI	-7.0%	-80.9%	118%	-48.8%	N.M.
Margins					
Gross profit margin (%)	12.3	7.8	10.8	13.2	11.4
EBIT margin (%)	6.4	1.5	3.7	2.7	-39.4
PATMI margin (%)	5.3	1.3	3.2	2.9	-37.4

Key Ratios

	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash
ROE (%)	8.2	1.5	3.4	1.7	-11.9
ROA (%)	7.3	1.4	3.0	1.6	-10.9
Net Debt or (Net Cash)	(43.1)	(40.2)	(47.7)	(66.0)	(68.4)
Net Gearing (%)					

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