

Nam Lee Pressed Metal Industries

Deeply undervalued yield play

SINGAPORE | MATERIALS | INITIATION

16 September 2016

Company description

Nam Lee Pressed Metal Industries (Nam Lee) is an established metal fabricator dealing in aluminium and steel products. Nam Lee remains the only worldwide third-party manufacturer of aluminium frames for container refrigeration units in the world for a major customer.

Nam Lee's range of other aluminium and steel products includes gates, door frames, staircase nosing and hand-railings, sliding windows, grilles, laundry racks and letter boxes for flats and houses.

Nam Lee was listed on the Singapore Exchange on 26 October 1999 through 12,000,000 Offer Shares at S\$0.42 each, and 35,500,000 Placement Shares also at S\$0.42 each.

Investment Highlights

- Undervalued and priced cheaply relative to peers**
 Nam Lee is currently trading at 0.71x trailing price-to-book (P/B) multiple and we estimate rolling next-twelve-months (NTM) forward price-to-earnings (P/E) multiple to be only 6.9x, versus peer trailing average of 13.1x.
- Not quite a net-net stock, but its NCAV will be a floor**
 As of end-June 2016, net current asset (NCAV) per share of Nam Lee was 36.2 cents. Net current asset value is defined as total current assets, less total liabilities. It conservatively assumes that non-current assets do not have any salvage value, and only current assets are used to pay off both current and non-current liabilities. At its last close price of 37.0 cents, the stock price is just 2.2% above its NCAV.
- Lower revenue YTD, but gross margin expansion has driven earnings growth**
 While year-to-date (YTD) 9MFY16 revenue is 14.7% lower year-on-year (yoy), profit after tax and minority interests (PATMI) has grown 14.6% yoy. Nam Lee had renewed its contract with its major customer two years ago at better pricing, which led to the expansion in gross margin. The benefits have largely been able to flow through to the bottom line. 3QFY16 was particularly weak in terms of yoy revenue growth, and we are erring on the side of conservatism to forecast a weaker 4QFY16 as well. This results in a weaker FY16F PATMI being 4.1% lower yoy, but with better margins mitigating the 12.7% lower yoy revenue.
- Cash hoard is set to grow this year, increasing the cash balance by 31%**
 We see Nam Lee's cash hoard growing in FY16F due to the higher free cash flow. The higher free cash flow arises from three factors: higher profit (compared to historical average), better working capital management and lower capital expenditure (CapEx). We expect positive net change in cash of about S\$12mn from S\$38.4mn at the start of FY16F.
- Ability to maintain and even increase dividends**
 2.5 cents dividend was declared for FY15, equivalent to S\$6.0mn cash paid as dividends. We see Nam Lee generating positive net cash flow from operations in the mid-teens range, under normalised conditions.
- Not a growth stock, but a yield stock**
 We estimate 5.14 cents EPS for FY16F and 3.5 cents dividends per share (DPS) (1.0 cent ordinary and 2.5 cents special) to be declared. This translates to an implied forward dividend yield of 9.5%, based on last closing price.

Initiating coverage with "BUY" rating and target price of S\$0.69

We opine that Nam Lee has been neglected by the market and is currently trading at a significant discount to what it is truly worth. It is currently priced just 2.2% above its NCAV and this will serve as a price floor for investors, limiting adverse downside price movement. Notwithstanding the potential 86% capital gains, we view the DPS of 3.5 cents as sustainable, and the dividend yield of 9.5% is highly attractive. High-conviction "BUY".

BUY (Initiating)

CLOSING PRICE	SGD 0.370
FORECAST DIV	SGD 0.035
TARGET PRICE	SGD 0.690
TOTAL RETURN	95.9%

COMPANY DATA

O/S SHARES (MN) :	241
MARKET CAP (USD mn / SGD mn) :	65 / 89
52 - WK HI/LO (SGD) :	0.37 / 0.27
3M Average Daily T/O (mn) :	0.09

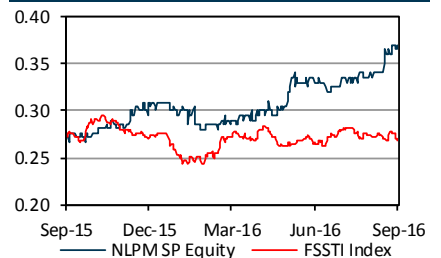
MAJOR SHAREHOLDERS (%)

NAM LEE HOLDINGS PTE LTD	58.4%
KIN SEN YONG	0.5%
HO TONG KHOO	0.2%

PRICE PERFORMANCE (%)

	1M TH	3M TH	1YR
COMPANY	9.0	9.0	39.3
STIRETURN	(14)	3.1	17

PRICE VS. STI



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Sep	FY 14	FY 15	FY 16 F	FY 17 F
Revenue (SGD mn)	1415	164.0	143.3	147.6
Gross profit (SGD mn)	22.6	37.3	32.9	32.8
PATMI (SGD mn)	7.0	12.9	12.4	12.5
EPS (cents)	2.92	5.36	5.14	5.17
BVPS (cents)	49.6	51.4	54.4	56.1
P/B (x)	0.51	0.72	0.68	0.66
DPS (cents)	15	2.5	3.5	3.5
Div. Yield (%)	6.0	6.8	9.5	9.5

Source: Company Data, PSR est.

VALUATION METHOD

Blended 12.1x NTM P/E multiple and DDM (Cost of Equity: 6.0%; Terminal g: 0%)

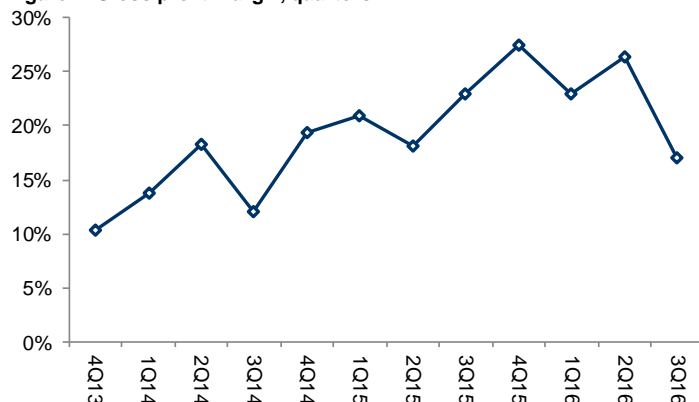
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Investment Thesis – High yield stock, offering a compelling risk-to-reward proposition

- Re-rating catalyst: Renewed its contract with its major customer on better terms**
 Unbeknown to the broader general market, there has been a re-rating catalyst for the stock. Nam Lee had successfully re-negotiated its contract with its major customer (Carrier Refrigeration Singapore Pte Ltd) for another five years at better margins. We believe that the previous contract had expired around end-2013 and was renewed in 1H-2014. Consequently, gross margin has been on an improving trend since 3QFY14 (fiscal year-end September). Our channel checks suggest that Nam Lee is able to pass on the raw material cost (aluminium) to its customer. Hence, Nam Lee is not exposed to fluctuation in aluminium price.

Carrier Transicold was the original name of the major customer. It is now known as Carrier Refrigeration Singapore Pte Ltd, and it was acquired from Seacold Technologies Pte Ltd. (Source: Company Prospectus, 1999)

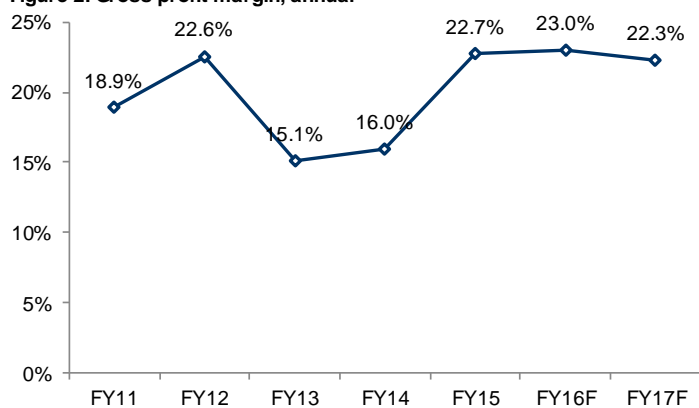
Figure 1. Gross profit margin, quarters



Source: Company, Phillip Securities Research (Singapore)

- Gross profit margin expected to stabilise at high-teens to low-twenties**
 Nam Lee's gross profit margin does not hold steady quarter-on-quarter (qoq) due to the nature of the contribution from project-based products. On a full year basis, we are forecasting gross profit margin to sustain at low-twenties.

Figure 2. Gross profit margin, annual



Source: Company, Phillip Securities Research (Singapore) forecasts

- Demand for reefers is non-cyclical**
 Nam Lee's speciality product is aluminium frames used for container refrigeration units, which are more commonly known as "reefers". Reefers are used to transport perishable food. Demand for reefers and trade routes are non-cyclical with the underlying demand drivers of population growth and desire for fresh food. Detailed and accurate information on global reefer trade volumes is not available because only the carriers themselves have the data for their own operations and do not share it. However, according to a leading maritime research house, the main trade routes are bananas and pineapples shipped out of Latin-America, meat and dairy shipped out from Australasia, and intra-Asia movement of seafood, dragon fruit, garlic, durians, apples and pears. The next growth market for reefer could be the shipping of pharmaceuticals.

▪ **Construction demand to remain stable with slight upward trend**

Nam Lee's involvement in construction projects spans across both the public and private sectors. According to data from the Building & Construction Authority (BCA) of Singapore, there is a steady pipeline for construction demand all the way to 2020.

Forecast and actual construction demand

Period	Total for Public and Private Sectors (S\$ bn)
2015 (preliminary actual)	27.0
2016 (forecast)	27.0 - 32.0
2017 - 2018 (average annual demand)	26.0 - 35.0
2019 - 2020 (average annual demand)	26.0 - 37.0

Source: BCA, Phillip Securities Research (Singapore)

▪ **Nam Lee is hovering close to its NCAV – this will serve as a price floor**

Net current asset value (NCAV) is one method of ascribing a liquidation value to a company. The NCAV of a company is the value of its total current assets, less its total liabilities. It conservatively assumes that all non-current assets are impaired to zero value, and total liabilities are paid from only the current assets. Looking at the NCAV of a company is a more conservative metric than the net asset value (NAV).

▪ **Nam Lee's NCAV is 36.2 cents – any discount to it is irrational**

We believe that market concerns over Nam Lee's customer concentration risk (from the contract for aluminium frames for container refrigeration units) have been an overhang for the share price. While the market concerns are valid, they are overblown, in our view. Nam Lee has a long standing relationship with its customer and Nam Lee's economic moat stems from the switching cost for its customer. We opine that it is irrational for the stock to trade at a distressed level that is below its NCAV. With us highlighting Nam Lee's NCAV, we believe that that there will now be a price floor at that level.

▪ **New elevated level of earnings and growing cash hoard raises possibility of higher dividends**

Going forward, we expect Nam Lee to consistently report at least a low double-digit full year PATMI. With the higher PATMI (compared to historical average) coupled with the lower CapEx, we see sustainable growth in cash on the balance sheet. We think that higher dividends should be sustainable.

Company Background

As disclosed in the FY15 Annual Report, "Nam Lee Pressed Metal Industries Limited was incorporated on 10 March 1975 by the Yong family, which has been in the metal fabrication business since the 1950s. The family business was started by their father, the late Mr Yong Kwong Fae, who founded Chop Nam Lee, a sole proprietorship, to fabricate galvanised household products such as buckets and bath tubs.

The Group commenced the design and manufacture of metal products for buildings in 1991 when it entered the HDB market and is a HDB approved supplier. Today the Group remains the only worldwide third-party manufacturer of aluminium frames for container refrigeration units in the world for a major customer. Over the years, the Group has developed into a one-stop specialist for housing metal products, aluminium frames for container refrigeration units and a wide range of aluminium and steel products."

▪ **Three business segments; with Aluminium being the largest**

Nam Lee reports the Group's operations along three business segments of Aluminium, Mild Steel, and Stainless Steel. For the latest fiscal year of FY15, they contributed 86.0%, 13.9% and 0.1% to Group turnover; and 97.2%, 0.4% and 2.4% to Group profit before tax (PBT) respectively. (Source: FY15 Annual Report)

A significant contributor to the aluminium segment is the contract with its major customer for aluminium frames used for refrigerated containers. Nam Lee has declined to disclose its contribution to the Group's revenue.

Sales can also be grouped by manufacturing and building products. Manufacturing refers predominantly to the aluminium frames contract. Nam Lee does not disclose the breakdown of contribution between manufacturing and building products.

Figure 3. Aluminium frames for container refrigeration units



Source: Company website

Aluminium: Products on building construction and other industrial uses, such as: curtain walls, cladding, windows and container refrigeration units.

Figure 4. Refrigerated container



Source: Carrier Container Refrigeration Image Library

Figure 5. Mild steel gate



Source: Company website

Mild steel: Products on pre-fabricated toilet projects, door frame and entrance gate for building construction projects.

Figure 6. Stainless steel railings



Source: Company website

Stainless steel: Products such as drying rack and hoppers use for building construction projects.

▪ **Track record of delivering on public and private projects for residential, industrial and commercial use**

Nam Lee's project-based revenue comes from construction projects. Nam Lee produces building products such as claddings, railings and window frames.

Figure 7. Industrial building: Jurong Data Centre



Source: Company website

"Design, supply, fabricate and install 17,000 square metres of Aluminium Cladding System, 3,000 square metres of Unitised Glass Curtain Wall System and 10,000 square metres of Aluminium Louvres Screen"

Figure 8. Commercial building: Business Centre at International Business Park



Source: Company website

"Design, supply, fabricate and install 8,000 square metres Semi Unitised Glass Curtain Wall System and 3,000 square metres of Aluminium Cladding System"

Figure 9. Private residential project: Meyer Residence



Source: Company website

"Single Tower, 18 storey height, window glazing, skylight and canopy"

Figure 10. Public residential project: The Pinnacle @ Duxton

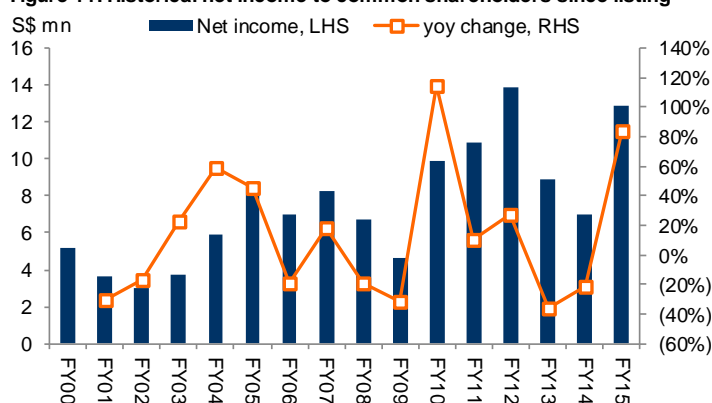


Source: Company website

"50 storey height, 7 towers with 1848 dwelling units Stainless steel and architectural metal works"

- **Cost management strategy by shifting production outside of Singapore**
 Nam Lee is headquartered in Singapore and has five plants in Johor, Malaysia. Management has made a concerted effort to shift production outside of Singapore, expanding its manufacturing and production capabilities to Malaysia, where costs are lower. In 1QFY14, the Group right-sized from its main manufacturing plant at Senoko Drive (229,457 sq ft) and acquired from JTC its current headquarters at Sungei Kadut (133,093 sq ft). In 1QFY15, the Group expanded its production capacity in Johor by acquiring a new factory building – its second in Tampoi, on freehold land (198,970 sq ft). The other four plants in Johor are in Tampoi (121,004 sq ft), Pekan Nenas (76,002 sq ft), Gelang Patah (185,948 sq ft) and Senai (84,537 sq ft).
- **Nam Lee has remained profitable ever since its listing in October 1999**
 PATMI yoy change has been volatile – this is mainly due to the lumpy nature of contributions from the building products line which are project-based.

Figure 11. Historical net income to common shareholders since listing

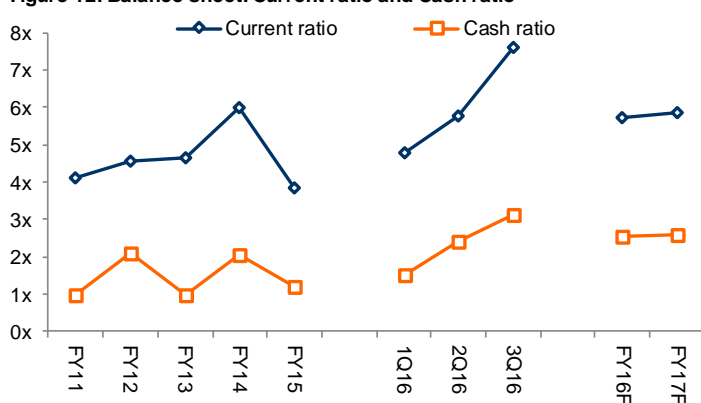


Source: Bloomberg, Phillip Securities Research (Singapore)

▪ **Clean balance sheet with low debt and net cash position**

The balance sheet is in a net cash position of S\$39.0mn (S\$43.17mn cash; S\$4.13mn term loans and finance lease liabilities), in comparison to its market capitalisation of S\$89.3mn. This net cash position translates to 16.2 cents per share. Nam Lee has a strong balance sheet with good liquidity – the current ratio and cash ratio are both greater than 1x and have been creeping upwards during 9MFY16. The high liquidity ratios mean that Nam Lee is able to meet its short-term liquidity requirements. Debt-to-equity ratio is low at 3.6% as of 3QFY16. We expect both the current ratio and cash ratio in FY16F and FY17F to revert lower from 3QFY16, as more dividends get paid out.

Figure 12. Balance sheet: Current ratio and Cash ratio



Source: Company, Phillip Securities Research (Singapore) forecasts

▪ **Better free cash flow generation in FY16F, as inventory and receivables are pared down from FY15 levels**

Historical net cash generated from operations has been lumpy – this is due to occasional build-up in inventories, and higher receivables on the balance sheet. We are forecasting cash flow for FY16F to be better than FY15. There has been an inventory and receivables build-up at the end of FY15, but these two accounts have gradually been converted to cash over 9MFY16. In the same vein, CapEx will be pared down going forward, as there has not been any expansion of new plants during the year. Consequently, we see ending cash balance for FY16 (S\$50.3mn) to be higher than FY15 (S\$38.4mn).

▪ **Slow cash conversion cycle, due to inventory holdings**

Nam Lee has a cash conversion cycle, averaging 161 days over the last five fiscal years. Working capital is largely tied up in inventory, for an average of 108 days.

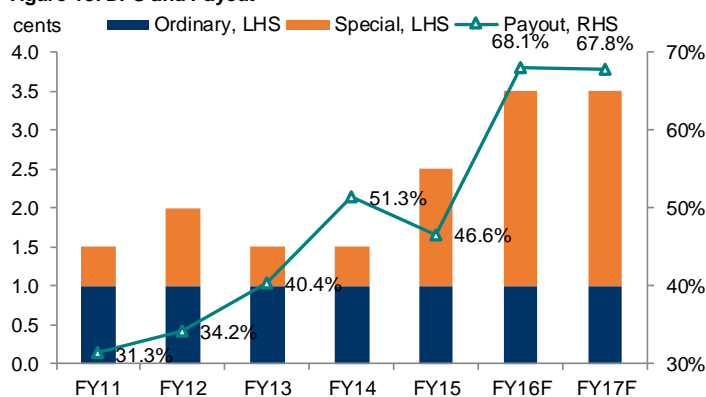
Cash conversion cycle

	FY11	FY12	FY13	FY14	FY15	FY16F	FY17F
Days sales outstanding	73	76	70	95	81	87	72
Days inventory on hand	106	109	101	119	105	116	97
Days payables	19	26	28	35	24	34	23
Cash conversion cycle (days)	160	160	142	180	162	169	146

Source: Company, Phillip Securities Research (Singapore) forecasts

- History of paying dividends; we forecast 3.5 cents total dividend for FY16F and FY17F**
 Dividends are declared once a year at the end of the fiscal year. Nam Lee has a dividend policy of paying about a third of earnings. The payout ratio is inclusive of special dividends. Ordinary DPS has historically been 1.0 cent, with special dividend ranging between 0.5 cent and 1.5 cents per share. The total payout ratio in the most recent three years of FY13/FY14/FY15 was 40.4%/51.3%/46.6% respectively.

Figure 13. DPS and Payout



Source: Company, Phillip Securities Research (Singapore) forecasts

We estimate 5.14/5.17 cents EPS for FY16F/FY17F and are expecting 3.5/3.5 cents DPS. This is equivalent to a payout of 68.1% and 67.8% for FY16F and FY17F, respectively. We think this level of dividends is sustainable, in view of the strong positive free cash and growing cash hoard.

Company Valuation

We use a blended method of P/E multiple and dividend discount model (DDM) to arrive at our valuation for Nam Lee. We apply a P/E multiple to the next-twelve-months (NTM) earnings. The use of P/E multiple valuation allows us to benchmark Nam Lee to the peer average. At the same time, we also use the DDM in view of the cash generating ability of the business and its history of paying dividends.

▪ **NTM P/E multiple valuation**

For peer relative valuation, we select global peers with about the same market capitalisation as Nam Lee. We only select peers that have been profitable, and are producing aluminium or steel products used in housing or infrastructure projects.

Despite Nam Lee having a higher ROE and ROA than peer average, we conservatively assign a 10% discount to peer average P/E, in view of its smaller market capitalisation compared to the global peers and derive a P/E of 12.1x for Nam Lee.

Based on our next four quarters (4QFY16, 1QFY17, 2QFY17 and 3QFY17) expectation of 5.40 cents EPS, we peg that to 12.1x P/E and derive a valuation of 65.3 cents.

Global peer relative data (arranged by Mkt. Cap.)

	Mkt. Cap. (\$ mn)	Mkt. Cap. (LCY mn)	Price (LCY)	12M trailing P/E (x)	Trailing P/B (x)	ROE (%)	ROA (%)
NAM LEE PRESSED METAL IND	89.3	89.3	0.370	6.4	0.71	11.4	9.6
BANGLADESH THAI ALUMINIUM	42.8	2,451	22.30	17.5	0.52	3.5	2.2
PROFILGRUPPEN AB-B SHS	70.8	440	59.50	23.3	1.88	8.3	3.4
SANYO INDUSTRIES LTD	80.3	6,019	171	7.6	0.47	6.2	3.6
TUNISIE PROFILES ALUMINIUM	81.6	131	2.92	15.6	1.54	9.8	5.0
T T J HOLDINGS LTD	148.5	149	0.43	5.1	1.20	23.3	18.8
KUMKANG KIND CO LTD	275.1	227,259	46,800	9.6	0.84	6.6	2.2
Average				13.1	1.08	9.6	5.9

Source: Bloomberg (Updated: 15 September 2016), Phillip Securities Research (Singapore)

▪ **DDM valuation**

We see that the balance sheet remains strong, with a net cash position being maintained going forward. We are forecasting higher dividend of 3.5 cents for the next two years, 4.0 cents for the following two years and 4.5 cents thereafter. We have assumed 0% terminal growth rate in our DDM and valuation is 72.4 cents.

Dividend Discount Model

Y/E Sep	FY16F	FY17F	FY18F	FY19F	FY20F
Forecasted dividend (S\$)	0.035	0.035	0.040	0.040	0.045
PV of forecasted dividend (S\$)	0.033	0.031	0.034	0.032	0.034
Terminal value (S\$)					0.750
PV of terminal value (S\$)					0.560
Price Target (S\$)	0.724				

Assumptions

Cost of equity	6.0%
Terminal growth rate	0.0%

Source: Phillip Securities Research (Singapore)

▪ **Blended valuation of 69.0 cents**

Our blended valuation for Nam Lee implies 86% upside from the last closing price of 37.0 cents.

Investment Merits

- **Re-rating catalyst to drive better margins**
Nam Lee has re-negotiated its contract with its main customer on better terms.
- **Non-cyclical demand for speciality product of aluminium frames**
The aluminium frames are a key component to container refrigeration units.
- **Margin of safety offers protection from downside price movement**
There is price support for the stock, as it is now just 2.2% above its NCAV.
- **High yield stock that has low debt**
Current debt-to-equity ratio of only 3.6%, avoiding the vagaries of interest rate movements; and offering an attractive forward dividend yield of 9.5%.

Investment Risks

- **Limited disclosure on key contract and business**
Nam Lee is very reluctant to disclose details on its contracts and production capacity.
- **Lumpy revenue recognition could lead to disappointment**
Apart from its contract from its major customer for aluminium frames, the rest of the Group's products are project-based. Without an order book, there is no visibility on revenue recognition. Timing issues in revenue recognition results in volatile qoq results.
- **Losses may arise from delayed projects**
Delayed projects will drive costs up and this can lead to losses for specific contracts.

Financials

Statement of Total Return and Distribution Statement

Y/E Sep, SGD mn	FY13	FY14	FY15	FY16F	FY17F
Revenue	170.8	141.5	164.0	143.3	147.6
Cost of sales	(145.0)	(118.8)	(126.8)	(110.3)	(114.7)
Gross profit	25.8	22.6	37.3	32.9	32.8
SG&A	(14.0)	(13.4)	(16.4)	(13.7)	(14.3)
Other operating costs	(2.9)	(2.3)	(5.2)	(4.0)	(3.2)
EBIT	8.9	7.0	15.6	15.1	15.3
Net Finance (Expense)/Inc	0.24	0.27	0.18	0.17	0.24
Other income	0.08	1.26	0.18	0.51	0.39
Profit Before Tax	9.3	8.5	16.0	15.8	16.0
Taxation	(0.2)	(1.4)	(3.1)	(3.3)	(3.4)
Profit After Tax	9.0	7.2	12.9	12.5	12.6
- Non-controlling interest	0.13	0.10	(0.07)	0.10	0.10
PATMI, reported	8.9	7.0	12.9	12.4	12.5
PATMI, adj.	8.9	7.0	12.9	12.4	12.5

Per share data (cents)

Y/E Sep	FY13	FY14	FY15	FY16F	FY17F
EPS, reported	3.72	2.92	5.36	5.14	5.17
EPS, adj.	3.72	2.92	5.36	5.14	5.17
DPS, ordinary	1.00	1.00	1.00	1.00	1.00
DPS, special	0.50	0.50	1.50	2.50	2.50
BVPS	48.3	49.6	51.4	54.4	56.1

Cash Flow

Y/E Sep, SGD mn	FY13	FY14	FY15	FY16F	FY17F
CFO					
Profit before tax	9.3	8.5	16.0	15.8	16.0
Adjustments	3.5	3.0	2.9	2.5	4.9
WC changes	(24.1)	13.9	(5.5)	9.7	(1.5)
Cash generated from ops	(11.4)	25.4	13.4	28.1	19.4
Others	(3.3)	(1.1)	(1.6)	(3.3)	(3.3)
Cashflow from ops	(14.7)	24.3	11.7	24.8	16.1
CFI					
CAPEX, net	(3.3)	(9.0)	(10.4)	(5.5)	(5.5)
Others	(6.0)	0.8	0.2	0.2	0.2
Cashflow from investments	(9.3)	(8.2)	(10.2)	(5.3)	(5.3)
CFF					
Share issuance, net	1.2	-	-	-	-
Loans, net of repayments	(2.1)	(0.6)	3.9	(1.5)	(1.4)
Dividends	(4.8)	(3.6)	(3.6)	(6.0)	(8.4)
Others	-	-	-	-	-
Cashflow from financing	(5.7)	(4.2)	0.2	(7.6)	(9.9)
Net change in cash	(29.7)	12.0	1.8	11.9	0.9
Effects of exchange rate	0.23	0.24	1.10	-	-
Ending cash	23.4	35.5	38.4	50.3	51.2

Source: Company, Phillip Securities Research (Singapore) Estimates

*Forward multiples & yields based on current market price; historical multiples & yields based on historical market price.

Balance Sheet

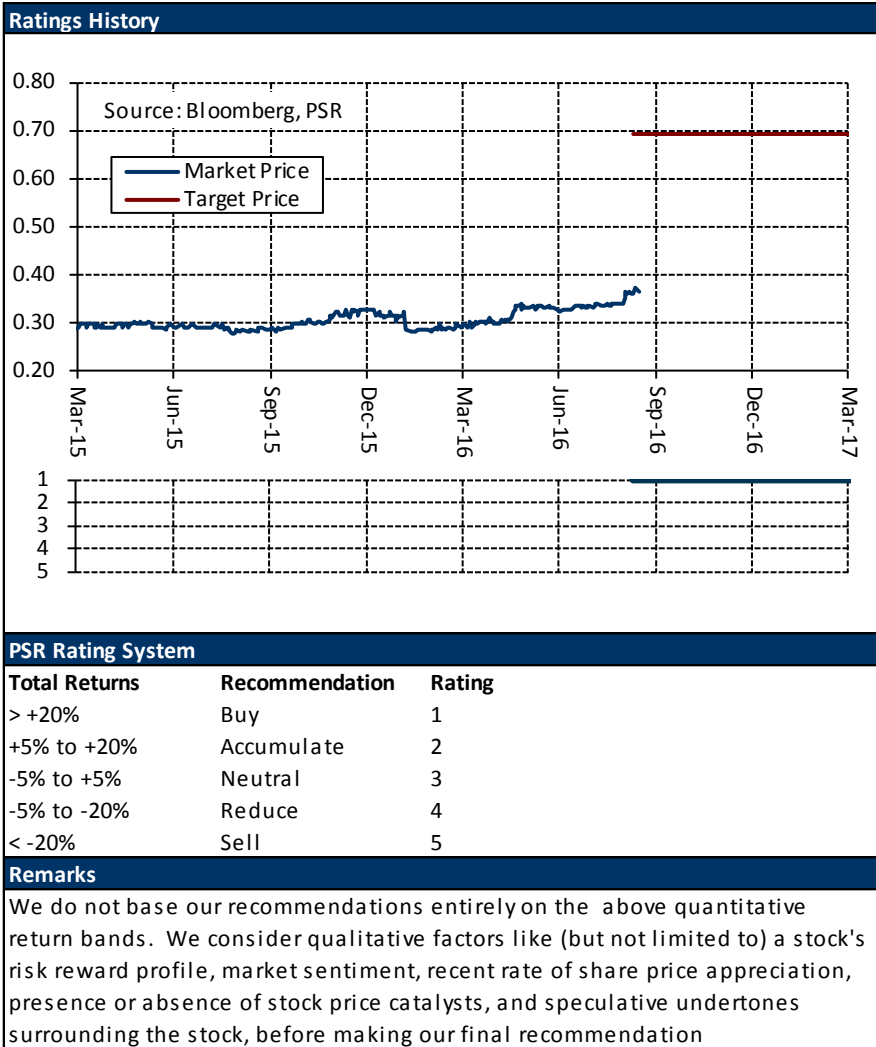
Y/E Sep, SGD mn	FY13	FY14	FY15	FY16F	FY17F
ASSETS					
PPE	24.1	29.4	33.4	34.0	34.3
Investments	6.8	6.1	6.2	6.2	6.2
Others	0.4	0.2	-	-	-
Total non-current assets	31.3	35.7	39.6	40.2	40.5
Inventories	45.1	32.5	40.4	30.1	31.0
Accounts Receivables	40.5	33.2	39.4	28.7	29.5
Cash	23.4	35.5	38.4	50.3	51.2
Others	3.3	2.7	3.2	5.1	5.2
Total current assets	112.2	103.9	121.5	114.2	116.9
Total Assets	143.5	139.6	161.1	154.3	157.4
LIABILITIES					
Short term loans	0.5	0.4	1.5	1.4	1.0
Accounts Payables	14.2	5.9	11.5	7.2	7.4
Others	9.5	10.9	18.7	11.3	11.5
Total current liabilities	24.2	17.3	31.7	19.9	19.9
Long term loans	0.7	0.4	3.9	2.4	1.4
Others	1.5	1.3	0.7	0.7	0.7
Total non-current liabilities	2.1	1.7	4.6	3.1	2.1
Total Liabilities	26.3	19.0	36.3	23.1	22.0
EQUITY					
Non-controlling interests	0.74	0.85	0.87	0.97	1.07
Shareholder Equity	116.5	119.8	123.9	130.3	134.3

Valuation Ratios

Y/E Sep	FY13	FY14	FY15	FY16F	FY17F
P/E (x), adj.	7.93	8.60	6.90	7.20	7.16
P/B (x)	0.61	0.51	0.72	0.68	0.66
Dividend yield (%)	5.1	6.0	6.8	9.5	9.5

Growth & Margins (%)

Growth					
Revenue	10.1%	-17.2%	16.0%	-12.7%	3.0%
Gross profit	-26.2%	-12.4%	64.7%	-11.7%	-0.2%
EBIT	-43.1%	-21.6%	123%	-3.2%	1.4%
PATMI, adj.	-35.8%	-20.8%	83.6%	-4.1%	0.5%
Margins					
Gross profit margin	15.1%	16.0%	22.7%	23.0%	22.3%
EBIT margin	5.2%	5.0%	9.5%	10.6%	10.4%
Net margin	5.2%	5.0%	7.9%	8.7%	8.4%
Key Ratios					
ROE (%)	7.8%	6.0%	10.6%	9.8%	9.4%
ROA (%)	6.3%	5.0%	8.6%	7.9%	8.0%
Net Debt or (Net Cash)	(22.2)	(34.7)	(33.0)	(46.4)	(48.7)
Net Gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash



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