

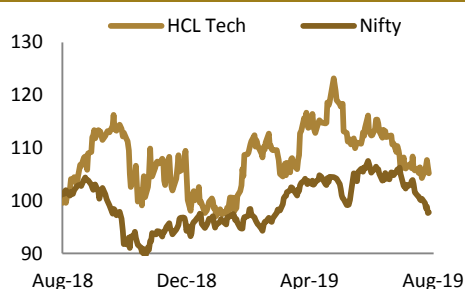
### Market statistics

|                         |           |
|-------------------------|-----------|
| Current stock price (`) | 1,022     |
| Shares O/S (cr.)        | 135.6     |
| Mcap (` cr)             | 138,656   |
| 52W H/L (`)             | 1190/920  |
| 6m avg. volume          | 1,999,526 |
| Bloomberg               | HCLT IN   |

### Shareholding pattern

|                       |       |
|-----------------------|-------|
| Promoters             | 60.00 |
| Domestic Institution  | 7.98  |
| Foreign Institution   | 28.64 |
| Non-institution       | 3.38  |
| of which more than 1% |       |

### HCL Tech vs Nifty



### Capital efficiency & valuations

| Particulars       | FY19 | FY20E | FY21E |
|-------------------|------|-------|-------|
| RoE (%)           | 24.0 | 20.4  | 19.2  |
| EPS (`)           | 74.6 | 77.0  | 86.8  |
| CEPS (`)          | 90.5 | 94.6  | 105.3 |
| P/E (x)           | 14.6 | 13.3  | 11.8  |
| P/BV (x)          | 3.5  | 2.7   | 2.2   |
| EV/EBITDA (x)     | 10.1 | 9.1   | 7.3   |
| Income growth (%) | 19.5 | 14.6  | 12.8  |
| EBITDA growth (%) | 22.1 | 9.6   | 13.8  |
| PAT growth (%)    | 15.3 | 3.5   | 13.2  |

#### ANALYST

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**HCL Technologies reported a mixed quarter - with higher-than-estimated revenue and lower-than-estimated margins. HCLT reported revenues of US\$2,364mn, up 3.8% (in USD terms, up 4.2% in cc terms), during Q1FY20. Margin was dented by higher-than-expected business investments, visa costs and SG&A costs. For FY20, HCLT has maintained its revenue growth guidance of 14%-16% growth in cc terms and EBIT margin guidance of 18.5-19.5%. We maintain our Buy rating on HCL Tech given the deal wins (12 transformational deals), strong bookings, better execution and strategy of augmenting offerings by acquiring IPs.**

**Revenue growth beats estimates, margin miss:** HCL Tech delivered mixed results in Q1FY20, with better-than-expected revenue growth, led by ramp-up in large deals and additional revenue contribution from Strong-Bridge Envision acquisition, which is being offset by steep EBIT margin miss. HCL Tech impressed with strong constant currency (cc) revenue growth of 4.2% QoQ, led by strong growth in manufacturing (18.4% QoQ cc) and technology and services (5% QoQ). Organic cc revenue growth is at ~3.7% and rest from Strong-Bridge acquisition. Mode1/Mode-2/Mode 3 services revenue grew by 4.1/3.6/6.5% QoQ on cc basis. On a reported basis, US\$ revenue grew by 3.8% QoQ to US\$2,364mn. EBIT margin contracted by ~180bps QoQ to 17.1%. Factors impacting EBIT margin were currency headwinds (-15bps), visa expenses (-20bps), upfront investments for IBM products (-50bps) and investments in ERS (-110bps).

**Healthy growth across segments; Strong client additions:** HCL Tech reported strong cc revenue growth, led by healthy growth across segments. IT and business services (3.6% QoQ), engineering and R&D services (5.6% QoQ) and products and platforms (7% QoQ) performed well during the quarter. Manufacturing (up 18.4% QoQ) and technology (up 5% QoQ) led overall growth during the quarter and grew above the company's growth rate, while financial (up 0.5% QoQ) continued to remain soft. Retail and CPG, telecommunications and public services cc revenue declined by 1.4%, 2.7% and 0.2% QoQ, while lifesciences cc revenue grew by 2.4% QoQ during the quarter. North America reported strong growth of 11.7% QoQ, while Europe and RoW declined by 8.1%/10.6% QoQ, respectively. Mode 1 (core service) had a sharp margin erosion of 270bps QoQ, while Mode 2 (next-gen services including digital) and Mode 3 (products and platform) had slight margin improvement of 10bps and 20bps QoQ during the quarter, respectively. Strong growth in the large account bucket - US\$100+mn bucket increased to 12 from 10 in Q4FY19. The company has signed 12 transformation deals in Q1FY20 across financial services, manufacturing and retail.

**Retained revenue growth guidance, expect acceleration in organic growth:** HCL Tech's management has retained 14-16% constant currency revenue growth (13.3-15.3% in US\$). Despite delay in closure in IBM deal by one month, the company has retained revenue growth guidance in FY20E. The above guidance translates into organic cc growth guidance of 8-10% (up from earlier guidance of 7-9%), led by stabilisation of headwinds in one of its financial clients and ramp-up of large deal wins. However, management highlighted that challenges still persist in another financial clients as well as one manufacturing client. Management expects softness in these two clients to continue in the next couple of quarters. We believe HCL Tech could achieve the top-end of its revenue guidance because of strong client addition, ramp-up of large deals won in the past few quarters, healthy deal pipeline and incremental revenue from the acquisition. HCL Tech has also retained EBIT margin guidance to 18.5% to 19.5% despite lower margin performance in Q1FY20. Despite soft start in margins, management remains confident on strong back-ended margin improvement.

**Valuation:** We maintain our Buy rating on HCL Tech on account of its continuous large deal wins; market share wins in its large clients, beneficiary in vendor consolidation.



**Exhibit 1: Quarterly details**

| ` mn                             | 1QFY19        | 4QFY19        | 1QFY20        | QoQ (%)         | YoY (%)         | Comments  |
|----------------------------------|---------------|---------------|---------------|-----------------|-----------------|---|
| <b>Revenues (in US\$mn)</b>      | <b>2,055</b>  | <b>2,278</b>  | <b>2,364</b>  | <b>3.8</b>      | <b>15.0</b>     |   |
| Revenues                         | 138,780       | 159,900       | 164,250       | 2.7             | 18.4            | Revenues were up 4.2% in cc terms.  |
| - Operating costs                | 106,520       | 123,930       | 130,250       | 5.1             | 22.3            |   |
| <b>EBITDA</b>                    | <b>32,260</b> | <b>35,970</b> | <b>34,000</b> | <b>(5.5)</b>    | <b>5.4</b>      |   |
| <b>EBITDA margin (%)</b>         | <b>23.2</b>   | <b>22.5</b>   | <b>20.7</b>   | <b>(180)bps</b> | <b>(255)bps</b> | EBITDA margin and EBIT margin was lower-than-expected due to higher business investments, visa costs and SG&A costs |
| - Interest expense               | -             | -             | -             | -               | -               |   |
| - Depreciation                   | 4,960         | 5,580         | 5,950         | 6.6             | 20.0            |   |
| + Other income, net (incl forex) | 2,960         | 1,520         | 1,280         | (15.8)          | (56.8)          | Includes a forex gain of `190mn, compared to `230mn   |
| <b>PBT</b>                       | <b>30,260</b> | <b>31,910</b> | <b>29,330</b> | <b>(8.1)</b>    | <b>(3.1)</b>    |   |
| - Taxes                          | 6,220         | 6,150         | 7,050         | 14.6            | 13.3            |   |
| Effective tax rate (%)           | 20.6          | 19.3          | 24.0          | 476bps          | 348bps          | Tax rate was higher on account of consolidation of IBM products   |
| <b>PAT</b>                       | <b>24,040</b> | <b>25,760</b> | <b>22,280</b> | <b>(13.5)</b>   | <b>(7.3)</b>    |   |
| Net margin (%)                   | 17.3          | 16.1          | 13.6          | (255)bps        | (376)bps        |   |
| <b>Reported profits</b>          | <b>24,040</b> | <b>25,680</b> | <b>22,200</b> | <b>(13.6)</b>   | <b>(7.7)</b>    |   |

Source: Company

**Exhibit 2: Change in estimates**

| ` mn              | FY20E   |         |       | FY21E   |         |       |
|-------------------|---------|---------|-------|---------|---------|-------|
|                   | Old     | New     | %Chg  | Old     | New     | %Chg  |
| Revenue (US\$ mn) | 9,910   | 9,967   | 0.6   | 11,078  | 11,244  | 1.5   |
| Revenue           | 693,719 | 692,690 | (0.1) | 775,474 | 781,489 | 0.8   |
| EBITDA margin (%) | 22.1    | 22.1    | -     | 22.1    | 22.3    | 15bps |
| EPS (`)           | 79.1    | 77.0    | (2.7) | 88.1    | 86.8    | (1.5) |

Source: Trust Research

**Geography wise Revenues:** America reported strong growth of 11.7% QoQ, while Europe and RoW declined by 8.1%/10.6% QoQ, respectively.

**Exhibit 3: Geographical wise Performance**

| Geographical mix | Q1FY18       | Q2FY18       | Q3FY18       | Q4FY18       | Q1FY19       | Q2FY19       | Q3FY19       | Q4FY19       | Q1FY20       |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| US               | 62.8         | 62.4         | 63.5         | 61.6         | 64.5         | 65.8         | 64.4         | 62.9         | 67.7         |
| Europe           | 27.4         | 29.1         | 28.7         | 30.0         | 28.1         | 26.8         | 28.2         | 29.7         | 25.9         |
| RoW              | 9.8          | 8.5          | 7.8          | 8.4          | 7.4          | 7.4          | 7.4          | 7.4          | 6.4          |
| <b>Total</b>     | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Source: Company

**Exhibit 4: Vertical mix**

| Offerings   | Q1FY18       | Q2FY18       | Q3FY18       | Q4FY18       | Q1FY19       | Q2FY19       | Q3FY19       | Q4FY19       | Q1FY20       |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Financial Services                                    | 24.9         | 25.0         | 24.6         | 25.0         | 23.8         | 23.0         | 21.6         | 21.1         | 20.3         |
| Manufacturing   | 34.9         | 35.4         | 36.5         | 36.0         | 36.5         | 36.2         | 36.4         | 36.2         | 38.8         |
| Life sciences & Healthcare                            | 7.9          | 7.9          | 7.4          | 7.4          | 7.3          | 7.2          | 9.2          | 8.6          | 8.0          |
| Public Services                                       | 9.5          | 9.3          | 9.6          | 9.6          | 9.1          | 10.0         | 10.2         | 10.0         | 9.5          |
| Retail & CPG  | 11.8         | 11.7         | 11.7         | 11.5         | 12.8         | 12.9         | 13.0         | 13.0         | 12.8         |
| Telecommunications, Media, Publishing & Entertainment | 11.0         | 10.7         | 10.2         | 10.5         | 10.5         | 10.7         | 9.6          | 11.1         | 10.6         |
| <b>Total revenue</b>                                  | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Source: Company, Trust Research



**Exhibit 5: Services Mix**

| Offerings                    | Q1FY18       | Q2FY18       | Q3FY18       | Q4FY18       | Q1FY19       | Q2FY19       | Q3FY19       | Q4FY19       | Q1FY20       |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| IT & Business Services       | NA           | NA           | NA           | NA           | 74.9         | NA           | NA           | 75.8         | 75.3         |
| Engineering and R&D services | NA           | NA           | NA           | NA           | 17.3         | NA           | NA           | 16.6         | 16.9         |
| Products & Platforms         | NA           | NA           | NA           | NA           | 7.8          | NA           | NA           | 7.6          | 7.8          |
| <b>Total revenue</b>         | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b> |

Source: Company, Trust Research

**Human Resources:** Headcount saw a net of 5,935 employees join (gross 16,332 employees joined) to take the total base to 143,900.

**Exhibit 6: Employee strength**

| Employees                   | Q1FY18         | Q2FY18         | Q3FY18         | Q4FY18         | Q1FY19         | Q2FY19         | Q3FY19         | Q4FY19         | Q1FY20         |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total employee count</b> | <b>117,781</b> | <b>119,040</b> | <b>119,291</b> | <b>120,081</b> | <b>124,121</b> | <b>127,875</b> | <b>132,328</b> | <b>137,965</b> | <b>143,900</b> |
| Technical                   | 107,029        | 108,351        | 108,831        | 109,565        | 113,404        | 116,910        | 121,273        | 126,717        | 132,384        |
| Support                     | 10,752         | 10,689         | 10,460         | 10,516         | 10,717         | 10,965         | 11,055         | 11,248         | 11,516         |
| Gross Addition              | 9,462          | 8,645          | 7,113          | 8,476          | 12,558         | 11,683         | 13,191         | 14,249         | 16,332         |

Source: Company

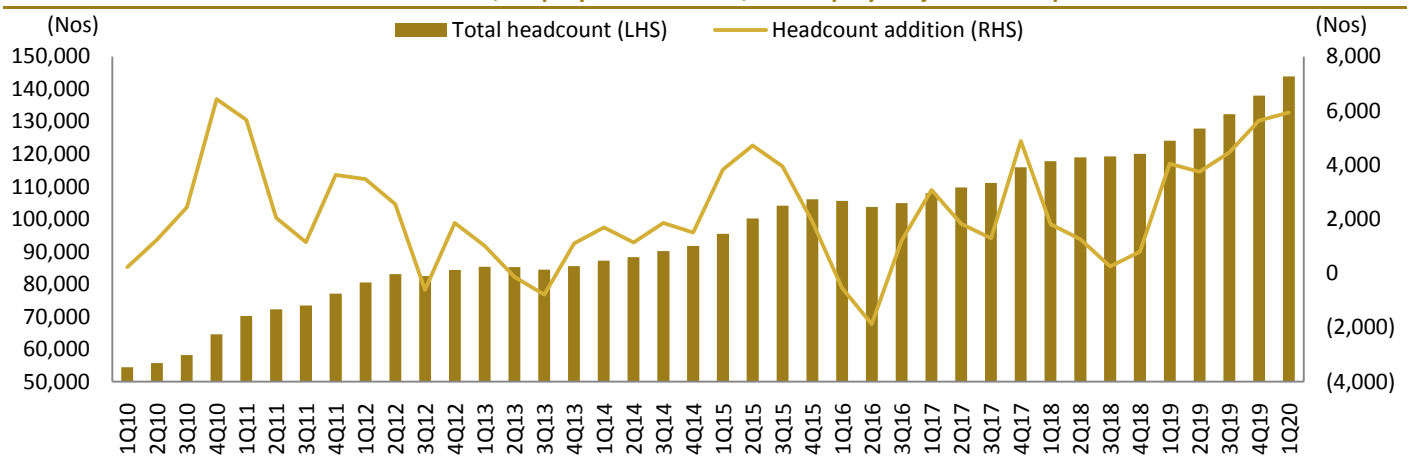
**Client Concentration:** The Company added 2/6 clients QoQ in the US\$100mn+/US\$10mn+, and added 10 clients in the US\$5mn+ bracket to take the list to 12, 172 and 293 respectively.

**Exhibit 7: Client details**

| Client metrics       | Q1FY18 | Q2FY18 | Q3FY18 | Q4FY18 | Q1FY19 | Q2FY19 | Q3FY19 | Q4FY19 | Q1FY20 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 100 million dollar + | 8      | 9      | 9      | 8      | 9      | 9      | 10     | 10     | 12     |
| 50 million dollar +  | 25     | 25     | 25     | 28     | 32     | 31     | 29     | 29     | 29     |
| 20 million dollar +  | 86     | 84     | 85     | 87     | 87     | 90     | 95     | 95     | 93     |
| 10 million dollar +  | 154    | 157    | 156    | 160    | 162    | 165    | 164    | 166    | 172    |
| 5 million dollar +   | 249    | 259    | 261    | 264    | 267    | 269    | 276    | 283    | 293    |
| 1 million dollar +   | 508    | 536    | 552    | 561    | 571    | 575    | 597    | 623    | 633    |
| Top 5 clients (LTM)  | 14.4   | 15.1   | 15.8   | 16.3   | 17.0   | 17.3   | 17.4   | 17.0   | 16.6   |
| Top 10 clients (LTM) | 22.4   | 22.9   | 23.5   | 23.8   | 24.6   | 24.8   | 24.8   | 24.1   | 23.9   |
| Top 20 clients (LTM) | 33.0   | 33.2   | 33.5   | 33.7   | 34.2   | 34.2   | 34.1   | 33.4   | 34.2   |

Source: Company

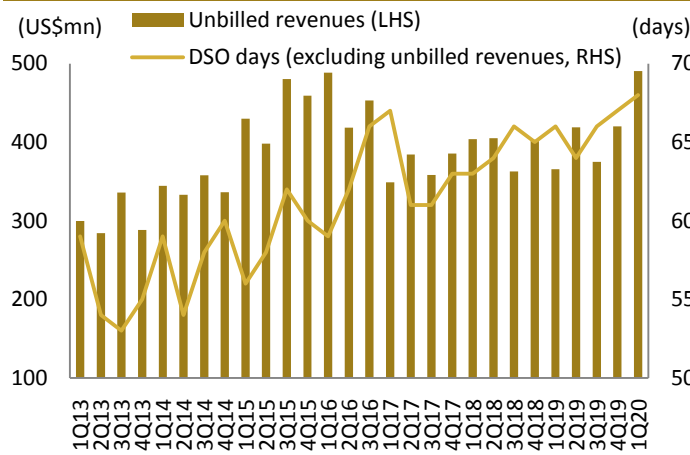
**Exhibit 8: Utilization can be used as a lever, Employee addition: 5,935 employees joined this quarter**



Source: Company, Trust

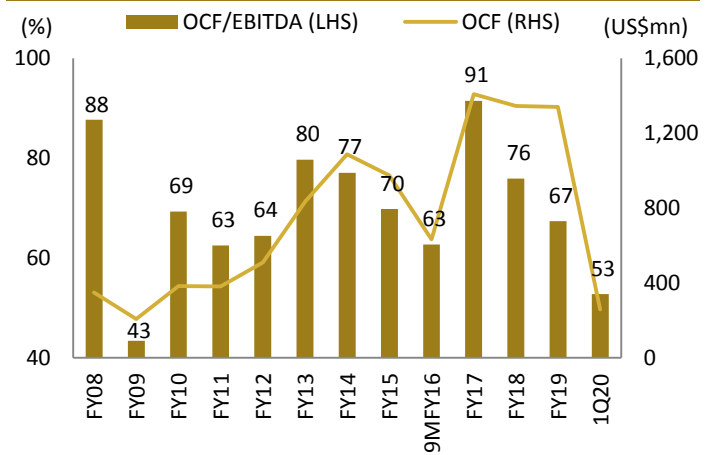


**Exhibit 9: DSO increased to 68 days, Unbilled rev. increased**



Source: Company, Trust

**Exhibit 10: OCF/EBITDA was weak this quarter**



Source: Company, Trust

**FY20 Guidance**

HCL Tech’s management has retained 14-16% constant currency revenue growth (13.3-15.3% in US\$). Despite delay in closure in IBM deal by one month, the company has retained revenue growth guidance in FY20E. The above guidance translates into organic cc growth guidance of 8-10% (up from earlier guidance of 7-9%), led by stabilisation of headwinds in one of its financial clients and ramp-up of large deal wins. However, management highlighted that challenges still persist in another financial clients as well as one manufacturing client. Management expects softness in these two clients to continue in the next couple of quarters. We believe HCL Tech could achieve the top-end of its revenue guidance because of strong client addition, ramp-up of large deals won in the past few quarters, healthy deal pipeline and incremental revenue from the acquisition. HCL Tech has also retained EBIT margin guidance to 18.5% to 19.5% despite lower margin performance in Q1FY20. Despite soft start in margins, management remains confident on strong back-ended margin improvement.



## Financials

### Income Statement ( ` mn)

| Year End-March             | FY17           | FY18           | FY19           | FY20E          | FY21E          |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Revenues</b>            | <b>467,220</b> | <b>505,700</b> | <b>604,280</b> | <b>692,690</b> | <b>781,489</b> |
| Op. Expenses               | 364,130        | 391,300        | 464,590        | 539,563        | 607,186        |
| <b>EBITDA</b>              | <b>103,090</b> | <b>114,400</b> | <b>139,690</b> | <b>153,128</b> | <b>174,303</b> |
| Other Income               | 9,340          | 11,110         | 8,050          | 6,020          | 7,070          |
| Depreciation               | 8,340          | 14,520         | 21,480         | 23,936         | 25,186         |
| <b>EBIT</b>                | <b>104,090</b> | <b>110,990</b> | <b>126,260</b> | <b>135,212</b> | <b>156,188</b> |
| Interest                   | -              | -              | -              | -              | -              |
| <b>PBT</b>                 | <b>104,090</b> | <b>110,990</b> | <b>126,260</b> | <b>135,212</b> | <b>156,188</b> |
| Tax                        | 19,520         | 23,170         | 24,810         | 30,344         | 37,485         |
| <b>PAT</b>                 | <b>84,570</b>  | <b>87,820</b>  | <b>101,450</b> | <b>104,868</b> | <b>118,703</b> |
| Minority + Extra Ord. Item | -              | -              | 220            | 80             | 80             |
| <b>Adj Pat</b>             | <b>84,570</b>  | <b>87,820</b>  | <b>101,230</b> | <b>104,788</b> | <b>118,623</b> |

### Valuations Summary

| Year End-March             | FY17  | FY18  | FY19  | FY20E | FY21E |
|----------------------------|-------|-------|-------|-------|-------|
| <b>Per share ( ` )</b>     |       |       |       |       |       |
| EPS                        | 60.0  | 63.1  | 74.6  | 77.0  | 86.8  |
| CEPS                       | 65.9  | 73.5  | 90.5  | 94.6  | 105.3 |
| BVPS                       | 237.5 | 264.5 | 311.3 | 377.6 | 455.4 |
| DPS                        | 24.0  | 8.0   | 8.0   | 8.0   | 9.0   |
| Payout (%)                 | 46.8  | 14.9  | 12.7  | 12.1  | 12.1  |
| <b>Valuation (x)</b>       |       |       |       |       |       |
| P/E                        | 14.6  | 15.4  | 14.6  | 13.3  | 11.8  |
| P/BV                       | 3.7   | 3.7   | 3.5   | 2.7   | 2.2   |
| EV/EBITDA                  | 10.8  | 11.1  | 10.1  | 9.1   | 7.3   |
| Dividend Yield (%)         | 2.7   | 0.8   | 0.7   | 0.8   | 0.9   |
| <b>Return ratio (%)</b>    |       |       |       |       |       |
| EBIDTA Margin              | 22.1  | 22.6  | 23.1  | 22.1  | 22.3  |
| PAT Margin                 | 18.1  | 17.4  | 16.8  | 15.1  | 15.2  |
| ROAE                       | 25.3  | 23.9  | 24.0  | 20.4  | 19.2  |
| ROACE                      | 30.6  | 29.8  | 27.3  | 24.4  | 23.7  |
| <b>Leverage Ratios (x)</b> |       |       |       |       |       |
| Total D/E                  | 0.0   | 0.0   | 0.1   | 0.1   | 0.1   |
| Net Debt/Equity            | (0.4) | (0.3) | (0.2) | (0.3) | (0.4) |
| Current ratio              | 2.1   | 2.2   | 2.3   | 2.7   | 3.0   |
| <b>Growth Ratios (%)</b>   |       |       |       |       |       |
| Income growth              | 50.1  | 8.2   | 19.5  | 14.6  | 12.8  |
| EBITDA growth              | 51.3  | 11.0  | 22.1  | 9.6   | 13.8  |
| PAT growth                 | 49.2  | 3.8   | 15.3  | 3.5   | 13.2  |
| <b>Turnover Ratios</b>     |       |       |       |       |       |
| F.A. Turnover (x)          | 5.3   | 9.8   | 10.4  | 11.1  | 12.6  |
| Debtors Days               | 22    | 21    | 21    | 20    | 20    |
| Payable days               | 97    | 96    | 96    | 97    | 95    |

### Balance Sheet ( ` mn)

| Year End-March                   | FY17           | FY18           | FY19           | FY20E          | FY21E          |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Sources of Funds</b>          |                |                |                |                |                |
| Equity Share Capital             | 2,821          | 2,784          | 2,713          | 2,713          | 2,733          |
| Reserves & Surplus               | 332,082        | 365,384        | 419,527        | 511,621        | 615,856        |
| <b>Total Shareholders Fund</b>   | <b>334,903</b> | <b>368,168</b> | <b>422,240</b> | <b>514,333</b> | <b>618,589</b> |
| Non- current liabilities         | <b>5,417</b>   | <b>4,371</b>   | <b>39,860</b>  | 39,860         | 39,860         |
| Long term Borrowings             | 5,417          | 4,371          | 39,860         | 39,860         | 39,860         |
| <b>Total Current Liabilities</b> | <b>124,002</b> | <b>111,812</b> | <b>126,860</b> | <b>149,304</b> | <b>168,016</b> |
| Current Liabilities              | 111,477        | 99,143         | 111,480        | 133,043        | 149,717        |
| Other cur liabilities & Prov     | 12,525         | 12,669         | 15,380         | 16,261         | 18,299         |
| <b>Total Liabilities</b>         | <b>464,322</b> | <b>484,351</b> | <b>588,960</b> | <b>703,497</b> | <b>826,465</b> |
| <b>Assets</b>                    |                |                |                |                |                |
| <b>Non- current Assets</b>       | <b>199,646</b> | <b>238,801</b> | <b>291,790</b> | <b>306,113</b> | <b>323,226</b> |
| Fixed assets                     | 87,479         | 51,847         | 58,010         | 62,230         | 62,044         |
| Non-current investments          | 73,583         | 144,057        | 176,950        | 186,950        | 196,950        |
| Other non-current assets         | 38,584         | 42,897         | 56,830         | 56,933         | 64,232         |
| <b>Current assets</b>            | <b>264,676</b> | <b>245,550</b> | <b>297,170</b> | <b>397,383</b> | <b>503,238</b> |
| Current investments              | 113,653        | 80,838         | 54,620         | 64,620         | 74,620         |
| Accounts Receivables, net        | 83,014         | 96,394         | 117,060        | 132,845        | 149,875        |
| Unbilled Receivables             | 25,012         | 26,181         | 29,040         | 37,956         | 42,821         |
| Cash & bank balances             | 13,165         | 16,939         | 59,290         | 118,314        | 186,678        |
| Other current assets             | 29,832         | 25,198         | 37,160         | 43,649         | 49,245         |
| <b>Total Assets</b>              | <b>464,322</b> | <b>484,351</b> | <b>588,960</b> | <b>703,497</b> | <b>826,465</b> |

### Cash flow Statement

| Year End-March                  | FY17            | FY18            | FY19            | FY20E           | FY21E           |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>PBT</b>                      | <b>104,090</b>  | <b>110,990</b>  | <b>126,260</b>  | <b>135,212</b>  | <b>156,188</b>  |
| Depreciation                    | 8,340           | 14,520          | 21,480          | 23,936          | 25,186          |
| Others                          | -               | -               | (220)           | (80)            | (80)            |
| <b>CF before W.cap</b>          | <b>112,430</b>  | <b>125,510</b>  | <b>147,520</b>  | <b>159,068</b>  | <b>181,293</b>  |
| Inc/dec in W.cap                | (9,959)         | 26,426          | 34,372          | 150,218         | 165,216         |
| <b>Op CF after W.cap</b>        | <b>122,389</b>  | <b>99,084</b>   | <b>113,148</b>  | <b>30,344</b>   | <b>37,485</b>   |
| Less Taxes                      | 19,520          | 23,170          | 24,810          | 119,874         | 127,731         |
| <b>Net CF From Operations</b>   | <b>102,869</b>  | <b>75,914</b>   | <b>88,338</b>   | <b>28,156</b>   | <b>25,000</b>   |
| Inc/(dec) in F.A + CWIP         | 52,589          | 19,557          | 27,643          | 20,000          | 20,000          |
| (Pur)/sale of Investments       | 10,205          | (3,018)         | 6,675           |                 |                 |
| <b>CF from Invst Activities</b> | <b>(62,794)</b> | <b>(16,539)</b> | <b>(34,318)</b> | <b>(48,156)</b> | <b>(45,000)</b> |
| Loan Raised/(repaid)            | (4,315)         | (1,046)         | 35,489          | -               | -               |
| Equity Raised                   | 9,716           | (41,444)        | (34,294)        | (0)             | 20              |
| Dividend                        | 39,604          | 13,111          | 12,864          | 12,695          | 14,387          |
| <b>CF from Fin Activities</b>   | <b>(34,203)</b> | <b>(55,601)</b> | <b>(11,669)</b> | <b>(12,695)</b> | <b>(14,367)</b> |
| Net inc /(dec) in cash          | 5,872           | 3,774           | 42,351          | 59,024          | 68,364          |
| <b>Op. bal of cash</b>          | <b>7,293</b>    | <b>13,165</b>   | <b>16,939</b>   | <b>59,290</b>   | <b>118,314</b>  |
| <b>Cl. balance of cash</b>      | <b>13,165</b>   | <b>16,939</b>   | <b>59,290</b>   | <b>118,314</b>  | <b>186,678</b>  |



## Institutional Equity Team

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**Recommendation**      **Expected absolute returns (%) over 12 months**

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Hold                        15% to -15%

Sell                         Less than -15%

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