

Hoa Phat Group (HPG)

Dominating the domestic market

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NP after MI reached VND3,022 billion in 3Q2024, down 9% QoQ

In 3Q2024, HPG experienced a 14% QoQ decline in revenue, primarily driven by: (i) a 2% QoQ decrease in average steel prices and (ii) a 7% QoQ reduction in sales volume due to seasonal factors. However, the faster decline in input costs for iron ore and coking coal compared to domestic steel prices enabled HPG to improve its gross profit margin by 67bps QoQ during the quarter.

Consumption is projected to grow by 19%/9% YoY in 2025F/2026F, supported by the continued recovery of the domestic market

We expect domestic residential construction to pick up in 2025, supported by a stronger recovery in the real estate market. Additionally, demand from public investment projects is projected to increase as several major projects approach their handover deadlines. Furthermore, anti–dumping measures on imported steel are likely to stimulate domestic consumption in the near future.

Gross profit margin is estimated at 15,2%/15,6% in 2025F/2026F

A decline in iron ore and coking coal prices would further benefit HPG's gross profit margin. We forecast stable steel prices in 2025, with limited downward pressure compared to Chinese steel prices, as domestic demand continues its upward trajectory.

Dung Quat 2 is set to commence operations in 1Q2025

Currently, the first blast furnace along with the steel casting and rolling lines has been installed and is slated to commence operations in December 2024. KBSV estimates that Dung Quat 2 will contribute 1.1 million tons of HRC to HPG in 2025.

We recommend BUY for HPG with a target price of VND34,700/share

We recommend BUY for HPG with a revised target price of VND34,700 per share, implying a 25.7% return from the closing price on December 5, 2024.

Buy maintain

Target price	VND34,700
Upside	25.7%
Current price (Dec 6, 2024)	VND27,600
Consensus target price	VND33,900
Market cap (VNDtn/USDbn)	178.1/7.0

Trading data					
Free float		55.9%			
3M avg trading value (VNDbn	/USDmn)	526.7/21.0			
Foreign ownership		27.3%			
Major shareholder	Tran Dinh Long (34.9%				

Share price performance									
(%)	1M	3M	6M	12M					
Absolute	0.8	6.6	-8.7	7.8					
Relative	1.2	8.8	-5.3	-3.4					

Forecast	earnings	£.	valuation

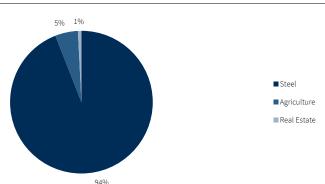
FY-end	2022A	2023A	2024F	2025F
Net revenue (VNDbn)	141,409	118,953	140,232	161,391
Operating income/loss (VNDbn)	9,794	7,651	13,626	17,479
NPAT-MI (VNDbn)	8,484	6,835	12,424	15,355
EPS (VND)	1,459	1,175	1,942	2,401
EPS growth (%)	-81%	-19%	65%	24%
P/E (x)	12.3	25.7	14.3	11.5
P/B (x)	1.1	1.7	1.5	1.4
ROE (%)	9%	7%	11%	12%
Dividend yield (%)	3.9%	0.0%	0.0%	0.0%



Source: Bloomberg, KB Securities Vietnam



Revenue composition (2023)



Business operation

HPG is an industrial conglomerate primarily engaged in steel production, holding the dominant market share in the domestic construction steel and steel pipe segments. It is also one of only two companies in Vietnam capable of producing HRC, with a current production capacity of 3 million tons per year.

Source: Hoa Phat Group, KB Securities Vietnam

Investment Catalysts Notes

Domestic consumption demand is recovering, supported by expectations of a rebound in the real estate market and increased demand from public investment projects as several key developments approach their handover deadlines in 2025.

Please find more details below

Steel prices are expected to remain stable, while gross margins should improve in 2025. We project steady steel prices next year, with improved gross margins driven by effective inventory control.

Please find more details below

Dung Quat 2 is set to begin commercial operations in 1Q2025. KBSV estimates that Dung Quat 2 will contribute 1.1 million tons of HRC to HPG in 2025, with total consumption of construction steel and HRC projected to grow by 19%/9% in 2025F/2026F.

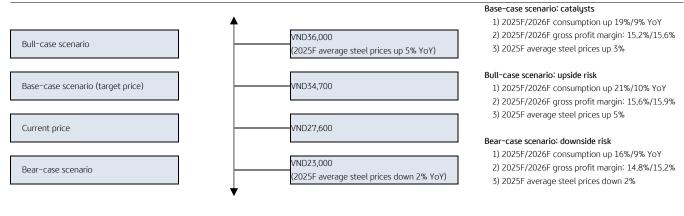
Please find more details below

Revised earnings estimates

(VNDbn)	KB	SV estimates	Change vs previo	us estimates		Difference		
	2024E	2025E	2024E	2025E	2024E	2025E	2024E	2025E
Revenue	140,232	161,391	0.9%	1.1%	139,068	166,827	0.8%	-3.3%
EBIT	15,457	19,947	11.2%	5.6%	15,697	20,758	-1.5%	-3.9%
NP after MI	12,424	15,355	11.5%	9.7%	12,267	15,920	1.3%	-3.5%

Source: Bloomberg, KB Securities Vietnam

Investment opinion & risks





Business performance

Table 1. HPG - 9M2024 business performance

(VNDbn)	3Q2023	3Q2024	+/-%YoY	9M2023	9M2024	+/-%YoY	Notes
Revenue	28,484	33,956	19%	84,569	104,364	23%	
Steel	26,901	31,355	17%	79,330	97,871	23%	In 3Q2024, average steel price and total sales volume increased by 2% and 12% YoY, respectively.
Agriculture	1,519	1,833	21%	4,586	4,892	7%	
Real estate	64	768	1099%	654	1,601	145%	
Gross profit	3,595	4,731	32%	8,466	14,133	67%	
Gross profit margin	12.6%	13.9%	131 bps	10.0%	13.5%	353 bps	Gross profit margin increased by 131bps in 3Q2024 thanks to a slight increase in steel prices while input costs for iron ore and coking coal declined.
Financial income	851	528	-38%	2,494	1,925	-23%	
Financial expenses	-1,438	-833	-42%	-4,118	-2,959	-28%	Interest expenses decreased by 40% thanks to a more favorable interest rate environment.
Profits from affiliates	0	0		0	0		
SG&A	-879	-1,042	19%	-2,508	-3,135	25%	Transportation and export costs in 3Q2024 jumped by 32% YoY.
Operating income/loss	2,128	3,385	59%	4,335	9,964	130%	
Other income	46	27	-41%	73	443	506%	Liquidation of fixed assets of VND374 billion from 1Q2024
Profit before tax (PBT)	2,174	3,412	57%	4,408	10,407	136%	
Net profit after tax (NPAT)	2,000	3,022	51%	3,831	9,210	140%	
NP after MI	2,005	3,023	51%	3,862	9,213	139%	Completed 92% of the full-year target
NPAT margin	7.0%	8.9%	186 bps	4.6%	8.8%	426 bps	

Source: Hoa Phat Group, KB Securities Vietnam

Table 2. HPG - Sales volume by product (tons)

(tons)	3Q2023	3Q2024	+/-%YoY	9M2023	9M2024	+/-%YoY	Notes
Construction steel	920,987	1,095,683	19%	2,573,023	3,323,418	29%	Domestic consumption was up 10% YoY in 3Q2024
HRC	766,522	738,951	-4%	1,981,990	2,268,526	14%	Domestic consumption was up 40% YoY in 3Q2024.
Galvanized sheets	65,109	122,668	88%	240,863	344,757	43%	
Steel pipes	162,648	184,979	14%	486,952	502,353	3%	
Total	1,915,266	2,142,281	12%	5,282,828	6,439,054	22%	

Source: Vietnam Steel Association, FiinProX, KB Securities Vietnam



Consumption demand is shifting towards the domestic market

In October 2024, HPG's sales volume for construction steel, HRC, and steel pipes rose by 65%, 57%, and 2% YoY, respectively, contributing to cumulative growth of 19%, 9%, and 26% YoY for 10M2024. As highlighted in the previous report, there has been a notable shift in the primary consumption channel towards the domestic market, aligning with increased trade protection measures in key markets such as the U.S., EU, and India against steel products made in and imported from Vietnam.

We expect this trend to persist through 2025–2026, supported by a recovery in the real estate sector, with apartment supply in Hanoi and Ho Chi Minh City forecasted to grow at a compound annual growth rate (CAGR) of 21%. Additionally, steel demand from public investment projects is anticipated to surge as many major projects near their completion in 2025. Regarding antidumping measures on HRC imports from China and India (AD20), we anticipate preliminary results by end-1Q2025. However, we maintain a neutral stance, with a moderate probability (50-60%) of AD20 approval, and have not yet revised our assumptions to account for any potential positive impact on HPG. KBSV projects HPG's total sales volume for construction steel and HRC to reach 7.6/9.0/9.8 million tons in 2024F/2025F/2026F, representing YoY growth of 15%/19%/9%.

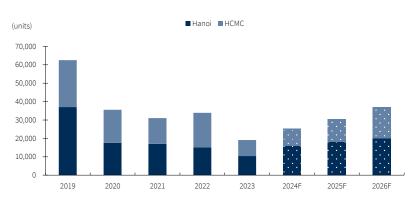


Fig 3. Vietnam - Apartment supply in Hanoi & Ho Chi Minh City (units)

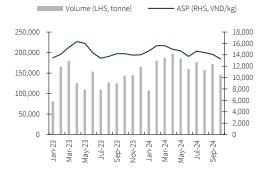
Source: CBRE, KB Securities Vietnam

The early implementation of the amended Land Law and Real Estate Business Law is expected to streamline project approvals, boost supply, and foster the sustainable development of the real estate market. We foresee a substantial increase in the number of newly approved residential real estate projects in 2025, which will in turn drive domestic steel consumption demand.

Fig 4. HPG - Correlation between sales volume & average selling price of construction steel in Vietnam (tons, VND/kg)



Fig 5. HPG - Correlation between sales volume & average selling price of HRC in Vietnam (tons, VND/kg)



Source: Hoa Phat Group, KB Securities Vietnam

Source: Hoa Phat Group, KB Securities Vietnam

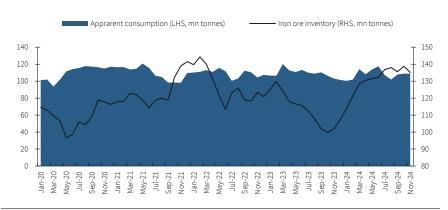


Steel prices are expected to remain stable, while gross margins are projected to improve in 2025

With consumption demand shifting towards the domestic market, domestic steel prices will be the key indicator to monitor in 2025. Two main factors are expected to influence steel prices in the near term: (1) the continued rise in steel imports from China, driven by low domestic consumption, which will put downward pressure on local prices, and (2) the potential further adjustment of iron ore and coking coal prices due to the anticipated decline in demand in China in 2025, after export volumes peak in 2024. The reduction in input costs will benefit HPG's gross profit margin, assuming that domestic steel prices decrease at a slower pace due to recovering demand.

KBSV expects domestic steel prices to rise by an average of 3% YoY in 2025 and projects HPG's gross profit margin to reach 13.7%, 15.2%, and 15.6% in 2024F, 2025F, and 2026F, respectively.

Fig 6. China - Iron ore inventory & consumption (million tons)



Source: Bloomberg, KB Securities Vietnam

Fig 7. China - Iron ore 62% Fe prices (USD/ton)



Fig 8. China – Coking coal prices (USD/ton)



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Source: Bloomberg, KB Securities Vietnam

Source: Bloomberg, KB Securities Vietnam

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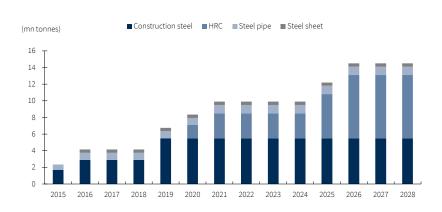


Dung Quat 2 is set to begin operations and contribute to HPG's revenue starting from 1Q2025

The Hoa Phat Dung Quat 2 Iron and Steel Production Complex consists of two blast furnaces, with a total production capacity of 4.6 million tons per year. Its main products include HRC and high-quality steel. According to the management's strategy, 70% of the HRC produced will be supplied to meet domestic demand, while the remaining 30% will be directed towards export markets.

As of the end of 3Q2024, HPG had completed the installation of the main production lines for Phase 1 and 50% of the construction progress for Phase 2 of the Dung Quat 2 project. The first blast furnace is expected to become operational by the end of 4Q2024, with commercial production beginning in 1Q2025, while the second blast furnace is scheduled to be operational in 1Q2026 (each blast furnace has a capacity of 2.3 million tons per year). KBSV estimates that Dung Quat 2's utilization rate will reach 48% in 2025 and 38% in 2026.

Fig 9. HPG - Production capacity by product (million tons)



Source: Hoa Phat Group, KB Securities Vietnam

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Forecast

Table 10. HPG - 2023A-2025F business performance

(VNDbn)	2023A	2024A	+/-%YoY	2025F	+/-%YoY	Notes
Revenue	118,953	140,232	18%	161,391	15%	Average steel price and total sales volume is expected to increase 3% and 19% YoY, respectively, in 2025.
Gross profit	12,938	19,225	49%	24,466	27%	
Gross profit margin	10.9%	13.7%	283 bps	15.2%	145 bps	In 2025, domestic steel prices are forecasted to remain flat, while gross profit margin is expected to improve thanks to lower input costs.
Interest income	1,380	1,337	-3%	1,434	7%	
Interest expenses	-3,585	-2,341	-35%	-3,677	57%	Interest expenses may surge 57% YoY due to the cessation of interest capitalization for the Dung Quat 2 project
Foreign exchange gain/loss	-139	-347	150%	-224	-35%	We assume that VND continues to depreciate 2-3% against USD in 2025.
Profits from affiliates	0	0		0		
SG&A	-3,269	-4,211	29%	-4,519	7%	SG&A should increase slightly by 7% thanks to lower transportation and export costs.
Operating income/loss	7,651	13,626	78%	17,479	28%	
Other income	142	443	212%	0		
Profit before tax (PBT)	7,793	14,069	81%	17,480	24%	
Net profit after tax (NPAT)	6,800	12,424	83%	15,355	24%	
NP after MI	6,835	12,424	82%	15,355	24%	
NPAT margin	5.7%	8.9%	311 bps	9.5%	65 bps	

Source: KB Securities Vietnam

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Valuation

We recommend BUY for HPG with a target price of VND34,700/share

We have raised the target price for HPG to VND34,700 per share (up 11.9% from the previous target price) due to a 9.7% upward revision in NP after MI. Despite the ongoing risk of steel price fluctuations driven by external factors, KBSV views HPG as an attractive investment stock due to (i) its industry-leading position and focus on upstream steel production (using iron ore and coking coal as key raw materials), enabling HPG to effectively manage gross profit margins through optimized inventory turnover and (ii) strong growth potential with an anticipated 24%/23% increase in NPAT in 2025F/2026F as Dung Quat 2 comes into operation. HPG's current PBR stands at 1.6x (a –0.5 standard deviation from the 5-year average), with a forward PBR for 2025 of 1.4x.

Table 11, HPG - Valuation results

Valuation method	Target multiple	Derived price	Weighting	Weighted price
EV/EBITDA	9	38,300	50%	19,150
P/E	13	31,200	50%	15,600
Target price				34,700

Source: KB Securities Vietnam

Fig 12. HPG - PER





Source: FiinProX, KB Securities Vietnam



Source: FiinProX, KB Securities Vietnam

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HPG - 2022A-2025F financials

ncome Statement					Balance Sheet			
bn. VND)					(bn. VND)			
Standard Report)	2021	2022	2023F	2024F	(Standard Report)	2021	2022	2023F
let Revenue	141,409	118,953	140,232	161,391	TOTAL ASSET	170,336	187,783	224,619
ost of Goods Sold	-124,646	-106,015	-121,006	-136,926	CURRENT ASSETS	80,515	82,716	92,113
iross Profit	16,763	12,938	19,225	24,466	Cash and cash equivalents	8,325	12,252	16,055
inancial Income	1,822	1,953	1,300	1,434	Short-term investments	26,268	22,177	16,387
inancial Expenditure	-3,084	-3,585	-2,341	-3,677	Accounts receivable	9,893	10,702	9,491
ncluding: Cost of Borrowing	-1,863	-139	-347	-224	Inventories	34,491	34,504	43,564
Profit/(loss) from affiliated companies	-1	0	0	0	LONG-TERM ASSETS	89,821	105,066	132,507
selling expenditures	-3,685	-3,269	-4,211	-4,519	Long-term trade receivables	894	1,881	1,031
G&A	9,794	7,651	13,626	17,479	Fixed assets	70,833	71,998	101,224
let Other Income	129	142	443	0	Long-term incomplete assets	13,363	26,099	24,878
rofit/(loss) from affiliated companies	0	0	0	0	Long-term investments	1	40	137
rofit/(loss) before tax	9,923	7,793	14,069	17,480	Good will (before 2015)	0	0	0
ax	-1,479	-992	-1,645	-2,124	TOTAL LIABILITIES	74,223	84,946	109,358
rofit/(loss) after tax	8,444	6,800	12,424	15,355	Current liabilities	62,385	71,513	75,224
inority Interest	-39	-35	0	0	Trade accounts payable	11,107	12,387	11,814
PATMI	8,484	6,835	12,424	15,355	Short-term borrowings	46,749	54,982	57,738
BIT	11,608	8,606	13,812	17,823	Other short-term liabilities	4,530	4,144	5,672
BITDA	18,422	15,380	20,524	26,736	Long-term liabilities	11,837	13,433	34,134
					Long-term trade payables	0	2,324	4,947
					Other long-term liabilities	11,152	10,399	28,040
perating Ratios					Long-term borrowings	686	709	1,147
6)	2021	2022	2023F	2024F	OWNER'S EQUITY	96,113	102,836	115,261
ross Profit Margin	11.9%	10.9%	13.7%	15.2%	Paid-in capital	58,148	58,148	63,963
BITDA Margin	14.0%	13.6%	15.5%	17.9%	Share premium	3,212	3,212	0
BIT Margin	9.1%	7.9%	10.7%	12.4%	Other funds	814	818	818
BT Margin	7.0%	6.6%	10.0%	10.8%	Undistributed earnings	33,834	40,593	50,291
pearating Profit Margin	6.9%	6.4%	9.7%	10.8%	State capital	0	0	0
et Profit Margin	6.0%	5.7%	8.9%	9.5%	Interest of non-controlling shareholders	106	66	189
Tab Flow Statement					Main Pakina			
ash Flow Statement Standard Report)	2021	2022	20225	20245	Main Ratios (x, %, VND)	2021	2022	2023F
3T	2021 9,923	7,793	2023F 14,069	2024F 17,480	Valuation Ratios			
epreciation	6,814	6,774	6,711	8,913	P/E	12.3	25.7	14.3
ofit/(loss) from investing	-1,822	-1,928	0,111	0,515	P/E (diluted)	12.3	25.7	14.3
ost of borrowing	3,084	3,585	2,341	3,677	P/B	1.1	1.7	1.5
rofit/(loss) before changes in WC	19,199	15,421	23,121	30,070	P/S	0.0	0.0	0.0
ncrease)/decrease in receivables	4,723	-5,602	2,061	-3,612	P/Tangible Book	1.5	2.5	1.8
ncrease)/decrease in inventory	8,022	1,026	-9,060	-5,702	P/Cash Flow	8.6	20.4	14.3
crease/(decrease) in payables	-14,681	2,610	2,049	2,936	EV/EBITDA	7.8	14.0	11.1
ncrease)/decrase in pre-paid expenses	-19	-88	0	0	EV/EBIT	13.1	20.1	14.9
ellable securities, cost of borrowing, tax	-5,053	-4,724	-5,743	-5,849	,			
pearting Cash Flow	12,192	8,643	12,428	17,843	Management Efficiency			
Purchases of fixed assets and other long term assets	-17,966	-17,374	-34,716	-11.236	ROE%	9%	7%	11%
Proceeds from disposal of fixed assets	14	206	0	0	ROA%	5%	4%	6%
Loans granted, purchases of debt instruments	-55,506	-39,804	0	0	ROIC%	6%	4%	7%
Collection of loans, proceeds from sales of debts instruments	47,413	43,280	5,694	0	Financial Ratios			
Investments in other entities	-372	0	0	0	Cash Ratio	0.1	0.2	0.2
Proceeds from divestment in other entities	0	-526	0	0	Quick Ratio	0.7	0.6	0.6
Proceeds from divestment in other entities Dividends and interest received	0		0	0	Quick Ratio Current Ratio	0.7 1.3	0.6 1.2	1.2
Dividends and interest received	0 1,706	2,222	0	0	Current Ratio			
Dividends and interest received vesting Cash Flow	0 1,706 -24,712	2,222 -11,995	-29,022	-11,236	Current Ratio Long-term borrowing/Owner's Equity	1.3 0.1	1.2 0.1	1.2 0.2
Dividends and interest received vesting Cash Flow Proceeds from issue of shares	0 1,706	2,222	-29,022 0	0	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset	1.3 0.1 0.1	1.2	1.2
Dividends and interest received vesting Cash Flow Proceeds from issue of shares Payments for share returns and repurchases	0 1,706 -24,712 4 0	2,222 -11,995 1 -2	0 -29,022 0 0	0 -11,236 0	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity	1.3 0.1 0.1 0.5	1.2 0.1 0.1 0.5	0.2 0.1 0.5
Dividends and interest received vesting Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings	0 1,706 -24,712 4 0 135,257	2,222 -11,995 1	-29,022 0	0 -11,236 0 0	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Oratal Asset	1.3 0.1 0.1 0.5 0.3	1.2 0.1 0.1	1.2 0.2 0.1
Dividends and interest received vesting Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings	0 1,706 -24,712 4 0	2,222 -11,995 1 -2 127,233	0 -29,022 0 0 20,397	0 -11,236 0 0 0 -3,213	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Total Asset Short-term payables/Owner's Equity	1.3 0.1 0.1 0.5 0.3	1.2 0.1 0.1 0.5 0.3	1.2 0.2 0.1 0.5 0.3
Dividends and interest received vesting Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments	0 1,706 -24,712 4 0 135,257 -134,631	2,222 -11,995 1 -2 127,233 -119,948 0	0 -29,022 0 0 20,397 0	0 -11,236 0 0 0 -3,213	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Total Asset Short-term payables/Owner's Equity Short-term payables/Total Asset	1.3 0.1 0.1 0.5 0.3 0.2	1.2 0.1 0.1 0.5 0.3 0.2	1.2 0.2 0.1 0.5 0.3 0.2
Dividends and interest received westing Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments Dividends paid	0 1,706 -24,712 4 0 135,257 -134,631 0	2,222 -11,995 1 -2 127,233 -119,948 0 -8	0 -29,022 0 0 20,397 0	0 -11,236 0 0 0 -3,213 0	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Total Asset Short-term payables/Owner's Equity Short-term payables/Total Asset Total payables/Owner's Equity	1.3 0.1 0.1 0.5 0.3 0.2 0.1	1.2 0.1 0.5 0.3 0.2 0.1	1.2 0.2 0.1 0.5 0.3 0.2 0.1
Dividends and interest received westing Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments Dividends paid Interests, dividends, profits received	0 1,706 -24,712 4 0 135,257 -134,631 0 -2,247	2,222 -11,995 1 -2 127,233 -119,948 0 -8	0 -29,022 0 0 20,397 0	0 -11,236 0 0 0 -3,213 0	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Total Asset Short-term payables/Owner's Equity Short-term payables/Total Asset Total payables/Owner's Equity Total payables/Total Asset	1.3 0.1 0.1 0.5 0.3 0.2	1.2 0.1 0.1 0.5 0.3 0.2	1.2 0.2 0.1 0.5 0.3 0.2
Dividends and interest received vesting Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments Dividends paid Interests, dividends, profits received nancing Cash Flow	0 1,706 -24,712 4 0 135,257 -134,631 0 -2,247 0	2,222 -11,995 1 -2 127,233 -119,948 0 -8 0 7,276	0 -29,022 0 0 20,397 0 0 0 20,397	0 -11,236 0 0 0 -3,213 0 0 0	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Total Asset Short-term payables/Owner's Equity Short-term payables/Total Asset Total payables/Owner's Equity Total payables/Total Asset Operating Ratios	1.3 0.1 0.1 0.5 0.3 0.2 0.1	1.2 0.1 0.1 0.5 0.3 0.2 0.1	1.2 0.2 0.1 0.5 0.3 0.2 0.1
Dividends and interest received neesting Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments Dividends paid Interests, dividends, profits received inancing Cash Flow let increase in cash and cash equivalents	0 1,706 -24,712 4 0 135,257 -134,631 0 -2,247 0 -1,617	2,222 -11,995 1 -2 127,233 -119,948 0 -8 0 7,276	0 -29,022 0 0 20,397 0 0 20,397 0 20,397 3,803	0 -11,236 0 0 0 -3,213 0 0 0 -3,213 3,395	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Total Asset Short-term payables/Owner's Equity Short-term payables/Total Asset Total payables/Owner's Equity Total payables/Total Asset Operating Ratios Receivables turnover	1.3 0.1 0.5 0.3 0.2 0.1 0.2	1.2 0.1 0.5 0.3 0.2 0.1 0.2	1.2 0.2 0.1 0.5 0.3 0.2 0.1 0.2
Dividends and interest received evesting Cash Flow Proceeds from issue of shares Payments for share returns and repurchases Proceeds from borrowings Repayment of borrowings Finance lease principal payments Dividends paid Interests, dividends, profits received inancing Cash Flow	0 1,706 -24,712 4 0 135,257 -134,631 0 -2,247 0	2,222 -11,995 1 -2 127,233 -119,948 0 -8 0 7,276	0 -29,022 0 0 20,397 0 0 0 20,397	0 -11,236 0 0 0 -3,213 0 0 0	Current Ratio Long-term borrowing/Owner's Equity Long-term borrowing/Total Asset Short-term borrowing/Owner's Equity Short-term borrowing/Total Asset Short-term payables/Owner's Equity Short-term payables/Total Asset Total payables/Owner's Equity Total payables/Total Asset Operating Ratios	1.3 0.1 0.1 0.5 0.3 0.2 0.1	1.2 0.1 0.1 0.5 0.3 0.2 0.1	1.2 0.2 0.1 0.5 0.3 0.2 0.1

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Investment ratings & definitions

Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

	Sell:
+15% or more +15% to -15% -15% or n	more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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