

**BSE SENSEX**  
72,186

**S&P CNX**  
18,105

**CMP: INR1,624**

**TP: INR1880 (+16%)**

**BUY**

## HCLTech

Bloomberg	HCLT IN
Equity Shares (m)	2714
M.Cap.(INRb)/(USDb)	4406.3 / 53.1
52-Week Range (INR)	1627 / 1016
1, 6, 12 Rel. Per (%)	12/30/18
12M Avg Val (INR M)	3300

### Financials & Valuations (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	1,102	1,220	1,382
EBIT Margin (%)	18.5	18.8	19.2
PAT	160	183	213
EPS (INR)	58.9	67.5	78.3
EPS Gr. (%)	7.5	14.5	16.1
BV/Sh. (INR)	238	235	231

### Ratios

RoE (%)	24.6	28.6	33.7
RoCE (%)	22.7	26.3	31.0
Payout (%)	90.0	90.0	90.0

### Valuations

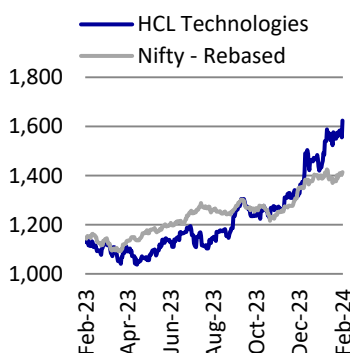
P/E (x)	27.6	24.1	20.7
P/BV (x)	6.8	6.9	7.0
EV/EBITDA (x)	17.7	15.7	13.6
Div. Yield (%)	3.3	3.7	4.3

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	60.8	60.8	60.7
DII	15.2	15.7	15.9
FII	19.6	19.0	18.5
Others	4.4	4.6	4.9

FII Includes depository receipts

### Stock's performance (one-year)



## Resilient service business to drive incremental growth

### Service business poised to rebound strongly

HCL Tech's (HCLT) operating performance has relatively been steady for the Consolidated business, while the Service business (IT + ER&D) has delivered remarkable performance over the last two years, up ~15% YoY in CC terms each in FY22 and FY23. The near-term Service business has been adversely impacted by reduced discretionary spends, which is expected to see a sharp recovery (especially ER&D service line) as the macro challenges taper off. The ER&D service line has been resilient, evidenced by a strong uptick in demand post Covid. We remain positive on the structural theme of ER&D outsourcing and HCLT should win disproportionately and clock 15.5% revenue CAGR over FY24-26E, given its capabilities and scale within the space. We expect IT & Business service (~75% of rev) to deliver moderate growth of 9.5%/11.5% in FY25E/FY26E, aided by mega deal ramp-up and robust BTB. On the earnings front, the company is intensifying efforts to optimize the employee pyramid and eliminate the overutilization of subcontractors. HCLT's earnings growth has relatively been stable compared to the earnings growth of its peers, despite the fact that HCLT is expected to clock 15.3% CAGR over FY24-26E.

However, the upside risks to our estimates include early macro recovery and CY24 IT budgets exceeding our earnings estimate for FY25E/FY26E. HCLT is currently trading at 21x FY26E EPS, which we see as inexpensive compared to the industry (close peers) median of 26x. We retain our BUY rating on the stock.

### Robust long-term outlook for Service business

- HCLT's Service business has demonstrated strong performance and grew 15%+ YoY in CC terms each in FY22 and FY23. The revenue growth was supported by a balanced business mix and evenly distributed strengths across various verticals.
- HCLT derives ~60% of its revenues from verticals that are relatively insulated from current macro uncertainties. However, it also has a dependency of ~40% on verticals that are currently facing significant challenges (Financial Service, Retail, and Telecom).
- We anticipate the ongoing structural outsourcing trend in the ER&D industry to continue, driven by its inclination to adopt emerging new technologies and streamline product development cycles. The ER&D service business (~16% of revenues) has registered a CAGR of 15.1% over FY21-23.
- The acquisition (ASAP) would further pivot its capabilities from core engineering practices to Digital Engineering within the Automotive sector. This strategic move aligns with the strong growth potential and positive spending outlook for major OEMs.
- Additionally, HCLT's investments in building a senior leadership team and enhancing capabilities are yielding positive results, evidenced by securing large deals (0.8x BTB) in 9MFY24. The conversion of Verizon's multi-year mega deal is a validation of strengthening capabilities that too in the space that is undergoing a challenging environment.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- We believe, the diversified revenue mix and critical service lines (Cloud and IT Infra) are resilient (if not immune), and should align to any progress in the macro environment. We expect the company's ER&D and IT Services to register a CAGR of 15.5% and 10.5% over FY24E-26E, respectively.

#### **P&P Business aiding service business growth**

- P&P business performance has been volatile and has contributed marginally (5% CAGR FY20-FY23) to the topline over the last three years due to extreme seasonality and underperformance for a part (25%) of its product portfolio.
- Despite this, the P&P business has been instrumental and contributed meaningfully to the Service business in terms of cross-selling and broadening revenue stream across clients.
- The P&P business reported muted growth, down 1.3% and up 1.8% in FY22 and FY23, respectively. The muted growth of its 25% product portfolio is still transitioning to a subscription-led (SaaS) model from perpetual license earlier.
- We have been conservative on the P&P business and expect 5.3% CAGR over FY24E-26E. However, there is an upside risk to our estimates due to the potential for an earlier transition and a faster recovery in the P&P segment, which contributed 11.0% to the overall revenues in FY23.

#### **Further headroom for margin improvement**

- The demand-supply mismatch in FY23 resulted in elevated employee costs (up ~200bps) due to aggressive lateral hiring and overutilization of subcontractors. The company is drawing attention to improve margins through pyramid rationalization and fresher hiring, which should translate into average cost reduction per employee.
- The focus has also shifted toward enhancing the contribution from annuity-based managed services vs contract-led services. The managed services model has proven to be value accretive in terms of project longevity and profitability, and this shift is expected to equally contribute to margin improvement.
- Despite the muted guidance for FY24, the company has maintained its margin guidance of 18-19%. We believe, the incremental growth and rigorous cost optimization measures in the coming years should contribute meaningfully to the margin improvement and its aspiration to achieve 20%.

#### **Attractive payout yield and Cash Conversion**

- HCLT has maintained a consistent capital allocation policy and continued to return a substantial portion (75% net income) to its stakeholders.
- It has maintained healthy balance sheets with robust average cash conversion (OCF/NI) of 132% over the last five years.
- Given its strong operating cash conversion rate and minimal capex, we expect HCLT to maintain a robust cash payout policy, which is expected to translate into impressive payout yield of 4% each in FY25E/FY26E.

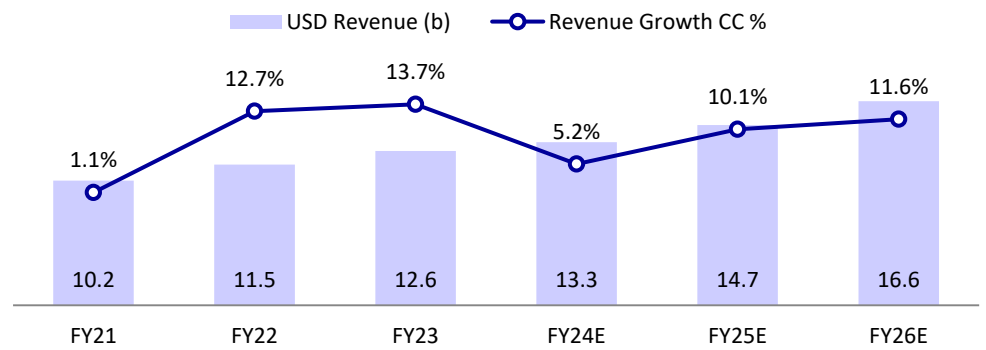
**Valuation and View – Maintain BUY**

- HCLT's business mix is relatively more resilient to the adverse macro environment. Even the vertical mix is evenly distributed with individual strengths, while its service lines (cloud + IMS) have been more biased and relevant toward current enterprise spends.
- Given its robust capabilities and scale in ER&D space, and continued investment to drive Digital engineering revenue with strong outsourcing opportunity should provide sustainable and predictable growth going forward.
- We expect the company's ER&D and IT Services to register a CAGR of 15.5% and 10.5% over FY24E-FY26E, respectively. The upside risks to our estimates include early macro recovery and CY24 IT budgets exceeding our earnings estimate for FY25E/FY26E. HCLT is currently trading at 21x FY26E EPS, which we see as inexpensive compared to the industry (close peers) median of 26x. We reiterate our BUY rating on the stock.

## Service business expects to rejoin growing trajectory

HCLT’s operating performance has been above industry average (if not leading) over the last couple of years. The Service business has sustained consistent revenue growth by maintaining the right balance between IT and ER&D services. Although the near-term ER&D growth remained volatile, the industry demand has been resilient and is expected to grow exponentially going forward.

**Exhibit 1: USD Revenue and CC revenue growth (%)**

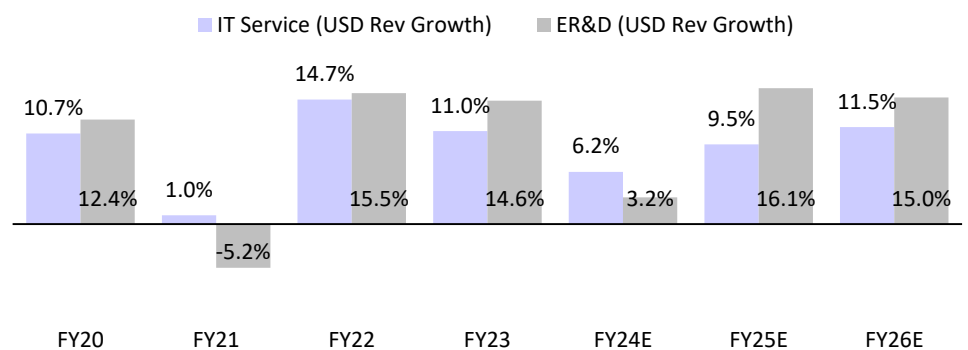


Source: MOFSL, Company

The ER&D segment FY24E growth is expected face headwinds, due to reduced discretionary spends in a couple of key accounts and weakened demand within the Telecom & Hi-Tech vertical. Additionally, a few existing offshore projects had been transitioning to onsite delivery, which also led the weakness in the space. We believe, the segment has bottomed out or near to bottom in terms of demand and project transitioning. Any sign of macro recovery should contribute meaningfully to the overall topline growth.

ER&D services are relatively discretionary in nature vs IT services, which is evident through a sharp decline in FY21 (Covid-19), followed by a weak performance expected in FY24 (macro challenges). However, the segment has witnessed a sharp uptick in FY22 and stayed elevated in FY23. We expect a similar recovery for the segment in FY25E/FY26E with 16%/15% YoY USD growth. The macro easing should be followed by a recovery in demand across OEMs and Tier-1 suppliers.

**Exhibit 2: Service Business revenue USD growth (%)**



Source: MOFSL, Company

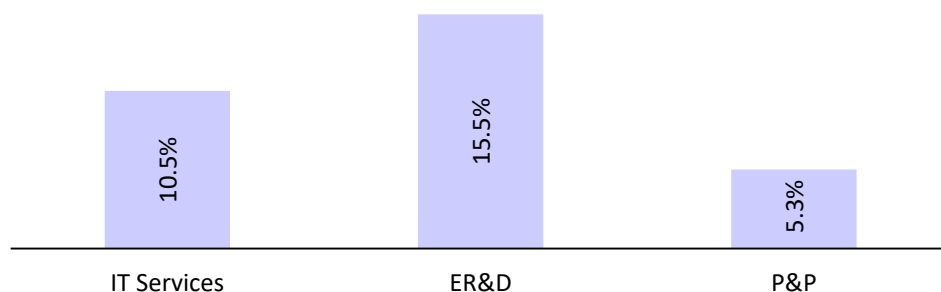
## Strong growth potential for P&P business

The performance of the P&P business has been quite volatile and remained soft over the last two years. P&P reported a robust CAGR of ~24% over FY18-23. However, a portion of its product portfolio (25%) has experienced weakness due to the transition to a SaaS model from the previous on-Premise model. This shift creates a lag impact of recognizing early revenues through new clients, and achieving revenue to its full potential from these clients creates a further challenge.

The P&P business has a strong potential for incremental growth in the long-term (although we have baked muted growth) through subscription-led model. We expect the annuity stream to get broader with the recovery in its 25% of the portfolio coupled with the maturity of the newly acquired clients over a period. Additionally, the growth recovery of the high-margin P&P business should equally contribute in achieving management's aspiration of 20% margin.

The P&P business has been instrumental and contributed meaningfully to the Service business in terms of cross-selling and broadening revenue stream across clients. We expect a modest CAGR of 5.3% for the P&P segment over FY24E-26E. However, the early recovery of P&P may have upside risks to our earnings estimates. We expect ERD to be more resilient and report 15.5% CAGR, outpacing the IT Services CAGR of 10.5% during the same period.

### Exhibit 3: Segmental revenue CAGR (FY24E-26E) – ER&D outpacing the other two

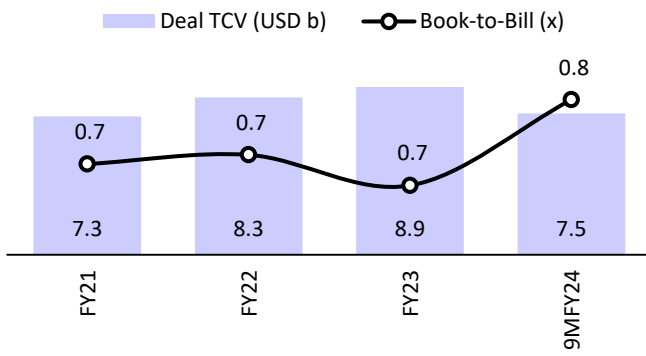


Source: MOFSL, Company

HCLT's investments in building a robust leadership team and enhancing new capabilities have proven fruitful, resulting in successful onboarding of Fortune-500 accounts and active participation in large deal acquisitions.

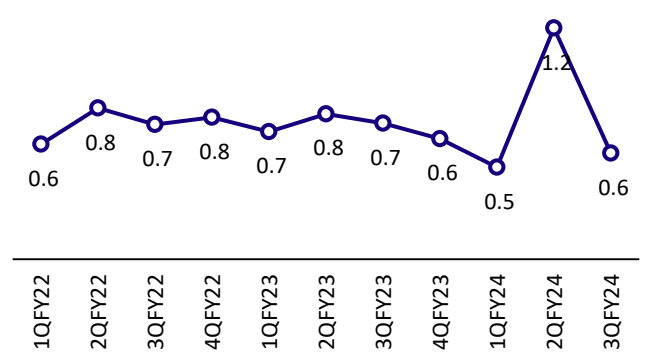
We believe that securing the multi-year mega deal (\$2.1) with Verizon, especially in competition with its close peer, validates HCLT's investments in capabilities and scale. This is expected to serve as a referral point among other top clients.

**Exhibit 4: Deal TCV supported by Mega Deal**



Source: Company, MOFSL

**Exhibit 5: Attractive B2B (x) promising revenue visibility**



Source: Company, MOFSL

Additionally, the company’s focus on improving ERD capabilities is bolstered by the acquisition of ASAP. The acquisition would further pivot its capabilities from core engineering practices to Digital Engineering within the Automotive sector, tapping into strong growth potential and positive spending outlook for major OEMs. The integration of ASAP should augment ERD growth outlook for the company. ASAP reported ~25% revenue CAGR over CY20-CY22 with an average annual growth of ~27% since 2010.

**Exhibit 6: ASAP Service Lines**



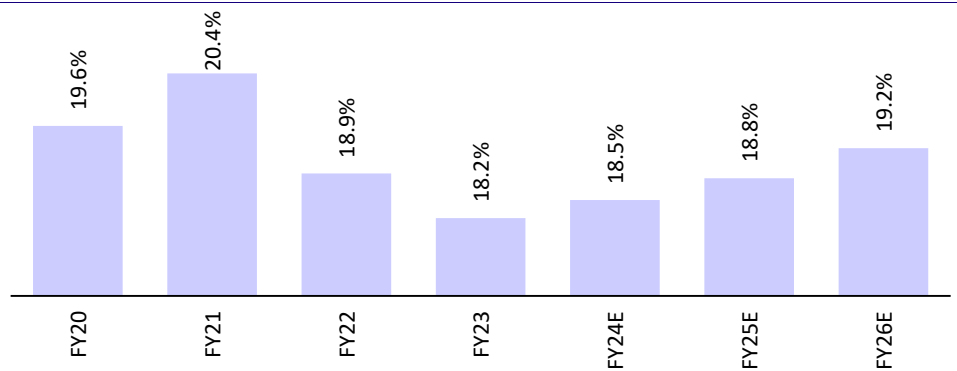
Source: MOFSL, ASAP

### Flexing multiple levers to improve margins

HCLT has witnessed a sharp decline in margin between FY22 and FY23 on account of a change in business mix. The high margin P&P business (~25% EBIT) saw a decline of 1.3% YoY CC in FY22, followed by a marginal recovery, up 1.8% YoY CC in FY23. Any improvement in the P&P segment would have an upward bias to the margin recovery.

The demand-supply mismatch in FY23 resulted in elevated employee costs (up ~200bps) due to aggressive lateral hiring and overutilization of subcontractors. The company is drawing focus to improve margins through pyramid rationalization and fresher hiring, which should translate into average cost reduction per employee.

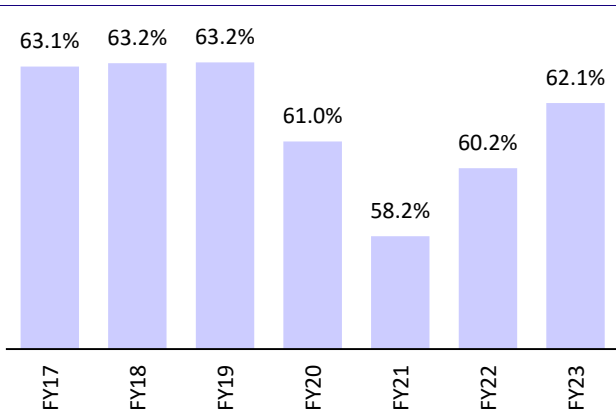
**Exhibit 7: Margins (%) to see gradual recovery**



Source: MOFSL, Company

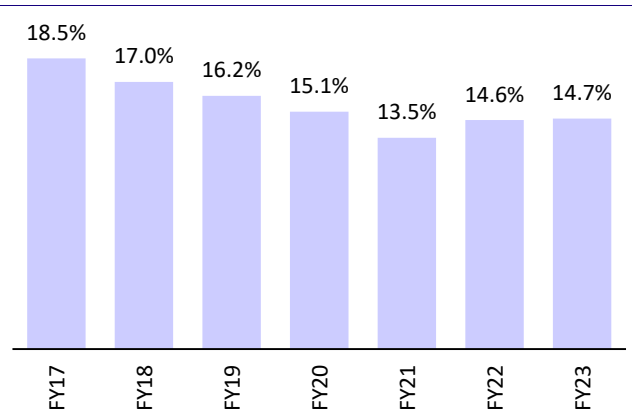
The focus has also shifted toward enhancing the contribution from annuity-based managed services vs contract-led services. The managed services model has proven to be value accretive in terms of project longevity and profitability, and this shift is expected to equally contribute to margin improvement. Despite the muted guidance for FY24, the company has maintained its margin guidance of 18-19%. We believe the incremental growth and rigorous cost optimization measures in the coming years should contribute meaningfully to the margin improvement and its aspiration to achieve 20%.

**Exhibit 8: Employee costs % of revenue**



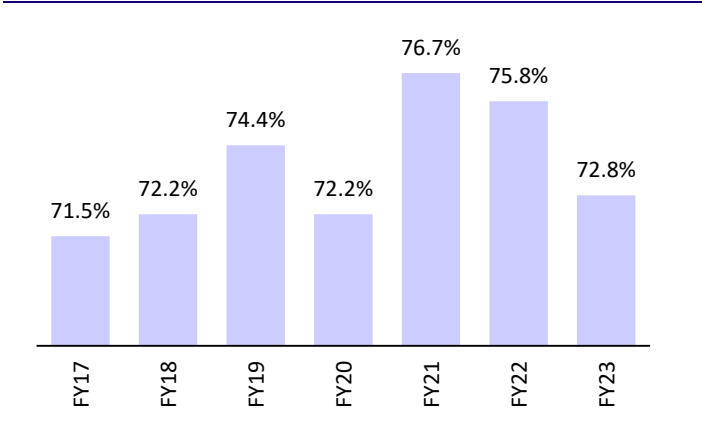
Source: Company, MOFSL

**Exhibit 9: Subcon cost % of revenue**



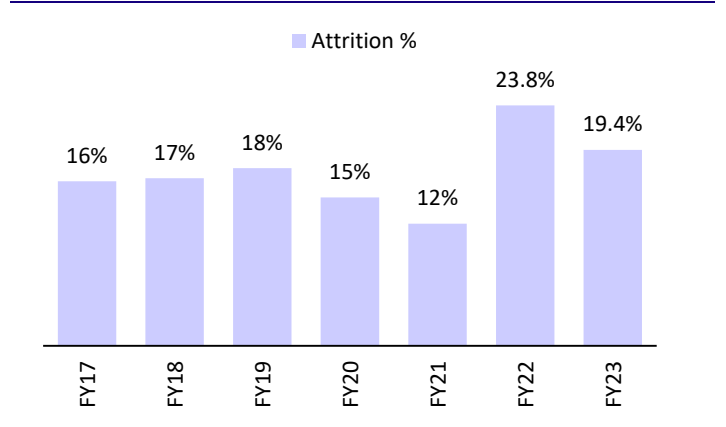
Source: Company, MOFSL

**Exhibit 10: Utilization %**



Source: Company, MOFSL

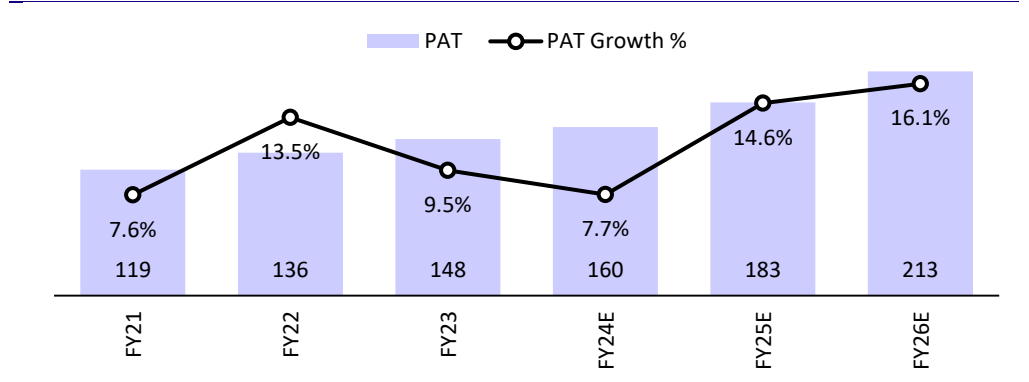
**Exhibit 11: Attrition %**



Source: Company, MOFSL

The earnings growth is expected to outpace the revenue growth over FY25 and FY26, primary on the back of margin recovery. Utilization, which is a key margin lever, has experienced a sharp decline to 72.8% (due to fresher hiring) in FY23. We expect gradual recovery in utilization as more number of freshers become billable to clients. Additionally, we expect offshore mix to equally contribute to the overall margin recovery. HCLT’s earnings growth has relatively been stable compared to the earnings growth of its peers, despite the fact that HCLT is expected to clock a 15% CAGR over FY24-26E.

**Exhibit 12: PAT Margins (%) to see sharp recovery**

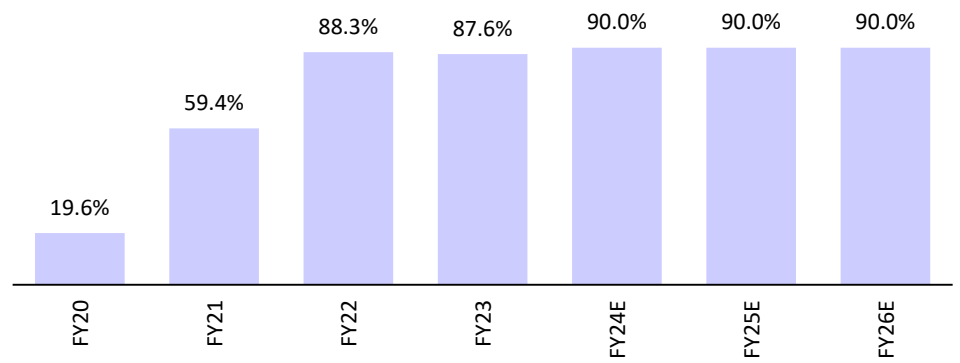


Source: MOFSL, Company



## Attractive Cash Conversion and Payout yield

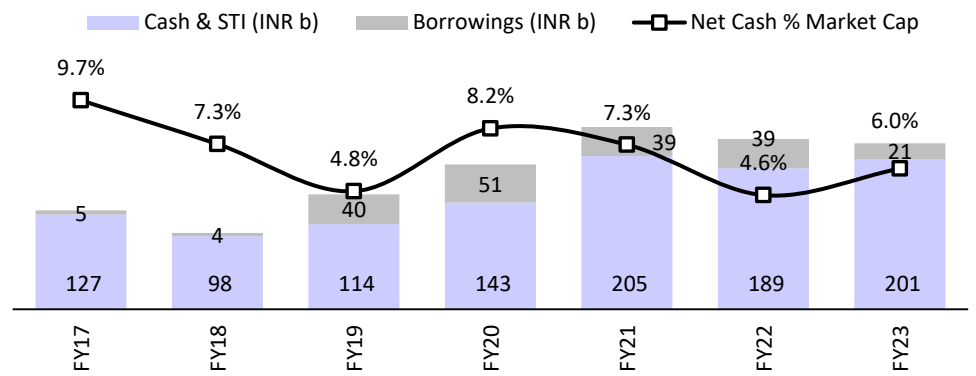
**Exhibit 13: Payout ratio (%)**



Source: MOFSL, Company

- HCLT has maintained a consistent capital allocation policy and continued to return a substantial portion (75% net income) to its stakeholders.
- It has maintained healthy balance sheets with robust average cash conversion (OCF/NI) of 132% over the last five years.
- Given its strong operating cash conversion rate and minimal capex, we expect HCLT to maintain a robust cash payout policy, which is expected to translate into impressive payout yield of 4% each in FY25E/FY26E.

**Exhibit 14: Healthy Net Cash % MCap**



Source: MOFSL, Company

## Valuation and View – Maintain Buy

- HCLT's business mix is relatively more resilient to the adverse macro environment. Even the vertical mix is evenly distributed with individual strengths, while its service lines (cloud + IMS) have been more biased and relevant towards current enterprise spends
- Given its robust capabilities and scale in ER&D space, and continued investment to drive Digital engineering revenue with strong outsourcing opportunity should provide sustainable and predictable growth going forward.
- We expect the company's ER&D and IT Services to register a CAGR of 15.5% and 10.5% over FY24E-FY26E, respectively. The upside risks to our estimates include early macro recovery and CY24 IT budgets exceeding our earnings estimate for FY25E/FY26E. HCLT is currently trading at 21x FY26E EPS, which we see as inexpensive compared to the industry (close peers) median of 26x. We reiterate our BUY rating on the stock.

Exhibit 15: 1-Year forward P/E Chart

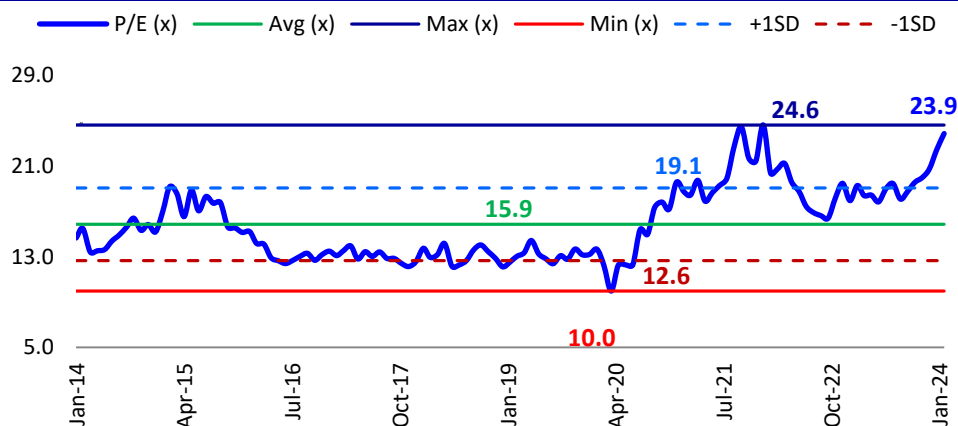


Exhibit 16: Valuation - Peer Comparison

Company	Rating	Price (INR)	MCap (US\$b)	Target Price (INR)	EPS			P/E (x)			Rev growth (%) (USD)			EBIT Margin (%)		
					FY24e	FY25e	FY26e	FY24e	FY25e	FY26e	FY24e	FY25e	FY26e	FY24e	FY25e	FY26e
TCS	Buy	4,133	182	4,250	125.7	146.8	170.1	32.9	28.2	24.3	4.5	1.8	11.7	24.4	25.1	26.2
Infosys	Buy	1,729	94	1,750	59	67.8	79.4	29.3	25.5	21.8	2.6	7.9	1.6	2.8	21.3	22.5
Wipro	Neutral	500	38	520	20.6	22.9	27.3	24.3	21.8	18.3	-3.7	5.5	1.6	16.5	17.	18.2
<b>HCL Tech</b>	<b>Buy</b>	<b>1,624</b>	<b>55</b>	<b>1,880</b>	<b>58.9</b>	<b>67.5</b>	<b>78.3</b>	<b>27.6</b>	<b>24.1</b>	<b>20.7</b>	<b>5.7</b>	<b>1.5</b>	<b>13.2</b>	<b>18.5</b>	<b>18.8</b>	<b>19.2</b>
TechM	Neutral	1,350	14	1,360	40.4	50.9	68	33.5	26.5	19.8	-4.3	6.8	1.2	7.9	9.8	12.
LTIM	Neutral	5,466	19	6,600	157.9	179.2	220	34.6	30.5	24.9	5.2	9.6	14.4	16.	16.5	17.7
Mphasis	Neutral	2,578	6	2,600	82.2	94.5	112.7	31.4	27.3	22.9	-6.4	1.4	14.	15.2	15.3	16.1
LTTS	Buy	5,579	7	6,220	125	151.1	177.7	44.6	36.9	31.4	17.8	15.1	14.7	17.3	17.8	18.3
Coforge	Neutral	6,559	5	6,600	140.6	190.3	225.2	46.6	34.5	29.1	12.2	12.8	14.8	13.3	14.8	15.
Persistent	Neutral	8,639	8	8,110	146.4	177.6	219.2	59	48.6	39.4	14.4	15.5	17.1	14.6	15.2	16.1
Cyient	Buy	2,201	3	2,400	69.4	86	112	31.7	25.6	19.6	19.4	13.2	17.7	14.7	15.1	16.4
Zensar	Neutral	592	2	570	27.3	24.6	28.5	21.7	24.1	20.8	-2.1	7.3	11.9	14.7	13.1	13.4

## Financials and valuations

Income Statement							(INR b)		
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Sales</b>	<b>506</b>	<b>604</b>	<b>707</b>	<b>754</b>	<b>857</b>	<b>1,015</b>	<b>1,102</b>	<b>1,220</b>	<b>1,382</b>
Change (%)	8.2	19.5	17.0	6.7	13.6	18.5	8.6	10.7	13.2
Cost of Goods Sold	332	393	453	467	546	662	719	790	886
<b>Gross Profit</b>	<b>173</b>	<b>212</b>	<b>254</b>	<b>287</b>	<b>311</b>	<b>353</b>	<b>383</b>	<b>430</b>	<b>495</b>
Selling & Admin Exp.	59	72	87	93	109	127	137	152	173
<b>EBITDA</b>	<b>114</b>	<b>140</b>	<b>167</b>	<b>193</b>	<b>202</b>	<b>226</b>	<b>246</b>	<b>278</b>	<b>323</b>
% of Net Sales	22.6	23.1	23.6	25.6	23.6	22.3	22.3	22.8	23.3
Depreciation	15	21	28	40	40	41	42	49	57
<b>EBIT</b>	<b>100</b>	<b>118</b>	<b>139</b>	<b>153</b>	<b>162</b>	<b>185</b>	<b>203</b>	<b>229</b>	<b>266</b>
% of Net Sales	19.8	19.6	19.6	20.4	18.9	18.2	18.5	18.8	19.2
Other Income	11	8	2	7	8	10	10	12	14
<b>PBT</b>	<b>111</b>	<b>126</b>	<b>140</b>	<b>160</b>	<b>170</b>	<b>195</b>	<b>213</b>	<b>241</b>	<b>280</b>
Tax	23	25	29	41	34	46	53	58	67
Rate (%)	20.9	19.6	20.9	25.4	20.3	23.8	25.0	24.0	24.0
<b>PAT</b>	<b>88</b>	<b>101</b>	<b>111</b>	<b>119</b>	<b>136</b>	<b>148</b>	<b>160</b>	<b>183</b>	<b>213</b>
Change (%)	3.8	15.3	9.3	7.4	13.7	9.9	7.6	14.6	16.1

Balance Sheet							(INR b)		
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Reserves	368	422	517	615	620	654	646	636	626
<b>Net Worth</b>	<b>368</b>	<b>422</b>	<b>517</b>	<b>615</b>	<b>620</b>	<b>654</b>	<b>646</b>	<b>636</b>	<b>626</b>
Loans	4	40	51	39	39	21	21	21	21
Other liabilities	13	15	55	55	43	45	46	49	53
<b>Capital Employed</b>	<b>385</b>	<b>477</b>	<b>623</b>	<b>709</b>	<b>703</b>	<b>720</b>	<b>713</b>	<b>706</b>	<b>699</b>
Gross Block	274	335	511	546	560	596	640	689	744
Less : Depreciation	78	100	128	168	208	249	292	341	397
<b>Net Block</b>	<b>196</b>	<b>235</b>	<b>383</b>	<b>378</b>	<b>352</b>	<b>347</b>	<b>348</b>	<b>348</b>	<b>347</b>
Other assets	40	57	65	69	57	51	52	54	57
Investments	83	55	105	140	85	112	112	112	112
<b>Curr. Assets</b>	<b>165</b>	<b>243</b>	<b>279</b>	<b>291</b>	<b>397</b>	<b>425</b>	<b>434</b>	<b>451</b>	<b>476</b>
Debtors	123	146	178	175	207	255	275	302	339
Cash & Bank Balance	17	59	38	65	105	91	73	53	29
Other Current Assets	25	37	64	50	85	80	86	96	108
<b>Current Liab. &amp; Prov</b>	<b>99</b>	<b>111</b>	<b>209</b>	<b>168</b>	<b>188</b>	<b>214</b>	<b>233</b>	<b>258</b>	<b>292</b>
<b>Net Current Assets</b>	<b>66</b>	<b>131</b>	<b>70</b>	<b>123</b>	<b>209</b>	<b>211</b>	<b>202</b>	<b>193</b>	<b>184</b>
<b>Application of Funds</b>	<b>385</b>	<b>477</b>	<b>623</b>	<b>709</b>	<b>703</b>	<b>720</b>	<b>713</b>	<b>706</b>	<b>699</b>

E: MOFSL estimates

## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Diluted (INR)</b>									
EPS	31.3	36.8	40.7	43.8	49.8	54.8	58.9	67.5	78.3
Cash EPS	36.4	44.6	51.2	58.5	64.6	70.1	74.5	85.4	99.2
Book Value	131.4	153.5	190.4	226.7	228.6	241.6	238.5	235.0	231.0
DPS	6.0	4.0	8.0	26.0	44.0	48.0	53.0	60.7	70.5
Payout %	59.0	50.4	19.6	59.4	88.3	87.6	90.0	90.0	90.0
<b>Valuation (x)</b>									
P/E	51.9	44.2	39.9	37.1	32.6	29.6	27.6	24.1	20.7
Cash P/E	44.6	36.4	31.7	27.8	25.1	23.2	21.8	19.0	16.4
EV/EBITDA	39.7	31.8	26.5	22.7	21.5	19.1	17.7	15.7	13.6
EV/Sales	9.0	7.4	6.3	5.8	5.1	4.3	3.9	3.6	3.2
Price/Book Value	12.4	10.6	8.5	7.2	7.1	6.7	6.8	6.9	7.0
Dividend Yield (%)	0.4	0.2	0.5	1.6	2.7	3.0	3.3	3.7	4.3
<b>Profitability Ratios (%)</b>									
RoE	25.0	25.6	23.6	21.0	21.9	23.3	24.6	28.6	33.7
RoCE	22.2	22.8	21.3	18.7	19.6	21.1	22.7	26.3	31.0
<b>Turnover Ratios</b>									
Debtors (Days)	88	88	92	85	88	92	91	90	90
Asset Turnover (x)	2.6	2.6	1.8	2.0	2.4	2.9	3.2	3.5	4.0

### Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>(INR b)</b>									
CF from Operations	102	123	149	166	174	193	202	232	269
Chg. in Working Capital	-35	-34	-16	30	-5	-13	-8	-11	-15
<b>Net Operating CF</b>	<b>68</b>	<b>88</b>	<b>134</b>	<b>196</b>	<b>169</b>	<b>180</b>	<b>195</b>	<b>221</b>	<b>254</b>
Net Purchase of FA	-49	-61	-18	-18	-16	-14	-44	-49	-55
Net Purchase of Invest.	30	29	-105	-40	30	-25	0	0	0
<b>Net Cash from Inv.</b>	<b>-19</b>	<b>-32</b>	<b>-124</b>	<b>-57</b>	<b>15</b>	<b>-39</b>	<b>-44</b>	<b>-49</b>	<b>-55</b>
Issue of shares/other adj	0	0	0	0	0	0	0	0	0
Proceeds from LTB/STB	-1	35	-15	-79	-31	-29	0	0	0
Dividend Payments	-20	-51	-16	-33	-114	-130	-168	-192	-223
<b>Net CF from Finan.</b>	<b>-21</b>	<b>-16</b>	<b>-32</b>	<b>-112</b>	<b>-145</b>	<b>-159</b>	<b>-168</b>	<b>-192</b>	<b>-223</b>
Free Cash Flow	18	28	115	179	153	166	150	172	199
<b>Net Cash Flow</b>	<b>27</b>	<b>41</b>	<b>-22</b>	<b>27</b>	<b>39</b>	<b>-18</b>	<b>-18</b>	<b>-20</b>	<b>-24</b>
Forex difference	-27	5	0	1	1	4	0	0	0
<b>Opening Cash Balance</b>	<b>13</b>	<b>13</b>	<b>60</b>	<b>38</b>	<b>66</b>	<b>106</b>	<b>91</b>	<b>74</b>	<b>54</b>
<b>Closing CashBalance</b>	<b>13</b>	<b>60</b>	<b>38</b>	<b>66</b>	<b>106</b>	<b>91</b>	<b>74</b>	<b>54</b>	<b>29</b>

E: MOFSL estimates

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