

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	NTPC IN
Equity Shares (m)	9697
M.Cap.(INRb)/(USDb)	3341.5 / 39.2
52-Week Range (INR)	448 / 293
1, 6, 12 Rel. Per (%)	-7/-10/-16
12M Avg Val (INR M)	6131

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	1,881	2,067	2,146
EBITDA	541	605	651
Adj. PAT	197	242	259
Adj. EPS (INR)	20	25	27
EPS Gr. (%)	6	23	7
BV/Sh.(INR)	182	197	215

Ratios

Net D:E	1.3	1.2	1.2
RoE (%)	11.7	13.2	12.9
RoCE (%)	7.2	7.9	7.8
Payout (%)	41.1	36.1	35.0

Valuations

P/E (x)	16.9	13.8	12.9
P/BV (x)	1.9	1.7	1.6
EV/EBITDA (x)	10.7	9.7	9.2
Div. Yield (%)	2.4	2.6	2.7
FCF Yield (%)	2.3	4.0	2.9

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	51.1	51.1	51.1
DII	27.3	26.9	27.7
FII	17.8	18.2	17.9
Others	3.8	3.8	3.4

FII Includes depository receipts

CMP: INR345 TP: INR383 (+11%) Neutral

Limited upside amid sluggish capacity growth

- NTPC's standalone revenue for 4QFY25 stood at INR439b, 6% above our estimates, driven by a 2% YoY growth in generation. However, EBITDA missed our estimate by 4%, coming in at INR112.6b, mainly due to a sharp rise of 27% YoY in other expenses. Standalone adj. PAT was 10% below our est. at INR50b, mainly due to higher-than-expected depreciation, finance costs, and tax rate.
- We maintain our neutral stance on the stock due to: 1) sluggish installed capacity expansion over FY25-27 at both the standalone (~5%) and consolidated ex-NGEL (~9%) levels, 2) our view that the valuation for NGEL—accounting for ~17% of our SOTP—will remain under pressure amid execution challenges. In FY25, NGEL commissioned 1.9GW (incl. 50% share in the Ayana acquisition of 2.1GW), significantly below its guided capacity growth of 3GW. Lastly, we believe the FY27E dividend yield of 2.7% remains modest and lower than peers such as PWGR (FY27: 3.4%).
- We reiterate our Neutral rating on the stock with a TP of INR383.

EBITDA in line; PAT marginally below amid higher tax rate

- **4QFY25 performance:**
 - NTPC reported a standalone revenue of INR439b in 4QFY25, 6% above our estimate of INR416b (+3% YoY), driven by a 2% YoY growth in generation. Despite higher revenue, EBITDA for 4QFY25 stood at INR112.6b (-1% YoY; 4% miss vs our estimate), mainly due to a sharp 27% YoY rise in other expenses.
 - Adjusted standalone PAT was 10% below our est. at INR50b (flat YoY), mainly due to higher-than-expected depreciation, finance costs, and tax rate.
 - Reported standalone PAT was 4% above our est. at INR57.7b (+4% YoY), boosted by a positive movement of INR20.6b in the regulatory deferral account balance due to forex differences, deferred taxes, etc.
- **FY25 performance:**
 - FY25's standalone revenue/EBITDA/APAT stood at INR1,700b/INR454b/180b, marking an increase of 5%/5%/10% YoY.
 - FY25's consol. revenue came in at INR1,881b (+5% YoY) while PAT stood at INR239.5b (+12% YoY).
- **Operational and other highlights:**
 - The company's gross power generation stood at 95BUs, up 2% from 93BUs in 4QFY24.
 - Plant availability for coal plants was at 92.5% in 4QFY25 (4QFY24: 89.4%). Coal plant PLF was ~81% in 4QFY25 (+2% YoY).
 - PLF for hydro plants remained flat at 13.9% (4QFY24: 13.7%), while it dipped for gas plants to 2.1% (4QFY24: 2.7%).
 - Debt-equity ratio improved to 1.15/1.34 on a standalone/consolidated basis.
 - Average tariff was INR4.7/unit in FY25 vs. INR4.61 in FY24.
 - NTPC Group's operational capacity stood at 80GW, and another 34GW is under construction.
 - NTPC Group's RE portfolio: 7GW Operational; 18GW Contracted and Awarded; 9GW Under Pipeline.
 - NTPC recommended a final dividend of INR3.35/share.

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Highlights of 4QFY25's performance

Operational highlights:

- NTPC's gross power generation in 4QFY25 stood at 95 BUs, up 2% YoY.
- Group generation for FY25 was 439 BUs, up 4% YoY; standalone was at 373 BUs, up 3% YoY.
- Group commercial capacity reached 79,930MW; standalone was at 59,413MW.
- NTPC Group added 3,972MW in FY25, including 3,312MW from renewables.
- Coal plant availability improved to 92.5% (vs 89.4% in 4QFY24). Coal PLF rose to ~81% in 4QFY25, up 2% YoY.
- Coal PLF stood at 77.44% in FY25, significantly higher than the all-India average of 67.23%, marking a seven-year high.

Financial highlights:

- NTPC reported SA revenue/ EBITDA/Adj. PAT of INR439b/INR112.6b/INR50b in 4QFY25, +3%/-1%/flat YoY, respectively.
- FY25's standalone revenue/EBITDA/APAT stood at INR1,700b/454b/180b, up 5%/5%/10% YoY.
- Debt-equity ratio improved to 1.15 (standalone) and 1.34 (consolidated).
- Group capex stood at INR446b and standalone capex stood at INR229b.
- Regulated equity rose to INR909.02b standalone and INR1.08t consolidated, both up 4% YoY.
- Under-recovery for FY25 was INR4.64b; 4QFY25 saw a profit of INR40m.

Other highlights:

- NTPC Green added 2,977MW RE capacity in FY25 (854MW organic and 2,123MW via the Ayana acquisition), bringing the total RE capacity to 5,902MW. The company's RE capacity addition target for FY26 is 6.5 GW.
- Total group capacity addition targets: 11,806MW in FY26 and 9,904MW in FY27.
- Captive coal production targets: 45 MMT in FY25, 50 MMT in FY26, 56 MMT in FY27, and 60 MMT in FY28.
- NTPC has secured 6 GW of land and has 8 GW in the pipeline; CTU connectivity is in place until FY27.
- Long-term nuclear capacity target set at 30 GW by 2047.

Valuation and view

Our TP of INR383 for NTPC is based on:

- A value of INR219 for the standalone, coal, and other businesses at Mar'27E P/B of 2.2x.
- A value of INR19 for other subsidiaries and INR53 for JV/associates at Mar'27E P/B of 2.0x.
- The stake in NGEL valued at a 25% discount to the current market price.

Standalone performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25	FY25E 4QE	Var. %	YoY %	QoQ %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Net Sales	391.2	408.8	394.6	425.3	444.2	403.3	413.5	439.0	1,619.9	1,700.4	415.9	6%	3%	6%
YoY Change (%)	2.0	-0.3	-4.7	2.9	13.5	-1.3	4.8	3.2	-1.1	5.0	(2)			
EBITDA	113.7	105.4	99.4	113.3	124.5	96.8	119.6	112.6	431.0	453.7	116.7	-4%	-1%	-6%
Margin (%)	29.1	25.8	25.2	26.6	28.0	24.0	28.9	25.6	26.6	26.7	28			
Depreciation	32.6	34.6	34.9	37.3	36.5	36.5	37.2	40.3	139.4	150.6	37.5	8%	8%	8%
Interest	25.1	24.6	27.8	24.9	26.5	31.1	22.0	31.0	101.7	110.6	26.1	19%	24%	41%
Other Income	5.6	6.4	8.3	16.9	6.3	9.2	9.5	19.1	37.2	43.8	16.1	19%	13%	101%
PBT before EO items	57.2	53.3	59.7	68.3	61.7	60.5	66.3	81.0	238.4	269.5	69.1			
Extra-Ord inc/(exp)	0.0	0.0	0.0	8.3	0.0	0.0	0.0	0.0	8.3	0.0	0.0			
PBT	57.2	53.3	59.7	76.7	61.7	60.5	66.3	81.0	246.8	269.5	69.1	17%	6%	22%
Tax	16.5	14.4	13.9	21.1	16.6	14.0	19.1	23.2	66.0	73.0	13.3	74%	10%	21%
Rate (%)	28.9	27.1	23.4	27.5	26.9	23.2	28.9	28.7	26.7	27.1	25			
Reported PAT	40.7	38.9	45.7	55.6	45.1	46.5	47.1	57.8	180.8	196.5	55.8	4%	4%	23%
Adj PAT	36.8	32.6	43.6	49.8	41.9	42.0	46.2	50.0	164.1	180.2	55.8	-10%	0%	8%
YoY Change (%)	9.6	-9.3	-1.5	1.8	13.9	28.9	6.0	0.4	2.3	9.8	9			
Margin (%)	9.4	8.0	11.0	11.7	9.4	10.4	11.2	11.4	10.1	10.6	13			

NTPC SoTP valuation

Segment	Regulated Equity (March-27E)	P/B	Value/Sh. (INR)
Standalone + Coal + Others	9,65,011	2.2	219
Other subsidiaries	92,799	2.0	19
JV & Associates	2,57,557	2.0	53
NGEL Stake*			64
Cash and equivalents			27
Target price			383
CMP			345
Upside/(Downside)			11%

*At 25% Discount

Source: MOFSL



Highlights from the management commentary

Operational Performance:

- Group commercial capacity reached 79,930MW; standalone stood at 59,413MW.
- The company added 3,972MW in FY25, of which 3,312MW was from RE.
- Group generation: 439 BUs in FY25, +4% YoY.
- Standalone generation: 373 BUs, +3% YoY.
- Coal PLF: 77.44% vs all-India average of 67.23%, the highest in seven years.
- Captive coal production: 45.82 MMT in FY25, +29% YoY.

Financial Performance

- Standalone Q4FY25: Total income: INR458b, +4% YoY, PAT: INR57.7b, +4% YoY.
- FY25 Full-Year: Total income: INR1,744b, +5% YoY, PAT: INR196b, +9% YoY.
- Consolidated FY25: Total income: INR1,908b, +5% YoY, PAT: INR239b, +12% YoY, 35% jump in JV profits to INR22b.

Dividends

- Final dividend proposed: INR3.35/share.
- Total FY25 dividend: INR8.35/share (vs INR7.75/share in FY24).

Capex

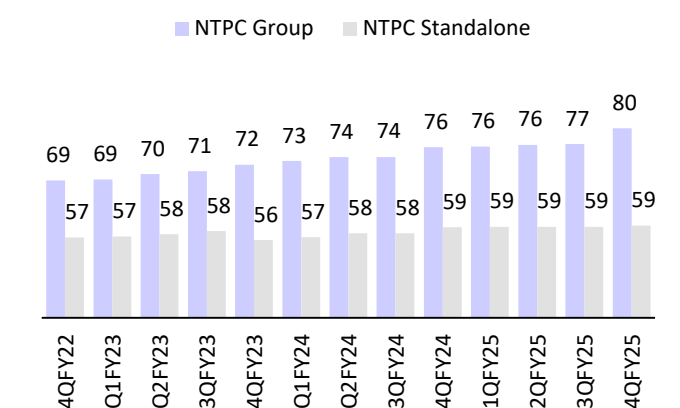
- Group capex in FY25: INR446b (vs INR353b in FY24).
- Standalone capex: INR229b (vs INR194b in FY24).

Regulated equity and under recovery:

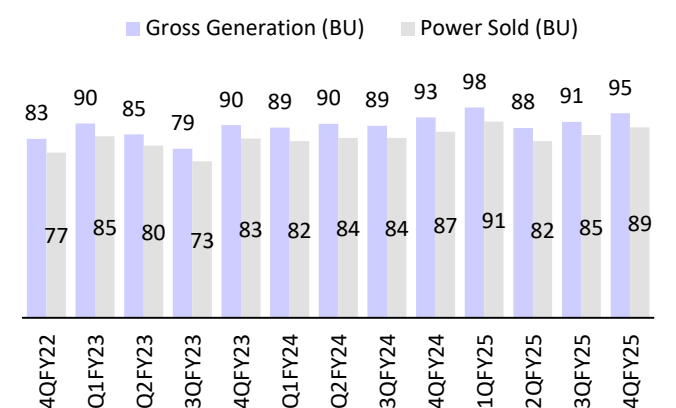
- Regulated equity: Standalone: INR909.02b (+4% YoY), Consolidated: INR1,087.91b (+4% YoY).
- Under Recovery: FY25: INR4.64b loss, 4QFY25: INR40m profit.
- **NTPC Green Energy Ltd (NGL) Performance**
- FY25's RE capacity addition: 2,977MW (854MW organic and 2,123MW from the Ayana acquisition), bringing the total capacity to 5,902MW.
- Generation: 6,828 MU, +20% YoY.
- Total income: INR24.6b (+21% YoY), EBITDA: INR21.7b (19% YoY), and EBITDA margin: 90.04% in Q4FY25.
- Contracted and awarded capacity increased to 17,277MW, bringing the total Operating, Contracted, and Awarded portfolio to 23,179MW.
- Major slippages last year occurred at Khavda and Bhadla. Khavda's delay was due to the late commissioning of a cooling substation (now operational), with 600MW expected in Q1FY26. Bhadla faced delays due to land transfer issues in Rajasthan, which have since been resolved.
- NTPC targets RE capacity addition of 6.5GW in FY26. Management expressed confidence in achieving this based on both organic and inorganic projects currently under construction. The initial target was 5GW but has now been revised upward.
- **FY26 Capacity Addition Target (Total: 11,806MW)**
- Standalone Capacity: 2,019MW
 - Thermal: 1,320MW (Barh Unit 3 – 660MW North Karanpura Unit 3 – 660MW)
 - Renewables: 699MW (expected in Q1FY26)
- JV & Subsidiary Capacity: 9,787MW
 - Thermal: 2,260 (Patratu Units 1 & 2 – 1,600MW and Khurja Unit 2 – 660MW)
 - PSP: 1,000MW
 - RE: 6,527MW (primarily from NGEL, also includes NTPC and other subsidiaries)
- **FY27 Capacity Addition Target (Total: 9,904MW)**
- Standalone Capacity: 660MW (Thermal: Talcher– 660MW)
- JV & Subsidiary Capacity: 9,244MW (Thermal: Patratu Unit 3 – 800MW, Hydro: 444MW, RE: 8,000MW)
- **Capex Guidance:**
- Standalone Capex: FY25: INR260b, FY26: INR292.09b, FY27: INR324.52b. Three-year total: INR876.61b (Average: INR292.23b/year).
- Group Capex: FY25: INR559.20b, FY26: INR973.63b, FY27: INR1,121.72b. Three-year total: 2.6t (Average: INR884.8b/year).
- While several JVs have been formed for the RE expansion, NTPC clarified that near-term capacity additions (FY25-FY27) will primarily be driven by NGEL (NTPC Green Energy Ltd.) projects rather than JVs. JV projects remain at the pipeline stage, dependent on land acquisition and PPAs.
- **Thermal Project Awardings:**
- Thermal Project Awardings: 8 GW awarded in FY25.
- FY26: 2.4 GW in Meja and 1.6 Lara Stage III.
- FY27: 1.6 GW Patratu, 800MW Jhabua, 800MW Bhilai, and 800 from Nabinagar.
- FY28: 800MW in Talcher Stage 3 and 800MW Baranui stage 2.
- The Obra and Anpara projects are currently on hold due to coal and water constraints.
- **Coal Mining Targets:**

- Captive coal production targets for FY25 - 45MMT, FY26 - 50MMT, FY27 - 56MMT, and FY28 - 60MMT.
- **Subsidiary and JV Profits**
 - Subsidiary profits: For FY25: INR41.39b and major contributors were - RGPPL INR17.51b, THDC INR7.31b, NEEPCO INR5.85b, NGEL INR4.75b.
 - 4QFY25 JV Profits: BRBCL: INR1.55b, NTCL: INR1.06b, HURL: INR1.5b, APCPL: INR1.07b, Meja: INR1.14b, NSPCL: INR0.58b.
- **Land and Transmission Connectivity for RE Projects:**
 - NTPC has secured 6GW of land, and 8GW is in the pipeline. Connectivity has been arranged for RE targets till FY27. Beyond FY27, land and CTU connectivity could become challenging, prompting NTPC to partner with state governments for future land access.
- **Ayana Acquisition Details:**
 - NTPC Green and ONGC Green each acquired a 50% stake in Ayana, Enterprise Value (EV): INR192.51b.
 - Attributable capital expenditure: INR39.34b
 - EV on attributable basis: INR231.85b
 - Steady-state EBITDA: INR 27.62b
 - Valuation: 8.4x EV/EBITDA
 - Acquisition value per partner: INR31.52b
- **Strategic & New Initiatives**
 - Pumped Storage Projects (PSPs): 20 GW pipeline, first 1 GW by FY26.
 - Nuclear power target: 30 GW by 2047; JV Ashwini with NPCIL, NTPC Parmanu Urja Nigam Ltd.
 - FGD: 19,730MW commissioned; further 48,710MW in progress.
 - Biomass co-firing: 7 lakh MT procured, up 4x YoY
 - JVs and MOUs with several states for RE and green hydrogen projects.
 - Chhabra Plant Acquisition: The acquisition is not yet completed. Discussions are ongoing regarding the acquisition structure and coal supply arrangements.
- **Mahi Banswara Nuclear Project:**
 - The project has received both siting and environmental clearances. Excavation clearance is expected by July. The first EPC contract is scheduled for award in Oct'26, with operations set to begin in FY32.
 - The project's estimated cost is INR0.18b/MW (INR504b total), with an expected tariff of INR7.5-8.5/kWh. In-principle PPA commitments have been received from Rajasthan, Gujarat, Chhattisgarh, and Andhra Pradesh.

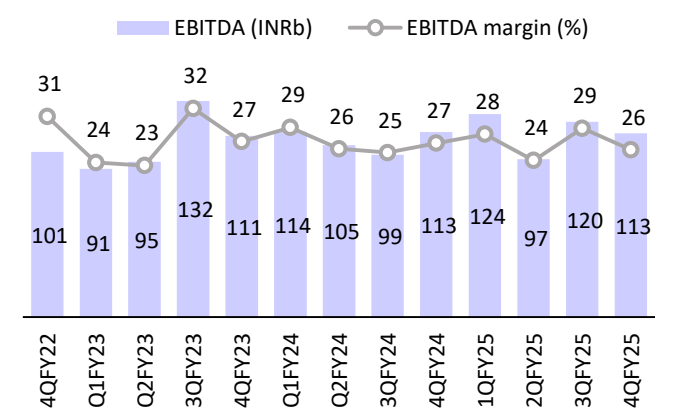
Story in charts – 4QFY25

Exhibit 1: Installed capacity (GW)


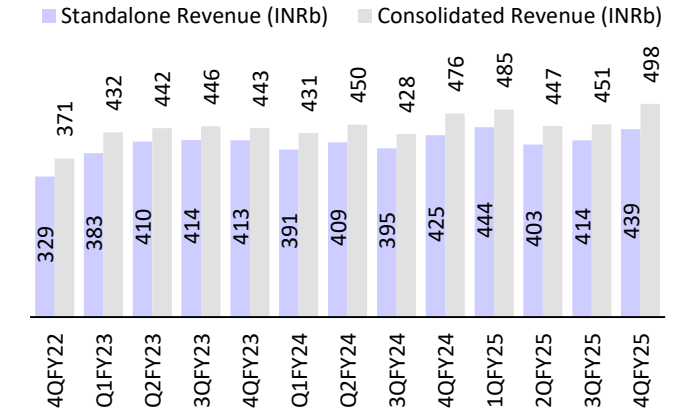
Source: Company, MOFSL

Exhibit 2: Gross generation and power sold


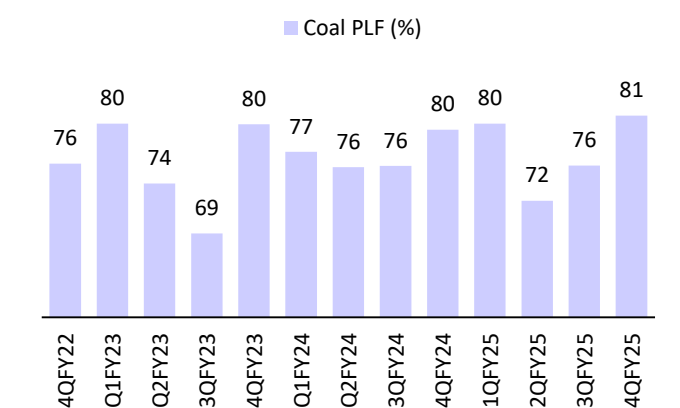
Source: Company, MOFSL

Exhibit 3: Standalone EBITDA & EBITDA margin


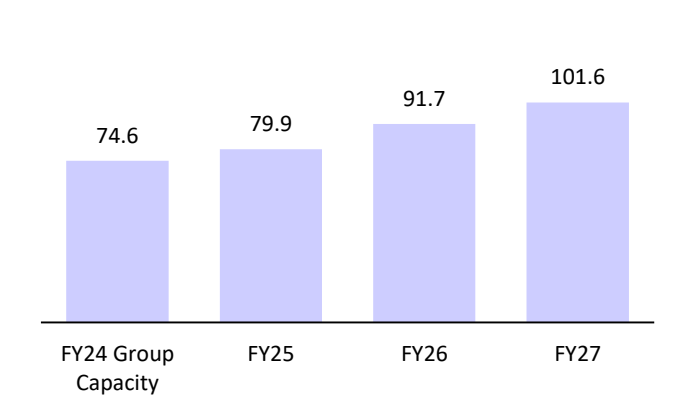
Source: Company, MOFSL

Exhibit 4: Standalone and consolidated revenue


Source: Company, MOFSL

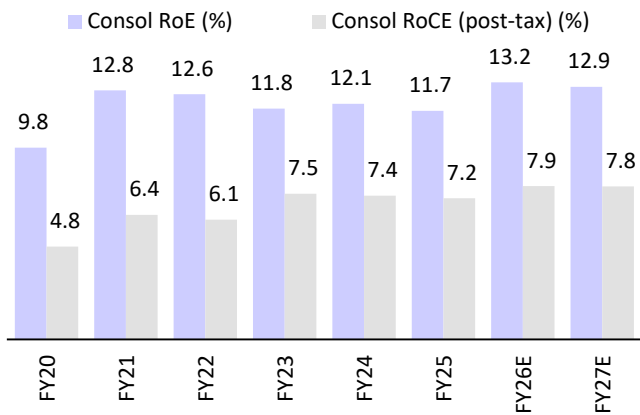
Exhibit 5: Coal PLF (%)


Source: Company, MOFSL

Exhibit 6: NTPC Group capacity targets (GW)


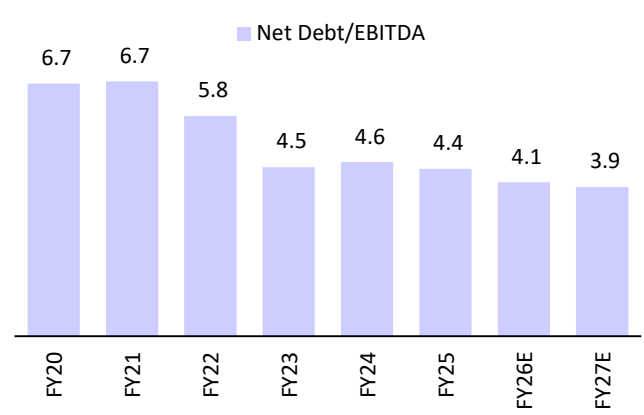
Source: Company, MOFSL

Exhibit 7: Consolidated RoE and RoCE (post-tax)



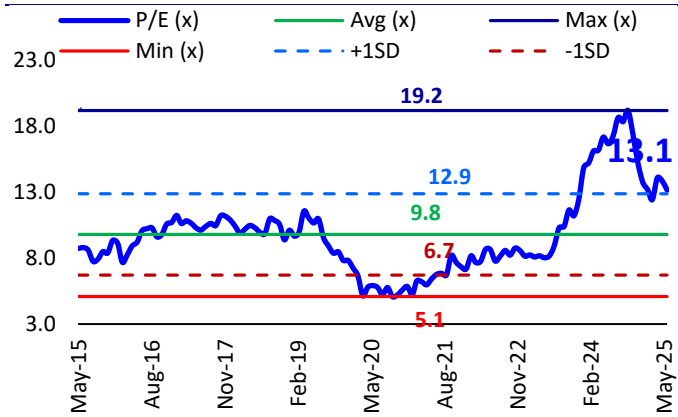
Source: Company, MOFSL

Exhibit 8: Consolidated net debt/EBITDA



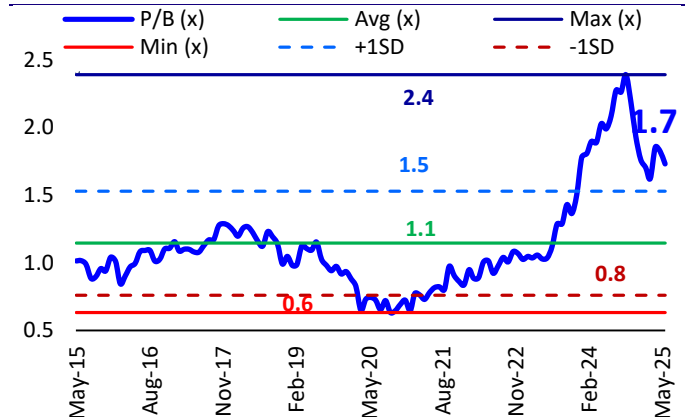
Source: Company, MOFSL

Exhibit 9: NTPC one-year forward P/E



Source: Company, MOFSL

Exhibit 10: NTPC one-year forward P/B



Source: Company, MOFSL

Financials and valuations

Consolidated Income Statement

(INR m)

Y/E March	FY23	FY24	FY25	FY26E	FY27E
Net Sales	17,62,072	17,85,009	18,81,381	20,66,632	21,46,349
Change (%)	32.8	1.3	5.4	9.8	3.9
Total Expenses	12,77,283	12,87,537	13,40,105	14,61,760	14,95,416
EBITDA	4,84,789	4,97,472	5,41,276	6,04,872	6,50,933
Depn. & Amortization	1,47,923	1,62,036	1,74,012	1,88,553	2,07,519
EBIT	3,36,866	3,35,436	3,67,264	4,16,319	4,43,414
Net Interest	1,05,835	1,19,407	1,31,681	1,34,794	1,43,388
Other income	17,692	26,650	27,244	24,520	29,423
PBT before EO	2,48,723	2,42,679	2,62,827	3,06,045	3,29,450
Regulatory inc./ (exp)	-4,131	10,002	37,019	0	0
EO expense/ (inc.)	0	0	0	0	0
PBT after EO	2,31,377	2,65,061	2,99,846	3,06,045	3,29,450
Tax	67,961	68,092	82,452	80,130	87,850
Rate (%)	29.4	25.7	27.5	26.2	26.7
JV	7,798	16,356	22,137	22,137	24,937
Reported PAT	1,69,126	2,08,119	2,34,225	2,42,083	2,58,814
Minority	2,088	5,206	5,307	5,969	7,722
Adjusted PAT	1,67,038	1,85,737	1,97,205	2,42,083	2,58,814
Change (%)	1.9	11.2	6.2	22.8	6.9

Consolidated Balance Sheet

(INR m)

Y/E March	FY23	FY24	FY25	FY26E	FY27E
Share Capital	96,967	96,967	96,967	96,967	96,967
Reserves	13,73,265	15,10,126	16,63,383	18,18,068	19,86,310
Net Worth	14,70,232	16,07,093	17,60,350	19,15,035	20,83,277
Minority Interest	39,305	44,130	49,437	55,406	63,129
Total Loans	22,10,924	23,50,403	25,32,576	25,90,264	28,22,746
Deferred Tax Liability	1,17,522	1,40,619	1,40,619	1,40,619	1,40,619
Capital Employed	38,37,981	41,42,245	44,82,982	47,01,324	51,09,771
Gross Block	33,92,828	37,45,108	41,48,069	44,90,311	50,10,052
Less: Accum. Deprn.	9,88,584	11,55,772	13,29,784	15,18,337	17,25,855
Net Fixed Assets	24,04,244	25,89,336	28,18,285	29,71,975	32,84,196
Capital WIP	8,91,790	8,76,645	9,28,375	9,47,967	8,85,518
Goodwill	0	0	0	0	0
Investments	1,39,348	1,58,846	1,90,983	2,23,120	2,58,057
Curr. Assets	10,34,372	11,65,440	11,96,734	12,16,212	13,39,573
Inventories	1,42,404	1,80,191	1,47,059	1,56,061	1,56,391
Account Receivables	3,27,511	3,46,372	3,00,333	3,16,352	3,14,479
Cash and Bank Balance	49,485	68,473	1,41,919	1,36,376	2,61,280
Others	5,14,972	5,70,404	6,07,423	6,07,423	6,07,423
Curr. Liability & Prov.	6,31,773	6,48,022	6,51,394	6,57,949	6,57,574
Account Payables	1,13,562	1,13,380	1,16,752	1,23,307	1,22,931
Provisions & Others	5,18,211	5,34,642	5,34,642	5,34,642	5,34,642
Net Curr. Assets	4,02,599	5,17,419	5,45,339	5,58,263	6,82,000
Appl. of Funds	38,37,981	41,42,245	44,82,982	47,01,324	51,09,771

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)					
EPS	17.2	19.2	20.3	25.0	26.7
Cash EPS	32.5	35.9	38.3	44.4	48.1
BV/Share	151.6	165.7	181.5	197.5	214.8
DPS	7.3	7.8	8.3	9.0	9.3
Payout (%)	42.1	40.5	41.1	36.1	35.0
Dividend yield (%)	2.1	2.2	2.4	2.6	2.7
Valuation (x)					
P/E	20.0	18.0	16.9	13.8	12.9
Cash P/E	10.6	9.6	9.0	7.8	7.2
P/BV	2.3	2.1	1.9	1.7	1.6
EV/EBITDA	11.4	11.4	10.7	9.7	9.2
Dividend Yield (%)	2.1	2.2	2.4	2.6	2.7
Return Ratios (%)					
EBITDA Margin (%)	27.5	27.9	28.8	29.3	30.3
Net Profit Margin (%)	9.5	10.4	10.5	11.7	12.1
RoE	11.8	12.1	11.7	13.2	12.9
RoCE (post-tax)	7.5	7.4	7.2	7.9	7.8
RoIC (post-tax)	8.7	8.6	8.5	9.3	9.2
Working Capital Ratios					
Fixed Asset Turnover (x)	0.7	0.7	0.7	0.7	0.7
Asset Turnover (x)	0.5	0.4	0.4	0.4	0.4
Debtor (Days)	68	71	58	56	53
Inventory (Days)	29	37	29	28	27
Leverage Ratio (x)					
Net Debt/EBITDA	4.5	4.6	4.4	4.1	3.9
Debt/Equity	1.4	1.4	1.3	1.2	1.2

Consolidated Cash Flow Statement

Y/E March	FY23	FY24	FY25	FY26E	FY27E
EBITDA	4,84,789	4,97,472	5,41,276	6,04,872	6,50,933
WC	1,78,362	-84,854	82,545	-18,467	1,167
Others	-81,176	-55,712	-82,452	-80,130	-87,850
Deferred taxes (net)	19,400	25,131	0	0	0
CF from Op. Activity	6,01,374	3,82,037	5,41,369	5,06,276	5,64,250
Capex	-2,18,332	-3,40,276	-4,64,692	-3,71,834	-4,67,291
FCF	3,83,042	41,761	76,677	1,34,442	96,959
Int & div income	17,692	26,650	27,244	24,520	29,423
Investments(subs/JVs)	-500	0	0	0	0
CF from Inv. Activity	17,192	26,650	27,244	24,520	29,423
Share capital	0	0	0	0	0
Borrowings	-1,09,745	1,39,479	1,82,173	57,688	2,32,482
Finance cost	-1,05,835	-1,19,407	-1,31,681	-1,34,794	-1,43,388
Dividend	-70,301	-75,149	-80,967	-87,398	-90,572
Others	-67,055	6,438	0	0	0
CF from Fin. Activity	-3,52,936	-48,639	-30,475	-1,64,504	-1,478
(Inc)/Dec in Cash	36,253	22,895	73,446	-5,543	1,24,904
Opening balance	44,581	49,485	68,473	1,41,919	1,36,376
Closing balance	49,485	68,473	1,41,919	1,36,376	2,61,280

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NOTES

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Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
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