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Rating Information	
Price (Rs)	860
Target Price (Rs)	715
Target Date	31st Dec'18
Target Set On	07th Nov'17
Implied yrs of growth (DCF)	20
Fair Value (DCF)	824
Fair Value (DDM)	208
Ind Benchmark	BSETHC
Model Portfolio Position	-

Stock Information	
Market Cap (Rs Mn)	3,88,500
Free Float (%)	53.20 %
52 Wk H/L (Rs)	1573.6/846.2
Avg Daily Volume (1yr)	15,99,640
Avg Daily Value (Rs Mn)	2,011
Equity Cap (Rs Mn)	904
Face Value (Rs)	2
Bloomberg Code	LPC IN

Ownership	Recent	3M	12M
Promoters	46.7 %	0.0 %	0.2 %
DII	9.8 %	0.4 %	2.4 %
FII	30.9 %	-1.0 %	-4.0 %
Public	12.6 %	0.6 %	1.4 %

Price %	1M	3M	12M
Absolute	-17.2 %	-12.7 %	-43.4 %
Vs Industry	-17.7 %	-13.8 %	-34.3 %
Vs CDH	-0.4 %	-6.6 %	29.7 %
Vs DRRD	0.1 %	7.8 %	-23.5 %

Consolidated Quarterly EPS forecast				
Rs/Share	1Q	2Q	3Q	4Q
EPS (17A)	19.5	14.5	14.0	8.4
EPS (18E)	7.9	10.1	9.3	10.5

Lupin Ltd.

Update Note: Estimate (↓), TP (↓), Rating(↓)

Regular Coverage

Absolute : Short

Relative : Underweight

17% Downside in 14 months

Warning letter on Goa, Indore Unit II delays US recovery further - assign SHORT

Pharmaceuticals

In a negative surprise, USFDA today issued a combined warning letter (WL) to LPC's formulation manufacturing facilities at Goa (oral solids) and Indore (Pithampur Unit II, ophthalmics and oral solids). While we do not have access to the warning letter yet, management alluded that USFDA was not satisfied with the company's response/remediation on hold-time studies and handling out-of-specification (OOS) issues. The WL impacts nearly one-third of LPC's pending ANDAs, including key ones such as *gRenagel*, *gRenvela*, *gWelchol*, and *gToprol*; this is likely to further prolong the US business recovery. We cut FY18/FY19 earnings by 2%/15% as we now expect the US business to report a decline. Our TP stands revised to Rs 715 (Rs 1008 earlier) as we value the company at 18x Dec'18 earnings and 50x P/E at Rs 25/sh.

Warning letter - a negative surprise: USFDA's warning letter to LPC's Indore (Pithampur Unit II) and Goa plant came as a negative surprise, as LPC had recently guided to clear both plants in a couple of months. The Goa plant was inspected in Apr'17 with three observations, while the Pithampur unit II had six observations from its May'17 inspection. As per LPC, USFDA was not satisfied with the company's response on OOS and hold-time studies, and has asked for retrospective data since Jan'14. There is no clarity yet on how the retrospective data would be generated as old batches may not be available and LPC would have to check with FDA and external consultants on the way forward.

One-third pending ANDAs affected: Of the roughly 150+ pending ANDAs, around 50 filed from both these plants will be impacted. Of these, 25-30 were expected to materialize in the medium term, including some high-value products, viz. *gRenvela*, *gRenagel*, *gWelchol* from Goa, and *gToprol* and *gPropranolol* from Indore. LPC has identified ~12 products which would be transferred to other sites. Importantly, *gLovothyroxine* filed from the Indore Unit I has not been affected.

US recovery delayed further: With the ongoing price erosion, LPC's US recovery was largely hinging on approvals of key products, which is now unlikely till the WL resolution; we believe WL on both plants will be lifted together and not separately, which could take anywhere between 6-18 months. Consequently, we expect US business to decline by US\$ 30mn in FY19. Combined with higher remediation costs, this leads to a 15% cut in our FY19 earnings. We also lower our target multiple to 18x owing to the WL overhang; our revised TP stands at Rs 715 (vs. Rs 1008 earlier) and assign Short rating to the stock.

Change in estimates

Rs. Mn	FY18E	Chg (%)	FY19E	Chg (%)
Sales	1,56,998	0%	1,66,807	-4%
EBITDA	32,517	-2%	35,997	-11%
EPS (Rs.)	37	-2%	40	-15%

Consolidated Financials

Rs. Mn	YE Mar	FY17A	FY18E	FY19E	FY20E
Sales	1,74,661	1,56,998	1,66,807	1,87,538	
EBITDA	43,333	32,517	35,997	43,698	
Depreciation	9,122	11,095	12,517	13,497	
Interest Expense	1,448	1,515	1,193	1,193	
Other Income	2,586	2,541	2,400	2,400	
Reported PAT	25,505	16,658	17,858	22,697	
Recurring PAT	25,505	16,658	17,858	22,697	
Total Equity	1,34,976	1,48,710	1,63,434	1,82,148	
Gross Debt	79,521	79,521	79,521	79,521	
Cash	28,135	28,506	32,820	43,362	
Rs Per Share	FY17A	FY18E	FY19E	FY20E	
Earnings	56.5	36.9	39.5	50.3	
Book Value	299	329	362	403	
Dividends	7.7	5.5	5.9	7.5	
FCFF	12.0	9.8	18.4	34.1	
P/E (x)	15.2	23.3	21.7	17.1	
P/B (x)	2.9	2.6	2.4	2.1	
EV/EBITDA (x)	10.5	13.9	12.5	10.0	
ROE (%)	21 %	12 %	11 %	13 %	
Core ROIC (%)	13 %	8 %	8 %	12 %	
EBITDA Margin (%)	25 %	21 %	22 %	23 %	
Net Margin (%)	15 %	11 %	11 %	12 %	

Company Snapshot

How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY18E	36.9	41.3	-11 %	Because we are factor delay in launches owing to warning letter
	FY19E	39.5	54.0	-27 %	
Sales	FY18E	1,56,998	1,64,286	-4 %	
	FY19E	1,66,807	1,86,668	-11 %	
PAT	FY18E	16,658	18,629	-11 %	
	FY19E	17,858	24,004	-26 %	

Key estimates:

Segment	FY16A	FY17A	FY18E	FY19E	FY20E
US	59,162	82,626	56,451	54,425	63,563
Domestic	34,171	38,157	42,422	48,785	56,103
Japan	13,646	18,286	22,260	23,373	24,542
South Africa	4,060	4,727	4,538	4,765	5,004
Emerging Markets	10,271	10,630	10,440	12,006	13,807
Europe	4,278	5,390	6,539	7,324	8,202
APIs	12,126	11,384	11,217	11,778	12,367

Risks to Our View

- Launch of some undisclosed high-value products in the US that can lead to better margin expansion.
- Increase in price and market share of existing products.

Key Triggers

- Additional competition in existing high-value products in the US, which will lead to a sharper decline in US revenues.

Comparable valuation		Mkt Cap Rs. Mn.	Price Target	Target Date	EPS			P/E			BPS		P/B		RoE			Div Yield	
Company	Reco.				CMP	FY17A	FY18E	FY19E	FY17A	FY18E	FY19E	FY17A	FY18E	FY17A	FY18E	FY19E	FY17A	FY18E	FY19E
Lupin	Short	860	3,88,500	715	31 st Dec'18	56.5	36.9	39.5	15.2	23.3	21.7	298.9	2.6	21 %	12 %	11 %	0.9 %	0.6 %	
Cadila Healthcare	Long	498	5,09,296	552	31 st Dec'18	13.7	17.9	26.2	36.3	27.8	19.0	68.0	6.1	23 %	24 %	28 %	0.6 %	0.6 %	
Dr Reddy's	Long	2,378	3,94,253	2,747	31 st Dec'18	72.7	75.3	134.1	32.7	31.6	17.7	758.8	2.9	10 %	10 %	15 %	0.8 %	0.5 %	

Sensitivity to Key Variables	% Change	% Impact on EPS
EBITDA Margin	-1 %	-7 %
-	-	-
-	-	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
6.9 %	0.5	10.1 %	3.5 %	34.9 %

	FY18E	FY19E	FY20-22E	FY23-27E	FY28-37E
Sales Growth	-10 %	6 %	11 %	9 %	6 %
NOPAT Margin	10 %	10 %	16 %	16 %	16 %
IC Turnover	0.72	0.73	0.73	0.73	0.73
RolC	7.5 %	7.6 %	12.3 %	12.2 %	12.1 %

Years of strong growth	1	2	5	10	20
Valuation as on date (Rs)	293	299	583	661	740
Valuation as of 31 st Dec'18	327	334	652	738	824

Based on DCF, assuming 20 years of high growth and -12% average ROIC, we derive our current fair value of Rs740 and a 31Dec'18 fair value of Rs824.

Company Description: Headquartered in Mumbai, Lupin is a pharmaceutical company producing and developing a wide range of branded and generic formulations and APIs. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space and holds global leadership positions in the Anti-TB and Cephalosporin segment. Lupin is the 5th largest and fastest growing generics player in the US (5.1% market share by prescriptions, IMS Health) and the 3rd largest Indian pharmaceutical company by sales. The Company is also the fastest growing top10 generic pharmaceutical players in Japan and South Africa (IMS).



Consolidated Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q17A	2Q17A	3Q17A	4Q17A	1Q18A	2Q18A	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E	FY17A	FY18E	FY19E	FY20E
Revenue	44,394	42,905	44,829	42,533	38,696	39,520	39,261	39,522	39,582	41,947	42,120	43,158	1,74,661	1,56,998	1,66,807	1,87,538
(Inc)/ Decrease in Stock in Trade and WIP	-451	-170	-1,062	-1,695	1,159	1,047	28	58	141	141	141	165	-3,379	2,292	587	1,172
Consumption of Raw and Packing Materials	7,727	6,991	7,456	7,313	6,927	6,466	6,064	5,994	5,977	6,355	6,383	6,549	29,487	25,452	25,265	28,198
Purchase of Traded Goods	5,444	5,608	6,622	6,233	4,240	5,353	6,254	6,182	5,977	6,355	6,383	6,549	23,907	22,028	25,265	28,198
EBITDA	13,080	10,281	12,158	7,814	7,684	8,531	8,015	8,288	7,983	9,232	9,167	9,615	43,333	32,517	35,997	43,698
Depreciation	2,027	2,112	2,309	2,674	2,605	2,722	2,884	2,884	3,129	3,129	3,129	3,129	9,122	11,095	12,517	13,497
EBIT	11,053	8,169	9,849	5,140	5,079	5,809	5,131	5,403	4,854	6,103	6,037	6,486	34,211	21,421	23,480	30,201
Interest	320	263	459	406	439	479	298	298	298	298	298	298	1,448	1,515	1,193	1,193
Other Income	826	271	1,036	453	320	740	740	740	600	600	600	600	2,586	2,541	2,400	2,400
PBT	11,560	8,177	10,426	5,187	4,959	6,070	5,573	5,846	5,156	6,405	6,339	6,788	35,349	22,448	24,687	31,408
Tax	2,734	1,589	4,095	1,367	1,368	1,541	1,414	1,484	1,444	1,793	1,775	1,901	9,785	5,807	6,912	8,794
PAT bef. MI & Assoc.	8,826	6,588	6,331	3,820	3,591	4,529	4,158	4,362	3,712	4,611	4,564	4,887	25,564	16,641	17,775	22,614
Minority Interest	6	34	0	18	12	-21	-21	12	-21	-21	-21	-21	59	-17	-83	-83
Profit from Assoc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recurring PAT	8,819	6,553	6,331	3,802	3,579	4,550	4,179	4,350	3,733	4,632	4,585	4,908	25,505	16,658	17,858	22,697
Extraordinaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reported PAT	8,819	6,553	6,331	3,802	3,579	4,550	4,179	4,350	3,733	4,632	4,585	4,908	25,505	16,658	17,858	22,697
EPS (Rs)	19.53	14.51	14.02	8.42	7.93	10.08	9.25	9.63	8.27	10.26	10.15	10.87	56.48	36.89	39.54	50.26
Key Drivers																
Domestic Formulations	9,499	9,958	9,912	8,788	9,324	11,593	11,399	10,106	10,723	13,332	13,109	11,622	38,157	42,422	48,785	56,103
US	21,886	19,978	21,755	19,007	16,000	13,611	13,155	13,685	13,520	13,282	13,140	14,484	82,626	56,451	54,425	63,563
EU	1,099	1,221	1,520	1,550	1,423	1,678	1,702	1,735	1,594	1,879	1,907	1,944	5,390	6,539	7,324	8,202
Japan	4,489	4,379	4,492	4,926	5,611	5,676	5,800	5,172	5,892	5,960	6,090	5,431	18,286	22,260	23,373	24,542
APIs	2,966	2,919	2,684	2,815	2,793	2,650	2,818	2,956	2,933	2,783	2,959	3,104	11,384	11,217	11,778	12,367
Sequential Growth (%)																
Revenue	6 %	-3 %	4 %	-5 %	-9 %	2 %	-1 %	1 %	0 %	6 %	0 %	2 %	-	-	-	-
(Inc)/ Decrease in Stock in Trade and WIP	-51 %	-62 %	525 %	60 %	-168 %	-10 %	-97 %	109 %	141 %	0 %	0 %	17 %	-	-	-	-
EBITDA	-4 %	-21 %	18 %	-36 %	-2 %	11 %	-6 %	3 %	-4 %	16 %	-1 %	5 %	-	-	-	-
EBIT	-10 %	-26 %	21 %	-48 %	-1 %	14 %	-12 %	5 %	-10 %	26 %	-1 %	7 %	-	-	-	-
Recurring PAT	8 %	-26 %	-3 %	-40 %	-6 %	27 %	-8 %	4 %	-14 %	24 %	-1 %	7 %	-	-	-	-
EPS	9 %	-26 %	-3 %	-40 %	-6 %	27 %	-8 %	4 %	-14 %	24 %	-1 %	7 %	-	-	-	-
Yearly Growth (%)																
Revenue	41 %	29 %	26 %	2 %	-13 %	-8 %	-12 %	-7 %	2 %	6 %	7 %	9 %	23 %	-10 %	6 %	12 %
EBITDA	60 %	53 %	39 %	-43 %	-41 %	-17 %	-34 %	6 %	4 %	8 %	14 %	16 %	16 %	-25 %	11 %	21 %
EBIT	54 %	45 %	29 %	-58 %	-54 %	-29 %	-48 %	5 %	-4 %	5 %	18 %	20 %	5 %	-37 %	10 %	29 %
Recurring PAT	68 %	58 %	19 %	-53 %	-59 %	-31 %	-34 %	14 %	4 %	2 %	10 %	13 %	12 %	-35 %	7 %	27 %
EPS	67 %	60 %	19 %	-53 %	-59 %	-31 %	-34 %	14 %	4 %	2 %	10 %	13 %	12 %	-35 %	7 %	27 %
Margin (%)																
EBITDA	29 %	24 %	27 %	18 %	20 %	22 %	20 %	21 %	20 %	22 %	22 %	22 %	25 %	21 %	22 %	23 %
EBIT	25 %	19 %	22 %	12 %	13 %	15 %	13 %	14 %	12 %	15 %	14 %	15 %	20 %	14 %	14 %	16 %
PBT	26 %	19 %	23 %	12 %	13 %	15 %	14 %	15 %	13 %	15 %	15 %	16 %	20 %	14 %	15 %	17 %
PAT	20 %	15 %	14 %	9 %	9 %	12 %	11 %	11 %	9 %	11 %	11 %	11 %	15 %	11 %	11 %	12 %



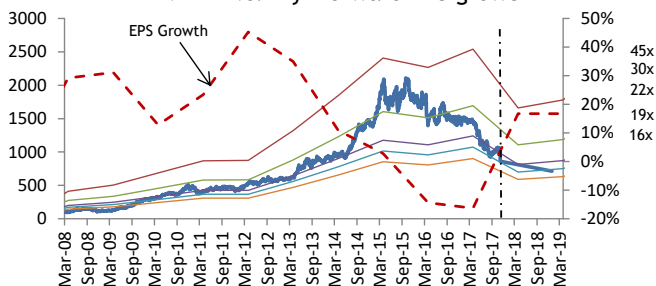
Consolidated Financials

P&L (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Revenue	1,74,661	1,56,998	1,66,807	1,87,538
Op. Expenditure	1,31,328	1,24,482	1,30,809	1,43,840
EBITDA	43,333	32,517	35,997	43,698
Depreciation	9,122	11,095	12,517	13,497
EBIT	34,211	21,421	23,480	30,201
Interest Expense	1,448	1,515	1,193	1,193
Other Income	2,586	2,541	2,400	2,400
PBT	35,349	22,448	24,687	31,408
Tax	9,785	5,807	6,912	8,794
PAT bef. MI & Assoc.	25,564	16,641	17,775	22,614
Minority Interest	59	-17	-83	-83
Profit from Assoc.	0	0	0	0
Recurring PAT	25,505	16,658	17,858	22,697
Extraordinaires	0	0	0	0
Reported PAT	25,505	16,658	17,858	22,697
FDEPS (Rs)	56.5	36.9	39.5	50.3
DPS (Rs)	7.7	5.5	5.9	7.5
CEPS (Rs)	64.8	61.5	67.3	80.1
FCFPS (Rs)	12.0	9.8	18.4	34.1
BVPS (Rs)	298.9	329.3	361.9	403.3
EBITDAM (%)	25 %	21 %	22 %	23 %
PATM (%)	15 %	11 %	11 %	12 %
Tax Rate (%)	28 %	26 %	28 %	28 %
Sales Growth (%)	23 %	-10 %	6 %	12 %
FDEPS Growth (%)	12 %	-35 %	7 %	27 %

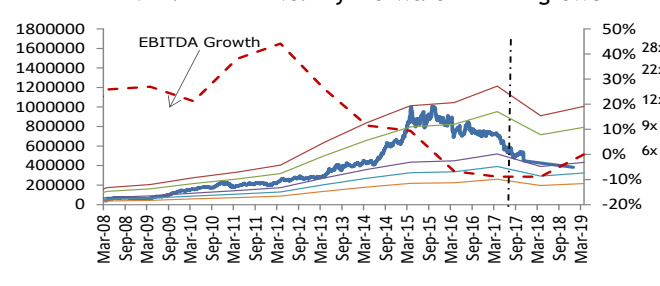
Balance Sheet (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Equity Capital	903	903	903	903
Reserve	1,34,073	1,47,807	1,62,531	1,81,245
Networth	1,34,976	1,48,710	1,63,434	1,82,148
Long Term Debt	79,521	79,521	79,521	79,521
Def Tax Liability	13,068	13,068	13,068	13,068
Minority Interest	345	328	245	161
Account Payables	25,889	25,909	23,808	26,812
Other Curr Liabi	12,274	10,467	11,120	12,503
Total Liabilities & Equity	2,66,073	2,78,003	2,91,197	3,14,214
Net Fixed Assets	1,01,410	1,20,065	1,21,547	1,22,050
Capital WIP	7,150	7,150	7,150	7,150
Others	37,206	37,206	37,206	37,206
Inventory	36,423	32,690	36,560	41,104
Account Receivables	43,073	38,655	41,070	46,174
Other Current Assets	12,675	13,732	14,843	17,167
Cash	28,135	28,506	32,820	43,362
Total Assets	2,66,073	2,78,003	2,91,197	3,14,214
Non-cash Working Capital	54,009	48,702	57,545	65,131
Cash Conv Cycle	112.9	113.2	125.9	126.8
WC Turnover	3.2	3.2	2.9	2.9
FA Turnover	1.6	1.2	1.3	1.5
Net D/E	0.4	0.3	0.3	0.2
Revenue/Capital Employed	0.8	0.7	0.7	0.7
Capital Employed/Equity	1.7	1.7	1.6	1.5

Cash Flow (Rs Mn)	FY17A	FY18E	FY19E	FY20E
PBT	35,349	22,448	24,687	31,408
Depreciation	9,122	11,095	12,517	13,497
Others	0	0	0	0
Taxes Paid	9,785	5,807	6,912	8,794
Change in WC	-230	5,307	-8,843	-7,586
Operating C/F	34,456	33,044	21,449	28,525
Capex	-28,942	-29,945	-14,000	-14,000
Change in Invest	-165	195	0	0
Others	0	0	0	0
Investing C/F	-29,107	-29,750	-14,000	-14,000
Change in Debt	8,328	0	0	0
Change in Equity	3,703	0	0	0
Others	2,356	-2,924	-3,134	-3,983
Financing C/F	14,387	-2,924	-3,134	-3,983
Net change in cash	19,736	370	4,315	10,542
RoE (%)	21 %	12 %	11 %	13 %
RoIC (%)	13 %	8 %	8 %	9 %
Core RoIC (%)	13 %	8 %	8 %	12 %
Div Payout (%)	16 %	18 %	18 %	18 %
P/E	15.2	23.3	21.7	17.1
P/B	2.9	2.6	2.4	2.1
P/FCFF	71.8	87.9	46.7	25.2
EV/EBITDA	10.5	13.9	12.5	10.0
EV/Sales	2.6	2.9	2.7	2.3
Dividend Yield (%)	0.9 %	0.6 %	0.7 %	0.9 %

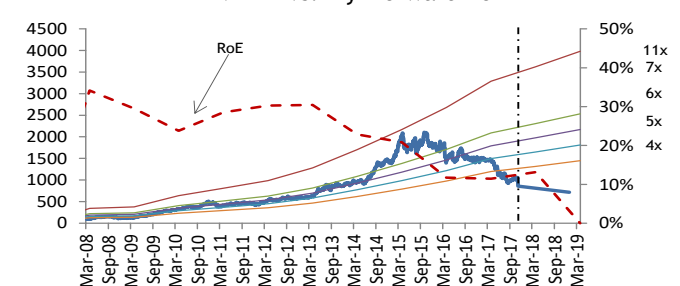
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



TTM P/B vs. 2 yr forward RoE



Historical Consolidated Financials

P&L (Rs Mn)	FY14A	FY15A	FY16A	FY17A	Balance Sheet (Rs Mn)	FY14A	FY15A	FY16A	FY17A	Cash Flow (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Revenue	1,12,866	1,27,700	1,42,085	1,74,661	Equity Capital	897	899	902	903	PBT	28,317	34,149	34,330	35,349
Op. Expenditure	82,838	91,504	1,04,752	1,31,328	Reserve	68,419	87,842	1,08,943	1,34,073	Depreciation	2,610	4,347	4,635	9,122
EBITDA	30,028	36,196	37,333	43,333	Networth	69,316	88,741	1,09,844	1,34,976	Others	405	-3,299	0	0
Depreciation	2,610	4,347	4,635	9,122	Long Term Debt	5,533	4,710	71,193	79,521	Taxes Paid	6,202	7,984	11,536	9,785
EBIT	27,418	31,849	32,698	34,211	Def Tax Liability	4,270	4,085	6,602	13,068	Change in WC	-9,848	1,302	-5,077	-230
Interest Expense	267	98	446	1,448	Minority Interest	669	241	321	345	Operating C/F	15,281	28,515	22,352	34,456
Other Income	1,165	2,398	2,078	2,586	Account Payables	15,941	19,561	21,919	25,889	Capex	-3,919	-5,049	-80,074	-28,942
PBT	28,317	34,149	34,330	35,349	Other Curr Liabi	6,330	14,040	14,500	12,274	Change in Invest	-3,019	-8,008	-30	-165
Tax	9,622	9,704	11,536	9,785	Total Liabilities & Equity	1,02,060	1,31,377	2,24,378	2,66,073	Others	2,473	1,277	1,14,109	0
PAT bef. MI & Assoc.	18,695	24,445	22,795	25,564	Net Fixed Assets	26,977	27,201	86,379	1,01,410	Investing C/F	-4,465	-11,780	34,004	-29,107
Minority Interest	331	412	90	59	Capital WIP	3,041	5,760	0	7,150	Change in Debt	-5,316	-993	66,483	8,328
Profit from Assoc.	0	0	0	0	Others	7,307	17,351	39,402	37,206	Change in Equity	239	413	2,350	3,703
Recurring PAT	18,364	24,033	22,704	25,505	Inventory	21,295	25,036	31,787	36,423	Others	-3,368	-1,632	-85,239	2,356
Extraordinaires	0	0	0	0	Account Receivables	24,641	26,566	45,498	43,073	Financing C/F	-8,445	-2,211	-16,406	14,387
Reported PAT	18,364	24,033	22,704	25,505	Other Current Assets	9,060	8,092	12,912	12,675	Net change in cash	2,372	14,524	39,951	19,736
EPS (Rs)	41.0	53.5	50.4	56.5	Cash	9,739	21,372	8,399	28,135	RoE (%)	30 %	30 %	23 %	21 %
DPS (Rs)	6.0	6.0	7.5	7.7	Total Assets	1,02,060	1,31,377	2,24,378	2,66,073	RoIC (%)	25 %	18 %	12 %	13 %
CEPS (Rs)	45.1	48.9	44.7	64.8	Non-cash Working Capital	32,724	26,092	53,779	54,009	Core RoIC (%)	26 %	30 %	17 %	13 %
FCFPS (Rs)	23.6	29.0	92.6	12.0	Cash Conv Cycle	105.8	74.6	138.2	112.9	Div Payout (%)	15 %	13 %	17 %	16 %
BVPS (Rs)	154.6	197.4	243.6	298.9	WC Turnover	3.4	4.9	2.6	3.2	P/E	21.0	16.1	17.1	15.2
EBITDAM (%)	27 %	28 %	26 %	25 %	FA Turnover	3.8	3.9	1.6	1.6	P/B	5.6	4.4	3.5	2.9
PATM (%)	16 %	19 %	16 %	15 %	Net D/E	-0.1	-0.2	0.6	0.4	P/FCFF	36.4	29.7	9.3	71.8
Tax Rate (%)	34 %	28 %	34 %	28 %	Revenue/Capital Employed	1.5	1.0	0.8	0.8	EV/EBITDA	13.1	12.6	12.4	10.5
Sales growth (%)	17 %	13 %	11 %	23 %	Capital Employed/Equity	1.4	1.2	1.7	1.9	EV/Sales	3.5	3.6	3.3	2.6
FDEPS growth (%)	39 %	31 %	-6 %	12 %						Dividend Yield (%)	0.7 %	0.7 %	0.9 %	0.9 %

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- REDUCE: ATR >= negative 10% but <5% over investment horizon
- SHORT: ATR < negative 10% over investment horizon

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- OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon
- BENCHMARK: likely to perform in line with the benchmark
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