

# Narayana Hrudayalaya Ltd.

## Improvement in payor and case mix will drive growth...

Narayana Hrudayalaya (NARH) posted highest ever EBITDA and strong numbers in Q3FY23 owing to robust revenue by India business and change in payor mix (increased revenue from insurance). The company's revenue increased 17.5% YoY but remained unchanged on a sequential basis, reaching Rs. 11,282 Mn. This growth was driven by higher revenue from both India and Cayman, which showed YoY growth of 16.3% and 22.7%, respectively. The international patient mix grew to 8% in Q3FY23 from 6% in Q3FY22 which led to improvement in revenues. ARPOB for India business was Rs. 35,068 in Q3FY23 vs Rs. 32,055 in Q3FY22, which has increased 9.4% YoY. A mix of brownfield, greenfield, and acquisition opportunities would be undertaken in India. In India, NARH has a steady expansion plan and is committed to refurbishing its flagship facilities in Bangalore and Kolkata, which will help to improve the quality of healthcare services offered to patients. However, the fact that a large chunk of the growth will come from the newer facilities poses a risk on the margin front. Due to new facilities coming up in Cayman, we expect that EBITDA margin may dip going forward, hence we cut our EPS estimates for FY24E and FY25E by 4% and 30% respectively. Nonetheless, we expect a healthy 16% EBITDA CAGR over FY23-25E, aided by structural recovery in footfalls, improvement in case mix and debottlenecking of capacity. On an overall basis, we are positive about the growth prospects of Narayana. Buy.

### Strong performance due to growth in ARPOB

- India business reported revenue growth of 16.3% YoY but has seen decline of 1.4% QoQ. The sequential decline was due to 5% QoQ decline in inpatient volume which were at 56,500, while OP footfalls were 5,81,700.
- Despite lower IP volume growth, the average revenue per patient (ARPP) for India inpatients (IP) was Rs 1,16,500 which has witnessed an increase of 6.5% yoy and 5.3% QoQ, whereas the outpatient's revenue has witnessed increase of 2.6% yoy. The ARPP for India outpatients (OP) was Rs 4000 in Q3FY23.
- ARPP for IP in Cayman was USD 40,700 which has witnessed increase of 67.5% YoY due to low base of covid in Q3 FY22. ARPP for OP in Cayman was USD 1100, a decrease of 31.3% YoY. For Cayman, IP footfalls were 492 (-16.8% yoy) while OP footfalls were 7,647 which has seen increase of 12.8% YoY.

### Outlook and Valuation:

We are positive about the growth prospects connected with Narayana. Both Cayman and India operations should continue to do well in the future. Apart from cardiology, Narayana is exploring other therapies as well such as Oncology and Gastro which would improve the revenue mix. We expect patients mix and case mix to improve which would result in increased EBITDA margins going ahead. We value the stock at 17x EV/EBITDA with respect to FY25e EBITDA to arrive at a target price of Rs 929. Buy.

Y/E Mar (Rs mn)	Q3FY23	Q3 FY22	YoY (%)	Q2 FY23	QoQ (%)	Q3 FY23e	Var. (%)
Net sales	11,282	9,598	17.5%	11,416	-1.2%	11,600	-2.7%
Operating costs	8,737	7,846	11.4%	8,979	-2.7%		
EBITDA	2,544	1,752	45.3%	2,437	4.4%	2,500	1.8%
EBITDA Margin (%)	22.6%	18.2%	430 bps	21.3%	121 bps	21.6%	100 bps
Depreciation	573	461	24.4%	489	17.2%		
Other income	116	67	72.5%	312	-63.0%		
Finance Cost	187	163	15.0%	151	24.2%		
PBT	1899	1195	59.0%	2109	-10.0%		
Provision for tax	360	196	83.4%	420	-14.3%		
Effective tax rate (%)	19.0%	16.4%	253 bps	19.9%	(96) bps		
Share of (loss) of equity accounted investees	-0.1	-23	NA	-0.1	NA		
PAT (Reported)	1539	975	57.7%	1689	-8.9%	1,780	-13.6%
NPM (%)	13.6%	10.2%	348 bps	14.8%	(115) bps	15.3%	(171) bps

Source: Company, SMIFS research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	PAT (Adj)	YoY (%)	EPS (Adj)	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY21	25,830	-17.4	1,828	7.1	-143	NA	-0.7	-1.1	0.2	NA	42.5
FY22	37,013	43.3	6,535	17.7	3,419	NA	16.8	20.4	18.8	21.0	17.7
FY23e	44,391	19.9	9,702	21.9	5,767	68.7	28.4	24.6	24.1	19.2	16.4
FY24e	47,379	6.7	11,267	23.8	5,873	1.8	28.9	17.9	18.4	25.5	13.8
FY25e	49,490	4.5	11,556	23.4	5,344	-9.0	26.3	14.2	12.9	28.1	13.6

Source: AceEquity, SMIFS research



Rating: Buy Upside: 29%  
Current Price: 719 Target Price: 929

### Earlier recommendation

Previous Rating: Buy  
Previous Target Price: 995  
Source: SMIFS Research

### Market data

Bloomberg:	NARH IN
52-week H/L (Rs):	810/590
Mcap (Rs bn/USD bn):	146.8/1.7
Shares outstanding (mn):	204.3
Free float:	36.1%
Avg. daily vol. 3mth (3M Avg - in '000):	151.4
Face Value (Rs):	10

Source: Bloomberg, SMIFS Research

### Shareholding pattern (%)

	Dec-22	Sep-22	Jun-22	Mar-22
Promoter	63.9	63.9	63.9	63.9
FII	10.2	9.6	10.0	10.6
DII	14.5	16.6	17.8	18.3
Public	10.7	9.2	7.5	6.4

### Promoter pledging (%)

Pledging	0.0	0.0	0.0	0.0
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Source: BSE

### Price performance (%)\*

	1M	3M	12M	36M
NIFTY 50	-0.3	-0.9	1.4	48.4
NIFTY 500	-2.0	-2.7	-0.6	50.9
NARH IN	-2.0	-6.3	10.7	102.9

\*as on 12th Feb 2023; Source: AceEquity, SMIFS research

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## Q3FY23— Key takeaways from the management call

### India Operations:

- ARPOB trend has increased due to improvement in payor and case mix.
- **Drivers:** As per NARH, the changing payor profile of patients, increasing proportion of higher-end surgeries and reduction of ALOS are some of the growth and margin drivers.
- **Narayana would prioritize investment in Cayman and countries surrounding Cayman.** For India, a mix of brownfield, greenfield and acquisition opportunities would be undertaken by Narayana to grow in India. The first priority would be brownfield opportunities to ensure synergies in the existing set up. This would be followed by greenfield opportunities which must be close to the area of the existing set up. The last priority would be acquisitions with an objective of not over paying and preferring tie-ups with charitable trust and government bodies to save costs.
- **Capex:** NARH incurred capex of Rs6.8 bn in 9MFY23, Rs 3 bn capex is yet to be spend, which will be utilized for equipment purchase in Q4FY23. NARH remains largely on track for incurring Rs10+ bn capex in FY23. This is a mix of greenfield, brownfield and inorganic. Management guided for a capex of Rs10 bn+ in FY2024 as well. For Cayman, it has guided for a capex of US\$100 mn altogether over FY2023-24, with US\$40 mn in FY23. This includes the payment for acquisition of a facility for US\$5 mn.
- **Capex Funding:** The capex will be funded through internal accruals and debt. It aims to keep gross debt-equity at less than 1X.
- **Payor Mix:** Since Narayana's core objective is to serve maximum patients, it does not plan to minimize its scheme patients which is currently at 20% of the total payor mix.
- Delhi cluster generated positive EBITDA margin in the quarter, despite high competition in Gurugram and Delhi, the hospitals did well on EBITDA front.
- The refurbishment of India hospitals with a plan of adding up more private, semi-private, and ICU beds is on track and the complete project is expected to get over in the next 5 years.
- Business mix: Owned/operated hospitals: 96%, heart centres: 4%, ancillary business: 0.4%. Indian operations payee profile – Domestic walk in: 45%, insured patients: 27%, schemes: 20%, international patients: 8%

### Cayman Operations:

- **The radiation oncology block in the new Cayman centre would get commissioned in the in FY23 and will be operational in Q1FY24.** The Cayman radiotherapy facility will be set up in 2 phases. In Phase 1, the facility will be commissioned around Q1 FY2024 (around April 2023). It will start treating patients immediately. Rest of the IP rooms and ancillary businesses will be commissioned 12 months after Phase 1. In the long run, NARH expects this facility to not be margin dilutive.
- Cayman operations reported revenue of USD 28.2 mln during Q3FY23. In the near term, the EBITDA Margin of Cayman operations will be maintained around the 40% mark, however, once the new unit is commissioned there would be some pressure on EBITDA margins as the new unit would definitely take some time to ramp up while fixed costs would continue to get incurred once the new unit becomes operational.
- **The tax rate in Cayman is nil and in India there are brought forward losses because of which Narayana has not opted for the 25% tax rate and continues to be in 35% tax bracket. The net effect on tax or effective tax rate because of the losses is below 20%. Narayana would migrate to the 25% tax regime once it completely sets off the**

brought forward losses.

- **Discharges:** From last four quarters, the number of discharges is seeing double digit degrowth. Going forward, management expects that discharges will pick up on the back of niche specialties such as ENT and Oncology will be added which will boost the inpatient growth.

## Outlook and Valuation

We are positive about the growth prospects connected with Narayana. Both Cayman and India operations should continue to do well in the future. Apart from cardiology, Narayana is exploring other therapies as well such as Oncology and Gastro which would improve the revenue mix. We expect patients mix and case mix to improve which would result in increased EBITDA margins going ahead. **We value the stock at 17x EV/EBITDA with respect to FY25e EBITDA to arrive at a target price of Rs 929. Buy.**

**Fig 1: Change in Estimates**

Particulars	New Estimates			Old Estimates			Change		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenues	44,391	47,379	49,490	40,439	44,163	50,507	9.8%	7.3%	-2.0%
Gross Profit	34,641	36,951	38,528	31,169	34,160	39,268	11.1%	8.2%	-1.9%
Gross Margin	78.0%	78.0%	77.8%	77.1%	77.3%	77.7%	96 bps	64 bps	10 bps
EBITDA	9,702	11,267	11,556	8,945	10,923	12,761	8.5%	3.1%	-9.4%
EBITDA Margin (%)	21.9%	23.8%	23.4%	22.1%	24.7%	25.3%	(26) bps	(95) bps	(192) bps
PAT	5,767	5,873	5,344	4,714	6,156	7,601	22.3%	-4.6%	-29.7%
EPS	28.4	28.9	26.3	23.2	30.3	37.5	22.5%	-4.5%	-29.8%

Source: Company, SMIFS Research

**Fig 2: Assumption table**

YE March	FY20	FY21	FY22	FY23e	FY24e	FY25e
<b>Revenues</b>						
India	26,940	20,706	29,149	35,456	37,772	39,037
Cayman	4,338	5,118	7,372	8,935	9,607	10,452
<b>Total</b>	<b>31,278</b>	<b>25,824</b>	<b>36,521</b>	<b>44,391</b>	<b>47,379</b>	<b>49,490</b>
<b>% Contribution</b>						
India	86.1%	80.2%	79.8%	79.9%	79.7%	78.9%
Cayman	13.9%	19.8%	20.2%	20.1%	20.3%	21.1%
<b>EBITDA</b>						
India	2,721	-269	3,490	6,885	7,856	8,081
Cayman	1,508	2,097	3,045	2,817	3,410	3,475
<b>Total</b>	<b>4,229</b>	<b>1,828</b>	<b>6,535</b>	<b>9,702</b>	<b>11,267</b>	<b>11,556</b>
<b>EBITDA margin</b>						
India	10.1%	-1.3%	12.0%	19.4%	20.8%	20.7%
Cayman	34.8%	41.0%	41.3%	31.5%	35.5%	33.3%
<b>Total</b>	<b>13.5%</b>	<b>7.1%</b>	<b>17.9%</b>	<b>21.9%</b>	<b>23.8%</b>	<b>23.4%</b>
<b>Occupancy Levels</b>						
India	61.0%	45.6%	57.7%	50.3%	50.4%	52.9%
Cayman	35.0%	37.7%	47.2%	47.7%	48.1%	54.2%
<b>ARPOB</b>						
India in Rs.	26,575	28,493	32,329	33,946	35,643	37,425
Cayman in USD Mn	1.5	1.9	1.9	1.9	1.9	1.9

**Fig 3: India business- Margin profile**

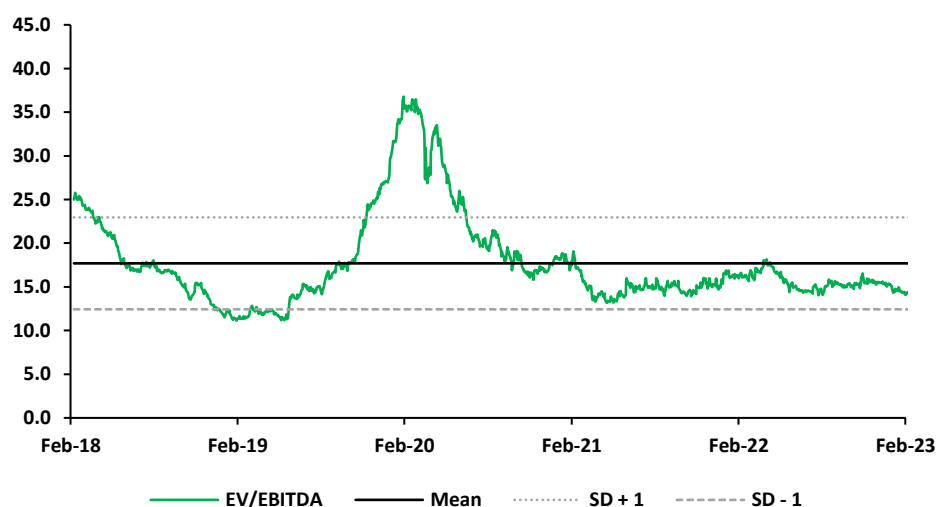
	FY19	FY20	FY21	FY22	Q1FY23	Q2FY23
Bangalore	29.0	30.7	10.4	23.4	32.8	34.7
Southern Peripheral	15.4	18.4	19.0	22.7	22.4	25.4
Kolkata	20.8	21.7	6.0	20.3	23.1	26.2
Eastern Peripheral	3.8	12.0	5.3	14.5	18.8	40.4
Western	0.0	3.4	-0.2	7.9	-0.6	-1.7
Northern	-30.2	-18.1	-9.2	0.7	10.4	12.2

Source: Company, SMIFS Research

Cluster wise margin for Q3FY23 is not provided by the company

**Fig 4: India business- Number of Beds region wise in FY22**

	Number of Beds
Bangalore	1,683
Southern Peripheral	601
Kolkata	1,563
Eastern Peripheral	481
Western	1,142
Northern	541
<b>Total</b>	<b>6011</b>
Cayman Island	110

**Fig 5: 1 year forward EV/EBITDA chart**


Source: Company, SMIFS Research

## Quarterly financials

**Fig 6: Quarterly Financials**

Y/E March (Rs mIn)	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
<b>Net Sales</b>	<b>8,378</b>	<b>8,598</b>	<b>9,403</b>	<b>9,596</b>	<b>9,407</b>	<b>10,334</b>	<b>11,416</b>	<b>11,282</b>
COGS	2,069	2,154	2,375	2,364	2,199	2,419	2,572	2,397
Employee Costs	3,258	3,398	3,569	3,634	3,686	4,024	4,092	4,138
Other Expenditure	1,636	1,709	1,770	1,849	1,771	1,972	2,315	2,202
<b>EBITDA</b>	<b>1,414</b>	<b>1,337</b>	<b>1,689</b>	<b>1,749</b>	<b>1,751</b>	<b>1,920</b>	<b>2,437</b>	<b>2,544</b>
Depreciation	445	447	459	461	468	475	489	573
Interest	182	171	167	163	163	151	151	187
Other Income	85	67	121	69	98	80	312	116
Share of (loss) of equity accounted investees	(19)	(14)	(22)	(23)	(26)	(2)	(0)	(0)
<b>Reported PBT</b>	<b>853</b>	<b>771</b>	<b>1,162</b>	<b>1,172</b>	<b>1,192</b>	<b>1,373</b>	<b>2,109</b>	<b>1,899</b>
Tax	172	9	168	196	503	267	420	360
Tax rate (%)	20.2%	1.1%	14.5%	16.7%	42.2%	19.4%	19.9%	19.0%
<b>Consol. PAT</b>	<b>680</b>	<b>762</b>	<b>993</b>	<b>975</b>	<b>690</b>	<b>1,106</b>	<b>1,689</b>	<b>1,539</b>
<b>YoY Growth (%)</b>								
Revenue	6.7%	118.5%	56.5%	27.9%	12.3%	20.2%	21.4%	17.6%
EBITDA	37.7%	NA	531.1%	66.7%	23.8%	43.6%	44.3%	-54.5%
PAT	116.7%	NA	NA	138.9%	1.4%	45.2%	70.0%	-42.2%
<b>QoQ Growth (%)</b>								
Revenue	11.6%	2.6%	9.4%	2.1%	-2.0%	9.9%	10.5%	-1.2%
EBITDA	34.8%	-5.5%	26.3%	3.6%	0.1%	9.7%	26.9%	4.4%
PAT	66.6%	12.0%	30.4%	-1.8%	-29.3%	60.4%	52.7%	-8.9%
<b>Margin (%)</b>								
RMC/revenue (%)	24.7%	25.1%	25.3%	24.6%	23.4%	23.4%	22.5%	21.2%
Gross margin (%)	75.3%	74.9%	74.7%	75.4%	76.6%	76.6%	77.5%	78.8%
Employee cost/revenue (%)	38.9%	39.5%	38.0%	37.9%	39.2%	38.9%	35.8%	36.7%
Other expenses/revenue (%)	19.5%	19.9%	18.8%	19.3%	18.8%	19.1%	20.3%	19.5%
EBITDA margin (%)	16.9%	15.5%	18.0%	18.2%	18.6%	18.6%	21.3%	22.6%
PAT margin (%)	8.1%	8.9%	10.6%	10.2%	7.3%	10.7%	14.8%	13.6%

Source: AceEquity, SMIFS Research

## Financial Statements

Income Statement					
YE March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Net Sales</b>	<b>25,830</b>	<b>37,013</b>	<b>44,391</b>	<b>47,379</b>	<b>49,490</b>
Raw materials	6,779	9,092	9,750	10,428	10,962
% of sales	26.2	24.6	22.0	22.0	22.2
Personnel	11,400	14,287	16,241	16,721	17,446
% of sales	44.1	38.6	36.6	35.3	35.3
Other Expenses	5,824	7,099	8,698	8,963	9,525
% of sales	22.5	19.2	19.6	18.9	19.2
<b>EBITDA</b>	<b>1,828</b>	<b>6,535</b>	<b>9,702</b>	<b>11,267</b>	<b>11,556</b>
Other Income	275	346	621	663	693
Depreciation & Amortization	1,835	1,835	2,262	2,934	3,768
<b>EBIT</b>	<b>267</b>	<b>5,046</b>	<b>8,061</b>	<b>8,996</b>	<b>8,481</b>
Finance Cost	760	663	759	948	1158
<b>Core PBT</b>	<b>-767</b>	<b>4,037</b>	<b>6,681</b>	<b>7,385</b>	<b>6,630</b>
Exceptional items	-	-	-	-	-
<b>PBT</b>	<b>-492</b>	<b>4,383</b>	<b>7,302</b>	<b>8,048</b>	<b>7,323</b>
Tax-Total	-418	877	1,533	2,173	1,977
<i>Effective tax rate (%)</i>	<i>84.9</i>	<i>20.0</i>	<i>21.0</i>	<i>27.0</i>	<i>27.0</i>
<b>PAT Before MI and income from asso.</b>	<b>(75)</b>	<b>3,506</b>	<b>5,769</b>	<b>5,875</b>	<b>5,346</b>
Minority interest	0.1	2	2	2	2
Share of (loss) of equity accounted investees	-68	-85	-	-	-
<b>Consolidated PAT</b>	<b>(143)</b>	<b>3,419</b>	<b>5,767</b>	<b>5,873</b>	<b>5,344</b>

Source: Company, SMIFS Research Estimates

Key Ratios					
YE March	FY21	FY22	FY23E	FY24E	FY25E
<b>Growth ratios (%)</b>					
Net sales	-17.4	43.3	19.9	6.7	4.5
EBITDA	-56.8	257.5	48.5	16.1	2.6
Adjusted PAT	NA	NA	68.7	1.8	-9.0
<b>Margin Ratio (%)</b>					
Gross Profit	73.8	75.4	78.0	78.0	77.8
EBITDA Margin	7.1	17.7	21.9	23.8	23.4
EBIT Margin	1.0	13.6	18.2	19.0	17.1
Core PBT	-3.0	10.9	15.1	15.6	13.4
Adjusted PAT	-0.6	9.2	13.0	12.4	10.8
<b>Return Ratio (%)</b>					
ROE	-1.1	21.1	24.6	17.9	14.2
ROCE	0.2	18.8	24.1	18.4	12.9
<b>Turnover Ratios (days)</b>					
Gross Block Turnover (x)	1.0	1.2	1.2	1.0	0.8
Adj OCF / Adj PAT (%)	NA	122	150	152	175
Inventory	26	26	24	24	24
Debtors	39	39	35	33	31
Creditors	221	187	175	170	165
Cash Conversion Cycle	-156	-121	-116	-113	-110
<b>Solvency Ratio (%)</b>					
Debt-equity (x)	0.8	0.6	0.6	0.5	0.4
Net Debt-equity (x)	0.5	0.4	0.5	0.2	0.2
Gross Debt / EBITDA	4.7	1.3	1.1	1.2	1.4
Current ratio	1.3	1.8	1.3	2.1	2.4
Interest coverage ratio (x)	0.4	7.6	10.6	9.5	7.3
<b>Dividend</b>					
Dividend per share	-	1.0	1.5	1.5	1.5
Dividend Yield (%)	0.0	0.2	0.2	0.2	0.2
Dividend Payout (%)	0.0	5.9	5.3	5.2	5.7
<b>Per share (Rs)</b>					
Basic EPS (reported)	-0.7	16.8	28.4	28.9	26.3
Adjusted EPS	-0.7	16.8	28.4	28.9	26.3
CEPS	8.3	25.9	39.6	43.4	44.9
BVPS	55.2	73.4	92.1	138.8	184.9
<b>Valuation</b>					
P/E	NA	21.0	19.2	25.5	28.1
P/BV	4.8	4.8	5.9	5.3	4.0
EV/EBITDA	42.5	17.7	16.4	13.8	13.6
EV/Sales	3.0	3.1	3.6	3.3	3.2
Adj Mcap / Core PBT	NA	27.4	22.4	20.3	22.6
Adj Mcap / Adj OCF	30.7	26.4	17.3	16.8	16.0

Source: Company, SMIFS Research Estimates

Balance Sheet					
YE March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Sources of funds</b>					
Capital	2,044	2,044	2,044	2,044	2,044
Reserves & Surplus	9,165	12,850	16,655	26,118	35,479
<b>Shareholders' Funds</b>	<b>11,208</b>	<b>14,894</b>	<b>18,699</b>	<b>28,161</b>	<b>37,523</b>
<b>Total Loan Funds</b>	<b>8,534</b>	<b>8,345</b>	<b>10,841</b>	<b>13,541</b>	<b>16,541</b>
Other liabilities	2,725	2,939	3,256	3,265	3,356
<b>Total Liabilities</b>	<b>22,467</b>	<b>26,178</b>	<b>32,795</b>	<b>44,967</b>	<b>57,420</b>
<b>Application of funds</b>					
Gross Block	26,971	29,746	36,771	46,570	61,243
Net Block	19,028	19,217	24,765	31,630	42,534
Capital WIP	183	627	3,957	3,775	3,147
<b>Investments</b>	<b>1,203</b>	<b>1,324</b>	<b>1,387</b>	<b>1,365</b>	<b>1,356</b>
<b>Other non-current assets</b>	<b>1,735</b>	<b>2,351</b>	<b>2,430</b>	<b>2,480</b>	<b>2,530</b>
Inventories	478	594	637	681	716
Sundry Debtors	2,785	4,369	4,257	4,284	4,203
Cash & Bank Balances	1,321	1,722	536	6,159	8,507
Other Current Assets	967	1,094	923	964	993
<b>Total Current Assets</b>	<b>5,551</b>	<b>7,778</b>	<b>6,352</b>	<b>12,088</b>	<b>14,419</b>
<b>Sundry Creditors</b>	<b>4,103</b>	<b>4,490</b>	<b>4,675</b>	<b>4,857</b>	<b>4,955</b>
Other Current Liabilities	1,130	629	1,421	1,513	1,612
<b>Total Current Liabilities</b>	<b>5,233</b>	<b>5,120</b>	<b>6,095</b>	<b>6,370</b>	<b>6,567</b>
<b>Net Current Assets</b>	<b>318</b>	<b>2,658</b>	<b>257</b>	<b>5,718</b>	<b>7,852</b>
<b>Total Assets</b>	<b>22,467</b>	<b>26,178</b>	<b>32,795</b>	<b>44,967</b>	<b>57,420</b>

Source: Company, SMIFS Research Estimates

Cash Flow					
YE March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Operating profit before WC changes</b>	<b>1,992</b>	<b>7,036</b>	<b>10,323</b>	<b>11,930</b>	<b>12,249</b>
Net change in working capital	628	-1,686	642	144	264
Taxes paid	300	-1,063	-1,533	-2,173	-1,977
<b>Cash flow from operating activities (a)</b>	<b>3,091</b>	<b>4,850</b>	<b>9,431</b>	<b>9,901</b>	<b>10,535</b>
<b>Adj OCF</b>	<b>2,331</b>	<b>4,187</b>	<b>8,673</b>	<b>8,953</b>	<b>9,377</b>
Capital expenditure	-539	-3,220	-10,355	-6,025	-11,525
<b>Adj FCF</b>	<b>1,792</b>	<b>968</b>	<b>-1,682</b>	<b>2,928</b>	<b>-2,148</b>
<b>Cash flow from investing activities (b)</b>	<b>-1,130</b>	<b>-2,669</b>	<b>-10,355</b>	<b>-6,025</b>	<b>-11,525</b>
Debt	162	3,520	1,900	3,000	5,000
Dividend	-	-	-203	-304	-304
Interest and lease	-760	-663	-759	-948	-1,158
<b>Cash flow from financing activities (c)</b>	<b>-1,984</b>	<b>-1,589</b>	<b>-173</b>	<b>1,748</b>	<b>3,338</b>
<b>Net change in cash (a+b+c)</b>	<b>-24</b>	<b>592</b>	<b>-1,096</b>	<b>5,624</b>	<b>2,348</b>

Source: Company, SMIFS Research Estimates

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