Pennar Industries Ltd.

Target Price ₹92	CMP ₹49	FY17E PE 12X

Index Details

Sensex	28,021
Nifty	8,453
Industry	Steel

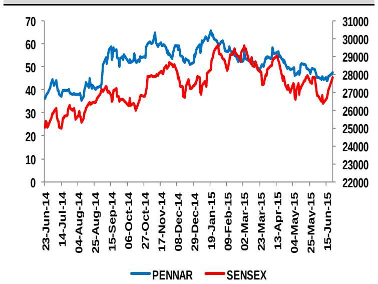
Scrip Details

MktCap (₹ cr)	575.3
BVPS (₹)	33.7
O/s Shares (Cr)	12.03
AvVol (Lacs)	0.7
52 Week H/L	67.8/33.6
Div Yield (%)	0
FVPS (₹)	5.0

Shareholding Pattern

Shareholders	%
Promoters	36.4
DIIs	9.9
FIIs	10.7
Public	43.0
Total	100.0

Pennar vs. Sensex



Pennar Industries Ltd (Pennar), a manufacturer of engineering products, is well poised to capture the growth potential envisaged in the solar, railways and pre-engineered building systems industries. It is expected to be a direct beneficiary of the government's thrust on solar energy, railways, infrastructure, 'Make in India' and 'Smart Cities' campaign. We are positive on the company given that:

- **Order flows in the Systems & Project segment (solar panels and railway wagons) is expected to increase following the government's thrust on higher usage of renewable energy and on up-gradation of railway systems. This segment, which constitutes ~35% of revenues, is expected to grow at a 2 year CAGR of 54% to Rs 461 crore by FY17.**
- **Pennar has planned significant capex to increase its capacity across segments. Moreover, it is also scouting for an acquisition to expand its scope in the high margin Industrial Components (hydraulic cylinders and white goods components) segment (EBIT margin ~15-16%). Though, the segment is still relatively small (~4% of FY17E revenues), it has immense growth potential through the inorganic route.**
- **There is considerable room for growth in Pennar Enviro, a subsidiary engaged in the business of water treatment and fuel additives. With a diversified product portfolio, a sizeable order book and an environmental friendly business profile, we expect Enviro to clock at 2 year CAGR revenue of 27% to Rs 125 crore in FY17.**

Consolidated revenues are expected to grow at a 2 year CAGR of 19% to ₹1,780 Crore by FY17. During FY15-17, the PAT margin is expected to expand 250 bps to 5.3% in FY17. RoCE is also expected to expand by 920 bps from 17.5% in FY15 to 26.7% during the forecast period.

Key Financials (₹ in Cr)

Y/E Mar	Net Sales	EBITDA	PAT	EPS (₹)	EPS Growth (%)	RONW (%)	ROCE (%)	P/E (x)	EV/EBITDA (x)
2014	1,113.3	89.8	25.9	2.2	-37.2	6.9	14.2	11.26	4.6
2015	1,267.5	117.5	35.9	3.0	38.4	8.9	17.5	16.0	6.4
2016E	1,470.3	160.1	67.2	5.6	87.2	14.8	22.6	11.4	5.5
2017E	1,780.5	207.3	93.5	7.8	39.1	17.8	26.7	6.9	3.8

We initiate coverage on Pennar as a BUY with a Price Objective of ₹92 representing a potential upside of 88% over a period of 21 months. We have valued the company by applying a PE of 12X on FY17 EPS of Rs 7.7. At the CMP of ₹49, Pennar is trading at a PE of 6X FY17EPS. Improving profitability and better RoCE should lead to a re-rating of the stock.

❖ Company Background

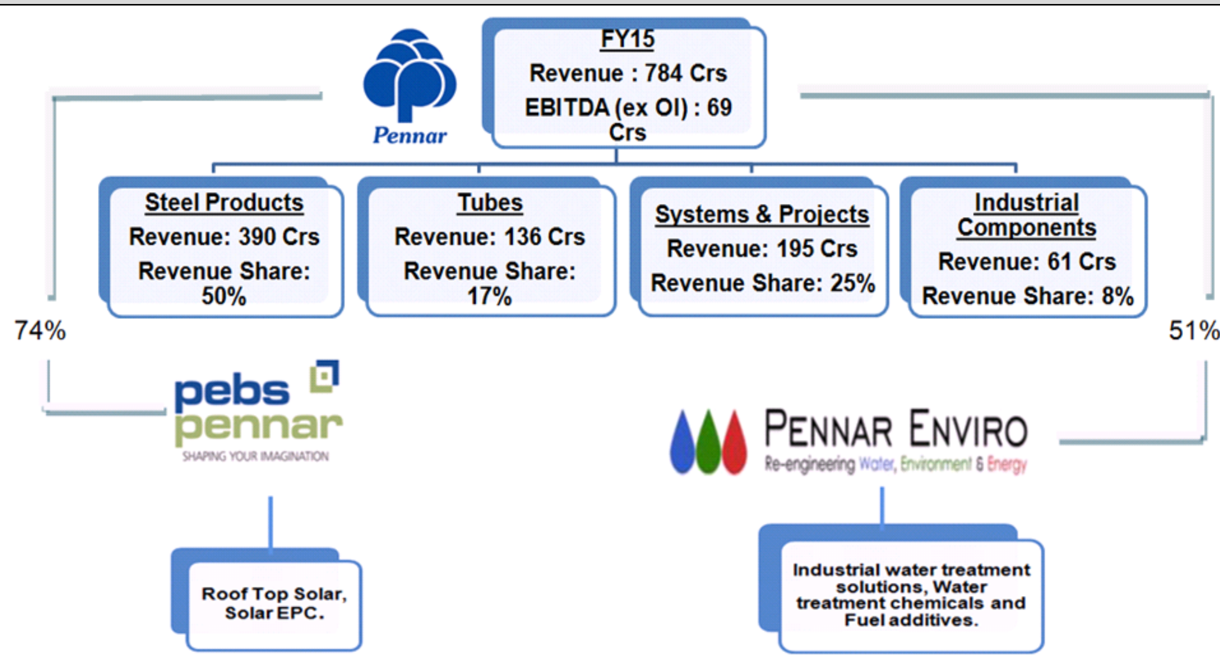
Established in 1975, Pennar Industries Limited is a leading engineering organization with expertise in providing engineering products & services. It manufactures precision engineering products like cold-rolled steel strips, precision tubes, railway wagons/coaches, pre-engineered building systems, sheet metal components, road safety systems, hydraulics and warehousing solutions. Pennar offers products and solutions through four strategic business units:

i) systems and projects
ii) industrial components
iii) precision tubes
iv) steel products

And two subsidiary companies

- Pennar Engineered Building Systems Limited and
- Pennar Enviro Limited.

Pennar Industries Ltd has a well diversified business portfolio



Source : Pennar Industries Ltd, Ventura Research

Pennar Industries Ltd has a pan India presence

Source : Pennar Industries Ltd, Ventura Research

❖ Key Investment Highlights

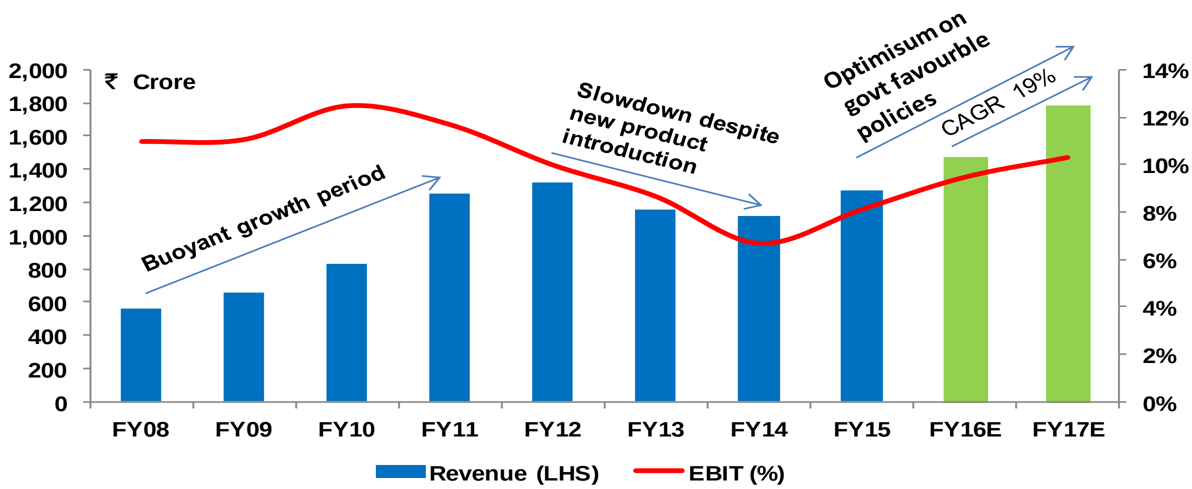
➢ Revenue and margins are expected to revert to historical growth rate

Pennar had a stupendous period of growth from FY08 to FY11 as the company embarked on the transitory path from a commodity-based player to a specialized engineered products company. The reflating of the global economy also aided its growth to a large extent. Revenues grew at a CAGR of 31% from Rs 559 crore crore in FY08 to Rs 1,251 crore in FY11. EBIT margins also showed expansion of ~150 bps grew to 12.5% in FY10 but marginally declined to 11.7% in FY11. ROCE continued to expand scaling to 33% in FY11 from 20% clocked in FY08.

…despite the introduction of products FY12-14 was a period of decline

However, from FY12 onwards, mainly on account of the economic and industrial slowdown, cut throat competition and a fall in overall steel demand, Pennar experienced a slowdown in its revenue growth and margins. Revenues de-grew from Rs 1,315 crore clocked in FY12 by 12% to Rs 1,156 crore in FY13 and further fell by 3% in FY14 to Rs 1,113 crore. The EBIT fell from 12% in FY11 to as low as 7% in FY14. The ROCE also showed a decline to 14% in FY14 as compared to 33% in FY11.

Revenues all set to resume its high growth trajectory



Source : Pennar Industries Ltd, Ventura Research

…new government and its reform policies…a promise of a rosy future

Post the Modi led government Pennar has witnessed a turnaround and its revenues began to rise. The company registered a growth in revenue of 13% from Rs 1,113 crore in FY14 to Rs 1,267 crore in FY15. The EBIT margin increased by 140 bps from 6.7% in FY14 to 7.1% in FY15. The ROCE also showed an upward trend from 14.2% in FY14 to 17.5% in FY15.

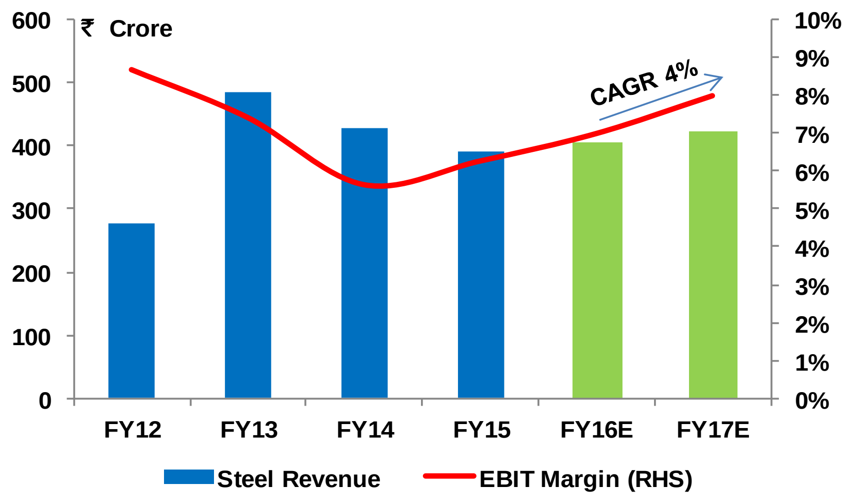
On the back of improved economic conditions, a strong order book, growing customer base and diversified product portfolio and new initiatives like government's 'Make in India' campaign, we envisage strong growth prospects for the company in the coming years. The revenue is expected to grow at a CAGR of 19% from Rs 1,267 in FY15 to Rs 1,780 in FY17E. The EBITDA margin is expected to rise by 240 bps from 9.5% in FY15 to 12% FY17. The EBIT margin is expected to increase to 10.3% in FY17 as compared to 8.1% in FY15 (increase by 220 bps). We also expect the ROCE to rise by 920 bps to 27% in FY17 from ROCE of 17.5% in FY15.

Robust growth expected across all segment

Special grade products to be the point of focus in the steel segment

Pennar's quest for engineering excellence began in 1988 with the manufacture of Cold Rolled Steel Strips (CRSS). Currently CRSS is being used for captive consumption and the fall in revenue from FY13 to FY15 is mainly on account of the shift in its focus from CRSS as a commodity business to products of special grades steel. Further this segment is also marred by delayed realizations from its long carried debtors who are prolonging the working capital cycle. The shift to special grade products will help lower exposure and reduce working capital.

Special grades to improve steel business profitability



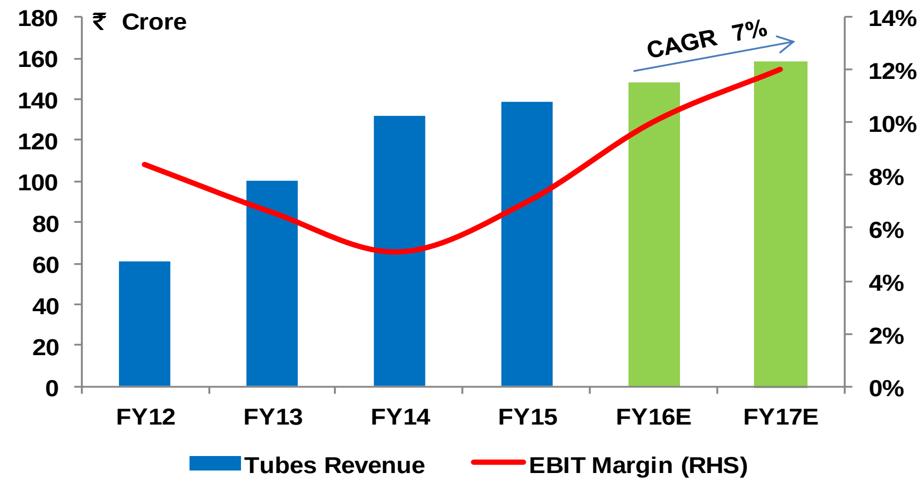
Source : Pennar Industries Ltd, Ventura Research

Revenues are expected to improve marginally to Rs 390 crore in FY15 to Rs 422 crore in FY17 while EBIT margins are expected to expand by 200 bps to 8% in FY17 as the contribution from special grade products improves. Pennar plans to incur a further capex of ~ Rs 10 crore on its special grade steel business.

CDW tubes business scaling rapidly

Pennar mainly manufactures two products – CDW tubes and ERW tubes. ERW tubes are an input raw material for manufacture of the higher margin CDW tubes. The Company has developed several new products applications of CDW tubes for all types of commercial vehicles. The company has achieved marginal success in improving its market share from leading players such as Jindal Steel.

Increasing contribution from CDW tubes to improve division profitability



Source : Pennar Industries Ltd, Ventura Research

During FY12 Pennar had revenues of Rs 61 crore and an EBIT margin of 8% from this segment. Over the period FY12-FY15 while revenues did grow at a CAGR of 24% to Rs 131.5 crore its EBIT margins fell to as low as 5% in FY14. Since then, margins have expanded to 7% in FY15 and they are further expected to improve to 12% by FY17 on a revenue forecast of Rs 157 crore (2 Yr CAGR of 7%)

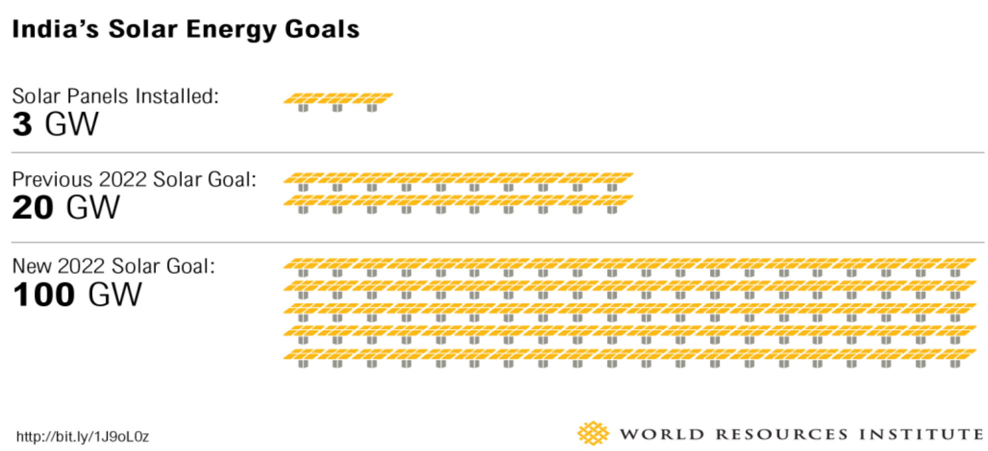
The ERW segment is currently operating at its optimum capacity of 85%. The company is expanding more towards the CDW tubes business and has planned to increase the capacity at a capex of 16-18 crore in the next fiscal.

Systems & Projects to be the key revenue driver for the company

The company has successfully introduced new products in its railway portfolio - Modular Frames & Cross Members for LHB (Linke Holfmann Bush) Coach Applications. It has filed tenders for ICF (Integral Coach Factory) as well as Wagons which will contribute to future revenues of the company.

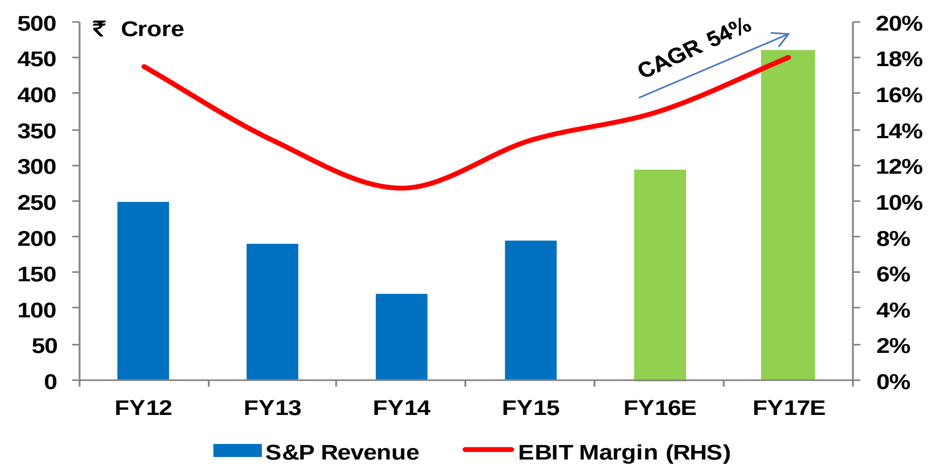
Solar is another sub segment of S&P which is growing at a rapid pace. Currently only 3 states in India are aggressive on solar capacity build up. Considering the ambitious plans of the present government of adding 100 GW of capacity by 2022, other states are also expected to join in and hence Pennar should be a big beneficiary of this largesse.

India's Solar power capacity addition plan



Source : World Resource Institute, Ventura Securities Ltd

S&P segment to be the growth driver



Source : Pennar Industries Ltd, Ventura Research

In FY12 this segment had recorded revenues of 248 crore and margins of 17%. But the economic slowdown resulted in a sharp fall in the Railways' revenue and increasing competition led to a fall in margins to 11% in FY14 on a turnover of 119.9 crore. However, FY15 has seen a revival in fortunes with revenues improving sharply to 195 crore (+62% YoY).

Over the period FY15-17 we expect the margins to grow at a CAGR of 54% from Rs 195 crore in FY15 to Rs 461 crore in FY17. PM Modi led NDA government's thrust on solar and railway infrastructure augurs well for Pennar. We expect the EBIT margin to grow from 13% in FY15 to 18% in FY17.

Government to invest 8.56 lakh crore for the period 2015-19 in railways

Highlights of Indian Railway Budget 2015-16

1. Rs 8.56 Lakh Crore Investment Plan for the period 2015-2019
2. To increase daily passenger carrying capacity from 21 million to 30 million in 5 years
3. Increase track length by 20% to 138000 Kms over next 5 years
4. To increase freight carrying capacity from 1 billion to 1.5 billion tones in 5 years
5. Plant proposed to convert waste to energy
6. 17000 toilets in coaches to be replaced by bio-toilets
7. All-India 24/7 helpline umber 138 to be launched
8. Toll free number 182 to be launched for women and safety issues
9. "Operation 5 Minutes" and hot button for purchase of universal tickets
10. online booking of retiring rooms and wheelchairs on select stations
11. Rs 120 Crore to equip major stations with lifts and escalators
12. Allotment for passenger amenities raised by 67%
13. Open bids for station development
14. 84% rise in capital allotment to develop 1200kms at Rs 8686 crore
15. Evaluation studies undertaken for bullet trains
16. Innovation council called kayakalp to promote technology development and manufacturing
17. Railway research centres to be set up on select universities. A map of Indian rail network (Reuters)
18. Introduction of bar coded/RFID for tracking of parcels and freight wagons
19. Upgradation of equipment for examination of tracks
20. To tap insurance and pension funds and also multi-lateral and bi-lateral funds
21. Development of unmanned audio and visual warning system at unmanned crossings with ISRO
22. Special Training in soft skills for frontline-staff
23. to set up full-fledged university in 2015-16
24. setting up environment directorate for focus on environment management
25. 1000 MW solar plant with the help of MNRE

Source : Ventura Research

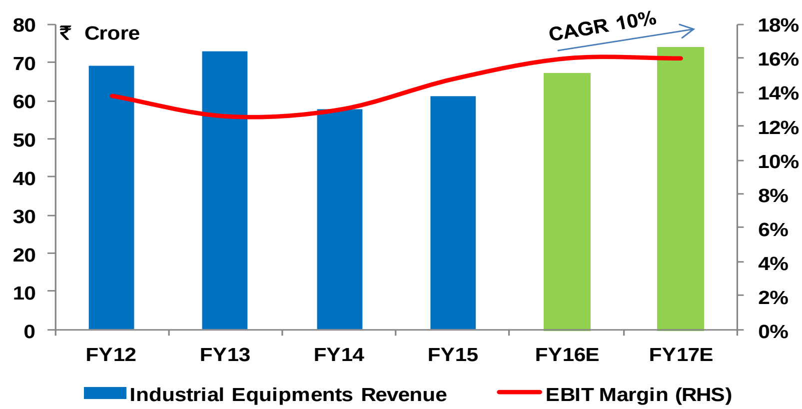
At the beginning of FY16 the company had an order book of Rs 83 crore in the System & Project Segment (S&P). The company received orders from ICF and Wagon Builders in the railways segment. The orders have been recurring and the revenue from the railways segment is growing at 20-25%. Pennar is expected to incur a capex of Rs16-18 crore in FY16.

With S&P being a high margin segment with promising growth prospects, the company is planning a huge expansion in this business. However, the plans are still at the drawing board stage.

Industrial Components – Scouting for acquisitions to jump start growth

Under the segment of Industrial Components Pennar manufactures hydraulic cylinders and components for white goods.

Industrial Components – Improving profitability



Source : Pennar Industries Ltd, Ventura Research

This segment contributes as much as 8-10% of the company's total revenues. After experiencing a 21% dip in revenues in FY14, the revenues grew in FY15 by 6% from Rs 57 crore to Rs 61 crore. By FY17, we expect the revenue to grow to Rs 74 crore (CAGR 10%) and the EBIT margin to grow from 15% in FY15 to 16% in FY17.

In the hydraulic cylinders segment, the company has significant orders, while in the white goods space the company is trying to identify sub-assembly opportunities by leveraging its capabilities of fabrication & pressed components. Pennar is also in the process of identifying global sourcing and deemed export opportunities in the automotive sector

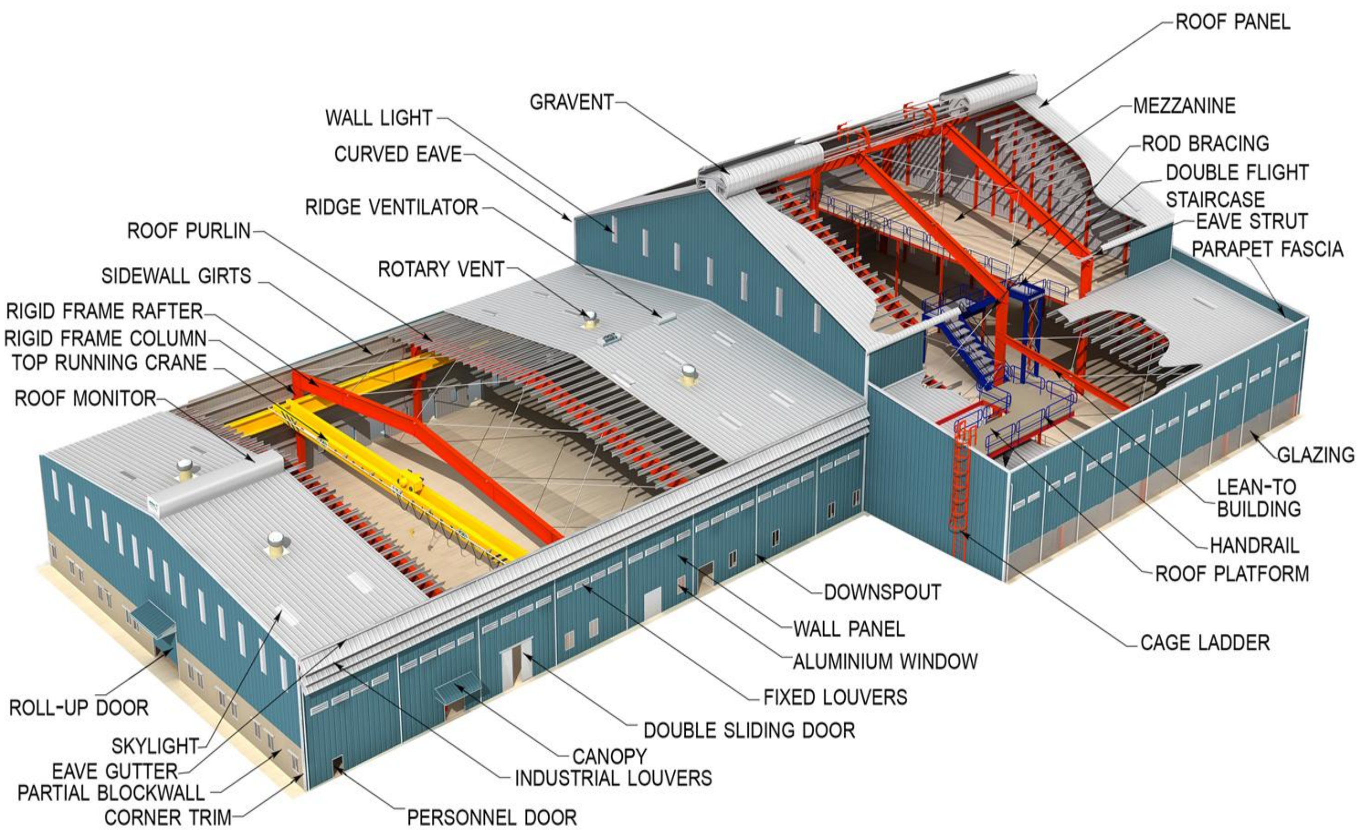
❖ Subsidiary businesses to see significant traction

The company has two subsidiaries.

- Pre Engineered Building Systems Ltd (PEBS) which is into pre engineered building systems and structures and
- Pennar Enviro which is in fuel and water treatment solutions.

Pennar Pre-Engineered Building Systems Ltd (PEBS)

An overview of Pre Engineered Buildings

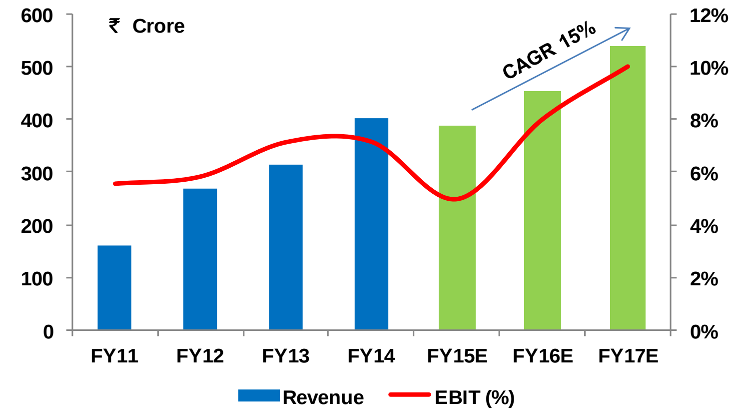


Source : Pennar Industries Ltd, Ventura Research

PEBS is a 74% subsidiary of Pennar India Ltd. Pre-engineered buildings are steel buildings which are custom designed and fabricated to every customer's requirements in accordance with the applicable standards.

At the time when the company was facing a downturn, PEBS enjoyed a revenue growth of CAGR 16% with a top line that expanded from Rs 159 crore FY11 to Rs 402 crore in FY14. With its proven and trusted design and execution capabilities, PEBS was able to secure multiple orders. The EBIT margin of the company was steady. In FY11 the company reported an EBIT margin of 6%. Margins grew by only 100 bps to 7% by FY14. With pre fabricated structures gaining traction, going forward, we expect the revenue to grow to Rs 540 crore (15% CAGR). We expect the margins to expand by 300 bps from 7% in FY14 to 10% by FY17.

PEBS's blooming future growth prospects



Source : Pennar Industries Ltd, Ventura Research

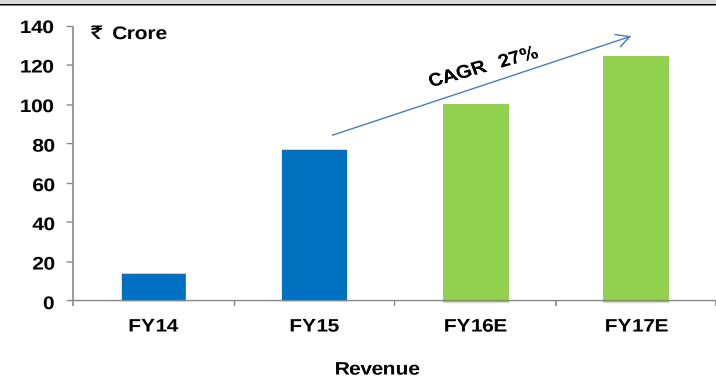
Pennar Engineered Building Systems Ltd (PEBS) has filed a Draft Red Herring Prospectus (DRHP) with SEBI. The company is aiming to raise 58 crore through IPO. The proceeds of the IPO will be used mainly for debt reduction (~Rs 34 crore), capital expansion (~Rs 8 crore) and balance for procurement. Post IPO, the company will have zero debt and will have handsome cash balance to finance its expansions plans.

Pennar Enviro (PEL) – A clean and green environment business

Pennar Enviro Ltd is another subsidiary of Pennar Industries Ltd. Pennar Enviro deals with Water and Environment Infrastructure business to provide turnkey solutions. PEL commenced its operations in FY14 and in a short span had a sizeable order book in projects. Further, PEL expects to get sizeable orders from the chemical segment too.

Pennar had an order book of Rs 57.6 crore at the beginning of the current fiscal. Being a waste treatment and environment friendly business, we expect the revenues to grow at a CAGR of 27% by FY17E.

Pennar Enviro – promising revenue growth

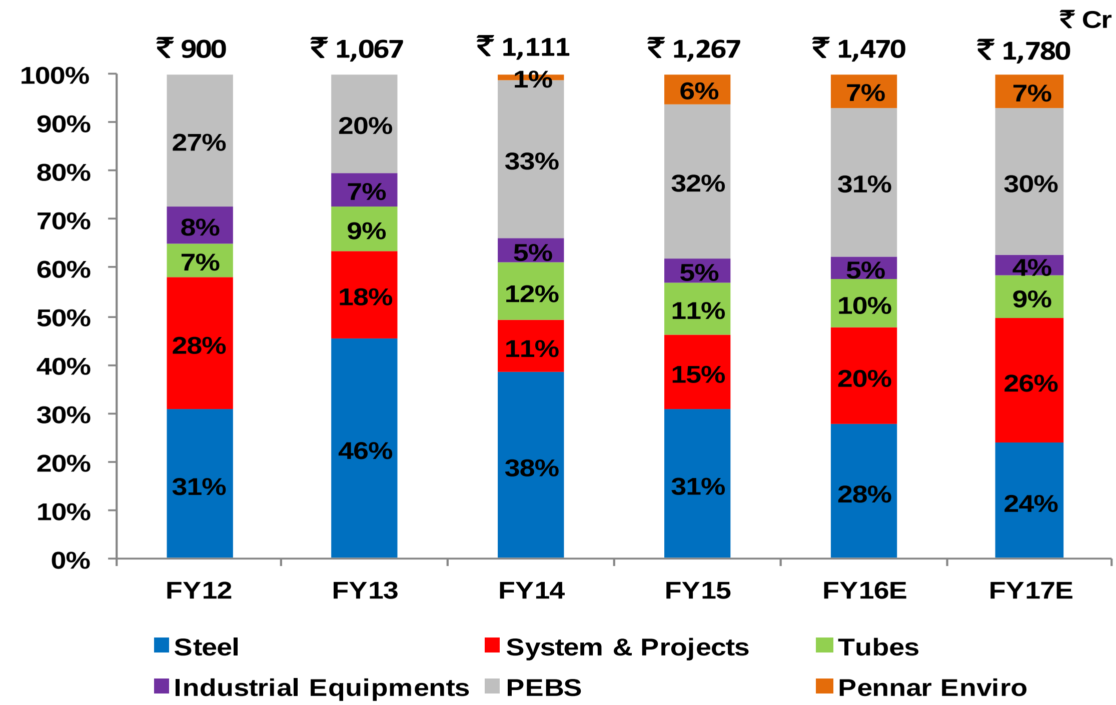


Source : Pennar Industries Ltd, Ventura Research

Pennar – A consolidated view

On a consolidated basis, the growth in revenues will be driven by S&P, Tubes and PEBS. While share of steel in total revenue is expected to stagnate, Pennar Enviro being a two year old start up is expected to increase its contribution to the total revenue in the coming years. With growth across all segments and margins expected to improve, Pennar is expected to report handsome earnings in the coming years.

Revenue growth across all segments

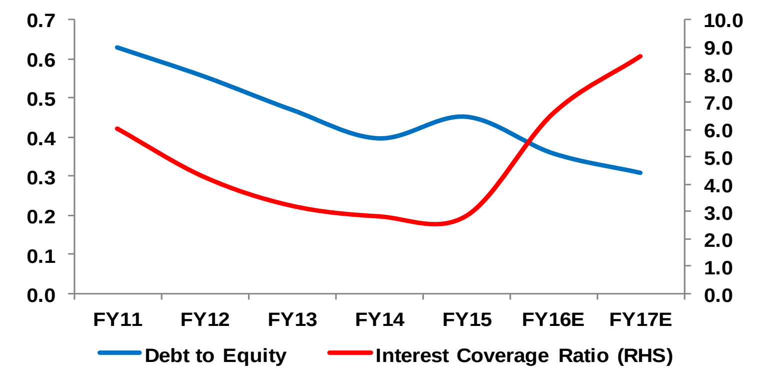


Source : Pennar Industries Ltd, Ventura Research

❖ Debt reduction to improve profitability

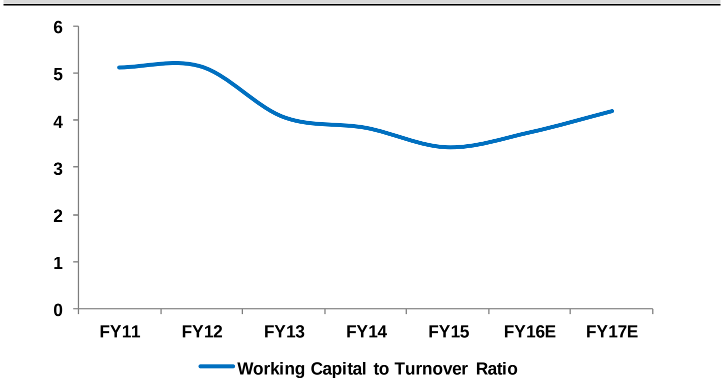
The company aims to finance its expansion projects and capital expenditure mostly through internal accruals and funds raised from the PEBS IPO. Overall, on a consolidated basis, we expect a reduction in the debt equity ratio to 0.4 from the current 0.6.

Improving Debt to Equity and Interest Coverage Profile



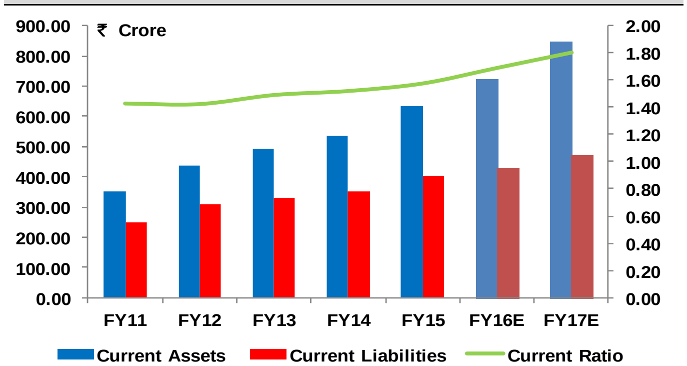
Source : Pennar Industries Ltd, Ventura Research

Improving Working Capital to Turnover Ratio



Source : Pennar Industries Ltd, Ventura Research

Current Ratio set to improve



Source : Pennar Industries Ltd, Ventura Research

❖ Key Risk Factors

- **Subdued Macro Economy may delay growth**

The growth in the steel market is expected to be muted in the short term on account of poor growth in core consumer sectors such as infrastructure and construction. However, the demand is expected to rebound in the latter half of 2015.

- **High competition across segments**

The competition in the steel industry and more specifically in the S&P segment is growing tremendously. Particularly in the tubes segment the company faces stiff competition from large players like Jindal Tubes.

- **Delay in Accounts Realization could inflate interest costs**

Pennar has been facing some issues in working capital management due to delays in debtor realizations. A few large debtors, such as L&T, are seeking longer credit cycles leading to Pennar having to resort to securitization of its receivables leading to inflating its interest costs to around 17-19%. If the issue persists then the working capital management cycle could get extended.

❖ Financial Performance:

In Q4 FY15, consolidated revenue of Pennar grew by 14.2% YoY to Rs 366.7 crore. The segmental revenue of the steel products business declined by 15.8% YoY due to a shift in the company's product from commodity steel to special grade steel, while its tubes business registered a growth of 3.8% YoY. The industrial components and systems & projects segment grew by 24.5% YoY and 139% YoY respectively, on account of the white goods components segment showing recovery and new customers being added. Its EBITDA grew from Rs 30.1 crore in Q4FY14 to Rs 45.2 crore in Q4FY15 and margins expanded by 290 bps to 12.3%. The consolidated PAT rose from Rs 7.4 crore in Q4FY14 to Rs 16 crore during the quarter and the PAT margin expanded by 260 bps to 4.4%.

For FY15, consolidated revenues increased by 12.4% YoY to Rs 1267.5 crore, while the EBITDA grew by 30.9% YoY to Rs 117.5 crore and margins expanded by 130 bps to 9.3%. The consolidated PAT raised by 38.4% YoY to Rs 35.9 crore and the PAT margin expanded by 52 bps to 2.8%.

Consolidated Quarterly Financial Performance (Rs crores)

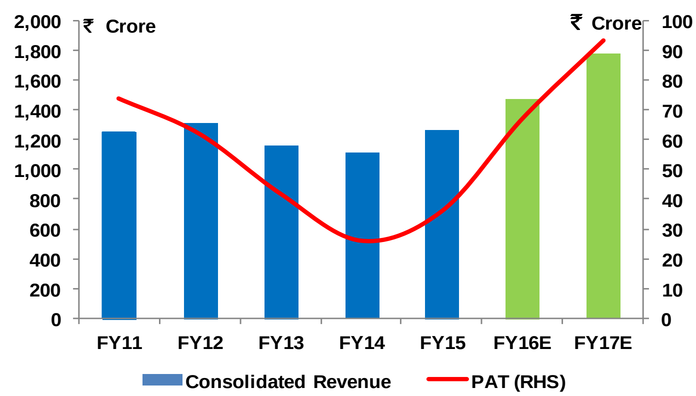
Particulars	Q4FY15	Q4FY14	FY15	FY14
Net Sales	**366.7**	**321.0**	**1267.5**	**1113.3**
Growth %	*14.2%*		*13.8%*	
Total Expenditure	321.5	290.9	1149.9	1023.5
EBITDA (ex OI)	**45.2**	**30.1**	**117.5**	**89.8**
EBITDA Margin %	*12.3%*	*9.4%*	*9.3%*	*8.1%*
Depreciation	4.5	4.6	17.9	18.8
EBIT (ex OI)	40.7	25.5	99.7	70.9
Other Income	2.0	-0.1	3.3	3.7
EBIT	**42.6**	**25.4**	**103.0**	**74.6**
Margin %	*11.6%*	*7.9%*	*8.1%*	*6.7%*
Interest	13.8	7.6	36.4	26.5
Exceptional items	0.0	0.0	0.0	0.0
PBT	**28.9**	**17.7**	**66.6**	**48.2**
Margin %	*7.9%*	*5.5%*	*5.3%*	*4.3%*
Provision for Tax	8.3	8.2	23.5	17.4
Reported PAT	**20.6**	**9.6**	**43.1**	**30.7**
Minority Interest	4.6	2.1	7.2	4.8
Consolidated PAT	**16.0**	**7.4**	**35.9**	**25.9**
PAT Margin %	*4.4%*	*2.3%*	*2.8%*	*2.3%*

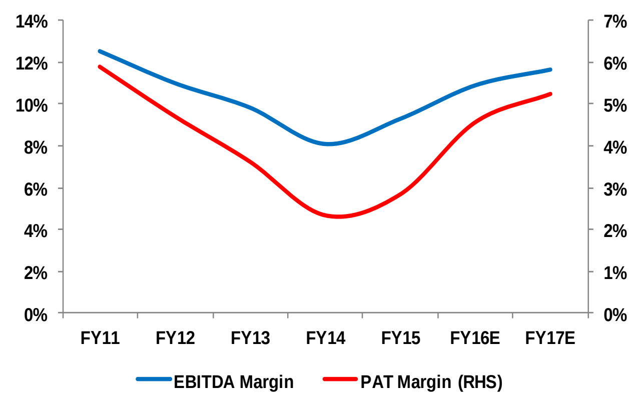
Source : Pennar Industries Ltd., Ventura Research

❖ Financial Outlook:

Robust performance of the systems & projects business, new products addition to industrial components and an increase in the production of special grade products will spell out the future growth for Pennar Industries. We expect Pennar's revenue to grow at a 2 year CAGR of 19% to Rs 1,780 crore by FY17E. Earnings are expected to grow at a CAGR of 56% to Rs 105.6 crore by FY17E. The EBITDA margins (ex OI) are expected to expand by 240 bps to 11.9% and the PAT margin by 250 bps to 5.3%. Return ratios RoE and RoCE are also expected to show a marked improvement from the mid teens to the mid twenties, leaving scope for re-rating of the stock.

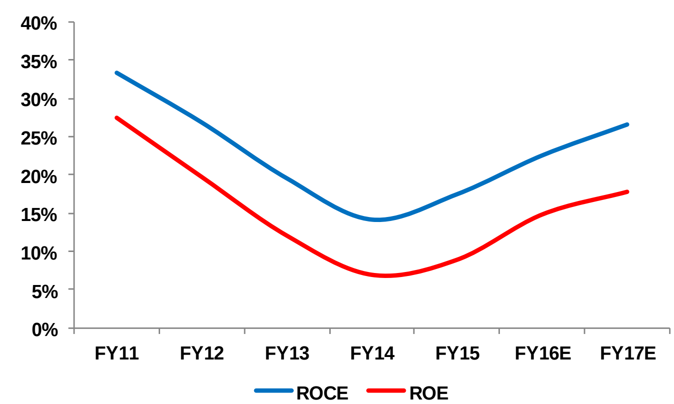
Robust Revenue expected with improved margins





Source : Pennar Industries Ltd., Ventura Research

Improving RoCE to lead to re-rating



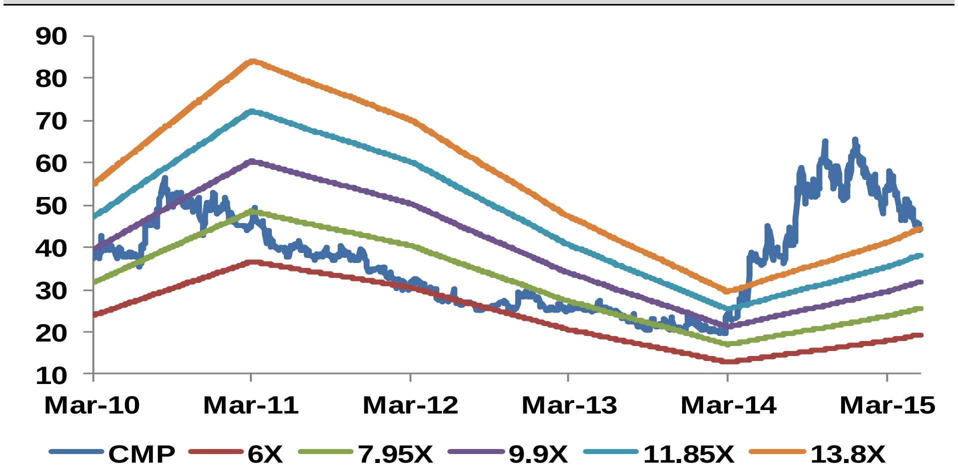
Source : Pennar Industries Ltd., Ventura Research

➢ Valuation

We initiate coverage on Pennar as a **BUY** with a price objective of ₹92 representing a potential upside of 88% over a period of 21 months. We have used the price multiple approach to value Pennar. We have assigned a PE of 12X (25% discount to its all time high PE ratio) on FY17 EPS of ₹7.7 to arrive at the target price. We are positive on the company with respect to the following aspects:

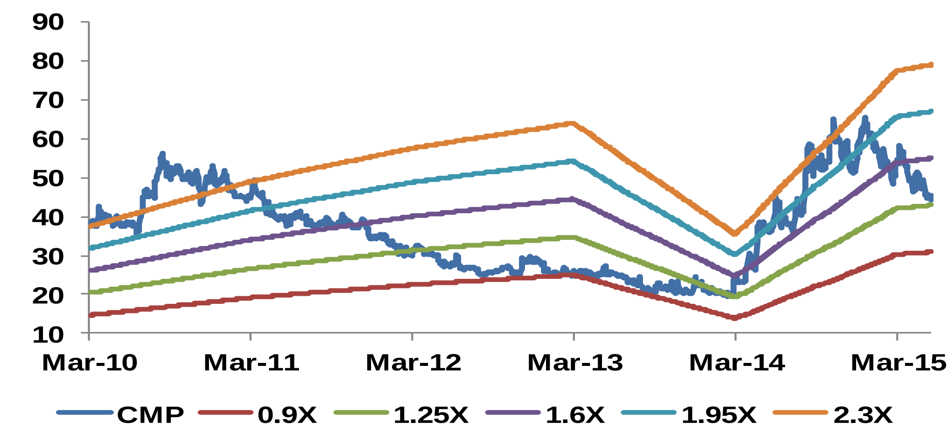
i) High upside potential in the Railways, Solar, Automobile and Pre Engineered Structures industries.
ii) Expansion plans in place and new products continuously being added to the product portfolio of the company.

Pennar P/E Trend



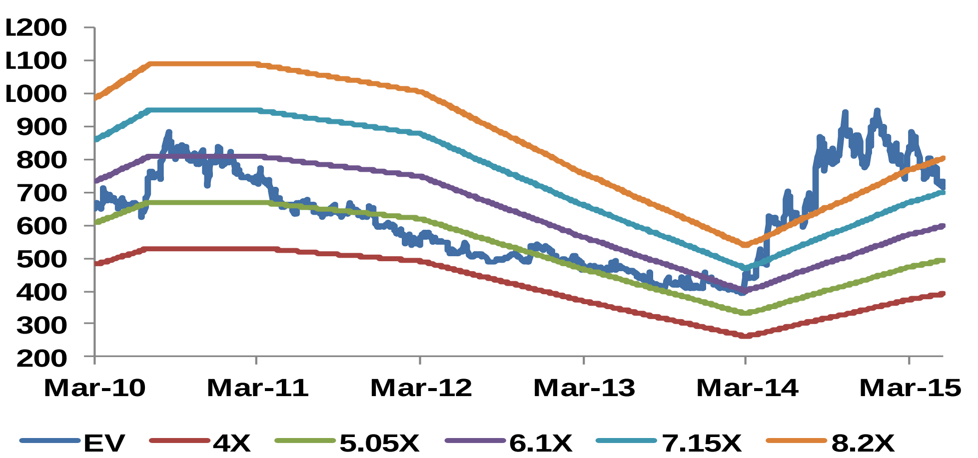
Source : Pennar Industries Ltd, Ventura Research

P/BV



Source : Pennar Industries Ltd, Ventura Research

EV/EBITDA



Source : Pennar Industries Ltd, Ventura Research

Financials and Projections

Y/E March, Fig in ₹ Cr	FY14	FY15	FY16E	FY17E
Profit & Loss Statement				
Net Sales	**1113.3**	**1267.5**	**1470.3**	**1780.5**
% Chg.		*13.8*	*16.0*	*21.1*
Total Expenditure	692.3	845.8	931.9	1124.8
% Chg.		*22.2*	*10.2*	*20.7*
EBDITA	89.8	117.5	160.0	207.3
EBDITA Margin %	*8.1*	*9.3*	*10.9*	*11.6*
Other Income	3.7	3.3	3.9	4.5
PBDIT	**93.5**	**120.9**	**163.9**	**211.7**
Depreciation	18.8	17.9	24.5	28.1
Interest	26.5	36.4	21.2	21.2
Exceptional items	0.0	0.0	0.0	0.0
PBT	**48.2**	**66.6**	**118.2**	**162.4**
Tax Provisions	17.4	23.5	41.4	56.9
Reported PAT	**30.7**	**43.1**	**76.9**	**105.6**
Minority Interest	4.8	7.2	9.7	12.1
PAT	**25.9**	**35.9**	**67.2**	**93.5**
PAT Margin (%)	*2.3*	*2.8*	*4.6*	*5.3*
Other opr Exp / Sales (%)	*0.3*	*0.3*	*0.3*	*0.2*
Tax Rate (%)	*36.2*	*35.2*	*35.0*	*35.0*
Balance Sheet				
Share Capital	65.8	63.0	60.2	60.2
Reserves & Surplus	310.6	341.9	393.5	465.3
Minority Interest	36.5	43.6	51.2	59.1
Long Term Borrowings	43.0	45.4	65.4	115.4
Deferred Tax Liability	18.7	27.4	29.4	33.5
Other Non Current Liabilities	4.7	6.7	6.7	6.7
Total Liabilities	**479.3**	**528.0**	**606.4**	**740.3**
Gross Block	472.4	504.2	544.2	624.2
Less: Acc. Depreciation	204.6	222.5	247.0	275.1
Net Block	267.7	281.7	297.2	349.2
Capital Work in Progress	12.8	3.2	3.2	3.2
Other Non Current Assets	10.4	10.4	10.4	10.5
Net Current Assets	182.5	231.0	293.9	375.8
Long term Loans & Advances	5.9	1.7	1.7	1.7
Total Assets	**479.3**	**528.0**	**606.4**	**740.3**

Y/E March, Fig in ₹ Cr	FY14	FY15	FY16E	FY17E
Per Share Data (Rs)				
Adj. EPS	2.2	3.0	5.6	7.8
Cash EPS	3.7	4.5	7.6	10.1
DPS	0.0	0.3	1.1	1.6
Book Value	30.8	33.4	37.7	43.7
Capital, Liquidity, Returns Ratio				
Debt / Equity (x)	0.4	0.5	0.4	0.3
Current Ratio (x)	1.5	1.6	1.7	1.8
ROE (%)	6.9	8.9	14.8	17.8
ROCE (%)	14.2	17.5	22.6	26.7
Dividend Yield (%)	0.0	0.1	0.3	0.4
Valuation Ratio (x)				
P/E	11.3	16.2	11.5	6.9
P/BV	1.6	1.4	1.3	1.0
EV/Sales	0.4	0.6	0.5	0.4
EV/EBIDTA	4.6	6.5	5.5	3.8
Efficiency Ratio (x)				
Inventory (days)	61.9	59.0	60.0	60.0
Debtors (days)	81.9	97.2	90.0	86.0
Creditors (days)	63.7	62.3	65.0	65.0
Cash Flow Statement				
Profit Before Tax	**48.2**	**66.6**	**118.2**	**162.4**
Depreciation	18.9	17.9	24.5	28.1
Working Capital Changes	10.4	-78.7	-24.7	-61.1
Others	6.2	21.7	-20.2	-35.6
Operating Cash Flow	**83.7**	**27.4**	**97.8**	**93.8**
Capital Expenditure	-76.2	-22.3	-40.0	-80.0
Other Investment Activities	4.3	0.0	0.0	0.0
Cash Flow from Investing	**-72.0**	**-22.3**	**-40.0**	**-80.0**
Changes in Share Capital	15.0	-2.8	-2.7	0.0
Changes in Borrowings	-8.7	36.6	-11.3	37.4
Dividend and Interest	-41.1	-40.9	-36.8	-42.9
Cash Flow from Financing	**-34.9**	**-7.2**	**-50.9**	**-5.5**
Net Change in Cash	**-23.2**	**-2.1**	**6.9**	**8.3**
Opening Cash Balance	**32.4**	**9.2**	**7.1**	**14.1**
Closing Cash Balance	**9.2**	**7.1**	**14.1**	**22.3**

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