

# Reliance Industries

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## Gross Refining Mystery

- RIL's Q3FY07 results are much ahead of our as well as street estimates, due to big surprise in reported refining margin of US\$11.7 per barrel for Q3FY07.
- Due to fall in product prices following 14-15% QoQ fall in crude oil prices, RIL reported 7% QoQ decline in net sales at Rs 265 bn. Net sales were 45.7% YoY but Q3FY06 results are not strictly comparable as refinery was partly under shutdown.
- EBIDTA was up by 3.2% QoQ and 58% YoY at Rs 47.09 bn. Margin improvement by 176 bps QoQ at 17.79%.
- Net profit at Rs 27.99 bn – up by 3.3% QoQ and 57.6% YoY.

### Refining bucks the regional trend; petchem margin retreat

- Results surpassed all expectations as the refining margin reported for Q3FY07 was US\$ 11.7/bbl, much higher than expected US\$ 6.5-7.0/bbl and up from US\$ 9.1/bbl reported in Q2FY07.
- Petrochemical segment also posted performance along expected lines with revenue growth of 48% YoY at Rs 109 bn; flat as compared to Q2FY07. EBIT from the segment was down by 20%.

### EBIDTA margin improvement by 176 bps

- EBIDTA margins moved up to 17.8% on the back of high refining margin, fall in crude oil price and surge in petrochemical margin as compared to last year. Fall in other expenditure by 14% also aided EBIDTA growth

### Net profit at Rs 28 bn, beating street expectations

- High refining margins and sustained margins in petrochemicals translated into 57.6% YoY and 3% QoQ growth in net profit at Rs 28 bn despite depreciation charges being higher by 29% YoY.

### Valuation

- We are revising our target price from Rs 1400 to Rs 1542, based on changes in our sum of the parts valuations. We are changing our rating on the stock from Buy to Outperformer.

## Downgrade to Outperformer Rs1367/Target Rs1542 (+13%)

### Sector (Relative to market)

OW	N	UW

### Stock (Relative to market)

B	OP	N	UP	S
> 10%	5% to 10%	5% to -5%	-5% to -10%	< -10%

This note should be read for

- Analysis of Q3FY07 results
- Change in estimates
- Change in rating
- Change in target price

Bloomberg code : RIL IN  
Reuters code : RELI.BO  
www.ril.com

BSE Sensex : 14218  
NSE Nifty : 4109

### Company data

O/S shares :	1394mn
Market cap (Rs) :	1905bn
Market cap (USD) :	43bn
52 - wk Hi/Lo (Rs) :	1385 / 684
Avg. daily vol. (3mth) :	3.9mn
Face Value (Rs) :	

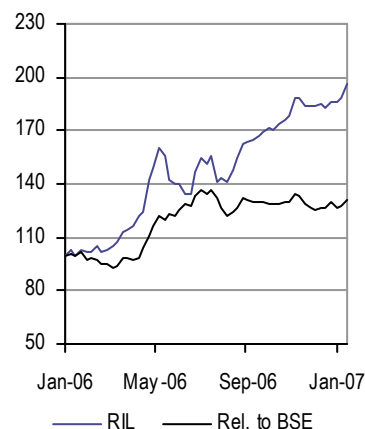
### Share holding pattern, %

Promoters :	49.9
FII / NRI :	24.9
FI / MF :	8.0
Non Promoter Corp. Holdings :	4.3
Public & Others :	12.9

### Price performance, %

	1mth	3mth	1yr
Abs	6.0	13.2	97.0
Rel to BSE	2.5	2.6	43.1

### Price vs Sensex



Source: Bloomberg, Man Financial Research

### Valuation summary

Y/E Mar, Rs mn	FY05	FY06	FY07E	FY08E	FY09E
Net Sales	660,513	812,113	1,043,232	937,571	968,992
Growth, %	27.5	23.0	28.5	-10.1	3.4
Core EBIDTA	126,575	144,050	180,147	173,687	214,464
EBIDTA margins, %	19.2	17.7	17.3	18.5	22.1
Net profit	75,067	89,746	107,118	104,295	116,443
Net profit margin, %	11.4	11.1	10.3	11.1	12.0
EPS, Rs	53.9	64.4	76.9	74.9	83.6
EPS Growth, %	48.7	19.5	19.4	(2.6)	11.6
PER, x	25.4	21.2	17.8	18.3	16.4
EV/EBIDTA, x	16.5	14.7	11.6	11.8	9.4
EV/Net Sales, x	3.2	2.6	2.0	2.2	2.1
Price/Book Value, x	4.7	3.8	3.2	2.8	2.5
ROIC, %	15.9	15.6	15.6	13.8	14.1
ROE, %	20.1	19.9	19.7	16.5	16.1
Dividend Yield, %	0.5	0.7	0.7	0.9	1.1

Source: Company, Man Financial Research Estimates

### Q3FY07 Result

(Rs mn)	Q3FY07	Q3FY06	Q2FY07	9MFY07	9MFY06	FY2007E	FY2006A
<b>Net sales</b>	<b>264,720</b>	<b>181,680</b>	<b>284,740</b>	<b>794,680</b>	<b>566,690</b>	<b>1,043,232</b>	<b>812,110</b>
Growth YoY, %	45.71			40.23		28.46	
Other income	420	1,800	220	1,080	5,960	1,820	6,830
Total income	265,140	183,480	284,960	795,760	572,650	1,045,052	818,940
Operating expenses	217,630	151,920	239,090	659,570	464,150	863,085	669,110
<b>EBITDA</b>	<b>47,090</b>	<b>29,760</b>	<b>45,650</b>	<b>135,110</b>	<b>102,540</b>	<b>180,147</b>	<b>143,000</b>
Growth YoY, %	58.23			31.76		25.98	
Margin, %	17.79	16.38	16.03	17.00	18.09	17.27	17.61
Depreciation	10,620	8,240	10,180	29,870	24,190	40,680	34,010
<b>EBIT</b>	<b>36,890</b>	<b>23,320</b>	<b>35,690</b>	<b>106,320</b>	<b>84,310</b>	<b>141,287</b>	<b>115,820</b>
Growth YoY, %	58.19					21.99	
Margin, %	13.91	12.71	12.52	13.36	14.72	13.52	14.14
Interest paid	2,930	1,940	2,780	8,370	6,530	10,973	8,780
<b>Pre-tax profit</b>	<b>33,960</b>	<b>21,380</b>	<b>32,910</b>	<b>97,950</b>	<b>77,780</b>	<b>130,314</b>	<b>107,040</b>
Tax provided	5,970	3,620	5,820	17,400	12,110	23,196	16,350
<b>Profit after tax</b>	<b>27,990</b>	<b>17,760</b>	<b>27,090</b>	<b>80,550</b>	<b>65,670</b>	<b>107,118</b>	<b>90,690</b>
<b>MAN Net profit</b>	<b>27,990</b>	<b>17,760</b>	<b>27,090</b>	<b>80,550</b>	<b>65,670</b>	<b>107,118</b>	<b>90,690</b>
Growth YoY, %	57.60			22.66		18.11	
Q4 EPS, Rs	20.1	12.7	19.4	57.8	47.1		
<b>Annualised EPS, Rs</b>	<b>80.4</b>	<b>51.0</b>	<b>77.8</b>	<b>77.1</b>	<b>62.9</b>	<b>76.9</b>	<b>65.1</b>
Unadj. shares (m)	1,393	1,393	1,393	1,393	1,393	1,393	1,393
Wtd avg shares (m)	1,393	1,393	1,393	1,393	1,393	1,393	1,393

Source: Company, Man Financial Research

### Segment Performance

(Rs mn)	Q3FY07	Q3FY06	YoY %	Q2FY07	QoQ %	9MFY07	9MFY06	Chg, %
<b>Gross Turnover</b>	<b>323,990</b>	<b>230,290</b>	<b>40.7</b>	<b>346,370</b>	<b>(6.5)</b>	<b>982,150</b>	<b>734,140</b>	<b>33.8</b>
Petrochemicals	108,950	73,530	48.2	108,740	0.2	315,560	221,940	42.2
Refining & Marketing	208,700	151,790	37.5	232,080	(10.1)	649,400	498,690	30.2
Others	6,340	4,970	27.6	5,550	14.2	17,190	13,510	27.2
<b>EBIT</b>	<b>36,960</b>	<b>22,400</b>	<b>65.0</b>	<b>36,180</b>	<b>2.2</b>	<b>107,200</b>	<b>81,870</b>	<b>30.9</b>
Petrochemicals	14,070	10,640	32.2	17,640	(20.2)	42,580	32,250	32.0
Refining & Marketing	19,250	8,560	124.9	14,890	29.3	54,490	41,760	30.5
Others	3,640	3,200	13.8	3,650	(0.3)	10,130	7,860	28.9
<b>EBIT Margin, %</b>	<b>11.4</b>	<b>9.7</b>		<b>10.4</b>		<b>10.9</b>	<b>11.2</b>	
Petrochemicals	12.9	14.5		16.2		13.5	14.5	
Refining & Marketing	9.2	5.6		6.4		8.4	8.4	
Others	57.4	64.4		65.8		58.9	58.2	

Source: Company, Man Financial Research

## Results surpass expectations

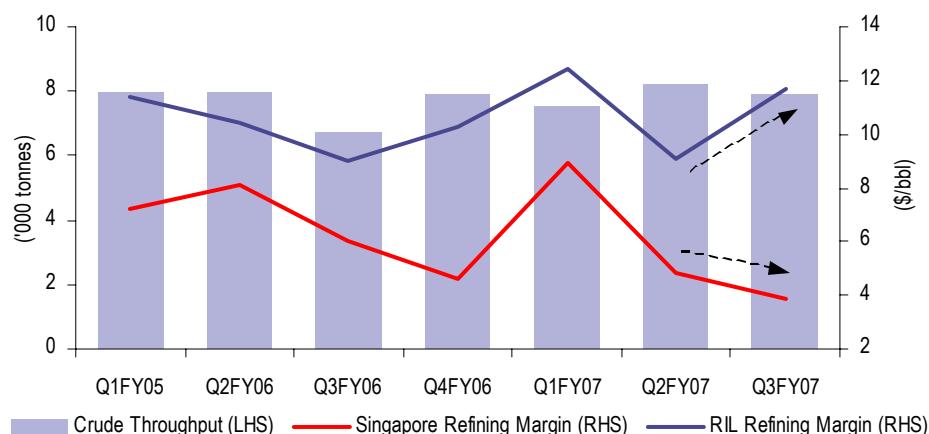
RIL's results sprung a huge surprise as the reported refining margin by the company was much higher as compared to benchmark regional margins. Apart from the performance of the refinery division, there were no major surprises.

### Refining: Surprisingly high GRM

RIL reported refining margin of US\$ 11.7/bbl for Q3FY07, much higher than expected US\$ 6.5-7/bbl. Refining margins were also higher as compared to Q2FY7 and Q3FY06 when it was reported at US\$ 9.1/bbl. Expectation of decline in RIL's refining margin was on the basis of fall in refining margins globally. Benchmark Singapore refining margins were down to US\$ 3.9/bbl as against US\$ 4.8/bbl in Q2FY07. Refining segment's EBIT increased by 125% YoY and 29% QoQ at Rs 19.25 bn.

RIL has attributed – (1) better crude mix and costing; (2) better product slate and (3) refining efficiency gains – as reasons for increase in refining margins and widening premium over the benchmark margins. However, in contrast, heavy crude mix has gone down from 5.5 MMT to 4.9 MMT while light crude mix has gone up from 1.6 MMT to 1.9 MMT, as compared to Q2FY07.

### RIL's strong GRM – Divergent from regional benchmark



Source: Company, Man Financial Research

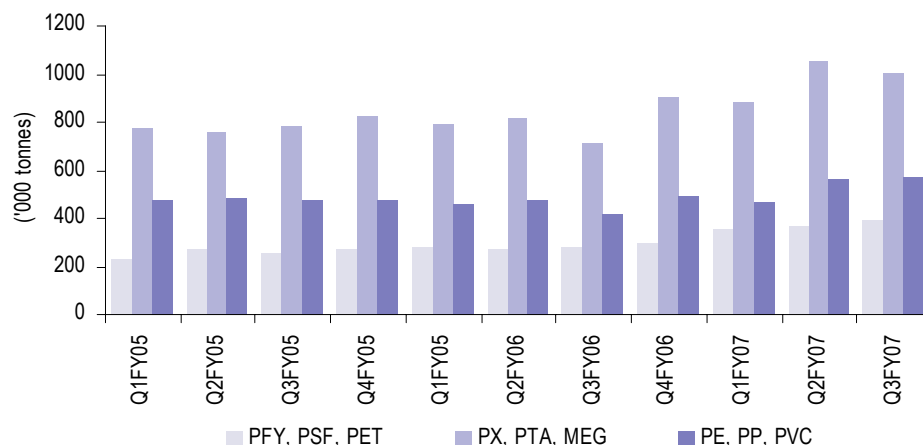
Crude throughput was at 7.89 MMT against 6.7 MMT in Q3FY06 and 8.2 MMT in Q2FY07. Performance of refining segment was hampered in the same quarter last year due to shutdown.

Retail sales volume recovered to 0.5 MMT as the company managed to increase the throughput at outlets following drop in crude oil prices and reduction in marketing losses. Company has indicated approximate marketing losses of Rs 1.30 bn for Q3FY07 against Rs 1.45 bn in Q2FY07 and Rs 4.50 bn in Q1FY07. Sales to PSUs continue to decline and were down marginally at 0.6 MMT against 0.7 MMT in trailing quarter. Export volumes were down from 5.2 MMT to 4.8 MMT on QoQ basis.

### Petrochemicals: No major surprises

Petrochemical division's performance was along expected lines. Revenues from this segment were at Rs 109 bn, flat as compared to Q2FY07 while EBIT declined by 20% at Rs 14.07 bn. EBIT margin too declined from 16.2% to 12.9% as polyester margins were down by about 15% QoQ due to increase in PTA and MEG prices.

### Petrochemical: Production increase due to capacity expansion



Source: Company, Man Financial Research

- Production volume of PFY, PSF and PET were higher by 37% YoY owing to commissioning of capacity expansion by 550 KTPA.
- Polymers production was up 37% YoY as there was loss in production in Q3FY06 due to shortage in propylene arising out of refinery shutdown.
- New PTA capacity of 730 KTPA caused fibre intermediates production to be up by 41%.

### Oil & gas: Ramp up in production at PMT

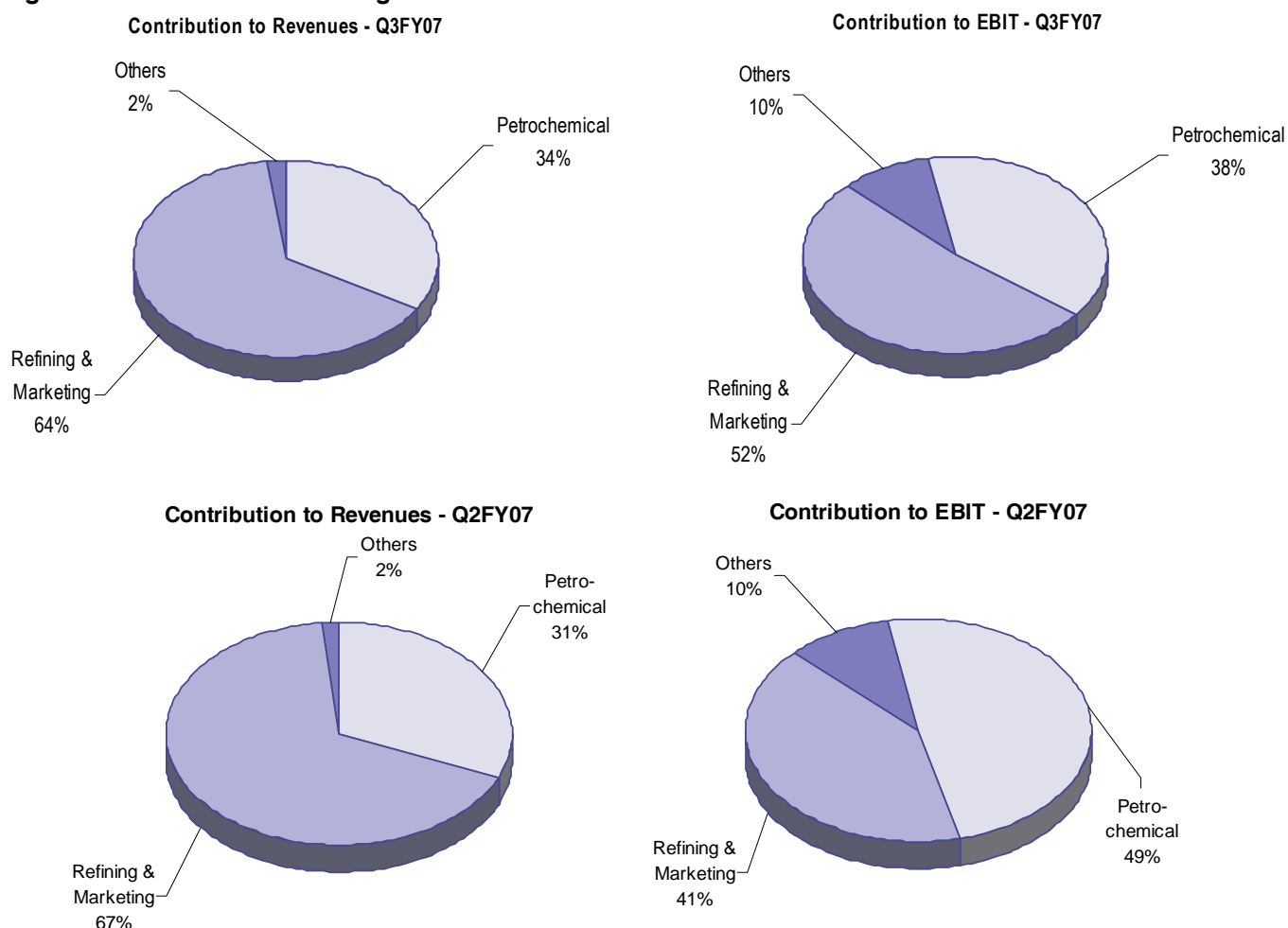
PMT JV increased its production from the fields post expansion and developments carried out. Oil production was up by 15% QoQ to 485,275 MT while the combined gas production from the fields was up by 42% at 1.1 bcm.

During Q3FY07, DGH approved revised development plan for RIL's KG D6 discoveries, which envisages initial plateau production of 80 mmcmd of gas. Delivery of gas is expected to commence by June 2008. RIL also had to relinquish 5 blocks, which were assessed to be low on hydrocarbon prospects.

### Reliance Retail scaling up operations

Reliance Retail started its first outlet during the quarter. At the end of the quarter, 22 stores were in operations with total square footage of over 50,000 sq. feet. However, the company revealed no details about the financials of its retail operations.

## Segment Performance – Refining contribution to EBIT increase



Source: Company, Man Financial Research

### High refining margin percolates to operating profit rise by 3% QoQ

Due to high refining margin as compared to the trailing quarter, RIL reported 3% QoQ and 58% YoY increase in operating profit at Rs 47 bn. Raw material cost was down by 10% to Rs 215 bn due to decline in crude oil price. Other expenditure was at Rs 20.5 bn down by 3% QoQ and 14% YoY as higher export volumes at the cost of domestic sales would have lowered sales tax payout. Also other expenditure in Q3FY07 was higher due to one-time maintenance expenses during the shutdown period.

Lower crude oil prices resulted into EBIDTA margin improvement to 17.79% as against 16.03% in Q2FY07 and 16.38% in Q3FY06. Interest expenses were up by 51% YoY at Rs 2.93 bn. Other income, on the other hand, was down by 77% to Rs 420 mn due to fall in interest income on cash surplus. Commissioning of petrochemical plants resulted into 29% YoY increase in depreciation charges for the quarter at Rs 10.6 bn. Tax provision was at Rs 5.97 bn with effective tax rate maintained at around 17.6%.

Net profit showed increase of 57.6% YoY and 3.3% QoQ at Rs 27.99 bn. EPS for the quarter and nine months stand at Rs 20.09 and Rs 57.82 respectively.

## Outlook & Valuation

Although we expect improvement in regional refining margins from the levels of Q3FY07, we do not anticipate much increase for RIL's refining margin, as we do not expect the strong premium over benchmarks witnessed in this quarter to sustain. We are keeping RIL's GRM assumption for FY08 unchanged at US\$ 10/bbl. There are no major changes in our estimates for FY08. However, we have changed our estimates for FY07 as the nine months results have surpassed our expectations. We are assuming GRM of US\$ 10.5/bbl for the full year.

### Revised estimates

	FY07E	FY08E	FY09E
<b>EBIDTA (Rs mn)</b>			
Old	164,339	173,512	-
New	180,147	173,687	214,464
change, %	9.6	0.1	
<b>Net Profit (Rs mn)</b>			
Old	98,730	104,155	-
New	107,118	104,295	116,443
change, %	8.5	0.1	
<b>EPS (Rs)</b>			
Old	70.9	74.8	-
New	76.9	74.9	83.6
change, %	8.4	0.1	

Source: Man Financial

We are also revising our target price from Rs 1400 to Rs 1542 based on our revised sum of the parts valuations for RIL as summarized below.

### Sum-of-parts Valuation

	New		Old	
	Rs mn	Rs/share	Rs mn	Rs/share
Refining and petrochemicals	907,398	651	895,906	643
<b>E&amp;P Assets</b>				
KG Basin D6	332,788	239	152,903	110
Panna Mukta Tapti	98,026	70	98,026	70
NEC-25	45,271	32	45,271	32
NEC-25 upside	116,130	83	-	-
CBM Block Sohagpur	79,826	57	79,826	57
KG Basin oil find	89,250	64	-	-
Retailing	175,000	126	-	-
<b>Investments</b>				
Reliance Petroleum	229,500	165	229,500	165
IPCL	26,143	19	26,051	19
12.2% Treasury Stocks	185,853	133	135,413	97
Enterprise Value	2,285,184	1,640	1,662,895	1,194
Less: Net Debt	137,120	98	134,541	97
<b>Target Price / Fair Value</b>	<b>2,148,064</b>	<b>1,542</b>	<b>1,528,355</b>	<b>1,097</b>

Source: Man Financial Research

We are revising our DCF based valuation for KG D6 block at Rs 333 bn i.e. Rs 239 per share after accounting for upside in reserves and production in this block. We are also assuming higher average realization for the gas increasing from US\$ 3 per mmbtu in FY09 upto US\$ 5 per mmbtu by FY21. We factored in commencement of gas production from Q3FY09 although company has indicated commencement by June 2008.

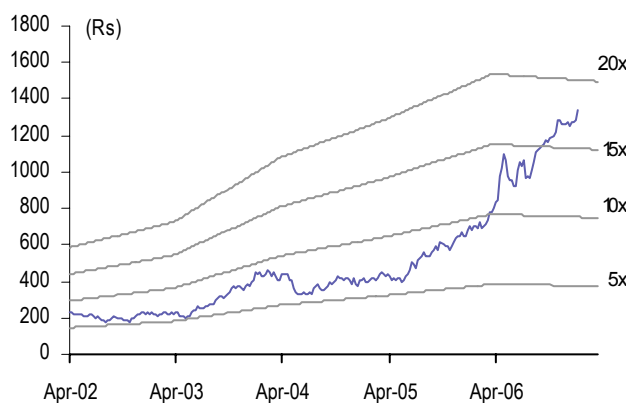
We are including valuation for the oil find at KG block and retailing in our sum of parts valuation at Rs 89 bn (Rs 64 per share) and Rs 175 bn (Rs 126 per share) respectively. We have valued the oil block using DCF method, assuming long-term average realization of US\$ 50/bbl and recoverable reserves of 165 mn bbl. Also, including reserve upside for NEC-25 block as indicated by Niko Resources.

Our revised target price of Rs 1542 gives an upside of 13% from the current market price. Our previous target price attached premium to our then estimated fair value due to potential upsides from E&P and retailing which are now getting included in SOTP valuation.

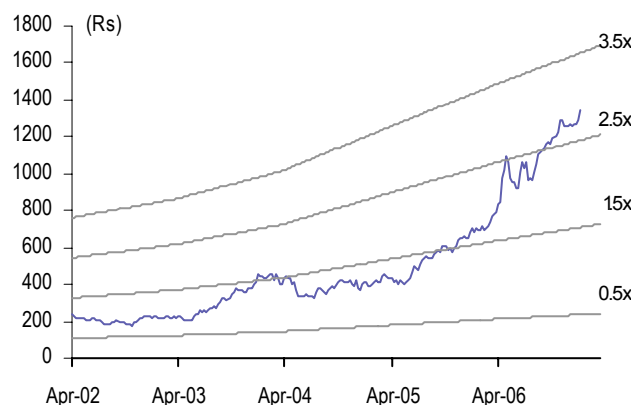
We do not anticipate major medium term triggers to valuation from here on and due to reduction in upside for stock price, we reduce our rating from Buy to Outperformer.

## ABSOLUTE ROLLING VALUATION BAND CHARTS

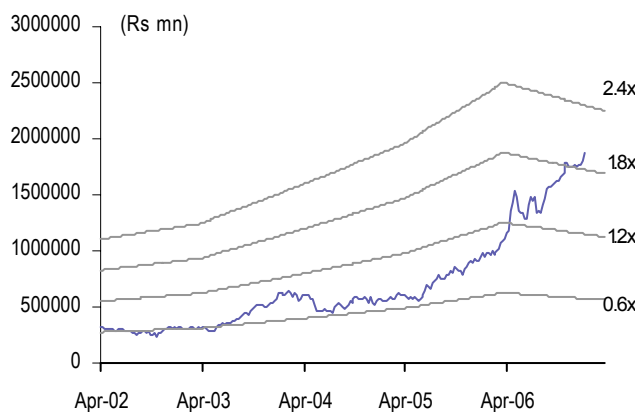
**PE band**



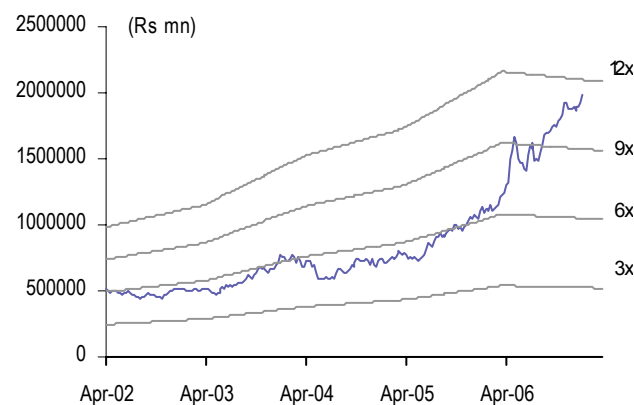
**PBV band**



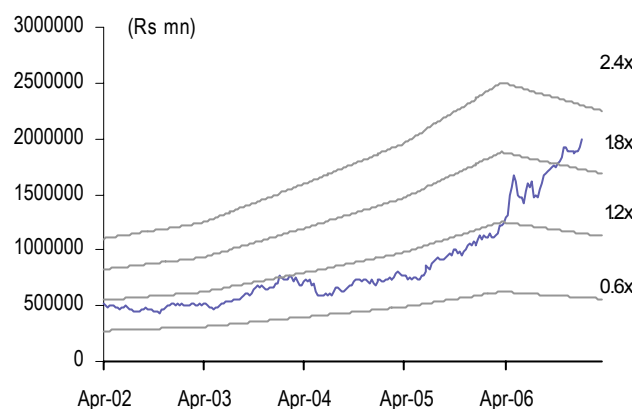
**MCap/Sales band**



**EV/EBIDTA band**



**EV/Sales band**

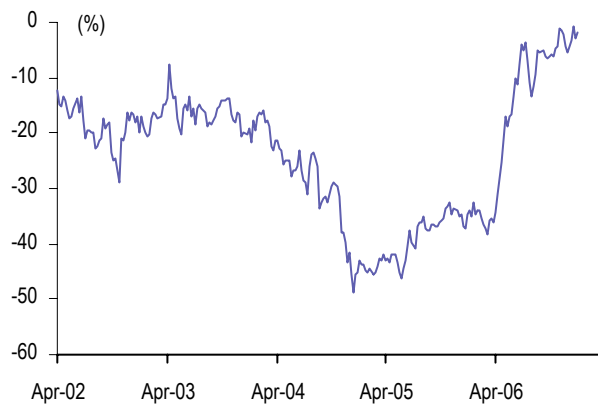


Source: Man Financial Research

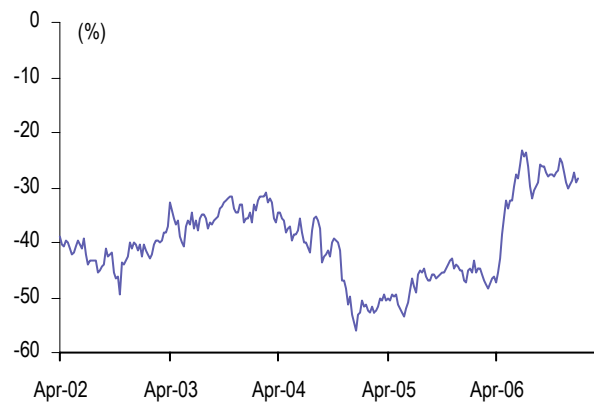


## PREMIUM / DISCOUNT TO SENSEX

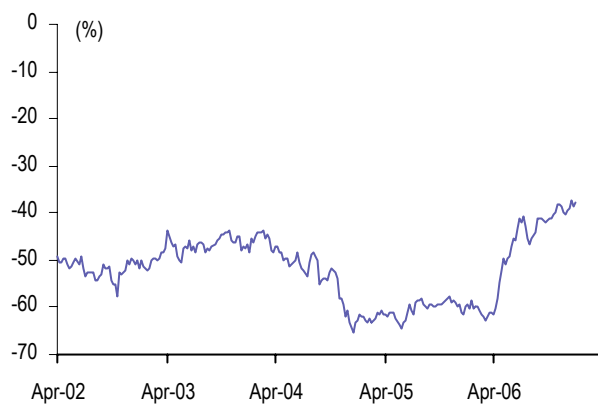
### PE



### PBV



### MCap/Sales



Source: Man Financial Research

## FINANCIALS

### Income Statement

Y/E Mar, Rs mn	FY05	FY06	FY07E	FY08E	FY09E
<b>Net sales</b>	<b>660,513</b>	<b>812,113</b>	<b>1,043,232</b>	<b>937,571</b>	<b>968,992</b>
Growth, %	27.5	23.0	28.5	(10.1)	3.4
Other income	16,034	5,770	1,820	5,920	5,750
Total income	676,547	817,883	1,045,052	943,491	974,742
Operating expenses	-533,938	-668,063	-863,085	-763,883	-754,528
<b>EBITDA</b>	<b>126,575</b>	<b>144,050</b>	<b>180,147</b>	<b>173,687</b>	<b>214,464</b>
Growth, %	32.1	13.8	25.1	(3.6)	23.5
Margin, %	19.2	17.7	17.3	18.5	22.1
Depreciation	-37,235	-34,009	-40,680	-38,751	-58,219
<b>EBIT</b>	<b>89,340</b>	<b>110,041</b>	<b>139,467</b>	<b>134,936</b>	<b>156,245</b>
Growth, %	41.0	23.2	26.7	(3.2)	15.8
Margin, %	13.5	13.5	13.4	14.4	16.1
Interest paid	-14,687	-8,770	-10,973	-10,487	-8,781
<b>Pre-tax profit</b>	<b>90,687</b>	<b>107,041</b>	<b>130,314</b>	<b>130,369</b>	<b>153,214</b>
Tax provided	-14,970	-16,347	-23,196	-26,074	-36,771
<b>Profit after tax</b>	<b>75,717</b>	<b>90,693</b>	<b>107,118</b>	<b>104,295</b>	<b>116,443</b>
Net Profit	75,717	90,693	107,118	104,295	116,443
<b>MAN Net profit</b>	<b>75,067</b>	<b>89,746</b>	<b>107,118</b>	<b>104,295</b>	<b>116,443</b>
Growth, %	48.4	19.6	19.4	(2.6)	11.6
Extraordinary items: Gains/(Losses)	0	0	0	0	0
Unadj. shares (m)	1396	1393	1393	1393	1393
Wtd avg shares (m)	1393	1393	1393	1393	1393

### Cash Flow

Y/E Mar, Rs mn	FY05	FY06	FY07E	FY08E	FY09E
Pre-tax profit	90,687	107,041	130,314	130,369	153,214
Depreciation	37,235	34,009	40,680	38,751	58,219
Chg in working capital	719	36,475	-9,049	-30,719	-17,022
Total tax paid	-7,050	-9,307	-13,206	-14,845	-20,936
<b>Cash flow from operating activities</b>	<b>121,591</b>	<b>168,218</b>	<b>148,739</b>	<b>123,556</b>	<b>173,475</b>
Capital expenditure	-36,635	-290,729	-60,418	-100,000	-90,000
Chg in investments	1,631	96,938	-42,185	-10	-20
Chg in marketable securities	-32,432	15,114	4,978	0	0
<b>Cash flow from investing activities</b>	<b>-67,435</b>	<b>-178,676</b>	<b>-97,625</b>	<b>-100,010</b>	<b>-90,020</b>
Free cash flow	54,156	-10,458	51,114	23,546	83,455
Equity raised/(repaid)	25,787	134,194	0	0	0
Debt raised/(repaid)	-4,139	11,719	-25,930	-23,573	-21,569
Dividend (incl. tax)	-11,959	-15,673	-15,890	-18,808	-23,510
Other financing activities	-30,000	-134,408	0	0	0
<b>Cash flow from financing activities</b>	<b>-20,310</b>	<b>-4,168</b>	<b>-41,820</b>	<b>-42,380</b>	<b>-45,079</b>
Net chg in cash	33,846	-14,626	9,294	-18,835	38,376

## Balance Sheet

As at 31st Mar, Rs mn	FY05	FY06	FY07E	FY08E	FY09E
Cash & bank	36,088	21,462	30,755	11,921	50,297
Marketable securities at cost	35,093	19,978	15,000	15,000	15,000
Debtors	39,278	41,636	51,035	45,888	47,419
Inventory	74,129	101,198	128,443	106,880	107,629
Loans & advances	114,154	81,198	87,200	109,600	115,100
Other current assets	20,877	251	251	251	251
<b>Total current assets</b>	<b>319,618</b>	<b>265,723</b>	<b>312,685</b>	<b>289,540</b>	<b>335,696</b>
Investments	135,422	38,484	80,669	80,679	80,699
Gross fixed assets	551,258	849,701	899,701	959,701	1,099,701
Less: Depreciation	-248,728	-292,534	-333,218	-371,969	-430,187
Add: Capital WIP	48,293	69,578	80,000	120,000	70,000
Net fixed assets	350,823	626,745	646,484	707,733	739,514
<b>Total assets</b>	<b>805,863</b>	<b>930,952</b>	<b>1,039,837</b>	<b>1,077,951</b>	<b>1,155,908</b>
Current liabilities	167,247	179,134	212,730	177,701	168,459
Provisions	38,476	38,910	38,910	38,910	38,910
<b>Total current liabilities</b>	<b>205,722</b>	<b>218,043</b>	<b>251,640</b>	<b>216,611</b>	<b>207,368</b>
Non-current liabilities	196,107	214,866	198,925	186,581	180,848
<b>Total liabilities</b>	<b>401,829</b>	<b>432,909</b>	<b>450,565</b>	<b>403,192</b>	<b>388,216</b>
Paid-up capital	13,931	13,932	13,932	13,932	13,932
Reserves & surplus	390,102	484,111	575,340	660,827	753,760
Shareholders' equity	404,033	498,043	589,271	674,759	767,692
<b>Total equity &amp; liabilities</b>	<b>805,863</b>	<b>930,952</b>	<b>1,039,837</b>	<b>1,077,951</b>	<b>1,155,908</b>

## Per-share data

	FY05	FY06	FY07E	FY08E	FY09E
MAN EPS (INR)	53.9	64.4	76.9	74.9	83.6
Growth	48.7	19.5	19.4	(2.6)	11.6
Book NAV/share (INR)	290.0	357.5	423.0	484.3	551.0
FDEPS (INR)	54.4	65.1	76.9	74.9	83.6
CEPS (INR)	80.6	88.8	106.1	102.7	125.4
CFPS (INR)	92.5	106.2	112.8	97.5	128.3
DPS (INR)	7.5	10.0	10.0	12.0	15.0

## Financial structure

	FY05	FY06	FY07E	FY08E	FY09E
Total debt/Equity (%)	46.5	43.9	31.0	21.6	15.3
Net debt/Equity (%)	28.9	35.6	23.3	17.6	8.7

## Profitability, Productivity, Liquidity and Valuation Ratios

	FY05	FY06	FY07E	FY08E	FY09E
Return on assets (%)	11.2	11.1	11.6	10.5	10.9
Return on equity (%)	20.1	19.9	19.7	16.5	16.1
Return on Invested capital (%)	15.9	15.6	15.6	13.8	14.1
RoIC/Cost of capital (x)	1.5	1.5	1.5	1.3	1.4
RoIC - Cost of capital (%)	5.5	5.3	5.3	3.5	3.8
Return on capital employed (%)	14.2	13.9	14.5	12.9	12.9
Cost of capital (%)	10.3	10.3	10.3	10.3	10.3
RoCE - Cost of capital (%)	3.8	3.5	4.1	2.5	2.6
Asset turnover (x)	1.4	1.4	1.4	1.2	1.1
Sales/Total assets (x)	0.9	0.9	1.1	0.9	0.9
Sales/Net FA (x)	1.9	1.7	1.6	1.4	1.3
Working capital/Sales (x)	0.1	0.1	0.1	0.1	0.1
Fixed capital/Sales (x)	0.8	1.0	0.9	1.0	1.1
Receivable days	21.7	18.7	17.9	17.9	17.9
Inventory days	41.0	45.5	44.9	41.6	40.5
Payable days	87.7	66.5	69.6	68.4	68.2
Current ratio (x)	1.9	1.5	1.5	1.6	2.0
Quick ratio (x)	1.5	0.9	0.9	1.0	1.4
Interest cover (x)	8.1	27.3	13.2	22.5	32.7
Dividend cover (x)	7.2	6.4	7.7	6.2	5.6
PER (x)	25.4	21.2	17.8	18.3	16.4
PEG (x) - y-o-y growth	0.5	1.1	0.9	(6.9)	1.4
Price/Book (x)	4.7	3.8	3.2	2.8	2.5
Yield (%)	0.5	0.7	0.7	0.9	1.1
EV/Net sales (x)	3.2	2.6	2.0	2.2	2.1
EV/EBITDA (x)	16.5	14.7	11.6	11.8	9.4
EV/EBIT (x)	23.4	19.3	15.0	15.2	12.9
EV/NOPLAT (x)	18.7	16.6	13.3	13.9	11.4
EV/CE	3.3	2.8	2.5	2.3	2.0
EV/IC (x)	4.5	3.6	2.8	2.6	2.4

Source: Company, Man Financial Research Estimates

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