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# CPH Chemie + Papier Holding AG

Switzerland | Industrial Goods & Services

## Investor day update

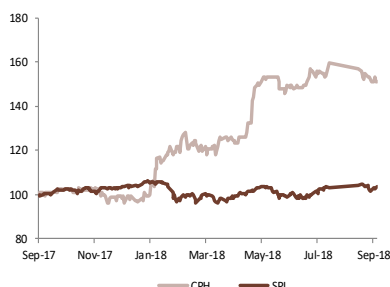
17 September 2018

### Company Data

Price:	CHF 85.00
Market Cap:	CHF 509.8mn
Free Float:	41.7%
No. of shares:	6.0mn
Avg. traded volume (30 day):	852
Bloomberg:	CPHN SW
Reuters:	CPHN-EB
ISIN:	CH0001624717

Source: SIX Swiss Exchange and Bloomberg

### Share Price Development



Source: Bloomberg

### Key Financial Data

	2016	2017	2018E	2019E
Sales	434.8	469.8	527.4	524.7
EBITDA %	8.5%	7.2%	14.5%	12.7%
EBIT %	1.4%	0.6%	8.7%	7.0%
Net Margin %	(1.8%)	3.4%	6.3%	5.0%
Basic EPS	(1.32)	2.7	5.5	4.3
Diluted EPS	(1.32)	2.7	5.50	4.3
DPS	0.7	0.7	2.7	2.1
Equity Ratio %	56.2%	56.4%	50.5%	62.6%
Capex	(1.5)	(19.3)	(19.7)	(21.4)
P/Sales	1.2x	1.1x	1.0x	1.0x
P/E	NM	31.5x	15.3x	19.6x
EV/EBITDA	15.7x	17.2x	7.6x	8.7x

Source: Research Dynamics, Company data

### Next Events

Annual Results 2018	26 Feb 2019
47 <sup>th</sup> Ordinary general meeting	19 Mar 2019

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## On the road to a diversified industrial group

The overarching theme during the Investor Day at Perlen was CPH's successful journey towards becoming a geographically diversified industrial group from a Swiss-based European paper manufacturer. Higher demand for high-barrier film products (which drove the strong results in Packaging in 1H18) and lasting overcapacity in the paper market led to a strategic shift in the company's resource allocation from its Paper division to the Packaging and Chemical divisions over the past years. This is evident from the fact that Chemistry and Packaging together comprised 44% in 2017 sales (2013: 36%). Similarly, CPH continues to diversify its geographical footprint, improving its presence in non-European countries (22% in 2017 vs. 16% in 2013). This complements the group's strategy of maintaining its cost leadership by diversifying its production base away from the Swiss Franc (proportion of total costs in CHF: 36% in 2017 vs. 70% in 2013).

CPH enjoys leading market positions in its Packaging and Chemistry divisions (No.3 worldwide after KP Pentaplast and Bilcare for coated barrier films, and No.3 after UOP and CECA for molecular sieves according to CPH) on the back of recent acquisitions made by its autonomous brands Perlen and Zeochem, respectively. In addition to improving the group's EBITDA margin, CPH's expansion of its Packaging and Chemistry divisions is also reducing the group's exposure to the paper market and is helping it mitigate currency risks.

### Packaging division: Multiple growth levers

Overall, the Packaging division recorded revenues of CHF 130 mn in 2017, accounting for 28% of the group's total revenues. During 1H18, the division's revenue grew at a buoyant 20% to CHF 79 mn. The EBITDA and EBIT increases were even more impressive at 51% and 76%, respectively, resulting in strong margins (EBITDA 16.1%, EBIT 12.3%). Thus, the investments of the past year are clearly starting to bear fruit. In Europe, the Packaging division witnessed full capacity utilisation, reflecting the strength in the market. Even outside of Europe, CPH's Packaging division should witness healthy growth in the coming years, given the various factors that work in its favour.

### A strong end-market

Favourable demographic trends such as an aging population, ill-effects of urbanisation on human health and the consequent rise in lifestyle-related diseases are structural long-term drivers for the global pharmaceutical market. A strong end-market should ultimately benefit medical manufacturing, and thereby, pharmaceutical packaging. According to EvaluatePharma, the top 15 global pharma therapy categories are expected to grow at a CAGR of ~6.1% during 2015-2022 to reach USD 635.8bn. As a result, the global demand for pharmaceutical blister packs is expected to grow by 4-8% during 2016-21, with strong growth in high-barrier products (PVDC: 8-10%, PVC: 4-6%). These trends should support growth at CPH as the group intends to focus 90% of its Packaging in manufacturing primary packages for solid dosage forms and blister packs. In addition, CPH's presence in four of the top 20 pharma markets (as ranked by IMS) places it in a strong position to harness this growth.

### Product innovation

CPH continues to strengthen its existing product offerings through ongoing focus on innovation, which is key to secure higher-margin products in this industry. The company has a history of continuously innovating its product portfolio; the BLISTair single-use powder inhaler under development being one of the most recent examples. As a result of its investments in innovation, the company's packaging solutions now cater to the needs of solid, liquid as well as powdered pharma products, expanding the range of its application.

### Diversification into growth markets

While the USA represents the largest pharma market globally, it is not CPH's primary focus for international expansion. The reason is that North America is rather a "bottle" and not a blister market. Thus, the Packaging division is rather focusing on growth markets, targeting Latin America and Asia. As such, the rapidly-growing target markets of Latin America (CAGR of 5-8% during 2014-2019) and "Pharmerging\*" markets (CAGR of 10-12% during 2014-2019) should still provide ample growth opportunities for blister packaging. With Brazil comprising almost half of the entire Latin American market, CPH has intensified its focus on the country, with the acquisition of 60% stake in Sekoya Indústria e Comércio Ltda. (Sekoya) in January 2018. Management said this acquisition has strengthened CPH's local distribution, as it enabled CPH to own a distribution company and a finishing plant in Latin America. This acquisition not only aids global diversification but also highlights CPH's risk-averse nature, as a bolt-on acquisition of a local dealer is more efficient (and probably less risky) than the setting up of a new factory altogether.

\* Note: Pharmerging markets includes Brazil, Russia, India, China, Mexico, Turkey, South Korea, as defined by IMS

In Asia, CPH continues to strengthen its position in the key market of China. The company opened a new coatings plant in Wujiang (China) in 2Q16 and revamped it to better serve the Asian pharmaceuticals market. CPH's ramp-up initiatives have helped it build capacity in the market, and we expect CPH to see increasing utilisation as its efforts towards expanding its customer base bear fruit in the coming years.

Together with the division's presence in Europe (production facilities located in Switzerland and Germany) as well as in North America (Whippany, New Jersey), it is thus well positioned to becoming an even more important pillar of the overall Group, increasing its revenue share over time even further.

#### **Refinancing of CHF 85 mn via bond issue**

On 14 September, the company announced that it has issued at par corporate bonds worth CHF 85 mn, with a maturity of 5 years and an annual coupon rate of 2.0%. The bond issue is coordinated by Credit Suisse, with settlement planned for 12 October 2018. The purpose of this issue is to refinance CPH's 2014 bonds in the amount of CHF 120 mn with a coupon of 2.75%, which will be redeemed on 10 July 2019. Through this bond issuance, CPH ensures a timely refinancing of the previously issued bonds at a lower coupon rate. The company is also bringing its overall debt level down through repaying a portion of the original bonds using its own funds.

The refinancing with a favourable coupon rate, coupled with CHF 35 mn repayment using its own funds, is expected to result in a savings of ~CHF 1.3 mn in net annual interest cost, assuming an effective tax rate of 20%. The company should realise the full benefits from FY2020 onwards given the earlier debt matures in July 2019. However, the company is expected to incur marginally higher interest expense due to the temporary rise in debt levels between the issuance of the new debt and redemption of the earlier bonds in July 2019. This will not have any material impact on our target price.

### **Outlook**

For 2018 and beyond, CPH expects the strength in its Packaging and Chemistry divisions to more than offset the softness in the Paper division (given expected declining paper demand). Management expects the newly acquired businesses of Armar and Yusheng (Chemistry), Papierfabrik Utzenstorf (Paper) and Sekoya (Packaging) to have a positive impact on overall sales volume. CPH expects to report higher total net sales and earnings result for the full year 2018, assuming benign currencies.

For the medium term, management, on occasion of the investor day, reiterated its goal of achieving a yearly organic growth rate of 3%, an EBITDA-margin >10% (contributing a good basis for Cash Flow of around CHF 40-50 mn) and an equity ratio above 50%. Also, the group wants to maintain a liquidity position of CHF 30 - 50 mn which should give it enough flexibility to also go for opportunistic acquisitions, thus further rounding off its division's portfolios. On the capex side, the long-term average investment level is expected to be around CHF 15-20 mn. Lastly, but importantly, the Group targets to distribute a dividend of 30-50% of net profit, depending on the Free Cash Flow level.

#### **Valuation and conclusion**

We value CPH using DCF and relative valuation techniques. Our assumptions in the DCF valuation remain unchanged (market risk premium of 8.2%, beta of 0.9 and risk-free rate of 0.5%). Our intrinsic value of CHF 101.2 per share remains unchanged as well, implying an upside of 19.1% from current levels.

We continue to use three parameters (EV/EBITDA, P/S and P/E) to value CPH on a relative basis. We have retained the peer sets across CPH's individual businesses as well. As earlier, we first calculate the peer average of CPH's individual divisions and then take a weighted average of these based on the sales contribution of the respective division. Given its diversified business model, this consolidated peer average is most comparable to CPH's valuation multiples.

CPH currently trades at a P/S multiple of 1.0x (FY2018E), a significant 47% discount over the weighted average of division peers.

In the medium-term, we expect this discount to narrow and the stock to witness a revaluation, considering strong growth prospects in key markets, improved operating efficiencies from the new production facilities and benefits of continued business restructuring. The Paper division should benefit from its local market leadership, advanced technology and operational improvement, although it remains a challenging business environment with overcapacities and decreasing demand for newsprint paper.

**Exhibit 1: CPH – Comparison with division peers**

Company	EV/EBITDA			P/S			P/E		
	3 year average	CY2018E	CY2019E	3 year average	CY2018E	CY2019E	3 year average	CY2018E	CY2019E
CPH Chemie & Paper	9.4x	7.5x	8.0x	0.6x	1.0x	0.9x	24.6x	14.5x	16.7x
<b>Paper peers:</b>									
Holmen	8.4x	12.4x	12.0x	0.8x	2.34	2.3x	16.5x	18.6x	19.6x
Stora Enso	7.3x	7.9x	7.8x	1.4x	1.17	1.1x	10.1x	12.7x	12.5x
Altri	12.4x	7.1x	7.0x	1.2x	2.14	2.1x	19.1x	9.6x	9.7x
Metsa Board	8.9x	9.9x	9.0x	1.2x	1.50	1.4x	13.3x	15.8x	13.8x
UPM-Kymmene	11.7x	9.3x	9.5x	0.0x	1.67	1.7x	2.8x	14.6x	14.8x
Norkse Scogindustrier	15.4x	NA	NA	1.2x	NA	NA	31.4x	NA	NA
James Cropper	10.6x	0.2x	0.1x	0.4x	0.01	0.0x	17.8x	28.9x	21.5x
OJI Holdings	NA	1116.3x	1025.2x	NA	0.51	0.5x	11.6x	13.2x	12.5x
<b>Chemistry peers:</b>									
Honeywell Int.	12.0x	14.1x	13.1x	1.4x	2.8x	2.7x	14.2x	20.2x	18.6x
Clariant	10.4x	NA	NA	0.6x	NA	NA	11.1x	NA	NA
Arkema	6.9x	6.5x	6.3x	0.7x	0.9x	0.9x	9.8x	11.9x	11.6x
WR Grace & Co.	17.7x	11.8x	10.7x	1.7x	2.5x	2.4x	15.9x	17.7x	15.9x
<b>Packaging peers:</b>									
Meadwestvaco	6.0x	NA	NA	0.7x	NA	NA	13.7x	NA	NA
MacFarlane Group	5.8x	0.1x	0.1x	0.2x	0.0x	0.0x	7.7x	14.7x	13.6x
Gerresheimer	7.0x	10.9x	10.4x	1.0x	1.8x	1.7x	14.2x	17.2x	18.0x
West Pharmaceutical Services	9.9x	23.4x	20.2x	1.7x	5.0x	4.6x	20.1x	41.7x	35.9x
Convertidora Industrial	8.4x	4.8x	4.4x	0.4x	0.2x	0.2x	NA	NA	NA
PSB Industries	4.6x	4.9x	4.5x	0.4x	0.6x	0.6x	8.1x	5.7x	11.2x
Astrapak Ltd	4.5x	NA	NA	0.3x	NA	NA	9.4x	NA	NA
Biccare Ltd	3.3x	NA	NA	0.2x	NA	NA	2.7x	NA	NA
Median	8.4x	9.3x	9.0x	0.7x	1.5x	1.4x	13.3x	15.3x	14.3x
High	17.7x	1116.3x	1025.2x	1.7x	5.0x	4.6x	31.4x	41.7x	35.9x
Low	3.3x	0.1x	0.1x	0.0x	0.0x	0.0x	2.7x	5.7x	9.7x
Premium (disc) to peers	11%	(19%)	(12%)	(21%)	(36%)	(34%)	NA	(5%)	17%

Source: Thomson Reuters Eikon (as on 14 September 2018)

**Exhibit 2: CPH – Comparison with weighted average of division peers**

	EV/EBITDA			P/S			P/E		
	3 year average	CY2018E	CY2019E	3 year average	CY2018E	CY2019E	3 year average	CY2018E	CY2019E
Weighted peer multiples	9.7x	9.5x	8.8x	0.9x	1.8x	1.7x	12.1x	16.7x	15.5x
CPH	9.4x	7.5x	8.0x	0.6x	1.0x	0.9x	24.6x	14.5x	16.7x
Premium (disc) to peers	(3%)	(21%)	(9%)	(37%)	(47%)	(45%)	NM	(13%)	8%

Source: Thomson Reuters Eikon (as on 14 September 2018)

## DETAILED FINANCIAL STATEMENTS

### Income Statement

CHF mn (except per share)	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
Chemistry sales	59	60	63	69	75	79	83
Paper sales	306	314	248	246	264	301	285
Packaging sales	116	118	110	119	130	147	157
<b>Net Sales</b>	<b>481</b>	<b>492</b>	<b>420</b>	<b>435</b>	<b>470</b>	<b>527</b>	<b>525</b>
Cost of Sales	(323)	(313)	(285)	(267)	(309)	(317)	(318)
<b>Gross profit</b>	<b>158</b>	<b>180</b>	<b>135</b>	<b>168</b>	<b>161</b>	<b>210</b>	<b>207</b>
Personnel cost	(86)	(88)	(86)	(89)	(84)	(91)	(93)
Outsourced maintenance/repairs	(19)	(18)	(16)	(18)	(17)	(16)	(18)
Other operating expense	(22)	(23)	(21)	(25)	(26)	(27)	(29)
<b>Total operating costs</b>	<b>(127)</b>	<b>(129)</b>	<b>(123)</b>	<b>(131)</b>	<b>(127)</b>	<b>(133)</b>	<b>(140)</b>
<b>EBITDA</b>	<b>31</b>	<b>51</b>	<b>12</b>	<b>37</b>	<b>34</b>	<b>77</b>	<b>67</b>
Depreciation on tangible fixed assets	(57)	(34)	(34)	(31)	(30)	(30)	(29)
Depreciation on intangible assets	(1)	(1)	(0)	(1)	(1)	(0)	(0)
<b>Operating profit (EBIT) before impairment</b>	<b>(27)</b>	<b>16</b>	<b>(22)</b>	<b>6</b>	<b>3</b>	<b>46</b>	<b>37</b>
Impairment	(251)	0	0	0	0	0	0
<b>Operating profit (EBIT)</b>	<b>(278)</b>	<b>16</b>	<b>(22)</b>	<b>6</b>	<b>3</b>	<b>46</b>	<b>37</b>
Finance costs	(5)	(7)	(13)	(6)	(8)	(7)	(6)
Finance income	1	2	1	1	2	0	0
<b>Total financial income (expenses)</b>	<b>(4)</b>	<b>(6)</b>	<b>(12)</b>	<b>(5)</b>	<b>(7)</b>	<b>(7)</b>	<b>(6)</b>
<b>Profit before taxes (before exceptional items)</b>	<b>(281)</b>	<b>10</b>	<b>(34)</b>	<b>1</b>	<b>(4)</b>	<b>38</b>	<b>31</b>
Non-operating items	2	1	2	(4)	23	1	1
Income taxes	8	(1)	(1)	(4)	(3)	(6)	(6)
<b>Profit attributable to the parent</b>	<b>(271)</b>	<b>11</b>	<b>(33)</b>	<b>(8)</b>	<b>16</b>	<b>33</b>	<b>26</b>
Basic EPS	(45.2)	1.8	(5.5)	(1.3)	2.7	5.5	4.3
Diluted EPS	(45.2)	1.8	(5.5)	(1.3)	2.7	5.5	4.3
DPS	0.7	0.7	0.6	0.7	0.7	2.7	2.1

Source: Research Dynamics, Company data

### Balance Sheet

CHF mn	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
<b>Assets</b>							
<b>Non-current assets</b>							
PPE	433.7	419.1	404.3	384.6	384.1	376.0	365.6
Intangible assets	1.2	1.3	2.4	3.1	4.8	4.8	6.8
Long-term financial assets	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Long-term financial receivables	0.0	2.8	0.0	0.0	0.0	0.0	0.0
Other non-current assets	22.4	22.7	20.2	52.6	56.4	56.4	56.4
<b>Total non-current assets</b>	<b>467.3</b>	<b>456.0</b>	<b>436.9</b>	<b>450.3</b>	<b>455.3</b>	<b>447.3</b>	<b>438.8</b>
<b>Current assets</b>							
Inventories	56.9	63.4	54.5	68.9	59.2	65.0	63.5
Trade accounts receivable	70.8	79.5	66.4	69.1	77.8	82.5	82.0
Other receivables	7.3	7.7	8.0	8.9	18.0	21.5	21.5
Prepaid expenses and accrued income	5.3	6.6	4.9	4.8	7.0	7.0	7.0
Short-term financial receivables	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Liquid funds and Securities	74.2	75.1	53.2	70.4	80.2	173.2	85.3
<b>Total assets</b>	<b>681.8</b>	<b>688.4</b>	<b>624.0</b>	<b>672.4</b>	<b>697.6</b>	<b>796.4</b>	<b>698.2</b>
<b>Shareholders' Equity and Liabilities</b>							
Share capital	30.0	30.0	30.0	30.0	30.0	12.0	12.0
Capital reserves	16.2	12.3	8.4	4.8	0.8	18.8	18.8
Profit reserves	659.5	389.2	397.4	351.2	346.4	336.5	365.6
Net result for the year	(271.5)	10.5	(33.1)	(7.9)	16.0	32.9	25.7
<b>Non-current liabilities</b>							
Long-term financial liabilities	117.9	128.0	126.5	145.6	143.5	226.4	100.2
Pension scheme liabilities	0.7	0.6	1.0	1.1	0.6	0.6	0.6
Other long-term liabilities	2.5	2.4	2.3	0.1	0.0	0.2	0.2
Long-term provisions	21.3	20.8	20.0	52.5	51.8	51.8	51.8
<b>Current liabilities</b>							
Trade accounts payable	59.4	53.8	46.7	53.1	69.5	72.3	72.2
Other payables	4.4	3.9	2.6	8.3	3.3	6.7	6.7
Accrued liabilities and deferred income	11.0	9.1	13.6	16.5	17.2	17.2	17.2
Short-term financial liabilities	23.0	22.6	6.8	7.0	9.8	11.9	18.1
Short-term provisions	7.2	5.1	1.5	7.6	5.6	5.6	5.6
<b>Total liabilities</b>	<b>247.5</b>	<b>246.4</b>	<b>221.2</b>	<b>291.6</b>	<b>301.3</b>	<b>392.7</b>	<b>272.6</b>
<b>Total equity and liab.</b>	<b>681.8</b>	<b>688.4</b>	<b>624.0</b>	<b>672.4</b>	<b>697.6</b>	<b>796.4</b>	<b>698.2</b>

Source: Research Dynamics, Company data

### Cash Flow Statement

CHF mn	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
Net profit for the period	(271.5)	10.5	(33.1)	(7.7)	16.2	32.9	25.7
Non-cash adjustments:	298.8	30.3	35.3	33.9	(1.5)	30.8	29.9
<b>Change in current assets and liabilities:</b>							
(Increase)/ decrease in inventories	(2.6)	(5.5)	8.4	(13.1)	13.6	(5.8)	1.5
Decrease in trade accounts receivable	3.4	(11.2)	8.1	(0.5)	(7.7)	(4.6)	0.4
Increase/ (decrease) in trade accounts payable	6.4	(5.8)	(6.8)	1.6	15.8	2.8	(0.1)
Other changes in working capital	(3.0)	1.5	11.5	7.7	(4.2)	(3.5)	-
<b>Cash flows from operating activities</b>	<b>31.4</b>	<b>19.8</b>	<b>23.3</b>	<b>21.9</b>	<b>32.2</b>	<b>52.6</b>	<b>57.5</b>
Investments in tangible fixed assets	(18.2)	(19.2)	(21.9)	(20.7)	(32.3)	(19.2)	(19.0)
Disposals of tangible fixed assets	0.9	0.4	1.6	20.5	15.4	-	-
Investments in intangible assets	(0.5)	(0.6)	(1.6)	(1.2)	(2.4)	(0.5)	(2.4)
Investments in business activities	-	-	-	(18.5)	-	(21.0)	-
Repayment of long-term financial receivables	-	-	-	-	-	-	-
<b>Cash flow generated (used) in investment act.</b>	<b>(17.8)</b>	<b>(19.4)</b>	<b>(22.0)</b>	<b>(19.9)</b>	<b>(19.3)</b>	<b>(40.7)</b>	<b>(21.4)</b>
Increase/ (Decrease) in short-term financial liabilities and receivables	(2.0)	(0.4)	(15.3)	0.1	1.0	2.1	6.2
Increase/ (Decrease) in long-term financial liabilities	(10.8)	9.8	(1.1)	19.0	(0.6)	82.9	(126.2)
Increase in other long-term liabilities	2.5	(0.2)	(0.1)	(0.4)	0.2	-	-
Minority interests and changes resulting from minorities	-	-	-	-	-	-	-
Dividends to shareholders	(3.9)	(3.9)	(3.9)	(3.6)	(3.9)	(3.9)	(3.9)
<b>Cash flow generated (used) in financing act.</b>	<b>(14.2)</b>	<b>5.3</b>	<b>(20.4)</b>	<b>15.2</b>	<b>(3.3)</b>	<b>81.1</b>	<b>(123.9)</b>
Exchange (losses)/gains	(0.2)	0.2	2.3	0.1	0.2	-	-
<b>Net change in cash</b>	<b>(0.7)</b>	<b>6.0</b>	<b>(16.7)</b>	<b>17.2</b>	<b>9.8</b>	<b>93.0</b>	<b>(87.8)</b>
Opening cash balance	64.7	63.9	69.9	53.1	70.3	80.1	173.1
<b>Closing cash balance</b>	<b>63.9</b>	<b>69.9</b>	<b>53.1</b>	<b>70.3</b>	<b>80.1</b>	<b>173.1</b>	<b>85.3</b>

Source: Research Dynamics, Company data

### Key Ratios

	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
<b>Growth Ratios</b>							
Sales Growth	(2%)	2%	(15%)	4%	8%	12%	(1%)
Chemistry division	(13%)	2%	4%	11%	9%	5%	5%
Paper division	(3%)	3%	(21%)	(1%)	7%	14%	(5%)
Packaging division	9%	1%	(7%)	9%	9%	13%	7%
Operating Profit Growth	NM	NM	NM	NM	(51%)	NM	(20%)
Net Income Growth	NM	NM	NM	NM	NM	106%	(22%)
<b>Profitability Ratios (%)</b>							
Operating margin (before impairment) (%)	(6%)	3%	(5%)	1%	1%	9%	7%
Chemistry division	(9%)	(4%)	(3%)	2%	5%	7%	7%
Paper division	(10%)	4%	(11%)	(2%)	(5%)	9%	7%
Packaging division	6%	4%	5%	8%	7%	8%	8%
EBITDA Margin %	6%	10%	3%	8%	7%	15%	13%
Net Margin (%)	(56%)	2%	(8%)	(2%)	3%	6%	5%
<b>Return Ratios</b>							
Profit Margin	(56%)	2%	(8%)	(2%)	3%	6%	5%
Asset Turnover	0.6x	0.7x	0.6x	0.7x	0.7x	0.7x	0.7x
Financial Leverage	1.4x	1.6x	1.6x	1.7x	1.8x	1.9x	1.8x
Dupont ROE (%)	(47%)	2%	(8%)	(2%)	4%	8%	6%
ROCE (%)	(5%)	3%	(4%)	1%	1%	7%	7%
ROA (%)	(33%)	2%	(5%)	(1%)	2%	4%	3%
<b>Leverage Ratios</b>							
Debt - Equity Ratio	0.3x	0.3x	0.3x	0.4x	0.4x	0.6x	0.3x
Net Debt - Equity Ratio	0.2x	0.2x	0.2x	0.2x	0.2x	0.2x	0.1x
Interest Coverage	(6.0x)	5.2x	(5.5x)	1.4x	0.7x	6.2x	6.3x
<b>Liquidity Ratios</b>							
Current Ratio	2.0x	2.5x	2.6x	2.4x	2.3x	3.1x	2.2x
Quick Ratio	1.5x	1.8x	1.9x	1.7x	1.7x	2.5x	1.6x
<b>Valuation Ratios</b>							
EV/EBITDA	13.7x	6.2x	25.8x	15.7x	17.2x	7.6x	8.7x
P/E	NM	22.9x	NM	NM	31.5x	15.3x	19.6x
P/BV	0.8x	0.5x	0.6x	1.3x	1.3x	1.3x	1.2x

Source: Research Dynamics, Bloomberg, Company data

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