VIGLACERA TIEN SON JSC (VIT – HNX)

Driving Force from Capacity Expansion

- VIT has a large market share in granite tiles
- Positive prospect of granite consumption in the long term
- Business Performance and Liquidity Has the Improving Trend
- Optimistic Business Results in Long-term

As a leading manufacturer of granite tiles, Vigalcera Tien Son Joint Stock Company has significantly benefited from the recovery of real estate market and construction activities. During 2013-2016, its business results improved strongly with the compound growth rate of revenue and NPAT of 20.8% and 70.4%, respectively.

However, the potential of capacity growth for existing plants is relatively low when the utilization rate of design capacity has been already high. Therefore, VIT acquired My Duc factory at cost (including repair and upgrading) of ~30% lower than new investment, and this factory might start to operate in June 2017. We expect that this factory will run smoothly after operation and will be growth force for VIT's earnings in 2017-2018. VIT also plans to invest in Phase 2 of My Duc factory from 2018.

Besides, its existing plants could see improvement in gross profit margin this year as the conversion of CNG technology completed, production efficiency increases and Tien Son plant is fully depreciated. We estimate that sales and EAT in 2017 could reach VND1,146 and VND68 billion respectively, up by 18.8% YoY and 18.5% YoY.

*We believe VIT's fair price is **VND33,900** per share, 20.2% higher than the closing price on 22/05/2017. Therefore, we recommend investors to **ACCUMULATE** the stock in **LONG TERM**. However, low liquidity is also a concerning point.*

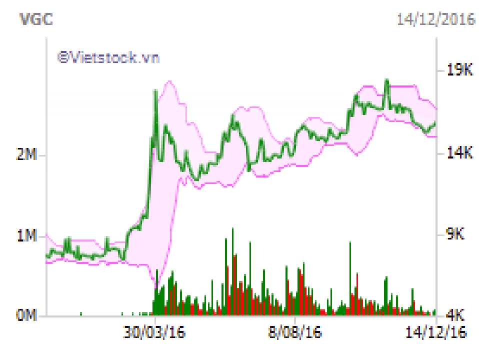
Key financials

Y/E Dec (VND bn)	FY2015	FY2016	FY2017F	FY2018F
Net Revenues	681.8	965.2	1,146.4	1,323.6
% change	0.6%	41.6%	18.8%	15.5%
PAT	37.3	57.4	67.9	78.0
% change	34.5%	53.7%	18.5%	14.9%
Net margin (%)	5.5%	5.9%	5.9%	5.9%
ROA (%)	6.3%	7.9%	7.8%	8.1%
ROE (%)	21.0%	27.3%	28.8%	31.5%
EPS (VND)	2,487	3,824	3,708**	3,721**
Book value (VND)	12,920	15,058	12,624	12,773
Cash dividend (VND)	1,000	1,500	4.000	3.000
P/E (x) (*)	7.4	6.9	7.6*	7.6*
P/BV (x) (*)	1.4	1.8	2.2*	2.2*

*Sources: VIT, RongViet Research, (*) Based on share price on May 22, 2017, ** the average number of share: 16.88 million shares*

ACCUMULATE

Market price (VND)	28,200
Target Price (VND)	33,900
Investment Horizon	**Long Term**



Stock Info

Sector	Building Materials
Market Cap (VND bn)	423
Shares O/S	15,000,000
Beta	0.81
Free float (%)	42.9
52 weeks High	32,000
52 weeks Low	20,500
Avg. Daily Volume (in 20 sessions)	26,791

Performance (%)

	3T	1N	3N
VIT	-5.7	33.6	432.1
Building Material	1.8	26.6	n/a
HNX30 Index	9.5	17.3	16.8
HNX-Index	6.4	12.8	23.6

Major Shareholders (%)

Viglacera Corporation	51.0
Nguyen Thi Minh	6.1

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VIT has a large market share in granite tiles

Viglacera Tien Son JSC (HNX - VIT) is the only subsidiary of Viglacera Corporation (51%) specializing in granite tile production with the focus on middle and high-end markets. At the present, two factories of VIT in Bac Ninh and Thai Binh have total design capacity of 6.5 million m^2/year, equivalent to nearly 12% of total domestic granite demand. VIT mainly produces 60x60 and 80x80 tile products.

Table 1: Capacity of Several Large Granite Companies

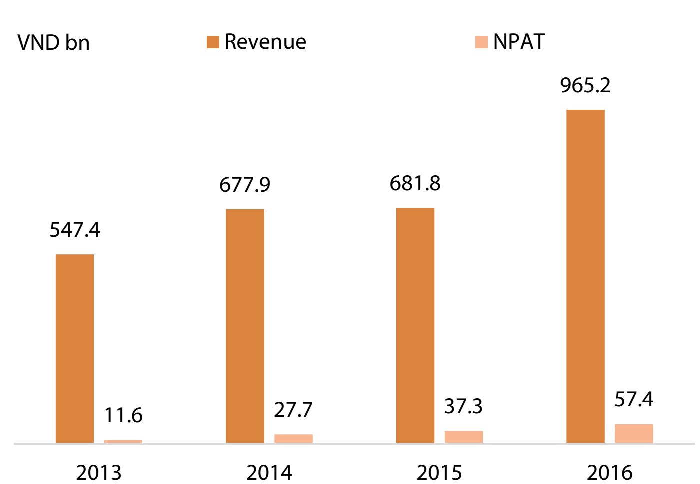
Name	Headquater	Design capacity	Market
Taicera	Dong Nai	14 million m^2	Domestic: 50%
Viglacera Tien Sơn	Bac Ninh	6.5 million m^2	Domestic: 93%
Thach Ban	Bac Giang	9.5 million m^2	
Dong Tam	Long An	1.5 million m^2	

Source: RongViet Research

VIT focuses on investing in technical innovation and product diversification in design and size. In 2016, the Company switched from coal to compressed natural gas (CNG) to increase the stability of its product quality. In addition to this, VIT equipped its factories with new digital printing technology and nanotechnology for ultra-gloss and super-waterproof surfaces for high precision. As a results, VIT's products meet the import standards of many countries including Thailand, India, Japan, Taiwan, Korea and Sweden. However, the proportion of exports is still relatively low (7.2%), and only serves the market diversification target and reducing risks when domestic consumption deteriotates. Similar to other subsidies in Viglacera Group, VIT does not directly distribute its products but sells it through two companies which are Viglacera Trading JSC (Northern Vietnam, 80% of VIT's consumption volume) and Viglacera ceramic tiles trading JSC (Central and Southern areas).

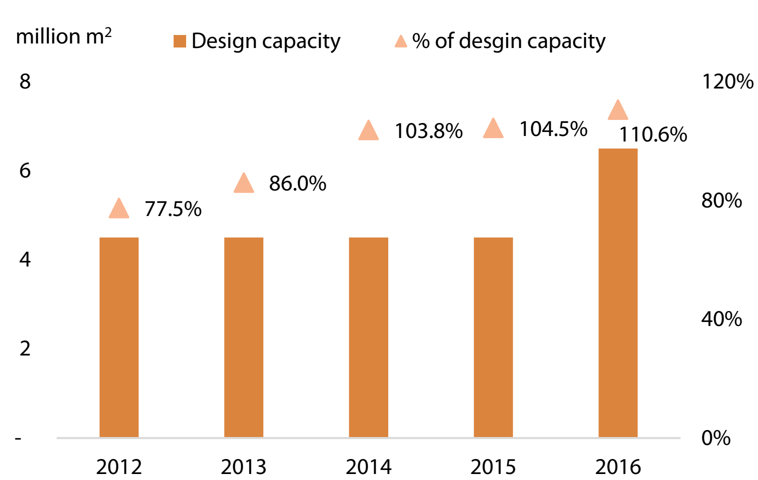
Thanks to the high market share and good preparation for the market recovery, business results of VIT in recent years have improved dramatically. Sales and EAT delivered the double-digit CAGR of 20.8% and 70.4% per year respectively during the period 2013-2016. It is noteworthy that the utilization rate of VIT is high, exceeding about 10% of design capacity while most of its peers only operate at 80-90%.

Graph 1: Business Results of VIT During 2012-2016 Period



Source: VIT

Graph 2: VIT's Utilization Rate During 2012-2016 Period



Source: VIT

Positive prospect of granite consumption in the long term

In Vietnam, demand for tile products has steadily grown. Total consumption including exports in 2015 was around 438 million m^2, increased by 29% YoY. The Ministry of Construction forecasts the consumption prospects to remain positive, and total demand for granite tiles could reach 140 million m^2 by 2020. In addition to four common tile types (cotto, ceramic, porcelain and granite), new materials such as laminate wood flooring and wood-plastic composite are still not popular due to their high prices (300,000-500,000 VND/m^2) and water absorption. Therefore, these materials are mainly used in high class constructions.

In term of supply, the total capacity of the industry has increased sharply from 389 million m^2 (in 2014) to 500 million m^2 by the end of 2016. Along with ample imported products, tile industry is facing minor oversupply problem, mainly in ceramic tiles which are not suitable for consumer tastes (low quality and small size). In contrast, the production capacity of granite tiles is only around 60 million m^2. It means that the capacity of granite must grow at 18%/year to meet the consumption demand based on the projection of the Ministry of Construction. Besides, new investment in ceramic will be restricted, while granite is encouraged to expand.

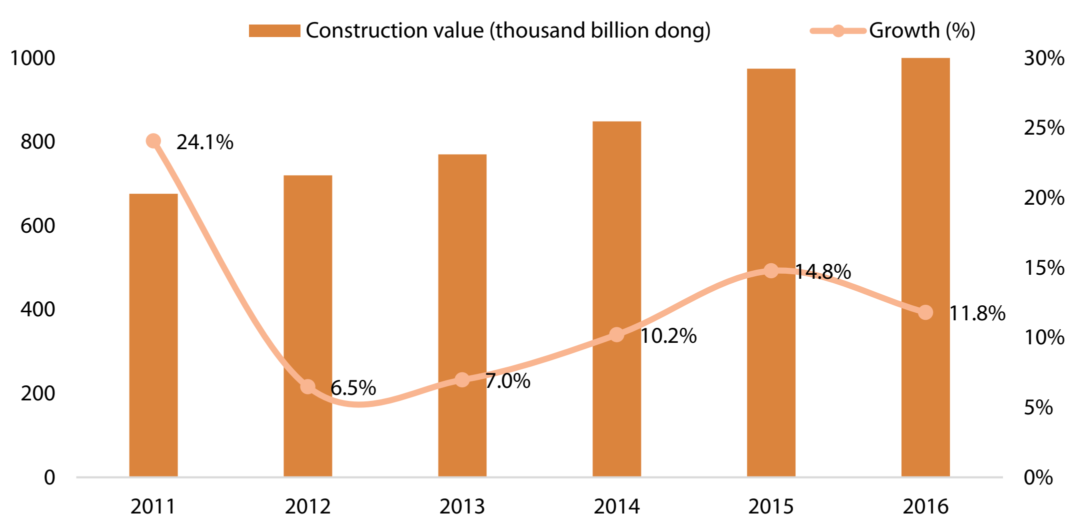
Table 2: New/Expanding Projects Producing Granite Tiles

Business	Head quarter	Design capacity	Market
Nice ceramic	Dong Nai	14 million m^2	Domestic: 50%
Viglacera Tien Son	Bac Ninh	2.5 million m^2	Domestic: 93%
Thach Ban	Bac Giang	9.5 million m^2	
Dong Tam	Long An	1.5 million m^2	

Source: RongViet Research

Because of its outstanding strength and durability, granite is becoming more and more popular than ceramic despite of 40% higher in price. In developed countries such as China, USA, India and Taiwan, the proportion of granite tiles is quite high and tends to increase, i.e. granite tiles account for over 80% of China's consumption. However, granite usage in Vietnam is still low (~13%) because of short history of establishment (10 years).

Graph 3: Growth in Construction Value



Source: GSO

Consumption trends in the use of granite tiles will continue to be supported by increasing construction projects coupled with accelerated urbanization and income improvement. The growth of offices, retails and serviced apartment projects (Savills report) will also boost sales of granite tiles. Therefore, several major enterprises including VIT are promoting new investment or increasing the capacity of their factories to meet future market demand.

Growth Momentum from Ongoing Expansion Projects

Similar to its peers, VIT has also invested in many new projects. At the end of 2015, its new factory namely Thai Binh Phase 2 started the operation. The design capacity of the factory is 2 million m^2/year, and the capex was only VND223 billion. It is lower than cost reference of the Ministry of Construction because of utilizing a part of Thai Binh plant – Phase 1. In the first operating year, the plant was quickly stabilized, and its volume even exceeded 10% of total design capacity. However, the rates of defects and losses were higher than expectation. There has been many improvements through each quarters. We believe that there was significant contribution from this plant to VIT's strong growth in revenue (41.6% YoY) and EAT (53.7% YoY) in 2016.

The production capacity of VIT will continue to increase after the acquisition of the factory of My Duc Ceramic Co., Ltd. This enterprise was used to be one of the well-known brands in Vietnam during 2009-2013. However, the plant has been shut down since March 2015 due to high production costs (raw materials have to be imported) and financial distress. At the present, the acquisition has been completed, and VIT will buy two additional Italian digital printers, enamel and grinding lines along with several additional equipment to convert from ceramic line (1998) and porcelain line (2012) to granite tiles with a design capacity of 2.4 million m^2/year. The main product lines are 60x60, 30x60, 45x90, 60x60, 30x60 and 45x90.

The investment in My Duc factory has many advantages:

First of all, total investment for My Duc (VND243.7 billion) including acquisition and additional investment (~VND74 billion) is lower than new investment (~VND336 billion) (investment rate of the Ministry of Construction). In addition to this, the old production lines of the My Duc factory are well invested with machinery imported from Germany and Italy and have good periodic maintenance, therefore, the machines still work well. The factory can quickly operate instead of making new investments and utilizing former US workers. This will help the plant to quickly stabilize operation and capture market opportunities.

Secondly, My Duc factory is located in Ba Ria - Vung Tau province near NG resource because of directly using the pipeline system from the ocean instead of tank transportation. As a result, fuel cost is 15% lower than that of the factories in the North. Accounting for 20% of COGS, lower input costs will improve VIT's gross margin in this plant by 3%. On the contrary, the transportation cost of clay and kaolin from Hai Duong and Lao Caito Ba Ria – Vung Tau will also be higher. However, My Duc factory is located in My Xuan A Industrial Park, only 6km far from Phu My port. It is convenient for sea transportation, so it only slightly affects margin (estimated ~ 1%).

Thirdly, the plant is in the South where has the highest domestic construction value and lower competition than in the North. More importantly, My Duc factory will be the main growth driver for VIT in 2017 and 2018.

After My Duc factory stabilizes the operation, VIT plans to invest in the Phase 2 of this plan with design capacity of ~3 million m^2/year in the area of 5ha which is close to My Duc factory. The project may start the construction phase in 2018 and begin the operation during mid-2019. In the context of favorable market condition and surplus growth, investment projects that increase production capacity will strongly support growth for VIT in 2019 and 2020.

Business Performance and Liquidity Has the Improving Trend

Along with the growth in earnings, VIT's profitability indicators have improved. However, gross profit margin in 2016 was lower by 1.1% due to the high loss ratio (~15-20%) of Thai Binh factory Phase 2 in 1H 2016 and VIT had to halt the production in nearly one month to convert coal-to-CNG technology. Consequently, Q1 2016 profit margin dropped sharply to 9.5%. The change in combustion technology also increased fuel costs by ~10% and COGS by ~1.5-1.8%. However, the optimal utilization of design capacity together with the improvement in average selling price when A1 product structure is higher might offset this additional cost.

Table 3: Fuel Calorific Value

	Unit	Price	Kcal
CNG	Sm^3	~8.370	10.080
Coal	kg	3.000	4.000

Source: RongViet Research, Sm^3: standard m^3

Table 4: Operation Efficiency

	2013	2014	2015	2016
Growth Rate				
Sales	5.7%	23.8%	0.6%	41.6%
Gross profit	-5.3%	2.1%	19.9%	31.4%
EBT	-222.2%	194.4%	35.0%	49.3%
NPAT	-217.0%	139.7%	34.5%	53.7%
Profitablity Ratios				
Gross margin	15.3%	12.6%	15.1%	14.0%
Operating margin	4.3%	6.0%	7.0%	7.2%
EBITDA margin	13.6%	15.7%	17.3%	16.7%
EBT margin	2.2%	5.2%	7.0%	7.4%
Net margin	2.1%	4.1%	5.5%	5.9%
EBITDA/Total Assets	11.6%	19.1%	19.7%	22.2%
Average ROA	1.8%	5.1%	6.3%	7.9%
Average ROE	9.7%	19.5%	21.0%	27.3%
EBITDA/Equity	42.7%	74.7%	66.7%	76.9%
Activity ratios				
Inventory turnover (x)	3.8	5.2	4.6	5.5
Receivable turnover (x)	5.9	8.8	12.3	21.6
Payable turnover (x)	4.5	7.6	9.1	10.6
Cash conversion cycle (day)	79	64.1	69.0	48.8

Source: RongViet Research

Financial structure is relatively unbalanced with high leverage ratio (D/E at about 2.4 times). Nonetheless, short-term solvency and liquidity ratios are gradually improving. However, with the investment in My Duc factory in 2017 and phase 2 during 2018-2019, we believe that VIT will have to raise additional capital or issue convertible bonds to finance the plant.

At the Annual General Meeting of Shareholders in 2017, VIT had been approved to issue additional 30% of total shares at par value to existing shareholders. The issuance will be made after the Company has paid cash dividend of 40% which is expected to occur at the end of Q2 FY2017. With the market price currently much higher than the issue price and positive business outlooks, we believe that it is high probability that the issuance will be successful and VIT might have an additional VND30 billion for its business expansion.

Table 5: Liquidity Capacity

Chỉ tiêu	2013	2014	2015	2016
Short-term liquidity ratios (x)				
Current liquidity ratio	0.65	0.68	0.64	0.83
Quick liquidity ratio	0.34	0.29	0.20	0.42
Cash liquidity ratio	0.09	0.07	0.02	0.31
EBITDA/Total liabilities	16.1%	25.6%	27.9%	31.3%
Solvency ratio (x)				
EBITDA/Interest expense	2.2	3.6	4.0	4.5
Capital structure				
Total liabilities/Equity	378.3%	224.6%	251.4%	241.2%
Total liabilities/Total asset	79.1%	69.2%	71.5%	70.7%
Short-term liabilities /Total assets	41.5%	38.7%	33.1%	35.4%
Long-term liabilities / Total assets	14.8%	15.5%	24.5%	20.9%

Source: RongViet Research

Positive Business Results in Long-term

With its experience in operating new plants, we expect that My Duc factory will be quickly stabilized. We assume that the plant will start selling its products in early July 2017 and operate at ~83% of design capacity this year. The plant will also distributes products mainly through Viglacera ceramic tiles trading JSC with 70-80% market in the South and 20-30% in the Central provinces (Da Nang, Nha Trang). In the first year of operation, we expect that the average selling price is likely to be ~2.8% lower than the selling price of existing plants due to lower proportion of A1 products and higher shrinkage rates. However, we expect the gap in average selling prices will narrow as the plant runs smoothly.

In addition to this, profit margin of My Duc factory may be up to 15-17% in long term, higher than VIT's existing plants. We estimate that revenue from My Duc in 2017 to be about VND142 billion. With the assumption of running at 95% of designed capacity in 2018 and 1% improvement in selling price, the revenue of My Duc can reach VND315 billion. We did not take My Duc 2 into the valuation because the information about this plant is unclear.

We assume that the average selling price of Tien Son and Thai Binh factory will increase 1.5% compared to 2016, offsetting the increase in raw material costs. At the same time, Tien Son factory (running in 2004) will be fully depreciated from this year. It will also reduce the depreciation cost of these two plants by VND10 billion (~8.5% depreciation expense) and increase gross margin by 1.1%.

In Q1 2017, VIT's production efficiency continued to grow positively. Production was 1.76 million m^2, up by 14.2% YoY. The quality of products continued to improve with the proportion of A1 products (highest price) to reach 95.9%, much higher than 85.5% of Q1/2016 and 93.4% of Q4/2016. The average loss rate of plants also decreased from 4.6% to 4.02%. As a result, gross margin of VIT in Q1/2017 increased sharply from 9.5% (Q1/2016) to 14.6%. EBT was VND8.5 billion, increased by 83.6% YoY, but only accomplished 10.6 percent of 2016's guidance because of the low season and long maintenance period (15-20 days). Business results from the second quarter will be more prosperous following the improvement of the real estate market and construction activities.

Table 6: Business results in Q1/2017

(VND bn)	Q1-FY17	Q4-FY16	*+/- (qoq)*	Q1-FY16	*+/- (yoy)*
Revenue	178.8	306.3	-41.6%	160.6	11.3%
Gross profit	26.0	42.0	-38.1%	18.6	39.8%
SG&A expense	-7.7	-9.4	-18.6%	-6.8	13.1%
Operating profit	8.2	23.9	-65.6%	4.4	88.9%
EBITDA	32.4	32.5	-0.4%	26.8	21.0%
EBIT	19.6	32.5	-39.8%	12.8	53.3%
Financial expense	-10.5	-8.9	17.7%	-8.5	24.1%
- Interest expense	-10.3	-8.5	21.2%	-8.2	26.3%
Depreciation	12.8	12.8	-0.2%	14.0	-8.4%
EBT	8.5	24.7	-65.5%	4.6	83.6%
NPAT	6.8	19.7	-65.5%	3.7	83.6%

Source: VIT

Total revenue of 2017 is estimated at VND1,146 billion, up by 18.8% from 2016. The company's gross margin might enhance by only 0.7% due new operation of My Duc factory. Selling and administrative expenses are likely to remain stable over 2016. Financial expenses may increase by VND6 billion, largely because of loans for My Duc factory. The EAT of 2017 is estimated at VND71.0 billion, equivalent to EPS of VND3,708 per share, after deducting a bonus of 5%, a 50% bonus on pre-tax profit and using the average number of share at 16.88 million (assumed to be released in July 2017). With the My Duc factory running in 2018, revenue and EAT can achieve VND1,324 billion and VND78 billion respectively.

Table 7: Some key indicators in 2017-2021F (Unit: VND bn)

	2017F	2018F	2019F	2020F	2021F
Selling volume (m^2)	8,052,000	9,276,650	9,348,000	9,421,300	9,533,000
Growth in volume	12.0%	15.2%	0.8%	0.8%	1.2%
Net revenue	1,146.4	1,323.6	1,339.2	1,355.2	1,377.0
Growth in revenue	18.8%	15.5%	1.2%	1.2%	1.6%
Gross profit	165.9	193.3	198.6	202.6	203.1
Financial gains/losses	-45.4	-54.9	-56.7	-49.9	-44.7
Operation profit	84.4	96.7	96.4	102.6	104.7
NPAT	67.9	78.0	77.8	82.9	84.7
Net margin	5.9%	5.9%	5.8%	6.1%	6.2%
EBITDA	183.0	214.8	215.1	217.5	215.7
EPS (VND)	3,708	3,721	3,710	3,953	4,041
Book value per share (VND)	12,624	12,773	12,966	13,340	13,806

Source: RongViet Research

Valuation

We equally combine the discounted cash flow (FCFF) and relative value (P/E) methods to determine the fair price for VIT. In the cash flow to firm method, the discount rate used for 2017-2021 is 12% and from 2021 onwards is 14.1%. The FCFF's long-term growth rate is estimated at 1.4%.

The P/E method uses references from peers. Although the prospect of VIT's products is better than smaller companies (TTC, GMX), the market capitalization of VIT is quite small. Therefore, we use P/E of 7x for VIT.

The fair price for VIT is determined at **VND33,900** per share, 20.2% higher than the closing price on May 22, 2017. Therefore, we recommend investors to **ACCUMUALATE** the stock in **LONG TERM**.

Table 8: P/E ratios of Some Typical Tile Enterprises

No.	Ticker	Market cap (VND bn)	P/E (*)
1	VHL	1,089.4	6.8
2	CVT	131.8	6.4
3	GMX	91.2	8.3
4	TTC	109.3	5.5
5	NHC	1,120.0	9.8
	Average		**8.1**

*Source: FiinPro, RongViet Research, *Use close price on May 19, 2017*

Table 9: Valuation Results

Valuation method	Price	Weight	Average
FCFF	41,791	50%	20,895
P/E	25,956	50%	12,978
Average		**100%**	**33,873**

Source: RongViet Research

Outlook

As a leading manufacturer of granite tiles, Vigalcera Tien Son Joint Stock Company has significantly benefited from the recovery of real estate market and construction activities. During 2013-2016, its business results improved strongly with the compound growth rate of revenue and NPAT of 20.8% and 70.4%, respectively.

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APPENDIX: POPULATION OF VIETNAM TILL 2050

Year	Population	% change	Mean age	Urbanlization rate
1955	28,147,785	2.56%	24	13.20%
1960	32,670,623	3.03%	22	14.80%
1980	54,372,518	2.22%	19	19.40%
2000	80,285,563	1.32%	24	24.60%
2010	88,357,775	0.97%	29	30.60%
2015	**93,447,601**	**1.13%**	**30**	**33.60%**
2020	98,156,617	0.99%	33	36.40%
2025	102,092,604	0.79%	35	39.10%
2030	105,220,343	0.61%	37	41.60%
2035	107,772,569	0.48%	39	43.80%
2040	109,925,372	0.40%	40	45.90%
2045	111,641,853	0.31%	41	47.70%
2050	112,783,209	0.20%	42	49.40%

Source: Worldomesters (www.worldomesters.info)

VND Billion

INCOME STATEMENT	FY2015	FY2016	FY2017E	FY2018F
Revenue	682	965	1,146	1,324
COGS	579	830	981	1,130
Gross profit	**103**	**135**	**166**	**193**
Selling Expense	5	11	13	15
G&A Expense	13	19	23	26
Finance Income	1	1	1	1
Finance Expense	38	37	47	56
Other profits	0	2	1	1
PBT	**48**	**72**	**85**	**98**
Prov. of Tax	11	14	17	20
Minority's Interest	0	0	0	0
PAT to Equity Shareholder	**37**	**57**	**68**	**78**
EBIT	**78**	**107**	**130**	**152**
EBITDA	118	161	183	215

FINANCIAL RATIO (%)	FY2015	FY2016	FY2017E	FY2018F
Growth				
Revenue	0.6	41.6	18.8	15.5
EBITDA	18.3	45.5	21.0	14.6
EBIT	11.0	36.4	13.5	17.4
PAT	19.3	38.0	21.5	17.1
Total Assets	34.5	53.7	18.5	14.9
Equity	35.2	13.1	26.2	-1.6
	20.5	16.5	9.0	1.2
Profitability				
Gross profit/Revenue	15.1	14.0	14.5	14.6
EBITDA/ Revenue	7.0	7.2	7.4	7.3
EBIT/ Revenue	17.3	16.7	16.0	16.2
Net margin	11.4	11.1	11.4	11.5
ROAA	5.5	5.9	5.9	5.9
ROIC or RONA	6.3	7.9	7.8	8.1
ROAE	26.7	28.6	28.4	29.5
	21.0	27.3	28.8	31.5
Efficiency				
Receivable Turnover	12.3	21.6	23.4	21.7
Inventory Turnover	4.6	5.5	1.0	5.7
Payable Turnover	9.1	10.6	1.4	8.2
Liquidity				
Current	0.64	0.83	0.70	0.77
Quick	0.20	0.42	0.28	0.31
Solvency				
Total Debt/Equity	251.4	241.2	295.1	284.4
Current Debt/Equity	116.3	120.9	128.1	122.2
Long-term Debt/ Equity	86.0	71.1	114.6	102.4

VND Billion

BALANCE SHEET	FY2015	FY2016	FY2017E	FY2018F
Cash and equivalents	6	118	66	75
Short-term investment	0	0	0	0
Receivables	49	41	57	65
Inventories	142	159	186	208
Other current assets	9	2	2	2
Tangible Fixed Assets	236	382	562	510
Intangible Fixed Assets	14	13	13	12
Other long-term assets	33	33	65	62
Long-term Asset	**475**	**452**	**661**	**608**
Payables	79	77	91	105
Other current liabilities	15	32	37	42
Current Debt	225	273	315	304
Long-term Debt	167	161	282	255
Other long-term liabilities	1	1	1	1
Total Liability	**487**	**545**	**726**	**708**
Owner's Equity	**194**	**226**	**246**	**249**
Capital	150	150	195	195
Retained Earnings	37	69	39	35
Other comprehensive income	6	6	12	19
Investment/Development fund	**0**	**0**	**0**	**0**
Total equity	**194**	**226**	**246**	**249**
Minority's Interest	0	0	0	0
TOTAL RESOURCES	**681**	**771**	**973**	**957**

CASH FLOW STATEMENT	FY2015	FY2016	FY2017E	FY2018F
Profit before tax	48	72	85	98
-Depreciation	41	54	53	62
-Adjustments	*29*	*40*	*-53*	*-62*
+/- Working capital	-82	-44	-89	-85
Net Operating CFs	**35**	**121**	**-4**	**13**
+/- Fixed Asset	-177	-29	-258	-9
+/- Deposit, equity investment	0	0	-84	3
Interest, dividend, cash profit	0	0	45	12
Net Investing CFs	**-176**	**-29**	**-297**	**5**
+/- Capital	20	0	45	0
+/- Debt	119	42	163	-38
Dividend paid & other	0	0	40	29
Net Financing CFs	**139**	**42**	**249**	**-9**
+/- cash & equivalents	-2	134	-52	9
Beginning cash & equivalents	**20**	**6**	**118**	**66**
+/- cash & equivalents	0	0	0	0
Ending cash & equivalents	**6**	**118**	**66**	**75**

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Intermediate- term (up to 6 months)	>20%	10% to 20%	-5% to10%	-15% to- 5%	<-15%
Long-term (over 6 months)	>30%	15% to 30%	-10% to 15%	-15% to -10%	<-15%

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