May, 2018

TASECO AIRS JSC (AST - HSX)

Key Beneficiary from the Fast Growing Aviation Market

- **Benefiting from the fast growing aviation and tourism market**
- **Airport retail segment: a great business with high return on capital**
- **Caterings and hotel segment to be the earnings growth drivers from 2019 onwards**

Valuation and Recommendation

Taseco Airs (HSX: AST) is one of the largest companies operating in the non-aeronautical business at five major international airports in Vietnam. The company covers a range of services for air passengers. Thanks to strong growth of air passengers, backed by the Government's support for infrastructure improvements in the tourism sector, airport retailers will be the main beneficiaries. AST owns a network of more than 70 point-of-sale under the Lucky brandname, with dominant position in Noi Bai and Da Nang airport. This segment has shown an impressive growth in recent years, and we expect that the company can even improve its performance because of new store openings in 2018.

VinaCS, AST's affiliate in catering services, is also poised to benefit as demand for air meals is soaring in-line with demand for air travel. We estimate that the affiliate will contribute to earnings from 2019 onwards.

For the hotel segment, A la Carte Da Nang has been providing stable cash flow for AST. We see the new project 5-star A la Carte Ha Long as the driver for earnings growth when the hotel becomes operational in 2020.

*We project AST's NPAT at approximately VND 160 billion (+9% YoY). Excluding the one-off profit from selling land in 2017, core business NPAT's growth is 28%. Forecasted EPS for 2018 is **VND 4,235**. Using the DCF and PE method, we estimate the fair value of AST at around **VND 97,000.** Adding VND 2,000 in dividend, total return should be 21%. Therefore, we recommend investor **BUY** the stock.*

Key financial ratios

Y/E Dec (VND Bn)	FY2016	FY2017	FY2018F	FY2019F
Net revenue	317	659	847	993
%change	719.7%	108.0%	28.5%	17.3%
PAT	44	147	160	213
% change	3871.5%	236.1%	8.9%	32.7%
Net margin (%)	13.8%	22.4%	18.9%	21.4%
ROA (%)	11.9%	23.5%	19.9%	25.4%
ROE (%)	21.7%	31.6%	26.4%	33.0%
EPS (VND)	2,732	4,093	4,235	5,618
Book value (VND)	12,582	12,924	16,883	17,907
Cash dividend (VND)	0	2,000	4,000	4,000
P/E (x)	29.8	19.9	19.2	14.5
P/BV (x)	6.5	6.3	4.8	4.6

*Source: AST, RongViet Research estimation, * Based on the price on May,2 2018.*

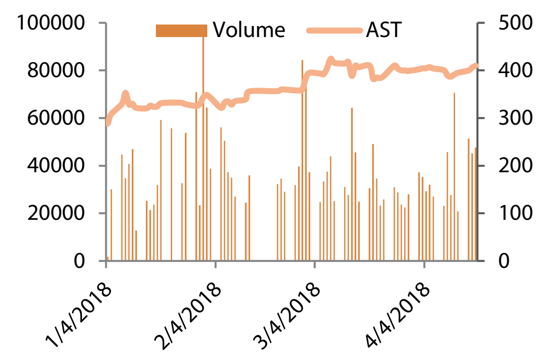
BUY +21%

CMP (VND)	81,500
Target Price (VND)	97,000
Cash Dividend (VND)*	**2,000**

** Expected in the next 12 months*

Stock Info

Sector	Airport services
Market Cap (VND bn)	2,952
Share O/S	36,000,000
Beta	n/a
Free Float (%)	29.1
52 weeks high	84,900
52 weeks low	54,000
Average trading volume (20 sessions)	163,313



Performance (%)

	3T	1N	3N
AST	26	n/a	n/a
VN30 Index	-1	49	79
VN-Index	0	44	91

Major shareholders (%)

TASECO Group	60
PENM IV	10
Others	30
Foreigner Investor Room (%)	*49%*

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A play on Vietnam's fast-growing aviation and tourism market

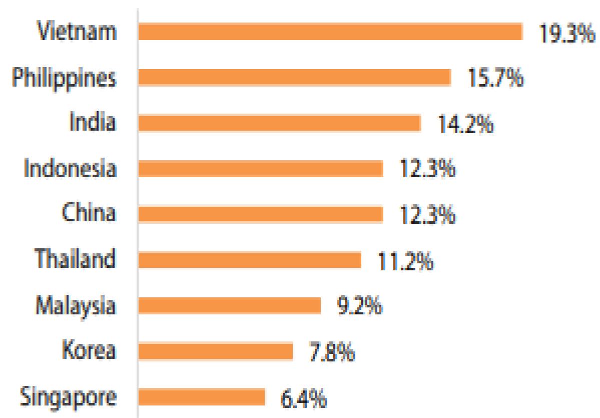
Taseco Airs, originally Taseco Noi Bai Jsc, has more than 13 years of experience as an airport retailer with the first store opened in Noi Bai. After renaming Taseco Noi Bai to Taseco Airs, the company is then merged with other branches under the same parent company, TASECO Group, in order to specialize in non-aviation services. By now, AST has covered a range of services for air passengers from in-flight catering services to lodging services. Accordingly, the company is the great beneficiary of the fast-growing aviation and tourism industry in Vietnam.

Figure 1: AST's operations cover a range of services for air passengers

Source: AST

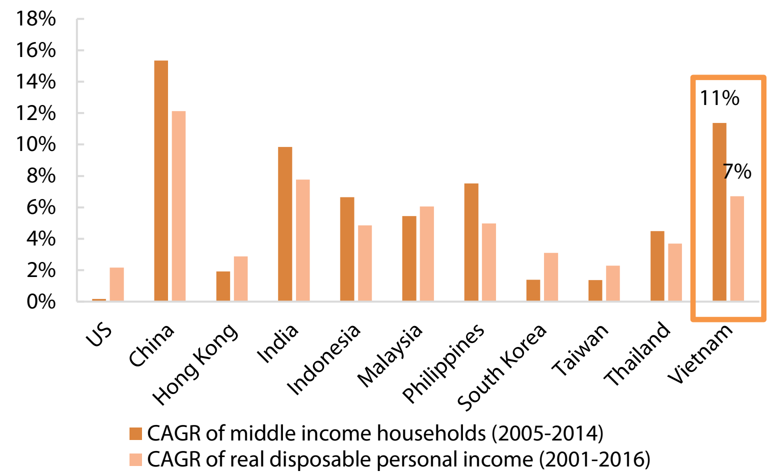
Vietnam will be among the five fastest growing markets in terms of additional air passengers from 2016-2035 according to the International Air Transport Association (IATA). Vietnam posted a record in air passenger traffic in 2017 with the number of passengers rising to 94 million, a CAGR of 19.3% for 2005-2016 period (figure 2). **Outbound travel registered strong growth,** thanks to fast increasing disposable income together with the booming of LCCs, new routes (both domestic and international) launched and aggressive fleet expansion by local airlines.

Figure 2: Passenger CAGR in the region 2005- 2016



Source: knoema.com

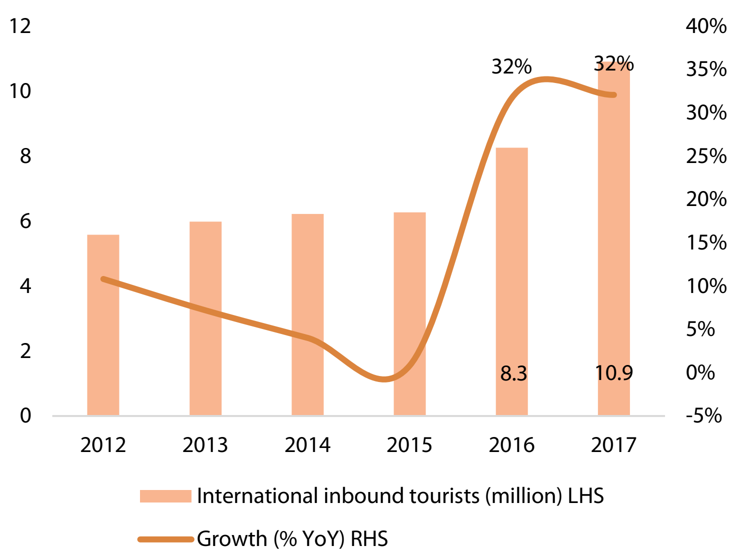
Figure 3: CAGR of middle-class households (2005-2014) and real disposable income (2001-2016) among countries



Source: CBRE

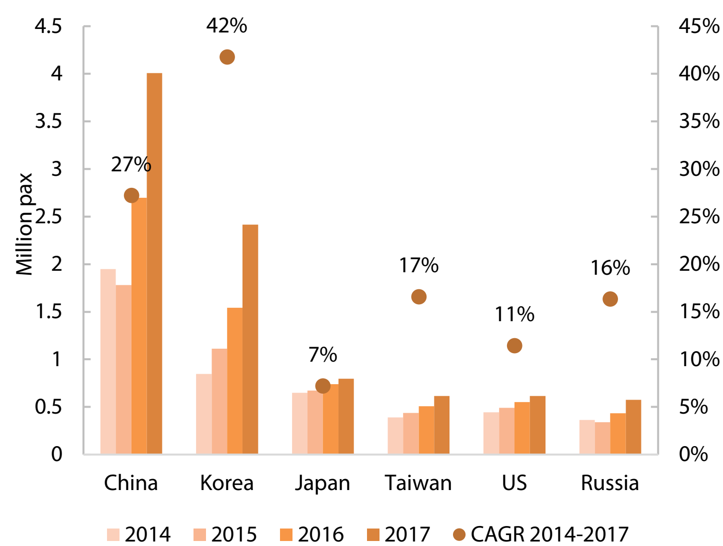
The Government also made efforts to boost tourism by waiving the visa requirement for citizens from the UK, France, Germany and a few other countries lately. This represents **over 10.9 million international inbound tourists by air travel in 2017, up 32% YoY.** In Q1 2018, foreigners to Viet Nam by air reached 3.4 million, up 28% YoY.

Figure 4: International inbound tourists by air



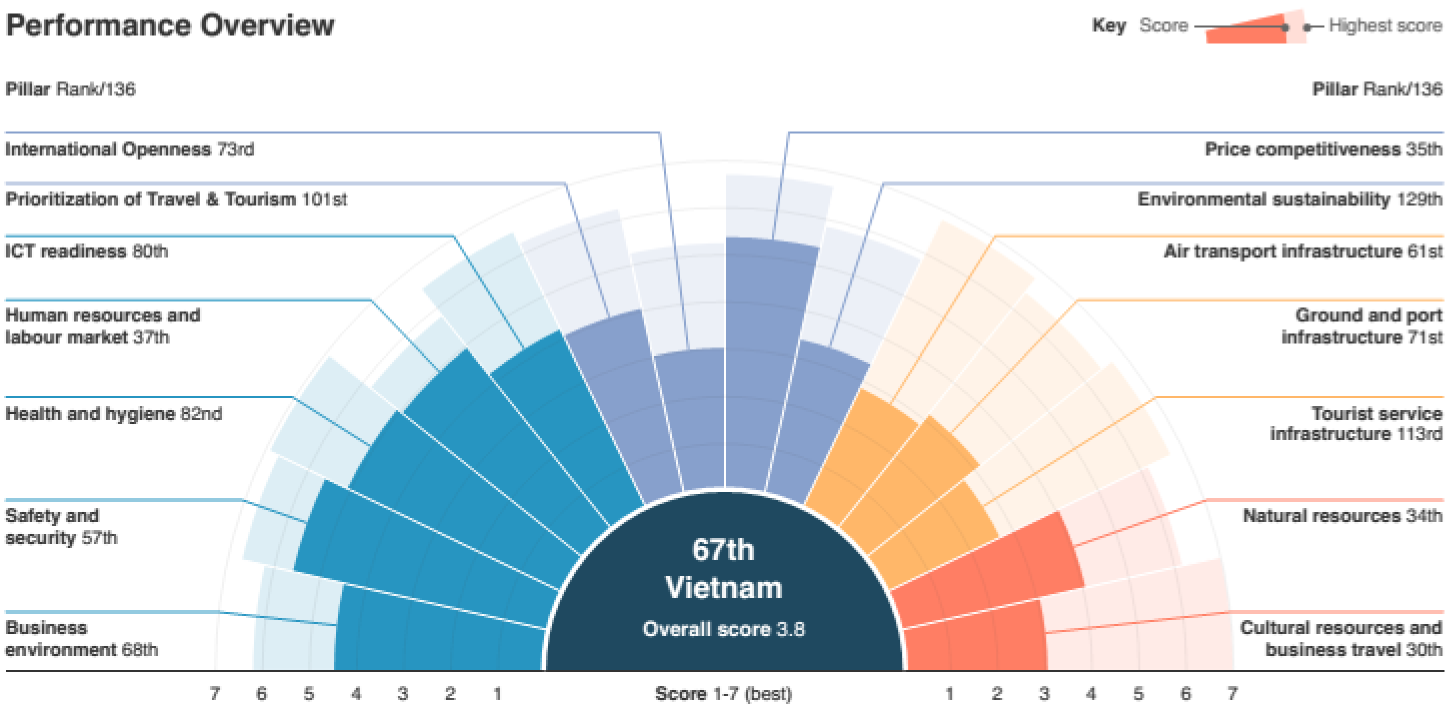
Source: Vietnam National administration of Tourism

Figure 5: Top 6 International Inbound tourists to Vietnam



Source: Vietnam National administration of Tourism

Figure 6: Vietnam's travel and tourism performance overview



Source: World Economic Forum

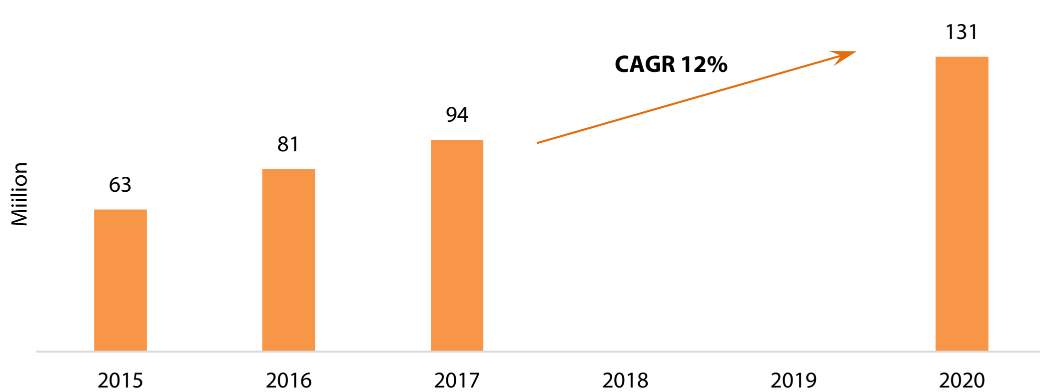
Table 1: Vietnam's Travel & Tourism Competitiveness Index improves overtime

	2011	2013	2015	2017
Rank	80/140	80/140	75/141	67/136
Score (1-7)	3.9	4.0	3.6	3.8

Source: World Economic Forum

According to the Government's estimation in the master plan for Aviation Transport Development, the number of passengers will reach 131 million by 2020 with an **average growth rate of 12% per year for the period 2017-2020** (figure 7).

Figure 7 : Number of air passengers throughput



Source: Government's master plan

Many airport expansion projects have been planned and executed to accommodate the increasing demand for air travel. Total airports capacity will rise to 144 million pax per annum by 2020, also according to the master plan (Table 2). This will open more room for new international routes to big cities, which currently are overloaded.

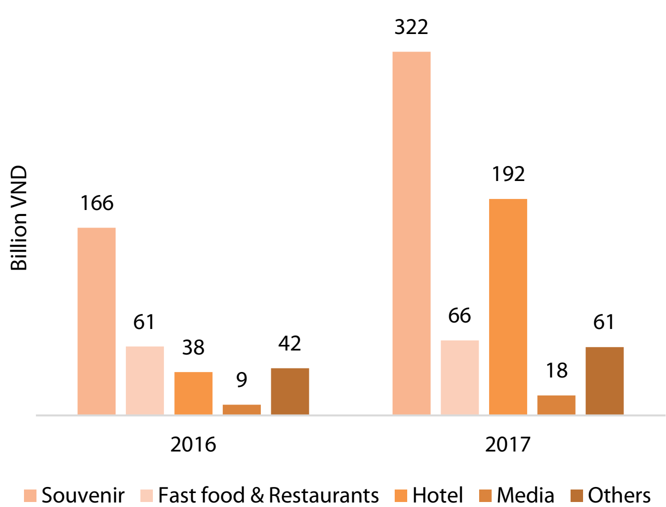
Table 2: Airports' current utilization rate and planned capacity

Airport	Designed capacity (Mn pax)	Traffic Volume in 2017 (Mn pax)	2017 Utilization rate	Capacity in 2020 (Mn pax)
Noi Bai	25	24.4	98%	30
Danang	10	11	110%	13
Cam Ranh	4	6.4	160%	8
Tan Son Nhat	25	36.2	145%	45
Phu Quoc	2.65	3	113%	4
All airports in VN	**90**	**94.1**	**107%**	**144**

Source: ACV

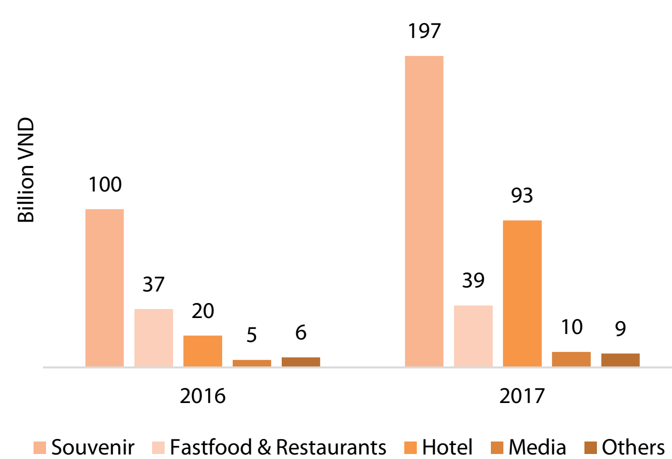
In that context, we like the potential of all AST's business segments.

Figure 8: AST's revenue by segments



Source: AST

Figure 9: AST's Gross profit by segments



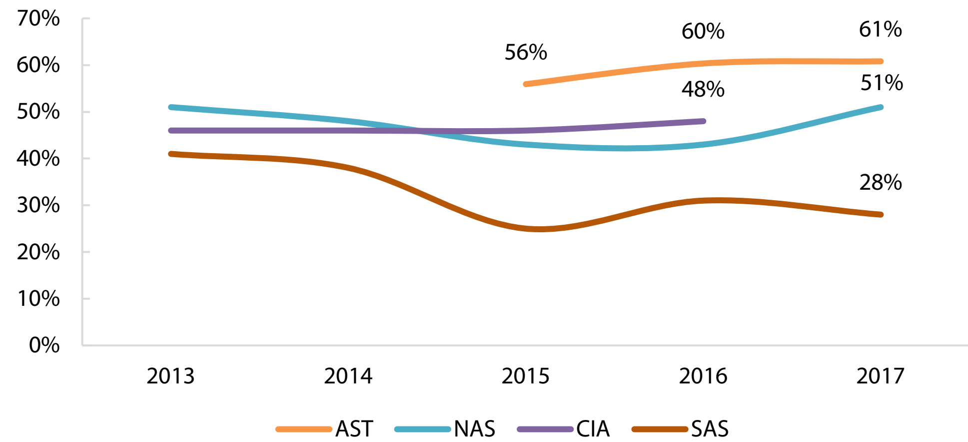
Source: AST

Retail segment: a great business with high return on capital

Retail stores is the core business of AST, accounting for 59% of its revenue. The company is well known for its souvenir stores, restaurants, cafeteria, and fast food chain under the "Lucky" commercial brand at the five largest international airports in Vietnam. As shown in figure 8, **souvenir sales** increased 94% in 2017 mostly due to (1) consolidating Taseco Da Nang, Taseco Sai Gon in mid-2016 and (2) 22 new stores opened in Noi Bai, Da Nang, Tan Son Nhat, and Phu Quoc. Meanwhile, **sales of fastfood & restaurants** grew 9% while the number of store remained unchanged.

AST stores are well located and spreaded in Noi Bai and Da Nang to make sure passengers can easily spot them. The products in the stores are carefully surveyed and updated overtime to match passenger's needs to maximize profits. We also like AST's choice to set its selling price of some products higher than other competitors as the customer is normally not price sensitive. Accordingly, gross margin of this segment has showed an improvement overtime, from 58% in 2015 to 62% in 2017 (Figure 10).

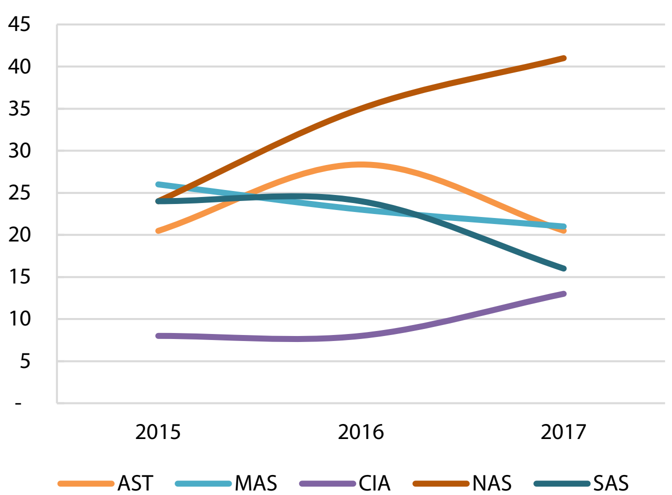
Figure 10: Retail segment GPM among airport retailers



Source: RongViet Securities

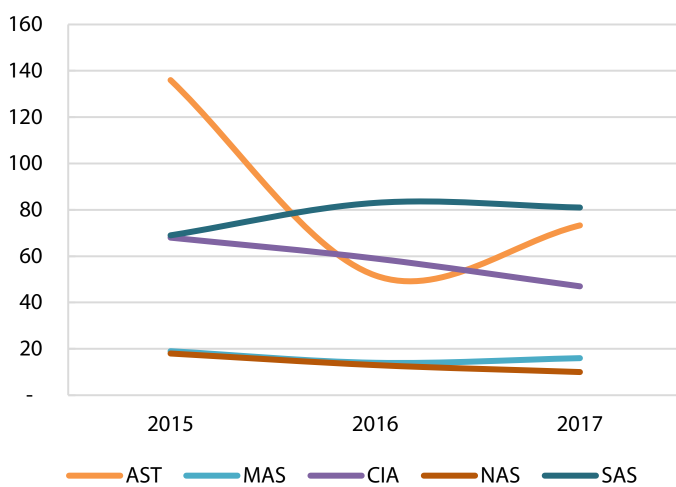
A store of AST costs a few hundred VND million to set up and brings an average revenue of VND 5.6 billion with gross margin of 60% in 2017. AST products are sold for cash in quick cycles, resulting in low receivables and inventories. This helps minimize the capital needed for operations. The business requires modest operating expenditures, mainly from labor and space leasing expenses. While leasing expenses should remain stable as most of AST's contracts have 3-year terms at fixed price, earning promises to accelerate thanks to high growth of passengers. **Therefore, profit margin and return on invested capital of the segment are very high and sustainable.**

Figure 11: DSO of listed airport retailers (days)



Source: Rongviet Securities

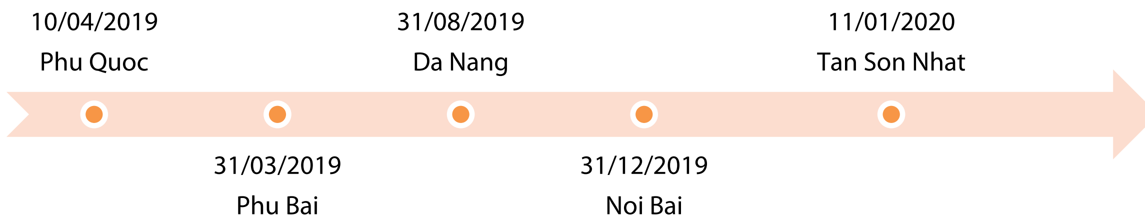
Figure 12: DSI of listed airport retailers (days)



Source: Rongviet Securities

Leasing contract renewal process also makes it hard for new players to enter the industry. According to AST management, the contract has appendix that allow AST to extend the leasing once the old term is over. Moreover, TASECO group, parent company of AST, is one of the investors at Da Nang new international airport terminal. This gives AST advantage to negotiate favorable term. The company can secure spaces, not a small thing considering that there are currently no vacancy spaces left at major airports.

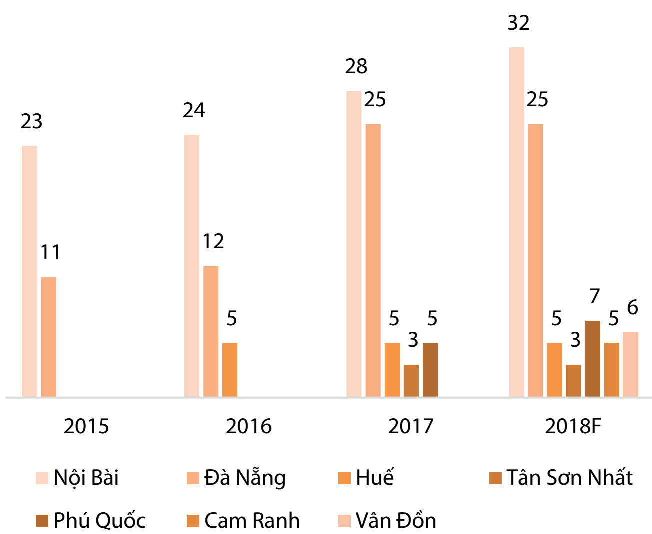
Figure 13: Remaining contract terms of AST



Source: AST's financial statement

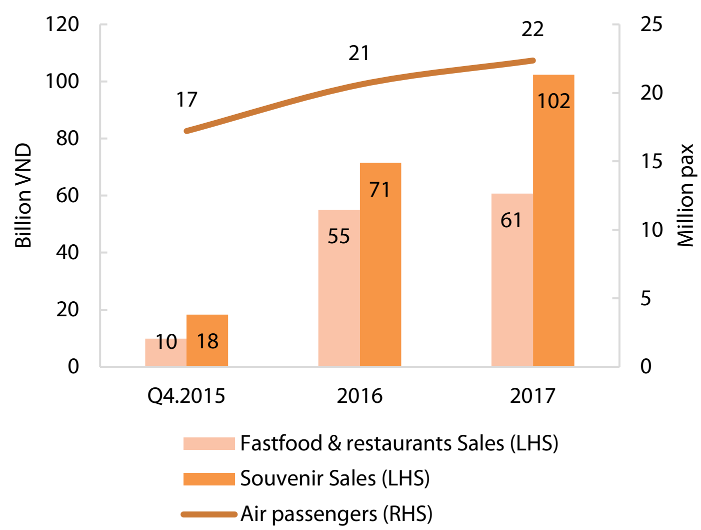
AST will open 17 new retail stores/restaurants in 2018, including: 4 in Noi Bai, 6 in Van Don, 2 in Phu Quoc, and 5 in Cam Ranh. This brings the total points of sales to 83 (+26% YoY). Since most of the new stores last year were opened in mid-2017, these will be in full-year operation in 2018. This coupled with new stores in 2018 will provide a huge boost in retail revenues.

Figure 14: Total Point-of-sales by 2018



Source: AST

Figure 15: AST Noi Bai branches Retail Sale vs Noi Bai's trafic volume



Source: AST, ACV

Sales of this segment will not only increase along with the increase of new stores, but it also grow in-line with the growth of air traffic volume, as shown in figure 15. We expect traffic in major airports in Vietnam to continue to surge in the next few years, especially in Da Nang and Cam Ranh where the new terminal will be operating this year. Therefore, we estimate that AST's same store sales will growth by 5-7%, depending on the location of the store.

Table 3: Statistics of airports in which AST is operating

Airport	International destinations	Domestic destinations	Number of passengers 2017 (in million)	Passengers CAGR 2014-2017
Noi Bai	31	15	22.4	16%
Tan Son Nhat	36	17	35.8	17%
Da Nang	27	8	11	30%
Phu Quoc	3	4	2.7	33%
Cam Ranh	9	7	6.4	46%

Source: AST

In conclusion, we see AST's retail segment as a great business that has barriers to entry, very high return on capital, and generates a strong and stable cash flow for the company. The drawback is that there is not much room left for AST to expand after 2019 when it completes setting up stores in major airports. However, we think AST can put the money generated in good use by investing in other promising business such as airline catering and hotel management.

Airline catering: lucrative prospects but need time to turn profitable

AST currently owns 27% of VinaCS, one of only four players in the airline catering business. As the number of air passenger will grow at double digit in the next few years, we expect the demand for air meals to continue to grow strongly.

Caterers in the largest airports have been overloaded for years as demand exceeded supply. Considering airports in Vietnam served over 94 million passengers in 2017, we estimate demand for air meals should be much higher than the total designed capacity of 29 million meal per year (or 80 thousand meals per day) of all players in the market. Indeed, NCS runs at 200% of its designed capacity.

Table 4: Players in the airline catering industry

	NCS	MAS	VACS	VinaCS
Year of inception	2006	Da Nang: 1991 Cam Ranh:2014 Phu Bai:2016	1995	Noi Bai: 2017 Cam Ranh: 2017
Designed Capacity (meals/day)	10,000	Da Nang: 3,000 Cam Ranh: 10,000 Phu Bai: 2,000	20,000	Noi Bai: 15,000 Cam Ranh: 10,000
Utilization rate	200%	n/a	n/a	n/a
Airports	Noi Bai	Phu Bai, Cam Ranh, Da Nang	Tan Son Nhat	Current: Noi Bai, Cam Ranh Prospects: Phu Quoc (2018), Da Nang, Tan Son Nhat
Major shareholder	HVN (60%), SAS (10%)	HVN (36%)	HVN (100%)	AST (27%)

Sourse: AST, RongViet Securities

When it comes to choosing an air meal provider, the quality of the food and facilities is the most important factor to consider. With modern technology and high-quality equipment from Europe, VinaCS has a huge advantage over state-owned competitors with their old facilities. As a result, VinaCS has acquired most of airlines operating in Cam Ranh, with Vietnam Airlines being the only exception. We expect the same story to happen in Phu Quoc when its new air meal plant start operating in Q2 2018.

However, due to large initial investment (VND 650 billion for two plants in Noi Bai and Cam Ranh) and competitive pricing policy to attract customers, it is likely that VinaCS will still incur a loss in 2018. Therefore, we think AST makes the right move to reduce ownership in VinaCS from 40% to 27%.

Table 5: VinaCS's performance forecasts

Unit: Billion VND	2018F	2019F
Meals supplied (million)	3.3	4.3
Average sale price (thousand VND)	60	64
CAPEX	205	0
Depreciation expense	30.2	34.3
Interest expense	9	20
SG&A Expense	9.8	13.6
NPAT	(19)	13.7
Contribution to AST	**(5)**	**3**

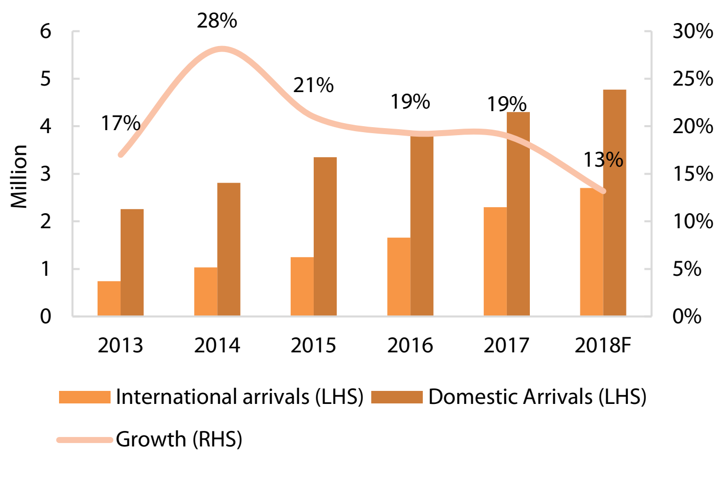
Source: RongViet Securities

We believe VinaCS will turn profitable from 2019 onward once the company operates at higher capacity and start raising prices. AST also is opened to the possibility of increasing the ownership in VinaCS when things get better.

Hotel segment: A la Carte Ha Long provides a boost from 2020 onwards

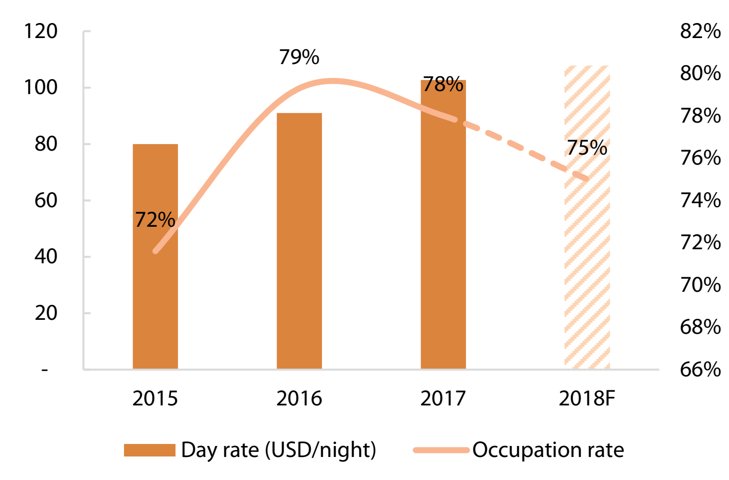
AST is operating a 4-star beachfront Hotel in Da Nang named A la Carte with 202 rooms, which is well-known for its infinity rooftop swimming pool. The occupation rate is quite high at 78% thanks to the ideal location and the significant growth of tourist arrivals. Aaccording to the city's Department of Tourism, about 6.6 million tourists came to Da Nang (+19% YoY) while the figure for international tourists was 2.3 million, posting a significant growth of 37% YoY (Figure 16).

Figure 16: Tourist Arrivals in Da Nang



Source: Da Nang Department of tourism

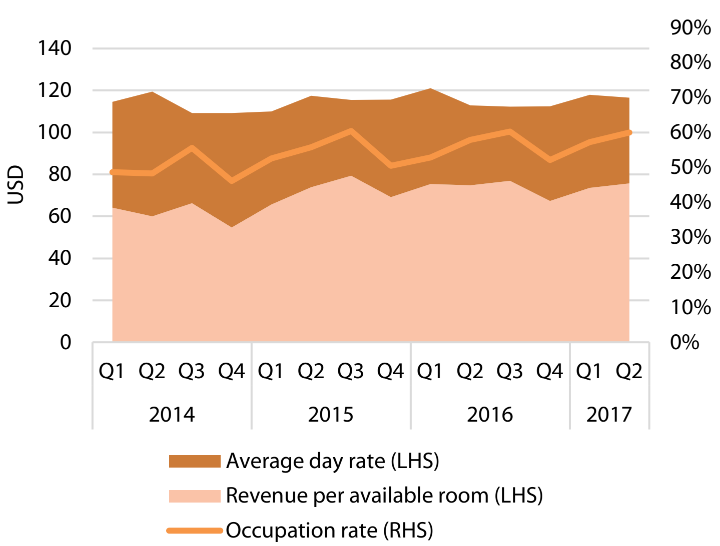
Figure 17: Forecasted A la Carte Da Nang's OCC and ADR



Source: RongViet Securities

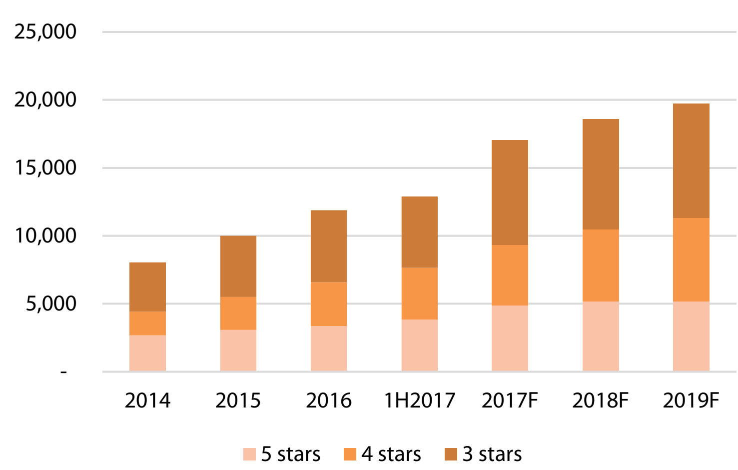
However, the average occupation rate for 4-5 star Hotel in Da Nang, according to CBRE, was only 62% by Q2 2017 (Figure 18) and the number of 3 to 5-star hotel rooms will rise at high level in incoming years, reaching 19,600 rooms in 2019, up 63% against 2016 (Figure 19). Therefore, we estimate the occupation rate moving down to 75% under the pressure of rising supply.

Figure 18: 4-5 star hotel performance in Da Nang



Source: CBRE

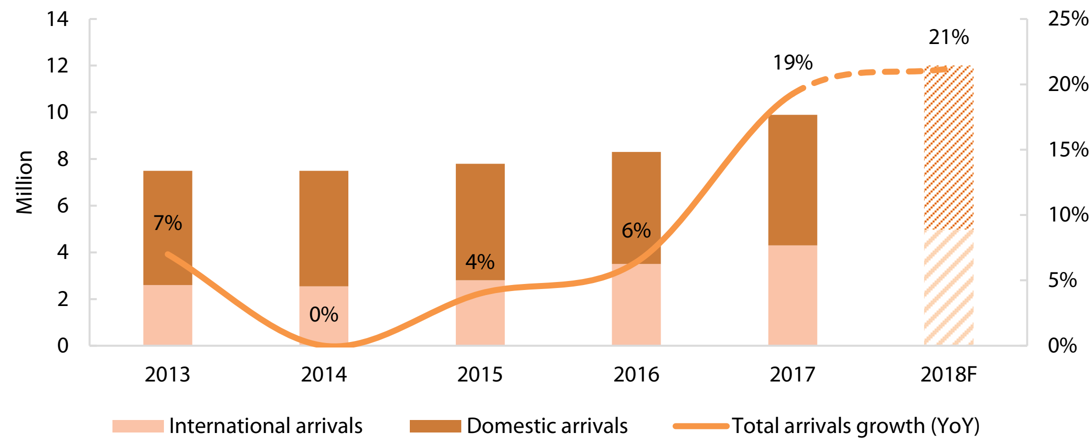
Figure 19: 3-5 star hotel accummulated rooms



Source: CBRE

To fuel the growth of this segment, Taseco Airs is planning to build another 5-star beachfront hotel in Quang Ninh named A la Carte Ha Long with nearly 800 rooms. Like the successful condotel model in A la Carte Da Nang, TASECO Group will develop this project and AST will manage the services once it is completed. The project is planned to start in Q2 2018 and is expected to be completed in 2020. AST has already invested the first half of VND150 million for this project, with the remaining half to be contributed in 2020.

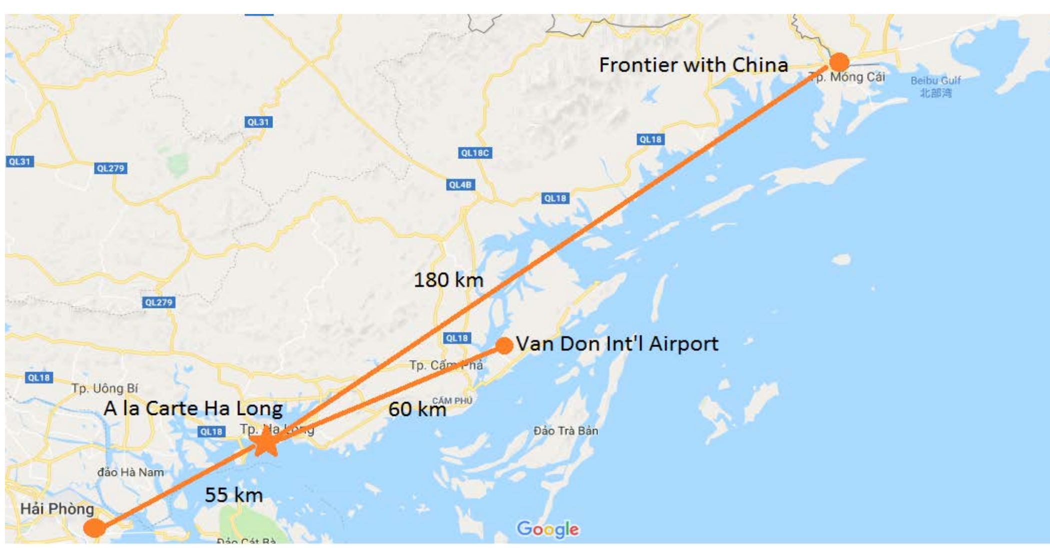
Figure 20: Tourist arrivals at Quang Ninh and forecast



Source: Quang Ninh Department of tourism

As one of the key economic zones in Northern Vietnam, many important projects have been put into operation to improve the transportation network in Quang Ninh, namely: Van Don International Airport (designed capacity 2.5 million passengers per annum), Bach Dang Bridge, Hai Phong – Ha Long Express way, Ha Long – Mong Cai Express way. In addition, Quang Ninh's location is only 180km away from the border with China. This coupled with the upgrade in transportation facilities can provide a huge boost in the number of Chinese tourists to Quang Ninh in the long-term. Transportation infrastructure improvements will be a solid foundation for tourism development in Ha Long.

Figure 21: Important projects and location will benefit Ha Long tourism



Source: RongViet Securities

We estimate A la Carte Ha Long's contribution to revenues to be around VND250 Billion in the first year of operations; considering our conservative occupation rate of about 40% and an average day rate of USD 90.

Table 6: 3-5 stars hotel performance in Quang Ninh in 2017

	3-star	4-star	5-star
Occupation rate	68%	68%	58%
% change YoY	12%	13%	11%

Source: Quang Ninh's Department of tourism

Risk

- **Tension with China affecting the number of Chinese tourists into Vietnam**

Chinese tourists accounts for 31% of the total number of foreign tourists in Vietnam. Therefore, any reduction in the number of Chinese tourists in the context of raising tension between China and Vietnam will strongly affect volumes. This was the case between China and South Korea, in which the missile crisis led to a ban on tour groups to South Korea introduced by the Chinese government. As a result, Chinese tourists to South Korea plunged by 48% in 2017, making total visitor arrivals decreased by 23%.

- **Airport expansion projects in the future may change the traffic flow and increase competition**

Airport expansion may change the traffic flow and increase the non-aeronautical space, which provides room for new players in case AST could not secure new spaces.

- **A la Carte Ha Long cannot cover the high yield for condotel investors**

AST's mother company, TASECO group, may charge a too high selling price for the condotel and in turn promises a high yield for investors. This high yield could be a burden for AST if the number of hotel guests are not as high as expected.

Earnings forecast

Table 7: Segments forecast

Unit: billion VND	2017	2018F	2019F	2020F
Revenue	**659**	**847**	**993**	**1,339**
Fast food & restaurants	66	78	84	90
Souvenir	322	396	520	556
Hotel	192	194	205	505
Media & others	78	179	184	188

Retail segment:

- 17 new stores will be open in 2018.
- Half of the stores in Da Nang opened in 2H 2017; will operate full year in 2018, leading to a boost in revenue.
- Same store sales growth (SSSG) remains at 7% in Da Nang, in Noi Bai, and 5% in Tan Son Nhat and Phu Quoc.
- Gross margin is expected at least to be equal to last year thanks to strong competitive advantage and high barrier to entry.

Hotel segment: remains flat until A la Carte Ha Long's operation in 2020 due to high pressure of supply in Da Nang's 3-5 stars hotel rooms.

Media and others: double in 2018 thanks to increase in the number of advertising board and trolley. Conducting a survey of some airport advertising agencies, we estimate an average price for board and trolley advertisement are VND 400 Million and VND 5 million per year, respectively.

Overall, we expect NPAT in 2018 to be VND160,480 Billion, translating to an EPS of VND4,235.

Valuation

FCFF method

We discount the free cash flow of the company in five years with the implied terminal growth for FCFF at 1.1%.

Table 9: AST's projected 5-year FCFF

WACC=11%	2018	2019	2020	2021	2022
FCFF	**156**	**218**	**332**	**372**	**412**
Discount factor	0.93	0.84	0.75	0.68	0.61
Present value	146	183	251	253	253

P/E Method

Given its strong growth in core business's earnings for 2018, we believe the stock should be traded at a premium PE ratio of 21x compared to other peers in the region. Forecasted 2018 EPS is VND4,235 therefore the price using this method should be 88,900.

Table 10: Peer group comparison

Company	Country	Market Cap (Mn USD)	2017 ROE %	2017 ROA %	2017 Net Income Growth %YoY	2017 Gross margin %	P/CF	P/E	P/B
AST	**VIETNAM**	**130**	**31.6**	**30**	**234.0**	**52.8**	**26.3**	**20.2**	**6.3**
MALAYSIA AIRPORTS HLDGS BHD	MALAYSIA	3,801	2.4	1.1	236.0	N/A	8.3	99.0	1.8
MACROASIA CORPORATION	PHILIPPINES	618	25.9	18.0	162.7	26.8	46.1	31.3	6.5
BEIJING CAPITAL INTL AIRPO-H	CHINA	5,926	12.8	8.1	46.0	N/A	10.8	14.5	2.0
SATS LTD	SINGAPORE	4,687	15.4	10.8	16.9	N/A	15.3	23.8	3.4
GUANGZHOU BAIYUN INTERNATI-A	CHINA	5,010	12.3	7.9	14.5	39.8	14.2	19.7	2.0
HNA INFRASTRUCTURE COMPANY-H	CHINA	626	12.5	5.6	23.3	56.5	3.6	8.2	0.7
JAPAN AIRPORT TERMINAL CO	JAPAN	3,476	6.7	3.7	-32.9	46.6	20.1	38.0	2.6
XIAMEN INTERNATIONAL AIR-A	CHINA	935	12.3	9.4	3.1	37.6	23.9	14.1	2.0
MAS	VIETNAM	12	58.8	26.8	-11.2	26.0	8.4	11.4	5.9
SAS	VIETNAM	172	17.1	13.8	18.1	44.6	9.7	14.9	2.6
NAS	VIETNAM	10	15.1	6.4	-24.3	43.1	6.8	10.2	1.8
CIA	VIETNAM	14	28.5	13.5	97.4	23.7	7.4	6.9	2.1
Average		**1,953**	**19.8**	**11.3**	**28.5**	**38.3**	**15.1**	**17.5**	**2.9**

*Source: Bloomberg as of 2 May 2018 *outlier from Malaysia is excluded.*

We also provide a range for AST's stock price based on P/E to growth (PEG) ratio with core earnings' growth for 2018 is 28%. Depending on risk appetite, investors can choose a suitable P/E forward ratio for the stock price with a lower PEG ratio meaning the less risky is the investment.

Table 11: Sensitivity analysis

P/E	20	21	22	23	24	25
PEG 1-year	0.74	0.78	0.81	0.85	0.89	0.93
Price	**84,698**	**88,933**	**93,168**	**97,402**	**101,637**	**105,872**

Combining the two methods, we estimate the fair value of AST at **VND97,000/share.**

Table 12: Valuation result (VND per share)

Method	Value	Weight	Contribution
FCFF	105,244	50%	52,600
P/E	88,933	50%	44,400
Target price			**97,000**

Unit: VND billion

PROFIT & LOSS STATEMENT	2016	2017	2018F	2019F
Revenue	317	659	847	993
COGS	148	311	398	458
Gross profit	**168**	**348**	**449**	**535**
Selling expenses	78	127	173	190
G&A expenses	39	64	75	86
Financial income	4	37	8	8
Financial expense	3	6	5	4
Other income/loss	2	3	3	3
Gain/(loss) from joint	0	-11	-5	3
Profit Before Tax	**55**	**181**	**202**	**268**
Tax expense	11	32	40	54
Minority interests	0	1	1	2
Profit After Tax	**44**	**147**	**160**	**213**
EBIT	51	158	202	258
EBITDA	59	174	220	278

Percentile changes	2016	2017	2018F	2019F
Growth				
Revenue	719.7%	108.0%	28.5%	17.3%
EBITDA	3103.9%	197.1%	26.4%	26.4%
EBIT	3539.7%	206.9%	27.8%	28.1%
PAT	3889.8%	236.1%	8.9%	32.7%
Total assets	669.6%	70.2%	28.5%	4.0%
Total equity	641.7%	130.4%	30.6%	6.1%
Profitability				
Gross margin	53.2%	52.8%	53.0%	53.9%
EBITDA margin	18.5%	26.4%	26.0%	28.0%
EBIT margin	16.2%	23.9%	23.8%	26.0%
Net margin	13.8%	22.4%	19.0%	21.4%
ROA	11.9%	23.5%	19.9%	25.4%
ROCE	21.6%	32.2%	31.9%	38.7%
ROE	21.7%	31.7%	26.4%	33.0%
Efficiency				
Receivables turnover	2.5	22.6	18.5	18.5
Inventories turnover	7.1	7.7	10.0	10.0
Payables turnover	1.5	3.2	3.2	3.2
Liquidity				
Current	1.4	2.0	2.5	1.9
Quick	1.3	1.7	2.3	1.6
Finance Structure				
Total debt/equity	33.4%	13.0%	10.1%	4.3%
ST debt/equity	16.3%	8.5%	8.4%	4.3%
LT debt/equity	17.1%	4.4%	1.8%	0.0%

Unit: VND billion

BALANCE SHEET	2016	2017	2018F	2019F
Cash and cash equivalents	41	178	331	202
Short-term investments	0	0	0	0
Accounts receivable	125	29	46	54
Inventories	21	40	40	46
Other current assets (inc. non-trade receivables)	2	20	21	22
Property, plant & equipment	90	126	137	132
Acquired intangible assets (Inc. Goodwill)	8	8	8	7
Long term investments	0	57	52	55
Other non-current assets	81	168	170	320
Total assets	**368**	**626**	**805**	**838**
Accounts payable	98	96	123	142
Short-term borrowings	33	40	51	28
Long-term borrowings	34	21	11	0
Other non-current liabilities	0	0	0	0
Bonus and Welfare fund	1	0	8	19
Technology-science development fund	0	0	0	0
Total liabilities	**166**	**157**	**193**	**189**
Common stock and APIC (additional paid in capital)	160	360	420	420
Treasury stock (enter as -)	0	0	0	0
Retained earnings / accumulated deficit	41	105	188	225
Other comprehensive income / (loss)	0	0	0	0
Investment and Development Fund	0	0	0	0
Total equity	**202**	**465**	**608**	**645**
Minority Interest	**0**	**4**	**4**	**4**

CASH FLOW STATEMENT	2016	2017	2018F	2019F
Profit before tax	55	181	202	268
Depreciation	14	16	19	20
Adjustments	(13)	(20)	-	-
Change in Working capital	14	(64)	(31)	(50)
Net Operating CFs	**70**	**113**	**190**	**238**
Change in Fixed Asset	(97)	(53)	(32)	(165)
Change in Deposit, equity investment	46	(29)	5	(3)
Interest, dividend, cash profit	-	(11)	-	-
Net Investing CFs	**(51)**	**(93)**	**(27)**	**(168)**
Change in Capital	133	200	60	-
Change in Debt	63	(7)	1	(34)
Dividend paid & other	(179)	(76)	(71)	(166)
Net Financing CFs	**17**	**117**	**(10)**	**(200)**
Beginning cash & equivalents	**1**	**41**	**178**	**331**
Change in cash & equivalents	36	136	153	(130)
Ending cash & equivalents	**41**	**178**	**331**	**202**

Company Report

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RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

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