Company Visit

Not rated

Hengan International Group Co Ltd
Sector: Consumer Staples
Industry: Personal Products
Sub-industry: Personal Products

Key data	
Price (HK$)	76
52wk High (HK$)	79.7
52wk Low (HK$)	53.55
Market Cap (HK$m)	91,572
Market Cap (US$m)	11,724
Shares outstanding (m)	1,205
Free float (%)	55.7
1M relative return	-4.3
6M relative return	24.0
YTD relative return	0.9
Hong Kong Hang Seng Index	29,106
Dividend yield (2016)	3.2
US$:HK$	7.8106

Inst Ownership (Top 5, %)	
AN PING HOLDINGS LTD	20.09
TIN LEE INVESTMENTS	19.38
JPMORGAN CHASE & CO	4.94
VANGUARD GROUP	2.13
MATTHEWS INTL CAPITA	1.8

Source: Bloomberg

Analyst

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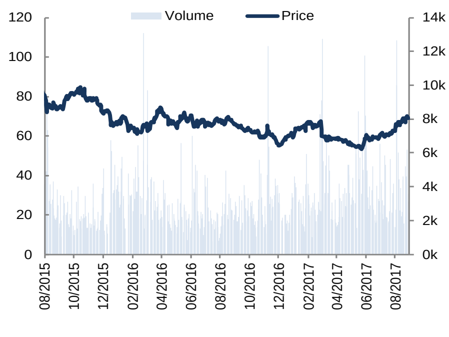


Source: Bloomberg

恒安国际集团 (1044:HK)

产品创新，机构变革推动新一轮增长

恒安国际成立于 1985 年，是中国最大的个人卫生用品供应商。公司主要生产和销售卫生巾、婴幼儿及成人纸尿裤、纸巾及湿巾等，拥有遍布中国的 300 多个销售点和 3000 多家经销商。2017 上半年，公司实现收入 96 亿元，同比下降 0.15%，实现归母净利润 19 亿元，同比增长 13.91%。我们认为恒安国际将稳步增长，受益于其不断升级的产品，更积极的线上销售，以及阿米巴经营模式导入后运营效率的提高。

产品优化。恒安国际是中国最早进入卫生巾领域的公司，通过接连推出安乐、安而乐和七度空间品牌，保持了市场领先的地位。公司未来将继续创新针对少女人群产品的生产线，以提升平均售价。同时通过2-3年时间，在一些大城市推出针对白领女性的高端产品。今年上半年，在纸巾业务领域，公司推出了心相印小黄人主题纸巾系列和心相印代言人田馥甄定制版纸巾；在一次性纸尿裤业务领域，公司推出了吸水性强的高端婴幼儿纸尿裤品牌奇莫，并将通过使用日本的原料和德国的机器，推出更多高品质的高端产品。

电商渠道快速发展。今年上半年，恒安国际电商渠道的收入达8.4亿元，同比增速超过 160%。电商渠道对销售收入的贡献率上升到 8.8%。公司将继续发展电商渠道，并适时推出电商专项品牌，进一步扩大其在个人卫生用品的电商市场份额。

恒安特色的阿米巴模式。阿米巴模式将原先的金字塔管理结构变得更加扁平化，缩短了决策确定和实施的时间，从而提高了运营效率。作为一种激励机制，阿米巴模式使各个阿米巴在完成或超过指标后，能够享受利润分成 （根据历史业绩确立指标）。因此，运营效率的提高也将帮助恒安降低管理费用率。

估值。根据公司管理层指引，2017 年，恒安的纸巾业务将实现高单位数增长，卫生巾业务同比增长 5%-7%（最好情况），纸尿裤业务将有所反转，实现低单位数增长。根据彭博的一致预测，恒安国际目前的交易在 21 倍 17 年 PE 和 4.9 倍 17 年 PB，PE 估值水平在个人卫生用品的同类港股、美股、日股中处于较低水平。

Financial Table

	2013	2014	2015	2016
Revenue (Rmbm)	16,793	18,935	18,663	19,277
YoY (%)	18.6	12.8	-1.4	3.3
Net income (Rmbm)	2,949	3,111	3,260	3,597
YoY (%)	34.1	5.5	4.8	10.3
Diluted EPS (Rmb)	2.39	2.53	2.66	2.97
YoY (%)	33.8	5.7	5.3	11.4
ROE (%)	24.3	22.9	22.6	24.4
Dividend yield (%)	2.0	2.5	2.8	3.8
Free cash flow/shr (Rmb)	1.59	2.46	2.31	2.72
PE (x)	30.3	25.4	23.2	18.7
PB (x)	6.8	5.6	5.1	4.2
EV/Ebitda	21.1	16.4	14.0	12.0
Debt/equity	114.8	113.8	95.1	107.8

Source: SWS Research, Bloomberg

Established in 1985, Hengan International Group is China's largest provider of personal hygiene products. The firm manufactures and sells sanitary napkins, baby and adult diapers, tissue paper, and wet wipes through more than 300 sales offices and c.3,000 distributors across the country. In 1H17, it reported total revenue of Rmb9.6bn (-0.2% YoY) and net profit of Rmb1.9bn (+13.9% YoY). We believe Hengan will continue to enjoy stable growth on the back of continuous product upgrades, increasing online sales efforts, and improving operational efficiency.

Product optimisation. Hengan was the first company to enter the sanitary napkin business in China. It has maintained its leading market position by introducing brands, such as Anle, Anerle, and Space 7. The firm is upgrading its product line in order to increase its average selling price (ASP), targeting the younger generation as well as white-collar female workers in top-tier cities. In 1H17, it launched Minions-themed pocket handkerchiefs and Hebe-themed tissue. Hengan also introduced the high-end baby diaper brand Q-Mo in 1H17, featuring high water absorbency, and intends to launch more high-end products, using materials from Japan and machines from Germany.

Growing online sales. Revenue from e-commerce reached c.Rmb840m in 1H17 (+160% YoY), the segment's contribution to total revenue rising to 8.8%. Hengan will continue to develop its online sales channels, such as online stores and WeChat stores, and introduce online exclusive brands to further expand its online presence.

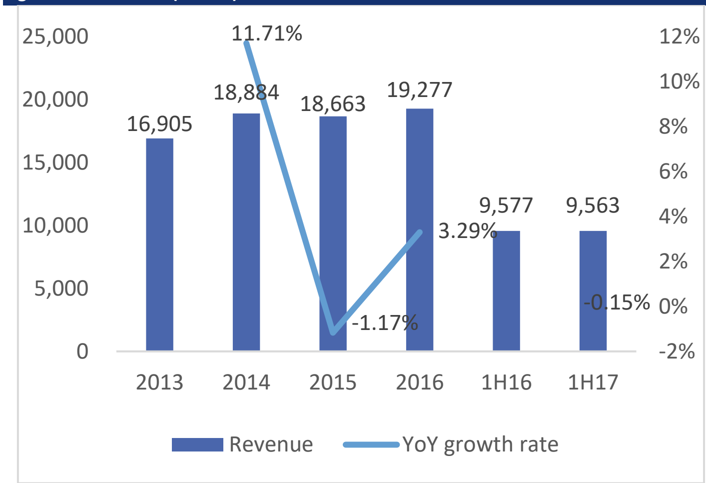
Amoeba management model. The "amoeba model" transforms the pyramid structure of an organisation into a more flattened one, shortening the time span between decision making and implementation, to improve operational efficiency. It also operates as an incentive scheme by allowing each amoeba unit to share profit exceeding the target (based on previous track record). Implemented by the firm in early 2017, we believe the amoeba model will help Hengan cut administrative expenses as a percentage of revenue, thanks to higher operating efficiency.

Valuation. According to company guidance, the tissue paper business will achieve high-single-digit growth in 2017, the sanitary napkin segment will grow 5-7%, and the disposable diaper business will achieve low-single-digit growth. Based on Bloomberg consensus estimates, the stock is trading at 21x 17F PE and 4.9x 17F PB, putting it in the lower range of valuations in terms of PE among personal hygiene products stocks listed in Hong Kong, China, and Japan.

Business overview

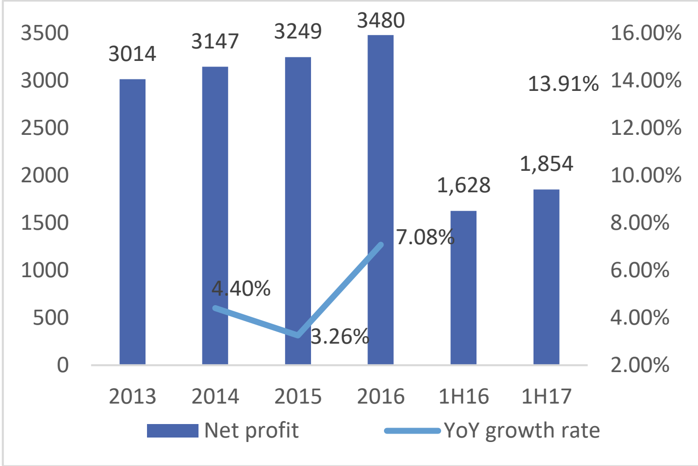
Established in 1985, Hengan International Group is China's largest provider of personal hygiene products. The firm manufactures and sells sanitary napkins, baby and adult diapers, tissue paper, and wet wipes through more than 300 sales offices and c.3,000 distributors across the country. It was listed on the Hong Kong Stock Exchange in 1998 and included in the Hang Seng Index in 2011. In 1H17, it reported total revenue of Rmb9.6bn (-0.2% YoY) and net profit of Rmb1.9bn (+13.9% YoY). We believe Hengan will continue to enjoy stable growth on the back of continuous product upgrades, increasing online sales efforts, and improving operational efficiency.

Fig 1: Total revenue (Rmbm)



Source: Company data, SWS Research

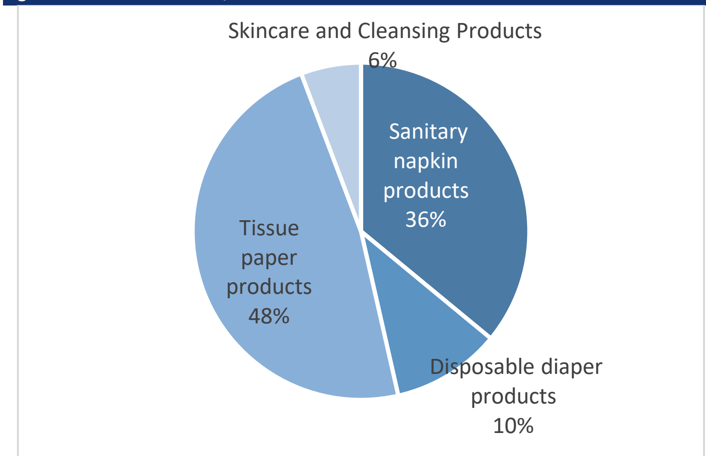
Fig 2: Net profit (Rmbm)



Source: Company data, SWS Research

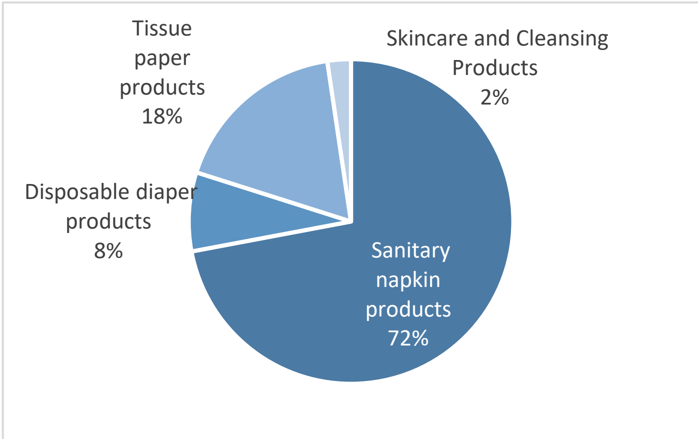
Hengan is divided into four business lines: tissue paper, sanitary napkins, disposable diapers, and skincare and cleansing. In 1H17, the tissue paper business continued to be the firm's main revenue contributor, accounting for 48% of total revenue and 18% of operating profit. The sanitary napkin business accounted for 36% of revenue, and was the largest operating profit contributor (72%). The disposable diaper business accounted for 10% of revenue and 8% of operating profit, while the skincare and cleansing business accounted for 6% of revenue and 2% of operating profit.

Fig 3: Revenue breakdown, 1H17



Source: Company data, SWS Research

Fig 4: Operating profit breakdown, 1H17



Source: Company data, SWS Research

Sanitary napkins

Hengan entered the sanitary napkin business in 1985, with *Anle* sanitary napkins as its main product, and was one of the first domestic companies to produce sanitary napkins. Benefiting from the fast-growing industry, *Anle* took a 40% market share and ranked first in China in the late 1980s. In 1993, the *Anerle* brand was launched, targeting the mid-range to high-end market. In 2003, Hengan launched the *Space 7 Girls* series, a new product line targeting younger consumers, to differentiate itself from *Anerle*, which was losing market share. The new brand helped Hengan regain market share and improve margins. In 2004, it launched the *Space 7 Elegance* series, targeting working women. The *Space 7 Princess* series was launched in 2011, with a higher gross margin.

Fig 5: Hengan's sanitary napkin brands

Source: Company data, SWS Research

At present, the sanitary napkin industry in China is relatively saturated, with a penetration rate of 96.5% in 2016. The market will be mainly driven by the increase in ASP with the introduction of upgraded products. Hengan's product mix has helped it maintain its leading market position. According to CHNCI, revenue from the top-10 sanitary napkin brands in China accounted for 82% of total industry revenue in 2016, Hengan ranking first with 27.5% market share.

Fig 6: China's top-10 sanitary napkin brands

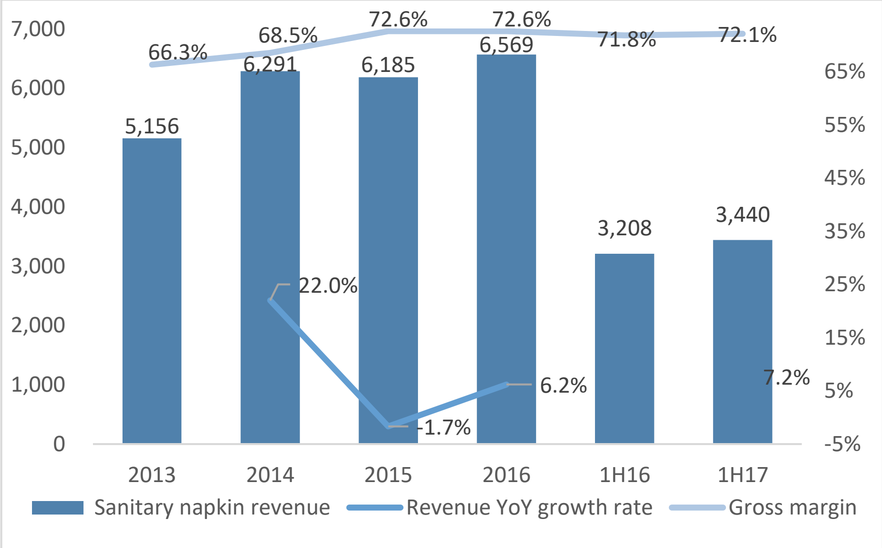
Rank	Company	Brands	Market share
1	Hengan International	*Space 7, Anerle, Anle*	27.5%
2	Unicharm	*SOFY*	17.2%
3	Kingdom Healthcare, Guangdong	*ABC, Free*	10.8%
4	Procter & Gamble	*Whisper, Tampax*	9.1%
5	Geron	*Geron*	4.3%
6	Kimberley-Clark	*Kotex, SOUERMEI*	3.9%
7	Baiya Corporation	*Freemore, Nishuang*	2.8%
8	Kao	*Laurier*	2.6%
9	C-Bons	*Ladycare*	2.5%
10	Beishute	*Beishute*	1.3%

Source: CHNCI, SWS Research

In 1H17, Hengan's sanitary napkin business reported revenue of Rmb3.4bn (+7.2% YoY), thanks to a 10% increase in ASP, driven by new products, such as the *Sweet Sleeping Panty* series, and growing online sales.

The company expects the sanitary napkin segment to maintain a mid-single-digit growth, higher than industry average. Hengan aims to upgrade its product lines targeting the younger generation, such as the *Space 7 Girls* series, by increasing the percentage of extra-thin and extra-long products to 10%, and thus increase its ASP. In addition, the firm is working on high-end products targeting white-collar female workers in top-tier cities. At present, its high-end sales represent 10% of revenue, lower than the 30-40% rate in developed countries.

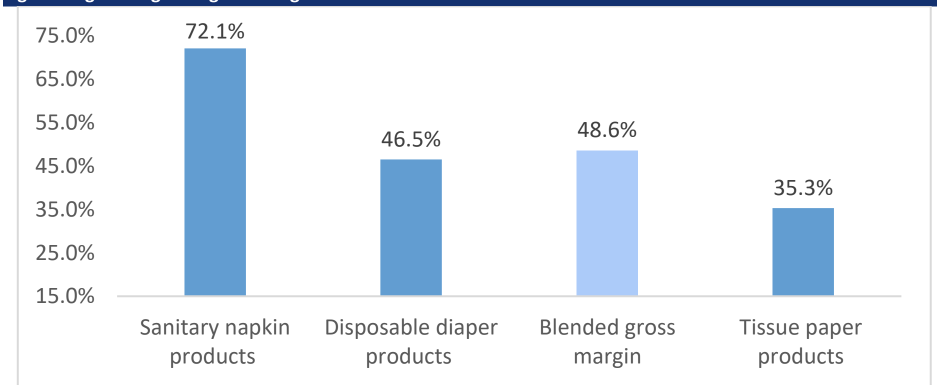
Fig 7: Hengan's sanitary napkin revenue (Rmbm) and gross margin



Source: Company data, SWS Research

Compared with other business segments, Hengan's sanitary napkin business enjoys the highest gross margin (72.1%), driving up the firm's blended gross margin to 48.6% in 1H17. We expect the segment's gross margin to remain stable in 17E, since the price of petrochemicals, the main raw materials used for sanitary napkins, remained stable.

Fig 8: Hengan's segment gross margins in 1H17

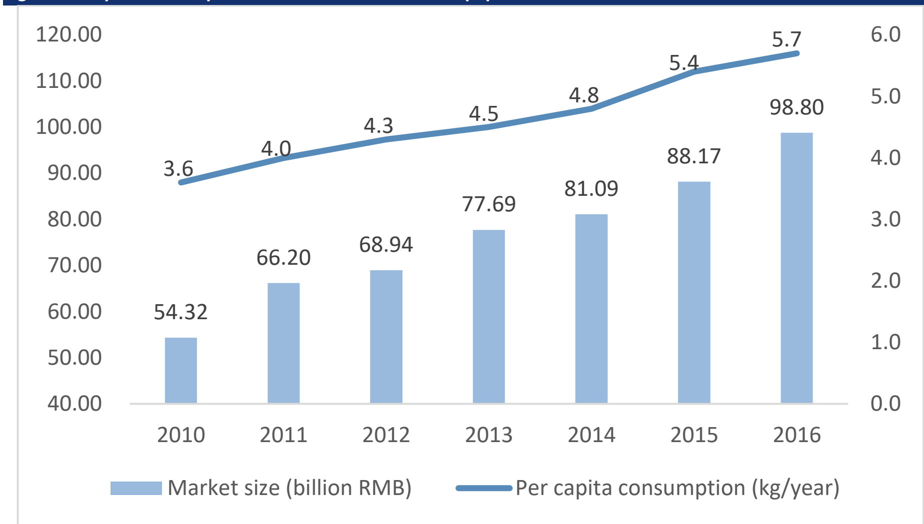


Source: Company data, SWS Research

Tissue paper

The annual per-capita tissue paper consumption was only 5.4kg in China in 2015, compared with 21.9kg in the US, 19.7kg in South Korea, and 14.6kg in Japan. According to the China National Household Paper Industry Association (CNHPIA), the per-capita tissue consumption in China increased to 5.7kg in 2016, and is expected to reach 6.0kg in 2017F and 6.5kg in 2020F. The market size of the tissue paper industry increased to Rmb98.8bn in 2016, vs Rmb45.4bn in 2009. We expect China's tissue paper industry to continue to expand, driven by increasing per-capita consumption and product upgrades.

Fig 9: Per-capita consumption and market size of tissue paper in China



Source: China National Household Paper Industry Association, Wind, SWS Research

Hengan started its tissue paper business in 1997 and become its largest revenue contributing segment. It first launched the *Hearttex* brand. The *Pino* brand, introduced in 2008, targets medium- to high-income individuals aged 25 to 35, while the *Premium* brand targets the low-end market.

Fig 10: Hengan's tissue paper brands

Source: Company data, SWS Research

Thanks to its *Hearttex* brand, Hengan is currently one of the four largest companies in the tissue paper industry. The other three are Vinda International Holdings (3331:HK – N-R) with its *Vinda* brand, C&S Paper (002511:CH – N-R) with its *C&S* brand, and Gold Hongye Paper Group with its *Breeze* brand. In 1H17, Hengan took a 19% market share and the company expects its shares to increase in 2H17. Online sales represented 8-9% of its sales, lower than *Vinda* (20%) and *Breeze* (18%).

Fig 11: Top-four tissue paper brands in China

Company	Hengan International	Vinda (3331:HK)	C&S (002511:CH)	Gold Hongye Paper Group
Brand				

Source: Company Website, SWS Research

Hengan's tissue paper product mix includes box tissue paper, kitchen towels, preservation bags/paper, pocket handkerchiefs, toilet rolls, and wet tissue. By introducing various products that can be used on different occasions, Hengan caters to specific customer needs, and thus generates more revenue.

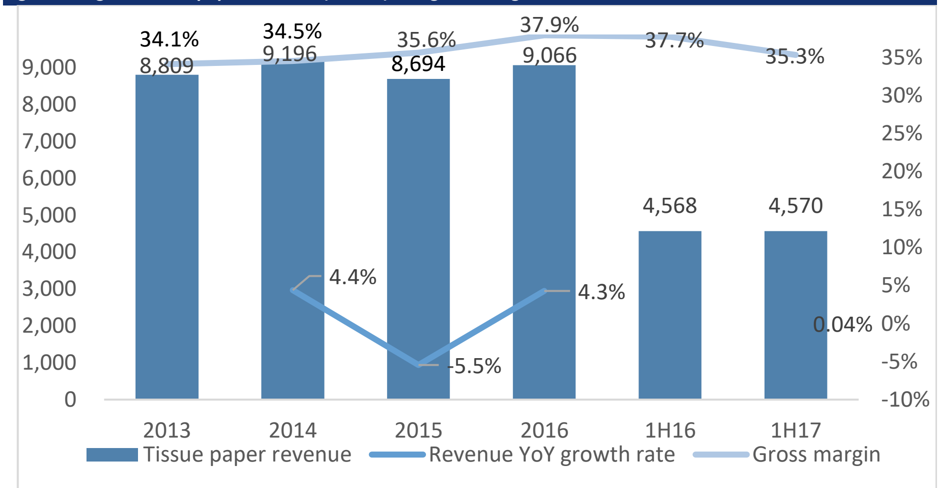
Fig 12: *Hearttex* branded products

Box tissue paper Kitchen towels Toilet rolls Pocket handkerchiefs Wet tissues

Source: Company data, SWS Research

In 1H17, Hengan's tissue paper business reported Rmb4.6bn (+0.1% YoY). The firm's production capacity was c.1.14mtpa in 2016 and is expected to increase to c.1.43mtpa by 4Q17.

Fig 13: Hengan's tissue paper revenue (Rmbm) and gross margin



Source: Company data, SWS Research

Toilet rolls and box tissue paper are Hengan's main revenue drivers. Toilet rolls have lower gross margin and lower selling price. The gross margin of box tissue paper is 10% higher than that of toilet rolls. In 1H17, Hengan's box tissue paper sales decreased at a mid-single-digit rate, amid strong competition and aggressive prices, but the company expects sales to increase in 2H17. We note the price of wood pulp continues to increase and will squeeze out small companies due to lower margins.

Management expects the tissue paper business to maintain stable growth, as Hengan has introduced new products, such as Minions-themed pocket handkerchiefs, launched in July 2017, and Hebe-themed tissue paper, launched in June 2017, and plans to add more products in the future. These products will attract younger customers, who face many brand choices, have less brand loyalty, and are more easily influenced by advertisements. In 1H17, online sales achieved double-digit growth, and will help the tissue paper business to achieve low-digit growth in 2017E and mid-digit growth in 2018E. In the long run, we expect the tissue paper business to post high-digit growth or even double-digit growth.

Fig 14: Hengan's tissue paper brands

Source: Company data, SWS Research

Disposable diapers

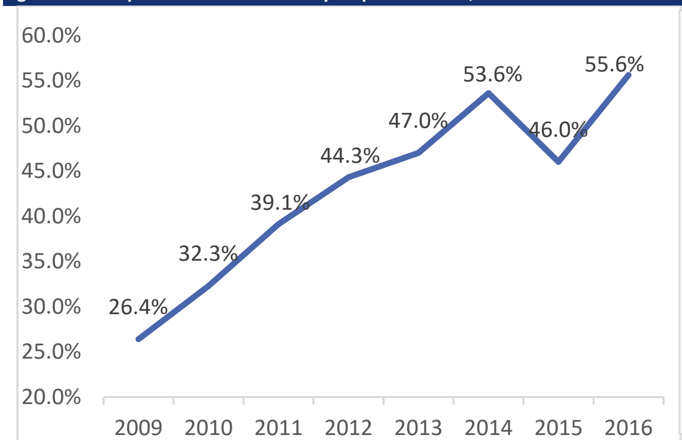
In 1996, Hengan entered the baby diapers business by operating the *Anerle* brand. In 1999, the firm began to operate the *Elderjoy* brand in the adult diapers segment. At present, adult diaper sales account for c.10% of Hengan's disposable diapers, and are sold through hospitals and nursing homes.

Fig 15: Hengan's disposable diaper brands

Source: Company data, SWS Research

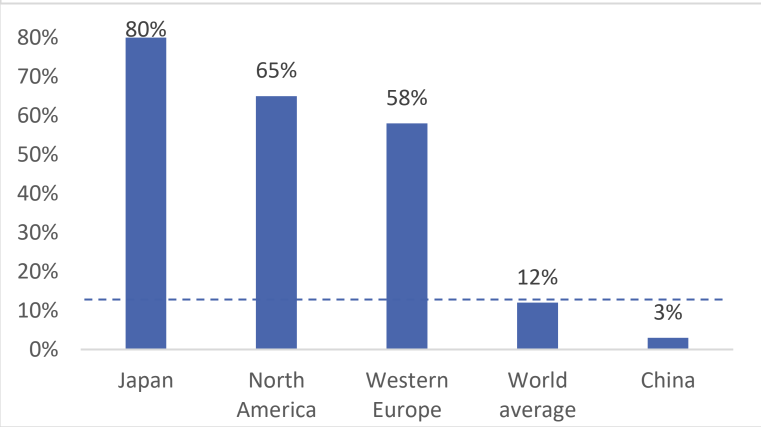
In 2016, the market penetration rate of baby diapers in China was 55.6%, much lower than the nearly 100% rate in developed countries. China's adult diaper market is still in its early stage, with a penetration rate of only c.3% in 2015, compared with 80% in Japan, 65% in North America, 58% in western Europe, and the world average of 12%. Therefore, we see substantial growth potential for both baby and adult diapers in China.

Fig 16: Market penetration rate of baby diapers in China, 2009-2016



Source: Wind, SWS Research

Fig 17: Market penetration rate of adult diapers per country in 2015



Source: China Disposable Diaper Industry Report 2016-2020, SWS Research

In 2016, the top-six brands in China's baby diaper market were *Pampers* (P&G), *Curiosities* (Kimberly-Clarks), *Kao* (Kao), *Mummy* (UniCharm), *Anerle* (Hengan), and *King* (King), with market shares of 25.0%, 12.7%, 11.5%, 7.0%, 6.0%, and 2.8%, respectively. The six companies accounted for a combined 63% market share, with only one Chinese brand. The remaining 37% were divided among other domestic nationwide brands and small local brands.

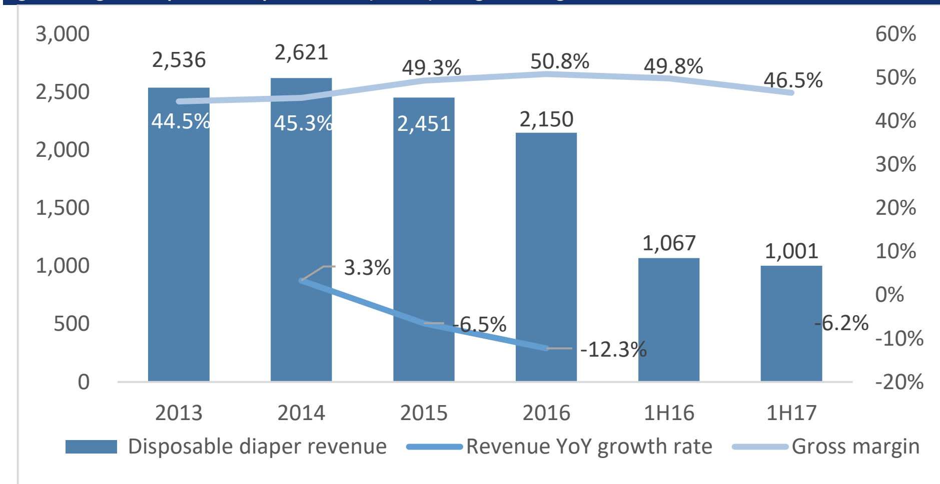
Fig 18: Top-six baby diaper brands

Company	Country	Brands	Market share
Procter & Gamble	US	*Pampers*	25%
Kimberly-Clarks	US	*Curiosities*	12.7%
UniCharm	Japan	*Mummy*	7%
Kao	Japan	*Kao*	11.5%
Hengan International	China	*Anerle*	6%
King	Japan	*King*	2.8%

Source: Open data, SWS Research

In 1H17, Hengan's disposable diaper business reported Rmb1bn (-6.2% YoY), mainly due to competition from domestic lower-end brands and foreign brands. Compared with other business segments, the disposable diaper industry is relatively scattered. Domestic players with aggressive pricing strategies have diluted Hengan's market share in lower-tier markets, while foreign brands with superior quality and broader product lines have been the market leaders in higher-tier markets while gaining traction in lower-tier markets. The market has witnessed decent sales for both low-end and high-end products, but not for mid-range products, targeted by Hengan.

Fig 19: Hengan's disposable diaper revenue (Rmbm) and gross margin



Source: Company data, SWS Research

In 1H17, Hengan introduced the high-end baby diaper brand *Q-Mo*, featuring high water absorbency but low durability. It will launch more high-end products, emphasising high quality, by using materials from Japan and machines from Germany.

Amoeba management model

In January 2017, Hengan started to implement a "small sales team" business strategy, or "amoeba model", completing the nationwide roll-out in end-April. The firm broke the original hierarchical management model into 228 amoebas, of which 172 were through traditional channels and 56 through modern channels, such as key account markets. Hengan's amoeba model gives sufficient autonomy to amoeba units in order to increase revenue, by setting both revenue and profit targets. The revenue goal is to achieve 8-9% YoY growth, while the profit goal is to realise selling expense ratio (selling expense as a percentage of revenue) decline. According to this incentive scheme, amoeba members share 20% of the profit if the target is achieved, and share a maximum of 50% of the profit if they exceed the target. By June this year, 10% of amoeba units have achieved their targets, and the company management expects the ratio to increase to 40%-50% by end-2017.

Valuation

According to company guidance, the tissue paper business will achieve high-single-digit growth in 2017, the sanitary napkin segment will grow 5-7%, and the disposable diaper business will achieve low-single-digit growth. Based on Bloomberg consensus estimates, the stock is trading at 21x 17F PE and 4.9x 17F PB, putting it in the lower range of valuations in terms of PE among personal hygiene products stocks listed in Hong Kong, China, and Japan.

Fig 20: Valuation table

Code	Company	Mkt cap	PE (X)			PB (X)			ROE (%)		
		(HK$m)	Most recent year	Forward year	Forward two years	Most recent year	Forward year	Forward two years	Most recent year	Forward year	Forward two years
1044:HK	Hengan International	93,198	20.71	20.82	19.46	5.16	4.91	4.51	24.44	24.54	24.33
3331:HK	Vinda International	18,295	25.53	25.66	21.61	2.26	2.41	2.23	11.14	9.75	10.88
002511:CH	C&S Paper Co Ltd	13,276	32.38	31.62	24.51	3.85	3.65	3.22	10.15	11.77	13.40
8113:JT	UniCharm Corp	128,188	29.82	33.19	29.68	4.60	4.38	3.91	11.39	13.65	14.39
Average		**63,239**	**27.11**	**27.82**	**23.82**	**3.97**	**3.84**	**3.47**	**14.28**	**11.93**	**15.75**

Source: Bloomberg, SWS Research

Appendix I

Management team

Mr. Sze Man Bok, aged 67, is the chairman of the group. He is responsible for the group's overall corporate direction and business strategy. Mr. Sze is one of the founding shareholders and a member of the nomination committee of the company. He is the father of Mr. Sze Wong Kim, a director of the company.

Mr. Hui Lin Chit, aged 63, is the deputy chairman and chief executive officer of the group. He is responsible for strategic planning, human resources, and the overall management of the group. Mr. Hui is one of the founding shareholders of the company, and is also a member of nomination committee and remuneration committee. Mr. Hui is a senior economist. He is also a deputy chairman of All-China General Chamber of Industry and Commerce, chairman of Fujian Province Industry and Trade Association, United Nations Maritime-Continental Silk Road Cities Alliance, and the Jinjiang City Charity Federation.

Mr. Hung Ching Shan, aged 67, is responsible for supervising the group's purchasing tender assignments. He has over 38 years of experience in raw materials procurement as well as in import and export trading. Mr. Hung is one of the founding shareholders of the company.

Mr. Xu Shui Shen, aged 47, was appointed as the deputy chief executive officer of the group on 26 March 2013 and also the chief operating officer of the group. In September 2016, he was appointed as the officer of operations services centre. He is responsible for the development and implementation of the group's sales strategy, operation, business management, and supervision of the operations of the operation service centre. He joined the group in 1985 and has over 32 years of experience in operation management and business development. He graduated from the business administration department of HuaQiao University and is an economist. Mr. Xu is the younger brother of Mr. Xu Da Zuo, a director of the company.

Mr. Xu Da Zuo, aged 50, was appointed as the chief financial officer of the group on 30 November 2016 and appointed as officer of service centre services (in charge of the finance department, asset and property management department, and information system department). Joining the group in 1985, Mr. Xu has over 32 years of experience in accounting and internal audit. He is a senior accountant. He is the elder brother of Mr. Xu Shui Shen, a director of the company.

Share structure

By mid-2017, the founders of the company, Sze Man Bok and Hui Lin Chit, held 20.1% and 19.4% of company shares, respectively, through Tianli Investment Company and Anping Investment Company. In addition, Sze Man Bok directly holds 0.05% of shares.

Share option scheme

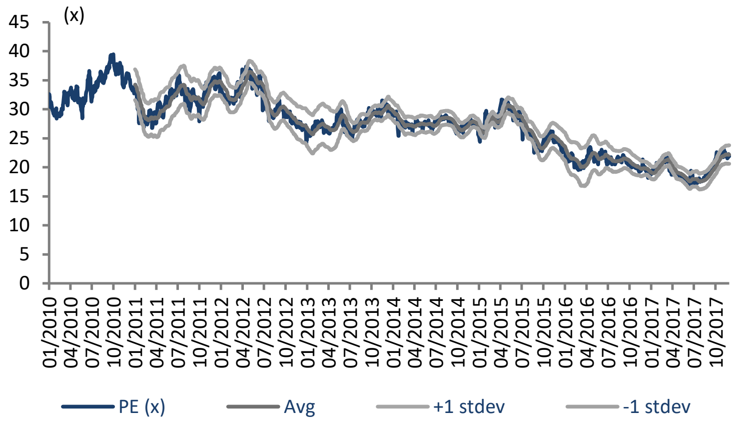
Hengan's 2015 share inventive plan's maximum aggregate number of awarded shares amounts to 5,333,000. Up to 50% of the call options may be exercised from 5 October 2018 to 5 October 2025, 25% of the call options may be exercised from 5 October 2019 to 5 October 2025, and the remaining 25% are exercisable from 5 October 2020 to 5 October 2025.

Fortune Cookies

Monday, 04 December, 2017

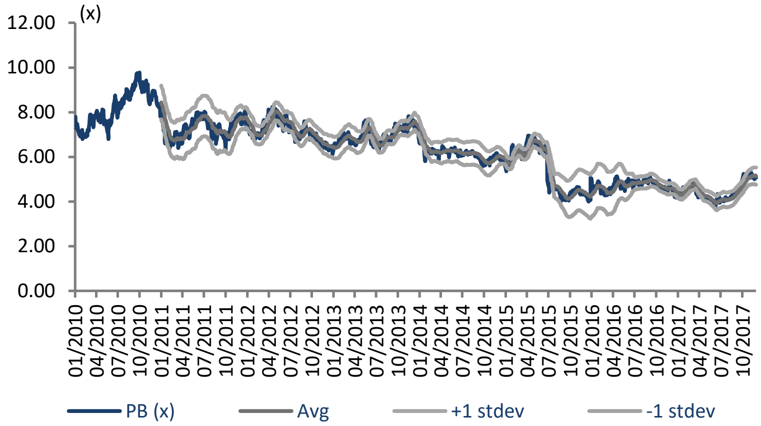
Bringing China to the World

Fig 1: PE band charts



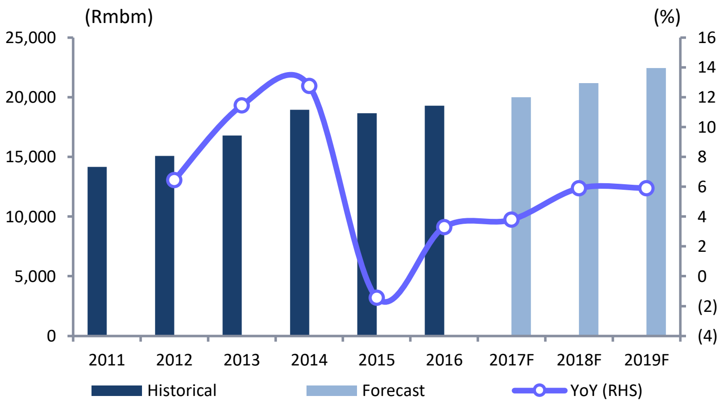
Source: SWS Research & Bloomberg

Fig 2: PB band charts



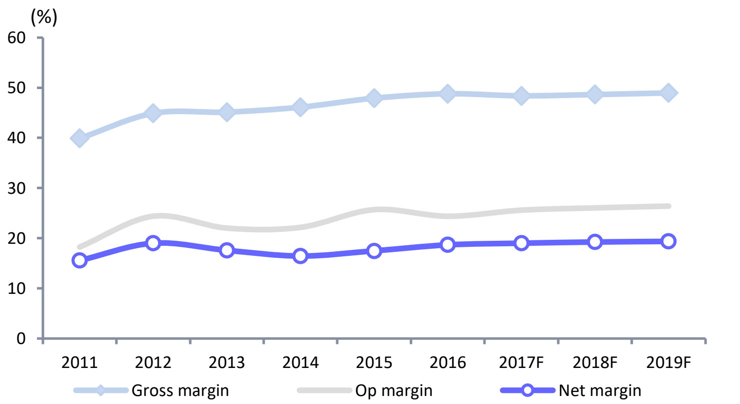
Source: SWS Research & Bloomberg

Fig 3: Revenue



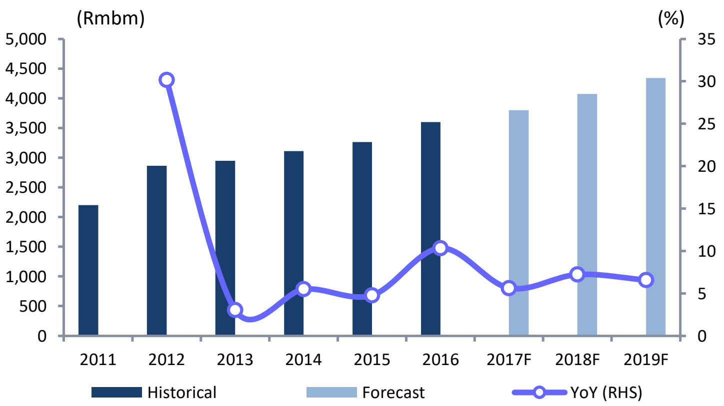
Source: SWS Research & Bloomberg

Fig 4: Margins



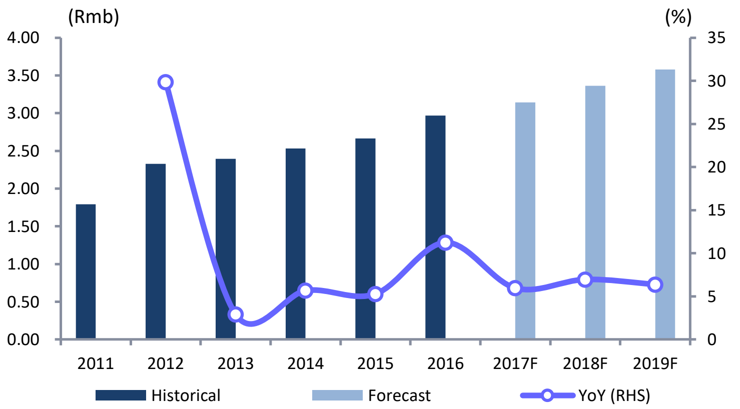
Source: SWS Research & Bloomberg

Fig 5: Net profit



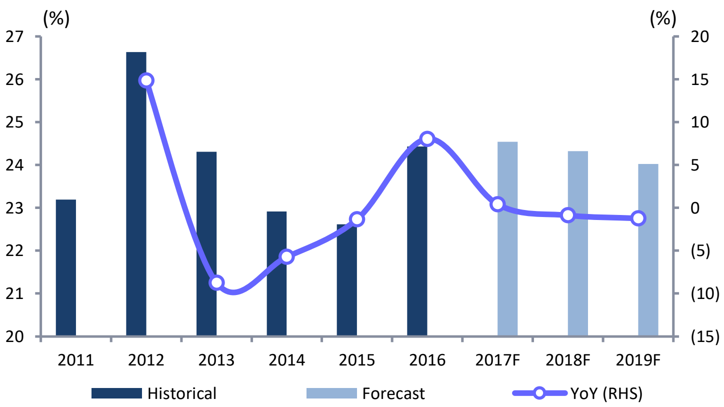
Source: SWS Research & Bloomberg

Fig 6: EPS



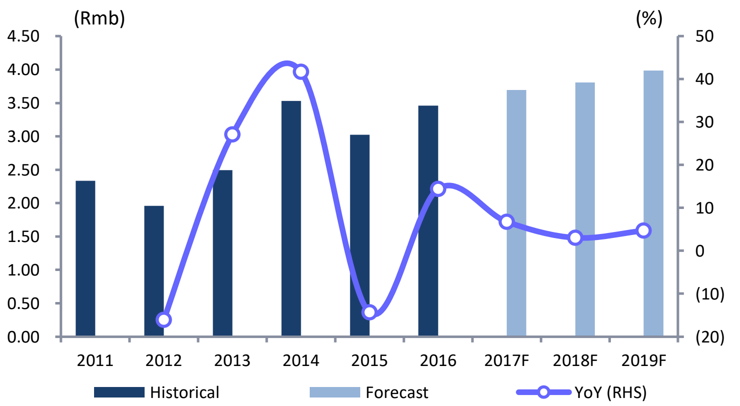
Source: SWS Research & Bloomberg

Fig 7: ROE



Source: SWS Research & Bloomberg

Fig 8: Cash flow per share



Source: SWS Research & Bloomberg

Appendix

Income Statement				
(Rmb)	**2013**	**2014**	**2015**	**2016**
Revenue (m)	16,793	18,935	18,663	19,277
Operating income (m)	3,694	4,193	4,793	4,697
Pretax income (m)	3,975	4,245	4,549	4,559
Income before XO items (m)	2,989	3,158	3,249	3,480
Net income (m)	2,949	3,111	3,260	3,597
Basic EPS before XO items	2.41	2.55	2.63	2.77
Basic EPS	2.40	2.53	2.67	2.97
Diluted EPS before XO items	2.41	2.54	2.63	2.77
Diluted EPS	2.39	2.53	2.66	2.97
Dividends per share	1.47	1.59	1.74	1.96
Ebitda (m)	4,251	4,791	5,394	5,350
ROE (%)	24.3	22.9	22.6	24.4

Source: Bloomberg

Balance Sheet				
(Rmb)	**2013**	**2014**	**2015**	**2016**
Total current assets (m)	21,326	22,981	21,574	22,127
Total long-term assets (m)	10,045	11,104	11,390	12,018
Total assets (m)	31,372	34,085	32,964	34,145
Total current liabilities (m)	13,203	15,200	17,713	15,280
Total long-term liabilities (m)	4,962	4,425	160	4,104
Total liabilities (m)	18,165	19,624	17,873	19,384
Total shareholders' equity (m)	13,206	14,460	15,092	14,761
Shares outstanding (m)	1,231	1,224	1,218	1,205
Book value per share	10.48	11.53	12.08	12.22
Tangible book value per share	10.11	11.14	11.58	11.81
Equity to total liabilities	42	42	46	43

Source: Bloomberg

Cash Flow Statement				
(Rmb)	**2013**	**2014**	**2015**	**2016**
Net income (m)	2,949	3,111	3,260	3,597
Depreciation & amortisation (m)	557	598	602	653
Change in working capital (m)	3,992	-546	-3,920	2,986
Cash from operations (m)	3,067	4,338	3,697	4,195
Capital expenditures (m)	-1,115	-1,319	-868	-901
Cash from investing activities (m)	-4,390	-2,469	-1,749	-2,150
Cash from financing activities (m)	4,979	-1,589	-4,782	-2,376
Net changes in cash (m)	3,656	279	-2,833	-331
Free cash flow (m)	1,952	3,018	2,830	3,294
FCF per share (basic)	1.59	2.46	2.31	2.72
FCF per share (diluted)	1.58	2.45	2.31	2.72
Cash flow per share	2.49	3.53	3.02	3.46

Source: Bloomberg

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BUY: Share price performance is expected to generate more than 20% upside over a 12-month period.

Outperform: Share price performance is expected to generate between 10-20% upside over a 12-month period.

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