

# Persistent Systems

Focus remains on margin expansion

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Rating	<b>BUY</b>
Price	Rs637
Target Price	Rs710
Implied Upside	11.5%
Sensex	31,627
Nifty	9,873

(Prices as on September 25, 2017)

#### Trading data

Market Cap. (Rs bn)	50.9
Shares o/s (m)	80.0
3M Avg. Daily value (Rs m)	78.4

#### Major shareholders

Promoters	38.53%
Foreign	16.61%
Domestic Inst.	11.75%
Public & Other	33.11%

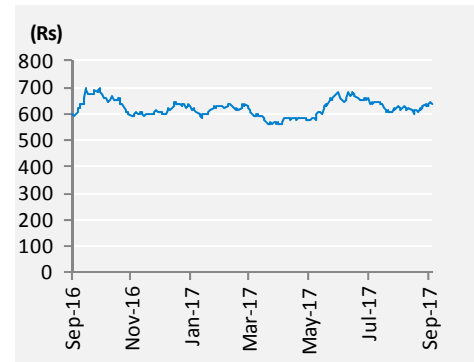
#### Stock Performance

(%)	1M	6M	12M
Absolute	3.4	5.6	6.8
Relative	3.3	(1.9)	(3.5)

#### How we differ from Consensus

EPS (Rs)	PL	Cons.	% Diff.
2018	41.2	41.4	-0.4
2019	47.6	48.3	-1.4

#### Price Performance (RIC: PERS.BO, BB: PSYS IN)



Source: Bloomberg

We met Persistent Systems to get a business update. Key takeaways are as follows:

Recent acquisition of PARX aims at strengthening its Salesforce competency in Europe (especially DACH region). Persistent is also focusing on IoT deals, especially in Automotive/Manufacturing vertical through its partnership with IBM. Overall IBM IoT deal revenues (US\$47mn in FY17) are expected to grow by 10% in FY18 and Persistent is likely to get additional US\$3mn revenues (v/s US\$5mn guided earlier) from SI deals in IoT. IBM IoT deal which is loss-making as of now will reach breakeven only in FY19 (v/s earlier guidance of breakeven by 2HFY18 in this deal). For Q2FY18, Digital SBU (18% of revenues as on Q1) will show strong bounce back delivering double-digit sequential growth and remain key driver for consolidated revenue growth. However, we note that PARX acquisition would be consolidated for two months and hence, would aid in strong growth in Digital SBU for Q2FY18. (More details inside the report)

Persistent is showing waning margin trajectory over the past few quarters which is a concern. IBM's IoT deal led to a ~220bps YoY EBITDA margin drop in FY17 (EBITDA margin at 15.8% for FY17). We note that Q1FY18 EBITDA margin at 14.3% is at a multi-quarter low. Traction in Digital-led offerings might also necessitate higher onsite-led delivery which could be a margin headwind. Management guided that margins could expand sequentially over the next three quarters of FY18 (which is already built in our estimates).

We model Persistent's USD revenues to grow by 11.3/13.1% for FY18/FY19E and EBITDA margins to 15.5/16.5% for FY18/FY19E (v/s 15.8% EBITDA margin in FY17). Our EPS estimates are at Rs41.1/47.5/sh for FY18/FY19E. Stock trades at 13.4x FY19E EPS which is at premium to select large cap stocks. While Persistent is showing revenue growth momentum, margin discipline is key in our view. Our TP is retained at Rs710/sh (14x June19E EPS). Net cash on balance sheet is at Rs8.8bn (Rs111/sh) which is ~17.2% of Mcap. Retain "BUY".

#### Key financials (Y/e March)

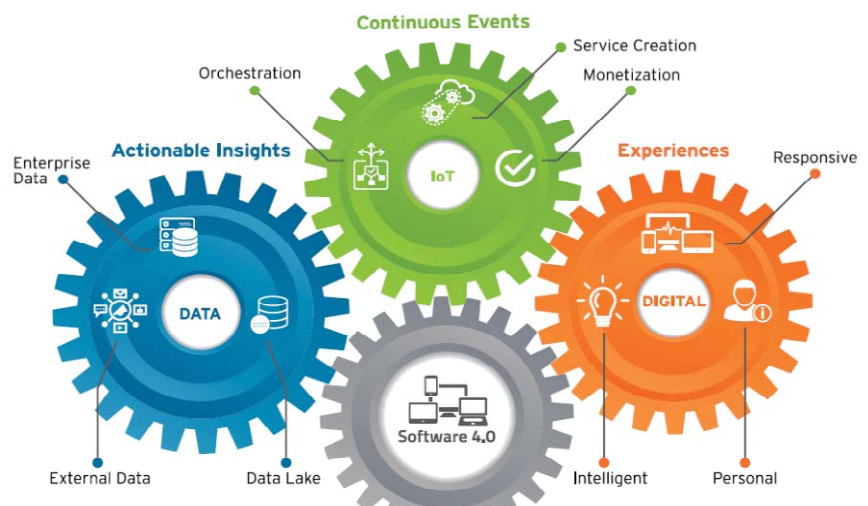
	2016	2017	2018E	2019E
Revenues (Rs m)	23,123	28,783	31,213	35,634
Growth (%)	22.3	24.5	8.4	14.2
EBITDA (Rs m)	4,172	4,539	4,835	5,885
PAT (Rs m)	2,974	3,014	3,298	3,811
EPS (Rs)	37.2	37.7	41.2	47.6
Growth (%)	2.3	1.3	9.4	15.6
Net DPS (Rs)	8.0	9.0	9.1	10.5

#### Profitability & Valuation

	2016	2017	2018E	2019E
EBITDA margin (%)	18.0	15.8	15.5	16.5
RoE (%)	19.5	17.0	16.3	16.7
RoCE (%)	19.3	16.8	16.1	16.5
EV / sales (x)	1.9	1.5	1.3	1.1
EV / EBITDA (x)	10.4	9.4	8.4	6.5
PE (x)	17.1	16.9	15.4	13.4
P / BV (x)	3.1	2.7	2.4	2.1
Net dividend yield (%)	1.3	1.4	1.4	1.6

Source: Company Data; PL Research

- Expanding Salesforce competency through PARX acquisition:** Persistent has completed acquisition of PARX, a Salesforce Platinum Partner based in Europe as on July 30, 2017. PARX is headquartered in Switzerland and has annual revenues of US\$8.5mn and headcount of ~80 employees. Persistent would be paying US\$8.5mn upfront and the remaining US\$7.5mn through earn-outs over a period of three years. While Persistent has enjoyed strong positioning in North America in the Salesforce competency, it aims to expand in Europe through PARX acquisition. The acquisition (consolidated effective August 2017) would add 1.4% to USD revenues for FY18. Management indicated that it aims to cross-sell PARX offerings in the USA as well as Persistent IP offerings in Salesforce (Patient 360 etc.) in Europe. We note that Europe accounts to only 5.3% of Persistent's total revenues as on Q1FY18 and PARX acquisition can marginally strengthen Persistent's positioning in Europe.
- IBM's Watson deal enhances IoT competency:** While Persistent has been strong in BFSI and Healthcare vertical in the Enterprise segment, management indicated that it is focusing on winning IoT deals in Automotive and Manufacturing vertical by leveraging its IBM Partnership. **While we believe that Persistent might have limited domain strengths in Automotive and Manufacturing vertical considering its late entry, management believes that IBM partnership can help get a breakthrough in these verticals.** Management indicated that IBM IoT deal, which had US\$47mn revenues in FY17, would grow by 10% in FY18. Persistent would get ~US\$3mn additional revenue from SI deals in IoT deals (v/s US\$5mn guided earlier). The company has set up an IoT competency centre in Munich Germany (which is also the headquarters for IBM Watson) to tap IoT deals from this region. New sites were also established in Mexico, Israel, Canada and Scotland for the IoT business. Management guided that IBM IoT deal would achieve breakeven EBITDA margin only in FY19. Persistent believes that as IoT becomes mainstream, every business can use Data, Digital and IoT to build new class digital solutions.

**Exhibit 1: IoT , Data and Digital**


Source: Company Data, PL Research

- Solution-led approach to aid non-linearity:** Persistent continues to focus on IP-led offerings in BFSI and Healthcare vertical. The company has launched risk-based authentication solution (NEURO) for Banks in partnership with USAA. Within Healthcare, Persistent’s partnership with Partners-HealthCare would aid in creating Open Source Health Care Platform for clinical Applications. However, this IP would monetize only in FY19.

**Exhibit 2: IP-led solutions**

	Nature of deal
MP Vidhansabha	Multi-lingual search
Partners health	Healthcare vertical solution
Neuro	IP for risk management for banks in partnership with USAA

Source: Company Data, PL Research

“We have a program where we will build out certain things which would be a solution plus deployment, but as part of the those programs we are also generating interesting IP solutions, specific point IP and the plan is to sell that to whoever buys it and some of the stuff that we have, for example, Engage 360, Neuro, and all these things, they are all not meant to be long-term relationships, but these are some very point solutions that the market needs that we can provide right now. There is a decent amount of money to get on those kinds of projects and if you sell enough of those that we plan to, they are fairly profitable because the work has already been done in some other projects” Dr Anand Despande on Solution focused approach of the company.

- Digital SBU remains the growth driver:** Digital (18% of revenues as on Q1FY18) is seeing strong traction and remains the key growth driver for the company. Within Digital, Persistent’s key offerings are catered to BFSI and Healthcare vertical. Among the mix of service offerings, Salesforce offering (own IP as well as Implementations) and Appian forms 43/22% of Digital SBU revenues. Oracle (Identity management offering) accounts to 15% of digital revenues and remaining 20% is derived from other services. Management highlighted that Digital will be the growth leader for FY18.

**Exhibit 3: Persistent’s business mix**

Service Mix of Revenues	1QFY17	2QFY17	3QFY17	4QFY17	Q1FY18
Services	47.6%	46.6%	43.9%	43.9%	44.5%
Digital	14.2%	15.2%	16.9%	18.9%	18.0%
Alliance	30.0%	29.4%	30.6%	27.6%	29.2%
Accelerite	8.2%	8.8%	8.6%	9.6%	8.3%

Source: Company Data, PL Research

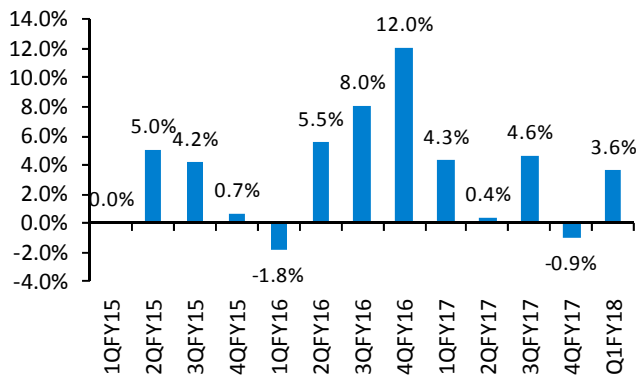
- Reallocation of Sales Budget:** Persistent is reallocating sales budget towards Digital SBU. Within Services, the focus of the Sales team would be to drive mining in the large accounts.

**Exhibit 4: Persistent Systems USD revenues and revenues growth (%)**

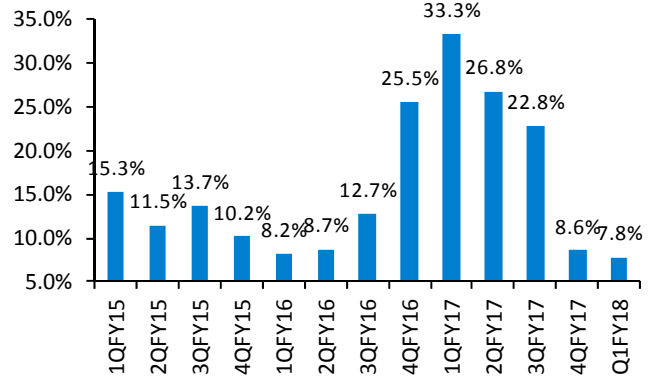
Fig in USD mn	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
USD Revenues	207	238	274	309	352	429	477	540
Growth (%)	21.4%	15.0%	15.2%	12.5%	13.9%	22.0%	11.2%	13.1%
Organic Growth	15.0%	9.0%	11.0%	12.6%	9.0%	9.0%	10.0%	13.1%

Source: Company Data, PL Research

We note that acquisitions have been one of the key revenue growth drivers for Persistent over FY16/FY17. Strong growth in FY17 was led by IBM IoT deal acquisition which was loss-making at the EBITDA level. For FY18, we have built in the impact of PARX acquisition in our financials which is consolidated effective August 2017.

**Exhibit 5: USD Revenue growth QoQ**


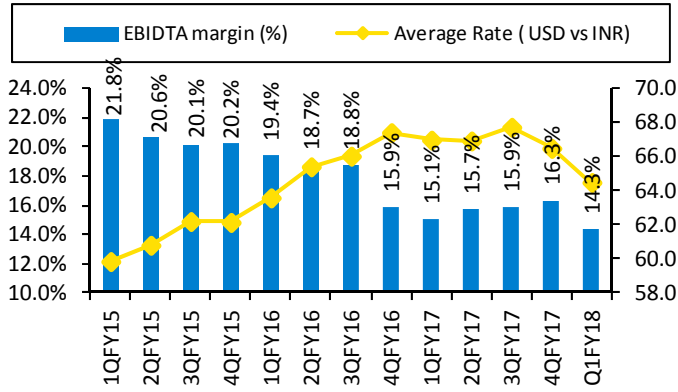
Source: Company Data, PL Research, Strong sequential growth in 4QFY16 was on account of IBM IoT deal acquisition

**Exhibit 6: USD Revenue growth YoY**


Source: Company Data, PL Research, Strong YoY growth from 4QFY16 was on account of IBM IoT deal acquisition.

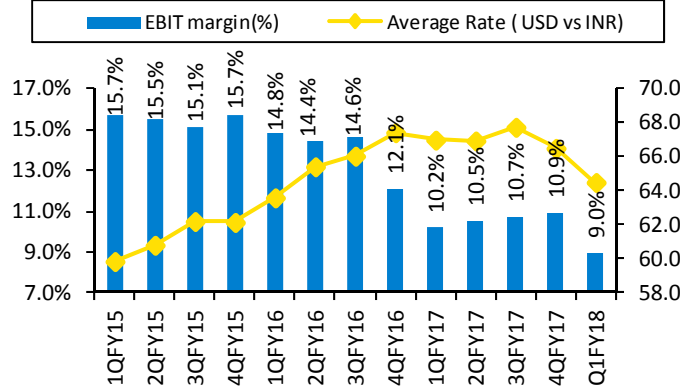
- Focus remains on margin expansion:** EBITDA margin came at 14.3%, down 200bps QoQ and down 360bps QoQ based on Q4FY17 adjusted margins (which was 17.9%). Management indicated that EBITDA margins would expand over the remaining three quarters of FY18. Persistent has deferred wage hikes to Q3FY18 and Q4FY18 (as compared to its usual wage hike schedule which is Q2). Management guided that a portion of employees would get wage hikes effective October 2017 and the remaining would get effective January 2018.

**Exhibit 7: EBITDA Margins v/s Average exchange rate(USD v/s INR)**



Source: Company Data, PL Research

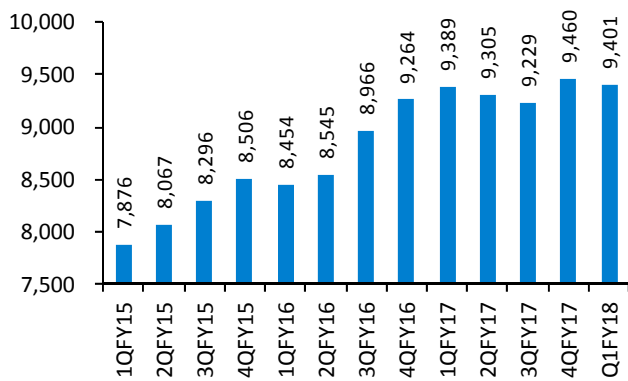
**Exhibit 8: EBIT Margins v/s Average exchange rate(USD v/s INR)**



Source: Company Data, PL Research

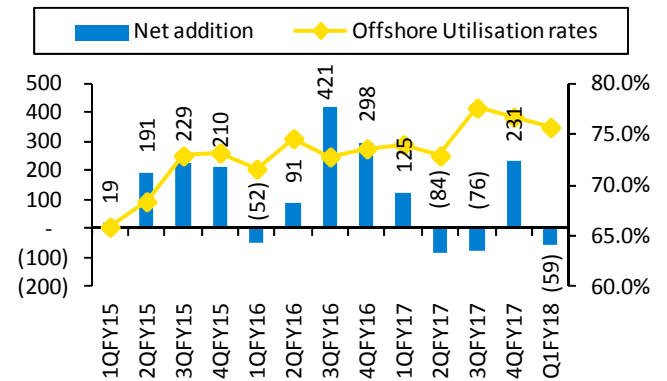
We note that Persistent has already used some operational levers. Headcount as on Q1FY18 at 9401 employees is almost stagnant on YoY basis as company has directionally moved offshore utilisation rates upward.

**Exhibit 9: Total Employee Headcount of Persistent**



Source: Company Data, PL Research

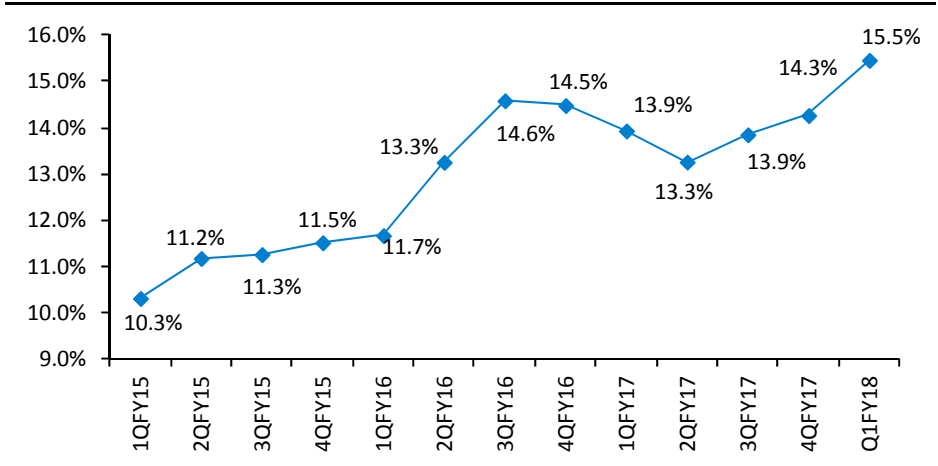
**Exhibit 10: Net Employee addition and offshore utilisation (%)**



Source: Company Data, PL Research

- Effort mix shift also weighs on margins:** On the business front, higher traction in Digital SBU appears to be increasing the onsite effort which could be a margin headwind. Effort from Onsite stood at 15.5% for Q1FY18 up 120bps QoQ and 160bps YoY. Based on management commentary, we believe some of the recent deal wins would also have higher initial onsite effort.

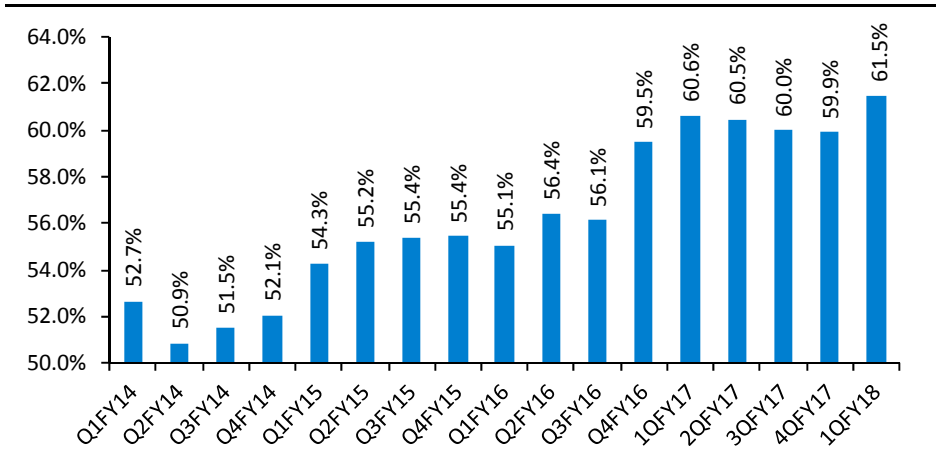
**Exhibit 11: Effort mix of Services Business**



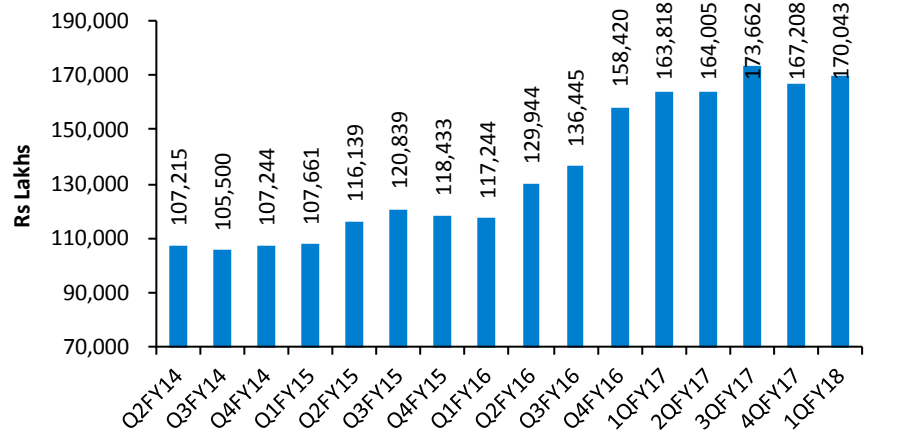
Source: Company Data; PL Research

We believe that margin recovery would only remain a gradual task considering the increase in onsite effort led by traction in Digital. We note that Persistent Systems has seen a strong increase in cost per employee led by higher onsite shift.

**Exhibit 12: Employee expense as a % of sales ( Technical Employees only)**

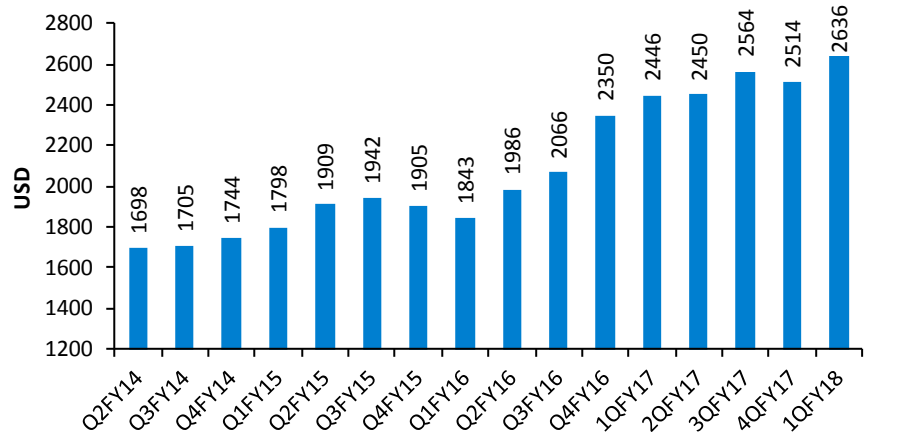


Source: Company Data, PL Research

**Exhibit 13: Salary Cost per Technical employee per month (Inr lakhs)**


Source: Company Data, PL Research

We note that the steady increase in salary cost per employee has been hurting the gross margin trajectory of Persistent. This increase in salary cost is being led onsite shift in the mix of business.

**Exhibit 14: Salary Cost per Technical employee per month (in USD)**


Source: Company Data, PL Research

“Some of that had to do with the fact that there was additions on the onsite setup so some of the newer projects that we got required some special skills that were added on those projects, that is why the onsite number has gone up and that also has had an impact on the effective margins that you get because there are some new projects that we are starting out with some key customers and that has added to the extra cost on the project.” – Dr. Anand Deshpande in Q1FY18 Conference Call

We note that most of the midcap IT companies have been showing margin erosion over the past few quarters. Barring Hexaware, all the mid-sized IT vendors have shown EBITDA margin erosion on a directional basis.

**Exhibit 15: EBITDA Margins of midcap IT vendors**

	1QFY15	2QFY15	3QFY15	4QFY15	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
Average Rate (USD v/s INR)	59.8	61	62.1	62.09	63.6	65.6	66	67.5	67.05	66.87	67.7	66.3	64.4
EBITDA Margin (%)													
Mindtree	20	19.8	20.5	19.5	17.6	18.5	17.7	17	14.7	12.5	13.4	14.2	11.1
Persistent	21.8	20.6	20.1	20.2	19.4	18.7	18.8	15.9	15.1	15.7	15.9	16.3	14.3
Hexaware ( Ex- ESOP costs)	16.6	18	19.9	18	18.2	19.2	16	15.4	16.1	18.2	17.8	17.5	17.5
Cyient	14.1	16.1	16.3	12.3	12.7	15.1	14.1	13	13.2	13.9	13.2	13.3	12.8
Zensar	13.6	15.2	14.7	15.4	15.5	15.7	15	12.9	14	14.2	13.9	9.4	10.3
Mphasis*	17.2	14.3	14.5	14.6	14	14.7	14	15.5	15.7	15.2	14.4	14	12.2*
NIIT Tech*	13.3	12.5	13	14.6	15.5	17.2	17.9	18.3	14.4	15	15.2	15.7	13.5
L&T Infotech*	NA	NA	NA	NA	NA	NA	NA	18.3	19.6	19	18.1	19	16.8
LT Technology Services	NA	NA	NA	NA	NA	15.9	19.7	18.1	21	19	18	16.5	15.3

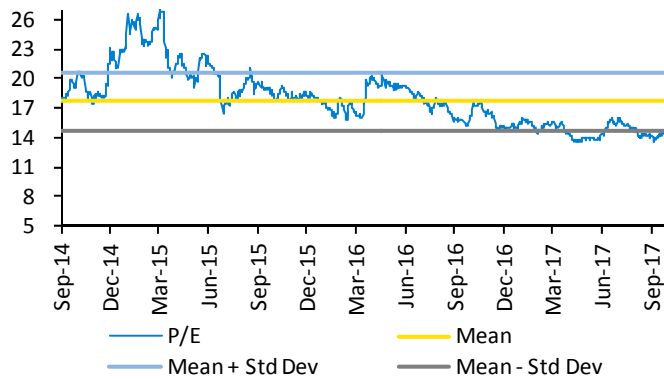
Source: Company Data, PL Research, Mphasis, NIIT Tech , LT Infotech EBITDA margins are calculated by excluding the hedge gain from topline.



### Valuation and View

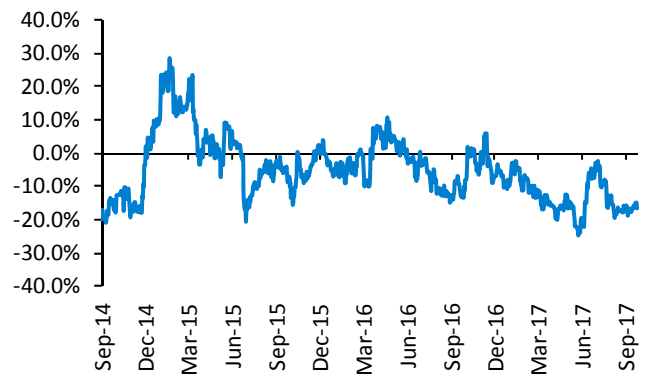
Persistent currently trades at 14.3x one year forward earnings. We note that the company was trading at 16/18.5x one year and two years ago, respectively. Persistent is trading at 17% discount to TCS on a one year forward basis.

**Exhibit 16: Persistent One-Year forward P/E**



Source: Company Data, PL Research

**Exhibit 17: Persistent v/s TCS one year forward P/E**



Source: Company Data, PL Research

**Exhibit 18: An overview of Persistent's operating metrics**

<b>Revenue by geography (%)</b>	<b>Q2FY16</b>	<b>Q3FY16</b>	<b>Q4FY16</b>	<b>Q1FY17</b>	<b>Q2FY17</b>	<b>Q3FY17</b>	<b>Q4FY17</b>	<b>1QFY18</b>
America	86.2	85.3	86.1	87.0	85.2	86.6	86.5	86.5
Europe	6.8	6.3	6.7	5.2	6.1	5.3	5.3	5.9
APAC	7.0	8.4	7.2	7.8	8.5	8.1	8.2	8.6
<b>Revenue by clients (%)</b>								
Top Client	17.6	17.4	25.4	29.0	28.4	29.5	26.5	27.9
Top 5 Clients	35.4	34.3	40.8	44.7	44.3	46.0	43.3	45.7
Top 10 Clients	44.7	44.1	49.6	52.7	52.8	54.6	52.4	55.2
Non Top 10 Clients	55.3	55.9	50.4	47.3	47.2	45.4	47.6	44.8
<b>Billing rates (USD/p.p.m)</b>								
Rest of the world	15,075	14,717	14,574	15,437	16,101	15,704	15,917	16,037
India	4,251	4,217	4,275	4,325	4,288	4,257	4,244	4,212
<b>Billed person months</b>								
Rest of the world	1,621	1,817	1,811	1,786	1,720	1,867	1,907	2,104
India	10,605	10,640	10,693	11,030	11,246	11,610	11,459	11,507
<b>TOTAL</b>	<b>12,226</b>	<b>12,457</b>	<b>12,504</b>	<b>12,816</b>	<b>12,966</b>	<b>13,478</b>	<b>13,366</b>	<b>13,366</b>
<b>Others</b>								
DSO Days	68	69	62	63	66	70	65	64

Source: Company Data, PL Research

## Financial Snapshot

**Exhibit 19: Persistent Financial snapshot**

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
<b>USD revenue (mn)</b>	<b>170</b>	<b>207</b>	<b>238</b>	<b>274</b>	<b>309</b>	<b>352</b>	<b>429</b>	<b>477</b>	<b>540</b>
<b>Growth (%)</b>	<b>33.7%</b>	<b>21.4%</b>	<b>15.1%</b>	<b>15.2%</b>	<b>12.6%</b>	<b>14.0%</b>	<b>22.0%</b>	<b>11.3%</b>	<b>13.1%</b>
Average Rate (USD v/s INR)	45.6	48.9	54.4	60.8	61.3	65.6	67.0	65.4	66.0
Fig in Rs mn									
Total Revenues	7,758	10,003	12,944	16,691	18,912	23,123	28,783	31,213	35,634
Growth (%)	29.1%	28.9%	29.4%	28.9%	13.3%	22.3%	24.5%	8.4%	14.2%
EBITDA	1,583	2,324	3,352	4,303	3,908	4,172	4,539	4,835	5,885
EBIT	1,159	1,713	2,569	3,277	2,930	3,207	3,050	3,263	4,301
PAT	1,396	1,418	1,876	2,494	2,869	2,974	3,014	3,298	3,811
<b>Margins</b>									
EBITDA Margin (%)	20.4%	23.2%	25.9%	25.8%	20.7%	18.0%	15.8%	15.5%	16.5%
EBIT Margins (%)	14.9%	17.1%	19.8%	19.6%	15.5%	13.9%	10.6%	10.5%	12.1%
PAT Margin (%)	18.0%	14.2%	14.5%	14.9%	15.2%	12.9%	10.5%	10.6%	10.7%
<b>Diluted EPS</b>	<b>17.4</b>	<b>17.7</b>	<b>23.5</b>	<b>31.2</b>	<b>36.3</b>	<b>37.2</b>	<b>37.7</b>	<b>41.2</b>	<b>47.6</b>
<b>EPS Growth</b>	<b>8.8%</b>	<b>1.6%</b>	<b>32.3%</b>	<b>32.9%</b>	<b>16.6%</b>	<b>2.3%</b>	<b>1.3%</b>	<b>9.4%</b>	<b>15.6%</b>
P/E	32.5	31.9	24.1	18.2	15.6	15.2	17.4	15.3	13.3
EV/EBITDA	25.4	26.5	18.7	12.4	9.4	10.1	11.1	9.8	8.7
<b>Consolidated Balance sheet (Rs mn)</b>									
Networth	7,471	8,405	10,183	12,223	14,055	16,393	18,992	21,416	24,218
Net Cash on Balance sheet	3,303	3,406	3,277	5,519	8,122	7,581	8,197	10,578	12,961
Net Cash per share	41	43	41	69	101	95	102	132	162
Net cash per share/ Stock Price	7.3%	7.5%	7.2%	12.2%	17.9%	16.7%	15.6%	20.9%	25.6%
<b>Consolidated Cash flows</b>									
Cash flow from Operations	1,575	1,437	2,163	2,809	3,114	2,540	2,863	3,858	3,942
Capex	972	1,507	1,135	613	957	1,966	2,158	1,328	1,400
Free Cash flow	604	(70)	1,028	2,196	2,157	574	706	2,530	2,542
FCF/EBITDA	38.1%	-3.0%	30.7%	51.0%	55.2%	13.8%	15.5%	52.3%	43.2%

Source: Company Data, PL Research

**Income Statement (Rs m)**

Y/e March	2016	2017	2018E	2019E
<b>Net Revenue</b>	<b>23,123</b>	<b>28,783</b>	<b>31,213</b>	<b>35,634</b>
Employee Cost	14,304	18,518	20,460	23,250
Gross Profit	8,819	10,266	10,753	12,384
Other Expenses	4,647	5,726	5,917	6,499
EBITDA	4,172	4,539	4,835	5,885
<b>Depr. &amp; Amortization</b>	<b>965</b>	<b>1,490</b>	<b>1,572</b>	<b>1,584</b>
Net Interest	—	—	—	—
Other Income	750	957	1,198	850
Profit before Tax	3,957	4,006	4,461	5,151
<b>Total Tax</b>	<b>983</b>	<b>992</b>	<b>1,163</b>	<b>1,339</b>
Profit after Tax	2,974	3,014	3,298	3,811
<b>Ex-Od items / Min. Int.</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Adj. PAT	2,974	3,014	3,298	3,811
<b>Avg. Shares O/S (m)</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>	<b>80.0</b>
<b>EPS (Rs.)</b>	<b>37.2</b>	<b>37.7</b>	<b>41.2</b>	<b>47.6</b>

**Cash Flow Abstract (Rs m)**

Y/e March	2016	2017	2018E	2019E
C/F from Operations	2,539	2,862	3,858	3,942
C/F from Investing	(1,161)	(2,202)	(605)	(550)
C/F from Financing	(1,258)	(576)	(866)	(1,002)
Inc. / Dec. in Cash	120	84	2,388	2,391
Opening Cash	996	1,401	1,479	3,859
Closing Cash	1,108	1,479	3,859	6,242

**Key Financial Metrics**

Y/e March	2016	2017	2018E	2019E
<b>Growth</b>				
Revenue (%)	22.3	24.5	8.4	14.2
EBITDA (%)	6.8	8.8	6.5	21.7
PAT (%)	2.3	1.3	9.4	15.6
EPS (%)	2.3	1.3	9.4	15.6
<b>Profitability</b>				
EBITDA Margin (%)	18.0	15.8	15.5	16.5
PAT Margin (%)	12.9	10.5	10.6	10.7
RoCE (%)	19.3	16.8	16.1	16.5
RoE (%)	19.5	17.0	16.3	16.7
<b>Balance Sheet</b>				
Net Debt : Equity	(0.5)	(0.4)	(0.5)	(0.5)
<b>Valuation</b>				
PER (x)	17.1	16.9	15.4	13.4
P / B (x)	3.1	2.7	2.4	2.1
EV / EBITDA (x)	10.4	9.4	8.4	6.5
EV / Sales (x)	1.9	1.5	1.3	1.1
<b>Earnings Quality</b>				
<b>Eff. Tax Rate</b>	<b>24.8</b>	<b>24.8</b>	<b>26.1</b>	<b>26.0</b>
Other Inc / PBT	18.9	23.9	26.8	16.5

Source: Company Data, PL Research.

**Balance Sheet Abstract (Rs m)**

Y/e March	2016	2017	2018E	2019E
Shareholder's Funds	16,393	18,992	21,416	24,218
Total Debt	151	298	298	298
Other Liabilities	—	—	—	—
<b>Total Liabilities</b>	<b>16,544</b>	<b>19,290</b>	<b>21,715</b>	<b>24,517</b>
Net Fixed Assets	4,386	5,408	5,164	4,980
Goodwill	1,963	1,367	1,507	1,647
Investments	—	—	—	—
Net Current Assets	9,962	12,208	14,728	17,566
<i>Cash &amp; Equivalents</i>	<i>7,608</i>	<i>8,349</i>	<i>10,730</i>	<i>13,113</i>
<i>Other Current Assets</i>	<i>6,875</i>	<i>8,031</i>	<i>8,708</i>	<i>9,635</i>
<i>Current Liabilities</i>	<i>4,521</i>	<i>4,172</i>	<i>4,709</i>	<i>5,182</i>
Other Assets	233	306	306	306
<b>Total Assets</b>	<b>16,544</b>	<b>19,290</b>	<b>21,715</b>	<b>24,517</b>

**Quarterly Financials (Rs m)**

Y/e March	Q2FY17	Q3FY17	Q4FY17	Q1FY18
<b>Net Revenue</b>	<b>7,040</b>	<b>7,455</b>	<b>7,271</b>	<b>7,280</b>
<b>EBITDA</b>	<b>1,108</b>	<b>1,186</b>	<b>1,188</b>	<b>1,044</b>
<i>% of revenue</i>	<i>15.7</i>	<i>15.9</i>	<i>16.3</i>	<i>14.3</i>
Depr. & Amortization	367	386	394	392
Net Interest	—	—	—	—
Other Income	243	318	142	368
<b>Profit before Tax</b>	<b>985</b>	<b>1,118</b>	<b>936</b>	<b>1,020</b>
Total Tax	250	299	209	269
<b>Profit after Tax</b>	<b>735</b>	<b>819</b>	<b>728</b>	<b>752</b>
<b>Adj. PAT</b>	<b>735</b>	<b>819</b>	<b>728</b>	<b>752</b>

**Key Operating Metrics**

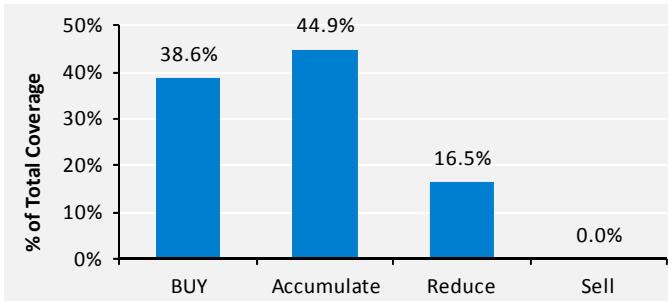
Y/e March	2016	2017	2018E	2019E
Revenue (US\$ mn)	352	429	477	540

Source: Company Data, PL Research.

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<b>Trading Sell</b>	:	Over 10% absolute decline in 1-month
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